

Chifeng Jilong Gold Mining Co., Ltd.

Announcement on Subscription of Additional Shares of Tietto Minerals Limited by Wholly-owned Subsidiary

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 joint and several liabilities for the authenticity, accuracy and completeness of its contents.

Important Tips:

● Chijin International (HK) Limited (hereinafter referred to as “Chijin HK”), a wholly-owned subsidiary of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as “the Company” or “Chifeng Gold”) signed the *Additional Share Issuance Agreement* with Tietto Minerals Limited (hereinafter referred to as “Tietto Minerals”) on September 9, 2022. According to this agreement, Chijin HK plans to subscribe for 85,000,000 newly issued common shares of Tietto Minerals, an Australian listed company, in cash at a price of AUD 0.58 per share, with a total amount of AUD 49.3 million, or about RMB 231,493,100 (calculated at AUD 1: RMB 4.6956, the central parity of RMB exchange rate announced by China Foreign Exchange Trade System on September 9, 2022).

● This transaction does not constitute a related-party transaction, nor does it constitute a major asset restructuring.

● There are no major legal impediments to the implementation of this transaction.

● This transaction has been reviewed and approved by the Board of Directors of the Company and need not be submitted to the shareholders’ meeting for deliberation. There is no certainty that the transaction will ultimately be completed. According to the progress of relevant matters, the Company will fulfill its information disclosure obligations in a timely manner in stages. Investors are kindly requested to make rational decisions and pay attention to investment risks.

I. Overview of transaction

(1) Basic information of transaction

On September 9, 2022, Chijin HK, a wholly-owned subsidiary of the Company, signed the *Additional Share Issuance Agreement* with Tietto Minerals. According to this agreement, Chijin HK plans to subscribe for 85,000,000 newly issued common shares of Tietto Minerals (ASX: TIE), an Australian listed company, in cash at a price of AUD 0.58 per share, with a total amount of AUD 49.3 million, or about RMB 231,493,100 (calculated at AUD 1: RMB 4.6956, the central parity of RMB exchange rate announced by China Foreign Exchange Trade System on September 9, 2022). Upon completion of this additional issuance, Chijin HK will directly hold 85,265,788 common shares of Tietto Minerals (including 265,788 shares bought in the secondary market), representing approximately 7.90% of the shares issued after the additional issuance. The price of additional shares of Tietto Minerals this time is AUD0.58 per share, which is 15% higher than the weighted average share price premium calculated by the trading volume of Tietto Minerals' common shares listed on the Australian Stock Exchange 20 days before September 7, 2022.

This transaction does not constitute a related party transaction, nor does it constitute a major asset restructuring as stipulated in the *Measures for the Administration of the Material Asset Restructurings of Listed Companies*.

(2) Decision-making procedures of transaction

At the 8th meeting of the 8th Board of Directors held on September 9, 2022, the Company considered and adopted the *Proposal on the Subscription of Additional Shares of Tietto Minerals Limited by Chijin International (HK) Limited, A Wholly-Owned Subsidiary*, with 14 confirmative votes, 0 negative votes and 0 abstention votes. This transaction does not need to be submitted to the shareholders' meeting for deliberation.

II. Parties to the transaction

(1) Basic situation of the investor

Chijin International (HK) Limited, with registered address located at Room 603, F/6, Roche Commercial Plaza, 788 Cheung Sha Wan Road, Kowloon, Hong Kong, with a registered capital of HKD 1 +USD 291 million, is a wholly-owned subsidiary of Chifeng Gold established in Hong Kong, and is the subscriber of the additional shares of Tietto Minerals.

(2) Basic information of the investee

1. Basic information

Enterprise name: Tietto Minerals Limited

Registration No.: 143493118

ASX Code: TIE

Date of establishment: May 5, 2010

Shares issued: 994,527,490

Company address: Unit 7, 162 Colin Street West Perth WA 6005

Main business: Mining development

The Company and its controlling shareholder and actual controller have no association with the Target Company in terms of property rights, business, assets, creditor's rights and debts, personnel, etc., and there are no other relationships that may or have caused the Company to tilt its interests. This transaction does not constitute a related-party transaction.

