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Ganfeng Lithium Co., Ltd.

江西赣锋锂业股份有限公司

(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 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 CO., LTD.
LI Liangbin
Chairman

Jiangxi, PRC
June 14, 2021

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. LIU Jun, Ms. WONG Sze Wing, Ms. XU Yixin and Mr. XU Guanghua as independent non-executive directors of the Company.

GANFENG LITHIUM CO., LTD.
ANNOUNCEMENT REGARDING THE ACQUISITION OF
50% EQUITY INTEREST IN NETHERLANDS SPV COMPANY
BY GFL INTERNATIONAL WHICH INVOLVES MINING
RIGHTS INVESTMENT AND THE PROVISION OF FINANCIAL
ASSISTANCE FOR LMSA, A WHOLLY-OWNED SUBSIDIARY OF
NETHERLANDS SPV COMPANY

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 subject matter of the transaction is 50% equity interest in Netherlands SPV Company (the name of which has not yet been determined and is subject to the final name registered with Netherlands Companies Registry). Netherlands SPV Company will indirectly own the equity interest in Goulamina Spodumene Mine Project in Mali through its holding of 100% equity interest in Lithium du Mali SA (hereinafter referred to as “LMSA”) in Mali, Africa. 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 is subject to consideration 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. The changes in policies on mineral products qualification admittance, environmental protection examination and approval, production safety, taxation and other matters will affect the future production and operation and profitability of LMSA.
4. 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.

5. Due to series of fixed asset investment and technology investment required in mineral products 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.
6. Due to the impact of international politics, economic environment and industrial policies, the fluctuation in the price of lithium products will affect the economic benefit from Goulamina Spodumene Mine Project.
7. If the production of the Goulamina Spodumene Mine Project does not progress as expected, there may be a risk that the loan may not be repaid in a timely manner.
8. In accordance with relevant mining laws in Mali, Malian government shall obtain 10% equity interest in domestic mining companies in Mali free of charge and be entitled to further acquire not more than 10% equity interest in such mining companies in the form of cash or otherwise. Therefore, the ultimate shareholding by Netherlands SPV Company in LMSA will depend on the exercise of the acquisition right by Malian government.

I. OVERVIEW OF THE TRANSACTION

1. At the 28th meeting of the fifth session of the board of directors of Ganfeng Lithium Co., Ltd. (hereinafter referred to as the “Ganfeng Lithium” or the “Company”) held on 11 June 2021, the Resolution in relation to the Acquisition of 50% Equity Interest in Netherlands SPV Company by GFL International which Involves Mining Rights Investment and the Provision of Financial Assistance for LMSA, a Wholly-owned Subsidiary of Netherlands SPV Company was considered and passed, approving the acquisition of 50% equity interest in Netherlands SPV Company by GFL International Co., Limited (hereinafter referred to as “GFL International”), a wholly-owned subsidiary of the Company at a price of US\$130 million with its own funds. Upon the completion of the transaction, GFL International will hold 50% interest in Netherlands SPV Company, and Firefinch Limited (hereinafter referred to as “Firefinch”) will hold 50% interest in Netherlands SPV Company. The management of the Company will be authorized to deal with relevant matters in the transaction at its sole discretion.

Upon the completion of the transaction, GFL International will be granted consent to, as the case may be, provide financial assistance with an amount of not exceeding US\$40 million to LMSA, a wholly-owned subsidiary of Netherlands SPV Company, to help LMSA to develop and construct Goulamina Spodumene Mine Project.

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 is subject to consideration at the general meeting of the Company.
3. Upon the completion of the transaction, the Company will obtain such number of seats in the board of directors of Netherlands SPV Company as representing 50% voting rights in Netherlands SPV Company, and Netherlands SPV Company will control the board of directors of LMSA through mandate voting system.

II. BASIC INFORMATION ON THE COUNTERPARTY

Firefinch Limited, incorporated in April 2005, is an Australian listed company, with the ASX code of FFX and the company number of 113931105. Its registered office is located at Unit 18, Spectrum Building, 100-104 Railway Road, Subiaco, 6008. As of the date of disclosure of this announcement, the issued share capital of Firefinch is 783,142,641 shares, and CITICORP NOMINEES PTY LIMITED owns 4.13% equity interest in Firefinch. Firefinch is principally engaged in the development of minerals such as gold and lithium mines in Mali. Formerly known as Mali Lithium Limited, it changed its name to Firefinch Limited in October 2020.

