

Shareholder Update & Extension of Voluntary Extension

Dear Shareholders

The Board of Firefinch Limited (“**the Company**” or “**FFX**” or “**Firefinch**”) wishes to provide shareholders with an update on the strategic review process (the “**Process**”) as first announced by the Company on 14 December 2022.

Process progress

On 21 March 2023 the Company announced that it had received a number of initial indicative, non-binding proposals as a result of the Process. The Board is pleased to inform shareholders that it remains in active discussions with participants on the Process for a potential transaction with Firefinch that delivers value and liquidity to FFX shareholders. FFX is working, with the assistance of Treadstone Resource Partners and FFX’s legal advisors, Gilbert + Tobin, to assess the potential transactions. In parallel, the participants are continuing to finalise their due diligence.

If there are no reasonable prospects that a binding agreement is going to be executed as part of the Process, then Firefinch will look to return a majority of its current cash to FFX shareholders as soon as possible thereafter. Following the return of a majority of the current cash to shareholders, FFX will then distribute to its shareholders all Leo Lithium Limited shares currently held by FFX after they are released from ASX imposed escrow in June 2024 together with any remaining cash. Should this occur, the Company may be delisted from the ASX.

The Board of Firefinch would like to inform FFX shareholders that any potential transaction as part of the Process will need to deliver value and liquidity, and that the Board believe the transaction is in the best interest of the Company and its shareholders.

Shareholders should note that while the Board continues to be of the view that there is potential for a binding agreement to be reached with a preferred bidder that is in the best interests of Company shareholders, there is no guarantee that a definitive transaction will be agreed with the preferred bidder.

Process timing

As previously advised, the Board will update shareholders before the end of June 2023 regarding the progress towards a binding agreement.

Morila update

The Company is also pleased to advise that non-binding indicative term sheets have been executed with a number of a suitable parties for the purchase of the Company’s interests in Societe des Mines de Morila SA (“**Morila SA**”). These non-binding term sheets form the basis for negotiation of a definitive sale and purchase agreement in relation to 100% of Firefinch’s shares in Morila Limited (which in turn holds 80% of Morila SA). Additionally, the non-binding term sheets form the basis for a sale and purchase of Firefinch’s 100% interest in Birimian Gold (Mali) Pty Ltd (“**Birimian**”), which holds 100% of the equity in: (i) Birimian Gold Mali Sarl (which holds the Finkola, Diokelebougou, N’Tiola and Makono permits); Sudquest SARL (which holds the Finkola Nord permit), Timbuktu Ressources SARL (which holds the Finkola Sud and Sanankoroni permits), Finkola SA, and Birimian Liberia. The sale of

the interest in Morila SA and Birimian will be for nominal consideration. The non-binding term sheets contemplate certain conditions precedent, including Firefinch obtaining shareholder approval under Listing Rule 11.2.

Firefinch is not a party to any agreements between Morila SA and its vendors and suppliers, nor is there any agreement between Firefinch and Morila SA that would require Firefinch to either continue to fund Morila SA, nor meet its debts (a fact recognised in the deconsolidation of the FFX balance sheet in the recently announced audited accounts). However, finding a new owner for Morila SA is being pursued in the interests of a range of stakeholders, including employees, community and the Government of Mali. FFX expects to be in a position to execute a binding agreement in the near future.

Managing Director comments

Managing Director Scott Lowe said of recent business developments.

“As we have already stated on a number of occasions, the Board is very mindful of FFX shareholders’ desire for both liquidity and value. The potential transactions for the Company will be given careful consideration and we will make negotiation of a transaction that represents value for shareholders a priority.

I am also very encouraged by the progress we have made to find a new owner for Morila SA. It is critical for Morila SA employees, the community and the people of Mali that we reach an outcome with a suitably qualified purchaser.”

Scott Lowe
Managing Director

Extension of Voluntary Suspension

In accordance with Listing Rule 17.2, Firefinch refers to its voluntary suspension extension request on 1 November 2022.

For the purpose of Listing Rule 17.2, the Company advises that:

1. The Company has continued discussions with third parties regarding the proposed funding of the Company, however this is not yet complete.
2. An extension to the voluntary suspension is necessary to enable the Company to finalise the funding of the Company.
3. The Company requests that its securities remain in voluntary suspension until the finalisation of the proposed funding, which is anticipated to occur by 31 August 2023.
4. The Company is not aware of any reason why the voluntary suspension should not be granted, nor of any other information to this request.

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

Disclaimer

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of the Company, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of the Company's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of the Company, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement.

The forward-looking statements are based on information available to the Company as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of the Company, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.