



Firefinch Limited
ABN 11 113 931 105

**NOTICE OF GENERAL MEETING
AND EXPLANATORY
MEMORANDUM TO
SHAREHOLDERS**

Date of Meeting

28 August 2023

Time of Meeting

10am AWST

Place of Meeting

CWA House
Second Floor, Boardroom
1176 Hay Street, West Perth 6005

or online as per the instructions set out in this Notice.

The Board **DO NOT SUPPORT** and (other than the Director to whom the specific resolutions relate) recommends that all Shareholders **VOTE AGAINST** all resolutions in this Notice of Meeting.

A Proxy Form is enclosed or has otherwise been provided to you

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the Proxy Form in accordance with the specified directions.

Firefinch Limited

ABN 11 113 931 105

LETTER TO SHAREHOLDERS

27 July 2023

Dear Shareholders

A General Meeting of the Company's shareholders is scheduled to be held on Monday, 28 August 2023 at 10am AWST.

Purpose of Meeting

As announced on 20 July 2023, the Company has received a notice from a group of Shareholders (the **Convening Shareholders**) requesting the Board convene a general meeting of Shareholders to consider the resolutions set out in this Notice of Meeting, in respect of which you are being asked to vote (the **Requisition Notice**). The Convening Shareholders are set out in the ASX announcement dated 20 July 2023.

The Convening Shareholders have proposed resolutions to remove all three of the Company's non-executive directors, Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn (**Proposed Removal Resolutions**) and appoint two persons as new directors, Mr Garry Peter Lougher and Mr Gareth John Edwards. Subsequently, one of the Convening Shareholders has nominated Mr Zoran Memed and the Board has agreed to include this nomination in the General Meeting (together with the proposed resolution to appoint Mr Lougher and Mr Edwards, the **Proposed Appointment Resolutions**). Mr Scott Lowe, the Company's Managing Director, was not included in the Requisition Notice.

A substantial holding notice was provided to the ASX by the Convening Shareholders on 20 July 2023 indicating that the Convening Shareholders, together with their associates, hold 6.05% of the voting power of the Company as at the date of this Notice of Meeting.

Background

Morila Gold Mine

As disclosed by the Company previously, the Company faced significant external and operational issues which developed at the Morila Gold Mine during its ramp-up phase. A range of factors including:

- sanctions against Mali by the Economic Community of West African States (ECOWAS) interrupted the delivery of mining equipment and other supplies and also resulted in a request from the Government of Mali for Société des Mines de Morila S.A. (**Morila SA**)¹ to suspend offsetting royalty and certain tax payments against its Value Added Tax (VAT) credit claims;
- there was significant cost escalation in essential consumables (especially diesel, reagents and explosives);
- strip ratio/waste removal costs escalated; and
- the weakness in the A\$/US\$ exchange rate from mid-2021 to mid-2022 also impacted on A\$ denominated funding provided to Morila by Firefinch.

The management of operational risk, commodity price risk, foreign exchange risk and sovereign risk when operating in foreign countries are always the priority of any board. The additional uncertainty of the global pandemic during this time added to the complexity and volatility of those risks and impacted on travel and the ability to attract foreign employees and consultants. These factors, amongst others, meant the Morila Gold Mine did not meet its forecast ramp up production target or budget. As a result, it became clear that significant ongoing funding was required for Morila to reach its full potential.

Once these issues were identified, the Board focused on cost reduction, deferred mine development and minimised haulage distances. The Board then assessed the Morila Gold Mine's production issues, revised the Life of Mine Plan, and gold production profile.

¹ Morila SA is 80% owned by Morila Limited, the Company's wholly owned subsidiary, and 20% owned the Malian Government.

Re-capitalisation Plan and ceasing to fund Morila SA

As announced by the Company in late September 2022, the Company sought to negotiate a comprehensive re-capitalisation package to continue production ramp up under Stages 1 and 2 of the Morila Gold Mine production plan through to 2024. Although the Board was confident that Firefinch would raise the required funds, as a result of macro factors, including the weakening of the gold price and the exchange rate, the fundraising could not proceed.

The Board considered other options in addition to the re-capitalisation plan announced in late September 2022, including an asset sale, and ran through a number of processes in relation to those options. These other options were highly dilutive to Shareholders and were not considered to be in the best interest of Shareholders.

Ultimately, the Company was left with no option than to notify its subsidiary company Morila SA that the Company would no longer be providing ongoing funding. Therefore, the Company ceased funding Morila SA to operate the Morila Gold Mine in November 2022.

Demerger – Leo Lithium

Notwithstanding the operational issues faced at the Morila Gold Mine, the Board is pleased with the success of the demerger of Leo Lithium Ltd (**Leo Lithium**). Today Leo Lithium is a stand-alone entity with a market capitalisation in excess of A\$1 billion.

The demerger and the in-specie distribution of Leo Lithium shares to the Company's Shareholders provided A\$590.6 million in value to the Company's Shareholders (843.7 million Leo Lithium shares at A\$0.70 per share).

As at the close of market on the day prior to the date of this Notice of Meeting, the Company's remaining stake in Leo Lithium is valued at approximately A\$240 million (approximately 210.9 million Leo Lithium shares at A\$1.14 per share), which provides a look through value of A\$0.23 per Share (including Firefinch's A\$34.6m of cash held per the latest Appendix 5B Report released on 13 July 2023). The Company is the largest shareholder of Leo Lithium holding a 17.6% shareholding.

The Company's remaining stake in Leo Lithium remains subject to mandatory escrow requirements imposed by the ASX in connection with the demerger of Leo Lithium which prevents the Company from dealing with this interest until the escrow requirements are lifted in June 2024.

Strategic process

Since notifying Morila SA that the Company would no longer be providing ongoing funding, the Board has been focused on undertaking a strategic review and inviting suitable bidders to submit proposals to the Company to deliver compelling value and liquidity to the Company's Shareholders (the **Process**).

Through this Process, the Company has received a number of non-binding indicative proposals which the Board has considered together with the assistance of its advisors. The Board continues to assess potential transactions and negotiate with counterparties with a view to delivering an outcome that is in the best interests of the Company and all Shareholders.

The driving consideration behind the Process and the Board's assessment of potential transactions is the delivery of maximum value and liquidity to shareholders in as short a time frame as possible.

If a transaction proceeds, it will require the approval of, or acceptance by, the Company's Shareholders.

As disclosed, if the Process does not deliver a binding transaction that the Board considers to be in the best interests of the Company and its Shareholders, the Board intends to commence the process of returning cash and, once possible, distributing the Company's remaining interest in Leo Lithium, to Shareholders.

The Company has already commenced the steps required to undertake a return of assets so that there is no unnecessary delay in delivering this in the event the Process does not deliver an outcome.

