
IMPORTANT NOTICE

This report is the third 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 2.0) published by the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences with reference to the practices of the Company.

Time horizon

Mainly cover calendar year 2012, 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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01 MESSAGE FROM THE CHAIRMAN

2012 is another fruitful year for China Gold International, and here, on behalf of the Board of Directors, I would like to thank the management and the entire staff, whose dedication and diligence contributes to our present accomplishment, and I also would like to express gratitude to shareholders and people from all walks of life, whose support is an motivation for China Gold International to grow into a top gold producer.

In the past year, our gold and copper resource and production continued to increase, and improved operational performance was achieved. Meanwhile, as a leader in harmonious mining, China Gold International has made new achievements in respect of its social responsibility.

Our mining activities as always have been made on the basis of “not sacrificing the ecological and social environment of whatever place”, and such a concept has been successfully integrated with our excellent operation and financial performance. With an emphasis over environmental protection, greening, harmonious development and technology innovation, we have been able to realize and maintain a win-win result between our company and communities where we are operate.

We have been strengthening safety training, improving overall safety performance and resolutely preventing the occurrence of serious accidents, since we believe that “those that have done a good job in safety and environmental protection will have the initiative for future development” and “every accident can be prevented”.

We have applied the highest standards to promote health, safety, environmental protection, social heritage and cultural preservation. It is our firm belief that environment is much more valuable than gold. As a result, we have invested considerable time, manpower and financial resources to improve, vegetate and beautify the environment in and around the areas where we operate. In the past three years, we have made great contribution to the local economic development and social harmony progress, also highly praised by the local



Chairman of the Board,
Executive Director

government and the community. The majority of our employees are recruited from local residents and ethnic minorities, and efforts are devoted to protect local social and cultural heritage. We have actively participated in community activities and facilitated the development of charity organizations.

As a dual listed company that is growing and making profit, we have been committed at all times to maximizing shareholder value and promoting the prosperity of communities where we are located. Therefore, we will continue to operate existing mines in an efficient manner and set a new production record. Meanwhile, we will actively push forward and strive to finish the expansion of existing mines as quickly as possible. We know that it is a challenging task as well as a glorious mission to build a world-class mining company. Here, I promise that the Board, the management and the entire staff will start with what have been accomplished in 2012 to strive for new accomplishments and an excellent performance in 2013.

Chairman of the Board, Executive Director
Zhaoxue Sun

02 MESSAGE FROM THE CEO

In 2012, China Gold International, on the basis of the newly launched "Twelfth Five-Year Plan", moved further forward and worked diligently to overcome various difficulties, accomplish production & operation targets, enhance basic management and international operation, and perform duties in respect of harmonious construction, health, safety and environmental protection, greening and landscaping of mine.

In 2012 we continued to adhere to the highest standards of promoting health, safety, greening and landscaping. China Gold International and its subsidiary mines received three management system certifications of Quality, Environmental Care and Occupational Health and Safety both in domestic and abroad. The management quality of subsidiary mines has been further improved.

We believe that "the companies which perform to the highest standards in safety and environmental protection will have the competitive advantage in future development" and "every accident can be prevented", so we dare not relax the attention to occupational health and safety, which is a lifeline for a mining enterprise. With the efforts of the entire staff, China Gold International, throughout 2012, recorded no accidents of serious injury or major incidents in respect of equipment, fire, traffic, environmental pollution or occupational disease.

We drastically improved greening and landscaping on our mines. This action was highly praised by local governments and land & resources authorities. Jiama Mine had passed the company's environmental greening and beautification work review with a score of 95.3. CSH Mine was elected for the pilot of "National Green Mines", establishing a good social image for the Company.

Our scientific and technological innovation capability has been further enhanced. CSH Mine has been constantly optimizing its crushing process and heap leaching and implemented six key technological improvements, with overall recovery up to a record high. Jiama Mine established a sound science & technology innovation mechanism, consolidated efforts for technological breakthroughs, strengthened cooperation with universities and research institutes, achieved interim results in the separation of Cu and Mo and the separation of Cu, Pb and Zn, and thus laid a foundation for better economic performance and Phase II capacity expansion. Besides, "Key Technologies for Efficient Mineral Extraction of Super-large Polymetallic Mines in Tibet", a program being incorporated into the state's Twelfth Five-Year Plan for Science and Technology, was launched and proceeding in an orderly manner, and "Innovative Geological Theories and Important Prospecting Breakthroughs in Tibet" was awarded the special prize of the National Award for Progress in Science & Technology, further demonstrating our strength in science and technology.

Collaborative development is always our principle. We are dedicated to building a mutual beneficial relationship with partners and in areas of ethnic minority, take win-win harmony as an ultimate goal and make efforts to blaze our trail of an innovative, reciprocal regime of mining in these areas. China Gold International has been vigorously promoting "local recruitment" to solve the employment problems of local families and increase their income. It has recruited a



CEO, Executive Director

considerable number of local workers to actively support and push forward local economic development. By the end of 2012, employees from ethnic minorities at CSH Mine and Jiama Mine were up to 13% and 38% respectively, effectively enabling local population to benefit from common development. In 2012, Jiama Mine was designated by the CPC Publicity Department, United Front Work Department and State Ethnic Affairs Commission as the Model Enterprise for National Unity Construction, and became a model business for harmonious development in Tibet and across the country.

In 2013, we will continue to adhere to the philosophy of "people-centric, employee-caring" and the guideline of "Always give priority to safety, focus on accident prevention, and establish a comprehensive control system", attach importance to and earnestly implement production safety management and routine inspection, work diligently as always for environmental protection, occupational health and framework construction, grasp the dangerous accidents management, actively promote the positive incentive of safety production, ensure no occurrence of major health, safety or environmental incidents or serious equipment, fire or traffic accidents, and safeguard the lifeline for our sustained development. We will further strengthen the geologic hazard assessment system, improve the slope and gob monitoring, disseminate social responsibility and provide safety training to subcontractors, and work harder to ensure production safety, so that we can honor the support of shareholders and all circles of the society.

We are fully aware that our past achievement is not only the result of the entire staff's hard work but also benefit from the vigorous support from our shareholders, directors, partners, subcontractors, local governments and communities. We will, as always, continue to maximize economic, social and environmental benefit, create greater value for stakeholders and strive to build a respectful world-class mining company.

