
HISTORY AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

Our History

Our Company was incorporated pursuant to the Company Act (British Columbia) (the predecessor statute to the BCBCA) as Pacific Minerals Inc. on May 31, 2000 and was listed on TSX Venture Exchange on April 23, 2001. We changed our name to Jinshan Gold Mines Inc. and have been listed on the Toronto Stock Exchange since October 6, 2006. On July 9, 2010 we then changed our name to China Gold International Resource Corp. Ltd. We were initially incorporated as a subsidiary of Global-Pacific Minerals Inc. (a company incorporated in Canada, then a publicly traded mineral exploration company) and subsequently underwent various changes in our shareholding structure. Our current controlling shareholder is China National Gold, and through our interests in the CSH CJV, we currently own and control the CSH Mine in China.

Our Company's key milestones are as follows:

- 2000 In May, we were incorporated as Pacific Minerals Inc., a subsidiary of Global-Pacific Minerals Inc.
- 2001 In April, we were listed on TSX Venture Exchange⁽¹⁾.
- 2002 In April, we formed a joint venture with Ningxia Nuclear (formerly known as Brigade 217) for the CSH Mine.
- 2003 In April, we formed a joint venture with Yunnan Geological for the Xinjiang Project.
- 2004 In March, we changed our name from Pacific Minerals Inc. to Jinshan Gold Mines Inc.
- 2006 In September, we formed a joint venture with NINETC for the Dadiangou Project.
In October, we commenced trading on the Toronto Stock Exchange⁽¹⁾ and concurrently delisted from the TSX Venture Exchange.
- 2007 In July, we commenced pre-commercial gold production at the CSH Mine.
- 2008 In May, China National Gold Hong Kong, a wholly-owned subsidiary of China National Gold, purchased all of the 67,520,060 Shares held by Ivanhoe⁽²⁾, representing approximately 42.0% of our issued share capital and a promissory note with a principal amount of CAD7.5 million (US\$7.0 million), for a total consideration of approximately CAD217.7 million (US\$200.5 million) in cash.
In July, we commenced commercial production at the CSH Mine.
- 2009 In September, the Company entered into a memorandum of understanding with China National Gold Hong Kong and Rapid Result to acquire all of the interest of Skyland.
- 2010 In July, we changed our name to China Gold International Resources Corp. Ltd.
In August, we signed the Sale and Purchase Agreement in relation to the Skyland Acquisition.
In September, Skyland commenced commercial production at the Jiama Mine.
In October, disinterested shareholders approved the Skyland Acquisition at a special shareholder meeting of our Company.

(1) Haiwen & Partners, our PRC legal advisers, have advised us that as our Company was incorporated in Canada, and its listings on the TSX Venture Exchange and the TSX in April 2001 and October 2006, respectively, took place before the acquisition by China National

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Gold of its interest in us in May 2008 and the equity interest in the Company was not controlled by any PRC entity, such listings were not subject to the approval of the CSRC or any other PRC government authorities as required by “Notice of the State Council Regarding the Further Strengthening of the Administration of the Share Issuance and Listing of Joint Stock Companies Outside the Mainland”.

- (2) Ivanhoe acquired its interest in our Company through a series of financing and corporate transactions, commencing with an initial private placement in June 2002 and culminating in a reorganization transaction completed in December 2005 that resulted in Ivanhoe holding an aggregate of 67,520,060 common shares.

On November 5, 2010, China National Gold granted to us a non-competition undertaking which will become effective upon the Listing. Under such non-competition undertaking, China National Gold has undertaken not to compete with us in the International Mining Business and has granted to us call options and rights of first refusal for business opportunities relating to the International Mining Business. Meanwhile, with respect to any mineral assets located in China that are held directly or indirectly by an off shore company, in the event that Zhongjin Gold Corporation decides not to take up the business opportunity, China National Gold will refer such opportunity to us. China National Gold’s non-competition undertaking to us represents the granting of the mandate to us to focus on the International Mining Business and to grow into a leading international mining company after the Listing. The implementation of such mandate upon or following the Listing will signify a change from the historical business strategy and focus of the Company, which is to actively advance its portfolio of gold exploration properties in China, to focusing on the International Mining Business. See “Relationship with Controlling Shareholder” for details of the terms of the non-competition undertaking and the deed of non-competition.

Notwithstanding China National Gold’s non-competition undertaking to us and our efforts to seek and acquire International Mining Businesses, with a particular focus on gold, we may not be able to acquire and operate any gold or other non-ferrous mine outside of China in the future.

