

Chifeng Jilong Gold Mining Co., Ltd.

Special Report on the Deposit and Use of the Raised Fund in 2024

The Board of Directors and all Director 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.

In accordance with the relevant provision of the Regulatory Guideline for Listed Companies No. 2 - Regulatory Requirements on the Management and Use of Funds Raised by Listed Companies and the Self-Regulatory Guidelines for Listed Companies on Shanghai Stock Exchange No. 1 - Standard Operation, the Board of Directors of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as "**the Company**" or the "Company") set forth the following explanations on the deposit and the actual use of raised funds in 2024.

1. Basic information of fundraising

(1) The actual amount of funds raised and the time of arrival of funds

With the approval of the China Securities Regulatory Commission's "Reply on Approving Chifeng Jilong Gold Mining Co., Ltd. to Issue Shares to Mr. Zhao Meiguang and Others to Purchase Assets and Raise Supporting Funds" (CSRC License [2019] No. 2020), the Company was approved to issue 74,375,000 shares to Mr. Zhao Meiguang , 51,515,151 shares to Beijing Hanfeng Zhongxing Management Consulting Center LP (hereinafter referred to as "Hanfeng Zhongxin"), and 2,897,727 shares to Mr. Meng Qingguo, a total of 128,787,878 shares to purchase 100% of the equity interest of Jilin Hanfeng Mining Technology Co., Ltd. (hereinafter referred to as "**Hanfeng Mining**"), and was allowed to raise the supporting funds of no more than 510,000,000 yuan through non-public issuance of shares.

The Company raised supporting funds by offering 108,742,004 A ordinary shares to specific targeted investors, with a par value of RMB1.00 per share at an issue price of RMB 4.69 per share, raising a total of RMB510,000,000.00. After deducting the underwriting expenses of RMB 7.00 million, the total amount of funds raised by the Company in the non-public offering of A-shares was RMB 503,000,000.00. As of January 17, 2020, the above net funds raised have been fully transferred to the Company's special account of the raised funds. The availability of the raised funds was

verified by Zhongshen Zhonghuan Accounting Firm (Special General Partnership), who had issued the "Zhonghuan Verification (2020) No. 230002" capital verification report.

(2) The usage and balance of the raised funds

As of December 31, 2024, the Company used the raised funds of RMB 69.6851 million in 2024 and had returned 110 million Yuan used to replenish the working capital. The cumulative used raised fund totals 467,465,000 Yuan. The unused balance of the raised fund is RMB 43.6528 million Yuan, which had been transferred to permanently supplement the shortfall of the working capitals.

2. Deposit and management of raised funds

In accordance with the provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies, after taking into consideration the actual situation of the Company, the Company had formulated the Administrative Measures for the Use of Raised Funds, which were deliberated and approved by the Board of Directors of the Company. The Administrative Measures for the Use of Raised Funds is an internal control system for the deposit, use and management of the Company's raised funds, which gives clear provisions on the deposit, use, change, supervision and accountability of the raised funds.

(1) The status of the tripartite supervision agreement on raised funds

On February 12, 2020, the Company signed the Tripartite Supervision Agreement on the Deposit of Special Account for Raised Funds with Yulong Sub-Branch of Chifeng Branch of Industrial Bank. and Everbright Securities. On February 21, 2020, the Company, Hanfeng Mining, Industrial Bank Chifeng Branch and Everbright Securities signed the "Four-Party Supervision Agreement on the Deposit of Special Account for Raised Funds" to deposit and manage the raised funds in the special account. There is no material difference between these agreements and the Tripartite Supervision Agreement on the Deposit of Special Accounts for Raised Funds (Model), and the Tripartite Supervision Agreement on the Deposit of Special Accounts for Raised Funds has been effectively implemented.

(2) The deposit of special accounts for raised funds

As of December 31, 2024, the deposit status of the raised funds is as follows:

Unit: RMB yuan

NO.	Bank name	Account No.	Account balance
-----	-----------	-------------	-----------------

1	Industrial Bank Co., Ltd. Chifeng Branch Yulong Sub-Branch	595020100100022825	Cancelled
2	Industrial Bank Co., Ltd. Chifeng Branch	595010100100196182	43,652,773.119
In Total			43,652,773.119

3. The actual use of the raised funds in 2023

(1) The use of raised funds for investment projects

In 2024, the use of the Company's raised funds is detailed in the "Comparative Table of the Use of Raised Funds by Chifeng Jilong Gold Mining Co., Ltd." attached to this report.

(2) The prior investment into the investment projects and its replacement with raised funds

On February 21, 2020, the 20th meeting of the 7th Board of Directors and the 10th meeting of the 6th Board of Supervisors of the Company respectively deliberated on and adopted " the Proposal on Using the Raised Funds to Replace the Self-Financing Funds Earlier Invested", and the Company replaced the self-financing funds invested in the early stage with the supporting funds raised of 32.3987 million yuan, including the self-financing funds in the amount of 21,938,900 Yuan invested by Hanfeng Mining for " the Exploration Project to Increase Reserves at the depth of the Lead Zinc Polymetallic Mine of Tianbaoshan Mining Area" and 10,459,800 yuan of self-financing fund invested by Chifeng Gold in paying consultants fees at earlier stages.

