

ASX Announcement – 9 September 2020

\$70 million capital raising for the acquisition of the Morila Gold Mine

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- Mali Lithium (MLL) to raise up to A\$70 million to fund the acquisition of the Morila Gold Mine and turn MLL into a gold producer.
 - A\$64 million to be raised via a two tranche Placement at an issue price of A\$0.16 per share to existing major shareholders, institutional and sophisticated investors.
 - Tranche 1 of the Placement has been completed and raised A\$7.6 million utilising the Company's existing 15% placement capacity under ASX listing rule 7.1.
 - Commitments received for A\$56.4 million in Tranche 2 of the Placement which is subject to shareholder approval, to be obtained at a General Meeting expected to be held in October 2020.
 - Resolute Mining to join register as strategic investor.
 - MLL will offer existing eligible shareholders an opportunity to participate in the fund raising at the Placement price under an A\$6 million Share Purchase Plan.
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Mali Lithium Limited (ASX:MLL) (MLL or **the Company**) is pleased to announce that it has obtained binding commitments from institutional and sophisticated investors for a capital raising of A\$64 million (**Placement**). In addition, the Company will offer existing eligible shareholders an opportunity to participate in the fund raising under an A\$6 million Share Purchase Plan (**SPP**).

The Company received strong support from existing major shareholders and a range of new institutional investors, including a strategic investment from leading West African gold miner, Resolute Mining Limited.

Mali Lithium Executive Chairman, Dr Alistair Cowden, commented:

"We are delighted with the support from institutional and sophisticated investors and in turn the strong endorsement of the Morila Gold Mine acquisition. We welcome our new shareholders and are very appreciative of the support that our existing shareholders continue to provide.

"We are particularly pleased to welcome Resolute Mining Limited as a shareholder. Resolute are a leading West African focused gold miner who have successfully operated the nearby Syama gold mine in Mali for more than a decade. The opportunity to develop a strategic partnership with Resolute in Mali will be investigated in the coming months.

The acquisition of Morila represents a watershed moment for the Company. In becoming a gold producer with a significant Mineral Resource base, we intend to build shareholder value through near term production growth and increasing mine life. This fund raising is an important step in the process as it enables the completion of the acquisition of Morila."

Use of Funds

Funds raised via the Placement and SPP will be applied to the acquisition of an 80% interest in the Morila Gold Mine (**Morila**) announced on 31 August 2020, amounting to US\$22-27 million subject to adjustments at closing (**Morila Transaction**).

Funds raised in excess of the Morila Transaction purchase price will be applied to the following growth activities:

- completion of a new mine plan (Resources, Ore Reserves, schedules and costs);
- drilling to infill and extend resources;
- the re-start of open pit mining, initially at the N'Tiola and Domba satellite pits;
- plant and infrastructure works, principally tailings dam and power station;
- preparation for a re-start of mining at the Morila pit (dewatering and earthworks);
- preparation of a mining permit for the Company's Koting discovery; and
- general working capital.

After completion of the Morila Transaction, the Company will apply cashflow from the existing tailings operation and satellite pit mining to fund its growth activities.

The Company will look to fund any additional working capital requirements through debt or similar facilities in order to deliver shareholders an optimal capital structure.

Completion of Placement

The Placement is being made to investors qualifying under Section 708 of the Corporations Act and the Company will use its existing 15% capacity under ASX Listing Rule 7.1 for Tranche 1 of the Placement, being approximately 47.6 million ordinary shares. The offer price is A\$0.16 per share (**Offer Price**), representing a 17.9 percent discount to the last traded price on Wednesday 2 September and a 11.9 percent discount to the 5-day volume weighted average price. The Company expects to settle Tranche 1, being approximately 46.0 million ordinary shares, by Friday 11 September 2020.

Tranche 2, being approximately 352.4 million ordinary shares at A\$0.16 per share, is subject to shareholder approval at a shareholder meeting expected to be held in late October 2020.

Subject to shareholder approval, the Directors will participate in Tranche 2 of the Placement and a number of Directors and Executives will also convert A\$0.4 million of deferred fees to shares.

Euroz Securities Limited acted as Sole Lead Manager to the Placement.

