LEO LITHIUM LTD

**ABN 70 638 065 068**

# ANNUAL REPORT
# 31 DECEMBER 2024

**www.leolithium.com**

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# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

| | |
|---|---|
| Mr Simon Hay | - Executive Chairman |
| Mr Brendan Borg | - Non-Executive Director |
| Ms Amber Banfield | - Non-Executive Director |
| Mr Alan Rule | - Non-Executive Director |

## CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr Ron Chamberlain

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 2, 16 Ventnor Avenue
West Perth WA 6005
Australia

| | |
|---|---|
| Phone: | + 61 8 6314 4500 |
| Email: | info@leolithium.com |
| Website: | www.leolithium.com |

## SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth, Western Australia 6000

| | |
|---|---|
| Phone: | 1300 850 505 (within Australia) |
| Phone: | + 61 3 9415 5000 (outside Australia) |
| Fax: | + 61 8 9323 2033 |
| Website: | www.computershare.com |
| Investor Centre: | www.investorcentre.com |

## AUDITORS

PricewaterhouseCoopers
Level 15, 125 St Georges Terrace
Perth WA 6000
Australia

## AUSTRALIAN COMPANY NUMBER

70 638 065 068

Leo Lithium Limited shares are listed on the Australian Securities Exchange (**ASX**). ASX Code: **LLL**

## LETTER FROM THE EXECUTIVE CHAIRMAN

Dear Shareholders,

As you're well aware, 2024 was a challenging year for Leo Lithium Limited (**Leo Lithium** or **Company**). Unfortunately, Leo Lithium's shares have remained suspended since September 2023, following correspondence received from the Mali Government. We actively engaged with the Mali Government throughout the second half of 2023 and in the first half of 2024 in search of a constructive resolution.

After a long period of discussions and with the support of our committed JV partner GFL International Co, Ltd (**Ganfeng**), we reached a Memorandum of Understanding (**MoU**) with the Mali Government for the sale of the Company's remaining 40% interest in the Goulamina Project via Mali Lithium BV (**MLBV**) to Ganfeng. The MoU resolved all outstanding issues related to the Goulamina Lithium Project.

Despite continued efforts to secure a viable agreement with the Government, the Board of Leo Lithium determined that the sale to Ganfeng was the best outcome for Leo Lithium shareholders. This decision was influenced by several factors, including increasing sovereign and security risks operating in Mali, the impact of the new 2023 Mining Code, and the Company's financial position for future funding.

Under the sale to Ganfeng, Leo Lithium will receive total cash consideration of US$342.7 million plus an ongoing trailing product sales fee of 1.5% gross revenue from Ganfeng on up to 500,000tpa of spodumene sales per year for a period of 20 years. The Board believes the sale provides shareholders with the ability to realise certain value and the lowest risk profile in extremely challenging circumstances. Recent developments in the Malian mining industry validate Leo Lithium's decision to complete a full exit from the country.

Despite the challenges faced during the year which led to the sale of the Project, the Board is extremely proud of what the team has achieved by delivering a Tier 1 hard rock spodumene mine in under 3 years, under budget and with outstanding quality results. At its peak, construction workforce reached 2,000 staff on-site, with zero lost time injuries recorded – a remarkable result. The Leo Lithium team is among the few companies globally to have developed a top tier lithium asset in the last two years. We can all take pride in having built a top 5 global lithium mine with an impressive 500,000 tpa of spodumene capacity.

From the Goulamina sale, the Board made the decision to return a significant portion of the US$342.7 million back to shareholders, including the net proceeds of US$116.3 million from the Tranche 1 Consideration. Tranche 1 was approved and distributed to shareholders in January 2025. The return of the Tranche 2 Consideration of US$171.2 million will be subject to whether the Company identifies an asset to purchase with shareholder approval.

As part of the Board restructure following the sale, we farewelled Mr Rick Crabb and Mr Rod Baxter from the Board of Directors. I would like to personally thank Rick and Rod for their service to the Board, particularly during the challenging times.

As you're aware, Leo Lithium shares have been suspended from trading on ASX since September 2023. We've been in regular discussion with the ASX, and as previously notified, ASX has advised that Leo Lithium shares can only resume trading if the Company acquires a new asset and satisfies a number of Listing Rule requirements. The Company is keen to have its shares re-quoted to provide shareholders with the ability to trade and is working to achieve this outcome. Re-quotation, should it occur, will only occur after completion of a new asset acquisition.

Leo Lithium remains focused on seeking alternative opportunities to deliver shareholder value either via a potential acquisition or Tranche 2 distribution to shareholders, while maintaining rigorous cost control in CY2025.

As such, the Company's strategic focus continues to be acquiring an asset. We have retained a highly skilled and nimble team, with core industry expertise in developing mining operations. Our focus commodity remains lithium, and we have engaged with a number of lithium-related companies, as we look at assets where we can add significant value by applying lithium building expertise. We have received positive initial reception from counterparties, who recognise our team's proven track record. If no opportunities are significantly progressed by the third quarter of 2025, Tranche 2 funds will be returned to shareholders in the second half of CY25. In any scenario, Leo Lithium shareholders will have the ultimate say in any acquisition that would use Tranche 2 proceeds, which will need shareholder approval.

After a difficult journey, I would like to thank the Board and our dedicated staff in Perth and on the ground in Mali for all their efforts in 2024. I also extend my thanks to our partner Ganfeng who was by our side during this whole journey. Although exiting the Goulamina Project was not part of Leo Lithium's original plan, and represents a bittersweet outcome, our staff can take great pride in what was achieved. The project team achieved excellent safety, schedule and cost outcomes. This is an accomplishment that reflects the remarkable dedication and expertise of the entire team.

Once again, I would like to conclude by thanking our shareholders for your continued support and patience while we navigated the challenges faced and achieved what the Board believes to be the best possible outcome for shareholders. We now look forward to defining a clear roadmap for Leo Lithium's future.

**Simon Hay**
Executive Chairman
Leo Lithium Limited

## DIRECTORS' REPORT

Your Directors present their report together with the financial report of the Group consisting of Leo Lithium Limited (**Leo Lithium** or **Company**) and the entities it controlled (**Group**) during the year ended 31 December 2024 (**financial year**).

On 26 November 2024, the Company completed the sale to GFL International Co, Ltd (**Ganfeng**) of its remaining 40% interest in Mali Lithium BV (a company incorporated in the Netherlands) (**MLBV**) which, via its wholly owned subsidiary Lithium du Mali SA (a company incorporated in Mali) (**LMSA**), owns the Goulamina Lithium Project (**Goulamina Project**).

Leo Lithium is currently seeking alternative investment opportunities to deliver growth for shareholders.

### DIRECTORS

The names, qualifications, experience and special responsibilities of the Directors of Leo Lithium in office during or since the end of the financial year are as follows.

| | |
|---|---|
| Name: | **Simon Hay** |
| Title: | Executive Chairman |
| Term | Executive Chairman since 4 December 2024<br>Previously Managing Director and Chief Executive Officer from 10 January 2022 to 4 December 2024 |
| Qualifications: | Bachelor of Science with Honours (Chemistry), a Master of Applied Science (Metallurgy) from the University of Melbourne and a Graduate Diploma of Business from the Australian Graduate School of Management. |
| Experience and expertise: | Mr Hay has extensive management and technical experience built up over a career spanning more than 30 years in the Australian and international mining industry. Prior to joining Leo Lithium in January 2022, Mr Hay was Chief Executive Officer of ASX-listed lithium company, Galaxy Resources Limited. In addition to his broad functional experience in executive and management roles, Mr Hay's technical experience covers functions of minerals processing, project commissioning and the life cycle of capital works across various mineral commodities. |
| Other current directorships: | Lotus Resources Limited |
| Former directorships (last 3 years): | Battery Future Acquisition Corp (ceased 16 January 2024) |
| Board Committees: | None |

| | |
|---|---|
| Name: | **Brendan Borg** |
| Title: | Non-Executive Director |
| Term | Director since 13 October 2021 |
| Qualifications: | Master of Science in Hydrogeology and Groundwater Management (University of Technology Sydney), a Bachelor of Science in Geology/Environmental Science (Monash University) and is a member of AusIMM and IAH. |
| Experience and expertise: | Mr Borg is a consultant geologist who has specialised in the "battery materials" sector including lithium, graphite and cobalt mineralisation, participating in numerous successful projects, in an investment and/or operational capacity. Mr Borg has more than 20 years' experience gained working in management, operational and project development roles in the exploration and mining industries, with companies including Rio Tinto Iron Ore, Magnis Resources Limited, IronClad Mining Limited, Lithex Resources Limited and Sibelco Australia Limited. Brendan operates a geological consulting business Borg Geoscience Pty Ltd. |
| Other current directorships: | Kuniko Limited, Bubalus Resources Limited<br>Sarytogan Graphite Limited |
| Former directorships (last 3 years): | Firefinch Limited (14 November 2018 – 31 May 2022) |
| Board Committees: | Remuneration and Nomination Committee member<br>Sustainability Committee member |

| | |
|---|---|
| Name: | **Amber Banfield** |
| Title: | Non-Executive Director |
| Term | Director since 21 April 2022 |
| Qualifications: | Bachelor of Engineering (Environmental) degree and a Master of Business Administration, both from the University of Western Australia. |
| Experience and expertise: | Ms Banfield has been involved in resource and energy sectors for over 25 years. She held operations, management and advisory positions with several ASX-listed entities, including Worley Limited (ASX: WOR) supporting the company's growth to become the world's largest energy and resources engineering service provider. Her roles related to strategy, commercial, sustainability, mergers and acquisitions, servicing the sectors of mining, renewable power, gas and infrastructure. More recently, Ms Banfield has supported companies relating to ESG, decarbonisation and sustainable investments. |
| Other current directorships: | Perseus Mining Ltd<br>SRG Global Limited |
| Former directorships (last 3 years): | None |
| Board Committees: | Sustainability Committee - Chair<br>Audit & Risk Committee member |

| | |
|---|---|
| Name: | **Alan Rule** |
| Title: | Non-Executive Director |
| Term | Director since 1 January 2023 |
| Qualifications: | Bachelor of Commerce, Bachelor of Accounting and a Fellowship of the Institute of Chartered Accountants Australia New Zealand (FCA) |
| Experience and expertise: | Mr Rule has extensive mining industry financial and commercial experience gained as a non-executive director since 2016 and as CFO of listed mining companies over 25 years across multiple commodities in multiple jurisdictions including Africa. Mr Rule has considerable experience in international debt and equity financing of mining projects, implementation of accounting controls and systems, governance and regulatory requirements, and in mergers and acquisitions. Mr Rule was the CFO at Galaxy Resources Limited, an ASX listed lithium company, for 4 years until it merged with Orocobre Limited in August 2021 to form Allkem Limited. Mr Rule's previous positions have also included CFO of Sundance Resources Limited, Paladin Energy Limited, Mount Gibson Limited, Western Metals Limited and St Barbara Mines Limited. |
| Other current directorships: | Yellow Cake plc<br>Ora Banda Mining Limited |
| Former directorships (last 3 years): | None |
| Board Committees: | Audit and Risk Committee – Chair<br>Sustainability Committee member |

| | |
|---|---|
| Name: | **Rick Crabb** |
| Title: | Non-Executive Chairman – resigned 4 December 2024 |
| Term: | Chairman from 1 November 2022 to 4 December 2024 |
| Qualifications: | Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. |
| Experience and expertise: | Mr Crabb has been involved over the last 30 years as a director and strategic shareholder in many public listed companies involved in exploration and production operations in Australia, Asia and Africa. Mr Crabb's executive level mining experience is strengthened by his extensive legal background which has centred on mining, corporate and commercial law.<br>Mr Crabb has been a WA Councillor of the Australian Institute of Company Directors (**AICD**). He was awarded the AICD Gold Medal in 2021 for services to the business community and AICD. |
| Other current directorships: | Eagle Mountain Mining Limited<br>Ora Gold Limited |
| Former directorships (last 3 years): | None |
| Board Committees: | Remuneration and Nomination Committee member |

| | |
|---|---|
| Name: | **Rod Baxter** |
| Title: | Non-Executive Director – resigned 4 December 2024 |
| Term | Director from 21 April 2022 to 4 December 2024 |
| Qualifications: | Bachelor of Science (Hons) and a PhD (Thermodynamics) from Rhodes University and a Master of Business Administration from University of the Witwatersrand. |
| Experience and expertise: | Mr Baxter is an experienced Director and Business Executive with extensive international and multi-sector experience in the mining and resources, engineering and construction, and manufacturing sectors in Australia and overseas. He brings valuable global business experience, strong commercial acumen, and a wide contact network. He has been Managing Director of listed and private companies, and he has operated and led businesses across a number of different industry sectors, in Australia and internationally. Mr Baxter's career has delivered substantial company growth and transformation strategies and overseen IPO's and a number of transactions including acquisitions, takeovers, JV's and strategic investments. |
| Other current directorships: | Podium Minerals Limited |
| Former directorships (last 3 years): | WA Kaolin Limited (15 March 2022 - 20 September 2022)<br>Trigg Mining Limited (17 March 2021 - 20 June 2023) |
| Board Committees: | Remuneration and Nomination Committee – Chairman<br>Audit & Risk Committee member |

Other current directorships quoted above are current directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years) quoted above are directorships held in the last 3 years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

**Ron Chamberlain**
*Company Secretary*

Mr Chamberlain was appointed as Chief Financial Officer and Joint Company Secretary on 6 February 2023. On 30 October 2023, Mr Chamberlain became the sole Company Secretary. Mr Chamberlain is a seasoned Perth based ASX 100 and 200 resources-based CFO and Company Secretary. He has extensive offshore experience including the US, Africa (South Africa, Namibia, Malawi) in both operating and project environments. Ron holds a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Institute of Chartered Accountants Australia and New Zealand.

## MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors (**Board**) and of each Board committee held during the year ended 31 December 2024, and the number of meetings attended by each director were:

| | Directors' Meetings | | Remuneration and Nomination Committee | | Audit and Risk Committee | | Sustainability Committee | |
|---|---|---|---|---|---|---|---|---|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Rick Crabb | 12 | 12 | 5 | 5 | - | - | - | - |
| Simon Hay | 12 | 12 | - | - | - | - | - | - |
| Brendan Borg | 12 | 12 | 5 | 5 | - | - | 2 | 2 |
| Rod Baxter | 12 | 12 | 5 | 5 | 5 | 5 | - | - |
| Amber Banfield | 12 | 12 | - | - | 5 | 5 | 2 | 2 |
| Alan Rule | 12 | 12 | - | - | 5 | 5 | 2 | 2 |

## PRINCIPLE ACTIVITIES

The principal activities of the Group are currently focused on the identification of value-accretive investment opportunities and distributions to shareholders. Up to 26 November 2024 the Group was focused on construction and commissioning of the Goulamina Project in joint venture with Ganfeng.

## CORPORATE KEY EVENTS

### *Sale of 5% of MLBV for US$65 million to Ganfeng completed*

Leo Lithium entered an agreement to sell a 5% interest in MLBV (and thereby an interest in the Goulamina Project) to Ganfeng for US$65 million on 19 January 2024.[1] The agreement was conditional upon a settlement being reached with the Mali Government. On 7 May 2024, the Company entered into a Deed of Amendment and Restatement in relation to this agreement and following signing of the MoU, the transaction completed and Leo Lithium's interest in MLBV reduced to 40% and Ganfeng's interest increased to 60%.

### *MoU signed with the Mali Government*

On 8 May 2024, the Company announced that Leo Lithium, Ganfeng, Firefinch Limited (**Firefinch**) and the Mali Government had signed a Memorandum of Understanding (**MoU**) to settle all disputed matters between the parties whereby:

- Leo Lithium will pay, or procure the payment of, US$60 million to the Mali Government;
- The Goulamina Project title is assured and the dispute over the irregularity of the transfer has been settled;
- The Government will facilitate the granting of any permit and authorisation necessary for the Goulamina Project;
- The Government will immediately resume exempting the Goulamina Project from customs duties and fees for the remaining construction phase of the project; and
- The Goulamina Project will migrate to the 2023 Mining Code with some variations to be formalised between Ganfeng and the Government, lifting potential Government project interest from the previous 20% up to 30%, plus a further 5% stake for local investors.

On 13 May 2024, the US$60 million settlement payment was received by the Mali Government. Proceeds from the US$65 million sale by the Company of 5% of MLBV to Ganfeng (see below) funded the settlement.

### *Sale of the Company's remaining shareholding in MLBV to Ganfeng completed*

On 8 May 2024[2], the Company announced that it had entered into a Share Sale Agreement (**SSA**) under which it agreed to sell its remaining 40% shareholding in MLBV, and therefore its remaining 40% indirect interest in the

[1] *See ASX Announcement dated 19 January 2024 – "US$65m for 5% sale of Goulamina and continued suspension"*
[2] *See ASX Announcement dated 8 May 2024 – "MOU signed with the Mali Government and sale of entire Goulamina Project to Ganfeng"*

Goulamina Project, to Ganfeng subject to certain conditions including approval from Leo Lithium's shareholders and Chinese regulatory approvals.

Under the SSA, Leo Lithium will receive cash consideration of US$342.7 million, payable in three instalments.

- US$10.5 million non-refundable deposit to be paid within 10 business days of executing the SSA;
- US$161.0 million on completion of the transaction, following satisfaction (or waiver) of the conditions precedent for the SSA (**Tranche 1 Consideration**); and
- US$171.2 million payable by 30 June 2025 or an earlier date (**Tranche 2 Consideration**). Interest to accrue on the unpaid balance of the Tranche 2 Consideration at a rate equal to SOFR + 2%, commencing from the completion date until the Tranche 2 Consideration is paid in full to Leo Lithium.

The US$10.5 million non-refundable deposit was received on 17 May 2024.

All conditions precedent were satisfied on 25 November 2024 following the Leo Lithium shareholders' approval of the sale at the Annual General Meeting held on 31 July 2024 and receipt by Ganfeng of all Chinese Government regulatory approvals. As a consequence of the satisfaction of all conditions precedent, the:

- Company authorised Ganfeng to pay the full amount of capital gains tax (**CGT**) relating to the sale of US$44.7 million directly to the Mali Government on behalf of the Company; and
- Tranche 1 Consideration net of CGT of US$116.3 million was received by the Company on 26 November 2024 (**Sale Completion**).

On 26 November 2024, the Company converted the US$116.3 million received into A$179.2 million in preparation for the proposed cash distribution to shareholders in January 2025.

***Compensation for termination of Co-operation Agreement***

As part of the Sale Completion, Leo Lithium assigned to a Ganfeng affiliate the Company's contractual rights to offtake from the Goulamina Project's future expansions at Stage 2 and Stage 3 (**Offtake Rights**) and terminated the balance of the Cooperation Agreement with Ganfeng[3].

Ganfeng (via an affiliate) has agreed to pay the Company a trailing product sales fee (**Trailing Fee**) as consideration for the assignment of the Offtake Rights. This Trailing Fee is 1.5% of the gross revenue received from the sale of up to 500,000 tonnes of spodumene concentrate per annum from the Goulamina Project for a term of 20 years.

***Sole Funding Arrangement***

During the year, Ganfeng entered into a Prepayment Agreement with LMSA, the owner of the Goulamina Project, pursuant to which Ganfeng will provide LMSA with funding of up to US$150 million to finalise the construction of, and commence operations at, the Goulamina Project.

The funding is in the form of prepayments for the offtake to be provided by LMSA to Ganfeng under Ganfeng's existing offtake agreement, with a portion of the value of each cargo being applied to progressively repay the prepayment amount. As a consequence, Leo Lithium did not provide further funding during the year for the Goulamina Project[4].

***Leo Lithium concluded its management of the Goulamina Project***

Leo Lithium ceased being the manager of the Goulamina Project with the transfer of management responsibilities to Ganfeng on 1 July 2024.