Zhongshen Zhonghuan Accounting Firm (Special General Partnership) issued the "Verification Report on Chifeng Jilong Gold Mining Co., Ltd.'s Prior investment with Self-Financing Fund into the Investment Project of Raised Funds "(File No. Zhonghuan Zhuanzi (2020) 230003" for the Company's proposed replacement of self-financing funds previously invested with raised funds. Everbright Securities, an independent financial adviser, issued a verification opinion and had no objection to the company's use of the raised funds to replace the self-financing funds invested earlier.

(3) Temporarily replenishing working capital with the idle raised funds

On Feb 9, 2024, the Company returned 110 million yuan of the raised funds used to temporarily replenish working capital to the special account for raised funds.

On Feb 23, 2024, the 25th meeting of the 8th Board of Directors and the 16th meeting of the 7th Board of Supervisors of the Company respectively deliberated on and adopted the "Proposal on Using Part of the Idle Raised Funds to Temporarily Replenish

Working Capital". Because the period of the exploration project to tap the reserve in deep part of the Pb-Zn Polymetallic Mine of Tianbaoshan Mining Area is long, under the premise of ensuring the normal progress of the capital requirements of the investment project that the raised fund is intended for and the proper execution of the plan for the use of the raised funds, after taking into consideration the Company's production and operation needs, it was agreed that the Company could use 90 million Yuan of the idle raised fund for " Exploration Project to Increase Reserves in Deep Part of the Lead Zinc Polymetallic Mine of Tianbaoshan Mining Area to temporarily replenish working capital, and the use period of the funds shall not exceed 12 months from the date of approval by the board of directors, and the Company will return the equal amount to the special account for raised funds before expiration date.

On May 30, 2024, the Company returned 10 million yuan of the raised funds used to temporarily replenish working capital to the special account for raised funds.

On July 5, 2024, the Company returned 15 million yuan of the raised funds used to temporarily replenish working capital to the special account for raised funds.

On Oct 23, 2024, the Company returned 25 million yuan of the raised funds used to temporarily replenish working capital to the special account for raised funds.

On Dec 25, 2024, the Company returned 40 million yuan of the raised funds used to temporarily replenish working capital to the special account for raised funds.

As of December 31, 2024, the balance of Company's actual use of idle raised funds to temporarily replenish working capital was 0 Yuan.

(4) Cash management of idle raised funds and investment in related products

From January 1 to December 31, 2024, the Company did not use idle raised funds for cash management. As of December 31, 2023, the balance of cash management using the idle raised funds stands RMB 0.00, and the cumulative incomes of the closed-end structured deposit products was RMB 747,400 Yuan.

(5) Using over-subscribed fund to permanently replenish working capital or repay bank loans

During the reporting period, the Company did not permanently replenish working capital or repay bank loans with the over-subscribed funds.

(6) The use of over-subscribed funds for projects under construction and new projects (including acquisition of assets, etc.).

During the reporting period, the Company did not use over-subscribed funds for projects under construction and new projects (including acquisition of assets, etc.).

(7) Use of over-subscribed raised funds

On February 21, 2020, the 20th meeting of the 7th Board of Directors and the 10th meeting of the 6th Board of Supervisors of the Company respectively deliberated and adopted the "Proposal on Using Part of Over-subscribed Raised Funds to Permanently Replenish Working Capital". In view of the completion of the Company's "payment of taxes and consultant fees related to this transaction", in order to facilitate the Company's capital management, improve the efficiency of capital utilization, and enhance business efficiency, it was agreed that the over-subscribed fund in the amount of 2.5402 million Yuan out of paying the relevant taxes and consultant fees of this transaction and the generated interest can be used to permanently replenish the working capital.

On December 30, 2024, the 33rd meeting of the 8th Board of Directors and the 24th meeting of the 7th Supervisor Board of the Company deliberated and approved " the Proposal on the Completion of the Raised Fund Projects and the Use of the Balance of Raised Funds as the Permanently Working Capital and the Cancellation of the Special Account", agreeing to close the raised fund projects and use the remaining raising funds of 43.6528 million yuan (the actual amount is subject to the balance of the special account on the day of fund transfer) for permanent working capital. After the transfer is completed, the relevant fund raise special account will be closed.

(8) Other circumstances regarding the use of raised funds

During the period, the Company did not have other circumstances in which the funds raised were used.

4. Change the use of raised funds earmarked for the equity investment project

At the 16th Meeting of the 8th Board of Directors, the 11th Meeting of the 7th Supervisory Board held on 30 March 2023 and the 2022 Annual General Meeting on 20 April 2023, the Company deliberated and adopted " the Proposal on Changing the Use of Part of the Raised Fund", and agreed to use RMB 96.5 million of the remaining raised fund for the deep resource exploration project of Tianbaoshan Mining Area for Lishan Mine expansion project, the other raised fund will still be used for the original projects.

