

Chifeng Jilong Gold Mining Co., Ltd.

Trade Sanctions Policy

1. Introduction

1.1 This Sanctions Policy (hereinafter referred to as "the Policy") describes the way Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as "Chifeng Gold") responds to trade sanctions.

1.2 The Policy:

(a) forms part of Chifeng Gold's Compliance and Ethics Policy, which is available on Chifeng Gold's website "www.cfgold.com";

(b) is applicable to all employees;

(c) may be amended by Chifeng Gold at any time in accordance with the requirements of applicable laws and regulations. Any revisions will be effective as of the date the revised Policy is posted, as indicated in the version number.

1.3 Any violation of the policy will be dealt with seriously and may result in disciplinary action.

1.4 Please contact the legal department through legal@cfgold.com with any questions or concerns regarding this Policy, including whether your actions comply with this policy.

2. Definition

2.1 "**Employee**" means any employee of Chifeng Gold or any person employed by Chifeng Gold;

"**Legal Department**" means Chifeng Gold's legal department;

"**PEP**" means a politically exposed person;

"**SDN**" means a Specially Designated National;

"**Sanctioned State**" means any country or geographical region subject to national or regional sanctions (as of the date of the promulgation of the policy, sanctioned countries include Crimea, Cuba, Iran, North Korea and Syria);

"**Sanctioned Party**" means any person or entity subject to the sanction, or any entity in which the Sanctioned Party has a majority stake;

"**Chifeng Gold**" means Chifeng Jilong Gold Mining Co., Ltd. and its subsidiaries and/or affiliates.

2.2 Singular words include plural and vice versa.

3. What are trade sanctions?

3.1 Trade sanctions are laws that impose trade, financial, or travel-related restrictions. Sanctions may be directed against individuals, entities and States, as well as individuals and entities owned or controlled by such persons ("sanctioned parties"). Sanctions are primarily imposed by governments or international organizations to change the behaviour of the target (i.e., individuals or States) of the sanctions.

4. Consequences of non-compliance

4.1 Any violation of sanctions may result in civil and criminal penalties for Chifeng Gold and/or its employees. Such actions may also cause significant and long-term damage to Chifeng Gold's reputation and ability to operate. As far as Chifeng Gold's customers or counterparties are concerned, Chifeng Gold has the right to immediately terminate any business relationship that violates or may violate this Policy or sanction laws.

5. Applicable sanctions regimes

5.1 As an international company, Chifeng Gold may be subject to a number of sanctions, including:

(a) U.S. sanctions;

(b) UN sanctions;

(c) EU sanctions;

(d) British sanctions.

6. U.S. sanctions

6.1 The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") is responsible for administering and enforcing U.S. sanctions.

6.2 There are two categories of entities that must comply with U.S. sanctions: "U.S. person" and "foreign entities."

6.3 U.S. persons include:

(a) Companies incorporated under U.S. law;

(b) U.S. citizens, wherever they are in the world;

(c) People who actually reside in the United States.

6.4 A foreign entity is a non-U.S. entity that is owned or controlled by a U.S. person. Foreign entities must comply with the United States' partial (but not all) sanctions. In particular, foreign entities are required to comply with U.S. sanctions against Cuba and Iran.

6.5 Some of the U.S. sanctions have extraterritorial effects. Secondary sanctions, as well as certain additional sanctions with similar effects, may apply to entity conduct that is neither a U.S. person nor a foreign entity. OFAC may impose sanctions on entities that conduct certain transactions with specific countries or other sanctioned parties. OFAC can impose sanctions, including denial of export privileges, prohibitions on access to the U.S. financial system, and sanctions against company officers.

6.6 Overview of U.S. sanctions

Sanctions against States	<ul style="list-style-type: none">• State-specific sanctions prohibit U.S. persons from doing business and transacting with individuals ordinarily residing in the target country, entities located in or established in the target country, or government agencies.• For Iran and Cuba, foreign entities are also directly subject to the same ban as U.S. personnel.• Countries and regions currently subject to such sanctions: Cuba, Iran, North Korea, Syria and Crimea¹. The countries and regions targeted by such sanctions may change at any time.
Sanctions according to the list	<ul style="list-style-type: none">• Sanctions under the List prohibit U.S. persons from transacting with certain individuals and entities on the Sanctions List and entities owned or controlled by the sanctioned party.
Sanctions evaders overseas	<ul style="list-style-type: none">• Sanctions for Evaders Abroad prohibit U.S. persons from doing business or transacting with individuals and entities that attempt to violate or assist others in violating U.S. sanctions on Iran or Syria.
Industry sanctions	<ul style="list-style-type: none">• Industry sanctions prohibit U.S. persons from engaging in certain types of transactions.• Currently, industry sanctions target: (i) certain Russian financial institutions, defense companies, and energy companies, banning