As Ganfeng commenced building its management team from May 2024, Leo Lithium was engaged to provide transitional management services at the Goulamina Project under the Goulamina Services Agreement (**GSA**) from 1 July 2024. At 30 September 2024, all remaining Company employees exited the Goulamina Project site and handed over final completion tasks and operations to Ganfeng. The GSA formally ended on 13 November 2024, at which time the Company ceased all involvement with the Goulamina Project. Under the GSA the Company was paid in line with standard market contracting rates on a cost-plus basis.

*[3] For further information on the Co-operation Agreement see Leo Lithium's announcement dated 29 May 2023 titled "Leo Lithium secures A$106m strategic placement and transformational Cooperation Agreement with Ganfeng Lithium" available at www.asx.com.au*

*[4] The maximum amount payable under the Prepayment Agreement is based on the forecast cost to complete construction and initial operational expenses. Should the actual costs exceed forecast then the shortfall may be payable by the shareholders in MLBV.*

### *Deed of Covenant and Release with Firefinch*

As part of the MoU, Firefinch agreed to transfer its shares in Morila SA, and all of the mining titles its subsidiaries hold in Mali, to a Mali Government owned mining company.

On 7 May 2024, Leo Lithium, Ganfeng and Firefinch entered into a Deed of Covenant and release whereby Firefinch agreed to make an A$11.5 million contribution to Leo Lithium when the Firefinch shareholders approve the transfer of Firefinch's shares in Morila SA to the Mali State owned mining company. Firefinch received shareholder approval for this transfer on 31 October 2024 and the A$11.5 million was received by the Company on 1 November 2024.

The Deed of Covenant includes an unconditional release by Firefinch in favour of Leo Lithium and its associates from all claims in relation to the Demerger Deed signed as part of the IPO in 2022.

### *Termination of legacy agreements*

With effect from Sale Completion:

- the existing MLBV shareholders' deed and the administrative services deed have been terminated; and
- Ganfeng released Leo Lithium from its obligations under an existing guarantee.

### *Shareholder January 2025 distribution*

On 31 January 2025 the Company completed a cash distribution totaling A$207.2 million to shareholders comprising:

- 100% of the A$ equivalent of Tranche 1 Consideration net of CGT of US$116.3 million,
- the non-refundable deposit of US$10.5 million paid by Ganfeng; and
- the A$11.5 million payment received from Firefinch.

This distribution was A$0.172 per share and was comprised of a capital return of A$0.0143 cents per share which was approved by shareholders on 13 January 2025, and an unfranked dividend of A$0.1577 cents per share.

The Board has announced a potential second cash distribution to shareholders in July 2025 including cash management plans for the Tranche 2 Consideration[5] dependent on the search for alternative investment opportunities.

### *No resumption of trade on ASX*

During the year, Leo Lithium met with representatives from the ASX to discuss the reinstatement of the Company's shares to trading on ASX.

ASX has advised that it is not minded reinstating Leo Lithium's shares to trading due to concerns regarding the Company's ability to demonstrate compliance with ASX Listing Rules 12.1 and 12.5, with ASX's concerns arising primarily due to Leo Lithium's sale of its indirect interest in the Goulamina Project. The ASX required Leo Lithium to address the matters resulting in its suspension under Listing Rule 17.3, which the Company completed during the year. The Company's shares will only resume trading if the Company acquires a new asset and satisfies other Listing Rule requirements.

## DIVIDENDS

No dividends have been paid during the financial year.

In January 2025 the Company declared and paid a total unfranked dividend of A$0.1577 per share.

## OPERATING AND FINANCIAL REVIEW

### *Goulamina Lithium Project Overview – sale completed on 26 November 2024*

Construction of The Goulamina Project was completed early in the fourth quarter of 2024, commissioning followed and first spodumene concentrate produced at the end of 2024.

Leo Lithium ceased being the manager of the Goulamina Project on 1 July 2024 with the transfer of management responsibilities to Ganfeng. On 26 November 2024 the Company completed the sale of its remaining shareholding in MLBV to Ganfeng, and therefore its remaining indirect interest in the Goulamina Project.

[5] *See Leo Lithium announcement dated 25 July 2024 titled "Update on proposed distribution of consideration from MLBV Sale" available at www.asx.com.au*

***Resource and Reserve***

As the Group sold its indirect interest in the Goulamina Project on 26 November 2024 and is presently focused on alternative investment opportunities, no resource, reserve or mining tenements have been disclosed as at 31 December 2024. Information on the movements in mineral resources and ore reserves of the Group during the year has been set out in the Mineral Resources and Ore Reserves section on pages 72 to 74 of this Annual Report.

***Goulamina Project Development during the financial year up to Sale Completion***

- Achieved the key objective at the time of Financial Investment Decision in December 2021 of first product in late 2024, within budget guidance
- Significant MRE upgrade increased the total Goulamina Project resource base from 211 Mt to 272.2 Mt at 1.38% $Li_2O$ which elevates Goulamina to the world's fourth largest global spodumene deposit.
- Completion of non-process infrastructure supporting the remote operation including;
  - Modern accommodation facility with single ensuite rooms, gym, prayer room, wet and dry mess facilities and waste / potable water treatment plants
  - Fuel depot, 17.2 MW power facility and site power (overhead line) distribution
  - Tailings storage facility, water supply line (24 km) and associated remote pumping station
  - Offices, warehouses, workshops, secure access fences / gates, fire water and hydrants
- Completion of the process plant construction across key areas of the plant including:
  - Dry plant consisting of 652 tph primary and secondary crushers, screens, chutes, conveyors, switch rooms, water /air distribution, fine ore bin (1000 m3) and reclaim facilities
  - Grinding and classification equipment consisting of 6.1 metre ball mill (7.1 kW install), motor and control center, ultrafine screens, sumps, pumps, dewatering cyclones, valves and telemetry and sampling
  - Low and high intensity magnetic separators, flotation tanks (condition, dilution and cleaning), tailings treatment thickeners, reagent and flocculant storage, mixing and distribution
  - Filtration feed tanks and belt filters, concentrate storage and handling equipment and shed and weighbridge
- Commissioning of plant and equipment with vendor representatives attending site.as required, spare and inventory management
- Completed operational readiness actions to initially handover management of people, systems and process between the Project and Operational teams, then from Leo Lithium teams to Ganfeng, including supply chain and procurement management, final invoice administration, defect liability periods/retentions, reporting and compliance with statutory approvals and conditions of operation
- Mali Government approval of the self-generation power permit that allows on-site power generation for 20 years that enabled the Goulamina Project to transition from smaller-scale temporary power units to a single, large-scale power station in time for the commissioning and operational phases to commence.
- Mali Government approval of the import and use of radioactive source permit that allows the importing and use of processing density gauges in the processing plant that have a low emitting radioactive source.
- Up to 30 September 2024 when the Company employees exited the Goulamina Project site, the total material mined was 2.97 million BCM of ore and waste. At 30 September 2024, 1.3Mt of ore at a grade of 1.52% $Li_2O$ had been stockpiled in advance of commissioning and operations start-up.
- Mining activities included sufficient pre strip to advance face positions for future mining needs including advancing the stage 2 cutback targeting the Main and West ore domains.

***Safety Performance***

Safety and security are a priority for Leo Lithium and the Goulamina Project had no recordable safety or serious environmental incidents to 30 June 2024 when the Company concluded its management of the Goulamina Project.

During the period to 30 June 2024, the site team successfully passed 6,700,000 hours worked since the Goulamina Project started without a lost time injury which was a substantial achievement by the local workforce and the health and safety leadership team.

***Environmental, Social and Governance***

In 2023, Leo Lithium established a Sustainability Committee at Board level to guide, champion and measure sustainability activities including environment, social and governance. In 2023 the company developed and implemented several key corporate policies designed to ensure that the business conducts itself in an open and transparent manner. This includes the Environmental, Health and Safety, Sustainability and Risk Management Policies, a Community Engagement Plan, a Sponsorship and Donations Procedure and a Grievance and Dispute Resolution Procedure.

***Operating Results for the Year***

Profit & Loss Statement

The Group's profit after tax for the year was $397.6 million (31 December 2023: loss $1.7 million) including:

- Loss after tax from continuing operations of $1.2 million (31 December 2023: loss $9.6 million) including the following key items:
  - Other income of $24.2 million, consisting of net foreign exchange gain, GSA and interest revenue;
  - Administration expenses of $7.5 million;
  - Employee benefits expense of $10.6 million;
  - Share based payment expenses of $3.5 million; and
  - Income tax expense of $3.9 million.
- Profit from discontinued operations of $398.8 million (31 December 2023: $7.9 million) including the following key items:
  - Gain on dilution of investment in MLBV from 49.5% to 45% of $74.5 million;
  - Gain on 5% sale of MLBV of $77.1 million and gain on 10% sale of MLBV of $390.0 million;
  - Allocation of foreign currency translation reserve on sale of MLBV of $16.8 million;
  - Mali government settlement expense, net of Firefinch contribution, of $79.3 million (US$60 million less $11.5 million); and
  - Income tax expense of $80.6 million (US$52.3 million) relating to payment of CGT.

Financial Position

The Group's financial position at 31 December 2024 includes the following key items:

- Cash and cash equivalents of $269.3 million;
- Trade and other receivables of $276.5 million, primarily related to the Tranche 2 Consideration; and
- Intangible asset of $36.8 million relating to the Trailing Fee on the Goulamina Project.

Cash Flow Statement

- Operating cash outflow for the year was $86.3 million (31 December 2023 $5.4 million) including the following key items:
  - Receipt of GSA revenue of $5.3 million;
  - Payment of employees and suppliers $15.6 million; and
  - Payment of Mali government settlement, net of Firefinch contribution, of $79.3 million (US$60 million less $11.5 million).
- Investing cash inflow for the year was $321.7 million (31 December 2023: $31.9 million outflow) including the following key items:
  - Payments made on behalf of the Goulamina Project JV of $32.2 million;
  - Reimbursements received from the Goulamina Project JV of $71.5 million;
  - Payment of CGT on sale of MLBV of $80.6 million (US$52.3 million); and
  - Proceeds from the sale of 45% investment in MLBV of $363.0 million (US$236.5 million, consisting of US$65.0 million for 5% sale, and US$10.5 million non-refundable deposit plus US$161.0 million Tranche 1 Consideration for the 40% sale).

## BUSINESS RISKS AND EXTERNAL FACTORS AFFECTING THE GROUP'S RESULTS

Leo Lithium's business, operating and financial performance are subject to various risks and uncertainties, some of which are beyond Leo Lithium's reasonable control. The identification and, where possible, mitigation and management of these risks is central to achieving the objectives of the Company.

In 2023 the Company established a risk management framework that articulates and mitigates the adverse impact these risks have on the business. The risk management framework included the formal adoption of a Risk Policy, drafting a Risk Standard and the development of a Corporate Risk Register.

***Up to 26 November 2024***

The Company held an indirect interest in the Goulamina Project up to 26 November 2024, and as such the Corporate Risk Register included the following risks that were identified as capable of having a material adverse impact on the Company's business, results and future prospects: Sovereign Risk, Security Risk, Goulamina Delivery, Commodity Prices, Supply and Logistics, Travel, Community Relations, Joint Venture Relationship and Tailings Storage Facility Management.

Refer to the Company's 2023 Annual Report for further details relating to these risks. In addition to these key risks, the prospectus published by the Company in 2022 contained comprehensive disclosure of the potential risk factors associated with the Company and Goulamina JV's business and the industry and markets in which it operates.

***After 26 November 2024***

As the Company is presently focused on investment opportunities, the Corporate Risk Register now includes the following risks that have been identified by management as capable of having a material adverse impact on the Company's business, results and future prospects.

These factors are not listed in order of importance and are not intended as an exhaustive list of all the risks and uncertainties associated with Leo Lithium's business. However, they do represent the top risks identified at the time by the management of Leo Lithium.

Project Acquisition

Currently Leo Lithium is seeking investment opportunities to deliver growth for shareholders. Whilst the Company has a structured and planned approach to project acquisitions, involving the use of experienced advisors, there is no certainty that an acquisition will be completed and there remains a risk that unexpected market issues or challenges, outside of the Company's control, may arise that impact the process and likelihood of project acquisition and consequently impact the value generated for shareholders.

MLBV Sale Tranche 2 Consideration

The sale of MLBV has resulted in the Company having an outstanding receivable from Ganfeng of US$171.2 million plus accrued US$ interest revenue. Pursuant to the SSA. the outstanding US$ receivable and interest revenue is due from Ganfeng by 30 June 2025, but ultimately the receipt of funds by Leo Lithium is subject to Ganfeng complying with the SSA. Where the credit risk of Ganfeng worsens, pursuant to the SSA, the Company may request Ganfeng to provide security arrangements that may include the provision of a guarantee, provision of security, or the introduction of other jointly liable promisors. Exchange rates are determined by external market factors, outside the control of the Company, making Leo Lithium susceptible to adverse exchange rate movements.

Cyber Security

The Company is exposed to cyber security risks including through using e-mail, information technology networks and banking software. Given the prevalence and constantly evolving nature of cyber-crime the Company is reliant on several mitigating controls, but there remains a risk of a breach, outside of the Company's control, which could have an adverse impact on the Company, including the value of financial assets and breach of confidential information.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no other significant changes in the state of affairs of the Group that occurred during the financial year, other than those described in this report.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Other than as stated below, no matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years:

- On 14 January 2025 the Company announced the issue of 5,459,326 ordinary fully paid shares from the vesting and exercise of long-term incentive performance rights for nil consideration in accordance with the Leo Lithium Employee Awards Plan.
- On 16 January 2025, at Leo Lithium's General Meeting, the Company shareholders approved the return of capital of up to A$17.3 million to shareholders.
- On 31 January 2025 the Company completed a distribution to shareholders of A$207.2 million being 17.2 cents per share, consisting of a capital return of 1.43 cents and an unfranked special dividend of 15.77 cents, and announced the adjustment of issued option exercise prices.
- On 25 February 2025, the Company converted the remaining 441,078 long term incentive plan performance rights from 2022 and 2023 into shares and issued 3,153,486 new performance rights under the shareholder approved plan as part of the 2025 incentive program.
- On 26 February 2025, the Company announced that Mr Ron Chamberlain, the Company's Chief Financial Officer and Company Secretary, will be leaving the Company with effect from 28 February 2025. Mr John Sanders will be appointed as the Company Secretary effective 28 February 2025.

## Likely Developments and Expected Results

As the Group is currently focused on the identification of value-accretive investment opportunities and distributions to shareholders, the likely developments and expected results for the Group are uncertain.

## Environmental Regulation

The Group's Goulamina Project site activities under the Exploitation Permit were governed by the Mali Mining Code and environmental regulation. To the best of the Directors' knowledge the Group believes adequate systems were in place to ensure the compliance with the requirements of applicable environmental legislation up to 26 November 2024 when Leo Lithium sold its indirect interest in the Goulamina Project, and the Group is not aware of any material breach of these requirements up to 26 November 2024.

## Directors' Shares in the Company

| Name | Ordinary Fully Paid Shares |
|---|---|
| Simon Hay | 2,753,699 |
| Brendan Borg | 8,000,000 |
| Amber Banfield | 873,737 |
| Alan Rule | 204,839 |
| | **11,832,275** |

## Share Options

***Unissued Shares under options***

The outstanding balance of Options at the date of this report are:

| Grant date | Exercisable date | Expiry date | Fair value | Exercise price | Number |
|---|---|---|---|---|---|
| 16-Jun-22 | 16-Jun-25 | 16-Jun-25 | $0.455 | $0.6297 | 6,770,000 |
| 1-Nov-22 | 29-Apr-25 | 29-Oct-25 | $0.339 | $0.7488 | 590,000 |
| 18-May-23 | 18-Nov-25 | 1-Jan-26 | $0.412 | $0.6284 | 590,000 |
| **Total** | | | | | **7,950,000** |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

## Performance Rights

***Unissued shares under performance rights***

The outstanding balance of Performance Rights at the date of this report are:

| Grant date | Exercisable date | Expiry date | Exercise price | Incentive Plan | Number |
|---|---|---|---|---|---|
| 25-Feb-2025 | 31-Dec-2025 | 30-Jun-2026 | $0.00 | 2025 STI | 3,153,486 |
| **Total** | | | | | **3,153,486** |

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

## REMUNERATION REPORT (AUDITED)

Key Management Personnel (**KMP**) of the Group are detailed in the table below and are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, either directly or indirectly, including any Director, whether executive or otherwise of the Company.

| | | |
|---|---|---|
| **Section 1**<br>Remuneration at Leo | Section 1 provides an overview of key elements of the Company's remuneration governance and philosophy. | |
| **Section 2**<br>Executive KMP Remuneration | Section 2 details remuneration arrangements in the financial year for the following Executive KMP: | |
| | Simon Hay | Executive Chairman (appointed 10 January 2022 as CEO and Managing Director with a change to Executive Chairman from 4 December 2024) |
| | Tom Blackwell | Project Director (with a change to Chief Operating Officer from 21 January 2025) |
| | Tim Richards | Chief Operating Officer (appointed 30 January 2023 and made redundant on 30 November 2024) |
| | Ron Chamberlain | Chief Financial Officer and Company Secretary (appointed 6 February 2023) |
| **Section 3**<br>Non-executive Director Remuneration | Section 3 details remuneration and benefits for the Company's Non-Executive Directors (refer to page [23] for details about each Director) including: | |
| | Brendan Borg | Non-Executive Director (appointed 13 October 2021) |
| | Amber Banfield | Non-Executive Director (appointed 21 April 2022) |
| | Alan Rule | Non-Executive Director (appointed 1 January 2023) |
| | Rick Crabb | Non-Executive Chairman (appointed 1 November 2022, resigned 4 December 2024) |
| | Rod Baxter | Non-Executive Director (appointed 21 April 2022, resigned 4 December 2024) |
| **Section 4**<br>Statutory Remuneration Disclosures | Section 4 provides an update for all relevant statutory remuneration disclosures as required by the Corporations Act 2001. | |

## SECTION 1

***Remuneration at Leo Lithium***

Outline of Remuneration Framework

### a) Introduction

The remuneration report details the KMP remuneration arrangements for the group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMPs of the Group are defined, in accordance with AASB 124 Related Party Disclosures, as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Directors.

KMPs of the Company during the financial year ended 31 December 2024:

**Non-Executive Directors**

| Name | Role | Time as KMP |
|---|---|---|
| Rick Crabb | Non-Executive Chairman | Part year to 4 December 2024 |
| Brendan Borg | Non-Executive Director | Full year |
| Rod Baxter | Non-Executive Director | Part year to 4 December 2024 |
| Amber Banfield | Non-Executive Director | Full year |
| Alan Rule | Non-Executive Director | Full year |

**Executive Director**

| Name | Role | Time as KMP |
|---|---|---|
| Simon Hay[1] | Executive Chairman | Full year |

**Other Executive KMP**

| Name | Role | Time as KMP |
|---|---|---|
| Tom Blackwell[2] | Project Director | Full year |
| Tim Richards | Chief Operating Officer | Part year to 30 November 2024 |
| Ron Chamberlain | Chief Financial Officer and Company Secretary | Full year |

*[1] Mr Simon Hay was Managing Director and Chief Executive Officer up to 4 December 2024 whereafter he has accepted the role of Executive Chairman to fill the vacancy created by the retirement of the current Chairman.*

*[2] Mr Tom Blackwell was Project Director up to 21 January 2025 whereafter he has accepted the role of Chief Operating Officer.*

### b) Response to strike on remuneration report

At the Annual General Meeting of shareholders held on 31 July 2024, all resolutions were put to the meeting were carried by way of poll. The Company notes that whilst the resolution "Adoption of Remuneration Report" was carried, more than 25% of shareholders were against the adoption of the remuneration report. As a result, this constituted a first strike for the purposes of Division 9 of Part 2G.2 of the Corporations Act.

At conclusion of the sale of MLBV, the Company reduced the number of Directors and KMPs and reviewed remuneration considering the change in business focus for Leo Lithium. The Company continues to engage with shareholders on remuneration matters in response to the first strike.

