LEO LITHIUM LIMITED

ABN 70 638 065 068

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2023

www.leolithium.com

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Rick Crabb	- Non-Executive Chairman
Mr Simon Hay	- Managing Director and Chief Executive Officer
Ms Amber Banfield	- Non-Executive Director
Mr Rod Baxter	- Non-Executive Director
Mr Brendan Borg	- Non-Executive Director
Mr Alan Rule	- Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr Ron Chamberlain

COMPANY SECRETARIES

Mr Ron Chamberlain
Mr Nathan Bartrop

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Phone: + 61 8 6314 4500
Email info@leolithium.com
Website: www.leolithium.com

SHARE REGISTRY

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Fax: + 61 8 9473 2500
Website: www.computershare.com
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LEGAL ADVISERS

Thomson Geer
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2 The Esplanade
Perth WA 6000
Australia

AUDITORS

PricewaterhouseCoopers
Level 15, 125 St Georges Terrace
Perth WA 6000
Australia

AUSTRALIAN COMPANY NUMBER

638 065 068

Leo Lithium Limited shares are listed on the Australian Stock Exchange (**ASX**). ASX Code: LLL

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DIRECTORS' REPORT

Your directors present their report on the consolidated financial statements of Leo Lithium Limited (**Leo Lithium** or **Company**) and the entities it controlled (**Group**) during the 6 months ended 30 June 2023 (**Half-Year**).

Leo Lithium is a lithium-focussed company listed on the ASX and contains one of the world's largest undeveloped high-quality spodumene (lithium) deposits which is anticipated to enter production in H1 2024.

DIRECTORS

The following persons were directors of the Company during the Half-Year and up to the date of this report:

Mr Rick Crabb	Non-Executive Chairman
Mr Simon Hay	Managing Director & Chief Executive Officer
Ms Amber Banfield	Non-Executive Director
Mr Rod Baxter	Non-Executive Director
Mr Brendan Borg	Non-Executive Director
Mr Alan Rule	Non-Executive Director (appointed 1 January 2023)

OPERATIONAL AND FINANCIAL REVIEW

Goulamina Lithium Project

Overview

The Goulamina Lithium Project (**Goulamina** or **Project**) is one of the world's largest undeveloped and high-quality spodumene deposits.

The Goulamina Joint Venture arrangement is a 50:50 joint venture[1] between Leo Lithium and Jiangxi Ganfeng Lithium Co. Ltd (**Ganfeng**) to develop and operate Goulamina in Mali (**Goulamina JV**). As Manager of the Goulamina JV, Leo Lithium commenced initial development activities in 2022 to bring the Project into production in the first half of 2024.

Mali Lithium BV (a company incorporated in the Netherlands) (**MLBV)** is the Goulamina JV company and MLBV currently owns 100% of Lithium du Mali SA (a company incorporated in Mali) (**LMSA**) which owns 100% of the Project. Pursuant to Malian law, the State of Mali is entitled to a free carried 10% equity interest in LMSA with an option to acquire an additional 10% equity interest at fair market value. To date, the 10% free carry interest has not been issued but the process has commenced, and the Government has not yet exercised its option to the second 10% interest.

The Project comprises a land holding of 100 square kilometres in the Bougouni Region of southern Mali, approximately 150km by road from Mali's capital, Bamako. The land holding encompasses the Goulamina mineral deposit and is sparsely populated.

Goulamina is one of the world's leading hard rock lithium assets, underpinned by its substantial scale and expected low cost of production relative to other current operations and prospective projects.

Goulamina's highlights include:

- A top 5 global hard rock Mineral Resource at 211 million tonnes at 1.37% Li2O and Ore Reserve of 52 million tonnes at 1.51% Li2O;
- The deposit is approximately 2 kilometres in length and consists of pegmatite dykes in the North-eastern part of the Resource area that are up to 100 meters in width;
- The Reserve is high-grade which facilitates a high-quality lithium concentrate, with a forecast 6% Li_2O grade spodumene concentrate;
- The quality of spodumene concentrate product from Goulamina is a key competitive advantage relative to many other lithium mining developments, as the concentrate is high in grade whilst being low in iron and mica impurities;
- Pursuant to the mine plan a low strip ratio across the life of mine of 3.8 to 1;

[1] *The Company entered into an agreement with Ganfeng for a direct equity investment of US$137.2 million into Goulamina JV whereby Ganfeng will increase its equity to 55% and Leo Lithium's equity stake will reduce to 45%*

- The Project is not dependent on credits from other minerals to achieve robust financial performance;
- When in full production, it will be among the world's largest spodumene projects, with anticipated annual spodumene concentrate production based on an updated definitive feasibility study in December 2021 of 506,000 tonnes in Stage 1, increasing up to 1 million tonnes in Stage 2 (subject to ramp up of Stage 1, design of stage 2 and a final investment decision); and
- Secured funding to production, strong project fundamentals and latent additional value potential.

