
THIS INFORMATION CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspect of this Information Circular, or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares of **CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**, you should at once hand this Information Circular and the accompanying Form of Proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This Information Circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.



CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

中國黃金國際資源有限公司

(a company incorporated under the laws of British Columbia, Canada with limited liability)
(Toronto Stock Code: CGG) (Hong Kong Stock Code: 2099)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND
MAJOR TRANSACTION**

PROPOSED ADOPTION OF AMENDED ARTICLES

**NOTICE AND INFORMATION CIRCULAR
RELATING TO THE ANNUAL AND SPECIAL MEETING
OF THE SHAREHOLDERS**

TO BE HELD IN VANCOUVER, BRITISH COLUMBIA, CANADA

ON JUNE 29, 2023 VANCOUVER TIME (JUNE 30, 2023 HONG KONG TIME)

**Independent Financial Adviser to the Independent Board Committee and
The Independent Shareholders**



June 7, 2023

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CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

(a company incorporated under the laws of British Columbia, Canada with limited liability)

(TSX Symbol: CGG)

(HKEX Stock Code: 2099)

One Bentall Centre

Suite 660, 505 Burrard Street, Box 27

Vancouver, British Columbia V7X 1M4

Telephone: 604-609-0598

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the Shareholders will be held at the Vancouver offices of the Company located at Suite 660, 505 Burrard Street, Vancouver, British Columbia on June **29**, 2023 commencing at **5:00 pm** Vancouver time (being June 30 at 8:00am Hong Kong time), for the purposes of considering, and, if thought fit, to pass, with or without variation, the following resolutions. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as those defined in the information circular of the Company dated June 7, 2023 accompanying this notice (the “**Information Circular**”).

1. to receive the Company’s audited consolidated financial statements for the financial year ended December 31, 2022, together with the report of the Board and the auditors’ report thereon;
2. to appoint auditors of the Company for the ensuing year and to authorize the Board to fix the auditors’ remuneration;
3. to set the number of Directors to be elected at the Meeting at nine (9);
4. to elect Directors for the ensuing year;
5. to grant to the Board a general mandate to allot, issue and otherwise deal with unissued Shares not exceeding 20% of the aggregate number of issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly, as more particularly described in the Information Circular accompanying this notice;
6. to grant to the Board a general mandate to repurchase shares not exceeding 10% of the aggregate number of issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly, as more particularly described in the Information Circular accompanying this notice;
7. to extend the share allotment mandate by the addition thereto of the shares repurchased by the Company, as more particularly described in the Information Circular accompanying this notice;
8. to consider, and, if thought fit, to pass, with or without variation, a special resolution to amend the Company’s current Articles, as more particularly described in the Information Circular accompanying this notice;
9. to consider and, if thought fit, pass, with or without variation, an ordinary resolution of Independent Shareholders (consisting of the Shareholders other than China National Gold Group Co., Ltd. and any of its associates):
 - (a) the Fourth Supplemental Products and Services Framework Agreement dated May 11, 2023 and the transactions contemplated thereunder, as more particularly described in the Information Circular accompanying this notice;

- (b) the 2024-2026 P&S Annual Caps, as more particularly described in the Information Circular accompanying this notice; and
 - (c) to authorize any one Director to do such further acts and things and to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments under hand (or where required, under the common seal of the Company together with another director or any other person authorized by the Board), and to take all such steps which in the opinion of such Director deems necessary or desirable to implement and/or carry out to give effect to the terms of this resolution;
10. to consider and, if thought fit, pass, with or without variation, an ordinary resolution of Independent Shareholders (consisting of the Shareholders other than China National Gold Group Co., Ltd. and any of its associates):
- (a) the Fourth Supplemental Contract for Purchase and Sale of Doré dated May 11, 2023 and the transactions contemplated thereunder, as more particularly described in the Information Circular accompanying this notice;
 - (b) the 2024-2026 Gold Doré Annual Caps, as more particularly described in the Information Circular accompanying this notice; and
 - (c) to authorize any one Director to do such further acts and things and to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments under hand (or where required, under the common seal of the Company together with another director or any other person authorized by the Board), and to take all such steps which in the opinion of such Director deems necessary or desirable to implement and/or carry out to give effect to the terms of this resolution;
11. to consider and, if thought fit, pass, with or without variation, an ordinary resolution of Independent Shareholders (consisting of the Shareholders other than China National Gold Group Co., Ltd. and any of its associates):
- (a) the First Supplemental Financial Services Agreement dated May 9, 2023 and the transactions contemplated thereunder, as more particularly described in the Information Circular accompanying this notice;
 - (b) the 2024-2026 Deposit Cap, as more particularly described in the Information Circular; and
 - (c) to authorize any one Director to do such further acts and things and to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments under hand (or where required, under the common seal of the Company together with another director or any other person authorized by the Board), and to take all such steps which in the opinion of such Director deems necessary or desirable to implement and/or carry out to give effect to the terms of this resolution; and
12. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The Board has fixed May **24**, 2023 Vancouver time (being May **25**, 2023 Hong Kong time) as the record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournments thereof.

Instructions to access the Information Circular and a form of proxy solicited by management of the Company for the Meeting (the “**Form of Proxy**”) accompany this notice. The Information Circular contains details of the matters to be considered at the Meeting. Information regarding the appointment of auditors and the election of directors may be found in the Information Circular under the headings “Appointment of Auditors”, “Election of Directors”, respectively.

Form of Corporate Communications

The Company makes available English and Chinese versions of its corporate communications on the Company's website at www.chinagoldintl.com and the HKEX news website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. A holder of the Company's shares may also elect from time to time to receive corporate communications in printed form, and in English language or in Chinese language or in both English and Chinese language, by reasonable notice in writing to the Company c/o the Hong Kong Share Registrar or by email to chinagold.ecom@computershare.com.hk.

In the event of any discrepancy, the English version of this Information Circular shall prevail.

Website Where Meeting Materials are Posted

Electronic copies of the Information Circular, proxy related materials, the annual audited consolidated financial statements of the Company for the year ended December 31, 2022 and management's discussion and analysis of the Company's results of operations and financial condition for the year ended December 31, 2022 may be found on the Company's SEDAR profile at www.sedar.com, and on the HKEX news website at www.hkexnews.hk and the Company's website at www.chinagoldintl.com. In relation to the Meeting, the notice package for all shareholders will include the Form of Proxy, this notice of the annual general meeting of Shareholders and a supplemental return card (collectively, the "**Meeting Materials**"). We will mail a paper copy of the Meeting Materials to any shareholder who previously requested a paper copy. If you received the notice only and would like a paper copy of the Meeting Materials, please send us a request as set out below.

How to Obtain Paper Copies of the Meeting Materials

Shareholders with questions about the Notice-and-Access Provisions may call our transfer agent, TSX Trust Company (Canada) (formerly CST Trust Company) (the "**Transfer Agent**") toll-free at 1-888-433-6443 or our co-agent, Computershare Hong Kong Investor Services Limited, at (852) 2862 8688 during their respective business hours from 9:00 a.m. to 6:00 p.m., Monday to Friday, excluding public holidays (in Canada or Hong Kong, as the case may be). The Meeting Materials can be viewed online on the Company's website at www.chinagoldintl.com. Please note that if you request a paper copy of the Meeting Materials, you will not receive a new Form of Proxy or voting instruction form, so you should retain these forms sent to you in order to vote. Shareholders may also obtain paper copies, free of charge on request. Please submit your request by:

	+1 604-609-0598 (not a toll-free number)
	info@chinagoldintl.com
	China Gold International Resources Corp. Ltd. Suite 660, One Bentall Centre 505 Burrard Street Vancouver, BC Canada, V7X 1M4

You can also obtain copies of any document required to be filed by us in Canada and Hong Kong, as well as additional information about us, by:

- > accessing our public filings on SEDAR at www.sedar.com and on the HKEX news website at www.hkexnews.hk; or
- > going to our Investors page at www.chinagoldintl.com.

A request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Company or the Transfer Agent, as applicable, by 3:00 p.m. (Vancouver time) on or before June 27, 2023 in order to allow sufficient time for Shareholders to receive the paper copies and to return their Form of Proxy or voting instruction form to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Vancouver, British Columbia, Canada) prior to the time set for the Meeting or any adjournments or postponements thereof.

Voting

A Form of Proxy is enclosed herewith. Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed Form of Proxy to TSX Trust Company (for Canada) or Computershare Hong Kong Investor Services Limited (for Hong Kong) in accordance with the instructions set out on the Form of Proxy and in the Information Circular. If you are voting your Shares by proxy, TSX Trust Company (Canada) or Computershare Hong Kong Investor Services Limited must receive your completed Form of Proxy not less than 48 hours (excluding Saturday, Sunday and statutory holidays) before the Meeting or any adjournment thereof at which the proxy is to be used.

Non-registered Shareholders receiving these materials through their broker or other intermediary should complete and return the voting instruction form provided to them by their broker or other intermediary in accordance with the instructions provided therein.

SHAREHOLDERS ARE REMINDED TO REVIEW THE MEETING MATERIALS CAREFULLY BEFORE EXERCISING THEIR RIGHT TO VOTE.

DATED at Vancouver, British Columbia, this 7th day of June, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS
OF CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

 (signed) "Jerry Xie"
Jerry Xie
Executive Vice President and Corporate Secretary

As of the date of this notice, the executive directors of the Company are Mr. Junhu Tong, Mr. Yuanhui Fu, Mr. Weibin Zhang and Ms. Na Tian, the non-executive director of the Company is Mr. Wanming Wang and the independent non-executive directors of the Company are Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han.

This information circular (the “**Information Circular**”) is furnished to the holders (“**Shareholders**”) of common shares (“**Shares**”) of China Gold International Resources Corp. Ltd. (the “**Company**”) (TSX:CGG) (HKEX:2099) by the Company’s management in connection with the solicitation of proxies to be voted at the annual and special meeting of shareholders (the “**Meeting**”) to be held at **5:00 pm**, Vancouver time on June **29**, 2023 (being June 30, 2023 at 8:00 am, Hong Kong time), at the Vancouver offices of the Company located at Suite 660, 505 Burrard Street, Vancouver, British Columbia, for the purposes set forth in the notice of Meeting that accompanies this Information Circular. Unless otherwise stated, this Information Circular contains information as at the Latest Practicable Date. Certain capitalized terms used in this Information Circular have the meanings given to them in “Schedule C – Definitions”. All dollar figures are in Canadian dollars and references to “US\$” are to United States dollars, except as otherwise noted.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Information Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

(a company incorporated under the laws of British Columbia, Canada with limited liability)
(TSX Symbol: CGG) (HKEX Stock Code: 2099)

Registered office/ Headquarters:

**One Bentall Centre
Suite 660, 505 Burrard Street, Box 27
Vancouver, British Columbia V7X 1M4
Telephone: 604-609-0598**

Principal Place of Business in Hong Kong:

40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong

INFORMATION CIRCULAR

GENERAL INFORMATION

China Gold International Resources Corp. Ltd.

We use “we”, “us”, “our” and the “Company” to refer to China Gold International Resources Corp. Ltd. in this document.

Date of Information

Information is as of June 7, 2023, unless we note otherwise.

Shares Outstanding

Our Shares are traded on the Toronto Stock Exchange (“**TSX**”) under the symbol CGG and on the Hong Kong Stock Exchange under the stock code 2099. There were **396,413,753** Shares outstanding at the close of business on May **24**, 2023.

Owners of 10% or More of Our Shares

To the knowledge of the Directors and senior officers of the Company, CNG, through its wholly owned subsidiary, CNGGHK, owns **158,588,330** Shares, representing approximately **40.01%** of the outstanding voting shares of the Company. To the knowledge of the Directors and senior officers of the Company, no other person or company beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights of the Company.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Except as otherwise disclosed below, no informed person of the Company, or anyone associated or affiliated with any of them, has or had a direct or indirect material interest in the Continuing Connected Transactions since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, or any of its subsidiaries or affiliates.

An "informed person" means:

- a Director or executive officer of the Company;
- a Director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by an underwriter as such in the course of a distribution; and
- the Company if it has acquired any of its securities, for so long as it holds any of its securities.

Substantial Shareholders Interest

Other than as disclosed below, the Directors and the Chief Executive Officer of the Company are not aware of any other person who, as of the Latest Practicable Date, had an interest or short position in the Shares, convertible securities, warrants, options or derivatives of the Company, the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	Nature of interest	Number of Shares held	Approximate percentage of outstanding Shares
CNG ⁽¹⁾	Indirect	158,588,330 ⁽¹⁾	40.01%
CNGGHK	Registered Owner	158,588,330	40.01%

Note:

⁽¹⁾ China National Gold directly and wholly owns CNGGHK therefore the interest attributable to CNG represents its indirect interest in the Shares through its equity interest in CNGGHK.

Director's Interest

As at the Latest Practicable Date, the interest and short position of the Directors, and the executive officers of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (with the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short position where they are taken or deemed to have under such provisions of the SFO); or (ii) were required pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange were as follows:

Name	Position	Company	Number of Shares held	Nature of interest	Approximate percentage of interest in the company
Mr. Yingbin Ian He	INED	The Company	150,000	Personal	0.0378%

Save as disclosed above, the current Directors and executive officers of the Company do not have any other interest or short position in the Shares, convertibles securities, warrants, options or derivatives, underlying Shares and debentures of the Company or any of its associated corporations within the meaning of Division 7 and Division 8 of Part XV of the SFO in Hong Kong, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (Appendix 10 to the Hong Kong Listing Rules) to be notified to the Company and the Hong Kong Stock Exchange.

Save as disclosed in the section headed "Director Biographies", as at the Latest Practicable Date, none of the Directors was a director or employee of a company which has an interest or short position in the shares and underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

Mailing of Information Circular

This Information Circular will be mailed on or around **June 7, 2023** to each of our Shareholders of record on **May 24, 2024** Vancouver time (being **May 25, 2023** Hong Kong time) who have previously requested paper copies of our disclosure documents. All other shareholders will only receive a notice with information on how to view the meeting materials electronically.

We give meeting materials to brokers, intermediaries, custodians, nominees and fiduciaries and request the materials be sent to beneficial shareholders promptly. We will pay for the distribution of the meeting materials by clearing agencies and intermediaries to objecting beneficial Shareholders.

Electronic Delivery

Shareholders can choose to receive meeting materials electronically rather than by paper. If you have already chosen to receive electronic copies, no paper materials will be sent to you. If you would like to receive future meeting materials electronically, please complete the enclosed form and return it as indicated on the form.

If we do not have an electronic document available or we choose not to send an electronic copy, a paper copy will be provided.

GENERAL VOTING INFORMATION

Solicitation of Proxies

The enclosed Form of Proxy is solicited by and on behalf of the Company. The solicitation of proxies by the Company will be primarily by mail, but proxies may be solicited by Directors, officers and employees of the Company personally, by telephone, or by means of electronic communication. All costs of this solicitation will be borne by the Company.

Record Date

The Board has fixed May **24**, 2023 Vancouver time (being May **25**, 2023 Hong Kong time) as the record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournments thereof.

Voting Securities and Votes

The Shares are our only voting securities. Each Share entitles the holder to one vote at the Meeting.

Quorum

Pursuant to the Articles of the Company, a quorum for the transaction of business at any meeting of Shareholders is at least two persons who are, or who represent by proxy, Shareholders who, in the aggregate hold at least 5% of the issued Shares entitled to be voted at the Meeting.

Voting of Proxies

A Form of Proxy for use at the Meeting is enclosed with the Company's Information Circular dated **June 7**, 2023. Whether or not you are able to attend the Meeting, please complete the accompanying Form of Proxy in accordance with the instructions printed thereon, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Meeting or any adjourned thereof. Completion and return of the Form of Proxy will not preclude you from attending and voting at the Meeting or any adjourned meeting (as the case may be) should you so desire.

Approvals

Under the *Business Corporations Act* (British Columbia), the Company's governing corporate law statute, a simple majority of the votes cast at the Meeting is required to pass all ordinary resolutions and, pursuant to the Company's Articles, a majority of not less than two-thirds of the votes cast at the Meeting is required to pass all special resolutions.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the voting on all resolutions at the Meeting will be conducted by way of poll. The Company will announce the results of the poll in the manner prescribed in Rule 13.39(5) of the Hong Kong Listing Rules.

Votes Necessary to Pass Resolutions

At the Meeting, Shareholders will be asked to set the number of Directors at nine (9) by ordinary resolution, to elect Directors, appoint auditors for the ensuing year and to authorize the Board to fix the auditors' remuneration, to approve a Share Issue Mandate (as hereinafter defined), to approve a Share Repurchase Mandate (as hereinafter defined) and to approve the Additional Share Allotment Mandate (as hereinafter defined). The amendment of the Articles of the Company will require approval by the Shareholders as a special resolution. Independent Shareholders (as hereinafter defined) are entitled, and will be asked, to approve the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps, as more particularly

described in the section entitled “Renewal of Continuing Connected Transactions and Major Transaction” in this Information Circular.

Voting Questions

Our transfer agent is TSX Trust Company Inc. (“**TSX**”). Our co-agent in Hong Kong is Computershare Hong Kong Investor Services Limited (“**Computershare**”). Please contact them if you have any questions on how your votes are counted:

TSX:

	1-800-387-0825 (toll free in North America) 416-682-3860 (collect from outside North America)
	shareholderinquiries@tmx.com
	TSX Trust Company (Canada) 1 Toronto Street, Suite 1200, Toronto, ON M5C 2V6

Computershare:

	(852) 2862 8688
	Computershare Hong Kong Investor Services Limited 17M Floor, Hopewell Centre, 183 Queen’s Road East Wanchai, Hong Kong

Beneficial Shareholder Voting

Most Shareholders are beneficial Shareholders. You hold a beneficial interest if your share certificate was deposited with a bank, trust company, stock broker, trustee or some other institution. Here is how you can vote:

<i>Voting Options</i>	
	In person at the Meeting – discussed below
	By submitting a paper voting instruction form – discussed below
	By telephone – enter your voting instructions by telephone at: 1-800-474-7493 (English)
	By fax – fax to TSX Trust Company at 1-866-781-3111 (Canada or US) or 1-416-368-2502 (outside North America)
	By email through scanned proxy: proxyvote@tmx.com

Voting in Person

If you plan to attend the Meeting and wish to vote your Shares in person, insert your own name in the space on the enclosed voting instruction form. Then follow the signing and return instructions provided by your nominee. You may also nominate yourself as a proxy holder online, if available, by typing your name in the “Appointee” section on the electronic ballot.

Your vote will be taken and counted at the Meeting, so do not indicate your votes on the form. Please register with TSX when you arrive at the Meeting.

Voting by Instruction

Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your proxy holder. Use the enclosed voting instruction form to do this. The people named in the enclosed voting instruction form are members of management and/or the Board. **You have the right to choose another person to be your proxy holder by printing that person's name in the space provided.** Then complete the rest of the form, sign it and return it. Your votes can only be counted if the person you appointed attends the Meeting and votes on your behalf. **If you have voted on the voting instruction form, neither you nor your proxy holder may vote in person at the Meeting, unless you revoke your voting instructions prior to your nominee's cut-off time.**

Beneficial Shareholders should carefully follow the instructions of their nominee, including those regarding when and where the completed voting instruction form is to be delivered. Note that if you are a beneficial Shareholder, your nominee will need your voting instructions sufficiently in advance of the proxy deposit deadline to enable your nominee to act on your instructions prior to the deadline. If you have any questions or require more information with respect to voting at the Meeting, please contact our transfer agents, TSX or Computershare at the contact details above.

Revoking Your Voting Instructions or Changing Your Instructions

You may revoke your voting instructions before they are acted prior to your nominee's cut-off time. To revoke your voting instructions, contact your broker or service provider.

You may change your voting instructions by sending new instructions prior to your nominee's cut off time to revoke your vote. Your latest instructions will be the only valid instructions.

Registered Shareholder Voting

If you have in your possession a physical share certificate with your name on it, you are a registered shareholder. Here is how you can vote:

Voting Options	
	In person at the Meeting – discussed below
	By submitting a paper voting instruction form – discussed below
	By fax – fax to TSX Trust Company at 1-866-781-3111 (Canada or US) or 1-416-368-2502 (outside North America)
	By email through scanned proxy: proxyvote@tmx.com

Voting in Person

If you plan to attend the Meeting and wish to vote your Shares in person, do not complete or return the enclosed proxy form. Your vote will be taken and counted at the Meeting. Please register with TSX when you arrive at the Meeting.

If you are a beneficial shareholder (you hold your Shares with a bank, trust company, stock broker, trustee or some other institution) you will be required to follow the procedures set forth under "Beneficial Shareholders Voting" on page 11.

Voting by Proxy

Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your proxy holder. Use the enclosed proxy form to do this. The people named in the enclosed proxy form are members of management and/or the Board. **You have the right to choose another person to be your proxy holder by printing that person's name in the space provided.** Then complete the rest of the proxy form, sign it and

return it. Your votes can only be counted if the person you appointed attends the Meeting and votes on your behalf. **If you have voted by completing the proxy form, neither you nor your proxy holder may vote in person at the Meeting, unless you revoke your proxy before it is acted on.**

Return your completed proxy form in the envelope provided so that it arrives by 3:00 p.m. on June 27, 2023 Vancouver Time, (being June 28, 2023 Hong Kong time) or if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the Meeting to resume (the “**cut off time**”). The time limit for the deposit of proxies may be waived or extended by the chair of the Meeting at their discretion, without notice. An undated proxy will be deemed to be dated the date it is received by TSX. If you have any questions or require more information with respect to voting at the Meeting, please contact our transfer agent, TSX at the contact details above.

Revoking your Proxy

You may revoke your proxy at any time before it is acted on. Deliver a written statement that you wish to revoke your proxy to our Corporate Secretary before or on June 27, 2023 Vancouver Time, (being June 28, 2023 Hong Kong time) (or the last business day in Vancouver before the Meeting if it is adjourned or postponed), or to the chair on June 29, 2023 (Vancouver time) before the start of the Meeting.

Changing your Proxy

You may change the way you voted by proxy by sending a new proxy prior to the cut off time to revoke your vote. Your latest proxy will be the only one that is valid.

BUSINESS OF MEETING

Financial Statements

Our audited annual consolidated financial statements for the year ended December 31, 2022, and the auditors’ reports on those statements, are included in the annual report and will be available at the Meeting. The annual report is also filed on www.sedar.com, and on the HKEX news website at www.hkexnews.hk and available to you on the Company’s website at www.chinagoldintl.com.

Appointment of Auditors

Shareholders will be requested to appoint Deloitte Touche Tohmatsu as auditors of the Company to hold office until the next annual general Meeting of Shareholders with their remuneration to be fixed by the Board. Deloitte Touche Tohmatsu was first appointed as auditors of the Company on April 1, 2010.

**The Directors recommend that you vote FOR the appointment
of Deloitte Touche Tohmatsu as our auditors**

The people named in the enclosed proxy will vote FOR the appointment of Deloitte Touche Tohmatsu, Independent Registered Public Accounting Firm as our auditors unless you tell them to vote against it.

Fixing the Number of Directors

The Articles of the Company provide that the number of Directors is set at the greater of three (3) and the number set by ordinary resolution. At the Meeting, the Board is requesting that Shareholders pass an ordinary resolution setting the number of Directors of the Company’s Board at nine (9).

**The Directors recommend that you vote FOR setting the number of Directors
of the Company’s Board at nine (9)**

The people named in the enclosed proxy will vote FOR the setting the number of Directors of the Company's Board at nine (9) unless you tell them to vote against it.

Election of Directors

Each Director will hold office until the end of the next annual general meeting or until a successor is duly appointed or elected. Your Director nominees are:

- | | |
|----------------|------------------|
| > Junhu Tong | > Yingbin Ian He |
| > Yuanhui Fu | > Wei Shao |
| > Weibin Zhang | > Bielin Shi |
| > Na Tian | > Ruixia Han |
| > Wanming Wang | |

You can find more information on each of the nominees starting on page 14. Each nominee brings important skills and experience to the Board, is eligible and willing to serve if elected.

We note that no Director nominations were received pursuant to the advance notice provision of our Articles as of the date of this Information Circular. The only nominees for election at the Meeting are the nominees listed.

Majority Voting Policy

We have a Majority Voting Policy. Unless there is a contested election, a Director who receives more votes "withheld" by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election, will immediately tender a resignation. The Board will determine whether to accept the resignation within 90 days after the Meeting. The Board shall accept the resignation unless it determines that there are exceptional circumstances. The resignation becomes effective on acceptance by the Board. The Company shall promptly issue a news release announcing the Board's decision. A Director who tenders a resignation pursuant to the Majority Voting Policy will not participate in any meeting of the Board or committee of the Board at which such resignation is considered.

A significant number of Shares are held by the Company's controlling Shareholder, CNG, and all Directors have historically been re-elected by a majority of votes cast by the Shareholders. The Board is committed to implementing sound corporate governance and annually reviews the votes cast by Shareholders to ensure that a majority of such votes are in favour of the elected directors.

The Directors recommend that you vote FOR the election of these nominees

The people named in the enclosed proxy will vote FOR the election of these nominees unless you tell them to withhold your vote.

DIRECTOR BIOGRAPHIES

The following is a complete biography for each Director nominee for election at the Meeting. All other Director information can be found in this section under the heading entitled "Director Compensation" starting at page 18 or in the section entitled "Corporate Governance" starting at page 21.

<p>Junhu Tong⁽²⁾</p> <p>Beijing, PRC Age:60</p> <p>Director Since: June 17, 2020</p> <p>Areas of Experience: CEO / Senior Officer Managing / Leading Growth Operation management Merge & Acquisition Marketing Environmental / Safety / Corporate Responsibility</p>	<p>Mr. Tong was appointed as Chairman and CEO and re-designated from Non-executive Director of the Company to executive Director of the Company with effect from 27 October 2022. He served as a Non-Executive Director of the Company from June 2020 to October 2022. Since July 2009, Mr. Tong has served in a variety of senior executive roles with CNG with proven track records. Mr. Tong currently serves as General Manager of CNGGHK from December 2021. Prior to his joining CNG, Mr. Tong served as Director and management in several mining companies, with extensive experiences in directorial and senior management.</p>				
	<p>Mr. Tong has over 32 years of experience in the mining sector, including experience in business development, merger and acquisition, project management, technical advisory and management of mining operations. Mr. Tong currently serves as the Chairman of the Closed Joint-Stock Company Rudnik ("Zapadna-Kluchi") since October 2018.</p>				
	<p>Mr. Tong holds a master's degree in Mining Engineering from Beijing Science and Technology University and a bachelor's degree in Mining Engineering from Chongqing University.</p>				
	<p>Mr. Tong has been a Fellow authorized by the Australasian Institute of Mining & Metallurgy since December 2013 up to present.</p>				
	<p>Principal Occupation, Business or Employment⁽¹⁾</p>				
<p>Chairman, Executive Director and Chief Executive Officer of the Company, President of China Gold Hong Kong.</p>					
<p>Director Status: Executive Director Board/Committee Membership⁽³⁾:</p>		<p>2022 Attendance:</p>		<p>Other Public Company Board Membership:</p>	
				<p>Company:</p>	<p>Since</p>
<p>Board of Directors</p>		<p>6 of 6</p>	<p>100%</p>	<p>n/a</p>	<p>n/a</p>
<p>Nominating and Corporate Governance Committee⁽³⁾</p>		<p>2 of 2</p>	<p>100%</p>		
<p>Shares Beneficially Owned, Controlled or Directed:</p>			<p>Nil</p>		
<p>Options Beneficially Owned, Controlled or Directed:</p>			<p>Nil</p>		

<p>Yuanhui Fu⁽⁴⁾</p> <p>Tibet, PRC</p> <p>Age:43</p> <p>Director Since: Oct. 27, 2022</p> <p>Areas of Experience: Technical Mining Expertise Project Management Environmental / Safety / Corporate Responsibility</p>	<p>Mr. Fu was appointed as executive Director and Vice President of the Company on 27 October 2022. Mr. Fu is a senior geologist and has over 18 years of experience in the mining industry. Since December 2021, he has served as Chairman of Tibet Huatailong. From 2018 to 2021, Mr. Fu served as Deputy Manager of the Mineral Resources & International Cooperation Department of CNG. From 2014 to 2018 Mr. Fu was Deputy Manager of CNG's Resource Company Ltd. and Chairman of AOYOUTE Mining Ltd., Wulantaolegai Mining Ltd., Xingyuan Non-Ferrous Metal Ltd. and Daolundaba Copper Ltd. Mr. Fu was deputy manager of Tibet Huatailong between 2012 and 2014. Before 2012, Mr. Fu also held a key role in Strategic Development Department in CNG.</p> <p>Mr. Fu holds a master's degree in geochemistry and a bachelor's degree in Resource Exploration & Engineering from the China University of Geosciences (Beijing).</p>					
	Principal Occupation, Business or Employment ⁽¹⁾					
	Vice President of the Company; Chairman of the Board of Tibet Huatailong					
	Director Status: Executive Board/Committee Membership:		2022 Attendance:		Other Public Company Board Membership:	
					Company:	Since
Board of Directors		2 of 6	33%	n/a	n/a	
Health, Safety and Environmental Committee ⁽⁴⁾		1 of 4	100%			
Shares Beneficially Owned, Controlled or Directed:			Nil			
Options Beneficially Owned, Controlled or Directed:			Nil			

<p>Weibin Zhang⁽⁵⁾</p> <p>Inner Mongolia, PRC</p> <p>Age:59</p> <p>Director Since: June 2020</p> <p>Areas of Experience: Technical Mining Expertise / Project Management Environmental / Safety / Corporate Responsibility</p>	<p>Mr. Zhang was elected as an Executive Director of the Company since June 2020. Mr. Zhang joined Inner Mongolia Pacific in March 2018 as Chairman and General Manager. From October 2017 to March 2018, he served as Executive Director and General Manager of Changchun Gold Design Institute Co., Ltd.. From March 2014 to October 2017, Mr. Zhang served as the Principal of Changchun Gold Design Institute Co., Ltd. From March 2011 to March 2014, he served as Vice President of China National Gold Engineering Corporation. Starting in 1985 through March 2014 Mr. Zhang held numerous senior executive roles at the Design Institute and Yunnan Gold LLC. Mr. Zhang is a senior professional mining engineer and has over 38 years of experience in the mining industry. Mr. Zhang holds a college diploma in Mining Engineering from Shenyang Gold College.</p>					
	Principal Occupation, Business or Employment ⁽¹⁾					
	Chairman and General Manager of Inner Mongolia Pacific					
	Director Status: Executive Board/Committee Membership: ⁽⁵⁾		2022 Attendance:		Other Public Company Board Membership:	
			n/a		Company:	Since
Board of Directors		6 of 6	100%	n/a	n/a	
Compensation & Benefits		1 of 1	100%			
Shares Beneficially Owned, Controlled or Directed:			Nil			
Options Beneficially Owned, Controlled or Directed:			Nil			

