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Burwill Holdings Limited

寶威控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 24)

**DISCLOSEABLE TRANSACTION
Lithium Concentrate Offtake Contract
Subscription for Shares in North American Lithium Inc.**

OFFTAKE CONTRACT AND NAL SHARE SUBSCRIPTION

On 9 June 2017, a wholly-owned subsidiary of the Company, BCL, entered into the Offtake Contract with NAL, pursuant to which, BCL will receive a high grade lithium concentrate of 80% of the total production of the La Corne Lithium Mine Project in Quebec, Canada. The Offtake Contract is for a period of three years, after which BCL may extend such right of purchase to the same for subsequent five years. The purchasing price will be determined by both parties based on market conditions.

BCL undertakes to subscribe for no more than approximately 10% stake in NAL (upon completion of the NAL Listing) for a total Consideration of CAD25,000,000 (equivalent to approximately HK\$145,000,000).

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the NAL Share Subscription exceed 5% but less than 25%, the NAL Share Subscription constitutes a discloseable transaction for the Company and accordingly, is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 9 June 2017, a wholly-owned subsidiary of the Company, BCL, entered into a lithium concentrate Offtake Contract with NAL.

OFFTAKE CONTRACT

Date: 9 June 2017

Sellers: North American Lithium Inc.

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

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

Pursuant to the Offtake Contract, BCL will receive a high grade lithium concentrate of 80% of the total production from NAL of the La Corne Lithium Mine Project in Quebec, Canada, while another 20% of the total production is reserved for sale to an European commodity trader. The Offtake Contract is for a period of three years, after which BCL may extend such right of purchase to the same for subsequent five years. The purchasing price will be determined by both parties based on market conditions. The first shipment of lithium concentrate will start from around the 3rd quarter, and till the end of 2017, BCL will receive approximately 32,000 dry tons of lithium concentrate from the project. Subsequently, BCL will receive the amount not less than 80,000 dry tons per year.

NAL Share Subscription

Pursuant to the Offtake Contract, BCL has promised to pay the Consideration in a total of CAD25,000,000 for the subscription of approximately a total of 6,000,000 common shares of NAL (representing approximately no more than 10% of the enlarged share capital of NAL upon completion of the NAL Listing). BCL shall pay the Consideration to NAL on or before 10 July 2017. If NAL Listing fails to complete by 30 September 2017, the CAD10,000,000 payment by BCL will be for the subscription of certain common shares of NAL and the CAD15,000,000 payment by BCL will become an advance payment made by BCL to NAL for the purchase of products under the Offtake Contract and will be repaid by NAL to BCL by way of set-off against the purchase price for the products in accordance with the Offtake Contract.

The payment for the Consideration for the NAL Share Subscription will be funded by internal resources of the Group.

Completion

The Offtake Contract is legally binding to the parties once signed.

The terms of the Offtake Contract (including the consideration for NAL Share Subscription) were arrived at after arm's length negotiation between BCL and NAL. The consideration for NAL Share Subscription was determined with reference to net assets value of NAL, current market price of lithium concentrates and market trends.

INFORMATION OF THE GROUP AND BCL

The Group is principally engaged in international metal and lithium concentrate trading, processing, sale of related product and mineral resources investment. The Group owns an interest in Magnetite Iron Ore mine in Shandong Province of China and also holds approximately 22% equity of Kazakhstan Potash Corporation Limited ("KPC"), a listed company on the Australian Securities Exchange 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 15,000 tons in China. BCL, on 20 April 2017, has signed another exclusive lithium concentrate contracts with several sellers in Australia. The Offtake Contract with NAL in Canada is an another crucial project of the Group's commitment to developing its lithium business.

INFORMATION OF NAL

NAL is a company incorporated in Canada which is 75% owned by Jien International Investments Ltd. and 25% owned by Investissement Quebec. Its management has rich experiences in lithium industry and Quebec mining. NAL plans to be listed its shares on Toronto Stock Exchange in Canada in September 2017, is North America's only near-term largest low cost lithium concentrate producer.

