

Termination agreed with Managing Director

The Board of Firefinch Limited (“**the Company**” or “**FFX**” or “**Firefinch**”) provides the following update regarding the Managing Director position.

By mutual agreement, Scott Lowe will leave his position as Managing Director effective 31st August 2023. From 1st September 2023, FFX will not have a full time Managing Director. Executive leadership will be provided by Chairman Brett Fraser with a focus on drawing to a conclusion the strategic review process as announced on 14th December 2022, and as otherwise required.

Applicable remuneration arrangements are laid out in Appendix 1.

Firefinch Chairman, Brett Fraser said:

“Scott joined Firefinch in October 2022 while the Company was pursuing a recapitalisation in order to continue funding the Morila Gold Mine. Despite the recapitalisation not proceeding, Scott remained with the Company providing strong and effective leadership during a difficult period for the Company on multiple fronts.

I would like to thank Scott for his dedication and positive contribution to the Company. Since joining the Company Scott has provided sound judgement on the business, sage counsel to the board, critical to navigating the complexities that emerged during his tenure. On behalf of the Board, I wish Scott all the very best for the future.”

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.

APPENDIX 1

Payment to Mr Lowe

Mr Lowe will be paid \$453,981.77 in contractual entitlements less any applicable tax.

The Company has agreed that in lieu of the short term incentive and long term incentive for which Mr Lowe was eligible under his employment agreement, Mr Lowe is eligible for the following performance related cash bonuses:

- (a) \$130,000 cash (less any applicable tax and deductions) upon completion of the sale to a third party of 100% of the shares in the Company's wholly owned subsidiary, Morila Limited; and
- (b) \$200,000 cash (less any applicable tax and deductions) upon completion of the acquisition by a third party of 100% of the shares in the Company by way of a takeover of scheme of arrangement under the Corporations Act.

Consulting Fees payable to Mr Fraser

Mr Fraser will provide consulting services through an entity related to Mr Fraser on the basis set out below.

In any one month, the first 2 days of work completed (or 16 hours of work equivalent) is covered by Mr Fraser's Non-Executive Directors fees. If any additional time is required in a month the Company will pay a per diem rate at the lower of:

- a. \$250 per hour, or
- b. \$2000 per day (based on an 8 hour day).