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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)

**CONTINUING CONNECTED TRANSACTION AND
MAJOR TRANSACTIONS**

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION

On May 11, 2023, Inner Mongolia Pacific and China National Gold entered into the Fourth Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2026. Save as the expiry date, other terms and conditions under the Contract for Purchase and Sale of Doré remain unchanged.

On May 11, 2023, the Company and China National Gold entered into the Fourth Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to extend the expiry date of the Products and Services Framework Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Products and Services Framework Agreement remain unchanged.

On May 9, 2023, the Company and China Gold Finance entered into the First Supplemental Financial Services Agreement, pursuant to which both parties agreed to extend the expiry date of the Financial Services Agreement to 31 December 2026. Save as the expiry date, other terms and conditions under the Financial Services Agreement remain unchanged.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As (i) China National Gold directly and wholly owns the entire issued share capital of CNGGHK, which directly holds 40.01% of the outstanding shares of the Company and (ii) China Gold Finance is respectively 51% and 49% directly owned by China National Gold and Zhongjin Gold, which is a non-wholly-owned subsidiary of China National Gold, China National Gold and China Gold Finance are connected persons of the Company and the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré, the Fourth Supplemental Products and Services Framework Agreement and the First Supplemental Financial Services Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

The Fourth Supplemental Contract for Purchase and Sale of Doré

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré are higher than 5%, the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The Fourth Supplemental Products and Services Framework Agreement

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement are higher than

5%, the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The First Supplemental Financial Services Agreement

As the Lending Services (i) constitute financial assistance to be received by the Group from a connected person, (ii) will be provided on normal commercial terms or better (in particular, the interest rate payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Industrial and Commercial Bank of China, Agricultural Bank of China, the Bank of China and the China Construction Bank (the “**Major PRC Commercial Banks**”) and (iii) will not be secured by the assets of the Group (in particular, in the event that the Group is unable to repay the loan under the Lending Services, China Gold Finance will not be permitted to offset such outstanding loans against any deposits of the Group placed in China Gold Finance under the Deposit Service), the Lending Services are therefore exempt from the approval of Independent Shareholders pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

As the highest applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the Settlement Services and the Other Financial Services do not exceed 0.1%, the Settlement Services and the Other Financial Services are exempt from the approval of Independent Shareholders pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Deposit Service is higher than 25%, the Deposit Service constitutes a major and non-exempt continuing connected transaction and is subject to the approval of Independent Shareholders according to Chapters 14 and 14A of the Hong Kong Listing Rules.

In this respect, the Independent Board Committee was established to advise the Independent Shareholders as to whether (i) the terms of the Fourth Supplemental Products and Services Framework Agreement and the transactions contemplated thereunder, the Fourth Supplemental Contract for Purchase and Sale of Doré and the transactions contemplated thereunder and the Deposit Service (together, the “**Non-exempt Continuing Connected Transactions**”) are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole, (iv) the 2024-2026 P&S Annual Caps, the 2024-2026 Gold Doré Annual Caps and the 2024-2026 Deposit Cap (together, the “**Non-exempt Proposed Caps**”) are fair and reasonable and in the interests of the Group and the Shareholders as a whole and (v) the Independent Shareholders should vote in favour of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting having taken into account, among other things, the advice of TC Capital, who has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

IMPLICATIONS UNDER APPLICABLE CANADIAN SECURITIES LAWS

As the Company is listed on the TSX, the Company is subject to MI 61-101 which, among other things, regulates related party transactions. Pursuant to MI 61-101, related party transactions are subject to formal valuation and minority shareholder approval requirements unless an exemption is available.

The Continuing Connected Transactions is a related party transactions for the Company for purposes of MI 61-101 by virtue of the relationship between the Company and CNG.

The First Supplemental Financial Services Agreement is exempt from the valuation requirements of MI 61-101 as the First Supplemental Financial Services Agreement involves deposits or lending services that are not subject to a valuation under MI 61-101. The First Supplemental Financial Services Agreement is subject to the minority shareholder approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The Fourth Supplemental Contract for Purchase and Sale of Doré is exempt from the valuation requirement of MI 61-101 by virtue of being a sale contract of inventory in the ordinary course of the Company’s business. The Fourth Supplemental Contract for Purchase and Sale of Doré is subject to the minority approval requirements of

MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The Fourth Supplemental Products and Services Framework Agreement is comprised of multiple components that are assessed differently under MI 61-101. The sale of copper concentrates is exempt from the valuation requirement of MI 61-101 by virtue of being a sale contract of inventory in the ordinary course of the Company's business. The provision of services is not expressly addressed in the definition of a related party transaction under MI 61-101, and the leasing services are considered in the ordinary course of business on reasonable commercial terms that are not less advantageous to the Company than if the lease was with a counterparty with whom the Company deals at arm's length. Furthermore, the overall value of the portions of the Fourth Supplemental Products and Services Framework Agreement that are not otherwise exempt is not more than 25% of the market capitalization of the Company as of the date of such contract. The Fourth Supplemental Products and Services Framework Agreement is subject to minority approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The proposed maximum annual transaction amounts during the term of the First Supplemental Financial Services Agreement, the Fourth Supplemental Contract for Purchase and Sale of Doré and the Fourth Supplemental Products and Services Framework Agreement are exempted from the approval of the Independent Shareholders in accordance with MI 61-101.

