FIREFINCH LIMITED

ABN: 11 113 931 105

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of Meeting

30 October 2024

Time of Meeting

10:00 am (AWST)

Place of Meeting

Country Women's Association House, 1176 Hay Street, West Perth, Western Australia, 6005

A Proxy Form is enclosed

This document is important and requires your immediate attention. Carefully read this document in its entirety and consult your stockbroker, legal adviser, accountant, licensed financial adviser or other professional adviser if you are in any doubt as to what to do.

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

FIREFINCH LIMITED
ABN 11 113 931 105

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Firefinch Limited (ABN 11 113 931 105) will be held at the Country Women's Association House, 1176 Hay Street, West Perth, Western Australia, 6005 **on 30 October 2024 at 10:00 am AWST for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.**

Firefinch will update Shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on Firefinch's website at https://firefinchltd.com/.

Defined terms

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

Disclaimer as to forward looking statements

This Notice of Meeting (which includes the Explanatory Memorandum and the Proxy Form) contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. These forward looking statements are based on, among other things, the assumptions, expectations, estimates, objectives, plans and intentions of Firefinch.

Forward looking statements are subject to inherent risks and uncertainties. Although Firefinch believes that the expectations reflected in any forward looking statement included in this Notice of Meeting are reasonable, no assurance can be given that such expectations will prove to be correct. Actual events, results or outcomes may differ materially from the events, results or outcomes expressed or implied in any forward looking statement.

Except as required by applicable law, Firefinch does not undertake to update or revise these forward looking statements, nor any other statement whether written or oral, that may be made from time to time by or on behalf of Firefinch, whether as a result of new information, future events or otherwise.

None of Firefinch (nor any of its officers, employees or advisers) or any other person named in, or involved in the preparation of, this Notice of Meeting, makes any representation or warranty (express or implied) as to the accuracy or likelihood or fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

The forward looking statements in this Notice of Meeting reflect views held only as at the date of this Notice of Meeting. Forward looking information is by its very nature subject to uncertainties and can be affected by unexpected events, many of which are outside the control of the Directors of Firefinch. Any variation to the assumptions on which these forward looking statements have been prepared could be materially positive or negative to the actual performance of Firefinch.

No account of personal circumstances and no offer of securities

This Notice of Meeting does not take into account the individual investment objectives, financial or tax situation or particular needs of any person.

This Notice of Meeting is not an offer, invitation or recommendation to subscribe for or purchase securities in Firefinch and is not a disclosure document. This Notice does not constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision.

Risk factors

Shareholders should note that whilst there are many potential benefits to them if the Morila SA Sale (the subject of Resolution 3) proceeds, there are also potential disadvantages or risk factors that will apply if Resolution 3 is passed and the Morila SA Sale proceeds. See paragraph 3.7 of the Explanatory Statement.

Notice to persons outside Australia

This Notice of Meeting has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Notice of Meeting may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Notice of Meeting should inform themselves of, and observe, any such restrictions.

Authorisation

No person is authorised to give any information or make any representation in connection with the Morila SA Sale, as it relates to Resolution 3, which is not contained in this Notice of Meeting. Any information or representation not contained in this Notice of Meeting (other than to the extent that information has been provided by Firefinch), may not be relied on as having been authorised by Firefinch or the Board in connection with Resolution 3.

Responsibility for information

The information contained in this Notice of Meeting (except in relation to any party other than Firefinch, its Associates and its intentions) has been prepared by Firefinch and is the responsibility of Firefinch.

Shareholders should note that information concerning any party other than Firefinch, its Associates and those parties' intentions is based on publicly available information. None of Firefinch, its Associates or its advisers assumes any responsibility for the accuracy or completeness of that information.

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AGENDA

Financial Reports

To receive and consider the financial report of Firefinch for the year ended 31 December 2023, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

1 Resolution 1 – Re-election of Mr Brett Francis Fraser as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That Mr Brett Fraser, who retires in accordance with rule 6.1(f) of the Constitution and, being eligible for re-election, be re-elected as a Director."*

2 Resolution 2 – Election of external nominee, Mr Matthew James Mitchell as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution:**

> *"That Mr Matthew Mitchell be appointed as a director of Firefinch in accordance with rule 6.1(m)(iv) of the Constitution."*

3 Resolution 3 – Approval of Settlement Agreement and disposal of interests in Morila SA

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, for all other purposes, approval is given for the disposal of Firefinch's Morila Mine business, being the main undertaking of Firefinch, by way of the sale of its 80% equity interest in Société des Mines de Morila SA (Morila SA), to the Republic of Mali (or other party nominated by the Republic of Mali), including the assignment of the debts which Morila SA owes to Firefinch and Morila Limited (a wholly owned subsidiary of Firefinch) to the Republic of Mali (or other party nominated by the Republic of Mali), the transfer of all of the remaining exploration permits held by Firefinch via its Malian subsidiaries to Société de Recherche et d'Exploitation des Ressources due Mali SA (a company wholly owned by the Republic of Mali) and the payment of the Firefinch Contribution to Leo, on terms described in the Explanatory Memorandum."*

