

Chifeng Jilong Gold Mining Co., Ltd.

Announcement on the Plan to Repurchase Company Shares through Call Auction Trading

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.

Highlight of the Important Content:

- Purpose of repurchased shares: employee stock ownership plan or equity incentive plan
- Size of the repurchase and repurchase price: The total amount of funds to be used in this repurchase is RMB 300 million - 700 million yuan (inclusive), the repurchase price is 15.00 yuan / share - 22.00 yuan / share (inclusive), and the number of shares to be repurchased does not exceed 2.50% of the Company's total share capital, that is, 41, 597,784 shares,; the specific number of shares to be repurchased is subject to the actual number of shares repurchased at the expiration of the repurchase period.
- Repurchase period: no more than 12 months from the date of approval of the repurchase plan by the board of directors of the Company
- Source of funds for repurchase: Company's own funds
- Whether the relevant shareholders have a shareholding reduction plan: the controlling shareholder, the actual controller, the shareholder holding more than 5% of the shares, the directors, supervisors and senior management who hold the Company's shares have no shareholding reduction plan in the next six months.
- Risk Warning:
 - (1) If the Company's stock price continues to exceed the price range disclosed in

the repurchase plan, there may be a risk that the repurchase plan cannot be implemented;

(2) During the implementation of the share repurchase, there is a risk that the funds required for the repurchase of shares cannot be in place in a timely manner, so that the repurchase plan cannot be implemented as planned;

(3) The repurchased shares are used for the Company's employee stock ownership plan or equity incentive plan, and there may be a risk that the repurchased shares cannot be granted or transferred due to the failure to implement the employee stock ownership plan or equity incentive plan;

(4) Due to major changes in the Company's production and operation, financial status, external conditions and other reasons, there is a risk of changing or terminating the repurchase plan in accordance with relevant regulations.

The Company will make a repurchase decision and implement it according to market conditions during the repurchase period, and fulfill the information disclosure obligation in a timely manner according to the progress of the repurchase of shares, so investors are advised to pay attention to investment risks.

In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Repurchase of Public Shares by Listed Companies (for Trial Implementation), the Supplementary Provisions on the Repurchase of Shares by Listed Companies through Call Auction Trading, the Implementation Rules for the Repurchase of Shares by Listed Companies on the Shanghai Stock Exchange and other relevant laws and regulations and the relevant provisions of the Articles of Association, the Company intends to use its own funds to repurchase part of the Company's issued and listed RMB ordinary shares (A shares) through call auction trading. The specific contents of the share repurchase plan are as follows:

I. Deliberation procedures for this repurchase

On January 18, 2021, the Company held the 33rd meeting of the 7th board of directors, and deliberated on and approved the "Proposal on Repurchasing Company's Shares through Call Auction Trading" with 11 votes in favor, 0 votes against and 0 abstentions.

According to the relevant provisions of the Articles of Association, the Company's repurchase plan does not need to be submitted to the general meeting of shareholders for deliberation.

II. The main content of the repurchase plan

(1) The purpose of the repurchase of shares

In order to establish a long-term incentive mechanism for symbiosis and benefit sharing among the company, shareholders and core backbone employees, and promote the sustainable and healthy development of the Company, the Company intends to repurchase part of the issued and listed RMB ordinary shares for use in employee stock ownership plans or equity incentive plans.

The repurchase is used to implement the employee stock ownership plan or equity incentive plan, which shall be separately formulated, reviewed and disclosed by the Company in accordance with the due procedures.

(2) The type of shares to be repurchased

The type of shares to be repurchased this time is RMB ordinary shares (A shares) issued by the Company.

(3) The method of repurchasing shares

The repurchase of shares is planned to be made through call auction trading.

(4) The time limit for repurchasing shares

1. The implementation period of this repurchase is no more than 12 months from the date of deliberation and approval of the repurchase plan by the board of directors . The repurchase period expires early if the following conditions are met:

(1) If the amount of shares repurchased reaches RMB 700 million during the repurchase period, or the number of shares repurchased reaches 2.50% of the Company's current total share capital, i.e. 41,597,784 shares, the implementation of the repurchase plan will be completed, and the repurchase period will expire early on that date;

(2) If the board of directors of the Company resolves to terminate the repurchase, the repurchase period shall expire in advance on the date when the board of directors

resolves to terminate the repurchase plan.

