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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
September 6, 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 ON THE INCREASE OF SHAREHOLDING
OF MALI LITHIUM B.V. 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. Ganfeng Lithium Group Co., Ltd. (hereinafter referred to as "the Company") has signed a "Cooperation Agreement on the Goulamina Project" with Leo Lithium Limited (hereinafter referred to as "Leo Lithium"), which will replace the Original Investment Plan for equity interest subscription signed with Leo Lithium in May 2023.
2. The transaction is subject to verification and approval by and filing with relevant competent authorities of the PRC, and subject to approval by board of director of Leo Lithium, and 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

At the 61th meeting of the fifth session of the board of directors of 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. (hereinafter referred to as "the Original Investment Plan") For details, please refer to the Announcement of Ganfeng Lithium regarding the subscription for the private placement of shares in Leo Lithium Limited by the Company or its subsidiary, involving mining rights investment (Lin 2023-060) disclosed by the Company on the Securities Times and the website of CNINFO (巨潮資訊網) (<http://www.cninfo.com.cn>) on May 29, 2023.

At the 68th meeting of the fifth session of the board of directors of the Company held on 6

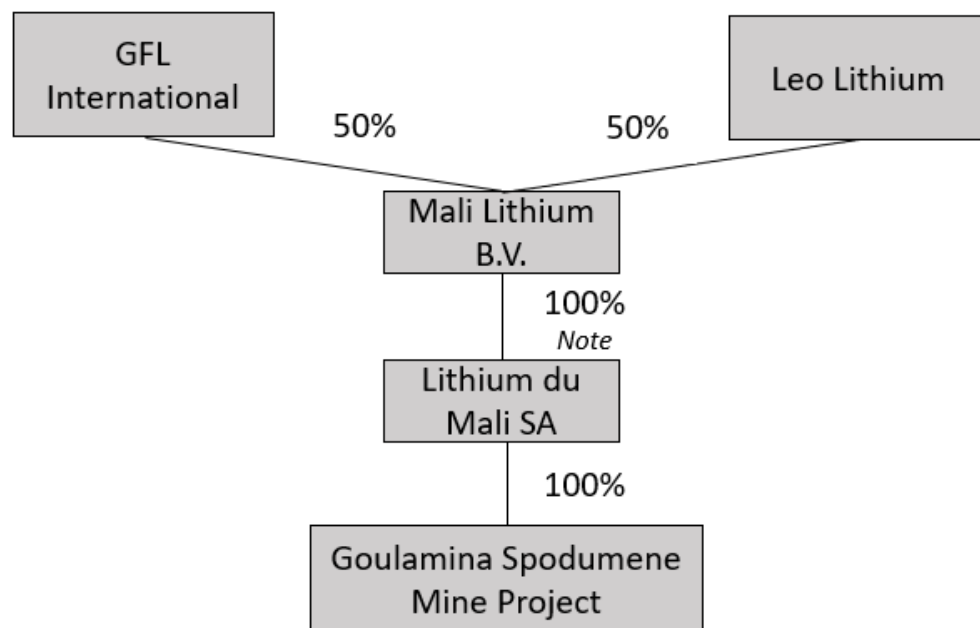
September 2023, the Resolution in relation to the increase of shareholding of Mali Lithium B.V. involving mining rights investment was considered and passed, approving the signing of Cooperation Agreement on the Goulamina Project between the Company or its subsidiary and Leo Lithium. GFL International Co., Limited (hereinafter referred to as "GFL International"), the wholly-owned subsidiary of the Company, will increase capital in Mali Lithium B.V. by no more than USD138 million through subscription of new shares, the amount of capital increase would be used for subsequent project construction and capital expenditures of the Goulamina Project. Upon the completion of this capital increase, GFL International will hold 55% equity interest in Mali Lithium B.V, Thus indirectly holding 55% equity interest in Goulamina project. This investment will replace the Original Investment Plan. Upon the completion of this capital increase, the Company will have the right of control over Mali Lithium B.V., its financial results will be consolidated into the financial statement of the Group.

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.

