

Chifeng Jilong Gold Mining Co. Ltd.

Announcement On Postponing the Completion date of Investment Projects Funded by the Raised Capital

The Board of Supervision and all member of the Board 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

The thirty-first meeting of the eighth Board of Directors and the twenty-second meeting of the seventh Board of Supervisors of Chifeng Jilong Gold Mining Co. Ltd. (hereinafter referred to as "**the Company**") held on September 6, 2024, had deliberated and approved *the Proposal on the Postponing of Part of the Raised Funds Investment Project*. The relevant information is hereby disclosed as follows.

I. The basics of the raised funds

Following being approved by the China Securities Regulatory Commission *on the Approval of Chifeng Jilong Gold Mining Co. Ltd. to Issue Stocks to Mr. Zhao Meiguang among others to Purchase Assets and Raise Supporting Fund (file No.CSRC (2019)-2020)*, The Company had issued 74,375,000 stocks to Mr. Zhao Meiguang, 51,515,151 stocks to Beijing Hanfeng Zhongxing Asset Management Consulting Center (limited partnership) (hereinafter referred to as "**Hanfeng Zhongxing**"), 2,897,727 stocks to Mr. Meng Qingguo, an aggregate of 128,787,878 shares to purchase 100% equity interest of Jilin Hanfeng Mining Technology Co. Ltd. (hereinafter referred to as "**Hanfeng Mining**"), and the fund not exceeding RMB 510 million yuan is approved to be raised through the private placement.

The Company had raised the funds through the private placement of 108,742,004 ordinary A-share to the targeted investors with the par value of 1.00 yuan per share and the issuing price of RMB 4.69 yuan per share. The total amount of funds raised stands RMB 510 million yuan. After deducting the underwriting fee of RMB 7 million, the net amount of funds raised by the Company through the private placement is RMB 503 million. As of January 17, 2020, all the above raised funds have been transferred to the Company's dedicated bank account, which was audited and verified by Zhongsheng Zhonghuan Accounting Firm (a special general partnership) and the capital verification report (file No. ZH (2020)- 230002) was issued consequently.

II. The usage of the fund raised

As of 8th September 2024, the usages of the fund raised are summarized as follow:

Unit : x10k

| project | planned investment | year-to-date investment | project-to-date investment |
|---|--------------------|-------------------------|----------------------------|
| deep mine exploration program of Tianbaoshan Pb-Zn polymetallic mine | 19,350.00 | 1,774.30 | 18,232.93 |
| Lishan mine expansion project | 9,650.00 | 2,309.49 | 3,616.63 |
| repayment of bank loan and supplementing the working capital | 20,000.00 | -4,500.00 | 26,766.24 |
| taxation, levy and consultant fees in relation to fund raising initiative | 2,000.00 | | 1,745.98 |
| total | 51,000.00 | -416.21 | 50,361.78 |

Note: From January to August, the amount of raised funds used for repaying the temporary supplementary working capital exceeds that utilized by the raised project.

By Aug 31, 2024, the Company has directly used RMB 40,837,900 yuan of the raised funds from January to August and had repaid RMB 45 million yuan which had been temporarily used to supplement the working capital. The accumulative sum of RMB 503,617,800 yuan has been used inclusive of the temporary use of RMB 65 million yuan of idle funds to supplement the working capital, with the balance of RMB 7,493,800 yuan (which includes the net income of RMB 1,111,600 yuan resulting from the interests earned on bank deposits, the cash management gains after the deductions for the banking fees, excluding the RMB 65 million yuan temporarily used to supplement working capital).