Firefinch holds 100% equity interest in Timbuktu Resources Sarl (hereinafter referred to as “TR”) and 100% equity interest in LMSA through Goulamina Holdings, its wholly-owned subsidiary. The procedures for transfer of the mining rights of Goulamina Spodumene Mine Project in Mali held by TR are in progress and such mining rights shall be transferred to LMSA before the effective date of the acquisition agreement.

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

Unit: AUD

Indicator	31 December 2019 (Audited)	31 December 2020 (Audited)
Total assets	29,517,364	139,182,137
Net assets	27,166,106	99,393,236

Indicator	2019 (Audited)	2020 (Audited)
Operating revenue	–	20,338,624
Net profit	(3,504,280)	1,043,816

Note: AUD1 = RMB4.94

As at 31 December 2020, the gearing ratio of Firefinch was 28.59%.

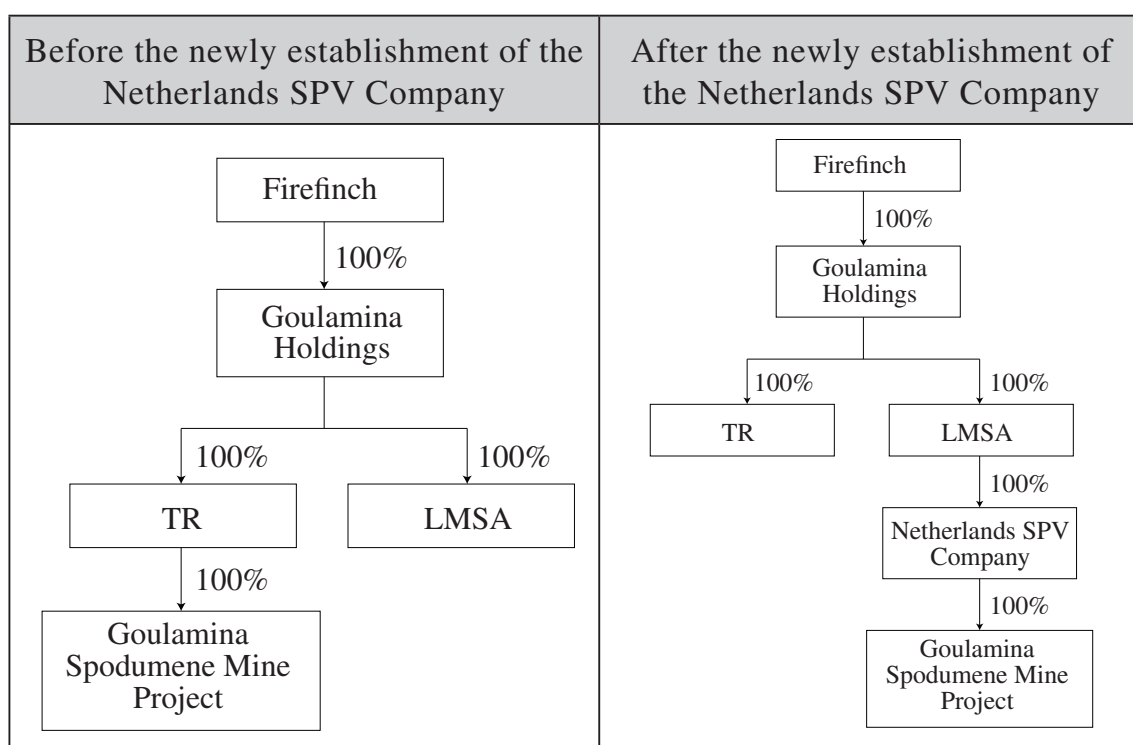
Firefinch is not related to the Company and the Company's controlling shareholders, de facto controllers, directors, supervisors and senior management in terms of property rights, business, assets, debts and liabilities, personnel, etc.