CEO, Executive Director
Xin Song

03 SOCIAL RESPONSIBILITY PHILOSOPHY

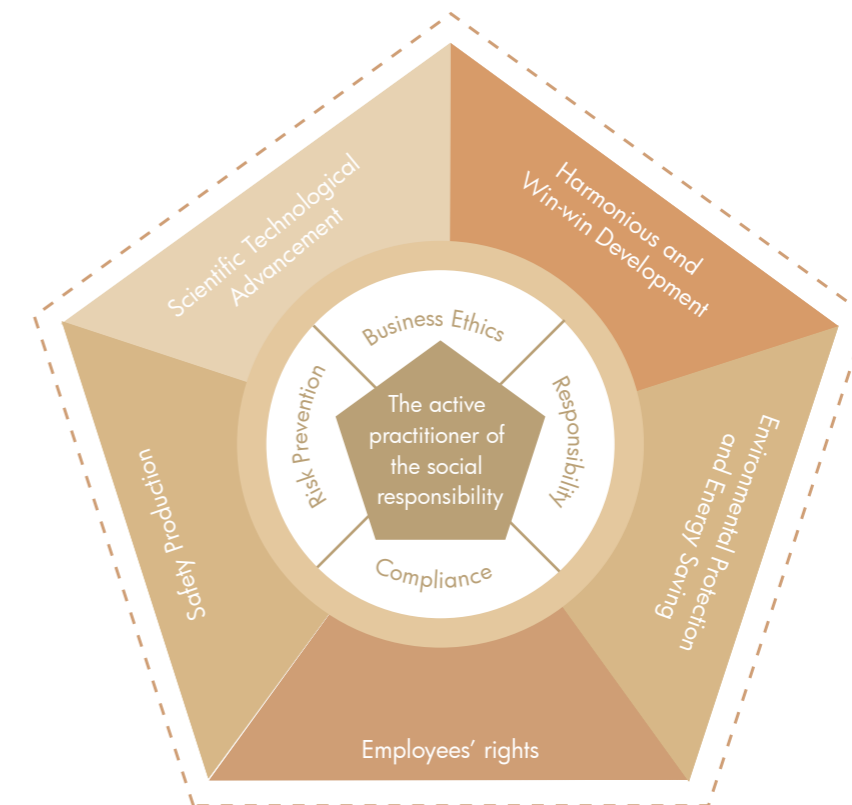
Social Responsibility Vision

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

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

Core responsibilities

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 2012	Completeness
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
	Enhance the control over premium resources, increase resource acquisition capability and promote capital operation.	B
Safety performance	Strengthen safety production, and build up a sound management model of safety production to cater for strategic transformation.	A
	Advance the safety standardization management system construction, effective monitor major hazard sources, and improve the emergency rescue system, aiming at zero fatality in safety production and minimizing the occurrence of other accidents.	A
	Strengthen the safety management information system and the safety education and training framework to continuously improve safety performance.	A
	Accelerate safety-oriented technological renovations in processes and equipment, strengthen R&D, and leverage technological innovations to achieve safety management.	A
Caring to employees	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
	Fulfill the responsibilities for employees, and gradually improve the compensation packages as planned.	A
	Assist the employees in need to overcome difficulties.	A
Environment performance	In respect of energy conservation and emission reduction, standardize fundamental management and target management, press forward monitoring, inspection and assessment to meet the preset goal.	A
	Increase environment investment, uplift innovation capability in environmental technologies, promote application of energy conservation technologies, and improve comprehensive utilization of renewable resources, aiming at the domestically leading and internationally advanced performance.	A
	Develop mineral resources in a scientific way, and improve comprehensive utilization of resources, recycling of remnant ore and reuse of wastes.	A
Social performance	Increase the support to public welfare, and help the impoverished areas through multiple means.	A
	Support community education, improve health survey and build up community infrastructure to achieve mutual development of the enterprise and the community.	A
	Increase local procurement and achieve employment localization to promote economic growth of the community.	A
	Observe business ethics and fight against commercial bribery to create a fair competitive market.	A

04 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 a 39% shareholder of China Gold International Resources Corp. Ltd.

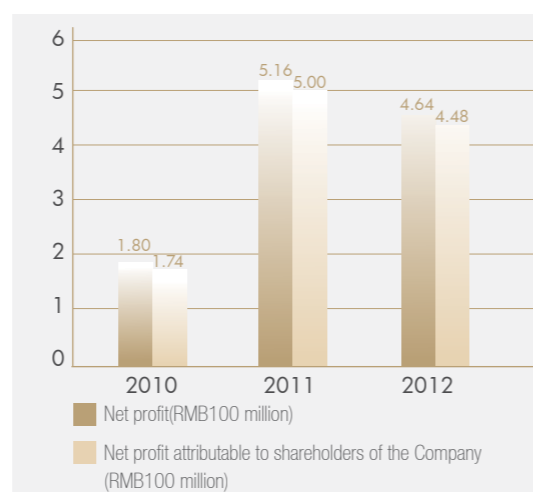
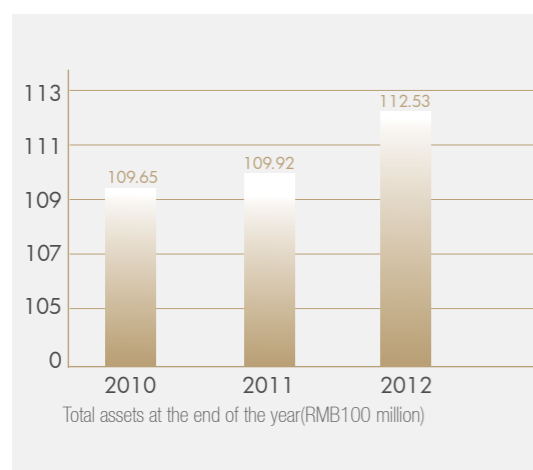
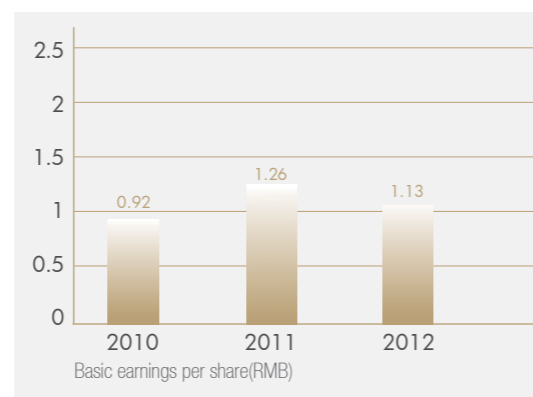
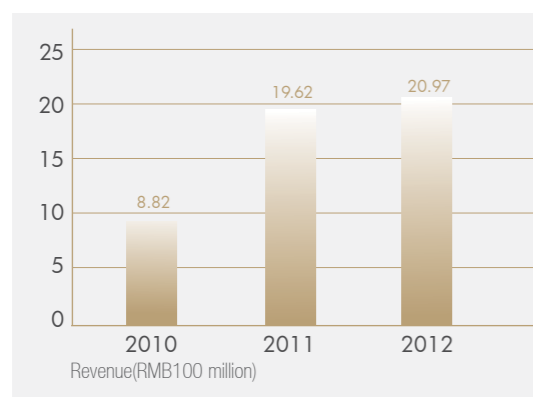
The Company's principal properties are the Chang Shan Hao Gold Mine ("CSH Gold Mine" or "CSH Mine" or "CSH"), located in Inner Mongolia, China and the Jiama Copper-Gold Polymetallic Mine ("Jiama Mine" or "Jiama"), located in Tibet, China. China Gold International holds 96.5% interest in the CSH Gold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

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

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

The Company's future development vision 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



05 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 production, energy conservation, emission reduction and environmental protection, compensation and benefits, occupational health, technological innovations and employees' interests, responsible for carrying out social responsibility work.

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

Organization structure



Specific safety management systems

In 2012, 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", "safety hazard monitoring & management", "safety accident management" and the like are added, and a standardized safety management system was gradually shaped and improved.



Specific environment management systems

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

Organizational management system The subsidiaries and branches are required to set up definite environmental administrative authorities, and establish corporate environmental management systems consisting of persons in charge of the subsidiaries, environmental management departments, heads of workshops and workshop environmental officers. By strengthening the leadership, addressing project implementation and funding and exercising strict monitoring and management, the systems are designed to improve self environmental management capabilities of the units, ensuring them to meet the emission reduction targets for major pollutants.

Statistic and monitoring system The subsidiaries and branches are required to staff dedicated environmental monitoring inspectors, formulate and implement the plans for regular monitoring of major and typical pollutants, ensure normal operations of pollutant treatment facilities, and establish the pollution source monitoring database.

Award and penalty system Within the subsidiaries and branches, various considerations including environmental management organizations and systems, archive management and treatment of major pollutants are included in performance assessment to build up and implement the environmental protection accountability system.