Currently, these steps relate primarily to the process to obtain a class ruling from the Australian Taxation Office as to the tax treatment on the return of assets.

Any return of assets will also require the approval of Shareholders.

Assessment of the proposed Board changes

Director/Proposed Director	Appropriate knowledge, skills and experience
Brett Fraser	✓
Mark Hepburn	✓
Bradley Gordon	✓
Garry Peter Lougher (proposed director)	?
Gareth John Edwards (proposed director)	?
Zoran Memed (proposed director)	?

The Company considers that the current Board has the appropriate knowledge, skills and experience to govern the Company. The Company has not received any information on the proposed director candidates or their experience and as far as it is aware, none of the proposed director candidates have ever been a director of an ASX-listed entity nor have we found any involvement on mainstream media which indicates they have deep experience managing projects in Africa.

The Company’s assessment of the circumstances surrounding the Convening Shareholders proposal to materially change the composition of the Board is that:

- **the current Board has:**

 - **a strong focus on (a) implementing the Process or, (b) return of assets** – the Company and the Board maintain a strong focus on implementing the final stages of the Process or otherwise managing a process to return assets to Shareholders to ensure the preservation of value to Shareholders to the maximum extent possible; ✓
 - **appropriate knowledge, skills and experience** – the current Board understands that it is important that the Board has an appropriate mix of experience, skills and knowledge to properly implement a suitable proposed transaction in the best interests of the Company or manage a capital reduction process. Taken together, each of Mr Brett Fraser, Mr Mark Hepburn and Mr Bradley Gordon have the appropriate mix of knowledge, skills and experience to complete the final stages of the Company’s strategy to deliver superior value and liquidity to Firefinch shareholders through the Process or return of assets; ✓
 - **provided independent and significant leadership** - each of Mr Brett Fraser, Mr Mark Hepburn and Mr Bradley Gordon are independent directors of the Company and have provided significant leadership to the Company since their appointment; ✓

- **the Proposed Board creates the following risks and issues:**
 - **the proposed director appointments have no apparent experience** - it is not apparent that the candidates proposed by the Convening Shareholders have any relevant experience or credentials in relation to the management of an ASX-listed company, management of mining company, experience in conducting business in Africa or the implementation of a material corporate transaction; and x
 - **changing the Board now introduces significant risks** - implementing the significant Board changes proposed by the Convening Shareholders unnecessarily introduces a number of material risks, including that such changes would constitute a significant destabilising event at a time of critical importance to the future of the Company as it realises its strategy in relation to the Process. Any board change could cause existing negotiations to break down or otherwise place potential transactions at risk and, potentially jeopardise the Board's alternative proposal to return the Company's assets in a manner that is tax effective and fair to ALL Shareholders. x

Board Recommendation

Having considered the request of the Convening Shareholders, and for the reasons outlined in this letter and the Explanatory Memorandum, your Board strongly believes it is in the best interests of the Company and all Shareholders that Shareholders **VOTE AGAINST** each of the Proposed Removal Resolutions and each of the Proposed Appointment Resolutions to be put to Shareholders at the Meeting.

We strongly encourage you to read this document in its entirety, form your own view and exercise your right to vote at the General Meeting. If you are unable to attend the General Meeting in person, please complete and return the proxy form so that it is received by the deadline specified in the form.

Should you wish to discuss the matters in this Notice of Meeting, please contact Mr Michael Weir at Citadel Magnus, on +61 402 347 032 or via email at mweir@citadelmagnus.com.

Yours sincerely



Mr Brett Fraser
Chairman
FIREFINCH LIMITED

Firefinch Limited

ABN 11 113 931 105

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Firefinch Limited ABN 11 113 931 105 will be held at CWA House, Second Floor, Boardroom, 1176 Hay Street, West Perth 6005 on 28 August 2023 at 10am AWST for the purpose of transacting the following business referred to in this Notice of General Meeting.

The Company will update Shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on the Company's website at <https://firefinchltd.com/>.

AGENDA

1 Resolution 1 – Removal of Mr Brett Fraser as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Brett Fraser be removed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 1. The Company is required to put Resolution 1 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board (Mr Brett Fraser abstaining) recommends Shareholders vote **AGAINST** this Resolution 1 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 1.

2 Resolution 2 – Removal of Mr Bradley Gordon as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Bradley Gordon be removed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 2. The Company is required to put Resolution 2 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board (Mr Bradley Gordon abstaining) recommends Shareholders vote **AGAINST** this Resolution 2 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 2.

3 Resolution 3 – Removal of Mr Mark Hepburn as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Mark Hepburn be removed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 3. The Company is required to put Resolution 3 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board (Mr Mark Hepburn abstaining) recommends Shareholders vote **AGAINST** this Resolution 3 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 3.

4 Resolution 4 – Election of Mr Garry Peter Lougher as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Garry Peter Lougher be appointed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 4. The Company is required to put Resolution 4 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board recommends Shareholders vote **AGAINST** this Resolution 4 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 4.

5 Resolution 5 – Election of Mr Gareth John Edwards as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Gareth John Edwards be appointed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 5. The Company is required to put Resolution 5 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board recommends Shareholders vote **AGAINST** this Resolution 5 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 5.

6 Resolution 6 – Election of Mr Zoran Memed as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Zoran Memed be appointed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 6. The Company is required to put Resolution 6 to Shareholders due to the nomination process under the Constitution of the Company.

Your Board recommends Shareholders vote **AGAINST** this Resolution 6 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 6.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Stuart Usher
Company Secretary
Dated: 27 July 2023

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 10am (AWST) on 26 August 2023. Proxies received after this time will be invalid.
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10am (AWST) on 26 August 2023. If facsimile transmission is used, the Power of Attorney must be certified.
- Proxies may be lodged using any of the following methods:
 - **By internet:**
Log on to www.investorvote.com.au If you are a custodian and an Intermediary Online subscriber, you can log on to www.intermediaryonline.com
 - **By post:**
Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001 Australia
 - **By fax:**
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4pm (AWST) on 26 August 2023.

HOW DO I PARTICIPATE IN THE MEETINGS ONLINE?

Securityholders must use the Computershare Meeting Platform to attend and participate in the meeting.

To participate in the meeting, you can log in by entering the following URL <https://meetnow.global/M72UGUQ> on your computer, tablet or smartphone.

Online registration will open 30 minutes before the meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.

To participate in the meeting online follow the instructions below.

Click on 'Join Meeting Now'.

1. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.
2. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.
3. Accept the Terms and Conditions and 'Click Continue'.

You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress

Firefinch Limited

ABN 11 113 931 105

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1 Resolutions 1, 2 and 3 – Removal of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn as Directors

Resolutions 1, 2 and 3 seek approval for the removal of Mr Brett Fraser, Mr Mark Hepburn and Mr Bradley Gordon as Directors.