III. BASIC INFORMATION ON THE SUBJECT MATTER OF THE TRANSACTION AND THE TARGET OF FINANCIAL ASSISTANCE

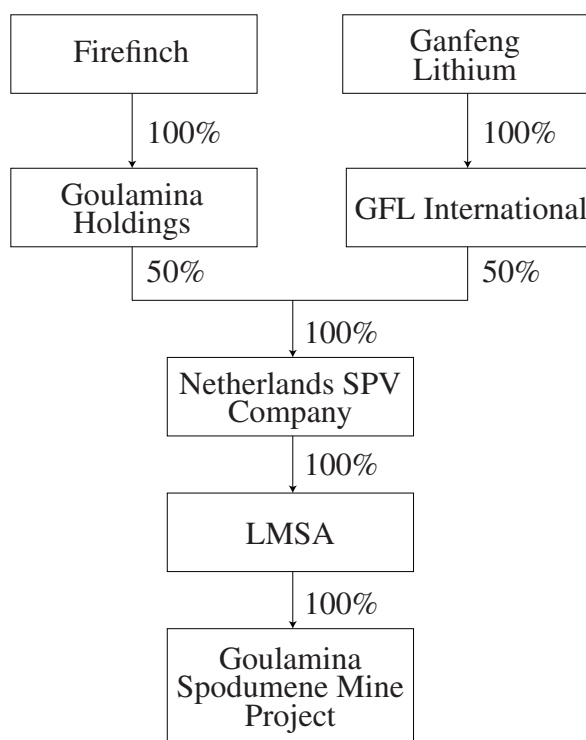
(I) Basic information on the subject matter of the transaction

Netherlands SPV Company is a proposed newly established wholly-owned subsidiary in Netherlands of Goulamina Holdings, a wholly-owned subsidiary of Firefinch. Its main business will be mineral resources investment and trading, and it has not yet been established. Prior to the implementation of the transaction, Firefinch intends to transfer 100% equity interest in LMSA held by Goulamina Holdings to Netherlands SPV Company, which will indirectly own the interest in Goulamina Spodumene Mine Project in Mali through the 100% equity interest held by it in LMSA.

The shareholding structure of the aforementioned related companies before and after the establishment of the Netherlands SPV Company is as follows:



Upon the completion of the transaction, the shareholding structure of Netherlands SPV Company is as follows:



(II) Basic information on the target of financial assistance

LMSA is a company incorporated in March 2020 under the laws of Mali with the company number of MA.BKO.2020.B.3252, its registered office is located at Bamako, Hamdallaye, ACI 2000, rue 243, Porte 39. Currently, Firefinch indirectly holds 100% equity interest of LMSA through its wholly-owned subsidiary, Goulamina Holdings, and the mining rights of Goulamina Spodumene Mine Project will be transferred to LMSA prior to the implementation of the transaction.

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

Unit: CFA francs

Indicator	31 December 2020 (Unaudited)	31 March 2021 (Unaudited)
Total assets	9,936,207	9,936,207
Net assets	9,936,207	9,936,207
Indicator	2020 (Unaudited)	January to March 2021 (Unaudited)
Operating revenue	0	0
Net profit	0	0

Note: 1 CFA franc = RMB0.0119

As at 31 March 2021, the ownership of the mining rights of Goulamina Spodumene Mine Project and the related assets of the mine have not been transferred to LMSA, and LMSA is not in actual operation, therefore, it has not generated sales revenue and net profit, and the gearing ratio of LMSA was 0.

LMSA 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.

IV. INFORMATION ON THE MINING RIGHT INVOLVED

1. 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	Timbuktu Resources Sarl (TR)
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:

According to relevant regulations of the Mining Law in Mali, the mining right was approved by Mali government on 23 August 2019 to be held by TR, a wholly-owned subsidiary of Firefinch. There has been no change in the ownership of the mining right up till now.

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 industrial-grade/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 report on the lithium mine resources published by Firefinch, the information on the explored mineral resources of Goulamina Spodumene Mine Project is as follows:

Category	Mineral resource (million tons)	Lithium-oxide (tons)	Average grade (%)
Measured Resources	8.4	133,000	1.57
Indicated Resources	56.2	832,000	1.48
Inferred Resources	43.9	606,000	1.38
Total	108.5	1,570,000	1.45

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

TR 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 mining right is currently registered under the name of TR, a wholly-owned subsidiary of Firefinch, and TR has commenced the transfer of the mining right to LMSA. The completion of the transfer of the ownership of the mining right is a pre-requisite for the completion of the transaction.

V. MAJOR TERMS OF THE AGREEMENT

The Company and GFL International, a wholly-owned subsidiary of the Company, intend to enter into the Binding Term Sheet with Firefinch and its wholly-owned subsidiary, the major term of which are as follows:

1. GFL International will acquire 50% equity interest in Netherlands SPV Company held by Firefinch at a price of US\$130 million, and Netherlands SPV Company will obtain 100% equity interest in LMSA. The transaction price will be paid in two instalments. The first installment, being US\$39 million, will be paid by GFL International upon the fulfilment of the condition precedent for the agreement, and GFL International will obtain 15% equity interest in Netherlands SPV Company. Firefinch will assist GFL International to deal with the delivery of the equity interest; and the remaining balance will be paid within 10 trading days after the board of directors of LMSA considers and decides on the development and construction of Goulamina Spodumene Mine Project (hereinafter referred to as the “Final Decision”).
2. GFL International will assist LMSA to obtain debt funds with an amount of not less than US\$64 million from third-party banks or other financial institutions, which will be granted at the reasonable commercial interest rate agreed on by the parties, to assist LMSA to develop and construct Goulamina Spodumene Mine Project; GFL International may also choose to provide not more than US\$40 million of financial assistance directly to LMSA. The main contents of the financial assistance are as follows:
 - 1) Purpose of the financial assistance: to assist LMSA to develop and construct Goulamina Spodumene Mine Project
 - 2) Amount of the financial assistance: GFL International can provide not more than US\$40 million of financial assistance in total to LMSA based on actual situation
 - 3) Source of the funds: self-owned funds
 - 4) Annual interest rate: not more than SOFR + 6%
 - 5) Term: 5 years from the first provision of financial assistance
 - 6) Provision of financial assistance to LMSA by other shareholders: other shareholders have not provided LMSA with financial assistance on same conditions in proportion to their respective capital contribution

- 7) Repayment guarantee and counter-guarantee measures: LMSA will repay the borrowings out of its operating income, while Netherlands SPV Company, as the guarantor of the financial assistance, will use the equity interest held by it in LMSA and the mining rights held by LMSA to provide the guarantee.
3. Upon the completion of the transaction, the Company will obtain such number of seats in the board of directors of Netherlands SPV Company as representing 50% voting rights in Netherlands SPV Company, and Netherlands SPV Company will control the board of directors of LMSA through mandate voting system.
4. Upon the completion of the investment, the Company will obtain the offtake right of 50% of the annual production capacity of the first phase of the Goulamina project being approximately 455,000 tons of spodumene concentrate. If the Company directly provides financial assistance or assists LMSA to obtain debt funds from third-party banks or other financial institutions, it may obtain the offtake right of the remaining 50% production capacity of the first phase of the project.

VI. THE PRICING BASIS AND PRINCIPLES OF THE TRANSACTION

The total amount of the acquisition of 50% equity interest in Netherlands SPV Company by GFL International is US\$130 million and such transaction price has been determined after arm's length negotiation with the seller based on adequate technical, financial and legal due diligence conducted on Goulamina Spodumene Mine Project by the Company and its professional advisors. The Company has adopted a variety of calculation methods to confirm the consideration of the transaction, with reference to the situation of several comparable listed companies in the mining industry and the valuation analysis of comparable equity interest acquisition transactions in mining exploration projects, and analyzed the project valuation through a financial model. According to the feasibility study report on Goulamina Spodumene Mine Project prepared by Lycopodium in November 2020, the net pre-tax present value of the project is US\$1,234 million, and the internal rate of return is 55.8%. The Company believes that the transaction price is within a reasonable range, taking into account the market condition, the competition tendency and other factors.

VII. COMPLIANCE AND EFFECTIVE CONDITIONS FOR THE TRANSACTION

1. The transaction was considered and approved at the 28th meeting of the fifth session of the board of directors held by the Company on 11 June 2021, 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. According to the provisions of Guidelines on the Standardized Operation of Companies Listed on the Shenzhen Stock Exchange and the Articles of Association, the transaction does not constitute a related party transaction, nor does constitute major assets restructuring as defined under the Administrative Measures for Major Asset Restructuring of Listed Companies, and is subject to being submitted to the general meeting of the Company for consideration.
2. Netherlands SPV Company is subject to the obtaining of the complete rights as agreed in the Binding Term Sheet, including the mining license of Goulamina lithium ores.
3. The transaction shall take effect after the approval by the competent authorities of each party, and is subject to the filling or approval of foreign investment by the relevant competent departments of the state.

VIII. PURPOSE, IMPACT ON THE COMPANY AND EXISTING RISKS OF THE TRANSACTION

(I) Purpose of the transaction

The transaction will directly provide the lithium resources required for the development of the Company, which guarantees the stable development of the Company in the long run and is conducive to improving the core competitiveness of the Company.

(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. The transaction will have a positive impact on the financial position and operating results of the Company in the future.

(III) Existing risks in the transaction

1. 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.
2. The changes in policies on mineral products qualification admittance, environmental protection examination and approval, production safety, taxation and other matters will affect the future production and operation and profitability of LMSA.
3. 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.
4. 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.
5. Due to the impact of international politics, economic environment and industrial policies, the fluctuation in the price of lithium products will affect the economic benefit from Goulamina Spodumene Mine Project.
6. If the production of the Goulamina Spodumene Mine Project does not progress as expected, there may be a risk that the loan will not be repaid in a timely manner.
7. In accordance with relevant mining laws in Mali, Malian government shall obtain 10% equity interest in domestic mining companies in Mali free of charge and be entitled to further acquire not more than 10% equity interest in such mining companies in the form of cash or otherwise. Therefore, the ultimate shareholding by Netherlands SPV Company in LMSA will depend on the exercise of the acquisition right by Malian government.

