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

**中國黃金國際資源有限公司**

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

(Hong Kong Stock code: 2099)

(Toronto Stock code: CGG)

**ANNOUNCEMENT**

**CONTINUING CONNECTED TRANSACTIONS**

**Lease Contracts**

The Board wishes to announce that, on 30 December 2011, Inner Mongolia Pacific, a cooperative joint venture company controlled by the Company, has entered into two lease contracts with China Gold Beijing Property Management Center. These lease contracts are (a) the First Lease Contract in relation to the lease of the office premises which are currently used by the Beijing operating centre of the Group, for a term from 1 January 2011 to 31 December 2011 retrospectively, and (b) the Second Lease Contract in relation to the lease of the office premises to which the Beijing operating centre of the Group will be relocated, for a term from 1 January 2012 to 31 December 2012.

Both the Company and China Gold Beijing Property Management Center are ultimately controlled by China National Gold and therefore, China Gold Beijing Property Management Center is a connected person of the Company under the Hong Kong Listing Rules. The transactions contemplated under the Lease Contracts constitute continuing connected transactions which, based on the applicable percentage ratios, are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under the Hong Kong Listing Rules.

On 30 December 2011, Inner Mongolia Pacific, a cooperative joint venture company controlled by the Company, has entered into two lease contracts with China Gold Beijing Property Management Center. These lease contracts are (a) a lease contract with China Gold Beijing Property Management Center, in relation to the lease of office premises which is currently occupied by the Beijing operating centre of the Group, for a term from 1 January 2011 to 31 December 2011 retrospectively (the “**First Lease Contract**”); and

(b) a lease contract in relation to the lease of office premises to which the Beijing operating centre of the Group will be relocated, for a term from 1 January 2012 to 31 December 2012 (the “**Second Lease Contract**”, together with the First Lease Contract, the “**Lease Contracts**”). Details of the Lease Contracts are set out below:

### **FIRST LEASE CONTRACT**

Date: 30 December 2011

Subject Matter: Office premises situated at the main building and 4<sup>th</sup> Floor of the annex building of China Gold, No. 1 Liuyingongyuan, Nanjie, Dongcheng District, Beijing City, Beijing with an area of approximately 480 square meters. The office premises are currently used by the Beijing operating centre of the Group.

Term: The First Lease Contract will take effect retrospectively from 1 January 2011 to 31 December 2011.

Annual Rental Payment: RMB1,314,000 to be settled on or after 30 December 2011.

### **SECOND LEASE CONTRACT**

Date: 30 December 2011

Subject Matter: Office premises situated at 5<sup>th</sup> Floor, Comprehensive Business Building of China Gold, Andingmenwai Street, Dongcheng District, Beijing City, Beijing with an area of approximately 2,023 square meters. The Beijing operating centre of the Group will be relocated to such office premises.

Term: The Second Lease Contract will be effective from 1 January 2012 to 31 December 2012.

Annual Rental Payment: RMB6,719,395 to be settled on a quarterly basis, with each quarterly rental payment of RMB1,679,848.75 payable on 30 December 2011, 30 March 2012, 30 June 2012 and 30 September 2012, respectively.

### **ANNUAL CAPS**

The annual cap for the rental payment to be paid under the First Lease Contract for the period from 1 January 2011 to 31 December 2011 is RMB1,314,000, and the annual cap for the rental payment to be paid under the Second Lease Contract for the period from 1 January 2012 to 31 December 2012 is RMB6,719,395. The annual caps stated above have

been determined at an appropriate discount to the prevailing market rental payable for similar leases in the central business districts in Beijing.

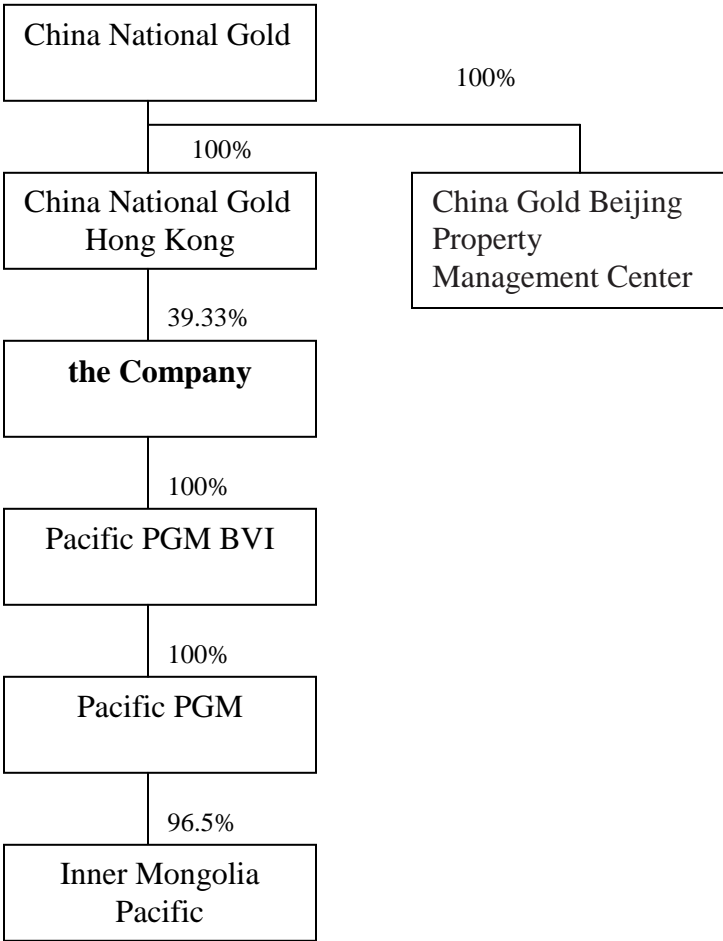
### **REASONS FOR AND BENEFITS OF THE LEASE CONTRACTS**

The office premises leased and to be leased by the Group from China Gold Beijing Property Management Center under the Lease Contracts are located in one of the central business districts in Beijing. The purpose of the Lease Contracts is to enable the Beijing operating centre of the Group to take advantage of the convenient location of such office premises to effectively carry on its administrative activities. The terms of the Lease Contracts have been arrived upon arm's-length negotiations between the parties thereto.