GENERAL INFORMATION

The Company will convene the Meeting in Vancouver, Canada on June 29, 2023 Vancouver time (June 30, 2023 Hong Kong time) for the Independent Shareholders to consider and, if thought fit, approve, among other matters, each of the Continuing Connected Transactions and the transactions contemplated thereunder and the Non-exempt Proposed Caps. China National Gold, the ultimate controlling Shareholder of the Company, and its respective associates (as defined in the Hong Kong Listing Rules) will abstain from voting on the ordinary resolution(s) approving the Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting.

DESPATCH OF INFORMATION CIRCULAR

An information circular containing, among other things, (i) further details of the Continuing Connected Transactions, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from TC Capital to the Independent Board Committee and the Independent Shareholders; (iv) a notice of the Meeting, and (v) other information required under the Hong Kong Listing Rules, will be dispatched to the Shareholders on or around June 7, 2023 as more time is needed to finalise the content of the information circular.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION

The Fourth Supplemental Contract for the Purchase and Sale of Doré

On May 7, 2014, Inner Mongolia Pacific and China National Gold entered into the Contract for Purchase and Sale of Doré, pursuant to which China National Gold agreed to purchase and Inner Mongolia Pacific agreed to sell the gold doré bars and silver by-products produced at the CSH Mine from the date of relevant approval by the Independent Shareholders to December 31, 2017. Please refer to the information circular of the Company dated May 14, 2014 for the relevant details.

On May 26, 2017, Inner Mongolia Pacific and China National Gold entered into the First Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to (i) amend the notification time of delivery of shipment from “no less than three working days” to “no less than 48 hours”, (ii) amend the reference price for the gold doré bar products from “the daily average price of the Au9995 gold ingot at the Shanghai Gold Exchange on the notification date less RMB0.95 per gram” to “the real-time price of the Au9995 gold ingot at the Shanghai Gold Exchange at the moment when the notification is made less RMB0.95 per gram” and (iii) extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2020. Please refer to the information circular of the Company dated May 31, 2017 for the relevant details.

On March 28, 2018, Inner Mongolia Pacific and China National Gold entered into the Second Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to amend the reference price for the gold doré bar products to “the monthly average price of the AU(T+D) contract on the Shanghai Gold Exchange less RMB1.50 per gram”.

On May 6, 2020, Inner Mongolia Pacific and China National Gold entered into the Third Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2023. Please refer to the information circular of the Company dated May 26, 2020 for the relevant details.

On May 11, 2023, Inner Mongolia Pacific and China National Gold entered into the Fourth Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2026. Save as the expiry date, other terms and conditions under the Contract for Purchase and Sale of Doré remain unchanged.

A. Key terms of the Fourth Supplemental Contract for the Purchase and Sale of Doré

Date:	May 11, 2023
Parties:	(a) Inner Mongolia Pacific (as the seller); and (b) China National Gold (as the purchaser)
Subject Matter:	Both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2026. Save as the expiry date, other terms and conditions under the Contract for Purchase and Sale of Doré remain unchanged.
Term:	Commence on January 1, 2024 and shall continue up to and including December 31, 2026.
Payment Terms:	Under the Contract for Purchase and Sale of Doré, the pricing for gold doré bar is the sum of (i) the gold price which is determined by the monthly average price of the AU(T+D) contract on the Shanghai Gold Exchange less RMB1.50 per gram multiplied by the settlement weight; and (ii) the silver price which is determined by the daily average price of No. 2 silver at Shanghai Huatong Platinum & Silver Exchange less RMB0.50/gram, multiplied by the settlement weight.

Condition Precedent: The Fourth Supplemental Contract for Purchase and Sale of Doré will take effect upon the fulfilment of the compliance with the requirement of Independent Shareholders' approval under MI 61-101 and the Hong Kong Listing Rules.

B. Reasons for and benefits of the Fourth Supplemental Contract for Purchase and Sale of Doré

The reasons for and benefits of entering into the Fourth Supplemental Contract for Purchase and Sale of Doré mainly include:

- (i) offering to the Group a ready buyer for the gold doré bars in view of the expected stable gold doré bars production at the CSH Mine;
- (ii) the counter-party risk of China National Gold is expected to be lower than that of other customers; and
- (iii) the better flexibility of China National Gold Finance as a buyer to the gold doré bars.

C. The 2024-2026 Gold Doré Annual Caps

Set out below are (i) the existing annual caps for the three years ending December 31, 2023 under the Third Supplemental Contract for Purchase and Sale of Doré; (ii) the actual transaction amount under the Third Supplemental Contract for Purchase and Sale of Doré for the two years ended December 31, 2022 and the three months ended March 31, 2023; and (iii) the 2024-2026 Gold Doré Annual Caps:

	2021	2022	2023	2024	2025	2026
Existing annual caps (RMB' Million)	2,800	2,800	2,800	-	-	-
Actual transaction amounts (Approx. RMB' Million)	1,717	1,800	455 (Jan – Mar)	-	-	-
Utilisation Rate (%)	61%	64%	16% (Jan – Mar)	-	-	-
2024-2026 Gold Doré Annual Caps (RMB' Million)	-	-	-	2,800	2,800	2,800

The 2024-2026 Gold Doré Annual Caps are principally determined by (i) the estimated annual transaction amount of the gold doré bars of RMB2,000 million during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré and (ii) a buffer of 40% which was principally considered for the potential fluctuation of gold price during the term of the Fourth Supplemental Contract for Purchase and Sale of Doré.

