

## Quarterly Activities Report

For period ending 30 September 2022

### ABOUT FIREFINCH LIMITED

Firefinch (ASX: FFX) is a gold miner focussed on the Morila Gold Mine in Mali.

Morila is one of the world's great open pit gold mines, having produced over 7.5 million ounces of gold since 2000 at grades that were among the highest in the world, earning it the moniker "Morila the Gorilla". With a 17.61% retained stake in Leo Lithium, Firefinch also has exposure to lithium.

Firefinch acquired Morila in late 2020 and set about reviving the great mine which was slated for closure by its previous owners, mining majors Barrick and AngloGold. Firefinch has invested heavily to return Morila to full production.

Morila's current Global Resource for the Project is 3.58 million ounces of gold (Measured: 10.7 million tonnes at 1.65g/t gold for 0.6 million ounces of gold, Indicated: 49.5 million tonnes at 1.38g/t gold for 2.2 million ounces of gold and Inferred: 13.2 million tonnes at 1.91g/t gold for 0.8 million ounces of gold). However, the limits of the Morila Deposit have not been defined or closed off. Firefinch aims to materially expand resource and reserves through drilling and exploration.

Firefinch is a responsible miner, and we endeavour to make a difference to our local communities on multiple levels; by providing a safe and rewarding workplace, following best environmental practices and contributing economic benefits regionally by employing and buying locally.

#### Key metrics as at 30/09/2022

Shares on issue (FFX)	1,181,243,221
Share Rights on issue	4,188,600
Cash & Equiv (30 Sep 22)	A\$54.5M

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### Morila Gold Mine

- Gold production of 19,744 ounces of gold from Morila for Q3 CY2022, a new record under Firefinch ownership including a new monthly production record of 8,122 ounces (August)
- Morila Gold Project's total Mineral Resources now in excess of 3.5 million ounces, after the Mineral Resources for the Morila Deposit increased by over a million ounces to 3.3 million ounces
- Production Target of approximately 180,000 ounces defined for the 18 month period to March 2024 as part of the Medium Term Production Plan (MTPP) based on updated Mineral Resources<sup>1</sup>
- Updates to Ore Reserve and long term Life of Mine Plan to be finalised in Q4 CY2022
- Firefinch requested a continuation of voluntary suspension of trading of its shares on ASX pending the finalisation of a funding proposal. An equity raise was announced but was suspended due to downward movements in the gold price as well as weakness in the A\$/US\$ exchange rate
- As part of the proposed equity raise, the Company's current creditors agreed to convert approximately US\$28 million of outstanding debt and future liabilities to equity, subject to shareholder approval
- Firefinch is undertaking further assessment of its funding requirements and options

### Corporate

- Cash and cash equivalents available of A\$54.5 million at 30 September 2022 (including A\$8.2 million of gold in transit)
- Mr Scott Lowe was appointed as Managing Director effective 17 October 2022
- Mr Nathan Bartrop resigned as Company Secretary
- Mr Stuart Usher has been appointed as Company Secretary

<sup>1</sup> Refer announcement dated 21 September 2022

## Overview of Activities for September Quarter

### *Morila*

At Morila, safety is Firefinch's number one priority. There were no serious injuries or incidents during the quarter.

Gold production during Q3 CY2022 was 19,744 ounces of gold, a new record under Firefinch's ownership. Gold production was 5,339 ounces of gold for July, 8,122 ounces of gold for August and 6,276 for September. The August monthly production is the highest monthly production for Morila under Firefinch's ownership with improved production driven by increases in head grade to 1.52g/t (vs 0.61g/t in the June quarter) and recovery to 90.3% (vs 84.3% in Q2 CY2022)<sup>2</sup>. Ore from the Morila Super Pit (**MSP**) comprised approximately 58% of the feed during Q3 CY2022 which is forecast to increase to 65% in Q4 CY2022.

Operations have successfully pivoted to the new development plan, with mining only undertaken at the MSP and Viper pits since early July. The larger fleet at the MSP has assisted in minimising the impacts of the wet season and equipment downtime during the month. Total material moved (**TMM**) improved over Q3 CY2022 due to greater equipment availability with movement at the MSP at 95% of the target. Tonnes processed was 6% below target for Q3 CY2022 but mitigated by both grade and recovery being above target.

Plant performance for the quarter was reasonable with recovery and mill-run hours being on target. The high proportions of fresh material have been testing both the crushing and milling circuits. Work commenced during the quarter on mill capacity, and further debottlenecking projects are planned for the next 6 months to increase throughput rates to target levels.

### Outlook for December Quarter

#### *Morila*

With the finalisation of the MTPP during Q3 CY2022, the focus for Q4 CY2022 is to safely implement the plan onsite at Morila. The Company continues to investigate funding options to fund Morila through the MTPP and the development required to establish a sustainable and profitable operation.

A key piece of work for Q4 CY2022 is to finalise the updated Life of Mine Plan (**LOMP**) which will include updated Ore Reserves, mining and production schedules and operating cost estimates for the Morila Gold Project. Following completion of the LOMP, a number of studies can commence aimed at optimising different phases within the LOMP as well as assessing expansion opportunities such as Phase 2 pit cutbacks and underground mining.

New contract mining equipment has arrived on site with additional mining equipment being mobilised, assembled and commissioned during Q4 CY2022. This will contribute to an increase in mining capacity in line with the MTPP.

