

15 May 2026

## Shareholder Update

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Firefinch Limited (Firefinch or the Company) provides the following update to shareholders regarding the proposed final distribution of remaining funds and the steps required before the Company can proceed to an orderly wind-up.

The Board appreciates the patience shown by shareholders as the Company works through the final stages of what has been a complex process.

As always, the Board remains focused on returning all remaining funds to shareholders as soon as it can do so in a prudent and tax-efficient manner.

### **ATO CLASS RULING**

As noted in Firefinch's previous update (dated 12 March 2026 Shareholder Update), the Company is seeking guidance from the Australian Taxation Office (ATO) on the tax treatment of Firefinch's final distribution, including the appropriate allocation between return of capital and unfranked dividend. This guidance is important to ensure the Company tax position is correctly addressed and the distribution is structured in shareholders' best interests.

This process has been closely linked to the Class Ruling (CR) published by the ATO on the Leo Lithium Limited (LLL) final distribution received on 13 February 2026. LLL's Class Ruling was published yesterday (13 May 2026) and Firefinch's detailed CR application was lodged with the ATO this morning (14 May 2026) incorporating the LLL CR.

FFX shareholders should be aware that FFX was required to wait for the ATO's ruling on the LLL Class Ruling, as it directly affects FFX tax position and solvency, as well as the tax payable by FFX shareholders as recipients of the distribution to be paid by FFX.

Firefinch lodged an Early Engagement request with the ATO in advance of receiving the LLL ruling to expedite the process. As a result, Firefinch has already received confirmation that the ATO has commenced its review of the CR application that was lodged this morning. Firefinch is unable to commit to a timeline on behalf of the ATO but will work collaboratively with the ATO to agree the treatment of the final distribution as soon as possible.

The purpose of waiting on this advice is to ensure that any final distribution is implemented in a manner that delivers certainty on the tax treatment of the distribution at the time it is made, rather than risking an avoidable adverse tax outcome or needing to revisit the form of the distribution after declaration.

### **GENERAL MEETING**

Subject to further clarity from the ATO on the nature of the distribution, so that FFX can provide shareholders with sufficient information in assessing whether to vote in favour of the capital reduction, FFX will convene a general meeting of shareholders as soon as reasonably practicable. We expect that the meeting will be held in July 2026.

The Board understands shareholders' frustration with the duration of the process and again acknowledges the patience that has been shown to date.

However, the 249F corporate action initiated by FFX against the LLL Directors in September 2025, and their subsequent agreement to the demands made by FFX as part of the 249F, has ensured that the Company is now in a position to complete the final steps of returning all value to shareholders in the form of cash, consistent with the Board's clearly stated objective.

The Board will provide a further update as soon as the outstanding ATO advice is received and assessed.

Yours Sincerely,

Brett Fraser  
Chairman