Cooperative Joint Ventures

As a foreign company, we have elected to establish cooperative joint ventures (the “CJV(s)”) with our Chinese partners to engage in the exploration and mining of gold in compliance with PRC law, as opposed to equity joint ventures, because we believe a CJV allows for a more flexible framework of management structure, profit and loss sharing, and division of assets upon dissolution of the CJV. We hold our interests in the CJVs through our wholly-owned investment holding company incorporated in the BVI, which in turn holds our wholly-owned subsidiaries that are incorporated in Barbados. Set out below are details of each of the CJVs:

CSH CJV

Inner Mongolia Pacific Mining Co. Limited (內蒙古太平礦業有限公司) (the “CSH CJV”) was established on April 29, 2002 by us and our Chinese partner, Ningxia Nuclear (formerly known as Brigade 217), an independent third party. The CSH CJV has been primarily engaged in exploration and mining activities. Pursuant to the CJV agreement and subsequent supplements, we contributed US\$10 million in a series of payments to CSH CJV, and paid a consideration of US\$750,000 to our Chinese partner to obtain our 96.5% interest in the CJV in April 2005. Further, our Chinese partner was entitled to two additional payments of US\$1 million each as part of the CJV arrangement, which we duly paid in May 2007 and February 2008. Since April 2005, we have held a 96.5% equity interest in the CSH CJV, with Ningxia Nuclear holding the remaining 3.5% equity interest through its contribution in the form of exploration rights. Pursuant to the CJV agreement, it was agreed that after we have obtained our 96.5% equity interest in the CJV, we will be responsible for payment of all future increase in registered capital and total investment while the equity interest of Ningxia Nuclear in CSH CJV will

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continue to remain at 3.5%. The registered capital of CSH CJV is currently US\$45 million, with US\$37.5 million being paid up registered capital as of June 30, 2010. Upon the approval of the relevant PRC authority, the due date for payment of the remaining registered capital of US\$7.5 million has been deferred to December 28, 2010. The CSH CJV has a term of 25 years.

The application for establishment of the CSH CJV was submitted to the Department of Commerce of Ningxia in compliance with the relevant PRC laws and regulations. The Department of Commerce of Ningxia granted the approval in April 2002, instead of forwarding our application to the Ministry of Commerce of the PRC for its examination and approval as required under the PRC laws and regulations then in effect. In October 2004, the rules that required approval from the Ministry of Commerce for the establishment of a company such as CSH CJV were abolished, and as a result, it was no longer necessary to obtain the approval from the Ministry of Commerce. In addition, since its establishment, CSH CJV has not been challenged by the government authorities with respect to the legality of its establishment. Accordingly, Haiwen & Partners, our PRC legal advisers, are of the view that this matter has no material implication on the valid existence of CSH CJV.

The approval for postponement of payment of registered capital to December 2010 was granted by the relevant PRC governmental authority at the municipal level, rather than that of Inner Mongolia pursuant to the relevant PRC rules and regulations. As confirmed by the relevant PRC governmental authority at the municipal level, the approval granted at the municipal level was given after communication with such governmental authority. Therefore, Haiwen & Partners, our PRC legal advisers, are of the view that the approval is valid and effective and shall not be subject to the challenge of any PRC governmental authority at higher level.

Dadiangou CJV

Gansu Pacific Mining Company Limited (甘肅太平礦業有限公司) (the “Dadiangou CJV”) was established on September 18, 2006 by us and NINETC, an independent third party. We hold a 71% equity interest in Dadiangou CJV, while NINETC holds the remaining 29% equity interest through its contribution to be injected in the form of exploration rights. Dadiangou CJV has been primarily engaged in the exploration of gold resources. The registered capital of Dadiangou CJV is currently RMB52.5 million, with approximately RMB30.4 million being paid up as of June 30, 2010. Upon the approval of the relevant PRC authority, the due date for injection of the remaining registered capital of approximately RMB22.1 million (RMB7.1 million in the form of cash and RMB15 million in the form of exploration rights) has been deferred to December 31, 2010. Based on the CJV contract of the Dadiangou CJV and the approval on the deferred payment of the capital contribution by the Department of Commerce in Gansu, NINETC shall be responsible for the payment of RMB15.0 million of the remaining registered capital and we shall be responsible for the remainder. The Dadiangou CJV has a term of 30 years.

