



Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting

Wednesday, 31 July 2024

Time of Meeting

10:00am AWST

Place of Meeting

Meeting Room 1, Doubletree by Hilton Perth Waterfront, 1 Barrack Square, Perth, Western Australia 6000

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

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

LEO LITHIUM LIMITED ABN 70 638 065 068

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Leo Lithium Limited (ABN 70 638 065 068) will be held at Doubletree by Hilton Perth Waterfront, 1 Barrack Square, Perth, Western Australia 6000 on Wednesday, 31 July 2024 at 10:00am AWST for the purpose of transacting the following business referred to in this Notice of Annual General Meeting. Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

AGENDA

Financial Statements and Reports

To receive and to consider the financial statements and the reports of the Directors and Auditors for the year ended 31 December 2023.

RESOLUTION 1 - NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as a **non-binding ordinary resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report be adopted."

Note: In accordance with section 250R(3) of the Corporations Act, the vote on Resolution 1 is an advisory vote of Shareholders only, and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement for Resolution 1

The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

RESOLUTION 2 - ELECTION OF AMBER BANFIELD AS DIRECTOR

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

"That, for the purpose of rules 6.1(f) and 6.1(i) of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Amber Banfield, a Director, retires by rotation and being eligible is re-elected as a Director of the Company."

RESOLUTION 3 - APPROVAL OF THE PROPOSED TRANSACTION AND DISPOSAL OF SHAREHOLDING IN MLBV

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an **ordinary resolution**:

"That Shareholders approve and authorise the Company to enter into the Proposed Transaction, and that pursuant to and in accordance with Listing Rule 11.2 and for all other purposes, Shareholders approve the disposal of the Company's remaining shareholding in MLBV and therefore its interest in the Goulamina Project, being its main undertaking, in accordance with the Proposed Transaction, on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion for Resolution 3

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Ganfeng or an associate of Ganfeng; and
- (b) any other person who will obtain a material benefit as a result of the disposal of the Company's main undertaking (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (d) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 - APPROVAL TO GIVE A BENEFIT TO KEY MANAGEMENT PERSONNEL IN CONNECTION WITH THE TRANSFER OF COMPANY PROPERTY

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

"That approval is given for all purposes, including for the purposes of sections 200C and 200E of the Corporations Act, for the giving of benefits by the Company or any of its related bodies corporate to former, current and future employees and directors (and their nominated parties), where the employee/director is a key management personnel of the Company or holds a managerial or executive office in the Company or a related body corporate, in connection with the transfer of the whole or any part of the undertaking or property of the Company as described in the Explanatory Memorandum."

Voting Exclusion for Resolution 4

The Company will disregard any votes cast on Resolution 4 as proxy by a person who is a member of the Company's Key Management Personnel on the date of the meeting or their Closely Related Parties unless the vote is cast as proxy for a person entitled to vote on Resolution 4:

- (a) in accordance with the directions on the proxy form; or
- (b) by the Chair of the meeting, pursuant to an express authorisation to exercise the proxy even though Resolution 4 relates to the remuneration of the Company's Key Management Personnel.

RESOLUTION 5 - APPROVAL OF RETIREMENT BENEFITS FOR EXECUTIVE PERSONNEL

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

"That approval is given for all purposes, including for the purposes of sections 200B and 200E of the Corporations Act, for the giving of benefits by the Company or any of its related bodies corporate to former, current and future employees (and their nominated parties), where the employee is a key management personnel of the Company or holds a managerial or executive office in the Company or a related body corporate, in connection with that person ceasing to hold a managerial or executive office in the Company or a related body corporate as described in the Explanatory Memorandum."

Voting Exclusion for Resolution 5

If any Shareholder is a former, current or future employee of the Company or a related body corporate, then that Shareholder (and their associates) should not vote on Resolution 5 if they wish to preserve their ability to receive benefits under this approval.

Further, the Company will disregard any votes cast on Resolution 5 as proxy by a person who is a member of the Company's Key Management Personnel on the date of the meeting or their Closely Related Parties unless the vote is cast as proxy for a person entitled to vote on Resolution 5:

- (a) in accordance with the directions on the proxy form; or
- (b) by the Chair of the Meeting, pursuant to an express authorisation to exercise the proxy even though Resolution 5 relates to the remuneration of the Company's Key Management Personnel.

OTHER BUSINESS

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

Voting entitlements

The Board has determined that under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Annual General Meeting, Shares will be taken to be held by the persons who are the registered holders at 5:00pm (Perth Time) on Monday, 29 July 2024. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Chair

Mr Rick Crabb will act as Chair of the Meeting. If Mr Crabb is unable to attend, another Director will act as Chair of the Meeting.

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 no 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 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 will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each Resolution proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to the Resolution. These rules are explained in this Notice.
- To be effective, proxies must be received by 10:00am (Perth Time) on Monday, 29 July 2024. 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 address below, or by facsimile, and by 10:00am (Perth Time) on Monday, 29 July 2024. 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

By order of the Board

Ron Chamberlain

Company Secretary

Dated: 25 June 2024

LEO LITHIUM LIMITED

ABN 70 638 065 068

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 Annual General Meeting of the Company. ASX takes no responsibility for the contents of this Notice.

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.

DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 31 December 2023, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report (Annual Report). Shareholders should consider these documents and raise any matters of interest with the Directors.

At the Meeting, Shareholders will be offered the opportunity to:

- discuss the Annual Report which contains each of the reports and statements noted above.
- ask questions about, or comment on, the management of the Company; and
- ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the annual financial report by the Auditor, please send your question to the General Manager Business Development at info@leolithium.com. Please note that all written questions must be received at least five business days before the Meeting, which is by Wednesday, 24 July 2024.

1. RESOLUTION 1 - NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2023 Annual Report be adopted. The Remuneration Report is set out in the Company's 2023 Annual Report and is also available on the Company's website (www.leolithium.com).

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (Spill Resolution), to approve calling a general meeting (Spill Meeting). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 31 December 2022 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 18 May 2023. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to Key Management Personnel, sets out remuneration details for Key Management Personnel and any service agreements and sets out the details of any equity-based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1. If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 - ELECTION OF AMBER BANFIELD AS DIRECTOR

Listing Rule 14.5 provides that a company which has directors must hold an election of directors at each annual general meeting.

Rule 6.1(f) of the Constitution requires that one third of Directors must retire at each annual general meeting, and rule 6.1(i) of the Constitution provides that a Director who retires under rule 6.1(f) is eligible for re-election.

Ms Banfield is currently a Non-Executive Director of the Company and is Chair of the Sustainability Committee and a member of the Audit and Risk Committee, following a transition from Chair to Member of the Audit and Risk Committee in November 2023. Pursuant to rule 6.1(f) of the Company's Constitution, Ms Banfield, being a Director, retires by way of rotation and, being eligible, offers herself for re-election in accordance with clause 6.1(i) of the Constitution.

Ms Banfield was appointed to the Board on 21 April 2022. In accordance with Listing Rule 14.5, Ms Banfield is the next Director due for re-election.

Ms Banfield has more than 20 years' experience in management positions with Worley Limited (ASX: WOR), supporting its growth to become the world's largest energy and resources engineering services provider. Ms Banfield's roles at Worley Limited related to operations, strategy, sustainability, mergers and acquisitions, servicing the sectors of mining, infrastructure, oil and gas, hydrogen, solar and wind power. Ms Banfield has consulted to leading resource and energy companies providing strategy and project development support to energy transition, decarbonisation and sustainability-related investments.

Ms Banfield is currently a Non-executive Director of Perseus Mining Limited (ASX:PRU) and SRG Global Limited (ASX:SRG).

Ms Banfield holds a Bachelor of Engineering (Environmental) degree and a Master of Business Administration, both from the University of Western Australia,

If Resolution 2 is passed, Ms Banfield will be re-elected and will continue to be classified as an independent director. If Resolution 2 is not passed, Ms Banfield will not be re-elected and will cease to act as a Director.

The Chair intends to exercise all available proxies in favour of Resolution 2.

Based on Ms Banfield's relevant experience and qualifications, the members of the Board, in the absence of Ms Banfield, support the re-election of Ms Banfield as a Director of the Company and recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 - APPROVAL OF THE PROPOSED TRANSACTION AND DISPOSAL OF INTEREST IN THE GOULAMINA PROJECT

The Company has entered into the Share Sale Agreement under which it agrees to sell its remaining 40% shareholding in MLBV, and therefore its entire interest in the Goulamina Project, to Ganfeng subject to satisfaction of the Conditions Precedent. One of the Conditions Precedent is that Shareholders approve the Proposed Transaction. Information relevant to a Shareholder's decision on whether to vote in favour of Resolution 3 is set out below.

After careful evaluation of the matters described below, the Board believes that entering into the Share Sale Agreement with Ganfeng provides Shareholders with certain value and the lowest risk profile of the options available to the Company. Key advantages of the Proposed Transaction include:

- Realising approximately US\$342.7 million (gross) for Leo Lithium's remaining 40% shareholding in MLBV, and therefore its entire interest in the Goulamina Project, in challenging and highly volatile circumstances.

