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罕王
HANKING

CHINA HANKING HOLDINGS LIMITED

中國罕王控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 03788)

INSIDE INFORMATION

HANKING GOLD JORC RESOURCE INCREASED BY APPROXIMATELY 51% AND RESERVE INCREASED BY APPROXIMATELY 48%

This announcement is made by China Hanking Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that Hanking Gold Mining Pty Ltd (“**Hanking Gold**”), a subsidiary of the Company, has increased its JORC Code resource by approximately 50.96% and JORC Code 2012¹ reserve by approximately 48.09%.

The major increases in resource and reserve were achieved by Hanking Gold, together with its contractors and independent consultants, through successful exploration programs, interpretation of the new and existing geological data, and feasibility studies at the Yilgarn Star, Copperhead, Cornishman and Edward’s Find North gold projects over the last six months. The total JORC Code resource of Hanking Gold has been increased to approximately 35.42 million tons at 4.1 g/t for 4.63 million ounces of gold and reserve increased to approximately 9.56 million tons at 3.3 g/t for 1.01 million ounces (production depleted to 30 June 2016) in accordance with JORC Code 2012 (Table 1 and Table 2).

¹ “JORC Code” refers to the Australasian Code for Mineral Resources and Ore Reserves Reporting of Exploration Results; “2012” refers to the edition of 2012.

YILGARN STAR JORC CODE RESOURCE AND RESERVE

The Yilgarn Star gold project is located at approximately 20 kilometers southeast of Hanking Gold's Marvel Loch Processing Plant along exiting haul road. Gold mineralisation at Yilgarn Star occurs along and near the northwest-southeast trending Yilgarn Star Shear Zone and extends over 3 kilometers in strike length. Gold occurs in lodes hosted by pyrrhotite-rich and potassium-altered mafics, ultramafics and banded iron formations. This major regional shear zone is also host to several other significant gold deposits in the Southern Cross region (Figure 1). The Yilgarn Star deposit was discovered in 1990 and about 1.09 million ounces of gold was produced when the mine was closed in 2003. It was the third largest gold mine in the region. This resource estimate was made based on data from 3,477 drill holes by previous owners as well as drilling completed by Hanking Gold from April 2016 to June 2016. The drilling by Hanking Gold extended the strike length of the Yilgarn Star gold deposit to 3 kilometers long (Figure 2). After the depletion of past production, at a cut-off grade of 2.5 g/t, the total remaining in situ resource is estimated at 5.139 million tons at 6.1 g/t for 1.006 million ounces of gold (Table 1). It should be noted that, apart from the central part of the deposit, where the gold mineralization is known extending to a depth of 1,000 meters from surface, the majority of the 3 kilometers strike length was only drilled to 200 meters from surface (Figure 2), demonstrating potential for further resource increase.

Following its successful exploration program and subsequent JORC Code resource estimate, Hanking Gold carried out a feasibility study on the Yilgarn Star gold project and estimated an initial open pit reserve of 1.547 million tons at 2.9 g/t for 144 thousand ounces of gold and initial underground reserve of 0.896 million tons at 4.7 g/t for 134 thousand ounces of gold in accordance with JORC Code 2012 (Table 2 and Figure 3). It should be noted that, given the limited time available, of the 0.867 million ounces of measured and indicated resources at Yilgarn Star, only a small portion has been converted to reserve, further study is under way to convert more measured and indicated resources into reserves. Gold price of AUD\$1,600 (Australian dollars) per ounce and actual mining and production costs at Hanking Gold were used in all the JORC reserve estimate in this announcement.

COPPERHEAD (BULFINCH) JORC CODE RESOURCE

Copperhead (Bulfinch) is located 35 kilometers north of the Southern Cross region (Figure 1). Underground mining commenced at Copperhead in 1910 and was of relatively small scale up to 1940. Gold mineralisation at Copperhead is associated with multiple, 340° oriented ductile shear zones, varying in width up to 10 meters wide, including the Northern Series and Southern Series lodes (Figure 3). West Mining Corporation recommenced operations in the 1950's and developed the mine to a depth of 670 meters below surface, primarily mining the North Lode Series (Figure 3), underground mining ceased in 1963. Open pit mining of remnant resources commenced in 1984 and ceased production in 2000, a total of 1.5 million ounces of gold was produced, making it second only to the Marvel Loch gold mine in the Southern Cross Greenstone Belt. St Barbara carried out a drilling program during 2010-2011 and intersected 22.33 meters grading 7.62 g/t from 785 meters on the southern series lodes. Following a recent program completed in June 2016, Hanking Gold engaged Brian Fitzpatrick of Cube Consulting for a JORC resource estimate in accordance with JORC code

