



LEO [®]
LITHIUM LTD

CEO AGM Presentation

**Proposed disposal of shares in
Mali Lithium BV and interest in the
Goulamina Project**

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Proposed Transaction (Resolution 3)

Sale of Leo's remaining shareholding in MLBV and interest in Goulamina to Ganfeng

Leo to sell remaining 40% MLBV¹ shareholding for US\$342.7 million or A\$519 million (A\$0.43/sh²)

- The proposed transaction is the culmination of months of discussions with Ganfeng and the Mali Government. It is the best outcome we were able to negotiate, given challenging circumstances.
- After careful evaluation, the Board believes the Proposed Transaction provides Shareholders with certainty of value and the lowest risk profile of the options available.
- Payment split into three tranches - Non-refundable deposit of US\$10.5m received. Tranche 1 (US\$161m) expected 31 October 2024 and Tranche 2 (US\$171.2m) payable by 30 June 2025.

Leo to exchange Stage 2 and 3 offtake rights for 1.5% of gross revenue - Trailing Product Sales Fee (TPSF)

- 1.5% of gross revenue from sale of lithium products from Goulamina, subject to a 500,000tpa spodumene concentrate cap.
- Valid for 20 years commencing on the first commercial shipment, payable by Ganfeng affiliate.

Use of funds - including additional distributions

- Tranche 1 net proceeds **plus US\$10.5m deposit** to be returned to shareholders in January 2025.
- **Tranche 2 net proceeds** to be returned to shareholders in July 2025 unless shareholders approve otherwise.
- **Firefinch A\$11.5m contribution³** to be returned to shareholders following receipt.
- In addition, the Company is receiving fees from Ganfeng for providing management services at the Project from July until mid-November 2024 when the services agreement will end.

If Resolution 3 is approved, all sale conditions within Leo's control will be satisfied.






1. MLBV means Mali Lithium B.V., the holding company of Lithium du Mali SA which owns the Goulamina Project.

2. Assumes AUD:USD exchange rate of 0.66. A\$0.43/sh represents the gross proceeds from the US\$342.7m sale.

3. Firefinch has agreed pay Leo A\$11.5 million as Firefinch's contribution to the Mali Government settlement. This payment is subject to Firefinch shareholders approving the transfer of shares in Morila SA to the Mali Government

Rationale for the Proposed Transaction

Board recommends shareholders vote in favour

 Realisation of certain value in challenging circumstances	<ul style="list-style-type: none">• The sale price of approximately US\$343 million is equivalent to approximately A\$0.43 (gross) per Leo share vs. last traded price of A\$0.51.• ASX lithium stocks have declined between 30-80% since Leo went into suspension in September 2023.
 Receipt of ongoing TPSF	<ul style="list-style-type: none">• Leo will receive the benefit of the TPSF, which will be paid to Leo from commencement of first commercial shipment of Goulamina concentrate for twenty years.
 Enables cash return to shareholders	<ul style="list-style-type: none">• Net proceeds from the Tranche 1 cash consideration, the US\$10.5m deposit and the A\$11.5m Firefinch contribution are to be distributed to shareholders. Net proceeds from Tranche 2 will be distributed in July 2025 unless shareholders approve otherwise.
 High quality, fully funded counterparty	<ul style="list-style-type: none">• Ganfeng is a leading multinational player in the lithium battery supply chain.• As an existing shareholder in MLBV and JV participant in Goulamina, Ganfeng has a detailed understanding of the technical, financial and regulatory requirements of Goulamina.
 No further funding from Leo	<ul style="list-style-type: none">• Ganfeng to sole fund all expenses from the date of the first announcement - 8 May 2024.