<p>Na Tian⁽⁶⁾ Beijing, PRC Age:42 Director Since: June 2020 Areas of Experience: Legal/Compliance/Auditing</p>	<p>Ms. Tian was elected as an Executive Director of the Company since June 2020. Ms. Na Tian currently serves as the Deputy General Manager of the Legal and Audit Department of China National Gold since February 2021. She joined CNGGHK as Legal Deputy Manager of General Administration Office in September 2018. Since February 2012, Ms. Tian has worked in the Division of Corporate Secretary Affairs of the Company and was promoted to Deputy Director in September 2017. In July 2017, she was appointed as a director of Skyland Mining (BVI) Limited, a wholly owned subsidiary of the Company. From July 2008 to May 2011 Ms. Tian was an auditor at Ernst & Young Hua Ming LLP. Ms. Tian passed PRC national judicial examination and obtained the Legal Professional Qualification.</p> <p>Ms. Tian holds a master's degree in Law from Beijing University Law School. She also holds double bachelor's degrees and majored in law and business English from Guangdong University of Foreign Studies.</p>					
	<p>Principal Occupation, Business or Employment⁽¹⁾</p> <p>Deputy General Manager of Audit and Legal Compliance Department of China National Gold Limited</p>					
	<p>Director Status: Executive Board/Committee Membership:⁽⁶⁾</p>		<p>2022 Attendance:</p>		<p>Other Public Company Board Membership:</p>	
					<p>Company:</p>	<p>Since</p>
	Board of Directors ⁽⁶⁾		5 of 6	83%	n/a	n/a
<p>Shares Beneficially Owned, Controlled or Directed:</p>			Nil			
<p>Options Beneficially Owned, Controlled or Directed:</p>			Nil			

<p>Wanming Wang⁽⁷⁾ Beijing, PRC Age: 56 Director Since: Oct. 27 2022 Areas of Experience: Technical Mining Expertise Finance /</p>	<p>Mr. Wang was elected as a Non-Executive Director of the Company since October 27, 2022. Mr. Wang has 35 years of experience in finance and financial administration. Currently he is the CFO of CNGGHK, before that he served as the General Manager of the financial department in CNGGHK since October 2018. In the past three decades, Mr. Wang has also served as head of finance departments both at the CNG's head office and its subsidiaries with responsibilities including asset management, capital management, budgeting, accounting as well as asset securitization. Mr. Wang served as member of Board of Supervisors in following companies: Tibet Huatailong since 2020, Tibet Jia Ertong Mining Development Co. Ltd. since 2020. Mr. Wang also served director of Board in Soremi Investments Ltd. since 2017, CNG Buquike Ltd. since 2019 and Zhongxin International Financial Leasing Co. Ltd. since 2016.</p> <p>Mr. Wang is a senior accountant and holds MBA degree from Asia International Open University.</p>					
	<p>Principal Occupation, Business or Employment⁽¹⁾</p> <p>CFO of CNGGHK.</p>					
	<p>Director Status: Non-Executive Board/Committee Membership:⁽⁷⁾</p>		<p>2022 Attendance:</p>		<p>Other Public Company Board Membership:</p>	
					<p>Company:</p>	<p>Since</p>
	Board of Directors Nominating & Corporate Governance ⁽⁷⁾		2 of 6 n/a	33% n/a	n/a	n/a
<p>Shares Beneficially Owned, Controlled or Directed:</p>			Nil			
<p>Options Beneficially Owned, Controlled or Directed:</p>			Nil			

Yingbin Ian He⁽⁸⁾ Vancouver, Canada Age:61 Non-Executive Independent Director Since: May 2000 Areas of Experience: Managing / Leading Growth International CEO/Senior Officer Exploration Compensation Governance/Board Financial Acumen Diversity Marketing Environmental / Safety / Corporate Responsibility Technical Mining Expertise Mongolia Industry experience in gold, base metal and coal mining	Mr. He joined the Company as a Non-Executive Independent Director on May 31, 2000. Mr. He has over 35 years of experience in mining industry, with career covering research, engineering consulting, management of mine construction and operations, merger and acquisition, and management of public companies. Mr. He serves as Managing Director of Lacnord Capital Corp, a venture capital company and Chairman of Vatukoula Gold Mines, a company with gold mining operation in Fiji. Mr. He was President and Director of Spur Ventures Inc. (later Atlantic Gold Corp.) listed on the TSX Venture Exchange from 1995 to 2006. Mr. He also serves on the boards of several public companies, including SouthGobi Resources Ltd. a coal mining company dual listed on the Toronto Stock Exchange and Hong Kong Stock Exchange since 2017, and PT Bumi Resources Tbk, a mining company listed on the Indonesian Stock Exchange since 2019.					
	Mr. He holds a Ph.D degree in mineral process engineering and a Master of Applied Science degree in mineral process engineering from the University of British Columbia, and a Bachelor of Engineering degree in coal preparation and utilization technology from the Heilongjiang Institute of Mining and Technology (now Heilongjiang University of Science and Technology) in China.					
	Principal Occupation, Business or Employment⁽¹⁾					
	President of Tri-River Ventures Inc. (2006 - present)					
	Director Status: Independent and Non-Executive ⁽²⁾ Board/Committee Membership:⁽⁸⁾		2022 Attendance:		Other Public Company Board Membership:	
					Company:	Since
Board of Directors		5 of 6	83%	South Gobi Resources Ltd. (TSX and HKEX)	2017	
Audit (Chair)		5 of 5	100%			
Compensation & Benefits		1 of 1	100%	Tri-River Ventures Inc. (TSX-V)	2006	
Nominating & Corporate Governance		2 of 2	100%			
Health, Safety & Environment Committee		4 of 4	100%	PT. BUMI Resources TBK (IDK)		
Shares Beneficially Owned, Controlled or Directed:			150,000			
Options Beneficially Owned, Controlled or Directed:			Nil			

Wei Shao⁽⁹⁾ Vancouver, Canada Age:68 Non-Executive Independent Director Since: June 2019 Areas of Experience: Law Mergers and acquisition Governance / Board Managing / Leading Growth International	Mr. Shao was elected as a Non Executive Independent Director since June 25, 2019. Mr. Shao is a partner and the National China Service Co-Leader at Dentons Canada LLP and specializes in international business transactions focusing on China. Mr. Shao has over 29 years of extensive experience in mergers and acquisitions, corporate and project financing, cross-border counseling and general corporate and commercial transactions. Mr. Shao is actively in community and non-profit organizations. Prior to his legal career, Mr. Shao worked for the United Nations in New York. Mr. Shao is an interpreter accredited by the United Nationals and by the federal government of Canada.					
	Principal Occupation, Business or Employment⁽¹⁾					
	Partner, Denton's Canada LLP (2012 to present)					
	Director Status: Independent and Non-Executive ⁽²⁾ Board/Committee Membership:⁽⁹⁾		2022 Attendance:		Other Public Company Board Membership:	
					Company:	Since
	Board of Directors		6 of 6	100%	n/a	
Audit		5 of 5	100%			
Compensation & Benefits		1 of 1	100%			
Nominating & Corporate Governance (Chair)		2 of 2	100%			
Health, Safety & Environment Committee		4 of 4	100%			
Shares Beneficially Owned, Controlled or Directed:			Nil			
Options Beneficially Owned, Controlled or Directed:			Nil			

<p>Bielin Shi⁽¹⁰⁾</p> <p>Stirling, Western Australia Age:66</p> <p>Non-Executive Independent Director Since: June 2019</p> <p>Areas of Experience:</p> <ul style="list-style-type: none"> • Manage global project / risk assessment and evaluations • Mineral Resources /Exploration Geology • Technical Mining Expertise /Applied geostatistics, resource estimation /mining geology • Industry experience in gold, copper, base metals, PGM and iron mining 	<p>Mr. Shi was elected as an independent No-Executive Director as well as Chairman of the Health, Safety and Environmental Committee since June 2019.</p> <p>Mr. Shi is a leading mining executive and geologist who specialises in investment management, mining geology, geostatistics, resource estimation and optimisation, exploration and project development.</p> <p>Mr. Shi has over 36 years' experience as a Geologist with high level experience in investment management, applied geostatistics, resource estimation and mining geology, worldwide operational expertise in exploration and mine projects, and expertise with independent technical reviews, due diligence audits and expert technical reporting in compliance with the JORC Code, NI43-101 and HKEX Standards.</p> <p>Mr. Shi is a Competent Person under the JORC Code and holds equivalent credentials in respect of Canadian and Hong Kong's Mineral Resources / Reserves reporting standards. Mr. Shi has published numerous papers on the application of geostatistics in resource estimation.</p> <p>Mr. Shi's recent work has included investment management, audit and reviews of resources for multiple commodity projects.</p> <p>Mr. Shi has a Post-Doctoral Research Fellow in Geostatistics from Edith Cowan University, Western Australia. He obtained his PhD in Geology from The University of Melbourne, Australia; and MSc in Geology from Guizhou University of Technology, PRC.</p>				
	<p>Principal Occupation, Business or Employment⁽¹⁾</p>				
	<p>Group Manager Exploration & Resources, Minjar Gold Pty. Ltd. (March 2019 to present)</p>				
	<p>Director Status: Independent and Non-Executive⁽²⁾</p>	<p>2022 Attendance:</p>		<p>Other Public Company Board Membership:</p>	
	<p>Board/Committee Membership⁽¹⁰⁾</p>			<p>Company:</p>	<p>Since</p>
	<p>Board of Directors</p> <p>Audit</p> <p>Compensation & Benefits</p> <p>Nominating & Corporate Governance</p> <p>Health, Safety & Environment Committee (Chair)</p>	<p>6 of 6</p> <p>5 of 5</p> <p>1 of 1</p> <p>2 of 2</p> <p>4 of 4</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>	<p>Eastern Platinum Limited (TSX: ELR JSE: EPS)</p> <p>AustSino Resources Group Limited (ASX: ANS)</p>	<p>Sept. 2016</p> <p>Aug. 2018</p>
	<p>Shares Beneficially Owned, Controlled or Directed:</p>			<p>Nil</p>	
<p>Options Beneficially Owned, Controlled or Directed:</p>			<p>Nil</p>		

<p>Ruixia Han⁽¹¹⁾</p> <p>Hong Kong, PRC Age:39</p> <p>Non-Executive Independent Director Since: June 2019</p> <p>Areas of Experience: Accounting Managing / Leading Growth Financial Acumen</p>	<p>Ms. Han was elected as an Independent Non-Executive Director as well as Chairwoman of the Compensation and Benefit Committee since June 2019.</p> <p>She is the Deputy CEO and Executive Director of Mason Group Holdings Limited (HKEX Stock Code: 273) since 16 April 2020, and an independent Non-Executive Director of Jinchuan Group International Resource Co. Ltd (HKEX Stock Code: 2362) since 20 July 2022. Prior to joining Mason Group Holdings Limited in late 2019, Ms. Han was Head of Operations and Risk of MEC Advisory Limited, which was the sole Investment Advisor to Can-China Global Resource Fund. Ms. Han's role in MEC Advisory Limited covers investment, accounting, finance treasury and investor relationships related matters. Prior to joining MEC Advisory Limited in early 2014, Ms. Han was an Investment Manager at The Export-Import Bank of China responsible for sourcing, evaluating and negotiating investment opportunities in the banking and direct investment industry.</p> <p>Ms. Han obtained her PhD degree in Economics (Finance), Master's degree in Applied Economics (Venture Capital) and Bachelor's degree of Economics (Finance) and has a double bachelor's degree of Journalism from Renmin University of China.</p>				
	<p>Principal Occupation, Business or Employment⁽¹⁾</p>				
	<p>Deputy CEO and Executive Director of Mason Group Holdings Ltd. (2020 to present)</p>				
	<p>Director Status: Independent and Non-Executive⁽²⁾</p>	<p>2022 Attendance:</p>		<p>Other Public Company Board Membership:</p>	
	<p>Board/Committee Membership:⁽¹¹⁾</p>			<p>Company:</p>	<p>Since</p>
	<p>Board of Directors</p> <p>Audit</p> <p>Compensation & Benefits</p> <p>Nominating & Corporate Governance (Chair)</p> <p>Health, Safety & Environment Committee</p>	<p>6 of 6</p> <p>5 of 5</p> <p>1 of 1</p> <p>2 of 2</p> <p>4 of 4</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>	<p>n/a</p>	<p>n/a</p>
<p>Shares Beneficially Owned, Controlled or Directed:</p>			<p>Nil</p>		
<p>Options Beneficially Owned, Controlled or Directed:</p>			<p>Nil</p>		

Notes:

- (1) The information as to principal occupation, business or employment has been furnished by the nominee.
- (2) "Independent" refers to the standards of independence established under Canadian Securities Administrators' National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") and Rule 3.13 of the Hong Kong Listing Rules.
- (3) Mr. Tong was appointed as Chairman of the board on October 27, 2022 and quit from Nominating and Corporate Governance Committee at the same time.
- (4) Mr. Fu was elected as executive director and appointed a member to the Health, Safety and Environmental Committee on October 27, 2022.
- (5) Mr. Zhang was elected as executive director and appointed a member to the Compensation & Benefit Committee on June 17, 2020.
- (6) Ms. Tian was elected as executive director and appointed a member to the Compensation & Benefit Committee on June 17, 2020.
- (7) Mr. Wang was elected as non-executive director and appointed a member to the Nominating & Corporate Governance Committee on October 27, 2022.
- (8) Mr. He was appointed to the Board on May 31, 2000 and was further appointed as Lead Independent Director on November 13, 2018. Mr. He is the Chairman of the Audit Committee and is a member of the Nominating and Corporate Governance Committee and Compensation and Benefits Committee and Health, Safety & Environment Committee.
- (9) Mr. Shao was appointed to the Board on June 25, 2019. Mr. Shao is the Chairman of the Nominating and Corporate Governance Committee and is a member of the Audit Committee, Compensation and Benefits Committee and Health, Safety & Environment Committee.
- (10) Mr. Shi was appointed to the Board on June 25, 2019. Mr. Shi is the Chairman of the Health, Safety & Environment Committee and is a member of the Audit Committee, Compensation and Benefits Committee and Nominating and Corporate Governance Committee.
- (11) Ms. Han was appointed to the Board on June 25, 2019. Ms. Han is the Chairwoman of the Compensation and Benefits Committee and a member of the Audit Committee, Nominating and Corporate Governance Committee and Health, Safety & Environment Committee.

DIRECTOR COMPENSATION

The Compensation and Benefits Committee periodically reviews and makes recommendations to the Board regarding the adequacy and form of the compensation for non-management directors to ensure that such

compensation realistically reflects the responsibilities and risks involved in being an effective Director, without compromising a Director's independence. Directors who are executives of the Company receive no additional remuneration for their services as directors.

Based on the recommendations provided by the Compensation and Benefits Committee, the annual retainer for each of the INEDs was approved as below:

	US\$
Lead INED	\$54,000
INEDs	\$45,900

All INEDs are entitled to be reimbursed for actual expenses reasonably incurred in the performance of their duties as Directors. Save as disclosed herein, the Company does not have service contracts with its INEDs.

Compensation of Directors Table

The Company paid the following compensation to its Directors during the financial year ended December 31, 2022:

Name	Fees Earned (US\$)	Share-based awards	Option-based awards	All other compensation	Total (US\$)
Junhu Tong ⁽¹⁾	Nil	Nil	Nil		Nil
Liangyou Jiang ⁽¹⁾	Nil	Nil	Nil	Nil	Nil
Yuanhui Fu	Nil	Nil	Nil	19,230	19,230
Shiliang Guan ^{(1) (2)}	Nil	Nil	Nil	164,547	164,547
Weibin Zhang	Nil	Nil	Nil	\$150,721	\$150,721
Na Tian	2,153	Nil	Nil	2,153	2,153
Wanming Wang	Nil	Nil	Nil	Nil	Nil
Yingbin lan He	56,437	Nil	Nil	2,690	59,127
Wei Shao	47,972	Nil	Nil	2,581	50,553
Bielin Shi	45,983	Nil	Nil	Nil	45,983
Ruixia Han	45,983	Nil	Nil	Nil	45,983

Notes:

- (1) Mr. Jiang and Mr. Guan resigned as director of board on October 27, 2022
- (2) Information for Mr. Shiliang Guan is included in the Summary Compensation Table for Named Executive Officers and is not reported in the Director Compensation section of this Information Circular.
- (3) For details relating to the appointments of the Directors, please see the above section entitled "Director Biographies" in this Information Circular.
- (4) Total annual salary

Compensation of Directors - Outstanding share-based awards and option-based awards

The Company does not have an incentive stock option plan or any other share-based compensation arrangements in effect as at the end of December 31, 2022.

Executive Compensation

Summary Compensation Table

The following table sets out a summary of all compensation paid by the Company and its subsidiaries for the three years ended December 31, 2022, 2021 and 2020 to its Chief Executive Officer, Chief Financial Officer, and each of the individuals who at December 31, 2022 were the three most highly compensated executive officers of the Company having total compensation individually of more than CAD\$150,000 (collectively, the "Named Executive Officers") and includes former executive officers of the Company who would otherwise be considered Named Executive Officers but for the fact that such individuals were no longer executive officers of the Company as of December 31, 2022:

Name and Principal Position	Year	Salary (US\$) ⁽¹⁾	Share based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation		Pension Value (US\$)	All Other Compensation (US\$) ⁽¹⁾	Total Compensation (US\$)
					Annual incentive plans (US\$)	Long-term incentive plans (US\$)			
Junhu Tong ⁽²⁾ Chief Executive Officer	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Liangyou Jiang ⁽³⁾ Former Chief Executive Officer	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shiliang Guan ⁽³⁾ Vice President	2022	\$164,547	Nil	Nil	Nil	Nil	Nil	Nil	\$164,547
	2021	\$288,147	Nil	Nil	Nil	Nil	\$8,613	Nil	\$296,760
	2020	\$98,484	Nil	Nil	Nil	Nil	\$1,093	Nil	\$99,578
Jerry Xie Executive Vice President and Corporate Secretary	2022	\$167,457	Nil	Nil	Nil	Nil	\$2,690	Nil	\$170,147
	2021	\$172,484	Nil	Nil	Nil	Nil	\$2,526	Nil	\$175,010
	2020	\$162,679	Nil	Nil	Nil	Nil	Nil	Nil	\$162,679
Yuehe Lu ⁽³⁾ Interim Chief Financial Officer	2022	\$3,015	Nil	Nil	Nil	Nil	Nil	Nil	\$3,015
	2021	\$25,924	Nil	Nil	Nil	Nil	\$1,316	Nil	\$27,240
	2020	\$17,664	Nil	Nil	Nil	Nil	Nil	Nil	\$17,664
Zhongxin (Gerard) Guo Chief Engineer	2022	\$163,089	Nil	Nil	Nil	Nil	\$2,690	Nil	\$165,779
	2021	\$192,086	Nil	Nil	Nil	Nil	\$2,526	Nil	\$194,612
	2020	\$175,192	Nil	Nil	Nil	Nil	Nil	Nil	\$175,192

Notes:

- (1) The value of prerequisites for each Named Executive Officer did not exceed the lesser of CAD\$50,000 and 10% of the total salary of such Named Executive Officer for the years ended December 31, 2022 and are therefore not included in "All Other Compensation" as permitted under Canadian securities laws.
- (2) Mr. Tong was appointed as CEO on October 27, 2022 and does not receive any compensation from the Company for his role as Chief Executive Officer.
- (3) Mr. Jiang and Mr. Guan resigned as Executive Officer on October 27, 2022.

Management Contracts

The management functions of the Company and its subsidiaries are not performed by a person or persons other than the Directors or executive officers of the Company.

BOARD OF DIRECTORS

Directors and Officers Insurance

The Company purchased directors and officers liability insurance with aggregate coverage in the amount of US\$10,000,000. The aggregate premium for the insurance coverage was US\$107,000 and the coverage has a deductible of US\$1.5 million in US and US\$250,000 in Canada per claim except for employment claims which have US\$100,000 and securities claims which have a deductible of US\$25,000.

Corporate Cease Trade Orders and Bankruptcies

Mr. Yingbin Ian He, a nominee for Director at the Meeting, was previously a director of Huaxing Machinery Corp. ("**Huaxing**") from January 2011 to December 2016. On February 26, 2015, the British Columbia Securities Commission issued a cease trade order requiring all persons to cease trading in the securities of Huaxing until Huaxing files amended and restated audited financial information for the financial years ended December 31, 2013 and 2012. On June 9, 2015, the Alberta Securities Commission issued a cease trader order which required that all trading or purchasing cease in respect of the securities of Huaxing as a result of the failure by Huaxing to file: (i) annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended December 31, 2014; and (ii) interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended March 31, 2015.

Mr. He was also a director of SouthGobi Resources Ltd. ("**SouthGobi**") which was subject to a cease trade order issued by the British Columbia Securities Commission on June 19, 2020 as a result of SouthGobi's failure to file (i) annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended December 31, 2019; and (ii) interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended March 31, 2020. The cease trade order was lifted on February 8, 2021.

SouthGobi was also subject to a management cease trade order issued by the British Columbia Securities Commission on April 1, 2022 as a result of SouthGobi's failure to file annual audited financial statements, annual management's discussion and analysis, and annual information form for the year ended December 31, 2021. The management cease trade order was lifted on June 08, 2022.

To the knowledge of the Company, save as disclosed above, no other proposed Director is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Individual Bankruptcies

To the knowledge of the Company, no other proposed Director is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets of the proposed Director.

Penalties or Sanctions

The Company was notified by Mr. Bielin Shi, a nominee for Director at the Meeting, of an investigation and decision (the “**Decision**”) by the Shanghai Stock Exchange (the “**SSE**”) against Shandong Tyan Home Co., Ltd. (“**Tyan**”) together with its controlling shareholder and 21 current and former directors and officers of Tyan pertaining to certain breaches of continuous disclosure requirements in Tyan’s Annual and Semi-Annual reports for the periods 2014 through and including 2018. Mr. Shi served as Deputy General Manager of Tyan for a short period from July 2017 to March 2019. Mr. Shi was responsible for mineral exploration and investments held by Tyan. He did not have any responsibility for financial disclosure and was not involved with Tyan during most of the periods for which incorrect financial disclosure was filed, but was implicated in the Decision by virtue of serving as an officer of Tyan during the period in which financial reporting was filed for such periods in question. The Decision did not relate to any business or operations of Tyan in which Mr. Shi was involved. Mr. Shi received a formal warning from the SSE and the China Securities Regulatory Commission and was imposed a fine of RMB30,000.

Mr. Shi resigned as Deputy General Manager of Tyan in March 2019 and was not involved in the regulatory proceeding against Tyan.

To the knowledge of the Company, no other proposed Director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

CORPORATE GOVERNANCE

Statement of Corporate Governance Practices

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices which are in the interest of the Shareholders and also contribute to effective and efficient decision making. A description of certain corporate governance practices of the Company in accordance with Form 58-101F1 of National Instrument 58-101 of the Canadian Securities Administrators is attached as “**Schedule A** – Corporate Governance Disclosure to this Information Circular”.

Director Independence

The Board and the Nominating and Corporate Governance Committee considered the relationships of each of the Director nominees to the Company and determined that four of the nine proposed nominees for election as Directors qualify as INEDs. The Board and the Nominating and Corporate Governance Committee reviewed independence in light of the requirements of NI58-101, Section 311 of the TSX Company Manual in Canada and Rule 3.13 of the Hong Kong Listing Rules. The INED nominees are: Mr. Yingbin lan He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han. The non-independent Director nominees are: Mr. Junhu Tong, Mr. Yuanhui Fu, Mr. Weibin Zhang, Ms. Na Tian and Mr. Wanming Wang. The INED nominees have each confirmed their independence accordingly.

Pursuant to the Code Provision B.2.3 of Part 2 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules, any further appointment of INEDs serving more than nine years should be subject to a separate resolution to be approved by Shareholders. Mr. Yingbin lan He has served on the Board for more than nine years. Mr. Yingbin lan He has not been involved in the daily management of the Company nor in any relationships or circumstances which would impair their independent judgment. Mr. Yingbin lan He has consistently demonstrated his ability to provide independent, balanced and objective advice and insight on the Company’s affairs. In addition, the Board is of the opinion that Mr. Yingbin lan He continues to be independent after reviewing and assessing his annual confirmations of independence based on the criteria set out in Rule

3.13 of the Hong Kong Listing Rules. Accordingly, the Board recommends Mr. Yingbin Ian He for re-election at the Meeting.

The INEDs, namely each of Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han, are subject to a separate ordinary resolution to be approved by Shareholders at the Meeting. The Board has complied with the Corporate Governance Code Provision F.2.1 with regard to the requirement to propose a separate resolution in respect of each substantially separate issue at any annual general meeting. It is the Company's practice that separate resolutions were proposed at the Meeting for the re-election of each individual Director nominee whether such Director is an executive Director, a non-executive Director or an INED. Accordingly, re-election of each individual Director nominee will be voted on individually at the Meeting.

In addition, the Audit Committee is currently comprised exclusively of INEDs. Each of the Compensation and Benefits Committee, Nominating and Corporate Governance Committee and Health, Safety and Environmental Committee are currently comprised by a majority of INEDs. If all of the INED nominees proposed by management for election to the Board are elected at the Meeting, it is expected that they will be appointed to each of the Audit Committee, Compensation and Benefits Committee, Nominating and Corporate Governance Committee and Health, Safety and Environmental Committee. The Audit Committee will continue to be comprised exclusively of INEDs with the Compensation and Benefits Committee, Nominating and Corporate Governance Committee and Health, Safety and Environmental Committee comprised by a majority of INEDs.

COMPENSATION AND BENEFITS COMMITTEE

During the year ended December 31, 2022, the Compensation and Benefits Committee comprised Ms. Ruixia Han, Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Mr. Weibing Zhang. If the management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Compensation and Benefits Committee will be composed of a majority of INEDs. For information regarding the responsibilities, powers and operation of the Compensation and Benefits Committee, see "Schedule A – Corporate Governance Disclosure".

Currently none of the Company's executive officers serve as a member of the Compensation and Benefits Committee or the board of directors of any entity that has an executive officer serving as a member of the Compensation and Benefits Committee or Board.

Compensation Discussion and Analysis

Compensation and Benefits Committee and Compensation Philosophy

The Company's executive compensation program is administered by the Compensation and Benefits Committee. Following review and approval by the Compensation and Benefits Committee, decisions relating to executive compensation are reported to and approved by the Board.

The basic philosophy underlying the Company's executive compensation program is that the interests of the Company's executive officers should be aligned as closely as possible with the interests of the Company and its Shareholders as a whole. The Company attempts to bridge its compensation practices with the norms for listed issuers in North America and the norms for Chinese companies. At the same time, the Company recognizes that competition in the mining industry for highly skilled employees is intense and that the levels of compensation offered by the Company must be comparable to those offered by its competitors in order to attract, retain and motivate executive personnel of the highest caliber.

The Compensation and Benefits Committee assess the individual performance of the Company's executive officers and makes recommendations to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of compensation to be paid to the Company's executive officers.

Compensation for the Company's senior executive officers has been traditionally determined with regard to the following considerations in approximately equal level of importance:

- (a) the desirability of providing a strong incentive to management to work as a team to achieve the Company's corporate long-term and short-term business development goals;
- (b) the principle that the economic interests of management and those of the Shareholders should be aligned as closely as reasonably possible;
- (c) the competitive environment that exists in the mining industry for the recruitment and retention of qualified personnel and the resulting need to offer levels of executive compensation that are comparable to those offered by the Company's competitors; and
- (d) the development of the Company's business.

The criteria upon which these recommendations are based have reflected the Company's views as to the nature and value of the contributions made by its executive officers to the achievement of the Company's corporate plans and objectives.

The Company's compensation decisions have been largely subjective, based on the Company's compensation philosophy and in particular focusing on retention and available resources.

How the Company makes Compensation Decisions

The Compensation and Benefits Committee reviews levels of cash compensation on an ad hoc basis, and makes recommendations to the Board to adjust cash compensation in light of individual and Company performance, improvements in job proficiency, retention risks, succession requirements and compensation changes in the market. The Compensation and Benefits Committee also reviews the corporate goals and objectives relevant to the compensation of the senior executive officers as needed and at least annually based on recommendations from the Chief Executive Officer and other members of the management team. The Board maintains discretionary authority over all compensation awards.

The Compensation and Benefits Committee makes its determinations as to overall compensation levels on the basis of both available third-party data regarding comparable compensation at similar size companies as well as their own industry experience, hiring and retention needs and other subjective factors. The Compensation and Benefits Committee has not formalized a peer comparator group for purposes of making compensation decisions although the Company's compensation practices compare favorably with other Toronto Stock Exchange and Hong Kong Stock Exchange listed issuers with producing mines. Compensation decisions are not currently made on the basis of the achievement of pre-determined objective benchmarks or goals for the various management positions.

Salary Compensation

Salaries are reviewed upon hiring decisions and then again at least annually. Salary adjustments for the following year are considered based on a variety of factors, including the individual's performance and contributions, improvements in job proficiency, retention risks, succession requirements and compensation changes in the market and available cash resources.

Consistent with the practice established by his predecessors with the support of CNG, since his appointment as Chief Executive Officer of the Company, Mr. Junhu Tong has chosen not to receive any compensation, salary or otherwise, from the Company for carrying out the duties of such role.

Bonus Compensation

Executive officers of the Company are eligible for annual incentive compensation in the form of a bonus in cash. Annual incentive awards are based on an assessment of performance of a combination of Company, business unit and individual performance, as well as a consideration of overall compensation targets and market changes. To date, the Company has not implemented a formalized approach to bonuses, although the Company assesses quantitative and qualitative economic measurement criteria to develop a more objective approach to determining annual bonuses.

For the 2022 financial year, the Company did not award any annual incentive bonuses to any Named Executive Officers.