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

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

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	Expectation	Communication means	Key metrics
Governments	Chinese and local governments	Proactively implement the state's macro control, promote consolidation under the national industrial reviving plan, strengthen supervision on safety production, protect the environment	Plans and proposals, meetings, special reports, statistic statements and visits	Total tax, headcount
SASAC	An investor on behalf of the state	Achieve preservation and addition of state-owned assets, improve corporate governance, focus on principal business, uplift competitiveness, proactively implement the state's energy conservation and emission reduction policies, achieve green operations	Rules and regulations, business targets, assessment 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.



Zhaoxue Sun, Chairman of China Gold International, conducting an on-site visit to Jiama mine



Xin Song, CEO of China Gold International, conducting an on-site visit to adit exploration at Jiama mine

External communication

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



Zhang Qingli, vice chairman of the CPPCC, having a cordial conversation with staff of Huatailong



Bhai Mar Nawan, of the Tibetan Autonomous Region, visiting Jiama mine site



Huatailong's harmonious forest awarding ceremony



Participating Mongolian compatriots' Aobao Festival and wrestling activities

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 Recognition of China Gold International as of 2012

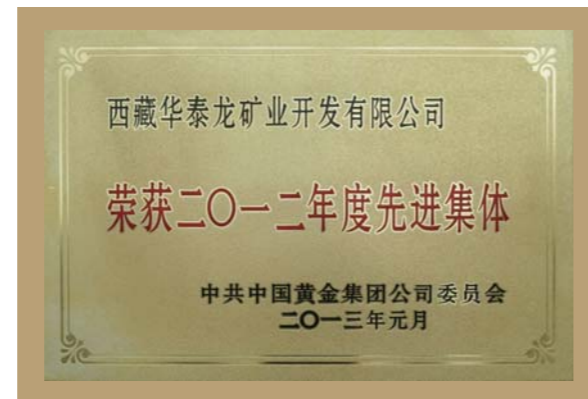
Winning unit	Year	Honors and recognitions	Granting body
China Gold International	-	The fastest growing company of Top 100 Public-Listed Companies in British Columbia	British Columbia, Canada
Huatailong (Jiama)	-	Best Development Award	China Mining 2009, Ministry of Land and Resources
Huatailong	2009	Advanced Unit	Party Committee of China National Gold Group Corporation
Huatailong	-	Home of Employees	Tibetan Federation of Trade Unions
Huatailong	2009	Unit of Excellent Labor Union Work Target	Lhasa Federation of Trade Unions
Huatailong	2009	Advanced Unit of News Propaganda for Gold Industry	China Gold News
Huatailong	2009	Home to Model Employees	Maizhokunggar Federation of Trade Unions
Huatailong	2009	Top 10 Deposit Exploration Achievements	Geological Society of China
Huatailong	-	One of the 29 bases for scientific and technological research	Ministry of Science and Technology, Ministry of Land and Resources
Huatailong	2009	Top 10 Science & Technology Advances	Chinese Academy of Geological Sciences
Huatailong	-	Unit of Youth Civilization	SOE Youth League Branch
Huatailong	-	National Model Home to Employees	All-China Federation of Trade Unions
Huatailong	-	Safe Enterprise	Government of Maizhokunggar County
Huatailong	2011	Advanced Unit of National Unity	General Office of Tibetan Work Safety Commission, Tibetan Work Safety Bureau
Huatailong	2011	Advanced Industrial Enterprise	Municipal government of Lhasa
Huatailong	-	Unit with Outstanding Contribution to Harmonious Mine Construction	Leading Group of Lhasa for Harmonious Mines
Huatailong	2011	Advanced Unit of National Unity	Lhasa Municipal Party Committee and government of Lhasa
Huatailong	2011	Unit with Excellent Labor Union Work	Lhasa Federation of Trade Unions
Huatailong	2012	Advanced Unit of National Unity	Tibetan Party Committee and people's government

Honors and Recognition of China Gold International as of 2012

Winning unit	Year	Honors and recognitions	Granting body
Huatailong	2011	Advanced Propaganda Unit for Gold Industry	China Gold News
Huatailong (5300 Party Branch)	-	Advanced Grassroots Party Organization for Seeking Excellence by SOEs	Leading Group of Tibet for Seeking Excellence by SOEs
Huatailong (5300 Party Branch)	-	Advanced Grassroots Party Organization for Seeking Excellence	SASAC Party Committee
Huatailong	-	Excellent Organization Award of the First China Gold Cup of Occupational Skill Contest of Gold Industry	China Gold Association
Huatailong	-	Model Enterprise for National Unity Construction	Propaganda Department, United Front Work Department and State Ethnic Affairs Commission
Huatailong	-	Advanced Unit of Ideological and Political Work of SOEs	SASAC Party Committee
Huatailong	-	Advanced Unit of Environmental Protection	People's government of Tibet
Huatailong	2012	Advanced Unit of National Unity in Maizhokunggar County	Party Committee and government of Maizhokunggar County
Huatailong	-	Advanced Stability Keeper	Tibetan Work Safety Commission
Inner Mongolia Pacific	-	Enterprise with a Profound Sense of Social Responsibility	Government of Inner Mongolia
Inner Mongolia Pacific	-	Enterprise with an Outstanding Contribution to Local Economic Development	Government of Urat Middle Banner
Inner Mongolia Pacific	-	Advanced Grassroots Labor Union	Federation of Trade Unions of Urat Middle Banner
Inner Mongolia Pacific	-	May 1 Labor Medal	Inner Mongolia Federation of Trade Unions
Inner Mongolia Pacific	-	Outstanding Contribution Award of the Pacific Mining Cup	Government of Urat Middle Banner
Inner Mongolia Pacific	-	Model Unit of Harmonious Labor Relationship	Tripartite meeting of Inner Mongolia for Labor Relationship Coordination
Inner Mongolia Pacific	-	Fight Flood Award	Government of Urat Middle Banner
Inner Mongolia Pacific	-	Advanced Anti-flood and Disaster Relief Unit of Bayannur	Municipal Government of Bayannur
Inner Mongolia Pacific	-	Advanced Unit for Promoting National Unity and Progress of Bayannur	Municipal Government of Bayannur
Inner Mongolia Pacific	-	Model of Professional Ethics Construction	Inner Mongolia Federation of Trade Unions
Inner Mongolia Pacific	2011	Outstanding Enterprise Contributing to Local Economic Development	People's Government of Wulatezhong Banner
Inner Mongolia Pacific	2011	Pioneering Collective of Primary Labor Union	Federation of Labor Unions of Wulatezhong Banner
Inner Mongolia Pacific	-	Standard Enterprise of Fundamental Management	China National Gold Group Corporation
Inner Mongolia Pacific	2011	Pioneering Collective	CPC Commission of China National Gold Group Corporation
Inner Mongolia Pacific	2011	Special Contribution Prize	China National Gold Group Corporation
Inner Mongolia Pacific	-	Pioneering Collective in Culture and Enterprise Growths	People's Government of Wulatezhong Banner
Inner Mongolia Pacific	2010	Pioneering Collective in Human Resources and Social Security Work	People's Government of Wulatezhong Banner

Honors and Recognition of China Gold International as of 2012

Winning unit	Year	Honors and recognitions	Granting body
Inner Mongolia Pacific	-	Pioneering Collective in Culture and Enterprise Growths for Safety Standardized Third Level Enterprises (Mines)	Production Safety Supervision and Administration Bureau of Inner Mongolia Autonomous Region
Inner Mongolia Pacific	2010	Top 10 Gold Mines in China	China Gold Association
Inner Mongolia Pacific	2010	Pioneering Collective in Human Resources and Social Security Work	People's Government of Wulatezhong Banner
Inner Mongolia Pacific	2009	Pioneering Collective	CPC Commission of China National Gold Group Corporation
Inner Mongolia Pacific	2008	Pioneering Enterprise in Technological Innovations	People's Government of Wulatezhong Banner



06 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 2012, the Company invested a total of RMB 39 million in tailings treatment, dust removal, sewage treatment, environmental monitoring and land reclamation. At new mines, environmental investment accounted for 14.5% 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.

