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**THIS INFORMATION CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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



**CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

中國黃金國際資源有限公司

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

**CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION**

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

**TO BE HELD IN VANCOUVER, BRITISH COLUMBIA, CANADA**

**ON JUNE 29, 2021 VANCOUVER TIME (JUNE 30, 2021 HONG KONG TIME)**

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



**May 31, 2021**

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**CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

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

**(TSX Symbol: CGG)**

**(HKEX Stock Code: 2099)**

**One Bentall Centre**

**Suite 660, 505 Burrard Street, Box 27**

**Vancouver, British Columbia V7X 1M4**

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

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of the Shareholders will be held at the Vancouver offices of the Company located at Suite 660, 505 Burrard Street, Vancouver, British Columbia on June **29**, 2021 commencing at **10:00 am** (Vancouver time), for the purposes. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as those defined in the information circular of the Company dated May 31, 2021 accompanying this notice (the “**Information Circular**”).

1. to receive the Company’s audited consolidated financial statements for the financial year ended December 31, 2020, together with the report of the Board and the auditors’ report thereon;
2. to appoint auditors of the Company for the ensuing year and to authorize the Board to fix the auditors’ remuneration;
3. to set the number of directors to be elected at the Meeting at nine (9);
4. to elect directors for the ensuing year;
5. to grant to the Board a general mandate to allot, issue and otherwise deal with unissued shares not exceeding 20% of the aggregate number of issued shares of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly;
6. to grant to the Board a general mandate to repurchase shares not exceeding 10% of the aggregate number of issued shares of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly;
7. to extend the share allotment mandate by the addition thereto of the shares repurchased by the Company;
8. to consider and, if thought fit, pass, with or without variation, an ordinary resolution of Independent Shareholders of the Company (consisting of the Shareholders of the Company other than China National Gold Group Co., Ltd. (formerly known as China National Gold Group Corporation) and any of its respective associates):
  - (a) the 2021 Financial Services Agreement dated May 5, 2021 and the transactions contemplated thereunder, as more particularly described in the Information Circular; and
  - (b) the Deposit Cap for the Deposit Service contemplated under the 2021 Financial Services Agreement, as more particularly described in the Information Circular; and

- (c) to authorize any one Director to do such further acts and things and to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to take all such steps which in the opinion of such Director deems necessary or desirable to implement and/or carry out to give effect to the terms of the foregoing resolutions; and
9. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The Board has fixed May 17, 2021 Vancouver time (being May 18, 2021 Hong Kong time) as the record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournments thereof.

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

### **Form of Corporate Communications**

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

### **Website Where Meeting Materials are Posted**

Electronic copies of the Information Circular, proxy related materials, the annual audited consolidated financial statements of the Company for the year ended December 31, 2020 and management’s discussion and analysis of the Company’s results of operations and financial condition for the year ended December 31, 2020 may be found on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com), and on the HKEX news website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.chinagoldintl.com](http://www.chinagoldintl.com). In relation to the Meeting, the notice package for all shareholders will include the Form of Proxy, this notice of the annual general meeting of Shareholders and a supplemental return card (collectively, the “**Meeting Materials**”). We will mail a paper copy of the Meeting Materials to any shareholder who previously requested a paper copy. If you received the notice only and would like a paper copy of the Meeting Materials, please send us a request as set out below.

### **How to Obtain Paper Copies of the Meeting Materials**

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



This information circular (the “**Information Circular**”) is furnished to the holders (“**Shareholders**”) of common shares (“**Shares**”) of China Gold International Resources Corp. Ltd. (the “**Company**”) (TSX:CGG) (HKEX:2099) by the Company’s management in connection with the solicitation of proxies to be voted at the annual and special meeting of shareholders (the “**Meeting**”) to be held at **10:00 am** (Vancouver time) on June **29**, 2021, at the Vancouver offices of the Company located at Suite 660, 505 Burrard Street, Vancouver, British Columbia, for the purposes set forth in the notice of Meeting that accompanies this Information Circular. Unless otherwise stated, this Information Circular contains information as at the Latest Practicable Date. Certain capitalized terms used in this Information Circular have the meanings given to them in “Schedule C – Definitions”. All dollar figures are in Canadian dollars and references to “US\$” are to United States dollars, except as otherwise noted.

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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 660, 505 Burrard Street, Box 27  
Vancouver, British Columbia V7X 1M4  
Telephone: 604-609-0598 Fax: 604-688-0598**

### **Principal Place of Business in Hong Kong:**

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

## **INFORMATION CIRCULAR**

### **GENERAL INFORMATION**

#### **China Gold International Resources Corp. Ltd.**

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

#### **Date of Information**

Information is as of May 31, 2021, unless we note otherwise.

#### **Shares Outstanding**

Our Shares are traded on the Toronto Stock Exchange (“**TSX**”) under the symbol CGG and on the Hong Kong Stock Exchange under the stock code 2099. There were **396,413,753** Shares outstanding at the close of business on May **28**, 2021.

## Owners of 10% or More of Our Shares

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

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

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

An "informed person" means:

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

## Substantial Shareholders Interest

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

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

Note:

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

## Director's Interest

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

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

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

Save as disclosed herein none of the Directors holds any other position with the Company or its subsidiaries, nor has any other directorships in other listed public companies and no Director has any other relationship with any Directors, senior management, substantial shareholders or the Company's ultimate controlling Shareholder of the Company (as defined in the Hong Kong Listing Rules).

### Mailing of Information Circular

This Information Circular will be mailed on or around **June 4, 2021** to each of our Shareholders of record on **May 17, 2021** Vancouver time (being **May 18, 2021** Hong Kong time) who have previously requested paper copies of our disclosure documents. All other shareholders will only receive a notice with information on how to view the meeting materials electronically.

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

### Electronic Delivery

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

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



## **GENERAL VOTING INFORMATION**

### ***Solicitation of Proxies***

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

### ***Record Date***

The Board has fixed May 17, 2021 Vancouver time (being May 18, 2021 Hong Kong time) as the record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournments thereof.

### ***Voting Securities and Votes***

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

### ***Quorum***

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

### ***Voting of Proxies***

A Form of Proxy for use at the Meeting is enclosed with the Company's Information Circular dated May 31, 2021. Whether or not you are able to attend the Meeting, please complete the accompanying Form of Proxy in accordance with the instructions printed thereon, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Meeting or any adjourned thereof. Completion and return of the Form of Proxy will not preclude you from attending and voting at the Meeting or any adjourned meeting (as the case may be) should you so desire.

### ***Approvals***

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

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

### ***Votes Necessary to Pass Resolutions***




At the Meeting, Shareholders will be asked to set the number of Directors at nine (9) by ordinary resolution, to elect Directors, appoint auditors for the ensuing year and to authorize the Board to fix the auditors' remuneration, to approve a Share Issue Mandate (as hereinafter defined), to approve a Share Repurchase Mandate (as hereinafter defined) and to approve the Additional Share Allotment Mandate (as hereinafter defined). Independent Shareholders (as hereinafter defined) are entitled, and will be asked, to approve the 2021 Financial Services Agreement and the Deposit Cap (as more particularly

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



### **Voting Questions**

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

AST:






	1-800-387-0825 (toll free in North America) 416-682-3860 (collect from outside North America)
	<i>inquiries@astfinancial.com</i>
	AST Trust Company (Canada) PO Box 700, Station B Montreal, QC, Canada H3B 3K3

Computershare:

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

### **Beneficial Shareholder Voting**

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

<b>Voting Options</b>	
	In person at the Meeting – discussed below
	By submitting a paper voting instruction form – discussed below
	By telephone – enter your voting instructions by telephone at: 1-800-474-7493 (English)
	By fax – fax to AST Trust Company at 1-866-781-3111 (Canada or US) or 1-416-368-2502 (outside North America)
	Via the internet – go to <i>www.proxyvote.com</i> and follow the instructions

### **Voting in Person**

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

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

### ***Voting by Instruction***

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

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





### ***Revoking Your Voting Instructions or Changing Your Instructions***

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

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

### **Registered Shareholder Voting**

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

<b><i>Voting Options</i></b>	
	In person at the Meeting – discussed below
	By submitting a paper voting instruction form – discussed below
	By fax – fax to AST Trust Company at 1-866-781-3111 (Canada or US) or 1-416-368-2502 (outside North America)
	Via the internet – go to <b><i>www.astvotemyproxy.com</i></b> and follow the instructions. You will need the 13-digit control number located on the proxy form

### ***Voting in Person***

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

**If you are a beneficial shareholder (you hold your Shares with a bank, trust company, stock broker, trustee or some other institution) you will be required to follow the procedures set forth under “Beneficial Shareholders Voting” on page 9.**

### ***Voting by Proxy***

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

Return your completed proxy form in the envelope provided so that it arrives by 3:00 p.m. on June **25**, 2021 or if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the Meeting to resume (the “**cut off time**”). The time limit for the deposit of proxies may be waived or extended by the chair of the Meeting at their discretion, without notice. An undated proxy will be deemed to be dated the date it is received by AST. If you have any questions or require more information with respect to voting at the Meeting, please contact our transfer agent, AST at the contact details above.

### ***Revoking your Proxy***

You may revoke your proxy at any time before it is acted on. Deliver a written statement that you wish to revoke your proxy to our Corporate Secretary before or on June **25**, 2021 (Vancouver Time) or June **28**, 2021 (Hong Kong time) (or the last business day in Vancouver before the Meeting if it is adjourned or postponed), or to the chair on June **29**, 2021 (Vancouver time) before the start of the Meeting.

### ***Changing your Proxy***

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

## **BUSINESS OF MEETING**

### ***Financial Statements***

Our audited annual consolidated financial statements for the year ended December 31, 2020, and the auditors' reports on those statements, are included in the annual report and will be available at the Meeting. The annual report is also filed on [www.sedar.com](http://www.sedar.com), and on the HKEX news website at [www.hkexnews.hk](http://www.hkexnews.hk) and available to you on the Company's website at [www.chinagoldintl.com](http://www.chinagoldintl.com).

### ***Appointment of Auditors***

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

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

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

### ***Fixing the Number of Directors***

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

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

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

### ***Election of Directors***

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

- |                  |                  |
|------------------|------------------|
| > Liangyou Jiang | > Yingbin Ian He |
| > Shiliang Guan  | > Wei Shao       |
| > Weibin Zhang   | > Bielin Shi     |
| > Na Tian        | > Ruixia Han     |
| > Junhu Tong     |                  |

You can find more information on each of the nominees starting on page 13. Each nominee brings important skills and experience to the Board, is eligible and willing to serve if elected.

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

### ***Majority Voting Policy***

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

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

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

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

## DIRECTOR BIOGRAPHIES

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

<p><b>Liangyou Jiang</b></p> <p>Beijing, PRC Age:55</p> <p><b>Director Since:</b> October 2014</p> <p><b>Areas of Experience:</b> CEO / Senior Officer Managing / Leading Growth Operation management Financial Acumen Marketing Environmental / Safety / Corporate Responsibility</p>	<p>Mr. Jiang was appointed Chairman of the Board on March 29, 2020 concurrently as serving as Chief Executive Officer since November 2018. Mr. Jiang has served as an Executive Director since October 2014. Mr. Jiang was appointed as Senior Executive Vice President of the Company from August 2014 to November 2018. Mr. Jiang has had a long career in the mining industry spanning over 30 years, with extensive director and senior executive and board experience. Mr. Jiang currently holds a number of senior executive roles with CNG, China Gold Hong Kong, Soremi Investments Ltd., Kichi-Chaarat Closed Joint Stock Company, Zhongji Mining, China Gold Hong Kong Buchuk Mining Company Limited, Sino Mining Guizhou Pty, Skyland Mining Limited, China Gold Hong Kong Holding Corp. Limited, Mundoro Mining Limited, and Tibet Jia Ertong.</p> <p>Mr. Jiang is a Senior Professional Engineer and holds a bachelor’s degree in mineral processing from Northeastern University in China.</p>					
	<p><b>Principal Occupation, Business or Employment<sup>(1)</sup></b> Chairman, Executive Director and Chief Executive Officer</p>					
	<p>Vice President of CNG, Director and Executive Vice President of China Gold Hong Kong and Chairman, Executive Director and Chief Executive Officer of the Company</p>					
	<p><b>Director Status:</b> Executive Director <b>Board/Committee Membership<sup>(3)</sup>:</b></p>		<p><b>2020 Attendance:</b></p>		<p><b>Other Public Company Board Membership:</b></p>	
					<p><b>Company:</b></p>	
	<p>Board of Directors</p>		5 of 5	100%	n/a	
<p>Nominating and Corporate Governance Committee<sup>(3)</sup></p>		0 of 1	0%	n/a		
<p><b>Shares Beneficially Owned, Controlled or Directed:</b></p>			Nil			
<p><b>Options Beneficially Owned, Controlled or Directed:</b></p>			Nil			

