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## Morila Gold Project Recapitalisation Update

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- Recapitalisation of the Morila Gold Mine will not proceed
  - Firefinch has informed its 80% indirectly owned Malian subsidiary Société des Mines de Morila SA (Morila SA) that it is unable to continue to fund Morila SA
  - Firefinch expects that Morila SA will be forced to enter into a Malian insolvency process
  - Firefinch's expects its investment in Morila SA to be written down to nil
  - Firefinch remains in a strong financial position
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The Board of Directors (**Board**) of Firefinch Limited (ASX: FFX) (**Firefinch** or the **Company**) wish to provide an update on the proposed recapitalisation of the Morila Gold Mine. Despite Firefinch working on a recapitalisation plan since early July 2022, the recapitalisation will not proceed.

The Board has considered all potential options through this period to execute a recapitalisation plan that would place Morila SA in a strong position to underpin the growth of the Morila Gold Mine. The Board also looked at options to sell the asset. Unfortunately, despite Firefinch's best efforts, the recapitalisation options have either been unsuccessful or not been in the best interests of Firefinch shareholders. Accordingly, the Board has determined that Firefinch can no longer continue to fund Morila SA to operate the Morila Gold Mine.

The board of directors of Morila SA has been notified of Firefinch's position regarding ongoing funding. Firefinch expects that Morila SA will enter a Malian insolvency process in the immediate term. Accordingly, Firefinch expects to write down its investment in the Morila Gold Project to nil.

Firefinch Chairman Mr Brett Fraser said: *"This is an extremely disappointing outcome. We have worked tirelessly for several months on finding a suitable recapitalisation plan. The options considered were simply not in the best interests of Firefinch shareholders and the Board believes the pathway that has been chosen is the best way to preserve shareholder value and reset the Company for a new chapter."*

*"Firefinch remains in a strong financial position. We will now turn our minds to look for new opportunities that will deliver value for our shareholders."*

While Firefinch is no longer in direct control of the Morila Mine, it continues to work closely with the subsidiary company and local authorities to investigate options to provide support to the mine workers and the local community.

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

### Investor and Media queries

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