Share Purchase Plan

In addition to the Placement, the Company intends to offer eligible shareholders the opportunity to participate in a Share Purchase Plan of up to A\$30,000 per shareholder. The Company intends to target raising up to A\$6.0 million (before costs) (37.5 million new shares) under the SPP however the Company reserves the right to accept oversubscriptions or to scale back applications in its absolute discretion.

Under the SPP, the Company's shares will be offered at A\$0.16 per share, the same Offer Price as the Placement. The record date for the SPP is 5:00pm (Perth time) on Tuesday, 8 September 2020, and, is open to all eligible shareholders in Australia and New Zealand. The SPP offer period is anticipated to be

open from Monday, 21 September 2020 to Wednesday, 21 October 2020, subject to the Company's discretion to amend these dates by making an ASX announcement.

Further information regarding the SPP (including terms and conditions of the SPP) will be provided to eligible shareholders in the SPP offer booklet, which is expected to be dispatched on Monday, 21 September 2020.

SPP Timetable

Detail	Date
Record Date	Tuesday 8 September 2020
SPP Offer Opens	Monday 21 September 2020
SPP Offer Closes	Wednesday 21 October 2020
Announcement of results of SPP	Monday 26 October 2020
Issue Date of Shares issued under SPP	Friday 30 October 2020

Note: The directors reserve the right to extend the closing date of the SPP in their absolute discretion.

Conversion of Accounts Payable to Equity

The Company has agreed with Capital Drilling to convert to equity up to \$1.25 million owed by the Company to Capital Drilling, pursuant drilling services provided, at A\$0.16 per share, being the same issue price as Tranche 1 and Tranche 2 of the placement.

The Company will issue 1,562,500 ordinary shares at A\$0.16 per share to Capital Drilling out of its ASX Listing Rule 7.1 15% placement capacity at the same time as Tranche 1 of the placement.

The Company has agreed to issue a further 6,251,095 ordinary shares at A\$0.16 per share subject shareholder approval at the General Meeting scheduled for late October 2020.

Capital Drilling has also been given preferred contractor status for drilling to be undertaken by the Company to 3 September 2023.

For additional details on the fund raising, please see "Capital Raising Presentation September 2020" released to ASX on 08 September 2020 and available on the Company's website.

ENDS

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About Mali Lithium

Mali Lithium has been an active gold explorer in Mali, Africa's third largest gold producer, since 2011. In August 2020 it agreed to acquire, subject to conditions, an 80% interest in the Morila Gold Mine. The State of Mali owns 20%. The acquisition is expected to close by the end of October 2020. Morila is an operating gold mine and has a 4.5 million tonnes per annum processing plant and all infrastructure required for a remote mine site (see MLL's ASX Release dated 31 August 2020 for full details).

The hard rock open pit Inferred Mineral Resource at Morila is 1.3 million ounces of gold and there is standout potential to materially increase those resources.

Morila has produced over 7.4 million ounces of gold from open pit mining and processing of stockpiles and tailings over 20 years of Barrick/AngloGold ownership. Hydraulic mining and processing of tailings is providing immediate modest cashflow and the company is investigating supplementing gold production from tailings with open pit mining in 2021 from Morila, its satellite pits and the Company's Koting discovery on its adjacent Massigui Project. The tailings Mineral Resource is 4.8 million tonnes at 0.5g/t gold for 76,000 ounces of contained gold.

Exploration will focus on growing the Morila resource, defining resources at the Morila satellite pits and the Koting discovery and testing multiple high value targets on the 685km² of combined tenure.

In 2016 the Company acquired the Goulamina Lithium deposit and subsequently defined resources and reserves to support a 2018 Pre-Feasibility Study. The study described a 16 year operation that can produce 362,000 tonnes per annum of 6% LiO₂ spodumene concentrate. All permits for development have been secured. A resource update was recently announced in August 2020 with 109 million tonnes at 1.45% Li₂O with 1.57 million tonnes of contained LiO₂ making Goulamina one of the world's largest ready to develop lithium deposits. A Definitive Feasibility Study (DFS) is targeted to be completed in September 2020. The Company will explore options to realise value for this exceptional asset upon completion of the DFS.

The Company confirms there is no new information that materially changes the Mineral Resources or the assumptions contained within it.