



Quarterly

For the quarter ended 31 December 2023



Leo Lithium Limited (**Company**) provides the following report in relation to the quarter ended 31 December 2023.

As the Company remains in suspension (as announced), this report is a condensed report setting out the exploration, mining, production and development activities of the Leo Lithium group for the quarter and the associated expenditure and other required information, in accordance with ASX Listing Rule 5.3.

Goulamina Lithium Project

Project Development

- Continued progress at Goulamina, the world's fifth largest spodumene deposit
- Ongoing commitment to safety with over 3 million hours worked without a lost time injury
- The mining contractor mobilised their main fleet to site and 549,000 bulk cubic metres of material were mined in the quarter
- Construction & mining activities progress with an 1,800 strong workforce
- Initial commissioning team mobilised and operational readiness planning launched
- Project is approaching 60% completion

Corporate

- Continued Ganfeng partnership, China's largest lithium producer, with US\$137.2 million Equity Investment Deed (**EID**) executed and first US\$12.4 million funds received. The Co-operation Agreement with Ganfeng was also executed during the quarter
- Leo Lithium held cash of A\$33.6 million and the Goulamina JV held cash of US\$9.2 million at 31 December
- Final US\$30 million debt drawn down under the Ganfeng US\$40 million debt facility with LMSA

Managing Director, Simon Hay, commented:

"Leo Lithium continues to actively engage with the Mali Government to reach a constructive resolution, and we appreciate our shareholders' patience and support as we navigate through this process.

In the December Quarter we advanced our world-class Goulamina lithium project which continues to represent the next lithium asset of significant scale to enter production globally.

We hold a strong relationship with Ganfeng and we are pleased to report on the operational progress made on the ground in the quarter. Leo Lithium and Ganfeng continue to work towards bringing the project into production to become West Africa's first spodumene producer and supply the growing lithium-ion battery industry."

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

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GOULAMINA HEALTH AND SAFETY

By year end, the Goulamina Lithium Project team achieved an outstanding safety milestone of 3 million work hours without a lost time injury. This impressive result can be credited to the Company's diligent employees and contractors on site, establishment of robust systems and processes, training and effective site leadership and supervision of all activities.

GOULAMINA OPERATIONS

Stage One Mining Ramp-up

Mining in the Starter Pit continued with total material movement of 549,000 bulk cubic metres (**bcms**). The ore has been stockpiled for future processing and waste material has been used for construction of the Run of Mine pad. Approximately 79,000 bcm of ore material was added to the stockpile for processing when the processing plant is completed. Grade control drilling and topsoil clearing commenced in the next cut back in advance of overburden stripping this area.

Mining rates achieved by local mining contractor, Corica Mali, continue in line with pre-production estimates and wet season impacts have been as per expectations.



Image 1 – Aerial view of Starter Pit and topsoil clearing of the next cutback



Construction of Corica Mali's long-term mining fleet progressed during the quarter, with the Cat 6030 excavator, three Cat 777 trucks and the water truck largely complete.



Image 2 – Cat 6030 Excavator and Cat 777 trucks commencing commissioning

PROJECT DEVELOPMENT UPDATE

Goulamina construction activities are continuing and the project is approximately 60% complete at the end of December, an increase of 15% over the previous quarter.

With engineering largely complete, the engineering team has pivoted to supporting construction efforts. Procurement activities remain focused on expediting the remaining minor supply packages. Transportation of materials to site continued on plan via the Port of Abidjan in Cote d'Ivoire followed by road to site.

Steel fabrication is a critical path activity and remains tight. Whilst the majority of fabrication is now completed, transportation of remaining steel platework to site is critical to ensure site installation sequences can be optimised.

Deliveries of other supplies and equipment have progressed in support of structural, mechanical, and piping installation. Initial rubber lined pipe supply is in transit to site, with remaining fabrication delayed by late procurement. Mitigation of these delays will be managed via adjustments to the construction sequence.

Civil construction activities are approaching completion with buried services and final concreting underway. Structural, mechanical and piping installation has commenced on the majority of work fronts and the electrical and instrumentation installation teams have commenced work.