### Morila Mine Operations

#### *Health and Safety*

There were no serious injuries during Q3 CY2022.

COVID-19 management continues and is not impacting business performance.

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<sup>2</sup> Refer ASX Announcement 1<sup>st</sup> August 2022.

Morila has a best-in-class malaria control program, and these programs continue to be deployed in the workplace and communities. The programs have been effective during wet season with malaria levels for employees and contractors remaining in line with historic levels (<1%).

### **Community and Workforce**

The Morila Communities Team has undertaken work in conjunction with the Government of Mali to refresh the Local Community Development Group (**LCDG**) and align the working processes to the requirements of the 2019 Mining Code. The new LCDG structure and processes have been rolled out to local community stakeholders and work is in progress to develop a refreshed community development plan in the context of the current fiscal environment.

Work to ensure conformance with International Finance Corporation (**IFC**) performance standards has continued during Q3 CY2022, in particular the Resettlement Action Planning.

Firefinch is committed to maximising local content and has continued to employ locally and engage Malian contractors for the provision of services at Morila. We are very proud to report that our work force at Morila is approximately 2,099; consisting of approximately 394 direct employees and 1,705 contractors, and employing less than 5% expatriates.

### **Morila Physical and Financial Performance**

Morila Q3 CY2022 production was 19,744 ounces of gold, which is a record for the mine under Firefinch's ownership, including a monthly production record of 8,122 ounces of gold in August. This is the highest level of monthly production from the mine since January 2015. The table below details the performance of the Morila mine for Q3 CY2022 in comparison with Q2 CY2022.

	Unit	1 July 2022 to 30 September 2022	1 April 2022 to 30 June 2022
<b>Mined Ore Tonnes</b>			
Tailings	kt	-	-
Morila	kt	697	55
N'tiola	kt	9	35
Surfen	kt	-	38
Viper	kt	282	404
<b>Total</b>	<b>kt</b>	<b>988</b>	<b>532</b>
<b>Mined Waste Tonnes</b>			
Morila	kt	4,003	1,942
N'tiola	kt	15	1,774
Surfen	kt	-	41
Viper	kt	1,187	1,620
<b>Total</b>	<b>kt</b>	<b>5,206</b>	<b>5,377</b>
Total material movement	kt	6,194	5,909
Total material movement	k.BCM	2,504	3,202
<b>Mined Grade</b>			
Tailings	g/t gold	-	-
Morila	g/t gold	0.88	0.47
N'tiola	g/t gold	0.61	0.59
Surfen	g/t gold	-	0.92
Viper	g/t gold	1.02	0.92
<b>Total</b>	<b>g/t gold</b>	<b>0.92</b>	<b>0.84</b>

	Unit	1 July 2022 to 30 September 2022	1 April 2022 to 30 June 2022
<b>Processing</b>			
Ore milled	kt	590	846
Grade	g/t	1.15	0.61
Contained gold	oz	21,713	16,533
Recovery	%	91%	84%
Gold in Circuit	kg	69.4	48.9
Gold produced	oz	19,744	13,334
Gold sold	oz	19,695	13,604
Average realised gold price	US\$/oz	1,722	1,852
Gold revenue	US\$ ('000)	33,918	24,802
<b>Ore stockpiles</b>			
Stockpile ore	kt	579	216
Stockpile grade	g/t gold	0.55	0.52
Stockpile contained gold	oz	10,190	3,594
<b>Operating cost</b>			
Gross mining costs	US\$ ('000)	22,110	22,945
Processing costs	US\$ ('000)	19,472	16,924
Site administration costs	US\$ ('000)	7,461	5,980
Royalties <sup>1</sup>	US\$ ('000)	681	2,217
Metal Inventory movements	US\$ ('000)	(9,952)	719
Capitalised stripping costs	US\$ ('000)	-	(12,055)
By-product credits	US\$ ('000)	(53)	(54)
<b>Operating cost<sup>1</sup></b>	<b>US\$ ('000)</b>	<b>39,719</b>	<b>36,676</b>
Average FX used for reporting	USD --> CFA	650.7	615.2
Bullion awaiting settlement	US\$ ('000)	5,309	3,652

**Table notes:**

<sup>1</sup> In previous reports royalties have not been separately detailed in costs. Government royalty payments have been offset against the VAT credit held by Morila SA.

<sup>2</sup> Amounts in the table are unaudited.

## **Mining**

As detailed in the Q2 CY2022 Activities Report, mining activities at Morila have been streamlined with a single mining contractor at each of the MSP and the Viper pit. This has resulted in improved mining performance at the MSP with a larger fleet ensuring that material movement (ore + waste) progressing as planned, and ore mining was achieved in line with targets. The MSP became the primary source of ore during Q3 CY2022 as planned, contributing 58% of total ore feed (increasing from 41% in July to 72% in September). Mining at Viper is ongoing but was affected by the constrained size of the pit as it nears completion, as well as wet season impacting on mining and hauling. Additional MSP ore was mined and processed in place of Viper ore. Mining at N'Tiola, that was largely pre-stripping, ceased at the start of Q3 CY2022 after extraction of available exposed ore.