Other Compensation

The Company does not maintain a current stock option plan. For more information, see “Securities Authorized for Issuance under Equity Compensation Plans”.

The Company does not maintain a pension plan or other long-term compensation plan.

For the 2022 financial year, the Company did not provide any other material compensation for its Named Executive Officers beyond the salaries disclosed above.

Compensation Governance

For the most recently completed financial year ended December 31, 2022 no fees were billed by any consultant or advisor for services related to determining compensation for any of the Company’s Directors and executive officers.

Compensation Risk Management

The Board has considered the implications of the risks associated with the Company’s compensation policies and practices. The Board has ultimate oversight of the risks associated with the Company’s compensation policies and practices, and carefully reviews the risks associated with the Company’s compensation structure. The Company’s compensation policies and practices are heavily influenced by those of CNG and other Chinese mining companies. The Company’s current compensation structure consists of cash compensation in the form of salary and bonus compensation. The Company does not currently maintain an equity incentive plan nor does it maintain a long-term incentive plan. The Company will adopt a more formalized approach to compensation risk management as its compensation practices evolve. The Company uses the following practices to identify and mitigate compensation policies and practices that could encourage an individual to take inappropriate or excessive risks: (i) the Compensation and Benefits Committee completes an annual review of all forms of compensation provided to the Named Executive Officers, Directors and top paid employees; and (ii) the Board completes an annual review of the Company’s compensation philosophy and components. There are no identified risks arising from the Company’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Financial Instruments

The Company does not have a written policy which restricts its executive officers and Directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officers or Directors.

Long-term Incentive Plan (“LTIP”) Awards

The Company does not have a LTIP pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company's securities) was paid or distributed to any directors, executive officers or employees during the financial year ended December 31, 2022.

Defined Benefit and Pension Plans

The Company does not presently provide any defined benefit, pension plan or deferred compensation to its Directors, executive officers or employees.

Outstanding share-based awards and option-based awards

There are no outstanding share-based awards and option-based awards held by any of the Named Executive Officers of the Company as of December 31, 2022.

Incentive Plan Awards – value vested or earned during 2022

There are no outstanding incentive plan awards held by any of the Named Executive Officers of the Company as of December 31, 2022.

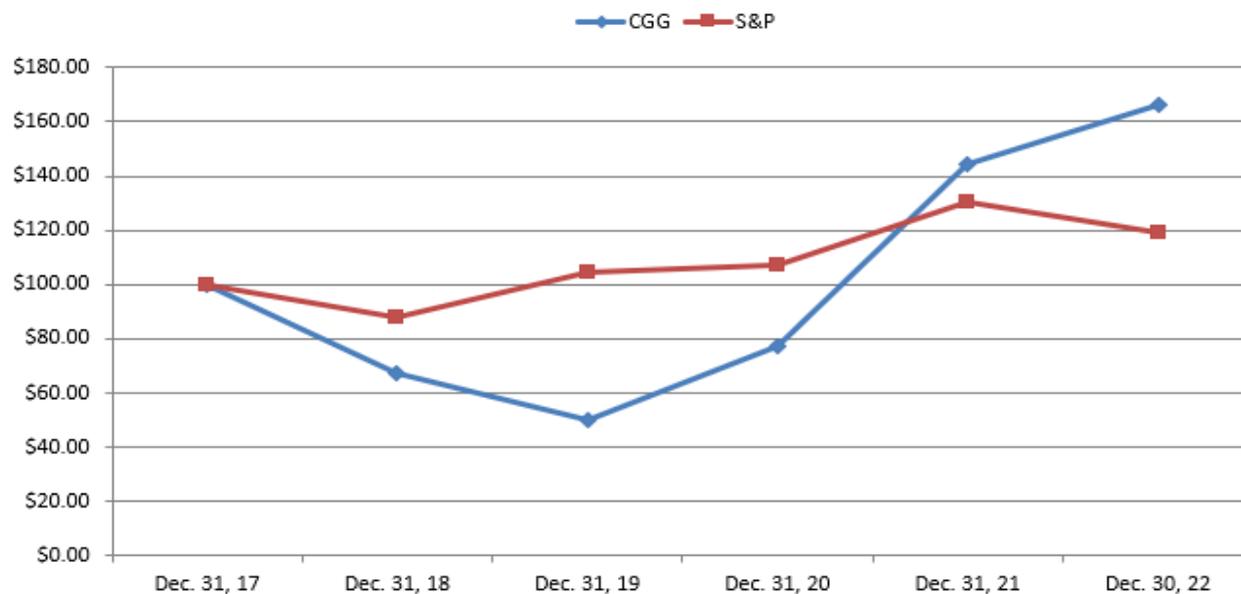
Termination of Employment, Change in Responsibilities and Employment Contracts

The Company has employment contracts with each of its Named Executive Officers with the exception of Mr. Junhu Tong and Mr. Yuanhui Fu, who do not receive any compensation for acting as Chief Executive Officer and Vice President, respectively. Under employment contracts with the Named Executive Officers, the Named Executive Officers may terminate their employment on notice to the Company. In the case of Mr. Jerry Xie, Mr. Zhongxin (Gerard) Guo and Mr. Huan Cai, one month's notice is required. In the case of Mr. Junhu Tong, Ms. Luehe Lu, Mr. Yuanhui Fu, the Company has a strong working relationship with CNG and is able to terminate employment through that relationship. Mr. Zhongxin (Gerard) Guo resigned on March 31, 2023.

Under employment contracts with the Named Executive Officers, the Company may terminate Mr. Jerry Xie's employment for cause, or without cause upon one month's notice or lump sum payment equivalent. In the event of a change of control of the Company and if the employment contract of Mr. Jerry Xie is terminated within twelve months of such change of control, Mr. Jerry Xie will be entitled to salary up to the earlier of 18 months from the date of his termination and commencement of alternate employment.

Performance Graph

The following graph and table compare the cumulative total shareholder return on a CAD\$100 investment in Shares on December 31, 2017 against the cumulative total Shareholder return of the S&P/TSX Composite Index for the five most recently completed financial periods of the Company, assuming the reinvestment of all dividends. For a discussion of the relationship between compensation paid to executive officers and Shareholder returns, see “Compensation Discussion and Analysis – Elements of Total Compensation”.



	Dec. 2017	Dec. 2018	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022
China Gold International Resources Corp. Ltd.	100.00	67.23	50.21	77.45	144.26	166.38
S&P/TSX Composite Index	100.00	87.82	104.62	106.89	130.12	118.85

Securities Authorized For Issuance Under Equity Compensation Plans

Equity Compensation Plan Information

The Company does not have an incentive stock option plan or other equity compensation plans.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company’s Directors or executive officers, proposed Director nominees, or associates of any of them, is or has been indebted to the Company or its subsidiaries, or to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries at any time since the beginning of the most recently completed financial year, and none of the foregoing persons, nor any current or former employees or former Directors and executive officers, are indebted to the Company or any of its subsidiaries as at the date of this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, no informed person of the Company, no proposed nominee for election as a Director of the Company, and no associate or affiliate of any of these persons has any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year or in any proposed transaction which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by an underwriter as such in the course of a distribution; and
- (d) the Company if it has acquired any of its securities, for so long as it holds any of its securities.

COMPETING INTERESTS

As of the Latest Practicable Date, other than the directorships and management roles of the proposed Directors in other gold and other mineral mining companies as disclosed in paragraph 1 of "Schedule A – Corporate Governance Disclosure", none of the proposed Directors or, so far as known to them, their close associates had interests in businesses which compete with, or might compete with, either directly or indirectly, the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Hong Kong Listing Rules Listing Rules if each of them were a controlling shareholder), other than those businesses where such proposed Directors had been appointed to represent the interests of the Company and/or other members of the Group.

DIRECTORS' INTEREST IN THE GROUP'S ASSETS

As of the Latest Practicable Date, none of the Directors and proposed Directors had any interests, either directly or indirectly, in any assets which had been, since December 31, 2022 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

OTHER ARRANGEMENTS INVOLVING DIRECTORS

As of the Latest Practicable Date, other than as disclosed in paragraph 1 of "Schedule A – Corporate Governance Disclosure", there was no contract or arrangement subsisting at the date of this Information Circular in which any of the Directors was materially interested and which was significant in relation to the business of the Group.

MATERIAL ADVERSE CHANGE

As disclosed in the announcement of the Company dated May 5, 2023, the Jiama Mine suspended its operations following an overflow at the Guolanggou Tailings Dam. The Company has taken the opportunity to conduct a comprehensive safety assessment and repair work on its tailings. Based on information available to the Company, it is expected the repair work will be completed around end of August 2023, after which the government will conduct an assessment on the entire tailings pond before issuing a permit to resume production. Although the Company is keen to resume operations at the Jiama Mine as soon as possible, as at the Latest Practicable Date, the Company does not have an exact resumption date as this remains subject to events which are beyond the control of the Company. As a result of the suspension of the Jiama Mine, the

Company has suspended the supply and sales of copper, whilst the Company continues to supply and sell gold produced at the CSH gold Mine, the operation of which remains stable. Although the suspension of the Jiama Mine will have a negative impact on the Company's revenue for part of the financial year ending December 31, 2023, the Company believes the impact is temporary as the Company will be in a position to resume the supply and sales of gold and copper produced at the Jiama Mine once the resumption permit has been granted. Since the suspension of the Jiama Mine and up to the Latest Practicable Date, the Company has not experienced difficulty in obtaining financing to meet its funding needs and there has not been any material change in credit or financing terms available to the Company.

Save for the aforesaid, as of the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Group since December 31, 2022 (being the date to which the latest published audited financial statements of the Group were made).

LITIGATION

As of the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened by or against any member of the Group.

SERVICE CONTRACTS

As of the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation).

DISCLOSURE OF INTERESTS

Other than as disclosed below, the Directors and chief executive officer of the Company are not aware of any other person who, as of the Latest Practicable Date, had an interest or short position in the Shares, convertible securities, warrants, options or derivatives of the Company, the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	Nature of interest	Number of Shares held	Approximate percentage of outstanding Shares
CNG ⁽¹⁾	Indirect	158,7588,330 ⁽¹⁾	40.01%
CNGGHK	Registered Owner	158,588,330	40.01%

Note:

- (1) CNG directly and wholly owns China Gold Hong Kong therefore the interest attributable to CNG represents its indirect interest in the Shares through its equity interest in China Gold Hong Kong.

Save as disclosed above, the Company had not been notified and is not aware of any other persons who had an interest or a short position in the Shares, convertible securities, warrants, options or derivatives of the Company, the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company as at the Latest Practicable Date.

OTHER DISCLOSURE

As of the Latest Practicable Date, the current and proposed Directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 150,000 Shares, representing approximately 0.0378% of the outstanding Shares.

Name	Position	Company	Number of shares held	Nature of interest	Approximate percentage of interest in the company
Mr. Yingbin Ian He	INED	The Company	150,000	Personal	0.0378%

Note: Information relating to share ownership provided by the Director.

Save as disclosed above, the current and proposed Directors and executive officers of the Company do not have any other interest or short position in the Shares, convertibles securities, warrants, options or derivatives, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Division 7 and Division 8 of Part XV of the SFO in Hong Kong, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (Appendix 10 to the Hong Kong Listing Rules) to be notified to the Company and the Hong Kong Stock Exchange as at the Latest Practicable Date.

Save as disclosed herein, none of the proposed Directors holds any other position with the Company or its subsidiaries, nor has any other directorships in other listed public companies and no Director has any other relationship with any Directors, senior management, substantial shareholders or the Company's ultimate controlling Shareholder (as defined in the Hong Kong Listing Rules). For information regarding the other public company directorships of the proposed Directors, and information regarding the relationship between certain proposed Directors and CNG see "Schedule A – Corporate Governance Disclosure".

Save as disclosed herein, there is no information for each of the proposed Directors of the Company which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

APPOINTMENT OF AUDITORS

Deloitte Touche Tohmatsu will be nominated at the Meeting for re-appointment as auditors of the Company to hold office until the next annual general meeting of Shareholders with their remuneration to be fixed by the Board. Deloitte Touche Tohmatsu was first appointed as auditors of the Company on April 1, 2010.

COMPANY SECRETARY

Dr. Ngai Wai Fung, the director and chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited, an external service provider, has been appointed by the Board as the Company's company secretary in Hong Kong with effect from January 16, 2014.

Dr. Ngai has over 30 years of professional practice and senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and risk management, regulatory compliance, corporate governance and company secretarial work for listed issuers including major red chips companies. Dr. Ngai is a Fellow of the Hong Kong Chartered Governance Institute, a Fellow of the Chartered Governance Institute, a member of The Hong Kong Institute of Certified Public Accountants, a Fellow of Association of Chartered Certified Accountants in the United Kingdom and a member of the Chartered Institute of Arbitrators.

Dr. Ngai obtained a Doctoral Degree in Economics majoring in Finance at Shanghai University of Finance and Economics, a Master's Degree in Corporate Finance from Hong Kong Polytechnic University, a Master's Degree in Business Administration from Andrews University of Michigan and a Bachelor's Degree (Honours) in Law at University of Wolverhampton.

Dr. Ngai Wai Fung's contact person in the Company in relation to any corporate secretarial matters is Mr. Jerry Xie, the Executive Vice President and Corporate Secretary of the Company.

EXPERT

The following is the qualification of the expert who has given its opinion or advice which is contained in this Information Circular:

Name	Qualification
TC Capital International Limited	A licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulatory activities under the SFO.

As of the Latest Practicable Date, TC Capital had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As of the Latest Practicable Date, TC Capital had no direct or indirect interest in any assets which had been, since December 31, 2022 (the date to which the latest published audited financial statements of the Company were made), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

TC Capital has given and has not withdrawn its written consent to the issue of this Information Circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

PARTICULARS OF MATTERS TO BE ACTED UPON

In addition to the election of the Directors, appointment of auditors and other matters disclosed elsewhere in this Information Circular, the Board is proposing that the Shareholders consider and vote upon the following matters at the Meeting:

SHARE REPURCHASE MANDATE

The existing general mandate to repurchase the Shares granted to the Board at the annual general and special meeting held on June 29, 2022 will expire upon the conclusion of the Meeting.

An ordinary resolution will be proposed at the Meeting to seek the approval of the Shareholders to grant a general and unconditional mandate to the Board to repurchase the Shares up to a maximum of 10% of the aggregate number of issued Shares as at the date of the passing of the ordinary resolution set out as resolution B below (the "**Share Repurchase Mandate**"). If the resolution is passed, in the event that the Share Repurchase Mandate is exercised in full (on the basis of **396,413,753** Shares outstanding as of the Latest Practicable Date), up to **39,641,375** Shares may be repurchased by the Company as a result during the Relevant Period (as defined below).

An explanatory statement as required by the Hong Kong Listing Rules, providing the requisite information regarding the grant of the Share Repurchase Mandate is set out in "Schedule B - Share Repurchase Mandate" to this Information Circular.

The Share Repurchase Mandate relates to the Hong Kong Listing Rules. Any repurchase of Shares by the Company must also be in compliance with applicable Canadian securities laws and the listing rules of the TSX.

SHARE ISSUE MANDATE

The existing general mandate to allot, issue or otherwise deal with new Shares granted to the Board at the annual general and special meeting held on June 29, 2022 will expire upon the conclusion of the Meeting.

An ordinary resolution will be proposed at the Meeting to seek the approval of the Shareholders to grant a general and unconditional mandate to the Board to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the aggregate number of issued Shares as at the date of passing of the ordinary resolution set out as resolution A below (the “**Share Issue Mandate**”), in order to increase the flexibility for the Company to raise new capital as and when the Board considers appropriate. If the resolution is passed, in the event that the Share Issue Mandate is exercised in full (on the basis of **396,413,753** Shares outstanding as of the Latest Practicable Date), up to **79,282,750** new Shares may be allotted, issued and dealt with by the Company during the Relevant Period (as defined below).

The Share Issue Mandate relates to the Hong Kong Listing Rules. Any allotment and issuance of Shares by the Company must also be in compliance with applicable Canadian securities laws and the listing rules of the TSX.

ADDITIONAL SHARE ALLOTMENT MANDATE

In addition, if the Share Repurchase Mandate is granted, an ordinary resolution will be proposed at the Meeting providing that any Shares repurchased under the Share Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Share Issue Mandate (the “**Additional Share Allotment Mandate**”).

The Additional Share Allotment Mandate relates to the Hong Kong Listing Rules. Any allotment and issuance of Shares by the Company must also be in compliance with applicable Canadian securities laws and the listing rules of the TSX.

Accordingly, at the Meeting, the Shareholders will be asked to consider and if thought fit, pass with or without amendments, each of the following as an ordinary resolution:

RESOLVED, as an ordinary resolution:

A. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional Shares in the share capital of the Company or securities convertible into such Shares or options, warrants, or similar rights to subscribe for any such Shares or such convertible securities and to make or grant offers, agreements and options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws be and is hereby generally and unconditionally approved;
- (b) the approval of paragraph (a) of this resolution shall authorize the Board during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company which may be allotted or conditionally or unconditionally agreed to be allotted (whether pursuant to an option or otherwise), issued or otherwise dealt with by the Board pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription or conversion rights attaching to any securities or warrants which may be issued by the Company or any securities which are convertible into Shares of the Company from time to time or (iii) the exercise of options granted under the stock option plan of the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the

Company and/or any of its subsidiaries of Common or rights to acquire Shares or (iv) any issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of the Company in force from time to time, shall not exceed 20% of the aggregate number of issued shares of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of the Company to be held; and
- (iii) the time of the passing of an ordinary resolution of the Company in a general meeting revoking or varying the authority set out in this resolution; and

“**Rights Issue**” means an offer of Shares or an issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Board to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

B. “**THAT**:

(a) subject to paragraph (b) of this resolution, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase securities of the Company on the Hong Kong Stock Exchange, the Toronto Stock Exchange, or on any other stock exchange on which the securities of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange for this purpose (the “**Recognized Stock Exchange**”), subject to and in accordance with all applicable laws and the requirements of the Hong Kong Stock Exchange or the Toronto Stock Exchange or any other Recognized Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the Shares authorized to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

(c) for the purpose of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of the Company to be held; and
 - (iii) the time of the passing of an ordinary resolution of the Company in a general meeting revoking or varying the authority set out in this resolution.”
- C. “**THAT** conditional upon the resolutions set out in paragraphs A and B above, the general mandate granted to the Board and for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares in the share capital of the Company pursuant to the resolution set out in paragraph A above be and is hereby extended by the addition of an amount representing the aggregate number of issued shares of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph B above, provided that such extended amount shall not exceed 10% of the aggregate number of issued Shares as at the date of passing of this resolution.”

ADOPTION OF NEW ARTICLES

Adoption of Amended Articles

The Board wishes to amend the Company’s current Articles (the “**Articles**”) with the Amended Articles in order to update and modernize the Articles accordance with the provisions of the Company’s governing statute, the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). The Amended Articles will also reflect governance standards required under the *Core Standard – Appendix 3 to the Hong Kong Listing Rules*. The Board believes that the Amended Articles will better align with recent legal and regulatory developments and market practice by Hong Kong Stock Exchange listed companies. The special resolution approving the Amended Articles must be passed by not less than $66 \frac{2}{3}$ of the votes cast by Shareholders who are entitled to vote and are present in person or by proxy at the Meeting.

The Amended Articles are substantially similar to the current Articles but reflect one of the regulatory developments in Core Standard of Hong Kong Listing Rules, including the following:

- **Branch Registers** – the Company intends to include the expression of “branch register of shareholders in Hong Kong shall be open for inspection by shareholders” required in the Hong Kong Listing Rules into the Amended Articles.
- **Electronic Meetings** – the Company intends to confirm the ability to hold shareholder meetings entirely by means of telephonic, electronic or other communication facilities that permit all participants to speak and communicate during the meeting. This reflects a market approach away from in person only meetings and recognizes the Company’s international shareholder base on both the TSX and the HKEX.
- **Nominations of Directors** – the Company intends to amend the timelines for nominations of directors to better conform to HKEX shareholder meeting requirements and to ensure that the information provided by nominated directors includes information required by the Hong Kong Listing Rules.
- **Removal of Directors** – the Company intends to amend the threshold for the resolution required for shareholders to remove a director before the expiration of his or her term of office. The Amended Articles will require an ordinary resolution to remove a director rather than a special resolution.

The Board proposes that the Amended Articles, consolidating all of the proposed amendments, be adopted to immediately replace the Articles in its entirety.

At the Meeting, the Shareholders will be asked to consider, and, if thought advisable, pass, with or without variation, a special resolution, as follows:

RESOLVED, as a special resolution

“THAT:

- (a) the current Articles of the Company be removed in its entirety and immediately replaced with the Amended Articles as set out in Schedule G to the information circular of the Company dated June 07, 2023; and
- (b) any one director or officer of the Company is authorized and directed on behalf of the Company, to take all necessary steps and proceedings, including filing of such documents and take such further actions that may be necessary to effect the amendment to the Articles and to execute, or cause to be executed, and to deliver or cause to be delivered all such other documents and instruments, and to do or to cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the intent and give effect to this special resolution.

A copy of the proposed New Articles showing changes to the Articles is set out in the Schedule **G** to this information circular and is available for inspection during local normal business hours up to and including June 21, 2016 at 8/F Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong, and at the Company’s office, One Bentall Centre, Suite 660, 505 Burrard Street, Box 27, Vancouver, British Columbia, Canada V7X 1M4.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION

The Fourth Supplemental Contract for Purchase and Sale of Doré

On May 11, 2023, Inner Mongolia Pacific and China National Gold entered into the Fourth Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2026. Save as the expiry date, other terms and conditions under the Contract for Purchase and Sale of Doré remain unchanged. For further information, please see Schedule D to this Information Circular.

The Fourth Supplemental Products and Services Framework Agreement

On May 11, 2023, the Company and China National Gold entered into the Fourth Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to extend the expiry date of the Products and Services Framework Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Products and Services Framework Agreement remain unchanged. For further information, please see Schedule D to this Information Circular.

The First Supplemental Financial Services Agreement

On May 9, 2023, the Company and China Gold Finance entered into the First Supplemental Financial Services Agreement, pursuant to which both parties agreed to extend the expiry date of the Financial Services Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Financial Services Agreement remain unchanged. For further information, please see Schedule D to this Information Circular.

Implications under the Hong Kong Listing Rules

As (i) China National Gold directly and owns the entire issued share capital of CNGGHK, which directly holds 40.01% of the outstanding shares of the Company and (ii) China Gold Finance is respectively 51% and 49% directly owned by China National Gold and Zhongjin Gold, which is a non-wholly owned subsidiary of China National Gold, China National Gold and China Gold Finance are connected persons to the Company and the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré, the Fourth Supplemental Products and Services Framework Agreement and the First Supplemental Financial Services Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

The Fourth Supplemental Products and Services Framework Agreement

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement are higher than 5%, the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The Fourth Supplemental Contract for Purchase and Sale of Doré

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré are higher than 5%, the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The First Supplemental Financial Services Agreement

As the Lending Services (i) constitute financial assistance to be received by the Group from a connected person, (ii) will be provided on normal commercial terms or better (in particular, the interest rate payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Industrial and Commercial Bank of China, Agricultural Bank of China, the Bank of China and the China Construction Bank (the “**Major PRC Commercial Banks**”) and (iii) will not be secured by the assets of the Group (in particular, in the event that the Group is unable to repay the loan under the Lending Services, China Gold Finance will not be permitted to offset such outstanding loans against any deposits of the Group placed in China Gold Finance under the Deposit Service), the Lending Services are therefore fully exempt pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Settlement Services and the Other Financial Services does not exceed 0.1%, the Settlement Services and the Other Financial Services are exempt from the approval of Independent Shareholders pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Deposit Service is higher than 25%, the Deposit Service constitutes a major and non-exempt continuing connected

transaction and is subject to the approval of Independent Shareholders according to Chapters 14 and 14A of the Hong Kong Listing Rules.

In this respect, the Independent Board Committee was established to advise the Independent Shareholders as to whether (i) the terms of the **Non-exempt Continuing Connected Transactions** are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole, (iv) the Non-exempt Proposed Cap are fair and reasonable and in the interests of the Group and the Shareholders as a whole and (v) the Independent Shareholders should vote in favour of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting having taken into account, among other things, the advice of TC Capital, the Independent Financial Adviser in this regard.

Implications under applicable Canadian Securities Laws

As the Company is listed on the TSX, the Company is subject to MI 61-101 which, among other things, regulates related party transactions. Pursuant to MI 61-101, related party transactions are subject to formal valuation and minority shareholder approval requirements unless an exemption is available.

The Continuing Connected Transactions is a related party transactions for the Company for purposes of MI 61-101 by virtue of the relationship between the Company and CNG.

The First Supplemental Financial Services Agreement is exempt from the valuation requirements of MI 61-101 as the First Supplemental Financial Services Agreement involves deposits or lending services that are not subject to a valuation under MI 61-101. The First Supplemental Financial Services Agreement is subject to the minority shareholder approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The Fourth Supplemental Contract for Purchase and Sale of Doré is exempt from the valuation requirement of MI 61-101 by virtue of being a sale contract of inventory in the ordinary course of the Company's business. The Fourth Supplemental Contract for Purchase and Sale of Doré is subject to the minority approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The Fourth Supplemental Products and Services Framework Agreement is comprised of multiple components that are assessed differently under MI 61-101. The sale of copper concentrates is exempt from the valuation requirement of MI 61-101 by virtue of being a sale contract of inventory in the ordinary course of the Company's business. The provision of services is not expressly addressed in the definition of a related party transaction under MI 61-101, and the leasing services are considered in the ordinary course of business on reasonable commercial terms that are not less advantageous to the Company than if the lease was with a counterparty with whom the Company deals at arm's length. Furthermore, the overall value of the portions of the Fourth Supplemental Products and Services Framework Agreement that are not otherwise exempt is not more than 25% of the market capitalization of the Company as of the date of such contract. The Fourth Supplemental Products and Services Framework Agreement is subject to minority approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The proposed maximum annual transaction amounts during the term of the First Supplemental Financial Services Agreement, the Fourth Supplemental Contract for Purchase and Sale of Doré and the Fourth Supplemental Products and Services Framework Agreement are exempted from the approval of the Independent Shareholders in accordance with MI 61-101.

Minority Approval Requirements

To be approved under both the Hong Kong Listing Rules and MI 61-101, each of (i) the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps (in regard to the Hong Kong Listing Rules) and (ii) the Continuing Connected Transactions (in regard to MI 61-101), must receive the affirmative vote of not less than a majority of the votes cast thereon by the Independent Shareholders.

Ordinary Resolutions

The Independent Shareholders will be asked to consider and, if thought fit, pass the following:

RESOLVED, as an ordinary resolution

A. **“THAT:**

- (a) the Fourth Supplemental Contract for Purchase and Sale of Doré and the transactions contemplated thereunder, as more particularly described in this Information Circular, be and are hereby approved;
- (b) the 2024-2026 Gold Doré Annual Caps, as more particularly described in this Information Circular, be and are hereby approved; and
- (c) any one Director be and is hereby authorized to do such further acts and things and to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments under hand (or where required, under the common seal of the Company together with another director or any other person authorized by the Board), and to take all such steps which in the opinion of such Director deems necessary or desirable to implement and/or carry out to give effect to the terms of this resolution.”

B. **“THAT:**

- (a) the Fourth Supplemental Products and Services Framework Agreement and the transactions contemplated thereunder, as more particularly described in this Information Circular, be and are hereby approved;
- (b) the 2024-2026 P&S Annual Caps, as more particularly described in this Information Circular, be and are hereby approved; and
- (c) any one Director be and is hereby authorized to do such further acts and things and to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments under hand (or where required, under the common seal of the Company together with another director or any other person authorized by the Board), and to take all such steps which in the opinion of such Director deems necessary or desirable to implement and/or carry out to give effect to the terms of this resolution.”

C. **“THAT:**

- (a) the First Supplemental Financial Services Agreement and the transactions contemplated thereunder, as more particularly described in this Information Circular, be and are hereby approved;
- (b) the 2024-2026 Deposit Cap, as more particularly described in this Information Circular, be and is hereby approved; and
- (c) any one Director be and is hereby authorized to do such further acts and things and to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments under hand (or where required, under the common seal of the Company together with another director or any other person authorized by the Board), and to take all such steps which in the opinion of such Director deems necessary or desirable to implement and/or carry out to give effect to the terms of this resolution.”

Unless otherwise directed, the persons named in the enclosed Form of Proxy intend to vote FOR the foregoing resolutions.

Other Business

If other matters are properly brought up at the Meeting, you (or your proxy holder, if you are voting by proxy) can vote as you see fit. As at the Latest Practicable Date, management of the Company are not aware of any other items of business to be considered at the Meeting.

Documents on Display

Copies of the following documents are made available on the HKEX news website at www.hkexnews.hk and on the Company's website at www.chinagoldintl.com for a period of 14 days from the date of this Information Circular:

1. Proposed Amended Articles showing changes to the Articles as set out in the Schedule G to this Information Circular;
2. the letter from the Independent Board Committee, the text of which is set out in Schedule E to this Information Circular;
3. the letter from TC Capital, the text of which is set out in Schedule F to this Information Circular;
4. the written consent of TC Capital;
5. the Contract for Purchase and Sale of Doré;
6. the First Supplemental Contract for Purchase and Sale of Doré;
7. the Second Supplemental Contract for Purchase and Sale of Doré;
8. the Third Supplemental Contract for Purchase and Sale of Doré;
9. the Fourth Supplemental Contract for Purchase and Sale of Doré;
10. the Products and Services Framework Agreement;
11. the First Supplemental Products and Services Framework Agreement;
12. the Second Supplemental Products and Services Framework Agreement;
13. the Third Supplemental Products and Services Framework Agreement;
14. the Fourth Supplemental Products and Services Framework Agreement;
15. the Financial Services Agreement; and
16. the First Supplemental Financial Services Agreement.

ADDITIONAL INFORMATION

Additional information about the Company is located on SEDAR at www.sedar.com and on the HKEX news website at www.hkexnews.hk. Financial information is provided in the Company's comparative annual financial statements and Management's Discussion and Analysis for the most recently completed financial year ended December 31, 2022. Shareholders may contact the Company to request copies of the annual financial statements and Management's Discussion and Analysis by writing to the Company's Executive Vice President and Corporate Secretary, Jerry Xie, at the following address:

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

One Bentall Centre
Suite 660, 505 Burrard Street, Box 27
Vancouver, British Columbia V7X 1M4

DIRECTORS' APPROVAL

The contents of this Information Circular and its distribution to Shareholders have been approved by the Board.