Resource and Reserve

Mineral Resource Estimate

On 20 June 2023, the Company announced that the total Goulamina Resource had increased by over 48% from 142Mt to 211 Mt at 1.37% Li_2O. The measured and indicated mineral resource categories increased in tonnage by 26% to 102.3 Mt at a grade of 1.45% Li_2O (table 1).

Category	Tonnes (Mt)	Li_2O (Mt)	Li_2O (%)	Fe_2O_3 (%)	Density (t/m^3)
Measured	13.1	0.21	1.59	0.93	2.73
Indicated	89.2	1.28	1.43	0.92	2.73
Inferred	108.6	1.41	1.30	0.83	2.73
Total	***211.0***	***2.89***	***1.37***	***0.87***	***2.73***

Table 1: Goulamina Mineral Resource Estimate summary (0.5% Li_2O reporting cut-off applied) – June 2023.

The information in this Half Year financial report in relation to Mineral Resources is extracted from the Company's ASX announcement dated 20 June 2023 entitled "*Significant Goulamina Resource Upgrade 48% Increase to 211Mt*". The Company confirms that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the 20 June 2023 announcement (as applicable) continue to apply and have not materially changed and it is not aware of any new information or data that materially affects the information included in the 20 June 2023 announcement. The Competent Person for the 20 June 2023 announcement is Mr Matt Clark. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the 20 June 2023 announcement.

Ore Reserves

Proven and Probable Ore Reserves (table 2) have been derived from Measured and Indicated Mineral Resources and are contained within the final pit design and scheduled to be processed through the planned processing facility. The Ore Reserves do not include any material classified as Inferred.

Category	Tonnes (Millions)	Cut-off grade (Li_2O%)	Grade (Li_2O%)	Tonnes (Li_2O)
Proven	8.0	0.00	1.55	125,000
Probable	44.0	0.00	1.50	660,000
Total	***52.0***	***0.00***	***1.51***	***785,000***

Table 2: Goulamina Open Pit Ore Reserve Estimate – October 2020.

Because of the significant increase in Mineral Resources Estimate during the Half-Year, the Ore Reserve for the Project is being updated and is expected to be finalised in the September 2023 Quarter.

The information in this announcement that relates to production targets and Ore Reserves is extracted from the Company's replacement prospectus dated 6 May 2022 (Prospectus) which is available at leolithium.com. The Company confirms that all material assumptions and technical parameters underpinning the production targets and Ore Reserve estimates in the Prospectus continue to apply and have not materially changed. The Competent Person for the Prospectus for Ore Reserves is Mr Quinton de Klerk. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the Prospectus. However, current work is in progress to evaluate the Ore Reserve Estimate based on the significant upgrade of the Mineral Resource, new pricing and updated costs setting the foundation for further positive developments in Reserve estimate.

Project Development

- Significant Mineral Resource upgrade increased the total Goulamina resource base by 68.7 Mt to 211 Mt at 1.37% Li_2O which elevates Goulamina to the world's fourth largest global spodumene deposit.
- Further high-grade drilling results received during the Half-Year from Danaya and the Northeast (**NE**) Domain at the Goulamina Project.
- Scope for further exploration potential as the resource remains open along strike and at depth.
- First concrete pour achieved, completed fabrication of key crushing, milling and separating equipment, significantly de-risking the construction schedule of the Project.
- Construction activities on track, with engineering and drafting approximately 80% complete as at 30 June 2023.
- Acquisition of mineral concessions to nearly triple the Goulamina Project area.
- First run of mine ore has been produced and stockpiled in preparation for Stage 1 production.
- Corica Mali awarded open pit mining services contract at Goulamina, worth approximately $US348 million (~$A520 million), following a competitive tender process.
- Discussions initiated with the Port of San Pedro as a secondary port, which will give the Project greater logistics flexibility and potentially deliver cost efficiencies.
- Project mid-term update released during the Half-Year confirmed the project remains on schedule and a moderate increase in capital cost to US$285 million, plus operational readiness costs of US$33 million to first concentrate product.
- By June 2023, by value, approximately 80% of Engineering and Procurement tender packages had been issued to vendors, which has significantly de-risked the mine infrastructure development process.
- Planning and development of non-process infrastructure at the Project is also already well advanced. This non-process infrastructure will include a power station with renewable or hybrid energy options, a 200-room camp, a tailings facility, and water will be supplied via the Sélingué Dam located to the west of the site through a 25 kilometer long pipeline.
- Project remains on schedule for first spodumene product in the June Quarter 2024.

