

19 February 2024

FAU to Acquire 100% of Highly Prospective Lithium Project in Ghana, West Africa

- First Au Limited (FAU) has finalised a binding agreement to acquire a 100% interest in six granted tenements located on the Cape Coast in Ghana, spanning an area of 898 km² of highly prospective lithium tenure.
- The acquisition positions FAU in proximity (~66km) to the significant Ewoyaa deposit of Atlantic Lithium (ASX:A11)¹.
- Initial field assessments already completed indicate geological parallels with the Ewoyaa deposit with mapped outcropping pegmatites and regional geology supporting further planned exploration to potentially uncover a comparable major deposit.
- Ideal infrastructure support; tenements are located within 60km of the capital Accra and 80km of the Tema deep-sea port supported by sealed highways and high-powered transmission lines.
- Highly supportive government; long mining history, strong diversification drive and pro-renewable and stored energy initiatives.
- FAU's acquisition aligns with the growing global demand for lithium, fuelled by the green energy transition.
- The transaction is subject to FAU's shareholder's approval and a minimum A\$1.2m equity raise.

Commenting on the Company's strategic acquisition, Ryan Skeen, CEO & Managing Director of FAU, said:

"This strategic acquisition is potentially company defining for FAU with the already approved exploration tenements exceptionally well located, both geologically and from an infrastructure perspective. The tenements provide the company with access to 898 km² of highly prospective geology, within close proximity of Atlantic Lithium's Ewoyaa Project.

"The company is ideally positioned to take advantage of the increasing global demand for the reliable supply of lithium due to its role in the stored energy transition and we look forward to keeping shareholders updated as we look to commence a comprehensive exploration program to build on the work to date."

¹ Refer to Atlantic's Lithium Project: <https://www.atlanticlithium.com.au/projects-ghana>

First Au Limited (“FAU”, “First Au” or “the Company”) is pleased to announce that it has entered into a binding agreement with E-Cube Premium Limited (“E-Cube” or “the Seller”) to acquire 100% of the Kasepaarada Lithium project in Ghana, contain 6 granted prospecting licences covering 898km². (see Appendix 1 for a summary of the transaction terms).

GHANA LITHIUM PROJECT HIGHLIGHTS

FAU's acquisition from E-Cube Premium Limited encompasses the Kasepaarada Lithium project, which includes six granted prospecting licenses covering approximately 898 km². Situated 60 km northwest of Accra, the capital city of Ghana on the Cape Coast, the project benefits from access to excellent infrastructure, a skilled workforce and a mining friendly jurisdiction.

The project is located 10km along strike from Atlantic Lithium’s (ASX:A11) Egyasimanku lithium tenements and 66km away from Atlantic’s Ewoyaa lithium deposit. (see Figure 1).