2. The Company is not allowed to repurchase shares during the following window periods:

(1) Within 10 trading days prior to the announcement of the Company's regular report, performance forecast or performance flash report;

(2) From the date of occurrence to within 2 trading days after the disclosure in accordance with the law of a major event or important decision-making that may have a significant impact on the trading price of the Company's shares;

(3) Other circumstances stipulated by the China Securities Regulatory Commission and the Shanghai Stock Exchange.

3. During the implementation of the repurchase plan, if the Company's shares are suspended for more than 10 consecutive trading days due to major events, the Company will postpone the implementation of the repurchase plan after the resumption of trading and disclose it in a timely manner.

(5) The total amount of repurchase funds and the source of funds

The total amount of funds that the Company intends to use for this repurchase is RMB 300 million to 700 million yuan, all of which are its own funds.

(6) The repurchase price of the shares

According to relevant laws and regulations, after taking into consideration the recent stock price of the Company, the repurchase price range is 15.00 yuan/share - 22.00 yuan/share (inclusive).

If the Company converts capital reserve into share capital, distributes shares or cash dividends during the repurchase period, the repurchase price range will be adjusted accordingly in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange from the date of ex-rights and ex-dividends of the stock price.

(7) The number and purpose of the shares to be repurchased

The number of shares to be repurchased this time will not be more than 2.50% of the Company's current total share capital (1,663,911,378 shares), that is, 41,597,784

shares. The specific number of shares to be repurchased and the proportion of the repurchased shares in the total share capital are subject to the actual number of shares repurchased at the expiration of the repurchase period. The shares to be repurchased will not exceed 10% of the Company's total issued shares. If the Company converts capital reserve into share capital, distributes shares or cash dividends during the repurchase period, the number of repurchased shares will be adjusted accordingly in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange from the date of ex-rights and ex-dividends of the stock price.

The repurchased shares are intended to be used for employee stock ownership plans or equity incentive plans.

(8) The expected changes in the Company's equity structure after the repurchase

1. According to the Company's share capital structure as of December 31, 2020 and the upper and lower limits of the number of shares to be repurchased, assuming that the implementation of this repurchase plan will be successful, all the repurchased shares will be used for the employee stock ownership plan or equity incentive plan and all locked, and it is expected that the Company's equity structure will change as follows:

Calculated based on the maximum number of shares to be repurchased at 41,597,784 shares (assuming that the number of shares to be repurchased reaches 2.5% of the Company's current total share capital).				
Share class	Before the repurchase		After the repurchase	
	quantity	proportion	quantity	proportion
Tradable Shares with restrictions	237,529,882	14.28%	279,127,666	16.78%
Unrestricted tradable shares	1,426,381,496	85.72%	1,384,783,712	83.22%
Total share capital	1,663,911,378	100%	1,663,911,378	100%
Calculated based on the lower limit of the number of shares to be repurchased at				

13,636,363 shares (assuming the value of the repurchase is 300 million yuan and the repurchase price is 22 yuan per share)				
Share class	Before the repurchase		After the repurchase	
	quantity	proportion	quantity	proportion
Tradable Shares with restrictions	237,529,882	14.28%	251,166,245	15.09%
Unrestricted tradable shares	1,426,381,496	85.72%	1,412,745,133	84.91%
Total share capital	1,663,911,378	100%	1,663,911,378	100%

2. If within 3 years after the completion of the share repurchase, the repurchased shares are not used for the purposes described in this repurchase plan, and all the unused repurchased shares are cancelled, the total share capital of the Company will be reduced.

(9) The impact of the repurchase of shares on the Company

As of September 30, 2020, the Company's total assets were 8.3082626 billion yuan, the owner's equity attributable to shareholders of listed company was 3,885,929,700 yuan, and the net profit attributable to shareholders of listed company from January to September 2020 was 506,702,400 yuan. The Company is in good financial condition and is in an upward development stage. The upper end of the repurchase value will account for 8.43% of Company's total assets and 18.01% of owner's equity attributable to shareholders of listed company at the end of September 2020, respectively. Through the transfer of 100% equity and debt rights of Chenzhou Xiongfeng Environmental Protection Technology Co., Ltd., the Company has recovered about 2.103 billion yuan, thus the Company has enough funds to pay for the share repurchase.

The board of directors believes that the repurchase of shares for the employee stock ownership plan or equity incentive plan is conducive to the Company's continuous operation and future development, and after the implementation of the repurchase plan, the Company's equity distribution still meets the listing conditions, and the repurchase will not affect the Company's listing status, and will not lead to a change

in the Company's control. All directors promise that the share repurchase will not impair the Company's ability to fulfill its debts and continue operations.

