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**Burwill Holdings Limited**

寶威控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 24)

## **Exclusive Lithium Concentrate Offtake Agreement**

This announcement is made pursuant to Rules 13.09 the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

### **Exclusive Lithium Concentrate Offtake Agreement**

On 20 April 2017, a wholly-owned subsidiary of the Company, BCL, entered into exclusive lithium concentrate Offtake Agreements with Lithco, AMAL and Tawana respectively, pursuant to which, BCL will advance by instalments AUD25,000,000 (equivalent to approximately HK\$146,287,000) in exchange for exclusive selling rights to the lithium concentrate flowing from the Bald Hill Project in Western Australia for a five year term and pre-emptive rights to the same for subsequent five years.

The Offtake Agreements are legally binding to the parties once signed.

This announcement is made pursuant to Rules 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 20 April 2017, a wholly-owned subsidiary of the Company, BCL, entered into exclusive lithium concentrate Offtake Agreements with Lithco, AMAL and Tawana respectively.

### **Offtake Agreement**

Date: 20 April 2017

Sellers: (a) Alliance Mineral Assets Limited  
(b) Lithco No. 2 Pty Ltd, a wholly-owned subsidiary of Tawana Resources NL

Buyer: Burwill Commodity Limited, a wholly-owned subsidiary of the Company

Guarantor: Tawana Resources NL

As at the date of this announcement, to the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, Lithco, AMAL and Tawana and their respective ultimate beneficial owner are third parties, independent of the Company and its connected persons.

Pursuant to the Offtake Agreement, BCL will advance by instalments AUD25,000,000 (equivalent to approximately HK\$146,287,000) in exchange for exclusive selling rights to the lithium concentrate flowing from the Bald Hill Project in Western Australia for a five year term and pre-emptive rights to the same for subsequent five years. Starting from February 2018, BCL shall, in the first two years, purchase an aggregate of at least 200,000 dry metric tonnes of high-grade lithium concentrate at a fixed price, worthing of approximately USD200,000,000. BCL has made an initial advance payment of AUD7,500,000 (equivalent to approximately HK\$43,886,000) upon the signing of the Offtake Agreement to the Sellers, and will make two further advance payments, in July and September 2017, each amounting to AUD8,750,000 (equivalent to approximately HK\$51,200,000). The Advance Payment is a non-interest bearing advance from BCL to the Sellers, which will be repaid in full within the first two years of the five year term, by way of set-off against the purchase price for each delivery of the lithium concentrate to the Buyer in accordance with the Offtake Agreement. Since the first shipment of lithium concentrate starting from February 2018, Lithco and Tawana shall be severally liable for their repayment obligations.

Tawana has guaranteed the obligations of Lithco, its wholly owned subsidiary.

The Offtake Agreements are legally binding to the parties once signed.

### **Lithium Resources**

Global lithium resources are highly scarce with its main reserves and production capacity being monopolized by a few multinational companies in the United States, Australia and Latin America. In China, despite a certain amount of reserves, mass-production is not likely to implement as the technology of extracting lithium from brine has reached a bottleneck. Therefore, China has become totally dependent on imports of lithium ore in the long run.

Lithium concentrate is raw material for lithium carbonate processing. Lithium carbonate is widely used in mobile phones, digital products, military, as well as industrial and large capacity domestic energy storage systems. High-power Lithium-ion Batteries are the core material applied in hybrid electric vehicles and pure-electric vehicles.

### **The Bald Hill Lithium Mine Project**

The Bald Hill Lithium Mine Project is located 50 kilometres south east of Kambalda in the Eastern Goldfields of Western Australia and is adjacent to Tawana's Cowan Lithium mine project.

The exploration of Bald Hill began in the 1960s. 461.5 km<sup>2</sup> of the tenement is granted at the mine site and an additional 319 km<sup>2</sup> is currently under application.

Bald Hill is renowned for its high grade spodumene and tantalum belt. The exploration and testing data over the past 6 months demonstrated satisfactory results with spodumene-rich by-product concentrates up to 6.70% Li<sub>2</sub>O produced during commissioning of the original tantalum plant. Furthermore, its excellent infrastructure, including transportation, electricity, water and transformed concentrator also guarantee the quality of operation and production. AMAL and Tawana will increase and improve the exploration of tantalum and lithium resources and target to start off commissioning by the end of 2017 and shipping lithium concentrate with grade 6% in the first quarter of 2018. Bald Hill is a rare sizable mine for lithium in Australia.