### c) Overview of executive remuneration policy and remuneration framework

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive remuneration with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors (**Board**) ensures that executive remuneration satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- fair, consistent and inclusive;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Remuneration and Nomination Committee (**RNC**) is primarily responsible for making decisions and recommendations on the remuneration policy to enable the Company to attract and retain KMP's who will create value for shareholders, having consideration to the amount considered to be commensurate for a company of its size and level of activity.

The reward framework is designed to align executive reward to shareholders' interests. Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive remuneration for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration are separate.

**d) Use of remuneration consultants**

The RNC has access to adequate resources to perform its duties and responsibilities including the authority to seek and consider advice from independent remuneration professionals to ensure that they have all the relevant information at their disposal to determine KMP remuneration. The RNC has established protocols to ensure that if remuneration recommendations, as defined by the Corporates Act 2001, are made by independent remuneration consultants they are free from bias and undue influence by members of the KMP to whom the recommendations relate.

During 2024, the RNC engaged the services of The Reward Practice to assist with incentive outcomes based on current company circumstances, the Retention incentive design and attending a Board meeting. The fees paid to The Reward Practice for remuneration advice in 2024 was $14,275 (excluding GST).

## SECTION 2

***Executive KMP Remuneration***

The Board aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

Executive remuneration and reward framework

The executive remuneration and reward framework has the following components:

- Total Fixed Remuneration (**TFR**) comprising base pay and superannuation;
- at-risk share-based and cash short-term incentive (**STI**);
- at-risk share-based long-term incentive (**LTI**);
- at-risk Special Award to the Managing Director (**MD**) and Chief Executive Officer (**CEO**) and
- at-risk Retention Awards to other KMP's.

The combination of these comprises the executive's total remuneration.

| Remuneration element | Description | Performance metrics | Potential opportunity | Applied in 2024 |
|---|---|---|---|---|
| Fixed remuneration | Inclusive of base pay, Superannuation and allowances. | Nil | Positioned against Market peers | Yes |
| Short Term Incentive (**STI**) | Award is a combination of cash bonus and performance rights on achievement of individual and Company KPIs | KPIs used span across key focus areas of the business (sustainability, capacity, value and growth.) | 50% to 75% of fixed remuneration | Yes |
| Long Term Incentive (**LTI**) | Performance Rights and Options | Achievement of project schedule, achievement of project budget and relative TSR over a 3-year period measured against a custom peer group consisting of 15 companies | 60% to 100% of fixed remuneration | No |
| MD and CEO Special Award | One-off award is a cash bonus on achievement of Specific KPIs | The material terms of the Award are listed under the Managing Director and Chief Executive Officer Special Award section | $1,150,000 | Yes |
| Other KMP's Retention Award | One-off award is a cash bonus on achievement of individual KPIs | The material terms of the Award are listed under the Retention Award section | 6 months TFR to 9 months TFR | Yes |

Fixed remuneration

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the RNC. Fixed remuneration is linked to the market rate of the role and is intended to compensate for fulfilling the scope of the employees' roles and responsibilities and the employees' skills, experience, and qualifications.

STI

The primary purpose of the STI is to incentivise executives to achieve the annual STI performance KPIs set in the annual Corporate Scorecard and individual performance objectives for the year. The STI corporate performance KPIs and individual KPIs clearly set out the annual performance targets required from executives. Achievement of the corporate scorecard KPIs and MD's individual KPIs is determined by the Board at the end of the annual period. The STI comprises an annual award which is measured over a 12-month performance period and is payable in cash to the KMPs. The performance targets are contained in a balanced scorecard with financial and non-financial measures, as well as a mixture between corporate and individual measures. At the Boards' absolute discretion, in the event of a major incident which results in a fatality, significant injury or reputational damage, the Board may decide to make no or partial payment under the STI plan.

LTI

The LTI – share-based payment, is designed to incentivise executives in the creation of long-term shareholder value as evidenced by market and non-market measures, by rewarding executives for the achievement of long-term performance targets set at the beginning of the performance period. The long-term targets are set out by the Board to provide clear and measurable direction as to what the Board and shareholders require from executives.

The Board resolved that no LTI or STI Performance rights were to be offered to Directors, KMP's and other employees in 2024.

Special Award

The Board granted the Managing Director and Chief Executive Officer (**CEO**), Mr Simon Hay, that was approved by shareholders at the AGM held on 31 July 2024, a one-off special award in recognition of:

- the efforts associated with negotiating the Settlement and the Sale of MLBV over the preceding twelve months;
- the importance of retaining the CEO during the transition of operatorship of the Goulamina project (**Project**) to Ganfeng; and
- the prior decision of the Board that long term incentives would not be awarded in respect of the 2024 financial year.

The material terms of the Award are as follows:

- Maximum Award opportunity of A$1,150,000, subject to the following Performance KPIs being met:
  - settlement of the Government of Mali dispute;
  - Leo Lithium entering into the Goulamina Operator Services Agreement with Ganfeng under which Leo Lithium will assist Ganfeng in operating the Project on a transitional basis (**Services Agreement**);
  - Leo Lithium materially meeting its obligations under the Services Agreement up to the Service Agreement's expiry date;
  - all conditions precedent to the agreement governing the SSA are satisfied on or before 31 October 2024 (or such later date as agreed between the parties) and the Tranche 1 Cash Consideration (as defined in the SSA) has been received by Leo Lithium; and
  - Mr Hay not having resigned or given notice of his resignation on or before the date of receipt by Leo Lithium of the first tranche of consideration under the SSA.

- If all necessary shareholder approvals are received and the Performance KPIs are met, the Award is payable in cash.
- In circumstances where Mr Hay ceases employment as a 'good leaver', or where there is a change in the control of the Company, the Board will determine the treatment of the Award.

Ganfeng did not contribute to the cost of the Special Incentive Award payable to the Managing Director.

Retention Awards

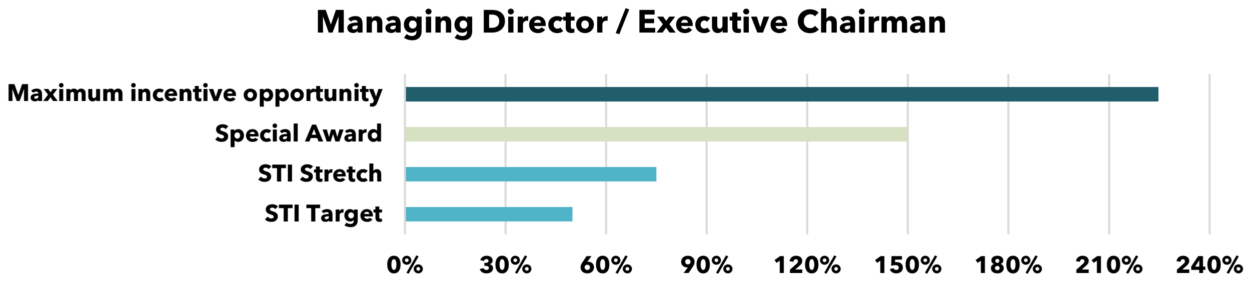
In connection with the Sale of the Company's interest in MLBV, KMP's (excluding the Managing Director) and selected employees have been provided with a one-off retention award that is payable in cash (**Retention Award**). One of the performance hurdles which must be satisfied to receive the Retention Award is achieving at least a "threshold" score for the 2024 STI performance objectives. One of those objectives incentivises Relevant Executives to Complete the sale of MLBV. Accordingly, completion of the Proposed Transaction resulted in the Retention Awards vesting (assuming the other performance hurdles are also satisfied).

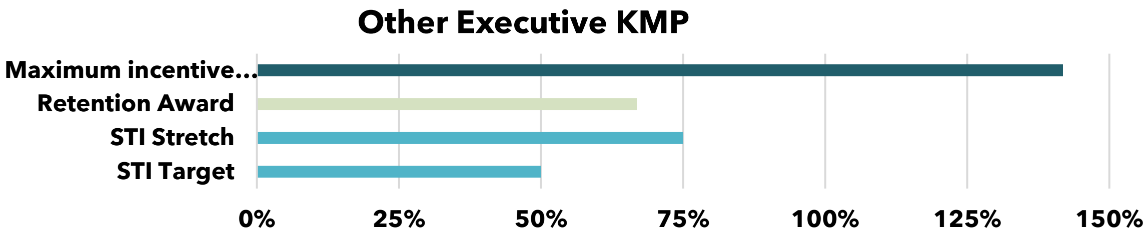
Ganfeng contributed 75% of the cost of the Retention Awards payable to Mr Richards and Mr Chamberlain, and 100% of the Retention Award payable to Mr Blackwell.

***Remuneration incentive opportunity***

The remuneration mix and incentive opportunity includes a fixed remuneration component, an STI and Special/Retention Award.

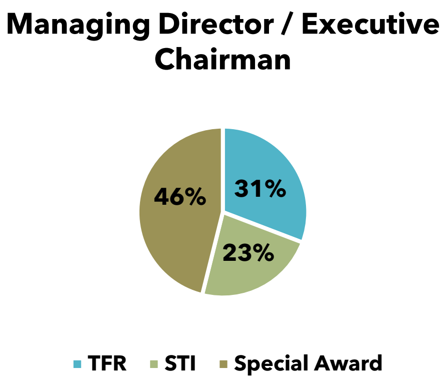
The individual incentive opportunity as a percentage of fixed remuneration is outlined below.

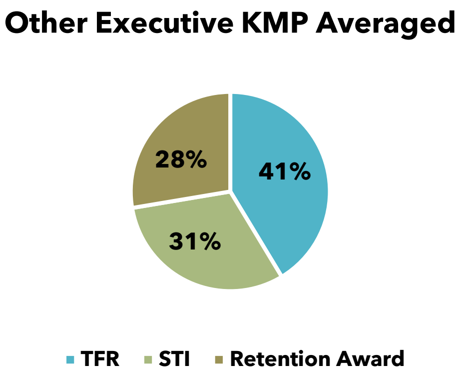


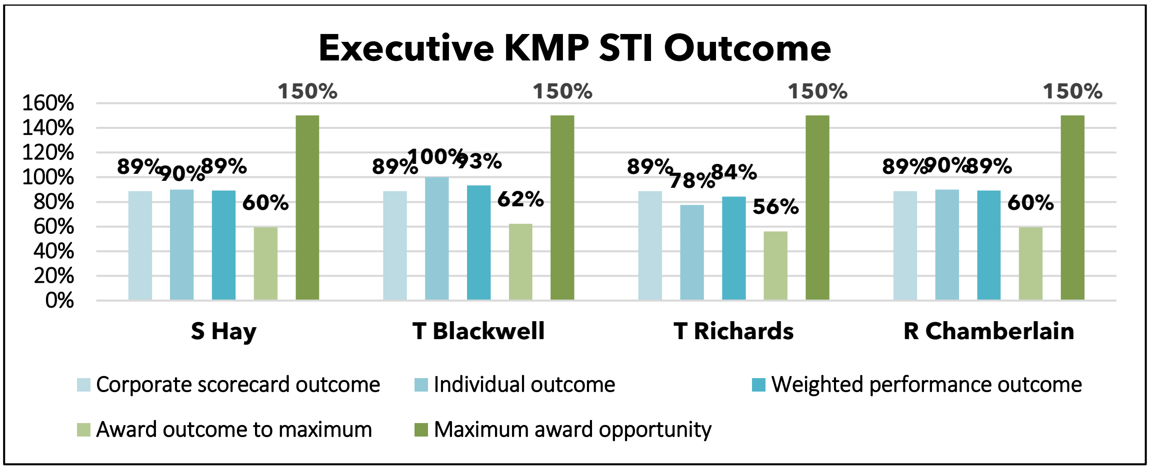

***Remuneration mix***

The remuneration mix when maximum 'at risk' remuneration is earned for both the MD and Other Executive KMPs under the incentive plan is outlined below.



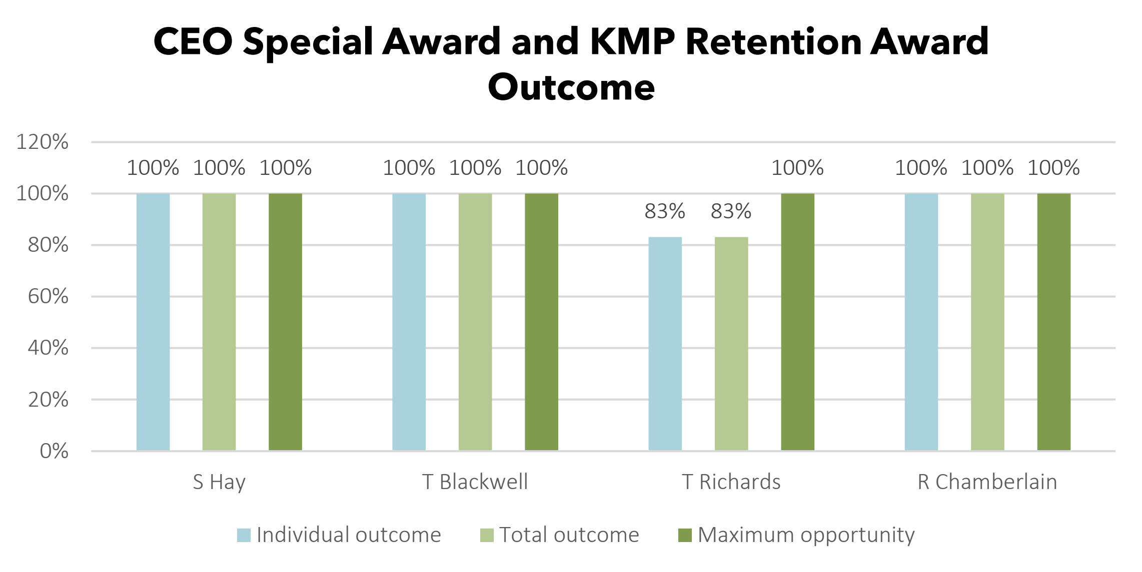




***Executive KMP overall STI outcome***




- Excludes Managing Director and Chief Executive Officer Special Award and KMP's Retention Awards which are covered in the next section.

***Executive KMP Special and Retention Award outcome***




The following table presents the outcomes of the STI award attributed to the performance for 2024.

| Executive KMP | Maximum STI Opportunity | % of maximum STI earned | % of maximum STI forfeited | STI outcome inclusive of superannuation |
|---|---|---|---|---|
| Simon Hay | $384,125 | 89% | 11% | $342,832 |
| Tom Blackwell | $221,178 | 93% | 7% | $206,248 |
| Tim Richards | $239,966 | 77% | 23% | $185,048 |
| Ron Chamberlain | $217,466 | 89% | 11% | $194,088 |

The following table presents the outcomes of the Special and Retention Awards attributed to the performance for 2024.

| Executive KMP | Maximum Reward Opportunity | % of maximum earned | % of maximum forfeited | Reward outcome inclusive of superannuation |
|---|---|---|---|---|
| Simon Hay | $1,150,000 | 100% | 0% | $1,150,000 |
| Tom Blackwell | $221,178 | 100% | 0% | $221,178 |
| Tim Richards | $359,949 | 83% | 17% | $329,237 |
| Ron Chamberlain | $326,199 | 100% | 0% | $326,199 |

Ganfeng contributed 75% of the cost of the Retention Awards payable to Mr Richards and Mr Chamberlain, and 100% of the Retention Award payable to Mr Blackwell.

***Statutory performance indicators***

The Group aims to align executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance for 2024 and 2023 as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. Consequently, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

| | | Year ended 31 December 2024 | Year ended 31 December 2023 |
|---|---|---|---|
| Profit/(Loss) for the period | $M | 397,624 | (1,685) |
| Dividends paid | $M | Nil | Nil |
| Net assets | $M | 575,269 | 184,123 |
| Listing share price | $ | Not quoted | Not quoted |
| Closing share price | $* | 0.505 | 0.505 |

** At 31 December 2024, as the Company securities are suspended from trading on ASX, the closing share price quoted relates to 14 September 2023*

***Executive KMP overall STI scorecard***

STI outcomes are based off a weighted average of 60% of the Corporate scorecard and 40% off the Individual scorecard.

Corporate Scorecard

| | Sustainability | Corporate | Project | Operations | Growth |
|---|---|---|---|---|---|
| **Objective** | Maintain a high level of performance in safety, security and community during the transitional phase | Achieve a successful shareholder vote on the sale of MLBV and develop a position for Leo Lithium for 2025 | Complete the project to commissioned status and handover to Ganfeng | Commence operations and ramp up to steady cash flow | Establish a foundation for future growth, protect and enhance shareholder value |
| **Weighting** | 15% | 5% | 35% | 40% | 5% |

Individual Scorecards

***Simon Hay***

| | Sustainability | Project | Operations | Shareholder Value – sale of MLBV | Shareholder Value – Leo 2025 |
|---|---|---|---|---|---|
| **Objective** | Maintain a high level of performance in safety, security and community during the transitional phase | Complete the project to commissioned status | Commence operations and ramp up | Complete the Government Settlement and all CPs for the MLBV sale | Undertake a full strategic review and develop a plan for Leo in 2025 |
| **Weighting** | 15% | 25% | 20% | 20% | 20% |

***Tom Blackwell***

| | Sustainability | Project | Operations | Project |
|---|---|---|---|---|
| **Objective** | Enhance the sustainability credential of LMSA through the delivery of the Goulamina Project), by keeping all people safe achieving six million LTI free hours | Execute the Goulamina Project activities on approved budget and schedule | Handover to Operations and support production | Monthly management, reporting, forecasting, analysis of delivery progress/quality and modifications as required of the execution plan to achieve First Product |
| **Weighting** | 10% | 20% | 50% | 20% |

***Tim Richards***

| | Safety | Sustainability | Operations | Operational Readiness | Transition to Ganfeng |
|---|---|---|---|---|---|
| **Objective** | Enhance the sustainability credentials of LMSA through the project by keeping all people safe | Social licence, local stakeholder engagement and community development | Manage site deliverables (production and costs) in accordance with budget | Ensure operational readiness activities executed on plan to support plant ramp | Operational activities and management transitioned effectively to Ganfeng |
| **Weighting** | 15% | 15% | 25% | 25% | 20% |

***Ron Chamberlain***

| | Funding | Sale of MLBV | Transition to Ganfeng | Shareholder return | Funding structure |
|---|---|---|---|---|---|
| **Objective** | Plan, gain approval and implement a funding solution package for the Goulamina Project | Completion of both the 5% and 40% sale of MLBV to fund the Mali Government settlement and enable a return to Leo shareholders | Actively lead and execute the transition of GLP JV work responsibilities to Ganfeng as part of Leo planned divestment | Recommend the proposed form of return to Leo shareholders | Plan and seek approval of an optimal internal funding structure for the Goulamina Project |
| **Weighting** | 20% | 20% | 20% | 20% | 20% |

## 2024 Incentive Plans

***STI and LTI plan terms***

Performance Rights

The Board has resolved that no LTI or STI Performance rights will be offered to Directors and KMP's in 2024.

Change of Control

Following completion of the sale of the Company's interest in MLBV, a Change of Control Event occurred under the Company Share Plan whereby all Unvested Options or Unvested Performance Rights vested and became immediately exercisable with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Participant is terminated or ceases in connection with the Change of Control Event.

## 2023 Incentive Plans

***STI plan terms***

Performance Rights

The STI 2023 is similar in structure to the STI 2022. Rights' vest based on achievement of the following conditions:

i. Satisfactory completion of the corporate scorecard objectives and the personal performance objectives set by the board;
ii. The relevant person must be employed by the Company or its subsidiary in order for STI Rights to vest; and
iii. Participants must meet the requirements of the role and adhere to Leo Lithium core values as a minimum.

***LTI plan terms***

Options

***Company Options***

Company Options are issued to the Non-Executive Directors of the Company. The Company Options held by a holder of Company Options will vest on the date that represents 30 months of continuous service by the relevant holder of Company Options following the date of issue of the Company Options (**Vesting Date**).

Performance Rights

The number of Tranche 1 LTI Rights that vest is based on the achievement of the approved project schedule for first production from the Goulamina Project. Should the vesting condition be achieved on a date that is between performance levels, the award outcome will be determined on a linear basis.