<p><b>Shiliang Guan</b></p> <p>Tibet, PRC Age:53</p> <p><b>Director Since:</b> June 2019</p> <p><b>Areas of Experience:</b> Technical Mining Expertise Environmental / Safety / Corporate Responsibility</p>	<p>Mr. Guan was appointed as the Vice President of the Company in September 2016. He was elected as an executive director of the Company in June 2019.</p> <p>Mr. Guan served as Chairman of Tibet Huatailong from November 2015 to present. Prior to joining the Company, Mr. Guan served as Deputy Manager of the Production Management Department of CNG from 2011 to 2014. He was also Chairman of the Board of Inner Mongolia Baotou Xinda Gold Mining Co., Ltd. from February 2014 to November 2015, where he was responsible for the overall production and operations. Prior to 2011, Mr. Guan also held senior positions at Jilin Haigou Mining Company, Shaanxi Dongtongyu Gold Mine of Zhongjin Gold Co. Ltd., Tongguan Zhongjin Gold Mining Co., Ltd, Henan Songxian Jinniu Co., Ltd. and Songxian Qianhe Mining Co., Ltd. Mr. Guan is a senior professional mining engineer and has over 29 years of experience in the mining industry.</p> <p>Mr. Guan holds a bachelor's degree in Mining Engineering from Northeastern University in China.</p>					
	<p><b>Principal Occupation, Business or Employment<sup>(1)</sup></b> Vice President of the Company; Chairman of the Board of Tibet Huatailong</p>					
	<p><b>Director Status:</b> Executive <b>Board/Committee Membership:</b></p>		<p><b>2020 Attendance:</b></p>		<p><b>Other Public Company Board Membership:</b></p>	
					<p><b>Company:</b></p>	
	<p>Board of Directors</p>		5 of 5	100%	n/a	
	<p>Health, Safety and Environmental Committee<sup>(4)</sup></p>		4 of 4	100%	n/a	
<p><b>Shares Beneficially Owned, Controlled or Directed:</b></p>			Nil			
<p><b>Options Beneficially Owned, Controlled or Directed:</b></p>			Nil			

<p><b>Weibin Zhang</b><sup>(5)</sup></p> <p>Inner Mongolia, PRC</p> <p>Age:57 <b>Director Since:</b> June 2020</p> <p><b>Areas of Experience:</b> Technical Mining Expertise / Project Management Environmental / Safety / Corporate Responsibility</p>	<p>Mr. Zhang joined Inner Mongolia Pacific in March 2018 as Chairman and General Manager. From March 2014 to March 2018, Mr. Zhang served as the Principal of Changchun Gold Design Institute (the "<b>Design Institute</b>"). From March 2011 to March 2014, he served as Vice President of CNG Engineering Corporation.</p> <p>Starting in 1985 through March 2014, Mr. Zhang held numerous senior executive roles at the Design Institute and Yunnan Gold LLC. Mr. Zhang is a senior professional mining engineer and has over 35 years of experience in the mining industry.</p> <p>Mr. Zhang holds a college diploma in Mining Engineering from Shenyang Gold College.</p>				
	<b>Principal Occupation, Business or Employment</b> <sup>(1)</sup>				
	Chairman and General Manager of Inner Mongolia Pacific				
	<b>Director Status:</b> Executive <b>Board/Committee Membership:</b> <sup>(6)</sup>	<b>2020 Attendance:</b> n/a		<b>Other Public Company Board Membership:</b>	
	Board of Directors Compensation & Benefits	3 of 3 Nil	100% Nil	n/a	n/a
<b>Shares Beneficially Owned, Controlled or Directed:</b>		Nil			
<b>Options Beneficially Owned, Controlled or Directed:</b>		Nil			

<p><b>Na Tian</b><sup>(6)</sup></p> <p>Beijing, PRC</p> <p>Age:40</p> <p><b>Director Since:</b> June 2020</p> <p><b>Areas of Experience:</b> Legal/Compliance/Auditing</p>	<p>Ms. Na Tian has served as Deputy General Manager of the Audit and Legal Compliance Department of China National Gold since February 2021. She joined CNGGHK as Legal Deputy Manager of General Administration Office in September 2018. Since February 2012, Ms. Tian has worked in the Division of Corporate Secretary Affairs of the Company and was promoted to Deputy Director in September 2017. In July 2017, she was appointed as a director of Skyland Mining (BVI) Limited ("<b>Skyland BVI</b>"), a wholly owned subsidiary of the Company. From July 2008 to May 2011 Ms. Tian was an auditor at Ernst &amp; Young Hua Ming LLP. In 2008, Ms. Tian passed the PRC national judicial examination and obtained the Legal Professional Qualification.</p> <p>Ms. Tian holds a master's degree in Law from Peking University Law School. She also holds double bachelor's degrees and majored in law and business English from Guangdong University of Foreign Studies.</p>				
	<b>Principal Occupation, Business or Employment</b> <sup>(1)</sup>				
	Deputy General Manager of Audit and Legal Compliance Department of China National Gold Limited				
	<b>Director Status:</b> Executive <b>Board/Committee Membership:</b> <sup>(6)</sup>	<b>2020 Attendance:</b>		<b>Other Public Company Board Membership:</b>	
	Board of Directors <sup>(6)</sup>	3 of 3	100%	n/a	n/a
<b>Shares Beneficially Owned, Controlled or Directed:</b>		Nil			
<b>Options Beneficially Owned, Controlled or Directed:</b>		Nil			

<p><b>Junhu Tong</b><sup>(7)</sup></p> <p>Beijing, PRC</p> <p>Age: 58</p> <p><b>Director Since:</b> June 2020</p> <p><b>Areas of Experience:</b> Technical Mining Expertise Finance / English</p>	<p>Mr. Tong joined China Gold Hong Kong in October 2018 as Vice President. From July 2009 through October 2018, Mr. Tong served in numerous senior executive roles with CNG.</p> <p>Mr. Tong has had a long career in the mining industry spanning over 30 years, with extensive senior executive and board experience. Mr. Tong currently serves as the Chairman of the Board of Closed Joint-Stock Company Rudnik ("<b>Zapadnava-Kluchi</b>") from 2018 to the present.</p> <p>Mr. Tong holds a master's degree in Mining Engineering from Beijing Science and Technology University and a bachelor's degree in Mining Engineer from Chongqing University.</p>				
	<b>Principal Occupation, Business or Employment<sup>(1)</sup></b>				
	Vice President of the China Gold Hong Kong; Chairman of Zapadnava-Kluchi				
	<b>Director Status:</b> Non-Executive <b>Board/Committee Membership:</b> <sup>(7)</sup>	<b>2020 Attendance:</b>		<b>Other Public Company Board Membership:</b>	
		<b>Company:</b>	<b>Since</b>		
Board of Directors Nominating & Corporate Governance <sup>(7)</sup>	3 of 3  Nil	100%  Nil	n/a	n/a	
<b>Shares Beneficially Owned, Controlled or Directed:</b>		Nil			
<b>Options Beneficially Owned, Controlled or Directed:</b>		Nil			

<p><b>Yingbin Ian He</b><sup>(8)</sup></p> <p>Vancouver, Canada</p> <p>Age: 59</p> <p><b>Non-Executive Independent Director Since:</b> May 2000</p> <p><b>Areas of Experience:</b> Managing / Leading Growth International CEO/Senior Officer Exploration Compensation Governance/Board Financial Acumen Diversity Marketing Environmental / Safety / Corporate Responsibility Technical Mining Expertise Mongolia Industry experience in gold, base metal and coal mining</p>	<p>Mr. He joined the Board on May 31, 2000 as an INED. He was appointed as Lead Independent Director on November 13, 2018 and Chairman of Audit Committee on October 27, 2009.</p> <p>Mr. He has had a long career in the mining industry spanning over 30 years, with extensive senior executive and board experience. Mr. He is an independent non-executive director of South Gobi Resources Ltd., a company dually listed on the Toronto and Hong Kong stock exchanges, the director and non-executive Chairman of Vatukoula Gold Mines Plc, which was previously listed on the AIM of the London Stock Exchange, and a Director of Tri-River Ventures Inc., which is listed on the TSX Venture Exchange.</p> <p>Mr. He obtained his Ph.D. and M.A. Sc. degrees in Mineral Process Engineering from the University of British Columbia and his B.Eng degree in Coal Preparation from Heilongjiang Institute of Mining and Technology (now known as the Heilongjiang University of Science and Technology) in China. Mr. He is a member of the Canadian Institute of Mining, Metallurgy and Petroleum and the Canadian Institute of Corporate Directors.</p>				
	<b>Principal Occupation, Business or Employment<sup>(1)</sup></b>				
	President of Tri-River Ventures Inc. (2007 - present)				
	<b>Director Status:</b> Independent and Non-Executive <sup>(2)</sup> <b>Board/Committee Membership:</b> <sup>(8)</sup>	<b>2020 Attendance:</b>		<b>Other Public Company Board Membership:</b>	
		<b>Company:</b>	<b>Since</b>		
Board of Directors Audit (Chair) Compensation & Benefits Nominating & Corporate Governance Health, Safety & Environment Committee	5 of 5 4 of 4 1 of 1 2 of 2 4 of 4	100% 100% 100% 100% 100%	South Gobi Resources Ltd. (TSX and HKEX)  Tri-River Ventures Inc. (TSX-V)  PT. BUMI Resources TBK (IDK)	2017  2006	
<b>Shares Beneficially Owned, Controlled or Directed:</b>		150,000			
<b>Options Beneficially Owned, Controlled or Directed:</b>		Nil			



<p><b>Wei Shao</b><sup>(9)</sup></p> <p>Vancouver, Canada Age:66</p> <p><b>Non-Executive Independent Director Since:</b> June 2019</p> <p><b>Areas of Experience:</b> Law Mergers and acquisition Governance / Board Managing / Leading Growth International</p>	<p>Mr. Shao is the National China Service Co-Leader at Denton's Canada LLP and specializes in international business transactions focusing on China. Mr. Shao has over 25 years of extensive experience in mergers and acquisitions, corporate and project financing, cross-border counseling and general corporate and commercial transactions.</p> <p>Mr. Shao is active in community and non-profit organizations. Prior to his legal career, Mr. Shao worked for the United Nations in New York. Mr. Shao is an interpreter accredited by the United Nations and by the federal government of Canada.</p> <p>Mr. Shao holds an LLB from the University of Toronto, a Bachelor of Arts from Xian Foreign Languages Institute and U.N Accreditation of Simultaneous Interpretation from the Beijing University of Foreign Studies.</p>					
	<b>Principal Occupation, Business or Employment<sup>(1)</sup></b>					
	Partner, Denton's Canada LLP (2012 to present)					
	<b>Director Status:</b> Independent and Non-Executive <sup>(2)</sup> <b>Board/Committee Membership:</b> <sup>(9)</sup>		<b>2020 Attendance:</b>		<b>Other Public Company Board Membership:</b>	
					<b>Company:</b>	<b>Since</b>
	Board of Directors		5 of 5	100%	n/a	
Audit		4 of 4	100%			
Compensation & Benefits		1 of 1	100 %			
Nominating & Corporate Governance (Chair)		2 of 2	100%			
Health, Safety & Environment Committee		4 of 4	100%			
<b>Shares Beneficially Owned, Controlled or Directed:</b>			Nil			
<b>Options Beneficially Owned, Controlled or Directed:</b>			Nil			

