

Chifeng Jilong Gold Mining Co., Ltd.

General Rules of Compliance Management

Chapter I General Provisions

Article 1 In order to strengthen the compliance management of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as “the Company”), establish and improve the compliance management system and level, effectively prevent compliance risks, and ensure the sustained and sound development of the Company, the General Rules of Compliance Management (hereinafter referred to as “these General Rules”) are hereby prepared per the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other relevant laws and regulations and the *Articles of Association*, and in combination with the actual situation of the Company.

Article 2 For these General Rules, “compliance” refers to the compliance of the operation and management behaviors by the Company and all its employees with laws, regulations, rules and other normative documents, industry standards, self-discipline rules, articles of association, internal rules and regulations, etc. (hereinafter referred to as “laws, regulations and standards”).

For these General Rules, “compliance risk” refers to the possibility that the operation and management behaviors by the Company and all its employees violate laws, regulations and standards, resulting in the Company’s

legal liability, supervision and punishment, and causing economic or reputation losses and other negative effects.

For these General Rules, “compliance management” refers to the Company’s behavior of formulating and implementing compliance management system, establishing compliance management mechanism, cultivating compliance culture and preventing compliance risks.

Chapter II Principles of Compliance Management

Article 3 The Company shall establish and adhere to the following compliance concepts:

(1) Compliance is the bottom line. Compliance is the priority value, living basis and insurmountable bottom line of the Company for its survival and development. The Company must resolutely hold a view that all operation and management behaviors comply with laws, regulations and standards.

(2) All employees are compliant. Compliance is the basic code of conduct for all employees. All employees shall strictly abide by laws, regulations and standards, and take the initiative to prevent, identify and resolve compliance risks.

(3) Compliance creates value. The Company shall prevent and resolve compliance risks, enhance its operation and management capabilities, and create value for its customers and the society through effective compliance management.

Article 4 The Company shall adhere to the following basic principles in compliance management:

(1) **Comprehensiveness.** Compliance management shall cover all business lines, departments and all employees of the Company, and run through all links such as decision-making, implementation and supervision.

(2) **Initiative.** The Company and all its employees shall actively follow the compliance management system in work, and seek support from the Compliance Management Department when they identify any compliance risks or hidden dangers. The Compliance Management Department will provide targeted solutions based on the feedback.

(3) **Independence.** The Compliance Management Department shall independently perform its duties in compliance management, and other departments of the Company shall not interfere, restrict or obstruct its duties for any reason.

Chapter III Compliance Management Organization System

Article 5 The Board of Directors of the Company shall set the compliance management objectives for the Company and perform the following compliance management duties:

(1) Review and approve the basic compliance management system of the Company;

(2) Promote the Company to establish and improve the compliance management system;

(3) Decide on the establishment and functions of the Compliance Management Department;

(4) Decide on the appointment and dismissal of the head of Compliance Management Department;

(5) Listen to and deliberate work reports of the Compliance Management Department;

(6) Other compliance management duties stipulated in the Company's rules and regulations.

Article 6 The Board of Supervisors of the Company shall supervise the performance of compliance management duties, and make recommendations to the Board of Directors for the dismissal and replacement of those persons responsible for major compliance risks.

Article 7 The Compliance Management Department is a permanent functional department for compliance management in the Company. It is responsible for coordinating, and managing compliance affairs of the Company, and is responsible for and reports to the Board of Directors. The Compliance Management Department shall perform the following compliance management duties per the Company's rules and regulations:

- (1) Draft the basic compliance management system and other specific compliance management systems;
- (2) Evaluate the compliance of the Company's systems and processes, and give suggestions for revision and improvement;
- (3) Organize the identification and assessment of compliance risks;
- (4) Organize the review, response and treatment of compliance risks;
- (5) Give daily suggestions and consultations on compliance;
- (6) Handle the compliance whistle-blowing and supervision, and review the whistle-blowing contents;
- (7) Assist the Human Resources Department in compliance performance appraisal;
- (8) Coordinate and supervise the rectification of non-compliance matters;
- (9) Organize compliance training to promote the cultivation of compliance culture in the Company;

(10) Other compliance management duties stipulated in the Company's rules and regulations.

Article 8 The Compliance Management Department consists of three groups of personnel: Compliance Director, Compliance Officer and Compliance Risk Control Liaison Officer. The Compliance Director is the department head who leads the work of the Compliance Management Department as a senior executive of the Company. The compliance officers, under the leadership of the Compliance Director, implement the daily work of the Compliance Management Department. Heads of business departments of the Company serve as compliance risk control liaison officers.