The Board considers that the ordinary resolutions to set the number of Directors at nine (9), to elect each of the nominated directors, to re-appoint Deloitte Touché Tohmatsu as auditors of the Company for the ensuing year with their remuneration to be fixed by the Board, to approve the Share Issue Mandate, the Share Repurchase Mandate, the Additional Share Allotment Mandate, the Amended Articles and each of the Continuing Connected Transactions and the Non-exempt Proposed Caps, are each in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favor of the relevant resolutions at the Meeting.

RESPONSIBILITY STATEMENT

This Information Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the TSX and Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Information Circular is accurate and complete in all material respects and is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

DATED at Vancouver, British Columbia, this 7th day of June, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS
OF CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

(signed) "Jerry Xie"
Jerry Xie
Executive Vice President and Corporate Secretary

SCHEDULE A CORPORATE GOVERNANCE DISCLOSURE

NI 58-101 requires the Company to disclose its corporate governance practices with reference to a series of corporate governance practices outlined in National Policy 58-201 – *Corporate Governance Guidelines* that the Canadian Securities Administrators (“**CSA**”) believe reflect “best practices” standards to which they encourage Canadian public companies to adhere.

1. Board of Directors

- (a) Disclose the identity of directors who are independent.

The Board has reviewed the independence of each director on the basis of the definitions in section 1.4 of National Instrument 52-110 (“**NI 52-110**”), as amended. A director is “independent” if he or she has no direct or indirect material relationship with the Company. A “material relationship” is one that would, or in the view of the Board could, be reasonably expected to interfere with the exercise of a director’s independent judgment. The Board has determined, after reviewing the roles and relationships of each of the nominees proposed by management for election to the Board, that 44% (4 of 9) of such nominees are independent from the Company. The Company has determined that Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han are INEDs and have no material connection to the Company, other than as directors.

- (b) Disclose the identity of directors who are not independent and describe the basis for that determination.

The Board has determined, after reviewing the roles and relationship of each of the nominees proposed by management for election to the Board that 56% (5 of 9) of such nominees are not independent of the Company. The Company has determined that Mr. Junhu Tong, Mr. Yuanhui Fu, Mr. Weibin Zhang, Ms. Na Tian and Mr. Wanming Wang are not independent of the Company. Mr. Junhu Tong is not considered independent of the Company because of his senior role as Chairman and Chief Executive Officer of the Company. Mr. Yuanhui Fu, Mr. Weibin Zhang are not considered independent because of their roles as officers of the Company. Ms. Na Tian is not considered independent because of her senior role in CNG and Mr. Wanming Wang is not considered independent of the Company because of his senior role at China Gold Hong Kong.

- (c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.

As of the Last Practicable Date, four of nine current Board members are INEDs. If each nominee put forward in this Information Circular are elected as directors, Messrs. He, Shao and Shi and Ms. Han, being 44% of the Board, will be considered independent. Although the majority of the director nominees are not independent the Board believes that its current size and composition results in balanced representation among management and non-management directors and enables the INEDs to adequately facilitate the exercise of independent supervision over management. The Company’s Nominating and Corporate Governance Committee is currently composed of a majority of INEDs and one non-executive director and monitors the disclosure of conflicts of interest by the directors and ensures that no director votes on a matter in respect of which he has a material interest. The Company’s Nominating and Corporate Governance Committee will continue to examine the size and composition of the Board and recommend adjustments from time to time to ensure that the Board continues to be of a size that facilitates effective decision-making. The Company has been committed to improving the governance structure as a listed company. The Company previously established the role of “Lead Independent Director”. Mr. Yingbin Ian He was appointed as Lead INED as of November 13, 2018. The role of Lead INED was created to liaise with Chairman and Chief Executive Officer on

behalf of the INEDs and advise the Board on matters where there may be an actual or perceived conflict of interest to ensure the best possible operation of the Board in accordance with the best corporate governance practices

- (d) If a director is presently or in the last three years a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Information respecting those entities that are reporting issuers (or the equivalent) in Canada or elsewhere in which any of the nominees for election as directors also act as directors, is disclosed in the table containing information about each nominee in the section of this Information Circular entitled "Director Biographies". Other than as disclosed therein, none of the current or proposed directors act as directors of any entities that are reporting issuers (or the equivalent) in Canada, Hong Kong or elsewhere.

- (e) Disclose whether or not the INEDs hold regularly scheduled meetings at which members of management are not in attendance. If the INEDs hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the INEDs do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its INEDs.

Although the INEDs do not hold regularly scheduled meetings, they may meet without management being present at the request of any director. The frequency of meetings as well as the nature of agenda items changes depending upon the state of the Company's affairs and in light of opportunities or issues that the Company may face. Not all meetings of the INEDs are scheduled, a number of the informal, ad hoc meetings were held and communication among this group occurs on an ongoing basis as needs arise. The Audit Committee is comprised entirely of INEDs and held five (5) meetings in 2022. Each of the other Board committees are comprised by a majority of INEDs and held one (1) meeting of the Compensation and Benefits Committee, two (2) meetings of the Nominating and Corporate Governance Committee, and four (4) meetings of the Health, Safety and Environmental Committee in 2022. The Board may establish special committees from time to time to address transactions where there is a conflict of interest or to review a particular transaction or project. Also, during the most recently completed financial year end the INEDs held an in-camera session after each Board meeting during which session executive and non-executive directors and members of management do not attend.

The Company has established the role of a "Lead Independent Director" in line with best practices for corporate governance where the chair is not an independent director. Mr. Yingbin Ian He was appointed Lead Independent Director as of November 13, 2018. The role of Lead Independent Director was created to enhance the Company's corporate governance practices and provide leadership to the INEDs, liaise with Chief Executive Officer on behalf of the INEDs and advise the Board on matters where there may be an actual or perceived conflict of interest such as Chief Executive Officer's performance evaluation to ensure the best possible operation of the Board.

- (f) Disclose whether or not the chair of the Board is an INED. If the Board has a chair or lead director who is an INED, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.

On October 27, 2022, the Company announced the appointment of Mr. Junhu Tong, as Chairman of the Board and the Chief Executive Officer of the Company. Pursuant to Corporate Governance Code C.2.1 of the set out in Appendix 14 to the Hong Kong Listing Rules and National Instrument 58-101 of the Canadian Securities Administrators, the role of chairman and the Chief Executive Officer should not be performed by the same individual. However, the Board believes that Mr. Tong is familiar with

the Company's business operation and has superior knowledge and experience of the Company's business as CEO, and vesting the roles of both Chairman and CEO in the same person has the benefit of ensuring consistent leadership with the Company and improving the efficiency of overall strategic planning for the Company. Under the supervision of the Board which comprises of four executive Directors, one non-executive Director and four INEDs, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders. Further, the role of Company's 'Lead Independent Director' will enhance the balance of power of the Board.

- (g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.

The following table discloses the attendance record of each director at meetings of the Board for which that director was eligible to attend during the financial year ended December 31, 2022:

Name of Director	Number of Board Meetings Attended	Number of Board Meetings Held
Executive Directors		
Junhu Tong	6	6
Yuanhui Fu ⁽¹⁾	2	6
Weibin Zhang	6	6
Na Tina	5	6
Non-Executive Directors		
Wanming Wang ⁽¹⁾	2	6
INEDs		
Yingbin Ian He	5	6
Wei Shao	6	6
Bielin Shi	6	6
Ruixia Han	6	6

(1) Mr. Yuanhui Fu and Wanming Wang were appointed as directors on October 27, 2022

2. Board Mandate

Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

BOARD MANDATE

The Board shall have the oversight responsibility, authority and specific duties as described below.

Under the *Business Corporations Act* (British Columbia), the directors of the Company are required to manage the Company's business and affairs, and in doing so to act honestly and in good faith with a view to the best interests of the Company. In addition, each director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board is responsible for supervising the conduct of the Company's affairs and the management of its business. This includes setting long-term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives and supervising senior management in their implementation. Although the Board delegates the responsibility for managing the day to day affairs of the Company to senior

management personnel, the Board retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business.

The Board needs to be satisfied that the Company's senior management will manage the affairs of the Company in the best interest of its stakeholders, and that the arrangements made for the management of the Company's business and affairs are consistent with the Board's duties described above. The Board is responsible for protecting the interests of the Company's stakeholders, including shareholders, debt holders, employees, local communities and the environment. The obligations of the Board must be performed continuously, and not merely from time to time, and in times of crisis or emergency the Board may have to assume a more direct role in managing the affairs of the Company.

In discharging this responsibility, the Board oversees and monitors significant corporate plans and strategic initiatives. The Board's strategic planning process includes annual and quarterly budget reviews and approvals, and discussions with management relating to strategic and budgetary issues. At least one meeting per year is to be devoted substantially to a review of strategic plans proposed by management.

The Board reviews the principal risks inherent in the Company's business, including financial risks, through periodic reports from management of such risks. This review takes place in conjunction with the Board's review of operations and risk issues at each Board meeting, at which time the Board assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of the internal financial control and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve annual operating and capital budgets, any material dispositions, acquisitions and investments outside of the ordinary course of business or not provided for in the approved budgets, long-term strategy, organizational development plans and the appointment of senior executive officers. Management is authorized to act, without Board approval, on all ordinary course matters relating to the Company's business.

The Board also expects management to provide the directors on a timely basis with information concerning the business and affairs of the Company, including financial and operating information and information concerning industry developments as they occur, all with a view to enabling the Board to discharge its stewardship obligations effectively. The Board expects management to efficiently implement its strategic plans for the Company, to keep the Board fully apprised of its progress in doing so and to be fully accountable to the Board in respect to all matters for which it has been assigned responsibility.

The Board has instructed management to maintain procedures to monitor and promptly address shareholder concerns and has directed and will continue to direct management to apprise the Board of any major concerns expressed by Shareholders.

Each Committee of the Board is empowered to engage external advisors as it sees fit. Any individual director is entitled to engage an outsider advisor at the expense of the Company provided such director has obtained the approval of the Nominating and Corporate Governance Committee to do so.

The roles of Chairman, Chief Executive Officer and Lead Director (if any) will be as set forth in position statements as may be established by the Board from time to time.

This mandate will be reviewed periodically by the Board and supplemented as required from time to time.

The Roles of the Board

The Board fulfills its mandate through direct oversight, setting policy, appointing committees and appointing management. Specific responsibilities include the following:

1. Approving the issuance of any securities of the Company.

2. Approving the incurrence of any debt by the Company outside the ordinary course of business.
3. Reviewing and approving the annual and quarterly capital and operating budgets.
4. Reviewing and approving major deviations from the capital and operating budgets.
5. Approving the annual financial statements and quarterly financial statements, including the Management Discussion & Analysis, information circulars, annual information forms, annual reports, offering memorandums and prospectuses.
6. Approving material investments, dispositions and joint ventures, and approving any other major initiatives outside the scope of approved budgets.
7. Reviewing and approving the Company's strategic plans, adopting a strategic planning process and monitoring the Company's performance.
8. Overseeing the Company's identification, evaluation and management of environmental, social and governance issues relating to the Company.
9. Reviewing and approving the Company's incentive compensation plans.
10. Determining the composition, structure, processes, and characteristics of the Board and the terms of reference of committees of the Board, and establishing a process for monitoring the Board and its directors on an ongoing basis.
11. Appointing a Nominating and Corporate Governance Committee, an Audit Committee, a Compensation and Benefits Committee and other Board Committees and delegating to any such committees powers of the Board as appropriate and legally permissible.
12. Nominating the candidates for the Board to the Shareholders, based on recommendations from the Nominating and Corporate Governance Committee.
13. Ensuring an appropriate orientation and education program for new directors is provided.
14. Determining whether individual directors meet the requirements for independence under applicable regulatory requirements.
15. Monitoring the ethical conduct of the Company and ensuring that it complies with applicable legal and regulatory requirements.
16. Ensuring that the directors that are independent of management have the opportunity to meet regularly.
17. Reviewing this mandate and other Board policies and terms of reference for Committees in place from time to time and propose modifications as applicable.
18. Appointing and monitoring the performance of senior management, formulating succession plans for senior management and, with the advice of the Compensation and Benefits Committee, approving the compensation of senior management.
19. Ensuring policies and processes are in place for identifying principal business risks and opportunities for the Company, addressing the extent to which such risks are acceptable to the Company, and ensuring that appropriate systems are in place to manage risks.

20. Ensuring policies and processes are in place to ensure the integrity of the Company's internal control, financial reporting and management information systems.
21. Ensuring appropriate policies and processes are in place to ensure the Company's compliance with applicable laws and regulations, including timely disclosure of relevant corporate information and regulatory reporting.
22. Ensuring appropriate policies and processes are in place to enable the Board to properly review the Company's management of material environmental, social and governance issues, including compliance with applicable regulatory reporting requirements.
23. Exercising direct control during periods of crisis.
24. Serving as a source of advice to senior management, based on directors' particular backgrounds and experience.

Organization of the Board

Independence: The Company intends to monitor best practices recommendations and to fully comply with the corporate governance requirements relating to the composition and independence of board and committee members under applicable legislation and stock exchange rules by the date of the effectiveness of such legislation and rules or earlier and, through the Nominating and Corporate Governance Committee, to identify additional qualified board candidates where required to meet such requirements.

Committees: The Company has an Audit Committee, a Nominating and Corporate Governance Committee, a Compensation and Benefits Committee and a Health, Safety and Environmental Committee. The Company will have such other committees of the Board as may be required from time to time.

Meetings

The Board holds regular annual and quarterly meetings. Between the quarterly meetings, the Board meets on an ad hoc basis as required, generally by means of telephone conferencing facilities. As part of the annual and quarterly meetings, the INEDs also have the opportunity to meet separate from management. Management also communicates informally with members of the Board on a regular basis and solicits the advice of Board members falling within their specific knowledge and experience. Each director shall review all Board meeting materials in advance of each meeting and shall make all reasonable efforts for attendance at all Board and Board Committee meetings.

3. Position Descriptions

- (a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.

The Board does not have written position descriptions for the Chair of the Board or of the committees. For each such position, the Chair assumes a leadership role over the relevant organization (Board or committee, as applicable) within the bounds of authority identified in the applicable Board mandate or committee charter, as applicable, including the setting of agenda items at meetings and chairing of those meetings.

- (b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

The Board has developed position descriptions for both the Chief Executive Officer and the Chief Financial Officer. Such position descriptions were reviewed by the Nominating and Corporate Governance Committee and approved by the Board and are subject to annual review by the Nominating and Corporate Governance Committee.

4. Orientation and Continuing Education

- (a) Briefly describe what measures the Board takes to orient new directors regarding (i) the role of the Board, its committees and its directors; and (ii) the nature of the operation of the Company's business.

The Board takes steps to ensure that prospective directors fully understand the role of the Board and its committees and the contribution individual directors are expected to make, including, in particular, the commitment of time and energy that the Company expects of its directors. New directors receive a detailed briefing with the Chair of the Board and of its committees and a comprehensive information package, including pertinent corporate documents and a director's manual containing information on the duties, responsibilities and liabilities of directors. New directors are also briefed by management as to the status of the Company's business. The Nominating and Corporate Governance Committee reviews the orientation program in connection with new appointments.

To facilitate ongoing education of the Directors, the Nominating and Corporate Governance Committee: (i) periodically canvasses the directors to determine their training and education needs and interests; (ii) arranges ongoing visitation by the directors to the Company's facilities and operations; (iii) arranges funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Company and (iv) encourages and facilitates presentations by outside experts to the Board and its committees on matters of importance.

- (b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

To facilitate ongoing education of the Directors, the Nominating and Corporate Governance Committee: (i) periodically canvasses the directors to determine their training and education needs and interests; (ii) arranges ongoing visitation by the directors to the Company's facilities and operations; (iii) arranges funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Company and (iv) encourages and facilitates presentations by outside experts to the Board and its committees on matters of importance.

Directors have the opportunity to take courses relevant to the Company and its business, particularly with respect to corporate governance and the mining industry.

5. Ethical Business Conduct

- (a) Disclose whether or not the Board has adopted a written code for its directors, officers and employees. If the Board has adopted a written code:

- (i) disclose how a person or company may obtain a copy of the code;

- (ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and disclose how a person or company may obtain a copy of the code; and
- (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

The Company has adopted a Code of Business Conduct and Ethics applicable to its directors, officers and employees. The Audit Committee of the Board is responsible for monitoring compliance with the Code. The Code of Business Conduct and Ethics provides that the Company's employees, consultants, officers and directors will uphold its commitment to a culture of honesty, integrity and accountability and the Company requires the highest standards of professional and ethical conduct from its employees, consultants, officers and directors. No material change reports have been filed since the beginning of the Company's most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

A copy of the Company's Code of Business Conduct and Ethics is located on SEDAR at www.sedar.com, and on the HKEX news website at www.hkexnews.hk and is available on the Company's website at www.chinagoldintl.com. Shareholders may contact the Company to request a copy of the Code of Business Conduct and Ethics, without charge, by writing to the Company's Executive Vice President and Corporate Secretary, Jerry Xie at China Gold International Resources Corp. Ltd., One Bentall Centre, Suite 660, 505 Burrard Street, Box 27, Vancouver, British Columbia, V7X 1M4.

- (b) Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Nominating and Corporate Governance Committee monitors the disclosure of conflicts of interest to the Board and ensures that no director will vote nor participate in a discussion on a matter in respect of which such a director has a material interest. Committee Chairs perform the same function with respect to meetings of the committees of the Board. The Company has been committed to improving the governance structure as a listed company. The Company previously established the role of "Lead Independent Director". Mr. Yingbin Ian He was appointed as Lead Independent Director as of November 13, 2018. The role of Lead Independent Director was created to liaise with the Chief Executive Officer on behalf of the INEDs and advise the Board on matters where there may be an actual or perceived conflict of interest to ensure the best possible operation of the Board in accordance with the best corporate governance practices.

Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

The Company has developed a vision and mission statement as well as various corporate policies including a Code of Business Conduct and Ethics and Corporate Disclosure, Confidentiality and Securities Trading Policy and a Whistleblower Policy, administered by an independent third party.

6. Nomination of Directors

- (a) Describe the process by which the Board identifies new candidates for Board nomination.

The full Board determines what competencies, skills and personal qualities it should seek in new members in order to add value to the Company. Candidates for nomination to the Board are identified within the network and contacts of the Board and from various professional associations based on the competencies, skills and personal characteristics sought by the Company from time to time to advance

its organizational goals as determined by the stage of development, size and complexity of the Company's business. The Nominating and Corporate Governance Committee is responsible for reporting to the Board on appropriate candidates. Candidates for nomination are evaluated by the Nominating and Corporate Governance Committee based on (i) the independence of each nominee; (ii) the experience and background of each nominee; (iii) having a balance of skills for the Board and its committees to meet their respective mandates; (iv) the past performance of directors being considered for re-election; (v) applicable regulatory requirements; and (vi) such other criteria as may be established by the Board or the Nominating and Corporate Governance Committee from time to time. The Nominating and Corporate Governance Committee is responsible for assessing director performance on an ongoing basis.

- (b) Disclose whether or not the Board has a nominating committee composed entirely of INEDs. If the Board does not have a nominating committee composed entirely of INEDs, describe what steps the Board takes to encourage an objective nomination process.

If management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Nominating and Corporate Governance Committee will be comprised by a majority of the INEDs.

- (c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The responsibilities of the Nominating and Corporate Governance Committee include developing the Company's approach to corporate governance, making recommendations to the Board with respect to corporate governance developments and practices, reporting to the Board on appropriate candidates for nomination to the Board and its committees and overseeing the evaluation process of the Board and its committees.

7. Compensation

- (a) Describe the process by which the Board determines the compensation for the Company's directors and officers.

The Compensation and Benefits Committee currently is comprised by a majority of INEDs has the responsibility for recommending compensation for the Company's officers and directors to the Board. The Compensation and Benefits Committee reviews and makes recommendations to the Board regarding the adequacy and form of the compensation for non-management directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director, without comprising the director's independence. Currently, the Company pays a cash retainer to its INEDs for acting in such capacity. Mr. Yingbin Ian He receives US\$4,500 per month for acting as the lead INED. Each of Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han receive a director's fee of US\$3,825 per month consistent with the current remuneration of the Company's INEDs, which is determined with reference to the market rate and their time, effort and expertise to be devoted to the Company's affairs. No fees or commissions are paid to those directors that are not independent. The directors are reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

- (b) Disclose whether or not the Board has a compensation committee composed entirely of INEDs. If the Board does not have a compensation committee composed entirely of INEDs, describe what steps the Board takes to ensure an objective process for determining such compensation.

The Board acts through its Compensation and Benefits Committee to review the adequacy and form of compensation of the directors and senior management and to ensure that such compensation realistically reflects the responsibilities and risks of such positions. The members of the Compensation and Benefits Committee are comprised by a majority of INEDs.

- (c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The responsibilities of the Company's Compensation and Benefits Committee include: (i) developing a compensation philosophy and policy; (ii) evaluating the performance of the Company's senior executive officers; (iii) reviewing the compensation of the Company's senior executive officers and top paid employees; and (iv) monitoring the Company's equity incentive arrangements. The role of the Compensation and Benefits Committee is primarily to review the adequacy and form of compensation of senior management and the directors with such compensation realistically reflecting the responsibilities and risks of such positions, to administer the equity incentive plan of the Company if any, to determine the recipients of, and the nature and size of share compensation awards granted from time to time, to determine the remuneration of executive officers and to determine any bonuses to be awarded and recommend to the Board for approval.

8. Other Board Committees

If the Board has standing committees other than the audit, compensation & benefits and nominating & corporate governance committees, identify the committees and describe their function.

Other than the Audit Committee, the Compensation and Benefits Committee, the Nominating and Corporate Governance Committee, the Board has a Health, Safety and Environmental Committee.

Audit Committee

The Audit Committee is responsible for overseeing the Company's financial reporting obligations, systems and disclosure, including monitoring the integrity of the Company's financial statements, monitoring the independence and performance of the Company's external auditors and acting as a liaison between the Board and the Company's auditors. The activities of the Audit Committee typically include reviewing interim financial statements and annual financial statements, ensuring that internal controls over accounting and financial systems are maintained and that accurate financial information is disseminated to Shareholders, reviewing the results of internal and external audits and any change in accounting procedures or policies, and evaluating the performance of the Company's auditors. The Audit Committee communicates directly with the Company's external auditors in order to discuss audit and related matters whenever appropriate.

The members of the Audit Committee are Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han. Mr. Yingbin Ian He serves as Chairman of the Audit Committee. If management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Audit Committee will be composed solely of INEDs.

Information concerning the Audit Committee of the Company, as required by National Instrument 52-110, is provided in the Company's Annual Information Form for the year ended December 31, 2022 located under the Company's profile on SEDAR at www.sedar.com and on the and on the HKEX news website at www.hkexnews.hk.

Compensation and Benefits Committee

The Compensation and Benefits Committee is responsible for reviewing the adequacy and form of compensation of senior management, the directors and top paid employees with such compensation realistically reflecting the responsibilities and risks of such positions, for determining the recipients of, and the nature and size of share compensation awards granted from time to time, for determining the remuneration of executive officers and for determining any bonuses to be awarded.

The members of the Compensation and Benefits Committee are Ms. Ruixia Han, Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Mr. Weibin Zhang. Ms. Ruixia Han serves as Chairwoman of the Compensation and

Benefits Committee. If the management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Compensation and Benefits Committee will be comprised by a majority of INEDs. For more information on the Compensation and Benefits Committee see "*Compensation Discussion and Analysis*".

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board with respect to developments in the area of corporate governance and the practices of the Board. The Nominating and Corporate Governance Committee has expressly assumed responsibility for developing the Company's approach to governance issues. The Nominating and Corporate Governance Committee is also responsible for reporting to the Board with respect to appropriate candidates for nomination to the Board, and for overseeing the execution of an assessment process appropriate for the Board and its committees to evaluate the performance and effectiveness of the Board.

When identifying candidates for election or appointment to the Board, the Nominating and Corporate Governance Committee is guided by the principles of its diversity policy adopted by the Company in 2014, setting out the diversity criteria representing genders, age, cultural communities and geographic areas. The Company recognizes and embraces the benefits of diversity of Board members. The Nominating and Corporate Governance Committee works hard to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including, but not limited to, (i) business experience; (ii) specialized skills and other experiences; (iii) race, ethnicity, international background, gender and age; (iv) applicable regulatory requirements; and (v) issues involving possible conflicts of interest. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

No measurable objectives for achieving diversity were specifically set by the Nominating and Corporate Governance Committee at this time, other than the recruitment of the most suitable candidate for a position.

The Nominating and Corporate Governance Committee adopted a Majority Voting Policy for the election of the directors pursuant to the TSX requirements of listed companies. The policy states that should a director nominee not receive more than 50% of the votes cast in favour of his or her appointment, the director nominee is compelled to resign.

The members of the Nominating and Corporate Governance Committee are Mr. Wei Shao, Mr. Yingbin Ian He, Mr. Bielin Shi, Ms. Ruixia Han and Mr. Junhu Tong. Mr. Wei Shao serves as Chairman of the Nominating and Corporate Governance Committee. If the management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Nominating and Corporate Governance Committee will be comprised by a majority of INEDs.

Health, Safety and Environmental Committee

The Health, Safety and Environmental Committee is responsible for assisting the Board in its oversight responsibilities relating to the development, implementation and evaluation by management of the Company's health, safety and environmental objectives and social responsibility programs and for monitoring compliance with applicable health, safety and environmental laws and regulations.

The members of the Health, Safety and Environmental Committee are Mr. Bielin Shi, Mr. Yingbin Ian He, Mr. Wei Shao, Ms. Ruixia Han and Mr. Shiliang Guan. Mr. Bielin Shi serves as Chairman of the Health, Safety and Environmental Committee. If the management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Health, Safety and Environment Committee will be comprised by a majority of INEDs.

Special Committee

The Company establishes special committees from time to time to assist the Board with potential acquisition transactions and related party transactions. All special committees are comprised solely of INEDs. Specific mandates for special committees are approved by the Board at the time of establishment.

9. Assessments

Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.

The Nominating and Corporate Governance Committee of the Board is responsible for overseeing the assessment process for the Board and its committees on an ongoing-basis. It has developed and is continuing to refine an assessment process for the Board and each of its committees.

In order to facilitate the ongoing assessment of the effectiveness of the Board and its committees, each director is required, at least annually, to assess the members of the Board and each committee of which he is member.

The Nominating and Corporate Governance Committee has initiated a process whereby it reviews and approves a Board effectiveness survey that is forwarded to the members of the Board on an annual basis. The survey covers a wide range of issues and allows for comments and suggestions.

10. Director Term Limits and Other Mechanisms of Board Renewal

Directors can be re-elected to the Board annually. The Board has not adopted a term limit for directors or established a retirement age for directors. The Company believes that the imposition of director term limits implicitly discounts the value of experience and continuity on the Board and runs the risk of excluding effective Board members who have longstanding knowledge of the Company and its operations as a result of an arbitrary determination. The Board believes that it can achieve the right balance between continuity and encouraging turnover and independence without mandated term limits and relies on its annual director assessment procedures in this regard.

11. Policies Regarding the Representation of Women on the Board

- (a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

The Company has adopted a diversity policy which includes consideration of women in the selection criteria of the new Board members

- (b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:

- (i) a short summary of its objectives and key provisions:

The objective of the diversity policy is to enhance diversity within the Company, including gender diversity on its Board and executive management.

In 2014, the Nominating and Corporate Governance Committee adopted a diversity policy setting out the approach to diversity of members of the Board. The Company recognizes and embraces the benefits of diversity of Board members. The Nominating and Corporate Governance Committee works hard to ensure that the Board has a balance of skills,

experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including, but not limited to, (i) business experience; (ii) specialized skills and other experiences; (iii) race, ethnicity, international background, gender and age; (iv) applicable regulatory requirements; and (v) issues involving possible conflicts of interest. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board;

- (ii) the measures taken to ensure that the policy has been effectively implemented;
- (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy; and
- (iv) whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy.

The Nominating and Corporate Governance Committee considers a number of factors including diversity perspectives and merits in its nomination process. Ms. Ruixia Han was appointed as a Director on June 25, 2019 and Ms. Na Tian was appointed as a Director in June 16, 2020. At this time, there are no measurable objectives for achieving diversity. As Board positions become available, Board appointments will continue to be based on merit, having due regard to the overall effectiveness of the Board and diversity will be one of the criteria considered in determining the optimum composition of the Board.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer's reasons for not doing so.

In accordance with the Board Diversity Policy, Ms. Ruixia Han joined the Board on June 25, 2019. Ms. Han brings experience in financial investment, accounting, finance treasury and investor relationships. Ms. Na Tian joined the Board on June 16, 2020 and she contributes experience and expertise in legal, accounting and regulatory compliance matters.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

In accordance with its Diversity Policy, the Company considers diversity, including gender diversity, in the selection criteria of new executive officer appointments.

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

- (a) For purposes of this item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.

In accordance with its Diversity Policy, the Company has not adopted a target or quota regarding women on its Board or executive management, as it considers gender diversity to be part of a broader diversity goal which includes age, gender, ethnicity, cultural background, disability or other personal factors. Diversity, including gender diversity, is one aspect of merit which includes an individual's skills, performance, values, leadership and other job-related criteria. While the Board is not setting any targets initially, it will monitor progress and could decide to do so in the future if progress is not being made in obtaining appropriate diversity.

- (b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.

In accordance with its Diversity Policy, the Company has not adopted a target or quota regarding women on its Board or executive management, as it considers gender diversity to be part of a broader diversity goal which includes age, gender, ethnicity, cultural background, disability or other personal factors. Diversity, including gender diversity, is one aspect of merit which includes an individual's skills, performance, values, leadership and other job-related criteria. While the Board is not setting any targets initially, it will monitor progress and could decide to do so in the future if progress is not being made in obtaining appropriate diversity.

- (c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

In accordance with its Diversity Policy, the Company has not adopted a target or quota regarding women on its Board or executive management, as it considers gender diversity to be part of a broader diversity goal which includes age, gender, ethnicity, cultural background, disability or other personal factors. Diversity, including gender diversity, is one aspect of merit which includes an individual's skills, performance, values, leadership and other job related criteria. While the Board is not setting any targets initially, it will monitor progress and could decide to do so in the future if progress is not being made in obtaining appropriate diversity.

