

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

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

**If you have sold or transferred** all your shares of **CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**, 中國黃金國際資源有限公司, 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.

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



**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)

**GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

**RE-ELECTION OF DIRECTORS**

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

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

**ON JUNE 27, 2018 VANCOUVER TIME (JUNE 28, 2018 HONG KONG TIME)**

**May 23, 2018**

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

**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 of China Gold International Resources Corp. Ltd. (the “**Company**”) (TSX: CGG) (HKEx: 2099) will be held at the offices of Osler, Hoskin & Harcourt LLP located at Suite 1700, Guinness Tower, 1055 West Hastings Street, Vancouver, British Columbia on Wednesday, June 27, 2018 commencing at 10:00 am Vancouver time, for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial year ended December 31, 2017, together with the report of the directors and the auditors thereon;
2. to set the number of directors of the Company at nine (9);
3. to elect directors for the ensuing year;
4. to re-appoint Deloitte Touche Tohmatsu as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. to grant to the board of directors 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 of directors 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 transact such other business as may properly come before the Meeting or any adjournments thereof.

The board of directors have fixed May 7, 2018 Vancouver time (being May 8, 2018 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.

An information circular and a form of proxy accompany this notice. The information circular provides additional information relating to the matters to be dealt with at the Meeting.

**A Shareholder who is unable to attend the Meeting in person and who wishes to ensure that such Shareholder's shares are voted at the Meeting is requested to complete, date and execute the enclosed form of proxy and deliver it by facsimile, by hand or by mail in accordance with the instructions set out in the form of proxy and in the accompanying information circular.**

Please advise the Company of any change in your address.

**DATED** at Vancouver, British Columbia, this 23<sup>rd</sup> day of May, 2018.

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

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

As of the date of this notice the executive directors are Xin Song, Bing Liu and Liangyou Jiang, the non-executive directors are Lianzhong Sun and Xiangdong Jiang and the independent non-executive directors are Ian He, Yunfei Chen, Gregory Hall and John King Burns.

*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., 中國黃金國際資源有限公司, 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.*

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

## **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:**

**18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong**

<b>Executive Directors</b>	<b>Non-executive Director</b>	<b>Independent non-executive Directors</b>
Xin Song Bing Liu Liangyou Jiang	Lianzhong Sun Xiangdong Jiang	Ian He Yunfei Chen Gregory Hall John King Burns

## **INFORMATION CIRCULAR**

This information circular is furnished in connection with the solicitation of proxies by the management of China Gold International Resources Corp. Ltd. (the "Company") (TSX: CGG) (HKEx: 2099) for use at the annual and special meeting (the "Meeting") of its Shareholders to be held on Wednesday, June 27, 2018 commencing at 10:00 am Vancouver time at the offices of Osler, Hoskin & Harcourt LLP located at Suite 1700, Guinness Tower, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9, and at any adjournments thereof, for the purposes set forth in the notice that accompanies this information circular. Unless otherwise stated, this information circular contains information as at the Latest Practicable Date. Certain capitalized terms used in this information circular have the meanings given to them in Schedule C. All dollar figures are in Canadian dollars and references to "US\$" are to United States dollars, except as otherwise noted.

## **SOLICITATION OF PROXIES**

The solicitation of proxies by management will be primarily by mail, but proxies may be solicited by directors, officers and employees of the Company personally, by telephone, or by means of electronic communication. All costs of this solicitation will be borne by the Company.

## **APPOINTMENT OF PROXYHOLDERS**

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

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

**An appointment of a proxyholder or alternate proxyholders will not be valid unless a form of proxy making the appointment, signed by the Shareholder or by an attorney of the Shareholder authorized in writing (a "Proxy"), is deposited with AST Trust Company (formerly known as CST Trust Company), by facsimile to 416-368-2502 or 1-866-781-3111, by mail to P.O. Box 721, Agincourt, Ontario, M1S 0A1 or by e-mail to proxyvote@astfinancial.com or by hand to AST Trust Company (Canada), Suite 1200, 1 Toronto St., Toronto, ON M5C 2V6 and received by AST Trust Company not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment thereof at which the proxy is to be used.**

## **REVOCATION OF PROXIES**

A Shareholder who has given a proxy may revoke it:

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

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

## **VOTING OF PROXIES AND EXERCISE OF DISCRETION**

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

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

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

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

## **VOTING BY NON-REGISTERED SHAREHOLDERS**

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

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

- (a) a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar code and other information, wherever applicable. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) a form of proxy which has already been signed by the Intermediary (typically by a facsimile with a stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the form of proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company c/o AST Trust Company (formerly known as CST Trust Company), Suite 1200, 1 Toronto St., Toronto, ON M5C 2V6.

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

instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

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

#### **VOTES NECESSARY TO PASS RESOLUTIONS**

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

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

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll, and the Company will announce the results of the poll in the manner prescribed in Rule 13.39(5) of the Hong Kong Listing Rules.

At the Meeting, Shareholders will be asked to set the number of directors of the Company at nine (9) by ordinary resolution, to elect directors and appoint auditors for the ensuing year, to approve a Share Issue Mandate (as hereinafter defined), to approve a Share Repurchase Mandate (as hereinafter defined) and to approve the Additional Share Allotment Mandate (as hereinafter defined).

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

No person who has been a director or officer of the Company at any time since the commencement of the Company's last financial year, or any affiliate or associate (as such term is defined in the *Securities Act* (British Columbia)) of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company has an authorized share capital consisting of an unlimited number of common shares without par value. As of the Record Date, the Company had outstanding 396,413,753 fully paid and non-assessable common Shares without par value, each carrying the right to one vote.

A holder of record of one or more common shares on the securities register of the Company at the close of business on the Record Date who either attends the Meeting personally or deposits a proxy in the manner and subject to the provisions described above will be entitled to vote or to have such common shares voted at the Meeting.

To the knowledge of the Company's directors and senior officers, China National Gold, through its wholly owned subsidiary, China National Gold Group Hong Kong Limited ("**CNGGHK**") of Hong Kong, owns 155,794,830 common shares of the Company, representing approximately 39.3% of the outstanding voting shares of the Company. To the knowledge of the Company's directors and senior officers, no other person or company beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights of the Company.