D. Internal Control Measures

The Company has adopted the following internal control measures in relation to the Fourth Supplemental Contract for Purchase and Sale of Doré and the transactions contemplated thereunder:

- (a) Inner Mongolia Pacific will obtain at least 3 quotations from different parties (including China National Gold) before it sells the gold doré bars to China National Gold. The relevant screening process, rationale and result on these parties will be documented and submitted to the senior management of Inner Mongolia Pacific for review and final approval before entering into specific contract with the successful parties;
- (b) if Inner Mongolia Pacific chose China National Gold to be the buyer, the finance department of Inner Mongolia Pacific will review the prevailing market price for gold and silver on the Shanghai Gold Exchange and Shanghai Huatong White Platinum & Silver Exchange and verify whether the pricing of each transaction is consistent with the pricing basis under the Contract for Purchase and Sale of Doré;

- (c) the Company's financial reporting department will monitor on a monthly and quarterly basis the reconciliation to the proposed annual monetary caps for the Fourth Supplemental Contract for Purchase and Sale of Doré; and
- (d) the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré will be subject to the annual review requirements pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

The Fourth Supplemental Products and Services Framework Agreement

On April 26, 2013, the Company and China National Gold entered into the Products and Services Framework Agreement, pursuant to which China National Gold agreed to provide mining surveying, exploration, design, construction and development related products and services (the "**Mining Related Products and Services**") to the Company from the date of relevant approval by the Independent Shareholders to June 18, 2016. Please refer to the information circular of the Company dated May 21, 2013 for the relevant details.

On May 29, 2015 the Company and China National Gold entered into the First Supplemental Products and Services Framework Agreement to (i) include the purchase by China National Gold of the copper concentrates produced from the Jiama Mine into the product and service scope of the Products and Services Framework Agreement and (ii) revise the expiry date of the Products and Services Framework Agreement to December 31, 2017. Please refer to the information circular of the Company dated May 29, 2015 for the relevant details.

On May 26, 2017, the Company and China National Gold entered into the Second Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to (i) include the provision of the leasing services (the "**Leasing Services**") provided by Zhongxin International Financial Leasing (Shenzhen) Co. Ltd. (the "**Zhongxin International**") into the product and service scope of the Products and Services Framework Agreement and (ii) revise the expiry date of the Products and Services Framework Agreement to December 31, 2020. Please refer to the information circular of the Company dated May 31, 2017 for the relevant details.

On May 6, 2020, the Company and China National Gold entered into the Third Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to revise the expiry date of the Products and Services Framework Agreement to December 31, 2023. Please refer to the information circular of the Company dated May 26, 2020 for the relevant details.

On May 11, 2023, the Company and China National Gold entered into the Fourth Supplemental Products and Services Framework Agreement, pursuant to which both parties agreed to extend the expiry date of the Products and Services Framework Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Products and Services Framework Agreement remain unchanged.

A. Key terms of the Fourth Supplemental Products and Service Framework Agreement

- Date:** May 11, 2023
- Parties:** (a) the Company; and
(b) China National Gold
- Subject Matter:** Both parties agreed to extend the expiry date of the Products and Services Framework Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Products and Services Framework Agreement remain unchanged
- Term:** Commence on January 1, 2024 and shall continue up to and including December 31, 2026.

Pricing Basis: Under the Products and Services Framework Agreement, the pricing for the Mining Related Products and Services, the copper concentrates and the Leasing Services are determined by:

- (a) prices stipulated by the PRC government;
- (b) prices determined by tender if an active market exists, if there is no price stipulated by the PRC government;
- (c) prices referenced to identical or similar transaction, if there is no price stipulated by the PRC government nor active market exists; and
- (d) prices determined by costs plus a reasonable profit margin, if none of the above conditions exists.

Condition Precedent: The Fourth Supplemental Products and Services Framework Agreement will take effect upon the fulfilment of the compliance with the requirement of Independent Shareholders' approval under MI 61-101 and the Hong Kong Listing Rules.

B. Reasons for and benefits of entering into the Fourth Supplemental Products and Services Framework Agreement

The reasons for and benefits of entering into the Fourth Supplemental Products and Services Framework Agreement mainly include:

- (i) offering to the Group a ready and experienced provider for the Mining Related Products and Services for the upcoming development of the Jiama Mine and the CSH Mine;
- (ii) offering to the Group a ready buyer for the copper concentrates in view of the expected stable copper concentrates production at the Jiama Mine going forward;
- (iii) the Leasing Services provided by Zhongxin International will be able to (a) improve the liquidity of the Group, (b) potentially reducing the taxation expense of the Group and (c) provide the Group an alternative source of funding in future; and
- (iv) the counter-party risk of China National Gold is expected to be lower than that of the other Mining Related Products and Services and Leasing Service providers and copper concentrates customers.