- A significant portion of these proceeds will be returned to Shareholders. The Board's current intentions are to:
 - distribute the Net Proceeds from the Tranche 1 Cash Consideration (currently anticipated to be between A\$157 million and A\$192 million, equating to approximately A\$0.13 to A\$0.16 per Share)¹ to Shareholders as soon as practicable following receipt of the payment, receipt of a class ruling from the ATO and any necessary Shareholder approval; and
 - reserve a decision on whether to distribute the Net Proceeds from the Tranche 2 Cash Consideration and whether to sell the Trailing Fee until closer to the date upon which those amounts become payable. The Board believes that the Tranche 2 Cash Consideration and Trailing Fee will only be retained for use within the Company where those proceeds can be effectively applied in a value accretive manner for Shareholders.
- Shareholders retaining their Shares, with the Company seeking other opportunities to deliver growth to Shareholders via the exploration for, and extraction and sale of, lithium and critical minerals.
- Avoiding the ongoing risks and uncertainties of developing and operating the Goulamina Project in Mali, including:
 - ongoing sovereign risk in Mali, including the potential for further changes to the fiscal, regulatory and compliance regime for the Goulamina Project;
 - risks resulting from the implementation of the 2023 Mining Code in Mali, including a significant dilution of the Company's interest in the Goulamina Project; and
 - ongoing funding requirements for the Goulamina Project, including funding Leo Lithium's share of any future expansions of the Goulamina Project or additional infrastructure requirements or in-country downstream process enhancements.

Further information on the reasons to vote for or against the Proposed Transaction is set out in section 3.2. The Non-Executive Directors recommend that Shareholders vote in favour of the Proposed Transaction. Refer to section 3.2.4 for further information regarding the Board's recommendation.

3.1. OVERVIEW OF THE DISPUTE WITH THE GOVERNMENT OF MALI

3.1.1. Background

As previously advised², the Company has been involved in a series of discussions with the Mali Government since 17 July 2023 regarding the Goulamina Project. Those discussions initially covered several topics including direct shipping ore (**DSO**), the status of the Government's free carry stake and the overall status of progress at the Goulamina Project.

The Government formed a commission (**Commission**) to examine these items as well as issues surrounding the Morila Gold Mine in Mali owned by Firefinch³. Leo Lithium's senior management and advisors attended the Commission in person and addressed the issues raised in the correspondence by the Government as follows:

- immediately stopping direct shipping ore operations as directed by the Government;
- confirming that the joint venture participants had provided initial documents to the Government to effect the 10% free carry stake in the Goulamina Project; and
- proved that there was no corporate relationship between Leo Lithium and Firefinch, other than Firefinch holding a 17.6% shareholding in Leo Lithium.

Following these meetings, the Company announced that the Government's enquiries had been addressed and as such believed it was appropriate to commence trading on the ASX on 4 September 2023⁴.

¹ See section 3.3.3 for further details.

² See Leo Lithium Ltd announcement dated 8 May 2024 titled "MOU signed with the Mali Government and sale of entire Project to Ganfeng" available at www.asx.com.au.

³ See Firefinch Limited announcement dated 8 May 2024 titled "Settlement with Government of Mali and Agreement with Leo Lithium and Ganfeng" available at www.asx.com.au.

⁴ See Leo Lithium Ltd announcement dated 4 September 2023 titled "Goulamina on schedule post discussion with Mali Government" available at www.asx.com.au.

On 15 September 2023 the Company received further correspondence from the Government that raised for the first time the following matters:

- an allegation that the transfer of the Permit from a Firefinch entity to LMSA had not followed the relevant regulatory procedure and was therefore irregular;
- invited the parties to apply for a new exploitation permit for the Goulamina Project; and
- to migrate the Goulamina Project to the 2023 Mining Code.

From receipt of this correspondence, Leo Lithium and Ganfeng engaged in good faith discussions with the Government and provided information to the Commission and Government Ministers at a number of meetings in Bamako, Mali, during the second half of 2023 and first half of 2024. The Company also had a team of experienced Malian and international advisors assisting on this matter. Leo Lithium entered a trading halt on 15 September 2023, a voluntary suspension on 19 September 2023 and has been suspended from trading by the ASX since 3 October 2023 whilst these matters remained unresolved.

The allegations of an irregular transfer of the Permit and demand to reapply for a new exploitation permit under the 2023 Mining Code were a surprise and disappointment to Leo Lithium. The Company's position that the Permit was validly transferred and legally held meant, in the Company's view, that the request to migrate to the 2023 Mining Code was not relevant or enforceable. Despite this, the Government continued to insist that the Goulamina Project migrate to the 2023 Mining Code.

Over the course of these protracted discussions the Government also renewed its contention that Leo Lithium and Firefinch were related and attempted to draw Leo Lithium into Firefinch's dispute with the Government over the Morila gold mine. The Company reiterated its position repeatedly that, following the demerger of Leo Lithium from Firefinch, there was no corporate relationship or common control between Leo Lithium and Firefinch and that Leo Lithium has nothing to do with the Morila dispute. This did not sway the Government's position.

As the dispute progressed in late 2023 and into 2024, it became apparent that regular permits required from the Government for the operational phase of the Goulamina Project were not being progressed and without these permits, production could not commence. The Government had also continued to impose customs duties and levies on the Goulamina Project (which commenced in July 2023), notwithstanding that under the Permit it should have been exempt from those costs. Despite these challenges, the Leo Lithium team in Perth and Mali, supported by hundreds of Mali employees and contractors, continued to advance construction.

By early May 2024 the Goulamina Project was a matter of weeks away from commencing commissioning activities and so the issuing of permits had become critical.

3.1.2. The proposed 2023 Mali Mining Code

The Government promulgated a new Mining Code on 29 August 2023 that is significantly different from the existing mining code. Whilst the 2023 Mining Code has been promulgated, the Implementation Decree which describes how the new Mining Code will work in practice has yet to be issued by the Government. Therefore, many of the practical measures of the 2023 Mining Code have yet to be determined by regulators.

In the Company's view, if the 2023 Mining Code is implemented as currently drafted it will have a significant negative impact on the Goulamina Project (in comparison to the previous Mining Code and the Establishment Agreement applying to the Goulamina Project) including:

- the Government stake can increase from 20% to 30% (with private Mali nationals retaining a right to a further 5% holding), with 10% free carried and payment terms for the additional 20% being based off the costs of exploration and feasibility studies prior to the decision to develop the deposit versus the original method which was based on fair market value;
- Exploitation licence term reduced from 30 to 12 years⁵, with the opportunity to renew;
- additional social funds that start at 2.55% of turnover and rise to 4.05% of turnover after five years; and
- the elimination of corporate tax, VAT and customs incentives.

3.1.3. Settlement of the dispute

During March and April 2024, the Government's position on all key matters of the dispute remained firm and unchanged and the Company believed that, without a settlement, it was increasingly likely that the Goulamina

⁵ The 2023 Mining Code provides for a 12 year initial term. The MOU signed with the Government contemplates a 15 year initial term.

Project would be unable to move into the operational phase. Therefore, Leo Lithium and Ganfeng agreed to settle the dispute on the following basis:

- Leo Lithium, Ganfeng, Firefinch, MLBV, LMSA and the Government would enter into a Memorandum of Understanding (which has now occurred) to settle all disputed matters between the parties;
- Leo Lithium and Firefinch agreed to pay US\$60 million (**Settlement Amount**) to the Government in settlement of all disputes concerning the Morila SA mine, and Leo Lithium has subsequently procured the payment of this amount;
- Firefinch will transfer its shares in Morila SA and all of the mining titles its subsidiaries hold in Mali to the Government owned mining company;
- The Goulamina Project title is assured and the dispute over the irregularity of the Permit transfer has been settled;
- The Government will facilitate the granting of any permit and authorisation necessary for the Goulamina Project;
- The Government will immediately resume exempting the Goulamina Project from customs duties and fees for the remaining construction phase;
- The Goulamina Project will migrate to the 2023 Mining Code with some variations to be formalised between Ganfeng and the Government; and
- The Government approves any agreement relating to the transfer or issue of MLBV shares to Ganfeng, subject to all indirect transfer deeds being submitted to the Government for approval.

3.1.4. Consequential changes to the Goulamina Project and MLBV joint venture structures

In addition to the settlement terms described above, the following matters have been agreed in respect of the ongoing ownership, management and operation of the Goulamina Project:

- (a) Changes to occur even if the Proposed Transaction does not Complete:
- **Ganfeng to manage the Goulamina Project:** the Management Agreement will be novated to Ganfeng who will assume management responsibility for the Goulamina Project with effect from the date of novation.
 - **Leo Lithium to provide transitional support:** Ganfeng will engage Leo Lithium to provide services to Ganfeng and the Goulamina Project on a transitional basis. Leo Lithium will be engaged as a contractor on arm's length terms until 13 November 2024 at the latest whilst Ganfeng builds its own management capability. Ganfeng may terminate this arrangement at any time after Completion with 20 business days' notice.
 - **Ganfeng to sole fund the Goulamina Project:** Ganfeng has entered into a Prepayment Agreement with LMSA pursuant to which it will provide LMSA with funding of up to US\$150 million to finalise the construction of, and commence operations at, the Goulamina Project (**Prepayment Agreement**). The funding will take the form of prepayments for the offtake to be provided by LMSA to Ganfeng under the Offtake Agreement, with a portion of the value of each cargo being applied to progressively repay the prepayment amount. As a consequence, Leo Lithium will not be required to provide further funding for the Goulamina Project in the near term⁶.
 - **Firefinch to pay A\$11.5 million:** Upon Firefinch shareholders approving the transfer of the shares in Morila SA to the Government, Firefinch will make an A\$11.5 million payment to Leo Lithium as Firefinch's contribution to the Settlement Amount. Firefinch has released Leo from any claims relating to the demerger and the transfer of the Permit, and upon receipt of the \$11.5 million payment from Firefinch, Leo Lithium provides a similar release in favour of Firefinch.

