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**SD-GOLD**

**SHANDONG GOLD MINING CO., LTD.**

**山東黃金礦業股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1787)**

**PROGRESS UPDATE ON DISCLOSEABLE TRANSACTION  
ACQUISITION OF TMAC RESOURCES INC.**

Reference is made to the announcements of the Company dated 8 May 2020 and 27 November 2020 in relation to the Acquisition (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

On 8 May 2020, the Board of Shandong Gold Mining Co., Ltd. (hereinafter referred to as the “**Company**”) considered and approved the Resolution on the Acquisition of TMAC Resources Inc. and the Signing of Documents related to the Acquisition under the Arrangement Agreement (《公司關於收購特麥克資源公司並簽署協議安排收購相關文件的議案》). Further to our progress update announcement published on 27 November 2020, the Company obtained the decision made by the Investment Review Bureau Canada (加拿大投資審查局) on 18 December 2020, for the purpose of safeguarding national security, ordering Streamers Gold not to proceed with the arrangement plan pursuant to the Arrangement Agreement.

The subsequent arrangements of this transaction are as follows:

**1) Termination of the Arrangement Agreement**

Approval under the Canadian Investment Law is one of the regulatory approvals required for this transaction and is a condition precedent for the completion of this transaction. The parties have performed their obligations in accordance with the Arrangement Agreement and have used their commercially reasonable efforts in obtaining such approval. Given the failure to obtain the regulatory approval, the Company, SDG Hong Kong and TMAC can jointly agree in writing to terminate the Arrangement Agreement. Upon the termination of the Arrangement Agreement, save and except for the general miscellaneous clauses (such as governing laws, etc.), the Arrangement Agreement will become invalid, and no party (or any shareholders, directors, officers, employees, agents, consultants or representatives of such party) shall be liable to the other party under the Arrangement Agreement, nor will it trigger termination fee or terms of reverse termination fee.

2) **Concurrent Non-public Placement and Subscription Agreement (《同步非公開配售認購協議》)**

Given the arrangements under the Arrangement Agreement has not been approved by the Investment Review Bureau Canada, SDG Hong Kong can sell TMAC's ordinary shares subscribed under the Concurrent Non-public Placement and Subscription Agreement four months and one day after the completion date of the Concurrent Non-public Placement and Subscription Agreement (i.e. 15 May 2020) in accordance with the relevant provisions of the Canadian Securities Law. At the same time, according to the Concurrent Non-public Placement and Subscription Agreement, Shandong Gold Hong Kong shall not sell, transfer or otherwise assign any shares to any person or group, or agree to implement any of the aforementioned actions within 30 days from the date of termination of the Arrangement Agreement.

The Company considers that the termination of the Arrangement Agreement will not have material adverse impact on the financial performance of the Group.

By order of the Board  
**Shandong Gold Mining Co., Ltd.**  
**Li Guohong**  
*Chairman*

Jinan, PRC, 22 December, 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Wang Peiyue, Mr. Li Tao and Mr. Tang Qi; the non-executive directors of the Company are Mr. Li Guohong, Mr. Wang Lijun and Ms. Wang Xiaoling; and the independent non-executive directors of the Company are Mr. Gao Yongtao, Mr. Lu Bin and Ms. Hui Wing.*