C. The 2024-2026 P&S Annual Caps

Set out below are (i) the existing annual caps for the three years ending December 31, 2023 under the Third Supplemental Products and Services Framework Agreement, (ii) the actual transaction amount under the Third Supplemental Products and Services Framework Agreement for the two years ended December 31, 2022 and the three months ended March 31, 2023, and (iii) the 2024-2026 P&S Annual Caps:

	2021	2022	2023	2024	2025	2026
Existing annual caps (RMB' Million)	6,300	6,300	6,300	-	-	-
Actual transaction amounts (Approx. RMB' Million)	3,717	5,431	1,198 (Jan – Mar)	-	-	-
Utilisation Rate (%)	59%	86%	19% (Jan – Mar)	-	-	-
2024-2026 P&S Annual Caps (RMB' Million)	-	-	-	12,200	12,200	12,200

Set out below (i) the basis adopted by the Group to determine the 2024-2026 P&S Annual Caps and (ii) the corresponding historical transaction amount during the term of the Third Supplemental Products and Services Framework Agreement:

	2021	2022	2023	2024	2025	2026
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			(Jan - Mar)			
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Estimated</i>	<i>Estimated</i>	<i>Estimated</i>
	<i>Approx. RMB million</i>	<i>Approx. RMB million</i>	<i>Approx. RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Mining Related Products and Services						
- Stripping and underground mining development services	3	-	-	904	695	240
- Environmental, safety and occupational health management services	12	4	-	572	686	547
- Others	18	83	9	123	132	124
	33	87	9	1,599	1,513	911
Copper concentrates	3,667	5,344	1,189	7,046	7,073	7,106
Leasing Services	17	-	-	40	40	40
Subtotal	3,717	5,431	1,198	8,685	8,626	8,057
Buffer	-	-	-	3,515 (~40%)	3,574 (~41%)	4,143 (~51%)
				12,200	12,200	12,200

Note: The above estimated transaction amount for each type of product and service does not constitute to individual annual cap for the same.

The expected increase in the transaction amount for the stripping and underground mining development services during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to its historical amounts are principally due to the expected increase in stripping and underground mining activities for the CSH Mine in the same period.

The expected increase in the transaction amount for the environmental, safety and occupational health management services during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to its historical amounts are principally due to the planned construction of tailing pond for Jiama Mine in the same period.

The expected increase in the transaction amount for the copper concentrates during the term of the Fourth Supplemental Products and Services Framework Agreement as compared to its historical amounts are principally due to the expected higher production volume of copper concentrates due to improved recovery rate in the same period.

An approximately 40% - 51% buffer has been adopted to the estimated aggregate transaction amount of the Mining Related Products and Services, the copper concentrates and the Leasing Services during the term of the Fourth Supplemental Products and Services Framework Agreement for the determination of the 2024-2026 P&S Annual Caps. Such buffer was principally considered for the potential fluctuation of copper price during the term of the Fourth Supplemental Products and Services Framework Agreement.

D. Internal Control Measures

The Company has adopted the following internal control measures in relation to the Fourth Supplemental Products and Services Framework Agreement and the transactions contemplated thereunder:

(i) the relevant subsidiary of the Group will obtain at least 3 quotations from different parties (including China National Gold) before conducting business with China National Gold. The relevant screening process, rationale and result on these parties will be documented and submitted to the senior management of the relevant subsidiary of the Group for review and final approval before entering into specific contract with the successful parties;

(ii) all specific contracts under the Products and Services Framework Agreement are provided from the

mine sites to the Company's corporate office through its record management system for review by the legal team, finance or other relevant departments. After the contracts are approved by the management, all contracts above a pre-authorized value are provided to the Company's INEDs to review and approve;

(iii) the Company's legal department has been and will continue to be responsible for maintaining a record of all contracts and monitoring whether the pricing terms of the transactions conducted are consistent with the Products and Services Framework Agreement and whether the relevant annual monetary caps have been exceeded. On a quarterly basis, the legal department is responsible for verifying the aggregated amount of the transactions directly with the finance department of the mine sites; and

(iv) the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré will be subject to the annual review requirements pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

The First Supplemental Financial Services Agreement

On May 5, 2021, the Company and China Gold Finance entered into the Financial Services Agreement, pursuant to which China Gold Finance agreed to provide the PRC subsidiaries of the Company a range of financial services including (a) the deposit service (the "**Deposit Service**"); (b) the lending services, including loans, bill acceptance, bill discount, entrustment loans, guarantee, financing lease, etc. (the "**Lending Services**"); (c) the settlement services (the "**Settlement Services**") and (d) the Other financial services, including financial and financing advisory, credit certification and related consultation and agency services and other services approved by the CBIRC (the "**Other Financial Services**"). Please refer to the information circular of the Company dated May 31, 2021 for the relevant details.

On May 9, 2023, the Company and China Gold Finance entered into the First Supplemental Financial Services Agreement, pursuant to which both parties agreed to extend the expiry date of the Financial Services Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Financial Services Agreement remain unchanged.

A. Key terms of the First Supplemental Financial Services Agreement

Date:	May 9, 2023
Parties:	(a) the Company; and (b) China Gold Finance
Subject Matter:	Both parties agreed to extend the expiry date of the Financial Services Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Financial Services Agreement remain unchanged.
Term:	Commence on January 1, 2024 and shall continue up to and including December 31, 2026
Pricing Basis:	Under the Financial Services Agreement, the pricing of each type of the financial services is determined as follows: <u>The Deposit Services</u> The interest rates payable by China Gold Finance to the Group for the Deposit Services shall not be lower than (a) the benchmark deposit rates prescribed by the PBC and (b) the deposit rates payable by the Major PRC Commercial Banks for comparable deposits. <u>The Lending Services</u> The interest rates payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by

the PBC and (b) the lending rates offered by the Major PRC Commercial Banks for comparable loans.

