

Chifeng Jilong Gold Mining Co., Ltd.
Announcement on the Capital Increase in the
Holding Subsidiary-Shanghai Chijin Xiawu Metal
Resources Co., Ltd

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 name of the target company for capital increase : Shanghai Chijin Xiawu Metal Resources Co., Ltd. (hereinafter referred to as "Chijin Xiawu")
- Amount of capital increase: RMB 173.4 million Yuan
- This capital increase does not constitute related party transactions or major asset restructuring.
- The capital increase by Chifeng Jilong Gold Mining Co., Ltd. (referred to as the "Company") in Chijin Xiawu has been deliberated on and approved by the company's board of directors and does not need to be submitted to the shareholders' meeting for review and approval.

1、 Overview of the capital increase

(1) Basic information on capital increase

In order to meet the needs of the development strategy and operational development of the company's holding subsidiary Chijin Xiawu, the company plans to jointly increase the registered capital of Chijin Xiawu from RMB 60 million to 400 million Yuan with Xiamen Tungsten Co., Ltd. (hereinafter referred to as "Xiamen Tungsten") through

monetary investment. The capital contribution by each party is proportion to the equity they held in Chijin Xiawu, with company's contribution being 173.4million Yuan and Ximen Tungsten's contribution being 166.6 million Yuan. After the aforesaid capital increase, the registered capital of Chijin Xiawu has increased to RMB 400 million Yuan, and the equity structure remains unchanged. The company holds 51% of its equity and Xiamen Tungsten holds 49% of its equity.

(2) Deliberation by the board of directors

The 24th meeting of the company's eighth board of directors held on December 27, 2023 reviewed and approved the "Proposal on Increasing Capital in its Holding Subsidiary Shanghai Chijin Xiawu Metal Resources Co., Ltd. , agreeing to this capital increase to Chijin Xiawu.

According to the relevant provisions of the "Stock Listing Rules of the Shanghai Stock Exchange" and the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd., the capital increase in Chijin Xiawu has been reviewed and approved by the company's board of directors and does not need to be submitted to the shareholders' meeting for review.

(3) The company's capital increase in Chijin Xiawu does not constitute a related party transaction, nor does it constitute a major asset restructuring as stipulated in the "Administrative Measures for Major Asset Restructuring of Listed Companies".

2、 Basic information on the target company for capital increase

1. Company name: Shanghai Chijin Xiawu Metal Resources Co., Ltd.
2. Unified social credit code: 91310107MAC3A0102L
3. Company Type: Other limited liability company
4. Legal representative: Fu Xuesheng
5. Registered address: Room 402-22, 4th Floor, No. 11, Lane 1888, Caoyang Road, Putuo District, Shanghai
6. Business scope: General items: sales of rare earth functional materials; sales of

metal ores; sales of metal materials; sales of new metal functional materials; sales of non-ferrous metal alloys; sales of high-performance non-ferrous metals and alloy materials; sales of special metallurgical equipment; smelting of rare earth metals; smelting of commonly used non-ferrous metal; mineral processing; non-ferrous metal casting; metal material manufacturing; import and export of goods; import and export of technology. (Except for itmes that require approval according to law, business activities can be carried out independently with a business license and in accordance with the law)

7. Registered capital before this capital increase: RMB 60 million

8. Before this capital increase, the equity structure of Chijin Xiawu was as follows:

No.	Shareholder name	Amount of investment (10,000 yuan)	Funding ratio
1	Chifeng Jilong Gold Mining Co., Ltd.	3,060	51%
2	Xiamen Tungsten Co., Ltd.	2,940	49%
	In total	6,000	100%

9. The increase in the registered capital is RMB 340 million, of which the company's capital contribution is RMB 173.4 million.

10. Method of investment for this capital increase: monetary investment

11. Arrangement of board of directors and management personnel: Chijin Xiawu is a holding subsidiary of the company, and this capital increase will not cause major changes in its board of directors and management personnel.

12. Main financial indicators:

Unit: RMB 10,000

Items	December 31, 2022	September 30, 2023

Total assets	5,999.96	6,035.13
Net assets	5,999.21	6,029.22
	January-December 2022	January-September 2023
Business revenue	0.00	0.00
Net profit	-0.79	30.00

Note: The 2022 financial statements of Chijin Xiawu have been audited by Ernst & Young Accounting Firm (Special General Partnership), which is qualified to engage in securities and futures business while the Q3 financial statements of 2023 have not been audited.

3、 Basic information of the other party contributing to the capital increase

Name: Xiamen Tungsten Co., Ltd.