After we and NINETC completed further exploration on the Dadiangou Project, we determined that the Dadiangou Project has less expansion and economic potential than required to meet our overall business strategies. Therefore, as agreed with NINETC, both parties to the Dadiangou CJV decided to discontinue the exploration work at the Dadiangou Project and sought to sell the project. On November 24, 2009, we entered into a supplemental agreement with NINETC to discontinue the exploration work at the Dadiangou Project and to seek the possible sale of the project to a third party. Given the actual capital contribution made by the Group so far is not yet sufficient to acquire the full 71% interests, and in consideration of the actual capital contribution by both parties, the Group and NINETC agreed in the supplemental agreement that we will be entitled to 53% and NINETC will be

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entitled to 47%, of the proceeds from the sale of the Dadiangou Project, respectively. On April 28, 2010, following an auction process as well as review and consideration by the independent members of the board of the Company, the Dadiangou CJV and NINETC entered into a transfer agreement with Gansu Zhongjin Gold Mining Co. Ltd., a 96% owned subsidiary of Shaanxi Taibai Gold Mine Co., Ltd., which in turn is an entity 66.8% owned and controlled by Zhongjin Gold Corporation. The remaining 4% equity interest of Gansu Zhongjin Gold Mining Co. Ltd. is owned by NINETC. Pursuant to the transfer agreement, we and NINETC agreed to sell the Dadiangou Project to Gansu Zhongjin Gold Mining Co. Ltd. at the transfer price of RMB88.0 million based on a valuation provided by an independent valuer, of which the Group will be entitled to RMB46.6 million, representing 53% of the total consideration of RMB88.0 million. A deposit of RMB15.0 million and the first installment of the transfer price in the sum of RMB64.2 million were paid to the Dadiangou CJV in December 2009 and June 2010, respectively. According to the transfer agreement, the remaining portion of the transfer price of RMB8.8 million shall be paid to the Dadiangou CJV within 20 business days following the completion of the registration of the transfer of exploration rights. The necessary application documents relating to the registration of the transfer of exploration rights were submitted to the relevant PRC approval authorities in May 2010 pursuant to the transfer agreement and the relevant PRC rules and regulations.

On May 16, 2010, we and NINETC entered into a termination agreement thereby agreeing to terminate the CJV contract and the articles of associations of the Dadiangou CJV before its expiration. On July 12, 2010, the commerce authority of Gansu province granted its approval of the termination of the CJV contract and the articles of associations of Dadiangou CJV, and agreed to commence the liquidation procedures of the Dadiangou CJV which are expected to be completed by the end of 2010.

Disposed CJV

Yunnan Xindian Mining Co. Limited (雲南鑫滇銅礦礦業有限公司) (the “Xinjiang CJV”) was established on April 18, 2003 by us and Yunnan Geological, an independent third party. Prior to the disposal of all the respective interest in the Xinjiang CJV in May 2010 and June 2010, respectively, we held a 99% equity interest in the Xinjiang CJV and Yunnan Geological held the remaining 1% equity interest through its contribution in the form of exploration rights, relevant documents and data. Xinjiang CJV has been primarily engaged in exploration activities.

All of the exploration permits of Xinjiang CJV expired in or before June 2009, and because we had no plan to conduct further exploration at the Xinjiang Project nor expected to derive significant revenue from this project, we decided that it would be beneficial to the Company to dispose of the project. Therefore, on April 26, 2010, we executed a sale and purchase agreement pursuant to which Yunnan Southern Copper, which in turn holds 99% equity interest in Xinjiang CJV, was transferred to, an independent third party, Red Harvest Limited, a BVI incorporated company, at the consideration of US\$20,000.

Key common terms of the CJV agreements

Under each CJV agreement for CSH CJV and Dadiangou CJV, respectively, profits are to be shared on a pro-rata basis according to the respective participation ratios and equity interests as prescribed in the respective CJV agreement (where relevant, as amended). In terms of management, with respect to the CSH Mine, we act as the operator of the project, and supervise the conduct of all aspects of mining and process operations. With respect to the Dadiangou Project, we only supervise exploration work as there is no mining or production on these properties.

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We also focus on offshore related matters such as procuring equipment and machines and recruitment of technical specialists from overseas. Meanwhile, each Chinese partner is mainly responsible for liaison with PRC local government authorities, sourcing of auxiliary materials and recruitment of local staff. Either party is entitled to terminate the agreement prior to the expiration of the term of the CJV agreement by giving 30 days prior notice to the other party on the occurrence of certain events such as in the event of force majeure or if the Group's economic benefits under the agreement are adversely and materially affected by the promulgation or amendment of any laws in the PRC. Either party may terminate the agreement forthwith on the occurrence of certain events such as default of payment or material breach of terms in the agreement, in which case the aggrieved party may commence buyout procedures. Upon the dissolution of each CJV, the remaining assets shall be distributed on a pro rata basis according to the respective equity interest as prescribed in the respective CJV agreement (where relevant, as amended).

Regulatory compliance

Other than disclosed herein, Haiwen & Partners, our PRC legal advisers, have confirmed that all the approvals required under PRC laws and regulations in respect of the establishment of each of the CSH and Dadiangou CJVs had been obtained and both CJVs are validly existing except that Dadiangou CJV is currently in the process of completing liquidation procedures.