<p><b>Bielin Shi</b><sup>(10)</sup></p> <p>Stirling, Western Australia Age:64</p> <p><b>Non-Executive Independent Director Since:</b> June 2019</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>• Manage global project / risk assessment and evaluations</li> <li>• Mineral Resources /Exploration Geology</li> <li>• Technical Mining Expertise /Applied geostatistics, resource estimation /mining geology</li> <li>• Industry experience in gold, copper, base metals, PGM and iron mining</li> </ul>	<p>Dr. Shi is a leading mining executive and geologist who specialises in investment management, mining geology, geostatistics, resource estimation and optimisation, exploration and project development.</p> <p>Dr. Shi has over 30 years' experience as a Geologist with high level experience in investment management, applied geostatistics, resource estimation and mining geology, worldwide operational expertise in exploration and mine projects, and expertise with independent technical reviews, due diligence audits and expert technical reporting in compliance with the JORC Code, NI43-101 and HKEX Standards.</p> <p>Dr. Shi is a Competent Person under the JORC Code and holds equivalent credentials in respect of Canadian and Hong Kong's Mineral Resources / Reserves reporting standards. Dr. Shi has published numerous papers on the application of geostatistics in resource estimation.</p> <p>Dr. Shi's recent work has included investment management, audit and reviews of resources for multiple commodity projects.</p> <p>Dr. Shi has a Post-Doctoral Research Fellow in Geostatistics from Edith Cowan University, Western Australia; PhD in Geology from The University of Melbourne, Australia; and MSc in Geology from Guizhou University of Technology, PRC.</p>								
	<b>Principal Occupation, Business or Employment<sup>(1)</sup></b>								
	Group Manager Exploration & Resources, Minjar Gold Pty. Ltd. (March 2019 to present)								
	<b>Director Status:</b> Independent and Non-Executive <sup>(2)</sup> <b>Board/Committee Membership:</b> <sup>(10)</sup>		<b>2020 Attendance:</b>		<b>Other Public Company Board Membership:</b>				
					<b>Company:</b>	<b>Since</b>			
	Board of Directors		5 of 5	100%	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Eastern Platinum Limited (TSX: ELR   JSE: EPS)</td> <td style="width: 30%;">Sept. 2016</td> </tr> <tr> <td>AustSino Resources Group Limited (ASX: ANS)</td> <td>Aug. 2018</td> </tr> </table>		Eastern Platinum Limited (TSX: ELR   JSE: EPS)	Sept. 2016	AustSino Resources Group Limited (ASX: ANS)
Eastern Platinum Limited (TSX: ELR   JSE: EPS)	Sept. 2016								
AustSino Resources Group Limited (ASX: ANS)	Aug. 2018								
Audit		4 of 4	100%						
Compensation & Benefits		1 of 1	100%						
Nominating & Corporate Governance		2 of 2	100%						
Health, Safety & Environment Committee (Chair)		4 of 4	100%						
<b>Shares Beneficially Owned, Controlled or Directed:</b>			Nil						
<b>Options Beneficially Owned, Controlled or Directed:</b>			Nil						

<p><b>Ruixia Han</b><sup>(11)</sup></p> <p>Hong Kong, PRC Age:37</p> <p><b>Non-Executive Independent Director Since:</b> June 2019</p> <p><b>Areas of Experience:</b> Accounting Managing / Leading Growth Financial Acumen</p>	<p>Ms. Han is currently Head of Operations and Risk of MEC Advisory Limited, which is the sole Investment Advisor to the Can-China Global Resource Fund. Ms. Han's role covers investment, accounting, finance treasury and investor relationships related matters. Prior to joining MEC Advisory Limited in 2014, Ms. Han was an Investment Manager at The Export-Import Bank of China (China EXIM Bank) responsible for sourcing, evaluating and negotiating investment opportunities in the banking and direct investment industry.</p> <p>Ms. Han obtained her PhD degree in Economics (Finance), Master's degree in Economics (Venture Capital) and bachelor's degree of Economics (Finance) and has a double bachelor's degree of Journalism from Renmin University of China.</p>				
	<p><b>Principal Occupation, Business or Employment</b><sup>(1)</sup></p>				
	<p>Head Operations and Risk of MEC Advisory Limited (2014 to present)</p>				
	<p><b>Director Status:</b> Independent and Non-Executive<sup>(2)</sup></p> <p><b>Board/Committee Membership:</b><sup>(11)</sup></p>	<p><b>2020 Attendance:</b></p>		<p><b>Other Public Company Board Membership:</b></p>	
		<p><b>Company:</b></p>	<p><b>Since</b></p>		
<p>Board of Directors</p> <p>Audit</p> <p>Compensation &amp; Benefits</p> <p>Nominating &amp; Corporate Governance (Chair)</p> <p>Health, Safety &amp; Environment Committee</p>	<p>5 of 5</p> <p>5 of 4</p> <p>1 of 1</p> <p>2 of 2</p> <p>4 of 4</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>	<p>n/a</p>	<p>n/a</p>	
<p><b>Shares Beneficially Owned, Controlled or Directed:</b></p>		<p>Nil</p>			
<p><b>Options Beneficially Owned, Controlled or Directed:</b></p>		<p>Nil</p>			

Notes:

- (1) The information as to principal occupation, business or employment has been furnished by the nominee.
- (2) "Independent" refers to the standards of independence established under Canadian Securities Administrators' National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") and Rule 3.13 of the Hong Kong Listing Rules.
- (3) Mr. Jiang was appointed as Chairman of the board on March 29, 2020 and quit from Nominating and Corporate Governance Committee in June 17, 2020.
- (4) Mr. Guan was elected as executive director and appointed a member to the Health, Safety and Environmental Committee on June 25, 2019.
- (5) Mr. Zhang was elected as executive director and appointed a member to the Compensation & Benefit Committee on June 17, 2020.
- (6) Ms. Tian was elected as executive director and appointed a member to the Compensation & Benefit Committee on June 17, 2020.
- (7) Mr. Tong was elected as non-executive director and appointed a member to the Nominating & Corporate Governance Committee on June 17, 2020.
- (8) Mr. He was appointed to the Board on May 31, 2000 and was further appointed as Lead Independent Director on November 13, 2018. Mr. He is the Chairman of the Audit Committee and is a member of the Nominating and Corporate Governance Committee and Compensation and Benefits Committee and Health, Safety & Environment Committee.
- (9) Mr. Shao was appointed to the Board on June 25, 2019. Mr. Shao is the Chairman of the Nominating and Corporate Governance Committee and is a member of the Audit Committee, Compensation and Benefits Committee and Health, Safety & Environment Committee.
- (10) Dr. Shi was appointed to the Board on June 25, 2019. Dr. Shi is the Chairman of the Health, Safety & Environment Committee and is a member of the Audit Committee, Compensation and Benefits Committee and Nominating and Corporate Governance Committee.
- (11) Ms. Han was appointed to the Board on June 25, 2019. Ms. Han is the Chairwoman of the Compensation and Benefits Committee and a member of the Audit Committee, Nominating and Corporate Governance Committee and Health, Safety & Environment Committee.

## DIRECTOR COMPENSATION

The Compensation and Benefits Committee periodically reviews and makes recommendations to the Board regarding the adequacy and form of the compensation for non-management directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective Director, without compromising a Director's independence. Directors who are executives of the Company receive no additional remuneration for their services as directors.

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

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

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

### **Compensation of Directors Table**

The Company paid the following compensation to its Directors during the financial year ended December 31, 2020:

Name <sup>(1)(2)</sup>	Fees Earned (US\$)	Share-based awards	Option-based awards	All other compensation <sup>(3)</sup>	Total (US\$)
Liangyou Jiang	Nil	Nil	Nil		Nil
Shiliang Guan	Nil	Nil	Nil		Nil
Weibin Zhang	Nil	Nil	Nil		Nil
Na Tian	Nil	Nil	Nil		Nil
Junhu Tong	Nil	Nil	Nil		Nil
Yingbin Ian He	56,786	Nil	Nil	Nil	56,786
Wei Shao <sup>(2)</sup>	48,602	Nil	Nil	Nil	48,602
Bielin Shi <sup>(2)</sup>	45,900	Nil	Nil	Nil	45,900
Ruixia Han <sup>(2)</sup>	45,900	Nil	Nil	Nil	45,900

Notes:

- (1) Information for Mr. 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) For details relating to the appointments of the Directors, please see the above section entitled "Director Biographies" in this Information Circular.

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

The Company does not have an incentive stock option plan or any other share-based compensation arrangements in effect as at the end of December 31, 2020.

### **Executive Compensation**

#### **Summary Compensation Table**

The following table sets out a summary of all compensation paid by the Company and its subsidiaries for the three years ended December 31, 2020, 2019 and 2018 to its Chief Executive Officer, Chief Financial Officer, and each of the individuals who at December 31, 2020 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, 2020:

Name and Principal Position	Year	Salary (US\$) <sup>(1)</sup>	Share based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation		Pension Value (US\$)	All Other Compensation (US\$) <sup>(3)</sup>	Total Compensation (US\$)
					Annual incentive plans (US\$)	Long-term incentive plans (US\$)			
Liangyou Jiang <sup>(2)</sup> Chief Executive Officer	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	\$44,997	Nil	Nil	Nil	Nil	Nil	Nil	\$44,997
Jerry Xie Executive Vice President and Corporate Secretary	2020	\$162,679	Nil	Nil	Nil	Nil	Nil	Nil	\$162,679
	2019	\$166,803	Nil	Nil	Nil	Nil	Nil	Nil	\$166,803
	2018	\$170,952	Nil	Nil	Nil	Nil	Nil	Nil	\$170,952
Yuehe Lu <sup>(3)</sup> Interim Chief Financial Officer	2020	\$17,664	Nil	Nil	Nil	Nil	Nil	Nil	\$17,664
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Derrick Zhang <sup>(4)</sup> Former Chief Financial Officer	2020	\$116,391	Nil	Nil	Nil	Nil	Nil	Nil	\$116,391
	2019	\$149,272	Nil	Nil	Nil	Nil	Nil	Nil	\$149,272
	2018	\$153,413	Nil	Nil	Nil	Nil	Nil	Nil	\$153,413
Zhongxin (Gerard) Guo <sup>(5)</sup> Chief Engineer	2020	\$175,192	Nil	Nil	Nil	Nil	Nil	Nil	\$175,192
	2019	\$183,707	Nil	Nil	Nil	Nil	Nil	Nil	\$183,707
	2018	\$176,236	Nil	Nil	Nil	Nil	Nil	Nil	\$176,236
Huan Cai Senior Engineer	2020	\$177,481	Nil	Nil	Nil	Nil	Nil	Nil	\$177,481
	2019	\$180,625	Nil	Nil	Nil	Nil	Nil	Nil	\$180,625
	2018	\$180,239	Nil	Nil	Nil	Nil	Nil	Nil	\$180,239

Notes:

- (1) The value of prerequisites for each Named Executive Officer did not exceed the lesser of Cdn\$50,000 and 10% of the total salary of such Named Executive Officer for the years ended December 31, 2020 and are therefore not included in "All Other Compensation" as permitted under Canadian securities laws.
- (2) Mr. Jiang was appointed as Chief Executive Officer on November 13, 2018. Mr. Jiang does not receive any compensation from the Company for his role as Chief Executive Officer. The amount included in the Compensation summary is for Mr. Jiang's position of Senior Executive Vice President until he resigned from that role in August 2018.
- (3) Ms. Lu was appointed as Interim Chief Financial Officer on October 15, 2020.
- (4) Mr. Zhang resigned as Chief Financial Officer on October 15, 2020.
- (5) Mr. Guo was appointed Chief Engineer on November 13, 2018, prior to the appointment he was Senior Mining Manager.

### **Management Contracts**

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

## **BOARD OF DIRECTORS**

### **Directors and Officers Insurance**

The Company purchased directors and officers liability insurance with aggregate coverage in the amount of US\$25,000,000. The aggregate premium for the insurance coverage was US\$241,000 and

the coverage has a deductible of US\$250,000 per claim except for securities claims which have a deductible of US\$100,000.

### ***Corporate Cease Trade Orders and Bankruptcies***

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

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

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

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

### ***Individual Bankruptcies***

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

### ***Penalties or Sanctions***

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

did not relate to any business or operations of Tyan in which Dr. Shi was involved in. Dr. Shi received a formal warning from the SSE and the China Securities Regulatory Commission and was imposed a fine of RMB30,000.

Dr. Shi resigned as Deputy General Manager of Tyan in March 2019 and was not involved in the regulatory proceeding against Tyan. Dr. Shi has informed the Company that he intends to appeal the Decision.

