



Quarterly

For the quarter ended 31 March 2024



Leo Lithium Limited (**Company**) provides its report for the quarter ended on 31 March 2024.

As the Company remains in suspension (as announced), this quarterly report is a condensed report, setting out the mining, exploration, production, and development activities of the Company for the quarter and the associated expenditure and other required information, under ASX Listing Rule 5.3.

Goulamina Lithium Project

Project Development Highlights

- Ongoing construction and operational readiness advancements at Goulamina, the world's fifth-largest global spodumene deposit
- The project achieved its peak construction phase during the March quarter and exceeded 80% completion milestone at quarter end
- Continuous commitment to health and safety with over 5 million hours worked without a lost time injury
- Continued construction of crushing, screening and conveyor sections
- Electrical infrastructure significantly advanced in the dry plant with commissioning scheduled to commence in the June quarter
- Wet plant progressing with ball mill approaching construction completion and significant piping and electrical installation progress made across all other processing units
- Non process infrastructure including warehouse, lab, water treatment plant, overland pipe installation, power generation and distribution all progressing to plan

Operating Highlights

- Open pit mining progressed to plan with 0.9 million bulk cubic meters (**BCMs**) material mined for the quarter
- High grade stockpiles of 450kt ore at an average grade of 1.56% established in advance of commissioning of the processing plant
- Commissioning of the first of the long-term Caterpillar mining fleet is complete and pre-stripping has commenced in the Stage 2 pit area

- ROM pad construction was completed during the quarter and stockpiling of fresh ore at the first ROM finger has commenced
- Mining contractor mobilising further resources to site as operations ramp-up

Corporate Highlights

- Continued engagement with the Malian Government to reach a constructive resolution
- Agreement to sell a further 5% stake in Goulamina to Ganfeng for US\$65 million to fund a potential settlement with the Mali Government announced on 19 January 2024. Post completion of this transaction, Leo Lithium's interest in Goulamina via the holding company Mali Lithium BV (**MLBV**) will be 40% and Ganfeng's interest will be 60%
- Leo Lithium held cash of A\$69.3 million at 31 March 2024, and the Goulamina JV held cash of US\$21.8 million
- 2023 Annual Financial Report lodgment delayed, awaiting outcomes from discussions with the Malian Government

Managing Director, Simon Hay, commented:

"The development of the world-class Goulamina lithium project continued apace and we are pleased to report on the operational progress made during the quarter.

Leo Lithium continues to actively engage with the Mali Government to reach a constructive resolution, and we deeply appreciate our shareholders' patience during what has been a difficult time for the Company.

Leo Lithium and Ganfeng continue to have a strong relationship and work towards bringing the project into production. Project activities during the quarter continued to plan and the project schedule remains on track to deliver first spodumene in Q3 FY24, becoming West Africa's first spodumene producer.

We will continue to keep investors updated as and when appropriate."

This announcement has been approved for release to the ASX by the Board.

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GOULAMINA HEALTH AND SAFETY

Throughout the quarter, the team working on the Goulamina Lithium Project maintained an outstanding health and safety record of 5 million work hours without any lost-time injuries. This achievement reflects the diligent efforts of the Company's employees and contractors on-site, alongside the implementation of rigorous systems and processes, training programs, and effective site leadership and supervision of all activities.

GOULAMINA OPERATIONS UPDATE

The Company released a comprehensive project update on 22 March 2024.



Image 1: Run of mine – Ore Stockpile

Progress continued at Goulamina and remains on plan with completion exceeding 80%. Assuming permitting issues can be resolved in Q2 FY24, Goulamina remains on track to deliver its first spodumene in Q3 FY24, a critical milestone for the Company.

Total material movement for the quarter was 0.9 million BCM of ore and waste. Ore mined continued to be stockpiled ahead of plant commissioning and process operational start up requirements. Waste mined was used to complete the construction of the ROM pad, access roads and Tailings Storage Facility (**TSF**) construction. Mining activities for the quarter also included sufficient pre strip to advance face positions for future ore presentation needs. This included the commencement of the stage 2 cutback targeting the Main and West ore domains.



