

**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 document.



**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)

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

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

**ON JUNE 25, 2019 VANCOUVER TIME (JUNE 26, 2019 HONG KONG TIME)**

**May 22, 2019**

## TABLE OF CONTENTS

	PAGE
Notice of Annual and Special Meeting of Shareholders	2
General Information	5
General Voting Information	7
Beneficial Shareholder Voting	9
Registered Shareholder Voting	10
Business of Meeting	11
Financial Statements	11
Appointment of Auditors	11
Fixing the Number of Directors	11
Election of Directors	11
Director Biographies	12
Director Compensation	17
Corporate Governance	20
Compensation And Benefits Committee	20
Termination of Employment, Change in Responsibilities and Employment Contracts	24
Indebtedness of Directors And Executive Officers	25
Interest of Informed Persons in Material Transactions	26
Particulars Of Matters To Be Acted Upon	28
Share Repurchase Mandate	28
Share Issue Mandate	28
Additional Share Allotment Mandate	29
Other Business	30
Additional Information	31
Schedule A – Corporate Governance Disclosure	32
Schedule B - Share Repurchase Mandate	46
Schedule C - Definitions	49

*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 document.*



**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**”) 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 Tuesday, June 25, 2019 commencing at 10:00 am pacific daylight time, for the following purposes:

1. to receive the report of the Board of Directors (the “**Board**”);
2. to receive the Company’s audited consolidated financial statements for the financial year ended December 31, 2018, together with the auditors’ report thereon;
3. to appoint auditors of the Company for the ensuing year and to authorize the Board to fix the auditors’ remuneration;
4. to set the number of directors to be elected at the Meeting at nine (9);
5. to elect directors for the ensuing year;
6. 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;
7. 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; and
8. to extend the share allotment mandate by the addition thereto of the shares repurchased by the Company.

The Company will transact such other business as may properly come before the Meeting or any adjournments thereof.

The Board has fixed May 10, 2019 Vancouver time (being May 11, 2019 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.

Instructions to access the Management Information Circular and a form of proxy solicited by management of the Company for the Meeting (the “**Form of Proxy**”) accompany this Notice. The Management Information Circular contains details of the matters to be considered at the Meeting. Information respecting the appointment of auditors, and the election of directors may be found in the Management Information Circular under the headings “Appointment of Auditors”, “Election of Directors”, respectively.

**Notice-and-Access**




This year, the Company has adopted the “notice-and-access” mechanism (“**Notice and Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial registered shareholders.

**Website Where Meeting Materials are Posted**

The Notice-and-Access Provisions are a set of rules that allows reporting issuers to post electronic versions of proxy-related materials and annual financial statements (including the Management Information Circular) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one (1) other website, rather than mailing paper copies of such materials to shareholders. Electronic copies of the Management Information Circular, the annual audited consolidated financial statements of the Company for the year ended December 31, 2018 (the “**Financial Statements**”) and management’s discussion and analysis of the Company’s results of operations and financial condition for the year ended December 31, 2018 (the “**MD&A**”) may be found on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.chinagoldintl.com](http://www.chinagoldintl.com). In relation to the Meeting, the notice package for all shareholders will include the Form of Proxy, this notice of the annual general meeting of shareholders and a supplemental return card (collectively, the “**Meeting Materials**”). We will mail a paper copy of the meeting materials to any shareholder who previously requested a paper copy. If you received the notice only and would like a paper copy of the Meeting Materials, please send us a request as set out below.

**How to Obtain Paper Copies of the Meeting Materials**

Shareholders with questions about the Notice-and-Access Provisions may call our transfer agent, AST Trust Company (Canada) (formerly CST Trust Company) (the “**Transfer Agent**”), toll-free at 1-888-433-6443. The Meeting Materials can be viewed online on the Company’s website at [www.chinagoldintl.com](http://www.chinagoldintl.com). Please note that if you request a paper copy of the Meeting Materials, you will not receive a new Form of Proxy or voting instruction form, so you should retain these forms sent to you in order to vote. Shareholders may also obtain paper copies, free of charge on request. Please submit your request by:

	604-609-0598 (not a toll-free number)
	<a href="mailto:info@chinagoldintl.com">info@chinagoldintl.com</a>
	China Gold International Resources Corp. Ltd. Suite 660, One Bentall Centre 505 Burrard Street Vancouver, BC Canada, V7X 1M4

You can also obtain copies of any document required to be filed by us in Canada and Hong Kong, as well as additional information about us, by:

- > Accessing our public filings on SEDAR at [www.sedar.com](http://www.sedar.com)
- > Going to our Investors page at [www.chinagoldintl.com](http://www.chinagoldintl.com)

A request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Company or the Transfer Agent, as applicable, by 10:00 a.m. (pacific daylight time) on or before June 11, 2019 in order to allow sufficient time for shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, British Columbia, Canada) prior to the time set for the Meeting or any adjournments or postponements thereof.

## **Voting**

A Form of Proxy is enclosed herewith. Registered shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed Form of Proxy to AST Trust Company (Canada) in accordance with the instructions set out on the Form of Proxy and in the Management Information Circular. If you are voting your shares by proxy, AST Trust Company (Canada) must receive your completed Form of Proxy not less than 48 hours (excluding Saturday, Sunday and statutory holidays before the Meeting or any adjournment thereof at which the proxy is to be used.

Non-registered shareholders receiving these materials through their broker or other intermediary should complete and return the voting instruction form provided to them by their broker or other intermediary in accordance with the instructions provided therein.

**SHAREHOLDERS ARE REMINDED TO REVIEW THE MEETING MATERIALS CAREFULLY BEFORE EXERCISING THEIR RIGHT TO VOTE.**

**DATED** at Vancouver, British Columbia, this 22 day of May, 2019.

**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 at the date of this announcement, the Board of Directors of the Company comprises of Mr. Xin Song and Mr. Liangyou Jiang as Executive Directors, Mr. Yongqing Teng, Ms. Fuzhen Kang and Mr. Xiangdong Jiang, as Non-Executive Directors, and Mr. Ian He, Mr. Yunfei Chen, Mr. John King Burns and Mr. Gregory Hall as Independent Non-Executive Directors.*

This information circular (the “**Circular**”) is furnished to the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of China Gold International Resources Corp. Ltd. (the “**Company**”) (TSX:CGG) (HKEx:2099) by the Company’s management in connection with the solicitation of proxies to be voted at the annual and special meeting of shareholders (the “**Meeting**”) to be held at 10:00 a.m. (pacific daylight time) on Tuesday, June 25, 2019, at the offices of Osler, Hoskin & Harcourt LLP located at Suite 1700, Guinness Tower, 1055 West Hastings Street, Vancouver, British Columbia, for the purposes set forth in the Notice of Meeting that accompanies this Circular. Unless otherwise stated, this Circular contains information as at the Latest Practicable Date. Certain capitalized terms used in this Circular have the meanings given to them in “Schedule C – Definitions”. All dollar figures are in Canadian dollars and references to “US\$” are to United States dollars, except as otherwise noted.

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this 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 document.*



**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:**

**40/F, Sunlight Tower, 248 Queen’s Road East, Wanchai, Hong Kong**

**INFORMATION CIRCULAR**

**GENERAL INFORMATION**

**China Gold International Resources Corp. Ltd.**

We use “we”, “us”, “our” and the “Company” to refer to China Gold International Resources Corp. Ltd. in this document.

**Date of Information**

Information is as of May 15, 2019, unless we note otherwise.

**Currency and Exchange Rate**

Canadian dollars are reported as C\$ and United States (US) dollars are reported as US\$. For amounts converted to Canadian dollars (C\$), we used the average rate of C\$1.00 = US\$0.7330, unless noted otherwise. This is the Bank of Canada average annual exchange rate for the year ended December 31, 2018.