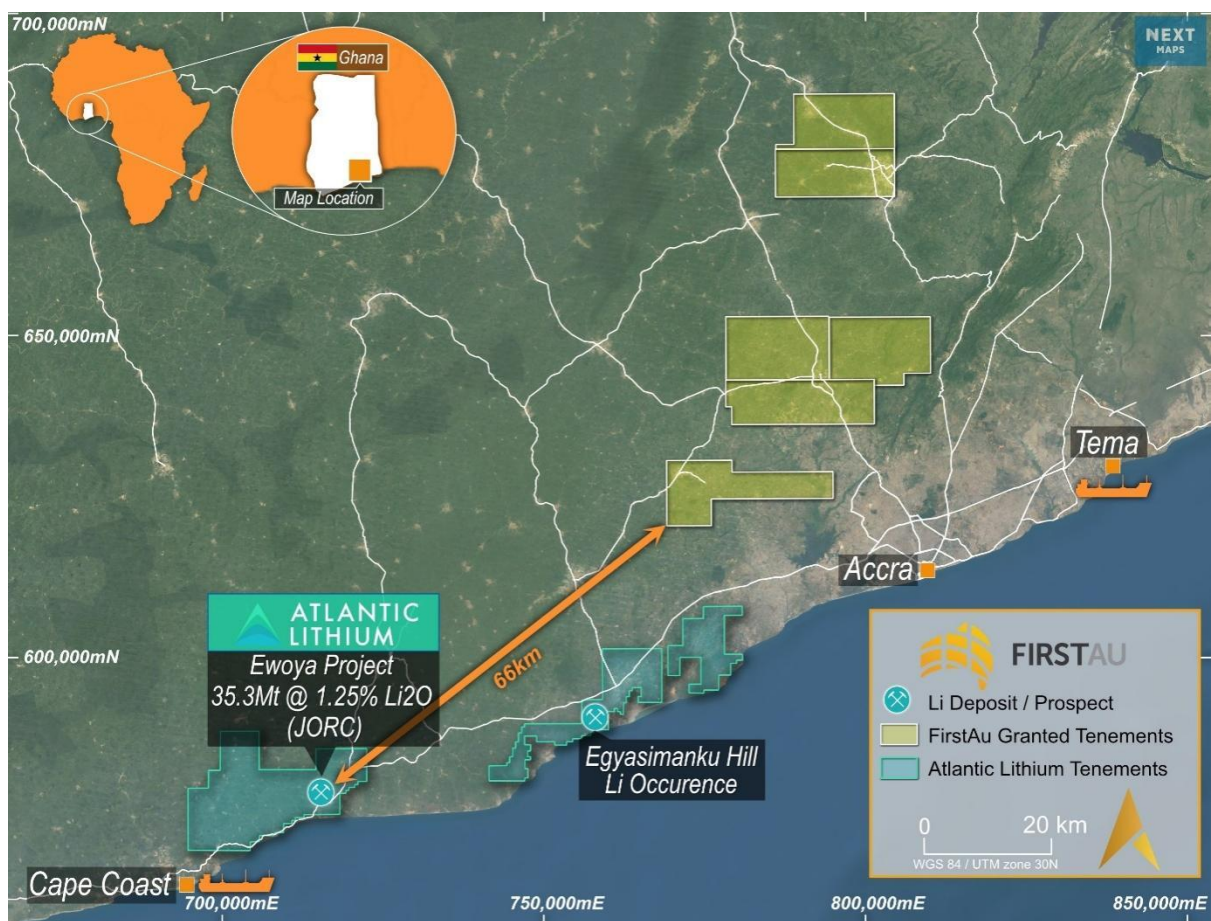


Figure1: Location of First Au’s Kasepaarada Lithium project on the Cape Coast, Ghana.

REGIONAL GEOLOGY

The project area, part of the Cape Coast Batholith region, is known for its granite complex and pegmatite occurrences. These geological features are crucial for lithium prospectivity, with initial mapping and surveys confirming the presence of pegmatites crucial for lithium mineralization.

The geological setting of this region bears resemblance to the Guloumina lithium deposit in Mali (Leo Lithium, ASX:LLL). In this particular region, the mineralisation belongs to the Proterozoic Age. The sequence belongs to the same Brimian Supergroup (see Figure 2) found in Mali, Guinea, Burkina Faso and Cote d’Ivoire.

