

Quarterly Activities Report

For period ending 31st March 2022

ABOUT FIREFINCH LIMITED

Firefinch Ltd (ASX: FFX) is a gold miner and lithium developer with an 80% interest in the Morila Gold Mine and 100% of the Goulamina Lithium Project, both in Mali.

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\$28.9m in late 2020 with the strategic intent to rapidly increase production, leveraging the mine's current Global Mineral Resource of 2.5 million ounces and vast exploration potential spanning 620km² of tenure.

The Goulamina Lithium Project is one of the world's largest undeveloped high quality spodumene deposits, which Firefinch, in partnership with Ganfeng, plans to bring into production. The parties each hold a 50% interest in the JV, with Ganfeng contributing US\$130 million in equity funding and up to US\$40 million in debt funding. The Company is in the process of demerging Goulamina into a new ASX listed entity, Leo Lithium Limited.

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.

Key metrics as at 26/04/2021

Shares on issue (FFX)	1,181,243,221
Share Rights on issue	11,043,000
Cash & Equ (31 Mar 22)	\$102.09M
Share price	\$1.03
Market capitalisation	\$1.217B

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Morila Gold Mine

- High-grade drilling results continue from the Morila Super Pit
- Results from drillhole MRD0018 are significant as they may represent a new zone of mineralisation
- Substantial increases to Mineral Resources for the Viper (+128%) and N'Tiola (+18%) Satellite Deposits
- Total Mineral Resources for the Morila Gold Project are now 2.5 million ounces of gold
- Pre-stripping of waste from Morila took place through Q1 2022 with first ore on track to present ahead of schedule during Q2 2022
- Development and pre-strip commenced at N'Tiola, whilst mining continued at Viper.
- A Mining Licence has been granted over the Finkola lease, contiguous with the Morila licence
- Strong Q1 2022 production of 10,874 ounces of gold met guidance
- Production guidance for Q2 2022 is 17,000 to 20,000 ounces of gold
- Full year 2022 production guidance maintained at 100,000 ounces of gold, with annualised production rates in H2 2022 forecast to exceed 140,000 ounces of gold.

Goulamina Lithium Project

- All conditions precedent for Ganfeng's investment into the Goulamina Project have now been met following transfer of the Goulamina Exploitation Licence
- US\$130 million in cash received by the joint venture company from Ganfeng and discussions advancing on the Ganfeng debt facility
- Project activities gained momentum with detailed design work progressing and procurement of long lead items advancing
- Site activities are ramping up with the earthworks contractor mobilising to site and road upgrades at an early stage
- Firefinch is proceeding with the demerger of Goulamina into Leo Lithium Limited in accordance with regulatory timeframes

Corporate

- Cash and cash equivalents available of \$102.09 million at 31 March, 2022
- Simon Hay commenced as Leo Lithium Managing Director

Overview of Activities for March Quarter

Morila

At Morila safety is Firefinch's number one priority. There were no serious injuries during the quarter.

Gold production during the quarter was 10,874 ounces of gold, which met the top end of guidance (10,000 to 11,500 ounces of gold). Notable milestones were the commencement of mine development activities at the Morila Super Pit (**MSP**) as well as the N'tiola pit. Both pits feature centrally in the mine production plan as ore sources.

Mining operations at Viper continued and provided a reliable source of open pit mine feed following ramp up in Q4 2021. Ongoing collaboration with EGTF, a Malian owned and operated contractor, allowed mining activities to commence ahead of schedule. EGTF are also undertaking all haulage from the satellite pits to the mill. With the commencement of mining activities at N'tiola EGTF have mobilised their 100-tonne fleet to N'tiola. MEIM Morila SARL (**MEIM**), Morila's second contractor, continues mining at Viper. All of the mining activities performed by both contractors has been injury free.

Mine development activities at the MSP commenced the first week of January 2022 and have progressed on plan during the quarter. MEIM mobilised a new fleet of Komatsu 785 trucks for the MSP development work and the first phase of mining. Dewatering of the MSP is largely complete with tailings repatriation infrastructure installed and scheduled to commence in April 2022. Ore is scheduled to present at the MSP in Q2 2022.

The intensive drilling programme at the MSP continued during the quarter. Drilling has successfully identified extensions to previous high-grade intersections and provided additional data in areas not previously well drilled for incorporation in a new Mineral Resource. A new high-grade zone appears to have been discovered in drillhole MRD0018, which intersected mineralisation separated from the lodes historically mined and some 250 metres west of the MSP.

Mineral Resource updates were reported for the Viper and N'Tiola satellite deposits during the quarter, bringing the Global Mineral Resource for the Morila Project to 2.5 million ounces of contained gold (Indicated and Inferred categories, refer Table 1).

Goulamina

On 16th August 2021, the Company announced it had executed full form legal agreements with Ganfeng, to establish a 50:50 incorporated joint venture (**JV**) to develop Goulamina. It was announced on the 28th March 2022 that all conditions precedent for Ganfeng's investment into the Goulamina Project had been met following the transfer of the Goulamina Exploitation Licence. Firefinch and Ganfeng now each hold a 50% interest in the Goulamina Lithium Project joint venture company (**JV Company**).

