

Quarterly Activities Report

For period ending 31 March 2024

Morila

Since 3 November 2022¹, Firefinch Limited (“**Firefinch**”, “**FFX**” or “**Company**”) has not had active operational engagement over the Morila Gold Mine. As a result of this, FFX has ceased to receive reliable information regarding production and operations at Morila, and therefore FFX is unable to report production figures for the quarter.

As announced on 3 August 2023, FFX had received a letter from the Minister of Mines, Mali (“**Letter**”) advising that the Government of Mali (“**Government**”) would not approve any deed of sale of Firefinch’s interest in Société des Mines de Morila SA (“**Morila SA**”) unless the Company resolved issues relating to the Morila Gold Mine. Firefinch is in regular contact with the Government and keeps recording progress on the matters raised in the Letter.

Whilst Firefinch maintains open channels in its discussions with the Government a resolution has yet to be agreed. Therefore, discussions will continue until both parties arrive at a mutually beneficial outcome. Due to the confidential nature of the discussions, Firefinch is unable to provide any further information or commentary to shareholders on this matter until it is resolved.

Firefinch remains committed to following due process to enable a transaction that will be in the best interests of Firefinch shareholders and other Morila SA stakeholders, including employees, the local community, and the Government.

Firefinch reiterates that it 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.

In its dealings with the Government, Firefinch is mindful that Leo Lithium Ltd (“**Leo**”) continues to engage in its own discussions with the Malian Government in an attempt to resolve issues relating to the Goulamina Lithium Project. Leo has stated it is unable to provide a definitive timeline for that engagement. As shareholders are aware Firefinch’s largest asset is its 17.6% shareholding in Leo.

Corporate Review

The Board of Firefinch remains committed to the previously stated strategic objectives of effecting a sale of Morila SA and returning Leo shares and available cash to shareholders. The Board is also mindful that this process has taken significantly longer than anticipated, largely because of the ongoing and protracted discussions with the Malian Government regarding Morila.

The Company will continue to provide updates to shareholders when it is in a position to do so.

Return of assets

The Company requires a transaction on Morila SA and a market valuation on its shareholding in Leo to progress the process of obtaining a class ruling from the Australian Taxation Office as to the tax treatment on the return of assets to Firefinch shareholders.

¹ On 2 November 2022, the Board of Directors (“**Board**”) determined that Firefinch could no longer continue to fund Morila SA to operate the Morila Gold Mine (refer ASX announcement of 3 November 2022)

Subject to the outcome of the class ruling, shareholder approval, and the Leo shareholding coming out of Australian Securities Exchange (“**ASX**”) escrow in June 2024, the Company may then be in a position to distribute the Leo shares and available cash.

Potential Delisting

Due to the extended suspension of the Company’s securities from the ASX, Firefinch will be removed from the official list of the ASX on or about 29 June 2024.

If this occurs, the Company confirms that as a public company it remains subject to all ASIC regulatory and reporting requirements and will continue to communicate with shareholders through the Company website and share registry service.

Financial Review

Financial summary

As at 29 March 2024, Firefinch had approximately A\$33.27 million in cash (31 December 2023: A\$33.5 million).

During the March quarter the Company has settled a historical matter with the ATO due to a timing difference resulting in a payment of approximately \$200,000 of outstanding PAYG.

The Company retains a 17.6% shareholding in Leo Lithium Limited.

Payments to related parties of \$102,000 include Directors fees for the quarter. These amounts are included in clause 6.1 of the 5B.

Audit

The Company continues to work closely with its Auditors, PricewaterhouseCoopers (“**PwC**”), on the half-year review and interim accounts, together with the annual financial statements. The Company anticipates these documents to be lodged imminently.

Shareholder Nomination of a Director

In reference to the ASX announcement, titled ‘Director Nomination’, dated 24 April 2024, The Company advised that in accordance with clause 6.1(o) and 6.1(p) of the constitution, that Mr. Matthew James Mitchell has been nominated by another shareholder of the Company to be elected as an additional director of the Company, at the upcoming Annual General Meeting (“**AGM**”), which is yet to be called.

This announcement has been approved for release by the Board for Firefinch.

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Disclaimer

This announcement contains “forward-looking information” that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the pre-feasibility and feasibility studies, the Company’s business strategy, plan, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral resources, results of exploration and relations expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions and that the Company’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of lithium, gold and other metals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to or revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

Statements regarding plans with respect to the Company’s mineral properties may contain forward-looking statements in relation to future matters that can be only made where the Company has a reasonable basis for making those statements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Firefinch Limited

ABN -

11 113 931 105

Quarter ended

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000 (3 Mths)
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)		-
	(b) development		-
	(c) production		-
	(d) staff costs		-
	(e) corporate costs	(662)	(662)
1.3	Dividends received		-
1.4	Interest received	415	415
1.5	Interest and other costs of finance paid		-
1.6	Income taxes paid		-
1.7	Government grants and tax incentives		-
1.8	Payments to suppliers and employees		-
1.9	Net cash from / (used in) operating activities	(247)	(247)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration and evaluation (if capitalised) – Morila Gold Mine	-	-
	(e) investments (Leo Lithium)	-	-
	(f) exploration and evaluation (Goulamina Lithium Project)		-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000 (3 Mths)
2.2	Proceeds from the disposal of:		
	(a) entities -		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments- Leo	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
	(a) Reimbursement by Leo JV costs	-	-
	(b) Derecognition of Morila SA Accounts	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period	-	
4.1	Cash and cash equivalents at beginning of period	33,506	33,506
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(247)	(247)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000 (3 Mths)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	6	6
4.6	Cash and cash equivalents at end of period	33,265	33,265

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,244	1,465
5.2	Call deposits	32,041	32,041
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	33,265	33,506

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	102
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (overdraft facility)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(247)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(247)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	33,265
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	33,265
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	134
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	N/A	
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	N/A	
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	N/A	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.