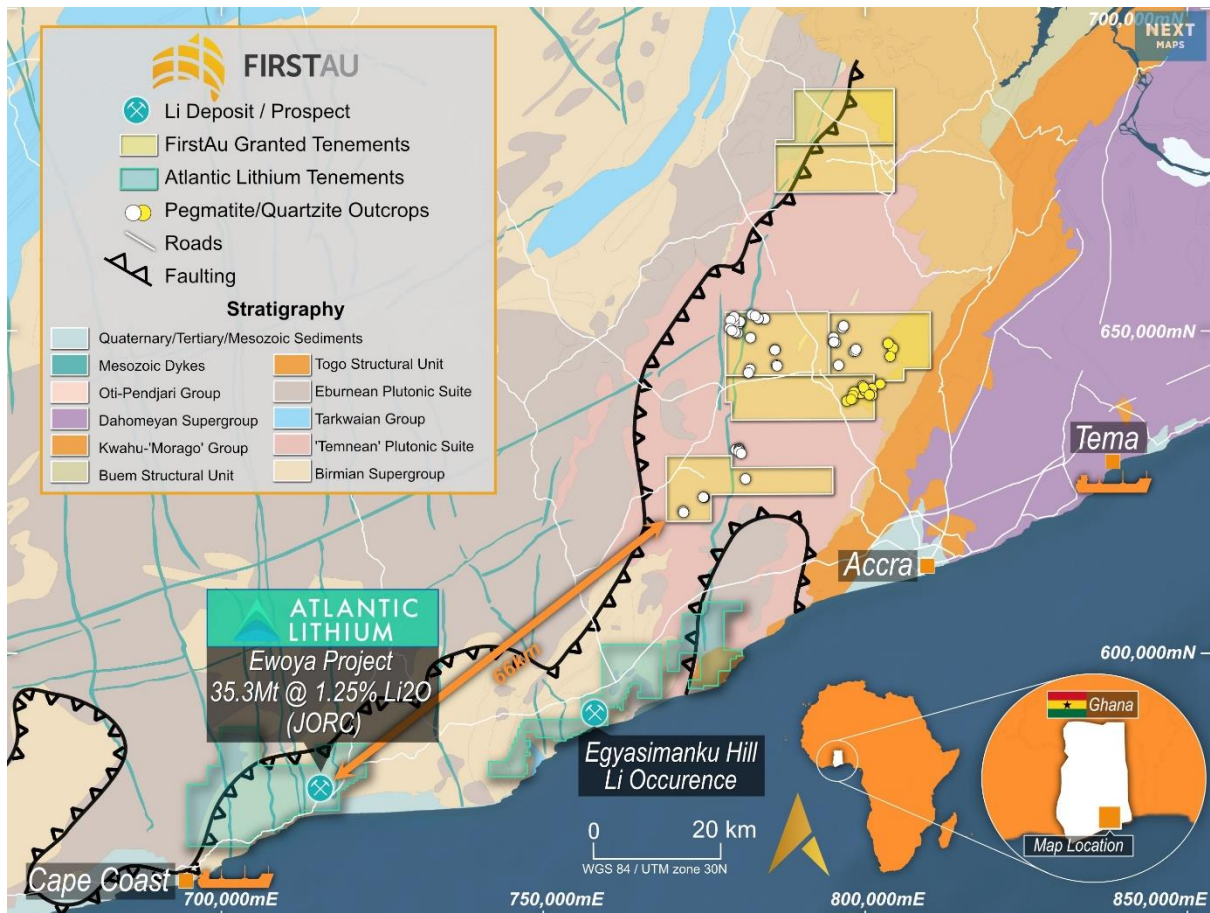


Figure 2: Location map of the Kasepaarada Project tenements and infrastructure, general regional Stratigraphy and Atlantic Lithium's tenements.

Following FAU's site trip at the end of 2023, it is understood that lithium mineralisation is potentially hosted within felsic-related (see Figure 3 & 4) intrusive rocks, this contrasts with other lithium deposits found in Southern Africa and Australia, which are typically associated with greenstone belts and are hosted in rocks like dolerite, gabbro, or amphibolite (examples include the Bikita and Accadia lithium deposits in Zimbabwe and many of Western Australian lithium deposits).

The felsic nature of the host rock in Cape Coast region offers a more expansive environment and a slower, more diffuse texture for lithium mineralization. This results in a smoother transition within the host rock, creating the potential mechanism for significant lithium mineralisation.

Known lithium pegmatites occur near the south-east margin of younger granitic rocks in older volcanic sediments including felsic material such as schist (see Figure 4), and granites proximal.

In comparison, both the Ewoya Lithium Deposit in Ghana (Atlantic Lithium) and the Guloumina Lithium Deposit in Mali (Leo Lithium) are associated with felsic intrusions dated between 1.8.0 to 2.5 billion years ago and suited in the Brimian Greenstone which provided essential background geology to form lithium deposits.