2012. The resource is estimated at 3.53 million tons at 5.2 g/t for 590,439 ounces of gold (Table 1). The resource is reported at a cut-off grade of 3 g/t and on a remaining and in-situ basis, past production has been depleted from the estimate. It should be noted that appropriately 90% of the resource is in the indicated category. Study is under way to convert the resource to reserve. Also the deep holes indicate gold mineralization extends up to 1 kilometer deep from surface and remains open (Figure 3).

EDWARD'S FIND NORTH – RESOURCE AND RESERVE

Edward's Find gold deposit is located 14 kilometers south-west of Marvel Loch and it was discovered by a local farmer, namely Mr. F.W. Edward, in 1929. This high-grade gold mine produced about 560,000 tons ores at 8.3 g/t between 1931 and 1993. Edward's Find North gold deposit is located 2 kilometers north of the Edwards Find gold mine along the same mineralized structure. Edward's Find North was discovered in the early 1990s and subsequently drilled by various owners and have never been mined. The JORC resource of the Edward's Find North gold deposit was estimated based on data from 15,558 meters reverse circulation hole and diamond drilling in 229 holes. Hanking Gold has completed a feasibility study and an open-pit reserve of 28,000 ounces of gold from 327,000 tons at a diluted grade of 2.7 g/t was estimated in accordance with JORC Code 2012 (Table 2 and Figure 4).

CORNISHMAN – UNDERGROUND RESERVE

The Cornishman gold deposit is part of the Axehandle-Cornishman mineralized structure system. Through successful exploration programs, Hanking Gold increased the JORC Code resource at Cornishman from 17,000 ounces gold at acquisition in 2013 to 343,000 ounces of gold in 2014 and Axehandle resource from 120,000 ounces to 301,000 ounces in 2015. Following the successful open pit mining at Cornishman, while ramping up open pit mining at Axehandle. Hanking Gold has completed a feasibility study for underground mining at Cornishman. Cornishman underground mine is designed to entry from the north wall of the Cornishman Central pit (Figure 5). A total of 65,000 ounces of underground reserve in 473,000 tons of ore at a diluted grade of 4.3 g/t was estimated in the first stage of the plan. This makes the current reserve for the Axehandle-Cornishman to 282,000 ounces of gold (Table 2).

COMPETENT PERSONS

Competent persons as defined in JORC Code 2012 in this announcement are included at the bottom of Table 1 for resource and Table 2 for reserve.

As summarized above, the total JORC Code resource of Hanking Gold has been increased to 35.42 million tons at 4.1 g/t for 4.63 million ounces gold from 26.35 million tons at 3.6 g/t for 3.067 million ounces, representing an increase of 50.96%; and reserve increased to 9.56 million tons at 3.3 g/t for 1.01 million ounces from 6.696 million tons at 3.2 g/t for 0.682 million ounces gold, an increase of 48.09%, from the last update.

Commenting on this major resource and reserve update, Dr. Yumin Qiu, the executive Director, and president and chief executive officer of Hanking Gold said that, “we have nearly doubled our JORC Code resource over three years and grown our reserve from zero to more than 1 million ounces of gold. This is a fantastic testimony to our team’s capacity in creating values for shareholders through exploration, feasibility studies, mine development and operations. We have now built high-grade long life gold operations with well-established infrastructure in the highly prospective and under-explored Southern Cross Greenstone Belt, on track to become Australia’s next middle-tie gold producer”.

Hanking Gold mined 68,501 ounces gold in the first half of 2016, and is currently ramping up its open pit mining at Axehandle and its underground mine at Nevoria. With 3 million ounces of gold in Measured and Indicated high-grade JORC Code resources and more than 1 million ounces gold in high-grade JORC Code reserve, based on the Hanking Gold’s feasibility studies, Hanking Gold targets to produce an average 162,000 ounces of gold per year over the next seven years.