The Directors (including the independent non-executive Directors) consider that (a) the transactions under the Lease Contracts are entered into in the ordinary course of business of the Group; (b) the terms of the agreements are normal commercial terms which are fair, reasonable, and in the interests of the Group and the shareholders of the Company as a whole; and (c) the annual rental payable by the Group to China Gold Beijing Property Management Center under the respective Lease Contracts is fair and reasonable.

### **LISTING RULES IMPLICATIONS**

The following chart sets out the current shareholding relationship among China National Gold, the Company, Inner Mongolia Pacific and China Gold Beijing Property Management Center:



As shown above, (a) Inner Mongolia Pacific is a cooperative joint venture company controlled by the Company; and (b) both the Company and China Gold Beijing Property Management Center are ultimately controlled by China National Gold. As such, China Gold Beijing Property Management Center is a connected person of the Company by virtue of Rule 14A.11 of the Hong Kong Listing Rules and the transactions contemplated under the Lease Contracts constitute continuing connected transactions of the Group. Based on the applicable percentage ratios, the transactions contemplated under the Lease Contracts are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Mr. Sun Zhaoxue, Mr. Song Xin, Mr. Liu Bing and Mr. Wu Zhanming are considered to have a conflict of interest in the transactions under the Lease Contracts due to their senior management positions in China National Gold. They abstained from voting at the resolution in relation to the Lease Contracts proposed to the Board.

### **FURTHER INFORMATION ON THE PARTIES**

The Company is a gold and base metal mining company based in Vancouver, Canada. Its principal properties are the CSH Gold Mine located in Inner Mongolia, China and the Jiama Copper-Gold Polymetallic Mine, located in Tibet, China. The Company commenced gold production at the CSH Gold Mine in July 2007 and commenced commercial production on 1 July 2008. The Company acquired 100% of Jiama Copper-Gold Polymetallic Mine which hosts a large scale copper-gold polymetallic deposit consisting of copper, molybdenum, gold, silver, lead and zinc on 1 December 2010. The mine commenced commercial production in September 2010.

Inner Mongolia Pacific is a cooperative joint venture company controlled by the Company whose major asset is the CSH Gold Mine. Since its establishment in April 2002, it has been primarily engaged in exploration and mining activities. The Company has been in control of 96.5% of the equity interest of Inner Mongolia Pacific through its wholly-owned subsidiary Pacific PGM since April 2005.

China Gold Beijing Property Management Center, a wholly-owned subsidiary of China National Gold, is a property lease and management services provider based in Beijing in the PRC.

### **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“ <b>Board</b> ”	the board of Directors;
“ <b>China National Gold</b> ”	China National Gold Group Corporation* (中國黃金集團), the immediate holding company of the Company

currently holding approximately 39.33% of the issued share capital of the Company. It also controls 100% of the equity interest of China Gold Beijing Property Management Center;

<b>“Company”</b>	China Gold International Resources Corp. Ltd. (中國黃金國際資源有限公司), a limited liability company incorporated under the laws of British Columbia, Canada with shares listed on both the Hong Kong Stock Exchange and the Toronto Stock Exchange. It is in control of Inner Mongolia Pacific through its wholly-owned subsidiary Pacific PGM;
<b>“connected person(s)”</b>	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
<b>“control”</b>	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
<b>“China Gold Beijing Property Management Center”</b>	China Gold Beijing Property Management Center (北京中金物業管理中心), a wholly-owned subsidiary of China National Gold and a property lease and management services provider based in Beijing in the PRC;
<b>“Directors”</b>	the directors of the Company;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC;
<b>“Hong Kong Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“Hong Kong Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Inner Mongolia Pacific”</b>	Inner Mongolia Pacific Mining Co. Limited (內蒙古太平洋礦業有限公司), a cooperative joint venture company incorporated in the PRC which owns and operates the CSH Mine, in which our Group holds a 96.5% interest through our wholly-owned subsidiary, Pacific PGM;
<b>“Pacific PGM”</b>	Pacific PGM (Barbados) Inc., a wholly-owned subsidiary of the Company incorporated in Barbados with limited liability;

“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Region, and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Toronto Stock Exchange”	The Toronto Stock Exchange of Toronto, Canada;
“%”	per cent.

By Order of the Board  
**China Gold International Resources Corp. Ltd.**  
**Sun Zhaoxue**  
*Chairman*

Hong Kong, 30 December 2011

*As of the date of this announcement, the executive Directors are Mr. Sun, Zhaoxue, Mr. Song, Xin, Mr. Wu, Zhanming and Mr. Jiang, Xiangdong, the non-executive Director is Mr. Liu, Bing and the independent non-executive Directors are Mr. He, Ying Bin Ian, Mr. Chen, Yunfei, Mr. Hall, Gregory Clifton and Mr. Burns, John King.*