

If you are in any doubt as to any aspect of this Information Circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

*If you have sold or transferred all your securities of **CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**, you should at once hand this Information Circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.*

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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)

Registered office/ Headquarters:

One Bentall Centre

Suite 1030, 505 Burrard Street, Box 31

Vancouver, British Columbia V7X 1M5

Telephone: 604-609-0598 Fax: 604-688-0598

Principal Place of Business in Hong Kong:

8/F., Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong

Executive Directors	Non-executive Director	Independent non-executive Directors
Zhaoxue Sun Xin Song Zhanming Wu Xiangdong Jiang	Bing Liu	Ian He Yunfei Chen Gregory Hall John King Burns

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the management of China Gold International Resources Corp. Ltd. (the "Company") (TSX: CGG) (HKEx: 2099) for use at the annual general meeting (the "Meeting") of its shareholders to be held at 11:00 am Vancouver time on Monday, June 18, 2012 in the President's Room of the Terminal City Club located at 837 West Hastings Street, Vancouver, British Columbia V6C 1B6, and at any adjournments thereof, for the purposes set forth in the notice that accompanies this Information Circular. Unless otherwise stated, this Information Circular contains information as at April 30, 2012.

SOLICITATION OF PROXIES

The solicitation of proxies by management 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.

APPOINTMENT OF PROXYHOLDERS

A shareholder entitled to vote at the Meeting may, by means of proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders, to attend and act at the Meeting for the shareholder and on the shareholder's behalf.

The individuals named in the accompanying form of proxy are directors or officers of the Company. **A shareholder may appoint, as proxyholder or alternate proxyholder, a person or persons other than any of the persons designated in the accompanying form of proxy, and may do so either by inserting the name or names of such persons in the blank space provided in the accompanying form of proxy or by completing another suitable form of proxy.**

An appointment of a proxyholder or alternate proxyholders will not be valid unless a form of proxy making the appointment, signed by the shareholder or by an attorney of the shareholder authorized in writing (a "Proxy"), is deposited with CIBC Mellon Trust Company, by facsimile to 416-368-2502 or 1-866-781-3111, by mail to P.O. Box 721, Agincourt, Ontario, M1S 0A1 or by hand to 320 Bay Street, Banking Hall Level, Toronto, Ontario, M5H 4A6 and received by CIBC Mellon Trust Company not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment thereof at which the proxy is to be used.

REVOCAION OF PROXIES

A shareholder who has given a proxy may revoke it:

- (a) by depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing:
 - (i) with CIBC Mellon Trust Company, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment thereof, at which the proxy is to be used;
 - (ii) at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
 - (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner provided by law.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

VOTING OF PROXIES AND EXERCISE OF DISCRETION

The nominees named in the accompanying form of proxy will vote or withhold from voting the shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. The form of proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the form of proxy, the nominees named in the accompanying form of proxy will vote shares represented by the proxy in favour of such matter.

As of the date of this Information Circular, the management of the Company is not aware of any amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each nominee named in the accompanying form of proxy intends to vote on such business in accordance with their best judgment.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders (“Non-Registered Shareholders”) because the shares they own are not registered in their own names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers, securities brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or HKSCC Nominees Limited) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the notice, Information Circular, and form of proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either be given:

- (a) a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar code and other information, wherever applicable. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) a form of proxy which has already been signed by the Intermediary (typically by a facsimile with a stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the form of proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company c/o CIBC Mellon Trust Company, 320 Bay Street, Banking Hall Level, Toronto, Ontario, M5H 4A6.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the common shares of the Company they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

A Non-Registered Shareholder may revoke a proxy or voting instruction form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's common shares of the Company are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

VOTES NECESSARY TO PASS RESOLUTIONS

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.

Under the *Business Corporations Act* (British Columbia) (the "Business Corporations Act"), 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), any vote of shareholders at a general meeting must be taken by poll, and the Company will announce the results of the poll in the manner prescribed in Rule 13.39(5) of the Hong Kong Listing Rules.

At the Meeting, shareholders will be asked to set the number of directors of the Company at nine (9) by ordinary resolution, to elect directors and appoint auditors for the ensuing year, to approve a Share Issue Mandate (as hereinafter defined) and to approve a Share Repurchase Mandate (as hereinafter defined). If there are more nominees for election as directors or appointment as the Company's auditors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company has an authorized share capital consisting of an unlimited number of common shares without par value. As of April 23, 2012, the Company had outstanding 396,273,753 fully paid and non-assessable common shares without par value, each carrying the right to one vote.

A holder of record of one or more common shares on the securities register of the Company at the close of business on April 23, 2012 who either attends the Meeting personally or deposits a proxy in the manner and subject to the provisions described above will be entitled to vote or to have such common shares voted at the Meeting, except to the extent that:


- (a) the shareholder has transferred the ownership of any such common shares after April 23, 2012, and
- (b) the transferee produces a properly endorsed share certificate for, or otherwise establishes ownership of, any of the transferred common shares and makes a demand to CIBC Mellon Trust Company no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.



To the knowledge of the Company's directors and senior officers, China National Gold Group Corporation ("China National Gold") of Beijing, People's Republic of China, through its wholly owned subsidiary, China National Gold Group Hong Kong Limited of Hong Kong, owns 155,794,830 common shares, representing approximately 39.3% of the outstanding voting shares of the Company. To the knowledge of the Company's directors and senior officers, 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.




ELECTION OF DIRECTORS




The Company's Articles provide that the number of directors of the Company is set at the greater of three (3) and the number set by ordinary resolution. Directors are elected at each annual general meeting and hold office until the next annual general meeting, unless a director's office is earlier vacated in accordance with the provisions of the Business Corporations Act and the Company's Articles. At the Meeting, shareholders will be asked to pass an ordinary resolution setting the number of directors of the Company at nine (9), subject to any further increases permitted by the Company's Articles.