Article 9 Compliance risk control liaison officers shall bear the primary responsibility for compliance management within the scope of responsibilities of their respective business departments. Their compliance management duties are as follows:

(1) Implement the relevant compliance management rules and regulations and policies of the Company to ensure that the relevant compliance requirements are implemented in their respective business departments;

(2) Strengthen the compliance risk management concept of "business must be compliant", be responsible for identifying and evaluating compliance risks involved in the business areas of their respective departments, and report the work results to the Compliance Management Department;

(3) Assist and cooperate with the Compliance Management Department in compliance review and handling of relevant matters on the

basis of compliance risk identification and assessment;

(4) Prepare and improve the rules and regulations and business processes in the business areas of their respective departments;

(5) Make plan and summary on the compliance management work of their respective departments and submit it to the Compliance Management Department;

(6) Investigate and analyze the compliance risks inquired and prompted by the Compliance Management Department, and timely report the investigation and analysis results;

(7) Organize professional compliance training in the business areas of their respective departments;

(8) Accept, assist and cooperate with the compliance whistle-blowing investigation of the Compliance Management Department, and assist in the investigation of illegal matters;

(9) Rectify non-compliance behaviors in the business areas of their respective departments under the overall arrangement of the Compliance Management Department;

(10) Cooperate with other compliance management work of the Company.

Article 10 In compliance management, the Compliance Management Department shall provide corresponding suggestions to each business department according to the consultations received by it. The Compliance Management Department and other business departments shall strengthen their communication and coordination of compliance management,

cooperate with each other and form a resultant force.

Article 11 The Company shall strive to improve the professional level of its compliance management team and continuously strengthen the training on compliance management. According to the business scale and compliance management needs, the Company may dynamically adjust and employ compliance management professionals. The Company shall provide sufficient material and financial support to the Compliance Management Department and its members to ensure their full and independent performance of duties.

Article 12 The Audit Department of the Company shall independently exercise its audit authority and cooperate with the Board of Supervisors in performing its compliance management supervision duties. The Compliance Management Department may, on its own initiative, propose to the Audit Department suggestions on compliance management supervision actions, such as auditing, based on actual work conditions.

Article 13 All employees of the Company shall undertake the following obligations of compliance management:

(1) Sign a letter of commitment to abide by the law and keep integrity, and consciously accept compliance training;

(2) Adhere to compliance in work, put an end to illegal acts, and bear direct responsibility for the compliance of their own actions;

(3) Actively identify, report and control compliance risks when performing duties;

(4) Supervise and report illegal acts.

Chapter IV Operation of Compliance Management Mechanism

Section 1 Identification, Evaluation and Early Warning of Compliance Risks

Article 14 The Company shall strengthen compliance management in key areas, which shall be coordinated by the Compliance Management Department. All compliance risk control liaison officers shall lead all relevant business departments to promote compliance risk identification in the following key areas:

(1) Corporate governance: standardize corporate governance, perform decision-making procedures according to law, and ensure that the shareholders' meeting, the Board of Directors and the Board of Supervisors strictly regulate their duties per laws and the Company's systems;

(2) Information disclosure: improve the information disclosure management system, and disclose information in a timely manner under the laws, regulations and the Company's systems and based on the principles of truthfulness, accuracy and completeness;

(3) Insider information: focus on the insider information management and insider trading prevention, strengthen the management of insiders, establish insider information reporting system and specific guidance process, and standardize the transmission, collection and management of insider information;

(4) Related-party transactions: strengthen the management of related-party transactions, establish and improve the related-party transaction management system, strictly abide by the relevant requirements of laws,

administrative regulations and regulators on related-party transactions, and prohibit any improper or illegal related-party transactions;

(5) External guarantee: if the Company or its holding subsidiary provides external guarantee, this matter must be reviewed and approved by the Board of Directors or the shareholders' meeting. The Company shall carefully handle and strictly control the debt risks arising from external guarantees, and fulfill its information disclosure obligations in a timely manner;

(6) Independence of listed company: the controlling shareholder and actual controller shall keep independence from the Company in terms of personnel, assets and finance, institutions and businesses, and accounting, and bear responsibilities and risks independently;

(7) Investment and M&A: focusing on the business development goals, conduct compliance investigation, demonstration and review in the implementation of asset restructuring, investment and financing, and other investment and M&A, standardize the signing and performance of relevant contracts, and effectively prevent and control compliance risks;

(8) Tendering procurement: improve the tendering procurement system, strengthen the system implementation, prohibit the improper and false tendering, and strengthen legal and compliant procurement; improve the mechanism for handling suppliers' dishonesty in tendering procurement;

(9) Finance and taxation: improve the financial internal control system, strictly implement the operation and approval process of financial matters, strengthen the awareness of paying taxes according to law, and strictly abide by tax laws, regulations and policies;

(10) Labor and employment: strictly abide by labor and employment laws and regulations, improve the labor and employment contract management system, standardize the signing, performance, change and dissolution of labor and employment contracts, and ensure that the labor and employment of the Company complies with laws and regulations;