Safety Performance

Safety and security are a priority for Leo Lithium and the Project has no recordable safety or serious environmental incidents to date.

During the Half-Year, the site team successfully passed 1,000,000 hours worked without a lost time injury which is a substantial achievement by the local workforce and the health and safety leadership team. The Company aims to continue this forward into the wet season where health and safety will be a primary goal.

Environmental, Social and Governance

Leo Lithium has a preliminary sustainability and community development program in place to ensure meaningful contribution to the region is made at the early stage of the Project. The Company is accelerating local employment growth on the Project, either directly or via its key contractors, and at 30 June 2023 had a Mali workforce of 998.

In order to facilitate the implementation of targeted and impactful programs over the longer term, the Company initiated a number of baseline socio-economic studies during the Half-Year including the implementation of a household socio-economic survey, health needs assessment and an agronomy study. These studies are set to be completed in the September 2023 Quarter and used to inform the Company's longer-term community development plan. Leo Lithium has strong ties with local communities, and the Company's representatives from the Community Department meet regularly with the communities to provide updates on the Project and local opportunities.

The development of a comprehensive water supply system in the 4 impacted villages continued during the Half-Year with proposals for the construction of the system received from five Malian companies with implementation planned to commence in H2 2023.

CORPORATE KEY EVENTS

On 29 May 2023 the Company announced a placement for $106 million with Ganfeng to continue to fully fund Stage 1 to first product and a Cooperation Agreement that includes several long-term strategic benefits including:

- To increase Stage 2 capacity to 500ktpa, for the total capacity in stages 1 and 2 to reach 1Mtpa[2].

[2] *65% of the Stage 2 Capacity is a production target as detailed in the Replacement Prospectus dated 6 May 2022 available at leolithium.com. The remainder is not a production target pursuant to the ASX Listing Rules, as it is an aspirational statement and Leo Lithium does not yet have reasonable grounds to believe the statement can be achieved.*

- Jointly studying the concept of co-investing in a downstream conversion facility in Europe or other suitable regions within a reasonable distance of West Africa;
- Amending the offtake agreement for Goulamina Stage 2 with Leo Lithium to control 30% of the offtake and for Ganfeng to toll treat this amount of spodumene into lithium hydroxide prior to the potential future downstream conversion facility being available to process this material; and
- Establishing and jointly funding an exploration joint venture to focus on opportunities in Australia.

After the Half-Year end the Company announced the completion of the Cooperation Agreement and the restructuring of the placement to an equity investment direct to the Goulamina JV. (Refer to the section "*Significant Events After The Balance Date*" below for further information).

The Company went into a trading halt on 18 July 2023 and a voluntary suspension from 20 July 2023 to 4 September 2023. (Refer to the section "*Significant Events After The Balance Date*" below for further information).

Refer to the Going Concern section in Note 1(b) of the financial statements for details about the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, the independent auditor's review report references this matter, but it does not modify the conclusion.

OPERATING RESULTS FOR THE PERIOD

The Group's loss after tax for the Half-Year was $3.9 million (30 June 2022: profit $71.5 million) including the following key items:

- Goulamina JV management and administration fees of $0.3 million received as per the Joint Venture Agreement.
- Other income includes interest received of $0.9 million and net foreign exchange gain of $0.6 million.
- Administration expenses of $2.2 million.
- Employee benefits expense of $2.1 million.
- Share based payment expenses of $1.3 million.
- Share in Goulamina Joint Venture Loss of $0.1 million.

Cash Flow – Leo Lithium

<u>Operating Cash Flows</u>

Operating cash outflows for the Half-Year were $1.6 million (30 June 2022: $1.5 million) including payment of employees and suppliers, offset by Goulamina JV management and administration fees received of $0.5 million and interest received of $0.9 million.

<u>Investing Cash Flows</u>

Investing cash outflows for the Half-Year totalled $2.7 million (30 June 2022: $Nil) including the following key items:

- Payments made on behalf of Goulamina JV $22 million.
- Receipts from Goulamina JV $19.5 million.
- Payment of security deposit $0.2 million.

<u>Financing Cash Flows</u>

Financing cash inflows for the Half-Year totalled $Nil (30 June 2022: cash inflows $87.4 million).

<u>Closing Cash</u>

Closing cash as at 30 June 2023 was $67.1 million (31 December 2022: $70.8 million).

In addition to the Company's cash, the Goulamina JV's closing cash as at 30 June 2023 was US$60.5 million[3] (31 December 2022 US$108.5 million).