Management proposes to nominate the persons named in the following table for election as director. The information concerning the proposed nominees has been furnished by each of them:

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾	Number of Options Held	Principal Occupation and Qualifications ⁽¹¹⁾
 <p>Zhaoxue Sun Beijing, People's Republic of China Age: 49 Director and Chairman</p>	May 12, 2008	Nil	Nil	<p>Zhaoxue Sun's principal occupations include President of China National Gold from October 2006 to present and Chief Executive Officer of the Company from September 8, 2008 to October 9, 2009.</p> <p>Zhaoxue Sun is a professor level senior engineer and holds a Ph.D. doctorate degree in resources economics from the China University of Geosciences. Zhaoxue Sun serves as Chairman of the Chinese Gold Association.</p>

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾	Number of Options Held	Principal Occupation and Qualifications ⁽¹¹⁾
 <p>Xin Song Beijing, People's Republic of China Age: 49 Chief Executive Officer and Director</p>	October 9, 2009	Nil	Nil	<p>Xin Song's principal occupations include Chief Executive Officer of the Company from October 9, 2009 to present, Vice President of China National Gold in charge of resources development and international operations from 2003 to present, Chairman of the Board of Skyland Mining Limited from December 2007 to present and Chairman of the Board of Tibet Jia Ertong Minerals Exploration Ltd. from April 2008 to present, the subsidiaries of the Company which indirectly hold the Jiama Mine.</p> <p>Xin Song holds a Ph.D. doctorate degree in resources economics and management from the University of Science and Technology Beijing, China, a master's degree in business administration from the China Europe International Business School, a master's degree in mining engineering from the University of Science and Technology in Beijing and a bachelor's degree in mineral processing engineering from the Central-South Institute of Mining and Metallurgy.</p>
 <p>Bing Liu Beijing, People's Republic of China Age: 49 Director</p>	May 12, 2008	Nil	Nil	<p>Bing Liu's principal occupation includes Vice President and Chief Accountant of China National Gold from November 1999 to present.</p> <p>Bing Liu holds a master's degree in currency and banking from the Department of Business Administration, Asia International Open University in Macau and holds a bachelor's degree in finance from the Department of Finance and Trade Economics, Chinese Academy of Social Science.</p>

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾	Number of Options Held	Principal Occupation and Qualifications ⁽¹¹⁾
 <p>Zhanming Wu Beijing, People's Republic of China Age: 36 Vice President of Business Development and Director</p>	May 12, 2008	Nil	Nil	<p>Zhanming Wu's principal occupations include Vice President of Business Development of the Company from March 11, 2010 to present, Head of the Overseas Operation Department of China National Gold from September 2007 to present, director of Skyland Mining Limited from April 2008 to present and director of Tibet Jia Ertong Minerals Exploration Ltd. from April 2008 to present, the subsidiaries of the Company which indirectly hold the Jiama Mine and Director of Strategic Investment of Digital China Financial Service Holdings Limited from January 2006 to August 2007.</p> <p>Zhanming Wu holds a master's degree in management science and engineering from Tsinghua University and a bachelor's degree in management information systems from Tsinghua University.</p>
 <p>Ian He ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada Age: 50 Director (Independent)</p>	May 31, 2000	120,000	140,000 ⁽⁶⁾	<p>Ian He's principal occupations include President of Tri-River Ventures Inc. from July 2007 to present and President of Spur Ventures Inc. from August 1995 to June 2006.</p> <p>Ian He holds a Ph.D. degree and a M.A.Sc. degree from the Department of Mining Engineering of the University of British Columbia and a bachelor's degree from the Heilongjiang Institute of Mining and Technology, China.</p>
 <p>Yunfei Chen ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Hong Kong, People's Republic of China Age: 41 Director (Independent)</p>	May 12, 2008	Nil	100,000 ⁽⁷⁾	<p>Yunfei Chen's principal occupations include acting as an Independent Advisor from August 2007 to present and Managing Director of Deutsche Bank Hong Kong from July 2001 to August 2007.</p> <p>Yunfei Chen graduated from Southern Illinois University, Carbondale, with a juris doctor degree and is qualified to practice law in New York. Mr. Chen obtained a bachelor of law degree in China.</p>

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾	Number of Options Held	Principal Occupation and Qualifications ⁽¹¹⁾
 <p>Gregory Hall ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Western Australia, Australia Age: 62 Director (Independent)</p>	October 9, 2009	Nil	100,000 ⁽⁸⁾	<p>Gregory Hall's principal occupations include acting as an Independent Geological Consultant from August 2006 to present and Chief Geologist of Placer Dome Group from 2000 to July 2006.</p> <p>Gregory Hall holds a Bachelor of Science degree in applied geology from the University of New South Wales, Australia.</p>
 <p>John King Burns ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Pennsylvania, USA Age: 61 Director (Independent)</p>	October 27, 2009	Nil	100,000 ⁽⁹⁾	<p>John King Burns' principal occupations include serving as a Director of several public and private mineral and energy companies from 1995 to present.</p> <p>John King Burns holds a Bachelor of Arts degree in economics from the University of Pennsylvania.</p>
 <p>Xiangdong Jiang British Columbia, Canada Age: 53 Vice President of Production and Director</p>	June 17, 2010	13,500	80,000 ⁽¹⁰⁾	<p>Xiangdong Jiang's principal occupations include Vice President of Production of the Company from March 24, 2009 to present, Director of Inner Mongolia Pacific Mining Co. Ltd. from September 2008 to present, General Manager of the CSH Gold Mine from August 2007 to present, Vice President of Production and Technology of the Company from September 8, 2008 to March 23, 2009 and Vice President of Business Development of the Company from May 20, 2004 to September 8, 2008.</p> <p>Xiangdong Jiang holds a bachelor's degree in Geology and Mineral Exploration from Changchun College of Geology.</p>

Notes:

- (1) As of April 23, 2012.
- (2) Denotes a member of the Audit Committee.