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

Stuart Usher

Company Secretary

Dated: 27 September 2024

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against Firefinch's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by Firefinch in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 4 and 5 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 10:00 am (AWST) on 28 October 2024. Proxies received after this time will be invalid.
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by Firefinch at the address below, or by facsimile, and by 10:00 am (AWST) on 28 October 2024. If facsimile transmission is used, the Power of Attorney must be certified.
- Proxies may be lodged using any of the following methods:

  By internet:

  Log on to www.investorvote.com.au

  If you are a custodian and an Intermediary Online subscriber, you can log on to www.intermediaryonline.com

  By post:

  Computershare Investor Services Pty Limited,
  GPO Box 242,
  Melbourne Victoria 3001 Australia

  By fax:

  (within Australia) 1800 783 447
  (outside Australia) +61 3 9473 2555

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the General Meeting will

be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (AWST) on 28 October 2024.

FIREFINCH LIMITED
ABN 11 113 931 105
EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Firefinch.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of Firefinch for the financial year ended 31 December 2023, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report (which is expected to be dispatched to Shareholders on or around 21 October 2024). Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of Firefinch.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

(a) the conduct of the audit;

(b) the preparation and content of the independent audit report;

(c) the accounting policies adopted by Firefinch in relation to the preparation of the financial statements; and

(d) the independence of the Auditor by Firefinch in relation to the conduct of the audit.

1 Resolution 1 – Re-election of Mr Brett Francis Fraser as a Director

Pursuant to rule 6.1(f) of Firefinch's Constitution, Mr Fraser, being a Director, retires by way of rotation and, being eligible, offers himself for re-election in accordance with clause 6.1(i) of the Constitution.

If Resolution 1 is passed, Mr Fraser will be re-elected and will continue to act as a Director. If Resolution 1 is not passed, Mr Fraser will not be re-elected and will cease to act as a Director.

Mr Fraser is a highly experienced ASX company director. Mr Fraser's deep knowledge (acquired over his 35 years' corporate finance experience) is a great asset to Firefinch, particularly regarding business acquisitions and disposals, business strategy and restructuring, and corporate governance.

Mr Fraser is a Fellow of CPA Australia, a Fellow of Financial Services Institute of Australasia, and a Fellow of the Governance Institute of Australia. He holds a Bachelor of Business (Accounting) and a Graduate Diploma in Finance (SIA).

Mr Fraser was appointed to the Board on 11 November 2020.

The Board considers that Mr Fraser, if elected, will continue to be classified as an independent director.

The Board considers that Mr Fraser is instrumental to the stewardship of Firefinch, having presided over, and provided invaluable leadership in relation to, the resolution of Firefinch's complex dispute with the Mali Government in relation to the Morila Dispute (see Resolution 3 below for further information). In doing so, Mr Fraser has been critical to Firefinch's involvement in protecting Firefinch's main asset – its 17.6% shareholding in Leo.

As noted in Resolution 3 below, the Mali Government was poised to find the permits and licences of Goulamina as invalid or irregular such that LMSA would lose title to Goulamina and be prevented from commencing production. In other words, the value of Firefinch's main asset was in serious jeopardy. Having said this, the Board was confident that if the Mali Government had acted in the way it was threatening to then Leo would have been able to commence an international arbitration action against the Mali Government however, the cost of doing so would have been substantial and the time it would take to get a determination would have been measured in years. Assuming a determination was in favour of Leo, Leo would then have had the challenge of recovering damages from the Mali Government.

The Board asks Shareholders to consider the extraordinarily difficult and complex regulatory and political environment the Board (including Mr Fraser) has carefully and successfully navigated during this period of turbulence in Firefinch's affairs in relation to the unfolding and ultimate resolution of the Morila Dispute. The Board considers that the loss of Mr Fraser would involve significant loss of the stewardship and intellectual property of Firefinch and of the significant, detailed knowledge that Mr Fraser has obtained and deployed during his time as the Executive Chair of Firefinch. Further, the loss of Mr Fraser, so soon after the resolution of the Morila Dispute, would leave Firefinch unable to effectively and efficiently navigate the sale process with the Mali Government in relation to the settlement of the Morila Dispute (defined below).

Based on Mr Fraser's relevant experience and qualifications, the members of the Board, in the absence of Mr Fraser, support the election of Mr Fraser as a Director of Firefinch.

