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**赣锋锂业**  
**GanfengLithium**  
**Ganfeng Lithium Group Co., Ltd.**  
**江西赣锋锂业集团股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1772)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made pursuant to the disclosure requirements under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

According to the relevant regulations of the People's Republic of China, GANFENG LITHIUM GROUP CO., LTD. (the “**Company**”) had published the following announcement on the website of the Shenzhen Stock Exchange (<http://www.szse.cn/>). The following is a translation of the official announcement solely for the purpose of providing information.

By order of the Board  
**GANFENG LITHIUM GROUP CO., LTD.**  
**LI Liangbin**  
*Chairman*

Jiangxi, PRC  
May 29, 2023

*As at the date of this announcement, the Board comprises Mr. LI Liangbin, Mr. WANG Xiaoshen, Ms. DENG Zhaonan and Mr. SHEN Haibo as executive directors of the Company; Mr. YU Jianguo and Ms. YANG Juan as non-executive directors of the Company; and Mr. Wang Jinben, Ms. WONG Sze Wing, Ms. XU Yixin and Mr. XU Guanghua as independent non-executive directors of the Company.*

## **GANFENG LITHIUM GROUP CO., LTD.**

# **ANNOUNCEMENT REGARDING THE SUBSCRIPTION FOR THE PRIVATE PLACEMENT OF SHARES IN LEO LITHIUM LIMITED BY THE COMPANY OR ITS SUBSIDIARY, INVOLVING MINING RIGHTS INVESTMENT**

The Company and all members of its board of directors warrant that the information contained in this announcement is true, accurate and complete and there are no false representations or misleading statements contained in or material omissions from this announcement.

### **SPECIAL NOTICE:**

1. The target of the transaction is the private placement of shares in Leo Lithium Limited (hereinafter referred to as “Leo Lithium”). The transaction does not constitute a related party transaction, nor does it constitute major assets restructuring as defined under the Administrative Measures for Major Asset Restructuring of Listed Companies, which does not need to be considered at the general meeting of the Company.
2. The transaction is subject to approval by various competent authorities, and subject to verification and approval by and filing with relevant competent authorities of the PRC, which involves the risk of failing to obtain approval.
3. Due to the impact of international politics, economic environment, industrial policies and market environment, there may be also some uncertainty in investment gains.

### **I. OVERVIEW OF THE TRANSACTION**

1. At the 61th meeting of the fifth session of the board of directors of Ganfeng Lithium Group Co., Ltd. (hereinafter referred to as the “Company”) held on 26 May 2023, the Resolution in relation to the subscription for the private placement of shares in Leo Lithium by the Company or its subsidiary, involving mining rights investment was considered and passed, approving the subscription for the additional issuance of shares in Leo Lithium by the Company or its subsidiary at AUD0.81 per share. The shareholding ratio of subscription would be no more than 9.9% of the total share capital of Leo Lithium with a total trading amount AUD106.11 million. The management of the Company was authorized to exercise the full power to handle all matters relating to the transaction.
2. The transaction does not constitute a related party transaction, nor does it constitute major assets

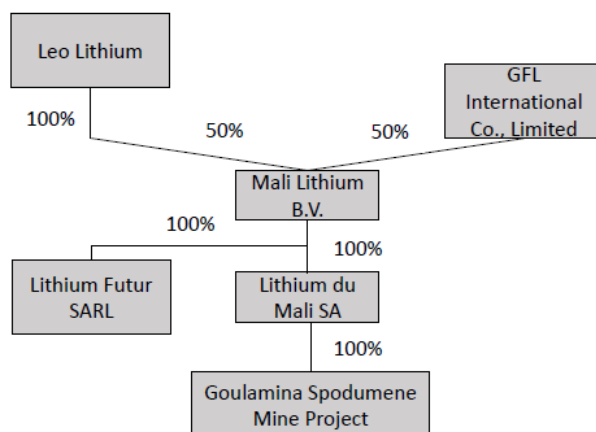
restructuring as defined under the Administrative Measures for Major Asset Restructuring of Listed Companies, which does not need to be considered at the general meeting of the Company.

## II. BASIC INFORMATION ON THE TARGET OF THE TRANSACTION

### 1. Leo Lithium

Leo Lithium was established in 2022, with the ASX code of LLL and FRA code of WX0; its registered address is Level 2/16 Ventnor Avenue, WEST PERTH, WA, AUSTRALIA, 6005; its principal business is exploration and development of lithium mines in Mali. The principal asset of Leo Lithium, the Goulamina Spodumene Mine Project, is located in Mali. As of the date of disclosure of this announcement, the issued share capital of Leo Lithium is 1,197,598,455 shares, and FireFinch Limited owns 17.71% equity interest as the biggest shareholder. Leo Lithium indirectly holds 50% equity interest of Goulamina Spodumene project.