- (d) If the issuer has adopted a target referred to in either (b) or (c), disclose:

- (i) the target, and
- (ii) the annual and cumulative progress of the issuer in achieving the target.

Not applicable.

15. Number of Women on the Board and in Executive Officer Positions

- (a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.

The Board currently consists of seven (7) men and two (2) women, with female directors representing 22% of the total number of Directors.

- (b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

IMP has one (1) woman on its board, representing 20% of the board and Skyland BVI Limited has three (3) women on its board, representing 60% of the board.

SCHEDULE B SHARE REPURCHASE MANDATE

This Schedule serves as an explanatory statement, as required by the Hong Kong Listing Rules, to provide all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the Share Repurchase Mandate.

HONG KONG LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Hong Kong Listing Rules permit companies whose primary listing is on the Hong Kong Stock Exchange to repurchase their shares on the Hong Kong Stock Exchange, Toronto Stock Exchange or other Recognized Stock Exchange subject to certain restrictions. The Company is empowered by its Articles to repurchase its own shares.

SHARE CAPITAL

As of the Latest Practicable Date, the issued and outstanding share capital of the Company comprised **396,413,753** fully paid up Shares. Subject to the passing of the proposed resolution for the approval of the Share Repurchase Mandate and in accordance with the terms therein, and on the basis that no further Shares will be issued or repurchased prior to the Meeting, the Company will be allowed to repurchase up to a maximum of **39,641,375** Shares under the Share Repurchase Mandate, representing **10%** of the number of issued shares of the Company as of the Latest Practicable Date.

REASONS FOR THE REPURCHASES

The Board believes that the flexibility afforded to them by the Share Repurchase Mandate would be in the best interests of the Company and the Shareholders. Repurchases pursuant to such mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or the earnings per Share and will only be made when the Board believes that such actions will benefit the Company and the Shareholders as a whole. Notwithstanding the foregoing, any repurchase of the Company's securities as contemplated in the Share Repurchase Mandate will still require compliance with Canadian securities laws, the rules and regulations of the Toronto Stock Exchange and the Hong Kong Listing Rules.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles and the *Business Corporations Act* (British Columbia). It is expected that the Company will fund any repurchase of Shares from its available internal resources.

Pursuant to the *Business Corporations Act* (British Columbia), a company may not redeem or repurchase any of its share capital if it is insolvent at the time of such redemption or repurchase or, if by virtue of such redemption or repurchase, would become insolvent.

IMPACT ON THE WORKING CAPITAL OR GEARING POSITION

If the Share Repurchase Mandate is exercised in full at any time during the Relevant Period, there may be a material adverse effect on the working capital of the Company or its gearing level, as compared with the position disclosed in the Company's audited financial statements for the year ended December 31, 2022 (the most recent published audited financial statements). However, the Board does not propose to exercise such mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level of the Company at the time of the relevant repurchases unless the Board determines that such repurchases are, taking into account of all relevant factors, in the best interests of the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Hong Kong Stock Exchange during each of the following months preceding the issue of this Information Circular were as follows:

	Per Share	
	Highest HK\$	Lowest HK\$
2022		
May	26.8	22.2
June	24.2	20.9
July	21.0	19.2
August	21.9	19.2
September	23.3	18.4
October	19.1	16.0
November	20.7	18.2
December	22.2	20.2
2023		
January	28.1	22.1
February	27.7	24.0
March	27.6	22.9
April	42.2	26.9
May	45.6	30.45

EFFECT OF THE CODE OF TAKEOVERS AND MERGERS OF HONG KONG (“TAKEOVERS CODE”)

A Shareholder’s proportionate interest in the voting rights of the Company will increase upon the Company’s exercise of its powers to repurchase the Shares pursuant to the Share Repurchase Mandate, and such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase in his/her or their shareholding interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As of the Latest Practicable Date, CNG, through its wholly owned subsidiary, CNGGHK, held **158,588,330** Shares, representing **40.01%** of the issued shares of the Company. On the basis that no further Shares are issued or repurchased prior to the Meeting and in the event that the Board exercises in full the power to repurchase Shares pursuant to the Share Repurchase Mandate, the shareholding interest held by CNG (through CNGGHK) would increase to approximately **44.45%** of the issued share capital of the Company. Such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Board has no intention to exercise the Share Repurchase Mandate to the extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

In addition, assuming that there is no issue of Shares between the Latest Practicable Date and the date of repurchase, an exercise of the Share Repurchase Mandate whether in whole or in part will not result in less than 25% of the issued share capital of the Company being held by the public, being the prescribed minimum percentage of shares required under the Hong Kong Listing Rules. The Board has no intention to exercise the Share Repurchase Mandate to the extent that it may result in a public shareholding of less than the prescribed minimum percentage under the Hong Kong Listing Rules.

DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Hong Kong Listing Rules), has any present intention to sell Shares to the Company in the event that the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected person (as defined in the Hong Kong Listing Rules) of the Company that he has a present intention to sell Shares to the Company or has undertaken not to sell Shares held by him to the Company in the event that the Share Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF DIRECTORS

The Directors have undertaken to the Hong Kong Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Hong Kong Listing Rules, Canadian laws and the Articles of the Company.

SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares whether on the Hong Kong Stock Exchange or otherwise in the six months preceding the Latest Practicable Date.

SCHEDULE C DEFINITIONS

In this Information Circular, unless the context otherwise requires, the following expressions have the following meanings:

“2024-2026 Deposit Cap”	the maximum daily balance of the deposits (including any interest accrued therefrom) set for the Deposit Services for the three years ending December 31, 2026;
“2024-2026 Gold Doré Annual Caps”	the annual caps set for the transactions for the Contract for Purchase and Sale of Doré for the three years ending December 31, 2026;
“2024-2026 P&S Annual Caps”	the annual caps set for the transactions for the Products and Services Framework Agreement for the three years ending December 31, 2026;
“Board”	the board of Directors of the Company;
“CAD”	Canadian dollars, the lawful currency of Canada;
“CBIRC”	the China Banking and Insurance Regulatory Commission;
“China Gold Finance”	China National Gold Group Finance Co., Ltd.;
“China National Gold” or “CNG”	China National Gold Group Co., Ltd. (formerly known as China National Gold Group Corporation);
“CNGGHK” or “China Gold Hong Kong”	China National Gold Group Hong Kong Limited;
“Company”	China Gold International Resources Corp. Ltd.;
“Computershare”	Computershare Hong Kong Investor Services Limited;
“connected person(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Continuing Connected Transactions”	the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré, the Fourth Supplemental Products and Services Framework Agreement and the First Supplemental Financial Services Agreement;

“Contract for Purchase and Sale of Doré”	the contract dated May 7, 2014 entered into between China National Gold and Inner Mongolia Pacific pursuant to which China National Gold agreed to purchase from Inner Mongolia Pacific the gold doré bars produced at the CSH Mine, as amended by the First Supplemental Contract for Purchase and Sale of Doré, the Second Supplemental Contract for Purchase and Sale of Doré and the Third Supplemental Contract for Purchase and Sale of Doré, and where the context requires, as to be further amended by the Fourth Supplemental Contract for Purchase and Sale of Doré;
“CSH Mine”	a gold mine located in Inner Mongolia Autonomous Region, the PRC in which the Company ultimately holds 96.5% interest in it;
“Directors”, each a “Director”	the directors of the Company;
“Financial Services Agreement”	the agreement dated May 5, 2021 entered into between the Company and China Gold Finance pursuant to which China Gold Finance agreed to provide the PRC subsidiaries of the Company a range of financial services, and where the context requires, as to be further amended by the First Supplemental Financial Services Agreement;
"First Supplemental Contract for Purchase and Sale of Doré"	the first supplemental contract dated May 26, 2017 entered into between Inner Mongolia Pacific and China National Gold amending certain terms of the Contract for the Purchase and Sale of Doré;
“First Supplemental Financial Services Agreement”	the first supplemental agreement dated May 9, 2023 entered into between the Company and China Gold Finance amending certain terms of the Financial Services Agreement;
“First Supplemental Products and Services Framework Agreement”	the first supplemental agreement dated May 29, 2015 entered into between China National Gold and the Company amending certain terms of the Products and Services Framework Agreement;
"Fourth Supplemental Contract for Purchase and Sale of Doré"	the fourth supplemental contract dated May 11, 2023 entered into between Inner Mongolia Pacific and China National Gold amending certain terms of the Contract for the Purchase and Sale of Doré;
"Fourth Supplemental Products and Services Framework Agreement"	the fourth supplemental agreement dated May 11, 2023 entered into between the Company and China National Gold amending certain terms of the Products and Services Framework Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Hong Kong Stock Exchange” or “HKEX”	The Stock Exchange of Hong Kong Limited;
“Independent Board Committee”	an independent committee of the Board comprising all of the INEDs;

“Independent Financial Adviser” or “TC Capital”	TC Capital International Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulatory activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps;
“Independent Shareholders”	the Shareholders other than China National Gold and any of its associates;
“INED”	independent non-executive Director of the Company;
“Information Circular”	the information circular of the Company dated June 7, 2023;
“Inner Mongolia Pacific”	Inner Mongolia Pacific Mining Co. Limited;
“Jiama Mine”	a copper-gold polymetallic mine located in Tibet Autonomous Region, the PRC in which the Company ultimately holds 100% interest;
“Latest Practicable Date”	May 24, 2023, being the latest practicable date before printing of this Information Circular for ascertaining information contained herein;
“Majority Voting Policy”	Majority Voting Policy originally approved by the Board on March 12, 2015 and reviewed annually by the Nominating and Corporate Governance Committee;
“MI 61-101”	Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions;
“Non-exempt Continuing Connected Transactions”	the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré, the Fourth Supplemental Products and Services Framework Agreement and the Deposit Services contemplated under the First Supplemental Financial Services Agreement;
“Non-exempt Proposed Caps”	the 2024-2026 P&S Annual Caps, the 2024-2026 Gold Doré Annual Caps and the 2024-2026 Deposit Cap;
“PBC”	The People’s Bank of China;
“PRC”	The People’s Republic of China;
“Products and Services Framework Agreement”	the agreement dated April 26, 2013 entered into between the Company and China National Gold pursuant to which China National Gold agreed to provide mining surveying, exploration, design, construction and development related products and services to the Company, as amended by the First Supplemental Products and Services Framework Agreement, the Second Supplemental Products and Services Framework Agreement and the Third Supplemental Products and Services Framework Agreement, and where the context requires, as to be further amended by the Fourth Supplemental Products and Services Framework Agreement;

“Record Date”	May 24, 2023 Vancouver time (being May 25, 2023 Hong Kong time), being the record date fixed for the determination of the Shareholders who are entitled to receive the notice of, and to attend and vote at, the Meeting or adjournment thereof;
“Second Supplemental Contract for Purchase and Sale of Doré”	the second supplemental contract dated March 28, 2018 entered into between Inner Mongolia Pacific and China National Gold amending certain terms of the Contract for the Purchase and Sale of Doré;
“Second Supplemental Products and Services Framework Agreement”	the second supplemental agreement dated May 26, 2017 entered into between China National Gold and the Company amending certain terms of the Products and Services Framework Agreement;
“SFO”	Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong);
“Share(s)”	share(s) of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Third Supplemental Contract for the Purchase and Sale of Doré”	the third supplemental contract dated May 6, 2020, entered into between Inner Mongolia Pacific and China National Gold amending certain terms of the Contract for the Purchase and Sale of Doré;
“Third Supplemental Products and Services Framework Agreement”	the third supplemental agreement dated May 6, 2020 entered into between China National Gold and the Company amending certain terms of the Products and Services Framework Agreement;
“Tibet Huatailong”	Tibet Huatailong Mining Development Co., Ltd.;
“Toronto Stock Exchange” or “TSX”	The Toronto Stock Exchange of Toronto, Canada;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Zhongjin Gold”	Zhongjin Gold Corporation Limited; and
“%”	percent.

SCHEDULE D LETTER FROM THE BOARD OF DIRECTORS

Dear Shareholders,

INTRODUCTION

Reference is made to the Company's announcement dated May 12, 2023 in relation to the Continuing Connected Transactions.

The purpose of this schedule is to provide you with information necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolutions to be proposed at the Meeting relating to the approval of the Continuing Connected Transactions and the Non-exempt Proposed Caps.

THE CONTINUING CONNECTED TRANSACTIONS

The First Supplemental Financial Services Agreement

On May 5, 2021, the Company and China Gold Finance entered into the Financial Services Agreement, pursuant to which China Gold Finance agreed to provide the PRC subsidiaries of the Company a range of financial services including (a) the deposit service (the "**Deposit Service**"); (b) the lending services (including loans, bill acceptance, bill discount, entrustment loans, guarantee, financing lease etc.) (the "**Lending Services**"); (c) the settlement services (the "**Settlement Services**") and (d) the other financial services including financial and financing advisory, credit certification and related consultation and agency services and other services approved by the CBIRC (the "**Other Financial Services**") Please refer to the information circular of the Company dated May 31, 2021 for the relevant details.

On May 9, 2023, the Company and China Gold Finance entered into the First Supplemental Financial Services Agreement, pursuant to which both parties agreed to extend the expiry date of the Financial Services Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Financial Services Agreement remain unchanged. The Lending Services is subject to an annual cap of RMB3,000 million on the annual average outstanding balance (including accumulative interest). The Settlement Services and Other Financial Services are subject to an annual cap of US\$1.1 million.

Key terms of the First Supplemental Financial Services Agreement

Date:	May 9, 2023
Parties:	(a) the Company; and (b) China Gold Finance
Subject Matter:	Both parties agreed to extend the expiry date of the Financial Services Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Financial Services Agreement remain unchanged.
Term:	Commence on January 1, 2024 and shall continue up to and including December 31, 2026

Pricing Basis: Under the Financial Services Agreement, the pricing of each type of the financial services is determined as follows:

The Deposit Service

The interest rates payable by China Gold Finance to the Group for the Deposit Service shall not be lower than (a) the benchmark deposit rates prescribed by the PBC and (b) the deposit rates payable by the Major PRC Commercial Banks for comparable deposits.

The Lending Services

The interest rates payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Major PRC Commercial Banks for comparable loans.

The Settlement Services

The fee for the Settlement Services, if being charged by China Gold Finance, shall not be higher than the fees publicly quoted by the Major PRC Commercial Banks.

The Other Financial Services

The fee for the Other Financial Services, if being charged by China Gold Finance, shall comply with the regulations set by the PBC, the CBIRC or other applicable regulatory authorities' benchmark and shall not be higher than the fees publicly quoted by the Major PRC Commercial Banks.

Condition Precedent: The First Supplemental Financial Services Agreement will take effect upon the fulfilment of the compliance with the requirement of Independent Shareholders' approval under MI 61-101 and the Hong Kong Listing Rules.

B. [The 2024-2026 Deposit Cap](#)

The 2024-2026 Deposit Cap shall not exceed RMB3,000 million.

During the term of the Financial Services Agreement and up to the Latest Practicable Date, the highest daily deposit balance (including accumulative settlement interest) of the Group under the Deposit Services was approximately RMB3,562 million. In the course of finalising the first quarter results for the period ended March 31, 2023, it came to the Company's attention that the daily deposit balance under the Deposit Services exceeded the cap of RMB3,000 million from February 23, 2023 to April 26, 2023, with the highest daily deposit balance during such period being approximately RMB562 million over the cap (the "**Exceeding of the Cap**"). The Exceeding of the Cap was due to an increase in operating cash flow during that period, miscommunication on the nature of the Deposit Cap (i.e. cap being the maximum annual average deposit balance instead of the maximum daily deposit balance) and failure on the part of the continuing connected transaction working group of the Company to closely monitor the deposit balances.

The Directors consider that the Exceeding of the Cap was an inadvertent oversight and an isolated event. As soon as the Company became aware of the Exceeding of the Cap, the Company took steps to reduce deposits placed with China Gold Finance to a level within the Deposit Cap. Since April 27, 2023, the daily deposit balance has been kept within the Deposit Cap and the Company will ensure that the daily deposit balance remains within the Deposit Cap for the rest of the term of the 2021 Financial Services Agreement. The Company has discussed the Exceeding of the Cap with China Gold Finance and will continue to maintain regular communication with China Gold Finance going forward. The Company does not intend to revise the Deposit Cap for the year ending December 31, 2023.

The 2024-2026 Deposit Cap has been principally determined by the latest cash position and current asset position of the Group. The Company has also taken into account the expected financial performance of the Group and potential fluctuations in prices of copper and gold in the upcoming years. The main criterion adopted by the Company in determining the cash amount to be deposited with China Gold Finance is the Group's operational needs. The Company will deposit cash which is beyond the immediate operational needs of the Group with China Gold Finance to earn a higher income for the cash which is temporarily not in use by the Group. As mentioned above, the Exceeding of the Cap is an isolated event and the Company does not expect the daily deposit balance to exceed RMB3,000 million during the term of the First Supplemental Financial Services Agreement. Having considered the above, the Directors are of the view that the 2024-2026 Deposit Cap is fair and reasonable.

C. Reasons for and benefits of entering into the First Supplemental Financial Services Agreement

The reasons for and benefits of entering into the First Supplemental Financial Services Agreement mainly include:

- (i) offering to the Group a ready financial service provider;
- (ii) the counter-party risk of China Gold Finance is expected to be lower than that of the Major PRC Commercial Banks;
- (iii) the better understanding of China Gold Finance to the operations of the Group shall allow the Group to receive a more expedient and efficient services than those rendered by the PBC and the Major PRC Commercial Banks; and
- (iv) in particularly with respect to the Deposit Service, allowing the Group to generate more interest income by depositing its idle cash to China Gold Finance than depositing the same to the PBC and the Major PRC Commercial Banks.

D. Internal Control Measures

The Company has adopted the following internal control measures in relation to the First Supplemental Financial Services Agreement and the transactions contemplated thereunder:

- (i) the Group will obtain quotations from the PBC and the Major PRC Commercial Banks for the relevant financial services before it conducts business with China Gold Finance. These quotations together with the quotation of China Gold Finance will be submitted to the financial controller of the Company for review and to decide whether or not to accept the financial services of China Gold Finance;
- (ii) the Company has established a continuing connected transaction working group, which comprises members from divisions of accounting and regulatory compliance, led by CFO to review and obtain approval from INEDs in respect of all the continuing connected transactions and monitor on a monthly or quarterly basis the reconciliation to the daily balances for the Deposit Service. The working group will also monitor the daily balance for the Deposit Service to ensure that such amount is within the deposit cap approved by the Independent Shareholders. Each deposit will be reviewed by the responsible person to make sure it does not exceed the deposit cap approved by the Independent Shareholders before the deposit is made. China Gold Finance is also asked to provide the daily balance under the deposit account to the Company for tracking;
- (iii) arranging regular trainings for our employees, including those responsible for finance and internal audit functions, to strengthen their knowledge of the Hong Kong Listing Rules and improve their awareness of the importance of compliance with the relevant Hong Kong Listing Rules;
- (iv) enhancing more robust supervision over the transaction amounts incurred under the continuing connected transactions of the Group. For example, when the daily deposit balance reaches 95% or more of the 2024-2026 Deposit Cap at any time, the matter shall promptly be reported to the CFO, who will instruct the continuing connected transaction working group of the Company to make a withdrawal and/or refrain from placing further deposits with China Gold Finance for a period of time;
- (v) the Group's internal audit function will monitor the effectiveness and adequacy of the relevant internal control system, and make recommendations and reports to the audit committee of the Company on a regular basis; and
- (vi) the transactions contemplated under the First Supplemental Financial Services Agreement will be subject to the annual review requirements pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

The Fourth Supplemental Contract for Purchase and Sale of Doré

On May 7, 2014, Inner Mongolia Pacific and China National Gold entered into the Contract for Purchase and Sale of Doré, pursuant to which China National Gold agreed to purchase and Inner Mongolia Pacific agreed to sell the gold doré bars and silver by-products produced at the CSH Mine from the date of relevant approval by the Shareholders to December 31, 2017. Please refer to the information circular of the Company dated May 14, 2014 for the relevant details.

On May 26, 2017, Inner Mongolia Pacific and China National Gold entered into the First Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to (i) amend the notification time of delivery of shipment from "no less than three working days" to "no less than 48 hours", (ii) amend the reference price for the gold doré bar products from "the daily average price of the Au9995 gold ingot at the Shanghai Gold Exchange on the notification date less RMB0.95 per gram" to "the real-time price of the Au9995 gold ingot at the Shanghai Gold Exchange at the moment when the notification is made less RMB0.95 per gram" and (iii) extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2020. Please refer to the information circular of the Company dated May 31, 2017 for the relevant details.

On March 28, 2018, Inner Mongolia Pacific and China National Gold entered into the Second Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to amend the reference price for the gold doré bar products to “the monthly average price of the AU(T+D) contract on the Shanghai Gold Exchange less RMB1.50 per gram”.

On May 6, 2020, Inner Mongolia Pacific and China National Gold entered into the Third Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2023. Please refer to the information circular of the Company dated May 26, 2020 for the relevant details.

On May 11, 2023, Inner Mongolia Pacific and China National Gold entered into the Fourth Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2026. Save as the expiry date, other terms and conditions under the Contract for Purchase and Sale of Doré remain unchanged.

A. Key terms of the Fourth Supplemental Contract for Purchase and Sale of Doré

Date:	May 11, 2023
Parties:	(a) Inner Mongolia Pacific; and (b) China National Gold
Subject Matter:	Both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2026. Save as the expiry date, other terms and conditions under the Contract for Purchase and Sale of Doré remain unchanged.
Term:	Commence on January 1, 2024 and shall continue up to and including December 31, 2026.
Pricing Basis:	Under the Contract for Purchase and Sale of Doré, the pricing for gold doré bar is the sum of (i) the gold price which is determined by the monthly average price of the AU(T+D) contract on the Shanghai Gold Exchange less RMB1.50 per gram multiplied by the settlement weight; and (ii) the silver price which is determined by the daily average price of No. 2 silver at Shanghai Huatong Platinum & Silver Exchange less RMB0.50/gram, multiplied by the settlement weight.

B. Reasons for and benefits of entering into the Fourth Supplemental Contract for Purchase and Sale of Doré

The reasons for and benefits of entering into the Fourth Supplemental Contract for Purchase and Sale of Doré mainly include:

- (i) offering to the Group a ready buyer for the gold doré bars in view of the expected stable gold doré bars production at the CSH Mine;
- (ii) the counter-party risk of China National Gold is expected to be lower than that of other customers; and
- (iii) the better flexibility of China National Gold Finance as a buyer to the gold doré bars.

C. The 2024-2026 Gold Doré Annual Caps

Set out below are (i) the existing annual caps for the three years ending December 31, 2023 under the Third Supplemental Contract for Purchase and Sale of Doré; (ii) the actual transaction amount under the Third Supplemental Contract for Purchase and Sale of Doré for the two years ended December 31, 2022 and the three months ended March 31, 2023; and (iii) the 2024-2026 Gold Doré Annual Caps:

	2021	2022	2023	2024	2025	2026
Existing annual caps (RMB' Million)	2,800	2,800	2,800	-	-	-
Actual transaction amounts (Approx. RMB' Million)	1,717	1,800	455 (Jan – Mar)	-	-	-
Utilisation Rate (%)	61%	64%	16% (Jan – Mar)	-	-	-
2024-2026 Gold Doré Annual Caps (RMB' Million)	-	-	-	2,800	2,800	2,800

The 2024-2026 Gold Doré Annual Caps are principally determined by (i) the estimated annual transaction amount of the gold doré bars of RMB2,000 million during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré and (ii) a buffer of 40% which was principally considered for the potential fluctuation of gold price during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré.

D. Internal Control Measures

The Company has adopted the following internal control measures in relation to the Fourth Supplemental Contract for Purchase and Sale of Doré and the transactions contemplated thereunder:

- (i) Inner Mongolia Pacific will obtain at least 3 quotations from different parties (including China National Gold) before it sells the gold doré bars to China National Gold, failing which it will, subject to any confidentiality obligations China National Gold may owe towards third party suppliers, gain access to gold dore bar quotations obtained by China National Gold from suppliers that are independent of both China National Gold and Inner Mongolia Pacific. The relevant screening process, rationale and result on these parties will be documented and submitted to the senior management of Inner Mongolia Pacific for review and final approval before entering into specific contract with the successful parties;
- (ii) if Inner Mongolia Pacific chose China National Gold to be the buyer, the finance department of Inner Mongolia Pacific will review the prevailing market price for gold and silver on the Shanghai Gold Exchange and Shanghai Huatong White Platinum & Silver Exchange and verify whether the pricing of each transaction is consistent with the pricing basis under the Contract for Purchase and Sale of Doré;
- (iii) the Company's financial reporting department will monitor on a monthly and quarterly basis the reconciliation to the proposed annual caps for the Fourth Supplemental Contract for Purchase and Sale of Doré; and
- (iv) the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré will be subject to the annual review requirements pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

The Fourth Supplemental Products and Services Framework Agreement

On April 26, 2013, the Company and China National Gold entered into the Products and Services Framework Agreement, pursuant to which China National Gold agreed to provide mining surveying, exploration, design, construction and development related products and services (the “**Mining Related Products and Services**”) to the Company from the date of relevant approval by the Shareholders to June 18, 2016. Please refer to the information circular of the Company dated May 21, 2013 for the relevant details.

On May 29, 2015 the Company and China National Gold entered into the First Supplemental Products and Services Framework Agreement to (i) include the purchase by China National Gold of the copper concentrates produced from the Jiama Mine into the product and service scope of the Products and Services Framework Agreement and (ii) revise the expiry date of the Products and Services Framework Agreement to December 31, 2017. Please refer to the information circular of the Company dated May 29, 2015 for the relevant details.

On May 26, 2017, the Company and China National Gold entered into the Second Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to (i) include the provision of the leasing services (the “**Leasing Services**”) provided by Zhongxin International Financial Leasing (Shenzhen) Co. Ltd. (the “**Zhongxin International**”) into the product and service scope of the Products and Services Framework Agreement and (ii) revise the expiry date of the Products and Services Framework Agreement to December 31, 2020. Please refer to the information circular of the Company dated May 31, 2017 for the relevant details.

On May 6, 2020, the Company and China National Gold entered into the Third Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to revise the expiry date of the Products and Services Framework Agreement to December 31, 2023. Please refer to the information circular of the Company dated May 26, 2020 for the relevant details.

On May 11, 2023, the Company and China National Gold entered into the Fourth Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to extend the expiry date of the Products and Services Framework Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Products and Services Framework Agreement remain unchanged.

A. Key terms of the Fourth Supplemental Products and Services Framework Agreement

Date:	May 11, 2023
Parties:	(a) the Company; and (b) China National Gold
Subject Matter:	Both parties agreed to extend the expiry date of the Products and Services Framework Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Products and Services Framework Agreement remain unchanged.
Term:	Commence on January 1, 2024 and shall continue up to and including December 31, 2026.
Pricing Basis:	Under the Products and Services Framework Agreement, the pricing for the Mining Related Products and Services, the copper concentrates and the Leasing Services are determined with reference to:

- (a) prices stipulated by the PRC government (such as pricing standards relating to fees for preparing construction proposals, conducting feasibility studies and providing tender agent services published by the National Development and Reform Commission of the PRC);
- (b) prices determined by tender if an active market exists, if there is no price stipulated by the PRC government;
- (c) prices referenced to identical or similar transaction, if there is no price stipulated by the PRC government nor active market exists; and
- (d) prices determined by costs plus a reasonable profit margin (which is determined after arm's length negotiation taking into account the market conditions), if none of the above conditions exists.

Condition Precedent: The Fourth Supplemental Products and Services Framework Agreement will take effect upon the fulfilment of the compliance with the requirement of Independent Shareholders' approval under MI 61-101 and the Hong Kong Listing Rules.

B. The reasons for and benefits of entering into the Fourth Supplemental Products and Services Framework Agreement

The reasons for and benefits of entering into the Fourth Supplemental Products and Services Framework Agreement mainly include:

- (i) offering to the Group a ready and experienced provider for the Mining Related Products and Services for the upcoming development of the Jiama Mine and the CSH Mine,
- (ii) offering to the Group a ready buyer for the copper concentrates in view of the expected stable copper concentrates production at the Jiama Mine going forward;
- (iii) the Leasing Services provided by Zhongxin International will be able to (a) improve the liquidity of the Group and (b) provide the Group an alternative source of funding in future; and
- (iv) the counter-party risk of China National Gold is expected to be lower than that of the other Mining Related Products and Services and Leasing Service providers and copper concentrates customers.

C. The 2024-2026 P&S Annual Caps

Set out below are (i) the existing annual caps for the three years ending December 31, 2023 under the Third Supplemental Products and Services Framework Agreement, (ii) the actual transaction amount under the Third Supplemental Products and Services Framework Agreement for the two years ended December 31, 2022 and the three months ended March 31, 2023, and (iii) the 2024-2026 P&S Annual Caps:

	2021	2022	2023	2024	2025	2026
Existing annual caps (RMB' Million)	6,300	6,300	6,300	-	-	-
Actual transaction amounts (Approx. RMB' Million)	3,717	5,431	1,198 (Jan – Mar)	-	-	-
Utilisation Rate (%)	59%	86%	19% (Jan – Mar)	-	-	-
2024-2026 P&S Annual Caps (RMB' Million)	-	-	-	12,200	12,200	12,200

Set out below (i) the basis adopted by the Group to determine the 2024-2026 P&S Annual Caps and (ii) the corresponding historical transaction amount during the term of the Third Supplemental Products and Services Framework Agreement:

	2021	2022	2023 (Jan - Mar)	2024	2025	2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Estimated</i>	<i>Estimated</i>	<i>Estimated</i>
	<i>Approx. RMB million</i>	<i>Approx. RMB million</i>	<i>Approx. RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Mining Related Products and Services						
- Stripping and underground mining development services	3	-	-	904	695	240
- Environmental, safety and occupational health management services	12	4	-	572	686	547
- Others	18	83	9	123	132	124
	33	87	9	1,599	1,513	911
Copper concentrates	3,667	5,344	1,189	7,046	7,073	7,106
Leasing Services	17	-		40	40	40
Subtotal	3,717	5,431	1,198	8,685	8,626	8,057
Buffer	-	-	-	3,515 (~40%)	3,574 (~41%)	4,143 (~51%)
				12,200	12,200	12,200

Note: The above estimated transaction amount for each type of product and service does not constitute to individual annual cap for the same.