The independent directors believe that the share repurchase plan complies with the relevant laws and regulations and the Articles of Association, and has fulfilled the necessary approval procedures, and that the repurchase plan is reasonable, feasible and necessary, and is in line with the interests of the Company and all shareholders. They are in favor of the share repurchase plan.

(10) Whether the Company's controlling shareholders, actual controllers, directors, supervisors, and senior managers bought and sold the Company's shares within six months before the board of directors made the resolution to repurchase shares, and whether there was a conflict of interest with the repurchase plan, whether there was insider trading and market manipulation, and whether there was a plan to increase or decrease their holdings during the repurchase period

According to the Company's self-inspection, the controlling shareholders, actual controllers, directors, supervisors, senior managers and their persons acting in concert made the following trading of the Company's shares within six months before the board of directors made the resolution to repurchase shares:

On November 13, 2020, Mr. Zhao Meiguang, the controlling shareholder of the Company, transferred 16,178,200 shares of the Company held by him, accounting for 0.97% of the total share capital, through the block trading system of the Shanghai Stock Exchange; on November 16, 2020, Mr. Zhao Meiguang transferred 15,350,000 shares of the Company held by him, accounting for 0.92% of the total share capital of the Company, through the block trading system of the Shanghai Stock Exchange; the number of unrestricted tradable shares transferred by him on these two occasions totaled 31,528,200 shares, accounting for 1.89% of the Company's total share capital.

On November 16, 2020, Mr. Zhao Meiguang and Wang Jianhua signed the Share Transfer Agreement, with the former transferring 98,170,771 shares of the Company's unrestricted tradable shares to the latter, accounting for 5.90% of the total share capital of the Company. The registration of the transferred shares under this agreement was completed on November 24, 2020. For details, please refer to the "Reminder Announcement on Changes in Shareholders' Equity" (Announcement No.:

2020-100) and "Announcement on the Completion of the Registration of Transfer of Shares Transferred through agreement by Shareholders" (Announcement No.: 2020-102) disclosed by the Company on November 17, 2020 and November 25, 2020 on the Shanghai Stock Exchange.

On December 16, 2020, Zhao Meiguang signed the Share Transfer Agreement with Jiaxing Kaicheng Investment Partnership (Limited Partnership) (hereinafter referred to as "Jiaxing Kaicheng") to transfer 89,644,463 shares of the Company's unrestricted tradable shares held by him to Jiaxing Kaicheng, accounting for 5.39% of the Company's total share capital. The registration of the transferred shares under this agreement was completed on December 24, 2020. For details, please refer to the "Reminder Announcement on Changes in Shareholders' Equity" (Announcement No.: 2020-111) and the "Announcement on the Completion of the Registration of Transfer of Shares through Agreement by Shareholders" (Announcement No.: 2020-115) disclosed by the Company on December 17, 2020 and December 25, 2020 on the Shanghai Stock Exchange.

The purpose of the transfer of shares by Mr. Zhao Meiguang, the controlling shareholder and actual controller, is to raise funds for the acquisition of all the shares of Chenzhou Xiongfeng Environmental Protection Technology Co., Ltd., optimize the share capital structure and governance mechanism of the listed company, promote the implementation of the established strategy of the listed company, and enhance the healthy development of the listed company and maximize the interests of all shareholders. There is no conflict of interest between Mr. Zhao Meiguang's transfer of his shares and the repurchase plan, no insider trading, and no market manipulation. Upon inquiry, Mr. Zhao Meiguang has no plan to increase or decrease his holdings during the repurchase period, and if he intends to increase or decrease his holdings in the future, due announcement will be made in a timely manner.

Mr. Wang Jianhua is currently the Chairman of the board of directors of the Company, and he subscribed for 49.9750% of the capital contribution of Jiaxing Kaicheng. According to the relevant provisions of the "Administrative Measures for the Acquisition of Listed Companies", Jiaxing Kaicheng and Wang Jianhua acted in concert. Mr. Wang Jianhua and Jiaxing Kaicheng acquired part of the shares of the Company held by the controlling shareholder Zhao Meiguang by way of transfer by

agreement, based on their confidence in the sustainable and high-quality development of Chifeng Gold in the future, and there is no conflict of interest, insider trading, and market manipulation with this repurchase plan. After inquiry, Mr. Wang Jianhua and Jiaxing Kaicheng have no plans to increase or decrease their holdings during the repurchase period, and if they plan to increase or decrease shareholdings in the future, due announcement will be made in a timely manner.

