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Firefinch completes \$47 million placement to support Morila Gold Mine ramp-up, Goulamina Lithium Project demerger

Just days after announcing its multi-million-dollar equity raise, Firefinch has secured the funds to fast-track exploration at 'Morila the Gorilla' and spin out its West African lithium asset.



Firefinch has secured \$47 million in fresh funding to meet overheads across its gold and lithium assets.

Firefinch Ltd (ASX:FFX) has completed its equity raising placement, bringing in \$47 million to accelerate development at its Morila Gold Mine and progress the Goulamina Lithium Project demerger.

The gold miner and lithium developer unveiled the placement last Thursday, announcing its intention to issue around 117 million new FFX shares at 40 cents apiece.

Today, Firefinch revealed the placement attracted high demand, garnering strong support from new and existing investors. A mix of domestic and offshore institutions took part in the raise and joined the FFX register.

With the placement proceeds in tow and a major debt facility likely, Firefinch hopes to grow annual gold production at 'Morila the Gorilla' to 200,000 ounces a year by 2024 and transform its Goulamina lithium asset into its own ASX-listed entity.

“Demand in excess” for placement

Firefinch Managing Director Michael Anderson said: “We thank our existing shareholders for their ongoing support and welcome many new high-quality institutions to our register and the Firefinch growth story.

“This support led to demand in excess of the funds sought by the company, and we are delighted with the response to Firefinch’s story.

“This equity funding, combined with the expected debt funding during the September quarter of 2021, will enable us to deliver on our strategic vision of becoming a West African gold producer of scale, as well as progress our Goulamina demerger plans.

“We look forward to delivering continued growth for shareholders as Firefinch enters this exciting new phase.”

Equity raise details

Around 117 million new FFX shares are set to hit the local exchange in the coming days, bringing the number of Firefinch shares on issue to roughly 902 million.

Settlement is predicted to take place on Wednesday, June 30, while new stock will commence trade the following day.

The 40-cent-per-share costing represented an 11.1% discount to the last closing price of Firefinch shares and a 13.7% markdown on the five-day volume-weighted average price on June 24.

Macquarie Capital (Australia) Limited acted as global coordinator, joint lead manager and bookrunner to the placement.

Euroz Hartleys Limited acted as joint lead manager, while **Canaccord Genuity** (Australia) Limited, Jett Capital Advisors LLC and Petra Capital Pty Ltd acted as co-managers. Gilbert + Tobin acted as Australian legal counsel to Firefinch.

In an ASX announcement today, Firefinch also explained why it elected not to conduct a share purchase plan (SPP) alongside the placement.

The ASX-lister executed an SPP back in October last year, and ASIC rules prevent the company from conducting two share purchase plan within 12 months of each other.

Source: <https://www.proactiveinvestors.com.au/companies/news/953415/firefinch-completes-47-million-placement-to-support-morila-gold-mine-ramp-up-goulamina-lithium-project-demerger-953415.html>