During the quarter US\$130 million of equity funding was received by the JV Company from Ganfeng comprising US\$39 million that was released from escrow and a further US\$91 million second tranche investment (refer ASX announcements dated 1st December 2021 and 4th January 2022).

Outlook for June Quarter

Morila

Drilling continues at Morila with further rigs added to allow systematic testing of high-grade targets such as extensions to MRD0018 and MRD0001. Work in the June Quarter will focus on completing an update to the Mineral Resource for Morila and completing updates to reserves across the Morila Project utilizing the data collected from the Company's 2021 and 2022 drilling programmes. Updated resources will then be used to

optimise current mining plans for Morila and the satellite deposits as well as in further studies into the potential for underground operations. Regional exploration drilling will also continue up until the wet season.

Ore mining at the MSP is scheduled to commence in Q2 2022, ahead of the previously communicated program, becoming a consistent source of ore in the second half of 2022. Production guidance for Q2 2022 is 17,000 to 20,000 ounces, setting up the year for approximately 100,000 ounces of gold in 2022.

Goulamina

Design and engineering work will continue with a focus on the long lead procurement packages and the accommodation camp. Tender submissions are expected to be issued, adjudicated and awarded for the ball mill, crushing equipment, thickeners and for the supply of accommodation buildings and central facilities.

At site, the upgrade of the existing public road will be completed and additional water bores will be installed. The route for water pipeline from the Selinque Dam to site will be finalised and the drilling program at Sangar and Danaya will continue. Compensation payments will be made to community members identified in the economic displacement process.

Morila Mine Operations

Health and Safety

There were no serious injuries during the quarter. There were three high potential incidents involving heavy equipment. Fortunately, there were no serious injuries associated with those incidents.

The ongoing strong focus on monitoring COVID-19 spread at Morila and in the local and regional communities has continued this quarter. COVID-19 levels have significantly reduced with no impact on site operations or the neighbouring communities. Morila is playing a central role to support employees, contractors, and local community members with vaccinations. This has resulted in an elevated level of vaccination at the mine and in the surrounding communities.

Morila has a best-in-class malaria control program; these controls in the workplace and communities were effective during the quarter with malaria levels for employees and contractors consistently below historic levels (<1%). During the quarter, the Morila team undertook another intensive residual spraying program that encompassed the mine and surrounding villages.

Community and Workforce

A key focus for the Morila Communities Team has been to establish our conformance with International Finance Corporation (IFC) performance standards. This work continued during the quarter and will continue throughout 2022.

Firefinch is committed to its “locals first” policy and has continued to employ locally and engage Malian contractors for the provision of services at Morila. We are very proud to report that, of our approximately 2,188 strong workforce at Morila, consisting of 340 direct employees and 1,726 contractors, less than 5% are expatriates. The recruitment of roles critical to the delivery of our short and medium-term plan is largely complete. With the ramp up of operations, Morila is ensuring that local employment opportunities are being offered and accepted by local and regional communities in the first instance. Local communities, in particular the youth, have been insistent that local employment opportunities are granted where the skills exist, which aligns with Firefinch’s values and social strategy.

In consultation with the communities, Firefinch continues to implement its Communities Plan which is focussed on health, local infrastructure, agriculture projects with women’s associations, educational support including the provision of ten teachers, and an agribusiness.

Morila Physical and Financial Performance

Production during the quarter was 10,874 ounces of gold, within the guidance of 10,000 to 11,500 ounces. Guidance for Q2, 2022 is 17,000 to 20,000 ounces of gold, with Viper ore complimented with low grade stockpiles, and the commencement of ore from MSP and N'tiola.

Head grade was below budget due to higher than planned low grade material fed to the mill and a minor delay in Viper transitional ore presenting. Recovery was on budget for the quarter.

The table below details the performance of the Morila mine for Q1 2022 in comparison with Q4 2021.

	Unit	1 Jan 2022 to 31 Mar 2022 (Q1)	Q4 2021
Mined Tonnes			
Tailings	Tonnes	145,014	326,992
Pit5	Tonnes	0	107,943
Viper	Tonnes	450,842	363,080
Total	Tonnes	595,856	798,015
Mined Grade			
Tailings	g/t gold	0.4	0.33
Pit5	g/t gold	0	0.81
Viper	g/t gold	0.68	0.73
Total	g/t gold	0.61	0.58
Ore milled	tonnes	877,602	846,982
Contained gold	Ounces	13,170	14,729
Recovery	%	78.9	75.2
Gold in Circuit	kilograms	30.1	29.23
Gold produced	ounces	10,874	11,115
Gold sold	ounces	11,045	11,279
Realised gold price	US\$/ounce	1,908	1,807
Gold revenue	US\$ millions	21.1	20.3
Mining costs	US\$ ('000)	15,822	4,136
Processing costs	US\$ ('000)	17,531	16,355
Site Administration costs	US\$ ('000)	6,635	6,310
Operating Cost¹	US\$ ('000)	39,988	27,329
Average FX used for reporting	USD --> CFA	584.8	573.5
Bullion awaiting settlement	US\$ ('000)	3,266	4,060

¹ During the quarter ended 31 Mar'22 Morila incurred royalty fees of USD1.88m that are not reflected in operating costs set out above. The royalty payments have been partially offset against the VAT credit held by Morila.