[3] *Goulamina JV 30 June 2023 cash figure does not include the restructured Ganfeng equity investment disclosed in the ASX announcement on 4 September 2023.*

Cash Flow – Goulamina JV

As the Goulamina JV is not consolidated in Leo Lithium's financial statements, the cash impacts of the Goulamina JV are not included in Leo Lithium's cash flows apart from any equity or loan funds provided by Leo Lithium to the Goulamina JV or payments made on behalf of the Goulamina JV and associated receipts. The Goulamina JV arrangement is a 50:50 joint venture between Leo Lithium and Ganfeng and accordingly, Leo Lithium accounts for the arrangement as an investment utilising the equity method as per the Accounting Standards (refer to note 3).

The Goulamina JV's closing cash at 30 June 2023 was US$60.5 million.

The Goulamina JV's major cash flow items during the Half-Year were:

- *Cash Outflows*: Project development costs of US$42.8 million.

In 2022 Leo Lithium announced that LMSA and Ganfeng entered into a Facility Agreement for a US$40.0 million debt facility which remains undrawn at 30 June 2023.

DIVIDENDS FOR THE PERIOD

No dividends have been paid by the Company during the period, nor have the Directors recommended that any dividends be paid (30 June 2022: none).

BUSINESS RISKS AND EXTERNAL FACTORS

Leo Lithium's business, operating and financial performance are subject to various risks and uncertainties, some of which are beyond Leo Lithium's reasonable control. The identification and, where possible, mitigation and management of these risks is central to achieving the objectives of the Company.

The Prospectus published by the Company in 2022 contained a comprehensive disclosure of the potential risk factors associated with the Company's business and the industry and markets in which it operates.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the Half-Year, other than those described in this report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Other than the matter set out below, in the interval between the end of the Half-Year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years:

<u>Mali Government Discussions</u>

On 18 July 2023, the Company entered into a trading halt of its ordinary shares on Australian Securities Exchange (**ASX**) and was in a voluntary suspension from trading from 20 July 2023 to 4 September 2023, when the Company resumed trading on the ASX after release of an announcement titled "*Goulamina on Schedule Post Discussions with Mali Government*".

The Company received correspondence from the Mali Government on 17 July 2023, covering a number of topics including direct shipping ore (**DSO**), status of the Government free carry stake and overall status of the Project. The Mali Government formed a commission to examine these items as well as issues surrounding the Morila Gold Mine in Mali which is owned by Firefinch Limited (**Firefinch**) and the relationship between the Company and Firefinch (**Commission**).

At the directive of the Mali Government, DSO activities have been suspended at the Project. This does not delay any aspect of the Project with mining continuing as per the pre-existing plan and mined ore being stockpiled ahead of first spodumene concentrate production in Q2, 2024, which remains on schedule.

The Company and Ganfeng presented information to the Commission that conclusively shows that they have no connection with Firefinch (other than Firefinch holding a 17.6% shareholding in the Company with no Board representation), that the Project licence was validly transferred from a Firefinch entity to LMSA (the Malian company that holds the Project) and that the Company and Ganfeng were not involved with the Morila Gold Mine at any time.

LMSA has an Establishment Agreement with the Mali Government which provides exemptions from, among other things, duties and taxes on petroleum products and a three-year exemption from import duties and taxes for the importation of Project equipment. Since mid-July 2023, the Mali Government's actions have not been consistent with the Project's exemptions from import duties and taxes. If the matter is not resolved, the Project could pay up to US$45-50 million (Leo Lithium share US$20-23 million) in the capital phase of the Project for unplanned import duties and taxes.

The Company and Ganfeng continue to engage in good faith with the Mali Government on the matters outlined above. The Government has not set a timeframe for resolution on the items and therefore no guidance can be provided as to the timing for conclusions.

Ganfeng Investment

On 29 May 2023, the Company announced that it had entered into a binding agreement with Ganfeng to, amongst other matters, raise $106.1 million through the issue of 131 million new fully paid ordinary shares in Leo Lithium (**Placement**). The Placement was subject to the satisfaction of conditions precedent, including:

- Regulatory approvals in China; and
- Execution of a Cooperation Agreement.

On 4 September 2023, the Company announced that it had executed the Cooperation Agreement and reached agreement with Ganfeng for a direct equity investment by Ganfeng of US$137.2 million into MLBV (the Goulamina JV holding company) whereby Ganfeng will increase its equity in MLBV to 55% and Leo Lithium's equity stake will reduce to 45% (**Equity Investment**) and terminated the Placement.

The funds from the Equity Investment together with the drawdown of the Ganfeng US$40 million debt facility will be used to develop the Project before any further contributions are required from either Leo Lithium or Ganfeng.

