
GANFENG JV FORMALISED & US\$170 MILLION FUNDING PACKAGE TRIGGERED

- All conditions precedent for Ganfeng's investment into the Goulamina Project have now been met following transfer of the Goulamina Exploitation Licence
 - US\$130 million in cash to flow to the JV Company, with US\$39 million in funding to be released from escrow to the JV Company and a further US\$91 million to be transferred by Ganfeng in the coming days
 - Ganfeng required to provide a further US\$40 million in Ganfeng debt or source US\$64 million in third party debt
 - Firefinch will now proceed with the demerger of Goulamina into Leo Lithium Limited in accordance with regulatory timeframes
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Firefinch Limited (**ASX: FFX**) (**Firefinch** or **the Company**) is pleased to announce that, following the transfer of the Exploitation Licence for the Goulamina Lithium Project (**Goulamina** or the **Project**) to Lithium du Mali SA (**LMSA**) a wholly owned subsidiary of the JV Company, the final condition with respect to Jiangxi Ganfeng Lithium Co. Ltd's (**Ganfeng**) investment into the Project has now been satisfied. Firefinch and Ganfeng now each hold a 50% interest in the JV Company.

This follows the satisfaction of all other conditions precedent including securing a "letter of no objection" from the Malian Government in relation to Ganfeng's investment into the JV Company and the parties agreeing to make a Final Investment Decision in respect of the Project (refer announcement dated 4 January 2022).

The satisfaction of the conditions precedent triggers US\$130 million of equity funding to be provided to the JV Company by Ganfeng, with US\$39 million to be released from escrow and received by the JV Company and a further US\$91 million is due to be transferred to the JV Company by Ganfeng in the coming days.

Ganfeng is further obliged to provide either US\$40 million of Ganfeng direct debt or source US\$64 million of third-party debt. Taken together, Ganfeng's debt and equity funding package of at least US\$170 million is expected to substantially fund the Project through the development phase.

Importantly, the procurement and tendering of long lead items for the Project is already underway to accelerate the commencement of construction. Tenders for the ball mill and crushing equipment are expected to be released to providers in early April, well ahead of Leo Lithium Limited's (**Leo**) likely listing date to the ASX. Ganfeng is assisting with tenders to be sent to their supplier network in China.

The demerger of Leo (the Firefinch group entity which holds the Company's interest in the JV) from Firefinch (**Demerger**) can now proceed. In the coming weeks, Firefinch will issue a definitive timeline for release of the Notice of Meeting and accompanying short form prospectus. If the Demerger is approved by Firefinch shareholders, Leo expects to undertake a pro-rata entitlement offer and seek admission to the official list of ASX.

Firefinch Managing Director, Dr Michael Anderson, said:

“This is a long awaited and significant milestone. We have been working tirelessly to progress the joint venture and demerger process to deliver value for shareholders and are delighted to be on the brink of achieving the intended result.”

Leo Managing Director, Simon Hay, commented:

“This is this a tremendous step along the path to listing Leo Lithium and developing Goulamina as one of the world’s largest lithium producers¹. The combined debt and equity funding package of at least US\$170 million from Ganfeng means Leo can now accelerate work on the Goulamina Project. Behind the scenes we have been working with our partner Ganfeng, who will provide funding, offtake and operational support to significantly de-risk development. Assuming the approval of Firefinch shareholders, the demerger will bring Leo Lithium to life. I’m incredibly excited about the opportunity ahead and look forward to hitting the ground running come listing.”

Xiaoshen Wang, Vice Chairman of Ganfeng, commented:

“We are very pleased to have cemented our partnership with Firefinch, and soon Leo Lithium, at Goulamina. We believe this project is of significant global importance to the lithium supply chain and look forward to supporting the development of project as we jointly bring the Goulamina into production.”

This announcement has been approved for release to the ASX by the Board.

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¹Stage 2 (4Mtpa) first 5 year steady state production is 831ktpa (refer Announcement dated 6 December 20210)

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Firefinch (ASX: FFX) is a Mali focussed gold miner and lithium developer. Firefinch has an 80% interest in the Morila Gold Mine (**Morila**) and it currently owns 100% of the Goulamina Lithium Project (**Goulamina**).

The Morila Gold Mine is one of the world's great open pit gold mines, having produced over 7.5Moz of gold since 2000 at grades that were among the highest in the world, earning it the moniker "Morila the Gorilla". Firefinch acquired Morila for just US\$28.9 million in late 2020 with the strategic intent to rapidly increase production; initially targeting 70-90kozpa of gold from a combination of satellite pits, stocks and tailings, and thereafter growing production to 150-200kozpa of gold by mining the Morila Superpit. Morila's current Global Resource is 2.51 million ounces of gold (Measured: 1.73Mt at 0.5g/t gold for 0.03Moz, Indicated: 27.8Mt at 1.48g/t gold for 1.33Moz and Inferred: 23.2Mt at 1.56g/t gold for 1.16Moz). However, Morila's geological limits have not been tested. Exploration is therefore a major focus at the existing deposits and multiple targets on the 620km² of surrounding tenure.

Goulamina is one of the world's largest undeveloped high quality spodumene deposits. In partnership with Ganfeng, Firefinch will bring the project into production. A 50/50 incorporated joint venture has been established, with Ganfeng contributing US\$194 million in development funding, comprising US\$130 million in equity funding and US\$40-64 million in debt funding. All permits are in place and the Definitive Feasibility Study Update confirmed Goulamina as a long life, large scale and low-cost open pit project expected to produce 726,000 tonnes of spodumene concentrate at an average cash cost of US\$312/t. Goulamina has high grade, low impurity Ore Reserve of 52Mt at 1.51% Li₂O for 0.79Mt contained Li₂O comprising 8.1 million tonnes of Proven Ore Reserves at 1.55% Li₂O and 44.0 million tonnes of Probable Ore Reserves at 1.50% Li₂O. Goulamina has a Mineral Resource of 109Mt at 1.45% Li₂O for 1.57Mt contained Li₂O comprising 8.4 million tonnes at 1.57% Li₂O in the Measured category, 56.2 million tonnes at 1.48% Li₂O in the Indicated category and 43.9 million tonnes at 1.45% Li₂O in the Inferred category. The Company is in the process of demerging Goulamina into a new ASX listed entity, Leo Lithium.

Firefinch is a responsible miner. We support positive social and economic change through contributing to the communities in which we operate. We seek to buy local, employ local and back local socio-economic initiatives, whilst operating in a manner that safeguards the environment and places our team's safety and wellbeing as our first priority.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources at Goulamina and Morila and the production estimates for Goulamina. The Company also confirms that all material assumptions and parameters underpinning the Mineral Resource estimates and production estimates continue to apply and have not materially changed. Please refer to ASX Announcements of 8th July 2020, 20th October 2020 and 6th December 2021 (Goulamina), 8th February 2021 (Morila Resource), 7th September 2020 and 28th April 2021 (Morila Tailings), 24th November 2020, 3rd May 2021, 10th August 2021 and 24th March 2022 (N'Tiola, Viper, Domba, Koting, Morila Pit 5), and 17th January 2022 and 28th January 2022 (Morila Gold Production, Ore Reserves and Production Targets).