## **ELECTION OF DIRECTORS**

The Company's Articles provide that the number of directors of the Company is set at the greater of three (3) and the number set by ordinary resolution. Directors are elected at each annual general meeting and hold office until the next annual general meeting, unless a director's office is earlier vacated in accordance with the provisions of the Business Corporations Act and the Company's Articles. The Company's board of directors (the "**Board**") believes that the process in place to elect directors allows appointing the most qualified candidates, independently. The Nominating and Corporate Governance Committee of the Board is comprised of directors who are considered "independent" under Rule 3.13 of the Hong Kong Listing Rules and Section 311 of the TSX Company Manual. The Nominating and Corporate Governance Committee identifies director nominees who, in its best judgment, have high personal and professional integrity, who have demonstrated exceptional ability and sound judgment and who shall be effective in their services as a director, in conjunction with the other Board members, in order to serve the interests of the Shareholders. It does so after assessing the size, functions, composition and performance of the Board, the Board's committees, the Chairman, the chairman of each committee and individual directors. The Nominating and Corporate Governance Committee has concluded that the group of individuals proposed to the Shareholders is a highly skilled group, who will fulfill the needs of the Company and be able to serve the interests of the Shareholders.

All members comprising the committees of the Board to-date are independent non-executive directors. The Board continues to assess all relevant factors. A significant number of common shares are held by the Company's principal shareholder, China National Gold, and all directors of the Company have historically been re-elected by a majority of votes casted by shareholders. The Board is committed to implementing sound corporate governance and annually reviews the votes casted by shareholders to ensure that a majority of such votes are in favour of the elected directors

At the Meeting, Shareholders will be asked to pass an ordinary resolution setting the number of directors of the Company at nine (9), subject to any further increases permitted by the Company's Articles.

### **Majority Voting Policy**

On March 24, 2015, the Board adopted a Majority Voting Policy. The Majority Voting Policy requires that a nominee for director, who is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election, shall immediately tender a resignation. The Majority Voting Policy does not apply where an election of directors occurs at a contested meeting (being a meeting where the number of directors nominated for election is greater than the number of seats available on the Board). The Board will determine whether to accept the resignation within 90 days after the shareholders' 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. If a resignation is rejected, reasons for the rejection are to be set forth in the news release. If a resignation is accepted, the Board may leave the vacancy unfilled until the next annual general meeting, or fill the vacancy by appointing a new director whom the Board considers to merit the confidence of the Company's shareholders, or call a special meeting to consider a new nominee to fill the vacant position. 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.


### **Advance Notice Provisions**


On June 22, 2016, Shareholders approved the adoption of a new set of Articles of the Company which contain advance notice provisions (the "**Advance Notice Provisions**"). The Advance Notice Provisions require nominations for election of directors at meetings of Shareholders of the Company to be delivered (together with supporting documentation) sufficiently in advance of the meeting to enable the Company to reflect such nominations in its information circular for the meeting. This allows the Company (i) to facilitate an orderly and efficient annual general meeting or, where the need arises, special meeting process; (ii) ensure that all Shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.







Any additional director nominations for the Meeting must have been received by the Company no later than the close of business on May 28, 2018. No such nominations have been received as of the date of this information circular. If no such nominations are received by the Company prior to such date, management's nominees for election as directors set forth below will be the only nominees eligible to stand for election at the Meeting. See our Articles on SEDAR at [www.sedar.com](http://www.sedar.com) for the terms of our Advance Notice Provisions.



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

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Number of Options Held	Principal Occupation and Qualifications <sup>(6)</sup>
 <p><b>Xin Song</b> Beijing, PRC Age: 55 Executive Director and Chairman</p>	October 9, 2009	Nil	Nil	<p>Xin Song's principal occupations include Chairman of the Board of the Company since February 24, 2014 and chairman of China National Gold since January 2017. He has been Chairman of the Board of Zhongjin Gold Corporation Limited since February 2014, for which he served as a Director from March 2007 to February 2014; Director of CNGGHK since March 2008; Director of China Gold Hong Kong Holding Corp. Limited since August 2011; and Director of Mundoro Mining Inc. since October 2011. He was formerly Chief Executive Officer of the Company from October 9, 2009 to February 24, 2014; President of China National Gold from December 2013 to January 2017; Vice President of China National Gold in charge of resources development and international operations from 2003 to 2013; Chairman of the Board of Skyland Mining Limited from April 2008 to May 2015; and Chairman of the Board of Tibet Jia Ertong Mining Developments Co. Ltd. from April 2008 to February 2014.</p> <p>Xin Song holds a Ph.D. doctorate degree in resources economics and management from the University of Science and Technology Beijing, China, a master's degree in business administration from the China Europe International Business School, a master's degree in mining engineering from the University of Science and Technology in Beijing and a bachelor's degree in mineral processing engineering from the Central-South Institute of Mining and Metallurgy.</p>

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Number of Options Held	Principal Occupation and Qualifications <sup>(6)</sup>
 <p><b>Bing Liu</b> Beijing, PRC Age: 55 Executive Director and Chief Executive Officer</p>	May 12, 2008	Nil	Nil	<p>Bing Liu's principal occupations include Chief Executive Officer of the Company since February 2014 to present; Director and President of China National Gold since January 2017; Director of CNGGHK since March 2008; Director of China Gold Hong Kong Holding Corp. Limited since August 2011; and Director of Mundoro Mining Inc. since October 2011; Chairman of China National Gold Group Finance Company Limited from December 2014 to present; Chairman of the Board of Skyland Mining Limited since May 2015; Chairman of the Board of Tibet Jia Ertong Mining Development Co., Ltd. since February 2014; Vice Chairman and Director of Zhongjin Gold Corporation Limited since January 2017. He was formerly Vice President of China National Gold from November 1999 to January 2017; Chief Accountant of China National Gold from October 2006 to March 2016; Chairman of the Supervisory Committee of Zhongjin Gold Corporation Limited from May 2013 to January 2017; and Chairman of China Gold Reserve (Beijing) Investment Fund Limited from August 2011 to October 2016.</p> <p>Bing Liu holds a master's degree in Business Administration, Asia International Open University in Macau and holds a bachelor's degree in accounting from Capital University of Economics and Business and is a post-graduate of currency and banking of Graduate School of Chinese Academy of Social Science.</p>