The expected increase in the transaction amount for the stripping and underground mining development services during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to its historical amounts are principally due to the expected increase in stripping and underground mining activities for the CSH Mine in the same period.

The expected increase in the transaction amount for the environmental, safety and occupational health management services during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to its historical amounts are principally due to the planned construction of tailing pond for Jiama Mine in the same period.

The expected increase in the transaction amount for the copper concentrates during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to its historical amounts are principally due to the expected higher production volume of copper concentrates due to improved recovery rate in the same period.

An approximately 40% - 51% buffer has been adopted to the estimated aggregate transaction amount of the Mining Related Products and Services, the copper concentrates and the Leasing Services during the term of the Fourth Supplemental Products and Services Framework Agreement for the determination of the 2024-2026 P&S Annual Caps. Such buffer was principally considered for the potential fluctuation of copper price during the term of the Fourth Supplemental Products and Services Framework Agreement.

D. Internal Control Measures

The Company has adopted the following internal control measures in relation to the Fourth Supplemental Products and Services Framework Agreement and the transactions contemplated thereunder:

- (i) the relevant subsidiary of the Group will obtain at least 3 quotations from different parties (including China National Gold) before conducting business with China National Gold. The relevant screening process, rationale and result on these parties will be documented and submitted to the senior management of the relevant subsidiary of the Group for review and final approval before entering into specific contract with the successful parties;
- (ii) all specific contracts under the Products and Services Framework Agreement are provided from the mine sites to the Company's corporate office through its record management system for review by the legal team, finance or other relevant departments. After the contracts are approved by the management, all contracts above a pre-authorized value are provided to the Company's INEDs to review and approve;
- (iii) the Company's legal department has been and will continue to be responsible for maintaining a record of all contracts and monitoring whether the pricing terms of the transactions conducted are consistent with the Products and Services Framework Agreement and whether the relevant annual monetary caps have been exceeded. On a quarterly basis, the legal department is responsible for verifying the aggregated amount of the transactions directly with the finance department of the mine sites; and
- (iv) the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré will be subject to the annual review requirements pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

REGULATORY MATTERS

Implications under the Hong Kong Listing Rules

As (i) China National Gold directly and owns the entire issued share capital of CNGGHK, which directly holds 40.01% of the outstanding shares of the Company and (ii) China Gold Finance is respectively 51% and 49% directly owned by China National Gold and Zhongjin Gold, which is a non-wholly owned subsidiary of China National Gold, China National Gold and China Gold Finance are connected persons to the Company and the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré, the Fourth Supplemental Products and Services Framework Agreement and the First Supplemental Financial Services Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

The Fourth Supplemental Products and Services Framework Agreement

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement are higher than 5%, the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The Fourth Supplemental Contract for Purchase and Sale of Doré

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré are higher than 5%, the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The First Supplemental Financial Services Agreement

As the Lending Services (i) constitute financial assistance to be received by the Group from a connected person, (ii) will be provided on normal commercial terms or better (in particular, the interest rate payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Industrial and Commercial Bank of China, Agricultural Bank of China, the Bank of China and the China Construction Bank (the “**Major PRC Commercial Banks**”) and (iii) will not be secured by the assets of the Group (in particular, in the event that the Group are unable to repay the loan under the Lending Services, China Gold Finance will not be permitted to offset such outstanding loans against any deposits of the Group placed in China Gold Finance under the Deposit Service), the Lending Services are therefore fully exempt pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Settlement Services and the Other Financial Services does not exceed 0.1%, the Settlement Services and the Other Financial Services are exempt from the approval of Independent Shareholders pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Deposit Service is higher than 25%, the Deposit Service constitutes a major and non-exempt continuing connected transaction and is subject to the approval of Independent Shareholders according to Chapters 14 and 14A of the Hong Kong Listing Rules.

In this respect, the Independent Board Committee was established to advise the Independent Shareholders as to whether (i) the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole, (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole and (v) the Independent Shareholders should vote in favour of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting having taken into account, among other things, the advice of TC Capital, the Independent Financial Adviser in this regard.

Implications under applicable Canadian Securities Laws

As the Company is listed on the TSX, the Company is subject to MI 61-101 which, among other things, regulates related party transactions. Pursuant to MI 61-101, related party transactions are subject to formal valuation and minority shareholder approval requirements unless an exemption is available.

The Continuing Connected Transactions is a related party transactions for the Company for purposes of MI 61-101 by virtue of the relationship between the Company and CNG.

The First Supplemental Financial Services Agreement is exempt from the valuation requirements of MI 61-101 as the First Supplemental Financial Services Agreement involves deposits or lending services that are not subject to a valuation under MI 61-101. The First Supplemental Financial Services Agreement is subject to the minority shareholder approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The Fourth Supplemental Contract for Purchase and Sale of Doré is exempt from the valuation requirement of MI 61-101 by virtue of being a sale contract of inventory in the ordinary course of the Company's business. The Fourth Supplemental Contract for Purchase and Sale of Doré is subject to the minority approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The Fourth Supplemental Products and Services Framework Agreement is comprised of multiple components that are assessed differently under MI 61-101. The sale of copper concentrates is exempt from the valuation requirement of MI 61-101 by virtue of being a sale contract of inventory in the ordinary course of the Company's business. The provision of services is not expressly addressed in the definition of a related party transaction under MI 61-101, and the leasing services are considered in the ordinary course of business on reasonable commercial terms that are not less advantageous to the Company than if the lease was with a counterparty with whom the Company deals at arm's length. Furthermore, the overall value of the portions of the Fourth Supplemental Products and Services Framework Agreement that are not otherwise exempt is not more than 25% of the market capitalization of the Company as of the date of such contract. The Fourth Supplemental Products and Services Framework Agreement is subject to minority approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The proposed maximum annual transaction amounts during the term of the First Supplemental Financial Services Agreement, the Fourth Supplemental Contract for Purchase and Sale of Doré and the Fourth Supplemental Products and Services Framework Agreement are exempted from the approval of the Independent Shareholders in accordance with MI 61-101.

Each of Mr. Junhu Tong (Chairman, chief executive officer and executive Director), Mr. Yuanhui Fu, Mr. Weibin Zhang, Ms. Na Tian (each of the foregoing being an executive Director) and Mr. Wanming Wang (non-executive Director) are considered to have a material interest in the Continuing Connected Transaction by virtue of their being officers or affiliates of CNG. All of them abstained from voting on the relevant resolutions at the Board meeting to approve the Continuing Connected Transactions. All the remaining Directors have confirmed at such Board meeting that they have no material interest in the Continuing Connected Transactions.

FINANCIAL EFFECTS OF THE CONTINUING CONNECTED TRANSACTIONS

The Company does not anticipate that the Continuing Connected Transactions will have any material financial effects. Save as the expiry date, other terms and conditions under each of the Continuing Connected Transactions remain unchanged. Given the past performance and the benefits realized by the Company, the Directors consider that the Continuing Connected Transactions constitute transactions in the ordinary course of business of the Group and will not have a significant impact on the financial results of the Company that is different from the financial effects the Company has realized in the past.

IMPACT ON THE GEARING POSITION

The Directors (including the INEDs) do not expect that the entering into of the Continuing Connected Transactions would have any adverse financial impact on the earnings, assets and liabilities or the gearing levels of the Group, as compared with the position disclosed in the Company's audited financial statements for the year ended December 31, 2022 (the most recent published audited financial statements).

PARTIES INVOLVED IN THE CONTINUING CONNECTED TRANSACTIONS

THE COMPANY

The Company is a gold and base metal mining company incorporated in British Columbia, Canada and principally engaged in operation, acquisition, development and exploration of gold and base metal properties. The Company's principal mining operations are the CSH Mine located in Inner Mongolia, China and the Jiama Mine located in Tibet, China.

INNER MONGOLIA PACIFIC

Inner Mongolia Pacific, which the Company holds 96.5% interest, owns and operates the CSH Mine.

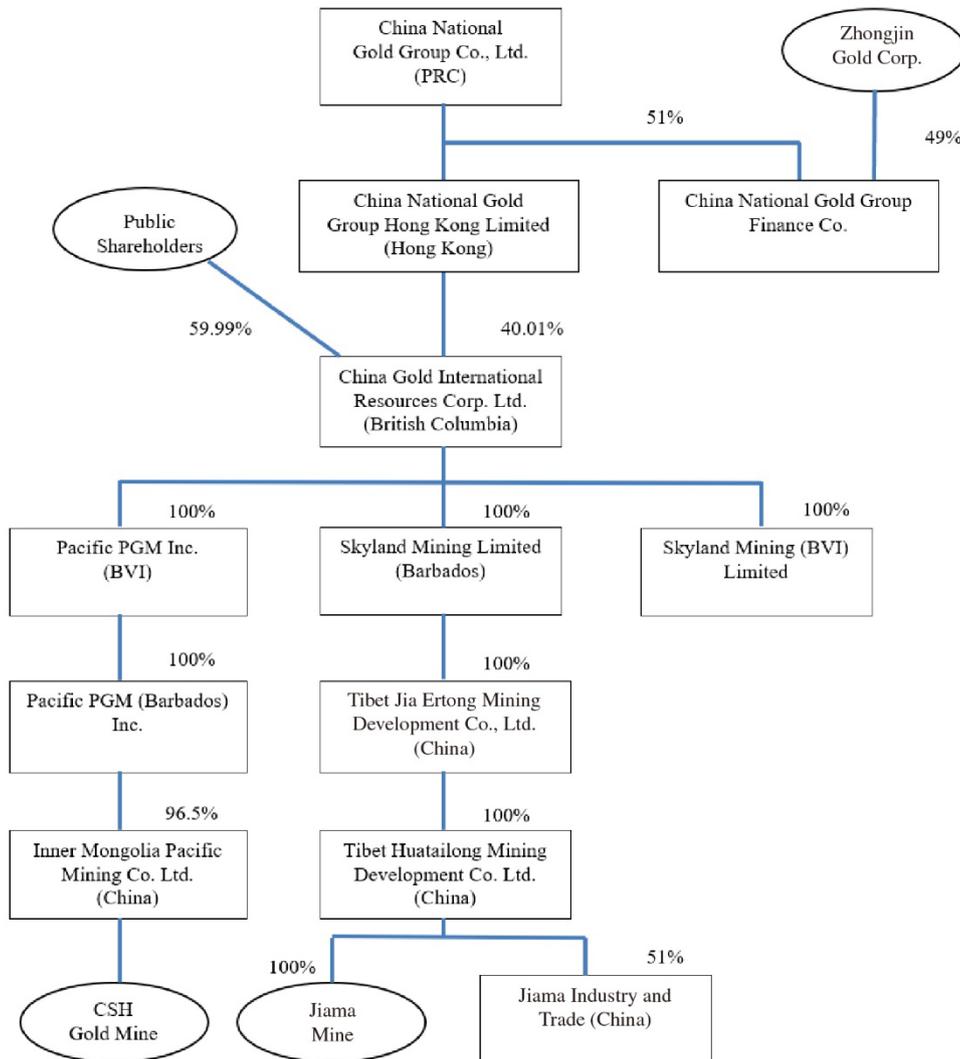
CHINA NATIONAL GOLD

China National Gold is the only enterprise directly supervised by the State Council of the PRC that focuses on the exploration, mining, processing, smelting, refining and sales of gold. It also operates other nonferrous mineral assets related businesses. The predecessor of China National Gold was China National Gold Corporation, which was established in 1979 and headquartered in Beijing. China National Gold is one of the largest gold producers in the PRC by gold output, according to the China Gold Association.

CHINA GOLD FINANCE

The establishment of China Gold Finance is approved by the China Banking and Insurance Regulatory Commission and the approved scope of business of China Gold Finance includes: (i) the provision of financial and financing consultation services, credit evaluation and related consultation and agency business to the members of China National Gold (the "**Member Companies**"); (ii) the provision of assistance to the Member Companies in the collection and payment of transaction funds; (iii) the provision of approved insurance agency services; (iv) the provision of guarantees to the Member Companies; (v) the handling of entrusted loans among the Member Companies; (vi) the handling of bill acceptance and discount for the Member Companies; (vii) the handling of internal transfer settlements among the Member Companies and formulation of corresponding settlement and liquidation plans; (viii) the absorption of deposits from the Member Companies; (ix) the provision of loans and financing leases to the Member Companies; (x) the engagement in interbank borrowing and lending; (xi) the investment in fixed income securities; (xii) the underwriting of corporate bonds of the Member Companies; (xiii) the operation of cross-border fund centralisation business; and (xiv) the provision of spot foreign exchange services.

The following chart illustrates the relationship between the Company, Inner Mongolia Pacific, CNG and China Gold Finance.



STATEMENT OF INDEBTEDNESS

As of the close of business on April 30, 2023, the Group had total interest-bearing borrowings of approximately US\$792 million, comprised US\$303 million of 3.25% unsecured bonds and US\$353 million of secured and US\$136 million of unsecured short-term debt facilities with interest rates ranging from 1.05% to 3.80% per annum.

The Group did not have any contingent liabilities as at April 30, 2023.

The Group did not have any financial derivatives or outstanding hedging contracts as at April 30, 2023.

Other than as set out above, the Group did not have any other outstanding indebtedness in respect of any debentures, loan capital, bank loans and overdrafts, term loans and other borrowings, debt securities, mortgages, charges or other similar indebtedness, acceptance credits, hire purchase commitments, lease commitments, guarantees or contingent liabilities, whether guaranteed or secured, as of April 30, 2023.

The Directors have confirmed that there has not been any material change in the indebtedness of or the contingent liabilities of the Group since April 30, 2023.

WORKING CAPITAL

The Directors are of the opinion that, after taking into account (i) the Group's cash flow projection having factored in the impact of the Jiama Mine suspension and the expected resumption of operations as well as renewal of continuing connected transactions and major transaction contemplated under the First Supplemental Financial Services Agreement; (ii) the Group's internal financial resources; (iii) the Group's presently available and unutilized banking and other facilities at the Latest Practicable Date; and (iv) the Group's future capital expenditure in respect of its non-cancellable capital commitments and the renewal of mining rights of the Jiama Mine, and assuming there are no unforeseeable circumstances other than the exact date of resumption of operations at the Jiama Mine, the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months from the date of publication of this Information Circular. The Company has obtained the confirmation as required under Rule 14.66(12) of the Hong Kong Listing Rules.

FINANCIAL AND TRADING PROSPECTS

The Company continues to focus its efforts on optimizing the operation at both mines, the newly commissioned Jiama Mine expansion and extending the mine life of CSH Mine. The Company will continue to leverage the technical and operating experience of the Company's ultimate controlling Shareholder, CNG, to improve operations at its mines. To fulfill its growth strategy, the Company is continually working with CNG and other interested parties to identify potential international mining acquisition opportunities, namely projects outside of China, which can be readily and quickly brought into production with the possibility of further expansion through continued exploration. Risk factors that may impact the Company's performance going forward are set out on page 64 of the Company's annual report for the year ended December 31, 2022. With respect to the Jiama Mine, the Company is prepared to resume production at its design capacity once the government has issued the permit to resume operations. The Company will also continue to take active cost control measures (such as using more high grade ores to increase profit) in response to market conditions, which would allow the Company to maximize the value of the output of the Jiama Mine and in turn mitigate the overall impact of the suspension.

EFFECT ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

The Directors are of the view that the Continuing Connected Transactions are not expected to have any material impact on earnings, assets and liabilities of the Group.

INDEPENDENCE FROM CNG

According to the paragraphs headed "Independence from CNG" under section headed "Relationship with Controlling Shareholder" of the prospectus of the Company dated November 17, 2010 (the "**Prospectus**"), the Directors, having considered the matters and factors described in such section, confirmed that the Group was able to operate independently of CNG, being the ultimate controlling Shareholder of the Company, and its respective associates. The Directors are not aware of anything that has happened since the issue of the Prospectus which has made the Directors change their view about such independence of the Group. The Directors therefore are of the view that, having considered the Continuing Connected Transactions and the transactions contemplated thereunder, the Group remains able to operate independently of the ultimate controlling Shareholder and its respective associates.

RECOMMENDATION

Based on the above, the Board (including the Independent Board Committee having taken into account the recommendation of the Independent Financial Adviser with respect to the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps) considers that (i) the terms of the Continuing Connected

Transactions are fair and reasonable and on normal commercial terms or better, (ii) the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole, (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole and (v) the Independent Shareholders should vote in favour of the Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting.

THE MEETING

The Meeting will be held on June 29, 2023 at 5:00 pm (Vancouver time) (June 30, 2023 in Hong Kong) at will be held at the Vancouver offices of the Company located at Suite 660, 505 Burrard Street, Vancouver, British Columbia, V7X 1M4.

At the Meeting, ordinary resolution(s) will be proposed to, among other things, approve the Continuing Connected Transactions and the Non-exempt Proposed Caps. Voting on such ordinary resolution(s) at the Meeting will be conducted by way of poll in accordance with the requirements of the Hong Kong Listing Rules and MI 61-101.

As of the Latest Practicable Date, CNG was interested in and entitled to exercise control over 158,588,330 Shares, representing approximately 40.01% of the total number of the issued shares of the Company. As such, CNG and its respective associates (as defined in the Hong Kong Listing Rules) will abstain from voting with regards to the ordinary resolution(s) to be proposed at the Meeting in connection with the Continuing Connected Transactions and the Non-exempt Proposed Caps.

Yours faithfully,

**FOR AND ON BEHALF OF THE BOARD
OF CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

(signed) "Junhu Tong"
Junhu Tong
Chairman

SCHEDULE E
LETTER FROM THE INDEPENDENT BOARD COMMITTEE

June 7, 2023

Dear Independent Shareholders,

We refer to the Information Circular dated June 7, 2023 issued by the Company to its Shareholders, of which this letter forms part. Unless the context requires otherwise, terms and expressions defined in the accompanying Information Circular shall have the same meanings in this letter.

We have been appointed to as members of the Independent Board Committee, to advise the Independent Shareholders on whether (i) the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole, (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole and (v) the Independent Shareholders should vote in favour of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting.

TC Capital has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps. We wish to draw your attention to the letter from TC Capital as set out in Schedule F to the accompanying Information Circular.

Having considered the letter from TC Capital, we are of the opinion that (i) the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole and (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in respect of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting.

Yours faithfully,

**FOR AND ON BEHALF OF
THE INDEPENDENT BOARD COMMITTEE OF
CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

Yingbin Ian He

Wei Shao

Bielin Shi

Ruixia Han

Independent Non-executive Directors

SCHEDULE F LETTER FROM TC CAPITAL

Set out below is the text of a letter received from TC Capital International Limited to the Independent Board Committee and the Independent Shareholders in respect of the Fourth Supplemental Product and Services Framework Agreement, the Fourth Supplemental Contract for the Purchase and Sale of Doré and the First Supplemental Financial Services Agreement and the transactions contemplated thereunder, for the purpose of inclusion in this circular.



7 June 2023

*The Independent Board Committee and the Independent Shareholders
China Gold International Resources Corp. Ltd.*

Dear Sir / Madam,

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Fourth Supplemental Product and Services Framework Agreement, the Fourth Supplemental Contract for the Purchase and Sale of Dore and the First Supplemental Financial Services Agreement and the transactions contemplated thereunder.

Background

On 11 May 2023, the Company and China National Gold entered into the Fourth Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to extend the expiry date of the Products and Services Framework Agreement to 31 December 2026. Save as the expiry date, other terms and conditions under the Products and Services Framework Agreement remain unchanged.

On 11 May 2023, Inner Mongolia Pacific and China National Gold entered into the Fourth Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to 31 December 2026. Save as the expiry date, other terms and conditions under the Contract for Purchase and Sale of Doré remain unchanged.

On 9 May 2023, the Company and China Gold Finance entered into the First Supplemental Financial Services Agreement, pursuant to which both parties agreed to extend the expiry date of the Financial Services Agreement to 31 December 2026. Save as the expiry date, other terms and conditions under the Financial Services Agreement remain unchanged.

Implications under the Hong Kong Listing Rules

As (i) China National Gold directly owns the entire issued share capital of CNGGHK, which directly holds 40.01% of the outstanding shares of the Company; and (ii) China Gold Finance is respectively 51% and 49% directly owned by China National Gold and Zhongjin Gold, which is a non-wholly-owned subsidiary of China National Gold, China National Gold and China Gold Finance are connected persons to the Company and the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré, the Fourth Supplemental Products and Services Framework Agreement and the First Supplemental Financial Services Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules (the “**Continuing Connected Transactions**”).

The Fourth Supplemental Products and Services Framework Agreement

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement are higher than 5%, the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The Fourth Supplemental Contract for Purchase and Sale of Doré

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré are higher than 5%, the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The First Supplemental Financial Services Agreement

As the Lending Services (i) constitute financial assistance to be received by the Group from a connected person; (ii) will be provided on normal commercial terms or better (in particular, the interest rate payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC; and (b) the lending rates offered by Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and China Construction Bank (the “**Major PRC Commercial Banks**”)); and (iii) will not be secured by the assets of the Group (in particular, in the event that the Group is unable to repay the loan under the Lending Services, China Gold Finance will not be permitted to offset such outstanding loans against any deposits of the Group placed in China Gold Finance under the Deposit Service), the Lending Services are therefore fully exempt pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Settlement Services and the Other Financial Services do not exceed 0.1%, the Settlement Services and the Other Financial Services are exempt from the approval of Independent Shareholders pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Deposit Service is higher than 25%, the Deposit Service constitutes a major and non-exempt continuing connected transaction and is subject to the approval of Independent Shareholders according to Chapters 14 and 14A of the Hong Kong Listing Rules.

In this respect, the Independent Board Committee was established to advise the Independent Shareholders on whether (i) the terms of the Fourth Supplemental Products and Services Framework Agreement and the transactions contemplated thereunder, the Fourth Supplemental Contract for Purchase and Sale of Doré and the transactions contemplated thereunder and the Deposit Service (the “**Non-exempt Continuing Connected Transactions**”) are fair and reasonable and on normal commercial terms or better; (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group; (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole; (iv) the 2024-2026 P&S Annual Caps, the 2024-2026 Gold Doré Annual Caps and the 2024-2026 Deposit Cap (together, the “**Non-exempt Proposed Caps**”) are fair and reasonable and in the interests of the Group and the Shareholders as a whole; and (v) the Independent Shareholders should vote in favour of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting. We have been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

Details of the Continuing Connected Transactions are set out in Schedule D - Letter from the Board of Directors (the “**Board Letter**”) contained in the circular of the Company dated 7 June 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as those defined in the Circular unless the context otherwise requires.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from the Company and none of circumstances set out in Rule 13.84 of the Hong Kong Listing Rules existed that could reasonably be regarded as a hindrance to our independence to act as the independent financial adviser in respect of the Non-exempt Continuing Connected Transactions.

Prior to our engagement as the independent financial adviser in respect of the Non-exempt Continuing Connected Transactions, we were appointed by the Company, in the preceding two years as at the date of this letter, as the independent financial adviser to the then Independent Board Committee and Independent Shareholders in respect of the continuing connected transactions as set out in the circular of the Company dated 31 May 2021.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions, we have considered and reviewed, among other things, (i) the Fourth Supplemental Product and Services Framework Agreement, the Fourth Supplemental Contract for the Purchase and Sale of Dore and the First Supplemental Financial Services Agreement; and (ii) the other information as set out in this letter and the Circular.

We have also relied on all relevant documents, information, opinions and representation provided or made by the Directors and the representatives of the Group (including but not limited to those contained or referred to in this Circular). The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed by them in the Circular have been arrived at after due and careful consideration and there are no other material facts not contained in the Circular, the omission of which would make any such statement made by them that contained in the Circular misleading in all material respects. We have no reason to doubt the truth, accuracy and completeness of the documents, information, opinions and representation provided or made by the Directors and the representatives of the Group to us.

We consider that we have reviewed sufficient information currently available to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent due diligence on the documents, information, opinions and representation provided or made by the Directors and the representatives of the Group to us, nor have we conducted any form of independent due diligence on the business, affairs, operations, financial position or future prospect of the Group, China National Gold and China Gold Finance.

PRINCIPAL FACTORS CONSIDERED

In arriving at our recommendation in respect to the Non-exempt Continuing Connected Transactions, we have taken into consideration the following principal factors:

I. Background of the parties involved

The Company

As set out in the Board Letter, the Company is a gold and base metal mining company incorporated in British Columbia, Canada and principally engaged in operation, acquisition, development and exploration of gold and base metal properties. The Company's principal mining operations are the CSH Mine located in Inner Mongolia, China and the Jiama Mine located in Tibet, China.

Inner Mongolia Pacific

As set out in the Board Letter, Inner Mongolia Pacific, which the Company holds 96.5% interest, owns and operates the CSH Mine.

China National Gold

As set out in the Board Letter, China National Gold is the only enterprise directly supervised by the State Council of the PRC that focuses on the exploration, mining, processing, smelting, refining and sales of gold. It also operates other nonferrous mineral assets related businesses. The predecessor of China National Gold was China National Gold Corporation, which was established in 1979 and headquartered in Beijing. China National Gold is one of the largest gold producers in the PRC by gold output, according to the China Gold Association.

China Gold Finance

As set out in the Board Letter, the establishment of China Gold Finance is approved by the China Banking and Insurance Regulatory Commission and the approved scope of business of China Gold Finance includes: (i) the provision of financial and financing consultation services, credit evaluation and related consultation and agency business to the members of China National Gold (the “**Member Companies**”); (ii) the provision of assistance to the Member Companies in the collection and payment of transaction funds; (iii) the provision of approved insurance agency services; (iv) the provision of guarantees to the Member Companies; (v) the handling of entrusted loans among the Member Companies; (vi) the handling of bill acceptance and discount for the Member Companies; (vii) the handling of internal transfer settlements among the Member Companies and formulation of corresponding settlement and liquidation plans; (viii) the absorption of deposits from the Member Companies; (ix) the provision of loans and financing leases to the Member Companies; (x) the engagement in interbank borrowing and lending; (xi) the investment in fixed income securities; (xii) the underwriting of corporate bonds of the Member Companies; (xiii) the operation of cross-border fund centralisation business; and (xiv) the provision of spot foreign exchange services.

II. Reasons for conducting the Non-exempt Continuing Connected Transactions

(i) The Fourth Supplemental Products and Services Framework Agreement

On 26 April 2013, the Company and China National Gold entered into the Products and Services Framework Agreement, pursuant to which China National Gold agreed to provide mining surveying, exploration, design, construction and development related products and services (the “**Mining Related Products and Services**”) to the Company from the date of relevant approval by the Shareholders to 18 June 2016.

On 29 May 2015, the Company and China National Gold entered into the First Supplemental Products and Services Framework Agreement to (i) include the purchase by China National

Gold of the copper concentrates produced from the Jiama Mine into the product and service scope of the Products and Services Framework Agreement; and (ii) revise the expiry date of the Products and Services Framework Agreement to 31 December 2017.

On 26 May 2017, the Company and China National Gold entered into the Second Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to (i) include the provision of the leasing services (the “**Leasing Services**”) provided by Zhongxin International Financial Leasing (Shenzhen) Co. Ltd. (“**Zhongxin International**”) into the product and service scope of the Products and Services Framework Agreement; and (ii) revise the expiry date of the Products and Services Framework Agreement to 31 December 2020.

On 6 May 2020, the Company and China National Gold entered into the Third Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to revise the expiry date of the Products and Services Framework Agreement to 31 December 2023.

According to the Board Letter, the reasons for and benefits of entering into the Fourth Supplemental Products and Services Framework Agreement mainly include (i) offering to the Group a ready and experienced provider for the Mining Related Products and Services for the upcoming development of the Jiama Mine and the CSH Mine; (ii) offering to the Group a ready buyer for the copper concentrates in view of the expected stable copper concentrates production at the Jiama Mine going forward; (iii) the Leasing Services provided by Zhongxin International will be able to (a) improve the liquidity of the Group; (b) potentially reducing the taxation expense of the Group; and (c) provide the Group an alternative source of funding in future; and (iv) the counter-party risk of China National Gold is expected to be lower than that of the other Mining Related Products and Services and Leasing Services providers and copper concentrates customers.

In respect to point (i) above, we discussed with the Group and understand that though the major developments of the Jiama Mine and the CSH Mine were completed, the Group is expected to be continuously in need of the Mining Related Products and Services regularly during the operation of the Jiama Mine and the CSH Mine. As further illustrated in the paragraph headed “V. The Non-exempt Proposed Caps – (i) The 2024-2026 P&S Annual Caps” below, the Group is expected to be particularly in need of (i) the stripping and underground mining development services; and (ii) the environmental, safety and occupational health management services from China National Gold during the term of the Fourth Supplemental Products and Services Framework Agreement. As such and in view of (i) the strong background and experience of China National Gold in the mining industry discussed in “I. Background of the parties involved – China National Gold” above; (ii) the long-established and close cooperation relationship between China National Gold and the Group over the years has fostered a profound comprehension of each other’s operations and practices (China National Gold had been providing Mining Related Products and Services to the Group since 2012 according to the circular of the Company dated 20 November 2012);

and (iii) the fact that the Products and Services Framework Agreement does not restrict the Group to procure the Mining Related Products and Services from other independent third parties which might offer more competitive terms than China National Gold, we concur with the Board's view that the entering into of the Fourth Supplemental Products and Services Framework Agreement only offer an alternative, ready and experienced provider for the Mining Related Products and Services to the Group.