2 Resolution 2 – Election of external nominee, Mr Matthew James Mitchell as a Director

Rule 6.1(o) of Firefinch's Constitution provides that a Shareholder may nominate another person as a candidate for election at a general meeting, whether or not that person is a Shareholder, by serving on Firefinch in accordance with rule 6.1(p), a notice of nomination signed by the Shareholder, and a consent to the nomination signed by that person.

In accordance with rules 6.1(o) and 6.1(p), a Shareholder provided a notice in writing to Firefinch nominating Mr Mitchell as a candidate for election as a Director, accompanied by a consent to the nomination signed by Mr Mitchell.

Accordingly, Mr Mitchell will stand for election as a Director at this Meeting.

The members of the Board **RECOMMEND AGAINST** the election of Mr Mitchell as a Director of Firefinch. Firefinch notes for completeness that, given the financial state of Firefinch, the corporate process is now to liquidate the company after the Morila Dispute (defined below) and payment of Firefinch's Contribution (defined below) – if approved by shareholders – are complete. To Firefinch's knowledge, Mr Mitchell has no experience in and is not a director of any public company, and given the state of the settlement of the Morila Dispute, the Directors do not consider that incurring the cost of another director is necessary or appropriate in the circumstances. Accordingly, Directors **RECOMMEND THAT SHAREHOLDERS VOTE AGAINST RESOLUTION 2**.

Mr Mitchell has provided the following biography of himself in support of his nomination, for inclusion in this Notice:

Mr Mitchell brings over 18 years' experience in a range of management, business transformation, and advisory roles across sectors including energy, defence, finance, utilities, government, and not-for-profit, for companies including ASX 50 energy infrastructure business APA Group Limited and submarine builder ASC Pty Ltd. He is currently a Director of his own consultancy firm, specialising in transformation strategy, advisory, and delivery, drawing on a career overseeing projects and portfolios of up to $70m.

In a non-executive capacity, Mr Mitchell served as an elected member in local government representing the interests of 120,000+ residents, including governance over $1bn+ in assets and $100m+ budgets, and he has held a number of influential community and political roles.

Mr Mitchell is a Fellow of the Governor's Leadership Foundation and a Member of the Australian Institute of Company Directors. He holds an MBA, Bachelor of Arts (Politics and International Studies), and Bachelor of Computer Science, all from the University of Adelaide.

The above biography has been provided by Mr Mitchell and has not been verified by Firefinch.

A short statement from Mr Mitchell is included as follows:

Dear FFX Shareholder,

I humbly seek your support to represent your interests, and those of all shareholders, as an independent member of the Board.

As a fellow shareholder, my interest is the same as yours: securing a smooth return of capital. I firmly believe this is supported by appointing a new independent shareholder representative as the company navigates the steps ahead.

In support, I bring fresh independent perspective, extensive experience navigating political and legal complexity while representing the interests of others with integrity, and commercial acumen developed through an expansive and successful cross-industry career.

I seek your support to not only bring this additional perspective to the Board, but to serve as a dedicated and independent representative while working to deliver the best possible return for all shareholders.

Thank you for your trust and consideration.

To Firefinch's knowledge, Mr Mitchell has no experience in and is not a director of any public company.

If elected, Mr Mitchell will be considered an independent Director.

Shareholders are encouraged to consider and form their own views as to whether Mr Mitchell should be appointed to the Board.

3 Resolution 3 – Approval of Settlement Agreement and disposal of interests in Morila SA to the Republic of Mali and the remaining exploration permits to SOREM SA.

3.1 Introduction

Firefinch is seeking Shareholder approval for the disposal of its interests in Morila SA (a company incorporated in Mali), the entity that owns and operates the Morila Mine, to the Republic of Mali (or its nominee), including the assignment of the debts which Morila SA owes to Firefinch and Morila Limited to the Republic of Mali (collectively, the **Morila SA Sale**), the sale by the Malian subsidiaries of Firefinch of various exploration tenements they hold in Mali as well as the payment of the Contribution Amount of A$11.5 million to Leo in connection with the global settlement of the Morila Dispute and

Goulamina Dispute (defined below), as previously announced by Firefinch on 8 May 2024, on the terms set out in this Explanatory Memorandum.

3.2 Overview of Morila SA and Morila Mine

Firefinch's wholly owned subsidiary, Morila Limited (a company incorporated under the laws of Jersey) currently holds 80% of the equity in Morila SA (**Sale Shares**).

20% of the equity in Morila SA is held by the Republic of Mali.

