

Final Investment Decision for Goulamina Lithium Project

- The Boards of Firefinch and Ganfeng have approved a Final Investment Decision (FID) for the Goulamina Lithium Project
- Early-stage engineering works, sterilisation drilling and site-based activities are underway

Firefinch Limited (ASX: FFX) (Firefinch or the Company) is pleased to announce that a Final Investment Decision (FID) for the Goulamina Lithium Project (Goulamina or the Project) has been approved.

The update to the original October 2020 Definitive Feasibility Study (DFS Update) was completed in December 2021 (refer to ASX release dated 6 December 2021) demonstrating a pre-tax NPV of A\$4.1 billion and a post-tax IRR of 83%. Following these overwhelmingly positive results, the Boards of both Firefinch and Jiangxi Ganfeng Lithium Co. Ltd. (Ganfeng) have now approved FID.

The parties have agreed to waive the FID condition to the payment of the final US\$91 million upon the formation of the incorporated Joint Venture (Goulamina JV).

The major remaining Condition Precedent to the formation of the Goulamina JV is the transfer of the Project Exploitation Licence to a single purpose Malian subsidiary as required by Malian legislation. An internal reorganisation of Firefinch subsidiaries is in progress to permit this transfer. The transfer is expected in early 2022 and, upon the satisfaction of other Condition Precedents, will allow the formation of the Goulamina JV, the payment of the final US\$91 million of Ganfeng's US\$130 million contribution, and the release from escrow of the US\$39 million first payment made last year (refer to the ASX release dated 1 December 2021).

Following the DFS Update, the capital cost for the 2.3 million tonnes per annum operation (Stage 1) increased from US\$194 million to US\$255 million. This was in part driven by incremental capital associated with providing the flexibility to readily move to a 4.0 million tonnes per annum throughput (Stage 2) operation (refer to the ASX release dated 6 December 2021). As a result, for the purposes of funding the Project, Ganfeng have agreed to either provide \$40 million of Ganfeng provided debt or to arrange up to US\$120 million in third party debt (previously agreed up to US\$64 million).

Firefinch Managing Director, Dr Michael Anderson, said:

"The approval of FID represents yet another major milestone for the Goulamina Project. Clearly the outcomes of the DFS Update have been extremely compelling to the Boards of both companies and it is a testimony to the project's credentials that the partners have moved so quickly and collaboratively to commit to the development of Goulamina. We sincerely look forward to maintaining the positive momentum into the New Year as site-based activities increase."

Next Steps

Ganfeng and Firefinch continue to move forward with early-stage engineering, drilling and various community and environmental works to fast track the development of the Project. Firefinch's costs will be re-imbursed by the Goulamina JV once it is established.

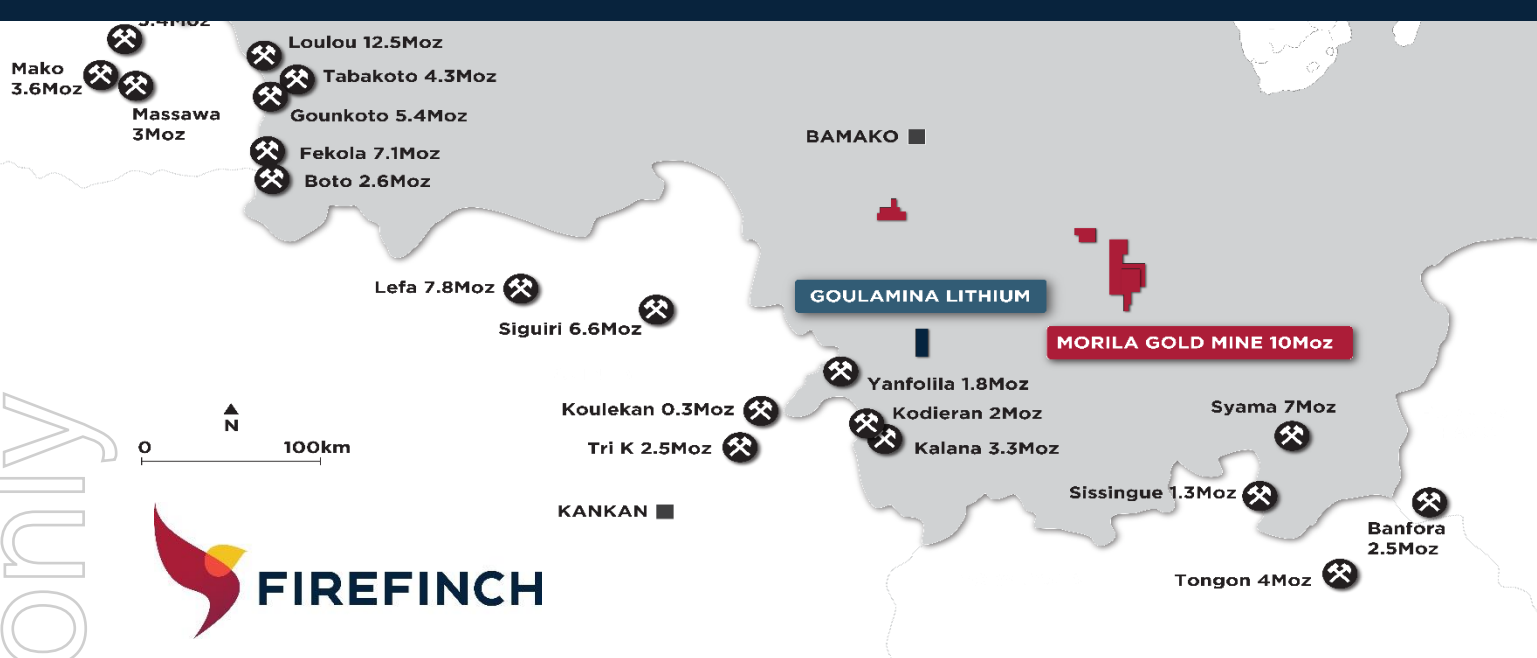
This announcement has been approved for release to the ASX by the Board.