Introduction

On 18 July 2023, the Company received the Requisition Notice from the Convening Shareholders.

The Requisition Notice requested that the Company call a general meeting of Shareholders to consider, and if thought fit to pass as ordinary resolutions, the removal of all three of the Company's non-executive directors, Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn (**Proposed Removal Resolutions**) and the appointment of two persons as new directors, Mr Garry Peter Lougher and Mr Gareth John Edwards (**Proposed Appointment Resolutions**).

Proposed Removal Resolutions – Details of existing non-executive directors

The current Board consists of the following directors:

- (a) Mr Brett Fraser, Non-Executive Chairman
- (b) Mr Bradley Gordon, Non-Executive Director; and
- (c) Mr Mark Hepburn, Non-Executive Director;
- (d) Mr Scott Lowe, Managing Director.

Biographies and backgrounds for each of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn are set out below.

Name	Mr Brett Fraser
Title	Non-Executive Chairman
Qualifications, experience and expertise	<p>Mr Fraser is a professional experienced ASX company director. Mr Fraser's deep knowledge (acquired over his 30 years' corporate finance experience) is a great asset to the Company, particularly regarding business acquisitions, business strategy and restructuring, and corporate governance.</p> <p>Mr Fraser has extensive experience across multiple sectors including mineral exploration, mine development, brewing, biotech, property, share broking, tourism, and media.</p>

	<p>Mr Fraser has established and chaired several companies operating in Australia and international jurisdictions: including Scandinavia (Norway, Sweden and Finland), Africa (Mali, Mauritania, Burkina Faso, Cameroon, Republic of Congo), and Mongolia.</p> <p>Through the corporate consulting business, owned and operated by Mr Fraser, the business has advised on more than 26 IPO's and numerous corporate transactions on ASX. Mr Fraser has successfully transformed private businesses that he owned and operated, as well as for private owners, into targets that were acquired by significant ASX listed companies.</p> <p>Mr Fraser is a Fellow of CPA Australia (FCPA), a Fellow of Financial Services Institute of Australasia (F.Fin), and a Fellow of the Governance Institute of Australia (FGIA). He holds a Bachelor of Business (Accounting) and a Graduate Diploma in Finance (FINSIA).</p>
Other material directorships	Sundance Resources Limited
Independence	Independent

Name	Mr Bradley Gordon
Title	Non-Executive Director
Qualifications, experience and expertise	<p>Mr Gordon is a seasoned resource industry executive with 30 years' experience in the gold, copper and mineral sands industries.</p> <p>Mr Gordon has significant African experience, particularly as CEO of Acacia Mining. Mr Gordon grew LSE listed Acacia Mining's market capitalisation from approximately £450 million to £2.5 billion (A\$800 million to A\$4.5 billion), transforming the business into a significant cash generating operation.</p> <p>Mr Gordon was CEO of Intrepid Mines for 5 years during which its market capitalisation increased to A\$1.4 billion through a series of corporate deals with the value primarily driven by the discovery and development of the world-class Tujuh Bukit gold-copper-silver project in Indonesia.</p> <p>Mr Gordon has deep operational and gold industry experience, both in large scale open pit mining and underground operations. He was CEO of Emperor Mines in Fiji and Managing Director of Placer Dome Asia Pacific.</p> <p>He has supervised operations at mines such as Porgera in PNG, Kanowna Belle, Paddington and Kundana all in Western Australia. Mr Gordon holds a Mining Engineering degree from the Western Australia School of Mines (Curtin University) and an Executive MBA from INSEAD, France.</p>
Other material directorships	Clara Resources Australia Limited and Savannah Goldfields Limited
Independence	Independent

Name	Mr Mark Hepburn
Title	Non-Executive Director
Qualifications, experience and expertise	<p>Mr Hepburn is a Corporate and Financial Markets Executive with over 28 years' experience in a range of management and board positions for Institutional Stockbroking and Derivatives Trading desks for Major Financial Institutions. His career has included roles with Deutsche Bank and Macquarie Bank where he managed global derivatives distribution sales teams. Additionally, Mr Hepburn has worked as an Executive Director of a leading Perth stockbroking firm during which time he was involved in numerous fund-raising transactions for ASX listed industrial and resource companies. He has also worked as the corporate development executive for ASX listed mining company Doray Minerals.</p> <p>Mr Hepburn was also Managing Director of his own Corporate Advisory firm which specialised in executing corporate and equity transactions for ASX listed resource companies.</p> <p>Mr Hepburn holds a Bachelor of Economics (University of Western Australia), and has been a member of the Australian Institute of Company Directors (AICD) since 2008.</p>
Other material directorships	Castile Resources Limited
Independence	Independent

Important matters for Shareholders to consider

The Board draws the following matters to Shareholders' attention.

(a) The Board's strategic focus

As set out in more detail in the Shareholder Letter, the current focus of the Company and the Board remains on:

- the assessment, negotiation and implementation of a potential transaction that delivers value and liquidity to Shareholders and is in the best interests of the Company and its Shareholders; or
- otherwise managing a process, including seeking a private ruling from the Australian Taxation Office regarding a return the Company's assets to Shareholders through a capital reduction or similar transaction.

This is a critical juncture in the Company's history and ensuring such processes are conducted properly and in accordance with all applicable requirements (including those under applicable law and the ASX Listing Rules). The Board remains in negotiations with third parties in relation to potential transactions which could deliver value and liquidity to Shareholders.

Implementing a material reorganisation of the composition of the Board in the manner proposed by the Convening Shareholders would represent a significant destabilising event at a time of utmost importance to the Company's future as it prepares to either realise its strategy in relation to the Process or conduct a material return of assets to Shareholders. Such destabilisation could cause existing negotiations to break down or otherwise place potential transactions at risk and potentially jeopardise the Board's alternative proposal to return the Company's assets in a manner that is tax effective and fair to ALL Shareholders.

Over this critical period, it is of utmost importance that the Board is comprised of directors with knowledge of the Company's history, the appropriate mix of knowledge, skills and experience to deliver the final stages of the Process or to otherwise manage a process to return the Company's assets to Shareholders.

The Company considers that the current Directors, including Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn have the skills and experience necessary to achieve its current objectives.

(b) **Skills, knowledge and experience of Mr Brett Fraser, Mr Mark Hepburn and Mr Bradley Gordon's**

Each of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn are independent directors and have provided significant leadership to the Company since their appointment, often in difficult or trying circumstances.

As set out in more detail in the Company's Corporate Governance Statement (released by the Company on 13 July 2023, the Company has adopted a Board skills matrix to assess the skills and experience considered relevant to the Company and that is currently represented on the Board.