Dr. Pan Guocheng, the executive Director, president and chief executive officer of the Company expressed that, “the successful adding resource extension and reserve conversion near our existing facility has again demonstrated the team’s capacity for growth in Australia. The Group will continue to support value creation exploration and expand gold production”.

Figure 1 – Gold deposits of Hanking Gold’s SXO Gold Project

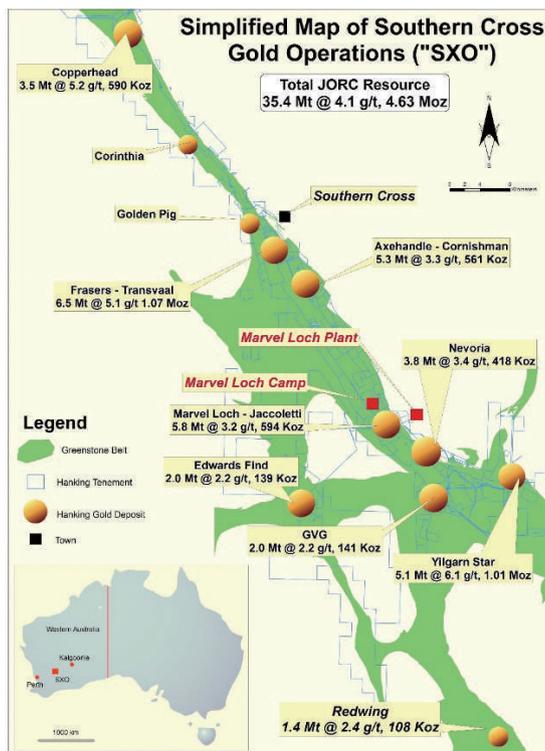


Figure 2 – Long-section map of the Yilgarn Star Gold Project

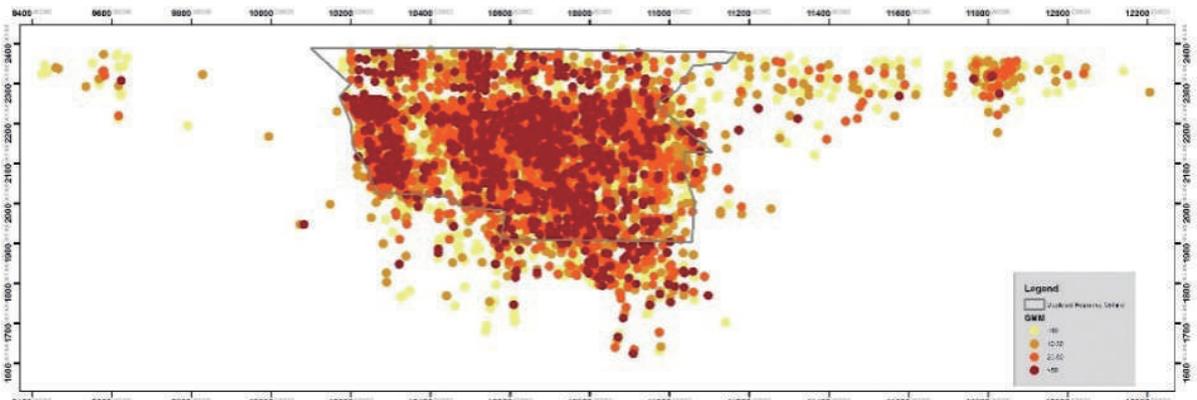


Figure 3 – Yilgarn Star Gold Project Open-pit and Underground Development and mine design