Mining

Development activities commenced at the MSP and N'tiola during the quarter. Pre-stripping of waste from the first stage of the MSP progressed on schedule. As per the Morila Life of Mine Plan, the MSP will become a consistent source of ore in the H2 2022. Development activities commenced at N'tiola at the end of the quarter, with ore presentation ramping up in 2H 2022. The Viper pit provided the primary source of open pit

mine feed during the quarter. Relatively low volumes of stockpiled lower grade material were also fed during the quarter to utilise available mill capacity.

In line with Firefinch's strategy of recommencing hard rock mining to underpin production expansion plans at Morila, the material mined via hydraulic sluicing of tailings reduced to approximately 50,000 tonnes per month in Q1 2022 from approximately 100,000 tonnes per month in Q4 2021. Hydraulic sluicing will cease in April 2022. The operation will continue to process a combination of Viper open pit ore and a small proportion of low grade stockpiled fresh ore in Q2 2022, and small volumes from the MSP and N'tiola as they present. Tailings with mineralisation (~0.5g/t gold) that could not be hydraulically mined has been mechanically mined and hauled to the Run of Mine pad for stockpiling and will be scheduled on an opportune basis in Q2 2022.

Mining costs increased in Q1 2022 versus Q4 2021 in line with an increase in total material movement from open pit mining sources. Overall, total material movement for the quarter was in line with plan.



First loads from Morila Super Pit



Mining Crew at Commencement of Mining at N'Tiola.

Capital Works – Plant, Power, Laboratory, TSF and Tailings Repatriation

The Morila processing plant continued to operate on a 24 / 7 basis as the rollout of Plant Improvement Projects continued during Q1 2022. The projects included mill parameter optimisation (cyclones, balls, density etc.), reconfiguration of the thickeners into parallel operations, optimising pre-leach activities and a review of the scats and carbon regeneration circuits for re-integration and optimisation of the current process flow.

There were no significant events causing plant downtime during the quarter. The planned 9-day Morila plant maintenance shutdown was executed at the end of March 2022. The Maintenance and Operational teams completed the shut successfully including reducing the timeframe to 7 days, achieving 96% scope completion and most importantly completing the work with zero safety incidents.

Refurbishment of the diesel power units in the Morila power station is progressing well, with preparations complete for the refurbishment of the third Allen generator in Q2 2022. The fourth, and final, Allen generator will be refurbished during Q3 2022. This will ensure Morila has stable and reliable power. Temporary power is supporting the grid to ensure sufficient power is available during the period of overhaul.

The tender process for the supply of a new hybrid power solution and power purchase agreement is in progress. Tenderers have been shortlisted. Morila expects to have completed the tender process and award the preferred provider in 2022. It is anticipated that this will reduce power station operating costs by approximately 25% and, will reduce Morila's environmental footprint by over 20,000 tonnes of carbon per annum.

MSALABS Limited have been operating the laboratory at Morila since 1st November 2021 following a period of upgrading the current laboratory and installing new equipment. Turnaround time for samples from grade control, exploration and the plant have improved and site preparations are completed for the install of the Chrysos Photon Assay analyser early Q2 2022.

Tailings from processing activities are being deposited into the Tailings Storage Facility (TSF). Sufficient capacity has been established for 2022. Regulatory approvals have been completed to increase capacity within the existing footprint. The internal division wall has been completed and is in use. The TSF will be upgraded in accordance with Global Standards for Tailings Storage and Management.

Dewatering of the MSP is proceeding as planning with phase 1 completed. A hydraulic mining circuit has been procured and is being commissioned to allow repatriation of tailings from within the MSP to the TSF. It is anticipated that hydraulic sluicing of the tailings in the MSP will commence in Q2 2022.

Drilling and Mine Planning Activities

During the Quarter 25,588 metres was drilled in 482 drillholes including 4,185.1 metres of diamond drilling (DD). DD at the Morila Deposit continued during the quarter, with results as detailed in ASX Announcements and summarised below. Reverse Circulation (RC) drilling for exploration and resource definition was carried out at Morila, Viper, N'Tiola and the K3-K4 prospects with grade control drilling also completed at Viper.