The Company's two mines, being newly developed in recent years, both followed the principle of "high standard, high starting point and strict requirements" in mine construction, and adopted the cutting-edge equipment and technologies to achieve high efficiency of energy conservation and emission reduction. In 2012, the Company recorded 46.01 tons and 8.32 tons for chemical oxygen demand (COD) and sulfur dioxide emission, securing its leading positions in the domestic industry in terms of control over pollutant emission.

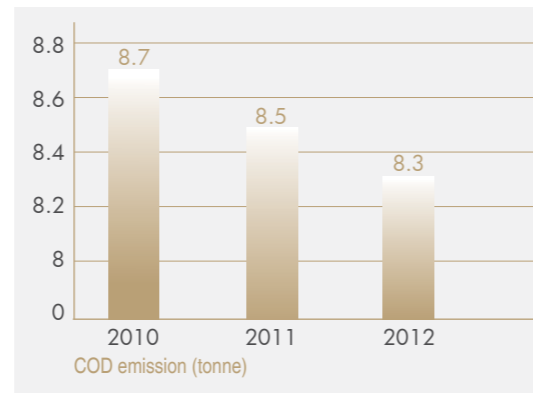
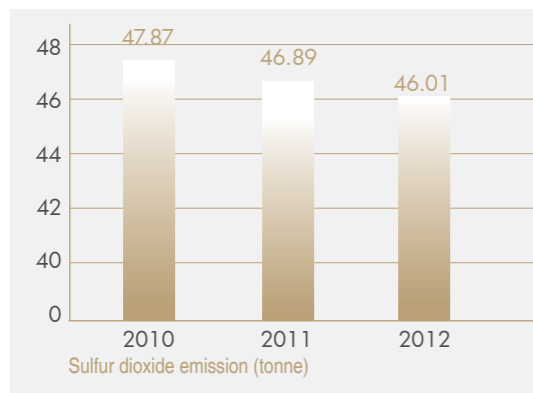


The beautiful scenery of Jiama mine site

Illustrative case

In 2012, CSH Smelting Factory made use of the dust remover of the idle lime loading station at the crushing workshop to tackle poor performance of the old dust recovery system, and renovated the dust recovery system of two IF furnaces. After such renovation, air volume was raised, dust recovery capacity was improved, and gold-containing materials were effectively recovered from the chamber to prevent their loss. With such modification, this system was capable to process and recover dust generated by two IF furnaces at the same time, and in seven and a half months of operation, it has been cleaned twice, obtaining dust of 240.3kg, gold about 3,695g and silver about 5,785g and creating an economic value of about RMB1.30 million. In the future, every year it is expected to reclaim gold of about 5,900g and silver of about 9,200g, with a direct economic worth at over RMB2.30 million. In addition to emission reduction and environmental protection, the aforesaid renovation will also bring forth a fair economic return.

Environmental performance of the Company in 2012



Widely application of advanced equipment and technologies

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



Modern manufacturing equipment

Awareness campaigns for energy conservation and emission reduction

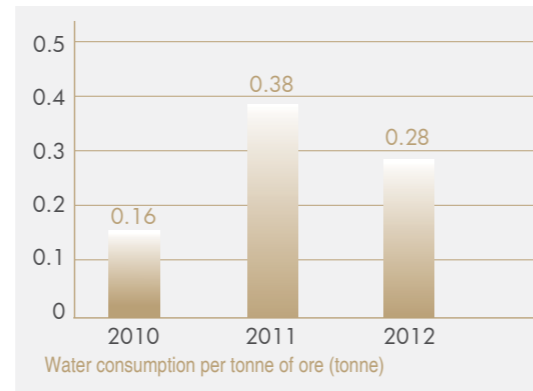
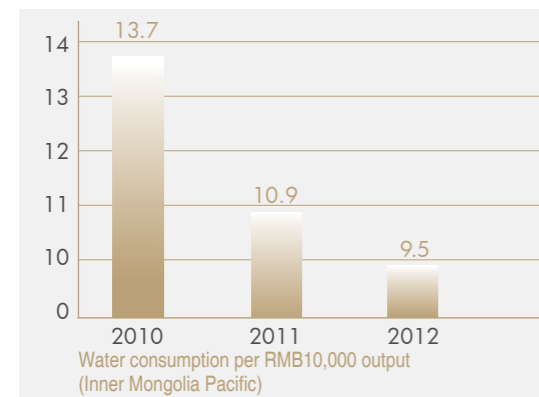
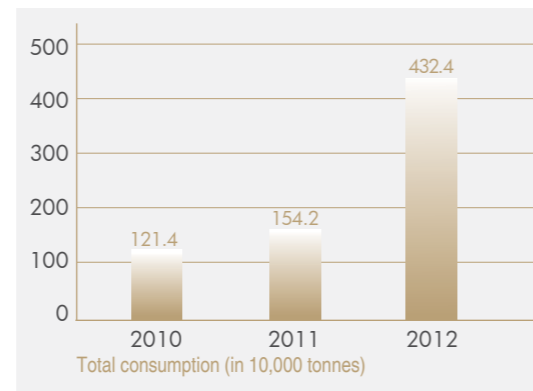
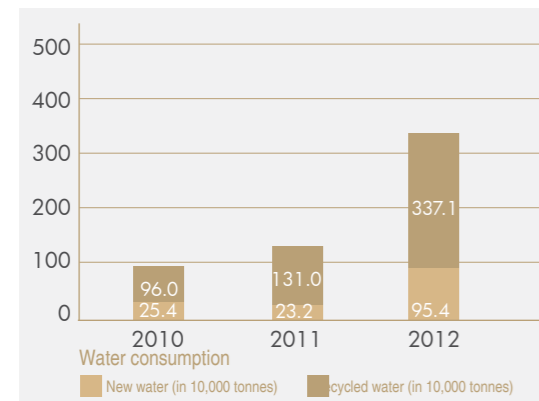
Responding to the energy conservation calls of the government and its parent, the Company staged the campaigns with the slogan of "Save our energy in a low-carbon lifestyle" in 2012, to carry forward the company-wide energy conservation goals. The practical energy conservation technologies including energy saving lamps and solar heating projects were earnestly promoted to materialize the Company's energy conservation and emission reduction resolution.

Illustrative case

Mining equipment is mostly driven by electric motor, which is characterized by high energy consumption. Converter is an important means to adjust speed and save energy. In 2012, Huatailong applied converter to fans and pumps at its workshops for crushing, floating-grinding, dewatering of concentrate and sand pressure filtration of tails, saving over 30% energy, and energy consumption was considerably reduced. Currently, a total of 71 motors have been provided with such converter, with capacity totaling 7,572KW, and they are expected to save 3.4KWH per day and 10.09 million KWH and more than RMB 6 million per year.

Recycling of Water Resource

In 2012, recycled water accounted for 77.95% of total water consumed in production.



Illustrative case

In 2012, Huatailong Dressing Plant made use of large water tanks to recycle 36m² and 45m² backwashing water, reducing the consumption of clean water, saving 2,700 m³ of clean water per month and 32,400m³ per year. In addition to water saving, the pressure of excessive water from the production process was also alleviated. Water for cooling the diaphragm pumps was recycled to be used as shaft seal for slurry pumps, and such renovation could save about 32 m³ per day and 12,000m³ per year.

Environmental Protection

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



Strengthened 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.

