

【PRESS RELEASE】

HONBRIDGE HOLDINGS LIMITED ANNOUNCED ENTERING INTO A LETTER OF INTENT IN RELATION TO ARGENTINA BRINE PROJECT

10 April 2023, Hong Kong - Honbridge Holdings Limited (“Honbridge” / the “Company”) (SEHK: 8137) is pleased to announce that the Company has entered into a letter of intent with Tibet Summit Resources Co., Ltd.* in relation to investment and co-operation (西藏珠峰資源股份有限公司)(“Tibet Summit”) (Shanghai Stock Exchange stock code: 600338) on 6 April 2023 (the “Letter of Intent”).

According to the Letter of Intent, the Company intends to acquire approximately 38.75% equity interests of Tibet Summit Resources Hongkong Limited* (西藏珠峰資源(香港)有限公司)(“Tibet Summit Hong Kong”) at a total consideration of approximately US\$350 million through acquisition of existing shares and/or subscription of new shares, and Tibet Summit owns the remaining 61.25%. Tibet Summit Hong Kong indirectly holds 100% interest in POTASIO Y LITIO DE ARGENTINA S.A.* (“PLASA”) (controlling the Sal de Los Angeles lithium brine project (“Angeles Project”)) and TORTUGA DE ORO S.A.* (“TOSA”) (controlling the Arizaro lithium brine project (“Arizaro Project”)).

In order to develop the Angeles Project with an annual capacity of 50,000 tons of battery-grade lithium carbonate equivalent (“LCE”), Tibet Summit is responsible to obtain the environmental and all other licenses and approvals in relation to the installation, mining, production and sales of products of the Angeles Project, and secure the supply of brine in the cooperation period. The company intends to provide an additional interest-bearing loans of with a maximum amount of US\$600 million for project construction and operation (the “Project Loans”). The positive cash flow generated after the Angeles Project commenced production will be used to repay the principal and interest of the Project Loans first. Afterwards, Tibet Summit and the Company will distribute the profits or products generated by the Angeles Project through Tibet Summit Hong Kong in proportions of 50.1% and 49.9%, respectively.

In addition, Tibet Summit agrees to grant the Company an exclusivity period of 4.5 months from the date of the Letter of Intent and the priority right to co-operation in relation to the Arizaro Project. The two parties agreed to continue to conduct due diligence under this framework, to negotiate agreements in relation to the equity investment in Tibet Summit Hong Kong and the Project Loans, and the cooperation arrangement in relation to the Angeles Project. Except the terms in relation to the exclusivity, the terms in the Letter of Intent is non-legally binding.

According to Mr. He Xuechu, the Chairman of Honbridge, Being as the most fundamental raw material of Lithium battery, Lithium Carbonate's large scale usage in industry is just a start in this super race course. The company hopes to grasp the opportunity to tap into the industry so as to create more value for the shareholders.

The Angeles Project

The Angeles Project is owned by PLASA, a wholly-owned subsidiary of Tibet Summit Hong Kong. Angeles Project holds a total of 39 mining concessions. The project exploration work has been completed, and the NI43-101 resource report has been submitted, the lithium resource is 2.05 million tons of LCE, which is a world-class lithium resources. The average lithium concentration of the deposit is about 490mg/L, and the average magnesium-lithium ratio is 3.8:1. The resource is better than average brine resources. PLASA is preparing to set up a 50,000-ton LCE project in the Sal de Los Angeles lithium brine, and is in a stage of preparing supplementary information in relation to the environmental licensing ("EIA") application. According to the feasibility study report of a consulting company, the total investment of the project is about US\$700 million, and the cost per ton of lithium carbonate is approximately US\$5,000. The actual cost can only be estimated more accurately depending on the process route and related costs.

The Alizaro Project

The Alizaro Project is owned by TOSA, a wholly-owned subsidiary of Tibet Summit Hong Kong, is located in the core area of the "Lithium Triangle" in South America, which is rich in lithium ore. Covering an area of 1970 square kilometers, the Alizaro brine is one of the largest lithium brines in South America. Alizaro Project has 12 mining concessions in the lake, covering an area of 365.78 square kilometers. At present, Alizaro Project is still in the preliminary exploration stage, and the environmental impact assessment report for in-depth exploration has recently been approved by the local approval agency in Argentina. According to the preliminary research of a consulting company, the resource of the Alizaro Project may reach more than 10 million tons of LCE. TOSA is preparing to implement the detailed exploration of the Alizaro Project, as well as preparing for the construction of a project with an annual production capacity of 100,000 tons of LCE.

For Enquiries:

Honbridge Holdings Limited
Mr. Liu Wei, William
Tel: +852 2879 8888

~End~