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

## **CORPORATE GOVERNANCE**

### ***Statement of Corporate Governance Practices***

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

### ***Director Independence***

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

Pursuant to the code provision in paragraph A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules, any further appointment of INEDs serving more than nine years should be subject to a separate resolution to be approved by Shareholders. Mr. Yingbin Ian He has served on the Board for more than nine years. Mr. Yingbin Ian He has not been involved in the daily management of the Company nor in any relationships or circumstances which would impair their independent judgment. Mr. Yingbin Ian He has consistently demonstrated his ability to provide independent, balanced and objective advice and insight on the Company’s affairs. In addition, the Board is of the opinion that Mr. Yingbin Ian He continues to be independent after reviewing and assessing his annual confirmations of independence based on the criteria set out in Rule 3.13 of the Hong Kong Listing Rules. Accordingly, the Board recommends Mr. Yingbin Ian He for re-election at the AGM.

The INEDs, namely each of Mr. Yingbin Ian He, Mr. Wei Shao, Dr. Bielin Shi and Ms. Ruixia Han, are subject to a separate ordinary resolution to be approved by Shareholders at the AGM. The Board has complied with the Corporate Governance Code Provision E.1.1 with regard to the requirement to propose a separate resolution in respect of each substantially separate issue at any annual general meeting. It is the Company’s practice that separate resolutions were proposed at AGM’s for the re-election of each individual Director nominee whether such Director is an executive Director, a non-

executive Director or an INED. Accordingly, re-election of each individual Director nominee will be voted on individually at the AGM.

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

## **COMPENSATION AND BENEFITS COMMITTEE**

During the year ended December 31, 2020, the Compensation and Benefits Committee comprised Ms. Ruixia Han, Mr. Yingbin Ian He, Mr. Wei Shao, Dr. Bielin Shi and Mr. Weibing Zhang. If the management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Compensation and Benefits Committee will be composed of a majority of INEDs. For information regarding the responsibilities, powers and operation of the Compensation and Benefits Committee, see "Schedule A – Corporate Governance Disclosure".

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

### ***Compensation Discussion and Analysis***

#### **Compensation and Benefits Committee and Compensation Philosophy**

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

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

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

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

- (a) the desirability of providing a strong incentive to management to work as a team to achieve the Company's corporate long-term and short-term business development goals;

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

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

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

#### How the Company makes Compensation Decisions

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

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

#### 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:

- (a) Base salary – paid in cash and is a fixed amount of compensation for performing day-to-day responsibilities; and
- (b) 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.



## Salary Compensation

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

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

## Bonus Compensation

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

For the 2020 financial year, the Company did not award any annual incentive bonuses to any Named Executive Officers.

## Other Compensation

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

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

For the 2020 financial year, the Company did not provide any other material compensation for its Named Executive Officers beyond the salaries disclosed above.

## Compensation Governance

For the most recently completed financial year ended December 31, 2020 no fees were billed by any consultant or advisor for services related to determining compensation for any of the Company's Directors and executive officers.

## Compensation Risk Management

The Board has considered the implications of the risks associated with the Company's compensation policies and practices. The Board has ultimate oversight of the risks associated with the Company's compensation policies and practices, and carefully reviews the risks associated with the Company's compensation structure. The Company's compensation policies and practices are heavily influenced by those of CNG and other Chinese mining companies. The Company's current compensation structure consists of cash compensation in the form of salary and bonus compensation. The Company does not currently maintain an equity incentive plan nor does it maintain a long-term incentive plan. The Company will adopt a more formalized approach to compensation risk management as its compensation practices evolve. The Company uses the following practices to identify and mitigate compensation policies and practices that could encourage an individual to take inappropriate or excessive risks: (i) the Compensation and Benefits Committee completes an annual review of all forms of compensation provided to the Named Executive Officers, Directors and top paid employees; and (ii) the Board completes an annual review of the Company's compensation philosophy and components.

There are no identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

#### **Financial Instruments**

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

#### ***Long-term Incentive Plan ("LTIP") Awards***

The Company does not have a LTIP pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company's securities) was paid or distributed to any directors, executive officers or employees during the financial year ended December 31, 2020.

#### ***Defined Benefit and Pension Plans***

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

#### ***Outstanding share-based awards and option-based awards***

There are no outstanding share-based awards and option-based awards held by any of the Named Executive Officers of the Company as of December 31, 2020.

#### ***Incentive Plan Awards – value vested or earned during 2020***

There are no outstanding incentive plan awards held by any of the Named Executive Officers of the Company as of December 31, 2020.

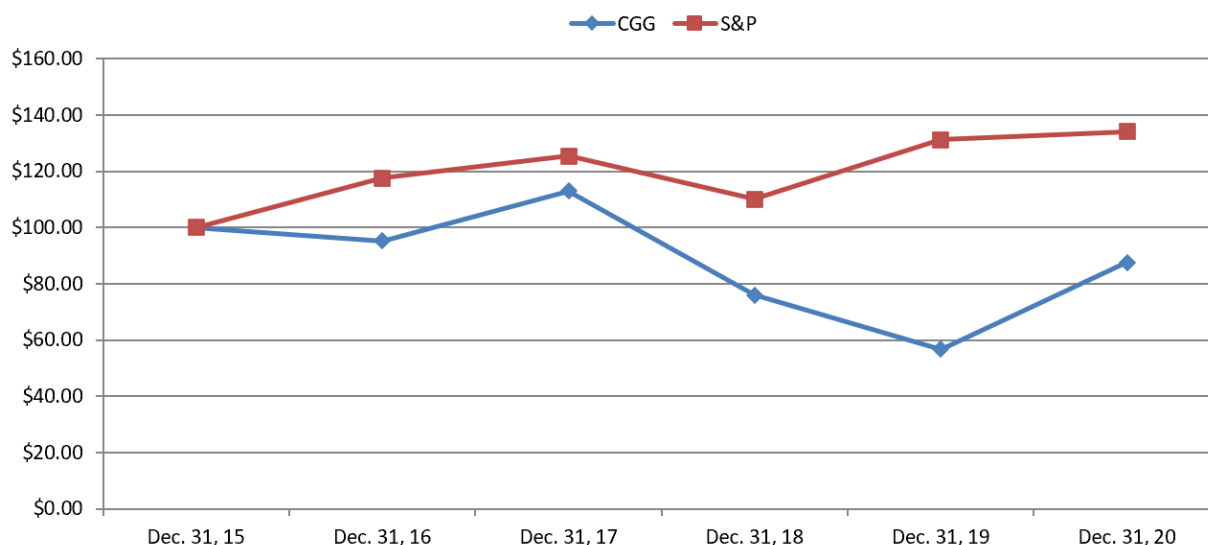
#### ***Termination of Employment, Change in Responsibilities and Employment Contracts***

The Company has employment contracts with each of its Named Executive Officers with the exception of Liangyou Jiang, 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 Mr. Jerry Xie, , Mr. Zhongxin (Gerard) Guo and Mr. Huan Cai, one month's notice is required. In the case of Liangyou Jiang, Ms. Luehe Lu, Mr. Shiling Guan, the Company has a strong working relationship with CNG and would terminate employment through that relationship.

Under employment contracts with the Named Executive Officers, the Company may terminate Mr. Jerry Xie's, Mr. Zhongxin (Gerard) Guo's, or Mr. Huan Cai's employment for cause, or without cause upon one month's notice or lump sum payment equivalent. In the event of a change of control of the Company and if the employment contract of Mr. Jerry Xie is terminated within twelve months of such change of control, Mr. Jerry Xie will be entitled to the earlier of either 18 months' salary or when the alternate employment is commenced.

## Performance Graph

The following graph and table compare the cumulative total shareholder return on a Cdn\$100 investment in Shares on December 31, 2015 against the cumulative total Shareholder return of the S&P/TSX Composite Index for the five most recently completed financial periods of the Company, assuming the reinvestment of all dividends. For a discussion of the relationship between compensation paid to executive officers and Shareholder returns, see “Compensation Discussion and Analysis – Elements of Total Compensation”.



	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018	Dec. 2019	Dec. 2020
China Gold International Resources Corp. Ltd.	100.00	95.19	112.98	75.96	56.73	87.50
S&P/TSX Composite Index	100.00	117.51	125.37	110.09	131.16	134.00

## Securities Authorized For Issuance Under Equity Compensation Plans

### Equity Compensation Plan Information

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

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

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

An "informed person" means:

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

## **COMPETING INTERESTS**

As of the Latest Practicable Date, other than the directorships and management roles of the proposed Directors in other gold and other mineral mining companies as disclosed in paragraph 1 of "Schedule A – Corporate Governance Disclosure", none of the proposed Directors or their associates was considered by the Company to have interests in businesses which compete with, or might compete with, either directly or indirectly, the businesses of the Group, other than those businesses where such proposed Directors had been appointed to represent the interests of the Company and/or other members of the Group.

## **DIRECTORS' INTEREST IN THE GROUP'S ASSETS**

As of the Latest Practicable Date, none of the Directors and proposed Directors had any interests, either directly or indirectly, in any assets which had been, since December 31, 2020 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of or leased to any member of the Group, or were proposed to be acquired or disposed of or leased to any member of the Group.

## **OTHER ARRANGEMENTS INVOLVING DIRECTORS**

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

## **MATERIAL ADVERSE CHANGE**

As of the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Group since December 31, 2020 (being the date to which the latest published audited financial statements of the Group were made).

## LITIGATION

As of the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was *known to the Directors to be* pending or threatened by or against any member of the Group.

## SERVICE CONTRACTS

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

## DISCLOSURE OF INTERESTS

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

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

Note:

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

## OTHER DISCLOSURE

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

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

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

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

Save as disclosed herein, none of the proposed Directors holds any other position with the Company or its subsidiaries, nor has any other directorships in other listed public companies and no Director has any other relationship with any Directors, senior management, substantial shareholders or the

Company's ultimate controlling Shareholder (as defined in the Hong Kong Listing Rules). For information regarding the other public company directorships of the proposed Directors, and information regarding the relationship between certain proposed Directors and CNG see "Schedule A – Corporate Governance Disclosure".

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

## **APPOINTMENT OF AUDITORS**

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

## **COMPANY SECRETARY**

Dr. Ngai Wai Fung, the director and chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited, an external service provider, has been appointed by the Board as the Company's company secretary in Hong Kong with effect from January 16, 2014. Dr. Ngai Wai Fung's contact person in the Company in relation to any corporate secretarial matters is Mr. Jerry Xie, the Executive Vice President and Corporate Secretary of the Company.

## **EXPERT**

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

<b>Name</b>	<b>Qualification</b>
TC Capital International Limited	Independent financial adviser and a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulatory activities under the SFO.

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

As of the Latest Practicable Date, TC Capital had no direct or indirect interest in any assets which had been, since December 31, 2020 (the date to which the latest published audited financial statements of the Company were made), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

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

### SHARE REPURCHASE MANDATE

The existing general mandate to repurchase the Shares granted to the Board at the annual general and special meeting held on June 16, 2020 will expire upon the conclusion of the Meeting.

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

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

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

### SHARE ISSUE MANDATE

The existing general mandate to allot, issue or otherwise deal with new Shares granted to the Board at the annual general and special meeting held on June 16, 2020 will expire upon the conclusion of the Meeting.

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

### ADDITIONAL SHARE ALLOTMENT MANDATE

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

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

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

**RESOLVED**, as an ordinary resolution:

A. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional Shares in the share capital of the Company or securities convertible into such Shares or options, warrants, or similar rights to subscribe for any such Shares or such convertible securities and to make or grant offers, agreements and options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws be and is hereby generally and unconditionally approved;
- (b) the approval of paragraph (a) of this resolution shall authorize the Board during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company which may be allotted or conditionally or unconditionally agreed to be allotted (whether pursuant to an option or otherwise), issued or otherwise dealt with by the Board pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription or conversion rights attaching to any securities or warrants which may be issued by the Company or any securities which are convertible into Shares of the Company from time to time or (iii) the exercise of options granted under the stock option plan of the Company or similar arrangement 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 or rights to acquire Shares or (iv) any issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of the Company in force from time to time, shall not exceed 20% of the aggregate number of issued shares of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

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

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

“Rights Issue” means an offer of Shares open for a period fixed by the Board to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations



under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

B. **“THAT:**

(a) subject to paragraph (b) of this resolution, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase securities of the Company on the Hong Kong Stock Exchange, the Toronto Stock Exchange, or on any other stock exchange on which the securities of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange for this purpose (the “**Recognized Stock Exchange**”), subject to and in accordance with all applicable laws and the requirements of the 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 authorized to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

(c) for the purpose of this resolution:

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

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of the Company to be held; and

(iii) the time of the passing of an ordinary resolution of the Company in a general meeting revoking or varying the authority set out in this resolution.”

