

Chifeng Jilong Gold Mining Co., Ltd.

Announcement on Using Part of the Idle Raised Funds 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 the Important Content:

- The Company plans to use the idle raised funds in the amount of 90 million Yuan for the " Exploration Project to Increase Reserves in the Deep Part of Lead-Zinc Polymetallic Mine of the Tianbaoshan Mining Area" and "Tianbaoshan Lead-Zinc Mine Lishan Mine Expansion Project" to temporarily replenish the working capital. The term of use of the funds shall not exceed 12 months from the date of approval by the Board of Directors.

I. The basic information of the funds raised

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 Raised Funds".

II. The investment project of the raised funds

As of December 31, 2023, the use of the raised funds is as follows:

Unit: RMB 10,000 Yuan

Serial Number	Name of Item	Proposed investment amount with raised funds	Accumulative investment	Unused amount
1	Exploration Project to Increase Reserves in the Deep Part of Lead-Zinc Polymetallic Mine of the Tianbaoshan Mining Area	19,350.00	15,351.52	4,005.78
2	Tianbaoshan Lead-Zinc Mine Lishan Mine Expansion Project	9,650.00	2,324.25	7,325.75
3	The listed company repays bank loans and replenish the working capital	20,000.00	20,000.00	
4	Payment of the taxes and intermediary fees associated with this transaction	2,000.00	2,000.00	
Total		51,000.00	39,675.77	11,331.53

Notes:1. Approved by the 16th meeting of the 8th board of directors and the 2022 annual general meeting of shareholders of the Company, the company will use 96.50 million yuan of the unused raised funds of the " Exploration Project to Increase Reserves in the Deep Part of Lead-Zinc Polymetallic Mine of the Tianbaoshan Mining Area " for the "Tianbaoshan Lead-Zinc Mine Lishan Mine Expansion Project", and the rest of the funds will still be used for the original project.

2. The "unused amount" in the table above includes the idle raised funds to temporarily replenish the working capital of 11,000.00 yuan and the interest generated by the account less the handling fee.

III. The plan to use part of the idle raised funds to temporarily replenish the working capital

The Company raised 510 million yuan of supporting funds this time, and has increased its capital to Hanfeng Mining by 290 million yuan for the construction of fund-raising project.

Due to the long construction period of Hanfeng Mining's fund-raising and investment projects "Exploration Project to Increase Reserves in the Deep Part of Lead-Zinc Polymetallic Mine of the Tianbaoshan Mining Area" and "Tianbaoshan Lead-Zinc Mine Lishan Mine Expansion Project", the Company intends to continue to use 90 million yuan of the idle raised funds to replenish the working capital under the premise of ensuring the capital needs of the fund-raising and investment project and the normal use plan of the raised funds after taking into consideration the Company's production and operation needs so as to improve the efficiency of capital use. 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 them to the special account for raised funds before the expiration date.

The Company will use part of the idle raised funds to temporarily replenish the working capital, and will not directly or indirectly use such funds for the placement and subscription of new shares, or for the trading of stocks and their derivatives, convertible corporate bonds, etc. The use of part of the idle raised funds to temporarily replenish

the working capital will not change the purpose of the raised funds, will not affect the normal progress of the investment plan of the raised funds, and there is no disguised change in the investment direction of the raised funds or damage to the interests of shareholders.

IV. Review procedures for the use of part of the idle raised funds to temporarily replenish the working capital

On February 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 passed the "Proposal on Using Part of the Idle Raised Funds to Temporarily Replenish the Working Capital". It was agreed that the company would use part of the idle raised funds of 90 million yuan to temporarily replenish the working capital. The plan to temporarily replenish the working capital with part of the idle raised funds meets regulatory requirements.

V. Explanation of special opinions

(1) Opinions of the Board of Supervisors

Upon review, the board of supervisors is in the opinion that Company's use of part of the idle raised funds to temporarily replenish the working capital 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 fund-raising and investment project, the normal arrangement of funds. Such a plan complies with the provisions of the "Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Raised Funds by Listed Companies" and "Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operation" and other relevant laws, regulations and normative documents, fulfilled the necessary review procedures, and there is no disguised change in the use of raised funds, which is in line with the interests of the Company and all shareholders. It is agreed that the Company could use part of the idle raised funds to temporarily replenish the working capital.

(2) Opinions of independent financial advisers

Upon verification, Company's use of part of the idle raised funds to temporarily replenish the working capital has been deliberated and approved by the board of directors and the board of supervisors, and the necessary approval procedures have been fulfilled and such a proposal meets the requirements of relevant laws and regulations. Company's use of part of the idle raised funds to temporarily replenish the working capital does not change the use of the raised funds in disguise or damage the interests of shareholders, and will not affect the normal progress of the investment projects of the raised funds.

Therefore, the independent financial adviser agreed that the Company could use the idle raised funds to temporarily replenish the working capital.

This is hereby announced.

Board of Directors
Chifeng Jilong Gold Mining Co., Ltd.
24th February 2024