

Chifeng Jilong Gold Mining Co., Ltd.

Special Report on the Deposit and Use of the Raised Fund in 2023

The Board of Directors and all Director 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 Regulatory Guidelines for 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") makes the following explanations on the deposit and actual use of raised funds in 2023:

1. Basic information of fundraising

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

With the approval of the China Securities Regulatory Commission's "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 Zhongxin"), 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 was allowed to raise supporting funds of no more than 510,000,000 yuan through non-public issuance of shares. The Company raised

supporting funds by offering 108,742,004 A ordinary shares to specific investors, with a par value of RMB1.00 per share at an issue price of RMB4.69 per share, raising a total of RMB510,000,000.00. 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 503,000,000.00. 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), who issued the "Zhonghuan Verification (2020) No. 230002" capital verification report.

(2) The use and balance of the raised funds

As of December 31, 2023, the Company used the raised funds of RMB 30.9315 million in 2023, and returned 28 million Yuan used to replenish the working capital. The cumulative raised fund used totaled 507,779,900 Yuan, including the 110,000,000 Yuan idle raised fund used temporarily to replenish the working capital. The unused balance of the raised fund is RMB 3.3153 million Yuan (including the net amount of bank deposit interest and cash management income after deduction of bank charges, in the amount of RMB 1.0952 million).

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, after taking into consideration the actual situation of the Company, the Company formulated the Administrative Measures for the Use of Raised Funds, which were deliberated on 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 gives clear provisions on the deposit, use, change, supervision and accountability of the raised funds.

(1) The status of the tripartite supervision agreement on raised funds

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, Hanfeng Mining, Industrial Bank Co., Ltd. Chifeng Branch and Everbright Securities Co., Ltd. signed the "Four-Party Supervision Agreement on the Deposit of Special Account for Raised Funds" to deposit and manage the raised funds in the special account. There is no material difference between these agreements and the Tripartite Supervision Agreement on the Deposit of Special Accounts for Raised Funds (Model), and the Tripartite Supervision Agreement on the Deposit of Special Accounts for Raised Funds has been effectively implemented.

(2) The deposit of special accounts for raised funds

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

Unit: RMB yuan

NO.	Bank name	Account No.	Account balance
1	Industrial Bank Co., Ltd. Chifeng Branch Yulong Sub- Branch	595020100100022825	Cancelled
2	Industrial Bank Co., Ltd. Chifeng Branch	595010100100196182	10,165,324.83
In Total			10,165,324.83

Note: Due to mis-operation by work staff, 6.85 million Yuan was transferred from other bank account to the special account for raised fund by mistake. The same amount has been returned to the original bank account in February 2024.

3. The actual use of the raised funds in 2023

(1) The use of raised funds for investment projects

In 2023, the use of the Company's raised funds 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 projects and its replacement with 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 on and adopted the "Proposal on Using the Raised Funds to Replace the Self-Financing Funds Earlier Invested", 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 in the amount of 21,938,900 Yuan invested by Hanfeng Mining for the "Exploration Project to Increase Reserves in the Deep Part of the Lead Zinc Polymetallic Mine of Tianbaoshan Mining Area" and 10,459,800 yuan of self-financing fund invested by Chifeng Gold in paying intermediary fees at earlier stages..

Zhongshen Zhonghuan Accounting Firm (Special General Partnership) issued the "Assurance Report on Chifeng Jilong Gold Mining Co., Ltd.'s Pre-investment with Self-Financing Fund into the Investment Project of Raised Funds " numbered "Zhonghuan Zhuanzi (2020) 230003" for the company's proposed replacement of self-financing funds earlier invested 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 earlier.

(3) Temporarily replenishing working capital with idle 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 on and adopted the "Proposal on Using Part of the Idle Raised Funds to Temporarily Replenish Working Capital". Because the construction period of the " Exploration Project to Increase Reserves in Deep Part of the Lead Zinc Polymetallic Mine of Tianbaoshan Mining Area " is long, under the premise of ensuring the normal progress of the capital requirements of the investment project that the raised fund is intended for and the proper execution of the plan for the use of the raised funds, after taking into consideration the company's production and operation needs, it was agreed

that the Company could use 120,000,000 Yuan of the idle raised fund for "Exploration Project to Increase Reserves in Deep Part of the Lead Zinc Polymetallic Mine of Tianbaoshan Mining Area "to temporarily replenish working capital, and 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 equal amount to the special account for raised funds before expiration date.

On November 9, 2023, the Company returned 10 million yuan of the raised funds used to temporarily replenish working capital to the special account for raised funds,. As of December 31, 2023, the balance of Company's actual use of idle raised funds to temporarily replenish working capital was 110,000,000 Yuan.

(4) Cash management of idle raised funds and investment in related products
From January 1 to December 31, 2023, Company did not use idle raised funds for cash management; as of December 31, 2023, the balance of cash management using idle raised funds was RMB0.00, and the cumulative income of closed-end structured deposit products was RMB747,400 Yuan.

(5) Using over-raised funds to permanently replenish working capital or repay bank loans

During the reporting period, the Company did not permanently replenish 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 on and adopted the "Proposal on Using Part of the Surplus Raised Funds to Permanently Replenish 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 that the surplus fund in the amount of 2.5402 million Yuan out of "paying the relevant taxes and intermediary fees of this transaction" and the generated interest can be used 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 funds raised were used.

