

Shareholder Update

Dear Shareholders,

When I last wrote to you in December, we were hopeful of a prompt settlement of the Morila SA sale.

That sale would have set in motion the final steps required for the Company to finally return Leo Lithium Limited (LLL) shares and cash to shareholders.

While we are confident there are no outstanding issues regarding the sale, we continue to await final signatures from the State.

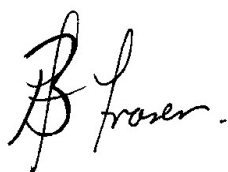
Unfortunately, that delay has impacted finalisation of the ATO Ruling, and Firefinch cannot distribute any assets to shareholders until there is clarification regarding various tax issues from the ATO.

All of this means we have also missed the opportunity to distribute LLL shares prior to LLL's planned distribution of a dividend to shareholders. That dividend will now be paid to Firefinch and will become part of the cash pool available to distribute to shareholders, along with the in-specie distribution of LLL shares.

The Board shares shareholder frustration at these delays, which have been beyond our control.

We will make another announcement as soon as there has been some progress.

Yours Sincerely,



Brett Fraser
Chairman

This announcement has been approved for release by the Board.