Morila SA owns the Morila Mine. Throughout 2022, Morila SA faced major operational issues including ECOWAS sanctions, weak currency exchange, reduction in gold price, suspension of tax offsets, availability of critical equipment impacting production throughput, and significant cost escalations which had resulted in Morila SA having significant liabilities (including to Firefinch and Morila Limited). Despite its best efforts the Board on two separate occasions attempted to recapitalise Firefinch such that it could continue to fund Morila SA so as to enable it to continue with its then development and mine plan.

Given the funding required by Morila SA to continue with its development and mine plans for the Morila Mine, and the inability of Firefinch to raise the funds to allow Morila SA to continue with its development and mine plans for the Morila Mine, Firefinch determined it did not have nor could it see itself being able to raise the funds to continue supporting Morila SA development and mine plans, then on 3 November 2022, Firefinch announced its withdrawal of funding support to Morila SA.

As a result of Firefinch withdrawing its funding support for Morila SA from 3 November 2022. Firefinch ceased to receive any information on the mining operations being conducted by Morila SA. Notwithstanding this, the Morila Mine kept operating under the control of the general manager of Morila SA without regard to Firefinch.

As a consequence of Firefinch's actions, Firefinch deconsolidated Morila SA and wrote down the value of its shareholding in Morila SA to nil (as reflected in the Annual Report for the year ended 31 December 2022), to record that Morila SA is no longer controlled by and effectively worthless to Firefinch.

Firefinch announced a formal sale process for Morila SA to ASX on 14 December 2022, to 'sell off' its exposure to Morila SA and the Morila Mine. This sale process continued for many months before being aborted as a consequence of the Morila Dispute.

As noted in Firefinch's quarterly activities report dated 22 January 2024, Firefinch was officially informed that production at the Morila Mine ceased in December 2023.

3.3 Morila Dispute and Goulamina Dispute

In the course of looking to 'sell off' its exposure to Morila SA and the Morila Mine, Firefinch procured three offers from legitimate third party buyers for nominal consideration. However, as announced on 3 August 2023, Firefinch received a letter from the Minister of Mines, Mali, formally advising that the Mali Government would not approve any sale of Firefinch's interest in Morila SA unless Firefinch resolved certain issues relating to the Morila Mine, such as Morila SA's financial liabilities and the environmental impact of the mine, which impact arose prior to Firefinch acquiring Morila Limited that owned the Morila Mine (**Morila Dispute**). Firefinch is not a party to any agreements between Morila SA and its vendors and suppliers, nor is there any agreement between Firefinch and Morila SA that would require Firefinch to either continue to fund Morila SA, or meet its debts, or other liabilities.

Firefinch's largest asset is its 17.6% shareholding in Leo. Leo was until recently, and Ganfeng still is, the operator of the Goulamina mine through an incorporated joint venture structure, MLBV which holds 90% in LMSA, the owner of the Goulamina mine. The Republic of Mali owns the balance of the 10% shareholding in LMSA.

As announced on 8 May 2024, in parallel to the Morila Dispute, the Mali Government also raised concerns regarding the transfer of the Exploitation Permit underpinning the Goulamina mine from TRSL (a subsidiary of Firefinch) to LMSA (now a subsidiary of MLBV which became jointly owned by Leo and Ganfeng) (**Goulamina Dispute**). The transfer was required in order to comply with the laws of the Republic of Mali which require that when an exploration permit is replaced by an exploitation permit as was the case with the exploitation permit for the Goulamina Mine, that exploitation permit needs to be transferred to a new special purpose mining company (LMSA in the case of Goulamina).

In response to the Goulamina Dispute, the Mali Government established a Negotiation and Renegotiation Commission between the Mali Government, Firefinch, Leo and Ganfeng in relation to issues relating to the Morila Mine and the alleged irregularities in the transfer of the Exploitation Permit, among other things (the **Commission**). Leo has denied the alleged invalidity with the grant and transfer of the Exploitation Permit.

Over the course of these protracted negotiations, notwithstanding that each of Firefinch, Leo and Ganfeng have presented information to the Commission that Firefinch and Leo are not connected (other than Firefinch's 17.6% shareholding in Leo), both the Commissioner and the Mali Government had insisted on conflating their concerns with Morila Mine and Goulamina, resulting in them proceeding on the mistaken view that Firefinch and Leo were one and the same company and as a consequence, had insisted that the Mali Government's concerns were resolved on a global basis.

3.4 Settlement Agreement and requirement for Shareholder Approval

Also, as announced on 8 May 2024, the Mali Government became frustrated with Firefinch and Leo not agreeing to the Mali Government's demands, including after having first determined that it would not communicate with Firefinch and then at a later point in time, Leo. In its negotiations with the Mali Government, Firefinch offered from the outset to transfer Firefinch's shares in Morila SA and write-off its loans and the Morila Limited Loan to Morila SA for nominal consideration.

