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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)

ANNOUNCEMENT

CONNECTED TRANSACTION

Geological Exploration Technical Service Contract

The Board wishes to announce that Inner Mongolia Pacific, a cooperative joint venture company controlled by the Company, has entered into the Geological Exploration Technical Service Contract with Beijing Jinyou on 5 January 2012, in relation to the provision of geological exploration technical services by Beijing Jinyou for Inner Mongolia Pacific in the Haoyaoerhudong area of the CSH Gold Mine. Both the Company and Beijing Jinyou are ultimately controlled by China National Gold and therefore, Beijing Jinyou is a connected person of the Company under the Hong Kong Listing Rules.

Reference is made to the announcement of the Company dated 7 November 2011 in which it was announced that the Company has entered into the Technology Development Agreement with the Changchun Institute which is an entity wholly-owned by China National Gold. Reference is also made to the announcement of the Company dated 16 November 2011 in which it was announced that the Company has entered into the Geological Reserves Verification Contract with Beijing Jinyou.

As the transactions under the Geological Exploration Technical Service Contract and the Previous Connected Transactions will be completed within a 12-month period and the Changchun Institute is associated with Beijing Jinyou, the transaction contemplated under the Geological Exploration Technical Service Contract and the Previous Connected Transactions are aggregated pursuant to Rule 14A.25 of the Hong Kong Listing Rules. As a result, the transaction under the Geological Exploration Technical Service Contract constitutes a connected transaction which, based on the applicable percentage ratios, is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Inner Mongolia Pacific, a cooperative joint venture company controlled by the Company, has entered into a geological exploration technical service contract (the “**Geological Exploration Technical Service Contract**”) with Beijing Jinyou, a wholly-owned

subsidiary of China National Gold and connected person of the Company. Details of the Geological Exploration Technical Service Contract are set out below.

GEOLOGICAL EXPLORATION TECHNICAL SERVICE CONTRACT

Date: 5 January 2012

Subject Matter: The provision of geological exploration technical services by Beijing Jinyou for Inner Mongolia Pacific in the Haoyaoerhudong area of the CSH Gold Mine.

Term: The Geological Exploration Technical Service Contract will take effect upon execution by each of the contracting parties and shall remain valid until the final report to be prepared by Beijing Jinyou thereunder has been examined and approved by Inner Mongolia Pacific. The final report should be submitted to Inner Mongolia Pacific for review and approval before 31 January 2012.

Service Fee: In consideration for the provision of geological exploration technical services, Inner Mongolia Pacific shall pay to Beijing Jinyou a total of RMB6,469,800 to be settled in one lump sum within one month after the final report submitted by Beijing Jinyou to Inner Mongolia Pacific has been reviewed and approved.

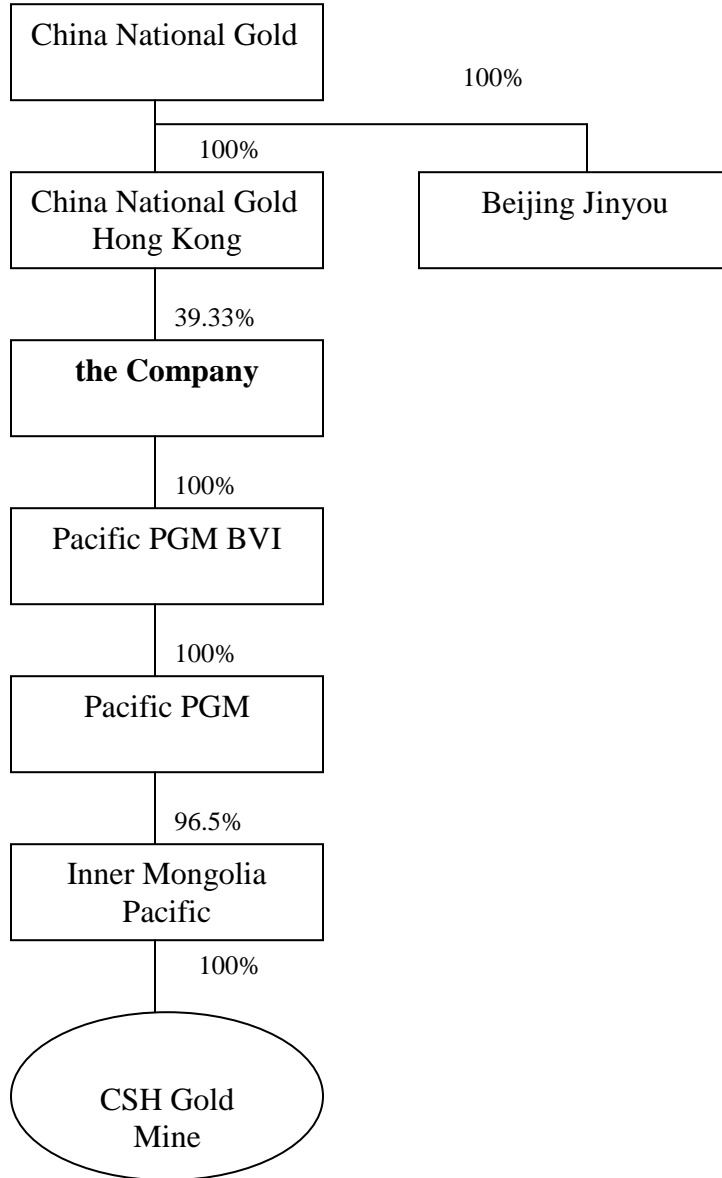
REASONS FOR AND BENEFITS OF THE GEOLOGICAL EXPLORATION TECHNICAL SERVICE CONTRACT