Image 3 – Wet plant

Site Construction Progress

The primary, secondary and tertiary crushers have all been placed and are waiting steel platework chutes and bins (currently in transit) prior to the final structural steel and piping installation. Conveyor belting and initial pulley drives are all on site, with head frames and associated equipment expected to arrive shortly.



Image 4 – Primary crusher



Image 5 – Dry screening area

Progress on the ball mill included installation of prefabricated piping supports, connections of the cooling system, removal of internal bracing, inching and alignment of the main drive. The initial tanks have been installed in the classification circuit and the ultra-fine screen is ready for installation. The WHIMS have been constructed and placed. The thickener base was completed in December.



Image 6 – Ball mill

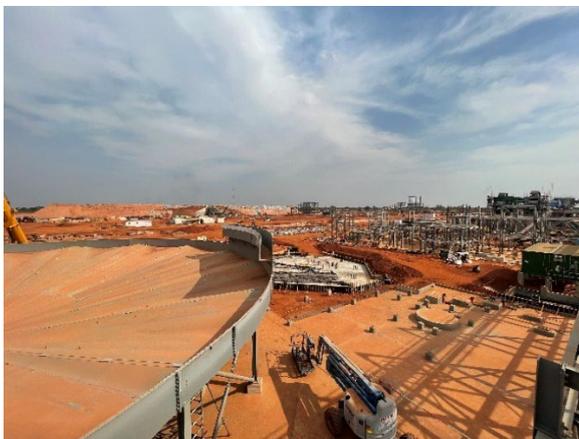


Image 7 – Tails handling area

First steel pipes have been installed into the pipe rack, as have cable trays. Switch rooms have been placed onto footings, with the electrical contractor installing small lighting around site, commencing running cables and building electrical transformer fire walls.



Image 8 –Pipe rack



Image 9 – Electrical activities

Non-process infrastructure

Overland pipe installation is ~60% complete. The permanent accommodation supply and installation activities are ~90% complete with the new mess, kitchen, laundry, administration and initial accommodation blocks all commissioned and operational. Construction continues on the final accommodation blocks, wet mess and buried services. The TSF bulk earth works are completed, with a decant facility under construction. Concrete foundations have been completed for the office, warehouse, workshop and laboratory and the internal office fit out is underway in advance of occupancy later this quarter.



Image 10 – Overland pipe



Image 11 – Office and warehouse

The fuel farm tanks are being fabricated in Mali and civil works have commenced to ensure they can be received direct to foundations in the coming months. Delays to awarding a power supply contract (due to changes in Malian local content laws) have resulted in the contractor completing mobilization and commencing planning activities during the quarter but later than plan.

Delivery of the first generators is expected to occur in February. Plans have been made to support initial commissioning activities on temporary power.

Permitting

The Project team continues to pursue several Mali Government approvals relating to power generation, airstrip, density gauges and customs exoneration application processes. The approval of the power generation permit is later than planned and approaching the critical path. Until approved, power continues to be provided via smaller, standalone temporary units.

EXPLORATION AND DRILLING UPDATE

During the December quarter, a sterilization drilling program commenced. A total of 7,682 m of Reverse Circulation drilling was completed out of a planned 12,000 m. The drilling program is targeting a North-South trending corridor west of the current defined mineral resource. The area is designated to host the waste rock storage facility.