The vesting schedule is as follows:

| Weighting | 20% of the total number of Performance Rights granted to the employee | |
|---|---|---|
| **Performance Level** | **Date** | **Award Outcome** |
| Maximum | If on or before 28 February 2024 | 100% |
| Target | If on or before 30 April 2024 | 75% |
| Threshold | If on or before 30 June 2024 | 50% |
| Below Threshold | If after 1 September 2024 | Nil |

The number of Tranche 2 LTI Rights that vest is based upon the ramp up of the Goulamina Project production on schedule. Goulamina Project production rate to achieve nameplate across a 30-day period. Should the performance measure be between performance levels, the award outcome will be determined on a linear basis. The vesting schedule is as follows:

| Weighting | 30% of the total number of Performance Rights granted to the employee | |
|---|---|---|
| **Performance Level** | **Date** | **Award Outcome** |
| Maximum | by 28 February 2025 | 100% |
| Target | by 31 May 2025 | 75% |
| Threshold | by 30 September 2025 | 50% |
| Below Threshold | if later than September 2025 | Nil |

The number of Tranche 3 LTI Rights that vest is based on the relative Total Shareholder Return (**TSR**) ranking of Leo Lithium over the performance period, relative to the TSR performance of the Peer Group, whereby TSR will be determined based on the 20-day VWAP of Leo Lithium shares following its listing on the Australian Securities Exchange. A minimum share price appreciation of 40% over the performance period must be achieved. The Tranche 3 LTI Rights will vest according to the following schedule:

| Weighting | 50% of the total number of Performance Rights granted to the employee |
|---|---|
| **Company's TSR performance relative to the Peer Group** | **Percentage of Rights eligible to vest** |
| At or above the 75th percentile | 100% |
| Between the 50th percentile and 75th percentile | Progressive pro-rate vesting between 50% to 100% |
| Below the 50th percentile | Nil |
| **Peer group** | |
| Lithium Americas Corp | Ioneer Limited |
| Sigma Lithium Corp | Vulcan Energy Resources Limited |
| Liontown Resources Limited | Piedmont Lithium Incorporated |
| Global Lithium Limited | Galan Lithium Limited |
| Core Lithium Limited | Atlantic Lithium Limited |
| Sayona Mining Limited | Argosy Minerals Limited |
| Lake Resources NL | Critical Elements Lithium Corp |
| Frontier Lithium Inc | |

## SECTION 3

***Non-Executive Directors' remuneration***

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the RNC. The RNC may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Non-Executive Chairman's fees are determined independently of the fees of other Non-Executive Directors based on comparative roles in the external market. The Non-Executive Chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate Non-executive Directors' remuneration be determined periodically by a general meeting. Until a different amount is determined by shareholders at a general meeting, the maximum aggregate Non-Executive Directors' fee pool approved by shareholders is $800,000 per annum, pursuant to the Company's Constitution.

The following fees applied during the year:

| Position | Base salary |
|---|---|
| Non-Executive Chairman | $160,000 |
| Other Non-Executive Directors | $95,000 |
| *Additional fees* | |
| Committee chairman | $10,000 |
| Committee member | $5,000 |

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

## SECTION 4

***Statutory Remuneration Disclosures***

Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

| Executive KMP | Agreement commenced | Fixed remuneration [1] | Other benefits [2] | Notice required |
|---|---|---|---|---|
| **Simon Hay** * Executive Chairman | 4 December 2024 | $382,858 | STI component comprising 50% of fixed annual remuneration with a stretch target of 75% of fixed annual remuneration. LTI component comprising 100% of fixed annual remuneration | Termination by either party by giving six months' notice |
| MD/CEO | 10 January 2022 to 4 December 2024 | $768,250 | STI comprising 50% of fixed annual remuneration with a stretch target of 75% of fixed annual remuneration. LTI comprising 100% of fixed annual remuneration | Termination by either party by giving six months' notice |
| **Tom Blackwell** Project Director | 10 June 2022 | $442,355 | STI comprising 50% of fixed annual remuneration with a stretch target of 75% of fixed annual remuneration. LTI comprising 60% of fixed annual remuneration. | Termination by either party by giving six months' notice |

| Executive KMP | Agreement commenced | Fixed remuneration [1] | Other benefits [2] | Notice required |
|---|---|---|---|---|
| **Tim Richards****<br>COO | 30 January 2023 to 30 November 2024 | $479,932 | STI comprising 50% of fixed annual remuneration with a stretch target of 75% of fixed annual remuneration.<br>LTI comprising 60% of fixed annual remuneration. | Termination by either party by giving three months' notice |
| **Ron Chamberlain**<br>CFO | 6 February 2023 | $434,932 | STI comprising 50% of fixed annual remuneration with a stretch target of 75% of fixed annual remuneration.<br>LTI comprising 60% of fixed annual remuneration. | Termination by either party by giving three months' notice |

[1] *This amount is the executive KMP's contractual annual fixed remuneration, inclusive of superannuation contributions.*
[2] *It is noted that no LTI's were offered to KMP's in 2024.*
* *Mr Simon Hay was Managing Director and Chief Executive Officer up to 4 December 2024 whereafter he has accepted the role of Executive Chairman. The new Fixed Remuneration arrangement was effective from 1 January 2025.*
** *Mr Tim Richards was made redundant on 30 November 2024 following the completion of the sale of the company's remaining interest in MLBV.*

KMP have no entitlement to termination payments in the event of removal for misconduct.

***Executive KMP Statutory Remuneration***

Details of the remuneration of KMP's are set out in the following tables:

| | | Short-term benefits | | Post-employment benefits | Equity-settled share-based payments | | Total remuneration |
|---|---|---|---|---|---|---|---|
| | Year | Salary and fees (i) $ | Cash Bonus (ii) $ | Superannuation (iii) $ | Options $ | Rights (iv) $ | $ |
| ***Non-Executive Directors:*** | | | | | | | |
| Rick Crabb | **2024** | **153,125** | **-** | **17,197** | **106,599** | **-** | **276,921** |
| | 2023 | 165,000 | - | 17,738 | 80,224 | - | 262,962 |
| Brendan Borg | **2024** | **105,720** | **-** | **11,895** | **95,140** | **-** | **212,755** |
| | 2023 | 101,667 | - | 10,931 | 101,538 | - | 214,136 |
| Rod Baxter | **2024** | **102,083** | **-** | **11,465** | **95,140** | **-** | **208,688** |
| | 2023 | 110,000 | - | 11,825 | 101,538 | - | 223,363 |
| Amber Banfield | **2024** | **110,360** | **-** | **12,416** | **95,140** | **-** | **217,916** |
| | 2023 | 106,250 | - | 11,425 | 101,538 | - | 219,213 |
| Alan Rule | **2024** | **110,360** | **-** | **12,416** | **182,775** | **-** | **305,551** |
| | 2023 | 102,500 | - | 11,025 | 60,305 | - | 173,830 |
| ***Executive Directors:*** | | | | | | | |
| Simon Hay | **2024** | **762,299** | **1,492,832** | **14,966** | **806,269** | **658,140** | **3,734,506** |
| | 2023 | 639,435 | 25,052 | 40,802 | 860,492 | 380,865 | 1,946,646 |
| ***Other Executive KMP*:** | | | | | | | |
| Tom Blackwell | **2024** | **424,324** | **427,426** | **19,682** | **-** | **277,011** | **1,148,443** |
| | 2023 | 426,417 | 50,140 | 35,646 | - | 215,916 | 728,119 |
| Tim Richards(1) | **2024** | **548,081** | **514,285** | **17,615** | **-** | **191,537** | **1,271,518** |
| | 2023 | 436,309 | 117,106 | 44,674 | - | 120,503 | 718,592 |
| Ron Chamberlain | **2024** | **404,642** | **520,287** | **21,190** | **-** | **164,075** | **1,110,194** |
| | 2023 | 370,152 | 51,344 | 37,412 | - | 95,862 | 554,770 |
| ***TOTAL*** | **2024** | **2,720,994** | **2,954,830** | **138,842** | **1,381,063** | **1,290,763** | **8,486,492** |
| | **2023** | **2,457,730** | **243,642** | **221,478** | **1,305,635** | **813,146** | **5,041,631** |

**Notes to the Compensation Tables**

(i) Included within the Salaries and Fees column is the annual leave benefit which is expected to be wholly utilised within 12 months from the reporting date.

(ii) *Includes STI payments and Special and Retention Award payments.*

(iii) *Superannuation is capped at the statutory allowance of $29,932.20 and $27,398.80 and for the Financial Years ending 30 June 2024 and 2023 respectively. Due to the Company changing to quarterly cap payments for the 2025 financial year, their superannuation contributions fall over two Financial Years, reaching the annual statutory cap for the 2024 financial year in the reporting calendar year ending 31 December 2023.*

(iv) *Following completion of the sale of MLBV, a Change of Control Event occurred in 2024 under the LTI plan and all outstanding options and performance rights have vested whereby 100% of the remaining value of the FY22 and FY23 performance rights and remaining value of the options have been included.*

(1) *Mr Tim Richards was made redundant on 30 November 2024 following the completion of the sale of the company's remaining interest in MLBV and his redundancy is included in salary and fees.*

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***Share-based compensation***

Issue of shares

There were no shares issued to Directors and other KMP as part of compensation during the year ended 31 December 2024.

Options

The below details the award and conditions of a long-term incentive award made to Directors during 2024 and 2023. The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors in this financial year or future reporting years are as follows:

| Name | Number of options granted | Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|---|---|---|---|---|---|---|
| **31 December 2024** | | | | | | |
| No options were granted in 2024 | | | | | | |
| **31 December 2023** | | | | | | |
| Alan Rule | 590,000 | 18 May 2023 | 18 Nov 2025 | 1 Jan 2026 | $0.643 | $0.412 |

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by Directors as part of compensation during the years ended 31 December 2024 and 2023 are set out below:

**31 December 2024**

| Name | Balance at 1 January 2024 | Granted | Exercised | Balance at Resignation | Balance at 31 December 2024 |
|---|---|---|---|---|---|
| Rick Crabb* | 590,000 | - | - | (590,000) | - |
| Simon Hay | 5,000,000 | - | - | - | 5,000,000 |
| Brendan Borg | 590,000 | - | - | - | 590,000 |
| Rod Baxter* | 590,000 | - | - | (590,000) | - |
| Amber Banfield | 590,000 | - | - | - | 590,000 |
| Alan Rule | 590,000 | - | - | - | 590,000 |
| | **7,950,000** | **-** | **-** | **(1,180,000)** | **6,770,000** |

**31 December 2023**

| Name | Balance at 1 January 2023 | Granted | Exercised | Expired/ Forfeited/ Other | Balance at 31 December 2023 |
|---|---|---|---|---|---|
| Rick Crabb | 590,000 | - | - | - | 590,000 |
| Simon Hay | 5,000,000 | - | - | - | 5,000,000 |
| Brendan Borg | 590,000 | - | - | - | 590,000 |
| Rod Baxter | 590,000 | - | - | - | 590,000 |
| Amber Banfield | 590,000 | - | - | - | 590,000 |
| Alan Rule | - | 590,000 | - | - | 590,000 |
| | **7,360,000** | **590,000** | **-** | **-** | **7,950,000** |

* *The options held by Mr Rick Crabb and Mr Rod Baxter vested following completion of the sale of MLBV on 26 November 2024 which they have retained after their resignation from the Board on 4 December 2024.*

Values of options over ordinary shares granted, exercised and lapsed for Directors as part of compensation during the years ended 31 December 2024 and 2023 are set out below:

**31 December 2024**

No options were granted in 2024.

*Share-based compensation (continued)*

**31 December 2023**

| Name | Value of options granted during the year $ | Value of options exercised during the year $ | Value of options lapsed/cancelled during the year $ | Value of options at the end of the year $ |
|---|---|---|---|---|
| Alan Rule | 243,080 | - | - | 243,080 |
| | **243,080** | - | **-** | **243,080** |

***Performance Rights***

STI's – Performance Rights

The below details the award and conditions of a STI award made to Directors and other KMP's during 2023 and 2024. The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other KMP in this financial year or future reporting years are as follows:

| | Number of Performance Rights granted | Grant date | Testing date | Vesting date | Expiry date | Fair value per Right at grant date | Fair value of Rights granted | Maximum value yet to vest |
|---|---|---|---|---|---|---|---|---|
| **STIs issued in 2024** | | | | | | | | |
| No STI Performance Rights were granted in 2024 | | | | | | | | |
| **STIs issued in 2023** | | | | | | | | |
| Simon Hay | 284,908 | 18-May-23 | 31-Dec-23 | 15-Feb-24 | 31-Aug-24 | $0.675 | $192,313 | - |
| Tom Blackwell | 87,649 | 10-Mar-23 | 31-Dec-23 | 15-Feb-24 | 31-Aug-24 | $0.505 | $44,263 | - |
| Tim Richards | 112,478 | 10-Mar-23 | 31-Dec-23 | 15-Feb-24 | 31-Aug-24 | $0.505 | $56,801 | - |
| Ron Chamberlain | 78,423 | 10-Mar-23 | 31-Dec-23 | 15-Feb-24 | 31-Aug-24 | $0.505 | $39,604 | - |

For eligibility, KMP's need to be employed with the Company until the approval of the STI. Performance Rights granted carry no dividend or voting rights.

The number of STI performance rights over ordinary shares granted to and vested by Directors and other KMP as part of compensation during the years ended 31 December 2024 and 2023 are set out below:

| Name | Number of Rights granted | Number of Rights vested | Number of Rights lapsed |
|---|---|---|---|
| **31 December 2024** | | | |
| Simon Hay | - | 284,908 | - |
| Tom Blackwell | - | 87,649 | - |
| Tim Richards | - | 112,478 | - |
| Ron Chamberlain | - | 78,423 | - |
| | **-** | **563,458** | **-** |
| **31 December 2023** | | | |
| Simon Hay | 1,084,543 | 426,885 | 372,750 |
| Tom Blackwell | 199,203 | 71,121 | 145,352 |
| Tim Richards | 216,304 | - | 103,826 |
| Ron Chamberlain | 186,723 | - | 108,300 |
| | **1,686,773** | **498,006** | **730,228** |

***Share-based compensation (continued)***

Values of STI performance rights over ordinary shares granted, exercised and lapsed for Directors and other KMP as part of compensation during the years ended 31 December 2024 and 2023 are set out below:

| Name | Value of Rights granted $ | Value of Rights exercised $ | Value of Rights lapsed $ |
|---|---|---|---|
| **31 December 2024** | | | |
| Simon Hay | - | 192,313 | - |
| Tom Blackwell | - | 44,263 | - |
| Tim Richards | - | 56,801 | - |
| Ron Chamberlain | - | 39,604 | - |
| | **-** | **332,981** | **-** |
| **31 December 2023** | | | |
| Simon Hay | 653,093 | 209,174 | 251,606 |
| Tom Blackwell | 100,598 | 51,563 | 56,335 |
| Tim Richards | 109,234 | - | 52,432 |
| Ron Chamberlain | 94,295 | - | 54,692 |
| | **957,220** | **260,737** | **415,065** |

Long Term Incentives – Performance Rights

The below details the award and conditions of a long-term incentive award made to Directors and KMP's during 2024 and 2023. The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in this financial year or future reporting years are as follows:

***31 December 2024 LTIs***

No long-term incentive awards were granted in 2024.

***31 December 2023 LTIs***

| Type | Grant date | Vesting date | Expiry date | Number of shares issued | Fair value at grant date | Total fair value at grant date | Maximum value yet to vest |
|---|---|---|---|---|---|---|---|
| **Simon Hay** | | | | | | | |
| Tranche 1 | 18-May-23 | 31-Dec-25 | 31-Aug-26 | 460,361 | $0.675 | $310,743 | - |
| Tranche 2 | 18-May-23 | 31-Dec-25 | 31-Aug-26 | 197,297 | $0.675 | $133,176 | - |
| Tranche 3 | 18-May-23 | 31-Dec-25 | 31-Aug-26 | 657,658 | $0.525 | $345,270 | - |
| **Tom Blackwell** | | | | | | | |
| Tranche 1 | 10-Mar-23 | 31-Dec-25 | 31-Aug-26 | 185,923 | $0.505 | $93,891 | - |
| Tranche 2 | 10-Mar-23 | 31-Dec-25 | 31-Aug-26 | 79,681 | $0.505 | $40,239 | - |
| Tranche 3 | 10-Mar-23 | 31-Dec-25 | 31-Aug-26 | 265,604 | $0.380 | $100,930 | - |
| **Tim Richards** | | | | | | | |
| Tranche 1 | 10-Mar-23 | 31-Dec-25 | 31-Aug-26 | 201,884 | $0.505 | $101,951 | - |
| Tranche 2 | 10-Mar-23 | 31-Dec-25 | 31-Aug-26 | 86,522 | $0.505 | $43,693 | - |
| Tranche 3 | 10-Mar-23 | 31-Dec-25 | 31-Aug-26 | 288,405 | $0.380 | $109,594 | - |
| **Ron Chamberlain** | | | | | | | |
| Tranche 1 | 10-Mar-23 | 31-Dec-25 | 31-Aug-26 | 174,274 | $0.505 | $88,009 | - |
| Tranche 2 | 10-Mar-23 | 31-Dec-25 | 31-Aug-26 | 74,689 | $0.505 | $37,718 | - |
| Tranche 3 | 10-Mar-23 | 31-Dec-25 | 31-Aug-26 | 248,964 | $0.380 | $94,606 | - |

### *Share-based compensation (continued)*

Performance Rights granted carry no dividend or voting rights.

The number of LTI performance rights over ordinary shares granted to and vested by KMP as part of compensation during the years ended 31 December 2024 and 2023 are set out below:

| Name | Number of Rights granted in 2024 | Number of Rights granted in 2023 | Number of Rights vested in 2024 | Number of Rights vested in 2023 |
|---|---|---|---|---|
| Simon Hay | - | 1,315,31 | 1,315,316 | - |
| Tom Blackwell | - | 531,208 | 531,208 | - |
| Tim Richards | - | 576,811 | 576,811 | - |
| Ron Chamberlain | - | 497,927 | 497,927 | - |
| | **-** | **2,921,262** | **2,921,262** | **-** |

Values of LTI performance rights over ordinary shares granted, exercised and lapsed for KMP as part of compensation during the year ended 31 December 2024 and 2023 are set out below:

| Name | Value of Rights granted $ | Value of Rights exercised $ | Value of Rights lapsed $ | Maximum Value of Rights yet to vest $ |
|---|---|---|---|---|
| **31 December 2024** | | | | |
| Simon Hay | - | - | - | - |
| Tom Blackwell | - | - | - | - |
| Tim Richards | - | - | - | - |
| Ron Chamberlain | - | - | - | - |
| | **-** | **-** | **-** | **-** |
| **31 December 2023** | | | | |
| Simon Hay | 789,190 | - | - | - |
| Tom Blackwell | 235,060 | - | - | - |
| Tim Richards | 255,239 | - | - | - |
| Ron Chamberlain | 220,333 | - | - | - |
| | **1,499,822** | **-** | **-** | **-** |

### *Additional information*

Loans to Directors and KMP

There were no loans outstanding at the reporting date to Directors or other KMP.

Other transactions with KMP and or their related parties

There were no other related party transactions with KMP for the year ended 31 December 2024 (2023: Nil).