The current Board has extensive and direct professional qualifications and expertise in the overwhelming majority of key areas relevant to the Company. Importantly, each of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn have significant experience in major transactions involving ASX-listed resources entities, which is crucial in the Company's current context.

As detailed further below, it is **not** apparent that any of the candidates proposed by the Convening Shareholders has any credentials or experience related to the conduct or negotiation of significant corporate transactions involving listed companies in Australia, particularly those, operating in Africa. The Board queries how shareholders can entrust the Company to these proposed director candidates when they have not even been prepared to provide any details about themselves.

(c) **Why the Board should be allowed to continue its work**

The Board notes the current Board is an experienced team of professionals with diverse and complementary skill sets in corporate executive management, audit and accounting, mining, capital markets, finance and engineering. The Board has deep knowledge of, and decades of experience in mining operations, including international mining operations, and significant experience as directors of ASX listed companies.

The current Board of Directors considers it is the right team for the task at hand to preserve and optimise the value of the Company.

Together with its detailed knowledge of the business and the economy, this team has the skills and relationships to restore and grow Shareholder value.

Board recommendation

The Board believes that it is in the best interests of the Company and Shareholders as a whole for each of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn to continue serving as directors. The Board believes that this will bring stability to the Company in implementing its strategic focus (as outlined above). On this basis:

- (a) the members of the Board, with Mr Brett Fraser abstaining, **DO NOT SUPPORT** Resolution 1 and unanimously recommend that Shareholders **VOTE AGAINST** Resolution 1;

- (b) the members of the Board, with Mr Bradley Gordon abstaining, **DO NOT SUPPORT Resolution 2 and unanimously recommend that Shareholders VOTE AGAINST Resolution 2;** and
- (c) the members of the Board, with Mr Mark Hepburn abstaining, **DO NOT SUPPORT Resolution 3 and unanimously recommend that Shareholders VOTE AGAINST Resolution 3.**

The Chairman intends to vote all undirected proxies **AGAINST** Resolutions 1, 2 and 3.

2 Resolutions 4, 5 and 6 – Election of Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed

Resolutions 4, 5 and 6 seek approval for the election of Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed as Directors.

Section 249P of the Corporations Act provides that the Convening Shareholders calling a meeting can request the Company to distribute a statement from it concerning the resolutions to be put to the meeting.

As at the date of this Notice, the Convening Shareholders have not provided a statement under section 249P of the Corporations Act setting out its reasons for seeking to remove 3 of the 4 current Directors as well as reasons for proposing Mr Garry Peter Lougher, Mr Gareth John Edwards or Mr Zoran Memed to be appointed to the Board. If a statement under section 249P of the Corporations Act is received by the Company from the Convening Shareholders, and complies with section 249P of the Corporations Act, the Company will provide this to Shareholders in the same way as this Notice has been provided.

Name	Mr Garry Peter Lougher
Title	N/A
Qualifications, experience and expertise	No information on Mr Lougher's qualifications, experience and expertise has been provided by the Convening Shareholders

Name	Mr Gareth John Edwards
Title	N/A
Qualifications, experience and expertise	No information on Mr Edwards' qualifications, experience and expertise has been provided by the Convening Shareholders

Name	Mr Zoran Memed
Title	N/A
Qualifications, experience and expertise	No information on Mr Memed's qualifications, experience and expertise has been provided by the Convening Shareholders

The Board respects the rights of its Shareholders to nominate a candidate for election as director, and the Board has given consideration to each of Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed.

The Board does not support the election of Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed and does not believe it is in the best interests of the Company for them to be elected. The Board repeats the matters set out in the Shareholder Letter and in section titled *Important matters for Shareholders to consider* above in this respect.

The Board notes:

- (a) it is far from apparent that any of the proposed directors have any credentials or experience whatsoever as directors of listed public companies, in Australia or elsewhere, let alone are suited to replace the existing Directors of the Company to meet the requirements and challenges facing the Company and deliver on the Company's strategic direction;
- (b) the proposed directors do not appear to have any credentials or experience related to the conduct or negotiation of significant corporate transactions involving listed companies in Australia or elsewhere and accordingly do not appear to be suited to implementing a potential material transaction involving the Company or otherwise managing a material return of capital process; and
- (c) the Convening Shareholders have presented no positive concrete plan whatsoever to improve the operations of the Company. Their public statements (including what appear to be defamatory public statements) make vague accusations of wrongdoing on the part of the Board or certain members of it, but no evidence to support those claims has actually been produced.

Board recommendation

Based on the reasons set out in this Explanatory Memorandum, including Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed's absence of the relevant qualifications, experience and expertise required to act on behalf of the Company, the members of the Board **DO NOT SUPPORT** Resolution 4, Resolution 5 or Resolution 6 and unanimously recommend that Shareholders **VOTE AGAINST** Resolution 4, Resolution 5 and Resolution 6.

The Chairman intends to vote all undirected proxies **AGAINST** Resolutions 4 and 5.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Company means Firefinch Limited ABN 11 113 931 105.

Constitution means the Company's constitution, as amended from time to time.

Convening Shareholders has the meaning given on page 2.

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

General Meeting or Meeting means the General Meeting convened by the Notice.

Listing Rules means the ASX Listing Rules.

Leo Lithium means Leo Lithium Ltd.

Life of Mine Plan means the Life of Mine Plan for the Morila Gold Mine released on ASX in May 2021.

Morila SA means Société des Mines de Morila S.A.

Morila Gold Mine means the Morila gold mine in Mali operated by Morila SA.

Notice or Notice of Meeting means this Notice of General Meeting.

Process has the meaning given on page 3.

Proposed Appointment Resolutions has the meaning given on page 2.

Proposed Removal Resolutions has the meaning given on page 2.

Proxy Form means the proxy form accompanying the Notice by way of email where the Shareholder has elected to receive notices by email, or the personalised proxy form accompanying the postcard circulated by way of post where the Shareholder has not elected to receive notices by email.

Resolution means a resolution contained in the Notice.

Requisition Notice has the meaning given on page 2.

Shareholder means a member of the Company from time to time.

Shareholder Letter means the letter to Shareholders from Mr Brett Fraser dated 27 July 2023 included in this Notice of Meeting.

Shares means fully paid ordinary shares in the capital of the Company.



Firefinch Limited
ABN 11 113 931 105

**NOTICE OF GENERAL MEETING
AND EXPLANATORY
MEMORANDUM TO
SHAREHOLDERS**

Date of Meeting

28 August 2023

Time of Meeting

10am AWST

Place of Meeting

CWA House
Second Floor, Boardroom
1176 Hay Street, West Perth 6005

or online as per the instructions set out in this Notice.

The Board **DO NOT SUPPORT** and (other than the Director to whom the specific resolutions relate) recommends that all Shareholders **VOTE AGAINST** all resolutions in this Notice of Meeting.