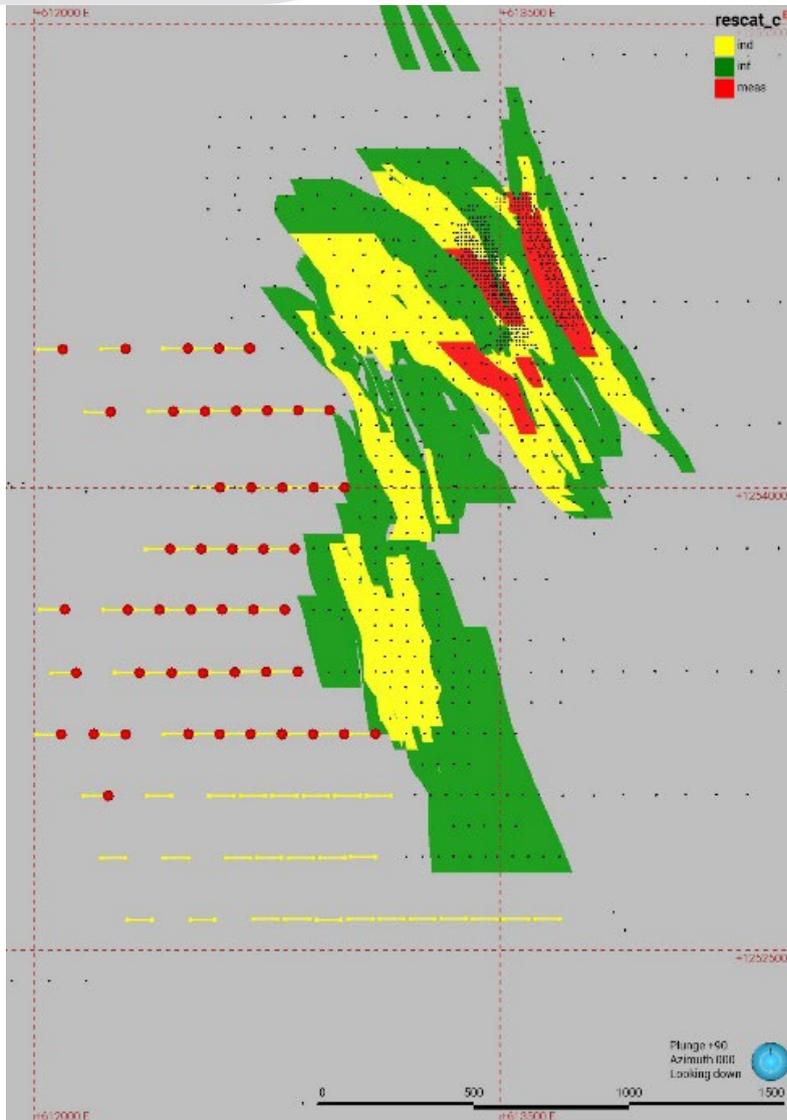


Image 12 – Red dots indicate completed sterilisation drilling west of Goulamina resource

TENEMENTS

Tenements

Project	Tenement	Location & Area	Grant Date	Expiry Date	Holder/Applicant
Goulamina	PE19/25	Mali 10,067.8 ha	23/08/2019	22/08/2049	Lithium du Mali S.A (the mining tenement was transferred to LMSA pursuant to a Prime Ministerial Decree made on 24 March 2022)

Table 1 – LMSA Tenement schedule



ENVIRONMENTAL, SOCIAL, GOVERNANCE

Leo Lithium is strongly committed to Environmental, Social and Governance practices with the aim to make a meaningful contribution to Mali. The Company regularly engages with local stakeholders to identify and develop local business opportunities and to provide support for the broader community. During the period, initiatives supporting the development of local shea nut producers and commercial gardens to provide food for the site were progressed. Leo Lithium also provided support for several important events in the Bougouni region.

A water supply project, delivering clean, safe and reliable drinking water, year-round was completed at the Goulamina village, with the local community already benefiting from the project. The Company is currently delivering water supply projects to an additional three villages proximal to the mine site.

To enhance the overall impact of community development programs across various sectors of the local community, Leo Lithium has completed an extensive socio-economic survey and health needs assessment in the surrounding region. The results from this survey, in combination with input from local stakeholders, will form the basis of a comprehensive community development program targeted for completion in the first half of 2024. Initial feedback from the health needs assessment indicated shortages in critical medicine across the community. Based on this need, the Company made an immediate donation of health kits and critical medicines to local clinics during the quarter.