Environmental technology innovations

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

Illustrative case



As a typical low-grade gold mine, CSH developed mineral resources while attached importance to integrated utilization so as to make for better resource utilization and less biological damage. In 2012, technical breakthrough was launched for low-grade mining, with mining loss reduced to 2.45% and dilution lowered to about 3.68%, recovery from mining and dressing amounted to 92% and 52.71% respectively. Thus, resources were better utilized and corporate profitability was improved. Currently, CSH Mine is a model of low-grade gold resources development and utilization in China.

Green and environmental operations

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

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

Illustrative case

In order to protect water resource, Huatailong made a comprehensive survey and sampling of water bodies at its mines. With existing experiment conditions, it overcame various difficulties to achieve a number of technical breakthroughs and achievements in respect of water treatment. Such technical breakthroughs were utilized to build a water treatment workshop. In 2012, this workshop focused on technical breakthroughs in respect of slow-release sulfuration and iron displacement, and treated acid water with copper ion at 180mg/L, iron ion at 62 mg/L and manganese ion at 45mg/L, and obtained a fair result, with sponge copper at a grade of 26%, displacement rate at 88%, and discharge water only containing 0.3mg/L of copper ion, 2.4mg/L of iron ion and 0.8mg/L of manganese ion. Environmental protection and copper recovery were realized at the same time, generating significant social benefits.



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 adheres to "paralleled mining and reclamation" across the design and mining processes for mineral resource development, seeking to restore vegetation, prevent soil erosion and preserve biological diversity.

The Company strictly complied with the national environmental laws and regulations. The new investment projects recorded 100% fulfillment rate for both "environmental impact assessment" and the "three simultaneous" requirement, thus strengthening environmental management on new projects from the source. In 2012, a provision of RMB 1.2 million for reclamation costs was made in total. The Company has recorded no environmental pollution accident since its establishment.

Illustrative case



one section of CSH mine

To facilitate scientific mining design, efficient resource utilization, standardized corporate governance, eco-friendly production and green mind construction, Inner Mongolia Pacific Mining Co. Ltd. in 2012 formulated the plan for green mine construction as well as a series of rules and provisions in respect of environmental protection, production safety, environmental emergencies and biological environmental construction and the like, carried out production and operation in strict accordance with the Green Mine Pact enacted by China Mining Association, subjected green mine construction to relevant laws and regulations, and further promoted scientific, institutionalized and standardized mining management, with a fair result obtained. In 2012, CSH Mine of Inner Mongolia Pacific Mining Co. Ltd. was chosen for the pilot of "National Green Mines", establishing a good social image for the company.

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 2012, Inner Mongolia Pacific invested RMB5,431,800 in greening and landscaping, and throughout the year, planting a total of 2,941 arbors, with 88.5% surviving, about 6,350 clusters of shrubs, with 72.7% surviving, and about 28,000 m² of ground cover, with 82.6% surviving, about 80,000 m² of grass seed, with 95% surviving. Such greening and landscaping has significantly improve the neighboring environment and created a civilized, harmonious, healthy and environmentally friendly and charming environment for employees to live and work in.



View of Inner Mongolia Pacific

07 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.



China Gold International received three management system certifications of Quality, Environmental Care and Occupational Health and Safety

Safety Investment and Performance

In 2012, the Company invested a total of RMB 17.24 million in safety, focusing on onsite management and system construction, to ensure its safety production and operation. During 2012, the Company recorded zero fatality rate for million-tonne production, zero major equipment accident rate, zero major fire and explosion accident rate, and zero major traffic accident rate, demonstrating sound performance of safe and stable operations. Our safety production capability takes the lead in the gold industry in the PRC.

Fatality rate for million-tonne production	2012	2011	2010
China Gold International	0	0	0
China National Gold Group	—	0.15	0.15

Safety Supervision



Mechanical operation at Inner Mongolia Pacific Mining Corporation.

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

In 2012, the Company strictly implemented the leader on duty onsite system and the safety deposit system, and introduced management systems for identification of safety risk sources and analysis of near safety accidents, thus improving the Company's safety management framework.

Remuneration-linked	The number of fatal accidents and the death toll are linked to performance-based annual bonus of executives of the enterprises, 20% of which, upon final evaluation, are subject to the results of safety management assessment.
Administrative	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 2012, our special equipment inspection rate and qualified rate both reached 100%, sustaining the high level of safe operations.

Special equipment inspection rate



Special equipment inspection qualified rate



Illustrative case

Inner Mongolia Pacific decided its monthly subject of production safety work as the case may be and handled occupational health, safety and environmental protection in a well-targeted manner. In 2012, Safety and Environment Department organized 40 overhauls, 4 specific safety inspections in respect of explosive and dangerous chemical articles, flood control facilities and festival occasions, issued 44 safety inspection circulars, and distributed 25 notices of safety hazard rectification identifying 520 potential hazards. Safety and Environment Department timely tracked, supervised and reviewed the rectification, with potential safety hazards being 100% corrected. Throughout 2012, no death or major equipment, fire, explosion or traffic accident occurred.



Employee safety training held by Inner Mongolia Pacific

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



Foreign experts giving safety training at China Gold International.

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 2012, the Company recorded no loss or serious spill accident of explosives and hazardous chemicals.

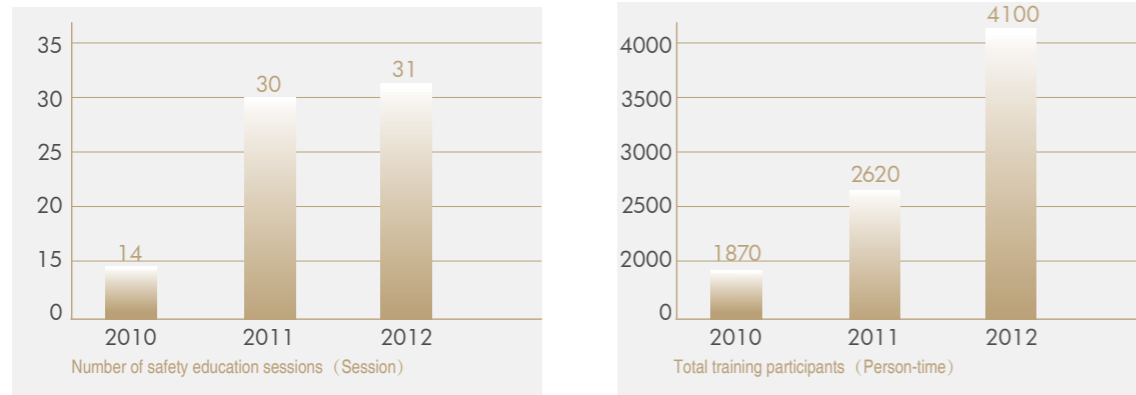
Safety Culture

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

In 2012, the Company and its subsidiaries carried out 31 safety education and training sessions, with total participants of 4,100 person-times. As at the end of 2012, the safety education and training rate for the Company's employees reached 100%.



Safety education and training rate for employees



Illustrative case

Inner Mongolia Pacific did a good job in fire prevention. In September 2012, it invited fire departments of Inner Mongolia Autonomous Region and Urat Middle Banner to provide special fire prevention training to its employees, and worked with the fire department and public security organ of Urat Middle Banner for a cross-region joint fire drill, obtaining a good result. According to estimate, in 2012, 3 trainings were offered to part-time firemen, totaling 205 person-times, plus 2 specific fire prevention propagandas and 2 emergency drills for NaCN leakage. Besides, 521 fire extinguishers were repaired or replaced and a new fire truck was put in place to strengthen fire prevention force.



Fire safety and drill training at Huatailong.

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 October 2012, Huatailong organized the first training class for more than 70 site safety officers from Huatailong and its subcontractors. The coach was the Deputy Director General of Bureau of Safety Work of Lhasa. These trainees all successfully completed the course and passed the examination, thus improving the safety management level of site safety officers.

Safety production management activities at Huatailong.



08 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.