The Settlement Services

The fee for the Settlement Services, if being charged by China Gold Finance, shall not be higher than the fees publicly quoted by the Major PRC Commercial Banks.

The Other Financial Services

The fee for the Other Financial Services, if being charged by China Gold Finance, shall comply with the regulations set by the PBC, the CBIRC or other applicable regulatory authorities' benchmark and shall not be higher than the fees publicly quoted by the Major PRC Commercial Banks.

Condition Precedent: The First Supplemental Financial Services Agreement will take effect upon the fulfilment of the compliance with the requirement of Independent Shareholders' approval under MI 61-101 and the Hong Kong Listing Rules.

B. The 2024-2026 Deposit Cap

The 2024-2026 Deposit Cap shall not exceed RMB3,000 million.

The 2024-2026 Deposit Cap has been principally determined by the latest cash position of the Group.

During the term of the Financial Services Agreement and up to December 31, 2022, the highest daily deposit balance (including accumulative settlement interest) of the Group under the Deposit Services was approximately RMB2,831 million.

C. Reasons for and benefits of entering into the First Supplemental Financial Services Agreement

The reasons for and benefits of entering into the First Supplemental Financial Services Agreement mainly include:

- (i) offering to the Group a ready financial service provider;
- (ii) the counter-party risk of China Gold Finance is expected to be lower than that of the Major PRC Commercial Banks;
- (iii) the better understanding of China Gold Finance to the operations of the Group shall allow the Group to receive a more expedient and efficient services than those rendered by the PBC and the Major PRC Commercial Banks; and
- (iv) in particularly with respect to the Deposit Services, allowing the Group to generate more interest income by depositing its idle cash to China Gold Finance than depositing the same to the PBC and the Major PRC Commercial Banks.

D. Internal Control Measures

The Company has adopted the following internal control measures in relation to the First Supplemental Financial Services Agreement and the transactions contemplated thereunder:

- a) the Group will obtain quotations from the PBC and the Major PRC Commercial Banks for the relevant financial services before it conducts business with China Gold Finance. These quotations together with the quotation of China Gold Finance will be submitted to the financial controller of the Company for review and to decide whether or not to accept the financial services of China Gold Finance;
- b) the Company has established a continuing connected transaction working group, which comprises members from divisions of accounting and regulatory compliance, led by interim CFO, to review and obtain approval from INEDs in respect of all the continuing connected transactions and monitor on a monthly and quarterly basis the reconciliation to the daily balances for the Deposit Service. The working group will also monitor the daily balances for the Deposit Services to ensure that such amounts are within the deposit cap approved by the Independent Shareholders. Each deposit will be reviewed by the responsible person to make sure it does not exceed the deposit cap approved by the Independent Shareholders before the deposit is made. China Gold Finance is also asked to provide the daily balance under the deposit account to the Company for tracking;
- c) arranging regular trainings for our employees, including those responsible for finance and internal audit functions, to strengthen their knowledge of the Hong Kong Listing Rules and improve their awareness of the importance of compliance with the relevant Hong Kong Listing Rules;
- d) enhancing more robust supervision over the transaction amounts incurred under the continuing connected transactions of the Group. For example, when the daily deposit balance reaches 95% or more of the Deposit Cap at any time, the matter shall promptly be reported to the CFO, who will instruct the continuing connected transaction working group of the Company to make a withdrawal and/or refrain from placing further deposits with China Gold Finance for a period of time;
- e) the Group's internal audit function will monitor the effectiveness and adequacy of the relevant internal control system, and make recommendations and reports to the audit committee of the Company on a regular basis; and
- f) the transactions contemplated under the First Supplemental Financial Services Agreement will be subject to the annual review requirements pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

PARTIES INVOLVED IN THE CONTINUING CONNECTED TRANSACTIONS

The Company

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

Inner Mongolia Pacific

Inner Mongolia Pacific, which the Company holds 96.5% interest, owns and operates the CSH Mine.