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Number of Options Held	Principal Occupation and Qualifications <sup>(6)</sup>
 <p><b>Lianzhong Sun</b> Beijing, PRC Age: 59 Non-Executive Director</p>	February 24, 2014	Nil	Nil	<p>Lianzhong Sun's principal occupations include Vice President of China National Gold in charge of resource development from February 2011 to present; Director of CNGGHK since February 2014; Chairman of the board of Kichi-chaarat closed Joint Stock Company from February 2012 to January 2018; Director of China Gold Hong Kong Buchuk Mining Company Limited since May 2015; Chairman of the board of Huatailong from June 2010 to February 2012.</p> <p>Mr. Sun formerly served as Vice President of Zhongjin Gold Corporation Limited from March 2005 to January 2009; and Chairman of Soremi Investments Limited from February 2014 to January 2018.</p> <p>Mr. Sun graduated from Shenyang Gold Institute and majored in Mining Engineering.</p>
 <p><b>Liangyou Jiang</b> Beijing, PRC Age: 52 Executive Director and Senior Executive Vice President</p>	October 23, 2014	Nil	Nil	<p>Mr. Jiang's principal occupations include Senior Executive Vice President of the Company since August 2014; Director of Tibet Jia Ertong Mining Development Co. Ltd. since August 2014; Director of Skyland Mining Limited since October 2014; Director of China Gold Hong Kong Buchuk Mining Company Limited since May 2015; Chairman of China Gold Hong Kong Buchuk Mining Company Limited since October 2017; General Manager and Director of China Gold Hong Kong Buchuk Mining Company Limited since May 2015; Chairman of Zhongji Mining since May 2015; Chairman of Sino Mining Guizhou Pty since June 2017; Chairman of Soremi Investments Limited since January 2018; Director of China Gold Hong Kong Holding since January 2015; Director of Mundoro Mining Inc. since August 2014; General Engineer of China National Gold since August 2014; Head of Engineering Management Division of the Investment Management Department of China National Gold since September 2007. He was formerly Manager of the Investment Management Department of China National Gold from February 2008 to February 2013; and Chairman of Huatailong from February 2012 to August 2014.</p> <p>Mr. Jiang is a Senior Professional Engineer, holds a Bachelor's Degree in mineral processing from Northeastern University.</p>

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Number of Options Held	Principal Occupation and Qualifications <sup>(6)</sup>
 <p><b>Ian He</b> <sup>(2)(3)(4)(5)</sup> British Columbia, Canada Age: 56 Independent Non-Executive Director</p>	May 31, 2000	150,000	Nil	<p>Ian He's principal occupations include President and Director of Tri-River Ventures Inc. since July 2007 and October 2006, respectively; Director of SouthGobi Resources Ltd. since May 2017; Director of Zhongrun Resources Investment Corporation since December 2010; Chairman and Director of Vatukoula Gold Mines since April 2013 and February 2013, respectively. Mr. He was formerly Director of Jiulian Resources Inc. from October 2006 to November 2015; Director of Dolly Varden Silver Corp. from July 2013 to September 2015; and Managing Director and General Manager of Yichang Mapleleaf Chemicals Inc. from November 2003 to June 2006 and from March 2012 to October 2016.</p> <p>Ian He holds a Ph.D. degree and a M.A.Sc. degree from the Department of Mining Engineering of the University of British Columbia and a bachelor's degree from the Heilongjiang Institute of Mining and Technology, China.</p>
 <p><b>Yunfei Chen</b> <sup>(2)(3)(4)(5)</sup> Hong Kong, PRC Age: 47 Independent Non-Executive Director</p>	May 12, 2008	Nil	Nil	<p>Yunfei Chen's principal occupations include acting as an Independent Advisor from August 2007 to present; and independent Director of Dongfeng Motor Group Company Limited since since October 2013.</p> <p>Yunfei Chen graduated from Southern Illinois University, Carbondale, with a juris doctor degree and is qualified to practice law in New York. Mr. Chen obtained a bachelor of law degree in China.</p>
 <p><b>Gregory Hall</b> <sup>(2)(3)(4)(5)</sup> Western Australia, Australia Age: 68 Independent Non-Executive Director</p>	October 9, 2009	Nil	Nil	<p>Gregory Hall's principal occupations include acting as an Independent Geological Consultant from August 2006 to present; Director of Montero Mining and Exploration Limited since January 2010; Director of Zeus Resources Ltd. since August 2010; Director of Dateline Resources since January 2015; Director of three private companies including Oryx Mining and Exploration Limited, Central Exploration Limited and Golden Phoenix International Pty. Ltd.</p> <p>Gregory Hall holds a Bachelor of Science degree in applied geology from the University of New South Wales, Australia.</p>

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Number of Options Held	Principal Occupation and Qualifications <sup>(6)</sup>
 <p><b>John King Burns</b> <sup>(2)(3)(4)(5)</sup>  Pennsylvania, USA  Age: 67  Independent Non-Executive Director</p>	October 27, 2009	Nil	Nil	<p>John King Burns' principal occupations include serving as a Director of several public and private mineral and energy companies from 1995 to present; Chairman and Lead Director of Jaxon Mining Corp. since May 2017; independent Director and Chairman of the Audit Committee of Simba Essel Energy Inc. since September 2009.</p> <p>John King Burns holds a Bachelor of Arts degree in economics from the University of Pennsylvania.</p>
 <p><b>Xiangdong Jiang</b>  British Columbia, Canada  Age: 59  Non-Executive Director and former Vice President of Production</p>	June 17, 2010	38,800	Nil	<p>Xiangdong Jiang's principal occupations include Vice President of Production of the Company from March 24, 2009 to March 31, 2017, Director of Inner Mongolia Pacific Mining Co. Ltd. from September 2008 to September 2017, General Manager of the CSH Mine from August 2007 to March 31, 2017.</p> <p>Xiangdong Jiang holds a bachelor's degree in Geology and Mineral Exploration from Changchun College of Geology.</p>

Notes:

- (1) As of the Latest Practicable Date.
- (2) Denotes a member of the Audit Committee.
- (3) Denotes a member of the Compensation and Benefits Committee.
- (4) Denotes a member of the Nominating and Corporate Governance Committee.
- (5) Denotes a member of the Health, Safety and Environmental Committee.
- (6) As of the Latest Practicable Date, none of the proposed directors of the Company held any other positions with the Company or its subsidiaries or had any other major appointments or professional qualifications. For information regarding the other public company directorships of the proposed directors including their former directorships in the previous three years, see "Schedule A – Corporate Governance Disclosure – Board of Directors." As of the Latest Practicable Date, none of the proposed directors of the Company had any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Hong Kong Listing Rules), except as disclosed in "Schedule A – Corporate Governance Disclosure – Board of Directors."

### Re-election of Independent Directors

The Board has assessed the independence of each of the proposed independent non-executive director nominees with reference to the criteria affecting independence as set out in Rule 3.13 of the Hong Kong Listing Rules and Section 311 of the TSX Company Manual. Each of Ian He, Yunfei Chen, Gregory Hall and John King Burns has confirmed his independence accordingly.

Ian He has served on the Board for more than 17 years. Accordingly, particular consideration was applied in assessing his continued independence. Taking into account that Ian He (i) does not hold more than 1% of the total issued share capital of the Company, (ii) save for the Shares and/or options of the Company held by him, has no past or present financial or other interest in the Group's business, (iii) has no connection with any of the Company's connected persons (as defined in the Hong Kong Listing Rules) and (iv) is free from any business or other relationship which could materially interfere with the exercise of his independent

judgment, the Board believes that Ian He remains independent and will continue to provide a strong independent element on the Board. Ian He holds a Master's Degree in Applied Science and a Ph.D. in metallurgy and has extensive experience in the mining industry including serving as director of several public companies. The Board believes that Ian He's continued service on the Board will be valuable to the Company and accordingly, the Board recommends that Ian He be re-elected as an independent non-executive director.