⁶ The maximum amount payable under the Prepayment Agreement is based on the forecast cost to complete construction and initial operational expenses. Should the actual costs exceed forecast then the shortfall may be payable by the shareholders in MLBV (which will include Leo Lithium if the Proposed Transaction does not complete) to the extent the excess cannot be funded by MLBV in other ways.

(b) Changes to take effect only if the Proposed Transaction does Complete

- **Sale of Leo Lithium's remaining 40% shareholding in MLBV, and therefore its entire interest in the Goulamina Project, to Ganfeng:** The Proposed Transaction is the subject of Resolution 3 and is described in more detail in section 3.2 below.
- **Sale of offtake rights and receipt of Trailing Fee:** Leo Lithium has agreed, subject to Completion, to terminate the Cooperation Agreement⁷ with Ganfeng, including giving up the Company's rights to offtake from the Goulamina Project Stage 2 and Stage 3 expansions. In return, Ganfeng⁸, through its affiliate entity, has agreed to pay the Company a trailing product sales fee (**Trailing Fee**) as consideration for termination of the Cooperation Agreement. The Trailing Fee will be paid to the Company upon commencement of first commercial production at the Goulamina Project and is structured as follows:
 - 1.5% of the gross revenue (ignoring any amount due in respect of any prepayment) received from the sale of lithium products from Goulamina Stage 1, by reference to the Offtake Agreement, subject to a volume cap of 500,000 tonnes of spodumene concentrate per annum; and
 - valid over a 20 year period, commencing from unloading of first commercial shipment.⁹The Trailing Fee is guaranteed by Ganfeng and, upon request by Leo Lithium, further security arrangement will be implemented by Ganfeng and GFG to secure the payment of the Trailing Fee. An indemnity is provided by GLG to Leo Lithium in the event this security arrangement is not implemented.
- **Termination of legacy agreements:** Leo Lithium will also enter into a termination deed (which is conditional upon Completion occurring) pursuant to which the existing Shareholders' Deed and the Administrative Services Deed will be terminated. Ganfeng will also release Leo Lithium from the Guarantee on and from Completion.

3.2. PROPOSED TRANSACTION

On 7 May 2024 the Company entered into the Share Sale Agreement pursuant to which it agreed to sell its remaining 40% equity interest in MLBV, and therefore its entire interest in the Goulamina Project, to Ganfeng for a total cash consideration of US\$342.7 million (~A\$519 million)¹⁰. The material terms of the Share Sale Agreement are summarised in Annexure A.

The completion of the Proposed Transaction is subject to a number of Conditions Precedent, including approval by the Company's Shareholders for the purposes of ASX Listing Rule 11.2. Accordingly, the Company is asking its Shareholders to consider and, if thought fit, pass Resolution 3 to approve the Proposed Transaction.

3.2.1. Rationale for the Proposed Transaction

During the discussions between the Government, Firefinch and Ganfeng described in section 3.1, the Company had endeavoured to resolve all of the outstanding issues concerning the Goulamina Project in a satisfactory manner which protects the benefits, and minimises the risks, to Shareholders.

Despite the Company's best efforts to reach a viable agreement with the Government and considering the:

- (i) increasing risks associated with operating in Mali,
- (ii) impact of the new 2023 Mining Code; and
- (iii) requirements on the Company to provide future funding,

the Board has determined that a sale of the Company's remaining interest in the Goulamina Project to Ganfeng is in the best interest of Shareholders.

⁷ For further information on the Co-operation Agreement see Leo Lithium Ltd's announcement dated 29 May 2023 titled "Leo Lithium secures A\$106m strategic placement and transformational Cooperation Agreement with Ganfeng Lithium" available at www.asx.com.au.

⁸ Via its affiliate Greentech Metal Global PTE. Ltd.

⁹ For further information on the range of potential values of the Trailing Fee see Leo Lithium Ltd's announcement dated 8 May 2024 titled "MOU signed with the Mali Government and sale of entire Project to Ganfeng" available at www.asx.com.au.

¹⁰ Converted into AUD based on AUD:USD 0.66

In reaching this conclusion the Board has undertaken detailed analysis and consideration of matters including:

- whether it would be in the best interest of the Shareholders for the Company to retain its interest in the Goulamina Project, and the risks and benefits associated with doing so;
- the overall value that could be delivered to the Shareholders by either retaining an interest in the Goulamina Project or divesting its interest on the terms described in this Notice;
- the risks, costs and certainty of any alternative transactions or actions, including the time, cost and uncertainty associated with pursuing international arbitration and enforcing any award; and
- the complexities associated with any attempt to sell the Company's interest in MLBV to a party other than Ganfeng whilst these matters remained unresolved.

After careful evaluation, the Board believes the Proposed Transaction provides Shareholders with certainty of value and the lowest risk profile of the options available, all under highly volatile and challenging circumstances. The key advantages and disadvantages of the Proposed Transaction for the Company and its Shareholders that were considered by Directors when undertaking their evaluation are set out below.

3.2.2. Reasons to vote in favour of the Proposed Transaction

The Board believes that the following non-exhaustive list of advantages, together with the rationale above may be relevant to a Shareholder's decision on how to vote on Resolution 3.

- (a) Realisation of certain value for the Goulamina Project in challenging circumstances

The Sale Price of approximately US\$342.7 million is equivalent to approximately A\$0.43 (gross) per Share¹¹. Shareholders should note that these calculations are based on the gross proceeds of sale and do not take account of taxes payable on the proceeds, transaction costs payable in relation to the Proposed Transaction, the value of Leo Lithium's other assets (including existing cash on hand), the Trailing Fee described in further detail below, or individual Shareholders' tax circumstances.

- (b) Receipt of ongoing Trailing Fee

In addition to the Sale Price, the Company will receive the benefit of the Trailing Fee which will be paid to the Company from commencement of first commercial production at the Goulamina Project for twenty years. Whilst the offtake entitlements held by Leo Lithium under the Co-operation Agreement were always dependent upon the successful expansion of the Goulamina Project into Stage 2 and Stage 3, the Trailing Fee represents an ongoing revenue stream payable from Goulamina Project Stage 1.

- (c) Enables cash return to Shareholders

If the Proposed Transaction Completes, the Board's intentions are to:

- distribute the Net Proceeds from the Tranche 1 Cash Consideration to Shareholders as soon as practicable following receipt of the payment, receipt of a class ruling from the ATO and any necessary Shareholder approval (**Tranche 1 Distribution**);
- reserve a decision on whether to distribute the Net Proceeds from the Tranche 2 Cash Consideration and whether to sell the Trailing Fee until closer to the date upon which those amounts become payable. The Board believes that the Tranche 2 Cash Consideration and Trailing Fee will only be retained for use within the Company where those proceeds can be effectively applied in a value accretive manner for Shareholders.

As described further in section 3.3.2 below, the Directors estimate the Tranche 1 Distribution will be in the range of A\$157 million to A\$192 million, equating to approximately A\$0.13 to A\$0.16 per Share¹².

Depending on the final distribution structure determined by the Board, a ruling from the ATO and another Shareholder approval may be required before the Tranche 1 Distribution can be undertaken. The Company will keep Shareholders informed via ASX announcements. If a further Shareholder

¹¹ Converted into AUD based on AUD:USD 0.66 and calculated by dividing the total consideration of US\$342.7 million by the diluted share capital of 1,205,042,781 Shares assuming all Performance Rights are exercised and no Options are exercised.

¹² See assumptions and further information set out in section 3.3.2 below.

approval is required, the Company will hold another general meeting for Shareholders to consider the relevant resolution(s). Payment of the Tranche 1 Distribution will occur following receipt of the Tranche 1 Cash Consideration, receipt of a class ruling from the ATO and any additional Shareholder approvals required.

(d) High quality, fully-funded counterparty

GLG is a leading Chinese participant in the lithium battery supply chain, including lithium resource development, refining and processing, battery manufacturing and battery recycling. The Ganfeng Group's lithium resources are located across the globe and it is the only company in the lithium industry that has the commercial scale and technologies to extract lithium from brine, ore and recycled materials.

Ganfeng is listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, with a market capitalisation of approximately US\$7.784 billion. Ganfeng will fund the Sale Price from existing cash reserves and/or borrowings.

In addition, as an existing shareholder in MLBV and a joint venture participant in the Goulamina Project Ganfeng has a detailed understanding of the technical, financial and regulatory requirements for the Goulamina Project and an existing relationship with the Government. As a consequence, the Company considers Ganfeng to be a natural acquirer of the Goulamina Project and a low-risk counterparty, providing increased certainty that the Proposed Transaction will Complete.

(e) Strategic management

In addition to receiving the Tranche 1 Distribution, Shareholders will continue to hold Shares in Leo Lithium after Completion. As described further in section 3.3.1 below, the Company intends to seek other opportunities to deliver growth to Shareholders via the exploration for, and extraction and sale of, lithium and critical minerals.

The Board plans to retain a cash balance currently estimated to be between A\$50 million to A\$70 million to deliver on this strategy.