China National Gold

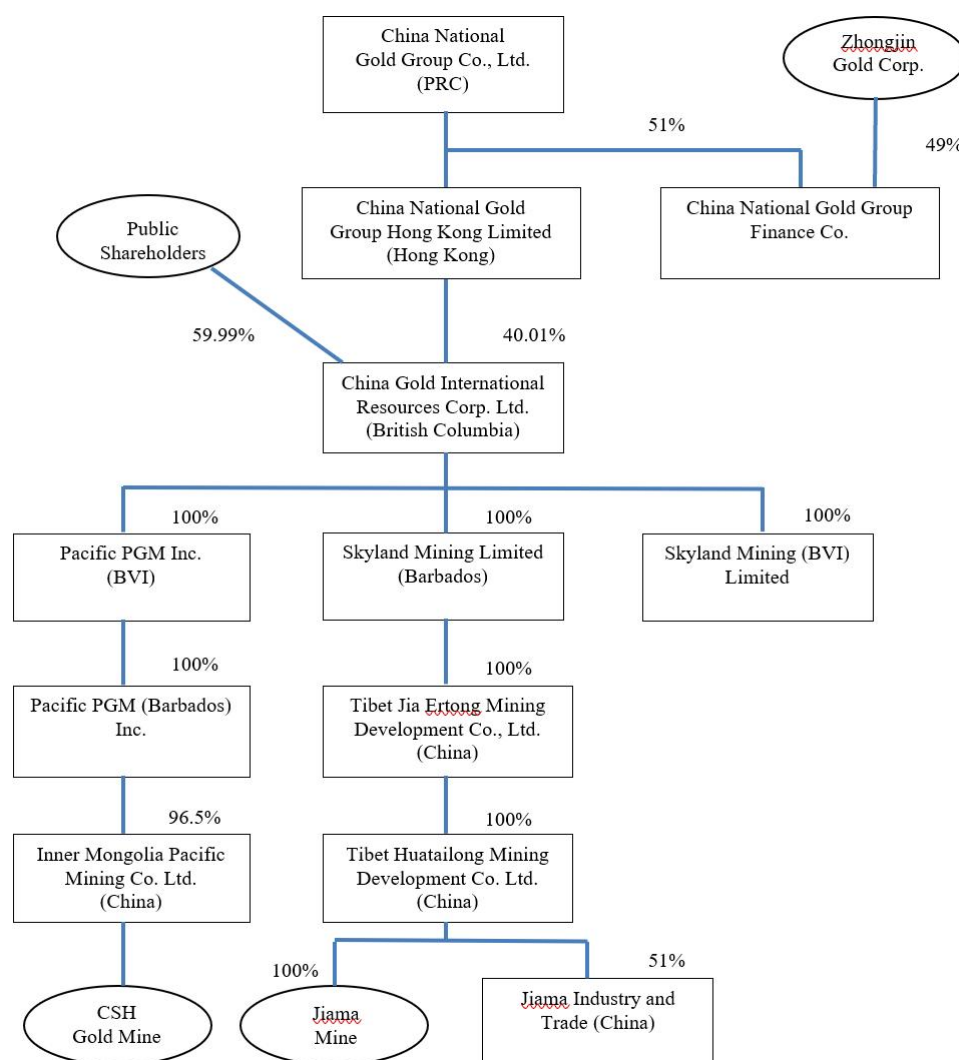
China National Gold is the only enterprise directly supervised by the State Council of the PRC that focuses on the exploration, mining, processing, smelting, refining and sales of gold. It also operates other nonferrous mineral assets related businesses. The predecessor of China National Gold was China

National Gold Corporation, which was established in 1979 and headquartered in Beijing. China National Gold is one of the largest gold producers in the PRC by gold output, according to the China Gold Association.

China Gold Finance

The establishment of China Gold Finance is approved by the CBIRC and the approved scope of business of China Gold Finance includes: (i) the provision of financial and financing consultation services, credit evaluation and related consultation and agency business to the members of China National Gold (the “**Member Companies**”); (ii) the provision of assistance to the Member Companies in the collection and payment of transaction funds; (iii) the provision of approved insurance agency services; (iv) the provision of guarantees to the Member Companies; (v) the handling of entrusted loans among the Member Companies; (vi) the handling of bill acceptance and discount for the Member Companies; (vii) the handling of internal transfer settlements among the Member Companies and formulation of corresponding settlement and liquidation plans; (viii) the absorption of deposits from the Member Companies; (ix) the provision of loans and financing leases to the Member Companies; (x) the engagement in interbank borrowing and lending; (xi) the investment in fixed income securities; (xii) the underwriting of corporate bonds of the Member Companies; (xiii) the operation of cross-border fund centralisation business; and (xiv) the provision of spot foreign exchange services.

The following chart illustrates the relationship between the Company, Inner Mongolia Pacific, China Gold Finance and China National Gold.



IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As (i) China National Gold directly and wholly owns the entire issued share capital of CNGGHK, which directly holds 40.01% of the outstanding shares of the Company and (ii) China Gold Finance is respectively 51% and 49% directly owned by China National Gold and Zhongjin Gold, which is a non-wholly-owned subsidiary of China National Gold, China National Gold and China Gold Finance are connected persons of the Company and the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré, the Fourth Supplemental Products and Services Framework Agreement and the First Supplemental Financial Services Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

The Fourth Supplemental Products and Services Framework Agreement

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement are higher than 5%, the transactions contemplated under the Fourth Supplemental Products and Services Framework Agreement constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The Fourth Supplemental Contract for Purchase and Sale of Doré

Given the applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré are higher than 5%, the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré constitute non-exempt continuing connected transactions and are subject to the approval of Independent Shareholders according to Chapter 14A of the Hong Kong Listing Rules.

The First Supplemental Financial Services Agreement

As the Lending Services (i) constitute financial assistance to be received by the Group from a connected person, (ii) will be provided on normal commercial terms or better (in particular, the interest rate payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Major PRC Commercial Banks and (iii) will not be secured by the assets of the Group (in particular, in the event that the Group is unable to repay the loan under the Lending Services, China Gold Finance will not be permitted to offset such outstanding loans against any deposits of the Group placed in China Gold Finance under the Deposit Service), the Lending Services are therefore exempt from the approval of Independent Shareholders pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

As the highest applicable percentage ratios pursuant to the Hong Kong Listing Rules in respect to the Settlement Services and the Other Financial Services do not exceed 0.1%, the Settlement Services and the Other Financial Services are exempt from the approval of Independent Shareholders pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Deposit Service is higher than 25%, the Deposit Service constitutes a major and non-exempt continuing connected transaction and is subject to the approval of Independent Shareholders according to Chapters 14 and 14A of the Hong Kong Listing Rules.