The Equity Investment has subsequently received Board approval from both Leo Lithium and Ganfeng and has been formalised in an executed legal agreement that is subject to receipt of regulatory approvals which at the date of signing the financial statements remain outstanding. The Equity Investment structure into MLBV is the same as the initial equity investment of US$130 million by Ganfeng that received all regulatory approvals in 2022.

ROUNDING

The amounts contained in the financial report have been rounded to the nearest $1,000 (unless otherwise stated) pursuant to the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which the class order applies.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Simon Hay
Managing Director

Perth, 13 September 2023

Auditor's Independence Declaration

As lead auditor for the review of Leo Lithium Limited for the half-year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Leo Lithium Limited and the entities it controlled during the period.

Ian Campbell
Partner
PricewaterhouseCoopers

Perth
13 September 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
Income			
Gain on formation of the Goulamina JV	*3*	-	77,098
Goulamina JV management and administrative fees		337	110
Other income	*4*	1,534	-
Expenses			
Administration expenses	*4*	(2,194)	(4,990)
Employee benefits expense	*4*	(2,104)	(348)
Share-based payments expense		(1,304)	(48)
Finance costs	*4*	(26)	(308)
Share of Goulamina JV loss	*3*	(115)	-
(Loss)/profit before income tax expense		(3,872)	71,514
Income tax benefit/(expense)		-	-
(Loss)/profit after income tax expense for the period		**(3,872)**	**71,514**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation - investment in the Goulamina JV		3,076	8,521
Other comprehensive income for the period		3,076	8,521
Total comprehensive (loss)/income for the period		**(796)**	**80,035**
Earnings per share attributable to the ordinary equity holders of the parent		**Cents**	**Cents**
Basic (loss)/earnings per share (cents per share)		(0.32)	8.09
Diluted (loss)/earnings per share (cents per share)		(0.32)	8.09

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 $'000	31 December 2022 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		67,054	70,834
Receivable from Goulamina JV		9,427	6,953
Other current assets		471	1,026
Total Current Assets		76,952	78,813
Non-current Assets			
Investment in Goulamina JV	*3*	108,877	105,916
Property, plant and equipment		97	36
Right-of-use assets	*5*	1,402	-
Total Non-current Assets		110,376	105,952
Total Assets		**187,328**	**184,765**
Current Liabilities			
Trade and other payables		1,990	1,491
Lease liabilities	*5*	190	-
Employee benefits		206	103
Total Current Liabilities		2,386	1,594
Non-current Liabilities			
Lease liabilities	*5*	1,252	-
Employee benefits		11	-
Total Non-current Liabilities		1,263	-
Total Liabilities		**3,649**	**1,594**
Net Assets		**183,679**	**183,171**
EQUITY			
Contributed equity	*6(a)*	105,924	105,924
Reserves	*6(c)*	15,326	10,946
Retained earnings		62,429	66,301
Total Equity		**183,679**	**183,171**

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2023

	Contributed equity $'000	Foreign currency translation reserve $'000	Share based payment reserve $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 January 2022	**-**	**-**	**-**	**23**	**23**
Profit for the period	-	-	-	71,514	**71,514**
Other comprehensive income for the period	-	8,521	-	-	**8,521**
Total comprehensive income	**-**	**8,521**	**-**	**71,514**	**80,035**
Shares issued	109,313	-	-	-	**109,313**
Share issue costs	(3,389)	-	-	-	**(3,389)**
Share-based payments	-	-	48	-	**48**
Balance at 30 June 2022	**105,924**	**8,521**	**48**	**71,537**	**186,030**
Balance at 1 January 2023	**105,924**	**9,684**	**1,262**	**66,301**	**183,171**
Loss for the period	-	-	-	(3,872)	**(3,872)**
Other comprehensive income for the period	-	3,076	-	-	**3,076**
Total comprehensive loss	-	**3,076**	-	**(3,872)**	**(796)**
Share-based payments	-	-	1,304	-	**1,304**
Balance at 30 June 2023	**105,924**	**12,760**	**2,566**	**62,429**	**183,679**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2023