## Common Shares Outstanding

Our Common Shares are traded on the Toronto Stock Exchange (“**TSX**”) under the symbol CGG and on The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) under the symbol 2099. There were 396,413,753 Common Shares of the Company outstanding at the close of business on May 15, 2019.

## Owners of 10% or More of Our Common Shares

To the knowledge of the Company’s directors and senior officers, China National Gold Group Co., Ltd. (formerly, China National Gold Group Corporation) (“**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.

## Interest of Certain Persons or Companies in Matters to be Acted Upon

Since January 1, 2018, none of the Company, our directors, director nominees and executive officers, or anyone associated or affiliated with any of them, has a material interest in any item of business at the Meeting. A material interest is one that could reasonably interfere with the ability to make independent decisions.

No informed person of the Company, or any proposed director or anyone associated or affiliated with any of them, has or had a direct or indirect material interest in any transaction since the beginning of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, or any of its subsidiaries or affiliates.

## Mailing of Circular

This Circular will be mailed on or around May 22, 2019 to each of our shareholders of record on May 10, 2019 who have previously requested paper copies of our disclosure documents. All other shareholders will only receive a notice with information on how to view the meeting materials electronically. See “Notice and Access” below.

We give meeting materials to brokers, intermediaries, custodians, nominees and fiduciaries and request the materials be sent to beneficial shareholders promptly. We will pay for the distribution of the meeting materials by clearing agencies and intermediaries to objecting beneficial shareholders.

## Electronic Delivery

Shareholders can choose to receive meeting materials electronically rather than by paper. If you have already chosen to receive electronic copies, no paper materials will be sent to you. If you would like to receive future meeting materials electronically, please complete the enclosed form and return it as indicated on the form.

If we don’t have an electronic document available or we choose not to send an electronic copy, a paper copy will be provided.

## Notice and Access

This year, the Company has adopted the “notice-and-access” mechanism (“**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of meeting materials to registered and beneficial registered shareholders.

This Circular, the accompanying notice of meeting dated May 22, 2019 (the “**Notice of Meeting**”) and the enclosed form of proxy solicited by management of the Company for the Meeting (the “**Form of Proxy**”) (collectively, the “**Meeting Materials**”) are being sent to shareholders using the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of meeting materials to registered and beneficial registered shareholders.

## **GENERAL VOTING INFORMATION**

### ***Solicitation of Proxies***

The enclosed Form of Proxy is solicited by and on behalf of management of the Company. 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.

### ***Record Date***

The record date for the meeting is May 10, 2019. If you held Common Shares on that date, you are entitled to receive notice of, attend and vote at the meeting.

### ***Voting Securities and Votes***

The Common Shares are our only voting securities. Each Common Share entitles the holder to one vote at the meeting.

### ***Quorum***

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.

### ***Voting of Proxies***

A Form of Proxy for use at the Meeting is enclosed with the Company’s Circular dated May 22, 2019. Whether or not you are able to attend the Meeting, please complete the accompanying Form of Proxy in accordance with the instructions printed thereon, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Meeting or any adjourned thereof. Completion and return of the Form of Proxy will not preclude you from attending and voting at the Meeting or any adjourned meeting (as the case may be) should you so desire.

### ***Approvals***

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. Accordingly, the voting on all resolutions at the Meeting will be conducted by way of poll. The Company will announce the results of the poll in the manner prescribed in Rule 13.39(5) of the Hong Kong Listing Rules.






### ***Votes Necessary to Pass Resolutions***

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).






### ***Voting Questions***

Our transfer agent is AST Transfer Company Inc. ("**AST**"). Our co-agent in Hong Kong is Computershare Hong Kong Investor Services Limited. Please contact them if you have any questions on how your votes are counted.

	1-800-387-0825 (toll free in North America) 416-682-3860 (collect from outside North America)
	<a href="mailto:inquiries@astfinancial.com">inquiries@astfinancial.com</a>
	AST Trust Company (Canada) PO Box 700, Station B Montreal, QC, Canada H3B 3K3

## Beneficial Shareholder Voting

Most Shareholders are beneficial Shareholders. You hold a beneficial interest if your share certificate was deposited with a bank, trust company, stock broker, trustee or some other institution. Here is how you can vote:

<b>Voting Options</b>	
	In person at the meeting – discussed below
	By submitting a paper voting instruction form – discussed below
	By telephone – enter your voting instructions by telephone at: 1-800-474-7493 (English)
	By fax – fax to AST Trust Company at 1-866-781-3111 (Canada or US) or 1-416-368-2502 (outside North America)
	Via the internet – go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> and follow the instructions

### Voting in Person

**If you plan to attend the meeting and wish to vote your Common Shares in person, insert your own name in the space on the enclosed voting instruction form.** Then follow the signing and return instructions provided by your nominee. You may also nominate yourself as a proxy holder online, if available, by typing your name in the “Appointee” section on the electronic ballot.

Your vote will be taken and counted at the meeting, so do not indicate your votes on the form. Please register with AST when you arrive at the meeting.

### Voting by Instruction

Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your proxy holder. Use the enclosed voting instruction form to do this. The people named in the enclosed voting instruction form are members of management and/or the Board. **You have the right to choose another person to be your proxy holder by printing that person’s name in the space provided.** Then complete the rest of the form, sign it and return it. Your votes can only be counted if the person you appointed attends the Meeting and votes on your behalf. **If you have voted on the voting instruction form, neither you nor your proxy holder may vote in person at the meeting, unless you revoke your voting instructions prior to your nominee’s cut-off time.**

**Beneficial Shareholders should carefully follow the instructions of their nominee, including those regarding when and where the completed voting instruction form is to be delivered.** Note that if you are a beneficial Shareholder, your nominee will need your voting instructions sufficiently in advance of the proxy deposit deadline to enable your nominee to act on your instructions prior to the deadline. If you have any questions or require more information with respect to voting at the meeting, please contact our transfer agent, AST Transfer Company Inc, by email at [inquiries@astfinancial.com](mailto:inquiries@astfinancial.com) or by telephone at 1-800-387-0825 (toll free in North America) 416-682-3860 (collect from outside North America).





### Revoking Your Voting Instructions or Changing Your Instructions

**You may revoke your voting instructions before they are acted prior to your nominee’s cut-off time.** To revoke your voting instructions, contact your broker or service provider.

You may change your voting instructions by sending new instructions prior to your nominee’s cut off time to revoke your vote. Your latest instructions will be the only valid instructions.

## Registered Shareholder Voting

If you have in your possession a physical share certificate with your name on it, you are a registered shareholder. Here is how you can vote:

<b>Voting Options</b>	
	In person at the meeting – discussed below
	By submitting a paper voting instruction form – discussed below
	By fax – fax to AST Trust Company at 1-866-781-3111 (Canada or US) or 1-416-368-2502 (outside North America)
	Via the internet – go to <a href="http://www.astvotemyproxy.com">www.astvotemyproxy.com</a> and follow the instructions. You will need the 13-digit control number located on the proxy form

### Voting in Person

**If you plan to attend the meeting and wish to vote your Common Shares in person, do not complete or return the enclosed proxy form.** Your vote will be taken and counted at the meeting. Please register with AST when you arrive at the meeting.