Furthermore, taking into account that each of Yunfei Chen, Gregory Hall and John King Burns (i) does not hold more than 1% of the total issued share capital of the Company, (ii) save for the options of the Company held by him, has no past or present financial or other interest in the Group's business, (iii) has no connection with any of the Company's connected persons (as defined in the Hong Kong Listing Rules) and (iv) is free from any business or other relationship which could materially interfere with the exercise of his independent judgment, the Board believes that Yunfei Chen, Gregory Hall and John King Burns remain independent and will continue to provide strong independent elements on the Board. Yunfei Chen is a legal practitioner with a broad range of experience both in Asia and in the U.S. including mining industry experience and experience as an investment banker. Gregory Hall is a seasoned geologist with extensive experience working with global mining companies. John King Burns has extensive experience in the global resource sector and serves as a director of several public and private mineral and energy companies. The Board believes that the continued service of Yunfei Chen, Gregory Hall and John King Burns on the Board will be valuable to the Company. The Board recommends that each of Yunfei Chen, Gregory Hall and John King Burns be re-elected as an independent non-executive director.

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

Gregory Hall, a director of the Company, was a director of Colossus Minerals Inc. ("**Colossus**") (TSX:CSI) from March 2008 to December 30, 2013. On January 14, 2014, Colossus announced a notice of intention to make a proposal under the Bankruptcy and Insolvency Act to enable Colossus to pursue a sale and restructuring with the benefit of creditor protection. Colossus's common shares were suspended from trading by the TSX. On January 21, 2014, the TSX decided to delist Colossus common shares and all other listed securities on February 21, 2014. The securities of Colossus will remain suspended in the interim.

Mr. Hall, is also a non-executive director of Zeus Resources Limited ("**Zeus**") (ASX:ZEU), and a director of Kalium Corporation Pty Ltd., a wholly owned subsidiary of Zeus. Kalium was placed into creditor liquidation on November 8, 2013.

Y.B. Ian He, a director of the Company, is 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.

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

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

To the knowledge of the Company, apart from Mr. Hall's disclosure above, 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 subject to or

instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

### Individual Bankruptcies

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

### Penalties or Sanctions

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

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, 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 to this information circular.

## DIRECTORS AND OFFICERS INSURANCE

The Company has purchased directors and officers liability insurance with aggregate coverage in the amount of US\$50,000,000. The aggregate premium for the insurance coverage was US\$124,000 and the coverage has a deductible of US\$50,000 per claim except for securities claims which have a deductible of US\$100,000.

## 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, 2017, 2016 and 2015 to its Chief Executive Officer, Chief Financial Officer, and each of the individuals who at December 31, 2017 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, 2017:

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\$)			
Bing Liu <sup>(2)</sup> Chief Executive Officer	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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\$)			
Derrick Zhang Chief Financial Officer	2017	\$159,946	Nil	Nil	Nil	Nil	Nil	Nil	\$159,946
	2016	\$142,843	Nil	Nil	Nil	Nil	Nil	Nil	\$142,843
	2015	\$140,853	Nil	Nil	Nil	Nil	Nil	Nil	\$140,853
Liangyou Jiang Senior Executive Vice-President	2017	\$129,616	Nil	Nil	Nil	Nil	Nil	Nil	\$129,616
	2016	\$56,769	Nil	Nil	Nil	Nil	Nil	Nil	\$56,769
	2015	\$72,921	Nil	Nil	Nil	Nil	Nil	Nil	\$72,921
Jerry Xie Executive Vice President and Corporate Secretary	2017	\$174,281	Nil	Nil	Nil	Nil	Nil	Nil	\$174,281
	2016	\$167,031	Nil	Nil	Nil	Nil	Nil	Nil	\$167,031
	2015	\$165,712	Nil	Nil	Nil	Nil	Nil	Nil	\$165,712
Songlin Zhang Senior Mine Manager	2017	\$313,478	Nil	Nil	Nil	Nil	Nil	Nil	\$313,478
	2016	\$292,204	Nil	Nil	Nil	Nil	Nil	Nil	\$292,204
	2015	\$278,132	nil	nil	nil	nil	nil	Nil	\$278,132

Notes:

- (1) Bing Liu was appointed as Chief Executive Officer on February 24, 2014. Bing Liu does not receive any compensation from the Company for his role as Chief Executive Officer.
- (2) 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, 2017 and are therefore not included in "All Other Compensation" as permitted under Canadian securities laws.

## LONG-TERM INCENTIVE PLAN ("LTIP") AWARDS

The Company does not have a LTIP pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company's securities) was paid or distributed to any Named Executive Officers during the financial year ended December 31, 2017.

## 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, 2017:

## Incentive Plan Awards – value vested or earned during 2017

There are no outstanding incentive plan awards held by any of the Named Executive Officers of the Company as of December 31, 2017.



## 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 Bing Liu, who does not receive any compensation for acting as Chief Executive Officer, and Liangyou Jiang, who has been effectively seconded to the Company by its major shareholder, China National Gold. Under employment contracts with the Named Executive Officers, the Named Executive Officers may terminate their employment on notice to the Company. In the case of Derrick Zhang, Jerry Xie and Songlin Zhang, one month's notice is required. In the case of Liangyou Jiang, the Company has a strong working relationship with China National Gold and would terminate employment through that relationship.

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

Songlin Zhang resigned from the Company effective May 7, 2018 so his employment contract has been terminated.

## COMPENSATION OF DIRECTORS

### Compensation of Directors Table

The Company paid the following compensation to its directors during the financial year ended December 31, 2017:

Name <sup>(1)</sup>	Fees Earned (US\$) <sup>(2)</sup>	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	Pension value (US\$)	All other compensation	Total (US\$)
Xin Song	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Lianzhong Sun	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Xiangdong Jiang	\$35,887	Nil	Nil	Nil	Nil	Nil	\$35,887
Ian He <sup>(2)</sup>	\$54,000	Nil	Nil	Nil	Nil	Nil	\$54,000
Yunfei Chen <sup>(2)</sup>	\$45,900	Nil	Nil	Nil	Nil	Nil	\$45,900
Gregory Hall <sup>(2)</sup>	\$45,900	Nil	Nil	Nil	Nil	Nil	\$45,900
John King Burns <sup>(2)</sup>	\$45,900	Nil	Nil	Nil	Nil	Nil	\$45,900

Notes:

- (1) Information for Bing Liu and Liangyou Jiang is included in the Summary Compensation Table for Named Executive Officers and is not reported in the Director Compensation section of this information circular.
- (2) The Company paid US\$3,825 per month for acting as a director and for their roles on various committees of the Board. The Company paid the Chairman of its committees US\$4,500 per month for acting as a director and for his role as Chairman of the Company's committees. No other fixed compensation is paid to directors of the Company for acting as such, although the independent directors may be granted stock options from time to time. The directors are reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Save as disclosed herein, the Company does not have service contracts with its directors.