As announced during Q3 CY2022 a new MTPP has been designed and is being implemented on site. The MTPP assumes that mining is only carried out at the MSP and the Viper open pit. The predominant ore feed will be from the MSP during the MTPP with Stage 1 ore being mined to Q2 CY2023 in parallel with Stage 2 waste stripping. The new MTPP envisages mining and processing of 4.17 million tonnes at 1.54 g/t gold to end March 2024 for a forecast total of 189,000 ounces of gold to be recovered and a target quarterly production ramping up to approximately 30,000 ounces of recovered gold per quarter (average). Further details are included in the Mine Planning section below.

### **Capital Works – Plant, Power, Laboratory, TSF and Tailings Repatriation**

The Morila processing plant continued to operate on a 24/7 basis as the rollout of Plant Improvement Projects continued during Q3 CY2022.

There was unplanned plant downtime at the end of Q3 CY2022 to replace bushes on the primary crusher. The crusher was down for approximately two days. Other than this, the plant ran smoothly and had no other significant downtime events during Q3 CY2022. Multiple planned mini shuts have helped improve reliability in several areas and have allowed focus in some of the potential problem areas of the plant. In September a SCADA system upgrade was completed, and an improved downtime management system. This will assist to improve plant reliability and allow the use of this data to better forecast and plan.

Refurbishment of the diesel power units in the Morila power station is almost complete with the fourth and final genset rebuild starting in Q3 CY2022 and on track for completion in October 2022.

MSALABS Limited has been operating the laboratory at Morila since 1 November 2021 following a period of upgrading the current laboratory and installing new equipment. Turnaround time for samples from grade control, exploration and the plant has improved. The installation of the Chrysos Photon Assay analyser was completed in Q3 CY2022 and is now undergoing calibration and testing.

Tailings from processing activities are being deposited into the Tailings Storage Facility (TSF). Sufficient capacity has been established for 2022. Regulatory approvals have been completed to increase capacity within the existing footprint. The internal division wall has been raised by 2m in Q3 CY2022 to maintain sufficient freeboard on the western side of the TSF. The first 5m raise of the TSF is planned to start in January 2023 and be completed by June 2023.

Firefinch appointed Paterson & Cooke (P&C) in Q3 CY2022 to conduct a conceptual feasibility study into various methods that could be used to repatriate the tailings from the pit back onto the TSF. The study concluded that hydraulic mining is the most technically and commercially attractive option. A scope of work has been developed for the detailed design of a new hydraulic mining system and proposals have been requested from experienced hydraulic mining engineering consultants. The detailed design of the hydro-mining system will be undertaken in Q4 CY2022.

### Mineral Resources and Mine Planning Activities

During Q3 CY2022 the Morila Mineral Resource increased to 66.7 million tonnes at 1.55g/t for 3.33 million ounces of gold (Measured, Indicated and Inferred categories as detailed below and in the ASX Announcement of 31 August 2022). The resource is divided into a potentially open pitable resource (which is defined by a pit shell derived using current parameters) and a resource potentially mineable by underground methods.

#### Mineral Resources for the Morila Gold Deposit

Deposit	Measured & Indicated <sup>3</sup>			Inferred			Total		
	Tonnes (millions)	Grade (g/t)	Ounces ('000)	Tonnes (millions)	Grade (g/t)	Ounces ('000)	Tonnes (millions)	Grade (g/t)	Ounces ('000)
Open Pit <sup>1</sup>	54.99	1.46	2,575	3.79	0.99	121	<b>58.78</b>	<b>1.43</b>	<b>2,696</b>
Underground <sup>2</sup>				7.88	2.51	636	<b>7.88</b>	<b>2.51</b>	<b>636</b>
<b>Total Morila</b>	<b>54.99</b>	<b>1.46</b>	<b>2,575</b>	<b>11.67</b>	<b>2.02</b>	<b>756</b>	<b>66.65</b>	<b>1.55</b>	<b>3,331</b>

<sup>1</sup> The Open Pit resource is quoted using a 0.4g/t gold cut-off grade, refer to ASX Announcement of 31 August 2022 for details.

<sup>2</sup> The Underground resources are quoted using a 1.8g/t gold cut-off grade, refer to ASX Announcement of 31 August 2022 for details.

<sup>3</sup> See ASX Announcement of 31 August 2022 for breakdown of Measured and Indicated resources.

The Morila Open Pit resource represents the Mineral Resource reported within a conceptual pit shell generated by pit optimisation using costs derived from long term operational costs at Morila and a gold price of US\$1800/oz as required to satisfy the Reasonable Prospects for Eventual Economic Extraction (RPEEE) criteria under the JORC Code (RPEEE shell).

The Morila Underground resource is the Mineral Resource below the RPEEE shell reported above a cut off of 1.8g/t gold (derived from a database of global underground mining operations utilising mining methods suited to the Morila mineralisation). The Morila Underground resource includes the material previously reported as the Samacline and Morila North East Mineral Resource<sup>3</sup> and also includes mineralisation delineated by drilling at Morila East and Morila MidWest (Figure 1).

As a result of this update, the Global Mineral Resources for the Project (comprising Morila and the satellite deposits) now stands at 73.5 million tonnes at 1.52g/t for 3.58 million ounces of gold. All material mined at the active deposits (Morila, Viper, N'Tiola) up until 30 June 2022 has been surveyed and removed from the Mineral Resource for these deposits.

