

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 29, 2019

As at the date of this announcement, the Board comprises Mr. LI Liangbin, Mr. WANG Xiaoshen, Mr. SHEN Haibo, Ms. DENG Zhaonan and Mr. XU Xiaoxiong as executive directors of the Company; Mr. HUANG Daifang as non-executive director of the Company; and Mr. GUO Huaping, Mr. HUANG Huasheng, Mr. LIU Jun and Ms. WONG Sze Wing as independent non-executive directors of the Company.

GANFENG LITHIUM CO., LTD.
ANNOUNCEMENT IN RELATION TO THE INCREASE IN CAPS
ON AND THE EXTENSION OF TERM OF THE FINANCIAL
ASSISTANCE PROVIDED TO LITIO COMPANY BY MARIANA
LITHIUM, A WHOLLY-OWNED SUBSIDIARY OF GFL
INTERNATIONAL

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

I. OVERVIEW OF PROVISION OF EXTERNAL FINANCIAL ASSISTANCE

The Resolution on the Increase in Caps on and the Extension of Term of the Financial Assistance Provided to Litio Company by Mariana Lithium, a Wholly-owned Subsidiary of GFL International (《關於贛鋒國際全資子公司Mariana 鋰業新增對Litio公司提供財務資助額度及延長財務資助期限的議案》) was considered and approved at the 35th meeting of the fourth session of the Board convened by Ganfeng Lithium Co., Ltd. (hereinafter referred to as the “Company”) on June 28, 2019, pursuant to which, Mariana Lithium Co., Limited (hereinafter referred to as the “Mariana Lithium”), a wholly-owned subsidiary of GFL International, was approved to increase the financial assistance with a cap of no more than US\$8 million to Litio Company, a controlled subsidiary, and extend the term of the financial assistance to the 180th day after the Mariana project formally puts into production, provided that its own normal operations will not be affected. Therefore, the financial assistance provided to Litio Company by the Company will increase from no more than US\$12 million to US\$20 million.

The transaction does not constitute a related party transaction or a material asset restructuring under the Measures for the Administration of the Material Asset Restructuring of Listed Companies, and is therefore not subject to consideration at the general meeting of the Company.

II. BASIC INFORMATION ON THE RECIPIENT OF THE FINANCIAL ASSISTANCE

1. Litio Company was incorporated in the Mendoza, Argentine under the laws of Argentina on April 5, 2010, and has not listed yet. As at the disclosure date of this announcement, Litio Company has the share capital of 122,800 shares, and is held as to 84.25% by Mariana Lithium and as to 15.75% by International Lithium, respectively. Litio Company is principally engaged in mineral exploration and investment and holds 100% interests in the Mariana lithium – potassium brine mine in Salta, Argentina.
2. The main financial indicators of Litio Company for the latest year and period are as follows:

Indicator	December 31, 2018 (unaudited)	March 31, 2019 (unaudited)
Total assets (ARS)	353,642,073.82	410,500,403.70
Net assets (ARS)	-108,170,352.24	-181,569,859.65
Indicator	2018 (unaudited)	January to March 2019 (unaudited)
Operating revenue (ARS)	–	–
Net profit (ARS)	-5,524,773.17	-1,923,297.17

Note: ARS 1=RMB0.1563

As at March 31, 2019, the gearing ratio of Litio Company was 144.23%.

III. MAIN CONTENTS OF THE FINANCIAL ASSISTANCE

1. Use and amount of financial assistance: In order to speed up the exploration speed and progress of the Mariana lithium – potassium brine mine project of Litio Company in Argentina, Mariana Lithium will increase the financial assistance with a cap of no more than US\$8 million to Litio Company provided that its own normal operations will not be affected.
2. Term of financial assistance: until the 180th day after the Mariana project formally puts into production.
3. Source of funds: Self-owned funds
4. Annual interest rate: The annual interest rate for the loan is 2%

5. Financial assistance provided by other shareholders to Litio Company: other shareholders did not provide financial assistance on equal terms to Litio Company in proportion to their capital contributions.
6. Repayment guarantee: Litio Company provides guarantee for the loan with all its assets.
7. Performance of approval procedures for this transaction

The provision of external financial assistance was considered and approved at the 35th meeting of the fourth session of the Board convened on June 28, 2019 with 10 voted for, 0 voted against and 0 abstained from voting. The matter is not subject to consideration at the general meeting of the Company. The convening, holding and voting procedures of the Board meeting are in line with the requirements of laws, regulations and the Articles of Association, and the resolutions passed at the meeting are legal and valid.

The transaction does not constitute a related party transaction or a material asset restructuring under the Measures for the Administration of the Material Asset Restructuring of Listed Companies.