### *Additional disclosures relating to KMP*

Shareholding

The number of shares in the company held during the financial years ended 31 December 2024 and 2023 by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

***Additional disclosures relating to KMP (continued)***

Shareholding (continued)

**31 December 2024**

| Name | Balance at 1 January 2024 | Received as part of remuneration | Additions | Balance at Resignation | Balance at 31 December 2024 |
|---|---|---|---|---|---|
| Rick Crabb | 350,000 | | | (350,000) | - |
| Simon Hay | 1,153,475 | 284,908 | - | - | 1,438,383 |
| Brendan Borg | 8,000,000 | - | - | - | 8,000,000 |
| Rod Baxter | 41,536 | | | (41,536) | - |
| Amber Banfield | 873,737 | - | - | - | 873,737 |
| Alan Rule | 204,839 | - | - | - | 204,839 |
| Tom Blackwell | 166,881 | 87,649 | - | - | 254,530 |
| Tim Richards | - | 112,478 | - | - | 112,478 |
| Ron Chamberlain | - | 78,423 | - | - | 78,423 |
| | **10,790,468** | **563,458** | **-** | **(391,536)** | **10,962,390** |

**31 December 2023**

| Name | Balance at 1 January 2023 | Received as part of remuneration | Additions | Disposals/ Other | Balance at 31 December 2023 |
|---|---|---|---|---|---|
| Rick Crabb | 160,000 | - | 190,000 | - | 350,000 |
| Simon Hay | 726,590 | 426,885 | - | - | 1,153,475 |
| Brendan Borg | 10,100,000 | - | - | (2,100,000) | 8,000,000 |
| Rod Baxter | 41,536 | - | - | - | 41,536 |
| Amber Banfield | 873,737 | - | - | - | 873,737 |
| Alan Rule* | - | - | 100,000 | 104,839 | 204,839 |
| Tom Blackwell | 95,760 | 71,121 | - | - | 166,881 |
| | **11,997,623** | **498,006** | **290,000** | **(1,995,161)** | **10,790,468** |

* *Other represents balance held at date of appointment.*

Option holding

The number of options over ordinary shares in the Company held during 2024 and 2023 by each Director of the Group, including their personally related parties, is set out below:

**31 December 2024**

| Name | Balance at 1 January 2024 | Granted | Exercised | Balance at Resignation | Balance at 31 December 2024 |
|---|---|---|---|---|---|
| Rick Crabb | 590,000 | - | - | (590,000) | - |
| Simon Hay | 5,000,000 | - | - | - | 5,000,000 |
| Brendan Borg | 590,000 | - | - | - | 590,000 |
| Rod Baxter | 590,000 | - | - | (590,000) | - |
| Amber Banfield | 590,000 | - | - | - | 590,000 |
| Alan Rule | 590,000 | - | - | - | 590,000 |
| | **7,950,000** | **-** | **-** | **(1,180,000)** | **6,770,000** |

**31 December 2023**

| Name | Balance at 1 January 2023 | Granted | Exercised | Expired/ forfeited/ other | Balance at 31 December 2023 |
|---|---|---|---|---|---|
| Rick Crabb | 590,000 | - | - | - | 590,000 |
| Simon Hay | 5,000,000 | - | - | - | 5,000,000 |
| Brendan Borg | 590,000 | - | - | - | 590,000 |
| Rod Baxter | 590,000 | - | - | - | 590,000 |
| Amber Banfield | 590,000 | - | - | - | 590,000 |
| Alan Rule | - | 590,000 | - | - | 590,000 |
| | **7,360,000** | **590,000** | **-** | **-** | **7,950,000** |

### *Additional disclosures relating to KMP (continued)*

Performance Rights holding - STI

The number of performance rights over ordinary shares in the Company held during 2024 and 2023 by each Director and other members of KMP's of the Group, including their personally related parties, is set out below:

**31 December 2024**

| Name | Balance at 1 January 2024 | Granted | Exercised | Expired/ forfeited/ other | Balance at 31 December 2024 |
|---|---|---|---|---|---|
| Simon Hay | 284,908 | - | (284,908) | - | - |
| Tom Blackwell | 87,649 | - | (87,649) | - | - |
| Tim Richards | 112,478 | - | (112,478) | - | - |
| Ron Chamberlain | 78,423 | - | (78,423) | - | - |
| | **563,458** | **-** | **(563,458)** | **-** | **-** |

**31 December 2023**

| Name | Balance at 1 January 2023 | Granted | Exercised | Expired/ forfeited/ other | Balance at 31 December 2023 |
|---|---|---|---|---|---|
| Simon Hay * | - | 1,084,543 | (426,885) | (372,750) | 284,908 |
| Tom Blackwell | 104,919 | 199,203 | (71,121) | (145,352) | 87,649 |
| Tim Richards | - | 216,304 | - | (103,826) | 112,478 |
| Ron Chamberlain | - | 186,723 | - | (108,300) | 78,423 |
| | **104,919** | **1,686,773** | **(498,006)** | **(730,228)** | **563,458** |

* *Number of STI rights granted for Simon Hay includes 426,886 performance rights relating to 2022 approved at the 2023 Annual General Meeting.*

Performance Rights holding - LTI

The number of performance rights over ordinary shares in the Company held during 2024 and 2023 by each director and other members of KMP's of the Group, including their personally related parties, is set out below:

**31 December 2024**

| Name | Balance at 1 January 2024 | Granted | Exercised | Expired/ forfeited/ other | Balance at 31 December 2024 |
|---|---|---|---|---|---|
| Simon Hay | 1,315,316 | - | - | - | 1,315,316 |
| Tom Blackwell | 952,228 | - | - | - | 952,228 |
| Tim Richards | 576,811 | - | - | - | 576,811 |
| Ron Chamberlain | 497,927 | - | - | - | 497,927 |
| | **3,342,282** | **-** | **-** | **-** | **3,342,282** |

**31 December 2023**

| Name | Balance at 1 January 2023 | Granted | Exercised | Expired/ forfeited/ other | Balance at 31 December 2023 |
|---|---|---|---|---|---|
| Simon Hay | - | 1,315,316 | - | - | 1,315,316 |
| Tom Blackwell | 421,020 | 531,208 | - | - | 952,228 |
| Tim Richards | - | 576,811 | - | - | 576,811 |
| Ron Chamberlain | - | 497,927 | - | - | 497,927 |
| | **421,020** | **2,921,262** | **-** | **-** | **3,342,282** |

***END OF AUDITED REMUNERATION REPORT***

### SHARES UNDER OPTION

There were no ordinary shares of the Company issued on the exercise of options during the year ended 31 December 2024 and up to the date of this report.

### INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to ensure the Directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### INDEMNITY AND INSURANCE OF AUDITOR

The Company's auditor is PricewaterhouseCoopers (**PwC**). The terms of engagement of PwC includes an indemnity in favour of the external auditor. This indemnity is in accordance with PwC's standard terms of business and is conditional upon PwC acting as external auditor. No payment has been made to PwC by the Company pursuant to this indemnity, either during or since the end of the financial year. The Company has not otherwise indemnified or agreed to indemnify PwC at any time during the financial year.

### NON-AUDIT SERVICES

No amounts were paid or payable to the auditor for non-audit services during the financial year.

The Directors therefore have no requirement to satisfy themselves that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

### ROUNDING

The amounts contained in the financial report have been rounded to the nearest $1,000 (unless otherwise stated) pursuant to the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which the class order applies.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

__________________________

Simon Hay
Executive Chairman
27 February 2025

# AUDITOR'S INDEPENDENCE DECLARATION

## Auditor's Independence Declaration

As lead auditor for the audit of Leo Lithium Limited for the year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Leo Lithium Limited and the entities it controlled during the period.

Ian Campbell
Partner
PricewaterhouseCoopers

Perth
27 February 2025

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Continuing Operations** | | | |
| **Income** | | | |
| Other income | 6 | 24,247 | 1,985 |
| **Expenses** | | | |
| Administration expenses | 6 | (7,460) | (4,120) |
| Employee benefits expense | 6 | (10,559) | (4,336) |
| Share-based payments expense | 13 | (3,428) | (2,525) |
| Finance costs | 6 | (87) | (76) |
| Net foreign exchange loss | | - | (540) |
| **Profit/(Loss) before income tax expense from continuing operations** | | **2,713** | **(9,612)** |
| Income tax benefit expense | 7 | (3,869) | - |
| **Loss after income tax expense for the year from continuing operations** | | **(1,156)** | **(9,612)** |
| Profit after income tax expense from discontinued operations | 4 | 398,780 | 7,927 |
| **Profit/(loss) after income tax expense** | | **397,624** | **(1,685)** |
| **Other comprehensive income** | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | |
| Foreign currency translation loss – reclassified to profit or loss on dilution/sale of interest in the Goulamina Project | | (16,748) | - |
| Foreign currency translation gain – remeasurement of investment in the Goulamina Project | | 6,952 | 112 |
| Other comprehensive (loss)/income for the year | | (9,796) | 112 |
| **Total comprehensive income/(loss) for the year** | | **387,828** | **(1,573)** |

| | 2024 | 2023 |
|---|---|---|
| **Earnings/(loss) per share for loss from continuing operations attributable to the ordinary equity holders of the company** | **Cents** | **Cents** |
| Basic and diluted loss per share | (0.10) | (0.80) |
| **Earnings/(loss) per share for profit attributable to the ordinary equity holders of the company** | | |
| Basic earnings/(loss) per share | 33.17 | (0.14) |
| Diluted earnings/(loss) per share | 32.80 | (0.14) |

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**AS AT 31 DECEMBER 2024**

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | *1* | 269,306 | 33,561 |
| Trade and receivables | *2* | 276,530 | 38,622 |
| Other current assets | | 3,599 | 738 |
| **Total Current Assets** | | **549,435** | **72,921** |
| **Non-Current Assets** | | | |
| Intangible asset | *3* | 36,814 | - |
| Interest in Joint Venture | *4* | - | 113,275 |
| Property, plant and equipment | | 55 | 97 |
| Right-of-use assets | | 1,023 | 1,280 |
| **Total Non-Current Assets** | | **37,892** | **114,652** |
| **Total Assets** | | **587,327** | **187,573** |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | | 6,885 | 1,800 |
| Lease liabilities | | 224 | 201 |
| Employee benefits | | 160 | 283 |
| Income tax liability | *7* | 2,015 | - |
| **Total Current Liabilities** | | **9,284** | **2,284** |
| **Non-Current Liabilities** | | | |
| Lease liabilities | | 908 | 1,149 |
| Employee benefits | | 12 | 17 |
| Deferred tax liability | *7* | 1,854 | - |
| **Total Non-Current Liabilities** | | **2,774** | **1,166** |
| **Total Liabilities** | | **12,058** | **3,450** |
| **Net Assets** | | **575,269** | **184,123** |
| **EQUITY** | | | |
| Contributed equity | *10* | 105,814 | 105,924 |
| Reserves | *10* | 7,215 | 13,583 |
| Retained earnings | | 462,240 | 64,616 |
| **Total Equity** | | **575,269** | **184,123** |

*The above statement of financial position should be read in conjunction with the accompanying notes.*

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | Contributed Equity $'000 | Foreign Currency Translation Reserve $'000 | Share Based Payment Reserve $'000 | Retained Earnings $'000 | Total Equity $'000 |
|---|---|---|---|---|---|
| **Balance 1 January 2023** | **105,924** | **9,684** | **1,262** | **66,301** | **183,171** |
| Loss for the year | - | - | - | (1,685) | **(1,685)** |
| Foreign currency translation gain – remeasurement of investment in the Goulamina Project | - | 112 | - | - | **112** |
| **Total comprehensive income/(loss)** | - | **112** | - | **(1,685)** | **(1,573)** |
| Share-based payments | - | - | 2,525 | - | **2,525** |
| **Balance at 31 December 2023** | **105,924** | **9,796** | **3,787** | **64,616** | **184,123** |
| **Balance at 1 January 2024** | **105,924** | **9,796** | **3,787** | **64,616** | **184,123** |
| Profit for the year | - | - | - | 397,624 | **397,624** |
| Foreign currency translation loss – reclassified to profit or loss on dilution/sale of interest in the Goulamina Project | - | (16,748) | - | - | **(16,748)** |
| Foreign currency translation gain – remeasurement of investment in the Goulamina Project | - | 6,952 | - | - | **6,952** |
| **Total comprehensive income/(loss)** | - | **(9,796)** | - | **397,624** | **387,828** |
| Share issue costs | (110) | - | - | - | **(110)** |
| Share-based payments | - | - | 3,428 | - | **3,428** |
| **Balance at 31 December 2024** | **105,814** | **-** | **7,215** | **462,240** | **575,269** |

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

## CONSOLIDATED STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Receipts from Goulamina Services Agreement | | 5,324 | - |
| Payments to suppliers and employees | | (15,639) | (8,236) |
| Interest received | | 2,271 | 1,985 |
| Goulamina Project management and administrative fees | | 1,046 | 837 |
| Net Mali Government settlement | | (79,281) | - |
| **Net cash (used in) operating activities** | *9* | **(86,279)** | **(5,414)** |
| | | | |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (6) | (87) |
| Payments made on behalf of Goulamina Project | | (32,186) | (68,987) |
| Receipt of reimbursements from Goulamina Project | | 71,516 | 37,364 |
| Payment for security deposit | | - | (206) |
| Capital gains tax paid on sale of MLBV shares | | (80,633) | - |
| Proceeds from sale of MLBV shares | | 363,035 | - |
| **Net cash inflow/(used in) investing activities** | | **321,726** | **(31,916)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Transaction costs related to share issue | | (110) | - |
| **Net cash outflow from financing activities** | | **(110)** | **-** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | **235,337** | **(37,330)** |
| Cash and cash equivalents at the beginning of the year | | 33,561 | 70,834 |
| Effects of foreign exchange rate changes | | 408 | 57 |
| **Cash and cash equivalents at the end of the year** | *1* | **269,306** | **33,561** |

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## ABOUT THIS REPORT

Leo Lithium Limited (**Leo Lithium** or **Company**) is a for-profit company limited by shares, incorporated and domiciled in Australia, whose shares are traded on ASX.

The consolidated financial statements of the Company for the financial year ended 31 December 2024 (**Consolidated Financial Statements**) comprise the Company and the entities it controlled (**Group**).

The nature of operations and principal activities of the Group are described in the Operating and Financial Review within the Directors' Report.

The Consolidated Financial Statements were authorised for issue by the Board of Directors on 27 February 2025.

### STRUCTURE OF NOTES

The notes to the Consolidated Financial Statements have been grouped into five key categories, which are summarised below:

1) ***Corporate Assets and Discontinued Operations***
   This section shows the Group's Cash and Cash Equivalents, Receivables, Trailing Product Sales Fee and Discontinued Operations given the indirect sale of the Goulamina Project.

2) ***Performance for the Year***
   This section focuses on the results and performance of the Group. This covers both profitability and the resultant return to shareholders via earnings per share combined with cash generation.

3) ***Capital Structure***
   This section outlines how the Group manages its capital and related financing costs.

4) ***Other Notes***
   This section deals with the remaining notes that do not fall into any of the other categories.

### BASIS OF PREPARATION

***(a) Introduction and Statement of Compliance***

The Consolidated Financial Statements are a general-purpose Financial Report, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). The Consolidated Financial Statements comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

The Consolidated Financial Statements have been prepared on a historical cost basis unless otherwise stated in the notes to the financial statements. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

The Consolidated Financial Statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (A$1,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (**ASIC**) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Where a material accounting policy is specific to one note, the policy is described in the note to which it relates. Only material accounting policies are included in the financial statements.

***(b) Going Concern***

The Consolidated Financial Statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. With the sale of MLBV completed, the Company's future activities will, in addition to distributions to shareholders, focus on the identification of value-accretive investment opportunities.

***(c) Currency of Presentation***

The functional currency of each of the consolidated group's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of the parent entity, Leo Lithium , is Australian dollars. The Consolidated Financial Statements are presented in Australian dollars which is the Groups' presentation currency.

### *(d) Key Estimates and Judgements*

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events.

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Judgements and estimates which are material to the Consolidated Financial Statements are found in the following notes:

| | |
|---|---|
| Note 3 | Intangible Asset |
| Note 4 | Discontinued Operations |
| Note 7 | Income Tax Expense, Income Tax Provision and Deferred Tax Liability |
| Note 13 | Share-Based Payments |
| Note 19 | Summary of Material Accounting Policies |

## CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**31 December 2024**

## CORPORATE ASSETS AND DISCONTINUED OPERATIONS

## NOTE 1. CASH AND CASH EQUIVALENTS

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Cash at bank and on hand | 382 | 33,561 |
| Short-term bank deposits | 268,924 | - |
| | **269,306** | **33,561** |

### *Recognition and measurement*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## NOTE 2. TRADE AND OTHER RECEIVABLES

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Receivable from Ganfeng[1] | 276,530 | - |
| Receivable from Goulamina Project[2] | - | 38,622 |
| | **276,530** | **38,622** |

[1] *At 31 December 2024, the Group has a receivable from GFL International Co., Ltd (**Ganfeng**) of US$171.2 million (31 Dec 2023: US:$Nil) for Tranche 2 consideration on the sale of the Company's remaining interest in MLBV due latest 30 June 2025. This receivable was revalued to A$ at 31 December 2024 resulting in an unrealised foreign exchange gain of AU$11.2 million.*

[2]*At 31 December 2024, the Group has a been fully reimbursed for all Goulamina Project costs incurred by Leo Lithium.*

The Group did not have any receivables that were past due as at 31 December 2024.

### *Recognition and measurement*

Loans and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

## NOTE 3. INTANGIBLE ASSET

| *Reconciliation of the carrying amount of intangible asset* | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Opening carrying amount | - | - |
| Acquisition of Trailing Fee – at fair value | 36,814 | - |
| Amortisation charge | - | - |
| Closing carrying amount of Trailing Fee – at cost | **36,814** | **-** |

### *Trailing Product Sales Fee*

As part of completing the sale of Mali Lithium BV (**MLBV**), Leo Lithium assigned to a Ganfeng affiliate the Company's contractual rights to offtake from the Goulamina Project's future expansions at Stage 2 and Stage 3 (**Offtake Rights**) and terminated the balance of the Cooperation Agreement with Ganfeng[6].

[6] *For further information on the Co-operation Agreement see Leo Lithium's announcement dated 29 May 2023 titled "Leo Lithium secures A$106m strategic placement and transformational Cooperation Agreement with Ganfeng Lithium"*

## NOTE 3. INTANGIBLE ASSET (CONTINUED)

Ganfeng (via an affiliate) has agreed to pay the Company a trailing product sales fee (**Trailing Fee**) as consideration for the assignment of the Offtake Rights. This Trailing Fee is 1.5% of the gross revenue received from the sale of up to 500,000 tonnes of spodumene concentrate per annum from the Goulamina Project for a term of 20 years.

### *Recognition and measurement*

The Group considers the substance of the Trailing Fee to be economically similar to holding a direct interest in the underlying mineral asset. Existence risk (the commodity physically existing in the quantity demonstrated), production risk (that the operator can achieve production and operate a commercially viable project), timing risk (commencement and quantity produced, determined by the operator) and price risk (returns vary depending on the future commodity price, driven by future supply and demand and foreign exchange rates) are all risks which the Group participates in on a similar basis to an owner of the underlying mineral licence.

Furthermore, there is only a right to receive cash to the extent there is production and there are no interest payments, minimum payment obligations or means to enforce production or guarantee repayment. These are accounted for as intangible assets under AASB 138

The Trailing Fee was received as part of a transfer of rights that had commercial substance. Accordingly, it is initially measured at fair value. It is not subsequently remeasured.

### *Amortisation of intangible assets*

The Group's Trailing Fee intangible asset is amortised on a straight-line basis over a term of 20 years. The amortisation starts upon the commencement of sales from production at the underlying mining operation. No amortisation was booked at 31 December 2024.

### *Key estimates and judgements*

The Group has valued the Trailing Fee at the date of acquisition on 26 November 2024 using several assumptions which involve key estimates and judgements.