Unlike many other giant projects in Southern part of Africa or in Western Australia, this type of lithium pegmatite is not confined to greenstone fractures. Instead, it occupies larger space within the granites or metasediments (which are also felsic-related rocks), favouring the formation of larger ore bodies. Both the Guloumina and Ewoya lithium deposit are hosted within such felsic schist (metamorphosed felsic rock) (see Figure 4) or granite mineralisations.

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Figure 3: Potential potassium alteration within pegmatite



Figure 4: Outcrops showing the boundary of biotite schist (top) and pegmatite (bottom)



Figure 5 & 6: Pegmatite outcrops observed within the Kasepaarada Lithium Project

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PROJECT STRATEGY & NEXT STEPS

Post to completion of this transaction, FAU will commence a comprehensive exploration program building on the already completed field work prioritizing geological mapping and soil geochemistry to pinpoint lithium-rich zones. The program is designed to identify high-potential areas for further detailed investigation and drilling.

Outcrops of pegmatite trends (see Figure 7) with thickness between 10-20 metres were identified during the latest site visit with further detailed mapping required.



Figure 7: Trending of pegmatite with thickness of 10-20meters

Released with the authority of the Board and ceases the trading halt in the Company's Securities on the ASX.

[Ends]

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About First Au Limited: FAU is an advanced gold and base metals exploration company listed on the Australian Securities Exchange (ASX:FAU) and is pursuing exploration programs at its Victorian Goldfields Project in East Gippsland and its 100% owned Gimlet Gold project near Kalgoorlie.

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Disclaimer:

Forward Looking Statement: *This announcement may contain certain statements and projections provided by or on behalf of First Au Limited ("FAU", "First Au" or "the Company") with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of the Company. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or mining which may be beyond the control of the Company which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, reserve and resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised. The Company makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.*

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Appendix 1 – Summary of Transaction Terms

Under the Binding Term Sheet, First Au has agreed to provide to E-Cube the following by way of acquisition consideration:

- (i) 916,666,667 Shares in FAU (**Consideration Shares**); and
- (ii) 500,000,001 performance rights (**Performance Rights**); and
- (iii) The grant of a 1.5% Net Smelter Royalty over future production (**Royalty**).

The Consideration Shares issued to the Seller will be subject to a voluntary escrow period of 6 months post issue date.

The Performance Rights vest in accordance with the milestones set out below:

- (i) 166,666,667 on FAU announcing a JORC compliant Mineral Resource as the Kasepaarada Lithium Project of 5Mt or greater at a grade of not less than 1% lithium from 3 years from the date of issue.
- (ii) 166,666,667 on FAU announcing a JORC compliant Mineral Resource as the Kasepaarada Lithium Project of 10Mt or greater at a grade of not less than 1% lithium from 5 years from the date of issue.
- (iii) 166,666,667 on FAU announcing a JORC compliant Mineral Resource as the Kasepaarada Lithium Project of 20Mt or greater at a grade of not less than 1% lithium from 5 years from the date of issue.

Terms and conditions of Performance Rights are detailed in Appendix 2 attached.

Completion of acquisition is subject to, and conditional upon, but not limited to the following conditions precedent:

- (i) the Buyer completing a capital raising of not less than \$1,200,000 (before costs);
- (i) the company obtaining the necessary board, shareholder and regulatory approvals to allow the parties to lawfully complete the terms as set out in the binding term sheet; and
- (ii) completion of due diligence by the Buyer over the Kasepaarada lithium tenements.

On and from Completion, E-Cube Premium Limited has the right, but not the obligation, to appoint one person as a non-executive director to the Board of First Au. Subject to shareholder approval at a General Meeting to be announced by the Company.

The Company will notify shareholders a date to hold a General Meeting and despatch a Notice of Meeting containing resolutions relating to the Binding Term Sheet for approval by shareholders shortly.

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Appendix 2 – Performance Rights Terms and Conditions

1. **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right entitles the Holder on conversion to the issue of one Share.