4. Change the use of raised funds earmarked for the equity investment project

At the 16th Meeting of the 8th Board of Directors, the 11th Meeting of the 7th Supervisory Board held on 30 March 2023 and the Annual General Meeting of 2022 held on 20 April 2023, the Company deliberated and adopted the "Proposal on Changing the Use of Part of the Raised Fund", and agreed to use RMB96.5 million of the remaining raised fund from the "Exploration Project to Increase Reserves in the Deep Part of the Lead-Zinc Polymetallic Mine of Tianbaoshan Mining Area for the Lishan Mine Expansion Project of Tianbaoshan Lead Zinc Mine ", other raised fund will still be used for the original project.

5. Problems in the use and disclosure of raised funds

During the reporting period, the Company has truthfully, accurately and completely disclosed relevant information in a timely manner, and the raised funds used are invested in the promised investment projects of the raised funds, and there is no major situation of illegal use of the raised funds.

6. Concluding opinions of the special verification report issued by the independent financial adviser on the deposit and use of the company's annual raised funds

After verification, due to mis-operation by work staff of Hanfeng Mining, 6.85 million Yuan was transferred from other bank account of Hanfeng Mining to the special account for raised fund by mistake. The same amount has been returned to the original bank account in February 2024. Other than that, the independent financial

adviser believes that the deposit and use of the raised funds by Chifeng Jilong Gold Mining Co., Ltd. in 2023 comply with the requirements of relevant regulations such as the Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies, the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the Administrative Measures for the Use of Funds Raised by Chifeng Jilong Gold Mining Co., Ltd. The raised funds were deposited in dedicated accounts and used for designated purposes, and there was no disguised change in the purpose of the raised funds and damage to the interests of shareholders, and there was no illegal use of the raised funds.

This is hereby announced.

Board of Directors
Chifeng Jilong Gold Mining Co., Ltd.
30 March 2024

Schedule 1:

Comparative Table of the Use of Raised Funds

As of: December 31, 2023

Currency Unit: RMB 10,000

Total amount of funds raised				51,000.00		Total amount of raised funds invested during the year				293.15		
The total amount of raised funds with changed purpose				9,904.02		The total amount of raised fund that has been cumulatively invested				50,777.99		
The proportion of raised fund with changed purpose to the total amount of raised fund				19.42%								
Committed investment projects	Changed items (including partial changes).	The total amount of committed investment of the raised fund	Total investment after adjustment	Committed investment amount by 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).	As of the end of the period, the investment progress (%) (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 have been significant changes in project feasibility
Exploration Project to Increase Reserves in the Deep Part of the Lead Zinc Polymetallic Mine of Tianbaoshan Mining Area	Lishan Mine Expansion Project of Tianbaoshan Lead Zinc Mine	29,000.00	19,350.00	19,350.00	1,786.01	16,458.63	-2,891.37	85.06	2024/6/30	not applicable	not applicable	No

Lishan Mine Expansion Project of Tianbaoshan Lead Zinc Mine (note 1)			9,650.00	9,650.00	1,307.14	1,307.14	-8,342.86	13.55	2024/6/30	not applicable	not applicable	no
Repayment of bank loans and replenishment of working capital		20,000.00	20,000.00	20,000.00	-2,800.00	31,266.24	11,266.24	156.33	not applicable	not applicable	not applicable	not applicable
Pay the taxes and intermediary fees associated with this transaction		2,000.00	2,000.00	2,000.00		1,745.98	-254.02	87.30	not applicable	not applicable	not applicable	not applicable
In total		51,000.00	51,000.00	51,000.00	293.15	50,777.99	-222.01					
Reasons for not meeting the scheduled progress	Affected by external force majeure, the operating rate of Hanfeng Mining was insufficient, and in order to ensure the safe production of mining, the " Exploration Project to Increase Reserves in the Deep Pat of the Lead Zinc Polymetallic Mine of Tianbaoshan Mining Area " was equipped with an additional ventilation shaft, which delayed the progress of the original project. By the end of 2022, the original project had achieved some progressive results. In April 2023, 96.5 million Yuan of the raised fund was repurposed for the Lishan Mine Expansion Project of Tianbaoshan Lead Zinc Mine.											
A description of significant changes in the feasibility of the project	not applicable											
Early investment and its replacement with raised funds for the investment projects	The Company replaced the self-financing fund of 32.3987 million yuan invested in the early stage with the supporting funds raised.											
Temporarily replenish working capital with idle raised funds	As of December 31, 2023, the balance of the raised fund used by the company to temporarily replenish the working capital is 110,000,000 yuan.											
Cash management of idle raised funds and investment in related products	As of December 31, 2023, the balance of cash management using idle raised funds was RMB0.00, and the cumulative income of closed-end structured deposit products was RMB747,400 Yuan.											
Permanent replenishment of working capital or repayment of bank loans with over-raised funds	not applicable											

The amount of surplus raised fund and the reasons for its generation	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 fund of 2.5402 million yuan and the interest generated are used to permanently replenish working capital.
Other use of the funds raised	not applicable

Note1: Please refer to 4. Change the use of raised funds earmarked for the equity investment project for details of the repurposed project.