IV. PURPOSE OF THE PROVISION OF FINANCIAL ASSISTANCE, EFFECTS THEREOF ON THE COMPANY AND RELEVANT RISKS

1. Purpose of the transaction

The transaction is to promote the exploration progress of the Mariana lithium – potassium brine mine project of Litio Company in Argentina, to meet the lithium resource growth required for the Company's future development and enhance the Company's long-term competitiveness.

2. Effects of the transaction on the Company

The transaction will result in certain net cash outflow of the Company but will have no material effects on the working capital required for normal operation of the Company.

3. Risks

- (1) Risk of failure in exploration of mineral resources: The exploration of the Mariana lithium – potassium brine project may be affected by exploration technology, natural conditions and other factors, and there may be the risk of failure in exploration of mineral resources.
- (2) Risk of failure in mining of mineral resources: the project mining is subject to the factors including talents, technology and equipment, or force majeure including natural disasters in the mining area. In the future, there may be the risk of failure in mining of mineral resources.
- (3) There may be the risk of delay in repayment by Litio Company.

The Board of the Company will closely monitor the progress and promptly perform the disclosure obligation. Investors are advised to exercise caution and be aware of the risks involved.

V. PROVISION OF FINANCIAL ASSISTANCE TO LITIO COMPANY IN THE LAST ACCOUNTING YEAR

The Resolution on the Provision of External Financial Assistance by A Wholly-owned Subsidiary of GFL International (《關於贛鋒國際全資子公司對外提供財務資助的議案》) was considered and approved at the 24th meeting of the third session of the Board convened by the Company on July 7, 2016 and the 2016 second extraordinary general meeting convened on July 25, 2016, pursuant to which, Mariana Lithium, a wholly-owned subsidiary of GFL International, was approved to provide a loan for exploration of no more than US\$12 million to Litio Company, with a term of three years, provided that its own normal operations will not be affected.

As of the last accounting year, Mariana Lithium provided financial assistance in an amount of US\$11.7 million to Litio Company.

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

As at the disclosure date of this announcement, the external financial assistance provided with the approval of 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\$12 million in total
	International Lithium	No more than US\$2 million in total
	Lithium Americas	No more than US\$225 million in total
GFL International (Exar Capital)	Minera Exar	US\$27.2 million
Ganfeng Netherlands	Minera Exar	US\$25 million
GFL International (Exar Capital)	Minera Exar	US\$100 million
Total		No more than US\$391.20 million in aggregate

The Company has no overdue financial assistance.

Upon the increase in caps on the financial assistance in an aggregate amount of no more than US\$8 million provided by Mariana Lithium to Litio Company and the extension of term thereof, the accumulated financial assistance facility provided with the approval of the Company will be US\$399.20 million (equivalent to RMB2,674.64 million, converted at the exchange rate against US\$ of 6.70), representing 33.75% of the latest audited net assets of the Company.

As at the disclosure date of this announcement, the accumulated amount of external financial assistance actually provided by the Company is US\$167,135,617, equivalent to RMB1,119,808,633, representing 14.13% of the latest audited net assets of the Company.

VII. RISK CONTROL AND OPINIONS OF THE BOARD

The Board believes that the external financial assistance is mainly to promote the exploration progress of the Mariana lithium – potassium brine mine project of Litio Company in Argentina, to meet the lithium resource growth required for the Company's future development and enhance the Company's long-term competitiveness, and is in line with the development strategy of upstream and downstream integration of the Company. 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. The decision-making procedures are legal and valid.

VIII. OPINIONS OF INDEPENDENT DIRECTORS

The financial assistance provided by Mariana Lithium to Litio Company is to promote the exploration progress of the Mariana lithium – potassium brine mine project of Litio Company in Argentina, to meet the lithium resource growth required for the Company’s future development and enhance the Company’s long-term competitiveness, and is in line with the development strategy of upstream and downstream integration of the Company. The financial assistance was determined after arm’s length negotiation on fair and reasonable conditions. The procedures are in line with relevant provisions and the risk is controllable without any prejudice to the interests of the Company and all Shareholders. Based on independent judgment, we approve the provision of financial assistance by Mariana Lithium to Litio Company.

IX. 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 into permanent replenishment of working capital, or permanently used excess proceeds to supplement working capital or repay bank loans. Meanwhile, in the twelve months after the provision of the external financial assistance, the Company will not temporarily replenish working capital with idle proceeds, change the purpose of proceeds into permanent replenishment of working capital, or permanently use excess proceeds to supplement working capital or repay bank loans.

X. DOCUMENTS AVAILABLE FOR INSPECTION

1. The resolution passed at the 35th meeting of the fourth session of the Board;
2. Independent Directors’ opinions on the relevant matter.

The Board of Directors of Ganfeng Lithium Co., Ltd.

June 29, 2019