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JL MAG RARE-EARTH CO., LTD.
江西金力永磁科技股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 06680)

VOLUNTARY ANNOUNCEMENT

**PROPOSED INVESTMENT IN THE CONSTRUCTION OF
THE “PROJECT FOR COMPREHENSIVE UTILIZATION OF
WASTE NdFeB MAGNET” IN MEXICO**

This announcement is made by JL MAG RARE-EARTH CO., LTD. (the “**Company**”) on a voluntary basis.

The board of directors of the Company (the “**Board**”) is pleased to announce that the Resolution on Investment of a Wholly-owned Subsidiary in the Construction of the Project for Comprehensive Utilization of Waste NdFeB Magnet in Mexico has been considered and approved at the 16th meeting of the third session of the Board convened on September 9, 2022.

I. OVERVIEW OF INVESTMENT

With the growing global demand for REPMs and the increasing number of waste NdFeB magnet reaching their life cycle overseas, the recycling of waste NdFeB magnet is conducive to the green and sustainable development of rare earth resources, thereby further enhancing the Company's global competitiveness. The Company intends to set up a new company to invest in the construction of the “Project for Comprehensive Utilization of Waste NdFeB Magnet” in Mexico (the “**Mexico Project**”) with total planned investment of approximately US\$100 million, through JL MAG Green Tech (Hong Kong) Company Limited (“**JL Tech Hong Kong**”), a wholly-owned subsidiary of the Company.

In accordance with the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, the Articles of Association of the Company and other relevant provisions, this external investment is within the authority of the Board to consider and is not required to be submitted to the meetings of shareholders for consideration. The investment agreement for this project does not constitute a related party transaction and does not constitute a major asset reorganisation under the “Administrative Measures for the Material Asset Reorganizations of Listed Companies.”

II. BASIC INFORMATION ON THE INVESTOR

Company name: JL Tech Hong Kong

Registration number: 3173630

Address: Unit 1508, 15/F, APEC Plaza, 49 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong

Date of establishment: July 19, 2022

Scope of business: Research and development, manufacturing, sales, recycling and comprehensive utilization of NdFeB magnet and magnetic components, import and export of goods/technology, technology exchange, consultation, introduction, etc.

Shareholding relationship: JL Tech Hong Kong is a wholly-owned subsidiary of the Company, and Jinli Permanent Magnet (Ningbo) Technology Co., Ltd., a wholly-owned subsidiary of the Company holds 100% equity interests of JL Tech Hong Kong.

III. BASIC INFORMATION ON INVESTMENT PROJECT

1. Project name: Project for Comprehensive Utilization of Waste NdFeB Magnet in Mexico
2. Project implementation subject: JL Tech Hong Kong
3. Project construction site: Monterrey, Nuevo León, Mexico
4. Project construction items: The Company intends to set up a new company in Mexico to invest on the Project for Comprehensive Utilization of Waste NdFeB Magnet, to build a new production workshop, inspection and storage building and corresponding public and auxiliary facilities including power, water and gas supply facilities as well as new recycling treatment equipment and magnetic material production equipment, etc. After completion of the Mexico Project, 5,000 tonnes of waste NdFeB magnet per year will be comprehensively utilized, and the capacity of producing 3,000 tonnes of high-end magnetic material products per year will be developed.
5. Total project investment: The total planned investment in the Mexico Project is US\$100 million, which will be financed by self-financing.
6. Project construction period: The planned Mexico Project construction period is 3 years.

IV. INVESTMENT PURPOSE AND ITS IMPACT ON THE COMPANY

The Mexico Project takes waste NdFeB magnet as its starting point to build a recycling industry system of “recycling-dismantling-regeneration-remanufacturing”, to promote large-scale and standardized processing and utilization of renewable resources, which is conducive to the green and sustainable development of rare earth resources, and a specific practice to implement the Company’s strategy in achieving carbon neutrality. The Mexico Project construction is in line with relevant national industrial policies and the overall strategic development direction of the Company in the future and is beneficial to further business expansion of the Company and enhancement of its industrial position and comprehensive strength.

V. EXISTING RISKS

The laws, policy systems and business environment of Mexico are quite different from those of China, and there are risks of changes in laws, policies, markets, etc. In the construction of the Mexico Project, there are uncertainties in related plans, approval and construction progress, as well as adjustment of construction plans according to the actual situation. There may be risks that the Mexico Project may not progress as expected. The Company will be familiar with and adapt to local commercial and cultural environment as soon as possible, and formulate specific measures in a timely manner based on macro policies, market environment and other factors, so as to avoid possible risks from the project construction and operation and ensure the smooth implementation of the Mexico Project. The Company will perform its information disclosure obligations in a timely manner based on the progress of the matter.

VI. OTHERS

After the resolution was approved, specific matters in relation to the investment in the construction of the Mexico Project are pending further negotiation, promotion and implementation. With regard to subsequent matters in relation to the Mexico Project, the Company will perform relevant decision-making procedures and information disclosure obligations in a timely manner in accordance with the Company Law, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, regulations, normative documents and the Articles of Association.

By order of the Board
JL MAG RARE-EARTH CO., LTD.
Cai Baogui
Chairman

Jiangxi, September 13, 2022

As of the date of this announcement, the Board comprises Mr. Cai Baogui and Mr. Lyu Feng as executive Directors; Mr. Hu Zhibin, Mr. Li Xinnong and Mr. Li Fei as non-executive Directors; and Mr. You Jianxin, Mr. Xu Feng and Mr. Yuan Taifang as independent non-executive Directors.