	30 June 2023 $'000	30 June 2022 $'000
Cash flow from operating activities		
Payments to suppliers and employees	(3,001)	(1,516)
Interest received	936	-
Goulamina JV management and administrative fees	491	-
Net cash used in operating activities	**(1,574)**	**(1,516)**
Cash flows from investing activities		
Payments for property, plant and equipment	(73)	-
Payments made on behalf of Goulamina JV	(21,968)	-
Receipts from Goulamina JV	19,506	-
Payment for security deposit	(206)	-
Net cash used in investing activities	**(2,741)**	**-**
Cash flows from financing activities		
Proceeds from issue of shares	-	100,042
Transaction costs related to share issue	-	(2,414)
Proceeds of loan from Firefinch Limited	-	350
Repayment of loan from Firefinch Limited	-	(10,295)
Interest and other finance costs paid	-	(308)
Net cash inflow from financing activities	**-**	**87,375**
Net (decrease)/increase in cash and cash equivalents	**(4,315)**	**85,859**
Cash and cash equivalents at the beginning of the period	70,834	23
Effects of foreign exchange rate changes	535	-
Cash and cash equivalents at the end of the period	**67,054**	**85,882**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

Leo Lithium Limited (**Leo Lithium** or **Company**) is a for-profit company limited by shares, incorporated and domiciled in Australia, whose shares are traded on ASX.

The interim condensed consolidated financial statements of the Company for the Half-Year ended 30 June 2023 (**Half-Year**) comprise the Company and the entities it controlled (**Group**).

The Group is primarily involved in mineral exploration, evaluation and project development.

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 13 September 2023.

(b) Basis of preparation

The condensed consolidated interim financial report for the Half-Year reporting period ended 30 June 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

The condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by Leo Lithium Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The condensed consolidated interim financial report is presented in Australian dollars ($) and all values are rounded to the nearest thousand dollars (A$1,000) unless otherwise stated, in accordance with the Australian Securities and Investment Commission Corporations Instrument 2016/191.

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

New and amended standards and interpretations

From 1 January 2023 the Group has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 January 2023. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards. The Group has not elected to early adopt any new accounting standards and interpretations.

Going Concern

The Half-Year condensed consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

At 30 June 2023, the Company had $67.1 million in cash and cash equivalent assets and no borrowings and the Goulamina JV had US$60.5 million in cash and cash equivalent assets and an undrawn US$40 million debt facility agreement with Ganfeng.

Management prepared cashflow forecasts for the period covering at least 12 months from the date of the financial statements to support this assessment. Noting the inherent risks associated with achieving the cashflow forecast, key assumptions in the cashflow forecast include the following:

- The Project is planned to be executed based on first lithium concentrate production scheduled in the second quarter of 2024 with no sale of DSO product included in the forecast;
- The forecast includes Project Stage 1 development capital, operating and other expenditure including all import duties and taxes;
- The US$60.5 million cash held by the Goulamina JV, its available undrawn debt facility of US$40 million, the proposed Goulamina JV investment of US$137.2 million by Ganfeng (refer Note 9 "Events After the Reporting Period"), and further equity contributions from the JV partners are forecast to provide sufficient funds to cover Project expenditure for the period; and

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation continued

Going Concern continued

- The Company's share of forecast equity contributions through this period can be funded from the Company's existing cash reserves of $67.1 million.

In the event that the key assumptions noted above are not achieved and additional funding is required, the Company can alter the Project operational plans or seek alternative sources of funding for the Goulamina JV or the Company which the Directors believe would be available.

Should the proposed Goulamina JV investment of US$137.2 million by Ganfeng not complete and the ongoing Mali Government discussions result in a material adverse impact to the Goulamina JV (refer Note 9 "Events After the Reporting Period"), a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, whether it would be able to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. However, the directors believe that the Company will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

NOTE 2. OPERATING SEGMENTS

Identification of reportable operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (**CODM**). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

During the Half-Year the Group has managed its businesses by geographic location, which resulted in two operating and reportable segments which consist of its Corporate and Mali operations as set out below. This is consistent with the way in which information is reported internally to the Group's Chief Executive Officer (CODM) for the purposes of resource allocation and performance assessment:

- The Corporate operation includes the Perth Head Office and Project Team; and
- The Mali operation includes the development of the Goulamina JV and exploration and evaluation of minerals.

Segment performance is evaluated based on Earnings Before Interest, Tax, Depreciation and Amortisation (**EBITDA**) which is allocated to the reportable segments according to the geographic location in which the item arose or relates to. This includes both directly attributable items and those that can be allocated on a reasonable basis. EBITDA is a non-IFRS measure that has been included to assist management in better understanding the performance of the business.