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

The Company's incentive stock option plan ceased to be in effect as at the end of December 31, 2015.

### Composition of the Compensation and Benefits Committee

During the year ended December 31, 2017, the Compensation and Benefits Committee was comprised of Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Compensation and Benefits Committee. The members of the Compensation and Benefits Committee are all independent non-executive directors and each member has had previous experience working with the compensation practices and policies of other listed issuers in addition to their work on the Company's Compensation and Benefits Committee. For information regarding the responsibilities, powers and operation of the

Compensation and Benefits Committee, see “Schedule A – Corporate Governance Disclosure – Compensation.”

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

## **Compensation Discussion and Analysis**

### *Compensation Committee and Compensation Philosophy*

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

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

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

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

- (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 present stage of development of the Company's business.

The criteria upon which these recommendations are based has, in the earlier stages of the Company's development, tended to be subjective and has reflected the Company's views as to the nature and value of the contributions made by its executive officers to the achievement of the Company's corporate plans and objectives.

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

### *How the Company makes Compensation Decisions*

The Compensation and Benefits Committee reviews levels of cash compensation on an ad hoc basis, and at least annually, and makes recommendations to the board of directors to adjust cash compensation in

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

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

#### *Elements of Total Compensation*

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

- (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.

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

#### *Salary Compensation*

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

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

For the 2017 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 its Named Executive Officers; however, certain stock options remain outstanding under the Company's prior equity incentive plan. For more information, see "Securities Authorized for Issuance under Equity Compensation Plans".

The Company does not maintain a pension plan or other long-term compensation plan for its Named Executive Officers.

For the 2017 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, 2017 no fees were billed by any consultant or advisor for services related to determining compensation for any of the Company's directors and executive officers.

#### *Future Compensation Program*

The Company does not expect to change its compensation program in any significant way for the 2018 year.

#### *Compensation Risk Management*

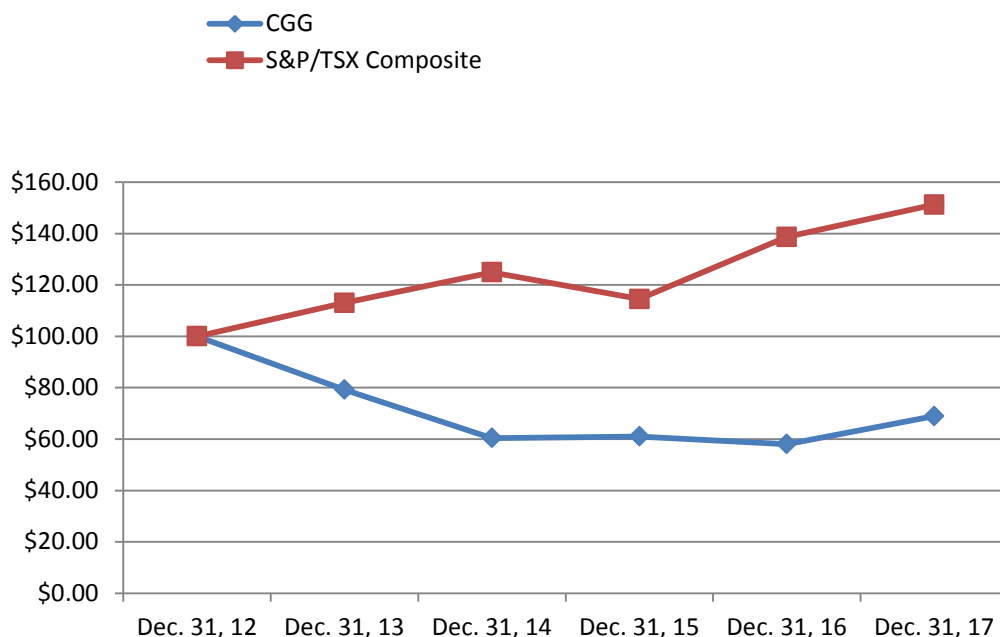
The Board has considered the implications of the risks associated with the Company's compensation policies and practices. The Board has ultimate oversight of the risks associated with the Company's compensation policies and practices, and carefully reviews the risks associated with the Company's compensation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

#### *Financial Instruments*

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

## Performance Graph

The following graph and table compares the cumulative total shareholder return on a Cdn\$100 investment in common shares of the Company on December 31, 2012 against the cumulative total shareholder return of the S&P/TSX Composite Index for the five most recently completed financial periods of the Company, assuming the reinvestment of all dividends. For a discussion of the relationship between compensation paid to executive officers and shareholder returns, see “Compensation Discussion and Analysis – Elements of Total Compensation”.



Cdn\$						
	Dec. 2012	Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017
China Gold International Resources Corp. Ltd.	100.00	79.18	60.41	61.00	58.06	68.91
S&P/TSX Composite Index	100.00	112.99	124.92	114.53	138.67	151.28

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

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The Company’s incentive stock option plan ceased to be in effect as at the end of December 31, 2015. All unexercised options granted to the Company’s directors thereunder have expired.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company’s directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or its subsidiaries, or to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or

other similar arrangement or understanding provided by the Company or any of its subsidiaries at any time since the beginning of the most recently completed financial year, and none of the foregoing persons, nor any current or former employees or former directors and executive officers, are indebted to the Company or any of its subsidiaries as at the date of this information circular.

### **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 percent of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by an underwriter as such in the course of a distribution; and
- (d) the Company if it has acquired any of its securities, for so long as it holds any of its securities.

### **COMPETING INTERESTS**

As of the Latest Practicable Date, other than the directorships and management roles of the proposed directors of the Company in other gold and other mineral mining companies as disclosed in paragraph 1 of "Schedule A – Corporate Governance Disclosure – Board of Directors", none of the proposed directors of the Company 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, 2017 (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 – Board of Directors", 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 were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2017 (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, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened by or against any member of the Group.

