

Chifeng Jilong Gold Mining Co., Ltd.
Special Report on the Deposit and Use of Funds
Raised in the First Half Year of 2023

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.

In accordance with the relevant provisions 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 the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation, the Board of Directors of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as "Company" or the "Company") has prepared the "Special Report on the Deposit and Actual Use of the Raised Funds in the First Half Year of 2023" as of June 30, 2023.

1. Basic information of fundraising

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

With the approval by the China Securities Regulatory Commission through its "Reply 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 was approved to issue 74,375,000 shares to Zhao Meiguang, 51,515,151 shares to Beijing Hanfeng Zhongxing Management Consulting Center (Limited Partnership) (hereinafter referred to as "Hanfeng Zhongxing") and 2,897,727 shares to Meng Qingguo, a total of 128,787,878 shares to purchase 100% of the equity of Jilin Hanfeng Mining Technology Co., Ltd.

(hereinafter referred to as "Hanfeng Mining"), and the Company was allowed to raise supporting funds of not more than 51,000,000 yuan by non-public issuance of shares.

The Company raised supporting funds by offering 108,742,004 ordinary A shares to specific investors, with a par value of RMB1.00 per share and an issue price of RMB4.69 per share, raising a total of RMB510,000,000. 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. As of January 17, 2020, the above net funds raised have been fully transferred to the Company's special account for raised funds. The availability of the raised funds was verified by Zhongshen Zhonghuan Accounting Firm (Special General Partnership) and the capital verification report numbered "Zhonghuan Verification (2020) 230002" was issued.

(2) The use and balance of the raised funds

As of June 30, 2023, the Company used the raised funds of RMB 19,378,100 from January to June 2023, and the cumulative use of the raised funds was RMB 506,226.500 million, including the idle raised funds of 120,000,000 to temporarily replenish working capital, and the balance of unused raised funds was RMB 4,865,400 (including the net amount of accumulated bank deposit interest and cash management income after deduction of bank charges, in the amount of RMB 1,091,900).

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 and the Regulations on the Management of Funds Raised by Listed Companies on the Shanghai Stock Exchange, and taking into account the actual

situation of the Company, the Company 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 clearly stipulates the deposit, use, modification, supervision and accountability of the raised funds.

(1) The status of the tripartite supervision agreement on fundraising

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

(2) The deposit of the raised funds into the special accounts

As of June 30, 2023, the deposit status of the raised funds is as follows:

Unit: RMB yuan

serial number	Bank name	Account No.	Account balance
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1	Industrial Bank Co., Ltd. Chifeng Branch Yulong Sub-Branch	595020100100022825	22.16
2	Industrial Bank Co., Ltd. Chifeng Branch	595010100100196182	4,865,408.69

3. The actual use of the raised funds as of June 30, 2023

(1) The use of funds for investment projects with raised funds

In 2022, the use of the Company's raised funds in 2022 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 earlier investment into the investment project and its replacement with the raised fund

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 the Raised Funds to Replace the Self-Financing Funds Invested in early stage", 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 invested by Hanfeng Mining for the "Tianbaoshan Mining Area Lead Zinc Polymetallic Exploration Project to Increase Reserves in the Deep part of the Mine" in the amount of 21,938,900 yuan and 10,459,800 yuan of self-financing fund invested by Chifeng Gold in paying intermediary fees.

Zhongshen Zhonghuan Accounting Firm (Special General Partnership) issued the "Attestation Report of Chifeng Jilong Gold Mining Co., Ltd. Pre-invested in the Investment Project of Raised Funds with Self-Financing Funds" numbered Zhonghuan Special (2020) 230003 for the Company's replacement of self-financing

funds invested into the fundraising project with raised funds. Everbright Securities Co., Ltd., 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 into the investment projects with the raised funds.

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

On February 14, 2022, the fourth meeting of the eighth Board of Directors and the second meeting of the seventh Board of Supervisors of the Company respectively deliberated and adopted the "Proposal on Using Part of the Idle Raised Funds to Temporarily Replenish the Working Capital". Because the construction period of the Hanfeng Mining fundraising project "Tianbaoshan Mining Area Lead Zinc Polymetallic Mine Exploration Project to Increase Reserves in the Deep Part of the Mine" is long, under the premise of ensuring the capital requirements of the raised funds investment project and the smooth implementation of the plan for the use of the raised funds, combined with the Company's production and operation needs, the Company was approved to make use of the idle raised funds of 185,000,000 yuan of the "Tianbaoshan Mining Area Lead and Zinc Polymetallic Mine Exploration Project to Increase Reserves in the Deep Part of the Mine" to temporarily replenish the working capital. 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 fund to the special account for raising funds before expiration.

On May 7, 2022, the Company returned 7 million yuan of the raised funds used to temporarily replenish the working capital to the special account for raised funds; on June 6, 2022, the Company returned 15 million yuan of the raised funds used to temporarily replenish the working capital to the special account for raising funds; on August 30, 2022, the Company returned 10 million Yuan of the raised funds used to temporarily replenish the working capital to the special account for raised funds; on October 31, 2022, the Company returned 15 million yuan of the raised funds used to temporarily replenish the working capital to the special account for raised funds.