The following table sets out the key assumptions and approaches used in the valuation:

| Assumption | Approach used to determine valuation |
|---|---|
| Production | Goulamina Project spodumene concentrate production life of mine forecast |
| Lithium price | Average of broker consensus nominal forecasts for 6% Lithium spodumene concentrate – 2025: US$882/tonne, 2026: US$1,116/tonne, 2027: US$1,161/tonne, 2028: US$1,090/tonne, 2029: US$1,571/tonne, 2030: US$1,452/tonne and 2031+: US$1,494/tonne |
| Discount rate | Goulamina Project weighted average cost of capital – nominal post tax rate of 27% |
| Tax rate | Australian tax rate of 30% |
| Exchange rate | Average of broker consensus forecasts for AUD:USD –<br>2025: 0.68, 2026: 0.69, 2027: 0.70, 2028: 0.69, 2029: 0.69, 2030: 0.70 and 2031+: 0.69 |

## NOTE 4. DISCONTINUED OPERATIONS

During the year, Leo Lithium:

- Completed the sale of 5% of MLBV for US$65 million to Ganfeng;
- Signed a Memorandum of Understanding (**MoU**) with Ganfeng, Firefinch Limited (**Firefinch**) and the Mali Government to settle all disputed matters which included the Group making a payment of US$60 million (A$90.8 million);
- Entered into a Deed of Covenant and Release with Ganfeng and Firefinch, which included Firefinch making a A$11.5 million contribution to the Mali Government settlement, and an unconditional release by Firefinch in favour of the Company and its associates from all claims in relation to the Demerger Deed signed as part of the IPO in 2022;
- Completed the sale of the Company's remaining shareholding in MLBV to Ganfeng; and
- As described in Note 3, assigned to a Ganfeng affiliate the Group's Offtake Rights and terminated the balance of the Cooperation Agreement with Ganfeng in exchange for the Trailing Fee.

## NOTE 4. DISCONTINUED OPERATIONS (CONTINUED)

The Group has determined that its interest in MLBV should be classified as an asset held for sale on entering into the binding contracts for sale on 8 May 2024. Accordingly, associated income and expenses have been presented as discontinued operations, with comparative information restated accordingly.

***MLBV Equity Investment by Ganfeng***

On 4 September 2023 the Company announced it had entered into an Equity Investment Agreement (**Equity Investment**) whereby Ganfeng agreed to sole fund US$137.2 million of Goulamina Project capital costs, via MLBV and be issued new shares in MLBV, earning up to a 55% economic interest in MLBV, with Leo Lithium owning the remaining 45%. The Equity Investment was signed on 12 September 2023 and conditions precedent satisfied in December 2023. It was agreed that Ganfeng would fund the US$137.2 million in a number of tranches over a period of time until the final payment in April 2024. The first tranche of US$12.4 million was received on 8 December and the equivalent 10 MLBV shares were issued to Ganfeng, representing 0.5% shareholding. This resulted in Leo Lithium's interest in the joint venture diluting to 49.5% and Ganfeng's interest increasing to 50.5% at 31 December 2023. The remaining shares representing 4.5% interest were issued in January 2024 although the funding was made in a number of tranches over a period of time until the final payment was received in April 2024.

***Sale of 5% of MLBV for US$65 million to Ganfeng***

Leo Lithium entered an agreement to sell a 5% interest in MLBV (and thereby an interest in the Goulamina Project) to Ganfeng for US$65 million on 19 January 2024.[7] The agreement was conditional upon a settlement being reached with the Mali Government. On 7 May 2024, the Company entered into a Deed of Amendment and Restatement in relation to this agreement and following signing of the MoU, the transaction completed and Leo Lithium's interest in MLBV reduced to 40% and Ganfeng's interest increased to 60%.

***Sale of the Company's remaining shareholding in MLBV to Ganfeng***

On 8 May 2024[8], the Company announced that it had entered into a Share Sale Agreement (**SSA**) under which it agreed to sell its remaining 40% shareholding in MLBV, and therefore its remaining 40% indirect interest in the Goulamina Project, to Ganfeng subject to certain conditions including approval from Leo Lithium's shareholders and Chinese regulatory approvals.

Under the SSA, Leo Lithium will receive cash consideration of US$342.7 million, payable in three instalments.

- US$10.5 million non-refundable deposit to be paid within 10 business days of executing the SSA;
- US$161.0 million on completion of the transaction, following satisfaction (or waiver) of the conditions precedent for the SSA (**Tranche 1 Consideration**); and
- US$171.2 million payable by 30 June 2025 or an earlier date (**Tranche 2 Consideration**). Interest to accrue on the unpaid balance of the Tranche 2 Consideration at a rate equal to SOFR + 2%, commencing from the completion date until the Tranche 2 Consideration is paid in full to Leo Lithium.

The US$10.5 million non-refundable deposit was received on 17 May 2024.

All conditions precedent were satisfied on 25 November 2024 following the Leo Lithium shareholders' approval of the sale at the Annual General Meeting held on 31 July 2024 and receipt by Ganfeng of all Chinese Government regulatory approvals. As a consequence of the satisfaction of all conditions precedent, the:

- Company authorised Ganfeng to pay the full amount of capital gains tax (**CGT**) relating to the sale of US$44.7 million directly to the Mali Government on behalf of the Company; and
- Tranche 1 Consideration net of CGT of US$116.3 million was received by the Company on 26 November 2024 (**Sale Completion**).

On 26 November 2024, the Company converted the US$116.3 million received into A$179.2 million in preparation for the proposed cash distribution to shareholders in January 2025.

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[7] *See ASX Announcement dated 19 January 2024 – "US$65m for 5% sale of Goulamina and continued suspension"*
[8] *See ASX Announcement dated 8 May 2024 – "MOU signed with the Mali Government and sale of entire Goulamina Project to Ganfeng"*

## NOTE 4. DISCONTINUED OPERATIONS (CONTINUED)

| Name | Principal place of business / Country of incorporation | Ownership interest 31 December 2024 % | Ownership interest 31 December 2023 % |
|---|---|---|---|
| Goulamina JV | Netherlands | 0% | 49.50% |

| | 31 December 2024 $'000 | 31 December 2023 $'000 |
|---|---|---|
| ***Reconciliation of the carrying amount of discontinued operation*** | | |
| Opening carrying amount | 113,275 | 105,916 |
| Dilution of investment in MLBV from 49.5% to 45% (at 31 December 2023: 50% to 49.5%) | 78,127 | 7,938 |
| Sale of 5% interest in investment in MLBV from 45% to 40% | (21,368) | - |
| Sale of remaining 40% investment in MLBV | (177,382) | - |
| (Loss)/gain on foreign currency translation recognised in other comprehensive income | 6,952 | 112 |
| Share of Goulamina Project profit/(loss) | 396 | (691) |
| Closing carrying amount of interest in Goulamina Joint Venture | **-** | **113,275** |

***Financial performance and cash flow information of discontinued operations***

| | | |
|---|---|---|
| Profit/(loss) after tax from discontinued operations | | |
| Goulamina Project management and administration fees | 371 | 680 |
| Share of Goulamina Project profit/(loss) | 396 | (691) |
| Gain on dilution of investment in MLBV from 50% to 49.5% | - | 7,938 |
| Gain on dilution of investment in MLBV from 49.5% to 45% | 74,545 | - |
| Gain on sale of investment in MLBV from 45% to 40% | 77,079 | - |
| Gain on sale of remaining 40% investment in MLBV | 389,555 | - |
| Allocation of Foreign Currency Translation Reserve on sale of MLBV | 16,748 | - |
| Mali government settlement (US$60 million) (net of Firefinch contribution of A$11.5 million) | (79,281) | - |
| Income tax expense (see note 7) | (80,633) | - |
| **Profit after tax from discontinued operations** | **398,780** | **7,927** |

***Cash flow information of discontinued operations***

| | | |
|---|---|---|
| Net cash generated from operating activities | (78,773) | 837 |
| Net cash generated/(used) in investing activities | 321,732 | (31,343) |
| Net cash flow from financing activities | - | - |
| **Net increase/(decrease) in cash and cash equivalents** | **242,959** | **(30,506)** |

| **Earnings per share from discontinued operations attributable to the ordinary equity holders of the company** | **Cents** | **Cents** |
|---|---|---|
| Basic earnings per share | 33.27 | - |
| Diluted earnings per share | 33.89 | - |

***Recognition and Measurement***

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets and financial assets, which are specifically exempt from this requirement

## NOTE 4. DISCONTINUED OPERATIONS (CONTINUED)

### *Recognition and Measurement (Continued)*

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

### *Principles of consolidation and equity accounting*

#### *Joint Arrangements*

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Leo Lithium has an investment in a joint venture which is accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. A joint venture (**JV**) is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the net assets of the arrangement. A separate vehicle (not the parties) will have the rights to the assets and obligations for the liabilities, relating to the arrangement.

#### *Equity method*

Investments in JV's are accounted for using the equity method. Under the equity method, the share of the profits or losses of the JV is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in JV's are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the JV. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

The Group's share of the JV post-acquisition profits or losses is recognised in the Consolidated Profit or Loss and Statement of Other Comprehensive Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a JV equals or exceeds its interest in the JV, including any unsecured long-term receivable, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the JV.

Goodwill relating to the JV is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from the JV reduce the carrying amount of the investment. After the application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the JV. The Group discontinues the use of the equity method upon the loss of joint control over the JV and recognises any retained investment at its fair value.

#### *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a JV.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

## NOTE 4. DISCONTINUED OPERATIONS (CONTINUED)

***Changes in ownership interests (Continued)***

If the ownership interest in a JV is reduced via dilution by issuing new shares to the joint venture partner but joint control is retained, an in-substance sale of shares occurs and the profit or loss on the in-substance sale is recognised through the Statement of Profit or Loss. If the ownership interest in a JV is reduced via a sale of shares by the owner but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

***Accounting of Goulamina joint venture***

***Key estimates and judgements***

A decrease in interest while an investment continues to be classified as an associate or joint venture can result from a dilution. A dilution of an interest in an equity accounted investee may happen when the investee issues shares to other parties. The dilution gain or loss is the difference between the carrying amounts of the investment in the equity accounted investee, immediately before and after the transaction that resulted in the dilution. The gain or loss on dilution is recognised in profit or loss. The amount of profit or loss arises from the new (reduced) ownership interest in the assets subscribed for the new shares- e.g. the cash paid by the other party – compared with the reduction in ownership interest in the previous carrying amount on the investment in the equity accounted investee. Such a transaction is not a transaction with equity holders in their capacity as equity holders, and therefore any resulting gain or loss is recognised in profit or loss.

The terms of the Joint Venture Agreement signed on formation of the JV has not changed (with unanimous consent of both parties required). The arrangement used to be accounted for as a joint venture as the parties had joint control of the arrangement and Interests in the joint venture were accounted for using the equity method of accounting. Following the sale of MLBV, the investment has been accounted for as a Discontinued Operation.

| *Summarised Financial Information* | **Goulamina Project** | |
|---|---|---|
| *Summarised Consolidated Statement of Financial Position* | **2024 U$'000** | **2023 U$'000** |
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | - | 9,188 |
| Other current assets | - | 4,915 |
| Inventory | - | 12,667 |
| **Total current assets** | **-** | **26,770** |
| **Non-current assets** | | |
| Property, plant and equipment | - | 211,466 |
| Mine properties | - | 44,637 |
| Right of use assets | - | 9,621 |
| Security deposit | - | 3,500 |
| **Total non-current assets** | **-** | **269,224** |
| | **-** | **295,994** |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Trade and other payables | - | 80,126 |
| Other current liabilities | - | 623 |
| Provisions | - | 274 |
| Lease liabilities | - | 1,311 |
| **Total current liabilities** | **-** | **82,334** |
| **Non-current liabilities** | | |
| Loan | - | 40,000 |
| Provisions | - | 9,477 |
| Lease liabilities | - | 9,399 |
| **Total non-current liabilities** | **-** | **58,876** |
| **Total liabilities** | **-** | **141,210** |
| **Net assets** | **-** | **154,784** |

## NOTE 4. DISCONTINUED OPERATIONS (CONTINUED)

*Summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income*

| | Goulamina Project | |
|---|---|---|
| | 2024 U$'000 | 2023 U$'000 |
| Interest revenue | 14 | 834 |
| Net foreign exchange gain /(loss) | 733 | (1,147) |
| Overheads and other expenses | (173) | (459) |
| Finance costs | (5) | (4) |
| **Loss before income tax** | **569** | **(776)** |
| Income tax expense | - | (160) |
| **Loss after income tax** | **569** | **(936)** |
| Other comprehensive income | - | - |
| **Total comprehensive loss in US$** | **569** | **(936)** |
| **Share in Goulamina Project joint venture profit/(loss) in US$ (45%) (2023: 50%)** | **256** | **(468)** |
| **Total comprehensive loss in A$ (2023: 0.677)** | **-** | **(1,383)** |
| **Share in Goulamina Project joint venture profit/(loss) in A$ (45%) (2023: 50%)** | **396** | **(691)** |

*Commitments*

| | Goulamina Project | |
|---|---|---|
| | 2024 U$'000 | 2023 U$'000 |
| Committed at the reporting date but not recognised as liabilities, payable: | | |
| Property, plant and equipment | - | 65,179 |
| Exploration expenditure | - | - |
| | **-** | **65,179** |

## PERFORMANCE FOR THE YEAR

## NOTE 5. OPERATING SEGMENTS

***Identification of reportable operating segments***

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (**CODM**). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

During the year the Group has managed its businesses by geographic location, which resulted in two operating and reportable segments which consist of its Corporate and Mali operations as set out below. This is consistent with the way in which information is reported internally to the Group's Chief Executive Officer who is the CODM for the purposes of resource allocation and performance assessment:

- The Corporate operation includes the Perth Head Office and Project Team; and
- The Mali operation includes the development of the Goulamina Project and exploration for minerals.

For the purposes of resource allocation and performance assessment, the Group's Chief Executive Officer monitors the results and assets attributable to each reportable segment on the following basis:

- Segment results are measured by allocating EBIT to the reportable segments according to the geographic location in which they arose or relate to; and
- Segment assets include the Investment in the Goulamina Project, receivables and other assets. The geographical location of the segment assets is based on the physical location of the assets.

***Intersegment transactions***

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

## NOTE 5. OPERATING SEGMENTS (CONTINUED)

### *Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

### *Operating segment information*

| | Corporate $'000 | Mali (discontinued operation) $'000 | Total $'000 |
|---|---|---|---|
| ***31 December 2024*** | | | |
| **Income** | | | |
| Segment income | 5,542 | 553,607 | **559,149** |
| **Total income** | **5,542** | **553,607** | **559,149** |
| **EBIT** | (2,425) | 479,413 | **476,988** |
| Net Finance income | 5,138 | - | **5,138** |
| **(Loss)/Profit before income tax expense** | **2,713** | **479,413** | **482,126** |
| Income tax expense | | | **(84,502)** |
| **Profit after income tax expense** | | | **397,624** |
| **Assets** | | | |
| Segment assets | 318,021 | - | **318,021** |
| **Unallocated assets:** | | | |
| Cash and cash equivalents | | | **269,306** |
| **Total assets** | | | **587,327** |
| Total assets include: | | | |
| Intangible asset | 36,814 | - | **36,814** |
| **Liabilities** | | | |
| Segment liabilities | (12,058) | - | **(12,058)** |
| **Total liabilities** | | | **(12,058)** |

| | Corporate $'000 | Mali (discontinued operation) $'000 | Total $'000 |
|---|---|---|---|
| ***31 December 2023*** | | | |
| **Income** | | | |
| Segment income | 680 | - | **680** |
| **Total income** | **680** | **-** | **680** |
| **EBIT** | (11,532) | 7,938 | **(3,594)** |
| Net finance costs | 1,909 | - | **1,909** |
| **(Loss)/Profit before income tax expense** | **(9,623)** | **7,938** | **(1,685)** |
| Income tax expense | | | **-** |
| **Profit after income tax expense** | | | **(1,685)** |
| **Assets** | | | |
| Segment assets | 2,115 | 151,897 | **154,012** |
| **Unallocated assets:** | | | |
| Cash and cash equivalents | | | **33,561** |
| **Total assets** | | | **187,573** |
| Total assets includes: | | | |
| Interest in joint venture | - | 113,275 | **113,275** |
| **Liabilities** | | | |
| Segment liabilities | (3,450) | - | **(3,450)** |
| **Total liabilities** | | | **(3,450)** |

## NOTE 6. REVENUE AND EXPENSES

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Other income** | | |
| Revenue received under the Goulamina Services Agreement | 5,542 | - |
| Interest received | 5,225 | 1,985 |
| Net foreign exchange gain | 13,480 | - |
| | **24,247** | **1,985** |

The Goulamina Services Agreement was effective between 1 July 2024 and 13 November 2024 to recompense Leo Lithium for transitional services provided to the Goulamina project. The associated costs (primarily employee benefits and related overheads) are presented within expenses from continuing operations.

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Administration expenses** | | |
| Corporate and administration | 7,172 | 3,911 |
| Depreciation and amortisation | 288 | 209 |
| | **7,460** | **4,120** |
| **Employee benefits expense** | | |
| Salaries and wages | 10,091 | 4,015 |
| Superannuation | 468 | 321 |
| | **10,559** | **4,336** |
| **Finance cost** | | |
| Interest and finance charges paid/payable on lease liabilities | **87** | **76** |

## NOTE 7. INCOME TAX EXPENSE, INCOME TAX PROVISION AND DEFERRED TAX LIABILITY

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **1. Income Tax Expense** | | |
| **Continuing Operations** | | |
| (a) Income tax expense | | |
| *Current tax* | | |
| Current tax on profits for the period | 2,015 | - |
| Current income tax | 2,015 | - |
| *Deferred tax* | | |
| Increase in deferred tax assets | (881) | - |
| Increase in deferred tax liabilities | 2,735 | - |
| Total deferred tax expense | 1,854 | - |
| Income tax expense | **3,869** | **-** |
| **Discontinued Operations** | | |
| (a) Income tax expense | | |
| *Current tax* | | |
| Income tax expense relating to the sale of 5% of MLBV | 11,506 | - |
| Income tax expense relating to sale of remaining 40% investment in MLBV | 69,127 | - |
| Current income tax | **80,633** | - |
| **Total Income tax expense** | **84,502** | - |
| (b) Numerical reconciliation of income tax expense and tax at the statutory rate | | |
| Profit/(Loss) before income tax expense from continued operations | 2,713 | (9,612) |
| Profit/(loss) before income tax expense from discontinued operations | 479,413 | 7,927 |
| Profit/(loss) before income tax expense | 482,126 | (1,685) |
| Tax expense/(benefit) at the statutory tax rate of 30% | 144,638 | (506) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Share-based payments and other permanent differences | 1,031 | 773 |
| Temporary differences relating to foreign operations | - | (2,473) |
| Deferred tax assets brought to account (2023 not brought to account) | (4,710) | 2,206 |
| Non-assessable gain on sale of MLBV | (56,457) | - |
| **Total Income tax expense** | **84,502** | **-** |

## NOTE 7. INCOME TAX EXPENSE, INCOME TAX PROVISION AND DEFERRED TAX LIABILITY (CONTINUED)

***Sale of 5% of MLBV***

The sale of Leo Lithium's 5% shareholding in MLBV, the holding company of LMSA, a subsidiary domiciled in Mali, to Ganfeng was completed on 13 May 2024 and represents a capital gains tax event under Malian tax law. The Company paid US$7.6 million (A$11.5 million) in CGT to the Mali tax authority in June 2024 relating to this sale.

***Remaining 40% interest of MLBV***

The sale of Leo Lithium's remaining 40% shareholding in MLBV to Ganfeng was completed on 26 November 2024 and represents a capital gains tax event under Malian tax law. Ganfeng paid US$44.7 million (A$69.1 million) in CGT on behalf of the Company to the Mali tax authority in November 2024 relating to this sale.