The update of Mineral Resources for Morila enabled the finalisation of a new MTPP for the period from October 2022 (Q4 CY2022) to March 2024 (Q1 CY2024) which was released during Q3 CY2022. The MTPP is derived from the mining of Stages 1, 2 and 3 at the MSP, being sub-stages of the MSP Phase 1 open pit where Ore Reserves were previously defined in May 2021. The MTPP envisages mining and processing of 4.17 million tonnes at 1.54 g/t gold to end March 2024 for a total of 189,000 recovered ounces of gold and a target quarterly production of an average of 30,000 ounces of recovered gold. The MTPP assumes that mining is only carried out at the MSP and the Viper open pit. The predominant ore feed will be from the MSP during the MTPP with Stage 1 ore being mined to Q2 CY2023 in parallel with Stage 2 waste stripping. Importantly, the input costs and consumption rates used in the MTPP are based on current, actual costs and operating parameters at Morila.

The MSP Phase 1 pit is being designed based on the pit shell selected as part of the recently completed optimisation study. The updated pit design (Phase 1 pit) is currently being completed by Orelogy and will inform an update to the Ore Reserves for Morila enabling a full LOMP to be scheduled and costed. Ore

<sup>3</sup> Refer ASX Announcement 8<sup>th</sup> February 2021.

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Reserves were previously published for Morila in May 2021. Following completion of the LOMP, studies will commence into the expansion of the mine life for Morila, either via a cut back to the Phase 1 pit (Phase 2) or via underground mining. The Company intends to complete a study into underground mining at Morila which will confirm the economics of an underground operation and determine the cut-off grades which should be used for the underground resource in future updates.

### Mineral Resources for the Morila Gold Project (incl. satellites)

Deposit	Measured & Indicated <sup>6</sup>			Inferred			Total		
	Tonnes (millions)	Grade (g/t)	Ounces ('000)	Tonnes (millions)	Grade (g/t)	Ounces ('000)	Tonnes (millions)	Grade (g/t)	Ounces ('000)
<b>Morila Pit</b> <sup>1,4</sup>	54.99	1.46	2,575	3.79	0.99	121	<b>58.78</b>	<b>1.43</b>	<b>2,696</b>
<b>Morila UG</b> <sup>2</sup>				7.88	2.51	636	<b>7.88</b>	<b>2.51</b>	<b>636</b>
<b>N'Tiola</b> <sup>3,4</sup>	2.51	1.03	83	0.35	1.03	12	<b>2.90</b>	<b>1.03</b>	<b>95</b>
<b>Viper</b> <sup>3,4</sup>	1.86	1.16	72	0.69	1.12	25	<b>2.55</b>	<b>1.19</b>	<b>97</b>
<b>Domba</b> <sup>5</sup>	0.20	1.75	11	0.25	1.61	13	<b>0.46</b>	<b>1.67</b>	<b>25</b>
<b>Beledjo</b> <sup>3</sup>	0.65	1.04	22	0.28	0.94	8	<b>0.93</b>	<b>1.01</b>	<b>30</b>
<b>Total</b>	<b>60.21</b>	<b>1.43</b>	<b>2,763</b>	<b>13.24</b>	<b>1.91</b>	<b>815</b>	<b>73.45</b>	<b>1.52</b>	<b>3,579</b>

<sup>1</sup> The Open Pit resource is quoted using a 0.4g/t gold cut-off grade, refer to ASX Announcement of 31<sup>st</sup> August 2022 for details.

<sup>2</sup> UG = Underground. The resources are quoted using a 1.8g/t gold cut-off grade, refer ASX Announcement of 31<sup>st</sup> August 2022.

<sup>3</sup> The N'Tiola, Viper and Beledjo resources are quoted above cut-off grades between 0.35 – 0.5g/t based on forecast costs of mining and processing, refer ASX Announcements 3<sup>rd</sup> May 2021 and 25<sup>th</sup> March 2022.

<sup>4</sup> The Morila Pit, Viper and N'Tiola resources have been depleted for mining as at 30 June 2022.

<sup>5</sup> The Domba resource is quoted using a 0.5g/t gold cut-off grade, refer ASX Announcement 24<sup>th</sup> November 2020.

<sup>6</sup> See ASX Announcement of 31<sup>st</sup> August 2022 for breakdown of Measured and Indicated resources.

### Drilling Activities

During Q3 CY2022 drilling results were announced from drilling at the Morila Super Pit, namely results from the MidWest and Morila East zones of the deposit. Drilling operations ceased at Morila at the start of Q3 CY2022 however samples from the drilling programme are still being processed and assayed.

