

1 JULY 2024



Dear Shareholder

2024 ANNUAL GENERAL MEETING OF LEO LITHIUM SHAREHOLDERS

I am pleased to advise that Leo Lithium Limited (ASX: LLL) (**Leo Lithium** or the **Company**) will be holding its Annual General Meeting of shareholders (**Meeting**) on Wednesday, 31 July 2024 at 10:00am (Australian Western Standard Time) (**AWST**). The Board has made the decision that it will hold a physical Meeting at the Doubletree by Hilton Perth Waterfront, 1 Barrack Square, Perth, Western Australia (Meeting Room 1).

At the Meeting, shareholders will be given an opportunity to vote on the Company's 2023 remuneration report and the re-election of Ms Amber Banfield as a director.

Shareholders are also being asked to vote on:

- a resolution to dispose of the Company's main undertaking, being its remaining 40% shareholding in Mali Lithium B.V (**MLBV**) and therefore the Company's entire interest in the Goulamina Project (**Proposed Transaction**); and
- resolutions relating to the provision of certain benefits to key management personnel in connection with the Proposed Transaction and their retirement from office.

Further information on each resolution and the Proposed Transaction is set out in the notice of Meeting and accompanying explanatory memorandum (**Notice**), which is now available to shareholders in the manner described below. I encourage all shareholders to read the Notice carefully before deciding how to vote. I also encourage all shareholders to lodge a directed proxy form prior to the Meeting.

As described in the Notice, the Board believes that the Proposed Transaction provides Shareholders with certainty of value and the lowest risk profile of the options available to the Company. Key advantages of the Proposed Transaction include:

- (i) Realising approximately US\$342.7 million (gross) for Leo Lithium's remaining 40% shareholding in MLBV in challenging and highly volatile circumstances. Of this amount, US\$10.5 million has been received, with the remainder payable in two tranches of US\$161 million and US\$171.2 million.
- (ii) A significant portion of these proceeds will be returned to shareholders. The Board's current intentions are to:
 - (a) distribute to shareholders the net proceeds (after deducting taxes) of the first tranche of consideration. This is currently anticipated to be between A\$157 million and A\$192 million, equating to approximately A\$0.13 to A\$0.16 per fully paid ordinary share in the Company¹. This distribution is intended to be made as soon as practicable following receipt of the payment, receipt of a class ruling from the ATO and receipt of any necessary additional shareholder approvals; and
 - (b) reserve a decision on whether to:
 - distribute the net proceeds (after taxes) from the second tranche of consideration; and
 - sell the Trailing Fee²,

until closer to the date upon which those amounts become payable. The Board believes that the second tranche of 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.

¹ See section 3.3.3 of the Notice for further details of how this amount was calculated.

² The Trailing Fee is defined in section 3.1.4 of the Notice.

- (iii) Shareholders retain their shares in the Company, with the Company seeking other opportunities to deliver growth to shareholders via the exploration for, and extraction and sale of, lithium and critical minerals.
- (iv) Avoiding the ongoing risks and uncertainties of developing and operating the Goulamina Project in Mali, including:
 - (a) ongoing sovereign risk in Mali, including the potential for further changes to the fiscal, regulatory and compliance regime for the Goulamina Project;
 - (b) 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
 - (c) 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.

Some of the disadvantages of the Proposed Transaction include:

- (i) The Company will no longer start generating revenue in the near future (other than the Trailing Fee).
- (ii) 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.
- (iii) 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 required to re-comply with Chapters 1 and 2 of the Listing Rules, or may be removed from the official list of the ASX if the Company is no longer suitable for quotation.

Further information on the reasons to vote for or against the Proposed Transaction is set out in section 3.2 of the Notice.

Obtaining your Notice and voting at the Meeting


In accordance with section 110D of the *Corporations Act 2001* (Cth), the Company will not be sending hard copies of the Notice to shareholders, unless a shareholder has previously requested to be sent hard copy documents. Instead, a copy of the Notice, which was released to the ASX on 1 July 2024, can be viewed and downloaded online as follows:

- on the Company's website at: <https://leolithium.com/investor-centre/asx-announcements/>; or
- on the Company's ASX market announcements page at www.asx.com.au (ASX:LLL).

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the important Meeting documents.

A copy of your personalised proxy form is enclosed for your convenience. The Company strongly encourages shareholders to lodge a directed proxy form prior to the Meeting. The proxy form may be lodged using any of the following methods:

- by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this letter to: Share Registry - Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne Victoria 3001, Australia; or
- by faxing a completed proxy form to: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- by recording the proxy appointment and voting instructions via the internet at www.investorvote.com.au. Only registered shareholders may access this facility and will need their Holder Identification Number (HIN) or Securityholder Reference Number (SRN); or
- by mobile by scanning the QR code on your proxy form and following the prompts; or

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- for Intermediary Online subscribers only (custodians), by recording your voting intentions via the internet at www.intermediaryonline.com.

Your proxy form must be received by 10am AWST on Monday, 29 July 2024, being not less than 48 hours before the commencement of the Meeting. Any proxy forms received after that time will not be valid for the Meeting.

Shareholders may submit questions in advance of the Meeting by email to info@leolithium.com by no later than 5.00pm (AWST) on Wednesday, 24 July 2024. Shareholders who physically attend the Meeting will also have the opportunity to ask questions during the Meeting.

If it becomes necessary or appropriate to make alternative arrangements to those detailed in the Notice, shareholders will be updated via the Company's website at <https://www.leolithium.com/> and the Company's ASX market announcements platform at www.asx.com.au (ASX: LLL).

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

If you have any difficulties obtaining a copy of the Notice, please contact the Company's share registry, Computershare Investor Services Pty Ltd, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

This announcement is authorised for market release by the Board.

Yours sincerely

Rick Crabb
Non-Executive Chairman