**If you are a beneficial shareholder (you hold your Common Shares with a bank, trust company, stock broker, trustee or some other institution) you will be required to follow the procedures set forth under “Beneficial Shareholders Voting” on page 9.**

### Voting by Proxy

Whether or not you attend the meeting, you can appoint someone else to attend and vote as your proxy holder. Use the enclosed proxy form to do this. The people named in the enclosed proxy form are members of management and/or the Board. **You have the right to choose another person to be your proxy holder by printing that person’s name in the space provided.** Then complete the rest of the proxy form, sign it and return it. Your votes can only be counted if the person you appointed attends the meeting and votes on your behalf. **If you have voted by completing the proxy form, neither you nor your proxy holder may vote in person at the meeting, unless you revoke your proxy before it is acted on.**

Return your completed proxy form in the envelope provided so that it arrives by 10:00 a.m. (Vancouver Time) on June 21, 2019 or if the meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the meeting to resume (the “cut off time”). The time limit for the deposit of proxies may be waived or extended by the chair of the meeting at their discretion, without notice. An undated proxy will be deemed to be dated the date it is received by AST. If you have any questions or require more information with respect to voting at the meeting, please contact our transfer agent, AST Transfer Company Inc, by email at [inquiries@astfinancial.com](mailto:inquiries@astfinancial.com) or by telephone at 1-800-387-0825 (toll free in North America) 416-682-3860 (collect from outside North America).

### Revoking your Proxy

You may revoke your proxy at any time before it is acted on. Deliver a written statement that you want to revoke your proxy to our Corporate Secretary before or on June 24, 2019 (or the last business day before the meeting if it is adjourned or postponed), or to the chair on June 25, 2019 before the start of the Meeting.

### Changing your Proxy

You may change the way you voted by proxy by sending a new proxy prior to the cut off time to revoke your vote. Your latest proxy will be the only one that is valid.

## BUSINESS OF MEETING

### *Financial Statements*

Our audited annual consolidated financial statements for the year ended December 31, 2018, and the auditors' reports on those statements, are included in the annual report and will be available at the meeting. The annual report is also filed on [www.sedar.com](http://www.sedar.com) and available to you on the Company's website at [www.chinagoldintl.com](http://www.chinagoldintl.com).

### *Appointment of Auditors*

Shareholders will be requested to appoint Deloitte Touche Tohmatsu 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. Deloitte Touche Tohmatsu was first appointed as auditors of the Company on April 1, 2010.

**We recommend that you vote FOR the appointment of Deloitte Touche Tohmatsu as our auditors**

The people named in the enclosed proxy will vote FOR the appointment of Deloitte Touche Tohmatsu, Independent Registered Public Accounting Firm as our auditors unless you tell them to vote against it.

### *Fixing the Number of Directors*

The Articles of the Company provide that the number of Directors is set at the greater of three (3) and the number set by ordinary resolution. At the Meeting, the Company's board of Directors (the "**Board**") is requesting that shareholders pass an ordinary resolution setting the number of Directors of the Company's Board at nine (9).

**We recommend that you vote FOR setting the number of Directors of the Company's Board at nine (9)**

The people named in the enclosed proxy will vote FOR the setting the number of Directors of the Company's Board at nine (9) unless you tell them to vote against it.

### *Election of Directors*

Each Director will hold office until the end of the next annual general meeting or until a successor is duly appointed or elected. Your Director nominees are:

- |                  |              |
|------------------|--------------|
| > Xin Song       | > Ian He     |
| > Liangyou Jiang | > Wei Shao   |
| > Yongqing Teng  | > Bielin Shi |
| > Fuzhen Kang    | > Ruixia Han |
| > Shiliang Guan  |              |

You can find more information on all of the nominees starting on page 12. Each nominee brings important skills and experience to the Board, is eligible and willing to serve if elected. If for some reason a nominee is not available to serve at the time of the Meeting (and we know of no reason this would occur), the people named in the enclosed proxy will vote for a substitute nominee if one is chosen by the Board.

We note that no Director nominations were received pursuant to the advance notice provision of our Articles as of the date of this Circular. The only nominees for election at the Meeting are the nominees listed.

### *Majority Voting Policy*

We have a majority voting policy (the "**Majority Voting Policy**"). Unless there is a contested election, a Director who receives more votes "withheld" by at least a majority (50% + 1 vote) of the votes cast with

respect to his or her election, will immediately tender a resignation. The Board will determine whether to accept the resignation within 90 days after the 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. 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.

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 cast by Shareholders to ensure that a majority of such votes are in favour of the elected directors.

**We recommend that you vote FOR the election of these nominees**

The people named in the enclosed proxy will vote FOR the election of these nominees unless you tell them to withhold your vote.

**DIRECTOR BIOGRAPHIES**

The following is a complete biography for each Director nominee for election at the meeting. All other Director information can be found in this section under the heading entitled "Director Compensation" starting at page 20 or in the section entitled "Corporate Governance" starting at page 20.

<p><b>Xin Song</b> Beijing, PRC Age: 56</p> <p><b>Director Since:</b> October 2009</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>• Managing / Leading Growth</li> <li>• Financial Acumen</li> <li>• Marketing</li> <li>• Environmental / Safety / Corporate Responsibility</li> <li>• Technical Mining Expertise</li> </ul>	<p>Mr. Xin Song's principal occupations include Chairman of the Board of the Company since February 24, 2014 and Chairman of China National Gold Group Co., Ltd. ("<b>China National Gold</b>" or "<b>CNG</b>") since January 2017. He also serves as Executive Director from October 2009 to present. 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 and Chairman of the Board from September 2003 to March 2007; Director of China Gold Hong Kong Limited ("<b>China Gold Hong Kong</b>") since March 2008; Chairman and Corporate Representative of China Gold Hong Kong from February 2014 to present; Director of China Gold Hong Kong Holding Corp. Limited ("<b>CGHK Holding</b>") since March 2008; Director of CGHK Holding since August 2011; and Director of Mundoro Mining Inc. since October 2011. He was formerly Chief Executive Officer of the Company from October 2009 to February 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. ("<b>Tibet Jia Ertong</b>") from April 2008 to February 2014. Mr. Song served as the Chairman of the Board of Tibet Huatailong Mining Development Co., Ltd ("<b>Tibet Huatailong</b>") from October 2007 to June 2010.</p> <p>Mr. Song was elected as the first President of the China Committee of the World Council in September 2018. He also serves as President of the Third Council of China Gold Association from 2014 to present.</p> <p>Mr. 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>				
<b>Principal Occupation, Business or Employment<sup>(1)</sup></b>					
Executive Director and Chairman of the Board of the Company, Chairman of China National Gold and Chairman of Zhongjin Gold Corporation Ltd.					
<b>Director Status:</b> Executive Director <b>Board/Committee Membership:</b>		<b>2018 Attendance:</b>		<b>Other Public Company Board Membership:</b>	
				<b>Company:</b>	
				<b>Since</b>	
Board of Directors (Chair):		4 of 4	100%	Zhongjin Gold Corporation Ltd.	2007
<b>Common Shares Beneficially Owned, Controlled or Directed:</b>			Nil		
<b>Options Beneficially Owned, Controlled or Directed:</b>			Nil		

