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## SOLE FUNDING ARRANGEMENT FOR GOULAMINA EXECUTED WITH GANFENG

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### Highlights

- Ganfeng has commenced sole funding all remaining capex requirements of the Goulamina Lithium Project (**Project**), thereby satisfying one of the conditions precedent to the binding Share Sale Agreement previously announced on 8 May 2024.
- Sole funding arrangement facilitated via a recently executed US\$150 million prepayment agreement between Ganfeng and Lithium du Mali SA (**LMSA**) for offtake from Goulamina.
- Extension granted by ASIC to allow Leo Lithium to hold the Annual General Meeting (**AGM**) for the 2023 financial year by 2 August 2024.
- Commencing transfer of management of the Project to Ganfeng. Leo will provide management services for the Project as a contractor until November 2024 at the latest.
- Goulamina remains on track for first production in Q3 2024, with the electrical package being the critical path and under pressure.

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Leo Lithium Limited (ASX:LLL) (**Leo Lithium** or the **Company**) advises the following updates in respect of the Goulamina Lithium Project (**Goulamina** or **Project**).

### Sole Funding Commenced via Prepay

As announced on 8 May 2024, Ganfeng committed to sole funding all capital requirements of the Project commencing immediately. The mechanism for this sole funding has been finalised and will take the form of a prepayment by Ganfeng of the purchase of future product shipments under Ganfeng's existing offtake arrangement. As such, Ganfeng and LMSA have executed a prepayment facility agreement (**Facility**) for up to US\$150 million.

Under the Facility, repayments are to be made by LMSA by delivering product under the offtake agreement, with Ganfeng able to specify the percentage of product from shipments to be applied to the repayment. The signing of the Facility satisfies one of the conditions precedent contained in the Share Sale Agreement under which Ganfeng will buy Leo Lithium's remaining 40% interest in the Project.

Prepayment funding has commenced with an initial prepayment advance of US\$10 million deposited by Ganfeng on 23 May 2024. The Facility will not impact Ganfeng's payments to Leo Lithium under the trailing product sales fee (TPSF) (see announcement of 8 May 2024).

### Key terms of the Facility

Item	Terms
Facility Amount	US\$150 million
Term	Unless terminated earlier, the ability to issue a Prepayment Direction will continue in effect until 31 October 2025
Security	Unsecured
Redraw facility	Available from repaid amounts
Other key terms	No specific repayment schedule, no interest cost fees or charges, no events of default and product pricing is as per the offtake contract with no discounts

### Transfer of Goulamina management to Ganfeng

The transfer of Goulamina management to Ganfeng is currently taking place following the completion of a transition plan by Leo Lithium's projects and operations teams to ensure a smooth handover. Long form documentation of the agreements is well advanced and is expected to be completed shortly.

Ganfeng is engaging Leo Lithium to provide management services for Goulamina, paid at standard market contracting rates on a cost-plus basis. These services will include construction, commissioning and ramp-up of operational activities via a yet to be concluded, arm's-length services agreement. Leo Lithium will continue to provide services to the Project until mid-November 2024 at the latest, when the Company will cease all involvement with Goulamina from a management, project and operational perspective.

### Extension to AGM date granted by ASIC

As discussed in the Company's announcement on 30 April 2024, Leo Lithium was not able to lodge its Annual Financial Report for the year ended 31 December 2023 by the due date or advise of the date of its AGM. At the time, the Company was in the midst of resolving issues with the Mali Government and was progressing towards a potential settlement. Upon resolving these issues (see announcement dated 8 May 2024) Leo applied to ASIC for an extension of time within which to hold its AGM. A period of extension has since been granted by ASIC to allow Leo Lithium to hold the AGM for the 2023 financial year anytime up until 2 August 2024.

### Goulamina schedule remains on track

Goulamina remains on track for first production in Q3 2024, but the cumulative impact of global supply pressures over the past few months, combined with the shortening window to project completion means any further delays in critical path activities could impact the schedule. Electrical

installation continues to be a critical path activity and it now faces additional challenges with the approaching wet season to hamper productivity.

**Leo Lithium Managing Director, Simon Hay, commented:**

“Ganfeng has been a consistent supporter of Leo Lithium, and the initial prepayment advance of US\$10 million shows Ganfeng’s support for the Project and certainty over its ongoing sole funding commitment.

Once again, we thank our shareholders for their continued patience and support while we progress the sale of our remaining interest in Goulamina to Ganfeng.

Though the preferable outcome would have been for Leo Lithium to remain involved in Goulamina, in the absence of a viable agreement with the Mali Government, we believe Ganfeng assuming management and sole funding of the Project is in the best interest of all stakeholders.”

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

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