
Shareholder - Update

Dear Shareholders,

I wanted to provide a further update, as we undertook to do in our announcement on August 23, 2023.

Sale of Firefinch interest in Morila SA

We continue to engage in positive dialogue with the Government of Mali (“**Government**”) regarding the Company’s plans to dispose of its interest in Société des Mines de Morila SA (“**Morila SA**”).

We have provided a significant level of information in response to the Government’s various queries and have also delivered what we think are constructive steps for both parties to move forward. With each dialogue we are gaining a better understanding of the Government’s position and its desired outcome.

It is worth recognising that we are dealing with a recent change of Government and newly installed Ministers, a process that is extremely complex, and in a foreign jurisdiction where English is not the first language. All of these have contributed to the challenges and timeframe for these negotiations.

Importantly, we must allow this process to run its course to enable a transaction that will be in the best interests of Firefinch shareholders and other Morila SA stakeholders including employees, the local community, and the Government.

Corporate transaction

As previously reported, we have been working with advisors Treadstone Resource Partners and Gilbert + Tobin to assess corporate transaction options that deliver value to Firefinch shareholders plus the option of liquidity for those who want it.

While a potential transaction is not necessarily contingent on a sale of Morila SA, the process is being impacted by the ongoing Government negotiations and the desire of interested parties in a disposal of Morila SA occurring.

I’d like to reiterate if there is no reasonable prospect of a successful corporate transaction, the Company will start taking appropriate steps to return its assets (cash and Leo Lithium shares) to shareholders. To that end, we continue to work in parallel with our advisors to determine the best way to distribute the assets.

Shareholders are also reminded that any potential transaction to dispose of Morila SA, or a corporate transaction will require shareholder approval.

Current priorities

We continue to progress the business strategy where the key objective is managing risks to protect shareholder value in what is a dynamic and rapidly changing environment.

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We are focussed on three priorities:

1. The sale of Morila Limited that controls 80% of Morila SA,
2. Engaging and negotiating with parties offering potential value through a corporate transaction for Firefinch shareholders, and
3. Engaging with the Government of Mali to assist with its understanding of Morila Gold Mine and what is required to advance the project with a new operator.

General and administrative costs have been cut to the bare minimum. The issues we are dealing with, however, require significant legal input which is critical to protect Firefinch's interest.

The Board recognises the frustration of shareholders due to the drawn-out nature of this process, but we remain committed to delivering an outcome that is in the best interests of all shareholders. We thank you for your understanding.

Yours Sincerely,

Brett Fraser
Chairman

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