(11) Safety production: improve the safety production management system, implement the safety production confirmation system, strengthen safety production training, actively identify and control risks in safety production, regularly investigate potential safety production hazards, attach importance to occupational health management, and improve the accident handling and response mechanism;

(12) Environmental protection: strengthen the monitoring of environmental factors, establish an environmental risk prevention system, improve the connection and information reporting mechanism for environmental incidents, and improve the ability to prevent and deal with environmental pollution incidents;

(13) Intellectual property rights: strengthen the protection of intellectual property rights such as trade secrets, patents and trademarks, confirm the intellectual property rights of the Company in a timely manner, and standardize the licensing and transfer procedure; standardize the use of others' intellectual property rights according to law to prevent infringement;

(14) Other areas that need to be focused on.

Article 15 Compliance risks are divided into the following three levels by different legal nature and influence degree,:

(1) General compliance risk: the Company may face general

administrative punishment (warning); or economic losses of less than RMB 5 million are incurred to the Company; or negative impact is created within the scope of the Company or the department;

(2) Important compliance risk: the Company may face greater administrative punishment (fines, confiscation of illegal income, being ordered to discontinue production or business operation, etc.); or economic losses of RMB 5 million to RMB 10 million are incurred to the Company; or negative impact is created within the scope of regional and national industries;

(3) Major compliance risk: the Company may face severe administrative punishment (revocation of business license, etc.); or the Company may bear criminal liability; or economic losses of more than RMB 10 million (inclusive) are incurred to the Company; or negative impact is created in China and even in the world.

Article 16 After each business department identifies any compliance risk, the compliance risk control liaison officer of this department shall timely summarize and report the identification results to the Compliance Management Department. The Compliance Management Department will jointly review the identification results with the involved business departments, and assess and define the compliance risk level.

Article 17 After the compliance risk level is assessed and defined, an early warning shall be given within the corresponding scope of the Company in time to prevent further expansion of risk. In case of a general compliance risk, the Compliance Management Department shall notify and warn the involved business departments. In case of an important compliance risk, the

Compliance Management Department and the involved business departments shall jointly notify the whole company of early warning and report it to the Board of Directors and the Board of Supervisors in writing. In case of a major compliance risk, the Compliance Management Department and the involved business departments shall jointly report it to the Board of Directors and the Board of Supervisors in writing. After that, the Board of Directors shall, under the supervision of the Board of Supervisors, review the written report and announce the details of the reviewed compliance risk to the whole company in the form of early warning.

Article 18 The identification and assessment of compliance risks are divided into regular identification and assessment and special identification and assessment. The former is held every two years. The latter is decided by the Board of Directors based on the actual needs of the Company's business development if the Compliance Management Department makes a request to the Board of Directors.

Section 2 Review, Response and Treatment of Compliance Risks

Article 19 Once the compliance risk level is defined, the involved business departments, the Compliance Management Department and the Board of Directors shall review the facts related to compliance risk at each level within their respective extend of competence, carefully study relevant laws, regulations and rules, timely make response to and resolve compliance risk, and punish relevant departments and responsible personnel per regulations.

Article 20 When reviewing the facts related to compliance risks, the facts shall be verified in detail by obtaining working documents and

interviewing relevant personnel. Relevant departments and personnel of the Company shall actively cooperate in this work.

Article 21 After finding out the facts related to compliance risks, it is necessary to comprehensively judge whether there are other potential compliance risks, and develop a risk response and resolution plan in time to minimize the possible losses to the Company.

Article 22 Relevant departments and responsible personnel who have indeed violated laws and regulations and caused the compliance risks shall be punished per the Company's systems. Those suspected of committing crimes shall be promptly transferred to the competent judicial organ.

Article 23 The Company shall endow relevant subjects with the authority to review, respond and deal with compliance risks based on risk levels:

(1) In case of a general compliance risk, the Compliance Management Department shall review and handle it, and the involved business departments shall assist in review and report it to the Board of Directors and the Board of Supervisors in writing for the record;

(2) In case of an important compliance risk, the Compliance Management Department shall review and put forward treatment suggestions under the guidance of the Board of Directors, make a treatment decision upon approval of the Board of Directors, and report it to the Board of Supervisors in writing for the record;

(3) In case of a major compliance risk, the Board of Directors and the Compliance Management Department shall jointly review it, and the Board of Directors shall make a treatment decision under the supervision of the Board of Supervisors.

Section III Annual Report on Compliance Management

Article 24 The Company establishes an annual reporting system for compliance management to ensure the continuous and normal implementation of compliance rectification. Each business department shall submit its annual report on compliance management to the Compliance Management Department by December 30 of each year.

Article 25 The Compliance Director shall report the work performance of Compliance Management Department in the previous year and the annual summary on compliance management of the whole company to the Board of Directors by January 20 of each year, and also submit a written report to the Board of Directors. The Board of Supervisors shall dispatch its members to listen to the report.