ACQUISITION OF SKYLAND

Skyland, a company incorporated in the Cayman Islands, holds 100% interest of the Jiama Mine through its wholly-owned PRC subsidiary, Huatailong. China National Gold Hong Kong, a wholly owned subsidiary of China National Gold, and Rapid Result currently hold 51% and 49% interests in Skyland, respectively. See "Business — Jiama Mine". On August 30, 2010, we entered into the Sale and Purchase Agreement with China National Gold Hong Kong and Rapid Result to acquire a 100% interest in Skyland and to assume the shareholders' loan in the aggregate amount of approximately US\$42.3 million advanced to Skyland by China National Gold Hong Kong and Rapid Result, and in consideration, we agreed to issue 86,828,670 new Shares and 83,423,624 new Shares to China National Gold Hong Kong and Rapid Result, respectively, at a price of US\$4.36 per Share, representing a total consideration of US\$742.3 million. The Shares for both the Skyland Acquisition and the Global Offering will be issued concurrently on the Listing Date.

A special committee of independent non-executive Directors of our Company (the "Special Committee") was established to review the Skyland Acquisition, analyze the valuation and consideration and to engage in negotiation of the Sale and Purchase Agreement with the vendors being China National Gold Hong Kong and Rapid Result. In accordance with Canadian securities laws, the Special Committee also retained Haywood Securities Inc. to perform a valuation of Skyland and our Shares in order to assess the consideration and to provide a fairness opinion. The total consideration was considered fair from a financial point of view according to the fairness opinion issued by Haywood Securities Inc. on August 26, 2010. Further, a special meeting of shareholders (in which the controlling shareholder had abstained from voting) was held on October 14, 2010, at which disinterested shareholders approved the acquisition transaction.

The consideration we will pay for the Skyland Acquisition is subject to a working capital adjustment mechanism to be determined within 30 days following the Completion Date, whereby additional Consideration Shares will be issued to China National Gold Hong Kong and Rapid Result if

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the working capital deficit of Skyland is less than the target amount of US\$786,728, and Consideration Shares will be returned to our Company if the working capital deficit of Skyland exceeds US\$786,728. If all Shares under the working capital adjustment mechanism up to the maximum approved by TSX, amounting to 4,747,706 additional Consideration Shares, are issued, the number of Consideration Shares held by China National Gold Hong Kong and Rapid Result upon the Completion will be 89,250,000 and 85,750,000, respectively. In such event, China National Gold Hong Kong and Rapid Result will hold 39.13% and 21.40% of the issued share capital of our Company, respectively, upon completion of the Global Offering and the Skyland Acquisition, assuming that none of the Over-allotment Option and the Pre-IPO Share Options is exercised. Whereas, if no Shares are issued under the working capital adjustment mechanism, China National Gold Hong Kong and Rapid Result will hold 38.98% and 21.07% of the issued share capital of our Company, respectively, upon completion of the Global Offering and the Skyland Acquisition, and assuming that none of the Over-allotment Option and the Pre-IPO Share Options is exercised. The diluting effect pursuant to the working capital adjustment mechanism, if any, will be immaterial.

The acquisition of Skyland and the related share issuance by our Company are conditional upon, and will be completed concurrently with, the completion of the Global Offering. We will make an announcement of the completion of the Skyland Acquisition on the day of the completion of the Global Offering. The new Shares to be issued to China National Gold Hong Kong and Rapid Result will be subject to a non-disposal lockup undertaking of a term of six months following the completion of the Global Offering. Further information is set forth in “Appendix IX — Summary of the Terms of the Skyland Acquisition” to this prospectus.

In order to induce China National Gold Hong Kong to enter into the Sale and Purchase Agreement and in consideration of the non-competition undertaking granted by China National Gold to us, on the Completion Date, our Company will provide a deed of non-competition in favor of China National Gold to agree not to compete with China National Gold by acquiring and operating gold or other non-ferrous mining operations or assets located in the PRC, provided that, with respect to any mineral assets located in China that are held directly or indirectly by an offshore company, in the event that Zhongjin Gold Corporation decides not to take up the business opportunity, we will be able to take up such opportunity. Further information is set forth in “Relationship with Controlling Shareholder — Non-Competition Undertaking from our Company to China National Gold”.

Save for customary post-closing filings with TSX, as of the date of this prospectus, all the governmental and third party approvals and consents for the Skyland Acquisition have been obtained.

The consents for the Skyland Acquisition and the Global Offering were granted by SASAC on January 27, 2010 and the consent for the Global Offering was granted by CSRC on September 1, 2010. Haiwen & Partners, our PRC legal advisers, have advised us that no other consent or approval is required pursuant to relevant PRC laws and regulations in respect of the Skyland Acquisition and the Global Offering.