### MidWest Zone Results

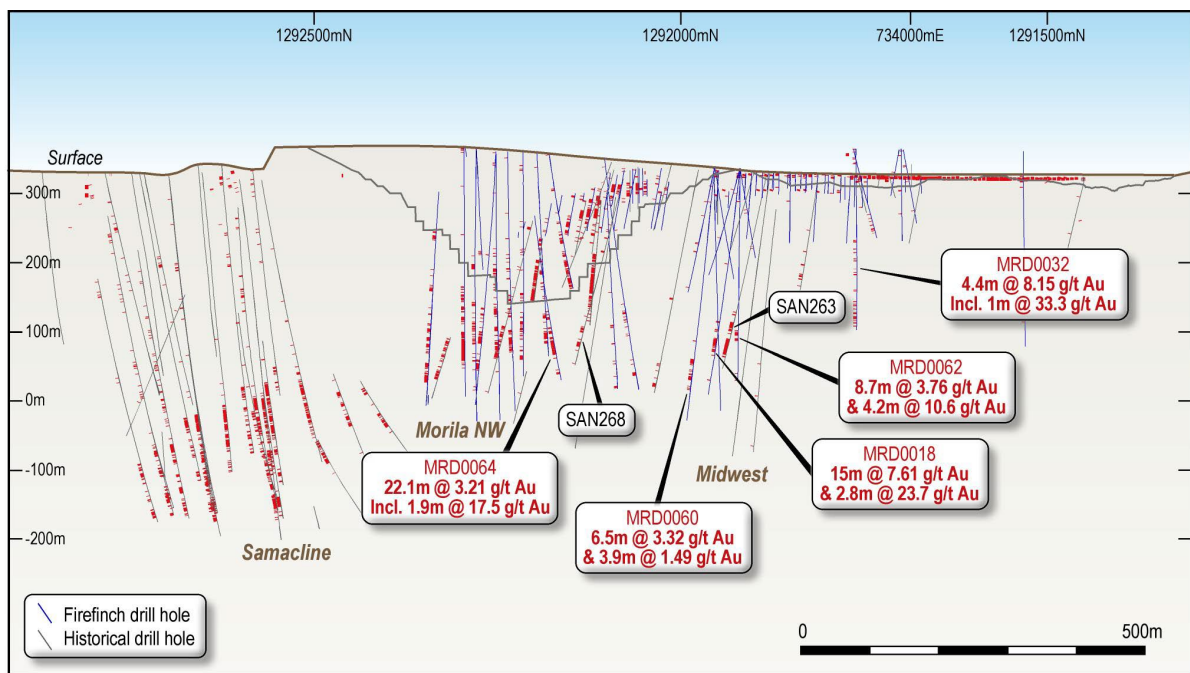
Recent results from the MidWest zone are from drilling which tested the extents of mineralisation intersected in MRD0018, namely 15.0 metres at 7.61g/t gold (including 9.0 metres at 11.1g/t gold) and 2.8 metres at 23.7g/t gold from 236.4 metres (including 0.8 metres at 82.0g/t gold)<sup>4</sup>. Drilling has now been delineated mineralisation over a strike length of approximately 500 metres. Best results included:

- 4.2 metres at 10.60 g/t gold from 294.6 metres incl. 2 metres at 20.8g/t gold (MRD0062)
- 22.1 metres at 3.21g/t gold incl. 1.9 metres at 17.5g/t gold (MRD0064)
- 8.7 metres at 3.76 g/t gold from 241.6m incl. 2.8 metres at 10.1g/t gold (MRD0062)
- 4.4 metres at 8.15g/t gold incl. 1.0 metre at 33.3g/t gold (MRD0032)
- 6.5 metres at 3.32g/t gold from 292.2 metres (MRD0060)

<sup>4</sup> Refer ASX Announcement 22 February 2022.

- 6.0 metres at 2.67g/t gold from 207 metres and 6.0 metres at 2.32g/t gold from 237 metres (MRD0031)
- 40.6 metres at 1.02g/t gold from 262.2 metres (MRD0061)

Mineralisation in this “MidWest” area is interpreted to be a new, unmined lode separated from the main Morila mineralisation by some 250 metres. Mineralisation strikes NNW – SSE, the same orientation as other major mineralised structures. As shown on Figure 1 approximately 500 metres of mineralisation strike has been identified by Firefinch’s drilling, which may be a continuation of, or related to, the Samacline zone. Future drilling will test extensions to mineralisation at Samacline and potential linkages between the Samacline zone and either / or both of the main Morila Deposit mineralisation and the MidWest zone.



**Figure 1:** Long Section showing drilling results from Midwest zone.

### **Morila East Zone Results**

Recent results from drilling at Morila East were released during Q3 CY2022 with best results including:

- 12.7 metres at 3.36g/t gold from 235.2 metres incl. 0.9 metres at 24.5g/t gold (MRD0044)
- 11 metres at 2.88g/t gold from 211 metres incl. 2 metres at 10.4g/t gold (MORC014)
- 9.2 metres at 2.77g/t gold from 165.0 metres incl. 4.4 metres at 4.23g/t gold (MRD0043)
- 6.2 metres at 2.47g/t gold from 186.0 metres and 1.1 metres at 31.0g/t gold from 386.8 metres (MRD0042)
- 4 metres at 2.36g/t gold from 6 metres (MORC014)
- 3 metres at 3.16g/t gold from 151 metres incl. 1 metre at 7.11g/t gold (MORC016)
- 8 metres at 1.55g/t gold from 195 metres (MORC019)



A number of shallow lodes were intersected in Firefinch's drilling in the Morila East area<sup>5</sup>, which were not previously defined in historical drilling. RC drilling was used to infill these intersections in combination with the follow up diamond core holes so that this mineralisation is adequately defined for mine planning purposes.

## Financial Review

Cash and cash equivalents at 30 September 2022 are detailed below.