<p><b>Liangyou Jiang</b></p> <p>Beijing, PRC Age: 53</p> <p><b>Director Since:</b> October 2014</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>• CEO / Senior Officer</li> <li>• Managing / Leading Growth</li> <li>• Financial Acumen</li> <li>• Marketing</li> <li>• Environmental / Safety / Corporate Responsibility</li> </ul>	<p>Mr. Liangyou Jiang joined the Board in October 2014 as an Executive Director. He was appointed Chief Executive Officer in November 2018. Mr. Jiang has had a long career in the mining industry spanning over 30 years, with extensive senior executive and board experience. Mr. Jiang currently holds a number of director and senior executive roles with China National Gold, China Gold Hong Kong, Soremi Investments Ltd., Kichi-Chaarat Closed Joint Stock Company, Zhongji Mining, Buchuk Mining Company, Sino Mining Guizhou Pty, Skyland Mining Limited, CGHK Holding, Mundoro Mining Limited, and Tibet Jia Ertong.</p> <p>Mr. Jiang is a Senior Professional Engineer, holds a Bachelor's Degree in mineral processing from Northeastern University in China.</p>									
	<p><b>Principal Occupation, Business or Employment<sup>(1)</sup></b></p>									
	<p>Vice President of China National Gold, Executive Director and Chief Executive Officer of the Company and Executive Vice President of China Gold Hong Kong</p>									
	<p><b>Director Status:</b> Executive Director <b>Board/Committee Membership:</b></p>		<p><b>2018 Attendance:</b></p>		<p><b>Other Public Company Board Membership:</b></p>					
					<table border="1"> <thead> <tr> <th>Company:</th> <th>Since</th> </tr> </thead> <tbody> <tr> <td>n/a</td> <td></td> </tr> </tbody> </table>		Company:	Since	n/a	
	Company:	Since								
n/a										
Board of Directors		4 of 4	100%							
<p><b>Common Shares Beneficially Owned, Controlled or Directed:</b></p>			Nil							
<p><b>Options Beneficially Owned, Controlled or Directed:</b></p>			Nil							

<p><b>Yongqing Teng</b></p> <p>Cheng Du, PRC Age: 51</p> <p><b>Director Since:</b> November 2018</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>• Corporate Responsibility</li> <li>• Technical Mining Expertise</li> </ul>	<p>Mr. Yongqing Teng currently serves as Vice President of China Gold Hong Kong since October 2017. He has also served as Executive Director and General Manager of China Gold Group Sichuan Co., Ltd. since October 2017. Mr. Teng also serves as Bureau Director for Sichuan Gold Industry Administration Bureau and Chairman of Sichuan General Investment Co., Ltd from November 2015 to present.</p> <p>Prior to this, Mr. Teng served as Manager of China Gold Group Sichuan Co., Ltd from November 2015 to October 2017.</p> <p>He joined Tibet Huatailong in August 2010 where he served as Executive Deputy General Manager until he was appointed General Manager in February 2012 and subsequently appointed Chairman in August 2014. He served in this capacity until November 2015.</p> <p>Mr. Teng has over 30 years' experience working in mining, cooperate governance and operations roles in the gold mining sector in China.</p>									
	<p><b>Principal Occupation, Business or Employment<sup>(1)</sup></b></p>									
	<p>Vice President of China Gold Hong Kong, Non-Executive Director of Company,</p>									
	<p><b>Director Status:</b> Non-Executive <b>Board/Committee Membership:</b> <sup>(3)</sup></p>		<p><b>2018 Attendance:</b></p>		<p><b>Other Public Company Board Membership:</b></p>					
					<table border="1"> <thead> <tr> <th>Company:</th> <th>Since</th> </tr> </thead> <tbody> <tr> <td>n/a</td> <td></td> </tr> </tbody> </table>		Company:	Since	n/a	
	Company:	Since								
n/a										
Board of Directors		1 of 1	100%							
<p><b>Common Shares Beneficially Owned, Controlled or Directed:</b></p>			Nil							
<p><b>Options Beneficially Owned, Controlled or Directed:</b></p>			Nil							

<p><b>Fuzhen Kang</b></p> <p>Tibet, PRC Age: 32</p> <p><b>Director Since:</b> November 2018</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>• Community Relationship</li> <li>• Corporate Responsibility</li> </ul>	<p>Ms. Fuzhen Kang joined Tibet Huatailong in July 2008 in a number of community communications roles.</p> <p>Ms. Kang holds a bachelor's degree in Environmental Science from the Tibet University</p>					
	<p><b>Principal Occupation, Business or Employment<sup>(1)</sup></b></p>					
	<p>Non-Executive Director of Company, Manager of The First Ore Processing Plant of Tibet Huatailong</p>					
	<p><b>Director Status:</b> Non-Executive <b>Board/Committee</b> <b>Membership:<sup>(4)</sup></b></p>		<p><b>2018 Attendance:</b></p>		<p><b>Other Public Company Board Membership:</b></p>	
	<p>Board of Directors</p>		<p>1 of 1</p>	<p>100%</p>	<p>n/a</p>	<p></p>
<p><b>Common Shares Beneficially Owned, Controlled or Directed:</b></p>			<p>Nil</p>			
<p><b>Options Beneficially Owned, Controlled or Directed:</b></p>			<p>Nil</p>			

<p><b>Shiling Guan</b></p> <p>Tibet, PRC Age: 51</p> <p><b>Director Since:</b> N/A</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>• Environmental / Safety / Corporate Responsibility</li> <li>• Technical Mining Expertise</li> </ul>	<p>Mr. Shiling Guan joined Tibet Huatailong in November 2015, as Chairman of the Board. From December 2015 to September 2016, he was promoted as CPC Party Secretary and Chairman of Tibet Huatailong. In September 2016 he was appointed as the Vice President of the Company.</p> <p>Prior to joining the Company, Mr. Guan served as Deputy Manager of the Production Management Department of China National Gold from 2011 to 2014. He was also Chairman of the Board, CPC Party Secretary of Inner Mongolia Baotou Xinda Gold Mining Co., Ltd. ("<b>Xinda Mining</b>") from February 2014 to November 2015, where he was responsible for the overall production and operations at Xinda Mining. Prior to 2011, Mr. Guan also held senior positions at Jilin Haigou Mining Company, Shaanxi Dongtongyu Gold Mine of Zhongjin Gold Corporation Limited, Tongguan Zhongjin Gold Mining Co., Ltd, Songxian Jinniu Co., Ltd. and Qianhe Ltd.</p> <p>Mr. Guan is a senior professional mining engineer and has over 25 years of experience in the mining industry. Mr. Guan holds a bachelor's degree in Mining Engineering from Northeastern University in China.</p>					
	<p><b>Principal Occupation, Business or Employment<sup>(1)</sup></b></p>					
	<p>Vice President of the Company; Chairman of the Board of Tibet Huatailong</p>					
	<p><b>Director Status:</b> Non-Executive <b>Board/Committee</b> <b>Membership:<sup>(5)</sup></b></p>		<p><b>2018 Attendance:</b></p>		<p><b>Other Public Company Board Membership:</b></p>	
	<p>Board of Directors</p>		<p>n/a</p>	<p>n/a</p>	<p>n/a</p>	<p></p>
<p><b>Common Shares Beneficially Owned, Controlled or Directed:</b></p>			<p>Nil</p>			
<p><b>Options Beneficially Owned, Controlled or Directed:</b></p>			<p>Nil</p>			