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Firefinch (ASX: FFX) is a Mali focussed gold miner and lithium developer. Firefinch has an 80% interest in the Morila Gold Mine (**Morila**) and it currently owns 100% of the Goulamina Lithium Project (**Goulamina**).

Goulamina is one of the world's largest undeveloped high quality spodumene deposits. In partnership with Ganfeng, Firefinch will bring the project into production. A 50/50 incorporated joint venture has been established, with Ganfeng contributing US\$194 million in development funding, comprising US\$130 million in equity funding and US\$40-64 million in debt funding. All permits are in place and the Definitive Feasibility Study Update confirmed Goulamina as a long life, large scale and low-cost open pit project expected to produce 726,000 tonnes of spodumene concentrate at an average cash cost of US\$312/t. Goulamina has high grade, low impurity Ore Reserve of 52Mt at 1.51% Li₂O for 0.79Mt contained Li₂O comprising 8.1 million tonnes of Proven Ore Reserves at 1.55% Li₂O and 44.0 million tonnes of Probable Ore Reserves at 1.50% Li₂O. Goulamina has a Mineral Resource of 109Mt at 1.45% Li₂O for 1.57Mt contained Li₂O comprising 8.4 million tonnes at 1.57% Li₂O in the Measured category, 56.2 million tonnes at 1.48% Li₂O in the Indicated category and 43.9 million tonnes at 1.45% Li₂O in the Inferred category. The Company is in the process of demerging Goulamina into a new ASX listed entity, Leo Lithium.

The Morila Gold Mine is one of the world's great open pit gold mines, having produced over 7.5Moz of gold since 2000 at grades that were among the highest in the world, earning it the moniker "Morila the Gorilla". Firefinch acquired Morila for just US\$28.9 million in late 2020 with the strategic intent to rapidly increase production; initially targeting 70-90kozpa of gold from a combination of satellite pits, stocks and tailings, and thereafter growing production to 150-200kozpa of gold by mining the Morila Superpit. Morila's current Global Resource is 2.43 million ounces of gold (Measured: 1.73Mt at 0.5g/t gold for 0.03Moz, Indicated: 26.7Mt at 1.49g/t gold for 1.28Moz and Inferred: 22.1Mt at 1.58g/t gold for 1.12Moz). However, Morila's geological limits have not been tested. Exploration is therefore a major focus at the existing deposits and multiple targets on the 685km² of surrounding tenure.

Firefinch is a responsible miner. We support positive social and economic change through contributing to the communities in which we operate. We seek to buy local, employ local and back local socio-economic initiatives, whilst operating in a manner that safeguards the environment and places our team's safety and wellbeing as our first priority.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources at Goulamina and Morila and the production estimates for Goulamina. The Company also confirms that all material assumptions and parameters underpinning the Mineral Resource estimates and production estimates continue to apply and have not materially changed. Please refer to ASX Announcements of 8th July 2020 and 20th October 2020 (Goulamina), 8th February 2021 (Morila Resource), 7th September 2020 and 28th April 2021 (Morila Tailings), 24th November 2020, 3rd May 2021, and 10th August 2021 (N'Tiola, Viper, Domba, Koting, Morila Pit 5), and 5th May 2021, 6th July 2021 and 29th July 2021 (Morila Gold Production, Ore Reserves and Production Targets).