Set out below are certain details of Skyland and its wholly-owned subsidiaries:

Skyland

Skyland is an investment holding company which holds a 100% interest in Jia Ertong which in turn owns a 100% interest in Huatailong. Skyland was incorporated on October 6, 2004 in the Cayman

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Islands as a limited liability company. On February 7, 2008, Rapid Result acquired 100% of the issued shares in Skyland from its sole shareholder, N7C Resources Inc., which was at the time beneficially owned by an independent third party, Continental Minerals Corporation, a company incorporated in British Columbia, Canada, whose shares are listed on TSX Venture Exchange. The total consideration for Rapid Result's acquisition of Skyland in February 2008 was US\$250,000. Such consideration was agreed among the parties on normal commercial basis with reference to the financial statements of Skyland as of August 31, 2007 and the existing business and financial conditions of Skyland. When the parties reached the agreement relating to the acquisition in November 2007, Skyland only owned Jia Ertong, which had not acquired any interest in the Jiama Mine.

The Jiama Mine was identified as a potential acquisition target by the Resources Development Department of China National Gold through its extensive network in the mining industry. Subsequent to various site visits at the Jiama Mine, on April 10, 2008, China National Gold Hong Kong entered into a sale and purchase agreement with Rapid Result to acquire ultimately 51% interest in Skyland. China National Gold Hong Kong completed the acquisition through two stages, by (i) acquiring a 13% equity interest in Skyland in April 2008, and (ii) exercising an option to acquire an additional 38% equity interest from June 2008 to February 2009. The initial amount of consideration payable by China National Gold Hong Kong was fixed at approximately RMB775.2 million (US\$113.4 million), determined by reference to the assessed value of the mining right to the Jiama Mine as of June 30, 2007. Pursuant to the price adjustment provisions in the sale and purchase agreement, China National Gold Hong Kong paid Rapid Result an additional amount of approximately RMB703.5 million (US\$102.9 million) in December 2009, determined by reference to the assessed value of the exploration and mining rights to the Jiama Mine as of December 31, 2008. The parties have obtained the required approvals from NDRC and MOFCOM for the initial amount of consideration and the later adjustment.

Jia Ertong

Jia Ertong has directly owned a 100% interest in Huatailong since January 2008. Jia Ertong was established on October 13, 2003 in the PRC as a limited liability company and was held by Wang Zhi and Du Yanguang as to 95% and 5%, respectively, both of whom are independent third parties. Pursuant to a share purchase agreement dated January 18, 2005, Skyland acquired the entire share capital in Jia Ertong from Wang Zhi and Du Yanguang. Jia Ertong subsequently obtained a WFOE business license on April 29, 2005.

Huatailong

Huatailong owns and operates the Jiama Mine. Huatailong was established on January 11, 2007 in the PRC as a limited liability company by Beijing Honglu and Brigade 6 as to 60% and 40%, respectively, both of whom are independent third parties. On September 11, 2007 and November 30, 2007, Beijing Honglu and Brigade 6 entered into the agreement to transfer 60% and 40% equity interests, respectively, to Honglu Investment, an independent third party. On January 25, 2008, Honglu Investment sold the entire equity interest in Huatailong to Jia Ertong.

On December 1, 2009, Huatailong and the Jiama Economic Cooperative of Metrorkongka County ("Jiama Economic Cooperative"), an independent third party, established Metrorkongka County Jiama Industry and Trade Co., Ltd. ("Jiama Industry and Trade") in the PRC as a limited