The shareholding structure is as follows:



Below is the financial data of Leo Lithium for the latest year and the latest period:

Unit: AUD

Indicator	31 December 2022 (Audited)	31 March 2023 (Unaudited)
Total assets	184,765,000	183,381,163
Net assets	183,171,000	181,744,498
Indicator	2022 (Audited)	For the three months ended 31 March 2023 (Unaudited)
Operating revenue	-	-
Net profit	66,278,000	-1,806,955

Note: 1 AUD = RMB4.61

As at 31 March 2023, the gearing ratio of Leo Lithium was 0.89%.

Leo Lithium is not related to the Company and the Company's controlling shareholders, de facto controllers, directors, supervisors and senior management in terms of property rights, business, assets, debts and liabilities, personnel, etc.

### III. INFORMATION ON THE MINING RIGHT INVOLVED

#### 1. Basic information of mining right for the Goulamina Spodumene Mine Project

Goulamina owns the spodumene mine project in southern Mali, which currently holds one mining license:

Mining right license number	Torakoro Exploitation Permit PE19/25
Mining right owner	Lithium du Mali SA
Geographic location	Southern Mali in Africa
Mining minerals	Spodumene mine
Mining area	100 square kilometers
Date of acquisition	23 August 2019
Expiry date	30 years

#### 2. The method, date and examination and approval department for the ownership change of the mining right in recent three years:

The mining right was transferred from Firefinch to Lithium du Mali SA (hereinafter referred to as "LMSA") on 24 March 2022. The transfer of mining right was examined and approved by Mines Ministry of Mali.

#### 3. The main product of the spodumene mine and its usage and product sales methods:

The main product of the mine is spodumene, which is mainly used as the raw material of basic lithium salt products (industrial-grade/battery-grade lithium carbonate, industrial-grade/battery-grade lithium chloride and industrialgrade/battery-grade lithium hydroxide). The mine completes the sale of its products through directly or indirectly supplying raw material to basic lithium salt products producers.

#### 4. Mineral resources reserves:

According to the JORC estimate standard, the measured resources, indicated resources and inferred resources of Goulamina Spodumene Mine published by Leo Lithium are as follows:

	Mineral resource (million tons)	Lithium oxide (million tons)	Average grade (%)
Measured Resources	8.4	0.13	1.57

Indicated Resources	72.8	1.05	1.44
Inferred Resources	61.1	0.79	1.29
Total	142.3	1.97	1.38

5. The payment of various fees for the mining right involved in the transaction

LMSA has paid and settled the fees such as the usage fee of the mining right and resource taxes in accordance with the relevant laws and regulations.

6. Procedures to be performed for the transfer of the mining right ownership to be transferred:

The target of this transaction is additional shares issued by Leo Lithium, and the mining right is still under the name of the LMSA, which does not involve the transfer of mining right ownership.

#### **IV. MAJOR TERMS OF THE AGREEMENT**

The Company or its subsidiary jointly sign a Subscription Agreement with Leo Lithium, with the main terms as follows:

1. The Company or its subsidiary and Leo Lithium agree to subscribe to the additional shares issued by Leo Lithium at a price of AUD0.81 per share, with a subscription price of 6.5% premium on the average price of the past 5 trading days. The shareholding ratio of subscription would be no more than 9.9% of the total share capital of Leo Lithium with a total trading amount AUD106.11 million.
2. Proceeds from the strategic placement will be used for the development and operation of Goulamina Stage 1.
3. Both parties plan to increase the capacity of Goulamina Stage 2 to approximately 500,000 tonnes of spodumene concentrate per annum, taking the combined capacity of Goulamina Stages 1 and 2 to 1.0 million tonnes per annum. Based on Goulamina Stage 2 capacity of 500,000 tonnes spodumene concentrate per annum, both parties have agreed that the Company will have offtake right to 350,000 tonnes of spodumene concentrate per annum, and Leo Lithium will have offtake rights to 150,000 tonnes of spodumene concentrate per annum.
4. Both parties will investigate the opportunity for Stage 3 expansion and construction. In the event of a Goulamina Stage 3 expansion, Leo Lithium and the Company will have offtake rights to 50% of the incremental product respectively.
5. Both parties actively explore the feasibility of building a joint venture lithium salt production base in Europe or other region. Before the completion of the joint venture lithium salt

production base construction, the Company will have the right to process 150,000 tonnes of spodumene concentrate of Leo Lithium. The details of arrangement for the joint venture construction of lithium salt production base and ore processing shall be subject to the agreement signed in the future.

