

Opportunity and Challenge

Golden China Resources

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Disclaimer

This Presentation contains certain forward-looking statements that involve known and unknown risks and uncertainties. Consequently, actual results, performance, and/or achievements could differ materially from the expectations expressed in these forward-looking statements. There can be no assurance that future developments affecting the parties herein will be those anticipated by management. While we may elect to update these estimates at any time, we do not undertake to update any estimate at any particular time or in response to any particular event.

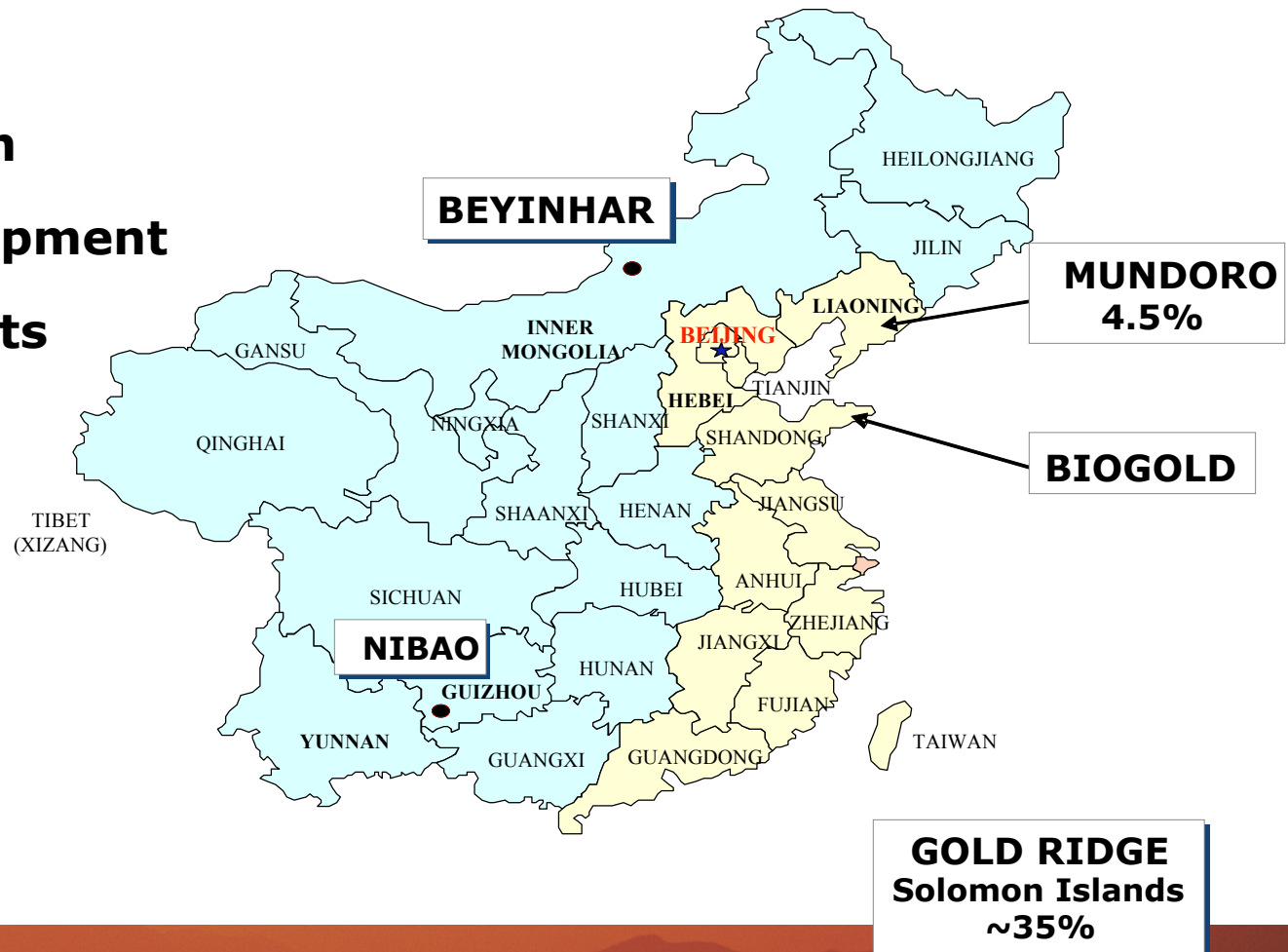
About Golden China

- Completing Business Combination with Michelago Limited
- Dual listing Toronto and Australian stock exchanges
- The largest foreign producer of gold in China
 - Current 150,000 oz per annum
 - 2008 forecast >400,000 oz per annum
 - ½ Processing and ½ Mining
- Strong sponsorship and management
 - Board and management
 - Experienced exploration team in China
 - Over 700 employees in China
 - Significant shareholders
 - Kingsway Group (Hong Kong based Investment Bank)



A Major Gold Producer in China

- ✓ Cashflow
- ✓ Exploration
- ✓ Pre-development
- ✓ Investments
- ✓ Cash



Financial Strength

Pro Forma as at December 31, 2005

ASSETS		LIABILITIES	
Cash	\$ 15,554	Current	\$ 31,377
Receivables	1,610	LT Debt	15,381
Inventories (gold)	29,399		46,758
	46,563		
Investments		Deferred Tax	5,912
MUN	3,668	Minority Interests	869
ASG	18,520		53,539
	\$ 22,188		
		SHAREHOLDERS' EQUITY	76,850
Plant	12,624		\$ 130,389
Mineral Assets	22,254		
Goodwill/Intangible	26,760		
	61,638		
	\$ 130,389		

SHARES OUTSTANDING	54,216,283
BV/SH	1.42
OPTIONS & WARRANTS	
Listed Options	3,603,604 @ 3.89
Warrants	7,519,117 @ 3.73
Un-Listed Options	3,857,100 @ 2.15
FULLY DILUTED BV/SH	1.84

Significant Contribution to China

- Exploration on eight different projects
- In three years over 200 projects evaluated
- Two projects in development stage
- State of the art processing patented
- Only foreign member of SGE
- Financing for other Chinese companies
- Significant investment in China
 - Over US\$66 million in last three years
 - Over US\$50 million in next three years

China Opportunity

- China geology
- Fragmentation/consolidation opportunity
- Foreign Expertise
 - Technical
 - Environmental
 - Management
- Access to international capital
- Competition

Challenges

- Divergent application of Chinese law
 - For foreigners
 - At local level
- Legal development
 - Title/licensing System
 - Process
 - Banking/financing Laws
 - Consistency with foreign capital markets requirements
- Environment and labour standards
- Clarity and fairness
 - In words
 - In actions

Win Win

- Capital and technology transfer
- Market development/enhanced production
- Enhanced economic development and value to foreign shareholders
- Value of competition
 - Openness
 - Fairness
 - Equal treatment

Golden China Resources

GSX

TSX

ASX