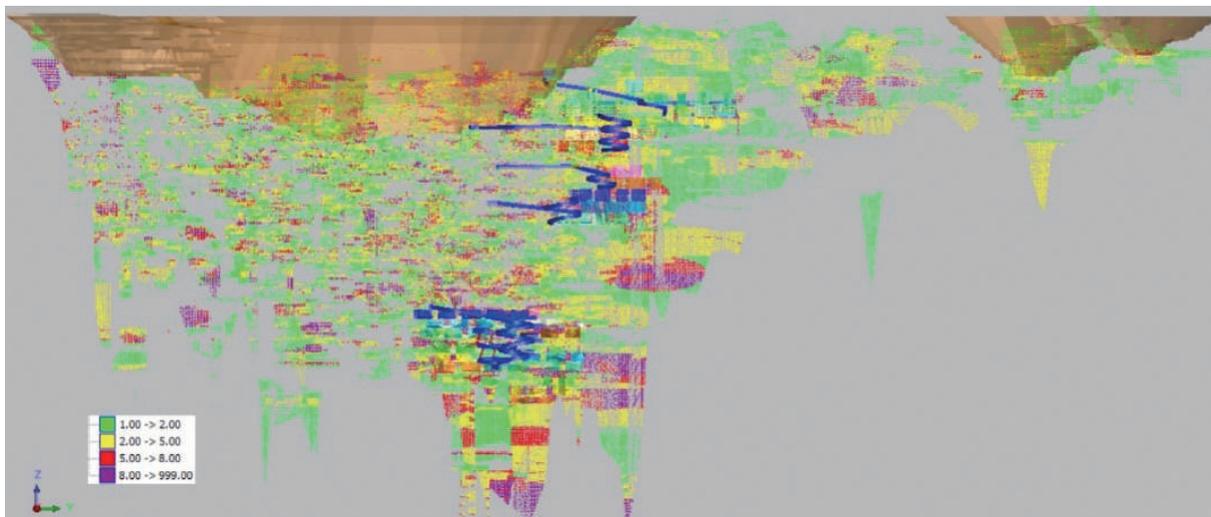


Figure 4 – Geological Map of the Copperhead (Bulfinch) Gold Project

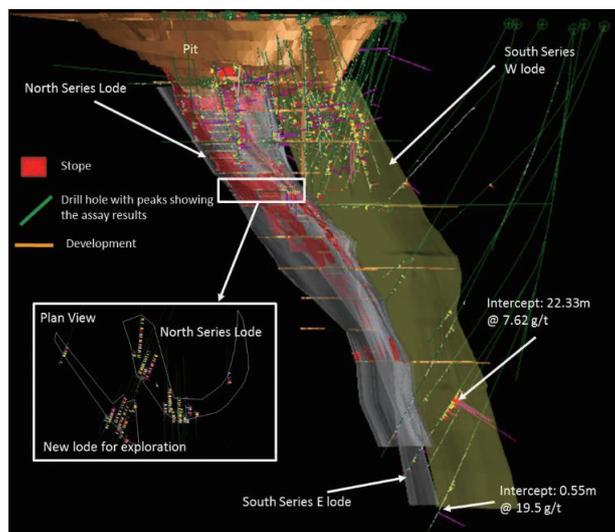


Figure 5 – Open-pit design of the Edward’s Find North gold deposit