- (3) Denotes a member of the Compensation and Benefits Committee.
- (4) Denotes a member of the Nominating and Corporate Governance Committee.
- (5) Denotes a member of the Health, Safety and Environmental Committee.
- (6) As of April 23, 2012, Ian He held 40,000 stock options granted on July 20, 2007 and expiring on July 20, 2013 at an exercise price of Cdn\$2.20 with vesting as to 20% on the first anniversary of the date of grant and 20% each anniversary thereafter and 100,000 stock options granted on June 1, 2010 and expiring on June 1, 2015 at an exercise price of Cdn\$4.35 from June 1, 2010 until June 1, 2011; Cdn\$4.78 from June 2, 2011 until June 1, 2012; Cdn\$5.21 from June 2, 2012 until June 1, 2013; Cdn\$5.64 from June 2, 2013 until June 1, 2014 and Cdn\$6.09 from June 2, 2014 until June 1, 2015 with 20% vesting immediately and an additional 20% vesting on June 2, 2011, June 2, 2012, June 2, 2013 and June 2, 2014, respectively.
- (7) As of April 23, 2012, Yunfei Chen held 100,000 stock options granted on June 1, 2010 and expiring on June 1, 2015 at an exercise price of Cdn\$4.35 from June 1, 2010 until June 1, 2011; Cdn\$4.78 from June 2, 2011 until June 1, 2012; Cdn\$5.21 from June 2, 2012 until June 1, 2013; Cdn\$5.64 from June 2, 2013 until June 1, 2014 and Cdn\$6.09 from June 2, 2014 until June 1, 2015 with 20% vesting immediately and an additional 20% vesting on June 2, 2011, June 2, 2012, June 2, 2013 and June 2, 2014, respectively.
- (8) As of April 23, 2012, Gregory Hall held 100,000 stock options granted on June 1, 2010 and expiring on June 1, 2015 at an exercise price of Cdn\$4.35 from June 1, 2010 until June 1, 2011; Cdn\$4.78 from June 2, 2011 until June 1, 2012; Cdn\$5.21 from June 2, 2012 until June 1, 2013; Cdn\$5.64 from June 2, 2013 until June 1, 2014 and Cdn\$6.09 from June 2, 2014 until June 1, 2015 with 20% vesting immediately and an additional 20% vesting on June 2, 2011, June 2, 2012, June 2, 2013 and June 2, 2014, respectively.
- (9) As of April 23, 2012, John King Burns held 100,000 stock options granted on June 1, 2010 and expiring on June 1, 2015 at an exercise price of Cdn\$4.35 from June 1, 2010 until June 1, 2011; Cdn\$4.78 from June 2, 2011 until June 1, 2012; Cdn\$5.21 from June 2, 2012 until June 1, 2013; Cdn\$5.64 from June 2, 2013 until June 1, 2014 and Cdn\$6.09 from June 2, 2014 until June 1, 2015 with 20% vesting immediately and an additional 20% vesting on June 2, 2011, June 2, 2012, June 2, 2013 and June 2, 2014, respectively.
- (10) As of April 23, 2012, Xiangdong Jiang held 80,000 stock options granted on July 20, 2007 and expiring on July 20, 2013 at an exercise price of Cdn\$2.20 with vesting as to 20% on first anniversary of the date of grant and 20% each anniversary thereafter.
- (11) As of April 23, 2012, being the Latest Practicable Date, none of the proposed directors of the Company held any other positions with the Company or its subsidiaries or had any other major appointments or professional qualifications. For information regarding the other public company directorships of the proposed directors including their former directorships in the previous three years, see "Schedule A – Corporate Governance Disclosure – Board of Directors." As of April 23, 2012, none of the proposed directors of the Company had any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Hong Kong Listing Rules), except as disclosed in "Schedule A – Corporate Governance Disclosure – Board of Directors."

Re-election of Independent Directors

The Board has assessed the independence of each of the proposed independent director nominees with reference to the criteria affecting independence as set out in Rule 3.13 of the Hong Kong Listing Rules and each of Ian He, Yunfei Chen, Gregory Hall and John King Burns have confirmed their independence.

Ian He has served on the Board for more than 12 years. Accordingly, particular consideration was applied in assessing his continued independence. Taking into account that Ian He has no past or present financial or other interest in the Group's business, has no connection with any of the Company's connected persons (as defined in the Hong Kong Listing Rules) and is free from any business or other relationship which could materially interfere with the exercise of his independent judgment, the Board believes that Ian He remains independent and will continue to provide a strong independent element on the Board. Ian He holds a Masters Degree in Applied Science and a Ph.D. in metallurgy and has extensive experience in the mining industry including serving as director of several public companies. The Board believes that Ian He's continued service on the Board will be valuable to the Company and accordingly, the Board recommends that Ian He be re-elected as an independent director.

Furthermore, taking into account that each of Yunfei Chen, Gregory Hall and John King Burns has no past or present financial or other interest in the Group's business, has no connection with any of the Company's connected persons (as defined in the Hong Kong Listing Rules) and is free from any business or other relationship which could materially interfere with the exercise of his independent judgment, the Board believes that Yunfei Chen, Gregory Hall and John King Burns remain independent and will

continue to provide strong independent elements on the Board. Yunfei Chen is a legal practitioner with a broad range of experience both in Asia and in the U.S. including mining industry experience and experience as an investment banker. Gregory Hall is a seasoned geologist with extensive experience working with global mining companies. John King Burns has extensive experience in the global resource sector and serves as a director of several public and private mineral and energy companies. The Board believes that the continued service of Yunfei Chen, Gregory Hall and John King Burns on the Board will be valuable to the Company. The Board recommends that each of Yunfei Chen, Gregory Hall and John King Burns be re-elected as an independent directors.

Corporate Cease Trade Orders and Bankruptcies

To the knowledge of the Company, no proposed director of the Company 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.

To the knowledge of the Company, no proposed director of the Company 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 subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

To the knowledge of the Company, no proposed director of the Company has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

To the knowledge of the Company, no 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.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the board of directors, 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 of directors and who are charged with the day-to-day management of the Company. The board of directors is committed to sound corporate governance practices which are in the interest of the Company's 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 to this Information Circular.

DIRECTORS AND OFFICERS INSURANCE

The Company has purchased directors and officers liability insurance with aggregate coverage in the amount of US\$40,000,000. The aggregate premium for the insurance coverage was US\$199,000 and the coverage has a deductible of US\$50,000 per claim.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets out a summary of all compensation paid by the Company and its subsidiaries for the years ended December 31, 2011, December 31, 2010 and December 31, 2009 to its Chief Executive Officer, Chief Financial Officer, and each of the individuals who at December 31, 2011 were the three most highly compensated executive officers of the Company having total compensation individually of more than Cdn\$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, 2011:

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\$) ⁽⁹⁾	Total Compensation (US\$)
					Annual incentive plans (US\$)	Long-term incentive plans (US\$)			
Xin Song ⁽²⁾ Chief Executive Officer	2011	nil	nil	nil	nil	nil	nil	nil	nil
	2010	nil	nil	nil	nil	nil	nil	nil	nil
	2009	nil	nil	nil	nil	nil	nil	nil	nil
Derrick Zhang ⁽³⁾ Chief Financial Officer	2011	\$119,634 ⁽⁴⁾	nil	nil	nil	nil	nil	nil	\$119,634
	2010	\$95,607	nil	nil	nil	nil	nil	nil	\$95,607
George Law ⁽⁵⁾ former Chief Financial Officer	2011	\$27,860	nil	nil	nil	nil	nil	\$8,011 ⁽¹⁰⁾	\$35,871
	2010	\$129,566	nil	nil	nil	nil	nil	\$33,586 ⁽¹⁰⁾	\$163,152
Xiangdong Jiang Vice President Production	2011	\$176,994	nil	nil	nil	nil	nil	\$50,010 ⁽¹⁰⁾	\$227,004
	2010	\$180,972 ⁽⁶⁾	nil	nil	nil	nil	nil	\$50,723 ⁽¹⁰⁾	\$231,695
	2009	\$154,791	nil	nil	nil	nil	nil	\$35,660 ⁽¹⁰⁾	\$190,451
Jerry Xie ⁽⁷⁾ Executive Vice President and Corporate Secretary	2011	\$176,994	nil	nil	nil	nil	nil	nil	\$176,994
	2010	\$180,972 ⁽⁸⁾	nil	nil	nil	nil	nil	nil	\$180,972
	2009	\$104,969	nil	nil	nil	nil	nil	nil	\$104,969