MRD0018 Result

MRD0018 tested for extensions to mineralisation intersected in a prior drillhole located 30 metres to the south (drillhole SAN 263 intersected 23 metres at 2.48g/t gold from 270 metres¹) and returned much higher grades:

- **15.0 metres at 7.61g/t gold from 263.0 metres, including 9.0 metres at 11.1g/t gold (MRD0018); and**
- **2.8 metres at 23.7g/t gold from 236.4 metres, including 0.8 metres at 82.0g/t gold (MRD0018)**

¹ Refer to ASX Announcement 31st August 2020

As detailed previously² the intersections in MRD0018 are significant as they appear to be separated from the mineralised lodes previously mined at Morila (Figure 1). The intersections are some 250 metres west of the pit and 130 metres south of the Morila Mineral Resource. It is unclear whether these thick and high-grade intersections represent an offset of the main Morila lodes or represent a new and discrete zone of mineralisation. Drilling has been completed to the south of MRD0018, with results awaited, and current drilling is testing along strike to the north for extensions to mineralisation.

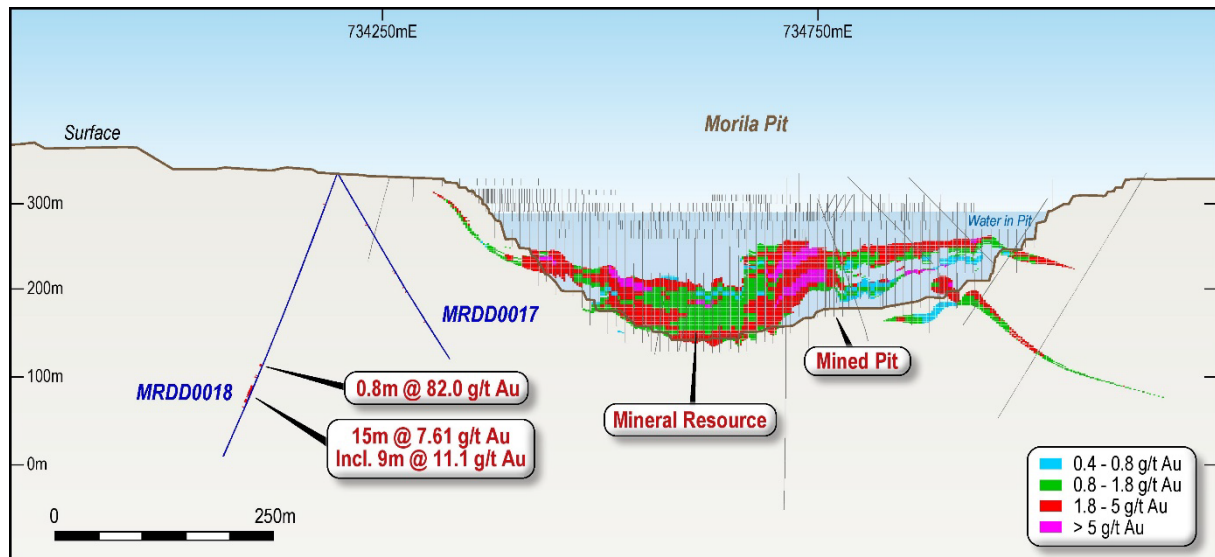


Figure 1: Cross Section 1921930mN showing results from MRD0018



Drilling in progress at MRD0018 with Pit 5 in the background

Morila West Drilling

All results have now been received and interpreted from the drilling campaign at the western side of the MSP, completed in Q4 2021. This first phase of resource drilling at Morila has delineated down-dip extensions to

² Refer ASX Announcement 22nd February 2022

mineralisation below the current planned pit design in the north-western portion of the deposit; the area where pre-stripping of waste has commenced³.

Results are detailed in the ASX Announcement of 22nd February 2022 and include:

- **7.5 metres at 5.99g/t gold from 168.8 metres, including 2.7 metres at 15.9g/t gold (MRD0015);**
- **16.8 metres at 3.02g/t gold from 279.4 metres, including 6.3 metres at 6.95g/t gold (MRD0015);**
- **21.7 metres at 1.40g/t gold from 266.7 metres (MRD0016);**
- **18.0 metres at 1.58g/t gold from 262.5 metres, including 8.5 metres at 2.81g/t gold (MRD0012);**
- **15.0 metres at 1.77g/t gold from 262.5 metres, including 4.6 metres at 3.55g/t gold, within a wider interval of 37.8 metres at 1.02g/t gold from 242.2 metres (MRD0010);**
- **10.0 metres at 2.16g/t gold from 271.6 metres, including 4.5 metres at 3.60g/t gold, within a wider interval of 18.4 metres at 1.39g/t gold from 263.3 metres (MRD0024);**
- **3.3 metres at 7.12g/t gold from 204.1 metres including 0.9 metres at 25.0g/t gold (MRD0011); and**
- **14.0 metres at 1.60g/t gold from 129.8 metres including 8.1 metres at 2.57g/t gold (MRD0013)**

Drilling successfully intersected a number of high-grade zones in MRD0015 (7.5 metres at 5.99g/t gold including 2.7 metres at 15.9g/t gold and 6.3 metres at 6.95g/t gold) and MRD0011 (3.3 metres at 7.12g/t gold including 0.9 metres at 25.0g/t gold). These add to previously released results along strike to the north in MRD0006 (3.7 metres at 6.81 g/t gold) and MRD0009 (3.3 metres at 6.93 g/t gold)⁴.