Image 13 – Completion of the water supply project in Goulamina village

CORPORATE UPDATE

Completion of Equity Investment Deed and Co-operation Agreement

During the quarter, Leo Lithium and JV partner Ganfeng, concluded the Equity Investment Deed (as announced on 14 September 2023) and the Ganfeng Co-operation Agreement (as announced on 29 May 2023).

The Equity Investment Deed will provide total funding of US\$137.2 million to the Goulamina JV with first funds of US\$12.4 million received in December 2023.

At 31 December 2023, the Company held a 49.5% interest in the Goulamina JV, down from 50% at the start of the quarter, due to receipt of first funds under the Equity Investment Deed and the issue of pro rata amount of shares to Ganfeng.

Ganfeng Debt Facility to Lithium Mali SA

Lithium Mali SA completed the drawdown of the US\$40 million debt facility provided by Ganfeng, with receipt of the final US\$30 million in debt funds during the period.

FINANCE AND FUNDING

Cash Balance

As at 31 December 2023 the Company's closing cash was A\$33.6 million and the Goulamina JV held cash of US\$9.2 million, with US\$124.8 million funding under the Equity Investment Deed still available to the Goulamina JV.

The Company's cash balance has reduced from the 30 September 2023 balance of A\$66.9 million due to the timing of reimbursements from the Goulamina JV. Reimbursements from the Goulamina JV of A\$38.2 million are expected to occur during the March quarter as funds flow from Ganfeng under the Equity Investment Deed into the Goulamina JV and then back to Leo Lithium.

Goulamina JV Cash Movement

During the quarter, the Goulamina JV's major cash outflow was project development costs of US\$44.5 million.¹ The quarterly project development costs include US\$9.8 million related to payment of Mali Government import duties and taxes, with a total of US\$18.0 million paid in 2023.

Pursuant to ASX Listing Rule 5.3.4, the following expenditure in Table 2 below has occurred since the Company's listing on ASX in 2022.

1 The Goulamina Project is a joint venture with Ganfeng, and accounted for under the equity accounting method and is not consolidated in the Company's financial statements. Hence JV cash impacts are not included in the Company's cash flows (or in the separately released Appendix 5B) apart from any equity or loan funds from the Company to the JV.

Item	Current quarter expenditure A\$ million	Expenditure since ASX Listing in June 2022 A\$ million	Estimated expenditure as per IPO Prospectus dated 6 May 2022 A\$ million ¹
Stage 1 Development capital costs for Goulamina Lithium Project ²	30.6	38.2	60
Transaction Costs associated with the offer, formation of the Goulamina Joint venture and the demerger	-	4.8	5
Repayment of amounts payable under the loan agreement	-	10.3	10
Working capital, exploration, and other expenses	1.7	15.7	25
Total Use of Funds	32.3	69.0	100

Table 2: Expenditure since listing.

1: Expenditure is over a two-year period.

2: Includes expenditure that is expected to be recovered from the Goulamina JV during the March 2024 Quarter. The net expenditure in the December Quarter results from JV expenditure exceeding recoveries.

Pursuant to ASX Listing Rule 5.3.5, payments of A\$332,961 were made to related parties during the Quarter, being the payment of the Managing Director's salary and superannuation, in addition to Non-Executive Directors' fees as set out in Section 6 of the Quarterly Cashflow Report. For further details refer to the audited Remuneration Report in the Company's 2022 Annual Report released on 18 April 2023.

Leo Lithium Cash Movement

The major cash flow movements for the Company during the quarter included:

- Cash Inflows:
 - Goulamina JV management and administration fees of A\$0.2 million; and
 - Interest received of A\$0.4 million.
- Cash Outflows:
 - Goulamina JV exploration and development costs of A\$30.6 million, incurred by Leo Lithium on behalf of the JV with A\$38.2 million expected to be recovered in the March 2024 Quarter; and
 - Other staff, administration, and corporate costs of A\$1.7 million.

Forward Looking Statements

Where this announcement 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, those statements are based on, among other things, 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 announcement will actually occur, and readers of this announcement are cautioned not to place undue reliance on these forward looking statements.

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Statements made in this announcement are made only as at the date of this announcement.