
Macquarie Capital Appointed to Advise on Value Realisation for the Goulamina Lithium Project

- **Macquarie Capital have been appointed to advise on the value realisation process for Firefinch's world-class Goulamina Lithium Project**
 - **Intention to demerge Goulamina into a separate entity on the ASX with Firefinch shareholders expected to receive shares proportional to their existing holding**
 - **Key objective to unlock value for shareholders through providing a distinct lithium entity with a separate focussed management team to progress Goulamina into production**
 - **Macquarie will also assist Firefinch and LithiumCo in relation to Goulamina funding, partnership opportunities and offtake**
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Lithium Value Realisation

Firefinch Limited (ASX: FFX) (**Firefinch** or **the Company**) is pleased to announce Macquarie Capital (Australia) Limited (**Macquarie**) has been appointed to advise on funding, partnering opportunities, offtake and the demerger process for the Goulamina Lithium Project (**Goulamina** or **the Project**).

Macquarie is a leading adviser in the lithium space, having recently transacted ~A\$3.0 billion in lithium-related M&A as well as raising in excess of A\$1.1 billion in funds for lithium companies.

As announced to the ASX on 9 February 2021, Firefinch is planning a demerger of Goulamina into a separate lithium-focussed company (**LithiumCo**) which expects to list on the ASX in the second half of 2021, subject to shareholder and other approvals.

The value realisation process follows a strategic review of Goulamina which concluded the Project was not receiving appropriate value recognition in Firefinch's current corporate structure. This despite Goulamina being one of very few near-term development projects with 100% of spodumene concentrate available for offtake and conversion to battery grade lithium hydroxide and carbonate.

The separation of Firefinch's gold and lithium assets into two distinct entities intends to provide a more direct path to value recognition for each of the assets and ultimately unlock value for shareholders. LithiumCo will be led by a separate management team and Board focussed on developing Goulamina and progressing the Project into production. LithiumCo, via a services agreement, will have shared access to Firefinch's corporate resources and benefit from Firefinch's Malian social intellectual property.

Following the successful release of the Goulamina Definitive Feasibility Study (**DFS**) in October 2020, Firefinch has received unsolicited approaches from a wide range of parties, including international and domestic mining companies, cathode and battery manufacturers and trading houses. These parties have shown interest in a range of mutually beneficial opportunities including project partnering, offtake and financing for Goulamina. Discussions with these parties will be considered in parallel with the demerger process with the view of maximising overall value for Goulamina.

Firefinch and Macquarie have commenced further engagement with parties on Goulamina partnering, offtake and financing to support the overall demerger process.

Executive Chairman, Dr Alistair Cowden, commented:

“We are delighted to welcome Macquarie as our advisers on the value realisation process for Goulamina given their proven track record at unlocking value for large hard rock lithium assets.

The demerger of Goulamina represents a logical separation of our gold and lithium businesses, allowing shareholders to gain direct exposure to each commodity separately. LithiumCo will provide shareholders with direct exposure to the battery metals and “greening” thematics at what is an ideal time in the lithium cycle to be financing and developing a world-class hard rock lithium project.”

Goulamina Lithium Project Overview

Goulamina is a world-class project, being one of the largest and highest-grade hard rock lithium deposits globally. The Project is fully permitted and ready to commence development following the release of the DFS.

Further, Goulamina is a highly strategic lithium asset, being one of the limited number of near-term development projects with 100% of spodumene concentrate available for offtake and suitable for conversion to battery grade lithium hydroxide and carbonate.

The DFS¹ confirmed Goulamina as a long life, large scale, low-cost open pit project:

- Average production of 436ktpa of spodumene concentrate which is currently uncontracted;
- Average cash costs of US\$281/t spodumene concentrate;
- Relatively low capital costs of US\$194 million;
- Initial mine life of 23 years underpinned by a high grade, low impurity Ore Reserve of 52Mt at 1.51% Li₂O for 0.79Mt contained Li₂O;
- Mineral Resource of 109Mt at 1.45% Li₂O for 1.57Mt contained Li₂O; and
- Pre-tax NPV of A\$1.7 billion.