## SERVICE CONTRACTS

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

## DISCLOSURE OF INTERESTS

Other than as disclosed below, the Directors and chief executive officer of the Company are not aware of any other person who, as of the Latest Practicable Date, had an interest or short position in the Shares, convertible securities, warrants, options or derivatives of the Company, the underlying shares of the Company which would 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
China National Gold Group Corporation <sup>(1)</sup>	Indirect	155,794,830 <sup>(1)</sup>	39.3%
China National Gold Group Hong Kong Limited	Registered Owner	155,794,830	39.3%

Note:

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

## OTHER DISCLOSURE

Save as disclosed in pages 6-9 herein, each of the proposed Directors and the chief executive officer of the Company does 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, each of the proposed directors does not hold any other position with the Company or its subsidiaries, nor has any other directorships in other listed public companies and no director has any other relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Hong Kong Listing Rules). For information regarding the other public company directorships of the proposed directors, see "Schedule A – Corporate Governance Disclosure – Board of Directors." For information regarding the relationship between certain proposed directors and China National Gold see "Schedule A – Corporate Governance Disclosure – Board of Directors."

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

## APPOINTMENT OF AUDITORS

Deloitte Touche Tohmatsu will be nominated at the Meeting for re-appointment as auditors of the Company to hold office until the next annual general meeting of Shareholders with their remuneration to be fixed by

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

## **MANAGEMENT CONTRACTS**

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

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

In addition to the election of the directors and other matters disclosed elsewhere in this information circular, the board of directors is proposing that the Shareholders consider and vote upon the following matters at the Meeting:

### **Share Repurchase Mandate**

The existing general mandate to repurchase common shares of the Company granted to the Board at the annual general and special meeting held on June 28, 2017 will expire upon the conclusion of this Meeting.

An ordinary resolution will be proposed at the Meeting to seek the approval of the Shareholders to grant a general and unconditional mandate to the board of directors of the Company to repurchase Shares up to a maximum of 10% of the aggregate 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 to this information circular.

### **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 28, 2017 will expire upon the conclusion of this Meeting.

An ordinary resolution will be proposed at the Meeting to seek the approval of the Shareholders to grant a general and unconditional mandate to the Board 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 of directors consider appropriate. If the resolution is passed, in the event that the Share Issue Mandate is exercised in full (on the basis of 396,413,753 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**”).

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



**RESOLVED**, as an ordinary resolution:

**A. "THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the board of directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional Shares in the share capital of the Company or securities convertible into such Shares or options, warrants, or similar rights to subscribe for any such Shares or such convertible securities and to make or grant offers, agreements and options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws be and is hereby generally and unconditionally approved;
- (b) the approval of paragraph (a) of this resolution shall authorize the board of directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company which may be allotted or conditionally or unconditionally agreed to be allotted (whether pursuant to an option or otherwise), issued or otherwise dealt with by the board of directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription or conversion rights attaching to any securities or warrants which may be issued by the Company or any securities which are convertible into common shares of the Company from time to time or (iii) the exercise of options granted under the stock option plan of the Company or similar arrangement from the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of common shares or rights to acquire common shares of the Company or (iv) any issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of the Company in force from time to time, shall not exceed 20% of the aggregate 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 of directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the board of directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company)."

**B. "THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the board of directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase securities of the Company on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), the Toronto Stock Exchange, or on any other

stock exchange on which the securities of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange for this purpose (the "Recognized Stock Exchange"), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange or on the Toronto Stock Exchange or any other Recognized Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the Shares 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 of directors of the Company 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 of the Company as at the date of passing of this resolution."

## **THE PROPOSED MATTERS**

### **OTHER BUSINESS**

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

### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during local normal business hours up to and including June 12, 2018 Vancouver time 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:

1. Articles of the Company currently in force; and
2. the Company's annual reports for the three years ended December 31, 2015, 2016 and 2017.

## **ADDITIONAL INFORMATION**

Additional information about the Company is located on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative annual financial statements and Management's Discussion and Analysis for the most recently completed financial year ended December 31, 2017. 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, who is a Professional Engineer with APEGGA, 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 of the Company at nine (9), to elect each of the nominated directors, to re-appoint Deloitte Touche 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 are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favor of the relevant resolutions at the Meeting.

## **RESPONSIBILITY STATEMENT**

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

**DATED** at Vancouver, British Columbia, this 23<sup>rd</sup> day of May, 2018.

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

\_\_\_\_\_  
(signed) "Jerry Xie"

Jerry Xie  
Executive Vice President and Corporate Secretary

*As of the date of this information circular the executive directors are Xin Song, Bing Liu and Liangyou Jiang, the non-executive directors are Lianzhong Sun and Xiangdong Jiang, and the independent non-executive directors are Ian He, Yunfei Chen, Gregory Hall and John King Burns.*

**SCHEDULE A**  
**FORM 58-101F1**  
**CORPORATE GOVERNANCE DISCLOSURE**

**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 directors that, at the date of this Information Circular, four of the nine nominees as members of the Board are “independent” for the purposes of NI 52-110. The Company has determined that Ian He, Yunfei Chen, Gregory Hall and John King Burns are independent non-executive directors and have no material connection to the Company, other than as directors.

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

The Board has determined that Xin Song, Bing Liu, Liangyou Jiang, Lianzhong Sun and Xiangdong Jiang are not independent of the Company. Xin Song is not considered independent of the Company because of his role as an officer of China National Gold, the Company’s controlling shareholder and his role as a former senior officer of the Company within the previous three years. Bing Liu and Liangyou Jiang are not considered independent of the Company because of their roles as officers of China National Gold and as senior officers of the Company. Lianzhong Sun is not considered independent of the Company because of his role as an officer of China National Gold. Xiangdong Jiang is not considered independent of the Company because of his former role as a senior officer of the Company up to March 31, 2017.

- (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.

The Board has determined that four of its nine directors are independent. The Board believes that its current size and composition results in balanced representation among management and non-management directors and enables the independent non-executive directors to adequately facilitate the exercise of independent supervision over management. The Company’s Nominating and Corporate Governance Committee is composed entirely of independent non-executive directors and monitors the disclosure of conflicts of interest by the directors and ensures that no director votes on a matter in respect of which he has a material interest. The Company’s Nominating and Corporate Governance Committee will continue to examine the size and composition of the Board and recommend adjustments from time to time to ensure that the Board continues to be of a size that facilitates effective decision-making.

- (d) If a director is presently 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.