C. **“THAT** conditional upon the resolutions set out in paragraphs A and B above, the general mandate granted to the Board and for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares in the share capital of the Company pursuant to the resolution set out in paragraph A above be and is hereby extended by the addition of an amount representing the aggregate number of issued shares of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph B above, provided that such extended amount shall not exceed 10% of the aggregate number of issued Shares as at the date of passing of this resolution.”

## **CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION**

### *2021 Financial Services Agreement*

The Company and China Gold Finance entered into the 2021 Financial Services Agreement on May 5, 2021 pursuant to which China Gold Finance agreed to provide the Company with a range of financial services including (a) the Deposit Service, (b) the Lending Services, (c) the Settlement Services and (d) the Other Financial Services, effective until 31 December 2023 from the date of its approval by the

independent Shareholders in the AGM. Upon the 2021 Financial Services Agreement becoming effective, the parties have agreed to terminate the existing deposit service agreement. For further information please see Schedule D to this Information Circular.

#### Implications under the Hong Kong Listing Rules

As China Gold Finance as the Provider is directly owned by China National Gold and Zhongjin Gold Corporation Limited as to 51% and 49% respectively, and the Provider is a non-wholly-owned subsidiary of China National Gold, which is the ultimate controlling shareholder of the Company, the Provider is a connected person of the Company under Chapter 14A of Hong Kong Listing Rules. Therefore, the transactions contemplated under the 2021 Financial Services Agreement constitute continuing connected transactions of the Company and are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the transactions contemplated under the 2021 Financial Services Agreement exceed 25% but all of them are below 75%, the transactions contemplated under the 2021 Financial Services Agreement constitute a major transaction for the Company and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

The Lending Services to be provided by China Gold Finance to under the 2021 Financial Services Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Group. As the Lending Services will be provided on normal commercial terms (in particular, (i) the interest rate for such Lending Services shall not be higher than the interest rate payable by the Company for similar loans of equivalent term to other financial institutions, (ii) no security over any assets of the Group will be granted in respect of the Lending Services and (iii) in the event the Company are unable to repay the loan from China Gold Finance, China Gold Finance will not be permitted to offset such outstanding loans with any deposits), the Lending Services are therefore exempt from reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

In addition, as the Percentage Ratios pursuant to the Hong Kong Listing Rules in respect of the provision of the Settlement Services and the Other Financial Services under the 2021 Financial Services Agreement will not exceed 0.1%, therefore the Settlement Services and the Other Financial Services are fully exempt from reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules.

The Company will also disclose the relevant details in the next published annual report of the Company in accordance with the relevant requirements as set out in Rule 14A.71 of the Hong Kong Listing Rules.

The Independent Board Committee comprising all the INEDs was established by the Company to advise the independent Shareholders as to whether the terms of the 2021 Financial Services Agreement and the Deposit Caps are in the ordinary and usual course of business of the Group, on normal commercial terms or better, fair and reasonable and in the interest of the Company and the Shareholders as a whole; and to advise and make recommendations to the Independent Shareholders as to how to vote at the Meeting on the ordinary resolution(s) regarding the 2021 Financial Services Agreement and the Deposit Caps having taken into account, among other things, the advice of TC Capital, as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in this regard. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions in respect of the 2021 Financial Services Agreement and the Deposit Caps at the Meeting.

## Implications under Applicable Canadian Securities Laws

As the Company is listed on the TSX, the Company is subject to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) which, among other things, regulates related party transactions. Pursuant to MI 61-101, related party transactions are subject to formal valuation and minority shareholder approval requirements unless an exemption is available.

The Continuing Connected Transaction is a related party transactions for the Company for purposes of MI 61-101 by virtue of the relationship between the Company and CNG. The Continuing Connected Transaction is exempt from the valuation requirements of MI 61-101 as the 2021 Financial Services Agreement involves deposits or lending services that are not subject to a valuation under MI 61-101. The Continuing Connected Transaction is subject to the minority shareholder approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

## Minority Approval Requirements

To be approved under both Chapter 14 and Chapter 14A of the Hong Kong Listing Rules and MI 61-101, the 2021 Financial Services Agreement (including the Deposit Cap), must receive the affirmative vote of not less than a majority of the votes cast thereon by the Independent Shareholders.

## Ordinary Resolutions

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

“**RESOLVED**, as an ordinary resolution that:

- (a) the 2021 Financial Services Agreement and the transactions contemplated thereunder, as more particularly described in this Information Circular, be and hereby are approved;
- (b) the Deposit Caps be and are hereby is approved; and;
- (c) any one Director be and is hereby authorized to do such acts and things and to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, under hand (or where required, under the common seal of the Company together with another director or any other person authorized by the Board), and to take all such steps which in the opinion of such director deems necessary, appropriate or desirable to implement and/or carry out to give effect to the terms of the foregoing resolutions.”

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

## Other Business

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

## Documents Available For Inspection

Copies of the following documents are available for inspection during local normal business hours at 8/F., Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong and at the Company's office, One Bentall Centre, Suite 660, 505 Burrard Street, Box 27, Vancouver, British Columbia, Canada V7X 1M4 during the period of 14 days from the date of this Information Circular:

1. Articles of the Company currently in force;
2. the Company's annual reports for the three years ended December 31, 2018, 2019 and 2020;
3. the letter from the Independent Board Committee, the text of which is set out in Schedule E to this Information Circular;
4. the letter from TC Capital, the text of which is set out in Schedule F to this Information Circular;
5. the written consent of TC Capital;
6. the 2021 Financial Services Agreement;
7. the subscription document in relation to the Bonds;
8. the Deposit Services Agreement;
9. the Third Supplemental Contract for Purchase and Sale of Doré;
10. the written resolutions of the Board dated May 6, 2021 approving, among other things, the Continuing Connected Transaction and the transactions contemplated thereunder; and
11. an announcement of the Company dated May 6, 2021 in respect of the Continuing Connected Transaction.

## ADDITIONAL INFORMATION

Additional information about the Company is located on SEDAR at [www.sedar.com](http://www.sedar.com) and on the HKEX news website at [www.hkexnews.hk](http://www.hkexnews.hk). Financial information is provided in the Company's comparative annual financial statements and Management's Discussion and Analysis for the most recently completed financial year ended December 31, 2020. Shareholders may contact the Company to request copies of the annual financial statements and Management's Discussion and Analysis by writing to the Company's Executive Vice President and Corporate Secretary, Jerry Xie, at the following address:

### **CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

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

## DIRECTORS' APPROVAL

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

The Board considers that the ordinary resolutions to set the number of Directors at nine (9), to elect each of the nominated directors, to re-appoint Deloitte Touché Tohmatsu as auditors of the Company for the ensuing year with their remuneration to be fixed by the Board, to approve the Share Issue Mandate, to approve the Share Repurchase Mandate and to approve the Additional Share Allotment

Mandate and to approve the 2021 Financial Services Agreement and the Deposit Cap thereunder,, are each in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favor of the relevant resolutions at the Meeting.

## **RESPONSIBILITY STATEMENT**

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

**DATED** at Vancouver, British Columbia, this 31<sup>st</sup> day of May, 2021.

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

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

## SCHEDULE A CORPORATE GOVERNANCE DISCLOSURE

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

### 1. Board of Directors

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

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

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

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

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

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

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

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

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

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

Although the INEDs do not hold regularly scheduled meetings, they may meet without management being present at the request of any director. The frequency of meetings as well as the nature of agenda items changes depending upon the state of the Company's affairs and in light of opportunities or issues that the Company may face. Not all meetings of the INEDs are scheduled, a number of the informal, ad hoc meetings were held and communication among this group occurs on an ongoing basis as needs arise. The Audit Committee is comprised entirely of INEDs and held four (4) meetings in 2020. Each of the other Board committees are comprised by a majority of INEDs and held one (1) meeting of the Compensation and Benefits Committee, two (2) meetings of the Nominating and Corporate Governance Committee, and four (4) meetings of the Health, Safety and Environmental Committee in 2020. The Board may establish special committees from time to time to address transactions where there is a conflict of interest or to review a particular transaction or project. Also, during the most recently completed financial year end the INEDs held an in-camera session after each Board meeting during which session executive and non-executive directors and members of management do not attend.

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

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

On March 29, 2020, the Company announced the appointment of Mr. Liangyou Jiang, the Company's Chief Executive Officer, as Chairman of the Board. Mr. Jiang, as Chairman of the Board, will direct and lead the Company in its future efforts on operation, growth, capital market and corporate governance. In appointing Mr. Jiang as Chairman of the Board considered

applicable corporate governance guidelines applicable to the Company in both Canada and Hong Kong (in particular under National Policy 58-201 – Corporate Governance Guidelines of the Canadian Securities Administrators and the Corporate Governance Code as set forth in Appendix 14 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited). The Board concluded that it would be appropriate to have a joint Chief Executive Officer and Chairman as the Company previously established the role of a “Lead Independent Director” to ensure that the Board’s agenda will enable it to successfully carry out its duties in line with best practices for corporate governance. Mr. Yingbin Ian He was appointed Lead Independent Director as of November 13, 2018. The role of Lead Independent Director was created to enhance the Company’s corporate governance practices and provide leadership to the INEDs, liaise with the Chief Executive Officer on behalf of the INEDs and advise the Board on matters where there may be an actual or perceived conflict of interest to ensure the best possible operation of the Board in accordance with the best corporate governance practices.

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

The following table discloses the attendance record of each director at meetings of the Board for which that director was eligible to attend during the financial year ended December 31, 2020:

<b>Name of Director</b>	<b>Number of Board Meetings Attended</b>	<b>Number of Board Meetings Held</b>
<b>Executive Directors</b>		
Liangyou Jiang	5	5
Shiliang Guan	5	5
Weibin Zhang	3	3
Na Tina	3	3
<b>Non-Executive Directors</b>		
Junhu Tong	3	3
<b>INEDs</b>		
Yingbin Ian He	5	5
Wei Shao	5	5
Bielin Shi	5	5
Ruixia Han	5	5

## **2. Board Mandate**

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

### **CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

#### **BOARD MANDATE**

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

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



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

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

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

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

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

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

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

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

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

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

## The Roles of the Board

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

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

18. Appointing and monitoring the performance of senior management, formulating succession plans for senior management and, with the advice of the Compensation and Benefits Committee, approving the compensation of senior management.
19. Ensuring policies and processes are in place for identifying principal business risks and opportunities for the Company, addressing the extent to which such risks are acceptable to the Company, and ensuring that appropriate systems are in place to manage risks.
20. Ensuring policies and processes are in place to ensure the integrity of the Company's internal control, financial reporting and management information systems.
21. Ensuring appropriate policies and processes are in place to ensure the Company's compliance with applicable laws and regulations, including timely disclosure of relevant corporate information and regulatory reporting.
22. Ensuring appropriate policies and processes are in place to enable the Board to properly review the Company's management of material environmental, social and governance issues, including compliance with applicable regulatory reporting requirements.
23. Exercising direct control during periods of crisis.
24. Serving as a source of advice to senior management, based on directors' particular backgrounds and experience.

#### Organization of the Board

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

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

#### Meetings

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

### **3. Position Descriptions**

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

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

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

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

#### **4. Orientation and Continuing Education**

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

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

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

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

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

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

## 5. Ethical Business Conduct

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

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

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

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

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

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

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

## **6. Nomination of Directors**

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

The full Board determines what competencies, skills and personal qualities it should seek in new members in order to add value to the Company. Candidates for nomination to the Board are identified within the network and contacts of the Board and from various professional associations based on the competencies, skills and personal characteristics sought by the Company from time to time to advance its organizational goals as determined by the stage of development, size and complexity of the Company's business. The Nominating and Corporate Governance Committee is responsible for reporting to the Board on appropriate candidates. Candidates for nomination are evaluated by the Nominating and Corporate Governance Committee based on (i) the independence of each nominee; (ii) the experience and background of each nominee; (iii) having a balance of skills for the Board and its committees to meet their respective mandates; (iv) the past performance of directors being considered for re-election; (v) applicable regulatory requirements; and (vi) such other criteria as may be established by the Board or the Nominating and Corporate Governance Committee from time to time. The Nominating and Corporate Governance Committee is responsible for assessing director performance on an ongoing basis.

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

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

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

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

## **7. Compensation**

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

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

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

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

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

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

## **8. Other Board Committees**

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

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

### **Audit Committee**

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

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

Information concerning the Audit Committee of the Company, as required by National Instrument 52-110, is provided in the Company's Annual Information Form for the year ended December 31, 2020 located under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the and on the HKEX news website at [www.hkexnews.hk](http://www.hkexnews.hk).

