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## **Hengxing Gold Holding Company Limited**

### **恒興黃金控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 2303)**

## **Operational Updates of Gold Mountain Mine for the Second Quarter of 2019**

This is a voluntary announcement made by Hengxing Gold Holding Company Limited (“Hengxing Gold” or the “Company”, including its subsidiaries, the “Group”).

The board (the “Board”) of directors (“Directors”) of the Company announces the operational updates for the second quarter of 2019 of its Gold Mountain Mine (as defined in the prospectus dated 19 May 2014 of the Company). Gold Mountain Mine is a gold mine, wholly owned and operated by Xinjiang Gold Mountain Mining Co., Ltd (新疆金川礦業有限公司) (“Jinchuan Mining”), an indirect wholly-owned subsidiary of the Company established in China.

Based on the unaudited operational data of the Group and information currently available to the Company, Gold Mountain Mine produced 19,982 ounces (equivalent to approximately 621.5 kg) of gold, decreased approximately 27% compared to the second quarter of 2018. The all-in sustaining cost was RMB161/gram (equivalent to US\$731/oz based on the exchange rate of RMB6.8747/USD as at 30 June 2019), 6% higher than RMB151/gram from the same period last year.

The production details are illustrated below.

THREE MONTHS ENDED 30 JUNE      SIX MONTHS ENDED 30 JUNE

		2019	2018	2019	2018
	Unit				
Ore Mined	Kt	1,433	1,661	2,340	2,747
Waste Stripped	Kt	4,626	6,500	6,480	13,600

Ore Processed	Kt	2,146	1,926	3,284	3,032
<i>Newly mined ore</i>	Kt	1,646	1,926	2,559	3,032
<i>Ore in the existing pad</i>	Kt	500	-	725	-
Feed-in Grade		0.67	0.82	0.64	0.77
<i>Newly mined ore</i>	g/t	0.77	0.82	0.72	0.77
<i>Ore in the existing pad (Note 1)</i>	g/t	0.35	-	0.35	-
Gold Produced	ounces	19,982	27,534	35,511	48,432

*Note 1: Use High pressure grind roller to reprocess the ore in the existing leaching pad whose final size larger than 4.5mm.*

As explained in the announcement dated on 27 June 2019, the main reasons for the decline in gold production in the second quarter of 2019 were due to a lower mining grade, which is due to the ore mainly comes from the lower grade areas in the Jingxi-Balake pit and Yelmand pit. However, in line with the mining plan, the grade for newly mined ore has increased to 0.77g/t 22% higher than 0.63g/t from the first quarter of 2019.

The Company will update shareholders and potential investors from time to time on the status of production, technical upgrade and exploration progress.

*This announcement is made based on the Board's preliminary review of the unaudited operational data of the Group and the information currently available to the Board, and it is not based on any figures and information which have been audited or reviewed by the Group's auditors. The references to the gold production, gold price or unit operating cash cost do not constitute, represent or indicate the full picture of the Group's total revenue or financial performance and the information contained in this announcement may be subject to change and adjustment.*

*Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Company's securities.*

By order of the Board  
**Hengxing Gold Holding Company Limited**  
**KE Xiping**  
*Chairman*

Hong Kong, 1 August 2019

*As at the date of this announcement, the executive directors of the Company are Mr. KE Xiping, Ms. YANG Yifang (Lydia Yang), Mr. CHEN, David Yu and Mr. KE Jiaqi, the non-executive director of the Company is Mr. Albert Fook Lau HO and the independent non-executive directors of the Company are Ms. WONG, Yan Ki Angel, Dr. Tim SUN and Dr. PAN Guocheng.*