(f) Avoids risks and uncertainties of developing and operating the Goulamina Project in Mali¹³

By approving the Proposed Transaction, and subject to the Proposed Transaction Completing, Shareholders will avoid exposure to the various risks associated with financing, constructing and operating a lithium mine in Mali. These risks include:

- Risks associated with building and operating a lithium project in a developing country such as Mali, including the ongoing security and sovereign risk in Mali.
- The risks resulting from the proposed implementation of the 2023 Mining Code described in section 3.1.2, and the potential for further changes to the fiscal, regulatory and compliance regime in Mali in the future.
- Risks associated with the modified joint venture arrangements, including:
 - The Company's interest in the joint venture reducing from 40% to 26% should the Government and other Mali interests exercise their full entitlement of up to 35% of the joint venture under the 2023 Mining Code;
 - The Company no longer being the manager of the Goulamina Project following novation of the Management Agreement to Ganfeng, including the Company only having access to information in its capacity as non-operator joint venture participant and not having any direct involvement or contact with the Government; and
 - The ability of the expanded joint venture to make efficient and effective decisions on key matters which require unanimous agreement, including funding requirements and expansion opportunities.
- Risks associated with the Company's ability to meet its ongoing funding requirements, including:

¹³ See further the risk factors associated with an investment in Leo Lithium contained in Schedule 6 of the *Firefinch Notice of General Meeting - Leo Lithium Demerger* dated 29 April 2022 and section 4 of the *Leo Lithium Limited Replacement Prospectus* lodged on ASX on 21 June 2022, both available at www.asx.com.au.

- o The potential for additional capital and operating expenditure in the period up to the Goulamina Project becoming self-funding, should the Prepayment Agreement entered into between LMSA and Ganfeng be insufficient;
 - o Remaining subject to the Guarantee;
 - o Funding Leo Lithium's share of any future expansions of the Goulamina Project or additional infrastructure requirements or in-country downstream process enhancements; and
 - o Receiving smaller cash distributions from its share of offtake revenue given LMSA's obligations to repay the amounts advanced under the Prepayment Agreement.
- Risks associated with completing the construction of, and operating, the Goulamina Project, including:
 - o time and cost-related additions or overruns;
 - o technical and engineering risk in process plant design and equipment selection;
 - o constraints in availability of materials, equipment and logistic limitations; and
 - o securing and retaining key talent in Mali following the transfer of management rights and the implementation of the 2023 Mining Code.
 - Market risks associated with producing and selling lithium products in a foreign jurisdiction, including fluctuations in global commodity prices and global exchange rates.

3.2.3. Reasons to vote against the Proposed Transaction

The Board believes that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 3.

(a) Deferral of revenue

The Company will no longer start generating revenue in the near future (other than the Trailing Fee).

(b) Principal asset sale

The Proposed Transaction involves Leo Lithium selling its principal asset, which may not be consistent with the investment objectives of all Shareholders. In particular, if the Proposed Transaction completes, Shareholders will no longer have exposure to potential economic returns arising from the Goulamina Project (other than the Trailing Fee), including exposure to any increase in the lithium price.

(c) Other assets

There is a risk that the Company may not be able to identify, complete the acquisition of, or progress other suitable investment opportunities in a value accretive manner for Shareholders, and may be removed from the official list of the ASX if the Company is no longer suitable for quotation.

3.2.4. Board's Recommendation

The Directors' respective holdings of unvested Performance Rights and Options as at the date of this Notice are detailed below:

Name	Company Role Title	Options	LTI 2023 Performance Rights
Rick Crabb	Non-Executive Chairman	590,000 ¹	Nil
Alan Rule	Non-Executive Director	590,000 ²	Nil
Amber Banfield	Non-Executive Director	590,000 ³	Nil
Rod Baxter	Non-Executive Director	590,000 ³	Nil
Brendan Borg	Non-Executive Director	590,000 ³	Nil
Simon Hay	CEO and Managing Director	5,000,000 ³	1,315,316 ⁴

Notes:

1. Option exercise price of \$0.763 and option expiry 31 October 2025.
2. Option exercise price of \$0.643 and option expiry 1 January 2026.
3. Option exercise price of \$0.644 and option expiry 16 June 2025.
4. Performance rights subject to prescribed KPIs. Mr Hay also holds 284,908 vested but unexercised performance rights awarded as part of the 2023 short term incentive award.

Pursuant to the Plan Rules, the Performance Rights and Options will automatically vest upon the occurrence of a "Change of Control Event" (as that term is defined in the Plan Rules). Completion under the Share Sale Agreement constitutes a "Change of Control Event." Each Director, other than Mr Simon Hay, has formed the view that the vesting of their Options in the event that Resolution 3 is passed and Completion occurs does not give them a material personal interest in Resolution 3.

This view has been formed on the basis that the exercise price for all Options is currently greater than the anticipated value of a Share, and so the Options are "out of the money" and currently have no material value to each individual Non-Executive Director.

After assessing the advantages and disadvantages referred to above, the Non-Executive Directors are of the view that the advantages outweigh the disadvantages and therefore collectively recommend that Shareholders vote in favour of Resolution 3 as they consider the Proposed Transaction to be in the best interests of Shareholders.

Mr Hay has a material personal interest in Resolution 3 and in the interests of good governance, Mr Hay has declined to make a recommendation on how Shareholders should vote on Resolution 3. Mr Hay and each of his associates will be excluded from voting on Resolution 3.

3.3. COMPANY'S INTENTIONS IF THE PROPOSED TRANSACTION COMPLETES

3.3.1. Operations of the Company

Following Completion of the Proposed Transaction, the Company will have received the net cash proceeds from the sale and will no longer hold any interest in MLBV or the Goulamina Project. The expected treatment of the proceeds is explained in section 3.3.2.

The Board has developed a strategic outline for the future activities of the Company following Completion of the Proposed Transaction. The highlights of this strategy are as follows:

- The Company intends to seek other opportunities to deliver growth to Shareholders.
- The Company will remain focussed on the exploration for, and extraction and sale of, lithium and critical minerals.
- The Company will look to retain its core areas of expertise in:
 - Exploration, geology and resource development;
 - Technical and financial analysis;
 - Project planning and execution;
 - Mining and minerals processing operations; and
 - Marketing and sales of mineral products.
- This expertise will be utilised in the evaluation of and potential acquisition, development and operation of mineral projects in select jurisdictions globally.

The Board currently anticipates requiring not more than A\$50 million to A\$70 million for these purposes. This money will be drawn from existing Australian cash reserves (and not from the proceeds from the Proposed Transaction).

The Board will monitor the size and structure of the Board and senior management team as new opportunities are identified following the completion of the Proposed Transaction and make any necessary changes to ensure the appropriateness of the Company's organisation and its cost base.

Any transaction that the Company enters into when implementing this strategy is likely to require the Company to re-comply with Chapters 1 and 2 of the Listing Rules.

3.3.2. Treatment of proceeds from Proposed Transaction

If the Proposed Transaction completes, the Board's current intentions are to:

- distribute the Net Proceeds from the Tranche 1 Cash Consideration to Shareholders as soon as practicable following receipt of the payment, receipt of a class ruling from the ATO and any additional Shareholder approval; and
- reserve a decision on whether to distribute the Net Proceeds from the Tranche 2 Cash Consideration and whether to sell the Trailing Fee until closer to the date upon which those amounts become payable.

The Board believes that the Tranche 2 Cash Consideration and Trailing Fee will only be retained for use within the Company where those proceeds can be effectively applied in a value accretive manner for Shareholders.

3.3.3. Tranche 1 Distribution

(a) Quantum of Tranche 1 Distribution

Under the Share Sale Agreement, the quantum of the Tranche 1 Cash Consideration is US\$161.0 million. From this amount it will be necessary to:

- deduct and remit any applicable Australian, Dutch and/or Mali taxes and fees; and
- convert the balance from US dollars to Australian dollars.

As at the date of this Notice, and based on the assumptions described below¹⁴, the Directors estimate the Tranche 1 Distribution will be in the range of A\$157 million to A\$192 million, equating to approximately A\$0.13 to A\$0.16 per Share¹⁵.

The final amount and structure of the Tranche 1 Distribution may change depending on receipt of a class ruling from the ATO and whether any of the underlying assumptions change between the date of this Notice and the date of calculation of the final Tranche 1 Distribution.

(b) Form of Tranche 1 Distribution

Whilst the form of the Tranche 1 Distribution has not been finally determined, the Board's current expectation is that the Tranche 1 Distribution will be undertaken by one or a combination of the following mechanisms:

- a dividend;
- a return of capital (**ROC**); or
- an equal access share buy-back, where an off-market buy-back offer will be made to all Shareholders to buy back the same percentage of each Shareholder's ordinary shares (**Off-Market Share Buy-Back**).

On the basis the Company has not resumed trading on the ASX at the time of the Tranche 1 Distribution, it will not be eligible to undertake an on-market buy-back as defined for Australian tax purposes.

Each structure has different tax, legal and commercial considerations for the Company and its Shareholders. The following commentary is limited to the potential tax consequences of each mechanism, which is currently proposed to be confirmed with the ATO via a class ruling.

(1) ROC, Off-Market Share Buy-Back and Dividend

Both the ROC and Off-Market Share Buy-Back will likely involve two components for Australian tax purposes:

- a return of capital component, which is an amount debited to the Company's share capital account; and
- an unfranked dividends component, where the Company has not paid Australian corporate income tax, either in the past or in the income year in which the Proposed Transaction takes place (ie calendar 2024), such that no franking credits will be available to frank the dividend component.

The tax outcomes for Shareholders will be dependent on the nature and quantum of the Tranche 1 Distribution and each Shareholder's specific circumstances. However, the Company makes the following general comments regarding the potential Australian tax implications to them:

- Leo Lithium expects the ROC component to be limited to 68% or less of the Tranche 1 Distribution, based on the current capital position of the Company. The corollary of this is that the unfranked dividend component will be the remaining 32% or more.