Huatailong providing medical treatment for employees from external construction contractors

Profile of employees

At the end of 2011, the Company had a total of 1,271 employees, including 239 females and 346 ethnic minority employees. There were 148 employees at primary managerial positions and above, including 37 females.

	2012	2011	2010
Percentage of female employees	19%	21%	19%
Percentage of ethnic minority employees	27%	26%	23%

Protecting employees' interests

In strict compliance with national labor laws and regulations, we adhere to business ethics to strengthen the management on employment contracts, constantly improve the employment system, and pay full attention to the right to know of employees, so as to protect their legitimate rights and interests. In 2012, 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.

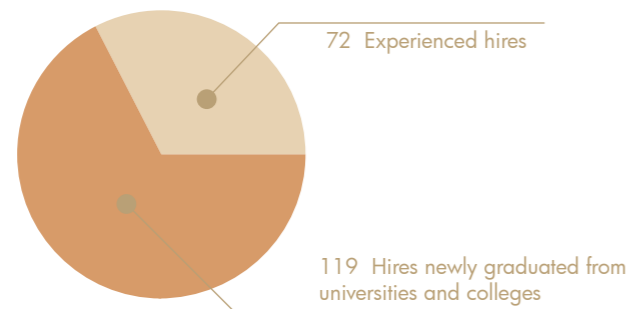
Employee's development

The company persists treating all the employees to the principles of "recruitment, training, hiring, motivating, cultivation, promotion". The company assists enhancing the overall employees' quality by carrying out multi-dimensional and multi-level training and providing equal opportunities for career development and diversified career path through the improvement of personnel selection and appointment mechanism. Meanwhile the company strengthens corporate culture so that employees can feel the warmth of the company, enhance their cohesion and achieve both development of enterprises and 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 2012, 191 persons were recruited by the Company through open recruitment, including 119 hires newly graduated from universities and colleges and 72 experienced hires.

2012 Recruitment Breakdown



Illustrative case

In 2012, in order to standardize human resource management, Huatailong divided its on-the-job employees into full-time junior college graduates, undergraduates, contract-based employees, agreed or temporary workers, technical secondary school students, Tibetans, aid workers, etc., and when health conditions or relevant provisions permit, those without signing or renewing their labor contract, were able to sign a labor contract or an agreement of employment on the basis of equality, free will and consensus. The emphasis was put on the temporary workers, proper employment agreements were signed, and personal accident insurance and work injury insurance were bought, with their rights and interests guaranteed.

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 2012, the Company provided training to employees of 2,341 person-times in aggregation.

For business and management personnel: We continued to establish the training development mechanism based on the competency model and covering three levels namely leaders, senior executives and talent reserve, while encouraging the executives of regional subsidiaries to participate in training in rotation.

For technical professionals: We focused on improving business capabilities and comprehensive quality of key technical professionals mainly in ecology, survey, mining and processing.

For skilled workers in production: We proactively carried out pre-service training for skilled workers in newly constructed projects, certification of professional skill levels and rotated training for team and group heads, thus effectively uplifting the overall quality and capability of employees.



Incentive and restraint mechanisms

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

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

The Company carries out professional title appraisals every year, 54 persons received professional titles at various levels in 2012.

Datasheet of professional title appraisals in 2012

Year	Engineering sciences			Social sciences			Political sciences		
	Senior	Intermediate	Primary	Senior	Intermediate	Primary	Senior	Intermediate	Primary
2012	3	4	44	0	0	3	0	1	1
2011	8	36	72	2	11	19	3	0	4
2010	9	79	50	0	1	12	2	0	2

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.

Illustrative case

On June 1 of 2012, Inner Mongolia Pacific offered for the first time an employee birthday dinner and provided every employee on his/her birthday a lovely present and a birthday card. Such a birthday dinner on the one hand indicates our care to employees, and on the other hand, makes employees feel at home and being concerned and valued. With efforts of these vigorous and passionate members, Inner Mongolia Pacific surely will grow and realize our common wish.



Birthday special lunch for employee at Inner Mongolia Pacific

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.



Attending Tibetan staff's wedding.

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 2012 the Company recorded zero instance of occupational disease cases, 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.



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.



09 TECHNOLOGY INNOVATION

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 2 scientific and technological achievements and undertook 4 scientific research programs in 2012, laying a technological foundation for sound and rapid corporate development.

Scientific research programs undertaken

No.	Huatailong	Name of task in feasibility study	Authorities	Note
1	Undertaker	Efficient Production Techniques of 6Mt /year for Super-large Polymetallic Mine in Tibet	Ministry of Science and Technology	National key technology support program under the 12th Five
2	Participant	Key Technical Research of Fine Ore Dressing for Super-large Polymetallic Mine in Tibet	Ministry of Science and Technology	National key technology support program under the 12th Five
3	Participant	Key Technical Research of Development & Utilization and Energy Saving & Emission Reduction of Super-large Polymetallic Mine in Tibet	Ministry of Science and Technology	National key technology support program under the 12th Five
4	Participant	Safety Safeguards for High-altitude Mining in Tibet	Ministry of Science and Technology	National key technology support program under the 12th Five
5	Undertaker	Low-grade Copper-Molybdenum Hornstone Dressing in Cold, High-altitude and Eco-fragile Areas	China National Gold Group	
6	Undertaker	Dressing Technical Research of Copper-Lead-Zinc-Molybdenum Recovery in Cold, High-altitude and Eco-fragile Areas	China National Gold Group	
7	Undertaker	Copper Lead Oxide Dressing in Cold, High-altitude and Eco-fragile Areas	China National Gold Group	
8	Undertaker	Underground Mine Ventilation under High Altitude and Oxygen Deficiency	China National Gold Group	
9	Undertaker	Priority Mining of Orebody under the Lean Orebody in High-altitude Areas	China National Gold Group	
10	Undertaker	The Application of Online Grade Analyzer to Site Selection	China National Gold Group	

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



Column leaching test at Inner Mongolia Pacific

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

Inner Mongolia Pacific has been actively strengthening loss and dilution management. In the process of loss and dilution control, first of all, sampling became more representative and timely, blast hole sampling was made on a 24-hour basis instead of during day shift, blast shift was put under strict control, and tight-face blasting was employed for the mine-rock boundary to reduce ore displacement, MingSight was used to delineate the mine, and the boundary was marked with lime and red banner, and loss and dilution was reduced. Meanwhile, ore removal was subject to 24-hour monitoring and tracking, and man-made loss and dilution in the course of loading was timely rectified.



Research and development personnel of Inner Mongolia Pacific

Separation of polymetallic ore

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

Illustrative case

In 2012, Huatailong (Tibet) made interim breakthroughs for copper-molybdenum separation. Subject to separate backwater recycling, a small experiment was made on pulp samples that are used to produce copper concentrate (containing 0.4% molybdenum), and closed-circuit experiment of copper-molybdenum separation obtained a sound result, with molybdenum concentrate having a grade at 49.96% and recovery at 70.28%, and copper concentrate having a grade at 21.08% and recovery at 99.97%. The technique and experiment for effective separation of copper, molybdenum, lead and zinc were unanimously recognized by the expert panel, and polymetallic ore separation and dressing obtained some interim results.

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.



Central control room of Inner Mongolia Pacific

10 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 2012, four Board meetings, four Audit Committee meetings, one Nominating and Corporate Governance Committee meeting, one Compensation and Benefits Committee meeting, two Health, Safety and Environmental Committee meetings and three meetings of the Independent Directors were held.