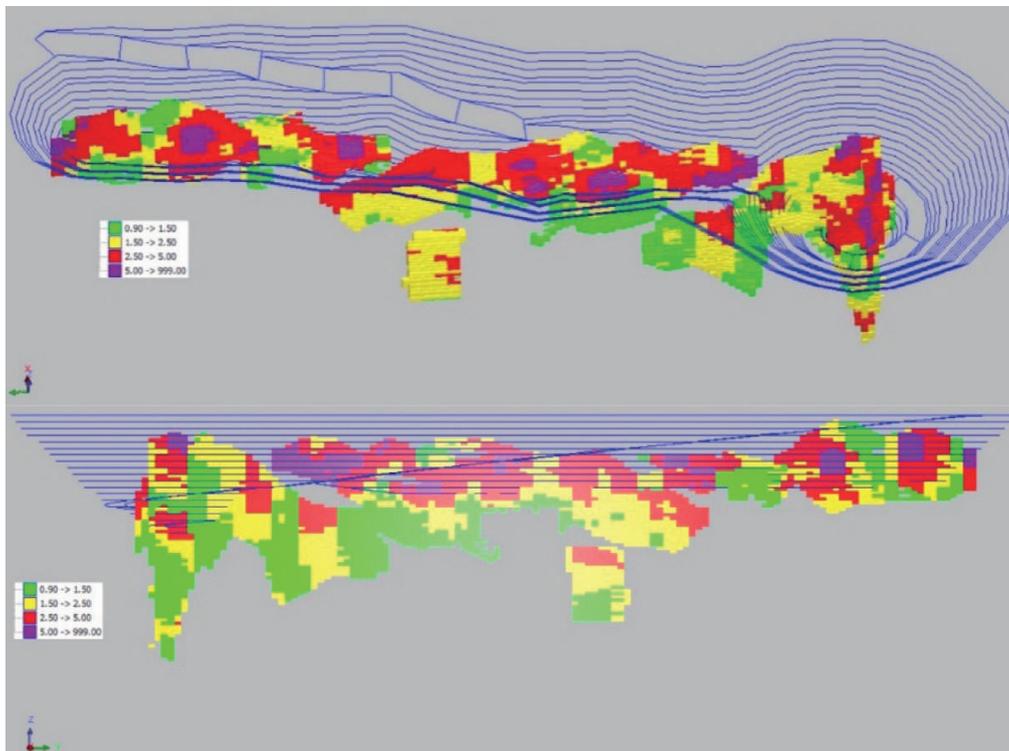


Figure 6 – Underground Design of the Cornishman Central gold deposit

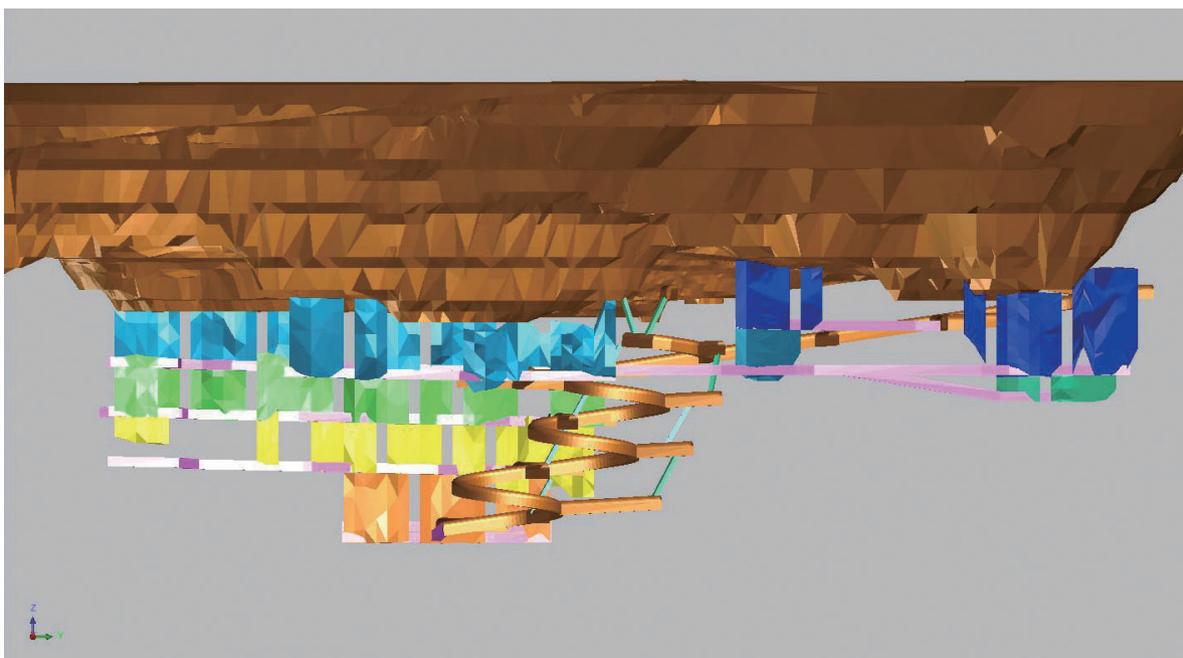


Table 1 – Hanking Gold JORC Resource (Updated to 24 July 2016)