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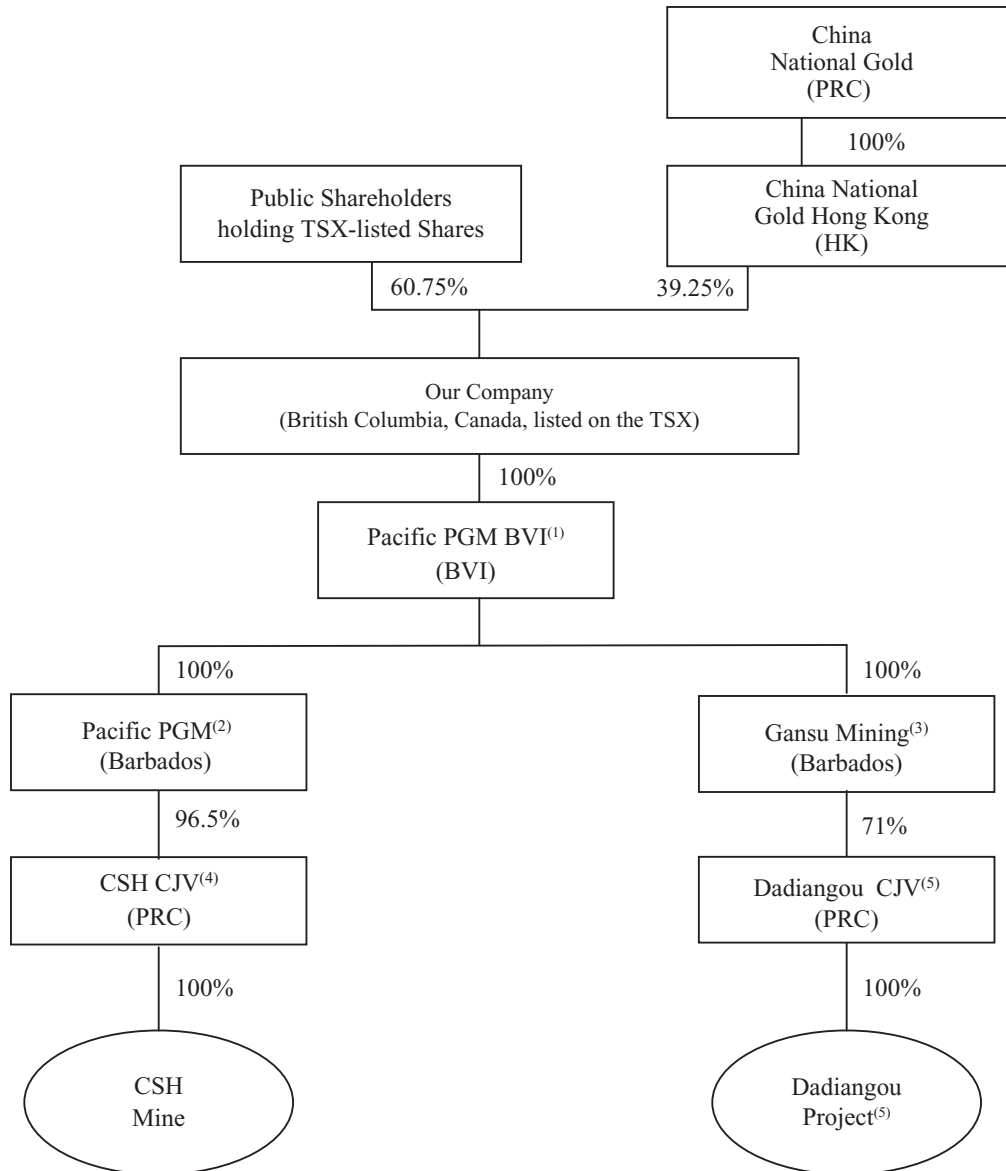
liability company, to primarily engage in mining transport and logistics business. Huatailong and Jiaman Economic Cooperative hold 51% and 49% equity interest, respectively, in Jiaman Industry and Trade.

Haiwen & Partners, our PRC legal advisers, have confirmed that all the approvals required under PRC laws and regulations in respect of the establishment of, each of Jia Ertong, Huatailong and Jiaman Industry and Trade had been obtained and each of these entities is validly existing.

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OUR CORPORATE STRUCTURE

The corporate structure of our Group as of the Latest Practicable Date was as follows:



(1) Pacific PGM BVI is a limited liability company formed on May 17, 2001 under the laws of BVI. It is an investment holding company, through which we hold our interest of CSH CJV and Dadiangou CJV, respectively.

(2) Pacific PGM is a company incorporated in Barbados with limited liability on September 6, 2007, wholly owned by us. It is an investment holding company, through which we hold a 96.5% interest of CSH CJV.

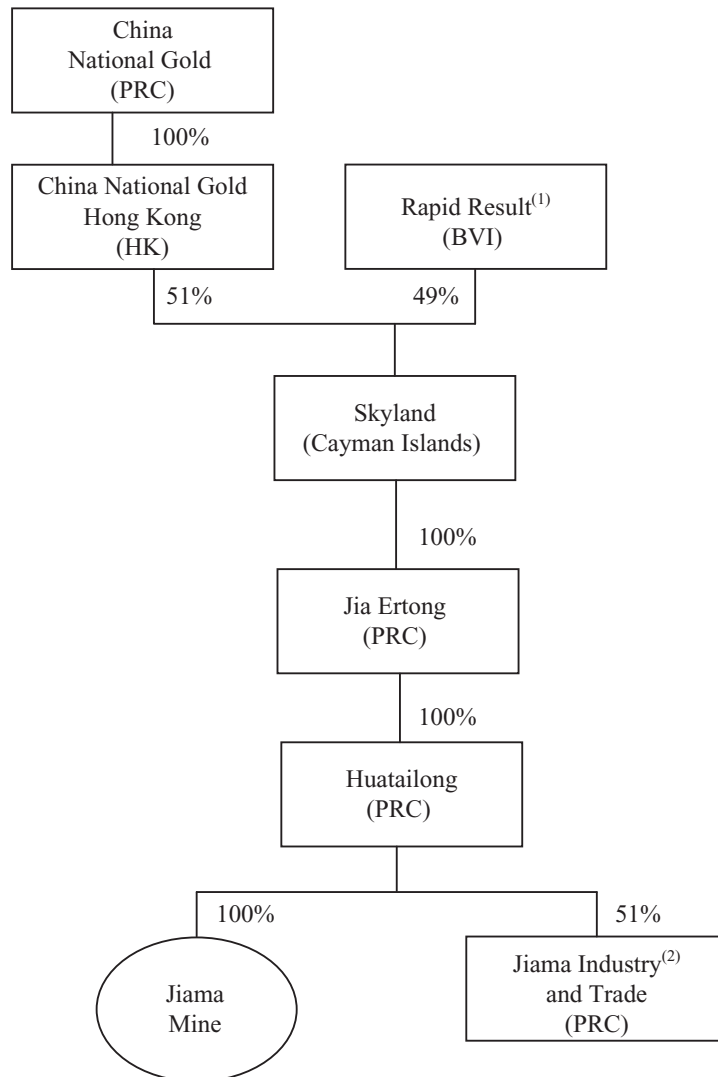
(3) Gansu Mining is a company incorporated in Barbados with limited liability on September 7, 2007, wholly owned by us. It is an investment holding company, through which we hold the right to a 71% interest of Dadiangou CJV.