## **V. COMPLIANCE AND EFFECTIVE CONDITIONS FOR THE TRANSACTION**

1. The transaction was considered and approved at the 61th meeting of the fifth session of the board of directors held by the Company on 26 May 2023, with 10 affirmative votes, 0 dissenting vote and 0 abstention vote, and the management of the Company was authorized to exercise the full power to handle all matters relating to the transaction.
2. The Company or its subsidiary acquire the additional shares issued by Leo Lithium with their self-owned fund, which does not involve the transfer of mining rights ownership. Therefore, this transaction does not involve a condition that the Company is required a qualifications for mining rights development and utilization, nor does it involve specific mineral qualifications and industry access issues, nor does it involve the implementation of ownership transfer procedures.
3. The transaction shall take effect after the approval by the competent authorities of each party.
4. The transaction is subject to the filling or approval of foreign investment by the relevant competent departments of the state.
5. Due diligence on Leo Lithium's finance, accounting and legal aspects need to be completed before the delivery of this transaction.

## **VI. PURPOSE, IMPACT ON THE COMPANY AND EXISTING RISKS OF THE TRANSACTION**

### **i. Purpose of the transaction**

This transaction aims to strengthen cooperation with Leo Lithium in the Goulamina spodumene mine project, further ensure the Company's demand for lithium resources, facilitate business expansion, enhance its core competitiveness, and it complies with the Company's upstream and downstream integration and new energy vehicle industry development strategy.

### **ii. Impact on the Company of the transaction**

The transaction will lead to a certain of net outflow for the cash flow of the Company, which will not have a significant impact on the normal working capital of the Company. This transaction has a positive impact on the Company's future financial situation and operating results.

### **iii. Existing risks in the transaction**

- a) The transaction is subject to approval by various competent authorities, and subject to verification and approval by and filing with relevant competent authorities of the PRC, which involves the risk of failing to obtain approval.

- b) The principal asset of Leo Lithium is the Goulamina Spodumene Mine Project. Notwithstanding some professional institution has conducted evaluation on the resource reserve of Goulamina Spodumene Mine Project, there are risks, with respect to the resource quantity data, that the total resources and the reserves may differ from the actual total resources, reserves, and actual exploitable reserves. In addition, due to series of fixed asset investment and technology investment required for mineral mining, as well as the natural conditions in the environment where the Goulamina Spodumene Mine Project is situated, there may be a risk that the expected scale of mining may not be achieved.
- c) Due to the impact of international politics, economic environment, industrial policies and market environment, there may be also some uncertainty in investment gains.

## **VII. OPINIONS OF THE BOARD OF DIRECTORS**

The board of directors of the Company is of the view that the subscription for the private placement of shares in Leo Lithium by the Company or its subsidiary is to help promote the development and construction of Goulamina Spodumene Mine Project, and to guarantee the Company's needs for lithium resources, which is conducive to the Company's business expansion and enhancement of its core competitiveness, and is in line with the Company's strategies of upstream and downstream integration and the development of new energy automobile industry, without any prejudice to the interests of the Company and all shareholders, in particular, the minority shareholders. The decision-making procedures are legal and valid.

## **VIII. INDEPENDENT OPINIONS OF INDEPENDENT DIRECTORS**

The subscription for the private placement of shares in Leo Lithium shares by the Company or its subsidiary is in line with the Company's lithium industry strategic development goals, and is conducive to establishing resource guarantees for the Company's future lithium salt capacity expansion, improving industry competitiveness, and the Company's business performance. The transaction does not constitute a related party transaction, nor does it constitute major assets restructuring as defined under the Administrative Measures for Major Asset Restructuring of Listed Companies, which will not have a negative impact on the financial position and operating results of the Company, without any prejudice to the interests of the Company and all shareholders, in particular, the minority shareholders. Therefore, we unanimously agree the matter of the Company on subscription of shares.

## **IX. DOCUMENTS AVAILABLE FOR INSPECTION**

1. The resolution passed at the 61th meeting of the fifth session of the board of directors of the Company;
2. Independent directors' independent opinions on the relevant matter;
3. Shares subscription agreement.

Announcement is hereby given.

GANFENG LITHIUM GROUP CO., LTD.

Board of Directors

May 29, 2023