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

The Board (excluding INEDs who will form their view after considering the advice of the Independent Financial Adviser) considers that (i) the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing

Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole, and (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

In this respect, the Independent Board Committee was established to advise the Independent Shareholders as to whether (i) the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole, (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole and (v) the Independent Shareholders should vote in favour of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting having taken into account, among other things, the advice of TC Capital, who has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

IMPLICATIONS UNDER APPLICABLE CANADIAN SECURITIES LAWS

As the Company is listed on the TSX, the Company is subject to MI 61-101 which, among other things, regulates related party transactions. Pursuant to MI 61-101, related party transactions are subject to formal valuation and minority shareholder approval requirements unless an exemption is available.

The Continuing Connected Transactions is a related party transactions for the Company for purposes of MI 61-101 by virtue of the relationship between the Company and CNG.

The First Supplemental Financial Services Agreement is exempt from the valuation requirements of MI 61-101 as the First Supplemental Financial Services Agreement involves deposits or lending services that are not subject to a valuation under MI 61-101. The First Supplemental Financial Services Agreement is subject to the minority shareholder approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The Fourth Supplemental Contract for Purchase and Sale of Doré is exempt from the valuation requirement of MI 61-101 by virtue of being a sale contract of inventory in the ordinary course of the Company's business. The Fourth Supplemental Contract for Purchase and Sale of Doré is subject to the minority approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The Fourth Supplemental Products and Services Framework Agreement is comprised of multiple components that are assessed differently under MI 61-101. The sale of copper concentrates is exempt from the valuation requirement of MI 61-101 by virtue of being a sale contract of inventory in the ordinary course of the Company's business. The provision of services is not expressly addressed in the definition of a related party transaction under MI 61-101, and the leasing services are considered in the ordinary course of business on reasonable commercial terms that are not less advantageous to the Company than if the lease was with a counterparty with whom the Company deals at arm's length. Furthermore, the overall value of the portions of the Fourth Supplemental Products and Services Framework Agreement that are not otherwise exempt is not more than 25% of the market capitalization of the Company as of the date of such contract. The Fourth Supplemental Products and Services Framework Agreement is subject to minority approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The proposed maximum annual transaction amounts during the term of the First Supplemental Financial Services Agreement, the Fourth Supplemental Contract for Purchase and Sale of Doré and the Fourth Supplemental Products and Services Framework Agreement are exempted from the approval of the Independent Shareholders in accordance with MI 61-101.

GENERAL INFORMATION

The Company will convene the Meeting in Vancouver, Canada on June 29, 2023 Vancouver time (June 30, 2023 Hong Kong time) for the Independent Shareholders to consider and, if thought fit, approve, among other matters, each of the Continuing Connected Transactions and the transactions contemplated thereunder and the Non-exempt Proposed Caps. China National Gold, the ultimate controlling Shareholder of the Company, and its respective associates (as defined in the Hong Kong Listing Rules) will abstain from voting on the ordinary resolution(s) approving the Continuing Connected Transactions and the Non-exempt Proposed Caps at the Meeting.

DESPATCH OF INFORMATION CIRCULAR

An information circular containing, among other things, (i) further details of the Continuing Connected Transactions, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from TC Capital to the Independent Board Committee and the Independent Shareholders; (iv) a notice of the Meeting, and (v) other information required under the Hong Kong Listing Rules, will be dispatched to the Shareholders on or around June 7, 2023 as more time is needed to finalise the content of the information circular.

DEFINITIONS

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

“2024-2026 Deposit Cap”	the maximum daily balance of the deposits (including any interest accrued therefrom) set for the Deposit Services for the three years ending December 31, 2026;
“2024-2026 Gold Doré Annual Caps”	the annual caps set for the transactions for the Contract for Purchase and Sale of Doré for the three years ending December 31, 2026;
“2024-2026 P&S Annual Caps”	the annual caps set for the transactions for the Products and Services Framework Agreement for the three years ending December 31, 2026;
“Board”	the board of Directors of the Company;
“CBIRC”	the China Banking and Insurance Regulatory Commission;
“China Gold Finance”	China National Gold Group Finance Co., Ltd.;
“China National Gold” or “CNG”	China National Gold Group Co., Ltd. (formerly known as China National Gold Group Corporation);
“CNGGHK” or “China Gold Hong Kong”	China National Gold Group Hong Kong Limited;
“Company”	China Gold International Resources Corp. Ltd.;
“connected person(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;