In respect to point (ii) above, we also concur with the Board's view that given the Products and Services Framework Agreement does not restrict the Group to sell the copper concentrates to other independent third parties which might offer more competitive terms than China National Gold, the entering into of the Fourth Supplemental Products and Services Framework Agreement only offer an alternative and ready buyer for the copper concentrates to the Group. In addition, we referred to the announcement of the Company published on 31 March 2023 and noted that an overflow occurred at the Guolanggou Tailings Dam at Jiama Mine on 27 March 2023 (the "Accident") and due to the uncertainty of the date of resumption of production at Jiama Mine, the Company is withdrawing its annual production guidance for the Jiama Mine for 2023 as set out in the announcement of the Company dated 20 January 2023. Nevertheless, according to the Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended 31 March 2023 published on 5 May 2023 and based on the information available to the Company, the repair and reinforcement construction is expected to be completed by the end of August 2023 and following the completion of the construction, the Company will conduct a safety assessment of the entire tailings pond and submit an assessment report to the regulatory authority by the end of August 2023 and the government regulators will decide when to grant permission to resume production based on the assessment report. As advised by the Group, the copper production at the Jiama Mine is expected to reduce in 2024 due to the suspension of production subsequent to the Accident. However, the copper production will increase steadily after 2024 with the use of the phase III tailing pond, as compared to that for the year ended 31 December 2022. Given the Accident is a one-off incident and the relevant repair and reinforcement construction is expected to be completed by the end of August 2023, we concur with the Group on this. The expected increased output of the Jiama Mine therefore shows a continuous need of the Group for the copper concentrates purchase capabilities of China National Gold. We also believe that the Group's dealing with China National Gold would reduce counter-party risk of the Group in light of the state-owned enterprise status of China National Gold. As such, we consider that it would be in the best interest of the Group to continue relying on the purchase capabilities of China National Gold for the copper concentrates produced at the Jiama Mine going forward.

In respect to point (iii) above, we concur with Group that the Leasing Services rendered by Zhongxin International will be able to (i) improve the liquidity of the Group as the Group will be able to pay a series of rentals or installments over several years for the target assets and hence reducing its burden of one-time significant cash outflow for its purchase; and (ii) potentially reduce the taxation expense of the Group given the value added tax invoices issued by Zongxin International to the Group for the interest payments under finance lease

arrangement can be used to deduct value added tax in accordance with the Order of the State Council of the PRC No. 538* (《中華人民共和國國務院令 第 538 號》) implemented on 1 January 2009 and the frequently asked question entitled "Which input value added taxes are deductible from the output value added tax?"* (《准予從銷項稅額中抵扣的進項稅額有哪些?》) published by the Sichuan Provincial Tax Service and State Taxation Administration on 21 March 2023. We also concur with the Group that the Leasing Services rendered by Zhongxin International will be able to provide the Group an alternative source of funding by offloading its assets to Zhongxin International. According to the annual report of the Company for the year ended 31 December 2022 (the "2022 Annual Report"), the property, plant and equipment of the Group amounted to approximately US\$1,579 million as at 31 December 2022. Given the huge amount of tangible fixed assets owned by the Group, we are of the view that the Leasing Services provided by Zhongxin International will be able to provide the Group an alternative and quick source of funding when needed.

In respect to point (iv) above, we concur with the Board's view that the counter-party risk of China National Gold is expected to be lower than that of the other Mining Related Products and Services and Leasing Services providers and copper concentrates customers considering that (i) China National Gold is a state-owned enterprise; (ii) China National Gold is the largest producer of gold in the PRC engaged in the exploration, development and production of gold, according to the website of the World Gold Council, a non-profit association of the world's leading gold mining companies established in 1987; and (iii) the long-established and close cooperation relationship between China National Gold and the Group as discussed above.

Based on the foregoing and the facts that other than the revision of the expiry date of the Products and Services Framework Agreement to 31 December 2026, other terms and conditions under the Products and Services Framework Agreement remain unchanged, we are therefore of the view that the Fourth Supplemental Products and Services Framework Agreement was entered into in the ordinary and usual course of business of the Group and are in the interests of the Group and the Shareholders as a whole.

(ii) The Fourth Supplemental Contract for Purchase and Sale of Doré

On 7 May 2014, Inner Mongolia Pacific and China National Gold entered into the Contract for Purchase and Sale of Doré, pursuant to which China National Gold agreed to purchase and Inner Mongolia Pacific agreed to sell the gold doré bars and silver by-products produced at the CSH Mine from the date of relevant approval by the Shareholders to 31 December 2017.

On 26 May 2017, Inner Mongolia Pacific and China National Gold entered into the First Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to (i) amend the notification time of delivery of shipment from "no less than three working days" to "no less than 48 hours"; (ii) amend the reference price for the gold doré bar products from "the daily average price of the Au9995 gold ingot at the Shanghai Gold Exchange on the notification date less RMB0.95 per gram" to "the real-time price of the Au9995 gold ingot

at the Shanghai Gold Exchange at the moment when the notification is made less RMB0.95 per gram”; and (iii) extend the expiry date of the Contract for Purchase and Sale of Doré to 31 December 2020.

On 28 March 2018, Inner Mongolia Pacific and China National Gold entered into the Second Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to amend the reference price for the gold doré bar products to “the monthly average price of the AU(T+D) contract on the Shanghai Gold Exchange less RMB1.50 per gram”.

On 6 May 2020, Inner Mongolia Pacific and China National Gold entered into the Third Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to 31 December 2023.

According to the Board Letter, the reasons for and benefits of entering into the Fourth Supplemental Contract for Purchase and Sale of Doré mainly include (i) offering to the Group a ready buyer for the gold doré bars in view of the expected stable gold doré bars production at the CSH Mine; (ii) the counter-party risk of China National Gold is expected to be lower than that of other customers; and (iii) the better flexibility of China National Gold as a buyer to the gold doré bars.

In respect to point (i) above, we concur with the Board’s view that given the Contract for Purchase and Sale of Doré does not restrict the Group to sell the gold doré bars produced at the CSH Mine to other independent third parties which might offer more competitive terms than China National Gold, the entering into of the Fourth Supplemental Contract for Purchase and Sale of Doré only offer an alternative and ready buyer for the gold doré bars to the Group.

We also referred to the 2022 Annual Report and noted that the production of the gold at the CSH Mine was 148,164 ounces for the year ended 31 December 2022. As advised by the Group, it is expected the gold production at the CSH Mine will remain at a similar level in the upcoming years. The stable output of the CSH Mine therefore shows a continuous need of the Group for the gold doré purchase capabilities of China National Gold.

In respect to point (ii) above, we also concur with the Board’s view that the counter-party risk of China National Gold is expected to be lower than that of other customers in light of the state-owned enterprise status of China National Gold.

In respect to point (iii) above, we concur with the Board’s view that China National Gold, as a buyer of the gold doré bars, offers greater flexibility to Inner Mongolia Pacific in negotiating commercial terms, determining the production schedule of the gold doré bars and devising its business development plan, owing to the long-standing mutual trust relationship between the two parties (Inner Mongolia Pacific had been selling gold doré bars to China National Gold back in 2008 according to the prospectus of the Company dated 17 November 2010).

Based on the foregoing and the facts that other than the revision of the expiry date of the Contract for Purchase and Sale of Doré to 31 December 2026, other terms and conditions under the Contract for Purchase and Sale of Doré remain unchanged, we are therefore of the view that the Fourth Supplemental Contract for Purchase and Sale of Doré was entered into in the ordinary and usual course of business of the Group and are in the interests of the Group and the Shareholders as a whole.

(iii) The First Supplemental Financial Services Agreement and the Deposit Service

On 5 May 2021, the Company and China Gold Finance entered into the Financial Services Agreement, pursuant to which China Gold Finance agreed to provide the PRC subsidiaries of the Company a range of financial services including (a) the deposit service (the “**Deposit Service**”); (b) the lending services (including loans, bill acceptance, bill discount, entrustment loans, guarantee, financing lease etc.) (the “**Lending Services**”); (c) the settlement services (the “**Settlement Services**”); and (d) the other financial services including financial and financing advisory, credit certification and related consultation and agency services and other services approved by the CBIRC (the “**Other Financial Services**”).

According to the Board Letter, the reasons and benefits of entering into the First Supplemental Financial Services Agreement mainly include (i) offering to the Group a ready financial service provider; (ii) the counter-party risk of China Gold Finance is expected to be lower than that of the Major PRC Commercial Banks; (iii) the better understanding of China Gold Finance to the operations of the Group shall allow the Group to receive a more expedient and efficient services than those rendered by the PBC and the Major PRC Commercial Banks; and (iv) in particularly with respect to the Deposit Services, allowing the Group to generate more interest income by depositing its idle cash to China Gold Finance than depositing the same to the PBC and the Major PRC Commercial Banks.

In respect to point (i) above, we concur with the Board’s view that given the Financial Services Agreement does not restrict the Group to obtain the relevant financial services from the PBC and the Major PRC Commercial Banks which might offer more competitive terms than China Gold Finance, the entering into of the First Supplemental Financial Services Agreement only offer an alternative financial service provider to the Group.

In respect to point (ii) above, in assessing the risk profile of China Gold Finance, we have discussed with the Group and understand that China Gold Finance is subject to the supervision of the CBIRC and it has to provide its services in accordance with the rules and operational requirements of the CBIRC such as the Measures for the Administration of Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》) (the “**Measures**”). We have reviewed the Measures issued by the CBRC (now merged to become the CBIRC) on 27 July 2004 (as amended on 28 December 2006). According to the Measures, China Gold Finance is required to file audited financial statements to the CBRC and other

operational and financial materials as required by the CBRC. According to the Measures and a notice on relevant requirements for off-site supervision of finance companies of enterprise groups (《關於企業集團財務公司非現場監管工作有關要求的通知》) despatched by the Non-bank Financial Institution Supervision Department* (非銀部) of the CBRC on 25 November 2009, China Gold Finance is also required to comply with various ratios in respect of its assets and liabilities, including, among others, the capital adequacy ratio, the inter-financial institution borrowing balances to total capital ratio and the total outstanding guarantees to total capital ratio. We noted from the Measures that the capital adequacy ratio for finance companies of enterprise groups shall not be lower than 10% whereas such threshold for commercial banks is 8% as stipulated in the Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) (《商業銀行資本管理辦法(試行)》) issued by the CBRC on 7 June 2012, which means there will be a more stringent control over China Gold Finance than other commercial banks in the PRC.

In particular to the Deposit Service, pursuant to the Financial Services Agreement, China National Gold has undertaken to the CBRC that it will increase the capital of China Gold Finance in case China Gold Finance has difficulty in payment. According to the Group, China National Gold is a state-owned enterprise established in the PRC with registered capital amounted to RMB6,500 million and recorded net assets of approximately RMB15,200 million and cash and cash equivalents of approximately RMB1,600 million as at 31 December 2022, which in aggregate represents approximately 560.0% of the 2024-2026 Deposit Cap. We therefore believe that China National Gold will be able to honour its undertaking to increase the capital of China Gold Finance in the event that China Gold Finance has difficulty in returning the deposit placed by the Group to China Gold Finance under the Deposit Service. Having considered the above, we concur with the Directors' view that the counter-party risk of China Gold Finance is expected to be lower than that of the Major PRC Commercial Banks.

In respect to point (iii) above, we have referred to the circular of the Company dated 29 May 2015 and noted that China Gold Finance has been providing the Deposit Service to the Group since 2015. With the advantage of this long-standing relationship, the Group shall benefit from China Gold Finance's familiarity of the Group's industry and operations. We further understood from the representative of the Company that, through years of cooperation, China Gold Finance has become familiar with the business operations, capital structure, cash flow pattern, cash management and overall financial administrative system of the Group, which enable it to render more expedient, efficient and flexible services to the Group than the PBC and the Major PRC Commercial Banks.

In respect to point (iv) above, we have conducted research on the deposit rates offered by the PBC and the Major PRC Commercial Banks and the table below shows the comparison of the deposit rates as at the Latest Practicable Date offered by (i) China Gold Finance; (ii) the PBC; and (iii) the Major PRC Commercial Banks:

	China Gold Finance	The PBC	Industrial and Commercial Bank of China	China Construction Bank	Bank of China	Agricultural Bank of China
Current	0.455%	0.35%	0.25%	0.25%	0.25%	0.25%
3-month fixed deposit	1.50%	1.10%	1.25%	1.25%	1.25%	1.25%
6-month fixed deposit	1.77%	1.30%	1.45%	1.45%	1.45%	1.45%
One-year fixed deposit	2.00%	1.50%	1.65%	1.65%	1.65%	1.65%
Two-year fixed deposit	2.70%	2.10%	2.15%	2.15%	2.15%	2.15%
Three-year fixed deposit	3.10%	2.75%	2.60%	2.60%	2.60%	2.60%
Agreement deposit	1.45%	1.15%	0.90%	0.90%	0.90%	0.90%
One day notice	0.88%	0.80%	0.45%	0.45%	0.45%	0.45%
7 days' notice	1.485%	1.35%	1.00%	1.00%	1.00%	1.00%

Based on the above comparison, we noted that the deposit rates offered by China Gold Finance for the above deposit types were higher than that quoted by the PBC and the Major PRC Commercial Banks as at the Latest Practicable Date and therefore concur with the Board's view that the Group will be able to generate more interest income by depositing its idle cash to China Gold Finance than depositing the same to the PBC and the Major PRC Commercial Banks.

Based on the foregoing and the facts that other than the revision of the expiry date of the Financial Services Agreement and the Deposit Service to 31 December 2026, other terms and conditions under the Financial Services Agreement and the Deposit Service remain unchanged, we are therefore of the view that First Supplemental Financial Services Agreement and the Deposit Service were entered into in the ordinary and usual course of business of the Group and are in the interests of the Group and the Shareholders as a whole.

III. Principal terms of the Non-exempt Continuing Connected Transactions

(i) The Fourth Supplemental Products and Services Framework Agreement

According to the Board Letter, other than the revision of the expiry date to 31 December 2026, no change was made to other terms and conditions of the Products and Services Framework Agreement under the Fourth Supplemental Products and Services Framework Agreement. Please refer to the Board Letter for details of the terms of the Fourth Supplemental Products and Services Framework Agreement.

We are of the view that the pricing terms are the most important terms of the Products and Services Framework Agreement, which are set out as follows:

- (a) prices stipulated by the PRC government (such as pricing standards relating to fees for preparing construction proposals, conducting feasibility studies and providing tender agent services published by the National Development and Reform Commission of the PRC);
- (b) prices determined by tender if an active market exists, if there is no price stipulated by the PRC government;
- (c) prices referenced to identical or similar transaction, if there is no price stipulated by the PRC government nor active market exists; and
- (d) prices determined by costs plus a reasonable profit margin (which is determined after arm's length negotiation taking into account the market conditions), if none of the above conditions exists.

We are of the view that the above pricing terms of the Products and Services Framework Agreement are fair and reasonable as (i) the pricing terms are either (1) determined transparently i.e. (a) above; or (2) determined independently from China National Gold i.e. (a), (b) and (c) above; or (3) determined with reasonable basis i.e. (d) above; and (ii) the sequence of determining which pricing term is used is fair and reasonable with priority given to the pricing term which are determined transparently and independently from China National Gold i.e. (a), (b) and (c) above over the pricing term which are determined by China National Gold i.e. (d) above.

Having considered the above, we consider that the terms of the Fourth Supplemental Products and Services Framework Agreement are fair and reasonable and on normal commercial terms or better.

(ii) The Fourth Supplemental Contract for Purchase and Sale of Doré

According to the Board Letter, except for the revision of the expiry date of the Contract for Purchase and Sale of Doré to 31 December 2026, no change was made to other terms and conditions of the Contract for Purchase and Sale of Doré under the Fourth Supplemental Contract for Purchase and Sale of Doré. Please refer to the Board Letter for details of the terms of the Fourth Supplemental Contract for Purchase and Sale of Doré.

We are of the view that the pricing term of the gold doré bars is the most important term of the Contract for Purchase and Sale of Doré, which is the sum of (i) the gold price which is determined by the monthly average price of the AU(T+D) contract on the Shanghai Gold

Exchange less RMB1.50 per gram multiplied by the settlement weight; and (ii) the silver price.

We were advised by the Group that no silver by-product is expected to be produced or sold from the CSH Mine during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré and therefore the pricing term of the silver price will not be applicable from practicable perspective. We concur with the Group in this regard as we noted from the 2022 Annual Report that (i) gold was the only material that was produced and sold from the CSH Mine for the two years ended 31 December 2022; and (ii) gold was the only material that was reported on for the CSH Mine in its mineral resources and reserves update under NI 43-101.

In respect to the determination of the gold price based the price quotation on the Shanghai Gold Exchange, we have conducted desktop research and noted that the Shanghai Gold Exchange was established by the PBC upon approval by State Council and supervised by the PBC. According to the website of the World Gold Council, the Shanghai Gold Exchange ranked third among the global commodity exchanges in terms of average daily trading volume of gold in 2021. In view of its position in the global commodity exchanges, we are of the view that the reference of gold price to the Shanghai Gold Exchange is fair and reasonable.

In respect to the basis of RMB1.50 per gram deduction in determining the gold price, we were advised by the Group that such amount consists of two components including the cost of refining the gold doré bars and the compensation for the gold price fluctuation risk born by the purchaser. In assessing the fairness and reasonableness of the RMB1.50 per gram deduction, we have been provided by the Group with the latest relevant quotations from an independent third party to China National Gold for the sale of gold doré bar products and noted that the deduction amount stipulated in such quotations from the independent third party is RMB1.50 per gram. We are therefore of the view that the RMB1.50 per gram deduction offered by the Group to China National Gold is fair and reasonable.

Having considered the above, we consider that the terms of the Fourth Supplemental Contract for Purchase and Sale of Doré are fair and reasonable and on normal commercial terms or better.

(iii) The Deposit Service

According to the Board Letter, except for the revision of the expiry date of the Financial Services Agreement to 31 December 2026, no change was made to other terms and conditions of the Financial Services Agreement under the First Supplemental Financial Services Agreement. Please refer to the Board Letter for details of the terms of the First Supplemental Financial Services Agreement.

We are of the view that the deposit rate offered by China Gold Finance to the Group is the most important term of the Deposit Service, of which is set to be not lower than that offered by (i) the PBC; and (ii) the Major PRC Commercial Banks.

In view of the comparative deposit rates chosen by China Gold Finance to determine the deposit rate offered by it to the Group, which are referenced to the PBC as well as the most scalable banks in China (according to Statista, a provider of market and consumer data, the Major PRC Commercial Banks were the four largest banks in terms of asset value as of May 2022), we consider that the mechanism in determining the deposit rate offered by China Gold Finance to the Group and hence the terms of the Deposit Service are fair and reasonable and on normal commercial terms or better.

IV. Internal control measures for the Non-exempt Continuing Connected Transactions

(i) The Fourth Supplemental Products and Services Framework Agreement

As set out in the Board Letter, one of the internal control measures imposed by the Group in respect to the Fourth Supplemental Products and Services Framework Agreement is that the relevant subsidiary of the Group will obtain at least 3 quotations from different parties (including China National Gold) before conducting business with China National Gold and the relevant screening process, rationale and result on these parties will be documented and submitted to the senior management of the relevant subsidiary of the Group for review and final approval before entering into specific contract with the successful parties.

In assessing the effectiveness of the above internal control measure, we have obtained the sample contracts entered into between the Group and China National Gold during the term of the Third Supplemental Products and Services Framework Agreement for each type of the products and services and compared them with the corresponding quotations provided by the independent third parties, and noted that the pricing offered by China National Gold were either more favourable or not less favourable than those offered by the independent third parties. In particular, since the sale of copper concentrates contributed over 98% of the actual transaction amount during the term of the Third Supplemental Products and Services Framework Agreement, we have obtained and reviewed (i) the sample contract entered into between the Group and China National Gold stipulating the unit selling prices offered by the Group to China National Gold in respect of each grade of copper concentrates during the term of the Third Supplemental Products and Services Framework Agreement; (ii) the 3 largest monthly settlement statements out of the 12 monthly settlement statements between the Group and China National Gold for the year ended 31 December 2022, which accounted for approximately 31% of the total transaction amount for the sale of copper concentrates during the same period; and (iii) all monthly settlement statements for the three months ended 31 March 2023. As the 6 monthly settlement statements represented approximately 44% of the

total transaction amount for the sale of copper concentrates for the year ended 31 December 2022 and the three months ended 31 March 2023 in aggregate, and such monthly settlement statements specified the grade of copper concentrates sold and the respective unit selling prices offered by the Group to China National Gold, we are of the view that these samples are fair and representative. Regarding the Mining Related Products and Services, we have obtained and reviewed a total of 16 sample contracts entered into between the Group and China National Gold for the year ended 31 December 2022 and the three months ended 31 March 2023, with at least 2 sample contracts in respect of each category of the products and services. Having considered the aggregate transaction amount for stripping and underground mining development services, environmental, safety and occupational health management services as well as other products and services only accounted for less than 2% of the actual transaction amount during the term of the Third Supplemental Products and Services Framework Agreement, we are of the view that the 16 sample contracts are fair and representative. For the Leasing Services, we are given to understand that the Group only entered into one leasing agreement with Zhongxin International during the term of the Third Supplemental Products and Services Framework Agreement. Therefore, we have obtained and reviewed the only leasing agreement executed by Zhongxin International and the Group during the year ended 31 December 2021, which amounted to approximately RMB17.2 million.

We have also obtained the approval documents in respect of such sample contracts and noted that the senior management of the relevant subsidiary of the Group and each member of the audit committee of the Company had reviewed and approved the terms stipulated in the sample contracts prior to the execution.

Having considered the above, we are of the view that the internal control in respect to the Products and Services Framework Agreement is properly in place in ensuring the terms offered by China National Gold are not less favourable than those offered by other independent third parties in case the Group chose China National Gold to be the supplier (for the Mining Related Products and Services and the Leasing Services) or the purchaser (for copper concentrates).

(ii) The Fourth Supplemental Contract for Purchase and Sale of Doré

As set out in the Board Letter, one of the internal control measures imposed by the Group in respect to the Fourth Supplemental Contract for Purchase and Sale of Doré is that the Group that Inner Mongolia Pacific will obtain at least 3 quotations from different parties (including China National Gold) before it sells the gold doré bars to China National Gold, failing which it will, subject to any confidentiality obligations China National Gold may owe towards third party suppliers, gain access to gold doré bar quotations obtained by China National Gold from suppliers that are independent of both China National Gold and Inner Mongolia Pacific. The relevant screening process, rationale and result on these parties will be documented and submitted to the senior management of Inner Mongolia Pacific for review and final approval before entering into specific contract with the successful parties.

In assessing the effectiveness of the above internal control measure, we have obtained and reviewed the 3 largest monthly settlement statements out of the 12 monthly settlement statements between Inner Mongolia Pacific and China National Gold in respect of the sale of gold doré bars for the year ended 31 December 2022, which accounted for approximately 35% of the total transaction amount during the corresponding period. We have also obtained and reviewed all monthly settlement statements for the three months ended 31 March 2023. Given the aforementioned monthly settlement statements represented approximately 48% of the total transaction amount for the year ended 31 December 2022 and the three months ended 31 March 2023 in aggregate, we are of the view that these samples are fair and representative. As advised by the representative of the Company, the quotations from the independent third parties were not directly accessible to the Group during the term of the Third Supplemental Contract for Purchase and Sale of Doré. However, the quotations provided by the independent third parties to China National Gold were available. As such, we have compared the unit selling prices stipulated in the aforementioned monthly settlement statements with the latest relevant quotations provided by the independent third parties to China National Gold and noted that the unit selling prices offered by the independent third parties to China National Gold were lower than those offered by Inner Mongolia Pacific to China National Gold. Thus, the pricing term is more favourable to Inner Mongolia Pacific.

Having considered the above, we are of the view that the internal control in respect to the Contract for Purchase and Sale of Doré is properly in place in ensuring the terms offered by China National Gold are not less favourable to those offered by other independent third parties in case the Group chose China National Gold to be the purchaser of the gold doré bars.

(iii) The Deposit Service

As set out in the Board Letter, one of the internal control measures imposed by the Group in respect to the First Supplemental Financial Services Agreement (including the Deposit Service) is that the Group will obtain quotations from the PBC and the Major PRC Commercial Banks for the relevant financial services before it conducts business with China Gold Finance and these quotations together with the quotation of China Gold Finance will be submitted to the financial controller of the Company for review and to decide whether or not to accept the financial services of China Gold Finance.

In assessing the effectiveness of the above internal control measure in respect to the Deposit Service, we have confirmed with the Group that it will check the deposit rates offered by the PBC and the Major PRC Commercial Banks of the same type and duration through their relevant websites. The findings together with the quotation from China Gold Finance will be submitted to the financial controller of the Company for review and final approval before the Group places deposits with China Gold Finance.

Having considered the above, we are of the view that the internal control in respect to the Deposit Services is properly in place in ensuring the deposit rate offered by China Gold

Finance is not less favourable to those offered by the PBC and the Major PRC Commercial Banks in case the Group chose China Gold Finance to be the provider of the Deposit Services.

V. The Non-exempt Proposed Caps

(i) The 2024-2026 P&S Annual Caps

Set out below are (i) the existing annual caps for the three years ending 31 December 2023 under the Third Supplemental Products and Services Framework Agreement; (ii) the actual transaction amount under the Third Supplemental Products and Services Framework Agreement for the two years ended 31 December 2022 and the three months ended 31 March 2023; and (iii) the 2024-2026 P&S Annual Caps:

	2021	2022	2023	2024	2025	2026
Existing annual caps (RMB' Million)	6,300	6,300	6,300	-	-	-
Actual transaction amounts (Approx. RMB' Million)	3,717	5,431	1,198 (Jan – Mar)	-	-	-
Utilisation Rate (%)	59%	86%	19% (Jan – Mar)	-	-	-
2024-2026 P&S Annual Caps (RMB' Million)	-	-	-	12,200	12,200	12,200

Set out below are (i) the basis adopted by the Group to determine the 2024-2026 P&S Annual Caps; and (ii) the corresponding historical transaction amount during the term of the Third Supplemental Products and Services Framework Agreement according to the Board Letter:

	2021	2022	2023 (Jan - Mar)	2024	2025	2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Estimated</i>	<i>Estimated</i>	<i>Estimated</i>
	<i>Approx. RMB million</i>	<i>Approx. RMB million</i>	<i>Approx. RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Mining Related Products and Services						
- Stripping and underground mining development services	3	-	-	904	695	240
- Environmental, safety and occupational health management services	12	4	-	572	686	547
- Others	18	83	9	123	132	124
	33	87	9	1,599	1,513	911
Copper concentrates	3,667	5,344	1,189	7,046	7,073	7,106
Leasing Services	17	-	-	40	40	40
Subtotal	3,717	5,431	1,198	8,685	8,626	8,057
Buffer	-	-	-	3,515 (~40%)	3,574 (~41%)	4,143 (~51%)
				12,200	12,200	12,200

Note: The above estimated transaction amount for each type of product and service does not constitute to individual annual cap for the same.

Mining Related Products and Services

As set out in above table, the stripping and underground mining development services and the environmental, safety and occupational health management services are expected to be the major components in determining the estimated transactions amount for the Mining Related Products and Services during the terms of the Fourth Supplemental Products and Services Framework Agreement.

According to the Board Letter, the expected increase in the transaction amount for the stripping and underground mining development services during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to its historical amounts are principally due to the expected increase in stripping and underground mining activities for the CSH Mine in the same period.

We have referred to the mineral resources update for the CSH Mine as at 31 December 2022 under NI 43-101 disclosed in the 2022 Annual Report and noted that the measured and indicated mineral resources within the open pit was approximately 37 million tonnes while the measured and indicated mineral resources for underground was approximately 178 million tonnes, providing basis for the expected increase in demand for the underground mining development services by the Group.

According to the Board Letter, the expected increase in the transaction amount for the environmental, safety and occupational health management services during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to its historical amounts are principally due to the planned construction of tailing pond for the Jiama Mine in the same period. As advised by the Group, the total construction cost of such tailing pond is expected to exceed RMB3,240 million and is estimated based on factors such as the scope of design engineering and materials used. We have obtained and reviewed the calculation schedule and bases for the total construction cost of the tailing pond and noted that it consists of (i) construction cost of approximately RMB1,470 million, which is determined with reference to the guidelines set out in Volume 8 of the 2019 edition of the Cost Standards for Construction and Other Expenses of Nonferrous Metal Industry Construction Projects* (《2019 年版《有色金屬工業建安工程費用定額、工程建設其他費用定額》第八冊》) published by the China Nonferrous Metals Industry Association; (ii) land acquisition and related costs of approximately RMB1,430 million, which is determined principally based on (1) the size of land to be acquired, being approximately 694 hectares; (2) the cost of land and resettlement compensation with reference to the official guidelines issued by the Lhasa Municipal Government; (3) the farmland occupation tax with

reference to the Farmland Occupation Tax Law of the PRC* (《中華人民共和國耕地佔用稅法》); (4) the forest vegetation restoration fee with reference to the Administrative Measures for the Collection and Use of Forest Vegetation Restoration Fees in the Tibet Autonomous Region* (《西藏自治區森林植被恢復費徵收使用管理辦法》) published by the Financial Department of the Tibet Autonomous Region; (5) the land and trees compensation fee with reference to the contract price for the external roadworks in the phase II open-pit mining area of the Group; and (6) the grassland vegetation restoration fee with reference to the Notice Regarding Agreement to Collect Grassland Vegetation Restoration Fee and Related Issues* (《關於同意收取草原植被恢復費及有關問題的通知》) published by the Financial Department of the Tibet Autonomous Region; (iii) equipment costs of approximately RMB200 million, which is determined principally based on (1) the quotations from manufacturers and adjusted with reference to the prices of similar equipment obtained from previous tenders; and (2) the expected transportation and miscellaneous costs, which are calculated at 9% of the equipment costs; and (iv) other costs of approximately RMB140 million, which is determined principally based on (1) the cost of materials with reference to the actual local prices; and (2) the cost of basic contingency, which is calculated at 8% of the total construction cost and other miscellaneous costs.

Having considered the above, we are of the view that the estimated transaction amount of the Mining Related Products and Services during the term of the Fourth Supplemental Products and Services Framework Agreement, which is used as one of the bases in determining the 2024-2026 P&S Annual Caps, is fair and reasonable.

Copper concentrates

According to the Board Letter, the expected increase in the transaction amount for the copper concentrates during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to its historical amounts are principally due to the expected higher production volume of copper concentrates due to improved recovery rate in the same period.

In assessing the reasonableness of the estimated transaction amount of copper concentrates between the Group and China National Gold during the term of the Fourth Supplemental Products and Services Framework Agreement, we referred to the 2022 Annual Report and noted that the copper concentrate sales of the Group amounted to approximately USD837 million (approximately RMB5,753 million) for the year ended 31 December 2022 and the estimated transaction amount of copper concentrates between the Group and China National Gold during the term of the Fourth Supplemental Products and Services Framework Agreement is therefore approximately 22% to 23% more than that for the year ended 31 December 2022.