A Proxy Form is enclosed or has otherwise been provided to you

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the Proxy Form in accordance with the specified directions.

Firefinch Limited

ABN 11 113 931 105

LETTER TO SHAREHOLDERS

27 July 2023

Dear Shareholders

A General Meeting of the Company's shareholders is scheduled to be held on Monday, 28 August 2023 at 10am AWST.

Purpose of Meeting

As announced on 20 July 2023, the Company has received a notice from a group of Shareholders (the **Convening Shareholders**) requesting the Board convene a general meeting of Shareholders to consider the resolutions set out in this Notice of Meeting, in respect of which you are being asked to vote (the **Requisition Notice**). The Convening Shareholders are set out in the ASX announcement dated 20 July 2023.

The Convening Shareholders have proposed resolutions to remove all three of the Company's non-executive directors, Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn (**Proposed Removal Resolutions**) and appoint two persons as new directors, Mr Garry Peter Lougher and Mr Gareth John Edwards. Subsequently, one of the Convening Shareholders has nominated Mr Zoran Memed and the Board has agreed to include this nomination in the General Meeting (together with the proposed resolution to appoint Mr Lougher and Mr Edwards, the **Proposed Appointment Resolutions**). Mr Scott Lowe, the Company's Managing Director, was not included in the Requisition Notice.

A substantial holding notice was provided to the ASX by the Convening Shareholders on 20 July 2023 indicating that the Convening Shareholders, together with their associates, hold 6.05% of the voting power of the Company as at the date of this Notice of Meeting.

Background

Morila Gold Mine

As disclosed by the Company previously, the Company faced significant external and operational issues which developed at the Morila Gold Mine during its ramp-up phase. A range of factors including:

- sanctions against Mali by the Economic Community of West African States (ECOWAS) interrupted the delivery of mining equipment and other supplies and also resulted in a request from the Government of Mali for Société des Mines de Morila S.A. (**Morila SA**)¹ to suspend offsetting royalty and certain tax payments against its Value Added Tax (VAT) credit claims;
- there was significant cost escalation in essential consumables (especially diesel, reagents and explosives);
- strip ratio/waste removal costs escalated; and
- the weakness in the A\$/US\$ exchange rate from mid-2021 to mid-2022 also impacted on A\$ denominated funding provided to Morila by Firefinch.

The management of operational risk, commodity price risk, foreign exchange risk and sovereign risk when operating in foreign countries are always the priority of any board. The additional uncertainty of the global pandemic during this time added to the complexity and volatility of those risks and impacted on travel and the ability to attract foreign employees and consultants. These factors, amongst others, meant the Morila Gold Mine did not meet its forecast ramp up production target or budget. As a result, it became clear that significant ongoing funding was required for Morila to reach its full potential.

Once these issues were identified, the Board focused on cost reduction, deferred mine development and minimised haulage distances. The Board then assessed the Morila Gold Mine's production issues, revised the Life of Mine Plan, and gold production profile.

¹ Morila SA is 80% owned by Morila Limited, the Company's wholly owned subsidiary, and 20% owned the Malian Government.

Re-capitalisation Plan and ceasing to fund Morila SA

As announced by the Company in late September 2022, the Company sought to negotiate a comprehensive re-capitalisation package to continue production ramp up under Stages 1 and 2 of the Morila Gold Mine production plan through to 2024. Although the Board was confident that Firefinch would raise the required funds, as a result of macro factors, including the weakening of the gold price and the exchange rate, the fundraising could not proceed.

The Board considered other options in addition to the re-capitalisation plan announced in late September 2022, including an asset sale, and ran through a number of processes in relation to those options. These other options were highly dilutive to Shareholders and were not considered to be in the best interest of Shareholders.

Ultimately, the Company was left with no option than to notify its subsidiary company Morila SA that the Company would no longer be providing ongoing funding. Therefore, the Company ceased funding Morila SA to operate the Morila Gold Mine in November 2022.

Demerger – Leo Lithium

Notwithstanding the operational issues faced at the Morila Gold Mine, the Board is pleased with the success of the demerger of Leo Lithium Ltd (**Leo Lithium**). Today Leo Lithium is a stand-alone entity with a market capitalisation in excess of A\$1 billion.

The demerger and the in-specie distribution of Leo Lithium shares to the Company's Shareholders provided A\$590.6 million in value to the Company's Shareholders (843.7 million Leo Lithium shares at A\$0.70 per share).

As at the close of market on the day prior to the date of this Notice of Meeting, the Company's remaining stake in Leo Lithium is valued at approximately A\$240 million (approximately 210.9 million Leo Lithium shares at A\$1.14 per share), which provides a look through value of A\$0.23 per Share (including Firefinch's A\$34.6m of cash held per the latest Appendix 5B Report released on 13 July 2023). The Company is the largest shareholder of Leo Lithium holding a 17.6% shareholding.

The Company's remaining stake in Leo Lithium remains subject to mandatory escrow requirements imposed by the ASX in connection with the demerger of Leo Lithium which prevents the Company from dealing with this interest until the escrow requirements are lifted in June 2024.

Strategic process

Since notifying Morila SA that the Company would no longer be providing ongoing funding, the Board has been focused on undertaking a strategic review and inviting suitable bidders to submit proposals to the Company to deliver compelling value and liquidity to the Company's Shareholders (the **Process**).

Through this Process, the Company has received a number of non-binding indicative proposals which the Board has considered together with the assistance of its advisors. The Board continues to assess potential transactions and negotiate with counterparties with a view to delivering an outcome that is in the best interests of the Company and all Shareholders.

The driving consideration behind the Process and the Board's assessment of potential transactions is the delivery of maximum value and liquidity to shareholders in as short a time frame as possible.

If a transaction proceeds, it will require the approval of, or acceptance by, the Company's Shareholders.

As disclosed, if the Process does not deliver a binding transaction that the Board considers to be in the best interests of the Company and its Shareholders, the Board intends to commence the process of returning cash and, once possible, distributing the Company's remaining interest in Leo Lithium, to Shareholders.

The Company has already commenced the steps required to undertake a return of assets so that there is no unnecessary delay in delivering this in the event the Process does not deliver an outcome.

Currently, these steps relate primarily to the process to obtain a class ruling from the Australian Taxation Office as to the tax treatment on the return of assets.

Any return of assets will also require the approval of Shareholders.

Assessment of the proposed Board changes

Director/Proposed Director	Appropriate knowledge, skills and experience
Brett Fraser	✓
Mark Hepburn	✓
Bradley Gordon	✓
Garry Peter Lougher (proposed director)	?
Gareth John Edwards (proposed director)	?
Zoran Memed (proposed director)	?