For the purposes of resource allocation and performance assessment, the Group's Chief Executive Officer monitors the results and assets attributable to each reportable segment on the following basis:

- Segment results are measured by allocating EBITDA to the reportable segments according to the geographic location in which they arose or relate to; and
- Segment assets include the Investment in the Goulamina JV, receivables and other assets. The geographical location of the segment assets is based on the physical location of the assets.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

NOTE 2. OPERATING SEGMENTS (CONTINUED)

Operating segment information

	Corporate $'000	Mali $'000	Unallocated $'000	Total $'000
30 June 2023				
Income				
Segment income	1,534	337	-	**1,871**
Expenses				
Share of JV loss	-	(115)	-	**(115)**
EBITDA	(4,931)	222	-	**(4,709)**
Depreciation	(73)	-		**(73)**
Net Finance income	910	-	-	**910**
(Loss)/profit before income tax expense	(4,094)	222	-	**(3,872)**
Income tax expense				**-**
Loss after income tax expense				**(3,872)**
30 June 2023				
Assets				
Segment assets	1,970	118,304	67,054	**187,328**
Total assets include:				
Investments in joint ventures	-	108,877	-	**108,877**
Liabilities				
Segment liabilities	3,649	-	-	**3,649**
Other Disclosures				
Capital expenditure	73	-	-	**73**
30 June 2022				
Income				
Segment income	-	110	-	**110**
EBITDA	(5,386)	77,208	-	**71,822**
Net Finance costs	(308)	-	-	**(308)**
(Loss)/profit before income tax expense	(5,694)	77,208	-	**71,514**
Income tax expense				**-**
Profit after income tax expense				**71,514**
31 December 2022				
Assets				
Segment assets	1,062	112,869	70,834	**184,765**
Total assets include:				
Investments in joint ventures	-	105,916	-	**105,916**
Liabilities				
Segment liabilities	1,594	-	-	**1,594**
Other Disclosures				
Capital expenditure	-	-	-	**-**

NOTE 3. INTERESTS IN JOINT VENTURES

The Goulamina JV arrangement is a 50:50 joint venture between Leo Lithium and Ganfeng via an incorporated joint venture entity, MLBV (a company registered in the Netherlands). MLBV owns 100% of LMSA (a company registered in Mali) which owns 100% of the Goulamina Lithium Project.

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to the joint venture that is material to the Group is set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Goulamina JV	Netherlands	50%	50%

Summarised statement of financial position	Goulamina JV 30 June 2023 US$'000	Goulamina JV 31 December 2022 US$'000
Current Assets		
Cash and cash equivalents	60,515	108,455
Other current assets	2,911	908
Non-current Assets		
Exploration, evaluation and development	30,304	26,841
Assets under construction	76,677	18,279
Other fixed assets	4,139	236
Total Assets	**174,546**	**154,719**
Current Liabilities		
Trade creditors, accruals and other payables	21,009	7,853
Leo Lithium creditor	5,888	3,294
Other current liabilities	558	212
Non-current Liabilities		
Non-current financial liabilities	43	-
Rehabilitation provision	3,840	-
Total liabilities	**31,338**	**11,359**
Net assets	**143,208**	**143,360**

Summarised statement of comprehensive income	30 June 2023 US$'000	30 June 2022 US$'000
Interest revenue	716	-
Net foreign exchange loss	(400)	-
Management fees	(225)	-
Overheads and other expenses	(201)	-
Finance costs	(42)	-
Loss before income tax	**(152)**	-
Other comprehensive income	-	-
Total comprehensive loss	**(152)**	**-**
	A$'000	**A$'000**
Total comprehensive loss in A$ (Fx rate of 0.6619)	(230)	-
Share in JV loss (50%)	**(115)**	**-**

NOTE 3. INTERESTS IN JOINT VENTURES (CONTINUED)

Commitments

Committed at the reporting date but not recognised as liabilities, payable:	30 June 2023 US$'000	31 December 2022 US$'000
Property, plant and equipment	136,568	82,073
Exploration expenditure	-	-
	136,568	**82,073**

To maintain current rights of tenure to mining tenements, the Goulamina JV is required to perform minimum exploration work to meet the minimum expenditure requirements. This expenditure will only be incurred should the Goulamina JV retain its existing level of interest in its various exploration areas and provided access to mining tenements is not restricted. These obligations will be fulfilled in the normal course of operations, which may include exploration and evaluation activities. The Goulamina JV has sufficient funds to meet these obligations and is not expected to require any financial support from the Group for these obligations.

