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Mali megastar Firefinch slams \$100m placement for two-pronged dunk on Morila and Goulamina

It's a placement and a statement which fundamentally provides a whole lot of certainty for both the Morila and Goulamina projects, just as growth accelerates across the twin world-class businesses.



New and existing investors have come in hard and fast behind Firefinch to the tune of \$100m via a well oversubscribed institutional placement, a clear backing for the growth strategy at its Morila Gold Mine and Goulamina Lithium Project in Mali.

The company plans to increase gold production at Morila to more than 100,000 ounces in 2022, then doubling again to beyond 200,000 ounces by 2024.

The funding certainty will also allow for an acceleration of exploration at Goulamina – rubber stamped already as among the world’s largest and most exciting lithium projects.

Excitement too is growing over the proposed demerger Goulamina into a separate ASX-listed company in early 2022.

“Tremendous foundation for further growth”

Firefinch (ASX:FFX) managing director Michael Anderson said the “overwhelming demand from both offshore and domestic institutions” is an unequivocal endorsement of a corporate strategy conceived and executed by one of the most fearless, hardest-working and ambitious executive teams in the global sector.

“We now have a huge opportunity in front of us,” Anderson said.

“This funding provides a tremendous foundation for further growth as we enter 2022.

“We are now well positioned to deliver on our strategic vision of becoming a West African gold producer of scale, as well as developing the next major lithium project to enter production, ahead of our Goulamina demerger in the new year.

“We will continue to work tirelessly to create value for our shareholders on both fronts.”

Gold and lithium: the strategic double-header

This puts Firefinch on course to execute its two-pronged growth strategy – rapidly driving up gold production and fast-tracking development of Goulamina.

Here's the detail of where funds will be allocated:

- Morila capital expenditure (\$43mn) – including SAG mill refurbishment, plant expansion, infrastructure upgrades, mobile equipment, critical spares and TSF lift and capacity expansion;
- Morila resource definition and regional exploration (\$14mn) – including following up high-grade intersections outside the pit design, as well as geophysics on existing targets;
- Goulamina exploration and project expenditure (\$9mn);
- Indicative participation in the proposed Leo Lithium entitlement offer (\$10mn); and
- General working capital and offer costs (\$24mn).

With Morila still spoken of in quiet awe as one of the world's highest-grade, open pit gold mines in its prime – Firefinch, now straddling pro-forma cash reserves of well over \$160m, is spoiled for growth ahead of a transformative calendar '22.

Source: <https://stockhead.com.au/resources/mali-megaster-firefinch-slams-100m-placement-for-two-pronged-dunk-on-morila-and-goulamina/>