According to the financial information from the audited financial statements of NAL, NAL had an audited net asset value of approximately CAD127.1 million as at 31 December 2016. The following table shows certain audited financial information of NAL prepared under International Financial Reporting Standards for the period from the date of its incorporation on 17 December 2015 to 31 December 2016:

	For the year ended 31 December 2016
	<i>CAD'000</i>
Net income before income taxes	85,038
Net income and comprehensive income	85,038

REASONS FOR AND BENEFITS OF THE OFFTAKE AGREEMENT AND THE NAL SHARE SUBSCRIPTION

Lithium

Lithium is the lightest metal with the highest energy density allowing it to supply the maximum charge per kilogram.

Global hard rock lithium resources are highly scarce with its main production area in Australia and Canada. Lithium concentrate is raw material for lithium carbonate processing. Lithium carbonate, widely used in mobile phones, digital products, military, as well as large capacity domestic energy storage systems and electric vehicles, is the fundamental material for producing lithium battery.

La Corne Lithium Mine Project

La Corne Lithium Mine Project is located at 60 km north of Val-d'Or, Quebec, Canada, approximately 38 km southeast of Amos, 15 km west of Barraute, with excellent site infrastructure in place - natural gas, hydropower, highways, rail access. The mine was discovered in 1942 and produced 3,800 tonnes of LiCO₃ sold to US Atomic Agency during 1955-1965, with owners changed several times since 1987. Site re-construction began right after environmental/construction permits obtained in 2011. A feasibility study released in 5 December 2011 reported that resources reaching 33.24 million tons grading 1.19 Li₂O for 15 year mine life. NAL, a joint venture partnership between Jien International Investments Ltd. and Investissement Quebec, completed acquisition of the mine in June 2016 and by bringing in lithium experts and proceeding site rehabilitation and further exploration, re-engineered the project to become North America's only near-term lithium producer.

La Corne Lithium Mine Project currently holds a mining lease valid until 2032, with an area of 116.39 hectares and 19 exploration rights covering an area of 582.30 hectares. The main mining area includes an open pit mine and a lithium carbonate plant worth over CAD200 million with annual production capacity of 20,000 tons of battery-grade lithium carbonate. Upon commercial operation in mid-2017, it is expected to have 1.6 million tons mined from underground.

The Directors consider the Offtake Contract (including the NAL Share Subscription) is fair and reasonable, in line with the Company's principal new business strategy and in the interests of the Shareholders as a whole.

DEFINITIONS

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

“BCL”	Burwill Commodity Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Board”	the Board of Directors
“CAD”	Canadian Dollars, the lawful currency of Canada
“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
“Consideration”	the consideration in a total amount of CAD25,000,000 (equivalent to approximately HK\$145,000,000) for the NAL Share Subscription pursuant to the Offtake Contract
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Group”	the Company and its subsidiaries
“La Corne Lithium Mine Project”	the lithium mine located at 60 km north of Val-d'Or, Quebec, Canada, which is wholly owned by NAL
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“NAL”	North American Lithium Inc., a company incorporated in Canada
“NAL Listing”	the proposed listing of NAL's shares on Toronto Stock Exchange
“NAL Share Subscription”	the subscription of approximately a total of 6,000,000 common shares of NAL (representing approximately no more than 10% of the enlarged share capital of NAL upon completion of the NAL Listing) by BCL pursuant to the Offtake Contract
“Offtake Contract”	the long-term lithium concentrate offtake contract dated 9 June 2017 entered into between BCL (as buyer) and NAL (as seller)

“Shareholder(s)” holder(s) of the Share(s) of the Company
“Stock Exchange” The Stock Exchange of Hong Kong Limited

By order of the Board
Burwill Holdings Limited
CHAN Shing
Chairman

Hong Kong, 12 June 2017

Unless otherwise specified, the exchange rate of CAD into HK\$ in this announcement are based on the rate of CAD1.00 = HK\$5.812. This is for the purpose of illustration only and no representation is made that any amount in HK\$ or CAD 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. Kwok Wai Lam and Mr. Sham Kai Man as Executive Directors; Mr. Cui Shu Ming, Mr. Chan Ming Fai, Mr. Tsang Kwok Wa and Mr. Cheung Sing Din as Independent Non-Executive Directors; and Mr. Huang Shenglan as Non-Executive Director.