	<p>certain debt and credit transactions²; (ii) specific sectors of Venezuela's economy, such as gold, oil and finance.</p>
<p>Sanctions with extraterritorial effects</p>	<p>Non-U.S. persons involved in the following transactions may be subject to sanctions:</p> <ul style="list-style-type: none"> • any transaction with an Iranian sanctioned party or an industry of the Iranian economy;
	<ul style="list-style-type: none"> • material transactions with Russian sanctioned parties or their immediate family members, as well as certain energy-related transactions involving Russia; • transactions involving Syria, including with the Syrian military or the Syrian energy sector; • transactions involving the DPRK, including exports to and from the DPRK; <p>Transactions involving the Venezuelan government or Venezuelan sanctioned parties, including transactions involving Venezuelan oil</p>

1 The Venezuelan government is subject to similar restrictions, although Venezuela is not subject to state-specific sanctions.

2 The UK / EU has a similar regime for Russia.

6.7 Provide convenience

- (a) Chifeng Gold shall not facilitate transactions prohibited by US sanctions.
- (b) Examples of accommodations include:
 - i. Providing approval, financing, transportation or insurance for transactions of sanctioned parties;
 - ii. Refer business requests from sanctioned parties to third parties;
 - iii. Conduct business transactions with entities that you know are acting in the interests of the sanctioned party.

6.8 Licenses and Exceptions

The U.S. government may authorize U.S. persons and foreign entities to engage in certain acts prohibited by U.S. sanctions. OFAC issues two types of licenses:

- (a) "General License," which is publicly available so that U.S. persons and foreign entities are not required to actively obtain permission from OFAC to use the General License;
- (b) "Specific License," which is not publicly available, so U.S. persons and foreign entities must voluntarily apply for specific permits to engage in conduct prohibited by sanctions and not covered by general licenses.

Licensing or exceptions may not be relied upon to assume that the sanctioned party's transactions are permitted. The Legal Department will advise on sanction permits.

7. UN sanctions

7.1 Sanctions imposed by the United Nations Security Council form the basis of many sanctions regimes around the world.

8. EU sanctions

8.1 EU sanctions apply to all individuals and entities within the EU, EU nationals, and non-EU branches of entities registered in the EU. EU Member States may implement additional measures beyond EU measures, so it is important to comply with EU and regional sanctions laws.

9. British sanctions

9.1 The Foreign and Commonwealth Office has overall responsibility for UK sanctions, and the UK Treasury is responsible for administering and enforcing UK sanctions. Until the end of 2020, the UK sanctions regime closely mirrored the EU regime, after which the two will diverge.

10. EU/UK license

10.1 EU member states and the UK have licensing regimes that allow for prohibited acts by sanctions.

Licensing or exceptions may not be relied upon to assume that the sanctioned party's transactions are permitted. The Legal Department will advise on sanction permits.

11. Necessary procedures

11.1 Without the prior approval of the Legal Department, you may not:

- (a)** conduct any business dealings or transactions with sanctioned parties, including sanctioned countries or individuals or entities on sanctioned lists; or
- (b)** Facilitate third-party transactions involving sanctioned parties, including sanctioned countries or individuals or entities on sanctioned lists.

11.2 You must:

- (a)** use Chifeng Gold's screening system to screen any potential customers, suppliers, distributors, resellers, customs brokers, financial institutions, banks or other representatives to ensure that the person or entity is not a sanctioned party;
- (b)** Ensure that appropriate safeguards are included in contracts with third parties.

11.3 Be alert to red flags, including signs that counterparties may be involved in illegal shipments or circumvent sanctions.

11.4 If you become aware that a third party provides services to a sanctioned party

and/or in a sanctioned country, or if you find any red flags that suggest illegal transportation or circumvention of sanctions, you must notify the Legal Department immediately.

12. Emergency

12.1 In the event of an emergency that may require access to services in a sanctioned country, the Legal Department must be notified immediately.

13. Internal reporting

13.1 You must contact the Legal Department immediately if any of the following occurs:

- (a) As required by this Policy; or
- (b) Any actual or suspected violation of this Policy.

14. File control

14.1 The General Counsel of Chifeng Gold is the owner of this Policy and is responsible for reviewing this Policy in accordance with relevant review requirements.

14.2 You can consult the latest version of this Policy from Chifeng Gold's website www.cfgold.com.

14.3 This Policy has been approved by the Board of Directors for publication.