5. Issues in relation to the use and disclosure of raised funds

During the reporting period, the Company has truthfully, accurately and completely disclosed relevant information in a timely manner, and the raised funds are invested in the originally designated investment projects of the raised funds, and there is no major situation of illegal use of the raised funds.

6. The annual verification opinions of the special report issued by the independent financial adviser on the deposit and use of the company's raised funds

The compilation and preparation of the deposit and use of the raised funds by the Company comply with the requirements of the Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies, the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation he Administrative, truly representing the status of deposit and usage of fund raised by the Company.

7. Concluding opinions of the special verification report issued by the independent financial adviser on the deposit and use of the company's annual raised funds

The independent financial adviser believes that the deposit and use of the raised funds by the Company comply with the requirements of relevant regulations such as the Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies, the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the Administrative Measures for the Use of Funds Raised by Chifeng Jilong Gold Mining Co., Ltd. The raised funds were deposited in dedicated accounts and used for designated purposes, and there was no disguised change in the purpose of the raised funds and damage to the interests of shareholders, and there was no illegal use of the raised funds.

As at the date of this announcement, the fund raised through the non-public offering program had been used up and the dedicated account cancelled accordingly, all those in compliance with the provisions of relevant laws and regulation.

This is hereby announced.

Board of Directors
Chifeng Jilong Gold Mining Co., Ltd.
29 March 2025

Schedule 1:

Comparative Table of the Use of Raised Funds

As of: December 31, 2024

Currency Unit: RMB 10,000

Total amount of funds raised						51,000.00	Total amount of raised funds invested during the year				(4,031.49)		
The total amount of raised funds with changed purpose						9,904.02	The total amount of raised fund that has been cumulatively invested				40,746.55		
The proportion of raised fund with changed purpose to the total amount of raised fund						19.42%							
Committed investment projects	Changed items (including partial changes).	The total amount of committed investment of the raised fund	Total investment after adjustment	Committed investment amount by the end of the period (1).	The amount invested for the year	Cumulative investment amount as of the end of the period (2).	The difference between the cumulative investment amount and the committed investment amount at the end of the period (3) = (2)-(1).	As of the end of the period, the investment progress (%) (4) = (2) / (1).	The date the project reaches its intended usable status	Benefits realized during the year	Whether the expected benefits have been achieved	Whether there have been significant changes in project feasibility	
Exploration Project to Increase Reserves in the Deep Part of the Lead Zinc Polymetallic Mine of Tianbaoshan Mining Area	Lishan Mine Expansion Project of Tianbaoshan Lead Zinc Mine	29,000.00	19,350.00	19,350.00	1,874.30	18,332.93	-1,017.07	94.74	End of December 2024	not applicable	not applicable	No	
Lishan Mine Expansion Project of Tianbaoshan Lead Zinc Mine (note 1)			9,650.00	9,650.00	5,094.21	6,401.35	-3,248.65	66.34	End of December 2024	not applicable	not applicable	no	
Repayment of bank loans and replenishment of working capital		20,000.00	20,000.00	20,000.00	-11,000.00	20,266.24	266.24	101.33	not applicable	not applicable	not applicable	not applicable	

Pay the taxes and intermediary fees associated with this transaction		2,000.00	2,000.00	2,000.00	-	1,745.98	-254.02	87.30	not applicable	not applicable	not applicable	not applicable
In total		51,000.00	51,000.00	51,000.00	-4,031.49	46,746.50	-4,253.50					
Reasons for not meeting the scheduled progress					By the end of the reporting period, the deep mine exploration program and the Lishan Shaft expansion project had been completed and be operational							
A description of significant changes in the feasibility of the project					not applicable							
Early investment and its replacement with raised funds for the investment projects					The Company replaced the self-financing fund of 32.3987 million yuan earlier invested in the early stage with the supporting funds raised.							
Temporarily replenish working capital with idle raised funds					As of December 31, 2024, the balance of the raised fund used by the company to temporarily replenish the working capital is 0 yuan.							
Cash management of idle raised funds and investment in related products					As of December 31, 2024, the balance of cash management using idle raised funds was RMB0.00, and the cumulative income of closed-end structured deposit products was RMB747,400 Yuan.							
Permanent replenishment of working capital or repayment of bank loans with over-raised funds					not applicable							
The amount of surplus raised fund and the reasons for its generation					The Company's payment of taxes and consultant fees related to this transaction has been completed, and in order to improve the efficiency of capital utilization, the over-subscribed fund of 2.5402 million yuan and the interest generated are used to permanently replenish working capital. the remaining raising funds of 43.6528 million yuan inclusive of taxation and processing fee had been transferred into the permanent working capital.							
Other use of the funds raised					not applicable							

Note1: Please refer to 4. Change the use of raised funds earmarked for the equity investment project for details of the repurposed project.