Image 2: Plant site aerial

Stage 1 Mining Contractor Commissioning and Ramp-up

Local mining contractor, Corica Mali continued to ramp up, with mining continuing in the starter pit (Stage 1) and commencing in the Stage 2 pit. Highlights for the quarter include:

- Final commissioning completed of the first of the main Caterpillar mining fleet
- Total material mined increased to 0.9 million BCM
- At quarter end 450kt at 1.56% of grade ore had been stockpiled in advance of commissioning and operations start-up
- Significant progress on the ROM pad in preparation for commissioning, including the completion of the pad construction, floor sheeting using low grade ore to ensure future ore hygiene and commencement of stockpiling at the first ROM finger
- Completion of the earthworks for the permanent Mining Service Area and commencement of construction activity
- Continued grade control campaign to confirm and validate the resource model within both Stage 1 and Stage 2 pit shells

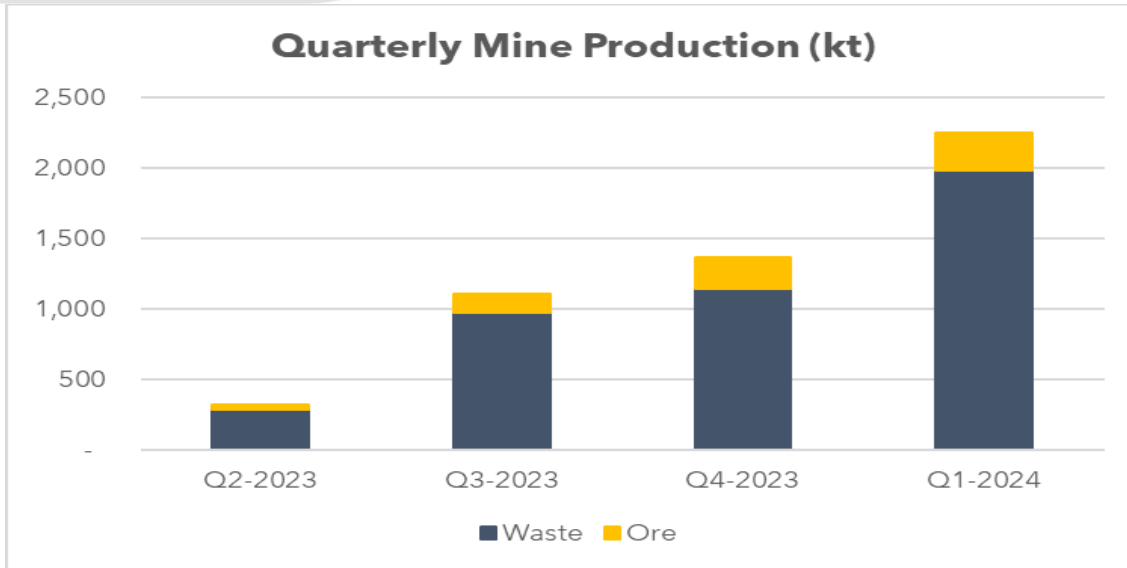


Image3: Quarterly Mine Production



Image 4: ROM pad construction complete and ore stockpiling has commenced on the first ROM finger.



Image 5: Mining fleet – CAT777 trucks and CAT 6030 Excavator



Image 6: Mining activities in Starter pit

Operational Readiness

With the site leadership team established, including the General Manager Operations, recruitment is progressing to schedule for operations start-up. Supplementary technical professionals and management will work alongside a predominantly Mali based workforce to provide training and guidance. A comprehensive training and development program is being developed and will be implemented as the project moves to operations.

Site Construction Progress

Some areas of the dry plant have progressed to completion activities, with early commissioning now underway. Priority works were substantially progressed throughout the quarter including installation of structural steel, mechanical and piping in both the Dry and Wet Plant areas. The electrical and instrumentation teams have begun work with significant progress on cable installation and terminations. Final deliveries of equipment and materials are in transit to the project site. Works progressed at other non-process infrastructure including TSF, power plant and overland piping and pumping station.

Dry Plant

On schedule to commence commissioning in Q2 2024, with construction completion activities and final inspections now underway:

- Installation around the primary crusher of the final structural steel and piping is approaching completion;
- Final feed bin from ROM and main apron feeder has been installed and is ready for commissioning;
- Secondary crushing and screening infrastructure substantially complete with final major platework now installed; and
- Piping and electrical installation commenced.

Wet Plant

Wet plant now the focus of mechanical and piping construction teams with concreting substantially complete and electrical installation commencing including:

- Ball mill installation approaching completion;
- Thickeners and magnetic units installed;
- Electrical substations installed and fit-out commenced;
- Filtration and final product shed foundations and framework underway; and
- Water services and compressed air facilities commenced.