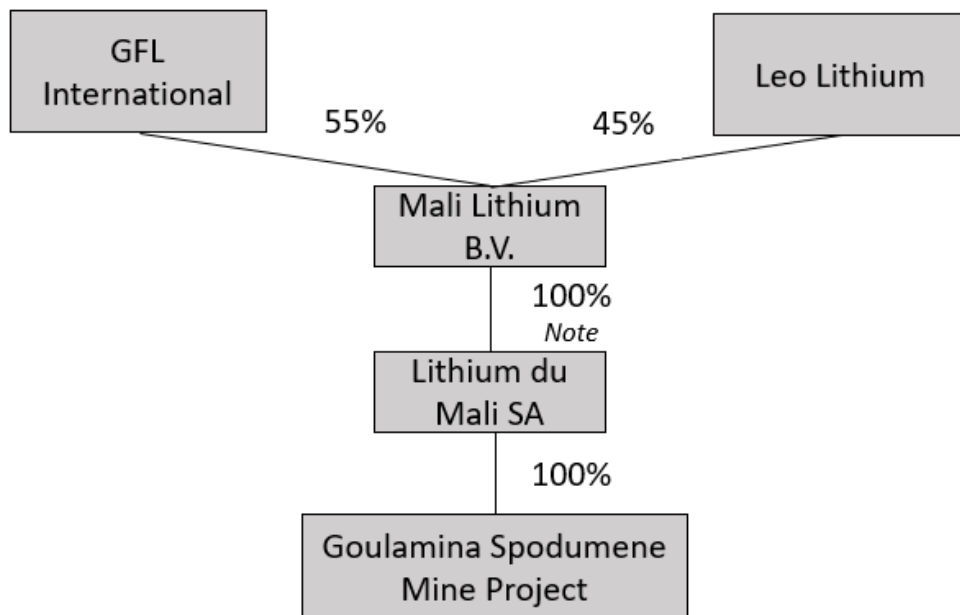
II. BASIC INFORMATION ON THE TARGET OF THE TRANSACTION

Mali Lithium B.V. is jointly funded and established by Leo Lithium and GFL International in the Netherlands, with RSIN 863017149 and registered address at Amsterdam 7601081JK. It was registered in March 2022 with registered capital of USD1,000, its principal business is investment and trade in mineral resources.

The current shareholding structure of Mali Lithium B.V. is as follows:



Upon the completion of this transaction, the shareholding structure of Mali Lithium B.V. is as follows:



Note: According to relevant Mali mining laws, the Mali Government may acquire 10-20% equity interest in Lithium du Mali SA. At present, Mali Government has not yet exercised their right.

Below is the financial data of Mali Lithium B.V. for the latest year and the latest period:

Unit: USD

Indicator	31 December 2022 (Audited)	31 July 2023 (Unaudited)
Total assets	154,719,139	173,399,955
Total liabilities	11,359,181	30,187,917
Net assets	143,359,958	143,212,038
Indicator	2022 (Audited)	For the seven months ended 31 July 2023 (Unaudited)

Operating revenue	-	-
Net profit	-472,935	-147,920

As of 31 July 2023, the gearing ratio of Mali Lithium B.V. was 17.41%.

Mali Lithium B.V. is not related to the Company and the Company's controlling shareholders, de facto controllers, directors, supervisors and senior management.

Mali Lithium B.V. does not provide any external guarantees or financial assistance.

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 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 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 transaction does not involve the transfer of mining right ownership.

IV. MAJOR TERMS OF THE AGREEMENT

The Company and Leo Lithium jointly signed the Cooperation Agreement on the Goulamina Project, with the major terms as follows:

1. GFL International increased capital to Mali Lithium B.V. by subscription of new shares. Upon the completion of the capital increase, GFL International will hold 55% equity interest in Mali Lithium B.V., and Leo Lithium will hold 45% equity interest in Mali Lithium B.V.
2. The offtake arrangements for spodumene in the first and second phases of the Goulamina Project unchanged. The Company would have up to 100% offtake right for the annual production capacity of 506,000 tons of spodumene concentrate in the first phase of the Goulamina Project (if the Company directly provides financial assistance or assists Lithium du Mali SA to obtain debt funds from third-party banks or other financial institutions, it may obtain the 100% offtake right of the production capacity of the spodumene concentrate in the first phase of the Goulamina Project); for the annual production capacity of 500,000 tons of spodumene concentrate in the second phase of the Goulamina Project, the Company will have 70% offtake right.

3. For the expansion and construction of spodumene production in the third phase of the Goulamina Project, the Company and Leo Lithium will have the offtake right based on their respective equity interest ratios in the Project, which means the Company will have 55% offtake right in the third phase of the Goulamina Project.