These high-grade zones are now high priority targets for further drilling, currently underway, to increase the confidence in the Mineral Resource in these areas and inform mine planning to focus on accessing these high-grade zones.

Current work is focussed on merging all drill data with historical data to provide new geological models and inform a new set of targets in this area.

The current open pit Mineral Resource for Morila stands at 1.86 million ounces of gold comprising 38.6 million tonnes at 1.50g/t gold⁵ (21.2 million tonnes at 1.60g/t gold in the Indicated category, and 17.5 million tonnes at 1.37g/t gold in the Inferred category; refer Table 1). A Mineral Resource update will enable the Stage 1 pit design and 2022-2023 mining schedule to be refined.

As drilling results are largely consistent with the existing resource modelling the resource update should also result in the conversion of deeper Inferred Resources to Indicated Resources leading to detailed planning of the Stage 2 pit design and provide further refinement to the life of Mine mining schedule.

Morila North East Drilling

In parallel with the resource drilling at Morila West, a campaign of drilling was completed in the northeastern part of the deposit, targeting potential extensions to the intersection in MRD0001 (**10.5 metres at 34.0g/t gold**)⁶ Follow up drilling to the east of MRD0001 returned **4 metres at 13.6 g/t gold** from 315.2 metres in MRD0028⁷. This result is down dip from MRD0002 which returned 6 metres at 2.62g/t gold⁸ and geological

³ Refer ASX Announcement 6th January 2022.

⁴ Refer ASX Announcement 22nd October 2021.

⁵ Refer to ASX announcement dated 8th February 2021.

⁶ Refer ASX Announcement 18th August 2021.

⁷ Refer ASX Announcement 22nd February 2022

⁸ Refer ASX Announcement 22nd October 2021.

and structural data from MRD0028 and surrounding holes are being interpreted to guide follow up drilling in this area.

Resources

On March 25th 2022 During the Quarter the Company announced updates to the Mineral Resource Estimates (**MRE**) for the Viper and N'Tiola satellite deposits at Morila. The MREs were increased substantially as a result of systematic drilling efforts at these deposits since Firefinch acquired Morila. Historical drilling focussed on near surface mineralisation and consequently only a portion of these deposits was adequately drill tested. Results from drilling have led to a re-appraisal of the potential of these mineralised systems, with mineralisation now defined over 1.5km of strike at Viper and further drilling planned for 2022.

The updated MRE at Viper is 3.23 million tonnes at 1.15g/t gold for 119,000 ounces of gold, compared to the previous estimate of 1.55 million tonnes at 1.05g/t gold for 52,000 ounces of gold (refer ASX Announcement 3rd May 2021). This includes 2.47 million tonnes at 1.16g/t gold for 93,000 ounces of gold in the Measured and Indicated categories.

The updated MRE at N'Tiola is 2.90 million tonnes at 1.03g/t gold for 96,000 ounces of gold. This compares to the previous estimate of 2.43 million tonnes at 1.04g/t gold for 81,000 ounces of gold (refer ASX Announcement 3rd May 2021). The Mineral Resource includes 2.55 million tonnes at 1.03g/t gold for 84,000 ounces in the Measured and Indicated categories.

The Mineral Resources for the Morila Gold Project are detailed in Table 1.

Goulamina

On March 28th 2022 the Company announced that, following the transfer of the Exploitation Licence for the Goulamina Lithium Project to Lithium du Mali SA (**LMSA**) a wholly owned subsidiary of the JV Company, the final condition with respect to Ganfeng's investment into the Project had been satisfied. Firefinch and Ganfeng now each hold a 50% interest in the JV Company.

This follows the satisfaction of all other conditions precedent including securing a "letter of no objection" from the Malian Government in relation to Ganfeng's investment into the JV Company and the parties agreeing to make a Final Investment Decision in respect of the Project (refer announcement dated 4th January 2022).

Satisfaction of these conditions also triggered the completion of Ganfeng's US\$130 million equity funding agreement. The first tranche US\$39 million equity payment was released from escrow and the final US\$91 million payment was made to the JV Company.

Ganfeng is further obliged to provide either US\$40 million of Ganfeng direct debt or source US\$64 million of third-party debt. Taken together, Ganfeng's debt and equity funding package of at least US\$170 million is expected to substantially fund the Project through the development phase.

Engineering and design of the process plant and support infrastructure is underway. The procurement and tendering of long lead items for the Project is progressing well with a view to accelerating the project schedule. Tender submissions for the ball mill and crushing equipment are to be delivered in April and Ganfeng will assist by sending tenders to their supplier network in China.

Site work commenced on upgrading an existing public road to provide access to the mine area. The road has been designed to allow transport of all major plant and equipment required to construct the mine. This work is expected to be completed by mid-June.

The demerger of Leo Lithium Ltd (**Leo Lithium**), the Firefinch group entity which holds the Company's interest in the JV, from Firefinch (**Demerger**) can now proceed. In the June quarter, Firefinch will issue the Notice of

Meeting and accompanying prospectus. If the Demerger is approved by Firefinch shareholders, Leo Lithium expects to undertake a pro-rata offer and seek admission to the official list of ASX.