Notes:

- (1) The Company pays each of the Named Executive Officers in Canadian currency. Notwithstanding this fact, the Company reports its financial results in U.S. currency, and is therefore required under applicable securities laws to disclose the above compensation information in U.S. currency. For the purpose of reporting the salary in the Compensation Table, the salary paid to each Named Executive Officer was

- converted from Canadian currency to U.S. currency at the Bank of Canada noon buying rate for the years ended December 31.
- (2) Xin Song was appointed as Chief Executive Officer on October 9, 2009. Xin Song does not receive any compensation from the Company for his role as Chief Executive Officer.
 - (3) Derrick Zhang was appointed as interim Chief Financial Officer on February 28, 2011 and as Chief Financial Officer on August 10, 2011. Prior to this appointment, Derrick Zhang served as the Controller of the Company from January 4, 2010.
 - (4) Derrick Zhang's salary was increased to Cdn\$140,000 per annum effective June 1, 2011 and to Cdn\$170,000 per annum effective August 14, 2011.
 - (5) George Law was appointed as Chief Financial Officer on April 1, 2010 and resigned on February 28, 2011.
 - (6) Xiangdong Jiang's salary was increased to Cdn\$180,000 per annum effective January 1, 2010.
 - (7) Jerry Xie was appointed as Vice President and Secretary to the Board on March 24, 2009 and was promoted to Executive Vice President on October 9, 2009 and Corporate Secretary on March 11, 2010.
 - (8) Jerry Xie's salary was increased to Cdn\$180,000 per annum effective January 1, 2010.
 - (9) Except as set out in note 10 below, the value of perquisites for each Named Executive Officer did not exceed the lesser of C\$50,000 and 10% of the total salary of such Named Executive Officer for the years ended December 31, and are therefore not included in "All Other Compensation" as permitted under Canadian securities laws.
 - (10) Consists of Chinese tax payments by the Company on behalf of the Named Executive Officer and converted from foreign currency to U.S. currency at the Bank of Canada noon buying rate for the years ended December 31.

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 Named Executive Officers during the financial year ended December 31, 2011.

Defined Benefit and Pension Plans

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

Outstanding share-based awards and option-based awards

The following table presents all outstanding share-based awards and option-based awards held by each of the Named Executive Officers of the Company as of December 31, 2011 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, 2011:

Name	Option-based Awards					Share-based Awards		
	Date of Grant	Number of Securities Underlying Unexercised Options	Option Exercise Price (Cdn\$/Option) ⁽¹⁾	Option Expiration Date	Market Value of Unexercised in-the-Money Options (US\$) ⁽²⁾	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested (US\$)	Market or Payout Value of Vested Share-based Awards not paid out or distributed (US\$)
Xin Song	n/a	nil	nil	n/a	nil	nil	nil	nil
Derrick Zhang	n/a	nil	nil	n/a	nil	nil	nil	nil
George Law	n/a	nil	nil	n/a	nil	nil	nil	nil
Xiangdong Jiang	July 20, 2007	80,000	\$2.20	July 20, 2013	\$28,319	nil	nil	nil
Jerry Xie	n/a	nil	nil	n/a	nil	nil	nil	nil

Notes:

- (1) All stock options were granted in and are exercisable in Canadian dollars.
- (2) The "Value of Unexercised in-the-Money Options" is calculated on the basis of the difference between the closing price of Cdn\$2.56 of the Company's common shares on the Toronto Stock Exchange on December 30, 2011 and the exercise price of the stock options and is converted from Canadian currency to U.S. currency based on the Bank of Canada noon buying rate on December 30, 2011.

Incentive Plan Awards – value vested or earned during 2011

Name	Option-based Awards – Value Vested During the Year (US\$) ⁽¹⁾	Share-based Awards – Value Vested During the Year (US\$)	Non-Equity Incentive Plan Compensation – Value earned During the Year (US\$)
Xin Song	nil	nil	nil
Derrick Zhang	nil	nil	nil
George Law	nil	nil	nil
Xiangdong Jiang	\$69,224	nil	nil
Jerry Xie	nil	nil	nil

Note:

- (1) The value vested during the year represents the aggregate dollar value that would have been realized if a Named Executive Officer had exercised each of his options that vested in 2011 on the date of such vesting. The value vested during the year is converted from Canadian currency to U.S. currency based on the Bank of Canada noon buying rate at the date of vesting of each option.

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 Xin Song, who does not receive any compensation for acting as Chief Executive Officer. 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 Derrick Zhang and Jerry Xie, one month's notice is required, and in the case of Xiangdong Jiang, three months' notice is required.

Under employment contracts with the Named Executive Officers, the Company may terminate Xiangdong Jiang's employment for cause, or without cause upon three months' notice or lump sum payment equivalent, and may terminate Derrick Zhang and 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 Xiangdong Jiang or Jerry Xie is terminated within twelve months of such change of control, Xiangdong Jiang and Jerry Xie will be entitled to a lump sum payment equivalent to 18 months' of their respective salaries and to a continuation of benefits during such period until alternate employment is commenced.

COMPENSATION OF DIRECTORS

Compensation of Directors Table

The Company paid the following compensation to its directors during the financial year ended December 31, 2011:

Name ⁽¹⁾	Fees Earned (US\$) ⁽²⁾⁽⁴⁾	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	Pension value (US\$)	All other compensation (US\$)	Total (US\$)
Zhaoxue Sun	nil	nil	nil	nil	nil	nil	nil
Xin Song	nil	nil	nil	nil	nil	nil	nil
Bing Liu	nil	nil	nil	nil	nil	nil	nil
Zhanming Wu	nil	nil	nil	nil	nil	\$106,426 ⁽³⁾	\$106,426
Ian He	\$17,699	nil	nil	nil	nil	nil	\$17,699
Yunfei Chen	\$11,800	nil	nil	nil	nil	nil	\$11,800
Gregory Hall	\$11,800	nil	nil	nil	nil	\$24,600 ⁽⁵⁾	\$36,400
John King Burns	\$11,800	nil	nil	nil	nil	nil	\$11,800

Notes:

- (1) Information for Xiangdong Jiang is included in the Summary Compensation Table for Named Executive Officers and is not reported in the Director Compensation section of this Information Circular.
- (2) The Company pays each of the directors in Canadian currency. Notwithstanding this fact, the Company reports its financial results in U.S. currency, and is therefore required under applicable securities laws to disclose the above compensation information in U.S. currency. For the purpose of reporting fees earned in the table above, the amount of fees paid or payable to each director was converted from Canadian currency to U.S. currency at the Bank of Canada noon buying rate on December 30, 2011.
- (3) The Company paid cash compensation of US\$106,426 to Zhanming Wu for his role as Vice President of Business Development pursuant to an employment agreement dated January 1, 2011.
- (4) The Company pays its independent directors a cash retainer of Cdn\$1,000 per month for acting as a director and for their roles on various committees of the Board. The Company pays the Chairman of its committees a cash retainer of Cdn\$1,500 per month. Except as set out in note 5 below, no other fixed compensation is paid to directors of the Company for acting as such, although the independent directors may be granted stock options from time to time. The directors are reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. The Company does not have service contracts with its directors.
- (5) The Company paid fee of US\$24,600 to Gregory Hall for consulting services provided in his capacity as an independent director for geological advice on planning exploration programs and project generation activity.

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

The following table presents all outstanding share-based awards and option-based awards held by each of the directors of the Company as of December 31, 2011:

Name ⁽¹⁾	Option-based Awards					Share-based Awards		
	Date of Grant	Number of Securities Underlying Unexercised Options	Option Exercise Price (Cdn\$/Option) ⁽²⁾	Option Expiration Date	Market Value of Unexercised in-the-Money Options (US\$) ⁽⁴⁾	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested (US\$)	Market or Payout Value of Vested Share-based Awards not paid out or distributed (US\$)
Zhaoxue Sun	n/a	nil	nil	n/a	nil	nil	nil	nil
Xin Song	n/a	nil	nil	n/a	nil	nil	nil	nil
Bing Liu	n/a	nil	nil	n/a	nil	nil	nil	nil
Zhanming Wu	n/a	nil	nil	n/a	nil	nil	nil	nil
	June 1, 2010	100,000	\$4.35 ⁽³⁾ to \$6.09	June 1, 2015	--			
Ian He	July 20, 2007	150,000	\$2.20	July 20, 2013	\$53,097	nil	nil	nil
Yunfei Chen	June 1, 2010	100,000	\$4.35 ⁽³⁾ to \$6.09	June 1, 2015	--	nil	nil	nil
Gregory Hall	June 1, 2010	100,000	\$4.35 ⁽³⁾ to \$6.09	June 1, 2015	--	nil	nil	nil
John King Burns	June 1, 2010	100,000	\$4.35 ⁽³⁾ to \$6.09	June 1, 2015	--	nil	nil	nil

Notes:

- (1) Information for Xiangdong Jiang is included in the Outstanding share-based awards and option-based awards table for Named Executive Officers and is not reported in the Director Compensation section of this Information Circular.
- (2) All stock options were granted in and are exercisable in Canadian dollars.
- (3) Consists of 100,000 stock options granted on June 1, 2010 and expiring on June 1, 2015 at an exercise price of Cdn\$4.35 from June 1, 2010 until June 1, 2011; Cdn\$4.78 from June 2, 2011 until June 1, 2012; Cdn\$5.21 from June 2, 2012 until June 1, 2013; Cdn\$5.64 from June 2, 2013 until June 1, 2014 and Cdn\$6.09 from June 2, 2014 until June 1, 2015 with 20% vesting immediately and an additional 20% vesting on June 2, 2011, June 2, 2012, June 2, 2013 and June 2, 2014, respectively.
- (4) The "Value of Unexercised in-the-Money Options" is calculated on the basis of the difference between the closing price of Cdn\$2.56 of the Company's common shares on the Toronto Stock Exchange on December 30, 2011 and the exercise price of the stock options and is converted from Canadian currency to U.S. currency based on the Bank of Canada noon buying rate on December 30, 2011.

Compensation of Directors - Incentive Plan Awards – value vested or earned during 2011

Name ⁽¹⁾	Option-based Awards – Value Vested During the Year (US\$) ⁽²⁾	Share-based Awards – Value Vested During the Year (US\$)	Non-Equity Incentive Plan Compensation – Value earned During the Year (US\$)
Zhaoxue Sun	nil	nil	nil
Xin Song	nil	nil	nil
Bing Liu	nil	nil	nil
Zhanming Wu	nil	nil	nil
Ian He	\$204,241	nil	nil
Yunfei Chen	nil	nil	nil
Gregory Hall	nil	nil	nil
John King Burns	nil	nil	nil

Notes:

- (1) Information for Xiangdong Jiang is included in the Incentive Plan Awards table for Named Executive Officers and is not reported in the Director Compensation section of this Information Circular.
- (2) The value vested during the year represents the aggregate dollar value that would have been realized if a Director had exercised each of his options that vested in 2011 on the date of such vesting. The value vested during the year is converted from Canadian currency to U.S. currency based on the Bank of Canada noon buying rate at the date of vesting of each option.

Composition of the Compensation and Benefits Committee

During the year ended December 31, 2011, the Compensation and Benefits Committee was comprised of Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Compensation and Benefits Committee. The members of the Compensation and Benefits Committee are all independent directors and each member of the Compensation and Benefits Committee has had previous experience working with the compensation practices and policies of other listed issuers in addition to their work on the Company's Compensation and Benefits Committee. For information regarding the responsibilities, powers and operation of the Compensation and Benefits Committee, see "Schedule A – Corporate Governance Disclosure – Compensation."

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 of directors of the Company.

Compensation Discussion and Analysis

Compensation 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 full board of directors.

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 has its operations in China and the Company's principal shareholder China National Gold is a Chinese state owned enterprise. The Company attempts to bridge its compensation practices with the norms for listed issuers in North America and the norms for Chinese state owned enterprises. 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 assesses the individual performance of the Company's executive officers and makes recommendations to the board of directors. Based on these recommendations, the board of directors 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:

- (i) 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;
- (ii) the principle that the economic interests of management and those of the Company's shareholders should be aligned as closely as reasonably possible;
- (iii) 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
- (iv) the present stage of development of the Company's business.

The criteria upon which these recommendations are based has, in the earlier stages of the Company's development, tended to be subjective and has 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 at least annually, and makes recommendations to the board of directors 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 of directors 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 listed issuers with producing and expanding 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.