V. UPDATES OF GOULAMINA PROJECT

1. The construction of the annual production capacity of 506,000 tons of spodumene concentrate in the first phase of the Goulamina project is in progress, and the first phase of the Project is planned to be put into operation in 2024;
2. The Goulamina Project is currently discussing with the Mali Government a plan to export lithium raw ore through direct shipping ore (DSO) export from Mali to China. Since this plan is subject to approval by the Mali Government, there may be some uncertainty;
3. According to relevant Mali mining laws, the Mali Government will obtain 10% equity interest in domestic mining enterprises in Mali for free and has the right to acquire an additional 10% equity interest in such mining enterprises by cash or other forms. If the Mali Government decides to exercise its rights, it will hold no more than 20% equity interest in Lithium du Mali SA. The specific shareholding ratio will depend on the exercise result of the Mali Government, and the exercise time is expected to be before the Project is officially put into operation.

VI. VALUATION RATIONALITY FOR THE TRANSACTION

The parties determined the amount of capital increase through negotiation, with the valuation referring to the valuation of the Goulamina Project in the Original Investment Plan. Meanwhile, considering that the Company increase the shareholding ratio of Mali Lithium B.V. to 55%, the calculated capital increase amount will not exceed USD138 million. Compared the recent market valuation of spodumene projects and related companies with resources-based valuation, the Company believes that although the valuation of this capital increase is significantly lower compared to other well-developed spodumene projects, considering that the Goulamina Project has not yet been put into operation, and the valuation is referred to the Original Investment Plan. Hence, the Company believes the valuation of this transaction is rational.

The comparison table of recent market spodumene projects and related companies based on resources and valuation is as follows:

	Mali LMSA	Latin Resource	Plibara minerals	Core Lithium	Sigma Lithium	Andrada Mining
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Consideration of 100% equity interest (USD: million)	1,372.00	640.50	9,312.55	561.92	3,489.00	137.68
Resources (0,000 tons of lithium oxide)	289.00	60.57	480.00	19.35	122.41	58.70
Consideration/Resour ces (Millions of dollars/0,000 tons of lithium oxide)	4.75	10.57	19.40	29.04	28.50	2.35
Resources (0,000 tons of LCE)	713.83	149.60	1,185.60	47.79	290.40	144.99
Consideration/Resour ces (Millions of dollars /0,000 tons of LCE)	1.92	4.28	7.85	11.76	12.01	0.95

Note: The consideration of 100% equity interest is based on the recent market value of comparable companies as reference.

VII. COMPLIANCE AND EFFECTIVE CONDITIONS FOR THE TRANSACTION

1. The 68th meeting of the fifth Board of directors held on September 6, 2023 approved this transaction with 10 votes in favor, 0 votes against and 0 abstentions, and authorized the Company's management to handle the relevant matters of this transaction.
2. GFL International increase capital in Mali Lithium B.V. through subscription of new shares, which does not involve the transfer of mining right ownership. Therefore, this transaction does not involve the requirement of qualifications for mining rights development and utilization held by the Company, nor does it involve specific mineral qualifications or industry access issues, nor does it involve the implementation of ownership transfer procedures.

3. The transaction is subject to the overseas investment filing or verification with relevant competent authorities of the PRC, and subject to approval by board of director of Leo Lithium.

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

1. Purpose of the transaction

This transaction aims to further promote the development and construction of the Goulamina Spodumene Mine Project. Compared to the Original Investment Plan, this transaction plan can further ensure that the Company's investment amount can be successfully used for the subsequent construction and development of the Goulamina Project, and can strengthen the Company's right of control over the Goulamina Project, facilitating subsequent Project promotion and financing. This transaction will 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.

2. 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.

3. Existing risks in the transaction

- (I) The transaction is subject to verification and approval by and filing with relevant competent authorities of the PRC, and subject to approval by board of director of Leo Lithium, and which involves the risk of failing to obtain approval.
- (II) 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.
- (III) Due to the impact of international politics, economic environment, industrial policies and market environment, there may be also some uncertainty in investment gains.

IX. OPINIONS OF THE BOARD OF DIRECTORS

The board of directors of the Company is of the view that the signing of Cooperation Agreement on the Goulamina Project 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.

X. INDEPENDENT OPINIONS OF INDEPENDENT DIRECTORS

The signing of Cooperation Agreement on the Goulamina Project with Leo Lithium 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 signing Cooperation Agreement on the Goulamina Project between the Company or its subsidiary and Leo Lithium.

XI. DOCUMENTS AVAILABLE FOR INSPECTION

1. The resolution passed at the 68th meeting of the fifth session of the board of directors of the Company;
2. Independent directors' independent opinions on the relevant matter;
3. Cooperation Agreement on the Goulamina Project.

Announcement is hereby given.

GANFENG LITHIUM GROUP CO., LTD.

Board of Directors

September 7, 2023