<p><b>Yingbin Ian He</b></p> <p>North Vancouver, Canada Age: 57</p> <p><b>Non-Executive Independent Director Since:</b> May 2000</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>Managing / Leading Growth International</li> <li>CEO/Senior Officer Exploration</li> <li>Compensation</li> <li>Governance/Board</li> <li>Financial Acumen</li> <li>Diversity</li> <li>Marketing</li> <li>Environmental / Safety / Corporate Responsibility</li> <li>Technical Mining Expertise Mongolia</li> <li>Industry experience in gold, base metal and coal mining</li> </ul>	<p>Mr. Yingbin He joined the Board on May 31, 2000 as an Independent Non-Executive Director. He was appointed Independent Lead Director and Chairman of the Nominating and Corporate Governance Committee on November 13, 2018.</p> <p>Mr. He has had a long career in the mining industry spanning over 30 years, with extensive senior executive and board experience. Mr. He is an independent non-executive director of SouthGobi Resources Ltd., a company dually listed on the Toronto and Hong Kong stock exchanges, the non-executive Chairman of Vatukoula Gold Mines Plc which was previously listed on the AIM of the London Stock Exchange, a Director and President of Tri-River Ventures Inc., which is listed on the TSX Venture Exchange.</p> <p>Mr. He obtained his Doctoral and Master degrees in Mineral Process Engineering from the University of British Columbia and his Bachelor degree in Coal Preparation from Heilongjiang Institute of Mining and Technology (now known as the Heilongjiang University of Science and Technology) in China. Mr. He is a member of the Canadian Institute of Mining, Metallurgy and Petroleum and the Canadian Institute of Corporate Directors.</p> <p>Mr. 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; Chairman and Director of Vatukoula Gold Mines since April 2013 and February 2013, respectively. Mr. He was formerly President of Director of Spur Venture Inc. (now known as Atlantic Gold Corp.) from August 1995 to June 2006, Director of Zhongrun Resources Investment Corp. from December 2010 to June 2018, 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>				
	Principal Occupation, Business or Employment <sup>(1)</sup>				
	President of Tri-River Ventures Inc. (2007 - present)				
	Director Status: Independent and Non-Executive <sup>(2)</sup> Board/Committee Membership: <sup>(6)</sup>	2018 Attendance:		Other Public Company Board Membership:	
				Company:	Since
	Board of Directors	4 of 4	100%	SouthGobi Resources Ltd. (TSX and HKEx)	2017
	Audit	4 of 4	100%		
	Compensation & Benefits	2 of 2	100%	Tri-River Ventures Inc. (TSX-V)	2006
	Nominating & Corporate Governance (Chair)	2 of 2	100%	Zhongrun Resources Investment Corporation (Shenzhen Stock Exchange)	2011
	Health, Safety & Environment Committee	4 of 4	100%		
<b>Common Shares Beneficially Owned, Controlled or Directed:</b>		150,000			
<b>Options Beneficially Owned, Controlled or Directed:</b>		Nil			

<p><b>Wei Shao<sup>(7)</sup></b></p> <p>Vancouver, Canada Age: 64</p> <p><b>Non-Executive Independent Director Since:</b> N/A</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>Managing / Leading Growth International</li> <li>Law</li> <li>Mergers and acquisition</li> <li>Governance / Board</li> </ul>	<p>Mr. Shao is the National China Service Co-Leader at Dentons Canada LLP and specializes in international business transactions focusing on China. Mr. Shao has over 25 years of extensive experience in mergers and acquisitions, corporate and project financing, cross-border counseling and general corporate and commercial transactions.</p> <p>Mr. Shao is actively in community and non-profit organizations. Prior to his legal career, Mr. Shao worked for the United Nations in New York. Mr. Shao is an interpreter accredited by the United Nations and by the federal government of Canada.</p> <p>Mr. Shao holds an LLB from the University of Toronto, BA from Xian Foreign Languages Institute and U.N Accreditation of Simultaneous Interpretation from the Beijing University of Foreign Studies</p>				
	Principal Occupation, Business or Employment <sup>(1)</sup>				
	Partner, Dentons Canada LLP (2012 to present)				
	Director Status: Independent and Non-Executive <sup>(2)</sup> Board/Committee Membership: <sup>(6)</sup>	2018 Attendance:		Other Public Company Board Membership:	
				Company:	Since
	Board of Directors	n/a	n/a		
	<b>Common Shares Beneficially Owned, Controlled or Directed:</b>		Nil		
	<b>Options Beneficially Owned, Controlled or Directed:</b>		Nil		



<p><b>Bielin Shi</b><sup>(8)</sup></p> <p>Stirling, Western Australia Age: 63</p> <p><b>Non-Executive Independent Director Since:</b> n/a</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>• Manage global project / risk assessment and evaluations</li> <li>• Mineral Resources / Exploration Geology</li> <li>• Technical Mining Expertise / Applied geostatistics, resource estimation /mining geology</li> <li>• Industry experience in gold, copper, base metals, PGM and iron mining</li> </ul>	<p>Dr Shi is a leading mining executive and geologist who specialises in investment management, mining geology, geostatistics, resource estimation and optimisation, exploration and project development</p> <p>Dr. Shi has over 30 years’ experience as a Geologist with high level experience in investment management, applied geostatistics, resource estimation and mining geology. Worldwide operational expertise in exploration and mine projects. Expertise with independent technical reviews, due diligence audits and expert technical reporting in compliance with the JORC Code, NI43-101 and HKEx Standards.</p> <p>Dr. Shi is a Competent Person under the JORC Code and holds equivalent credentials in respect of Canadian and Hong Kong’s Mineral Resources / Reserves reporting standards. Dr. Shi has published numerous papers on the application of geostatistics in resource estimation.</p> <p>Dr. Shi’ s recent work has included investment management, audit and reviews of resources for multiple commodity projects.</p> <p>Dr. Shi has a Post-Doctoral Research Fellow in Geostatistics from Edith Cowan University, Western Australia; PhD in Geology from The University of Melbourne, Australia; and MSc in Geology from Guizhou University of Technology, China.</p>				
	<b>Principal Occupation, Business or Employment</b> <sup>(1)</sup>				
	Deputy General Manager, Shandong Tyan Home Co. Ltd. (May 2017 to present) Chief Geologist, Pei Si International (Beijing) Co. Ltd. (since 2015)				
	<b>Director Status:</b> Independent and Non-Executive <sup>(2)</sup> <b>Board/Committee Membership:</b> <sup>(6)</sup>	<b>2018 Attendance:</b>		<b>Other Public Company Board Membership:</b>	
				Company:	Since
	Board of Directors	n/a	n/a	Eastern Platinum Limited (TSX-V)	Sept. 2016
				AustSino Resources Group Limited (ASX: SDL)	Aug. 2018
<b>Common Shares Beneficially Owned, Controlled or Directed:</b>			Nil		
<b>Options Beneficially Owned, Controlled or Directed:</b>			Nil		

<p><b>Ruixia Han</b><sup>(9)</sup></p> <p>Hong Kong, China Age: 35</p> <p><b>Non-Executive Independent Director Since:</b> n/a</p> <p><b>Areas of Experience:</b></p> <ul style="list-style-type: none"> <li>• Managing / Leading Growth</li> <li>• Financial Acumen</li> <li>• Accounting</li> </ul>	<p>Ms. Han is currently Head of Operations and Risk of MEC Advisory Limited, which is the sole Investment Advisor to Can-China Global Resource Fund. Mrs. Han’s role covers investment, accounting, finance treasury and investor relationships related matters. Prior to joining MEC Advisory Limited in 2014, Ms. Han was an Investment Manager at The Export-Import Bank of China (China EXIM Bank) responsible for sourcing, evaluating and negotiating investment opportunities in the banking and direct investment industry.</p> <p>Ms. Han obtained her PhD degree in Economics (Finance), Master degree in Economics (Venture Capital) and Bachelor degree of Economics (Finance) and has a double bachelor degree of Journalism from Renmin University of China</p>				
	<b>Principal Occupation, Business or Employment</b> <sup>(1)</sup>				
	Head Operations and Risk of MEC Advisory Limited (2014 to present)				
	<b>Director Status:</b> Independent and Non-Executive <sup>(2)</sup> <b>Board/Committee Membership:</b> <sup>(6)</sup>	<b>2018 Attendance:</b>		<b>Other Public Company Board Membership:</b>	
				Company:	Since
	Board of Directors	n/a	n/a	n/a	
	<b>Common Shares Beneficially Owned, Controlled or Directed:</b>			Nil	
<b>Options Beneficially Owned, Controlled or Directed:</b>			Nil		

Notes:

- (1) The information as to principal occupation, business or employment has been furnished by the nominee.
- (2) “Independent” refers to the standards of independence established under Canadian Securities Administrators’ National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”) and Rule 3.13 of the Hong Kong Listing Rules.
- (3) Mr. Teng was appointed to the Board on November 13, 2018.
- (4) Ms. Kang was appointed to the Board on November 13, 2018.
- (5) Mr. Guan is not currently a member of the Board, but has been nominated for election as a Director of the Company at the Meeting by management.