Image 7: Wet plant



Image 8: Dry plant

Tailings Storage Facility

The TSF achieved practical completion in March with final close out activities underway. Installation of piping in the deposition corridor continues in line with the final supply of materials. Waste rock is currently being used to construct the decant facility in the TSF. Overhead power line infrastructure is currently being installed for pumping requirements at the TSF.



Image 9: TSF deposition corridor



Non-Process Infrastructure

Non-process infrastructure continued to be developed at pace in line with commissioning requirements.

- Contract signed with Vivo Power in March 2024 to provide power requirements on site formalizing pre-agreements which allowed construction to commence earlier;
- Construction of the onsite fuel facility continues with locally fabricated tanks delivered and installed on site;
- Installation of the overland pipe from the Selinque dam is nearing readiness for service testing with pumping station activities progressing well; and
- Stringing of electrical cables on poles for onsite power distribution is now underway.



Image 10: Power plant and fuel farm



Accommodation and Other Facilities

- 140 permanent accommodation units completed in addition to the 70 initial accommodation units. All site accommodation is now fully utilised;
- New kitchen, dining facilities, laundry and other amenities completed and now available to support the site team; and
- Site administration, warehouse, laboratory, workshop and control room all in advanced stages of construction.



Image 11: Onsite lab building



Image 12: New core yard facility

Permitting

As previously discussed in the Project Update on 22 March 2024, the primary critical construction paths continue to be the electrical installation, power plant construction packages and securing the associated Government permit to operate the power plant. In the event of a delay in permit issuance, commissioning is scheduled to proceed on temporary power.

Nonetheless, full-scale operations are contingent upon obtaining this permit. The Malian authorities have indicated they have re-commenced assessing the application for the power self-generation permit.

Capital Cost Estimate

On 27 April 2023, the Company released a Mid Term Project Update forecasting revised capital costs to complete the project of US\$318 million, comprising US\$285 million for construction and US\$33 million for operational readiness activities. This guidance remains in place, with the exception of unplanned import customs duties and fees.

In September 2023, the Company announced that the Government had started imposing customs duties and fees on imported equipment and supplies, which the Project should have been exempt from under the Project's Establishment Agreement. Should these fees and duties be charged through to first production it is forecast to cost US\$35-40 million (original estimate US\$45-50 million), which is in addition to the US\$285 million construction cost estimate. As at the end of March 2024, US\$23.2 million in unplanned fees and duties has been paid.

EXPLORATION AND DRILLING UPDATE

During the March quarter, a sterilisation drilling program was completed, covering 4,474 meters using Reverse Circulation drilling. This brings the total meters drilled in this program to 12,156. The focus was on the North-South trending corridor situated west of the current defined mineral resource. This area is designated for hosting a waste rock storage facility.

