Take the historical opportunity to develop the world bullion market

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1. Development of China gold industry playing an important role to the healthy development of the world gold industry

(1) Chinese gold mining guarantee the steady supply of world gold.

1. Gold output won the champion for 8 consecutive years.
   • In 2007, output of Chinese gold is 270.5 ton. In 2014, the output is 451.8 ton. Increased 1.67 times comparing to 2007. the total output for past 8 years is 2851.32 ton.

2. Gold reserves is the world’s second
   • Since 2009, Chinese gold reserves keep increasing. Successfully breakthrough 7000 ton, 8000 ton, 9000 ton. Till the end of 2014, the gold reserves reach 9816.03 ton, the world’s second

3. Science and technical innovation of gold achieve new results
   • Most refining technology is reach international standards, especially in find mining, mining, utilization of resources made lots of breakthrough.

4. The capability of gold industry is keep improving
   • The Chinese gold industry chain is becoming better and stronger
(2) Chinese gold consumption is crucial for the world gold

Gold consumption has sustainable growth

- In 2013, Chinese gold consumption is over 1000 ton, for the first time surpass Indian and become the biggest gold consumption country in the world. In 2014, gold consumption is 886.09 ton, but China still the biggest gold consumption country.
- The dropping of gold consumption is because the second quarter of 2013, gold price drop rapidly. Same year the gold consumption rate increased rapidly. Increased 6.48% comparing to 2012.

2. Gold consumption market has great potential

- In 2014, Chinese domestic total output value is 63.646 trillion RMB, increased 7.4%, second biggest Economic entity around the world. 1.3 billion people’s purchasing ability is huge, which make China become more important in world market.

3. Promote RMB “international” and promote gold consumption

- Develop gold manufacture, increase gold reserve, improve gold market, promote gold consumption, and “gold held by people” play a crucial role to increase RMB “gold content”

4. Support of the government guarantee the development of Chinese gold industry

(3) Chinese gold market is a positive factor for the world bullion exchange

1. Gold market exchange is very dynamic

- China has established a functional, varied gold market system and the fast growing gold market around the world. Playing more and more important influence in gold market.

2. Actively promote product innovation

- China is speed up the process of legislation of gold market, actively develop gold products in the currency of RMB. Plentiful of trades, steadily expand the market, further improve gold market system, have a healthy development of the gold market.
2015 is a good year for Chinese Gold Industry

- From January to April, Chinese gold output is 153.827 ton, increased 17.7% comparing to the same period of last year. Accumulated trading amount of Shanghai Gold Exchange is 10865.14 ton, increased 151.89%. Accumulated trading amount of Shanghai Futures Exchange is 6394.00 ton, reduced 1.13%. In first quarter, China gold consumption is 326.68 ton, increased 1.14%

2. International communication and cooperation of Chinese gold industry is keep increasing

- The development of China and the development of the world are depending on each other. After the reform and opening-up policy, China is opening to the outside world, trade and finance all integrate with the whole world economic system.
- As the world biggest developing country, China playing more and more important role in the world economic field.
- The development of Chinese gold industry these years is very fast, not only because the attention and support of the Chinese government, but also merge and communication of China and world gold industry under the context of globalization.
(1) Main domestic gold enterprises “go abroad” is accelerating, resources development have great achievements

- Zijin mining purchased ZGC Co., Ltd., Jilau, Tarot Gold, Kyrgyz Gold
- China gold Congo copper lead zinc mine project. Kyrgyzstan kourou—Jie Gai Lie Ke copper and gold mine project entered the construction phase.
- May 8, China gold and Rusia Polar gold company signed gold and nonferrous metals resources development cooperation agreement outline.
- Lingbao Gold Company Limited invested Kyrgyzstan gold mine project has a steady progress.
- Hunan gold explored and cooperated with Rusia, Kazakhstan gold mine enterprises, established stable resources supply relationship.

(2) Chinese “One Belt One Road” strategic will bring new opportunity to the development of the industry

1. “One Belt One Road” the area contains abundant gold resources

- Including Russia, Uzbekistan, Kazakhstan, Inner Mongolia have abundant gold resources. The total gold reserves is about 18,000 ton, 34.62% among world total reserves.
- In 2014, neighbour countries’ gold output is 914.8 ton. 29.2% of world gold output.
- 6 gold mines out of the 20 biggest mines around the world are locate in this area. The top two gold mines are the Muruntau of Uzbekistan and Grasberg gold mine of Indonesia, yearly output is 61 ton and 35.2 ton.

2. “One Belt One Road” high gold demand of neighbour countries and active trading

- Except China and India, the two traditional gold consumption country, turkey, Saudi Arabia, Iran, etc. “one belt one road” neighbour countries is also the important gold demander.
- 80% of the gold manufacturing is in this area. Usage amount of gold is 2400 ton. Usage of gold jewelry is reach 2200 ton, which is 90% around the world.
- “one Belt one Road ” The following gold exchange markets are also important around the world, Shanghai, Hongdong, Singapore, Dubai, Bombay, Istanbul, etc.

3. Gold industry in “One Belt One Road” has great cooperation opportunity and space

- The advantage of technology, equipment, capital, human resource of Chinese gold industry and “one belt one road” neighbour countries’ gold resources, huge market potential are all complementary.
- In May, China Gold Association held “2015 Gold Enterprises scientific Development Forum”, twelve big gold enterprises and gold mines discussed “one belt one road” strategy.
(3) Communication and cooperation between China and foreign gold industry become more close

<table>
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<tr>
<th>World gold council</th>
<th>Argentina Mining ministry</th>
<th>Canada mining and Petroleum metallurgy association</th>
<th>Russia gold and producer alliance</th>
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<td>“2014 China International Gold Meeting”, signed《strategic cooperation agreement》, in September 2014</td>
<td>China Gold Association and Argentina Planning Ministry, public investment, service bureau signed《mining investment and cooperation draft agreement》in Beijing on Feb.5, 2015</td>
<td>Signed《Memorandum of Understanding》in May</td>
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China gold association is the only national association of gold industry and highest level “5A national grade social organization”. Principle is “service government, service industry, service enterprises, service society” and dedicates to promote gold industry communication and cooperation home and abroad. Promote the mutual benefits of gold enterprises and the health development of world gold industry.
Thank you!