Elements of Total Compensation

The compensation that the Company's Named Executive Officers receive generally consists of base salary and performance bonuses. Base salary comprises the largest component of each Named Executive Officer's compensation. The following summarizes the primary purpose of each element of compensation and its emphasis within overall compensation for the Named Executive Officers:

- (i) Base salary – paid in cash and is a fixed amount of compensation for performing day-to-day responsibilities; and
- (ii) Performance bonuses – bonus awards, paid in cash, earned for achieving short-term goals and other objectives based on the corporate, business unit and individual performance.

In making compensation decisions in respect of these reward categories, the Compensation and Benefits Committee considers the cumulative compensation granted to executives as well as internal comparisons amongst executives.

Given the Company's stage of development and its transitional stage of growth, the trend in the overall compensation paid to the Company's executive officers over the past five years has not been designed to track the performance of the market price of the Company's common shares, or the S&P/TSX Composite Index.

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.

Upon assuming the role of Chief Executive Officer of the Company, Xin Song has elected not to receive any compensation, salary or otherwise, from the Company for carrying out the duties of such role.

For 2011, the Company awarded a salary increase to Derrick Zhang in recognition of his appointment as Chief Financial Officer and his role in furthering the growth of the Company. Derrick Zhang's salary was adjusted upwards by Cdn\$55,000 to Cdn\$140,000 effective June 1, 2011 and was adjusted upwards by a further Cdn\$30,000 to Cdn\$170,000 effective August 14, 2011.

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 as the Company experiences further growth, it intends to assess quantitative and qualitative economic measurement criteria and to develop a more objective approach to determining annual bonuses.

For 2011, 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 its Named Executive Officers; however, certain stock options remain outstanding under the Company's prior equity incentive 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 its Named Executive Officers.

In 2011, the Company did not provide any other material compensation for its Named Executive Officers beyond the salaries disclosed above.

Compensation Governance

On April 2, 2012 the Compensation and Benefits Committee engaged Towers Watson of 29/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong, China as an independent compensation advisor to provide a report on the prevalence of equity incentive plans among listed issuers which are owned in whole or in part by a Chinese State Owned Enterprise. The aggregate fees billed by the compensation advisor were US\$11,500. The Compensation and Benefits Committee must approve all services provided by the compensation advisor to the Company. For each of the two most recently completed financial years ended December 31, 2011 and December 31, 2010 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.

Future Compensation Program

The Company does not expect to change its compensation program in any significant way for the 2012 year.

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 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; (ii) the board completes an annual review of the Company's compensation philosophy and components and (iii) independent advisors are engaged from time to time at the recommendation of the Compensation and Benefits Committee. 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.

Performance Graph

The following graph and table compares the cumulative total shareholder return on a Cdn\$100 investment in common shares of the Company on December 31, 2006 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".



	Cdn\$					
	Dec. 2006	Dec. 2007	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2011
China Gold International Resources Corp. Ltd. ⁽¹⁾	100.00	179.08	28.76	207.19	354.90	167.32
S&P/TSX Composite Index	100.00	109.83	73.58	99.38	116.87	106.69

Note:

- (1) The common shares of the Company began trading on the TSX Venture Exchange (formerly the Canadian Venture Exchange) on May 30, 2001. In 2006, the Company graduated to the Toronto Stock Exchange and the common shares of the Company began trading on the Toronto Stock Exchange on October 6, 2006.

The trend in overall compensation paid to the Company's executive officers over the past five years has not tracked the performance of the market price of the Company's common shares or the S&P/TSX Composite Index.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets out information on the Company's prior equity compensation plan under which common shares were authorized for issuance as at December 31, 2011:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	695,000 ⁽¹⁾	Cdn\$3.98	nil
Equity compensation plans not approved by securityholders	nil	nil	nil
Total	695,000		nil

Note:

- (1) Consists of stock options granted pursuant to a prior equity incentive plan approved by the Company's shareholders on May 9, 2007.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors or executive officers, proposed nominees for election as directors, 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, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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 percent 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.

OTHER DISCLOSURE

Save as disclosed herein, each of the proposed directors does not have any other interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance in Hong Kong, does not hold 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 controlling shareholders of the Company (as defined in the Hong Kong Listing Rules). For information regarding the other public company directorships of the proposed directors, see "Schedule A – Corporate Governance Disclosure – Board of Directors." For information regarding the relationship between certain proposed directors and China National Gold see "Schedule A – Corporate Governance Disclosure – Board of Directors."

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 of the Company.

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 of directors. Deloitte Touche Tohmatsu were first appointed as auditors of the Company on April 1, 2010.

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.

PARTICULARS OF MATTERS TO BE ACTED UPON

In addition to the election of the directors and other matters disclosed elsewhere in this Information Circular, the board of directors is proposing that the shareholders consider and vote upon the following matters at the Meeting.

Share Repurchase Mandate

The existing general mandate to repurchase common shares of the Company (the "Shares") granted to the board of directors at the annual general meeting held on June 14, 2011 will expire upon the conclusion of this 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 of directors of the Company to repurchase Shares up to a maximum of 10% of the aggregate issued and outstanding share capital of the Company 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 396,273,753 Shares outstanding as of April 23, 2012, being the Latest Practicable Date), up to 39,627,375 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 to this Information Circular.

Share Issue Mandate

The existing general mandate to allot, issue or otherwise deal with new Shares granted to the board of directors at the annual general meeting held on June 14, 2011 will expire upon the conclusion of this 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 of directors of the Company to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the aggregate issued and outstanding share capital 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 of directors consider appropriate. If the resolution is passed, in the event that the Share Issue Mandate is exercised in full (on the basis of 396,273,753 Shares outstanding as of April 23, 2012, being the Latest Practicable Date), up to 79,254,750 new Shares may be allotted, issued and dealt with by the Company during the Relevant Period (as defined below).

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.

Accordingly, at the Meeting, the shareholders will be asked to consider and if thought fit, pass with or without amendments, 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 of directors of the Company 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 of directors 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 of directors 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 common 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 from 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 shares or rights to acquire common shares of the Company 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 issued and outstanding share capital

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 open for a period fixed by the board of directors 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 of directors 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 of directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase securities of the Company on The Stock Exchange of Hong Kong Limited (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 Rules Governing the Listing of Securities on the Hong Kong Stock Exchange or on 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 of the Company 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 issued and outstanding share capital 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 of directors 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 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 issued and outstanding share capital 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 issued and outstanding share capital of the Company as at the date of passing of this resolution.”

OTHER BUSINESS

Management of the Company is not aware of any matter to come before the Meeting other than the matters referred to in the notice of Meeting.

