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**Zijin Mining Group Co., Ltd.\***

**紫金礦業集團股份有限公司**

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

**(Stock code: 2899)**

## **Announcement in relation to Completion of Acquisition of Neo Lithium Corp.**

Reference is made to the Announcement in relation to the All-Cash Acquisition of Neo Lithium Corp. of Canada (the "Announcement") of Zijin Mining Group Co., Ltd.\* (the "Company") dated 10 October 2021. The Company proposed to acquire all of the issued and outstanding common shares of Neo Lithium Corp. ("Neo Lithium"), a company listed on the TSX Venture Exchange in Canada for consideration of approximately CAD\$960 million in cash (the "Acquisition" or "Transaction"). The core asset of Neo Lithium is the Tres Quebradas salar brine project (the "3Q Project" or "Project") located in Catamarca Province in the northwestern part of Argentina. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The 3Q Project is located in the renowned "Lithium Triangle" in South America. According to the latest feasibility study, it has a total mineral resource of lithium carbonate equivalent of approximately 7.63 million tonnes (lithium ion concentration at 400 mg/L cut-off). The mineral reserve is 1.67 million tonnes, equating to 31% of the measured and indicated resources at the average lithium ion concentration of 786 mg/L. The Project is rich in resources, relatively high-grade, low-impurity, and has favourable development conditions.

### **I. Project approval and completion of the Transaction**

As at the date of this announcement, the Transaction has now been completed. In December 2021, a special meeting of shareholders of Neo Lithium approved the Transaction. All approvals or filing formalities of domestic and overseas regulatory authorities required for the Acquisition of the equity interest in Neo Lithium were completed, and the approval of environmental impact assessment required for the exploitation stage of Phase one of the 3Q Project was obtained. As all conditions precedent of closing stipulated in the Arrangement Agreement were met, the Acquisition was completed on 25 January 2022 (Toronto time). As the Transaction is now complete, the Company holds, indirectly, 100% of the issued and outstanding common shares of Neo Lithium.

As a result of completion of the Transaction, the common shares of Neo Lithium are expected to be delisted from the TSX Venture Exchange. It is also expected that the common shares will cease to be quoted for trading on the OTCQX over-the-counter market in the United States as well as the Frankfurt Stock Exchange in Germany concurrently or shortly thereafter, and that Neo Lithium will cease to be a reporting issuer in all of the provinces of Canada in which it is a reporting issuer.

## **II. Preparatory work of the Project**

In October 2021, the Company formed a 3Q Project team to carry out research and study on the project design, construction, techniques, equipment, finance, logistics and transportation, relevant laws and regulations and other aspects in advance, as well as exchange with domestic and overseas scientific research units and industry experts in the field of lithium extraction at brine lakes. According to the characteristics of the brine of the Project and taking into account of the feasibility study, the 3Q Project team has verified and optimised the lithium extraction techniques, processes, etc.

The Company has established a core management and technical team, which has been deployed to the 3Q Project. Project construction is expected to commence shortly since the Transaction is now closed.

## **III. Planned production volume and the techniques**

(I) Phase one of the Project will be based on the feasibility study. The designated annual production volume is 20,000 tonnes of battery-grade lithium carbonate. It is expected that the construction will be complete and production will commence at the end of 2023. Precipitation method will be adopted as the major technique, which has a simple and smooth process, and has low energy consumption and production costs. This technique has also been adopted at the surrounding brine lakes, which is relatively reliable.

(II) The Company will further optimise the production techniques and the layout of the process. In response to the low lithium recovery rate in Phase one of the 3Q Project, the Company has arranged for a technical team to conduct preliminary experimental research, and there is the possibility of a relatively significant improvement in the lithium recovery rate and production volume.

(III) The Company plans to further increase the use and promotion of clean energy in the 3Q Project to reduce the Project's carbon emissions.

(IV) Prior to the Acquisition, Neo Lithium had previously developed a preliminary plan on an annual lithium carbonate production of 40,000 to 60,000 tonnes. Based on Phase one construction, the Company will work diligently to conduct further research on production increment technologies, propose timely technical upgrades and expansion plans and to complete the applications for the relevant permits and licences in order to meet the new production target.

The acquisition and development of lithium and related mineral resources are very significant prerequisites and conditions for the Company to enter the fields of new energy and new materials. The successful Acquisition of the 3Q Project is a significant step that is consistent with the Company's new energy strategic priorities, favourable to building a foundation for the new energy industry, and significant to the Company's eco and sustainable development.

**The Transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. This announcement is made by the Company on a voluntary basis.**

**This announcement is written in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail over its English version.**

**Investors and shareholders are advised by the board of directors to exercise caution when dealing in the securities of the Company.**

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Lan Fusheng, Zou Laichang, Lin Hongfu, Ms. Lin Hongying and Mister Xie Xionghui as executive directors, Mister Li Jian as non-executive director, and Messrs. Zhu Guang, Mao Jingwen, Li Changqing, He Fulong, Suen Man Tak and Bo Shao Chuan as independent non-executive directors.

By Order of the Board of Directors  
**Zijin Mining Group Co., Ltd.\***  
**Chen Jinghe**  
*Chairman*

26 January 2022, Fujian, the PRC

*\*The Company's English name is for identification purpose only*