Attendance by the directors at the Board and Board Committee meetings in 2012:

Attendance record for the Board and Board Committee meetings during the Financial Year	Board meetings	Audit Committee meetings	Nominating and Corporate Governance Committee meeting	Compensation and Benefits Committee meeting	Health, Safety and Environmental Committee meeting	Meeting of the Independent Directors
Executive Directors						
Zhaoxue Sun (Chairman)	3/4	N/A	N/A	N/A	N/A	N/A
Xin Song	4/4	N/A	N/A	N/A	N/A	N/A
Zhanming Wu	4/4	N/A	N/A	N/A	N/A	N/A
Xiangdong Jiang	4/4	N/A	N/A	N/A	N/A	N/A
Non-Executive Directors						
Bing Liu	4/4	N/A	N/A	N/A	N/A	N/A
Independent Non-Executive Directors						
Ian He	4/4	4/4	1/1	1/1	2/2	3/3
Yunfei Chen	4/4	4/4	1/1	1/1	2/2	2/3
Gregory Hall	4/4	4/4	1/1	1/1	2/2	3/3
John King Burns	4/4	3/4	1/1	1/1	2/2	3/3



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 Interim Provisions on Review of Contracts of Subsidiaries and other measures. In 2012, the headquarters recorded a 100% contract execution rate, and the subsidiaries also recorded a 100% major contract execution rate.

Legal education

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



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 2012, the Company has prepared internal audit reports for five years in a row, all indicating that there is no weakness in all material aspects.



Anti-corruption and anti-commercial bribery

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

Probity and self-disciplined education

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 2012, 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 production, expansion, operational, corporate, management and strategic issues. The information mainly includes: 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 2012, the Company issued a total of 68 announcements and press releases.



Investor relations

Based on its successful initial public offering in Hong Kong, the Company made active and candid communications on an ongoing basis in 2012 with investors and analysts through investor presentations, press conferences, industry conferences, trading and non-trading road shows and reverse road shows for investors, seeking to fully showcase its growth potential to investors. The efforts were positively appreciated by our investors.

Dividend policy

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

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

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

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 2012, sales revenue from the top five customers of the Company totaled RMB 2.161 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 2012 amounted to RMB 234 million, of which RMB 29 million or 12% was procurement under social responsibility.

Unit: million	2012	2011	2010
Total procurement of materials	2.34	5.61	3.25
Including: Procurement under social responsibility	0.29	0.68	0.52
Percentage of procurement under social responsibility	12%	12%	16%

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

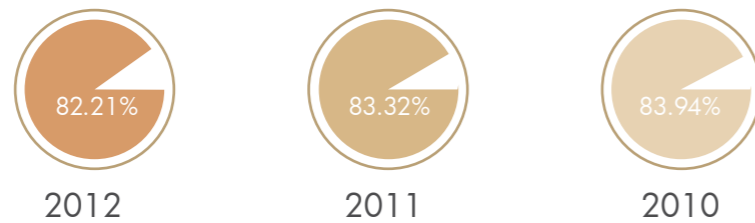
Inner Mongolia Pacific insists on using homemade equipment. When equipment quality and effectiveness is ensured, it purchases homemade machinery so as to save expenses and promote the development of domestic manufacturers and realize win-win cooperation. As is estimated, in 2012, HP800 cone crushers, barren solution pumps, pregnant solution pumps and 250KW motors for C160 jaw crushers were all domestic-made, saving a total of RMB 4.84 million.

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 2012, the debt repayable to the top five creditors accounted for 82.21% of the total debt.

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

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



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 October 2012, Huatailong launched the "Tibetan Language Training", aiming to improve employees' proficiency in Tibetan and promote exchange and communication between Tibetan and Han employees and local residents. This training is an important part of efforts to learn Tibetan language, traditions and customs. The class was given once every two weeks and Tibetan employees, including Kalsang Choephei, Tsering Dekyi, Dekyi Yangzom and Tsering Choezom, taught Tibetan language, local traditions and customs as well as corporate practice of national unity and harmonious construction. Party members took the lead and aroused the passion for Tibetan language, traditions and customs.



Employees of Huatailong, communicating with the local people

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

In October 2012, a 15-person delegation from Xichang Mining Co., Ltd, a subsidiary of Chongqing Iron & Steel (Group) Co., Ltd, accompanied by relevant personnel, paid a visit to Huatailong to find out its production safety, operation & management and Party construction. The delegation went to 5300 Party Branch, the observatory at Tongqian Mountain, 4450 North Adit, transport area of China Railway 17 Bureau, Jiama Industry & Trading Company, and also visited the floating-grinding workshop, machining workshop, and material supply department to hear the introduction of mining, construction management, safety and environmental protection, harmonious construction, win-win for enterprise and local economy, which was highly praised by the delegation.

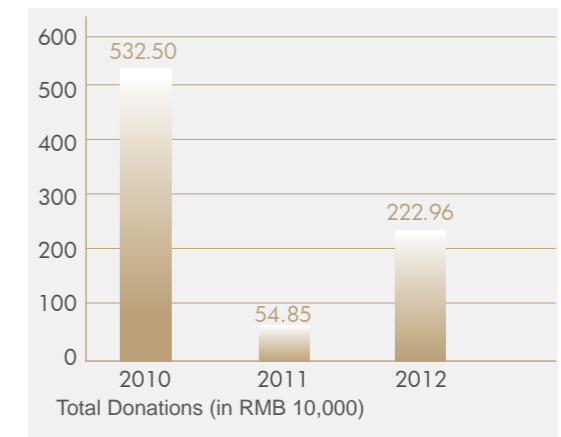
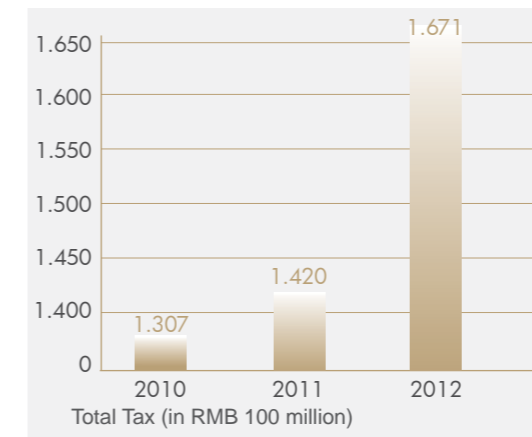


Receiving visitors

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 2012, the Company donated a total of RMB 2.23 million, mainly for supporting local infrastructure, helping impoverished families and students and other programs. In 2012, the Company offered assistances to 410 persons from impoverished families and students.



Illustrative case



Inner Mongolia Pacific made charitable donations

In July 2012, a rare rainstorm struck the prairie of Urat Middle Banner, Bayannur, Inner Mongolia, causing huge personal and property loss. Inner Mongolia Pacific rushed to provide aids to the disaster area, since tradition has it that when a person is in trouble, those around will help. It worked with the government of Urat Middle Banner to jointly sponsor the disaster-relief performance and donation. Inner Mongolia Pacific donated RMB one

million on the spot, and its employees donated RMB59,600. The Chairman of the Political Consultative Conference of Urat Middle Banner expressed gratitude and homage for such generous and responsible deed, and the company also received recognition from local governments and people.

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 2012, the Company paid total tax of RMB167.1 million.

Employment localization: The Company recruited and arranged employment for a lot of local labor in Tibet and Inner Mongolia, two ethnic minority areas, which actively supported and promoted local economic development. As at the end of 2011, ethnic minority employees accounted for 13% and 38% respectively in the CSH Mine and Jiama Mine.