As the dispute became increasingly acrimonious, including the Mali Government not granting various permits and licences that were necessary to support LMSA's development of the Goulamina Mine Ganfeng became involved in attempting to resolve the dispute and had assumed the primary channel of communication between the Mali Government, Leo and Firefinch.

Firefinch became aware that consistent with earlier threats by the Mali Government, the Mali Government was poised to find the permits and licences of Goulamina Mine (including the Exploitation Permit) as invalid or irregular such that LMSA would lose title to Goulamina and be prevented from commencing production unless, by no later than 7 May 2024:

(a) the Mali Government, Firefinch, Leo, Ganfeng, MLBV and LMSA entered into a Memorandum of Understanding (**Settlement Agreement**) in the form provided by the Mali Government, without the benefit of further negotiation; and

(b) the sum of US$60 million was paid to settle the Morila Dispute and the Goulamina Dispute (the **Settlement Amount**).

As noted, the Board considered that if the Mali Government took such action there would be grounds for an action to be commenced for expropriation, but that it would take years to get to a determination and cost many millions in fees leaving the holder of the determination with the challenge of having to enforce the orders of the arbitration and recover damages from the Mali Government.

As announced on 8 May 2024, Firefinch considered:

(a) the Mali Government would take such action unless the Settlement Amount was paid on or before 7 May 2024; and

(b) any finding that the permits and licences of the Goulamina Mine as invalid or irregular would have a materially adverse impact on Firefinch, given Firefinch's 17.6% shareholding in Leo and Leo's interest in LMSA and the Goulamina Mine.

In the circumstances, Firefinch entered into the Settlement Agreement as presented by the Mali Government on 6 May 2024. The key terms of the Settlement Agreement include (among other things) the following:

(a) Firefinch agreeing to:

  (i) transfer the Sale Shares in Morila SA to SOREM SA for US$1 (this, together with the assignment of the Assigned Loans (defined below), constitutes the Morila SA Sale); and

  (ii) transfer either directly or indirectly all mining titles held in Mali by Firefinch (via its Malian subsidiaries) to SOREM SA for US$1; and

(b) the Mali Government agreeing to provide various approvals and consents required in connection with the development and operation of Goulamina.

As announced on 8 May 2024, the Mali Government did not permit the terms of the Settlement Agreement to be subject to negotiation meaning the Settlement Agreement could not be made conditional on Firefinch obtaining shareholder approval for the sale of the Sale Shares.

Subsequent to entering into the Settlement Agreement, the Mali Government has requested the counter-party to the Morila SA sale to be the Republic of Mali and not SOREM SA.

Firefinch through its various Malian subsidiaries, holds numerous exploration permits in Mali. Since Firefinch withdrew its funding support for Morila SA, there has been no on ground exploration work on these tenements. As part of Firefinch's cessation of activities in Mali, and its settlement with the Mali Government, it has agreed to transfer those exploration permits to SOREM SA. At this time, Firefinch attached minimal value to these exploration permits in its financial statements.

Shareholders are aware from the Firefinch announcement to the ASX on 8 May 2024, being at a time when Firefinch was still listed on the Official List of the ASX, that by entering into the Settlement Agreement and the Morila SA Sale without it being conditional on obtaining the approval of the Firefinch shareholders, Firefinch would be in breach of Listing Rule 11.2. Despite this, the Board determined it was in the best interests of shareholders to do this as their assessment of the consequences of not meeting the demands of the Mali Government were considered to be a worse outcome for shareholders.

Notwithstanding this, this Meeting is convened for the purposes of obtaining Shareholder approval in relation to:

(a) the Morila SA Sale to the Republic of Mali;

(b) the assignment of certain debts which Morila SA owes to Firefinch and Morila Limited to the State (i.e., the Assigned Loans, defined below);

(c) the payment of the Firefinch Contribution (defined below) to Leo; and

(d) the transfer of various exploration permits held by Firefinch's Malian subsidiaries to SOREM SA,

(collectively, the **Shareholder Approval**).

3.5 Tripartite Deed

As announced on 8 May 2024, at the time of entry into the Settlement Agreement, Firefinch entered into a Deed of Covenant and Release on 6 May 2024 (**Tripartite Deed**) with Leo and Ganfeng in relation to the payment of the Settlement Amount.

Under the Demerger Deed, in effect, Leo is able to claim from Firefinch amounts which Leo pays for Firefinch liabilities. As the Settlement Amount could be characterised as a settlement of the Morila Dispute, it was important to Firefinch to enter into the Tripartite Deed to obtain the benefit of certain acknowledgements, including an acknowledgment that, apart from the Firefinch Contribution (defined below), Leo will not make a claim against Firefinch for the balance of the of the Settlement Amount from Firefinch under the Demerger Deed or otherwise.