¹⁴ Key assumptions include exchange rate range of 0.66-0.70 USD : 1 AUD and taxation of between A\$49 million to A\$78 million.

¹⁵ Based on a diluted share capital of 1,205,042,781 Shares, which assumes all Performance Rights are exercised and no Options are exercised.

- The ROC component is a capital transaction. As such:
 - Australian tax resident Shareholders who hold their shares on capital account should realise either a capital gain if the ROC component distributed exceeds their tax cost base, or a reduction to their tax cost base if the ROC is less than their cost base; and
 - Non-Australian tax resident Shareholders who hold their shares on capital account will generally be able to disregard any capital gains or losses arising.
- In relation to the unfranked dividend component:
 - Australian tax resident Shareholders will prima facie be subject to Australian income tax at their applicable tax rate; and
 - Non-Australian tax resident Shareholders should generally not be subject to any Australian income tax or withholding tax to the extent the dividend is paid in calendar 2025 and from "Conduit Foreign Income". Non-Australian tax resident Shareholders may pay income tax in their country of tax residence, based on their own specific circumstances.

(2) On-Market Share Buy-Back

Where the Company has not resumed trading on the ASX by the time of the Tranche 1 Distribution, it will not meet the definition of a "listed public company" for the purpose of the on-market share buy-back rules and so the Tranche 1 Distribution cannot occur by way of on-market share buy-back.

(3) Final determination

At present, the Board does not have sufficient information to make a decision as to the best structure for the Tranche 1 Distribution. The final amount and structure of the Tranche 1 Distribution will be determined by the Board following:

- Finalisation of the quantum of tax and transaction costs payable;
- Conversion of the net sale proceeds from US dollars to Australian dollars;
- Receipt of final advice (legal and tax) regarding the Tranche 1 Distribution;
- Determination of the make-up of the Tranche 1 Distribution; and
- The receipt of a class ruling from the ATO, which will set out the Australian tax treatment of the Tranche 1 Distribution for the Company and the main classes of its Shareholders.

Depending on the final structure of the Tranche 1 Distribution determined by the Board, further Shareholder approvals may be required before the Tranche 1 Distribution can be undertaken. The Company will keep Shareholders informed via an ASX announcement if further Shareholder approvals are required.

If required, the Company will hold another general meeting for Shareholders to consider the relevant resolution(s) in relation to the Tranche 1 Distribution. Payment of the Tranche 1 Distribution will occur as soon as practicable following receipt of any further Shareholder approvals and receipt of the Tranche 1 Cash Consideration.

Disclaimer

Please note that the above information is general in nature only and the tax consequences of the Tranche 1 Distribution will vary depending on each Shareholder's particular circumstances and is not provided by way of advice. Shareholders should consider their own position and seek appropriate advice from their legal, accounting or financial adviser.

3.4. COMPANY'S INTENTIONS IF THE PROPOSED TRANSACTION DOES NOT COMPLETE

If the Proposed Transaction does not Complete, the Company will:

- Retain the non-refundable deposit of US\$10.5 million but have no entitlement to any further payments under the Share Sale Agreement. The Company will not receive the Tranche 1 Cash Consideration or the Tranche 2 Cash Consideration and the Tranche 1 Distribution will not proceed.
- Continue to hold an interest in the Goulamina Project, which at the date of this Notice is 40% but could reduce to 26% should the Government and other Mali interests exercise their rights under the 2023

Mining Code to acquire up to 35% of MLBV and the Goulamina Project. In this situation the joint venture composition would be: Ganfeng 39% and manager of the Goulamina Project; Government of Mali and other Malian interests 35%; and Leo Lithium 26%.

- No longer be responsible for managing the Goulamina Project, and instead will rely on its rights as a non-operator participant in the joint venture to protect its interests in the Goulamina Project.
- Retain its rights under the Co-operation Agreement, including rights to offtake from Goulamina Project stages 2 and 3 (should those stages proceed to development). No Trailing Fee will be payable to Leo Lithium in this circumstance.
- Remain responsible for the ongoing funding of its share of the Goulamina Project and any expansion, including:
 - The potential for additional capital and operating expenditure in the period up to the Goulamina Project becoming self-funding, should the prepayment arrangements entered into between LMSA and Ganfeng be insufficient.
 - Remaining subject to the Guarantee.
 - Funding Leo Lithium's share of the Goulamina Project's Stage 2 and Stage 3 expansions.
- Receive a smaller cash distribution from its share of offtake revenue given LMSA's obligations to repay the amounts advanced under the Prepayment Agreement.

3.5. REQUIREMENTS OF THE ASX LISTING RULES

3.5.1. Listing Rule 11.2 and effect of Resolution 3

ASX Listing Rule 11.2 requires a listed company to obtain the approval of its Shareholders to a disposal of its main undertaking. The Proposed Transaction is a disposal of the Company's main undertaking for these purposes. Resolution 3 seeks the required Shareholder approval of the Proposed Transaction under and for the purpose of Listing Rule 11.2.

Resolution 3 is an ordinary resolution. The Chair intends to vote all available undirected proxies in favour of Resolution 3.

If the Resolution is passed by Shareholders:

- the Condition Precedent requiring approval of the Company's Shareholders will be satisfied;
- subject to all other Conditions Precedent being satisfied or waived, Completion of the Proposed Transaction is currently expected to occur in or about October 2024; and
- upon Completion, Leo Lithium will no longer hold any interest in MLBV or the Goulamina Project.

The Company's intentions following Completion are set out in section 3.3 above.

If Resolution 3 is not passed by Shareholders the Proposed Transaction will not proceed.

The Company's intentions if the Proposed Transaction does not proceed are set out in section 3.4 above.

3.5.2. Resumption of trading on ASX

The Chair and CEO of Leo Lithium have met with representatives from the ASX to discuss the reinstatement of the Company's Shares to trading on ASX.

Following this meeting, a formal request was submitted by Leo Lithium to ASX seeking confirmation from ASX that ASX will reinstate Leo Lithium's equity securities to trading on the ASX following (amongst other matters) the lodgement of the Annual Report, related corporate governance filings and the 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.

3.5.3. Specific requirements of ASX Listing Rules

Pursuant to section 7.2 of ASX Guidance Note 12, the following information is provided in relation to Resolution 3:

(a) Parties

The parties to the Share Sale Agreement are Leo Lithium, Ganfeng, GLG and MLBV.

(b) Material terms of the Proposed Transaction

The material terms of the Share Sale Agreement are summarised in Annexure A.

(c) Financial effect of the Proposed Transaction on the Company

An unaudited proforma consolidated balance sheet is set out in Annexure B which has been prepared based on the Company's audited consolidated balance sheet as at 31 December 2023, which sets out the financial effects the Proposed Transaction is expected to have on the Company before any distributions to Shareholder.

(d) Effect on interests of Shareholders

The Proposed Transaction itself will have no direct effect on the capital structure of the Company. However, the Tranche 1 Distribution may have an effect on the Company's capital structure, if for example, a return of capital or share buy-back is undertaken.

Completion of the Proposed Transaction will constitute a "Change of Control Event" under the Plan Rules. As a consequence, all unvested Performance Rights and Options on issue at the Completion Date will vest and be capable of exercise. Should these convertible securities be exercised and converted into Shares, the Share capital on issue will increase.

The table below details the impacts on the Company's capital structure assuming all of the vested Performance Rights convert into Shares and the Options remain unexercised.

	As at the date of this Notice	Following Completion
Shares	1,198,176,519	1,205,042,781 ³
Performance Rights ¹	6,866,262	nil ³
Options ²	7,950,000	7,950,000

Notes:

1. Performance Rights have various expiry dates and are subject to various vesting conditions.
2. Further detail on the Options is set out in section 3.2.4.
3. Assumes all Performance Rights on issue will be exercised and converted into Shares. There is no guarantee that any or all Performance Rights will be exercised and converted into Shares following vesting.

(e) Change to business model

As described in section 3.3.1, the Company intends to seek other opportunities to deliver growth to Shareholders via the exploration for, and extraction and sale of, lithium and critical minerals.

(f) Use of proceeds

The use of proceeds from the Proposed Transaction is described in section 3.3 above.

(g) Changes to Board or senior management

The Board will monitor the size and structure of the Board and senior management team as new opportunities are identified following Completion and will make any necessary changes to ensure the appropriateness of the Company's organisation and its cost base.

(h) Indicative timetable for implementing the Proposed Transaction

Subject to the ASX Listing Rules and Corporations Act requirements, the Company currently anticipates Completion will be in accordance with the following timetable:

Event	Indicative Date*
Meeting of Shareholders to approve the Proposed Transaction	31 July 2024
Receipt of letter of comfort from ATO	October 2024
Completion of the Proposed Transaction (timing subject to satisfaction or waiver of the Conditions Precedent)	end October 2024
Receipt of Tranche 1 Cash Consideration Net Proceeds	end October 2024
Meeting to approve any element of the Tranche 1 Distribution requiring Shareholder approval	December 2024
Tranche 1 Distribution paid to Shareholders	January 2025
Receipt of Tranche 2 Cash Consideration proceeds	By 30 June 2025

* Please note that this timetable is indicative only and the Directors reserve the right to amend the timetable accordingly.

3.5.4. No responsibility

The ASX takes no responsibility for the content of this Notice of Meeting.