<b>Name of Director</b>	<b>Other reporting issuer (or equivalent in a foreign jurisdiction)</b>
Xin Song	Zhongjin Gold Corporation Limited (Shanghai Stock Exchange)
Bing Liu	Zhongjin Gold Corporation Limited (Shanghai Stock Exchange)
Lianzhong Sun	Zhongjin Gold Corporation Limited (Shanghai Stock Exchange)
Liangyou Jiang	---
Ian He <sup>(3)</sup>	SouthGobi Resources Ltd. (Toronto Stock Exchange and The Stock Exchange of Hong Kong Limited) Tri-River Ventures Inc. (TSX Venture Exchange) Jiulian Resources Inc. (TSX Venture Exchange) Zhongrun Resources Investment Corporation (Shenzhen Stock Exchange) Dolly Varden Silver Corp. (TSX Venture Exchange)
Yunfei Chen	DongFeng Auto (Hong Kong Stock Exchange)
Gregory Hall <sup>(1)</sup>	Great Boulder Resources Ltd. (Australian Securities Exchange ) Montero Mining and Exploration Limited (TSX Venture Exchange) Zeus Resources Ltd. (Australian Securities Exchange) Dateline Resources Ltd. (Australian Securities Exchange) The Agency Group Australia Ltd. (formerly Namibian Copper Limited) (Australian Securities Exchange)
John King Burns <sup>(2)</sup>	Jaxon Mining Corp. (TSX Venture Exchange) Simba Energy Inc. (TSX Venture Exchange) Urban Select Capital Corporation (TSX Venture Exchange)
Xiangdong Jiang	---

Notes:

- (1) Gregory Hall was a former director of Colossus Minerals Inc. (Toronto Stock Exchange) and Pure Gold Mining Inc. (formerly Laurentian Goldfields Ltd.) (TSX Venture Exchange) in the previous three years.
- (2) John King Burns was former director of NovaDx Ventures Corp. (TSX Venture Exchange), Corazon Gold Corp. (TSX Venture Exchange, Titan Goldworx Resources (CNSX) and Dolly Varden Silver Corporation (TSX Venture Exchange) in the previous three years.
- (3) Ian He was a former director of Huaxing Machinery Corp. (TSX Venture Exchange)

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

Although the independent non-executive directors 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. The independent non-executive directors held 4 (four) meetings in 2017. In addition, each of the Board committees is composed entirely of independent non-executive directors and the independent non-executive directors and Board committee members attended four (4) meetings of the Audit Committee, one (1) meeting of the Nominating and Corporate Governance Committee,

one (1) meeting of the Compensation and Benefits Committee and one (2) meetings of the Health, Safety and Environmental Committee in 2017. Since the end of the most recently completed financial year the independent non-executive directors have held an in-camera session at each Board meeting during which session non-independent directors and members of management do not attend.

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

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

Mr. Song currently serves as Chairman of the Board and is not an independent non-executive director. At present, the Chairman of the Audit Committee acts as the de facto lead independent director and liaises with management and non-independent directors regarding relevant matters. The de facto lead independent director is also responsible for chairing discussions among the Company's independent directors and ensuring that the Board is able to function independently of management.

- (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, 2017:

Name of Director	Number of Board Meetings Attended	Number of Board Meetings Held
<b>Executive Directors</b>		
Xin Song	4	4
Bing Liu	4	4
Liangyou Jiang	4	4
<b>Non-Executive Directors</b>		
Lianzhong Sun	2	4
Xiangdong Jiang	4	4
<b>Independent Non-Executive Directors</b>		
Ian He	4	4
Yunfei Chen	4	4
Gregory Hall	4	4
John King Burns	4	4

## 2. Board Mandate

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

### CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

#### BOARD MANDATE

The Board of Directors (the "**Board**") of China Gold International Resources Corp. Ltd. (the "**Company**") shall have the oversight responsibility, authority and specific duties as described below.

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

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

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

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

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

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

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

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

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

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

This Mandate will be reviewed periodically by the Board of Directors of the Company and supplemented as required from time to time.

### **The Roles of the Board of Directors**

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

1. Approving the issuance of any securities of the Company.
2. Approving the incurrence of any debt by the Company outside the ordinary course of business.
3. Reviewing and approving the annual and quarterly capital and operating budgets.
4. Reviewing and approving major deviations from the capital and operating budgets.
5. Approving the annual financial statements and quarterly financial statements, including the Management Discussion & Analysis, information circulars, annual information forms, annual reports, offering memorandums and prospectuses.
6. Approving material investments, dispositions and joint ventures, and approving any other major initiatives outside the scope of approved budgets.
7. Reviewing and approving the Company's strategic plans, adopting a strategic planning process and monitoring the Company's performance.
8. Reviewing and approving the Company's incentive compensation plans.
9. Determining the composition, structure, processes, and characteristics of the Board and the terms of reference of committees of the Board, and establishing a process for monitoring the Board and its directors on an ongoing basis.
10. Appointing a Nominating and Corporate Governance Committee, an Audit Committee, a Compensation and Benefits Committee and other Board Committees and delegating to any such committees powers of the Board as appropriate and legally permissible.
11. Nominating the candidates for the Board to the Shareholders, based on recommendations from the Nominating and Corporate Governance Committee.
12. Ensuring an appropriate orientation and education program for new directors is provided.
13. Determining whether individual directors meet the requirements for independence under applicable regulatory requirements.



14. Monitoring the ethical conduct of the Company and ensuring that it complies with applicable legal and regulatory requirements.
15. Ensuring that the directors that are independent of management have the opportunity to meet regularly.
16. Reviewing this Mandate and other Board policies and terms of reference for Committees in place from time to time and propose modifications as applicable.
17. Appointing and monitoring the performance of senior management, formulating succession plans for senior management and, with the advice of the Compensation and Benefits Committee, approving the compensation of senior management.
18. Ensuring policies and processes are in place for identifying principal business risks and opportunities for the Company, addressing the extent to which such risks are acceptable to the Company, and ensuring that appropriate systems are in place to manage risks.
19. Ensuring policies and processes are in place to ensure the integrity of the Company's internal control, financial reporting and management information systems.
20. Ensuring appropriate policies and processes are in place to ensure the Company's compliance with applicable laws and regulations, including timely disclosure of relevant corporate information and regulatory reporting.
21. Exercising direct control during periods of crisis.
22. Serving as a source of advice to senior management, based on directors' particular backgrounds and experience.

### **Organization of the Board of Directors**

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

**Committees:** The Company has an Audit Committee, a Nominating and Corporate Governance Committee, 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 independent non-executive directors also have the opportunity to meet separate from management. Management also communicates informally with members of the Board on a regular basis, and solicits the advice of Board members falling within their specific knowledge and experience. Each director shall review all Board meeting materials in advance of each meeting and shall make all reasonable efforts for attendance at all Board and Board Committee meetings.

### **3. Position Descriptions**

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

The Board does not have written position descriptions for the Chair of the Board or of the committees. For each such position, the Chair assumes a leadership role over the relevant organization (Board or committee, as applicable) within the bounds of authority identified in the applicable Board mandate or committee charter, as applicable, including the setting of agenda items at meetings and 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 CEO and the CFO. 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 Company's directors, the Nominating and Corporate Governance Committee: (i) periodically canvasses the directors to determine their training and education needs and interests; (ii) arranges ongoing visitation by the directors to the Company's facilities and operations; (iii) arranges funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Company and (iv) encourages and facilitates presentations by outside experts to the Board and its committees on matters of importance.