The key terms of the Tripartite Deed include (among others) the following:

(a) if Shareholder Approval is received, Firefinch will pay a A$11.5 million contribution to Leo as its contribution to the Settlement Amount (**Firefinch Contribution**);

(b) on receipt of the Firefinch Contribution, Leo agrees to:

  (i) release Firefinch from all claims under the Demerger Deed including in relation to the settlement of the Morila Dispute and Goulamina Dispute with the Mali Government; and

  (ii) not to make or institute any claims against Firefinch in relation to such settlement or the Demerger Deed;

(c) if the Shareholder Approval is not received, Firefinch will not be required to pay the Firefinch Contribution to Leo, however Firefinch will lose the benefit of the releases set out in paragraph 3.5(c) and Leo, would then be free to make a claim for this amount under the Demerger Deed in any case; and

(d) Firefinch agrees to:

  (i) release Leo from all claims in relation to the settlement of the disputes relating to Morila Dispute and Goulamina Dispute with the Mali Government under the Demerger Deed;

  (ii) not to make or institute any claims against Leo in relation to such settlement or the Demerger Deed; and

  (iii) forgive Leo repaying the sum of A$574,124.05 and will cease to accrue a debt of A$939,532.54 which Firefinch has recorded as being owed to it by Leo.

3.6 Rationale for Firefinch entering into the Settlement Agreement and the Tripartite Deed

As announced on 8 May 2024, the Firefinch Board considered that entry into the Settlement Agreement and the Tripartite Deed was the best available avenue to protect the value of its interest in Leo for the benefit of Firefinch and its Shareholders for the following reasons:

(a) an adverse determination by the Mali Government concerning Leo's title to, and interest in, Goulamina Mine would have a materially adverse impact on Firefinch;

(b) because of the material adverse impact that would have on the value of Firefinch's 17.6% ownership in Leo (being Firefinch's main asset);

  (i) by preventing completion of the sale of MLBV to Ganfeng (as set out in Leo's ASX announcement of 8 May 2024) such that Firefinch would not receive the indirect benefit of the consideration payable to Leo in respect of that sale;

  (ii) exposing Firefinch to risks and costs associated with international arbitration procedures that may have been commenced in the event the Mali Government determined that the permits and licences of Goulamina Mine were invalid or irregular; and

(iii) potentially exposing Firefinch to risks of a claim from Leo under the Demerger Deed, which could result in lengthy and costly litigation;

(c) Firefinch used its best endeavours to dispose of Morila SA to third parties, however the Mali Government has made it clear that such a disposal would not be permitted until the Morila Dispute was resolved and this involved the Morila SA Sale and the payment of money to the State; and

(d) absent a disposal of Firefinch's interest in Morila SA, any distribution of remaining assets to Firefinch shareholders would be significantly complex.

3.7 Reasons for the sale

The Firefinch Directors believe that, having considered the advantages and disadvantages of the Morila SA Sale (as set out below), and the consequential transfer of other exploration permits on balance, the Morila SA Sale is in the best interests of Firefinch and its Shareholders.

Key advantages of the Morila SA Sale

(a) **Maximises value for Shareholders**

The Morila SA Sale will maximise value for Shareholders by removing exposure to an investment over which it has no visibility and which Firefinch determined in early November 2022 needed a significant capital investment which would have required Firefinch to have undertaken a massively dilutive fund raising if Firefinch was going to make the required ongoing investment into Morila SA. As Firefinch decided not to do this there is no purpose in retaining the ownership of Morila SA as absent a substantial injection of funds, it was and remains the Board's view that Morila SA will become insolvent, leading to the closure of the Morila Mine (which the Board considers is what is occurring, given the Morila Mine has now stopped operations and a Court appointed administrator is now in charge of Morila SA).

The Morila SA Sale (should it complete) will have the effect of the Republic of Mali taking on the exposures presented by an ongoing investment in Morila SA in place of Firefinch, which will have the effect of shifting the responsibility for raising and then funding Morila SA away from Firefinch, and in turn, Shareholders.

Firefinch currently holds 210.9 million shares in Leo (**Leo Lithium Shares**) which remain suspended from trading on the ASX. Now that the Leo Lithium Shares are released from the two-year ASX imposed trading restriction, Firefinch expects to be in a position, subject to shareholder approval and an appropriate class ruling from the Australian Taxation Office, to distribute all the Leo Lithium Shares to Shareholders.

(b) **Resolving the Morila Dispute and removing exposure to Morila SA**

The Morila SA Sale (should it complete) will finally resolve the Morila Dispute and reach a solution that results in the Mali Government supporting Firefinch's divestment of its interest in Morila SA, which will be in the best interests of Shareholders and other Morila SA stakeholders including employees, the local community, and the Mali Government.