## Compensation and Benefits Committee

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

The members of the Compensation and Benefits Committee are Ms. Ruixia Han, Mr. Yingbin Ian He, Mr. Wei Shao, Dr. Bielin Shi and Mr. Weibin Zhang. Ms. Ruixia Han serves as Chairwoman of the Compensation and Benefits Committee. If the management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Compensation and Benefits Committee will be comprised by a majority of INEDs. For more information on the Compensation and Benefits Committee see "*Compensation Discussion and Analysis*".

## Nominating and Corporate Governance Committee

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

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

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

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

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



## Health, Safety and Environmental Committee

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

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

## Special Committee

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

### **9. Assessments**

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

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

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

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

### **10. Director Term Limits and Other Mechanisms of Board Renewal**

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

### **11. Policies Regarding the Representation of Women on the Board**

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

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

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

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

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

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

(ii) the measures taken to ensure that the policy has been effectively implemented;

(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy; and

(iv) whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Not applicable.

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

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

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

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

IMP has one (1) woman on its board, representing 16.7% of the board and Skyland BVI Limited has three (3) women on its board, representing 60% of the board.

## SCHEDULE B SHARE REPURCHASE MANDATE

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

### HONG KONG LISTING RULES RELATING TO THE REPURCHASE OF SHARES

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

### SHARE CAPITAL

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

### REASONS FOR THE REPURCHASES

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

### FUNDING OF REPURCHASES

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

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

### IMPACT ON THE WORKING CAPITAL OR GEARING POSITION

If the Share Repurchase Mandate is exercised in full at any time during the Relevant Period, there may be a material adverse effect on the working capital 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, 2020 (the most recent published audited financial statements). However, the Board does not propose to exercise such mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company at the time of the relevant repurchases unless the Board determines that such repurchases are, taking into account of all relevant factors, in the best interests of the Company.

## SHARE PRICES

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

	Per Share	
	Highest HK\$	Lowest HK\$
2020		
May	4.19	3.28
June	4.84	3.22
July	8.9	4.12
August	11.4	7.12
September	11.9	8.51
October	10.6	8.51
November	13	9.43
December	12.6	10.8
2021		
January	16.78	10.84
February	26.3	15.62
March	25.4	17.54
April	24.9	19.82
May (up to the Latest Practicable Date)		

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

A Shareholder’s proportionate interest in the voting rights of the Company will increase upon the Company’s exercise of its powers to repurchase the Shares pursuant to the Share Repurchase Mandate, and such increase will be treated as an acquisition for the purposes of 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 the Latest Practicable Date, CNG, through its wholly owned subsidiary, CNGGHK, held **158,588,330** Shares, representing **40.01%** of the issued Shares of the Company. On the basis that no further Shares are issued or repurchased prior to the Meeting and in the event that the Board exercises in full the power to repurchase Shares pursuant to the Share Repurchase Mandate, the shareholding interest held by CNG (through CNGGHK) would be increased to approximately **44.45%** of the issued share capital of the Company. Such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. In such an event, the Board 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 under the Hong Kong Listing Rules. The Board has no intention to exercise the Share Repurchase Mandate to the extent that it may result in a public shareholding of less than the prescribed minimum percentage under the Hong Kong Listing Rules.

## DIRECTORS, THEIR CLOSE ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Hong Kong Listing Rules), has any present intention

to sell Shares to the Company in the event that the Share Repurchase Mandate is approved by the Shareholders.

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

#### UNDERTAKING OF DIRECTORS

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

#### SHARE PURCHASE MADE BY THE COMPANY

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

## SCHEDULE C DEFINITIONS

In this information circular, unless the context otherwise requires, the following expressions have the following meanings:

“2021 Financial Services Agreement”	the financial services agreement dated May 5, 2021 between China Gold Finance and the Company pursuant to which China Gold Finance will provide a range of financial services to the Company.
“AGM” or the “Meeting”	The annual general meeting and special meeting of the Company to be held on June 29, 2021 at 10:00 am in Vancouver, British Columbia, Canada (June 30, 2021 Hong Kong time), to consider and, if appropriate, to approve the matters set out in this Information Circular, or any adjournment thereof;
“AST”	AST Transfer Company Inc.;
“Board”	the board of Directors of the Company;
“Cdn”	Canadian dollars, the lawful currency of Canada;
“CBRC”	China Banking Regulatory Commission
“CBIRC”	the China Insurance Banking Regulatory Commission, which was established in April 2018 by a merger of the CBRC and the CIRC;
“China Gold Finance”	China National Gold Group Finance Co., Ltd.,
“China National Gold” or “CNG”	China National Gold Group Co., Ltd. (formerly known as China National Gold Group Corporation), the ultimate controlling Shareholder of the Company currently holding approximately 40.01% of the issued share capital of the Company through CNGGHK, its wholly-owned subsidiary;
“CIRC”	the China Insurance Regulatory Commission;
“CNGGHK” or “China Gold Hong Kong”	China National Gold Group Hong Kong Limited;
“Company”	China Gold International Resources Corp. Ltd., a limited liability company incorporated under the laws of British Columbia, Canada with its Shares listed on both the Hong Kong Stock Exchange and the Toronto Stock Exchange;
“Computershare”	Computershare Hong Kong Investor Services Limited;
“connected person(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Continuing Connected Transaction”	the transactions contemplated under the 2021 Financial Services Agreement, the Caps thereunder (where applicable), which constitute the continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules;



“CSH Mine”	Chang Shan Hao mine, a gold mine located in Wulate Zhong Qi in Inner Mongolia, in which the Company holds a 96.5% interest through Pacific PGM (Barbados) Inc., its wholly-owned subsidiary incorporated in Barbados;
“Deposit Caps”	has the meaning as defined in this Information Circular;
“Deposit Services”	has the meaning as defined in this Information Circular;
“Deposit Services Agreement”	the deposit services agreement entered into between the Company and China Gold Finance on 18 December 2017, as amended by the relevant supplemental agreements signed between both parties on 18 December 2018, 31 December 2019 and 22 December 2020;
“Directors”, each a “Director”	the directors of the Company;
“Group”	the Company and its subsidiaries (as defined under the Hong Kong Listing Rules);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Hong Kong Stock Exchange” or “HKEX”	The Stock Exchange of Hong Kong Limited;
“Independent Board Committee”	an independent committee of the Board comprising all of the INEDs;
“Independent Financial Adviser” or “TC Capital”	TC Capital International Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulatory activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transaction;
“Independent Shareholders”	the Shareholders (other than China National Gold and any of its associates) who do not have a material interest in the Continuing Connected Transaction, and are not required to abstain from voting at the Meeting to approve the Continuing Connected Transaction;
“INEDs” or each “INED”	the independent non-executive Directors;
“Information Circular”	the information circular of the Company dated May 31, 2021 in relation to the transactions contemplated under the Continuing Connected Transaction;
“Inner Mongolia”	Inner Mongolia Autonomous Region of the PRC;
“Inner Mongolia Pacific”	Inner Mongolia Pacific Mining Co. Limited, a cooperative joint venture company incorporated in the PRC, which owns and operates the CSH Mine and in which the Company holds a 96.5% interest through Pacific PGM (Barbados) Inc., its wholly-owned subsidiary incorporated in Barbados;

“Jiama Mine”	Jiama Copper-Gold Polymetallic Mine located in Tibet, PRC. Jiama Mine hosts a large-scale copper-gold polymetallic deposit consisting of copper, gold, molybdenum, silver, lead and zinc. It is owned and operated by the Group through the Company’s indirect wholly-owned subsidiary Tibet Huatailong;
“Latest Practicable Date”	May 28, 2021, being the latest practicable date before printing of this Information Circular for ascertaining information contained herein;
“Lending Services”	has the meaning as defined in this Information Circular;
“Major PRC Commercial Banks”	Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and China Construction Bank;
“Majority Voting Policy”	Majority Voting Policy originally approved by the Board March 12, 2015 and reviewed annually by the Nominating and Corporate Governance Committee;
“Member Companies”	has the meaning as defined in this Information Circular;
“MI 61-101”	Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions;
“Other Financial Services”	has the meaning as defined in this Information Circular;
“PBC”	The People’s Bank of China;
“PRC”	The People’s Republic of China;
“Provider”	with respect to the 2021 Financial Services Agreement, China Gold Finance as the provider of financial services and banking services;
“Recipient”	with respect to the 2021 Financial Services Agreement, the Company and/or its subsidiaries as the recipient of financial services and banking services;
“Recognized Stock Exchange”	Any stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange;
“Record Date”	May 17, 2021 Vancouver time (being May 18, 2021 Hong Kong time), being the record date fixed for the determination of the Shareholders who are entitled to receive the notice of, and to attend and vote at, the Meeting or adjournment thereof;
“SFO”	Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong);
“Share(s)”	share(s) of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Tibet Huatailong”	Tibet Huatailong Mining Development Co., Ltd., a limited liability company incorporated in the PRC which owns and operates the Jiama Mine, in which the Company holds a 100% interest through Skyland Mining Limited and Tibet Jia Ertong, its wholly-owned subsidiaries;

“Tibet Jia Ertong”	Tibet Jia Ertong Mining Development Co., Ltd.
“Toronto Stock Exchange” or “TSX”	The Toronto Stock Exchange of Toronto, Canada;
“US\$”	United States dollars, the lawful currency of the United States of America;
“%”	percent.

## SCHEDULE D LETTER FROM THE BOARD OF DIRECTORS

Dear Shareholders,

### INTRODUCTION

#### Introduction

Reference is made to the Company's announcement dated May 6, 2021 in relation to the 2021 Financial Services Agreement, the Deposit Caps thereunder (where applicable), and the transactions contemplated thereunder.

The purpose of this Information Circular is to provide you with information necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolutions to be proposed at the Meeting relating to the approval of the 2021 Financial Services Agreement (including the Deposit Cap).

Unless the context requires otherwise, terms and expressions defined in the accompanying Information Circular to the Shareholders dated May 31, 2021 shall have the same meanings in this letter.

### CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION

#### *2021 Financial Services Agreement*

On May 5, 2021, the Company entered into the 2021 Financial Services Agreement with China Gold Finance, pursuant to which China Gold Finance agreed to provide the Company with a range of financial services including (a) the Deposit Services, (b) the Lending Services, (c) the Settlement Services and (d) the Other Financial Services (each as defined below), effective until 31 December, 2023 from the date of the approval of the Continuing Connected Transaction by the Independent Shareholders at the Meeting. Upon the 2021 Financial Services Agreement becoming effective, the parties have agreed to terminate the Deposit Services Agreement. The 2021 Financial Services Agreement will supersede the Deposit Services Agreement and constitute a revision of annual cap for the Deposit Services.

#### A. Key terms of the 2021 Financial Services Agreement

**Date:** May 5, 2021

**Parties:** (a) the Company (as the Recipient); and  
(b) China Gold Finance (as the Provider)

**Subject Matter:** The Provider agreed to provide the Deposit Services, the Lending Services, the Settlement Services and the Other Financial Services to the Recipient and/or its subsidiaries within the PRC

**Term:** Until December 31, 2023 from the date of the approval of the Continuing Connected Transaction by the Independent Shareholders at the Meeting

**Description of financial services provided:** The Provider will provide a range of financial services as set out in detail below:  
Deposit Services

The Provider will accept deposits from the Recipient, up to a maximum amount of daily deposit balance (including accumulative settlement interest) not exceeding RMB3,000 million during the term of the 2021 Financial Services Agreement (the "Deposit Services").

**Pricing and basis of determining pricing:**

Lending Services

The Provider will provide lending services, such as loans, bill acceptances, bill discounts, entrustment loans, guarantees and financing leases to the Recipient. The Recipient will not grant any security over its assets for the Lending Services in the event it is unable to repay any loans under the Lending Services and the Provider will not be permitted to offset such outstanding loans with any deposits received from the Recipient under the Deposit Services (the “**Lending Services**”).

Settlement Services

The Provider will provide settlement services such as collection, payment, or internal settlement services (the “**Settlement Services**”).

Other Financial Services

The Provider will provide financial and financing advisory services, credit certification and related consultation and agency services and other services approved by the CBRC (which has merged with the CIRC to form the CBIRC in April 2018) (the “**Other Financial Services**”).

