
LEO LITHIUM TRANSFERS PROJECT MANAGEMENT TO GANFENG

- Leo Lithium has transferred management responsibility of the Goulamina Lithium Project to Ganfeng
 - Leo Lithium engaged to provide project management services to Ganfeng until 13 November 2024 at the latest as Ganfeng build their operational capability
 - No resumption in trading of Leo Lithium shares on ASX at this stage
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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**).

Leo Lithium transfers management responsibility at Goulamina

As announced on 8 May 2024, Leo Lithium has agreed to sell its remaining 40% stake in MLBV to Ganfeng (**MLBV share sale**). With Ganfeng eventually moving to full ownership of MLBV, the joint venture partners decided that Ganfeng would assume management responsibilities of the Project 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 to provide management services to Ganfeng for up to six months, ending on 13 November 2024 at the latest.

The parties have now transferred management responsibility under the Lithium du Mali S.A.¹ Management Agreement to Ganfeng. As a result, overall management and control of the Project, and sole funding responsibility, now resides with Ganfeng. These arrangements are permanent and will not be reversed, even if the MLBV share sale does not complete.

The Company has also executed the Goulamina Services Agreement (**Services Agreement**) with immediate effect. The key terms of the Services Agreement are as follows:

- Leo Lithium will deliver:
 - day-to-day administration, supervision and management of the Project, including in connection with procurement, construction, commissioning, and ramp-up of operational activities, reporting and in-country financial management activities; and
 - those transitional services reasonably required to facilitate a smooth transition of management to Ganfeng;
- Leo Lithium will perform on a best endeavours basis;

¹ Lithium du Mali S.A. is owned 100% by MLBV and owns Goulamina.

- Leo Lithium will be paid all its direct project-related costs plus a monthly fee and profit margin in line with standard market contracting rates; and
- The term runs until 13 November 2024, unless terminated earlier by mutual agreement or by Ganfeng with 20 business days' notice after completion of the MLBV sale. The term is independent of the timing of the MLBV share sale process.

The last outstanding document with respect to the MLBV sale is the Trailing Product Sales Fee (TPSF). Leo Lithium and Ganfeng are making solid progress on this and expect to finalise related documentation in July 2024, with the TPSF being conditional upon completion of the MLBV share sale.

Leo Lithium Managing Director, Simon Hay, commented: “Leo Lithium has now transferred management responsibility of Goulamina to Ganfeng, which is a step closer to the Company’s eventual exit from the Project. While we would have preferred to remain involved in Goulamina, in the absence of a viable agreement with the Mali Government, we believe Ganfeng assuming management and funding responsibility for the Project is the best course of action and in the best interest of all stakeholders under the current circumstances.”

No resumption in trading on ASX

The Chair and CEO of Leo Lithium have recently met with representatives from ASX to discuss the reinstatement of the Company’s shares to trading on ASX. Following this meeting, a written request was submitted by Leo Lithium to ASX seeking reinstatement of Leo Lithium's shares to trading on the ASX following the lodgement of Leo Lithium's 2023 Annual Report, related corporate governance filings and 2024 Notice of Annual General Meeting (**Notice of Meeting**).

ASX has advised that it is not minded to reinstate Leo Lithium shares to trading following release of the Notice of Meeting due to concerns regarding Leo Lithium’s ability to demonstrate compliance with ASX Listing Rules 12.1 and 12.5, with ASX’s concerns arising primarily due to Leo Lithium’s minority holding in the Goulamina joint venture. ASX also requires Leo Lithium to address the matters resulting in its suspension under Listing Rule 17.3. Leo Lithium will continue to engage with ASX and endeavour to resolve these outstanding concerns.

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

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