Unified social credit code: 91350200155013367M

Date of establishment: December 30, 1997

Registered address: Kejingshe, Haicang District, Xiamen City, Fujian Province

Main office location: Floor 21-22, Tower A, Portman Fortune Center, No. 81,
Zhanhong Road, Siming District, Xiamen City, Fujian
Province

Legal representative: Huang Changgeng

Registered capital: RMB 1,418,285,200

Business scope: tungsten and rare earth investment; smelting and processing of tungsten and non-ferrous metals; production and sales of tungsten alloys, tungsten deep processing products and rare earth metal deep processing products; production and sales of metal, wood, plastic and cloth packaging products; manufacturing technology, analysis and testing of powdered materials, cemented carbide, precision cutting tools, tungsten-molybdenum wire, new energy materials and rare earth metals, and engineering transformation of scientific and technological achievements; real estate development and management; export of products produced and processed by

the company and import of production technology, equipment, raw and auxiliary materials and spare parts (plans, quotas, licenses and automatically registered commodities shall be submitted for approval separately) needed by the company; processing trade.

The main financial data of Xiamen Tungsten for the latest year:

Unit: RMB 10,000

Items	December 31, 2022	September 30, 2023
Total assets	3,979,877.01	3,955,922.44
Total liabilities	2,373,873.52	2,113,579.04
Net assets attributable to parent company	999,050.22	1,072,244.41
Items	January-December 2022	January-September 2023
Business revenue	4,822,278.70	2,952,818.82
Net profit attributable to parent company	144,618.67	116,112.43

4、 Main content of the capital increase agreement

(1) Parties to the agreement

Party A: Chifeng Jilong Gold Mining Co., Ltd.

Party B: Xiamen Tungsten Co., Ltd.

Party C: Shanghai Chijin Xiawu Metal Resources Co., Ltd.

(2) Capital increase plan

1. Capital increase amount

All parties confirmed that the capital increase this time was 340 million yuan. Chifeng Gold and Xiamen Tungsten increased their capital in proportion to their shareholding, that is, Chifeng Gold increased its capital by 173.4 million yuan and Xiamen Tungsten by 166.60 million yuan. After the capital increase in accordance with the provisions of this agreement, the registered capital of Chijin Xiawu will be increased from RMB

60 million to RMB 400 million.

2. After the completion of this capital increase, the equity structure of Chijin Xiawu is as follows:

No.	Shareholder name	Amount of investment (10,000 yuan)	Funding ratio
1	Chifeng Jilong Gold Mining Co., Ltd.	20,400	51%
2	Xiamen Tungsten Co., Ltd.	19,600	49%
	In total	40,000	100%

(3) Time for payment of investment

After this agreement takes effect, Chifeng Gold and Xiamen Tungsten shall pay all the capital increases subscribed by them to the designated account of Chijin Xiawu before January 31, 2024.

(4) Liability for breach of contract

If any party violates this Agreement, the other party may request or take remedial measures permitted by this Agreement and the law, including but not limited to requiring substantial performance or continued performance, compensation for losses and liability for breach of contract.

(5) Conditions for the agreement to take effect

The agreement will take effect after being signed and stamped by all parties.

5、 The impact of this capital increase on listed companies

① Chijin Xiawu is a joint venture between the company and Xiamen Tungsten. It aims to make full use of their respective advantages to create a cooperative development platform for rare earth resources for complementary advantages, mutual benefit and common development of both parties. This capital increase will help

enhance the financial strength of Chijin Xiawu, strengthen the company's comprehensive competitiveness in the development of rare earth resources, promote the development and utilization of rare earth resources, and meet the needs of the company's strategic planning and business development.

② This capital increase will not have a direct significant impact on the company's financial status and operating results in 2023, its impact on the company's long-term development will depend on the subsequent operations of Chijin Xiawu, and the final data is based on the company's annual audited financial report.

③ After this capital increase, the company still holds 51% equity in Chijin Xiawu, which is still included in the company's consolidated statements.

④ This capital increase will not have an adverse impact on the company's financial and operating conditions, and will not harm the interests of the company and shareholders.

6、 Risk analysis of this capital increase

The company's capital increase in Chijin Xiawu with its own or self-raised funds is in line with the company's strategic planning and business development needs. The actual operation of Chijin Xiawu may face risks due to changes in national policies, host country policies, macroeconomic conditions, market environment, industry competition and operations. There is a certain degree of uncertainty in future operating conditions. On the basis of fully understanding the risk factors, the company will pay close attention to the operating conditions of its holding subsidiaries and take appropriate management measures to strengthen risk management and control to obtain good investment returns.

This is hereby announced.

Board of Directors
Chifeng Jilong Gold Mining Co., Ltd.
28th December 2023