On January 4, 2021, Mr. Zhang Lei, a Supervisor of the Company, bought 2,000 shares of the company's shares through call auction trading, accounting for 0.0001% of the Company's total share capital. There is no conflict of interest between Mr. Zhang Lei's purchase of the Company's shares and the repurchase plan, neither be there insider trading or market manipulation. After inquiry, Mr. Zhang Lei has no plan to increase or decrease his holdings during this repurchase period, and if he intends to increase or decrease his holdings in the future, due announcement will be made in a timely manner.

(11) An explanation of the shareholding reduction plan of the listed company's directors, supervisors, senior executives, controlling shareholders and actual controllers in the next 6 months

The Company has sent letters of inquiry to the controlling shareholder, the actual controller, the shareholders holding more than 5% of the total Company shares, and the directors, supervisors and senior management who hold the Company's shares, asking whether they have a shareholding reduction plan in the next six months. According to the reply received, as of the date of the board of directors' resolution on the repurchase plan, the Company's controlling shareholders, actual controllers, shareholders holding more than 5% of the total shares, directors, supervisors and senior managers holding the Company's shares have no plans to reduce their holdings of the company's shares in the next 6 months;

(12) Relevant arrangements for cancellation or transfer of shares after repurchase in accordance with law

The repurchased shares will be used to implement the employee stock ownership plan or equity incentive plan. If the Company fails to use up the repurchased shares within 3 years after the completion of the share repurchase, the repurchased shares that have not been used will be cancelled, which will be implemented in accordance with

relevant laws, regulations and policies.

(13) Relevant arrangements for the Company to prevent infringement of the interests of creditors

The repurchase of shares is intended to be used for the implementation of the employee stock ownership plan or equity incentive plan, which will not affect the Company's normal continuing operations and will not lead to the Company's insolvency. In the event of a cancellation of shares repurchased by the company, the Company will fully protect the legitimate rights and interests of creditors in accordance with the relevant decision-making and announcement procedures on capital reduction provided in the Company Law of the People's Republic of China and other laws and regulations.

(14) Specific authorization for the repurchase of shares

In order to successfully and efficiently complete the repurchase of shares, the board of directors authorizes the management to specifically handle the relevant matters related to the repurchase of the Company's shares, including but not limited to:

1. Decide on the specific purpose of the repurchased shares in accordance with relevant laws and regulations, such as employee stock ownership plans or equity incentive plans;
2. Set up a special securities account for repurchase and handle other related affairs;
3. Execute the repurchase of shares in due time during the repurchase period, that means making decisions on the total amount of fund for the repurchase, and time, price and quantity of the repurchase, etc.;
4. Make decisions on whether to continue to implement or terminate the implementation of this repurchase plan based on the actual conditions of the Company and its stock price;
5. The board of directors of the Company shall adjust the specific implementation plan and handle other matters related to share repurchase in accordance with the applicable laws, regulations and relevant provisions of the regulatory authorities;

6. Make amendments to, based on the implementation of the repurchase plan and if applicable, to the Articles of Association and other materials and documents that may involve changes, and handle the associated registration and filing work for such amendments;

7. Decide whether to engage the relevant intermediaries;

8. Prepare, amend, supplement, sign, submit, present, and execute all agreements, contracts and documents required in the process of repurchasing shares, and make relevant declarations;

9. Handle other work contents that are not listed above but are necessary for the share repurchase;

The authorization shall be from the date of deliberation and approval of the share repurchase matter by the board of directors of the Company to the date of completion of the above-mentioned authorized matters.

III. The risk of uncertainty of the repurchase plan

1. If the Company's stock price continues to exceed the price range disclosed in the repurchase plan, there may be a risk that the repurchase plan cannot be implemented;

2. During the implementation of the share repurchase, there is a risk that the funds required for the repurchase of shares cannot be in place in time, so that the repurchase plan cannot be implemented as planned

3. The shares to be repurchased will be used for the Company's employee stock ownership plan or equity incentive plan, and there may be a risk that the repurchased shares cannot be granted or transferred due to the failure to implement the employee stock ownership plan or equity incentive plan

4. Due to major changes in the Company's production and operation, financial situation, external objective conditions and other reasons, there is a risk of changing or terminating the repurchase plan in accordance with relevant regulations.

The Company will make repurchase decisions and implement them at the right time according to market conditions during the repurchase period, and fulfill the information disclosure obligation in a timely manner in conformity with the progress

of the repurchase of shares. All investors are advised to pay attention to investment risks.

This is hereby announced.

Board of Directors
Chifeng Jilong Gold Mining Co., Ltd.
19th January 2021