AMAL is the registered holder and beneficial owner of the Bald Hill Lithium Mine Project and has entered into an unincorporated joint venture with Lithco. Lithco shall be entitled to 50% of all rights to lithium minerals from the tenements comprising the Bald Hill Project after a number of capital investments.

## **About the Group and Buyer**

The Group is principally engaged in international metal trading and mineral resources investment, exploration and development. The Group owns an interest in Magnetite Iron Ore mine in Shangdong Province of China and also holds approximately 26% equity of Kazakhstan Potash Corporation Limited (“KPC”), a listed company on the Australian Securities Exchange (ASX) as its largest shareholder. KPC owns two quality potash mines in the Republic of Kazakhstan.

BCL, a wholly-owned subsidiary of the Company, will be principally engaged in lithium concentrate procurement, lithium carbonate processing and sales. BCL plans to invest in a lithium carbonate plant with an annual production of 10,000 tons in China.

## **About Sellers**

### ***AMAL (SGX: 40F)***

Alliance Mineral Assets Limited, a company incorporated in Australia, was established in 2010 with its headquarters based in Perth, Western Australia. Its shares are listed on Catalist of the Singapore Exchange Securities Trading Limited (SGX-ST) in July 2014. AMAL is a renowned corporation which develops and exploits tantalum and lithium resources as well as related products. It holds mining rights in the Bald Hill tantalum mine, which is also known as the fourth largest tantalum producer in the world. A large area of spodumene pegmatites was extracted from the existing tantalum reserve pit during the drilling and exploration of tantalum ore which can be used to produce lithium concentrate with high lithium content. AMAL is planning to produce high grade lithium concentrate by the end of 2017 and become one of the few newly established lithium concentrate producers in 2018.

### ***Tawana (ASX: TAW) and Lithco***

Tawana Resources NL is incorporated in Australia and its shares are listed on the Australian Securities Exchange (ASX). Tawana’s management team, with a group of well-known foremost pegmatite experts, has been engaging in the research and development of lithium resources. Tawana is currently exploring and developing lithium and tantalum mine in Bald Hill and the surrounding Cowan Lithium Project. Lithco is a wholly-owned subsidiary of Tawana, which is incorporated in Australia. Tawana also holds the spodumene mine in The Republic of Namibia, Africa.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in shares of the Company. The research reports on the lithium resources exploration, reserves and the bank’s standard feasibility study of the Bald Hill will be issued by an independent third party institution before July 2017. Further announcements will be made as and when material information is made available to the Group.**

## **Definitions**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Advance Payment”	advance payment of AUD25,000,000 (equivalent to approximately HK\$146,287,000) by instalments made by BCL to the Sellers for part of the lithium concentrate which will be repaid in full within the first two years, by way of set-off against the purchase price for each delivery of the lithium concentrate to the Buyer in accordance with the Offtake Agreement
“AMAL” or one of the “Sellers”	Alliance Mineral Assets Limited, a company incorporated in Australia, shares of which are listed on Singapore Exchange

“AUD”	Australian Dollars, the lawful currency of Australia
“BCL” or “Buyer”	Burwill Commodity Limited (寶威物料有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Board”	the Board of Directors
“Company”	Burwill Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 24)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Group”	the Company and its subsidiaries
“Tawana” or “Guarantor”	Tawana Resources NL, a company incorporated in Australia, shares of which are listed on the Australian Securities Exchange
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Lithco” or one of the “Sellers”	Lithco No. 2 Pty Ltd, a company incorporated in Australia
“Offtake Agreement(s)”	BCL entered into the exclusive lithium concentrate offtake agreements dated 20 April 2017 with Lithco, AMAL and Tawana respectively
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States Dollars, the lawful currency of United States of America

By order of the Board  
**Burwill Holdings Limited**  
**CHAN Shing**  
*Chairman*

Hong Kong, 20 April 2017

*Unless otherwise specified, the exchange rate of AUD into HK\$ in this announcement are based on the rate of AUD1.00 = HK\$5.8515. This is for the purpose of illustration only and no representation is made that any amount in HK\$ or AUD can be or could have been converted at the relevant dates at such rate or any other exchange rate.*

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Chan Shing, Ms. Cheung Kwan, Mr. Sit Hoi Tung, Mr. Wei Jiafu, Mr. Kwok Wai Lam and Mr. Sham Kai Man as Executive Directors; Mr. Cui Shu Ming and Mr. Chan Ming Fai as Independent Non-Executive Directors; and Mr. Huang Shenglan as Non-Executive Director.*