Article 26 The Compliance Management Department shall, upon deliberation and approval by the Board of Directors, release the annual report on compliance management of the Company in the previous year within the scope of the Company by January 30 of each year.

Article 27 An annual report on compliance management shall primarily contain:

- (1) Construction and operation of the compliance management organization system;
- (2) Identification, assessment and early warning of compliance management risks;
- (3) Review, response and handling of compliance management risks;
- (4) Compliance whistle-blowing and supervision;
- (5) Implementation of compliance performance appraisal;
- (6) Organization and participation of compliance training;

- (7) Difficulties and problems in compliance management;
- (8) Work plan and suggestions on compliance management of the next year;
- (9) Other matters that should be reported.

Chapter V Compliance Whistle-blowing and Supervision and Compliance Performance Appraisal Mechanism

Section 1 Compliance Whistle-blowing and Supervision and Reward

Article 28 The Compliance Management Department shall set up a compliance whistle-blowing window that receives whistle-blowing information from inside and outside the Company, so as to strengthen supervision over compliance management.

Article 29 The Compliance Management Department shall conduct unified management and initial verification and identification of compliance whistle-blowing, and evaluate, review, respond and deal with whistle-blowing per Chapter IV of these General Rules.

Article 30 Once the compliance whistle-blowing is verified and handled, the Company will give the whistleblower a certain amount of cash reward according to the level of compliance risk involved.

Article 31 The Company shall keep the whistleblower's personal information strictly confidential to protect the whistleblower's legal rights from infringement.

Article 32 The specific measures for compliance whistle-blowing and supervision and reward will be clarified by a separate system.

Section 2 Compliance Performance Appraisal Mechanism

Article 33 Compliance performance appraisal refers to the Company's comprehensive investigation and evaluation on the working results of personnel responsible for compliance management based on quantitative indicators.

Article 34 The Company considers the results of compliance performance appraisal as an important measure for the annual comprehensive assessment, job promotion, award evaluation and bonus distribution of relevant personnel.

Article 35 Employees out of the scope of compliance performance appraisal are earnestly encouraged to actively put forward their suggestions for improving the compliance management of the Company. If the suggestions are adopted by the Company and promote the revision and improvement of the compliance management system, the Company will commend and reward the involved employees.

Article 36 The specific implementation of compliance performance appraisal will be clarified by separate implementation measures.

Chapter VI Compliance Training and Compliance Culture

Section 1 Compliance Training

Article 37 All employees of the Company shall receive compliance training, which shall be included in the personal training records.

Article 38 Directors, supervisors, senior executives, compliance officers, compliance risk control liaison officers, overseas personnel, new recruits and personnel in important risk positions of the Company are key personnel in compliance training.

Article 39 Each business department shall organize the compliance

training in corresponding business fields at least once a year, and the Compliance Management Department shall provide necessary assistance and support.

Article 40 The Compliance Management Department shall organize the compliance training for all employees of the Company and special compliance training for key personnel. The former shall be conducted at least once a year, and the latter at least twice a year.

Article 41 New recruits and overseas personnel who fail to pass the compliance training shall not take up their posts.

Article 42 The Compliance Management Department shall test the compliance training effect of trainees by means of questionnaires, compliance training works and examinations, and the participating departments shall cooperate and assist this work.

Article 43 As the Company attaches importance to the important role and significance of compliance training in compliance management, it provides continuous and sufficient financial support for compliance training. To further improve the quality and level of compliance training, external professionals may be hired to teach compliance training courses in the Company.

Section 2 Compliance Culture

Article 44 Compliance culture is the soul of compliance management system. The Company actively cultivates compliance culture and advocates the value pursuit of legal compliance and integrity management.

Article 45 All employees of the Company shall, under the

organization of the Compliance Management Department, sign a letter of commitment to abide by the law and keep integrity every year to ensure that they recognize the compliance concept of the Company and strengthen their awareness of compliance.

Article 46 The Company sets up a compliance publicity month and incorporates it into the annual publicity activities. The specific work in this aspect shall be organized and implemented by the Compliance Management Department.

Article 47 The activity plan of compliance publicity month shall be prepared by the Compliance Management Department and submitted to the Board of Directors for deliberation and approval before implementation. All departments shall provide necessary support and cooperation for the publicity activities, actively participate in the compliance publicity month activities, and jointly create a cultural atmosphere of “full compliance”.

Chapter VII Supplementary Provisions

Article 48 Matters not covered in these General Rules shall be dealt with under national laws and regulations and other provisions of the Company.

Article 49 These General Rules shall be reviewed and approved by the Board of Directors and interpreted by the Compliance Management Department.

Article 50 These General Rules shall come into force as of the date of issuance.