The Company considers that the current Board has the appropriate knowledge, skills and experience to govern the Company. The Company has not received any information on the proposed director candidates or their experience and as far as it is aware, none of the proposed director candidates have ever been a director of an ASX-listed entity nor have we found any involvement on mainstream media which indicates they have deep experience managing projects in Africa.

The Company’s assessment of the circumstances surrounding the Convening Shareholders proposal to materially change the composition of the Board is that:

- **the current Board has:**

 - **a strong focus on (a) implementing the Process or, (b) return of assets** – the Company and the Board maintain a strong focus on implementing the final stages of the Process or otherwise managing a process to return assets to Shareholders to ensure the preservation of value to Shareholders to the maximum extent possible; ✓
 - **appropriate knowledge, skills and experience** – the current Board understands that it is important that the Board has an appropriate mix of experience, skills and knowledge to properly implement a suitable proposed transaction in the best interests of the Company or manage a capital reduction process. Taken together, each of Mr Brett Fraser, Mr Mark Hepburn and Mr Bradley Gordon have the appropriate mix of knowledge, skills and experience to complete the final stages of the Company’s strategy to deliver superior value and liquidity to Firefinch shareholders through the Process or return of assets; ✓
 - **provided independent and significant leadership** - each of Mr Brett Fraser, Mr Mark Hepburn and Mr Bradley Gordon are independent directors of the Company and have provided significant leadership to the Company since their appointment; ✓

- **the Proposed Board creates the following risks and issues:**
 - **the proposed director appointments have no apparent experience** - it is not apparent that the candidates proposed by the Convening Shareholders have any relevant experience or credentials in relation to the management of an ASX-listed company, management of mining company, experience in conducting business in Africa or the implementation of a material corporate transaction; and x
 - **changing the Board now introduces significant risks** - implementing the significant Board changes proposed by the Convening Shareholders unnecessarily introduces a number of material risks, including that such changes would constitute a significant destabilising event at a time of critical importance to the future of the Company as it realises its strategy in relation to the Process. Any board change could cause existing negotiations to break down or otherwise place potential transactions at risk and, potentially jeopardise the Board's alternative proposal to return the Company's assets in a manner that is tax effective and fair to ALL Shareholders. x

Board Recommendation

Having considered the request of the Convening Shareholders, and for the reasons outlined in this letter and the Explanatory Memorandum, your Board strongly believes it is in the best interests of the Company and all Shareholders that Shareholders **VOTE AGAINST** each of the Proposed Removal Resolutions and each of the Proposed Appointment Resolutions to be put to Shareholders at the Meeting.

We strongly encourage you to read this document in its entirety, form your own view and exercise your right to vote at the General Meeting. If you are unable to attend the General Meeting in person, please complete and return the proxy form so that it is received by the deadline specified in the form.

Should you wish to discuss the matters in this Notice of Meeting, please contact Mr Michael Weir at Citadel Magnus, on +61 402 347 032 or via email at mweir@citadelmagnus.com.

Yours sincerely



Mr Brett Fraser
Chairman
FIREFINCH LIMITED

Firefinch Limited

ABN 11 113 931 105

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Firefinch Limited ABN 11 113 931 105 will be held at CWA House, Second Floor, Boardroom, 1176 Hay Street, West Perth 6005 on 28 August 2023 at 10am AWST for the purpose of transacting the following business referred to in this Notice of General Meeting.

The Company will update Shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on the Company's website at <https://firefinchltd.com/>.

AGENDA

1 Resolution 1 – Removal of Mr Brett Fraser as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Brett Fraser be removed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 1. The Company is required to put Resolution 1 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board (Mr Brett Fraser abstaining) recommends Shareholders vote **AGAINST** this Resolution 1 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 1.

2 Resolution 2 – Removal of Mr Bradley Gordon as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Bradley Gordon be removed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 2. The Company is required to put Resolution 2 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board (Mr Bradley Gordon abstaining) recommends Shareholders vote **AGAINST** this Resolution 2 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 2.

3 Resolution 3 – Removal of Mr Mark Hepburn as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Mark Hepburn be removed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 3. The Company is required to put Resolution 3 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board (Mr Mark Hepburn abstaining) recommends Shareholders vote **AGAINST** this Resolution 3 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 3.

4 Resolution 4 – Election of Mr Garry Peter Lougher as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Garry Peter Lougher be appointed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 4. The Company is required to put Resolution 4 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board recommends Shareholders vote **AGAINST** this Resolution 4 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 4.

5 Resolution 5 – Election of Mr Gareth John Edwards as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Gareth John Edwards be appointed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 5. The Company is required to put Resolution 5 to Shareholders due to the Requisition Notice furnished the Convening Shareholders.

Your Board recommends Shareholders vote **AGAINST** this Resolution 5 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 5.

6 Resolution 6 – Election of Mr Zoran Memed as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Zoran Memed be appointed as a director of the Company with immediate effect.”

Your Board is not proposing Resolution 6. The Company is required to put Resolution 6 to Shareholders due to the nomination process under the Constitution of the Company.

Your Board recommends Shareholders vote **AGAINST** this Resolution 6 and each Director will be voting all Shares that he holds or controls **AGAINST** this Resolution 6.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Stuart Usher
Company Secretary
Dated: 27 July 2023

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 10am (AWST) on 26 August 2023. Proxies received after this time will be invalid.
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10am (AWST) on 26 August 2023. If facsimile transmission is used, the Power of Attorney must be certified.
- Proxies may be lodged using any of the following methods:
 - **By internet:**
Log on to www.investorvote.com.au If you are a custodian and an Intermediary Online subscriber, you can log on to www.intermediaryonline.com
 - **By post:**
Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001 Australia
 - **By fax:**
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4pm (AWST) on 26 August 2023.

HOW DO I PARTICIPATE IN THE MEETINGS ONLINE?

Securityholders must use the Computershare Meeting Platform to attend and participate in the meeting.

To participate in the meeting, you can log in by entering the following URL <https://meetnow.global/M72UGUQ> on your computer, tablet or smartphone.

Online registration will open 30 minutes before the meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.

To participate in the meeting online follow the instructions below.

Click on 'Join Meeting Now'.

1. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.
2. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.
3. Accept the Terms and Conditions and 'Click Continue'.

You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress

Firefinch Limited

ABN 11 113 931 105

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1 Resolutions 1, 2 and 3 – Removal of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn as Directors

Resolutions 1, 2 and 3 seek approval for the removal of Mr Brett Fraser, Mr Mark Hepburn and Mr Bradley Gordon as Directors.

Introduction

On 18 July 2023, the Company received the Requisition Notice from the Convening Shareholders.

The Requisition Notice requested that the Company call a general meeting of Shareholders to consider, and if thought fit to pass as ordinary resolutions, the removal of all three of the Company's non-executive directors, Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn (**Proposed Removal Resolutions**) and the appointment of two persons as new directors, Mr Garry Peter Lougher and Mr Gareth John Edwards (**Proposed Appointment Resolutions**).