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **2. Income Tax Liability** | | |
| Income Tax Liability | **2,015** | - |

The income tax liability at 31 December 2024 relates to the year assessable income from grant of the Trailing Fee, interest revenue, GSA revenue and foreign exchange gains exceeding both the year deductions and brought forward tax losses from prior years.

| | | |
|---|---|---|
| **3. Deferred Tax Recognised** | | |
| Deferred Tax Liability | **1,854** | - |

The deferred tax liability at 31 December 2024 primarily relates to the difference in the accounting and taxation cost bases attributed to the Trailing Fee because the valuation dates are not the same. This deferred tax liability is expected to unwind through income tax expense in future years as Trailing Fee income is received.

| | | |
|---|---|---|
| **2024 Recognised Deferred tax asset** | | |
| The balance comprises temporary differences relating to: | | |
| Provisions and accruals | 610 | - |
| Leases | 32 | |
| Business related costs | 239 | - |
| Gross deferred tax assets | 881 | - |
| Amount offset to deferred tax liabilities pursuant to offset provision | (881) | - |
| **Net deferred tax assets** | **-** | **-** |

| | | |
|---|---|---|
| **2024 Recognised Deferred tax liability** | | |
| The balance comprises temporary differences relating to: | | |
| Prepayments | 10 | - |
| Fixed assets | 15 | |
| Trailing Product Service Fee | 2,710 | - |
| Gross deferred tax assets | 2,735 | - |
| Amount offset to deferred tax assets pursuant to offset provision | (881) | - |
| **Net deferred tax liability** | **1,854** | **-** |

The above deferred tax benefit at 31 December 2024 has been recognised and offset against the deferred tax liability in the statement of financial position in 2024 as the recovery of this benefit is certain.

The above deferred tax liability at 31 December 2024 has been recognised in the statement of financial position as it was probable at 31 December 2024 that the temporary difference would reverse in the foreseeable future.

## NOTE 7. INCOME TAX EXPENSE, INCOME TAX PROVISION AND DEFERRED TAX LIABILITY (CONTINUED)

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **4. 2023 Deferred Tax Asset and Liability Not Recognised** | | |
| *Prior year deferred tax assets not recognised:* | | |
| Deferred tax assets not recognised comprises: | | |
| Carry forward tax losses | - | 3,655 |
| Business related costs | - | 419 |
| Other temporary differences | - | 636 |
| Total deferred tax assets not recognised | **-** | **4,710** |

The above potential tax benefit at 31 December 2023, including tax losses and temporary differences, has not been recognised in the statement of financial position in 2023 as the recovery of this benefit is uncertain.

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| *Prior year deferred tax liabilities not recognised:* | | |
| Deferred tax liabilities not recognised comprises: | | |
| Interest in joint venture | - | 16,991 |
| Total deferred tax liabilities not recognised | **-** | **16,991** |

The above potential tax liability at 31 December 2023 has not been recognised in the statement of financial position as it was probable at 31 December 2023 that the temporary difference relating to the Interest in Joint Venture would not reverse in the foreseeable future.

***Recognition and measurement***

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

***Key estimates and judgments***

The calculation of income tax expense, income tax liability and deferred tax liability includes several assumptions which involve key estimates and judgements. The key assumptions include the application of the participation exemption rules to reduce the capital gain on sale of MLBV to nil, valuation of the capital gain on the initial acquisition of the Trailing Fee, the allocation of the net Mali Government settlement payment to an allowable capital loss, the deductibility of expenditure in the ordinary course of business, and the availability of prior year losses to offset current income tax. The Group has sought independent expert advice on all key assumptions before finalising the inputs into the tax calculations.

## NOTE 8. EARNINGS PER SHARE

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Profit / (Loss) after income tax expense from continuing operations for the period | (1,156) | (1,685) |
| Profit after tax from discontinued operations | 398,780 | 7,927 |
| | **Number** | **Number** |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 1,198,655,854 | 1,197,893,320 |
| Adjustments for calculation of diluted earnings per share: | | |
| Options and rights over ordinary shares | - | - |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 1,198,655,854 | 1,197,893,320 |
| | **A Cents** | **A Cents** |
| Basic earnings/(loss) per share | (0.10) | (0.14) |
| Diluted earnings/(loss) per share | (0.10) | (0.14) |

***Recognition and measurement***

***Basic earnings per share***

Basic earnings per share is calculated by dividing the profit attributable to the owners of Leo Lithium, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

***Diluted earnings per share***

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## NOTE 9. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH FLOW USED IN OPERATING ACTIVITIES

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Profit/(loss) after income tax expense for the year | 397,624 | (1,685) |
| Adjustments for: | | |
| Share-based payments | 3,428 | 2,525 |
| Depreciation | 288 | 209 |
| Finance costs – lease liability interest expense | 87 | 76 |
| (Gain)/loss on foreign exchange differences | (11,825) | 540 |
| Sundry adjustments | (194) | - |
| Gain on sale of investment in the Goulamina Project | (216,714) | (7,938) |
| Share of Goulamina Project loss | (396) | 691 |
| Change in operating assets and liabilities: | | |
| (Increase)/decrease in trade debtors and receivables | (267,492) | 157 |
| Decrease/(increase) in prepayments | 90 | (119) |
| Increase/(decrease) in trade and other payables | 5,085 | (67) |
| (Decrease)/Increase in employee benefits | (129) | 197 |
| Increase in Income tax provision and Deferred tax liability | 3,869 | - |
| Net cash used in operating activities | **(86,279)** | **(5,414)** |

## CAPITAL STRUCTURE

## NOTE 10. CONTRIBUTED EQUITY AND RESERVES

| | 2024 Shares | 2023 Shares | 2024 $'000 | 2023 $'000 |
|---|---|---|---|---|
| Ordinary shares - fully paid | 1,198,927,409 | 1,198,176,519 | 105,814 | 105,924 |

### *Movements in ordinary share capital*

| Details | Shares | $'000 |
|---|---|---|
| **31 December 2023** | | |
| Opening Balance | 1,197,598,455 | 105,924 |
| Issued pursuant to the exercise of performance rights | 578,064 | - |
| Closing Balance | **1,198,176,519** | **105,924** |
| **31 December 2024** | | |
| Opening Balance | 1,198,176,519 | 105,924 |
| Costs relating to the listing of shares held by Firefinch on release from escrow | - | (110) |
| Issued pursuant to the exercise of performance rights | 750,890 | - |
| Closing Balance | **1,198,927,409** | **105,814** |

### *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### *Share buy-back*

There is no current on-market share buy-back.

### *Capital risk management*

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position. Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet expenditure programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Group at 31 December 2024 was $540.2 million (2023: $70.6 million) and the net increase in cash held during the year was $235.3 million (2023: decrease $37.3 million).

The Group had $269,3 million of cash and cash equivalents at 31 December 2024 (2023: $33.6 million).

### *Recognition and measurement*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

## NOTE 10. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

*Recognition and measurement (Continued)*

***Reserves***

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Foreign currency translation reserve | - | 9,796 |
| Share-based payments reserve | 7,215 | 3,787 |
| | **7,215** | **13,583** |

*Foreign currency translation reserve*

This reserve is used to recognise exchange differences arising from the translation of financial statements into the presentation currency a described in Basis of Preparation (c) Currency of Presentation.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

| | Foreign currency translation reserve $'000 | Share based payments reserve $'000 | Total $'000 |
|---|---|---|---|
| Balance at 31 December 2022 | 9,684 | 1,262 | 10,946 |
| Foreign currency translation difference – Investment in Goulamina Project (refer to Note 4) | 112 | - | 112 |
| Share-based payment transactions | - | 2,525 | 2,525 |
| Balance at 31 December 2023 | **9,796** | **3,787** | **13,583** |
| Foreign currency translation difference – Investment in Goulamina Project (refer to Note 4) | 6,952 | - | 6,952 |
| Allocation of Foreign Currency Translation Reserve on sale of investment in Goulamina Project | (16,748) | | (16,748) |
| Share-based payment transactions | - | 3,428 | 3,428 |
| Balance at 31 December 2024 | **-** | **7,215** | **7,215** |

## NOTE 11. FINANCIAL RISK MANAGEMENT

***Financial risk management objectives***

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

The Group's principal financial instruments comprise receivables, payables and cash.

The Group's activities expose it to a variety of financial risks: market risk including:

- Foreign currency risk
- Price risk
- Interest rate risk
- Credit risk
- Liquidity risk

## NOTE 11. FINANCIAL RISK MANAGEMENT (CONTINUED)

***Financial risk management objectives (Continued)***

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk to determine market risk.

Risk management is carried out by senior finance executives (**Finance**) under policies approved by the Board. These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the Group's operating units, and reports to the Board on a monthly basis.

***Market risks***

***Foreign currency risk***

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The financial instruments exposed to movements in the US dollar are as follows:

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | 57 | 21,189 |
| Receivables | 278,272 | 33,551 |
| **Net exposure** | **278,329** | **54,740** |

The following table summarises the sensitivity of financial instruments held at balance sheet date to movements in the exchange rate of the Australian dollar to the US dollar, with all other variables held constant. The 10% sensitivity is based on management's assessment of reasonable possible fluctuations, over a financial year, using the observed range of actual historic rates over the preceding three-year period.

| | Impact on Profit/(Loss) | | Impact on equity | |
|---|---|---|---|---|
| | 2024<br>$'000 | 2023<br>$'000 | 2024<br>$'000 | 2023<br>$'000 |
| A$/US$ +10% (2023 +10%) | (23,524) | (4,976) | - | - |
| A$/US$ -10% (2023 -10%) | 32,712 | 6,082 | - | - |

***Price risk***

The Group is not exposed to any significant price risk.

***Interest rate risk***

The Group is not exposed to any significant interest rate risk.

***Credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group's significant concentration of credit risk is cash and receivables. Cash is held with a major Australian Bank with A+ credit rating and accordingly the credit risk exposure is minimal.

Receivables are from Ganfeng related to the Tranche 2 Consideration from the MLBV sale and the SSA governs the terms and conditions of collection. Where the credit risk of Ganfeng worsens, pursuant to the SSA, the Company may request Ganfeng to provide security arrangements that may include the provision of a guarantee, provision of security, or the introduction of other jointly liable promisors.

## NOTE 11. FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Liquidity risk*

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Due to the nature of the Group's activities the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings.

### *Remaining contractual maturities*

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities for the period. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| | 1 year or less $'000 | Between 1 and 2 years $'000 | Between 2 and 5 years $'000 | Over 5 years $'000 | Remaining contractual maturities $'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| Trade payables and other payables | 6,885 | - | - | - | 6,885 |
| Lease liabilities | 224 | 249 | 275 | 384 | 1,132 |
| | **7,109** | **249** | **275** | **384** | **8,017** |
| **2023** | | | | | |
| Trade payables and other payables | 1,800 | - | - | - | 1,800 |
| Lease liabilities | 201 | 225 | 251 | 673 | 1,350 |
| | **2,001** | **225** | **251** | **673** | **3,150** |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### *Fair value of financial instruments*

Unless otherwise stated, the carrying amounts of financial instruments are materially consistent with their fair value.

## OTHER NOTES

## NOTE 12. KEY MANAGEMENT PERSONNEL DISCLOSURES

### *Compensation*

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Short-term employee benefits | 5,676 | 2,701 |
| Post-employment benefits | 139 | 221 |
| Share-based payments | 2,671 | 2,120 |
| | **8,486** | **5,042** |

## NOTE 13. SHARE BASED PAYMENTS

Expenses arising from share-based transactions

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Options | 1,381 | 1,306 |
| STI Performance Rights | 68 | 467 |
| LTI Performance Rights | 1,979 | 752 |
| Total expense recognised as employee costs | **3,428** | **2,525** |

The Group provides benefits to employees (including Non-Executive Directors (**NED's**) of the Group through share-based incentives. Information relating to these schemes is set out below.

***Employee Awards Plan***

In 2022, Leo Lithium implemented an Employee Awards Plan (**Awards Plan**). The Awards Plan was reaffirmed by shareholders at the 2023 Annual General Meeting.

The Awards Plan is the mechanism under which employees have been awarded:

- Performance Rights (**PRs**)
- Options

***Description of share-based payments arrangements***

(i) Performance Rights

Executives and senior management are granted a right to be issued a share in the future subject to the performance based vesting conditions being met.

(ii) Managing Director and Company Options

The Managing Director and NED's are granted a right to be issued a share in the future subject to vesting conditions being met. The options are issued for nil consideration.

***Reconciliation of Options and Performance Rights***

| | Number at the beginning of the year | Granted during the year | Vested during the year | Forfeited during the year | Lapsed/ cancelled during the year | Number at the end of the year |
|---|---|---|---|---|---|---|
| Options | 7,950,000 | - | - | - | - | 7,950,000 |
| STI Performance Rights | 810,585 | - | (750,890) | - | (59,695) | - |
| LTI Performance Rights | 6,055,677 | - | - | - | (155,273) | 5,900,404 |
| **Total** | **14,816,262** | **-** | **(750,890)** | **-** | **(214,968)** | **13,850,404** |

The Managing Director Options are subject to various non-market-related vesting conditions including continuous service conditions of 30 months following the date of issue and the Company Options are subject to continuous service conditions of 30 months following the date of issue.

<u>Change of Control</u>

Following completion of the sale of the Company's interest in MLBV, a Change of Control Event occurred under the Company Share Plan whereby all Unvested Options or Unvested Performance Rights vested and became immediately exercisable with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Participant is terminated or ceases in connection with the Change of Control Event.

<u>2024 Performance Rights</u>

The Board resolved that no LTI or STI Performance rights would be offered to Directors, KMP's and other employees in 2024.

## NOTE 13. SHARE BASED PAYMENTS (CONTINUED)

2023 Performance Rights

The valuation inputs used in determining the fair value of STI and LTI performance rights issued during the year ending 31 December 2023 to employees excluding the Managing Director and Chief Executive Officer, and the fair value of options issued to NED's are detailed below:

| Item | Employee STI Rights | Employee LTI Rights | | | NED Options |
|---|---|---|---|---|---|
| | | Tranche 1 (1) | Tranche 2 | Tranche 3 | |
| Grant date | 10-Mar-23 | 10-Mar-23 | 10-Mar-23 | 10-Mar-23 | 18-May-23 |
| Underlying security spot price | $0.505 | $0.505 | $0.505 | $0.505 | $0.675 |
| Exercise price | Nil | Nil | Nil | Nil | 0.643 |
| Commencement of performance period | 1-Jan-23 | 1-Jan-23 | 1-Jan-23 | 1-Jan-23 | 18-May-23 |
| Performance measurement/vesting date | 15-Feb-24 | 1-Sep-24 | 30-Sep-25 | 31-Dec-25 | 18-Nov-25 |
| Performance/vesting period (years) | 1.12 | 1.67 | 2.75 | 3.00 | 2.51 |
| Remaining performance period (years) | 0.13 | 0.67 | 1.75 | 2.00 | 1.88 |
| Expiry date | 31-Aug-24 | 31-Aug-26 | 31-Aug-26 | 31-Aug-26 | 1-Jan-26 |
| Life of the Instruments (years) | 1.12 | 1.67 | 2.75 | 3.00 | 2.51 |
| Volatility | 100% | 100% | 100% | 100% | 100% |
| Risk-free rate | 3.39% | 3.39% | 3.33% | 3.33% | 3.21% |
| Dividend yield | Nil | Nil | Nil | Nil | Nil |
| Valuation per Instrument | $0.505 | $0.505 | $0.505 | $0.380 | $0.412 |

The valuation inputs used in determining the fair value of STI and LTI performance rights issued to the Managing Director (**MD**) during the year are detailed below:

| Item | MD STI Rights | MD LTI Rights | | |
|---|---|---|---|---|
| | | Tranche 1 (1) | Tranche 2 | Tranche 3 |
| Grant date | 18-May-23 | 18-May-23 | 18-May-23 | 18-May-23 |
| Underlying security spot price | $0.675 | $0.675 | $0.675 | $0.675 |
| Exercise price | Nil | Nil | Nil | Nil |
| Commencement of performance period | 1-Jan-23 | 1-Jan-23 | 1-Jan-23 | 1-Jan-23 |
| Performance measurement/vesting date | 1-Feb-24 | 1-Sep-24 | 30-Sep-25 | 31-Dec-25 |
| Performance/vesting period (years) | 1.08 | 1.67 | 2.75 | 3.00 |
| Remaining performance period (years) | 0.09 | 0.67 | 1.75 | 2.00 |
| Expiry date | 31-Aug-24 | 31-Aug-26 | 31-Aug-26 | 31-Aug-26 |
| Life of the Instruments (years) | 1.08 | 1.67 | 2.75 | 3.00 |
| Volatility | 100% | 100% | 100% | 100% |
| Risk-free rate | 3.38% | 3.38% | 3.38% | 3.21% |
| Dividend yield | Nil | Nil | Nil | Nil |
| Valuation per Instrument | $0.675 | $0.675 | $0.675 | $0.525 |

## NOTE 13. SHARE BASED PAYMENTS (CONTINUED)

***Recognition and measurement***

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (including options) (equity-settled transactions). The cost of these equity-settled transactions with employees (including Directors) is measured by reference to fair value at the date they are granted.

Under AASB 2 Share-based Payment, the Group must recognise the fair value of shares and options granted to Directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the Consolidated Profit or Loss and Statement of Other Comprehensive Income with a corresponding adjustment to equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. In relation to the valuation of the share-based payments, these are valued using an appropriate option valuation method. Once a valuation is obtained management uses an assessment as to the probability of meeting non-market-based conditions. Market conditions are vested over the period in which management assesses it will take for these conditions to be satisfied.

The costs of these equity-settled transactions are recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the equity instrument (vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the profit and loss is the product of (i) the fair value at grant date of the award; (ii) the current best estimate of the number of equity instruments that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met and (iii) the expired portion of the vesting period. The charge to the Consolidated Profit or Loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an equity instrument has vested, any amounts recorded will be adjusted if more or fewer equity instruments vest than were originally anticipated to do so. Any equity instrument subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied. If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the recipient of the award, as measured at the date of modification. If an equity-settled transaction is cancelled (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new equity instrument is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new equity instrument are treated as if they were a modification of the original award, as described in the preceding paragraph.

***Key estimates and judgements***

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using option pricing models (as appropriate) taking into account the terms and conditions upon which the instruments were granted. A key estimate and judgement is the volatility input assumed within the pricing model. The Group uses historical volatilities to determine an appropriate level of volatility expected, commensurate with the expected instrument's life.

## NOTE 14. AUDITORS' REMUNERATION

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the Company:

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| Audit services - | | |
| Audit and review of the financial statements | **107** | **135** |

## NOTE 15. COMMITMENTS AND CONTINGENCIES

The Group had no material commitments, contingent assets or contingent liabilities at 31 December 2024 (2023 Demerger capital gains tax and Partial guarantee of Ganfeng Debt Facility provided to LMSA).

## NOTE 16. RELATED PARTY TRANSACTIONS

***Parent entity***
Leo Lithium Limited is the parent entity.

***Subsidiaries***
Leo Lithium Australia Pty Ltd (incorporated on 5 July 2023).

***Joint ventures***
Interest in joint venture is set out in note 4.

***Key management personnel***
Disclosures relating to key management personnel are set out in note 12 and the remuneration report is included in the Directors' Report.

***Transactions with related parties***
The following transactions occurred with related parties:

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Other income: | | |
| Other income from Goulamina Project | **372** | **680** |

***Receivable from and payable to related parties***
The following balances (refer Note 11) are outstanding at the reporting date in relation to transactions with related parties:

| | | |
|---|---|---|
| Current receivables: | | |
| Receivables from Goulamina Project | **-** | **38,622** |

## NOTE 17. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Other than as stated below, no matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years:

- On 14 January 2025 the Company announced the issue of 5,459,326 ordinary fully paid shares from the vesting and exercise of long-term incentive performance rights for nil consideration in accordance with the Leo Lithium Employee Awards Plan.

- On 16 January 2025, at Leo Lithium's General Meeting, the Company shareholders approved the return of capital of up to A$17.3 million to shareholders.

- On 31 January 2025 the Company completed a distribution to shareholders of A$207.2 million being 17.2 cents per share, consisting of a capital return of 1.43 cents and an unfranked special dividend of 15.77 cents, and announced the adjustment of issued option exercise prices.

- On 25 February 2025, the Company converted the remaining 441,078 long term incentive plan performance rights from 2022 and 2023 into shares and issued 3,153,486 new performance rights under the shareholder approved plan as part of the 2025 incentive program.