- (6) Mr. He was appointed to the Board on May 31, 2000 and is a member of the Audit Committee, Nominating and Corporate Governance Committee and Compensation and Benefits Committee and Health, Safety & Environment Committee. Mr. He resigned as Chairman of each of the Audit Committee, Compensation and Benefits Committee and Health, Safety & Environment Committee, remaining a member of each of those committees. Mr. He is Chairman of the Nominating and Corporate Governance Committee confirmed by the Board on November 13, 2018. Mr. He was further appointed as Lead Independent Director on November 13, 2018.
- (7) Mr. Shao is not currently a member of the Board, but has been nominated for election as a Director of the Company at the Meeting by management.
- (8) Dr. Shi is not currently a member of the Board, but has been nominated for election as a Director of the Company at the Meeting by management.
- (9) Ms. Han is not currently a member of the Board, but has been nominated for election as a Director of the Company at the Meeting by management.

## DIRECTOR COMPENSATION

### Compensation of Directors Table

The Company paid the following compensation to its Directors during the financial year ended December 31, 2018:

Name <sup>(1)</sup>	Fees Earned (US\$) <sup>(3)</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 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Xiangdong Jiang	\$45,900	Nil	Nil	Nil	Nil	Nil	\$45,900
Yongqing Teng	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fuzhen Kang	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ian He <sup>(3)</sup>	\$54,000	Nil	Nil	Nil	Nil	Nil	\$54,000
Yunfei Chen <sup>(3)</sup>	\$45,900	Nil	Nil	Nil	Nil	Nil	\$45,900
Gregory Hall <sup>(3)</sup>	\$45,900	Nil	Nil	Nil	Nil	Nil	\$45,900
John King Burns <sup>(3)</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 Circular.
- (2) Lianzhong Sun resigned as a Director on November 13, 2018.
- (3) 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. The independent non-executive 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 non-executive independent 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.

### 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, 2018, 2017 and 2016 to its Chief Executive Officer, Chief Financial Officer, and each of the individuals who at December 31, 2018 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, 2018:

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	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Liangyou Jiang <sup>(3)</sup> Chief Executive Officer	2018	\$44,997	Nil	Nil	Nil	Nil	Nil	Nil	\$44,997
	2017	\$129,616	Nil	Nil	Nil	Nil	Nil	Nil	\$129,616
	2016	\$56,769	Nil	Nil	Nil	Nil	Nil	Nil	\$56,769
Jerry Xie Executive Vice President and Corporate Secretary	2018	\$170,952	Nil	Nil	Nil	Nil	Nil	Nil	\$170,952
	2017	\$174,281	Nil	Nil	Nil	Nil	Nil	Nil	\$174,281
	2016	\$167,031	Nil	Nil	Nil	Nil	Nil	Nil	\$167,031
Derrick Zhang Chief Financial Officer	2018	\$153,413	Nil	Nil	Nil	Nil	Nil	Nil	\$153,413
	2017	\$159,946	Nil	Nil	Nil	Nil	Nil	Nil	\$159,946
	2016	\$142,843	Nil	Nil	Nil	Nil	Nil	Nil	\$142,843
Zhongxin (Gerard) Guo Chief Engineer <sup>(4)</sup>	2018	\$176,236	Nil	Nil	Nil	Nil	Nil	Nil	\$176,236
	2017	\$173,316	Nil	Nil	Nil	Nil	Nil	Nil	\$173,316
	2016	\$172,178	Nil	Nil	Nil	Nil	Nil	Nil	\$172,178
Huan Cai Senior Engineer	2018	\$180,239	Nil	Nil	Nil	Nil	Nil	Nil	\$180,239
	2017	\$179,997	Nil	Nil	Nil	Nil	Nil	Nil	\$179,997
	2016	\$167,714	Nil	Nil	Nil	Nil	Nil	Nil	\$167,714

Notes:

- (1) 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, 2018 and are therefore not included in "All Other Compensation" as permitted under Canadian securities laws.
- (2) Bing Liu resigned as Chief Executive Officer on November 13, 2018. Mr. Liu did not receive any compensation from the Company for his role as Chief Executive Officer.
- (3) Liangyou Jiang was appointed as Chief Executive Officer on November 13, 2018. Liangyou Jiang does not receive any compensation from the Company for his role as Chief Executive Officer. The amount included in the Compensation summary is for Mr. Jiang's position of Senior Executive Vice President until he resigned from that role in August 2018.
- (4) Zhongxin (Gerard) Guo was appointed Chief Engineer November 13, 2018, prior to the appointment he was Senior Mining Manager.

### 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.

## **BOARD OF DIRECTORS**

### ***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.

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

Mr. Yingbin Ian He, a nominee for Director at the Meeting, was previously 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.

On June 9, 2015, the Alberta Securities Commission issued a cease trader order which required that all trading or purchasing cease in respect of the securities of Huaxing as a result of the failure by Huaxing to file: (i) annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended December 31, 2014; and (ii) interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended March 31, 2015.

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.

### ***Individual Bankruptcies***

To the knowledge of the Company, 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 or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its 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.

## **CORPORATE GOVERNANCE**

### ***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 – Corporate Governance Disclosure to this Circular”.

### ***Director Independence***

The Board and the Governance and Nominating Committee considered the relationships of each of the Director nominees to the Company and determined that four of the nine proposed nominees for election as Directors, qualify as independent non-executive Directors. The Board and the Governance and Nominating Committee reviewed independence in light of the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (NI 58-101), Section 311 of the TSX Company Manual in Canada and Rule 3.13 of the Hong Kong Listing Rules. The independent non-executive Director nominees are: Ian He, Wei Shao, Bielin Shi and Ruixia Han. The non-independent Director nominees are: Xin Song, Liangyou Jiang, Yongqing Teng, Fuzhen Kang and Shiliang Guan. The independent non-executive Director nominees have each confirmed their independence accordingly.

Pursuant to the code provision in paragraph A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by Shareholders. Ian He has served on the Board for more than nine years. Ian He has not been involved in the daily management of the Company nor in any relationships or circumstances which would impair their independent judgment. Ian He has consistently demonstrated his ability to provide independent, balanced and objective advice and insight on the Company’s affairs. In addition, the Board is of the opinion that Ian He continues to be independent after reviewing and assessing his annual confirmations of independence based on the criteria set out in Rule 3.13 of the Hong Kong Listing Rules. Accordingly, the Board recommends Ian He for reelection at the AGM.

The independent non-executive directors, namely each of Ian He, Wei Shao, Bielin Shi and Ruixia Han, are subject to a separate resolution to be approved by Shareholders at the AGM. The Board has complied with the Code Provision E.1.1 with regard to the requirement to propose a separate resolution in respect of each substantially separate issue at any annual general meeting. It is the Company’s practice that separate resolutions were proposed at AGM’s for the re-election of each individual Director nominee whether such Director is an executive Director, a non-executive Director or an independent non-executive Director. Accordingly, re-election of each individual Director nominee will be voted on individually at the AGM.

In addition, the Audit Committee, Compensation and Benefits Committee, Nominating and Corporate Governance Committee and Health, Safety and Environmental Committee are currently fully comprised of independent Directors. If all of the nominees proposed by management for election to the Board are elected at the Meeting, it is expected that the Audit Committee, Compensation and Benefits Committee, Nominating and Corporate Governance Committee and Health, Safety and Environmental Committee will continue to be comprised exclusively of independent Directors.