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

To facilitate ongoing education of the Company's directors, the Nominating and Corporate Governance Committee: (i) periodically canvasses the directors to determine their training and education needs and interests; (ii) arranges ongoing visitation by the directors to the Company's facilities and operations; (iii) arranges funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Company and

(iv) encourages and facilitates presentations by outside experts to the Board and its committees on matters of importance.

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

## **5. Ethical Business Conduct**

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

The Company has adopted a Code of Business Conduct and Ethics applicable to its directors, officers and employees. The 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 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.

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

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

## **6. Nomination of Directors**

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

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

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

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

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

The responsibilities of the Nominating and Corporate Governance Committee include developing the Company's approach to corporate governance, making recommendations to the Board 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 presently composed entirely of independent non-executive directors 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 independent non-executive directors for acting in such capacity. Ian He receives Cdn\$4,500 per month for acting as independent non-executive director and Chairman of the Board committees and Yunfei Chen, Gregory Hall and John King Burns each receive Cdn\$3,825 per month for acting as independent

non-executive directors. In addition to their cash compensation, the independent non-executive directors may be granted stock options from time to time. No fees or commissions are paid to those directors that are not independent and no grants of stock options are permitted to such directors. The directors are reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

- (b) Disclose whether or not the Board has a compensation committee composed entirely of independent non-executive directors. If the Board does not have a compensation committee composed entirely of independent non-executive directors, 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. All members of the Compensation and Benefits Committee are independent non-executive directors.

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

The responsibilities of the Company's Compensation and Benefits Committee include: (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.

## **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 Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Audit Committee.

Information concerning the Audit Committee of the Company, as required by National Instrument 52-110, is provided in the Company's Annual Information Form for the year ended December 31, 2017 located under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Compensation and Benefits Committee**

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

The members of the Compensation and Benefits Committee are Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Compensation and Benefits Committee. For more information on the Compensation and Benefits Committee see "*Compensation Discussion and Analysis*".

### **Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board 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 board of directors pursuant to the TSX requirements of listed companies. The policy states that should a board 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 Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Nominating and Corporate Governance Committee.

### **Health, Safety and Environmental Committee**

The Health, Safety and Environmental Committee is responsible for assisting the board of directors in its oversight responsibilities relating to the development, implementation and evaluation by management of

the Company's health, safety and environmental objectives and social responsibility programs and for monitoring compliance with applicable health, safety and environmental laws and regulations.

The members of the Health, Safety and Environmental Committee are Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He serves as Chairman of the Health, Safety and Environmental Committee.

## **9. Assessments**

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

The Nominating and Corporate Governance Committee 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.

During 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 diversity policy was implemented in March 2014. There are no measurable objectives for achieving diversity at this time.

**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 its Diversity Policy, the Board considers diversity, including gender diversity, in the selection criteria of new Board members.

**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 Company's Board currently does not have any members who are women. IMP has one woman on its board, representing 25% of the board; and Skyland Mining (BVI) has three women on its board, representing 60% of the board.

- (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.

None of the Company's executive officers are women.

## **SCHEDULE B**

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

### **EXPLANATORY STATEMENT SHARE REPURCHASE MANDATE**

This Schedule serves as an explanatory statement, as required by the Hong Kong Listing Rules, to provide requisite information to the Shareholders for their consideration of the Share Repurchase Mandate.

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

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

#### **SHARE CAPITAL**

As of the Latest Practicable Date, the issued and outstanding share capital of the Company comprised of 396,413,753 fully paid up common Shares. Subject to the passing of the repurchase resolution and on the basis that no further shares are issued or repurchased prior to the Meeting, the Company would be allowed to repurchase up to a maximum of 39,641,375 fully paid up common shares under the Share Repurchase Mandate during the Relevant Period, 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, 2017 (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 Company's shares have been traded on the Hong Kong Stock Exchange during each of the following months preceding the issue of this information circular were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
May	12.7	11.86
June	12.16	11.18
July	12.28	11.4
August	14.86	11.72
September	16.54	12.76
October	13.74	12.5
November	13.64	12.32
December	13.96	12.02
2018		
January	16.16	14.76
February	18.54	13.4
March	18.98	16.04
April	17.2	15.7
May (up to the Latest Practicable Date)	16.56	14.96

## 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 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, China National Gold, through its wholly owned subsidiary, CNGGHK, held 155,794,830 Shares, representing 39.3% of the outstanding shares of the Company. On the basis that no further Shares are issued or repurchased prior to the Meeting and in the event that the Board exercises in full the power to repurchase Shares pursuant to the Share Repurchase Mandate, the shareholding interest held by China National Gold (through CNGGHK) would be increased to approximately 43.67% 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:

“AGM” or the “Meeting”	the annual general meeting and special meeting of the Company to be held on Wednesday, June 27, 2018 at 10:00 am in Vancouver, British Columbia, Canada (Thursday, June 28, 2018 Hong Kong time), to consider and, if appropriate, to approve the matters set out in this information circular, or any adjournment thereof;
“Board”	the board of Directors;
“Cdn”	Canadian dollars, the lawful currency of Canada;
“China National Gold”	China National Gold Group Co., Ltd. (formerly, China National Gold Group Corporation), the ultimate controlling shareholder of the Company currently holding approximately 39.3% of the issued share capital of the Company through China National Gold Hong Kong Limited, its wholly-owned subsidiary;
“CNGGHK”	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;
“connected person(s)”	has the same meaning ascribed thereto under 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;
“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 People’s Republic of China;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“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 Mining Development Co., Ltd., its wholly-owned subsidiaries;
“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, China. Jiama 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 Huatailong;
“Latest Practicable Date”	May 23, 2018, being the latest practicable date before printing of this information circular for ascertaining information contained herein;
“PRC”	the People’s Republic of China, excluding, for the purpose of this information circular only, Hong Kong, Macau Special Administrative Region of the PRC, and Taiwan;
“Record Date”	May 7, 2018 Vancouver time (being May 8, 2018 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, Laws of Hong Kong);
“Shareholder(s)”	holder(s) of Share(s);
“Share(s)”	share(s) of the Company;
“Toronto Stock Exchange” or “TSX”	The Toronto Stock Exchange of Toronto, Canada;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Zhongjin Gold Corporation”	Zhongjin Gold Corporation Limited is a limited liability company incorporated in the PRC with its shares listed on the Shanghai Stock Exchange; and China National Gold holds approximately 50% of its issued shares; and
“%”	percent.