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

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

Illustrative case



Tibet new year gifts to local people

Three years ago, Huatailong established Jiama Industry & Trading Co., Ltd, with 3,850 herdsmen from 655 households across Jiama Town becoming shareholders (in total holding 49% shares), and 53 employees are all local Tibetans, with a monthly average income around RMB4,000. Through construction, transportation, ore processing, greening, environmental protection and other labor cooperation, as of 2012, three dividend distributions had been made, with RMB3,832 per family. In 2012,

Huatailong continued to offer solid and practical benefits, supported Jiama Industry & Trading to expand business, established a sandstone factory, reconstructed greenhouses, and obtained additional revenue for Jiama Industry & Trading, and dividend distributed in 2012 with 1.18 million was up 10%. Huatailong also provided aids to local five-guaranteed and impoverished households and paid routine visit when there was any local celebration or festival, receiving praise and support from local government and people and contributing a favorable environment for harmonious construction.

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

Adhering to "employment localization", Huatailong has been actively solving the employment of neighboring Tibetan families, and now, it has trained and recruited more than 280 Tibetan university students, security staffs, drivers and operators, accounting for 38% of its entire staff. Average personal income amounts to RMB 45,000 per year, and 17 students sent to Northeastern University and 50 Tibetan youngsters sent for technical training in inland schools have completed their studies successively and returned, becoming the technical backbone. 80 persons are recruited from Jiama Town for Phase II construction, and they have passed the examination held by the social security Bureau of Maizhokunggar County and are about to undergo a series of occupational education & training. Besides, it is estimated that, from January to October 2012, Huatailong and its subcontractors had employed 21,363 temporary workers from local residents, paying them a total of RMB 1,287,400, effectively increasing the income of local population.



Employment Guidance for young people of Jiama county

Appendix: Social Responsibility Indicator Family for China Gold International

	Unit: RMB	2012	2011	2010
Environmental protection and energy conservation				
Environmental investment (including tailings treatment, dust removal, sewage treatment, environmental monitoring and land reclamation)	RMB100 million	0.39	2.03	2.55
Percentage of environmental investment in total investment of newly constructed mines	%	14.49	35.10	10.55
COD (chemical oxygen demand) emission	tonne	8.32	8.5	8.7
Sulfur dioxide emission	tonne	46.01	46.89	42.83
Comprehensive energy consumption per tonne for mineral processing (Huatailong)??	KWh	54.79	38.83	38.83
Total water consumption	10000 tonnes	432.4	154.2	121.4
Including: New water	10000 tonnes	95.4	23.2	25.4
Recycled water	10000 tonnes	337.1	130.9	96.0
Water consumption per RMB10,000 output	tonne	9.53	10.97	13.7
Water consumption per tonne of ore	tonne	0.28	0.38	0.163
Provision for reclamation costs	RMB10000	120	1401	120
Number of environmental pollution accidents	Number of times	0	0	0
Safety production				
Safety investment	RMB10000	1724	840	1211
Death toll of employees in production	Person	0	0	0
Fatality rate for million-tonne production	Person/million tonnes	0	0	0
Major equipment accidents	Number of times	0	0	0
Major fire and explosion accidents	Number of times	0	0	0
Major traffic accidents	Number of times	0	0	0
Special equipment inspection rate	%	100	100	100
Special equipment inspection qualified rate	%	100	100	100
Loss accidents of explosives and hazardous chemicals	Number of times	0	0	0
Serious spill accidents of explosives and hazardous chemicals	Number of times	0	0	0
Safety education and training sessions	Session	31	30	14
Safety education and training participants	Person-time	4100	2620	1870
Safety education and training rate for employees	%	100	100	100

	Unit: RMB	2012	2011	2010
Employees' interests				
Total employees	Person	1271	1148	1004
Female employees	Person	239	237	194
Ethnic minority employees	Person	346	297	231
Employees at primary managerial positions and above	Person	148	140	111
Including: Female employees	Person	37	33	31
Employment contract signing ratio	%	100	100	100
Employee social insurance coverage ratio	%	100	100	100
Annual recruits through open recruitment	Person	191	251	296
Including: Hires newly graduated from universities and colleges	Person	72	62	43
Experienced hires	Person	119	189	253
Total training participants	Person-time	2341	1341	1483
Annual promotions in professional titles	Person	68	38	147
Annual promotions to expert-level senior engineers	Person	2	13	11
Occupational disease cases at year end	Instance	0	0	0
Additional occupational disease cases in the year	Instance	0	0	0
Technology progress				
Scientific and technological achievements	Program	2	1	1
Scientific research programs undertaken	Program	10	4	4
Harmonious win-win				
Total tax	RMB10000	16710	14200	13070
Contract execution rate for the headquarters	%	100	100	100
Contract execution rate for subsidiaries	%	100	100	100
Amount of internal audit in 2011 (Jiama project of Huatailong in Tibet)	RMB100 million		6.12	4.49
Sales revenue from the top five customers	RMB100 million	21.61	20.54	10.01
Percentage of sales revenue from the top five customers in total revenue	%	100	100	100%
Total procurement of materials	RMB100 million	2.34	5.61	3.25
Including: Procurement under social responsibility	RMB100 million	0.29	0.68	0.52
Percentage of procurement under social responsibility	%	10.57	12	16
Percentage of debt repayable to the top five creditors in total debt	%	82.21	83.32	83.94
Total donation	RMB10000	222.96	54.85	532.5
Assistances to impoverished families and students	Person-time	410	198	181

Rating Report on Corporate Social Responsibility Report for 2012 of China Gold International Resources Corp. Ltd.

We, the Rating Panel for Corporate Social Responsibility Report for 2012 of China Gold International Resources Corp. Ltd. comprising experts from the Chinese Expert Committee on CSR Report Rating, refer to the engagement by China Gold International Resources Corp. Ltd. (the "Company") for rating of the Corporate Social Responsibility Report for 2012 of China Gold International Resources Corp. Ltd. (the "Report") by the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences.

I. Basis of Rating

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

II. Rating Conclusion

Completeness (★★★★☆)

Good in terms of completeness, as the Report systematically disclosed key indicators in aspects of "Responsibility management", "Environmental protection and energy conservation", "Safety production", "Employees' interests", "Technology innovation", and "Harmonious win-win" and covered 62.50% of core indicators for general mining industry.

Relevance (★★★★)

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

Balance (★★★)

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

Comparability (★★★★★)

VERY GOOD in terms of vertical comparability, as the Report disclosed historical data of 63 multiple key performance indicators in the past 3 years, yet without horizontally comparable data of the peers.

Readability (★★★★☆)

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

Innovativeness (★★★★☆)

The Report highlights company's social responsibility issues selection process, strictly follow the PDCA rule – plan, do check, action, thus facilitating information communication and improving the quality of the Report to a certain extent.

Overall rating (★★★★)

Based on its evaluation, the rating panel gives a four-star rating to the Corporate Social Responsibility Report for 2012 of China Gold International Resources Corp. Ltd., confirming its excellence as a corporate social responsibility report.

III. Recommendation on Improvements

1. Increase the coverage of core indicators for general mining industry.
2. Disclosure more negative operating indicators, increases the balance of the report.

IV. Rating Panel

Head:

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

Members: Senior manager of the Shanghai Stock Exchange Jinzhong Yang

Vice professor at the College of Economics and Business Administration of North China University of Technology Xiuli Wei

 Huagang Peng Vice President Member of the NPC Standing Committee Director, Economics Division, Chinese Academy of Social Sciences	 Hongwu Zhong Head of Rating Panel Director, the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences
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FEEDBACK FORM

Dear readers:

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

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

- (1) Does it give a complete and accurate view of the status of Company's corporate social responsibility work? ()
- (2) Does it address and disclose the issues of concern of the stakeholders? ()
- (3) Does it disclose clearly organized, accurate and complete information and data? ()
- (4) How about its readability, namely the logic of main line, content structuring, wording and layout design? ()

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

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

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

If convenient, please leave your contact information.

Name: _____ Occupation: _____
 Employer: _____ Contact address: _____
 Postcode: _____ Email: _____
 Tel: _____ Fax: _____

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