Project	Deposit	Measured			Indicated			Inferred			Total		
		Ore (KT)	grade (g/t)	Au (KoZ)	Ore (KT)	grade (g/t)	Au (KoZ)	Ore (KT)	grade (g/t)	Au (KoZ)	Ore (KT)	grade (g/t)	Au (KoZ)
Axehandle-Cornishman	Axehandle	2,275	2.6	188	990	2.50	78	436	2.10	30	3,701	2.50	295
	Cornishman	620	5.1	101	535	5.10	88	434	5.50	77	1,589	5.21	266
	Sub-Total	2,895	3.1	289	1,525	3.39	166	870	3.82	107	5,290	3.30	561
Nevoria		-	-	-	3,482	3.37	377	323	3.90	41	3,805	3.42	418
Yilgarn Star		2,582	5.9	490	1,849	6.34	377	707	6.12	139	5,139	6.09	1,006
Copperhead		-	-	-	3,116	5.30	529	417	4.60	62	3,533	5.20	590
	Transvaal	-	-	-	1,630	4.70	249	1,800	4.90	286	3,430	4.80	535
Frasers-Transvaal	Frasers	-	-	-	1,117	4.60	165	1,474	6.10	289	2,591	5.50	454
	New Zealand Gully	-	-	-	64	7.51	16	46	5.90	9	110	6.84	24
	Ruapehu	-	-	-	52	8.50	14	358	3.98	46	410	4.55	60
	Sub-Total	-	-	-	2,863	4.82	444	3,678	5.32	630	6,541	5.10	1,073
	Marvel Loch	287	3.1	29	2,930	3.20	299	1,400	2.50	112	4,617	3.00	440
Marvel Loch-Jaccoletti	Jaccoletti	-	-	-	852	4.50	124	298	3.10	30	1,150	4.20	154
	Sub-Total	287	3.1	29	3,782	3.48	423	1,698	2.60	142	5,767	3.20	594
Edwards Find	Edwards Find	-	-	-	364	3.10	37	261	2.30	19	625	2.80	56
	Edwards Find North	-	-	-	641	2.38	49	227	1.63	12	868	2.20	61
	Tamarin	-	-	-	117	1.80	7	361	1.30	15	478	1.40	22
	Sub-Total	-	-	-	1,122	2.57	93	849	1.69	46	1,971	2.19	139
	GVG	-	-	-	1,494	2.31	111	8	2.12	1	1,502	2.31	111
Zeus		-	-	-	-	0.00	-	469	1.97	30	469	1.97	30
	Sub-Total	-	-	-	1,494	2.31	111	477	1.97	30	1,971	2.23	141
Redwing		-	-	-	-	0.00	-	1,400	2.40	108	1,400	2.40	108
Total		<u>5,764</u>	<u>4.4</u>	<u>808</u>	<u>19,233</u>	<u>4.07</u>	<u>2,519</u>	<u>10,419</u>	<u>3.9</u>	<u>1,305</u>	<u>35,417</u>	<u>4.1</u>	<u>4,630</u>

- 1) **Cut-off Grades:**
- Axehandle (0.7 g/t);
 - Cornishman (Open Pit 0.9 g/t; Underground 2.5 g/t);
 - Nevoria (Open Pit, 0.6 g/t; Underground 2.0 g/t);
 - Yilgarn Star (2.5 g/t);
 - Copperhead (3.0 g/t);
 - Transvaal (Open Pit, 1.0 g/t – 1.7 g/t; Underground 2.6 g/t);
 - Frasers (Open Pit, 1.0 g/t; Underground 2.5 g/t);
 - New Zealand Gully (2.5 g/t);
 - Ruapehu (2.6 g/t)
 - Jaccoletti (2.0 g/t)
 - Marvel Loch (2.1 g/t);
 - Edwards Find Project (0.7 g/t);
 - GVG (0.7 g/t, 1.0 g/t);
 - Zeus (1.0 g/t);

- 2) Data shown in the table above cover data of various deposits of the SXO Gold Project, among which, data of the Jaccoletti are extracted from the resource estimate report signed by Mr. David Slater, a full time employee of SRK Consulting, who is the Competent Person. David is the Chartered Professional Member of the Australian Institute for Mining and Metallurgy (“AusIMM”) and Member of the Australian Institute of Geoscientists (“AIG”), and has sufficient experience relevant to the style of mineralization and type of deposit under consideration, and to the activities which he has undertaken to qualify as a competent person as defined in JORC Code 2012; data of the Axehandle, Cornishman Yilgarn Star and Frasers are extracted from the resource estimate report signed by Dr. Bielin Shi, a senior resource geologist of CSA Global Pty Ltd., in accordance with the JORC Code. Dr. Shi Bielin is a member of both of AusIMM and AIG, and has extensive experience in such type of gold mines at the SXO Gold Project; data of the Zeus Gold are extracted from the resource estimate report signed by Mr. D Horn, who is the exploration manager of Cazaly Resources Limited and a member of AusIMM. Mr. Horn has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a competent person as defined in JORC Code 2012; data of the Redwing Gold Deposit are extracted from the resource estimate report signed by Mr. J F Brigden, the resource geologist of Sons of Gwalia Ltd., who is an competent person for the JORC Code-compliant resource estimate; data of the Copperhead Deposit are extracted from the resource estimate report signed by Mr. Brian Fitzpatrick, a member of AusIMM, is the Competent Person. Mr. Brian Fitzpatrick is the Senior Consultant Geologist from Cube Consulting Pty Ltd, and has sufficient experience relevant to the style of mineralization and type of deposit under consideration; data of the Edwards Find Deposit are extracted from the resource estimate report signed by Mr. Sam Beckett, a member of MAIG, is the Competent Person, He was a full time employee of CSA Global Ltd, and has sufficient experience to the style of mineralization and type of deposit under consideration. data of the Edwards Find North and Tamarin Deposit are extracted from the resource estimate report signed by Mr Jane Bateman, a member of AusIMM, is the competent person. Jane is the full time employee of St Barbara Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. Date of Nevorina, Transvaal, New Zealand Gully, Ruapehu, Marvel Loch and GVG Refers 2012 Annual Report of St Barbara Limited signed by Mr. Phillip Uttley, a fellow of tAusIMM, was the Competent Person. Mr. Phillip Uttley is a full time employee of St Barbara Ltd, and has sufficient experience relevant to the style of mineralization and deposit under consideration.

