

Chifeng Jilong Gold Mining Co., Ltd.
Announcement on Cancelling the Stock Appreciation
Rights Involved in the 2022 Stock Appreciation
Rights Incentive Plan

The Board of Directors and all Directors of the Company warrant that this announcement does not contain any false records, misleading statements or major omissions, and they will bear legal liabilities for the authenticity, accuracy and completeness of its contents.

Highlights of the important content:

- Number of stock appreciation rights to be cancelled: 1.8 million.

Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as the "Company") held the 26th meeting of the 8th Board of Directors and the 17th meeting of the 7th Board of Supervisors on March 29, 2024, and deliberated and adopted the "Proposal on Cancelling the Stock Appreciation Rights Involved in the 2022 Stock Appreciation Rights Incentive Plan". It is agreed that a total of 1.8 million shares of stock appreciation rights that have been granted but not yet exercised held by the 7 incentive recipients who failed to meet the assessment targets will be cancelled in the two exercise periods. The relevant matters are hereby announced as follows

I. The relevant approval procedures for the 2022 stock appreciation rights incentive plan that have been performed

1. On September 14, 2022, the company held the 9th meeting of the 8th board of directors and the 5th meeting of the 7th board of supervisors to deliberate and approve the "2022 Stock Appreciation Rights Incentive Plan of Chifeng Jilong Gold Mining Co.,

Ltd. (Draft)" and its summary respectively.

2. From September 15, 2022 to September 28, 2022, the company publicized the list of receivers of the stock appreciation right incentive plan in the internal office system and no different opinions were received from the Supervisory Board, other organizations or individuals regarding the incentive plan. On September 30, 2022, the company disclosed the "Explanation and Review Opinions from the Supervisory Board on the Receivers of the 2022 Stock Appreciation Rights Incentive Plan of Chifeng Gold".

3. On September 30, 2022, the company held the third extraordinary general meeting of shareholders in 2022, which deliberated and approved the "2022 Stock Appreciation Right Incentive Plan of Chifeng Jilong Gold Mining Co., Ltd. (Draft)" and its summary.

4. On October 1, 2022, the company disclosed the "Chifeng Gold's Self-inspection Report on the Trading of the Company's Shares by Insiders with Inside Information of the 2022 Stock Appreciation Rights Incentive Plan".

5. On November 28, 2022, the company held the 11th meeting of the 8th board of directors and the 7th meeting of the 7th board of supervisors, and deliberated and passed the "Proposal on Granting Stock Appreciation Rights to Incentive Recipients".

II. Grant of stock appreciation rights in the 2022 stock appreciation right incentive plan

1. Grant date: November 28, 2022
2. Number of grants: 1.8 million
3. Number of recipients: 7 people
4. Grant price: 16 yuan / piece
5. Stock source: Chifeng gold stocks are used as virtual stock targets
6. Validity period of the incentive plan: The validity period of the plan is from the

date of completion of the registration of the grant of stock appreciation rights to the date of completion of the exercise or cancellation of all stock appreciation rights, with a maximum of 48 months

7. Lock-up period and exercise arrangement of the incentive plan:

After 12 months from the date of completion of the registration of the grant of the current incentive plan, the incentive recipients shall exercise the right in two phases in the next 24 months. The exercise period of the stock appreciation rights granted this time and the exercise schedule of each period are shown in the table below:

Exercise Period	Exercise time	Exercise ratio
The first exercise period	From the first trading day after 12 months from the date of completion of the registration of the grant to the last trading day within 24 months from the date of completion of the registration of the grant	50%
The Second exercise period	From the first trading day after 24 months from the date of completion of the registration of the grant to the last trading day within 36 months from the date of completion of the registration of the grant	50%

After the expiration of the validity period of the Plan, the stock appreciation rights that have been granted but not yet exercised shall not be exercised, and the unexercised stock appreciation rights shall be cancelled by the Company.