As discussed above, though the Company has withdrawn its annual production guidance for the Jiama Mine for 2023 as set out in the announcement of the Company dated 20 January 2023, given the Accident is a one-off incident and the relevant repair and reinforcement construction is expected to be completed by the end of August 2023, we are of the view that the copper production

at the Jiama Mine may reduce in 2024 but shall not significantly drop during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to that for the year ended 31 December 2022. On top of this, in view of the historical price fluctuation of copper of approximately 78.7% as discussed in the section headed “V. The Non-exempt Proposed Caps – (i) The 2024-2026 P&S Annual Caps – Buffer”, we are of the view that by estimating the transaction amount of copper concentrates between the Group and China National Gold during the term of the Fourth Supplemental Products and Services Framework Agreement to be approximately 22% to 23% more than that for the year ended 31 December 2022 is not unreasonable.

Having considered the above, we are of the view that the estimated transaction amount of the copper concentrates during the term of the Fourth Supplemental Products and Services Framework Agreement, which is used as one of the bases in determining the 2024-2026 P&S Annual Caps, is fair and reasonable.

Leasing Services

In assessing the reasonableness of the estimated transaction amount of the Leasing Services between the Group and Zhongxin International during the term of the Fourth Supplemental Products and Services Framework Agreement, we have discussed with the Group and understand that such transaction amount is calculated based on the number of equipment required and the price offered by the tenders for the original equipment leasing. We have also obtained and reviewed a calculation schedule prepared by the Group in relation to the estimated transaction amount of the Leasing Services for the three years ending 31 December 2026 containing the monthly estimation for each of the five processing plants of the Group, and noted that (i) the Group expects to rent a total of 32 mechanical equipment for the five processing plants during the term of the Fourth Supplemental Products and Services Framework Agreement; and (ii) the aggregate transaction amount of the Leasing Services for the five processing plants is expected to be approximately RMB41.0 million per year, which is calculated based on the prevailing unit price of the existing mechanical equipment leasing contracts of the Group and the estimated usage of each of the relevant departments.

Having considered the above, we are of the view that the estimated transaction amount of the Leasing Services during the term of the Fourth Supplemental Products and Services Framework Agreement, which is used as one of the bases in determining the 2024-2026 P&S Annual Caps, is fair and reasonable.

Buffer

According to the Board Letter, an approximately 40% - 51% buffer has been adopted to the estimated aggregate transaction amount of the Mining Related Products and Services, the copper concentrates and the Leasing Services during the term of the Fourth Supplemental Products and Services Framework Agreement for the determination of the 2024-2026 P&S Annual Caps. Such

buffer was principally considered for the potential fluctuation of copper price during the term of the Fourth Supplemental Products and Services Framework Agreement.

Given (i) the estimated transaction amount of copper concentrates between the Group and China National Gold contributed over 80% of the 2024-2026 P&S Annual Caps; and (ii) the price of copper concentrates was historically relatively volatile (as discussed below), we concur with the view of the Group to adopt a buffer in the determination of the 2024-2026 P&S Annual Caps.

As advised by the Group, the pricing of copper concentrates during the term of the Third Supplemental Products and Services Framework Agreement was principally referenced to the Shanghai copper spot price and such practice is expected to prevail during the term of the Fourth Supplemental Products and Services Framework Agreement. Set out below is the historical monthly average settlement price of copper quoted on the Shanghai Future Exchange from 1 May 2018 to 30 April 2023 (the “**Reference Period**”), which we consider to be a fair and representative period for analysing the volatility of copper prices, as it covers a significant duration that captures the volatility and price movements over an adequate timeframe, and is consistent with the common industry practice in the commodities market of using a five-year period for analysing historical price movements.



Source: CEIC Data Company Ltd, an independent data provider in the international financial information service industry founded by a team of expert economist and analysts in 1992, which covers macro-economic, industrial and financial time series data in both developed and developing economics around the world

As shown in the chart above, the highest and lowest monthly average settlement price of copper traded on the Shanghai Future Exchange during the Reference Period were approximately

RMB74,088.42 per tonne and RMB41,462.38 per tonne respectively or approximately 78.7% difference. In view of the historical volatility of the copper price and the nature of price volatility of commodity price (because the supply and demand characteristics of commodities change frequently), we therefore considered the incorporation of approximately 40% - 51% buffer in the determination of the 2024-2026 P&S Annual Caps is fair and reasonable.

Conclusion

Based on the foregoing analysis, we are of the view that the 2024-2026 P&S Annual Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

(ii) The 2024-2026 Gold Doré Annual Caps

Set out below are (i) the existing annual caps for the three years ending 31 December 2023 under the Third Supplemental Contract for Purchase and Sale of Doré; (ii) the actual transaction amount under the Third Supplemental Contract for Purchase and Sale of Doré for the two years ended 31 December 2022 and the three months ended 31 March 2023; and (iii) the 2024-2026 Gold Doré Annual Caps:

	2021	2022	2023	2024	2025	2026
Existing annual caps (RMB' Million)	2,800	2,800	2,800	-	-	-
Actual transaction amounts (Approx. RMB' Million)	1,717	1,800	455 (Jan – Mar)	-	-	-
Utilisation Rate (%)	61%	64%	16% (Jan – Mar)	-	-	-
2024-2026 Gold Doré Annual Caps (RMB' Million)	-	-	-	2,800	2,800	2,800

According to the Board Letter, the 2024-2026 Gold Doré Annual Caps is principally determined by (i) the estimated annual transaction amount of the gold doré bars of RMB2,000 million during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré; and (ii) a buffer of 40% which was principally considered for the potential fluctuation of gold price during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré.

Gold doré bars

In assessing the reasonableness of the estimated transaction amount of gold doré bars between Inner Mongolia Pacific and China National Gold during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré, we referred to the 2022 Annual Report and noted that the gold doré bars sales of the Group amounted to approximately USD268 million (approximately RMB1,841 million) for the year ended 31 December 2022 and the estimated transaction amount of gold doré bars between the Group and China National Gold during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré is therefore similar to that for the year ended 31 December 2022.

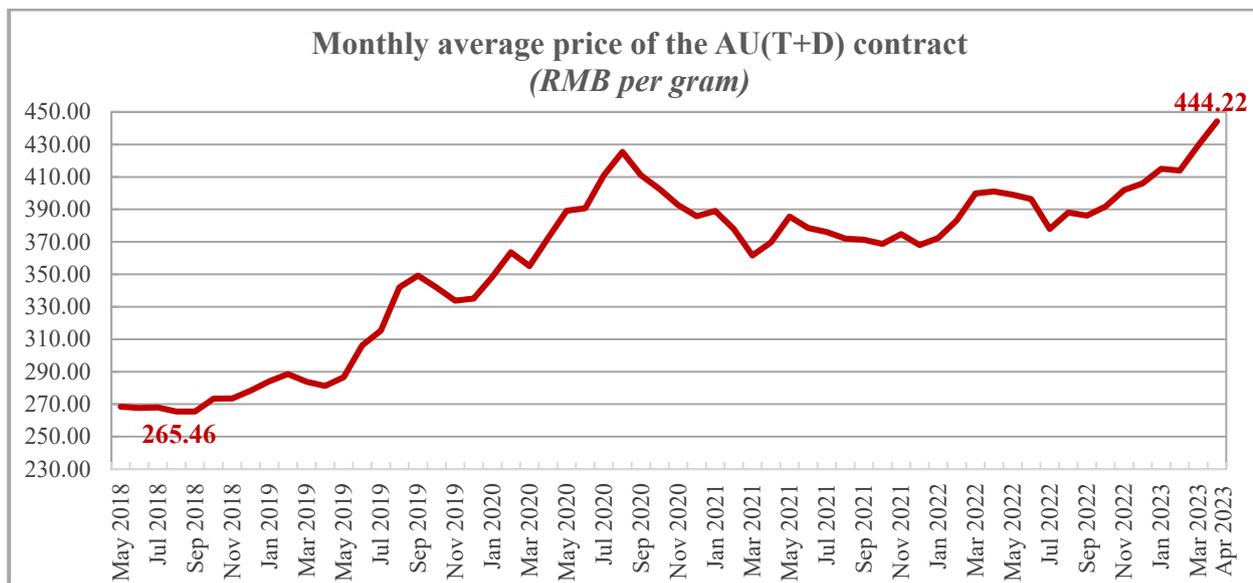
Having considered the above, we are of the view that the estimated transaction amount of the gold doré bars during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré, which is used as one of the bases in determining the 2024-2026 Gold Doré Annual Caps, is fair and reasonable.

Buffer

In assessing the reasonableness of the adoption of the approximately 40% buffer to the estimated transaction amount of the gold doré bars during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré for the determination of the 2024-2026 Gold Doré Annual Caps, we are advised by the Group that such buffer was principally considered for the potential fluctuation of gold price during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré.

Given the price of gold was historically relatively volatile (as discussed below), we concur with the view of the Group to adopt a buffer in the determination of the 2024-2026 Gold Doré Annual Caps.

The pricing of gold doré bars during the term of the Forth Supplemental Contract for Purchase and Sale of Doré will be referenced to the monthly average price of the AU(T+D) contracts traded on the Shanghai Gold Exchange. Set out below is the historical monthly average price of the AU(T+D) contracts traded on the Shanghai Gold Exchange during the Reference Period, which we consider to be a fair and representative period for analysing the volatility of gold prices, as it covers a significant duration that captures the volatility and price movements over an adequate timeframe, and is consistent with the common industry practice in the commodities market of using a five-year period for analysing historical price movements.



Source: official website of the Shanghai Gold Exchange

As shown in the chart above, the highest and lowest monthly average price of the AU(T+D) contracts traded on the Shanghai Gold Exchange during the Reference Period were approximately RMB444.22 per gram and RMB265.46 per gram respectively or approximately 67.3% difference. In view of the historical volatility of the monthly average price of the AU(T+D) contracts on the Shanghai Gold Exchange and the nature of price volatility of commodity price (because the supply and demand characteristics of commodities change frequently), we therefore considered the incorporation of approximately 40% buffer in the determination of the 2024-2026 Gold Doré Annual Caps is fair and reasonable.

Conclusion

Based on the foregoing analysis, we are of the view that the 2024-2026 Gold Doré Annual Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

(iii) The 2024-2026 Deposit Cap

According to the Board Letter, the 2024-2026 Deposit Cap of RMB3,000 million is principally determined by the latest cash position of the Group.

According to the 2022 Annual Report, the cash and cash equivalents of the Group were approximately USD428 million (equivalent to approximately RMB2,940 million) as at 31 December 2022, which is similar to the 2024-2026 Deposit Annual Caps.

To further assess the fairness and reasonableness of the 2024-2026 Deposit Cap, we have conducted independent research by identifying the comparable transactions which satisfy the following criteria: (i) the transaction involved a listed company on the Stock Exchange receiving continuing deposit services from the finance company ultimately held by the connected person of the listed company; (ii) the relevant circular was despatched during 1 November 2022 to 30 April 2023, which we consider to be a recent and reasonable period and be demonstrative for the prevailing market practice; and (iii) the transaction was subsequently approved by their respective independent shareholders (the “Comparable Transactions”).

We consider the list below is an exhaustive list of the Comparable Transactions based on the above criteria. Set out below are the details of the Comparable Transactions:

Name	Stock code	Date of circular	Maximum deposit balance (Note 1) <i>(RMB million)</i>	Cash balances (Note 2) <i>(RMB million)</i>	Maximum deposit balance as a percentage of cash balances (the “Deposit Ratio”) <i>(%)</i>
			(A)	(B)	(A/B)

Xiawang Property Holdings Company Limited	2088	8 November 2022	250.00	148.00	168.9%
COSCO SHIPPING International (Hong Kong) Co., Ltd.	517	14 November 2022	721.00	5,330.85	13.5%
Sinopec Kantons Holdings Limited	934	15 November 2022	794.94	4,663.67	17.0%
Shanghai Electric Group Company Limited	2727	15 November 2022	11,500.00	36,616.78	31.4%
Qingdao Port International Co., Ltd.	6198	18 November 2022	18,000.00	8,603.24	209.2%
China Display Optoelectronics Technology Holdings Limited	334	21 November 2022	1,875.67	1,015.86	184.6%
Yuexiu Property Company Limited	123	24 November 2022	14,500.00	39,050.00	37.1%
China National Building Material Company Limited	3323	25 November 2022	20,400.00	37,772.84	54.0%
Beijing Energy International Holding Co., Ltd.	686	30 November 2022	6,000.00	4,338.00	138.3%
China Southern Airlines Company Limited	1055	1 December 2022	21,000.00	22,507.00	93.3%
CSSC Offshore & Marine Engineering (Group) Company Limited	317	1 December 2022	7,500.00	6,573.11	114.1%
COSCO SHIPPING Development Co., Ltd.	2866	1 December 2022	18,000.00	14,100.00	127.7%
Rizhao Port Jurong Co., Ltd.	6117	5 December 2022	360.00	804.00	44.8%
China Tianrui Group Cement Company Limited	1252	6 December 2022	1,200.00	2,497.20	48.1%
China Jinmao Holdings Group Limited	817	7 December 2022	18,000.00	42,322.00	42.5%
Everbright Grand China Assets Limited	3699	8 December 2022	38.00	206.26	18.4%
YCIH Green High-Performance Concrete Company Limited	1847	8 December 2022	200.00	538.20	37.2%
CITIC Telecom International Holdings Limited	1883	9 December 2022	1,413.23	1,520.11	93.0%
Maanshan Iron & Steel Company Limited	323	9 December 2022	10,000.00	7,225.31	138.4%
Beijing Properties (Holdings) Limited	925	12 December 2022	353.31	682.18	51.8%
Yuexiu Services Group Limited	6626	12 December 2022	2,530.50	4,149.60	61.0%
Beijing Jingneng Clean Energy Co., Limited	579	12 December 2022	9,500.00	5,320.00	178.6%
China Resources Medical Holdings Company Limited	1515	13 December 2022	600.00	2,343.45	25.6%
Inner Mongolia Yitai Coal Co., Ltd.	3948	13 December 2022	18,000.00	19,422.41	92.7%
Poly Property Services Co., Ltd.	6049	14 December 2022	2,030.00	5,223.90	38.9%
CPMC Holdings Limited	906	15 December 2022	900.00	1,809.60	49.7%
Hisense Home Appliances Group Co., Ltd.	921	20 December 2022	27,000.00	7,798.00	346.2%
Financial Street Property Co., Limited	1502	21 December 2022	1,010.40	1,361.70	74.2%
China Daye Non-Ferrous Metals Mining Limited	661	23 December 2022	2,818.15	545.09	517.0%
Sino-Ocean Service Holding Limited	6677	13 January 2023	450.00	2,474.00	18.2%
AviChina Industry & Technology Company Limited	2357	16 January 2023	45,000.00	14,496.00	310.4%
CSSC Offshore & Marine Engineering (Group) Company Limited	317	31 March 2023	16,500.00	6,573.11	251.0%

CGN Power Co., Ltd.	1816	6 April 2023	40,000.00	14,840.78	269.5%
China Youran Dairy Group Limited	9858	25 April 2023	1,500.00	936.36	160.2%
				Mean	119.3%
				Maximum	517.0%
				Minimum	13.5%

Source: website of the Stock Exchange

Notes:

- 1. For ease of our comparison, we have taken the average of the maximum deposit balances in case such balances varied during the term of the respective agreement.*
- 2. Included cash and cash equivalents and bank balances according to the latest published financial reports of the relevant companies prior to the date of the respective circulars.*

As shown in the above table, the Deposit Ratio of the Comparable Transactions ranged from approximately 13.5% to approximately 517.0%, with a mean of approximately 119.3%.

Having considered (i) the 2024-2026 Deposit Cap is similar to the cash and cash equivalents of the Group as at 31 December 2022; and (ii) the Deposit Ratio of the Group of approximately 102.0% is within the range and lower than the mean of the Comparable Transactions, we are of the view that the 2024-2026 Deposit Cap are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS REQUIREMENTS UNDER THE HONG KONG LISTING RULES

Pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules, the Continuing Connected Transactions are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report whether the Continuing Connected Transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or better; and
 - (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

- (b) The Company must engage its auditors to report on the Continuing Connected Transactions every year and the auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Continuing Connected Transactions:
 - (i) have not been approved by the Board;
 - (ii) were not, in all material respects, in accordance with the pricing policies of the Group (if applicable);
 - (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the Continuing Connected Transactions; and
 - (iv) have exceeded the 2024-2026 P&S Annual Caps, the 2024-2026 Gold Doré Annual Caps and the 2024-2026 Deposit Cap;
- (c) the Company must provide a copy of the auditors' letter to the Exchange at least 10 business days before the bulk printing of its annual report;
- (d) the Company must allow, and ensure that the counterparties to the Continuing Connected Transactions allow, the auditors sufficient access to their records for the purpose of the reporting on the Continuing Connected Transactions; and
- (e) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors cannot confirm the matters as required.

As stated in the 2022 Annual Report, pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors reviewed and confirmed that the Continuing Connected Transactions were entered into (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and such Continuing Connected Transactions were carried out in accordance with the pricing policies of the Company and processes set out in the respective agreements for such transactions. In addition, pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company was engaged to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has issued an unqualified letter containing its findings and conclusions in respect of the Continuing Connected Transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules.

In light of the above annual review requirements attached to the Continuing Connected Transactions, we are of the view that appropriate measures will be in place to monitor the conduct of the Continuing Connected Transactions and assist to safeguard the interests of the independent Shareholders.

RECOMMENDATION

Having considered the above, we are of the view that (i) the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and on normal commercial terms or better; (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group; (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole; (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole; and (v) the Independent Shareholders should vote in favour of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps.

Yours faithfully
For and on behalf of
TC Capital International Limited
Keiven Chan
Managing Director

Note: Mr. Keiven Chan has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the SFO since 2018. He has participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong.

**For identification purposes only*

**SCHEDULE G
AMENDED ARTICLES**

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.
(the “Company”)

The Company has as its articles the following articles.

Adopted by Special Resolution of the shareholders on June 29, 2023

<u>Full Name and Signature of Director</u>	<u>Date of Signing</u>
“Yingbin Ian He” <hr/> Name:	June 29, 2023 <hr/>

Incorporation number: BC0608085

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (2) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c.57, and the regulations thereunder, as from time to time amended;
- (3) “Clearing House” means a recognized clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong or any statute, ordinance or regulation which amends, supplements or supersedes such Ordinance;
- (4) “corporate communication” has the meaning ascribed thereto in the Listing Rules, including but not limited to, annual report and accounts, interim report, notice of meeting, listing documents, circular, and forms);
- (5) “Designated Stock Exchange” a stock exchange in respect of which the shares of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company;
- (6) “electronic communication” a communication sent by electronic transmission in any form through any medium;

- (7) “Entitled Person” a person who is entitled to receive or otherwise demand for a copy of the reporting documents of the Company pursuant to the *Business Corporations Act*, these Articles the Listing Rules and the Ordinance;
- (8) “*Interpretation Act*” means the *Interpretation Act*, R.S.B.C. 1996, c.238, as amended from time to time;
- (9) “legal personal representative” means the personal or other legal representative of the shareholder;
- (10) “Listing Rules” means the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited’
- (11) “Ordinance” the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and
- (12) “seal” means the seal of the Company, if any.

1.2 ***Business Corporations Act and Interpretation Act Definitions Applicable***

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. **SHARES AND SHARE CERTIFICATES**

2.1 **Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 **Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 **Right to Share Certificate or Acknowledgement**

Each shareholder is entitled, without charge, to one share certificate representing the shares of each class or series of shares registered in the shareholder’s name. At its option, the Company may, in lieu of a share certificate, issue to the shareholder a non-transferable written acknowledgement of the shareholder’s right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate for a share to one of several joint shareholders or to one of the shareholders’ duly authorized agents will be sufficient delivery to all.

2.4 Sending of Share Certificate

Any share certificate or non-transferable written acknowledgement of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate

If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgement, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgement, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement

If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

- (1) proof satisfactory to them that the share certificate or acknowledgement is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

2.6.1 Certificate not to be replaced after registration of transfer

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate under Articles 2.6 if:

- (1) the share certificate has been lost, apparently destroyed or wrongfully taken and the person fails to notify the company of that fact within a reasonable time after the person has notice of it, and
- (2) the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two (2) or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The directors may authorize the Company to pay at any time a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person, or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property; or
 - (c) money; and

- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain ~~in British Columbia~~ a central securities register, **which may be kept in electronic form**. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register or any branch securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register or any branch securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

4.3 Branch Registers

The Company may keep or cause to be kept one or more branch securities registers. **Any branch register of shareholders in Hong Kong shall be open for inspection by shareholders in accordance with the Listing Rules and the Ordinance.**

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company or its transfer agent;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company or its transfer agent;
- (3) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company or its agent; and

- (4) any other evidence reasonably required by the Company, or by the transfer agent or registrar for the applicable class or series of shares, to prove:
 - (a) the title of the transferor,
 - (b) the transferor's right to transfer the share
 - (c) that the endorsement is genuine and authorized, or
 - (d) that the transfer is rightful or is to a protected purchaser.

5.2 Form of Instrument of Transfer

All transfers of Shares shall be effected by transfer in writing in the usual or common form, or if any, on the back of the Company's share certificates or in such other form as the Board may approve and accept provided always that, if and for so long as the Company is listed on the Stock Exchange of Hong Kong Limited ("HKSE"), it shall comply with such form requirements as may be prescribed by HKSE and transfers may be under hand only or, if the transferor or transferee is a Clearing House (or its nominees)), under hand, by machine imprinted signature or by such other means of execution as the Board may approve from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company as the registered owner of the transferred shares.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares. A transfer, when entered in a securities register of the Company, shall confer upon the person whose name the shares have been entered into valid title to such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors from time to time.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative or Trustee in Bankruptcy

The legal personal representative or trustee in bankruptcy of a shareholder, as the case may be, has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (4) if the Company is authorized to issue shares of a class of shares with par value:
 - (a) decrease the par value of those shares; or
 - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (6) alter the identifying name of any of its shares; or
- (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may by special resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name

The Company may, by a resolution of the directors, authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place within or outside British Columbia as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders at such time and place, within or outside British Columbia, as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled

to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days; or
- (2) otherwise, 10 days.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days; or
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the

document or state that a copy of the document will be available for inspection by shareholders who are entitled to vote at the meeting:

- (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
- (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.9 Electronic Meetings

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to speak and communicate adequately during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;
 - (f) the appointment **or removal** of an auditor;
 - (g) the setting of the remuneration of an auditor;
 - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
 - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting. **Shareholders entitled to vote at the meeting have the right to speak at such meeting.**

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

The directors, the chief executive officer (if any), the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder otherwise entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons

present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the chief executive officer, if any; or
- (3) if the chief executive officer is absent or unwilling to act as chair of the meeting, the corporate secretary, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board, chief executive officer or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board, chief executive officer and the president are unwilling to act as chair of the meeting, or if the chair of the board, chief executive officer and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13,

conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

11.24 Ordinary Resolution

Unless the *Business Corporations Act* or these Articles otherwise provide any action that must or may be taken or authorized by the shareholders may be taken or authorized by ordinary resolution.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3 on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must:
 - (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
 - (b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

Notwithstanding anything contained in these Articles, a shareholder who is a Clearing House, or its nominee(s), may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any meeting of shareholders or any meeting of any class of shareholders and provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarized authorization and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the Clearing House as that Clearing House or its nominee(s) could exercise if it were an individual shareholder of the Company.

12.6 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy, including specifying the number of shares each proxy holder shall be entitled to vote.

12.7 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.8 Who May Act as Proxy Holder

Any person having attained the age of majority may act as proxy holder whether or not he or she is entitled on his or her own behalf to be present and to vote at the meeting at which he or she acts as proxy holder. The proxy may authorize the person so appointed to act as proxy holder for the appointor for the period, at any meeting or meetings and to the extent permitted by the Act.

12.9 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, and by using available internet or telephone services as may be approved by the directors.

12.10 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of revocations, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) by the chair of the meeting, before the vote is taken.

12.11 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at

the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number and class of shares in respect of which this proxy is given (if no number and class is specified, then this proxy is given in respect of all shares registered in the name of the shareholder):

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder—printed]

12.12 Revocation of Proxy

Subject to Article 12.13, every proxy may be revoked by an instrument in writing that is:

- (1) received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of revocations, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used;
- (2) provided, at the meeting, to the chair of the meeting before any vote in respect of which the proxy used shall have been taken; or
- (3) in any manner provided by law.

12.13 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.12 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; and
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.14 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the greater of are and the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; and
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined

by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Nominations of Directors

Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (A) by or at the direction of the board of directors, including pursuant to a notice of meeting, (B) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act, or (C) by any person (a "Nominating Shareholder") (i) who, at the close of business on the date of the giving of the notice provided for below in this Article 14.5 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this Article 14.5:

- (1) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written

form to the secretary of the Company at the principal executive offices of the Company in accordance with this Article 14.5.

- (2) To be timely, a Nominating Shareholder's notice to the secretary of the Company must be made:
- (a) in the case of an annual meeting of shareholders, not less than ~~thirty (30) days~~ **forty (40)** ~~no more than sixty five (65) days~~ prior to the date of the annual meeting of shareholders. However, in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the ~~fifteenth (15th)~~ **tenth (10th)** day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph (b).

- (3) In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.
- (4) To be in proper written form, a Nominating Shareholder's notice to the secretary of the Company must set forth:
- (a) As to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company that are controlled or that are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act, ~~and~~ Applicable Securities Laws (as defined below) **and the Listing Rules**; and
 - (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (5) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.5. However, nothing in this Article 14.5 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Article 14.5 and, if any proposed nomination is not in compliance with this Article 14.5, to declare that such defective nomination shall be disregarded.
- (6) For purposes of this Article 14.5,
 - (a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (7) Notwithstanding any other provision of the Articles of the Company, notice given to the secretary of the Company pursuant to this Article 14.5 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of such notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Company. However, if such delivery or electronic communication is made on a day that is not a business day or later than 5:00 p.m. (Vancouver time) on a day that is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (8) The invalidity or unenforceability of any provision of this Article 14.5 will not affect the validity or enforceability of the remaining provisions of this Article 14.5.

14.6 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.7 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.8 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.9 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.9 must not at any time exceed:

- (1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.9.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.10 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.11 or 14.12 ~~14.10 or 14.11~~.

14.11 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by ~~special~~ **ordinary** resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.12 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity; and
- (4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director or whose close associates (as defined under the meaning of the Listing Rules) who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office, employment or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office, employment or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors if:
 - (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting;
or
 - (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors at least 48 hours before the time appointed for holding the meeting or such lesser time as may be reasonable under the circumstances, by any method set out in Article 24.1 or orally in person or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of the number of directors or, if the number of directors is set at one, is deemed to be set at one director, and that director for the time being set pursuant to these Articles or may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors;
- (2) report every act or thing done in exercise of those powers at such times as the directors may require; and
- (3) keep minutes of all meetings of the committee.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee;
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote; and
- (5) the committee may make rules for the conduct of its business and may seek such assistance as it may deem necessary.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (1) “associated corporation” means a corporation or entity referred to in paragraph (b) or (c) of the definition of “eligible party”;
- (2) “eligible party” means an individual who:
 - (a) is or was a director or alternate director of the Company;
 - (b) is or was a director or alternate director of another corporation,
 - i. at a time when the corporation is or was an affiliate of the Company; or
 - ii. at the request of the Company; or
 - (c) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director or alternate director of a partnership, trust, joint venture or other unincorporated entity;
- (3) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

- (4) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which an eligible party or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company or an associated corporation:
- (a) is or may be joined as a party; or
 - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding; and
- (5) “expenses” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of an Eligible Party

Subject to the *Business Corporations Act*, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each eligible party is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of an eligible party to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Article 21.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity; or
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her by reason of being or having been such a director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares of the Company with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets or any part thereof;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

23.3 Remuneration of Auditor

If authorized by an ordinary resolution, the directors may set the remuneration of the Company's auditor (if any).

23.4 Accounts

Subject to Article 23.4, a printed copy of the directors' report, accompanied by the balance sheet and profit and loss account or income and expenditure account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the shareholders at the annual general meeting held pursuant to Article 10.1 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

23.5 Summary Financial Report

Subject to due compliance with all applicable laws, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 23.3 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the law, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

23.6 Delivery of Accounting Records

The requirement to send to a person referred to in Article 23.3 the documents referred to in that article or a summary financial report in accordance with Article 23.4 shall be deemed satisfied where, in accordance with all applicable laws, rules and regulations, including without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 23.3 and, if applicable, a summary financial report complying with Article 23.4, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

24. NOTICES

24.1 Method of Giving Notice

Any notice or document to be given or issued by or on behalf of the Company under these Articles, including, but not limited to, any corporate communication, shall be in writing (which may or may not be in a transitory form and may be recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible and legible form (including an electronic communication and publication on a computer network (including, but not limited to, a website)) whether having physical substance or not) and may be served or delivered by the Company by any of the following means subject to and to such extent permitted by and in accordance with the *Business Corporations Act*,

these Articles, the Ordinance, the Listing Rules and any applicable laws, rules and regulations, as amended from time to time:

- (1) personally;
- (2) by sending it by ordinary mail to the Entitled Person at their registered address as recorded in the central securities register of the Company or at the address, supplied by the Entitled Person to the Company for the sending of notices or documents or corporate communication;
- (3) by delivering or leaving it at such address as aforesaid;
- (4) by advertisement Published in the Newspapers as that meaning is assigned by the Listing Rules;
- (5) by transmitting it as an electronic communication to the Entitled Person by email at their email address as provided by them;
- (6) by publishing it on the Company's website, and on the Company's profile on the systems used for electronically filing securities related information and providing the Entitled Person a notice of publication of such notice, document, or corporate communication; or
- (7) as otherwise permitted by any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing. A record that is sent to a person by email to the email address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was emailed on the day, Saturdays, Sundays and holidays excepted, such record was emailed.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, document, or corporate communication was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share and such notice, statement, report or record so given shall be deemed a sufficient service on or delivery to all the persons interested.

24.5 Notice to Trustees

A notice, document or corporate communication may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such

definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. OTHER

26.1 Translation of Company Name

The Company has adopted a Chinese translation of its name that it intends to use outside of Canada which, set out in letters from the English alphabet is “China Gold International Resources Corp. Ltd.” and which, set out in traditional Chinese is 中國黃金國際資源有限公司 and which set out in simplified Chinese is 中国黄金国际资源有限公司.