Morila SA has substantial debt, being debt owed to both Firefinch, Morila Limited and to various creditors. Firefinch is aware that Morila SA is currently the subject of a Court appointed controller as Morila SA cannot pay its debts, as and when those debts are due for payment. Absent a capital injection, Firefinch cannot see how Morila SA can avoid liquidation.

If Morila SA becomes subject to a liquidation, then Firefinch's ability to then deal on the Morila Mine via its shareholding in Morila Limited will be lost, to the detriment of Shareholders. It is on this basis

that Firefinch seeks to dispose of its interest in Morila SA and the Morila Mine pursuant to the Morila SA Sale as soon as possible.

Key disadvantages of the Morila SA Sale

The Firefinch Directors are of the view that there are some key disadvantages of the Morila SA Sale (which may be key reasons why Shareholders may vote against the Resolution) and these are as follows:

(a) **Repayment of loan**

In the course of operating the Morila Mine, Morila SA has received financial support from Firefinch in the form of a loan of US$102,668,563, and from Morila Limited in the form of a loan of US$$22,691,081 (collectively, **Assigned Loans**).

The Morila SA Sale (should it complete) involves the assignment of the Assigned Loans to the Republic of Mali and in doing so removing the right of Firefinch and Morila Limited to receive the benefit of those Assigned Loans (assuming such benefits were to ever materialise).

However, in Firefinch's view, those Assigned Loans have no value absent an operational turnaround at the Morila Mine, which requires a material cash injection from a third party and is currently highly unlikely.

(b) **Firefinch Contribution**

If Shareholder Approval is received, Firefinch will be obliged to make the Firefinch Contribution to Leo, which will reduce Firefinch's cash balance by A$11.5 million. However, as noted above, payment of the Firefinch Contribution is a condition to Firefinch having the benefit of the releases under the Tripartite Deed as set out in paragraph 3.5(c).

3.8 Parties

The Morila SA Sale will be documented in a simple form share sale agreement (which contemplates the assignment of the Assigned Loans). The parties to the share sale agreement will be Firefinch, Morila Limited, and the Republic of Mali. The sale of the exploration permits by Firefinch's Malian subsidiaries will also enter into a simple form sale agreement for the purposes of the sale of those permits..

3.9 Consideration

On completion of the Morila SA Sale, the Republic of Mali will pay consideration of US$1 to Morila Limited for the sale and purchase of the Sale Shares and US$1 to Firefinch and Morila Limited for the assignment of the Assigned Loans. Accordingly, Firefinch will not raise any substantive cash proceeds from the Morila SA Sale and the assignment of the Assigned Loans. A similar consideration will be paid for the transfer by Firefinch of the exploitation permits held by its Malian subsidiaries.

3.10 Conditions Precedent

The Morila SA Sale is not subject to any condition precedent.

3.11 Financial effect of Morila SA Sale on Firefinch

Firefinch anticipates that the Morila SA Sale will have minimal impact on the financial metrics, based on Firefinch's audited financial statements for the year ended 31 December 2023. Morila SA was deconsolidated in the financial statements for the year ended 31 December 2022. This resulted in a de-recognition of all assets for Morila SA in 2022 (Note 13).

However, as Shareholder Approval for Resolution 3 will trigger the Firefinch Contribution, Firefinch's consolidated assets position will decrease by A$11.5 million

3.12 Effect of on Firefinch's business model

Immediately after the Morila SA Sale, Firefinch will continue not having an operating business (as it has since 2 November 2022) and its only material asset will be its 17.6% shareholding in Leo being the Leo Lithium Shares.

3.13 Details of changes to Board and senior management

Firefinch does not anticipate that there will be any changes to the Board or senior management should the Morila SA Sale proceed to completion.

3.14 Tax

There should be no Australian capital gains tax consequences for the Shareholders if the Morila SA Sale is implemented, as Shareholders will continue to hold their shares in Firefinch.

3.15 Intentions if Shareholder Approval is received

If Resolution 3 is passed by the required majority at the Meeting:

(a) Firefinch will proceed to 'sell off' its exposure to Morila SA the Morila Mine and various exploration permits to the Republic of Mali (and SOREM SA in the case of the exploration permits), and assign the Assigned Loans to the Republic of Mali; and

(b) Firefinch will be obliged to make the Firefinch Contribution to Leo, which will reduce Firefinch's cash balance by A$11.5 million (and therefore obtain the benefit of the releases by Leo in favour of Firefinch under the Tripartite Deed as set out in paragraph 3.5(c).