(4) The remaining 3.5% interest of CSH CJV is held by Ningxia Nuclear (formerly known as Brigade 217). Ningxia Nuclear is a public institution established in the PRC on September 20, 1956.

(5) The right to the remaining 29% interest of Dadiangou CJV is held by NINETC. NINETC is a public institution established in the PRC on November 9, 1992 under the relevant PRC laws and regulations or the Administrative Regulation on Governing the Registration of Legal Corporation. Dadiangou CJV has commenced the liquidation procedures, which are expected to be completed by the end of 2010. On December 1, 2009, we and NINETC executed the Letter of Intent relating to the sale of the Dadiangou Project, and the Dadiangou Project is in the process of being transferred to Gansu Zhongjin Gold Co., Ltd.

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The corporate structure of Skyland and its subsidiaries as of the Latest Practicable Date was as follows:

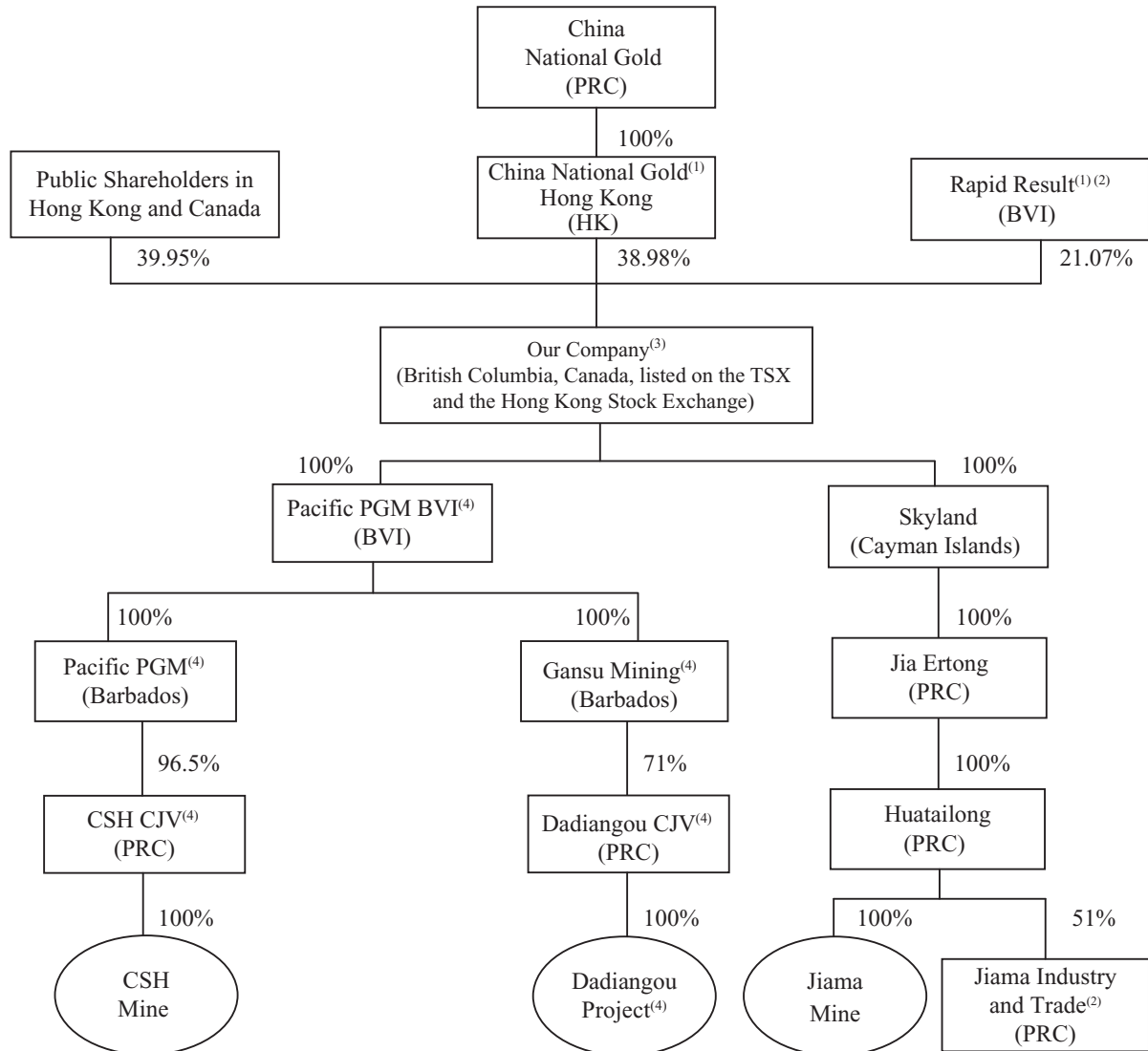


(1) Rapid Result is beneficially owned by various individuals and a family trust, all of whom are independent third parties to our Group.

(2) The remaining 49% equity interest in Jiamia Industry and Trade is held by an independent third party. Jiamia Industry and Trade is engaged in mining logistics and transport business.

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The shareholding structure of our Group immediately upon completion of the Global Offering and the Skyland Acquisition (which will be completed concurrently), and assuming that the Over-allotment Option and the Pre-IPO Share Options are not exercised, will be as follows:



(1) Assuming no adjustment has been made to the Consideration Shares issuable pursuant to the working capital adjustment under the Sale and Purchase Agreement.

(2) See notes 1 to 2 to the corporate structure of Skyland and its subsidiaries as of the Latest Practicable Date on the immediately preceding page.

(3) The issuance of new Shares under the Global Offering is subject to the approval of the TSX. The TSX is primarily concerned with ensuring that the Offer Price shall be no less than TSX market price calculation (determined by reference to the five-day weighted average trading price of the Shares on the TSX prior to the date of announcement of the Offer Price or the date of application to the TSX for the Global Offering, with a permitted discount of up to 10% from that price calculation). Upon receipt of the application for the Global Offering, with the Offer Price set in accordance with the relevant TSX rules and regulations, the TSX will grant conditional