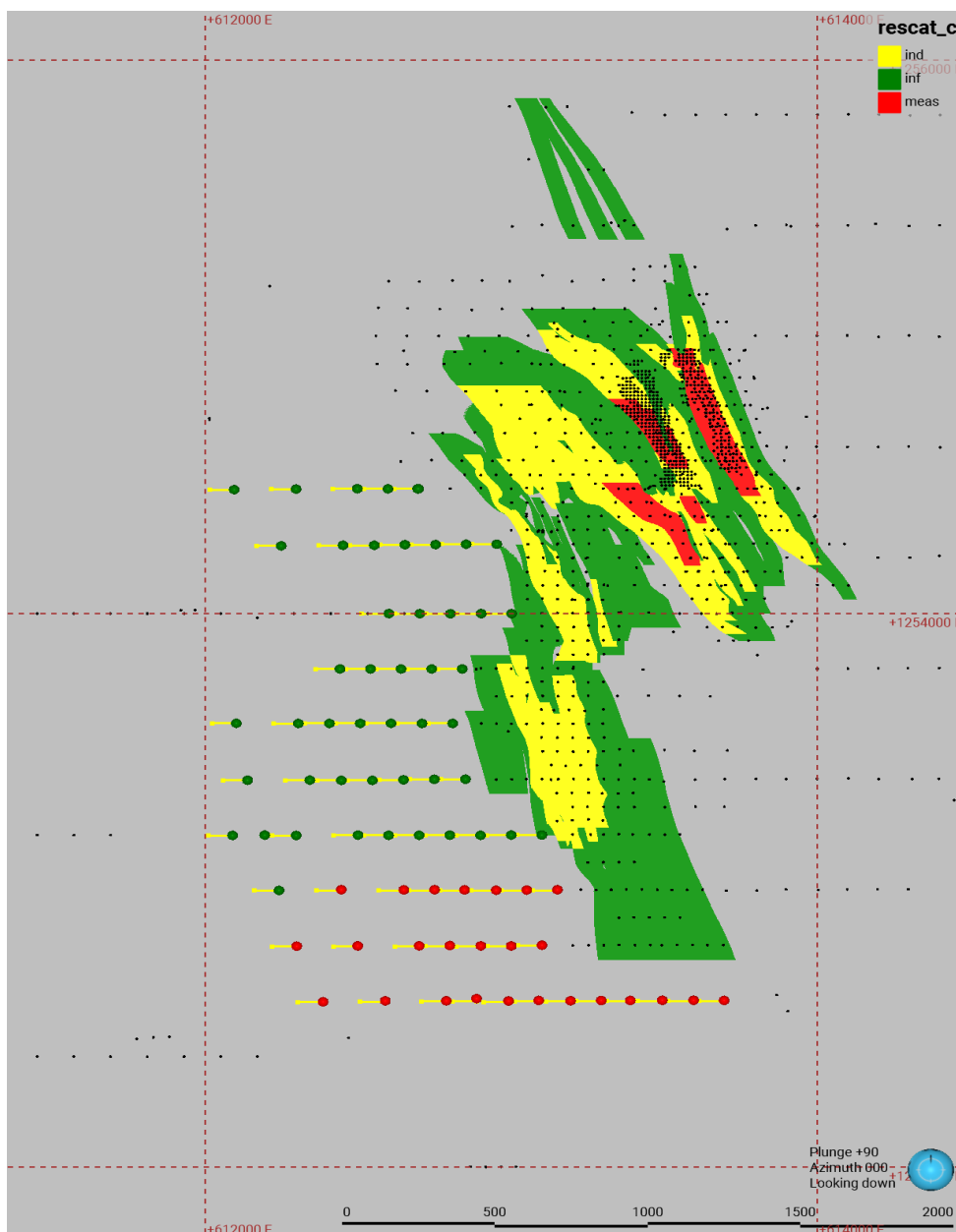


Image 13 – Red dots indicate completed drill hole locations during the March quarter 2024. Green dots indicate completed drill hole locations during previous quarter. Mineral resource categories in green (inferred), yellow (indicated) and red (measured).

TENEMENTS

Project	Tenement	Location & Area (ha)	Grant Date	Expiry Date	Holder/Applicant
Goulamina	PE19/25	Mali 10,067.8ha	23/08/2019	22/08/2049	Lithium du Mali S.A (the mining tenement was transferred to LMSA pursuant to a Prime Ministerial Decree made on 24 March 2022)

Table 1 – LMSA Tenement schedule

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Leo Lithium is dedicated to upholding modern ESG practices, aiming to make a significant and impactful contribution to Mali. During the quarter, the Company implemented a number of income generating programs designed to provide alternative revenue streams for impacted communities, outside of direct employment. This includes the development of a women’s soap making business involving 60 women from Goulamina and Mafele. This business is already thriving with the products produced by the women’s group selling out and plans for the Company to purchase a number of these soap and detergent products for use within its camp accommodation and messing facilities.



Figure 14: Women in Goulamina making soap



Figure 15: Drilling of bore holes for local market gardens

In addition, the development of two separate 2-hectare market gardens, to be run by a recently formed women's cooperative also commenced. The area for each market garden has been selected and drilling of bore holes, to provide water for each garden also completed. It is anticipated that planting and first crop harvest will occur during the June quarter.

The Company also supports its impacted and nearby communities by recognizing and celebrating events of significant social or cultural significance. During the quarter the Company provided donations to support Didadi festivals within the Bougouni Region along celebrating and providing culturally appropriate donations for International Women’s Day and the commencement of Ramadan.