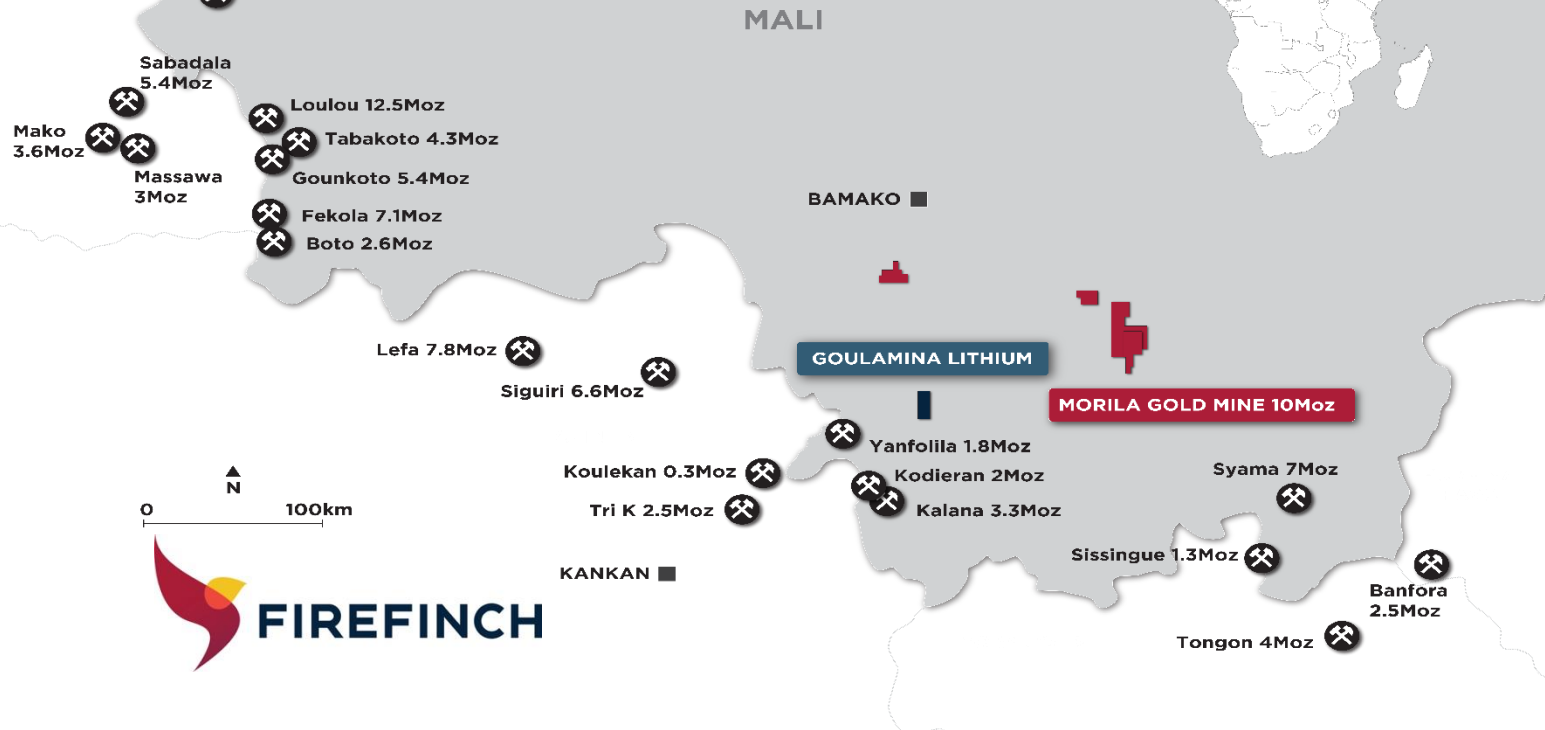
This announcement has been approved for release to the ASX by the Board.

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¹ Refer to the ASX announcement titled, “Goulamina Lithium Project Definitive Feasibility Study” released 20 October 2020.



Firefinch is a Mali focussed gold miner and lithium developer. It has an 80% interest in the Morila Gold Mine which has produced 7.5 million ounces of gold since 2000. Firefinch is ramping up production at the 4.5mtpa mill and mine from a current annual production profile of 40,000 ounces of gold per annum from tailing treatment towards a target of 70 to 90,000 ounces of gold per annum through mining of small open pits, stocks and tailings from mid 2021. In 2022, the company plans to further increase production to target 150,000 to 200,000 ounces of gold per annum by re-commencing mining from the main Morila pit to fully exploit the 2.35 million ounces of gold in the Global Resource at Morila. (Measured:3.15 million tonnes at 0.5g/t gold, Indicated:22.80 million tonnes at t @ 1.59g/t gold and Inferred:22.23M million tonnes at t @ 1.58g/t gold).

Morila was one of the world's highest grade open pits 12 to 20 years ago but its limits are not well understood. Exploration is a major focus at Morila, its satellite resources and multiple targets on the 685km² of surrounding tenure.

The Goulamina Lithium Project is one of the world's largest undeveloped deposits and has the potential to be one of the lowest cost producers. All permits are in place, a Definitive Feasibility Study is complete and a Global Resource of 109 million tonnes at 1.45% Li₂O with 1.57 million tonnes of contained Li₂O has been declared comprising, 8.4Mt @ 1.57% Li₂O in the Measured category, 56.2 Mt at 1.48% Li₂O in the Indicated category and 43.9Mt @ 1.45% Li₂O in the Inferred category.

Firefinch is a responsible miner. We support positive social and economic change through contributing to the communities in which we operate. We seek to buy local, employ local and safeguard the environment and our people's health, safety and wellbeing.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources at Goulamina and Morila and the production estimates for Goulamina. The Company also confirms that all material assumptions and parameters underpinning the Mineral Resource estimates and production estimates continue to apply and have not materially changed. Please refer to ASX Announcements of 8 July 2020 and 20 October 2020 (Goulamina), 31 August 2020, 26 November 2020 and 8 February 2021 (Morila), 7 September 2020 (Morila Tailings), 24 November 2020 (N'Tiola, Viper, Domba), 8 January 2021 (Gold Production) and 22 January 2021 (N'Tiola).