3.5.5. Voting exclusion statement

A voting exclusion statement is included in the Notice for Resolution 3.

3.5.6. Board recommendation

The Board's recommendation is contained in section 3.2.4.

3.6. OTHER INFORMATION

3.6.1. Directors' interest

As described further in section 4 of this Explanatory Memorandum, Completion of the Proposed Transaction will constitute a "Change of Control Event" under the Plan Rules. As a consequence, all unvested Performance Rights and Options on issue at the Completion Date may vest and be capable of exercise. All of the Options and certain of the Performance Rights are held by Directors.

In addition, certain incentive and retention payments are being proposed for the Managing Director which in part are payable in connection with the Proposed Transaction.

Specific details on these Directors' interests are set out in section 3.2.4 and section 4 of this Explanatory Memorandum.

3.6.2. No other material information

Other than as set out in this Notice of Meeting and information previously disclosed to Shareholders, there is no other information currently known to the Directors which might reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of the Resolution 3.

3.6.3. No investment advice

The information provided in this Explanatory Memorandum is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Accordingly, nothing in this Explanatory Memorandum should be construed as a recommendation by the Company, or any associates of the Company, or any other person concerning an investment in the Company.

If you are in doubt as to the course of action you should follow, you should seek advice on the matters contained in this Explanatory Memorandum from a solicitor, stockbroker, accountant or other professional financial adviser immediately.

3.6.4. Forward looking statements

This Explanatory Memorandum contains forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "should", "could", "believes", "estimates", "expects", "intends", "plans", "anticipates", "predicts", "outlook", "forecasts", "guidance" and other similar words that involve risks and uncertainties. These statements are based on, among other things, an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the directors and management of the Company. The Company cannot and does not give any assurance that the results, events, performance or achievements expressed or implied by the forward-looking statements contained in this Notice will actually occur, and Shareholders are cautioned not to place undue reliance on these forward-looking statements.

No representation or warranty, express or implied, is made by the Company, its related bodies corporate or any of their respective officers, directors, employees, agents or advisers as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this announcement. Shareholders are cautioned not to place undue reliance on those statements.

The forward-looking statements in this Explanatory Memorandum reflect views held only as at the date of this Explanatory Memorandum.

4. RESOLUTION 4 - APPROVAL TO GIVE A BENEFIT TO KEY MANAGEMENT PERSONNEL IN CONNECTION WITH THE TRANSFER OF COMPANY PROPERTY

Section 200C approval

Section 200C of the Corporations Act prohibits the giving of a benefit to an individual who holds, or has held at any previous time, a managerial or executive office in a company or a related body corporate (**Relevant Executive**) in connection with the transfer of the whole or any part of the undertaking or property of the company, without shareholder approval. An individual who holds a managerial or executive office includes Key Management Personnel of the Company and any subsidiary directors. Section 200C also prohibits the giving of benefits in these circumstances to a Relevant Executive's spouse, relative or associate as well as the spouse of a Relevant Executive's relative or associate.

Given the application of section 200C, the Company is seeking Shareholder approval in relation to its obligations to vest all unvested Performance Rights and Options held by Relevant Executives (or their Nominated Parties), and make cash payments to Relevant Executives, in connection with the Completion of the Proposed Transaction as described below.

If approval is obtained, it will be effective for a period of three years from the date of the Resolution.

Resolution 4 is an ordinary resolution. The Chair intends to exercise all available undirected proxies in favour of Resolution 4.

Rights and Options issued under the Plan Rules

Under the Plan Rules a "Change of Control Event" is defined to include a scenario where any company in the Leo Lithium group of companies (together the **Group**, and each a **Group Company**) enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person(s) that is not a Group Company. Having regard to this definition, the Proposed Transaction will be a Change of Control Event.

Under the Plan Rules, when a Change of Control Event occurs, all unvested securities that have not lapsed will vest immediately prior to the effective date of the Change of Control Event. This means that Completion of the Proposed Transaction will cause all unvested Performance Rights and Options currently on foot held by Directors and executives who are Relevant Executives (and their Nominated Parties) to vest in full.

Under the Plan Rules, a participant may nominate a 'Nominated Party' in whose favour the participant wishes the Shares, Options or Performance Rights the subject of an offer to be issued. A 'Nominated Party' includes an immediate family member, a corporate trustee of a self-managed superannuation fund where the participant is a director of the trustee, and a company whose members comprise no persons other than the participant or immediate family members of the participant.

Further details about the awards made under the Plan Rules are set out in the Remuneration Report.

Short-term incentive (STI)

Leo's STI provides that employees are entitled to a cash payment if certain company and individual performance objectives are achieved. One of the performance objectives for the 2024 STI award is to incentivise Relevant Executives to Complete the Proposed Transaction. This means that the Completion of the Proposed Transaction will result in some of the STI vesting and a cash payment being made to Relevant Executives.

Special Incentive Award for the Managing Director

As announced on 14 June 2024 the Managing Director, Mr Simon Hay, has been granted a special incentive award (**Award**). Further details about that Award are set out in the announcement.

The Board will assess the vesting of the Award against prescribed performance hurdles. One of the performance hurdles is connected to Completion the Proposed Transaction. This means that Completion of the Proposed Transaction will result in a cash payment being made to Mr Hay (assuming the other performance hurdles are also met).

Retention Awards

In connection with the Proposed Transaction, certain key individuals in the Group have been provided with retention awards that are payable in cash (**Retention Award**). One of the performance hurdles which must be satisfied to receive the Retention Award is achieving at least a “threshold” score for the 2024 STI performance objectives. As above, one of those objectives incentivises Relevant Executives to Complete the Proposed Transaction. Accordingly, Completion of the Proposed Transaction will result in the Retention Awards vesting (assuming the other performance hurdles are also satisfied).

Maximum benefits payable

The table below sets out the maximum benefits that may be payable to Relevant Executives if Resolution 4 is passed.

Award	Maximum value of benefit (assuming all applicable hurdles are achieved)
Options ¹	Details of Options held by Directors are set out in section 3.2.4
Performance Rights ¹	Unvested Performance Rights held by executive members of Key Management Personnel are as follows: Simon Hay: 1,315,316 Tom Blackwell: 952,228 Tim Richards: 576,811 Ron Chamberlain: 497,927 Non-Executive Directors do not hold Performance Rights.
Special Incentive Award for the Managing Director ³	A\$1,150,000, subject to various conditions. ¹⁶
Short Term Incentive (STI)	Up to 50% (Target) or 75% (Stretch) of Total Fixed Remuneration ² of an executive member of Key Management Personnel. Non-executive directors do not participate in the STI plan.
Retention Award ³	Tom Blackwell: 6 months TFR Tim Richards: 9 months TFR Ron Chamberlain: 9 months TFR Non-executive directors did not receive retention awards.

1. The value of the Performance Rights and Options that may be provided to a Relevant Executive in accordance with this approval cannot be ascertained in advance because the value of a Share at the time of vesting is unknown. The matters, events and circumstances that will, or are likely to, affect the calculation of the value of the Performance Rights and Options are the number of Performance Rights and Options that vest, the portion of any relevant performance periods that have elapsed at the time of vesting, the extent to which any relevant vesting conditions have been satisfied (if applicable), and the value of a Share at the time of calculation.
2. The TFR for Key Management Personnel is included in the Remuneration Report. Note Mr Chamberlain’s TFR was increased by \$20,000 in early 2024 as part of the annual salary review process (which increase is not reflected in the Remuneration Report). Mr Hay’s remuneration was also increased subsequent to the Remuneration Report as announced on 14 June 2024.
3. It is currently proposed that Ganfeng will contribute 75% of the cost of the Retention Awards payable to Mr Richards and Mr Chamberlain, and 100% of the Retention Award payable to Mr Blackwell. Ganfeng will not contribute to the cost of the Special Incentive Award payable to the Managing Director.

Board recommendation

The Non-Executive Directors recommend Shareholders vote in favour of Resolution 4, notwithstanding that their Option will vest if the Resolution is approved.

¹⁶ For further details see Leo Lithium Ltd announcement dated 14 June 2024 titled “CEO Remuneration Update” available at www.asx.com.au.

5. RESOLUTION 5 - APPROVAL OF RETIREMENT BENEFITS FOR EXECUTIVE PERSONNEL

Rationale for seeking approval

Section 200B of the Corporations Act prohibits the provision of certain types of benefits to individuals who hold, or have held in the last three years, a managerial or executive office on ceasing employment (**Ceasing Executives**), unless shareholder approval is obtained or a statutory exemption applies.

If Shareholder approval is obtained, this will not guarantee that a Ceasing Executive will receive any of the termination benefits described below. The approval sought will enable the Board to determine the most appropriate termination package for Ceasing Executives at the time cessation occurs, having regard to their contribution to the Group and the circumstances in which they are ceasing employment. If approval is obtained, it will be effective for a period of three years.

Under this Resolution 5, the Company is not seeking approval in respect of any benefits payable to Non-Executive Directors.

The Board's discretion to make a payment or give a benefit on termination is intended for 'good leaver' circumstances, including total and permanent disablement, mental illness, redundancy, death or terminal illness or other circumstances determined by the Board.

Resolution 5 is an ordinary resolution. The Chair intends to exercise all available undirected proxies in favour of Resolution 5.