	A\$ million
Cash and cash equivalents at 30 June 2022	35.6
<b>Cash and cash equivalents at 30 September 2022</b>	<b>46.3</b>
<b>Gold sold during Q3 CY2022 for which proceeds not received by 30 September 2022</b>	<b>8.2</b>
<b>Cash and cash equivalents and gold in transit available at 30 September 2022</b>	<b>54.5</b>

At 30 September 2022, Firefinch had approximately A\$46.3 million in cash and A\$8.2 million in shipped gold bullion with proceeds received mid-October. In addition, Morila has two overdraft facilities with West African banks with undrawn limits of approximately A\$7.8 million. Morila also has approximately US\$32 million in VAT credits available to offset future royalty and certain tax payments as they are incurred. The group trade creditors and accruals balance at 30 September 2022 was A\$79.8 million, up from A\$64.9 million at 30 June 2022.

The Company announced a proposed recapitalisation package with relevant stakeholders, including a placement to institutional investors (**Placement**), MEIM Morila SARL and other trade creditors to facilitate the long-term growth of the Company.

However, as a result of downward movements in the United States dollar gold price and the Australian dollar/ United States dollar exchange rate, the Company, in consultation with the Joint Lead Managers to the Placement, determined that it was not appropriate to complete the Placement as contemplated.

In light of the abovementioned movements in the United States dollar gold price and Australian dollar/ United States dollar exchange rate, the Company will be undertaking further assessment of its funding requirements to successfully execute the MTPP and will advise the outcome of this assessment and alternative funding options in due course.

The Company has a 17.6% shareholding in Leo Lithium which has a current market value of approximately A\$135 million (based on 26 October 2022 close price).

55,000 performance rights lapsed effectively on 28 April 2022 but were reflected in an Appendix 3H lodged with ASX on 6 July 2022, hence the movement was only reflected in Q3 CY2022. Firefinch's issued share capital remains unchanged as at 30 September 2022 at 1,181,243,221 fully paid shares.

	Balance at 30 June 2022	Issue of Shares	Lapse of Performance Rights	Balance at 30 September 2022
<b>Fully paid shares</b>	1,181,243,221	-		1,181,243,221
Performance Rights	4,243,600	-	(55,000)	4,188,600

<sup>5</sup> Refer to ASX Announcement 21<sup>st</sup> December 2021.

### ***Partial Amended Notice of Tax Assessment for 2017 and 2018 – Morila Mine***

The Company disclosed in previous Quarterly Activities Reports, and its 2021 Annual Report, details of the Partial Amended Notice of Tax Assessments it received in relation to Morila from the Malian tax department concerning the 2017 and 2018 fiscal years.

The Company continues to proactively push to bring this matter to a satisfactory conclusion though no progress was made during Q3 CY2022. At this time, both Partial Amended Notice of Tax Assessments remain open.

### ***Related Party Payments***

Payments of \$587,075 were made to related parties being the Non-Executive Directors' Fees as set out in Section 6.1 of Appendix 5B.

### ***Third Party Discussions***

The Company confirms that, as previously disclosed, it remains in discussions with third parties regarding a range of funding options. There is no guarantee this will lead to any transaction.

If there are material developments in the future, the Company will inform shareholders in accordance with its continuous disclosure obligations.

### ***Permit Status***

The Company has six research tenements, one mining tenement hosting the Morila gold mining operations, and one mining tenement hosting the Finkola gold project. Six tenements are located within the Circle of Bougouni and two tenements in the Circle of Kati, in Mali. All tenements are in good standing. A tabulation of the Company's tenure in Mali is given below.

**Morila PE 99/15 (Morila Gold Project).** The Morila Exploitation Permit (211.2 km<sup>2</sup>) was initially issued on the 4 August 1999, under Decree N°99-217/PM-RM for a validity period of 30 years. The Decree was modified by Decree N°99-361/PM-RM dated 17 November 1999 to authorise the transfer of the Morila Mining Permit to a dedicated entity "Société des Mines de Morila" (**Morila SA**), then modified by Decree N°2018-0441/PM-RM date 17 May 2018, which modified the surface area of the permit, to include areas of Viper and N'Tiola. Firefinch owns 80% of Morila SA. The Morila Exploitation Permit is valid until 4 August 2029.

**Finkola: PEGM 2022/29.** An Exploitation Permit for Gold and Group 2 Mineral Substances was issued under Decree No2022-0200/PM-RM du 24 March 2022 at Finkola (Circle of Bougouni). An exploitation company was created, and the process is underway for the contributory audit for exploration expenditure transfer into the newly established company.

**Makono: PR 21/1126.** The Ministry of Mines, Energy and Water has issued Arrêté No2021-1554/MMEE-SG dated 14 April 2021, which granted the research tenement of Makono to Birimian Gold Mali, a subsidiary of Firefinch.

**Diokélébougou: PR 21/1127.** The Ministry of Mines, Energy and Water has issued Arrêté No2021-1553/MMEE-SG dated 14 April 2021, which granted the research tenement of Diokélébougou to Birimian Gold Mali, a subsidiary of Firefinch.

**N'Tiola:** The Ministry of Mines, Energy and Water has issued Arrêté No2021-4624/MMEE-SG dated 8 November 2021, which granted the research tenement of N'Tiola to Birimian Gold Mali, a subsidiary of Firefinch.

**Finkola Sud: PR 22/1280.** The Ministry of Mines, Energy and Water has issued Arrêté No2022-4456/MMEE-SG dated 27 September 2022, which granted the research tenement of Finkola-Sud to Timbuktu Ressources SARL, a subsidiary of Firefinch.

**Sanankoroni: PR 16-805 1BIS.** The Ministry of Mines and Petroleum has issued the Arrêté #2022-1455/MMEE-SG dated 12 May 2022 for the Permit of Sanankoroni, extending Permit validity until 11 October 2024.