Rationale against the Proposed Transaction

Reasons to vote against the transaction

✓	Deferral of revenue	<ul style="list-style-type: none">• Company will no longer start generating revenue in the near future (other than the TPSF).
✓	Principal Asset Sale	<ul style="list-style-type: none">• Selling the principal asset may not be consistent with the investment objectives of all shareholders.• If completed, shareholders will no longer have exposure to potential economic returns arising from the Goulamina Project (other than the TPSF), including exposure to any increase in the lithium price.
✓	Other Assets	<ul style="list-style-type: none">• There is a risk that the Company may not be able to identify, complete the acquisition of, or progress other suitable investment opportunities in a value-accretive manner for shareholders.
Risks in voting against the transaction		<ul style="list-style-type: none">• If the Proposed Transaction is not approved, the Company will remain a minority owner of the Goulamina Project and will be exposed to the various risks associated with financing, constructing and operating a lithium mine in Mali.
These risks include		<ul style="list-style-type: none">• Ongoing security and sovereign risk in Mali.• Proposed implementation of the 2023 Mining Code.• Modified joint venture arrangements.• Possibility of interest in the joint venture reducing from 40% to 26% due to the 2023 Mining Code.• Leo no longer being the manager of the Project following the novation of the Management Agreement to Ganfeng.• Risks associated with Leo's ability to meet its ongoing funding requirements.

Intended Use of Funds

Tranche 1 and Tranche 2 distribution to shareholders

Tranche 1 - January 2025

- If the Proposed Transaction completes Leo will distribute:
 - all net proceeds¹ from the US\$161m Tranche 1 payment;
 - the US\$10.5m non-refundable deposit already received from Ganfeng; and
 - the A\$11.5m to be paid by Firefinch if received in time for the January distribution.
- Tranche 1 distribution now equates to A\$0.15-0.18² per share, up from the earlier estimate of A\$0.13-0.16 per share.
- Leo has commenced ATO application process to obtain a class ruling on the form of the Tranche 1 distribution.
- Shareholders will be asked to approve any capital return at a separate shareholder meeting.
- Any dividend will be declared out of 2024 profit (including profit on selling the shares in MLBV). This dividend can only be paid in FY2025.

Tranche 2 - 30 June 2025

- If the Proposed Transaction completes, Leo will receive the Tranche 2 payment of US\$171.2m (pre-tax) by 30 June 2025.
- If the Company has not identified any value accretive investment opportunities by July 2025, the net proceeds of the Tranche 2 payment will be distributed to shareholders in July 2025.
- If Leo does identify value accretive investment opportunities involving deployment of any of the Tranche 2 payment:
 - the investment opportunities will be put to a shareholder vote; and
 - if shareholders do not approve the investment opportunities, all net proceeds from the Tranche 2 payment will be distributed to shareholders in a distribution planned for July 2025.
- If the A\$11.5m to be paid by Firefinch is received after the January 2025 payment and before the July 2025 payment, it will be included in the July 2025 distribution.

1. Net proceeds means proceeds after deducting applicable taxes, including Mali capital gains tax.

2. Key assumptions include exchange rate range of 0.66-0.70 USD:1 AUD and taxation of between A\$49 million to A\$78 million. Based on a diluted share capital of 1,205,042,781 Shares, which assumes all Performance Rights are exercised and no Options are exercised.

Transaction Timeline

Indicative timing for the proposed transaction, subject to change

Event	Indicative Date*
Meeting of Shareholders to approve the Proposed Transaction	31 July 2024
Receipt of letter of comfort from ATO	October 2024
Completion of the Proposed Transaction (timing subject to satisfaction or waiver of the Conditions Precedent)	End October 2024
Receipt of Tranche 1 cash consideration net proceeds 10 business days after satisfaction of final conditions precedent	Early November 2024
Meeting to approve any element of the Tranche 1 distribution requiring Shareholder approval	December 2024
Tranche 1 distribution paid to Shareholders	Early January 2025
Receipt of Tranche 2 cash consideration proceeds	By 30 June 2025
Proposed Tranche 2 distribution paid to Shareholders	July 2025

* Please note that this timetable is indicative only and the Directors reserve the right to amend the timetable accordingly.



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