III. Conditions for exercising the 2022 stock appreciation right incentive plan

In the two fiscal years from 2022 to 2023, the 2022 stock appreciation right incentive plan will evaluate the company's performance indicators and individual performance indicators in each year, and the achievement of the assessment targets are the conditions to exercise the stock appreciation rights of the incentive plan by the recipients.:

1. The company's performance assessment requirements

The annual performance assessment targets of the stock appreciation rights granted by the Plan are shown in the following table:

Exercise Period	Performance assessment target
The first exercise period	The company's mineral gold production in 2022 shall be no less than 16 tonnes
Second exercise period	The company's cumulative mineral gold output from 2022 to 2023 shall be no less than 35 tonnes

The incentive costs arising from this equity incentive will be charged in recurring profit or loss. If the company's performance assessment fails to meet the above conditions, the number of exercisable rights granted to the incentive recipients in the corresponding exercise period shall be cancelled by the company.

2. Personal performance assessment requires that the individual-level assessment of the incentive recipients shall be organized and implemented in accordance with the relevant regulations of the company.

Performance assessment at individual level over the previous year	Coefficient for individuals
Up to standard	100%
Not up to standard	0%

If the company-level performance assessment of each year meets the standard, the actual amount of rights to be exercised by the incentive recipients in the current year = the coefficient for individuals × the individual's planned exercise quota in the current year.

If the assessment result of the incentive recipient in the previous year is "up to standard",

the stock appreciation rights granted to him/her can be exercised. If the assessment result is “not up to standard”, the stock appreciation rights granted but not exercised will be cancelled.

IV. The reason and quantity for the cancellation of the stock appreciation rights

1. The company disclosed the "2022 Annual Report" on March 30, 2023, and the company's mineral gold output in 2022 was 13.57 tons, which failed to meet the exercise conditions of the first exercise period of the company's "2022 Stock Appreciation Right Incentive Plan (Draft)", and the company cancelled a total of 900,000 shares of stock appreciation rights that have been granted but not yet exercised by 7 incentive recipients who are not eligible for exercise in accordance with the "2022 Stock Appreciation Rights Incentive Plan (Draft)" and other relevant regulations.

2. The 26th meeting of the 8th board of directors held on March 29, 2024 reviewed and approved the 2023 Annual Report. In 2023, the company's mineral gold output is 14.35 tons, and the cumulative mineral gold output from 2022 to 2023 is 27.92 tons, which fails to meet the exercise conditions for the second exercise period of the company's "2022 Stock Appreciation Right Incentive Plan (Draft)", and the company will cancel a total of 900,000 shares of the stock appreciation rights that have been granted but have not yet been exercised by 7 incentive recipients who are not eligible for exercise in accordance with the relevant provisions of the "2022 Stock Appreciation Rights Incentive Plan (Draft)".

To sum up, the company's 2022 stock appreciation right incentive plan failed to achieve the assessment target in the two fiscal years from 2022 to 2023, and the company will cancel a total of 1.8 million stock appreciation rights that had been granted but not yet exercised held by 7 incentive recipients during the two exercise periods.

5. The impact of this cancellation on the company

The cancellation of the stock appreciation right will not have a great impact on the

company's financial position and operating results, nor will it affect the enthusiasm and stability of the company's management team. The company's management team will continue to perform their duties diligently and conscientiously to create value for shareholders.

6. Opinions of the Board of Supervisors

After verification, the Board of Supervisors believes that the company has not reached the company's performance assessment targets in the two fiscal years from 2022 to 2023 as provided in the 2022 stock appreciation right incentive plan, and the board of supervisors agrees that the company cancels a total of 1.8 million stock appreciation rights that have been granted but not yet exercised held by 7 incentive recipients in accordance with the "2022 Stock Appreciation Right Incentive Plan" and other relevant regulations.

7. Concluding observations of the legal opinion

As of the date of issuance of this legal opinion, according to the authorization given to the board of directors at the third extraordinary general meeting of shareholders of the company in 2022, the cancellation has obtained the necessary approvals and authorizations at this stage, and the corresponding procedures have been performed; the reasons for the cancellation and the number of cancelled stock appreciation rights are in line with the relevant provisions of the "Management Method" and other laws, regulations, normative documents and the "incentive plan"; this cancellation will not have a great impact on the company's financial status and operating results, nor will it affect the enthusiasm and stability of the company's management team. The company's management team will continue to perform its duties diligently and conscientiously to create value for shareholders.

This is hereby announced.

Board of Directors

Chifeng Jilong Gold Mining Co., Ltd.

30th March 2024