

Chifeng Jilong Gold Mining Co., Ltd.

Announcement on Using Part of the Idle Raided Fund To temporarily Replenish the Working Capital

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 Important Content:

- The Company intends to use 120 million Yuan idle raised fund from "Tianbaoshan Lead Zinc Polymetallic Mine Exploration Project to Increase Ore Reserve in the Deep Area" to temporarily replenish the working capital. The period of use of the fund shall not exceed 12 months from the date of approval by the Board of Directors.

1. Basic Information of Fundraising

With the approval from the China Securities Regulatory Commission (CSRC) on Approving Chifeng Jilong Gold Mining Co., Ltd. to Issue Shares to Zhao Meiguang and Others to Purchase Assets and Raise Supporting Funds (CSRC License [2019] No. 2020), the Company issued 108,742,004 ordinary shares (A shares) in a non-public manner, with a total amount of 509,999,998.76 Yuan actually raised. After deducting underwriting expenses, the net raised fund was RMB502,999,998.76 Yuan. Zhongshen Zhonghuan Accounting Firm (Special General Partnership) verified the availability of the raised fund and issued a capital verification report.

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 Co., Ltd. and Everbright Securities Co., Ltd.

On February 21, 2020, the Company and Jilin Hanfeng Mining Technology Co., Ltd. (hereinafter referred to as "Hanfeng Mining"), Yulong Sub-branch of Chifeng Branch of Industrial Bank Co., Ltd., and Everbright Securities Co., Ltd. signed the "Four-Party Supervision Agreement on the Deposit of Special Account for Raising Funds".

2. Investment Project with Raised Funds

As of January 3, 2023, the use of funds raised is as follows:

Unit: RMB 10,000

serial number	Project name	Proposed investment amount with raised funds	Accumulative investment	Unused amount
1	Tianbaoshan lead-zinc polymetallic mine exploration project to increase reserve in the deep area	29,000.00	15,578.73	13,517.09
2	The listed company repays bank borrowings and replenishes the working capital	20,000.00	20,000.00	0
3	Pay the taxes and intermediary fees associated with this transaction	2,000.00	2,000.00	0
Total		51,000.00	31,506.41	13,517.09

Note: The "unused amount" includes idle raised funds in the amount of 135 million Yuan to temporarily replenish the working capital.

3. The plan to Use Part of the Idle Raised Fund to temporarily Replenish the Working Capital

The Company raised 510 million Yuan of supporting fund this time, and has increased its capital to Hanfeng Mining by 290 million Yuan for the construction of the investment project with raised fund.

On February 25, 2021, after deliberation and approval by the Board of Directors and the Board of Supervisors, the Company used 200 million Yuan of idle raised fund to temporarily replenish the working capital. As of February 11, 2022, all the raised fund used to temporary replenish the working capital mentioned above had been returned to the special account for raised funds.

On February 14, 2022, after deliberation and approval by the Board of Directors and the Board of Supervisors, the Company used 185 million Yuan of idle raised fund to temporarily replenish the working capital. As of February 9, 2023, all the raised fund used to temporarily replenish the working capital mentioned above had been returned to the special account for raised fund.

Due to the long construction period of the “Tianbaoshan Lead Zinc Polymetallic Mine Exploration Project to Increase Reserve in the Deep Area”, the investment project with the raised fund, the Company intends to continue to use 120 million Yuan of the idle raised fund from the “Tianbaoshan Lead Zinc Polymetallic Mine Exploration Project to Increase Reserve in the Deep Area” to temporarily replenish the working capital. The period of use of the fund shall not exceed 12 months from the date of approval by the Board of Directors, and the Company will return the fund to the special account for raised funds before the due date.

The Company's use of part of the idle raised fund to temporarily replenish the working capital will not be directly or indirectly arranged for new share placement, subscription, or for the trading of stocks and their derivatives, convertible corporate bonds and other transactions. The use of part of the idle raised fund to temporarily replenish the working capital will not change the purpose of the raised fund, will not affect the normal progress of the investment plan of the raised fund, and will not change the investment direction of the raised fund in disguised form or harm the interests of shareholders.

4. The Deliberation Procedure for Using Part of the Idle Raised Fund to Temporarily Replenish the Working Capital

On February 10, 2023, the 14th meeting of the 8th Board of Directors and the 9th meeting of the 7th Board of Supervisors of the Company deliberated and adopted the "Proposal on Using Part of the Idle Raised Fund to Temporarily Replenish the working capital". It was approved that the Company could use part of the idle raised fund in the amount of 120 million Yuan to temporarily replenish the working capital. The Company's independent directors expressed a concurring opinion. The plan to use part of the idle raised fund to temporarily replenish the working capital complies with regulatory requirements.

5. Explanation of Special Opinions

(1) Opinions of independent directors

The independent directors of the Company are in the opinion that the Company's previous use of part of the idle raised fund to temporarily replenish the working capital has been returned to the special account for raised funds before the due date, and the use of part of the idle raised fund to temporarily replenish the working capital this time can improve the efficiency of the use of raised funds, reduce the Company's financial costs, and not affect the normal progress of the project that the raised fund is intended for. There is no disguised change in the direction of investment of the raised funds or damage to the interests of shareholders. It complies with the requirements of the "Guidance for the Supervision of Listed Companies No.2--Regulatory Requirements for

the Management and Use of Funds Raised by Listed Companies" and "Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No.1-Standardized Operation" and other laws, regulations and normative document. The necessary approval procedures have been performed. It is agreed that the Company can use part of the idle raised fund to temporarily replenish the working capital.

(2) Opinions of the Board of Supervisors

After review, the Board of Supervisors is in the opinion that the Company's plan to use part of the idle raised fund to temporarily replenish the working capital this time is conducive to improving the efficiency of the use of idle raised funds, reducing financial costs, and will not affect the construction progress of the investment project with raised fund, the capital arrangement and the normal progress of the investment project with raised fund. It is in line with the "Guidance for the Supervision of Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies", "Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation" and other relevant laws, regulations and normative documents. The necessary deliberation procedures have been fulfilled, and there is no disguised change in the use of the raised funds, which is in the interests of the Company and all shareholders. It is agreed that the Company can use part of the idle raised funds to temporarily replenish the working capital.

(3) Independent financial advisors

After verification, the Company's plan to use part of the idle raised fund to temporarily replenish liquidity has been deliberated and adopted by the Board of Directors and the Board of Supervisors, and the independent directors have issued clear consent opinions. The necessary approval procedures have been fulfilled, and it meets the requirements of relevant laws and regulations. The Company's plan to use part of the idle raised funds to temporarily replenish the working capital this time does not change the purpose of the raised funds in disguised manner or harm the interests of shareholders, and will not affect the normal progress of the investment projects with the raised funds.

Therefore, the independent financial advisors agreed that the Company can use the idle raised fund to temporarily replenish the working capital.

It is hereby announced.

Board of Directors

Chifeng Jilong Gold Mining Co., Ltd.

February 14, 2023