approval, which constitutes effective approval subject to delivery of customary post-closing filings. The TSX will issue a final approval letter after the issuance of new Shares under the Global Offering, upon delivery of customary post-closing filings. In addition, a conditional discretionary exemption order has been granted by the British Columbia Securities Commission approving the Offer Shares to be issued pursuant to the Global Offering and freely tradeable through the Stock Exchange and TSX, subject to the filing of this prospectus in Canada on SEDAR for continuous disclosure purposes. Save for the above, Goodmans, our Canadian legal advisers, have advised us that no further approvals in respect of the Global Offering are required under Canadian securities laws or the laws of British Columbia or by our Shareholders.

(4) See notes 1 to 5 to the corporate structure of our Group as of the Latest Practicable Date on the first page of “— Our Corporate Structure” above.

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Assuming the Over-allotment Option is fully exercised and no Pre-IPO Share Option is exercised, China National Gold Hong Kong and Rapid Result will hold 38.21% and 20.65%, respectively, of our share capital immediately upon completion of the Global Offering and the Skyland Acquisition (which will be completed concurrently).⁽¹⁾

(1) Assuming no adjustment has been made to the Consideration Shares issuable pursuant to the working capital adjustment under the Sale and Purchase Agreement. If all of our Shares under the working capital adjustment to the maximum set by the TSX approval are to be issued, amounting to 4,747,706 additional Consideration Shares (as to 2,421,330 Shares to China National Gold Hong Kong and 2,326,376 Shares to Rapid Result, respectively), the number of Consideration Shares held by China National Gold Hong Kong and Rapid Result following the completion of the Global Offering and the Skyland Acquisition (which will be completed concurrently), will be 89,250,000 and 85,750,000, respectively. In such event, immediately upon completion of the Global Offering and the Skyland Acquisition, (i) assuming that the Over-allotment Option and the Pre-IPO Share Options are not exercised, China National Gold Hong Kong and Rapid Result will hold 39.13% and 21.40% of the issued share capital of our Company, respectively, and (ii) assuming that the Over-allotment Option is fully exercised and no Pre-IPO Share Option is exercised, China National Gold Hong Kong and Rapid Result will hold 38.36% and 20.98% of the issued share capital of our Company, respectively.