III. The postponing of the completion date of the investment projects sponsored by the raised capital

1. The revision for the completion date of investment projects

Based on the actual implementation status of the investment projects with the raised fund, the Company will extend the completion date for some of the investment projects under the condition that the ownership, management and earmarked investment amount of the projects remain unchanged. The details are as follows

| | Project | Originally forecasted completion date | Revised completion date(or using up the earmarked fund) |
|---|--|---------------------------------------|--|
| 1 | deep mine exploration program of Tianbaoshan Pb-Zn polymetallic mine | June 2024 | December 2024 |
| 2 | Lishan mine expansion project | June 2024 | December 2024 |

2. Justifications for the revision of the completion date of investment projects

2.1 The deep mine exploration program of Tianbaoshan Pb-Zn polymetallic mine

To ensure the safety production, an additional exhaust air shaft and the associated equipment installation was designed and constructed during the implementation of the investment project, leading to the extension for the completion date of deep- mine exploration program of Tianbaoshan Pb-Zn polymetallic mine. This project aims to grow the resource basis and explore the mineralization potentials, which, in nature, is a long-term investment with the great uncertainty. therefore, the specific time of the completion date or the availability for operation cannot be arbitrarily determined, which needs to be updated from time to time against to the progress of exploration program. Preliminary results have been achieved and the best assumption for the completion date before being available for operation (or funds being used up) is in December 2024.

2.2 Lishan mine expansion project

Due to the issues such as the removal and reappointment of the contractor for converting deep shaft into the drift tunnel development, as well as the delays for the inspection acceptance of construction projects in Lishan mine, the utilization of the raised funds earmarked for Lishan mine expansion project of Hanfeng Mining has been affected to some extent. in order to safeguard the overall interests of all shareholders and improve the quality of the project invested with the raised capital, after meticulous discussion by the Company, the completion data of Lishan mine expansion project before being available for operation has been adjusted to the end of December 2024.

IV. The operational impact of postponing the completion date of the investment projects sponsored by the raised capital and relevant remedial actions

The extension of the concerned projects invested with the raised capital is a prudent decision made by the Company in line with the actual construction status and the investment schedule determined by the nature of the project. It only involves the revision of the completion date of the projects, resulting no change at all to the ownership, the scale and the objectives of the investment, no material impact on the implementation of the investment with the raised capitals. There is not any intentional change or disguised manipulations to harm damage the interests of shareholders.

The Company will closely monitor the implementation status of the concerned projects, proactively coordinate the allocation of relevant resources to ensure the efficiency of the raised capitals, strengthen the supervision and management of the utilization of the raised capitals to eliminate the adversity hindering the implementation of the investment projects by orderly proceeding the smooth implementation of the projects invested by the raised capitals.

V. The review and approval for the extension of the projects invested with the raised capital

1. The review and approval by the Board of Directors

The thirty-first meeting of the eighth Board of Directors of the Company on September 6, 2024, had deliberated and approved *the Proposal on the Postponing of Part of the Raised Funds Investment Project*.

2. The review and approval by the Board of Supervisors

The twenty-second meeting of the seventh Board of Supervisors of the Company on September 6, 2024, had deliberated and approved the *Proposal on the Postponing of Part of the Raised Funds Investment Project*.

The Board of Supervisors believes that the extension of the completion date of the investment projects in question funded by the raised capital is in line with the actual circumstance on ground, representing no disguised manipulation of the purpose of the raised funds and posing no harm to the best interests of the shareholders. The practice complies with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange regarding the management of the raised funds of listed companies.

3. The opinion of the independent finance advisor

The independent finance advisor concludes that the postponing of the completion date of the investment projects funded by the raised capital had been duly reviewed, deliberated and approved by the Board of directors and the Board of supervisors of the Company and this practice is in compliance with the provisions of relevant laws, regulations, policy and rules regarding the usage of raised funds of listed companies. It only involves the revision of the completion date of the projects, resulting no adverse impact on the implementation of the investment with the raised capitals. There is no intentional change to the purpose of the raised capitals and disguised manipulation to harm damage the interests of shareholders.

This is hereby announced.

Board of Directors
Chifeng Jilong Gold Mining Co., Ltd.
7th September 2024