Community and Government Relations

Communication and planning efforts with the local communities is progressing well with economic displacement surveys in the project area and infrastructure corridor completed and a compensation system approved by an Independent Commission, the body responsible for authorising such schemes.

Simon Hay, Managing Director of Leo Lithium, made his first trip to Mali and the project site in March and met with the Minister of Mines, Governor of Bougouni and local community leaders among others. All meetings were very positive, and the Government and community are very supportive of the Project in general.



Leo Lithium MD Simon Hay meeting with Goulamina village elders

Sterilisation Drilling

Sterilisation drilling for the waste rock facility (WRF) has been completed. A total of 91 RC holes were completed for 10,647 metres. Spodumene bearing pegmatites of varying widths were intersected in many of the drillholes. A further nine additional holes (1,074 metres) were drilled in the southeast edge of the WRF to follow up a thicker spodumene bearing pegmatite intersected there. Assay results are awaited.

Resource Drilling

Resource drilling has commenced over the Danaya Domain to improve confidence in the geological interpretation and convert Inferred Mineral Resources to the Indicated Mineral Resource category. The first of nine planned DD holes has been completed at the north end of the domain and the 55 hole RC campaign has recently commenced at the south end.

A 60 hole infill and extensional drilling program targeting the Sangar Domain will commence shortly. This drilling is planned to convert Inferred Mineral Resources to the Indicated Mineral Resource category.

Geotechnical Drilling

A 15 hole (325 metres) geotechnical drilling program to test ground conditions under major elements of the plant was completed during the quarter.

Financial Review

Cash and cash equivalents at 31st March 2022 are detailed below.

	A\$ million
Cash at 31 st December 2021	146.46
Cash at 31st March 2022	97.72
Gold sold during quarter for which proceeds not received by 31st March 2022	4.37
Cash and cash equivalents available	102.09

169,200 performance rights expired on the 23rd February 2022. Firefinch's current issued share capital is 1,178,136,200 as at 31st March 2022.

	Balance at 31 st March 2022	Conversion of options/performance rights	Balance at 31 st December 2021
Fully paid shares	1,178,136,200	-	1,178,136,200
Performance Rights	11,212,000	(169,200)	11,043,000

Partial Amended Notice of Tax Assessment for 2017 and 2018 – Morila Mine

The Company has disclosed in previous Quarterly Activities Reports and its 2021 Annual Report details of the Partial Amended Notice of Tax Assessments it received in relation to Morila from the Malian tax department concerning the 2017 and 2018 fiscal years.

The Company continues to proactively push to bring this matter to a satisfactory conclusion with several meetings held during the quarter between the Company's management and various representatives of the Malian government and the Malian tax department. At this time, both partial amended notice of assessments remain open.

Related Party Payments

Payments of \$215,901 were made to related parties being the Managing Director's remuneration and Non-Executive Directors' Fees as set out in Section 6.1 of Appendix 5B.

Permit Status

The Company has six research tenements, one mining tenement hosting the Goulamina Lithium Project, one mining tenement hosting the Morila Gold Mining Operations, and one mining tenement. Seven tenements are located within the Circle of Bougouni and two tenements in the Circle of Kati, in Mali. All tenements are in good standing. A tabulation of the Company's tenure in Mali is given below.

Morila PE 99/15 (Morila Gold Project). The Morila Exploitation Permit (211.2 km²) was initially issued on the 4th August 1999, under Decree N°99-217/PM-RM for a validity period of 30 years. The Decree was modified by Decree N°99-361/PM-RM dated 17th November 1999 to authorize the transfer of the Morila Mining Permit to a dedicated entity "Société des Mines de Morila" (**Morila SA**), then modified by Decree N°2018-0441/PM-RM

date 17th May 2018, which modified the surface area of the permit, to include areas of Viper and N'Tiola. Firefinch owns 80% of Morila SA. The Morila Exploitation Permit is valid until 4th August 2029.

Torakoro: PE 19/25 (Goulamina Lithium Project). The Torakoro Exploitation Permit (100 km²) was originally issued on 23rd August 2020, under Decree N°2019-0642/PR/RM under the title: "Exploitation Permit for Lithium and Group 2 Mineral Substance to the Company Timbaktu Ressources SARL (**TIMRESS**) at Torakoro (Circle of Bougouni)." The Goulamina Lithium Project Mining Company was created under the name: "Lithium du Mali S.A. (**LMSA**)" and Decree N°2022-0199, dated 24 March 2022, authorized the transfer of the Torakoro Exploitation Permit from TIMRESS to LMSA.

Finkola: PR 21/1125. An Exploitation Permit for Gold and Group 2 Mineral Substances was issued under Decree No2022-0200/PM-RM du 24 August 2022 at Finkola (Circle of Bougouni). The process is underway for the creation of a company which will serve as the mining company for the Bèlèdjo Project, located on the Finkola tenement.

Makono: PR 21/1126. The Ministry of Mines, Energy and Water has issued Arrêté No2021-1554/MMEE-SG dated 14th April 2021, which granted the research tenement of Makono to Birimian Gold Mali, a subsidiary of Firefinch.