Proposed Removal Resolutions – Details of existing non-executive directors

The current Board consists of the following directors:

- (a) Mr Brett Fraser, Non-Executive Chairman
- (b) Mr Bradley Gordon, Non-Executive Director; and
- (c) Mr Mark Hepburn, Non-Executive Director;
- (d) Mr Scott Lowe, Managing Director.

Biographies and backgrounds for each of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn are set out below.

Name	Mr Brett Fraser
Title	Non-Executive Chairman
Qualifications, experience and expertise	<p>Mr Fraser is a professional experienced ASX company director. Mr Fraser's deep knowledge (acquired over his 30 years' corporate finance experience) is a great asset to the Company, particularly regarding business acquisitions, business strategy and restructuring, and corporate governance.</p> <p>Mr Fraser has extensive experience across multiple sectors including mineral exploration, mine development, brewing, biotech, property, share broking, tourism, and media.</p>

	<p>Mr Fraser has established and chaired several companies operating in Australia and international jurisdictions: including Scandinavia (Norway, Sweden and Finland), Africa (Mali, Mauritania, Burkina Faso, Cameroon, Republic of Congo), and Mongolia.</p> <p>Through the corporate consulting business, owned and operated by Mr Fraser, the business has advised on more than 26 IPO's and numerous corporate transactions on ASX. Mr Fraser has successfully transformed private businesses that he owned and operated, as well as for private owners, into targets that were acquired by significant ASX listed companies.</p> <p>Mr Fraser is a Fellow of CPA Australia (FCPA), a Fellow of Financial Services Institute of Australasia (F.Fin), and a Fellow of the Governance Institute of Australia (FGIA). He holds a Bachelor of Business (Accounting) and a Graduate Diploma in Finance (FINSIA).</p>
Other material directorships	Sundance Resources Limited
Independence	Independent

Name	Mr Bradley Gordon
Title	Non-Executive Director
Qualifications, experience and expertise	<p>Mr Gordon is a seasoned resource industry executive with 30 years' experience in the gold, copper and mineral sands industries.</p> <p>Mr Gordon has significant African experience, particularly as CEO of Acacia Mining. Mr Gordon grew LSE listed Acacia Mining's market capitalisation from approximately £450 million to £2.5 billion (A\$800 million to A\$4.5 billion), transforming the business into a significant cash generating operation.</p> <p>Mr Gordon was CEO of Intrepid Mines for 5 years during which its market capitalisation increased to A\$1.4 billion through a series of corporate deals with the value primarily driven by the discovery and development of the world-class Tujuh Bukit gold-copper-silver project in Indonesia.</p> <p>Mr Gordon has deep operational and gold industry experience, both in large scale open pit mining and underground operations. He was CEO of Emperor Mines in Fiji and Managing Director of Placer Dome Asia Pacific.</p> <p>He has supervised operations at mines such as Porgera in PNG, Kanowna Belle, Paddington and Kundana all in Western Australia. Mr Gordon holds a Mining Engineering degree from the Western Australia School of Mines (Curtin University) and an Executive MBA from INSEAD, France.</p>
Other material directorships	Clara Resources Australia Limited and Savannah Goldfields Limited
Independence	Independent

Name	Mr Mark Hepburn
Title	Non-Executive Director
Qualifications, experience and expertise	<p>Mr Hepburn is a Corporate and Financial Markets Executive with over 28 years' experience in a range of management and board positions for Institutional Stockbroking and Derivatives Trading desks for Major Financial Institutions. His career has included roles with Deutsche Bank and Macquarie Bank where he managed global derivatives distribution sales teams. Additionally, Mr Hepburn has worked as an Executive Director of a leading Perth stockbroking firm during which time he was involved in numerous fund-raising transactions for ASX listed industrial and resource companies. He has also worked as the corporate development executive for ASX listed mining company Doray Minerals.</p> <p>Mr Hepburn was also Managing Director of his own Corporate Advisory firm which specialised in executing corporate and equity transactions for ASX listed resource companies.</p> <p>Mr Hepburn holds a Bachelor of Economics (University of Western Australia), and has been a member of the Australian Institute of Company Directors (AICD) since 2008.</p>
Other material directorships	Castile Resources Limited
Independence	Independent

Important matters for Shareholders to consider

The Board draws the following matters to Shareholders' attention.

(a) The Board's strategic focus

As set out in more detail in the Shareholder Letter, the current focus of the Company and the Board remains on:

- the assessment, negotiation and implementation of a potential transaction that delivers value and liquidity to Shareholders and is in the best interests of the Company and its Shareholders; or
- otherwise managing a process, including seeking a private ruling from the Australian Taxation Office regarding a return the Company's assets to Shareholders through a capital reduction or similar transaction.

This is a critical juncture in the Company's history and ensuring such processes are conducted properly and in accordance with all applicable requirements (including those under applicable law and the ASX Listing Rules). The Board remains in negotiations with third parties in relation to potential transactions which could deliver value and liquidity to Shareholders.

Implementing a material reorganisation of the composition of the Board in the manner proposed by the Convening Shareholders would represent a significant destabilising event at a time of utmost importance to the Company's future as it prepares to either realise its strategy in relation to the Process or conduct a material return of assets to Shareholders. Such destabilisation could cause existing negotiations to break down or otherwise place potential transactions at risk and potentially jeopardise the Board's alternative proposal to return the Company's assets in a manner that is tax effective and fair to ALL Shareholders.

Over this critical period, it is of utmost importance that the Board is comprised of directors with knowledge of the Company's history, the appropriate mix of knowledge, skills and experience to deliver the final stages of the Process or to otherwise manage a process to return the Company's assets to Shareholders.

The Company considers that the current Directors, including Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn have the skills and experience necessary to achieve its current objectives.

(b) **Skills, knowledge and experience of Mr Brett Fraser, Mr Mark Hepburn and Mr Bradley Gordon's**

Each of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn are independent directors and have provided significant leadership to the Company since their appointment, often in difficult or trying circumstances.

As set out in more detail in the Company's Corporate Governance Statement (released by the Company on 13 July 2023, the Company has adopted a Board skills matrix to assess the skills and experience considered relevant to the Company and that is currently represented on the Board.

The current Board has extensive and direct professional qualifications and expertise in the overwhelming majority of key areas relevant to the Company. Importantly, each of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn have significant experience in major transactions involving ASX-listed resources entities, which is crucial in the Company's current context.

As detailed further below, it is **not** apparent that any of the candidates proposed by the Convening Shareholders has any credentials or experience related to the conduct or negotiation of significant corporate transactions involving listed companies in Australia, particularly those, operating in Africa. The Board queries how shareholders can entrust the Company to these proposed director candidates when they have not even been prepared to provide any details about themselves.