Approval is being sought for the following benefits or entitlements

The Company is seeking Shareholder approval to pay benefits to Ceasing Executives, including to:

- accommodate the full range of leaver treatments provided for under the terms of incentive awards for Ceasing Executives, some of which involve exercise of discretion by the Board;
- pay any death and disablement benefits to which a Ceasing Executive is contractually entitled upon cessation of their employment; and
- pay additional termination benefits to a Ceasing Executive, including payments under an employment contract (such as payments in lieu of notice and redundancy payments) and other entitlements or benefits (such as leave benefits, insured benefits, superannuation and other forms of retirement savings, relocation costs and customary payments made in foreign jurisdictions).

To enable Shareholders to meaningfully assess whether to approve this Resolution 5, the summary below outlines the key categories of potential termination benefits that may become payable to Ceasing Executives.

Summary of Leo Lithium's leaving benefits

The summary below is not intended to provide an exhaustive list of every benefit that could become payable to a Ceasing Executive in every potential termination scenario. Part of the reason Leo Lithium is seeking Shareholder approval is to preserve a degree of flexibility for the Board to tailor the termination arrangements for Ceasing Executives having regard to the circumstances of the Ceasing Executive's cessation of employment and within the parameters imposed by:

- the Ceasing Executive's employment contract; and
- the terms of any incentive or cash awards granted to the Ceasing Executive.

Contractual benefits

Employment contract benefits

Under their employment agreements, Ceasing Executives may become entitled to payments in lieu of notice upon cessation of their employment, which are generally capped between three and six months' fixed remuneration depending on seniority. Redundancy benefits are payable in accordance with applicable law.

Redundancy payments

Any payments to an employee due to redundancy are limited to statutory entitlements.

Leave, insurance, superannuation and other forms of retirement saving

On cessation of employment, Ceasing Executives may be paid accrued leave, insurance, superannuation and other forms of retirement saving entitlements. These benefits would not generally be considered 'termination benefits' under the Corporations Act and no Shareholder approval would normally be required

to make these payments. However, to the extent that any of these benefits would constitute a termination payment under the Corporations Act, the approval sought will operate to allow for the provision of the benefit to Ceasing Executives on cessation of employment.

Equity incentive plans

Generally, awards made to Ceasing Employees under Leo Lithium's equity incentive plans will only vest or be paid in circumstances where the individual remains employed until the end of the applicable performance period. However, the Board has discretion to determine a different outcome, including in cases of total and permanent disablement, mental illness; redundancy; death or terminal illness or other circumstances determined by the Board.

Where the Board exercises this discretion, the Board may determine (without limitation) that equity held by a Ceasing Executive automatically vests or remains on foot post-termination and is tested in the ordinary course.

Termination for cause or resignation will generally result in the forfeiture of an executive's award on cessation of employment.

Cash awards

The Company's STI is payable in cash. Further, in connection with the Completion of the Proposed Transaction, certain key individuals in the Group have been provided with retention awards or, in the case of Leo Lithium's Managing Director, a performance-related special incentive (i.e. the Award referred to above) payable in cash.

To be eligible for an STI award, a participant must be employed by Leo at the time of payment. However, in practice, the Board may determine to apply an alternative treatment where a participant ceases employment as a 'good leaver' before the time of payment, including to accelerate the payment of an STI award or make an STI award payment in the ordinary course.

For other cash awards given to KMP and subsidiary directors, where a Ceasing Executive is a 'good leaver', a pro-rata portion of the award will remain on foot and be tested in the ordinary course. However, the Board has discretion to apply a different treatment which may include vesting more than a pro-rata portion of the award at the time of cessation or accelerate vesting of the award. In respect to the Managing Director's Award, where the Managing Director is a 'good leaver' the Board has discretion to determine the appropriate vesting outcome, if any, including acceleration of vesting.

Whether the Board exercises its discretion for a good leaver will depend upon the particular circumstances of the cessation of employment.

Termination for cause or resignation will generally result in the forfeiture of an executive's award on cessation of employment.

The value of the potential termination benefits

The amount and value of the termination benefits that may be provided to a Ceasing Executive in accordance with this approval cannot be ascertained in advance. This is because various matters will, or are likely to, affect that value, including:

- the circumstances in which the Ceasing Executive ceases employment and the extent to which they served the applicable notice period;
- the Ceasing Executive's fixed remuneration at the time the relevant awards were made and the time they cease employment;
- the Ceasing Executive's length of service and the portion of any relevant performance periods for equity awards that have expired at the time they cease employment;
- the number of vested and unvested incentives that the Ceasing Executive holds at the time they cease employment and the number that the Board determines to vest, lapse or leave on foot;
- the value of a Share when the value of any equity-based termination entitlements are determined, and the terms of those entitlements; and
- any other factors the Board considers relevant when exercising its discretion, including, where appropriate, its assessment of the performance of the Ceasing Executive up to the date of cessation.

If Resolution 5 is passed, the value of the benefits outlined in this section 5 will be disregarded when calculating the Ceasing Executive's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

Board recommendation

Mr Hay has a material personal interest in Resolution 5 and so has abstained from making a recommendation.

The Non-Executive Directors recommend Shareholders vote in favour of Resolution 5.

GLOSSARY

A\$ or **\$** means Australian dollars.

US\$ means United States dollars.

2023 Mining Code means the new Mali mining code promulgated on 29 August 2023.

Administrative Services Deed means the administrative services deed between MLBV, Firefinch and Ganfeng dated on or around 14 August 2021, and as novated to Leo Lithium pursuant to the Deed of Novation (Administrative Services Deed) between Firefinch, Leo Lithium, Ganfeng and MLBV dated on or around 28 April 2022.

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

Annual Report means the means the annual report of the Company for the year ended 31 December 2023.

associate has the meaning given to it by the Listing Rules.

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

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

ATO means the Australian Taxation Office.

Auditor means the Company's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 31 December 2023.

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

Board means the current board of Directors of the Company.

Ceasing Executives has the meaning set out in section 4.2.

Chair or **Chairman** means the individual elected to chair any meeting of the Company from time to time in accordance with rule 5.7 of the Constitution.

Closely Related Parties has the meaning given in section 9 of the Corporations Act.

Commission has the meaning given in section 3.1.1.

Company or **Leo Lithium** means Leo Lithium Limited ACN 638 065 068.

Completion means completion of the Proposed Transaction in accordance with the Share Sale Agreement, and **Complete** has the corresponding meaning.

Completion Date means the date on which Completion occurs.

Conditions Precedent means the conditions precedent to the Share Sale Agreement as set out in Annexure A, section 2.

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

Co-operation Agreement means the Co-operation Agreement between the Company, Ganfeng, MLBV and LMSA dated 3 September 2023 and as varied from time to time.

Corporations Act means the Corporations Act 2001 (Cth) as amended or replaced from time to time.

Debt Facility means the US\$40 million debt facility between MLBV, LMSA and Ganfeng dated 19 July 2022, as amended.

Deed of Novation Management Agreement means a deed between Ganfeng, the Seller and LMSA to effect the novation, with effect from Completion, of the Seller's rights, interests and obligations under the Management Agreement to Ganfeng.

Deposit means the US\$10.5 million non-refundable deposit paid by Ganfeng under the Share Sale Agreement.

Director means a current director of the Company.

Dollar or **"\$"** means Australian dollars.

End Date means 31 October 2024, unless otherwise agreed between Ganfeng and the Company in writing

Explanatory Memorandum means the explanatory memorandum accompanying this Notice of Meeting.

Firefinch means Firefinch Limited ACN 113 931 105.

Ganfeng means GFL International Co., Ltd.

GLG means Ganfeng Lithium Group Co., Ltd.

Goulamina JV is a joint venture existing between Leo Lithium and Ganfeng via an incorporated joint venture entity, MLBV (a company registered in the Netherlands). At the date of this Notice, Leo Lithium owns 40% of MLBV and Ganfeng 60%. MLBV owns 100% of LMSA (a company registered in Mali) which owns 100% of the Goulamina Project.

Goulamina Project means the project known as the Goulamina Lithium Project, which comprises and includes the Permit and which is managed and operated by the Goulamina JV.

Goulamina Services Agreement means the services agreement to be entered into between Ganfeng and Leo Lithium pursuant to which Leo Lithium agrees to provide certain operator and management services to Ganfeng in relation to the Goulamina Project.

Government means the Government of Mali.

Government Agency means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

Group has the meaning given in section 4.

Group Company has the meaning given in section 4.

Guarantee means the guarantee provided by Leo Lithium to Ganfeng under which Leo Lithium guarantees up to US\$16 million of the debt owed by LMSA to Ganfeng under the Debt Facility.

Key Management Personnel or **KMP** means the key management personnel of the Company as defined in AASB Standard 124 (and includes each of the Directors) (which are set out in the Remuneration Report contained in the Annual Report)

LMSA means Lithium du Mali S.A., the wholly owned subsidiary of MLBV which owns the Goulamina Project.

Management Agreement means the management agreement between Leo Lithium and LMSA under which Leo Lithium managed the mine being constructed on the Permit.

MLBV means Mali Lithium BV, the joint venture company which owns all of the shares in LMSA.

Morila SA means Societe des Mines de Morila SA, the operating entity for the Morila gold project in Mali.

Net Proceeds means proceeds after deduction of applicable taxes.

Nominated Party has the meaning given in the Plan Rules.

Non- Executive Directors means all of the Directors other than the Managing Director.

Notice of Meeting or **Notice** means this Notice of Annual General Meeting, including the Explanatory Memorandum.

Off-Market Share Buy-Back has the meaning given in section 3.3.3.

Offtake Agreement means the offtake agreement dated 13 August 2021 between LMSA as seller and Ganfeng as buyer.

