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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

CONNECTED TRANSACTION

Technology Development Agreement

The Board is pleased to announce that Inner Mongolia Pacific, a cooperative joint venture company controlled by the Company, has entered into the Technology Development Agreement with the Changchun Institute on 7 November 2011, in relation to research and development services on the gold ore cyanidation, flotation and heap leaching processes to be provided by the Changchun Institute at the CSH Gold Mine.

Both the Company and Changchun Institute are ultimately controlled by China National Gold and therefore, Changchun Institute is a connected person of the Company under Hong Kong Listing Rules. The transaction contemplated under the Technology Development Agreement constitutes connected transaction which, based on the applicable percentage ratios, is subject to the reporting and announcement requirements, but is exempt from the independent shareholder approval requirement under the Hong Kong Listing Rules.

Inner Mongolia Pacific, a cooperative joint venture company controlled by the Company, has entered into the Technology Development Agreement with Changchun Institute, a subsidiary of China National Gold and connected person of the Company:

TECHNOLOGY DEVELOPMENT AGREEMENT (THE “TECHNOLOGY DEVELOPMENT AGREEMENT”)

Date: 7 November 2011

- Subject Matter:** To provide research and develop services on gold ore cyanidation, flotation and heap leaching processes by the Changchun Institute for Inner Mongolia Pacific at the CSH Gold Mine.
- Term:** The Technology Development Agreement will take effect upon execution by each of the contracting parties and remain valid until the provision of the final research report by Changchun Institute. The final research report shall be completed by 31 December 2012.
- Service Fee:** In consideration for the research and development services to be provided by Changchun Institute, Inner Mongolia Pacific shall pay to the former a total of RMB960,000.
- Payment:** The service fee shall be paid by Inner Mongolia Pacific to Changchun Institute in three installments in the following manner:
- (i) RMB480,000 before November 10, 2011 prior to the commencement of the project;
 - (ii) RMB384,000 upon submission of the draft research report by Changchun Institute; and
 - (iii) RMB96,000 upon submission of the final research report by Changchun Institute.

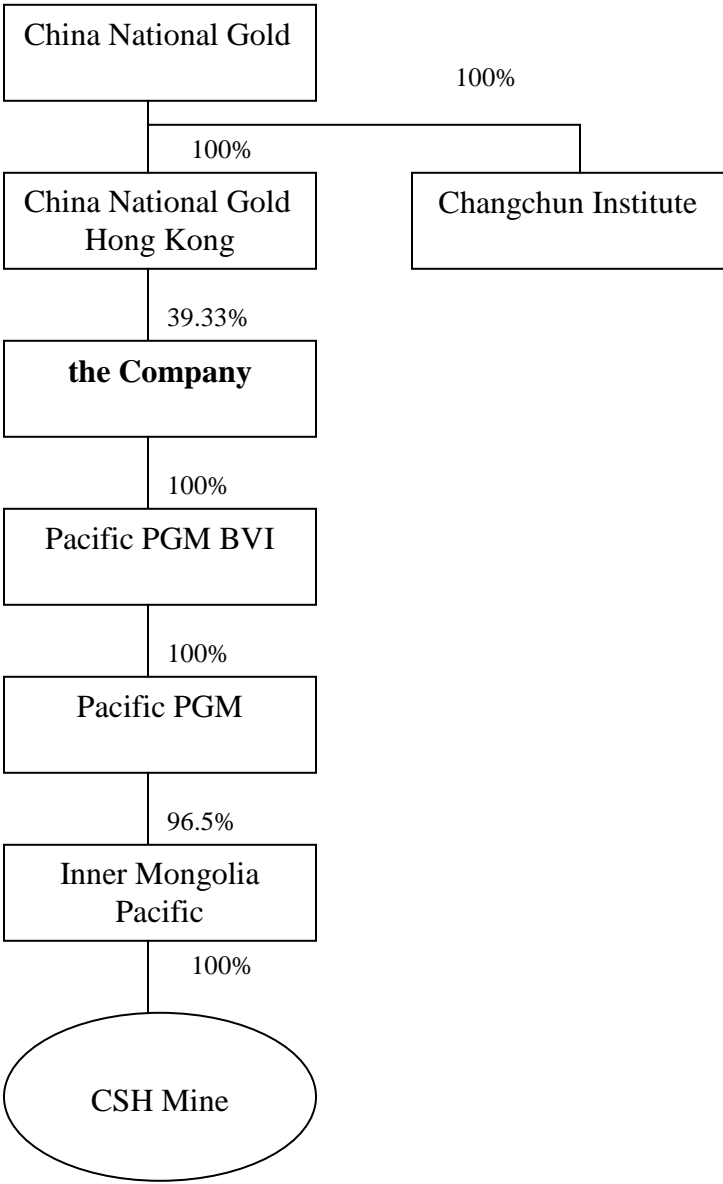
REASONS FOR AND BENEFITS OF THE TECHNOLOGY DEVELOPMENT CONTRACT

Changchun Institute has the qualifications and extensive experiences in providing research and development services for gold mines. It is the only national-level research institute in the gold mining industry in the PRC. The terms of the Technology Development Agreement have been arrived upon arm's-length negotiations between the parties thereto. The services fee charged by the Changchun Institute is fair and reasonable.

The Directors (including the independent non-executive Directors) consider that the transaction under the Technology Development Agreement will be entered into in the ordinary course of business of the Group and the terms of this agreement are normal commercial terms which are fair, reasonable, and in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

The following chart sets out the current shareholding relationship among China National Gold, the Company, Inner Mongolia Pacific and the Changchun Institute:



As shown above, (a) Inner Mongolia Pacific is a cooperative joint venture company controlled by the Company; and (b) both the Company and the Changchun Institute are ultimately controlled by China National Gold. As such, Changchun Institute is a connected person of the Company by virtue of Rule 14A.11 of the Hong Kong Listing Rules and the transaction contemplated under the Technology Development Agreement constitutes connected transaction of the Group. Based on the applicable percentage ratios, the transaction contemplated under the Technology Development Agreement is subject to the reporting and announcement requirements, but is exempt from the independent shareholder 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 transaction under the Technology Development Agreement due to their senior management positions in the China National Gold. They abstained from voting at the resolution in relation to the Technology Development Agreement 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.

Changchun Institute, based in Changchun of Jilin Province, is the only national-level research institute in the gold mining industry in the PRC.

DEFINITIONS

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

“**Board**” the board of Directors;

“**China National Gold**” 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 Changchun Institute;

“Company”	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;
“connected person(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“control”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Changchun Institute”	Changchun Gold Research Institute (長春黃金研究院), based in Changchun of Jilin Province, is the only national-level institute specialized in research that focuses on the gold industry in the PRC. It is wholly-owned by China National Gold.
“CSH Gold Mine”	Chang Shan Hao mine (長山壕金礦), a gold mine located in Wulate Zhong Qi in Inner Mongolia Autonomous Region of the PRC, in which our Group holds a 96.5% interest through our wholly-owned subsidiary, Pacific PGM;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Inner Mongolia Pacific”	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;

“Pacific PGM”

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, 7 November 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.