2. Core assets

Tietto Minerals' main asset is Abujar Gold Mine, which is located in Cote d'Ivoire in West Africa, 33 kilometers away from Daloa, the second largest city, and 430 kilometers away from Abidjan, the largest city. Tietto Minerals holds 88% equity of Abujar Project, the government of Cote d'Ivoire holds 10% equity and local partners hold 2% equity.

The mining right of Abujar Gold Mine consist of three connected exploration rights and a mining right wrapped in the middle (separation of exploration and mining). The mining right was granted environmental approval in October 2020 and a gold mining license in December 2020. The mining right area covers an area of 120.36 km². According to the mining law of Cote d'Ivoire, the mining right period is the service life specified in the submitted feasibility study report, and can be extended for up to 10 years at a time. At present, the mining right scope of Abujar Project has 104.2 tons of resources meeting JORC standard, with an average grade of 1.2 g/ton. Now intensive drilling and exploration is continuing to upgrade reserves and resource level. There are three exploration rights around the mining right: 340km² in the north, 264km² in the middle and 390km² in the south.

Abujar Gold Mine is currently in the construction stage, and is planned to be put into production from the end of 2022 to the beginning of 2023. The mining method is open-pit mining. It is estimated that a gold mine with a total output of 52.88 tons, an average annual output of 4.82 tons and a total maintenance cost of about 832 USD/oz will be built within 11 years of service life. It is estimated that the average output in the first six years will be 6.22 tons and the first annual output will be 8.08 tons. Tietto Minerals can prolong the mine life through further exploration.

3. Main financial indicators

Unit: AUD

Item	December 31, 2021/half year	June 30, 2021/year
Total assets	122,103,259	53,160,631
Net assets	85,130,756	48,816,039
Operating income	647	303,455
Net profit	-21,406,047	-19,553,822

Note: Tietto Minerals takes June 30 as the annual report deadline.

III. Main contents of the agreement

1. Parties

Subscriber (Investor): Chijin International (HK) Limited

Issuer: Tietto Minerals Limited

2. Additional issuance

The Issuer shall, on or before the Completion Date, provide the Investor or its nominees with the subscription of not more than 85,000,000 newly paid common shares (additional shares) at a price of AUD 0.58 per share.

3. Additional issuance

(1) Pursuant to the terms and conditions of the Agreement, the Issuer must allocate and issue, and the Investor must subscribe for the Additional Shares at the Additional Offering Price on September 16, 2022 or such other date (Completion Date and Completion) as may be agreed in writing between the Issuer and the Investor. On the Completion Date, the transaction shall be completed at 4:00 p.m. (WA Time), unless otherwise agreed in writing by the Parties.

(2) The Investor must pay the Issuer the Additional Offering Price of the Additional Shares in cash with immediately available funds, in the total amount of AUD 49,300,000.00 (Amount of Additional Shares).

(3) The Issuer shall issue and distribute Additional Shares to the Investor after receiving the full payment of the Amount of Additional Shares, and apply to the Australian Stock Exchange (ASX) for quotation and registration of Additional Shares.

(4) Notwithstanding anything to the contrary in the Agreement, the Agreement may be terminated by either party by giving notice to the other unless otherwise agreed in writing by both parties if it is not completed before 11:59 p.m. (WA Time) on the Completion Date.

(5) Notwithstanding the static clause, after the completion of this additional issuance, the Investor may, at his own discretion, initiate a takeover offer to acquire the Issuer at any time in accordance with Chapter 6 of the *Company Law* or other

arrangements (Transaction), and the Issuer shall consider the terms and conditions related to the Transaction proposed by the Investor.