ADDITIONAL INFORMATION

Additional information about the Company is located on SEDAR at www.sedar.com. 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, 2011. 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 1030, 505 Burrard Street, Box 31
Vancouver, British Columbia V7X 1M5

DIRECTORS’ APPROVAL

The contents of this Information Circular and its distribution to shareholders have been approved by the board of directors of the Company.

The board of directors of the Company considers that the ordinary resolutions to set the number of directors of the Company at nine (9), to elect directors and appoint auditors for the ensuing year, to approve the Share Issue Mandate and to approve the Share Repurchase Mandate are 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the 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 30th day of April, 2012.

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

“Jerry Xie”

Jerry Xie
Executive Vice President and Corporate Secretary

SCHEDULE A
FORM 58-101F1
CORPORATE GOVERNANCE DISCLOSURE

1. Board of Directors

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

The board of directors 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 of directors could, be reasonably expected to interfere with the exercise of a director’s independent judgment. The board of directors has determined, after reviewing the roles and relationships of each of the directors that, at the date of this Information Circular, four of the nine nominees as members of the board of directors are “independent” for the purposes of NI 52-110. The Company has determined that Ian He, Yunfei Chen, Gregory Hall and John King Burns are independent directors 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 of directors has determined that Zhaoxue Sun, Xin Song, Bing Liu, Zhanming Wu and Xiangdong Jiang are not independent of the Company. Zhaoxue Sun is not considered independent of the Company because of his role as an officer of China National Gold, the Company’s controlling shareholder and his role as a former senior officer of the Company within the previous three years. Xin Song and Zhanming Wu are not considered independent of the Company because of their roles as officers of China National Gold and as senior officers of the Company. Bing Liu is not considered independent of the Company because of his role as an officer of China National Gold. Xiangdong Jiang is not considered independent of the Company because of his role as a senior officer of the Company.

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

The board of directors has determined that four of its nine directors are independent. The board of directors believes that its current size and composition results in balanced representation among management and non-management directors and enables the independent directors to adequately facilitate the exercise of independent supervision over management. The Company’s Nominating and Corporate Governance Committee is composed entirely of independent directors 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.

- (d) If a director is presently 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.

<u>Name of Director</u>	<u>Other reporting issuer (or equivalent in a foreign jurisdiction)</u>
Zhaoxue Sun	Zhongjin Gold Co., Ltd. (Shanghai Stock Exchange)
Xin Song	Zhongjin Gold Co., Ltd. (Shanghai Stock Exchange)

<u>Name of Director</u>	<u>Other reporting issuer (or equivalent in a foreign jurisdiction)</u>
Bing Liu	Zhongjin Gold Co., Ltd. (Shanghai Stock Exchange)
Zhanming Wu	---
Ian He	Tri-River Ventures Inc. (TSX Venture Exchange) Jiulian Resources Inc. (TSX Venture Exchange) Zhongrun Resources Investment Corporation (Shenzhen Stock Exchange) Huaxing Machinery Corp. (TSX Venture Exchange)
Yunfei Chen ⁽¹⁾	---
Gregory Hall ⁽²⁾	Laurentian Goldfields Ltd. (TSX Venture Exchange) Colossus Minerals Inc. (Toronto Stock Exchange) Montero Mining and Exploration Limited (TSX Venture Exchange)
John King Burns ⁽³⁾	Simba Energy Inc. (TSX Venture Exchange) Dolly Varden Silver Corporation (TSX Venture Exchange) Corazon Gold Corp. (TSX Venture Exchange)
Xiangdong Jiang	---

Notes:

- (1) Yunfei Chen was a former director of Asia Coal Limited (Hong Kong Stock Exchange) in the previous three years.
- (2) Gregory Hall was a former director of Triton Gold Limited (Australian Securities Exchange) in the previous three years.
- (3) John King Burns was former director of NovaDx Ventures Corp. (TSX Venture Exchange) in the previous three years.

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

Although the independent directors do not hold regularly scheduled meetings, they may meet without management being present at the request of any director. The independent directors held one (1) meeting in 2011. In addition, each of the board committees is composed entirely of independent directors and the independent directors and board committee members attended four (4) meetings of the Audit Committee, one (1) meeting of the Nominating and Corporate Governance Committee, one (1) meeting of the Compensation and Benefits Committee and one (1) meeting of the Health, Safety and Environmental Committee in 2011. Since the end of the most recently completed financial year the independent directors have held an in-camera session at each board meeting during which session non-independent directors and members of management do not attend.

The Chairman of the Audit Committee acts as the de facto lead independent director and facilitates and chairs discussions among the Company's independent directors and facilitates communication between the independent directors and the Company's management. The de

facto lead independent director considers any comments or requests made by an independent director or during an in-camera session of the independent directors and determines the most appropriate action or response which may include a request for additional information or action by the Chief Executive Officer or other members of the Company's management, seeking independent legal or other advice, or any other action that the de facto lead independent director deems appropriate or advisable under the circumstances to address the comments or requests raised.

- (f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, 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.

Mr. Sun currently serves as Chairman of the board of directors and is not an independent director. At present, the Chairman of the Audit Committee acts as the de facto lead independent director and liaises with management and non-independent directors regarding relevant matters.

- (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 of directors for which that director was eligible to attend during the financial year ended December 31, 2011:

<u>Name of Director</u>	<u>Number of Board Meetings Attended</u>	<u>Number of Board Meetings Held</u>
Zhaoxue Sun	3	4
Xin Song	3	4
Bing Liu	4	4
Zhanming Wu	4	4
Ian He	4	4
Yunfei Chen	4	4
Gregory Hall	4	4
John King Burns	4	4
Xiangdong Jiang	3	4

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 of Directors (the "Board") of China Gold International Resources Corp. Ltd. (the "Company") 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 of Directors 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 the shareholders, 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 shareholder interests and ensuring that the interests of the shareholders and of management are aligned. 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 of Directors of the Company and supplemented as required from time to time.

The Roles of the Board of Directors

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. Reviewing and approving the Company's incentive compensation plans.
9. 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.
10. 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.
11. Nominating the candidates for the Board to the shareholders, based on recommendations from the Nominating and Corporate Governance Committee.
12. Ensuring an appropriate orientation and education program for new directors is provided.
13. Determining whether individual directors meet the requirements for independence under applicable regulatory requirements.
14. Monitoring the ethical conduct of the Company and ensuring that it complies with applicable legal and regulatory requirements.
15. Ensuring that the directors that are independent of management have the opportunity to meet regularly.

16. Reviewing this Mandate and other Board policies and terms of reference for Committees in place from time to time and propose modifications as applicable.
17. 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.
18. 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.
19. Ensuring policies and processes are in place to ensure the integrity of the Company's internal control, financial reporting and management information systems.
20. 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.
21. Exercising direct control during periods of crisis.
22. Serving as a source of advice to senior management, based on directors' particular backgrounds and experience.