## **COMPENSATION AND BENEFITS COMMITTEE**

During the year ended December 31, 2018, the Compensation and Benefits Committee was comprised of Ian He, Yunfei Chen, Gregory Hall and John King Burns. Ian He served as Chairman of the Compensation and Benefits Committee until November 13, 2018, at which time John King Burns was appointed as Chairman. Ian He remains a member of the Compensation and Benefits Committee. If management’s

nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Compensation and Benefits Committee will be composed solely of independent non-executive directors. For information regarding the responsibilities, powers and operation of the Compensation and Benefits Committee, see "Schedule A – Corporate Governance Disclosure".

Currently 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 the Company.

### ***Compensation Discussion and Analysis***

#### **Compensation and Benefits 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 Board.

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 assess the individual performance of the Company's executive officers and makes recommendations to the Board. Based on these recommendations, the Board 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 makes recommendations to the Board 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 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 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.

Consistent with the practice established by his predecessors with the support of China National Gold, since his appointment as Chief Executive Officer of the Company Mr. Liangyou Jiang 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 2018 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 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 the 2018 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, 2018 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 2019 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 compensation policies and practices are heavily influenced by those of China National Gold and other Chinese state-owned enterprises. 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; and (ii) the Board completes an annual review of the Company’s compensation philosophy and components. 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.



### ***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 directors, executive officers or employees during the financial year ended December 31, 2018.

### ***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, 2018:

### ***Incentive Plan Awards – value vested or earned during 2018***

There are no outstanding incentive plan awards held by any of the Named Executive Officers of the Company as of December 31, 2018.

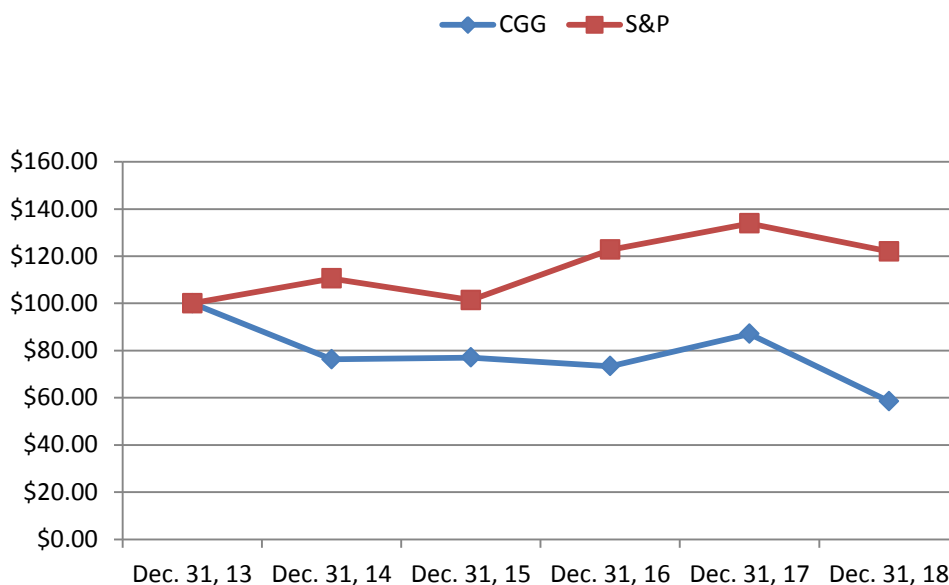
### ***Termination of Employment, Change in Responsibilities and Employment Contracts***

The Company has employment contracts with each of its Named Executive Officers with the exception of Liangyou Jiang, who does not receive any compensation for acting as Chief Executive Officer. 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 Zhongxin (Gerard) Guo, 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, Jerry Xie's or Zhongxin (Gerard) Guo'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 the earlier of either 18 months salary or when the alternate employment is commenced.

## 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, 2013 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. 2013	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018
China Gold International Resources Corp. Ltd.	100.00	76.30	77.04	73.33	87.04	58.52
S&P/TSX Composite Index	100.00	110.55	101.36	122.73	133.89	121.99

## 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 have expired.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company’s Directors or executive officers, proposed Director nominees, 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 Circular.

## **DIRECTOR AND OFFICER INDEBTEDNESS**

No Director or executive officer of the Company, or associate or affiliate of any such Director or executive officer, is or has been indebted to the Company or any of its subsidiaries since the beginning of the last completed financial year of the Company.

## **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", 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, 2018 (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", there was no contract or arrangement subsisting at the date of this 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, 2018 (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 Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (“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 Co., Ltd. (formerly, 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

As of the Latest Practicable Date, the current and proposed Directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 150,000 Common Shares of the Company representing approximately 0.0378% of the outstanding Common Shares of the Company.

Name	Position	Company	Number of shares held	Nature of interest	Approximate percentage of interest in the company
Ian He	Independent Non-Executive Director	China Gold International Resources Corp. Ltd.	150,000	Personal	0.0378%

Note: Information relating to share ownership provided by each Director.

Save as disclosed above, the current and proposed Directors and executive officers of the Company does not have any other interest or short position in the Common 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, and information regarding the relationship between certain proposed Directors and China National Gold see “Schedule A – Corporate Governance Disclosure”.

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.

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

In addition to the election of the Directors and other matters disclosed elsewhere in this Circular, the Board 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 granted to the Board at the annual general and special meeting held on June 27, 2018 will expire upon the conclusion of the 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 the Company to repurchase Common Shares up to a maximum of 10% of the aggregate number of issued Common 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 Common Shares outstanding as of the Latest Practicable Date), up to 39,641,375 Common 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 - Share Repurchase Mandate” to this Circular.

### **Share Issue Mandate**

The existing general mandate to allot, issue or otherwise deal with new Common Shares granted to the Board at the annual general and special meeting held on June 27, 2018 will expire upon the conclusion of the 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 Common Shares up to a maximum of 20% of the aggregate number of issued Common 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 considers 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 Common Shares outstanding as of the Latest Practicable Date), up to 79,282,750 new Common 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 Common Shares repurchased under the Share Repurchase Mandate will be added to the total number of Common 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 during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional Common Shares in the share capital of the Company or securities convertible into such Common Shares or options, warrants, or similar rights to subscribe for any such Common 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 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 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 or (iv) any issue of Common Shares in lieu of the whole or part of a dividend on Common 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 Common Shares open for a period fixed by the Board 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 Common Shares (subject to such exclusions or other arrangements as the Board 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 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 Common 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 and for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional Common 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 Common Shares as at the date of passing of this resolution.”

### ***Other Business***

If other matters are properly brought up at the meeting, you (or your proxy holder, if you are voting by proxy) can vote as you see fit. We are not aware of any other items of business to be considered at 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 10, 2019 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, 2016, 2017 and 2018.

## **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, 2018. 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 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 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 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 22 day of May, 2019.

**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



## SCHEDULE A CORPORATE GOVERNANCE DISCLOSURE

NI 58-101 requires the Company to disclose its corporate governance practices with reference to a series of corporate governance practices outlined in National Policy 58-201 – *Corporate Governance Guidelines* that the Canadian Securities Administrators (“CSA”) believe reflect “best practices” standards to which they encourage Canadian public companies to adhere.

### 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 nominees proposed by management for election to the Board, that 43% (4 of 9) of such nominees are independent from the Company. The Company has determined that Ian He, Wei Shao, Bielin Shi and Ruixia Han 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, after reviewing the roles and relationship of each of the nominees proposed by management for election to the Board that 56% (5 of 9) of such nominees are not independent of the Company. The Company has determined that Xin Song, Liangyou Jiang, Yongqing Teng, Fuzhen Kang, and Shiliang Guan 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. Liangyou Jiang is not considered independent of the Company because of his senior role as officer of the Company. Shiliang Guan is not considered independent because of his role as an officer of the Company. Yongqing Teng and Fuzhen Kang are not considered independent of the Company because of their affiliation as affiliates of China National Gold.

- (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.