(6) Despite the static clause, without prejudice to the right of the Investor to initiate any transaction, if the Issuer promises or proposes to raise shares within 12 months from the Completion Date of this additional issuance, the Issuer must ensure that the Investor has the right to participate in such equity raising (on the same terms and conditions, including price, as applicable, as all other participants in the equity raising), provided that such participation only allows the Investor to participate in the total acquisition of relevant interests not exceeding 19.99% of the voting rights of the Issuer (the upper limit of the Investor's interests).

4. Appointment of the Board of Directors

Within 90 days after the Completion Date, the Investor will nominate a representative in writing to be appointed as a non-executive director of the Board of Directors of the Issuer.

5. Prerequisite

The Issuer and the Investor are obliged to perform their obligations in relation to transaction completion only if the following terms (conditions and each condition) are satisfied or waived by one or more of the parties determined to be entitled to the benefits of the conditions:

(1) Regulatory approval (if applicable);

(2) No Prohibition: As of the Completion Date, no government agency with jurisdiction has promulgated, issued, entered or approved any law or order of any government agency, nor has it put forward any proposal against any party that may prevent the Completion or otherwise prohibit the additional issuance.

6. Termination

(1) In case of material default or bankruptcy of the Investor, the Issuer may notify the Investor in writing to terminate this Agreement at any time before completion without any responsibility;

(2) In case of material default or bankruptcy of the Issuer, the Investor may notify the Issuer in writing to terminate this Agreement at any time before completion without any responsibility;

7. Static

In addition to the additional shares issued to the Investor under the Agreement, the Investor shall not and must ensure that its relevant corporate body will not initiate a comprehensive tender offer without the prior written consent of the Issuer from the

date of the Agreement until the Issuer announces to ASX that the Abujar Gold Mine has directly or indirectly made the first gold production (production), except for the following circumstances: (1) the Investor plans to acquire all the securities of the Issuer according to the arrangement between the Issuer and the securities holders; (2) the investor makes a takeover offer according to the *Company Law*, and the issuer has announced the competition proposal; (3) the third party makes a takeover offer according to the *Company Law*, and the Investor wants to provide a competitive scheme; (4) when the shareholding ratio of the Investor does not exceed the upper limit of the Investor's interests, the Investor purchases the securities of the Issuer from the securities holders.

8. Governing law and jurisdiction

The Agreement shall be governed by and construed in accordance with the laws of Western Australia.

IV. Impact of this transaction on the Company

This subscription of additional shares of Tietto Minerals is an important measure for the Company to implement the development strategy of “focusing on gold”. The Company focuses on gold mining and smelting, gathering high-quality gold mine resources at home and abroad, and is committed to being a dedicated and professional gold mining company. Cote d'Ivoire has a good mining investment environment, leading infrastructure in Africa and abundant gold resources. The Abujar Project of Tietto Minerals will be put into production soon. According to the feasibility study report, it is estimated that the gold output in the first year will be 8.08 tons, the total maintenance cost will be 651 USD/oz, and there will be strong cash flow. Compared with the same type of mine projects in the same region, the Abujar Project has advantages in scale and cost. This transaction is in line with the Company's development strategy. Upon completion of this transaction, it will further strengthen the Company's strategic layout in West Africa, an important gold-producing region in the world, and enhance the Company's sustainable development capability.

After the subscription of additional shares of Tietto Minerals is completed, Chijin HK, a wholly-owned subsidiary of the Company, will hold about 7.90% of the shares of Tietto Minerals, but will not control Tietto Minerals. This subscription of additional shares of Tietto Minerals will not have a significant impact on the Company's operating performance in 2022, but the impact on the Company's future operating performance is still uncertain.

V. Risk warning

This transaction still needs to obtain necessary regulatory approval or filing, and there is some uncertainty about whether it can be completed in the end. According to the progress of relevant matters, the Company will fulfill its information disclosure obligations in a timely manner in stages. Investors are kindly requested to make rational decisions and pay attention to investment risks.

It is hereby announced.

Board of Directors of Chifeng Jilong Gold Mining Co., Ltd.

September 13, 2022