Figure 16: Donation of 100kg of sugar to celebrate Ramadan

CORPORATE UPDATE

Binding agreement for 5% sale with Ganfeng

Leo Lithium entered a binding agreement to sell 5% of the Goulamina Lithium Project to Ganfeng for US\$65 million on 19 January 2024. Under the sale agreement, Ganfeng will receive an additional 5% interest in the MLBV. At full completion of the transaction, the share of JV funding will be based on the new ownership ratio of 60/40 for Ganfeng and Leo Lithium respectively.

Discussions with the Mali Government Continue

Further to the project update announcement on 22 March 2024, Leo Lithium and Ganfeng continue to engage with the Mali Government to resolve current issues relating to Goulamina with the Mali Government. Leo Lithium is unable to provide a definitive timeline for a resolution, but discussions are continuing.

2023 Annual Financial Report Lodgment

Leo Lithium has delayed lodgment of its audited Annual Report for the year ended 31 December 2023. Once the issues relating to Goulamina are resolved with the Mali Government and a settlement is reached, the Company expects to be in a position to lodge its audited Annual Financial Report.

FINANCE AND FUNDING

Cash Balance

As at 31 March 2024, the Company's closing cash was A\$69.3 million and the Goulamina JV held cash of US\$21.8 million.

The Company's cash balance has increased from the 31 December 2023 balance of A\$33.6 million due to the timing of reimbursements from the Goulamina JV. Reimbursements from the Goulamina JV of A\$47.7 million were received during the March quarter as funds flowed from Ganfeng under the Equity Investment Deed (which was announced on 14 September 2023) into the Goulamina JV and then back to Leo Lithium.

Goulamina JV Cash Movement

Funds continue to flow from Ganfeng into the Goulamina joint venture under the Equity Investment Agreement.

During the quarter, the Goulamina JV's major cash outflow was project development costs of US\$83.6 million.

Leo Lithium Cash Movement

The major cash flow movements for the Company during the quarter included:

- Cash Inflows:
 - Goulamina JV management and administration fees of A\$0.2 million; and
 - Goulamina JV reimbursements of A\$47.7 million.
- Cash Outflows:
 - Goulamina JV exploration and development costs of A\$11.5 million, incurred by Leo Lithium on behalf of the JV with full recovery during the quarter except for A\$3.0 million which is expected to be recovered in the June 2024 quarter; and
 - Other staff, administration, and corporate costs of A\$1.8 million.

Pursuant to ASX Listing Rule 5.3.5, payments of A\$376 thousand were made to related parties during the Quarter, being the payment of the Managing Director's salary and superannuation, in addition to Non-Executive Directors' fees as set out in Section 6 of the Quarterly Cashflow Report.

For further details refer to the audited Remuneration Report in the Company's 2022 Annual Report released on 18 April 2023.

Pursuant to ASX Listing Rule 5.3.4, the following expenditure in Table 2 below has occurred since the Company's listing on ASX in 2022.

Item	Current quarter expenditure A\$ million	Expenditure since ASX Listing in June 2022 A\$ million	Estimated expenditure as per IPO Prospectus dated 6 May 2022 A\$ million ¹
Stage 1 Development capital costs for Goulamina Lithium Project ¹	(36.2)	2.1	60
Transaction Costs associated with the offer, formation of the Goulamina Joint venture and the demerger	-	4.8	5
Repayment of amounts payable under the loan agreement	-	10.3	10
Working capital, exploration, and other expenses	1.8	17.5	25
Total Use of Funds	(34.4)	34.7	100

Table 2: Expenditure since listing

¹: Includes expenditure that is expected to be recovered from the Goulamina JV during the June 2024 Quarter. The net expenditure recovers in the March 2024 Quarter results from JV recoveries exceeding expenditure.

¹The Goulamina Project is a joint venture with Ganfeng, and accounted for under the equity accounting method and is not consolidated in the Company's financial statements. Hence JV cash impacts are not included in the Company's cash flows (or in the separately released Appendix 5B) apart from any equity or loan funds from the Company to the JV.

Forward-Looking Statements

Where this announcement contains forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "should", "could", "believes", "estimates", "expects", "intends", "plans", "anticipates", "predicts", "outlook", "forecasts", "guidance" and other similar words that involve risks and uncertainties, those statements are based on, among other things, a number of best estimate assumptions regarding future events and actions that, at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the directors and management of the Company. The Company cannot and does not give any assurance that the results, events, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur, and readers of this announcement are cautioned not to place undue reliance on these forward looking statements.

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Statements made in this announcement are made only as at the date of this announcement.