Diokélébougou: PR 21/1127. The Ministry of Mines, Energy and Water has issued Arrêté No2021-1553/MMEE-SG dated 14th April 2021, which granted the research tenement of Diokélébougou to Birimian Gold Mali, a subsidiary of Firefinch.

N'Tiola: The Ministry of Mines, Energy and Water has issued Arrêté No2021-4624/MMEE-SG dated 8th November 2021, which granted the research tenement of N'Tiola to Birimian Gold Mali, a subsidiary of Firefinch.

Finkola Sud: PR 13-672 2BIS. The Ministry of Mines and Petroleum has issued the Arrêté #2019-3799/MMP-SG dated 28th October 2019 for the Permit of Finkola Sud, extending Permit validity until 4th August 2021. Following the expiration of the tenement of Finkola-Sud, a request for new tenure was lodged with the DNGM on 5th August 2021. The related mining convention was presented and validated during a workshop with the DNGM on 7th October 2021. The company was subsequently invited to proceed with the payment of the convention fees, in amount of 5 million CFA Franc. The process is ongoing at the level of the Ministry of Mines.

Sanankoroni: PR 16-805 1BIS. The Ministry of Mines and Petroleum has issued the Arrêté #2019-4873/MMP-SG dated 20th December 2019 for the Permit of Sanankoroni, extending Permit validity until 11th October 2021. The process is ongoing for the second renewal of the tenement of Sanankoroni, which would be for three years.

Finkola Nord: PR 20/1081. The Ministry of Mines and Petroleum has issued the Arrêté #2020-1303/MMP-SG dated 1st April 2020 for the Permit of Finkola Nord. The permit is valid for three years, until 31st March 2023, and the validity is renewal twice upon request by the Company.

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

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Table 1: Mineral Resources for the Morila Gold Project

Deposit	Indicated			Inferred			Total		
	Tonnes (millions)	Grade (g/t)	Ounces ('000)	Tonnes (millions)	Grade (g/t)	Ounces ('000)	Tonnes (millions)	Grade (g/t)	Ounces ('000)
Morila Pit ¹	21.2	1.60	1,090	17.5	1.37	770	38.6	1.50	1,860
Morila NE ²				0.21	3.07	21	0.21	3.07	21
Samacline ²				3.74	2.56	308	3.74	2.56	308
Morila Pit 5 ^{3,4}	0.40	0.92	12	0.14	1.14	5	0.54	0.98	17
N'Tiola ^{3,4}	2.55	1.03	84	0.35	1.04	12	2.90	1.04	96
Viper ³	2.47	1.16	92	0.75	1.10	27	3.23	1.15	119
Domba ⁵	0.20	1.75	11	0.25	1.61	13	0.46	1.67	25
Koting ⁴	0.65	1.04	22	0.28	0.94	8	0.93	1.01	30
Total	27.45	1.49	1,313	23.17	1.56	1,160	50.62	1.52	2,474

¹ The Morila Pit resource is quoted using a 0.4g/t gold cut-off grade, refer ASX Announcement 8th February 2022.

² The Samacline and Morila NE resources are quoted using a 1.8g/t gold cut-off grade, refer ASX Announcement 8th February 2022.

³ The N'Tiola, Viper, Pit 5 and Koting resources are quoted above cut-off grades based on current costs (0.35 – 0.5g/t), refer ASX Announcements 3rd May 2021 and 25th March 2022.

⁴ The Viper and Pit 5 resources have been depleted for mining as at 31 December 2021.

⁵ The Domba resource is quoted using a 0.5g/t gold cut-off grade, refer ASX Announcement 24th November 2020.

NB Numbers in the above table may not appear to sum correctly due to rounding.

Tabulation of Permits

Name	Km ²	Number	Status	Owner
GOULAMINA LITHIUM PROJECT				
Torakoro	100	PE 19/25 (Exploitation Permit)	Exploitation Permit granted for 30 years, for the development of the Goulamina Lithium Project	Lithium du Mali SA
MASSIGUI GOLD PROJECT				
Finkola	34.2	PEGM 2022/29 (Exploitation Permit)	Exploitation Permit Effective from 24 April 2022 Expiry date: 23 April 2032	Birimian Gold Mali SARL
Diokélébougou	100	PR 21/1127	Granted for a 3-year term, effective from 14 April 2021 Expiry date: 14 April 2024	Birimian Gold Mali SARL
Finkola-Sud	98	PR 13/672	Second renewal effective from 4 th August 2019 Expiry date: 4 th August 2021 Process underway with Ministry of Mines for new tenure.	Timbuktu Ressources SARL
Finkola Nord	32	PR 20/1081	Granted for a 3-year term, effective from 1 st April 2020 Expiry date: 1 st April 2023	Sudquest SARL
N'Tiola	64	PR 21/1198	Granted for a 3-year term, effective from 08 November 2021 Expiry date: 7 November 2024	Birimian Gold Mali SARL
DANKASSA GOLD PROJECT				
Makono	32	PR 21/1126	Granted for a 3-year term, effective from 14 April 2021. Expiry date: 14 April 2024	Birimian Gold Mali SARL
Sanankoroni	80	PR 16/805	First renewal effective from 11 th October 2019 for 2 years. second renewal process underway.	Timbuktu Ressources SARL
MORILA GOLD PROJECT				
Morila	211.2	PE 99/15	Morila Gold Mine Permit Expiry date: 4 th August 2029 / Convention Expiry date: 03 June 2022 Process underway for convention extension	Société des Mines de Morila SA