Pricing of each type of service under the 2021 Financial Services Agreement are determined as follows:

Deposit Services

The interest rates payable by the Provider to the Recipient for the Deposit Services shall not be lower than (a) the benchmark deposit rates prescribed by the PBC and (b) deposit rates payable by the Major PRC Commercial Banks.

Lending Services

The interest rates payable by the Recipient to the Provider for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Major PRC Commercial Banks.

Settlement Services

The Provider will provide settlement services for a fee which shall not be higher than the fees publicly quoted by the Major PRC Commercial Banks for the same type of services.

Other Financial Services

The Provider will provide the Other Financial Services at a fee equal to the lower of (i) the fees publicly quoted by the Major PRC Commercial Banks and (ii) the pricing standard set by the PBC, the CBIRC or other applicable regulatory authorities’ benchmark for the same type of services.

**B. The Deposit Caps**

In respect of the Deposit Services under the 2021 Financial Services Agreement, the daily balance of the deposits (including any interest accrued therefrom) for the period from the date of approval of the 2021 Financial Services Agreement in the Meeting to 31 December 2023 shall not exceed RMB3,000 million (the “**Deposit Caps**”).

The Deposit Caps have been determined after taken into account of (i) the latest cash and current assets position of the Group and (ii) the potential improvement in the financial performance of the Group in the future due to the expected increase in the price of copper and gold in the upcoming years, and hence the corresponding potential increase in its overall cash balance and its potential deposit balance in the Provider.

According to the first quarter result of the Company for the three months ended 31 March 2021, the Group had bank balances and cash of approximately USD324 million (equivalent to approximately RMB2,106 million) as at 31 March 2021 as well as other current assets such as (i) restricted bank balances, (ii) trade, bills and other receivables, (iii) prepaid expenses and deposits and (iv) inventories of a total of approximately USD317 million (equivalent to approximately RMB2,061 million) as at 31 March 2021 which are liquid in nature and could be turned into cash within a short period of time. Therefore the Group's maximum potential deposits in China Gold Finance could be as high as approximately RMB4,167 million at a given time, and the Deposit Caps represented approximately 72% of the Group's maximum potential deposits as at 31 March 2021.

As at the Latest Practicable Date, the actual daily maximum balance of the Deposit Services since 1 January was RMB179,441,889.24.

The main criteria adopted by the Company in determining the cash amount to be deposited with China Gold Finance is the Group's operational needs. The Company will deposit cash which is beyond the immediate operational needs of the Group with China Gold Finance to earn a higher income for the cash which is temporarily not in use by the Group. Taken into account the metal prices and production profile of the Group, the expected utilization of the Deposit Cap is around 75% of the Deposit Cap (approximately RMB2,500 million) with a buffer of around 15% of the Deposit Cap (RMB 500 million).

### C. Reasons for and benefits of entering into the 2021 Financial Services Agreement

The reasons for and benefits of the 2021 Financial Services Agreement mainly include:

- a) China Gold Finance is regulated by the CBIRC and must adhere to the relevant rules, regulations and measures formulated and promulgated thereunder and other applicable PRC laws and regulations issued by the central government or local governments at the provincial, autonomous regional and municipal levels of the PRC from time to time, including the regulations regarding capital risks.
- b) In addition, capital risks will be reduced through the introduction of the risk control measures stipulated in the 2021 Financial Services Agreement. The 2021 Financial Services Agreement provides that according to the Administrative Measures for Financial Companies of Enterprise Groups and the Articles of Association of China National Gold Group Finance Company Limited, China Gold Group has undertaken to CBIRC in writing that it shall bear the responsibility of increasing capital for its finance companies in emergency situations such as payment difficulties.
- c) Pursuant to the relevant regulations of the CBIRC, the customers of China Gold Finance are limited to entities affiliated with China National Gold and its subsidiaries, thereby reducing the risks that China Gold Finance may otherwise be exposed to if its customers include other entities unrelated to China National Gold.
- d) Pursuant to the 2021 Financial Services Agreement, China National Gold has undertaken to the CBIRC that it will increase the capital of China Gold Finance in case China Gold Finance has difficulty in payment. China National Gold is a state-owned enterprise established in the PRC with registered capital of RMB6,500 million. According to its audited financial statements for the year ended 31 December 2020, China National Gold recorded net assets of approximately RMB44,378 million and cash and cash equivalent amounted to RMB13,582 million as at 31 December 2020, which is approximately 1379% and 353% more than the Deposit Caps, respectively.
- e) By depositing majority of the cash that is temporarily not in use by the Group, the Group can earn a higher interest income and can thereby maximize the interest income received by the Group and maximize the Shareholders' value at the same time.
- f) The increase in the Deposit Caps is in line with and proportionate to the Company's expected increase in cash inflow over the term of the 2021 Financial Services Agreement. Based on the first quarter results of the Company for the three months ended 31 March 2021 as disclosed in the overseas regulatory announcement published by the Company on 14 May 2021, the business scale of the Company has shown significant increase in comparison with the same period in 2020. For

the first quarter of 2021, the revenue increased by 83% to US\$272.1 million from US\$148.6 million for the same period in 2020; the net income was US\$57.0 million, which is an increase of US\$65.7 million, from a net loss of US\$8.7 million for the same period in 2020; the cash flow from operations increased by 964% to US\$170.2 million from US\$16.0 million for the same period in 2020. Cash and cash equivalents reached US\$323.7 million as of 31 March 2021 from US\$243.3 million for the same period in 2020. Due to the expected stable operation and further potential growth of the business scale of the Group, in particular the robust trends of gold and copper price in upcoming years, the production profiles and life cycles of the Jiama Mine and the CSH Mine, and potential international mining acquisition opportunities in relation to projects outside of China with CNG and other interested parties as disclosed under the 'Management's Discussion and Analysis – Outlook' section of the Company's annual report for the year ended 31 December 2020, it is expected that there will be an increase in future cash inflow and outflow of the Group and a need for a higher daily deposit cap by the Group with China Gold Finance.

- g) China Gold Finance is required under the terms of the 2021 Financial Services Agreement to provide financial services at terms that are not inferior to the terms for the same type of services provided by the major domestic commercial banks and by China Gold Finance to China National Gold and its subsidiaries. The rates on loans, guarantees and deposits to be offered by China Gold Finance to the Recipient will be equal to or more favourable than those offered by major domestic commercial banks in the PRC.
- h) The fees for the Settlement Services and Other Financial Services provided by China Gold Finance will not be higher than the fees publicly quoted by the Major PRC Commercial Banks for the same type of services.
- i) The Recipients are expected to benefit from the China Gold Finance's better understanding of the operations of the Recipients which will allow more expedient and efficient services than those rendered by other major domestic commercial banks.
- j) The terms under the 2021 Financial Services Agreement are fair, reasonable, favourable and beneficial to the Company and the Shareholders.
- k) China Gold Finance has obtained approval for establishment from the CBRC in 2015 and is subject to continuing obligations in compliance with the requirements of the CBIRC. China Gold Finance has been in compliance with the with the requirements of the CBRC and CBIRC since 2015. China Gold Finance has provided the Company with a legal opinion from its PRC counsel that all remaining licenses and approvals should be obtained in the ordinary course without delay, which provides the Company with additional comfort on the timing of the effective date of the 2021 Financial Services Agreement.
- l) the 2021 Financial Services Agreement will not cause significant negative financial impact to the Company.

## D. Internal Control Measures

In order to secure the Independent Shareholders' interests and ensure compliance with the terms of the 2021 Financial Services Agreement and the transactions contemplated thereunder and the Deposit Caps, the Company has adopted the following internal control measures:

- a) the Company will obtain quotations from each of the Major PRC Commercial Banks for the same services it will request from the Provider before it conducts business with the Provider. These quotations together with the quotation of the Provider will be submitted to the financial controller of the Company for review and to decide whether or not to accept the quotation of the Provider;
- b) the Company has established a continuing connected transaction working group, which consists members from divisions of accounting and regulatory compliance, led by interim CFO Yuehe Lu, to review and obtain approval from INEDs in respect of all the continuing connected transactions and monitor on a monthly and quarterly basis the reconciliation to the Deposit Caps. The working group will also monitor the daily balances for the Deposit Services to ensure that such amounts are within the Deposit Caps. Each deposit will be reviewed by the responsible person to make sure it does not exceed the Deposit Caps before the deposit is made. The Provider is also asked to provide the daily balance under the deposit account to the Company for tracking; and
- c) the Company's auditors will review the transactions completed under the 2021 Financial Services Agreement and the Deposit Caps and report to the INEDs.

## REGULATORY MATTERS

### Canadian Securities Laws

Pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”), the Continuing Connected Transaction are considered “related party transactions” because CNGGHK has direct ownership and control over the securities of the Company carrying more than 10% of the voting rights attached to all of Company's outstanding voting securities. The Continuing Connected Transaction is therefore a “related party transaction” pursuant to MI 61-101.

MI 61-101 provides that an issuer shall not carry out a related party transaction unless the issuer has obtained the approval of the shareholders excluding the shareholder who is an “interested party” or a related party of an interested party in accordance with MI 61-101. In accordance with the foregoing requirements, the Company seeks Independent Shareholders' approval in connection with the Continuing Connected Transaction. MI 61-101 also prescribes certain valuation requirements for related party transactions which are not applicable to the Continuing Connected Transaction.



## The Hong Kong Listing Rules

As China Gold Finance is respectively 51% and 49% directly owned by China National Gold and Zhongjin Gold Corporation Limited, which is a non-wholly-owned subsidiary of China National Gold, which is the ultimate controlling shareholder of the Company, China Gold Finance is a connected person of the Company under Chapter 14A of Hong Kong Listing Rules. Therefore, the transactions contemplated under the 2021 Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of Deposit Services under the 2021 Financial Services Agreement exceed 25% but all of them are below 75%, the Deposit Services constitute a major transaction for the Company and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

The Lending Services to be provided by China Gold Finance under the 2021 Financial Services Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Group. As the Lending Services will be provided on normal commercial terms (in particular, (i) the interest rate payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Major PRC Commercial Banks, (ii) no security over any assets of the Group will be granted in respect of the Lending Services and (iii) in the event the Company are unable to repay the loan from China Gold Finance, China Gold Finance will not be permitted to offset such outstanding loans with any deposits), the Lending Services are therefore exempt from reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

In addition, as the percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the provision of the Settlement Services and the Other Financial Services under the 2021 Financial Services Agreement will not exceed 0.1%, therefore the Settlement Services and the Other Financial Services are fully exempt from reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules.

The Company will also disclose the relevant details in the next published annual report of the Company in accordance with the relevant requirements as set out in Rule 14A.71 of the Hong Kong Listing Rules.

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

## FINANCIAL EFFECTS OF THE CONTINUING CONNECTED TRANSACTION

The Company does not anticipate that the Continuing Connected Transaction will have any material financial effects. The Directors consider that the Continuing Connected Transaction constitutes transactions in the ordinary and usual course of business of the Group and will not have a significant impact on the financial results of the Company that is different from the financial effects the Company has realized in the past.

## IMPACT ON THE GEARING POSITION

The Directors (including the INEDs) do not expect that the entering into of the Continuing Connected Transaction would have any adverse financial impact on the earnings, assets and liabilities or the gearing levels of the Group, as compared with the position disclosed in the Company's audited financial statements for the year ended December 31, 2020 (the most recent published audited financial statements).