**Finkola Nord: PR 20/1081.** The Ministry of Mines and Petroleum has issued the Arrêté #2020-1303/MMP-SG dated 1 April 2020 for the Permit of Finkola Nord. The permit is valid for three years, until 31 March 2023, and the validity is renewal twice upon request by the Company.

This announcement has been approved for release by the Board for Firefinch.

**For Enquiries:**

info@firefinchltd.com  
+61 8 6149 6100

**Table 1: Mineral Resources for the Morila Gold Project**

Deposit	Measured & Indicated <sup>6</sup>			Inferred			Total		
	Tonnes (millions)	Grade (g/t)	Ounces ('000)	Tonnes (millions)	Grade (g/t)	Ounces ('000)	Tonnes (millions)	Grade (g/t)	Ounces ('000)
<b>Morila Pit <sup>1,4</sup></b>	54.99	1.46	2,575	3.79	0.99	121	<b>58.78</b>	<b>1.43</b>	<b>2,696</b>
<b>Morila UG <sup>2</sup></b>				7.88	2.51	636	<b>7.88</b>	<b>2.51</b>	<b>636</b>
<b>N'Tiola <sup>3,4</sup></b>	2.51	1.03	83	0.35	1.03	12	<b>2.90</b>	<b>1.03</b>	<b>95</b>
<b>Viper <sup>3,4</sup></b>	1.86	1.16	72	0.69	1.12	25	<b>2.55</b>	<b>1.19</b>	<b>97</b>
<b>Domba <sup>5</sup></b>	0.20	1.75	11	0.25	1.61	13	<b>0.46</b>	<b>1.67</b>	<b>25</b>
<b>Beledjo <sup>3</sup></b>	0.65	1.04	22	0.28	0.94	8	<b>0.93</b>	<b>1.01</b>	<b>30</b>
<b>Total</b>	<b>60.21</b>	<b>1.43</b>	<b>2,763</b>	<b>13.24</b>	<b>1.91</b>	<b>815</b>	<b>73.45</b>	<b>1.52</b>	<b>3,579</b>

<sup>1</sup> The Open Pit resource is quoted using a 0.4g/t gold cut-off grade, refer to ASX Announcement of 31 August 2022 for details.

<sup>2</sup> UG = Underground. The resources are quoted using a 1.8g/t gold cut-off grade, refer ASX Announcement of 31 August 2022.

<sup>3</sup> The N'Tiola, Viper and Beledjo resources are quoted above cut-off grades between 0.35 – 0.5g/t based on forecast costs of mining and processing, refer ASX Announcements 3 May 2021 and 25<sup>th</sup> March 2022.

<sup>4</sup> The Morila Pit, Viper and N'Tiola resources have been depleted for mining as at 30 June 2022.

<sup>5</sup> The Domba resource is quoted using a 0.5g/t gold cut-off grade, refer ASX Announcement 24 November 2020.

<sup>6</sup> See ASX Announcement of 31 August 2022 for breakdown of Measured and Indicated resources.

**Tabulation of Permits**

Name	Km <sup>2</sup>	Number	Status	Owner
<b>MASSIGUI GOLD PROJECT</b>				
Finkola	34.2	PEGM 2022/29 (Exploitation Permit)	Exploitation Permit Effective from 24 April 2022 Expiry date: 23 April 2032	Birimian Gold Mali SARL
Diokélébougou	100	PR 21/1127	Granted for a 3-year term, effective from 14 April 2021 Expiry date: 14 April 2024	Birimian Gold Mali SARL
Finkola-Sud	98	PR 22/1280	Granted for a 3-year term, effective from 27 September 2022 Expiry date: 27 September 2025	Timbuktu Ressources SARL
Finkola Nord	32	PR 20/1081	Granted for a 3-year term, effective from 1 April 2020 Expiry date: 1 April 2023	Sudquest SARL
N'Tiola	64	PR 21/1198	Granted for a 3-year term, effective from 8 November 2021 Expiry date: 7 November 2024	Birimian Gold Mali SARL
<b>DANKASSA GOLD PROJECT</b>				
Makono	32	PR 21/1126	Granted for a 3-year term, effective from 14 April 2021. Expiry date: 14 April 2024	Birimian Gold Mali SARL
Sanankoroni	80	PR 16/805	Second renewal effective from 11 October 2021 for 3 years. Expiry date: 11 October 2024	Timbuktu Ressources SARL
<b>MORILA GOLD PROJECT</b>				
Morila	211.2	PE 99/15	Morila Gold Mine Permit Expiry date: 4 August 2029 / Convention Expiry date: 16 May 2025	Société des Mines de Morila SA

## Forward Looking and Cautionary Statements

This announcement contains “forward-looking information” that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the pre-feasibility and feasibility studies, the Company’s business strategy, plan, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral resources, results of exploration and relations expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions and that the Company’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of lithium, gold and other metals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to or revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

Statements regarding plans with respect to the Company’s mineral properties may contain forward-looking statements in relation to future matters that can be only made where the Company has a reasonable basis for making those statements. Competent Person Statements regarding plans with respect to the Company’s mineral properties are forward looking statements. There can be no assurance that the Company’s plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company’s mineral properties.