As noted above, Firefinch currently holds 210.9 million Leo Lithium Shares. Firefinch will be in a position, subject to shareholder approval and an appropriate class ruling from the Australian Taxation Office, to distribute all the Leo Lithium Shares.

3.16 Intentions if Shareholder Approval is not received

If Resolution 3 is not passed by the required majority at the Meeting:

(a) Firefinch will nevertheless proceed to 'sell off' its exposure to Morila SA and the Morila Mine to the State, and assign the Assigned Loans to the State and transfer the exploration permits to SOREM SA.

(b) Firefinch will not be obliged to pay the Firefinch Contribution to Leo under the Tripartite Deed, however Firefinch will lose the benefit of the releases set out in paragraph 3.5(c), which exposes Firefinch to a potential claim from Leo under the Demerger Deed for the whole of the Settlement Amount. Firefinch considers that, in these circumstances, that Leo may legally pursue Firefinch for the Firefinch Contribution and may be successful in that claim. Given that risk, Firefinch will need to consider whether it makes the payment irrespective whether or not Shareholder Approval is obtained.

3.17 Indicative timetable

An indicative timetable for the Morila SA Sale is set out below:

	Event	Date
1	Date of this Notice of Meeting	27 September 2024
2	Shareholders Meeting (the subject of this Notice of Meeting)	30 October 2024
3	Payment of the Firefinch Contribution to Leo	1 November 2024

3.18 Directors' interest

No Directors have a material interest in the outcome of Resolution 3, other than as otherwise disclosed in this Explanatory Memorandum.

3.19 Other material information

Other than as set out in this Notice of Meeting (including in this Explanatory Memorandum), and information previously disclosed to Shareholders by Firefinch, there is no information known to the Directors as at the date of this Notice of Meeting which could reasonably be expected to be material to the making of a decision by a Shareholder whether or not to vote in favour of Resolution 3.

3.20 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 3.

GLOSSARY

$ means Australian dollars.

Annual Report means the annual report of Firefinch for the year ended 31 December 2023.

Assigned Loans has the meaning set-out in paragraph 3.7.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor means Firefinch's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 31 December 2023.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair or **Chairman** means the individual elected to chair any meeting of Firefinch from time to time in accordance with the Constitution.

Commission has the meaning set out in paragraph 3.3.

Company means Firefinch Limited ABN 11 113 931 105.

Constitution means Firefinch's constitution, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Demerger Deed means the demerger deed between Firefinch and Leo dated 29 April 2022.

Directors means the directors of Firefinch from time to time.

ECOWAS Sanctions means sanctions imposed on the Republic of Mali by ECOWAS.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Exploitation Permit means exploitation permit 99-361 granted in accordance with the Mining Code and subject to the Morila Gold Mine Establishment Convention**.**

Firefinch Contribution has the meaning set out in paragraph 3.5.

Ganfeng means GFL International Co., Ltd.

Goulamina Dispute has the meaning set out in paragraph 3.3.

Goulamina Mine means the Goulamina lithium mine in the Bougouni Region of southern Mali and the subject of the Torakoro Exploitation Licence PE 19/25.

Leo means Leo Lithium Limited.

Leo Lithium Shares has the meaning set out in paragraph 3.7.

Listing Rules means the ASX Listing Rules.

LMSA means Lithium du Mali SA.

Mali Government means the Government of the Republic of Mali.

Meeting means the Annual General Meeting convened by the Notice.

Mining Code means the 1991 Mining Code of Mali as amended from time to time.

Morila Dispute has the meaning set out in paragraph 3.3.

MLBV means Mali Lithium B.V.

Morila Gold Mine Establishment Convention means the establishment convention between the Mali Government and BHP Minerals International Inc dated 28 April 1992 as amended or extended from time to time.

Morila Mine means the Morila gold mine, Commune of Sanso, Cercle of Bougouni, Region de Sikasso, Mali to which the Exploitation Permit relates and which is the subject of the Morila Gold Mine Establishment Convention.

Morila SA means Société des Mines de Morila SA.

Morila SA Sale has the meaning set out in paragraph 3.1.

Notice or **Notice of Meeting** means this Notice of Annual General Meeting.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in the Notice.

Sale Shares has the meaning set out in paragraph 3.2.

Settlement Agreement has the meaning set out in paragraph 3.4.

Settlement Amount has the meaning set out in paragraph 3.4.

Shareholder means a member of Firefinch from time to time.

Shares means fully paid ordinary shares in the capital of Firefinch.

Shareholder Approval has the meaning set out in paragraph 3.4.

SOREM SA means Société de Recherche et d'Exploitation Minière du Mali SA.

Tripartite Deed has the meaning set out in paragraph 3.5.

TRSL means Timbuktu Ressources SARL.