2. **(Milestone):** The Performance Rights vest in accordance with the milestones in the table below:

Performance Rights	Milestone	Expiry Date
166,666,667	The Buyer announcing a JORC compliant Inferred Mineral Resource at the Kasepaarada Lithium Project of 5Mt or greater at a grade of not less than 1% lithium.	3 years from the date of issue.
166,666,667	The Buyer announcing a JORC compliant Inferred Mineral Resource at the Kasepaarada Lithium Project of 10Mt or greater at a grade of not less than 1% lithium.	5 years from the date of issue.
166,666,667	The Buyer announcing a JORC compliant Inferred Mineral Resource at the at the Kasepaarada Lithium Project of 20Mt or greater at a grade of not less than 1% lithium.	5 years from the date of issue.

Notes:

1. **JORC** means Australasian Joint Ore Reserves Committee.
2. **Inferred Mineral Resource** has the meaning given in the JORC Code.
3. **JORC Code** means The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

3. **(Independent Verification):** The Milestone set out above must be independently verified prior to the Performance Rights being able to be converted into Shares.

Subject to the satisfaction of the Milestone, the Company will notify the Holder in writing **(Vesting Notice)** within a reasonable period of time of becoming aware that the Milestone has been satisfied.

4. **(Exercise Price):** The exercise price of each vested Performance Right is nil.

5. **(Expiry Date):** The Performance Rights will expire and lapse at 5:00pm (AWST) on the date specified in clause 2 above.

6. **(Exercise):** At any time between receipt of a Vesting Notice and the Expiry Date, the Holder may apply to exercise Performance Rights by delivering a signed notice of exercise to the

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Company Secretary (in a form provided by the Company Secretary). The Holder is not required to pay a fee to exercise the Performance Rights.

7. **(Timing of Issue of Shares and Quotation of Shares on Exercise):** On conversion of the Performance Right, the Company will:
- (a) issue, allocate or cause to be transferred to the Holder the number of Shares to which the Holder is entitled;
 - (b) if required, issue a substitute certificate for any remaining unexercised Performance Rights held by the Holder;
 - (c) if required and subject to paragraph 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (d) in the event the Company is admitted to the official list of ASX, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.
8. **(Restrictions on Transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.
9. **(Shares Issued on Exercise):** All Shares issued upon the exercise of Performance Rights will upon issue rank equally in all respects with the then Shares of the Company.
10. **(Transfer):** The Performance Rights are not transferable.
11. **(Quotation):** No application for quotation of the Performance Rights will be made by the Company.
12. **(Voting Rights):** The Performance Rights do not confer on the Holder an entitlement to vote at general meetings of the Company.
13. **(Dividend Rights):** The Performance Rights do not entitle the Holder to any dividends.
14. **(Participation In Entitlements and Bonus Issues):** Subject to the rights under paragraph 15 below and, unless and until the Milestone is achieved and the Performance Rights are converted into Shares, the Holder is not entitled to participate in any new issue of Shares such as bonus issues and entitlement issues, as a result of their holding of the Performance Rights.
15. **(Adjustment for Bonus Issue):**
- (a) If Shares are issued by the Company pro rata to the Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of the Performance Rights is entitled, upon exercise of the Performance Rights, to receive, in addition to the Shares in respect of which the

Performance Rights are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a Shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Performance Rights are exercised.

- (b) Additional Shares to which the holder of the Performance Rights becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Performance Rights are exercised for the purposes of subsequent applications of paragraph 15(a) above, and any adjustments which, after the time just mentioned, are made under paragraph 16 below to the number of Shares, will also be made to the additional Shares.
16. **(No rights to return of capital):** The Performance Rights do not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
17. **(Rights on winding up):** The Performance Rights do not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
18. **(Reorganisation of Capital):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
19. **(Change of Control):**
- (a) If prior to the earlier of the conversion of the Performance Rights and the Expiry Date a Change in Control Event occurs, then each Performance Right will automatically and immediately convert into a Share.
- (b) A "**Change of Control Event**" occurs when:
- (i) **takeover bid:** the occurrence of the offeror under a takeover offer in respect of all shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or
- (ii) **scheme of arrangement:** the announcement by the Company that the Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all the Securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.
20. **(Takeovers prohibition):**
- (a) the issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and

- (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Performance Rights.

21. **(Amendments required by ASX):** The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the securityholder are not diminished or terminated.