Beijing Jinyou possesses the design qualifications and extensive experience in solid mineral exploration, verification of solid mineral reserves, and other aspects of geological exploration services. It holds the A Grade China Geological Survey Certificate. The terms of the Geological Exploration Technical Service Contract have been arrived upon arm's-length negotiations between the parties thereto. The service fee charged by Beijing Jinyou is fair and reasonable.

The Directors (including the independent non-executive Directors) consider that the transaction under the Geological Exploration Technical Service Contract will be entered into in the ordinary course of business of the Group and the terms of this contract 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 Beijing Jinyou:



As shown above, (a) Inner Mongolia Pacific is a cooperative joint venture company controlled by the Company; and (b) both the Company and Beijing Jinyou are ultimately controlled by China National Gold. As such, Beijing Jinyou is a connected person of the Company by virtue of Rule 14A.11 of the Hong Kong Listing Rules.

As the transaction under the Geological Exploration Technical Service Contract and the Previous Connected Transactions will be completed within a 12-month period and the Changchun Institute is associated with Beijing Jinyou, the transaction contemplated under the Geological Exploration Technical Service Contract and the Previous Connected Transactions are aggregated pursuant to Rule 14A.25 of the Hong Kong Listing Rules. As a result, the transaction under the Geological Exploration Technical Service Contract constitutes a connected transaction which, based on the applicable percentage ratios, is subject to the reporting and announcement requirements, but is 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 transaction under the Geological Exploration Technical Service Contract due to their senior management positions in China National Gold. They abstained from voting at the resolution in relation to the Geological Exploration Technical Service Contract 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.

Beijing Jinyou is a company incorporated in the PRC with limited liability. It is principally engaged in solid mineral exploration, verification of solid mineral reserves, and other aspects of geological exploration services. It holds the A Grade China Geological Survey Certificate. It is a wholly-owned subsidiary of China National Gold.

DEFINITIONS

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

“ Board ”	the board of Directors;
“ Beijing Jinyou ”	Beijing Jinyou Geological Surveillance Company Limited* (北京金有地質勘測有限責任公司), a company incorporated in the PRC with limited liability, being a wholly-owned subsidiary of China National Gold;
“ China National Gold ”	China National Gold Group Corporation* (中國黃金集團), the controlling shareholder of the Company currently holding approximately 39.33% of the issued share capital of the Company through its wholly-owned subsidiary China National Gold Hong Kong. It also controls 100% of the equity interest of Beijing Jinyou;
“ China National Gold Hong Kong ”	China National Gold Group Hong Kong Limited (中國黃金集團香港有限公司), a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of China National Gold;
“ 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;
“ 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 Gold 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;
“Pacific PGM BVI”	Pacific PGM Inc, a limited liability company incorporated under the laws of British Virgin Islands, being a wholly-owned subsidiary of the Company;
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Region, and Taiwan;
“Previous Connected Transactions”	connected transactions previously entered into between the Group and Beijing Jinyou or the Changchun Institute within a 12-month period, being (a) the transaction contemplated under the Technology Development Agreement as announced on 7 November 2011, (b) the transaction contemplated under the Geological Reserves Verification Contract as announced on 16 November 2011, and (c) the transaction contemplated under a design contract dated 11 February 2011 entered into between Inner Mongolia Pacific and Beijing Jinyou for a consideration of RMB250,000, pursuant to which Beijing Jinyou was engaged to perform exploration design services;
“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, 5 January 2012

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.