## Previously Reported Information

In accordance with Listing Rule 5.23, references to exploration results, estimates of mineral resources or ore reserves have previously been announced, including the information required under Listing Rule 5.22, in the following announcements:

- “Substantial Increase to Goulamina Mineral Resource” dated 8 July 2020
- “Mali Lithium to Acquire Morila Gold Mine to Become Producer” dated 31 August 2020
- “Morila - Tailings Resource and Production Target” dated 7 September 2020
- “Satellite Pit Resources update delivers 1.49M oz of gold” dated 24 November 2020
- “December 2020 Quarter Gold Production” dated 8 January 2021
- “Drilling Update at N’Tiola” dated 22 January 2021
- “2.2 Million Ounce Resource Estimate Transforms Morila” dated 8 February 2021
- “Koting and Pit 5 Drilling Update” dated 5 March 2021
- “Viper delivers high grade gold results” dated 29 March 2021
- “High grade results from drilling at satellite deposits” dated 30 April 2021

- “Global mineral resources at Morila increase to 2.43m oz” dated 3 May 2021
- “Life of mine plan for the Morila Gold Mine” dated 5 May 2021
- “High-grade gold discovery at K3 prospect 21 m at 13.45g/t Au” dated 12 May 2021
- “New satellite deposit identified at K2” dated 25 May 2021
- “Pit 5 delivers more high-grade gold results” dated 1 June 2021
- “Scale of viper mineralised system continues to grow” dated 10 June 2021
- “Morila Gold Production, Ore Reserves and Production Targets” dated 6 July 2021
- “Further Viper Results and Commencement of Mining” dated 10 August 2021
- “Morila Super Pit Delivers 10.5m @30.4g/t gold” dated 18 August 2021
- “Morila Operations and Drilling Update” dated 22 October 2021
- “Drilling at Morila Identifies New High-Grade Zone” dated 21 December 2021
- “Substantial Resource Increases for Viper and N'Tiola” dated 25 March 2022
- “2021 Mineral Resource and Ore Reserve Statement” dated 31 March 2022
- “Morila Resource Increased by Over One Million Ounces” dated 31 August 2022
- “Firefinch to Produce 180,000 Ounces October 2022 – March 2024” dated 21 September 2022

The Company confirms that it is not aware of any other new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.

In accordance with Listing Rule 5.19, information relating to production targets or forecast financial information have been previously disclosed. The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources at Morila. 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 8 February 2021, 31 March 2022 and 31 August 2022 (Morila Resource and Ore Reserves), 3 May 2021 and 25 March 2022 (N'Tiola, Viper, Domba, Koting, Morila Pit 5), 4 July 2022 and 21 September 2022 (Morila Gold Production and Production Targets).

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Firefinch Limited

ABN -

11 113 931 105

Quarter ended

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	38,534	103,345
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) mine administration and corporate costs	-	-
	(f) Goulamina JV and Leo Lithium demerger transaction costs	-	(6,574)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	20	333
1.5	Interest and other costs of finance paid	(343)	(544)
1.6	Income taxes paid	(377)	(1,018)
1.7	Government grants and tax incentives	-	-
1.8	Payments to suppliers and employees	(41,281)	(142,132)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(3,447)</b>	<b>(46,590)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment including mine development	(5,516)	(53,317)
	(d) exploration and evaluation (if capitalised) – Morila Gold Mine	(1,396)	(4,603)
	(e) investments (Leo Lithium)	-	(20,000)
	(f) exploration and evaluation (Goulamina Lithium Project)	-	(5,437)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments – Leo Lithium	12,893	12,893
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	10,295
2.4	Dividends received (see note 3)	-	-
2.5	Other – Reimbursement by Leo of JV costs	8,269	8,269
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>14,250</b>	<b>(51,900)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

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## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-
<p>The Company advises that internal accounting treatment for ASX cashflow reporting has been reviewed and updated this quarter. The year to date values quoted in this report constitute a restatement of the year-to-date values reported in the 30 June 2022 Appendix 5B.</p>			
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	35,683	144,889
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,447)	(46,590)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	14,250	(51,900)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(217)	(130)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>46,269</b>	<b>46,269</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	48,819	40,227
5.2	Call deposits		
5.3	Bank overdrafts	(2,550)	(4,544)
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>46,269</b>	<b>35,683</b>

On 30 September 2022, A\$8.2 million of bullion was shipped with the funds received 12 October 2022. These funds are excluded from Cash and cash equivalents at 5.5.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>6. Payments to related parties of the entity and their associates</b>		<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	587
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

<b>7. Financing facilities</b>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (overdraft facility)	10,368	2,550
7.4	<b>Total financing facilities</b>	10,368	2,550

7.5	<b>Unused financing facilities available at quarter end</b>	7,818
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Morila Gold Mine operates two local overdrafts facilities in Mali in XOF currency from which local suppliers, duties and any taxes are paid.

<b>8. Estimated cash available for future operating activities</b>		<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)*	(3,447)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,396)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(4,843)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	46,269
8.5	Unused finance facilities available at quarter end (Item 7.5)	7,818
8.6	Total available funding (Item 8.4 + Item 8.5)	54,086
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>11.2</b>

\* Firefinch's trade creditors and accruals balance at 30 September 2022 was A\$79.8 million, up from A\$64.9 million at 30 June 2022.

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Tom Plant  
Chief Financial Officer

Date: 27 October 2022

**Authorised by: The Board of Directors****Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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