As of the Last Practicable Date, four of nine current Board members are independent non-executive directors. If each nominee put forward in this Circular are elected as directors, Messrs. He, Shao and Shi and Ms. Han, being 44% of the Board, will be considered independent. Although the majority of the director nominees are not 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 currently 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.

Information respecting those entities that are reporting issuers (or the equivalent) in Canada or elsewhere in which any of the nominees for election as directors also act as directors, is disclosed in the table containing information about each nominee in the section of this Circular entitled "Director Biographies". Other than as disclosed therein, none of the current or proposed directors act as directors of any entities that are reporting issuers (or the equivalent) in Canada or elsewhere.

- (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. Not all meetings of the independent non-executive directors are scheduled, a number of the informal, ad hoc meetings were held and communication among this group occurs on an ongoing basis as needs arise. The independent non-executive directors held 4 (four) meetings in 2018. 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, two (2) meetings of the Nominating and Corporate Governance Committee, two (2) meetings of the Compensation and Benefits Committee and four (4) meetings of the Health, Safety and Environmental Committee in 2018. Also, during the most recently completed financial year end the independent non-executive directors held an in-camera session at each Board meeting during which session non-independent directors and members of management do not attend.

In part to facilitate effective discussion between independent and non-independent directors, Mr. Ian He was appointed the lead independent non-executive director on November 13, 2018. In this role Mr. He facilitates and chairs discussions among the Company's independent non-executive directors and facilitates communication between the independent non-executive directors and the Company's management. The 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 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. Mr. He was appointed lead independent director on November 13, 2018 and liaises with management and non-independent directors regarding relevant matters. The lead independent director is also responsible for chairing discussions among the Company's independent non-executive 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, 2018:

Name of Director	Number of Board Meetings Attended	Number of Board Meetings Held
<b>Executive Directors</b>		
Xin Song	4	4
Liangyou Jiang	4	4
<b>Non-Executive Directors</b>		
Yongqing Teng <sup>(1)</sup>	1	1
Fuzhen Kang <sup>(1)</sup>	1	1
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

<sup>(1)</sup> Both Yongqing Teng and Fuzhen Kang were appointed to the Board on November 13, 2018, there was one meeting of the Board during the most recently completed financial year following their appointment.

## 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 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 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 the Company and supplemented as required from time to time.

### The Roles of the Board

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

**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.

## **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 reporting to the Board on appropriate candidates. 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.

If management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Nominating and Corporate Governance Committee will be composed solely of independent non-executive directors.



- (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 lead independent non-executive director. Subject to the Shareholders' approval at the AGM, it is anticipated that each of Wei Shao, Bielin Shi and Ruixia Han will receive a director's fee of US\$3,825 per month consistent with the current remuneration of the Company's independent non-executive directors, which is determined with reference to the market rate and their time, effort and expertise to be devoted to the Company's affairs. . No fees or commissions are paid to those directors that are not independent. 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. Yunfei Chen serves as Chairman of the Audit Committee. If management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Audit Committee will be composed solely of independent non-executive directors.

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, 2018 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. John King Burns serves as Chairman of the Compensation and Benefits Committee. If management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Compensation and Benefits Committee will be composed solely of independent non-executive directors. 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 directors pursuant to the TSX requirements of listed companies. The policy states that should a director 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. If management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Nominating and Corporate Governance Committee will be composed solely of independent non-executive directors.

#### Health, Safety and Environmental Committee

The Health, Safety and Environmental Committee is responsible for assisting the Board 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. Gregory Hall serves as Chairman of the Health, Safety and Environmental Committee. If management's nominees set forth herein are elected or re-elected, as applicable at the Meeting, it is expected that the Health, Safety and Environment Committee will be composed solely of independent non-executive directors.

## **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.

In 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 Nominating and Corporate Governance Committee considers a number of factors including diversity perspectives and merits in its nomination process. Ms. Fuzhen Kang was appointed as a Director on November 13, 2018 and management has nominated Ms. Ruixia Han as a Director at the Meeting. At this time, there are no measurable objectives for achieving diversity. As Board positions become available, Board appointments will continue to be based on merit, having due regard to the overall effectiveness of the Board and diversity will be one of the criteria considered in determining the optimum composition of the Board.

**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 the Board Diversity Policy, Ms. Fuzhen Kang joined the Board on November 13, 2018. Ms. Kang brings an enthusiastic perspective to community relationships and communication. Subject to the Shareholders' approval at the AGM, Ruixia Han will join the Board bringing experience in financial investment, accounting, finance treasury and investor relationships.

**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 Board currently consists of eight (8) men and one (1) woman, representing 11.1% of the total number of Directors.

Subject to the Shareholders' approval at the AGM, Ruixia Han will join the Board which will then consist of seven (7) men and two (2) women, representing 22% of the total number of directors.

- (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.

IMP has two (2) women on its board, representing 33.3% of the board and Skyland Mining (BVI) has three (3) women on its board, representing 60% of the board.

## SCHEDULE B SHARE REPURCHASE MANDATE

This Schedule serves as an explanatory statement, as required by the Hong Kong Listing Rules, to provide all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve 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 proposed resolution for the approval of the Share Purchase Mandate and in accordance with the terms therein, and on the basis that no further Common Shares will be issued or repurchased prior to the Meeting, the Company will be allowed to repurchase up to a maximum of 39,641,375 Common Shares under the Share Repurchase Mandate, representing 10% of the number of issued Common 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 Common 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 Common 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, 2018 (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 Common Shares have been traded on the Hong Kong Stock Exchange during each of the following months preceding the issue of this Circular were as follows:

	Per Share	
	Highest HK\$	Lowest HK\$
2018		
May	16.92	14.72
June	15.98	12.66
July	13.74	11.60
August	13.66	10.48
September	12.48	10.36
October	11.74	10.38
November	11.32	10.44
December	10.98	9.44
2019		
January	9.90	8.81
February	11.44	9.89
March	11.30	9.40
April	11.00	9.76
May (up to the Latest Practicable Date)	10.12	9.04

## 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 Common 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 Common Shares, representing 39.3% of the outstanding shares of the Company. On the basis that no further Common Shares are issued or repurchased prior to the Meeting and in the event that the Board exercises in full the power to repurchase Common 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 Common 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 Common 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 Common Shares to the Company or has undertaken not to sell Common 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 Common 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 Tuesday, June 25, 2019 at 10:00 a.m. in Vancouver, British Columbia, Canada (Wednesday, June 26, 2019 Hong Kong time), to consider and, if appropriate, to approve the matters set out in this Circular, or any adjournment thereof;
“AST”	AST Transfer Company Inc.;
“Board”	the board of Directors of the Company;
“Cdn”	Canadian dollars, the lawful currency of Canada;
“CGHK Holding”	China Gold Hong Kong Holding Corp. Limited;
“China Gold Hong Kong”	China Gold Hong Kong Limited, a wholly owned subsidiary of China National Gold since it was established in 2008;
“China National Gold” or “CNG”	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 Group Hong Kong Limited, its wholly-owned subsidiary;
“Circular”	The Information Circular dated May 22, 2019;
“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;
“Common Share(s)”	common share(s) in the capital of the Company;
“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;
“Tibet 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;
“Tibet Jia Ertong”	Tibet Jia Ertong Mining Developments Co. Ltd.
“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 Tibet Huatailong;
“Latest Practicable Date”	May 15, 2019, being the latest practicable date before printing of this Circular for ascertaining information contained herein;
“Majority Voting Policy”	Majority Voting Policy originally approved by the Board March 12, 2015 and reviewed annually by the Nominating and Corporate Governance Committee;
“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;
“Recognized Stock Exchange”	Any stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange;
“Record Date”	May 10, 2019 Vancouver time (being May 11, 2019 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);
“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.