- On 26 February 2025, the Company announced that Mr Ron Chamberlain, the Company's Chief Financial Officer and Company Secretary, will be leaving the Company with effect from 28 February 2025. Mr John Sanders will be appointed as the Company Secretary effective 28 February 2025.

LEO LITHIUM LTD

## NOTE 18. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| ***Statement of profit or loss and other comprehensive income*** | | |
| (Loss)/Profit after income tax | 397,624 | (1,685) |
| Other comprehensive income | (9,796) | 112 |
| Total comprehensive (loss)/income | **387,828** | **(1,573)** |
| ***Statement of financial position*** | | |
| Total current assets | 549,435 | 72,921 |
| Total assets | 587,327 | 187,573 |
| Total current liabilities | 9,284 | 2,284 |
| Total liabilities | 12,058 | 3,450 |
| Equity | | |
| Issued capital | 105,814 | 105,924 |
| Foreign currency reserve | - | 9,796 |
| Share-based payments reserve | 7,215 | 3,787 |
| Retained profits | 462,240 | 64,616 |
| Total equity | **575,269** | **184,123** |

***Guarantees entered into by the parent entity in relation to the debts of its subsidiaries***
Leo Lithium, the parent entity, had no guarantees in relation to the debts of its subsidiaries at 31 December 2024 and 31 December 2023.

***Contingent liabilities***
Refer to Note 15 for details of the parent entity's contingent liabilities at 31 December 2024 and (31 December 2023.

## NOTE 19. SUMMARY OF MATERIAL ACCOUNTING POLICIES

***(a) New and amended standards and interpretations adopted by the Group***
The Group has adopted all the new or amended Accounting Standards and Interpretations issues by the Accounting Standards Board (**AASB**) that are mandatory for the current reporting period.

The Group has not elected to early adopt any new standards or amendments during the current financial year.

***(b) New standards and interpretations not yet adopted***
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards is that they are not expected to have a material impact on the Group in the current or future reporting periods.

***(c) Other material accounting policies for the Group***

*Foreign currency translation*
The functional currency of the parent entity, Leo Lithium Limited, is Australian dollars. The consolidated financial statements are presented in Australian dollars which is the Groups' presentation currency. The Goulamina Project has a functional currency of United States dollars (**US$**).

*Foreign currency transactions*
Transactions in a currency other than the functional currency are translated into the functional currency using the exchange rate at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting date are recognised in the profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Foreign exchange differences arising from the translation are recognised in the Consolidated Profit or Loss and Statement of Other Comprehensive Income.

## CONSOLDIATED ENTITY DISCLOSURE STATEMENT

### Basis of Preparation

This Consolidated Entity Disclosure Statement (**CEDS**) has been prepared in accordance with the Corporations Act 2001.

It includes certain information for each entity that was part of the Group at the end of the financial year on 31 December 2024. Entities disposed of during the year, or where the entity has lost control by 31 December 2024, are not included in the CEDS. This means that the entities listed could be different to the subsidiary disclosure included in the Related Party Transaction note in the Consolidated Financial Statements. Information for the comparative period is not required.

### Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of Australian resident and foreign resident in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an Australian resident it cannot be a foreign resident for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

<u>Australian Tax Residency</u>

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

<u>Foreign Tax Residency</u>

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

<u>Partnerships and Trusts</u>

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

**31 December 2024 Consolidated Entity Disclosure Statement**

| Name of Entity | Type of Entity | Trustee, Partner or Participant in Joint Venture | % of Share Capital Held | Country of Incorporation | Australian Resident or Foreign Resident | Foreign Tax Jurisdiction of Foreign Residents |
|---|---|---|---|---|---|---|
| Leo Lithium Limited | Body Corporate | Not applicable | Not applicable – Parent entity | Australia | Australia | Not applicable |
| Leo Lithium Australia Pty Ltd | Body Corporate | Not applicable | 100% | Australia | Australia | Not applicable |

## DIRECTORS' DECLARATION

In the Directors' opinion:

- the Group's consolidated financial statements and notes set out on pages 36 to 63:
  - give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;
  - comply with the Corporations Act 2001, the Accounting Standards, and the Corporations Regulations 2001;
  - comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described on page 40 to the financial statements;
- the information disclosed in the Consolidated entity disclosure statement on page 64 is true and correct; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

___________________________

Simon Hay
Executive Chairman

27 February 2025

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# Independent auditor's report

To the members of Leo Lithium Limited

**Report on the audit of the financial report**

## Our opinion

In our opinion:

The accompanying financial report of Leo Lithium Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *What we have audited*

The financial report comprises:

- the consolidated statement of financial position as at 31 December 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 31 December 2024
- the directors' declaration.

## Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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## Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

| *Audit scope* | *Key audit matters* |
|---|---|
| • Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. | • Amongst other relevant topics, we communicated the following key audit matter to the Audit and Risk Committee:<br>- Sale of investment in MLBV<br>• This is further described in the *Key audit matter* section of our report. |

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter to the Audit and Risk Committee.

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| *Sale of investment in MLBV (Refer to note 4)* | |
| During the year, the Group:<br>- Signed a Memorandum of Understanding ('MoU') with the Mali Government to settle all disputed matters that included the Group making a payment of US$60 million.<br>- Entered into a Deed of Covenant and Release (the 'Deed') with Firefinch Limited, which led to an A$11.5 million payment to the Group as a contribution to the above settlement.<br>- Completed the sale of the Group's shareholding in Mali Lithium BV to GFL International Co, Ltd (Ganfeng) across two | We performed the following procedures, amongst others:<br>• Obtained and reviewed the MoU, the Deed and the contracts related to the sale of Mali Lithium BV and the trailing product sales fee.<br>• Agreed the cash payments paid, received or receivable against the terms of the relevant contractual arrangement and, where applicable, bank statements.<br>• Together with PwC valuations experts, evaluated the methodology, selected data and assumptions applied in management's estimate of the fair value of the trailing product sales fee, including |

| Key audit matter | How our audit addressed the key audit matter |
| --- | --- |
| transactions, for total cash consideration of US$236.5 million and deferred consideration of US$171.2 million.<br>- Assigned to a Gangfeng affiliate the Group's contractual rights to offtake from the Goulamina Project's future expansions and terminated the balance of the Cooperation Agreement with Ganfeng in exchange for a trailing product sales fee of 1.5% of the gross revenue received from the sale of up to 500,000 tonnes of spodumene concentrate per annum from the Goulamina Project for a term of 20 years.<br>The Group's assessment of the financial effects of these events, their recognition, measurement and presentation under Australian Accounting Standards was an area of audit focus due to their size and importance to the presentation of the financial report as a whole, as well as the judgments required in the estimation of the fair value of the trailing product sales fee. | production estimates, lithium pricing, and the discount rate.<br>• Tested the mathematical accuracy of management's calculation of the gain on the sale and the release of relevant equity reserves.<br>• Assessed the reasonableness of the disclosures made in the financial report against the requirements of Australian Accounting Standards. |

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

**Report on the remuneration report**

## Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2024.

In our opinion, the remuneration report of Leo Lithium Limited for the year ended 31 December 2024 complies with section 300A of the *Corporations Act 2001*.

## Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Ian Campbell
Partner

Perth
27 February 2025

## SHAREHOLDER AND INVESTOR INFORMATION

### AS AT 25 FEBRUARY 2025

#### ORDINARY SHARE CAPITAL

1,204,827,813 fully paid ordinary shares (shares) on issue, held by 13,806 holders.

#### PERFORMANCE RIGHTS

There are currently 7 holders of performance rights, holding 3,153,486 performance rights.

#### OPTION HOLDERS

There are currently 6 holders of unquoted options, holding 7,950,000 options.

#### VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

- Shares: Each Share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- Unlisted Options/performance rights: Options/performance rights do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance shares convert and subsequently registered as Shares.

#### SUBSTANTIAL HOLDERS

Details of substantial shareholders disclosed in substantial holder notices given to the Company are as follows:

| Holder | Number of Shares | % Issued Capital | Date of Notice |
|---|---|---|---|
| Firefinch Limited | 210,941,543 | 17.61% | 7/07/2022 |

#### DISTRIBUTION SCHEDULE OF SHARES

| Range | Total holders | Shares | % Shares |
|---|---|---|---|
| 1 - 1,000 | 2,319 | 1,490,272 | 0.12 |
| 1,001 - 5,000 | 4,291 | 11,525,131 | 0.96 |
| 5,001 - 10,000 | 2,165 | 16,551,059 | 1.37 |
| 10,001 - 100,000 | 4,056 | 136,989,584 | 11.37 |
| 100,001 Over | 975 | 1,038,271,767 | 86.18 |
| **Total** | **13,806** | **1,204,827,813** | **100.00** |

| Unmarketable Parcels | Minimum Parcel Size | Holders | Shares |
|---|---|---|---|
| Minimum $ 500.00 parcel at $ 0.5050 per unit | 991 | 2,038 | 1,209,330 |

#### ON-MARKET BUY-BACK AND PURCHASE

There is no current on-market buy-back and there were no securities purchased on market for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

#### ITEM 7 OF SECTION 611 CORPORATIONS ACT

There are no issues of securities approved for the purposes of Item 7 of section 611 of the Corporations Act which have not yet been completed.

#### CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement follows the 4th edition of the Corporate Governance Principles and Recommendations set by the ASX Corporate Governance Council. The Company's 2024 Corporate Governance Statement can be located at www.asx.com.au and https://www.leolithium.com/corporate/corporate-governance/.

### 20 LARGEST HOLDERS

| Rank | Name | Shares | % Held of Shares |
|---|---|---|---|
| 1 | FIREFINCH LIMITED | 210,941,543 | 17.51 |
| 2 | HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED | 101,365,952 | 8.41 |
| 3 | CITICORP NOMINEES PTY LIMITED | 78,791,228 | 6.54 |
| 4 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 77,608,973 | 6.44 |
| 5 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 48,429,029 | 4.02 |
| 6 | BNP PARIBAS NOMS PTY LTD | 38,162,436 | 3.17 |
| 7 | BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM> | 29,572,947 | 2.45 |
| 8 | UBS NOMINEES PTY LTD | 20,372,817 | 1.69 |
| 9 | WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C> | 15,320,754 | 1.27 |
| 10 | MR PHILLIP RICHARD PERRY | 10,694,962 | 0.89 |
| 11 | NATIONAL NOMINEES LIMITED | 10,455,865 | 0.87 |
| 12 | NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT> | 8,740,698 | 0.73 |
| 13 | CAPITAL DI LIMITED | 8,000,000 | 0.66 |
| 14 | LCL VENTURE PTY LTD | 7,430,000 | 0.62 |
| 15 | MR ZENG YANG | 7,276,127 | 0.60 |
| 16 | MACQUARIE BANK LIMITED <METALS MINING AND AG A/C> | 5,330,490 | 0.44 |
| 17 | BPM INVESTMENTS LIMITED | 5,000,000 | 0.41 |
| 18 | BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C> | 4,690,992 | 0.39 |
| 19 | MR BRENDAN JAMES BORG + MRS ERIN BELINDA BORG <BORG FAMILY SUPER FUND A/C> | 4,461,000 | 0.37 |
| 20 | TREASURY SERVICES GROUP PTY LTD <NERO RESOURCE FUND A/C> | 4,371,000 | 0.36 |
| **Totals: Top 20 holders of Shares (Total)** | | **697,016,813** | **57.85** |
| **Total Remaining Holders Balance** | | **507,811,000** | **42.15** |

### RESTRICTED SECURITIES

None.

# MINERAL RESOURCES AND ORE RESERVES

## SALE OF INDIRECT INTEREST IN THE GOULAMINA PROJECT ON 26 NOVEMBER 2024

The Group sold its shareholding in Mali Lithium BV (**MLBV**), and thereby its indirect interest in the Goulamina Project, on 26 November 2024. As a result, from that date the Group has not held an interest in any mining tenements. Accordingly, no Mineral Resource, Ore Reserve or mining tenements have been disclosed as at 31 December 2024. Further information in this regard is set out below.

## MINING TENEMENTS

At 1 January 2024 the Group held an indirect interest in the following mining tenement via its shareholding in MLBV (which in turn owned Lithium du Mali SA):

| Tenement | Location & Area (ha) | Grant Date | Expiry Date | Holder/Applicant |
|---|---|---|---|---|
| PE19/25, Permis d'Exploitation de Torakoro (Cercle de Bougouni) | Mali 10,067.8ha | 23/08/2019 | 22/08/2049 | Lithium du Mali S.A (the mining tenement was transferred to LMSA pursuant to a Prime Ministerial Decree made on 24 March 2022) |

The Group has not held any interest in mining tenements since the sale of the Group's shareholding in MLBV, and accordingly the Group did not hold any interests in mining tenements as at 31 December 2024.

## MINERAL RESOURCES

The in-situ Mineral Resource reported as of 31 December 2023 totaled 210.6 million tonnes grading 1.37%_$Li_2O$ (table 1).

***Table 1**: Goulamina JORC 2012 Mineral Resource (in-situ Material) 31 December 2023*

| Classification | Tonnes (Mt) | $Li_2O$ (Mt) | $Li_2O$ (%) | $Fe_2O_3$ (%) | Density (t/m³) |
|---|---|---|---|---|---|
| **Measured** | 12.7 | 0.20 | 1.58 | 0.93 | 2.73 |
| **Indicated** | 89.2 | 1.28 | 1.43 | 0.92 | 2.73 |
| **Inferred** | 108.6 | 1.41 | 1.30 | 0.83 | 2.73 |
| ***Total*** | ***210.6*** | ***2.88*** | ***1.37*** | ***0.88*** | ***2.73*** |

*Notes:*

*Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition) (**2012 JORC Code**).*
*Data is reported to significant figures and differences may occur due to rounding.*
*Mineral Resources have been reported above a US$1,500/tonne optimised pit shell and 0.5% cut-off grade was applied.*
*Mineral Resource depleted to 30 April 2024.*

The Company released an upgraded Mineral Resource Estimate (**MRE**) for the Goulamina Project on 1 July 2024, following an exploration drilling campaign completed in the second half of 2023. The upgraded MRE expanded the total resource tonnage from 210.6 Mt at 1.37% $Li_2O$ to 267.2 Mt at 1.38% $Li_2O$ (see Table 2).

***Table 2**: Goulamina Mineral Resource Estimate summary (no reporting cut-off applied) - May 2024*

| Classification | Tonnes (Mt) | $Li_2O$ (Mt) | $Li_2O$ (%) | $Fe_2O_3$ (%) | Density (t/m³) |
|---|---|---|---|---|---|
| **Measured** | 13.1 | 0.21 | 1.58 | 0.92 | 2.73 |
| **Indicated** | 94.9 | 1.35 | 1.42 | 0.90 | 2.73 |
| **Inferred** | 159.2 | 2.12 | 1.33 | 0.83 | 2.73 |
| ***Total*** | ***267.2*** | ***3.69*** | ***1.38*** | ***0.86*** | ***2.73*** |

*Notes:*

*Mineral Resources are reported in accordance with the 2012 JORC Code*
*Data is reported to significant figures and differences may occur due to rounding.*
*Mineral Resources have been reported above a US$1,500/tonne optimised pit shell and no cut-off grade was applied.*
*Mineral Resource depleted to 30 April 2024.*

On 26 November 2024 the Group finalised the sale of its interest in MLBV, and thereby the Goulamina Project. From that date the Group has not held any interest in any mining tenements and does not have any interest in any Mineral Resource (see Table 3).

***Table 3:*** *Leo Lithium's interest in Goulamina JORC 2012 Mineral Resource 31 December 2024*

| Classification | Tonnes (Mt) | $Li_2O$ (Mt) | $Li_2O$ (%) | $Fe_2O_3$ (%) | Density (t/m$^3$) |
|---|---|---|---|---|---|
| **Measured** | 0 | 0 | 0 | 0 | 0 |
| **Indicated** | 0 | 0 | 0 | 0 | 0 |
| **Inferred** | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** | **0** |

## ORE RESERVES

No new economic evaluations have been included in this Ore Reserve estimate. Proven and Probable Ore Reserves (Table 4 and 5) were updated for the starting balance and then the indirect sale of the Goulamina Project on 26 November 2024. The Ore Reserves do not include any material classified as Inferred.

***Table 4***: *Goulamina Ore Reserve Estimate – 31 December 2023*

| Classification | Tonnes (Mt) | $Li_2O$ (Mt) | $Li_2O$ (%) | $Fe_2O_3$ (%) |
|---|---|---|---|---|
| **Proven** | 8.1 | 0.1 | 1.55 | 0.95 |
| **Probable** | 43.9 | 0.7 | 1.50 | 0.77 |
| **Total** | **52.0** | **0.8** | **1.51** | **0.80** |

*Notes:*

*Mineral Resource and Reserves are reported in accordance with the 2012 JORC Code.*
*Apparent errors of summation are due to rounding.*
*Ore Reserves have been reported at a 0% $Li_2O$ cut-off grade consistent with whole of ore approach.*
*Ore reserves are the economically mineable part of the Measured and Indicated Resource. No additional ore losses, dilution or a mining call factor have been applied.*
*All tonnes are dmt.*

***Table 5:*** *Leo Lithium's interest in Goulamina JORC 2012 Ore Reserve Estimate – 31 December 2024*

| Classification | Tonnes (Mt) | $Li_2O$ (Mt) | $Li_2O$ (%) | $Fe_2O_3$ (%) |
|---|---|---|---|---|
| **Proved** | 0 | 0 | 0 | 0 |
| **Probable** | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** |

## GOVERNANCE

Leo Lithium's Mineral Resource and Ore Reserve Governance approach includes formal, documented systems and procedures. A summary of Leo Lithium's governance and procedures applicable to Mineral Resources and Ore Reserves estimates is as follows:

### *Mineral Resources*

- Review and validation of drilling and sampling methodology and data spacing, geological logging, data collection and storage, sampling and analytical quality control.
- Geological interpretation – review of interpretation of Pegmatite dykes, structures and weathering surfaces.
- Mineral Resource Estimation – estimates are prepared using accepted industry methods which are relevant to the style of mineralisation and proposed open pit mining methodology.
- Comparison and validation of estimation results with results using alternate modelling methodologies.
- Visual validation of block model against raw sample composites.
- Use of external Competent Persons to assist in preparation of Mineral Resources estimate updates.

### *Ore Reserves*

- Review of the open pit mining methodology to suit the pegmatite deposit and its mineralogical characteristics.
- Collation of input parameters, open pit optimisation studies on the Measured and Indicated Mineral Resources of the deposit, open pit designs and pit production scheduling.
- Ore Reserves estimate updates initiated following material changes in the relevant Modifying Factor assumptions. Ore Reserve Estimates are in accordance with the guidelines in the JORC Code (2012 Edition). Proved Ore Reserves are derived from the Measured Mineral Resources and the Probable Ore Reserves have been derived from the Indicated Mineral Resources contained within the optimised pit design and scheduled to be processed through the planned processing facility.
- Use of external Competent Persons to assist in preparation of Ore Reserves Estimates.

## COMPETENT PERSONS STATEMENTS

The Information in this report that relates to Exploration results, Mineral Resources and Ore Reserves is based on information compiled by the Competent Persons listed in the table below. Each competent person:

- Is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or a Member or a Fellow of the Australian Institute of Geoscientists.
- Has sufficient experience that is relevant to the style of mineralisation and type of deposits under their consideration and to the reporting activity being undertaken, to qualify as a Competent Person as defined in the JORC Code.
- Consents to the inclusion in this statement of matters based on their information in the form and context in which it appears.

| Competent Person | Activity | Employer | Membership | Competent Person |
|---|---|---|---|---|
| **Sebastian Kneer** | Exploration results | Leo Lithium, full-time employee | Australian Institute of Geoscientists | Exploration results |
| **Matt Clark** | Mineral Resources | ERM Perth (CSA Global) | Australasian Institute of Mining and Metallurgy | Mineral Resources |
| **Quinton de Klerk** | Ore Reserves | Cube Consulting | Australasian Institute of Mining and Metallurgy | Ore Reserves |