The board of directors of the Company will proactively pay attention to the progress of the transaction and perform the obligation of information disclosure in a timely manner. Investors are advised to pay attention to the investment risks.

IX. PROVISION OF FINANCIAL ASSISTANCE TO LMSA FOR THE PREVIOUS ACCOUNTING YEAR

The Company did not provide any financial assistance to LMSA for the previous accounting year.

X. ACCUMULATED AMOUNT OF EXTERNAL FINANCIAL ASSISTANCE PROVIDED BY THE COMPANY AND OVERDUE AMOUNT

As at the disclosure date of the announcement, the external financial assistance provided by the Company in aggregate are as follows:

Provider of the financial assistance	Recipient of the financial assistance	Amount
GFL International	Litio Company	No more than US\$20 million in total
	International Lithium	No more than US\$2 million in total
	Lithium Americas	No more than US\$225 million in total
	Exar Capital	No more than US\$40 million in total
	RIM	No more than AUD50 million in total
GFL International (Exar Capital)	Minera Exar	US\$27.2 million
		No more than US\$200 million in total
Ganfeng Netherlands	Minera Exar	US\$25 million
Total		No more than US\$539.2 million and AUD50 million in total

The Company has no overdue financial assistance.

Upon the provision of financial assistance in an aggregate amount of no more than US\$40 million by GFL International to LMSA, the total amount of external financial assistance provided by the Company was not more than US\$579.2 million and AUD50 million, (equivalent to RMB3,948,088,000, converted at the exchange rate against US\$ of 6.39 and AUD of 4.94), representing 36.88% of the latest audited net assets of the Company.

XI. RISK CONTROL AND OPINIONS OF THE BOARD

The board of directors of the Company is of the view that the purpose of the acquisition of 50% equity interest in Netherlands SPV Company by GFL International and the provision of financial assistance for LMSA 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. The purpose of the loan is clear and the source of repayment is guaranteed 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.

XII. INDEPENDENT OPINIONS OF INDEPENDENT DIRECTORS

The purpose of the acquisition of 50% equity interest in Netherlands SPV Company by GFL International and the provision of financial assistance for LMSA is to help promote the progress of the construction of Goulamina Spodumene Mine Project to guarantee the Company's needs for lithium resources, which is conducive to the Company's business development and the 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 of the transaction are in compliance with the requirements of the Company Law, the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and other relevant laws and regulations and the Articles of Association of the Company. Therefore, we agree with the matter of acquisition of 50% equity interest in Netherlands SPV Company and the provision of financial assistance to LMSA.

XIII. OPINIONS OF THE SPONSOR

The Company has performed necessary procedures for the aforesaid matter of provision of financial assistance to the external, which has been considered and approved by the board of directors, and the independent directors of the Company have given their independent opinions of consent, and relevant matter is subject to consideration and approval at a general meeting, which is in compliance with the requirements of the Company Law, the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and other laws, regulations and regulatory documents and the Articles of Association of the Company. The sponsor has no objection to the aforesaid matter of provision of financial assistance.

XIV. MISCELLANEOUS

In the twelve months prior to the disclosure date of this announcement, the Company has not temporarily replenished working capital with idle proceeds, changed the use of proceeds to replenishment of working capital permanently, or used excess proceeds to replenish working capital or repay bank loans permanently. Meanwhile, in the next twelve months following the provision of the external financial assistance, the Company will not temporarily replenish working capital with idle proceeds, change the use of proceeds to replenishment of working capital permanently, or use excess proceeds to replenish working capital or repay bank loans permanently.

XV. DOCUMENTS AVAILABLE FOR INSPECTION

1. The resolution passed at the 28th meeting of the fifth session of the board of directors of the Company;
2. Independent directors' independent opinions on the relevant matter;
3. The verification opinion of Ping An Securities Company Limited on the acquisition of 50% equity interest in Netherlands SPV Company by GFL International, a wholly-owned subsidiary of Ganfeng Lithium Co., Ltd., which involves mining rights investment and the provision of financial assistance for LMSA, a wholly-owned subsidiary of Netherlands SPV Company.

Announcement is hereby given.

GANFENG LITHIUM CO., LTD.
Board of Directors
15 June 2021