Option means an option to acquire a Share.

Performance Rights means a right to acquire Shares in accordance with the Plan Rules.

Permit means PE19/25 (Exploitation Permit located in the Bougouni region of southern Mali), granted by Decree N°2019-0642/PM-RM of 23 August 2019, for lithium and Group 2 mineral substances, transferred by Decree N°2022-0199/PM-RM dated 24 March 2022 in relation to the formal transfer of the Exploitation Licence from Timbuktu Resources SARL to LMSA.

Plan Rules means the Leo Employee Awards Plan Rules (adopted in May 2023) and the document titled 'Leo Lithium Awards Plan Rules 2022 & 2023 offers' which govern the operation of Leo Lithium's equity awards.

Prepayment Agreement has the meaning set out in section 3.1.4(a).

Proposed Transaction means the sale by Leo Lithium to Ganfeng of its remaining 40% equity interest in MLBV, and therefore its remaining interest in the Goulamina Project, in accordance with the terms and conditions of the Share Sale Agreement.

Proxy Form means the proxy form accompanying this Notice of Meeting.

Related Party has the meaning given to it by the ASX Listing Rules and the Corporations Act.

Relevant Executive has the meaning set out in section 4.1 of the Explanatory Memorandum

Remuneration Report means the remuneration report which forms part of the Directors' Report set out in the Annual Report.

Resolution means a resolution set out in this Notice of Meeting.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

ROC has the meaning given in section 3.3.3.

Sale Price is defined in Annexure A, section 3 of the Explanatory Memorandum.

Settlement Amount has the meaning set out in section 3.1.3.

Share means a fully paid ordinary share in the capital of the Company.

Share Sale Agreement means the Share Sale Agreement dated 7 May 2024 between Leo Lithium, Ganfeng, GLG and MLBV.

Shareholder means a holder of a Share.

Shareholders' Deed means the shareholders deed between Leo Lithium, Ganfeng and MLBV dated on or around 29 September 2021 (as amended).

SOFR means the Secured Overnight Financing Rate.

Total Fixed Remuneration or **TFR** includes gross annual base salary plus superannuation.

Trailing Fee has the meaning set out in section 3.1.4(b).

Tranche 1 Cash Consideration means the US\$161.0 million payable upon Completion of the Proposed Transaction.

Tranche 2 Cash Consideration means the balance of the cash consideration payable by no later than 30 June 2025, comprising US\$171.2 million plus interest on that amount at the rate of SOFR +2% from the Completion Date until the date of payment.

Tranche 1 Distribution is defined in section 3.3.3 of the Explanatory Memorandum.

ANNEXURE A

Key Terms of the Share Sale Agreement

1. Parties

The Parties to the Share Sale Agreement dated 7 May 2024 are:

- Leo Lithium (**Seller**)
- Ganfeng (**Buyer**)
- GLG
- MLBV

2. Conditions Precedent

The conditions precedent to Completion, and the status of those conditions as at the date of this Notice, are set out below:

Condition	Status as at date of Notice
(a) The settlement agreement with the Government having been executed by all of the parties to it.	Satisfied
(b) The Deed of Novation Management Agreement having been executed by all of the parties to it.	In progress
(c) The Goulamina Services Agreement having been executed by all of the parties to it.	In progress
(d) The Prepayment Agreement having been executed by all of the parties to it.	Satisfied
(e) Ganfeng, the Seller and MLBV entering into a deed of termination to terminate, with effect from Completion, the Shareholders' Deed and the Administrative Services Deed.	In progress
(f) Shareholders of the Seller approving the Proposed Transaction for the purposes of the ASX Listing Rules; and	The subject of Resolution 3
(g) Ganfeng receiving the approval or completing the filing, or obtaining modification to such approval or filing, as applicable, for the Proposed Transaction from or with each of: <ul style="list-style-type: none">(i) the National Development and Reform Commission or its local counterparts;(ii) the Ministry of Commerce or its local counterparts; and(iii) the State Administration of Foreign Exchange or its local counterparts,	In progress

If all Conditions Precedent are not satisfied or waived by the End Date, then either Leo Lithium or Ganfeng may terminate the Share Sale Agreement.

3. Sale Price and Deposit

The sale price payable is the aggregate of:

- (a) the Deposit; and
- (b) US\$332.2 million, which shall be payable as follows:
 - (i) US\$161 million payable on Completion (**Tranche 1 Cash Consideration**); and
 - (ii) US\$171.2 million (plus any Interest payable thereon) (**Tranche 2 Cash Consideration**) shall be payable on 30 June 2025 or such earlier date that the Tranche 2 Cash Consideration is paid in full to the Seller (**Tranche 2 Payment Date**).

Interest will accrue daily and will be payable by the Buyer on the unpaid Tranche 2 Cash Consideration at SOFR + 2% from the Completion Date until the Tranche 2 Payment Date. Accrued interest will be payable by the Buyer to Leo Lithium on the Tranche 2 Payment Date. No penalty shall be applied against the Buyer if the Tranche 2 Cash Consideration is paid prior to 30 June 2025.

The Deposit has been received by Leo Lithium and is not refundable to the Buyer in any circumstances.

4. Warranties and claims

The Seller has given limited warranties as to title and the provision of information. The Buyer has given limited warranties including its capacity to make an informed investment decision and that it has placed no reliance on information provided by the Seller (other than the Seller's warranties). Any claims by the Buyer are capped at 30% of the value of the Tranche 1 Cash Consideration, and the Buyer is limited from making a claim in respect of (i) information it knew, or ought to have known, in its capacity as shareholder in, and offtaker and financier to, the Goulamina Project and (ii) claims resulting from changes in law, tax or rules made after the date of the Share Sale Agreement.

5. Security arrangements

If the financial position of Ganfeng falls below prescribed thresholds and Leo Lithium believes this substantially increases the risk of non-payment of the Tranche 2 Cash Consideration, Leo Lithium may notify the Buyer and GLG who will use their best endeavours to put security arrangements in place acceptable to the Seller. GLG indemnifies the Seller in the event these provisions are breached or requested security is not in place by the Tranche 2 Cash Consideration payment date.

6. Due Diligence

The Seller will permit and facilitate a technical, legal and financial due diligence exercise in connection with the affairs of MLBV, LMSA and the Goulamina Project. Should this due diligence uncover any matter which:

- (a) is or is likely to have a very serious or potentially catastrophic effect on MLBV, LMSA or the Goulamina Project;
- (b) for which it could make a claim under the Share Sale Agreement; and
- (c) when considered together with potential upside or advantages accruing to MLBV, LMSA and the Goulamina Project during the period of due diligence still results in a very serious or potentially catastrophic effect on MLBV, LMSA or the Goulamina Project,

then the parties will negotiate in good faith amendments to the Share Sale Agreement and related documents to seek to ensure that the uncovered matters are dealt with in a way that minimises their impact as far as practicable on MLBV, LMSA or the Goulamina Project.

ANNEXURE B

Pro Form Balance Sheet

	31-Dec-23 Audited A\$'000	Pro Forma Prior to distribution A\$'000
ASSETS		
Current Assets		
Cash and cash equivalents	33,561	546,586
Receivables	38,622	0
Other current assets	738	738
Total Current Assets	72,921	547,324
Non-Current Assets		
Interest in Joint Venture	113,275	0
Property, plant and equipment	97	97
Right-of-use assets	1,280	1,280
Total Non-Current Assets	114,652	1,377
Total Assets	187,573	548,701
LIABILITIES		
Current Liabilities		
Trade and other payables	(1,800)	(1,800)
Lease liabilities	(201)	(201)
Employee benefits	(283)	(283)
Total Current Liabilities	(2,284)	(2,284)
Non-Current Liabilities		
Lease liabilities	(1,149)	(1,149)
Employee benefits	(17)	(17)
Total Non-Current Liabilities	(1,166)	(1,166)
Total Liabilities	(3,450)	(3,450)
Net Assets	184,123	545,251
EQUITY		
Contributed equity	105,924	105,924
Reserves	13,583	13,583
Retained earnings	64,616	425,744
Total Equity	184,123	545,251

The unaudited Pro-Forma Balance Sheet prior to distribution (right hand column) is based on the audited 31 December 2023 Balance Sheet after incorporating the following adjustments:

- (i) Receipt of A\$38.6 million from MLBV as repayment in full for amounts owing to Leo Lithium outstanding at 31 December 2023;
- (ii) Reduction of Interest in Joint Venture by A\$113,275,000 reflecting the sale of the Company's shareholding in MLBV;
- (iii) Receipt of the following proceeds from Ganfeng:
 - (a) US\$65.0 million for the sale of 5% of MLBV; and
 - (b) US\$342.7 million for the sale of 40% of MLBV in the following instalments;
 - US\$10.5 million non-refundable deposit;
 - US\$161.0 million Tranche 1 Cash Consideration; and
 - US\$171.2 million Tranche 2 Cash Consideration;
- (iv) Receipt of A\$11.5 million Firefinch contribution towards settlement with Government of Mali; and
- (v) Payment of:
 - (a) US\$60.0 million for the Government of Mali settlement; and
 - (b) US\$42.2 million for tax associated with the sale of the Interest in Joint Venture.

No Adjustments for:

- Trailing Fee or associated tax.
- Costs arising from the Proposed Transaction such as legal fees, advisory fees, employee benefits etc or Leo Lithium corporate costs have been made.

The FX rate used to convert US\$ into A\$ is 0.66.