Forward Looking and Cautionary Statements

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. Competent Person Statements regarding plans with respect to the Company’s mineral properties are forward looking statements. There can be no assurance that the Company’s plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company’s mineral properties.

Previously Reported Information

In accordance with Listing Rule 5.23, references to exploration results, estimates of mineral resources or ore reserves have previously been announced, including the information required under Listing Rule 5.22, in the following announcements:

- “Substantial Increase to Goulamina Mineral Resource” dated 8th July 2020
- “Mali Lithium to Acquire Morila Gold Mine to Become Producer” dated 31st August 2020
- “Morila - Tailings Resource and Production Target” dated 7th September 2020
- “Goulamina Lithium Project Definitive Feasibility Study” dated 20th October 2020
- “Satellite Pit Resources update delivers 1.49M oz of gold” dated 24th November 2020
- “December 2020 Quarter Gold Production” dated 8th January 2021
- “Drilling Update at N’Tiola” dated 22nd January 2021
- “Koting and Pit 5 Drilling Update” dated 5th March 2021
- “Viper delivers high grade gold results” dated 29th March 2021
- “High grade results from drilling at satellite deposits 30th April 2021

- “Global mineral resources at Morila increase to 2.43m oz” 3rd May 2021
- “Life of mine plan for the Morila Gold Mine” 5th May 2021
- “High-grade gold discovery at K3 prospect 21 m at 13.45g/t Au” 12th May 2021
- “New satellite deposit identified at K2” 25th May 2021
- “Pit 5 delivers more high-grade gold results” 1st June 2021
- “Scale of viper mineralised system continues to grow” 10th June 2021
- “Morila Gold Production, Ore Reserves and Production Targets” 6th July 2021
- “Further Viper Results and Commencement of Mining” 10 August 2021
- “Morila Super Pit Delivers 10.5m @30.4g/t gold” 18th August 2021
- “Goulamina - Progressing a World Class Lithium Project” 20th October 2021
- “Morila Operations and Drilling Update” 22nd October 2021
- “Goulamina Lithium Project Update to DFS” 6th December 2021
- “Drilling at Morila Identifies New High-Grade Zone” 21st December 2021
- “Substantial Resource Increases for Viper and N'Tiola” 25th March 2022

The Company confirms that it is not aware of any other new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

In accordance with Listing Rule 5.19, information relating to production targets or forecast financial information have been previously disclosed. The Company confirms that all material assumptions and parameters underpinning the Mineral Resource estimates and production estimates at Goulamina and Morila and the production estimates for Goulamina in the DFS 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, 10th August 2021 and 25th March 2022 (N'Tiola, Viper, Domba, Koting, Morila Pit 5), and 5th May 2021, 6th July 2021, 29th July 2021 and 22nd October 2021 (Morila Gold Production, Ore Reserves and Production Targets

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 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	30,331	30,331
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	(6,960)	(6,960)
	(c) production	(55,076)	(55,076)
	(d) staff costs	(298)	(298)
	(e) mine administration and corporate costs	(7,475)	(7,475)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Release of security deposit -drilling)	-	-
1.9	Net cash from / (used in) operating activities	(39,475)	(39,475)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4,477)	(4,477)
	(d) exploration & evaluation (if capitalised)	(4,305)	(4,305)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(8,782)	(8,782)

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	146,463	146,463
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(39,475)	(39,475)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,782)	(8,782)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(488)	(488)
4.6	Cash and cash equivalents at end of period	97,718	97,718

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	104,054	104,054
5.2	Call deposits		
5.3	Bank overdrafts	(6,336)	(6,336)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	97,718	97,718

On 31 March 22, \$A4.37 million value of bullion were shipped with the funds receivable mid-April 2022. These funds are excluded from Cash and cash equivalents at 5.5.

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
216

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>			
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (overdraft facility)	10,577	6,336
7.4	Total financing facilities	10,577	6,336
7.5	Unused financing facilities available at quarter end		4,241
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.		
The Morila mine operates two local overdrafts facilities in Mali in XOF currency from which local suppliers are paid.			

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(39,475)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(4,305)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(43,780)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	97,718
8.5	Unused finance facilities available at quarter end (Item 7.5)	4,241
8.6	Total available funding (Item 8.4 + Item 8.5)	101,959
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.3
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?	
	Not applicable.	
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?	
	Not applicable.	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Not applicable.	

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.



Tom Plant
Chief Financial Officer

Date: 27 April 2022

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.
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.