Table 2 – Hanking Gold JORC Reserves Table (Updated to 24 July 2016)

Deposit	Resource Category	Tonnes KT	Grade Au (g/t)	Contained Gold KOZ
OPEN PIT				
Axehandle	Proved	2,168	2.5	174
	Probable	544	2.3	40
	Total	2,712	2.5	214
Cornishman	Proved	35	1.5	2
	Probable	–	–	–
	Total	35	1.5	2
Yilgarn Star Pit	Proved	1,547	2.9	144
	Probable	–	–	–
	Total	1,547	2.9	144
Aquarius	Proved	–	–	–
	Probable	616	3.3	65
	Total	616	3.3	65
Frasers	Proved	–	–	–
	Probable	340	3.4	37
	Total	340	3.4	37
Edwards Find North	Proved	–	–	–
	Probable	327	2.7	28
	Total	327	2.7	28
UNDERGROUND				
Nevoria Underground	Proved	–	–	–
	Probable	1,076	3.7	128
	Total	1,076	4.0	128
CNC Underground	Proved	–	–	–
	Probable	473	4.3	65
	Total	473	4.3	65
Frasers South Underground	Proved	–	–	–
	Probable	550	4.5	80
	Total	550	4.5	80

Deposit	Resource Category	Tonnes KT	Grade Au (g/t)	Contained Gold KOZ
Jaccoletti Underground	Proved	–	–	–
	Probable	988	3.5	111
	Total	988	3.5	111
Yilgarn Star Underground	Proved	–	–	–
	Probable	896	4.7	134
	Total	896	4.7	134
Sub total Open pit	Proved	3,750	2.7	320
	Probable	1,827	2.9	171
	Total	5,577	2.7	492
Sub Total Underground	Proved	–	–	–
	Probable	3,983	4.0	518
	Total	3,983	4.0	518
Total	Proved	3,750	2.7	320
	Probable	5,810	3.7	689
	Total	9,560	3.3	1,010

Data shown in the table above are extracted from the reserve report signed by the competent persons in accordance with the JORC Code, among which: Cornishman, Frasers and Aquarius open pits are extracted from Mr. Shane McLeay of Entec Pty Ltd; Axehandle, Yilgarn Star and Edward's Find North open-pits are extracted from Mr. Charles Hastie of Hanking Gold; Frasers South, Jaccoletti, Cornishman Central and Yilgarn Star Underground are extracted from Mr. Troy Flannery of Hanking Gold; Nevoria Underground is extracted from Mr. Matthew Bellamy of Pits and Portals Pty Ltd and Mr. Charles Hastie of Hanking Gold.

By Order of the Board
China Hanking Holdings Limited
Mr Yang Jiye
Executive Chairman

Shenyang, the PRC, 25 July 2016

As at the date of this announcement, the executive Directors are Mr. Yang Jiye, Dr. Pan Guocheng, Mr. Zheng Xuezhi, Dr. Qiu Yumin and Mr. Xia Zhuo; the non-executive Director is Mr. Kenneth Jue Lee; and the independent non-executive Directors are Mr. Wang Ping, Mr. Wang Anjian and Mr. Ma Qingshan.