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## GOVERNMENT APPROVES TRANSACTION AND ISSUES PERMITS

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### Highlights

- Mali Government has conditionally approved the sale of the Company's shares in the Goulamina holding company MLBV to Ganfeng.
- Mali Government have issued two permits for the Goulamina operational phase including the power permit.
- Capital gains tax of US\$7.6 million paid for the initial 5% sale of MLBV to Ganfeng for US\$65m.<sup>1</sup>
- Leo Lithium and Ganfeng are progressing the transfer of management responsibility of the Goulamina Lithium Project from Leo Lithium to Ganfeng with final documentation expected to be signed next week.
- Leo Lithium will cease any involvement with Goulamina from a project, management and operational perspective on 13 November 2024 at the latest.

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Leo Lithium Limited (ASX:LLL) (**Leo Lithium** or the **Company**) provides the following update regarding the Goulamina Lithium Project (**Goulamina** or **Project**) and the sale of the Company's interests in Mali Lithium BV (**MLBV**), the holding company of Goulamina, to GFL International Co., Ltd (**Ganfeng**).

### Mali Government approves transaction

As announced on 8 May 2024, Leo Lithium has agreed to sell its remaining 40% stake in MLBV to Ganfeng. The Minister of Mines has approved the sale, conditional upon the Company providing the Government with the transaction documents and payment of Capital Gains Tax (**CGT**).

### Capital Gains Tax

The Company has paid US\$7.6 million to the Mali Government for Malian CGT associated with the 5% sale of MLBV to Ganfeng finalised on 6 May 2024.

Any potential Malian CGT payments on the 40% sale will be made in due course to the Mali Government and further information will be provided in the Notice of Meeting.

### Operational Permits

Positive progress has been made on two outstanding permits with the Mali Government with the following approvals now issued and approved:

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<sup>1</sup> See ASX announcement on 19 January 2024, 'US\$65m for 5% Sale of Goulamina and continued suspension'

**Self-generation power permit** – this was one of the critical path items and the approval of this permit allows on site power generation for 20 years. It will enable Goulamina to transition from smaller scale temporary power units to a single large scale power station in time for the commissioning and operational phases to commence.

**Import and use of radioactive source permit** – this permit allows for the importing and use of processing density gauges in the processing plant that have a low emitting radioactive source.

#### **Ganfeng on track to assume management responsibility at Goulamina**

With Ganfeng eventually moving to full ownership of MLBV, the joint venture partners decided Ganfeng would assume management responsibilities of the Project in June 2024, prior to the completion of the sale. As Ganfeng is still building its operational team, the partners also agreed that Ganfeng would engage Leo Lithium under a services agreement to provide management services to Ganfeng for up to six months, ending on 13 November 2024 at the latest.

On transfer of the management agreement, overall supervision and control of the Project will reside with Ganfeng, but Leo Lithium will deliver day-to-day administration, supervision and management of the Project. These services provided by Leo Lithium will include construction, commissioning, and ramp-up of operational activities. Leo Lithium will be paid on a cost-plus basis in line with standard market contracting rates. Leo Lithium and Ganfeng are making solid progress on the formalisation of the transfer of the management agreement and the services agreement and expect to finalise the documentation next week. As announced on 31 May 2024, Ganfeng is sole funding all remaining capex requirements at Goulamina.

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

“We are pleased to receive conditional approval from the Mali Government for the sale of our remaining interest in MLBV to Ganfeng. This is a positive step in the process for Leo Lithium’s eventual exit from the Project. While the preferred outcome would have been for Leo to remain involved in Goulamina, we believe in the absence of a viable agreement with the Mali Government, this course of action is in the best interest of all stakeholders.

The Company is making good progress on the Notice of Meeting and this is expected to be sent to shareholders in early July 2024.”

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

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