

Chairman's Letter to Shareholders

Dear Shareholders

I wanted to take this opportunity to reach out to shareholders following the events of the past couple of weeks. On behalf of the entire Board, I wanted to again express our disappointment at the situation we find ourselves in following the past five months.

Unfortunately, we faced some significant operational issues at the Morila Gold Mine where it was not meeting our forecast ramp-up production target coupled with cost escalation, amongst other matters. As a result of these problems, it became clear that significant ongoing funding was required for the asset to reach its full potential.

As a Board, we worked tirelessly to find a suitable solution. No stone has been left unturned in our bid to find a recapitalisation or other strategic outcome that would be in the best interests of shareholders. A number of potential equity raisings and financing options were pursued, including entering into creditor compromises. Through this process, it became clear that not one of these options was going to be in the best interests of shareholders to retain value, and, in particular, it would have required a highly dilutive equity raising. An asset sale was also contemplated.

Ultimately, we were left with no option than to notify our subsidiary company Société des Mines de Morila S.A. (80% Morila Limited, Firefinch Limited's wholly owned subsidiary, 20% Malian Government) that Firefinch Limited would no longer be providing ongoing funding.

Your Directors are mindful of the impact this decision will potentially have on the local stakeholders. So, while we are no longer directly involved with the Morila Gold Mine, we are continuing to work closely with the subsidiary company and local authorities to investigate options to mitigate the impact on the mine workers and the local community. Our desire is that a new owner for the Morila Gold Mine will be found, and one who is suitably funded to maintain operations and see the project reach its full potential for the benefit of all stakeholders.

In all our decision making, it has been critical that we preserve the value of the existing Firefinch Limited assets, being the cash and stake in Leo Lithium Limited. The Board will now turn their minds to the next chapter for Firefinch Limited and the key consideration in those deliberations will be the preservation of value for our shareholders. We will look at all options available, including but not limited to the potential return of cash to shareholders and the best way for Firefinch Limited shareholders to benefit from our investment in Leo Lithium Limited. The Board will give this strategic decision making a high priority and will update shareholders on the strategic direction of the Company before the end of the year. We understand the frustration of being locked in a suspended stock and I just ask for your continued patience as we work through the process.

In the meantime, immediate steps have been taken to reduce corporate overheads and staff headcount in the Perth office to reflect our current situation more appropriately. I look forward to providing you with further information as we get more clarity on the next steps.

Kind regards,



Brett Fraser
Chairman