“Continuing Connected Transactions”	the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré, the Fourth Supplemental Products and Services Framework Agreement and the First Supplemental Financial Services Agreement;
“Contract for Purchase and Sale of Doré”	the contract dated May 7, 2014 entered into between China National Gold and Inner Mongolia Pacific pursuant to which China National Gold agreed to purchase from Inner Mongolia Pacific the gold doré bars produced at the CSH Mine, as amended by the First Supplemental Contract for Purchase and Sale of Doré, the Second Supplemental Contract for Purchase and Sale of Doré and the Third Supplemental Contract for Purchase and Sale of Doré, and where the context requires, as to be further amended by the Fourth Supplemental Contract for Purchase and Sale of Doré;
“CSH Mine”	a gold mine located in Inner Mongolia Autonomous Region, the PRC in which the Company ultimately holds 96.5% interest in it;
“Directors”, each a “Director”	the directors of the Company;
“Financial Services Agreement”	the agreement dated May 5, 2021 entered into between the Company and China Gold Finance pursuant to which China Gold Finance agreed to provide the PRC subsidiaries of the Company a range of financial services, and where the context requires, as to be further amended by the First Supplemental Financial Services Agreement;
“First Supplemental Contract for Purchase and Sale of Doré”	the first supplemental contract dated May 26, 2017 entered into between Inner Mongolia Pacific and China National Gold amending certain terms of the Contract for the Purchase and Sale of Doré;
“First Supplemental Financial Services Agreement”	the first supplemental agreement dated May 9, 2023 entered into between the Company and China Gold Finance amending certain terms of the Financial Services Agreement;
“First Supplemental Products and Services Framework Agreement”	the first supplemental agreement dated May 29, 2015 entered into between China National Gold and the Company amending certain terms of the Products and Services Framework Agreement;
“Fourth Supplemental Contract for Purchase and Sale of Doré”	the fourth supplemental contract dated May 11, 2023 entered into between Inner Mongolia Pacific and China National Gold amending certain terms of the Contract for the Purchase and Sale of Doré;
“Fourth Supplemental Products and Services Framework Agreement”	the fourth supplemental agreement dated May 11, 2023 entered into between the Company and China National Gold amending certain terms of the Products and Services Framework Agreement;
“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 Hong Kong Stock Exchange;
“Hong Kong Stock Exchange” or “HKEX”	The Stock Exchange of Hong Kong Limited;
“Independent Board Committee”	an independent committee of the Board comprising all of the INEDs;

“Independent Financial Adviser” or “TC Capital”	TC Capital International Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulatory activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps;
“Independent Shareholders”	the Shareholders other than China National Gold and any of its associates;
“INED”	independent non-executive Director of the Company;
“Inner Mongolia Pacific”	Inner Mongolia Pacific Mining Co. Limited;
“Jiama Mine”	a copper-gold polymetallic mine located in Tibet Autonomous Region, the PRC in which the Company ultimately holds 100% interest;
“Meeting”	the annual and special meeting of the Shareholders to be convened for the purposes of considering and, if thought fit, approving, among other things, the Continuing Connected Transactions and the Non-exempt Proposed Caps;
“MI 61-101”	Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions;
“Non-exempt Continuing Connected Transactions”	the transactions contemplated under the Fourth Supplemental Contract for Purchase and Sale of Doré, the Fourth Supplemental Products and Services Framework Agreement and the Deposit Services contemplated under the First Supplemental Financial Services Agreement;
“Non-exempt Proposed Caps”	the 2024-2026 P&S Annual Caps, the 2024-2026 Gold Doré Annual Caps and the 2024-2026 Deposit Cap;
“PBC”	The People’s Bank of China;
“PRC”	The People’s Republic of China;
“Products and Services Framework Agreement”	the agreement dated April 26, 2013 entered into between the Company and China National Gold pursuant to which China National Gold agreed to provide mining surveying, exploration, design, construction and development related products and services to the Company, as amended by the First Supplemental Products and Services Framework Agreement, the Second Supplemental Products and Services Framework Agreement and the Third Supplemental Products and Services Framework Agreement, and where the context requires, as to be further amended by the Fourth Supplemental Products and Services Framework Agreement;
“Second Supplemental Contract for Purchase and Sale of Doré”	the second supplemental contract dated March 28, 2018 entered into between Inner Mongolia Pacific and China National Gold amending certain terms of the Contract for the Purchase and Sale of Doré;
“Second Supplemental Products and Services Framework Agreement”	the second supplemental agreement dated May 26, 2017 entered into between China National Gold and the Company amending certain terms of the Products and Services Framework Agreement;

“SFO”	Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong);
“Share(s)”	share(s) of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Third Supplemental Contract for the Purchase and Sale of Doré”	the third supplemental contract dated May 6, 2020, entered into between Inner Mongolia Pacific and China National Gold amending certain terms of the Contract for the Purchase and Sale of Doré;
“Third Supplemental Products and Services Framework Agreement”	the third supplemental agreement dated May 6, 2020 entered into between China National Gold and the Company amending certain terms of the Products and Services Framework Agreement;
“Toronto Stock Exchange” or “TSX”	The Toronto Stock Exchange of Toronto, Canada;
“Zhongjin Gold Corp”	Zhongjin Gold Corporation Limited; and
“%”	percent.

By order of the Board
China Gold International Resources Corp. Ltd.
Mr. Junhu Tong
Chairman and Chief Executive Officer

Hong Kong, May 12, 2023

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Junhu Tong, Mr. Yuanhui Fu, Mr. Weibin Zhang and Ms. Na Tian as Executive Directors, Mr. Wanming Wang as Non-Executive Director, and Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han as Independent Non-Executive Directors.