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 respectively deliberated and adopted the "Proposal on Using Part of the Idle Raised Funds to Temporarily Replenish Working Capital", and it was agreed that the Company would use part of the idle raised funds of 120 million yuan to temporarily replenish the working capital. Due to the long construction period of the Hanfeng Mining fundraising project "Tianbaoshan Mining Area Lead Zinc Polymetallic Mine Exploration Project to Increase Reserves in the Deep Part of the Mine", under the premise of ensuring the capital requirements of the fundraising investment project and the normal progress of the use plan of the raised funds, combined with the Company's production and operation needs, the Company intends to continue to use the idle raised funds of 120 million yuan of "Tianbaoshan Mining Area Lead Zinc Polymetallic Mine Exploration Project to Increase Reserves in the Deep Part of the Mine" to temporarily replenish working capital. The period of use of the funds shall not exceed 12 months from the date of approval by the Board of Directors, and the Company will return the funds to the special account for raised funds before the maturity date.

As of June 30, 2023, the Company's actual use of idle raised funds to temporarily replenish the working capital totaled 120 million yuan.

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

During the Reporting Period, the Company did not use idle raised funds for cash management.

(5) Permanent replenishment of working capital or repayment of bank loans with over-raised funds

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

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

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

(7) Use of surplus 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 the Surplus Raised Funds to Permanently Replenish the Working Capital", in view of the completion of the Company's "payment of taxes and intermediary 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 to use the surplus from "the payment of the relevant taxes and intermediary fees of this transaction" in the amount of 2.5402 million yuan and the interest generated to permanently replenish the working capital.

(8) Other circumstances regarding the use of raised funds

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

4. Change the use of funds for investment projects with raised funds

The 16th meeting of the 8th Board of Directors and the 11th meeting of the 7th Board of Supervisors held on March 30, 2023 and the 2022 Annual General Meeting of Shareholders held on April 20, 2023 respectively deliberated and adopted the "Proposal on Changing the Use of Part of the Raised Funds". The Company used RMB 96.5 million of the unused raised funds from the original investment project "Tianbaoshan Mining Area Lead and Zinc Polymetallic Mine Exploration Project to

Increase Reserves in the Deep Part of the Mine" for the "Tianbaoshan Lead and Zinc Mine Lishan Mine Expansion Project", and the remaining funds were still used for the original project.

5. Problems in the use and disclosure of raised funds

During the reporting period, the Company has disclosed relevant information in a timely, truthful, accurate and complete manner, and the raised funds used have been invested in the promised investment projects of the raised funds, and there is no illegal use of the raised funds.

This is hereby announced.

Board of Directors
Chifeng Jilong Gold Mining Co., Ltd.
19 August 2023

Schedule:

Comparative Table of the Use of the Raised Funds

Prepared by : Chifeng Jilong Gold Mining Co., Ltd.

Unit: RMB 10k Yuan

Total amount of funds raised				51,000.00		The total amount of funds raised during the year				1,937.81		
The total amount of raised funds with changed purposes				254.02		The cumulatively invested raised funds				50,622.65		
The proportion of raised funds with changed purposes in the total raised funds				0.50%								
committed investment projects	Changed items (including partial changes)	The total amount of committed investment of the raised funds	Total adjusted investment	Committed investment amount at 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)	Contribution progress as of the end of the period (%) (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 has been a significant change in the feasibility of the project
Tianbaoshan mining area lead-zinc polymetallic mine exploration project to increase reserves in the deep part of the mine	Tianbaoshan lead-zinc mine Lishan mine expansion project (partial change, investment amount of 96.5 million yuan).	29,000.00		29,000.00	1,937.81	16,610.43	-12,389.57	57.28	2024/6/30	not applicable	not applicable	not

Repayment of bank borrowings and replenishment of the working capital		20,000.00		20,000.00	-1,800.00	32,266.24	12,266.24	177.83	not applicable	not applicable	not applicable	not applicable
Pay the taxes and intermediary fees associated with this transaction	The surplus 2.5402 million yuan was used to permanently replenish the working capital	2,000.00		2,000.00		1,745.98	-254.02	87.30	not applicable	not applicable	not applicable	not applicable
total		51,000.00			137.81	50,622.65	-377.35					
Reasons for not meeting the scheduled progress					Affected by external force majeure, the operating rate of Hanfeng Mining is insufficient, and in order to ensure mining production, the progress of the "Tianbaoshan Mining Area Lead Zinc Polymetallic Mine Exploration Project to Increase Reserves in the Deep Part of the Mine" has been delayed.							
A description of significant changes in the feasibility of the project					not applicable							
Early investment into the fundraising investment projects and its replacement					The Company replaced the self-financing of 32.3987 million yuan invested in the early stage with the supporting funds raised.							
Temporarily replenish the working capital with idle raised funds					As of June 30, 2023, the Company used the idle raised fund in the amount of 120 million yuan to temporarily replenish the working capital.							
Cash management of idle raised funds and investment in related products					not applicable							
Permanent replenishment of working capital or repayment of bank loans with over-raised funds					not applicable							
The surplus of the raised funds and the reasons for their formation					The Company's "payment of taxes and intermediary fees related to this transaction" has been completed, and in order to improve the efficiency of capital utilization, the surplus funds of 2.5402 million yuan and the interest generated are used to permanently replenish the working capital.							

Other use of the raised funds	not applicable
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