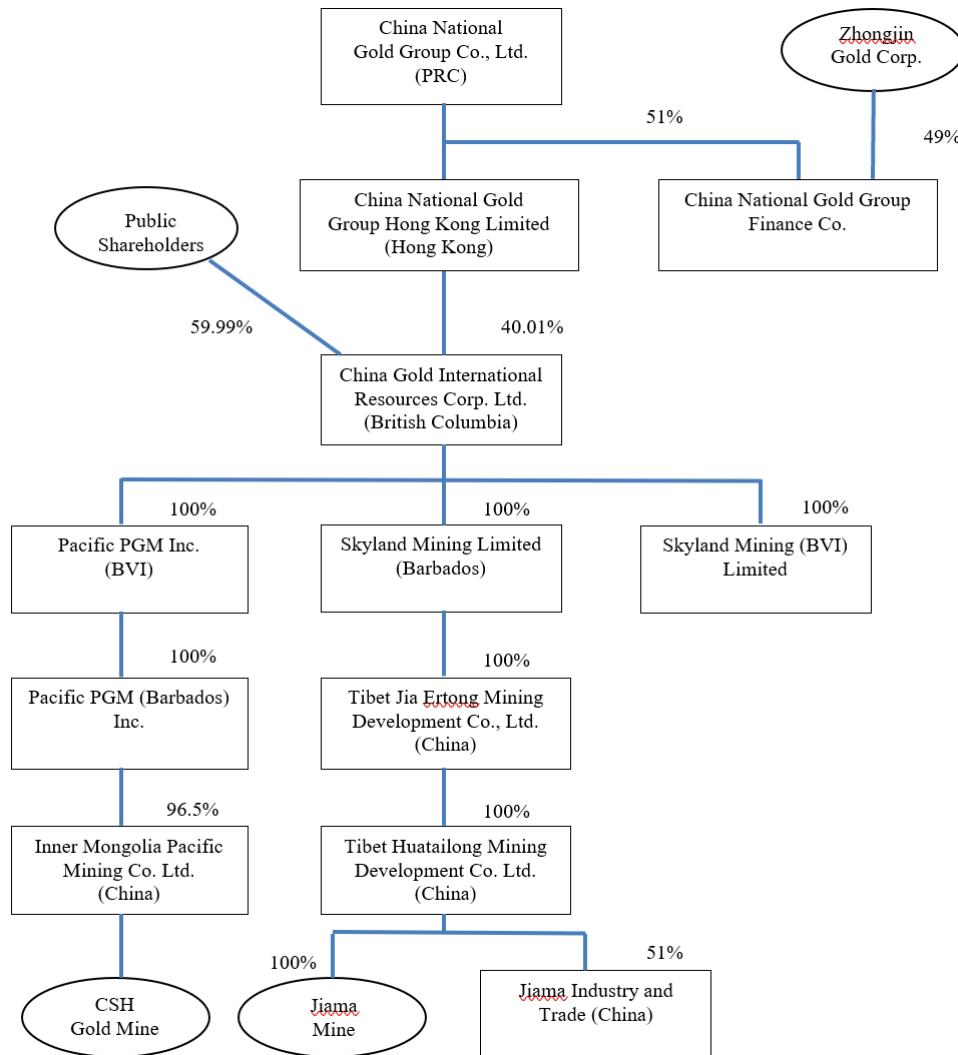
## INFORMATION ABOUT THE COMPANY

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

## INFORMATION ABOUT CHINA GOLD FINANCE

China Gold Finance is principally engaged in the provision of financial services including (i) the provision of consultation services relating to financial affairs and financing to the members of China National Gold (the "**Member Companies**"), credit evaluation and related consultation and agency business; (ii) the provision of assistance to the Member Companies in the receipt and payment of transaction money; (iii) the provision of guarantee to the Member Companies; (iv) the provision of entrusted loans and entrusted investments among the Member Companies; (v) handling the bill acceptance and discount for the Member Companies; (vi) handling the internal transfer and settlement of funds among the Member Companies and formulation of liquidation plan; (vii) the provision of deposit service to the Member Companies; (viii) the provision of loan and financing lease to the Member Companies; and (ix) the engagement in short term financing among financial institutions.

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



## FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the company for the last three financial years ended December 31, 2018, 2019 and 2020 and the three months ended March 31, 2021 are disclosed in the following documents which have been published on the Company's website, at the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com), and on the HKEX news website at [www.hkexnews.hk](http://www.hkexnews.hk):

- (i) annual report of the Company for the year ended December 31, 2018 published on March 27, 2019 (pages 65 to 152);
- (ii) annual report of the Company for the year ended December 31, 2019 published on March 31, 2020 (pages 69 to 152);
- (iii) annual report of the Company for the year ended December 31, 2020 published on March 30, 2021 (pages 68 to 156); and

(iii) first quarter financial statements of the company for the three months ended March 31, 2021 published on May 14, 2021.

## STATEMENT OF INDEBTEDNESS

As of the close of business on March 31, 2021, the Group had total interest-bearing borrowings of approximately US\$1,182 million, comprised US\$299 million of 2.8% unsecured bonds and US\$145.1 million of short-term debt facilities with interest rates ranging from 1.20% to 4.51% per annum.

The Group did not have any contingent liabilities as at March 31, 2021.

The Group did not have any financial derivatives or outstanding hedging contracts as at March 31, 2021.

Other than as set out above, the Group did not have any other outstanding indebtedness in respect of any debentures, loan capital, bank loans and overdrafts, term loans and other borrowings, debt securities, mortgages, charges or other similar indebtedness, purchase commitments, lease commitments, guarantees or contingent liabilities, whether guaranteed or secured, as of March 31, 2021.

The Directors have confirmed that there has not been any material change in the indebtedness of or the contingent liabilities of the Group since March 31, 2021.

## WORKING CAPITAL

The Directors are of the opinion that, after taking into account the internal resources available to the Group, including the Group's internally generated funds and available facilities, and in the absence of unforeseeable circumstance, the Group will have sufficient working capital for its present requirements for at least the next twelve months from the date of publication of this Information Circular.

## MATERIAL CONTRACTS

Below are the particulars of each contract, other than those entered into in the ordinary course of business that is material to the Company and was entered into within the last two years immediately preceding the Latest Practicable Date:

1. the bonds issued by Skyland BVI, the Company's wholly-owned subsidiary, on June 23, 2020 (the "**Bonds**"), in an aggregate principal amount of US\$300 million at an issue price of 99.886% and bearing interest at the rate of 2.80% with a maturity date of June 23, 2023. The Bonds are unconditionally and irrevocably guaranteed by the Company;

2. the Deposit Services Agreement; and

3. the Third Supplemental Contract for Purchase and Sale of Doré entered into between CNG and Inner Mongolia Pacific on May 6, 2020 (the "**Third Supplemental Contract for Purchase and Sale of Doré**") for a three-year term commencing on January 1, 2021 and expiring on December 31, 2023. Also on May 6, 2020, the Company and CNG entered into the Third Supplemental Product and Service Framework Agreement to extend the term to December 31, 2023. At the annual general and special meeting of shareholders held June 16, 2020, the Company's independent shareholders approved the Third Supplemental Contract for Purchase and Sale of Doré for the sale and purchase of gold doré bars and silver by-products produced at the CSH Gold Mine, and the Third Supplemental Product and Service Framework Agreement for the provision of services to the Company by affiliates of CNG at the Jiama Mine, each of which transaction was subject to independent shareholder approval as a non-exempt continuing connected transaction under Chapter 14A of the Hong Kong Listing Rules.

## FINANCIAL AND TRADING PROSPECTS

The Company continues to focus on the operations of its Jiama Mine and CSH Mine. The Company projects to have 2021 production of 235,000 ounces of gold and 177 million pounds of copper. The Company continues to focus its efforts on optimizing the operation at both mines, the newly commissioned Jiama Mine expansion and extending the mine life of CSH Mine. The Company will continue to leverage the technical and operating experience of the Company's ultimate controlling Shareholder, CNG, to improve operations at its mines. To fulfill its growth strategy, the Company is continually working with CNG and other interested parties to identify potential international mining acquisition opportunities, namely projects outside of China, which can be readily and quickly brought into production with the possibility of further expansion through continued exploration. Risk factors that may impact the Company's performance going forward are set out on page 64 of the Company's annual report for the year ended December 31, 2020.

## EFFECT ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

The Directors are of the view that the Continuing Connected Transaction is not expected to have any material impact on earnings, assets and liabilities of the Group. In particular, with respect to the 2021 Financial Services Agreement, amounts deposited with China Gold Finance will remain assets of the Group and amounts borrowed will remain liabilities.

## INDEPENDENCE FROM CNG

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

## RECOMMENDATION

Based on its views set out above, the Board recommends that the Independent Shareholders vote in favour of the ordinary resolution(s) concerning the 2021 Financial Services Agreement (including the Deposit Cap)

Furthermore, your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out in Schedule E to the accompanying Information Circular.

The Independent Board Committee, having taken into account, among other things, the advice from TC Capital International Limited, as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in this regard, the current financial position of the Company and the Group, the current market norm in relation to similar transactions; the costs and benefits of the 2021 Financial Services Agreement (including the Deposit Cap) has been entered into equitably upon arm's length negotiation and on normal commercial terms or better, are fair and reasonable that are in the interests of the Company and its Shareholders as a whole, and that the Group will remain to operate independently of the controlling shareholder and its close associates. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution(s) in respect of the 2021 Financial Services Agreement (including the Deposit Cap) at the Meeting.

## THE MEETING

The Meeting will be held on June 29, 2021 at 10:00 am (Vancouver time) (June 30, 2021 in Hong Kong) at will be held at the Vancouver offices of the Company located at Suite 660, 505 Burrard Street, Vancouver, British Columbia, V7X 1M4.

At the Meeting, ordinary resolution(s) will be proposed to, among other things, approve the 2021 Financial Services Agreement (including the Deposit Cap). Voting on such ordinary resolution(s) at the Meeting will be conducted by way of poll in accordance with the requirements of the Hong Kong Listing Rules.

As of the Latest Practicable Date, CNG was interested in and entitled to exercise control over approximately 40.01% of the total number of the issued shares of the Company. As such, CNG and its respective associates (as defined in the Hong Kong Listing Rules) will abstain from voting with regards to the ordinary resolution(s) to be proposed at the Meeting in connection with the 2021 Financial Services Agreement (including the Deposit Cap)

Yours faithfully,

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

\_\_\_\_\_  
(signed) "*Liangyou Jiang*"  
Liangyou Jiang  
Chairman

**SCHEDULE E**  
**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

R14A.70(6)

May 31, 2021

Dear Independent Shareholders,

We refer to the Information Circular dated May 31, 2021 issued by the Company to its Shareholders, of which this letter forms part. Unless the context requires otherwise, terms and expressions defined in the accompanying Information Circular shall have the same meanings in this letter.

Pursuant to MI 61-101 the Continuing Connected Transaction will be considered a “related party transaction” for the Company by virtue of the relationship between the Company, CNGGHK and CNG, and as such, the Company intends to seek minority shareholder approval of the Continuing Connected Transaction at the Meeting. Under the Hong Kong Listing Rules, the Continuing Connected Transaction for the Company and is subject to announcement, reporting and Independent Shareholders approval requirements under chapter 14 and 14A of the Hong Kong Listing Rules.

Under the Hong Kong Listing Rules, certain transactions contemplated under the 2021 Financial Services Agreement constitute a major transaction for the Company under Chapter 14 of the Listing Rules continuing connected transaction for the Company under Chapter 14A of the Listing Rules which is, together with the Deposit Cap, subject to the approval of the Independent Shareholders at the Meeting.

We have been appointed to as members of the Independent Board Committee, to consider (a) the terms of the 2021 Financial Services Agreement (including the Deposit Cap) (b) to determine whether the entering into of the Continuing Connected Transaction is in the ordinary and usual course of business of the Company, are on normal commercial terms or better; and are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and (c) to advise to advise and make recommendations to the Independent Shareholders as to how to vote at the Meeting on the ordinary resolution(s) regarding the 2021 Financial Services Agreement (including the Deposit Cap) having taken into account, among other things, the advice of TC Capital International Limited, as the Independent Financial Adviser, to advise the Independent Board Committee and Independent Shareholders in this regard. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions in respect of the 2021 Financial Services Agreement (including the Deposit Cap) at the Meeting.

TC Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in respect of the 2021 Financial Services Agreement (including the Deposit Cap). We wish to draw your attention to (a) the letter from the Board as set out in Schedule D to the accompanying Information Circular and (b) the letter from TC Capital, being the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders as set out in Schedule F to the accompanying Information Circular.

As members of the Independent Board Committee, we have discussed with the management of the Company in relation to (i) the Continuing Connected Transaction, and (ii) the basis upon which the terms of the Continuing Connected Transaction has been determined. We have also taken into account the principal factors and reasons considered by TC Capital in forming its opinion in relation to the transactions contemplated under the Continuing Connected Transaction and have discussed with TC Capital its letter of advice.

On the basis of the above, we consider, and agree with the view of TC Capital, that (i) the terms of the 2021 Financial Services Agreement (including the Deposit Cap) are fair and reasonable; and (ii) have been entered into equitably and have been entered into after arm’s length negotiation and are in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in respect of the 2021 Financial Services Agreement (including the Deposit Cap) at the Meeting.

Yours faithfully,

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

Yingbin Ian He

Wei Shao

Bielin Shi

Ruixia Han

*Independent Non-executive Director*