Organization of the Board of Directors

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 and a Compensation and Benefits 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 independent directors 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 the actual conduct 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 of directors has developed position descriptions for both the CEO and the CFO. Such position descriptions were reviewed by the Nominating and Corporate Governance Committee and approved by the board of directors 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 of directors takes steps to ensure that prospective directors fully understand the role of the board of directors 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 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.

To facilitate ongoing education of the Company's 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.

Directors have the opportunity to take courses relevant to the Company and its business, particularly with respect to corporate governance and the mining industry. As a means of facilitating continuing education opportunities for directors, each director is enrolled as a member of the Institute of Corporate Directors.

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 Board of Directors' Audit Committee 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 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 1030, 505 Burrard Street, Box 31, Vancouver, British Columbia V7X 1M5.

- (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 of directors 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 of directors.

- (c) 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 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 of directors 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 identifying new candidates for nomination to the board

of directors, and for reporting to the board of directors on appropriate candidates. The Nominating and Corporate Governance Committee considers candidates for nomination from across the world based on the expertise of each candidate for nomination and the needs of the Company. 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 of directors 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 independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.

The Nominating and Corporate Governance Committee is composed entirely of independent directors, being Ian He, Yunfei Chen, Gregory Hall and John King Burns.

- (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 of directors with respect to corporate governance developments and practices, reporting to the board of directors on appropriate candidates for nomination to the board of directors and its committees and overseeing the evaluation process of the board of directors 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 has the responsibility for recommending compensation for the Company's officers and directors to the board of directors. The Compensation and Benefits Committee reviews and makes recommendations to the board of directors 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 independent directors for acting in such capacity. Ian He, receives Cdn\$1,500 per month for acting as independent director and Chairman of the board committees and Yunfei Chen, Gregory Hall and John King Burns each receive Cdn\$1,000 per month for acting as independent directors. During the financial year ended December 31, 2011, the Company paid a fee of US\$24,600 to Gregory Hall for consulting services provided in his capacity as an independent director for geological advice on planning exploration programs and project generation activity. In addition to their cash compensation, the independent directors may be granted stock options from time to time. No fees or commissions are paid to those directors that are not independent and no grants of stock options are permitted to such directors. 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 independent directors. If the Board does not have a compensation committee composed entirely

of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.

The board of directors 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. All of the members of the Compensation and Benefits Committee are independent directors.

- (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: the development of a compensation philosophy and policy; evaluating the performance of the Company's senior executive officers; reviewing the compensation of the Company's senior executive officers and top paid employees; and 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.

& 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.

The Company's board of directors has an Audit Committee, a Compensation and Benefits Committee, a Nominating and Corporate Governance Committee and 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 of directors 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 Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Audit Committee.

Information concerning the Audit Committee of the Company, as required by National Instrument 52-110, is provided in the Company's Annual Information Form located on SEDAR at www.sedar.com.

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 Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Compensation and Benefits Committee. 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 of directors with respect to developments in the area of corporate governance and the practices of the board of directors. 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 of directors with respect to appropriate candidates for nomination to the board of directors, and for overseeing the execution of an assessment process appropriate for the board of directors and its committees to evaluate the performance and effectiveness of the board of directors.

The members of the Nominating and Corporate Governance Committee are Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Nominating and Corporate Governance Committee.

Health, Safety and Environmental Committee

The Health, Safety and Environmental Committee is responsible for assisting the board of directors 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 Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Health, Safety and Environmental Committee.

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 is responsible for overseeing the assessment process for the board of directors and its committees on an ongoing-basis. It has developed and is continuing to refine an assessment process for the board of directors and each of its committees.

In order to facilitate the ongoing assessment of the effectiveness of the board of directors and its committees, each director is required, at least annually, to assess the members of the board of directors 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 of directors on an annual basis. The survey covers a wide range of issues and allows for comments and suggestions.

SCHEDULE B

EXPLANATORY STATEMENT SHARE REPURCHASE MANDATE

This Schedule serves as an explanatory statement, as required by the Hong Kong Listing Rules, to provide requisite information to the shareholders for their consideration of 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 stock exchange subject to certain restrictions. The Company is empowered by its Articles to repurchase its own shares.

SHARE CAPITAL

As at April 23, 2012, the issued and outstanding share capital of the Company comprised of 396,273,753 fully paid up common shares. Subject to the passing of the repurchase resolution and on the basis that no further shares are issued or repurchased prior to the Meeting, the Company would be allowed to repurchase up to a maximum of 39,627,375 fully paid up common shares under the Share Repurchase Mandate during the Relevant Period, representing 10% of the issued and outstanding share capital of the Company as at April 23, 2012.

REASONS FOR THE REPURCHASES

The board of directors 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 value of the Company's shares or the net assets and/or the earnings per share and will only be made when the board of directors believe 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 and the rules and regulations of the Toronto Stock Exchange.

FUNDING OF REPURCHASES

In repurchasing common 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.

British Columbia law provides that 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 requirements of the Company or its gearing levels, as compared with the position disclosed in the Company's audited financial statements for the year ended December 31, 2011 (the most recent published audited financial statements). However, the board of directors do not propose to exercise such mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company at the time of the relevant repurchases unless the board of directors determine 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 Company's 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\$
2011		
May	40.00	35.50
June	36.10	27.60
July	34.20	29.00
August	37.40	29.00
September	38.80	21.00
October	26.70	19.60
November	26.60	21.00
December	22.60	17.38
2012		
January	26.20	18.84
February	36.00	23.50
March	39.20	25.50
April	38.00	32.95

EFFECT OF THE CODE OF TAKEOVERS AND MERGERS AND SHARE REPURCHASES 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 shares pursuant to the Share Repurchase Mandate, and such increase will be treated as an acquisition for the purposes of Rule 32 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 April 23, 2012, being the Latest Practicable Date, China National Gold Group Corporation ("CNG"), through its wholly owned subsidiary, China National Gold Group Hong Kong Limited ("CNG HK"), held 155,794,830 shares, representing 39.3% of the outstanding 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 of directors exercise in full the power to repurchase shares pursuant to the Share Repurchase Mandate, the shareholding interest held by CNG (through CNG HK) would be increased to approximately 43.68% 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. In such an event, the board of directors will take all steps necessary to comply with the Hong Kong Listing Rules and 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 by the Hong Kong Stock Exchange. The board of directors have 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.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective 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 connected person (as defined in the Hong Kong Listing Rules) 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.