(c) **Why the Board should be allowed to continue its work**

The Board notes the current Board is an experienced team of professionals with diverse and complementary skill sets in corporate executive management, audit and accounting, mining, capital markets, finance and engineering. The Board has deep knowledge of, and decades of experience in mining operations, including international mining operations, and significant experience as directors of ASX listed companies.

The current Board of Directors considers it is the right team for the task at hand to preserve and optimise the value of the Company.

Together with its detailed knowledge of the business and the economy, this team has the skills and relationships to restore and grow Shareholder value.

Board recommendation

The Board believes that it is in the best interests of the Company and Shareholders as a whole for each of Mr Brett Fraser, Mr Bradley Gordon and Mr Mark Hepburn to continue serving as directors. The Board believes that this will bring stability to the Company in implementing its strategic focus (as outlined above). On this basis:

- (a) the members of the Board, with Mr Brett Fraser abstaining, **DO NOT SUPPORT** Resolution 1 and unanimously recommend that Shareholders **VOTE AGAINST** Resolution 1;

- (b) the members of the Board, with Mr Bradley Gordon abstaining, **DO NOT SUPPORT Resolution 2 and unanimously recommend that Shareholders VOTE AGAINST Resolution 2;** and
- (c) the members of the Board, with Mr Mark Hepburn abstaining, **DO NOT SUPPORT Resolution 3 and unanimously recommend that Shareholders VOTE AGAINST Resolution 3.**

The Chairman intends to vote all undirected proxies **AGAINST** Resolutions 1, 2 and 3.

2 Resolutions 4, 5 and 6 – Election of Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed

Resolutions 4, 5 and 6 seek approval for the election of Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed as Directors.

Section 249P of the Corporations Act provides that the Convening Shareholders calling a meeting can request the Company to distribute a statement from it concerning the resolutions to be put to the meeting.

As at the date of this Notice, the Convening Shareholders have not provided a statement under section 249P of the Corporations Act setting out its reasons for seeking to remove 3 of the 4 current Directors as well as reasons for proposing Mr Garry Peter Lougher, Mr Gareth John Edwards or Mr Zoran Memed to be appointed to the Board. If a statement under section 249P of the Corporations Act is received by the Company from the Convening Shareholders, and complies with section 249P of the Corporations Act, the Company will provide this to Shareholders in the same way as this Notice has been provided.

Name	Mr Garry Peter Lougher
Title	N/A
Qualifications, experience and expertise	No information on Mr Lougher's qualifications, experience and expertise has been provided by the Convening Shareholders

Name	Mr Gareth John Edwards
Title	N/A
Qualifications, experience and expertise	No information on Mr Edwards' qualifications, experience and expertise has been provided by the Convening Shareholders

Name	Mr Zoran Memed
Title	N/A
Qualifications, experience and expertise	No information on Mr Memed's qualifications, experience and expertise has been provided by the Convening Shareholders

The Board respects the rights of its Shareholders to nominate a candidate for election as director, and the Board has given consideration to each of Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed.

The Board does not support the election of Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed and does not believe it is in the best interests of the Company for them to be elected. The Board repeats the matters set out in the Shareholder Letter and in section titled *Important matters for Shareholders to consider* above in this respect.

The Board notes:

- (a) it is far from apparent that any of the proposed directors have any credentials or experience whatsoever as directors of listed public companies, in Australia or elsewhere, let alone are suited to replace the existing Directors of the Company to meet the requirements and challenges facing the Company and deliver on the Company's strategic direction;
- (b) the proposed directors do not appear to have any credentials or experience related to the conduct or negotiation of significant corporate transactions involving listed companies in Australia or elsewhere and accordingly do not appear to be suited to implementing a potential material transaction involving the Company or otherwise managing a material return of capital process; and
- (c) the Convening Shareholders have presented no positive concrete plan whatsoever to improve the operations of the Company. Their public statements (including what appear to be defamatory public statements) make vague accusations of wrongdoing on the part of the Board or certain members of it, but no evidence to support those claims has actually been produced.

Board recommendation

Based on the reasons set out in this Explanatory Memorandum, including Mr Garry Peter Lougher, Mr Gareth John Edwards and Mr Zoran Memed's absence of the relevant qualifications, experience and expertise required to act on behalf of the Company, the members of the Board **DO NOT SUPPORT** Resolution 4, Resolution 5 or Resolution 6 and unanimously recommend that Shareholders **VOTE AGAINST** Resolution 4, Resolution 5 and Resolution 6.

The Chairman intends to vote all undirected proxies **AGAINST** Resolutions 4 and 5.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Company means Firefinch Limited ABN 11 113 931 105.

Constitution means the Company's constitution, as amended from time to time.

Convening Shareholders has the meaning given on page 2.

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

General Meeting or Meeting means the General Meeting convened by the Notice.

Listing Rules means the ASX Listing Rules.

Leo Lithium means Leo Lithium Ltd.

Life of Mine Plan means the Life of Mine Plan for the Morila Gold Mine released on ASX in May 2021.

Morila SA means Société des Mines de Morila S.A.

Morila Gold Mine means the Morila gold mine in Mali operated by Morila SA.

Notice or Notice of Meeting means this Notice of General Meeting.

Process has the meaning given on page 3.

Proposed Appointment Resolutions has the meaning given on page 2.

Proposed Removal Resolutions has the meaning given on page 2.

Proxy Form means the proxy form accompanying the Notice by way of email where the Shareholder has elected to receive notices by email, or the personalised proxy form accompanying the postcard circulated by way of post where the Shareholder has not elected to receive notices by email.

Resolution means a resolution contained in the Notice.

Requisition Notice has the meaning given on page 2.

Shareholder means a member of the Company from time to time.

Shareholder Letter means the letter to Shareholders from Mr Brett Fraser dated 27 July 2023 included in this Notice of Meeting.

Shares means fully paid ordinary shares in the capital of the Company.



Firefinch Limited
ABN 11 113 931 105

FFXRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030



Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Saturday, 26 August 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Firefinch Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Firefinch Limited to be held at CWA House, Second Floor, Boardroom, 1176 Hay Street, West Perth 6005 and virtually on Monday, 28 August 2023 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

<i>Recommendation</i>	For	Against	Abstain
The Directors of Firefinch Limited recommend that you vote <u>AGAINST</u> all resolutions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		↓	
	For	Against	Abstain
Resolution 1 Removal of Mr Brett Fraser as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Removal of Mr Bradley Gordon as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Removal of Mr Mark Hepburn as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Election of Mr Garry Peter Lougher as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Election of Mr Gareth John Edwards as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Election of Mr Zoran Memed as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies against each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