Breakdown of the carrying amount of Group's equity investment	Leo Lithium Limited 30 June 2023 $'000	31 December 2022 $'000
Opening carrying amount	105,916	-
Receipt of MLBV shares from Firefinch	-	13,816
Transfer of Original DFS and Updated DFS to MLBV from Firefinch	-	5,400
Gain on formation of the Goulamina JV	-	77,098
Gain on foreign currency translation recognised in other comprehensive income	3,076	9,684
Share of joint venture loss	(115)	(82)
Closing carrying amount	**108,877**	**105,916**

NOTE 4. REVENUE AND EXPENSES

	30 June 2023 $'000	30 June 2022 $'000
Other income		
Interest received	936	-
Net foreign exchange gain	598	-
	1,534	**-**
Administration expenses		
Costs assigned by Firefinch to Leo including corporate administration and other pre-demerger activities	-	1,750
Costs of the demerger	-	1,350
Debt facility fee	-	857
Costs of the offer not directly attributable to the capital raising	-	172
Corporate and administration	2,121	861
Depreciation and amortisation	73	-
	2,194	**4,990**
Employee benefits expense		
Salaries and wages	1,953	310
Superannuation	151	38
	2,104	**348**
Finance cost		
Interest on lease liabilities	26	-
Interest and finance charges paid/payable on borrowings	-	308
	26	**308**

NOTE 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	30 June 2023 $'000	31 December 2022 $'000
Right-of-use assets		
Additions	1,463	-
Depreciation	(61)	-
Net book value	**1,402**	**-**
Lease liabilities		
Current	190	-
Non-current	1,252	-
Total liabilities	**1,442**	**-**
Movement in Lease Liabilities		
Additions	1,463	-
Interest expense	26	-
Payments	(47)	-
Total liabilities	**1,442**	**-**

Recognition and measurement

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Group's right-of-use assets relate to office premises which is depreciated over the term of the lease agreement. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

NOTE 6. EQUITY - ISSUED CAPITAL AND RESERVES

(a) Issued and paid-up share capital

	30 June 2023 Shares	31 December 2022 Shares	30 June 2023 $'000	31 December 2022 $'000
Ordinary shares - fully paid	1,197,669,576	1,197,598,455	105,924	105,924

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	31 December 2022	1,197,598,455		105,924
Issued pursuant to the exercise of performance rights	30 May 2023	71,121		-
Balance	30 June 2023	**1,197,669,576**		**105,924**

(b) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company

(c) Reserves

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

(d) Options

Options have been granted, exercised, and forfeited as follows:

Grant date	Vesting date	Expiry date	Balance at start of period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of the period
Issued to Directors – Long-term incentives							
21 Jun '22	21 Dec '24	16 Jun '25	6,770,000	-	-	-	6,770,000
1 Nov '22	29 Apr '25	31 Oct '25	590,000	-	-	-	590,000
18 May '23	18 Nov '25	1 Jan '26	-	590,000	-	-	590,000
Total Options			**7,360,000**	**590,000**	**-**	**-**	**7,950,000**

NOTE 6. EQUITY - ISSUED CAPITAL (CONTINUED)

(e) Performance rights

Performance rights have been granted, exercised, and forfeited as follows:

Grant date	Vesting date	Expiry date	Balance at start of period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of period
Issued to Directors – Long-term incentives							
18 May '23	31 Dec '25	31 Aug '26	-	1,315,316	-	-	1,315,316
			-	**1,315,316**	**-**	**-**	**1,315,316**
Issued to Directors – Short-term incentives							
18 May '23	18 May '23	30 Jun '23	-	426,885	-	-	426,885
18 May '23	1 Feb '24	31 Aug '24	-	657,658	-	-	657,658
			-	**1,084,543**	**-**	**-**	**1,084,543**
Issued to Others – Long-term incentives							
1 Sep '22	31 Dec '24	30 Jun '25	1,675,860	-	-	-	1,675,860
10 Mar '22	31 Dec '25	31 Aug '26	-	3,886,910	-	-	3,886,910
			1,675,860	**3,886,910**	**-**	**-**	**5,562,770**
Issued to Others – Short-term incentives							
1 Sep '22	1 Feb '23	30 Jun '23	225,391	-	(71,121)	(141,421)	12,849
10 Mar '23	1 Feb '24	31 Aug '24	-	1,002,135	-	-	1,002,135
			225,391	**1,002,135**	**(71,121)**	**(141,421)**	**1,014,984**
Total Performance Rights			**1,901,251**	**7,288,904**	**(71,121)**	**(141,421)**	**8,977,613**

NOTE 7. CONTINGENCIES

The Group had no material contingent assets or contingent liabilities at the reporting date other than as set out below:

Under the Malian Mining Code, the Government has the right to collect tax on a direct or indirect change in control of tenements in Mali. The in-specie distribution of shares by Firefinch may give rise to a change in control by a foreign entity that could result in a capital gain for Firefinch. There is no guidance or precedents available to determine how any potential capital gain may be determined by the Mali tax authorities.

Under the Demerger Deed, Leo Lithium has indemnified Firefinch for any loss or damage (including tax liabilities) incurred in connection with the Demerger and the reorganisation of assets and liabilities required to implement the Goulamina JV, and any other loss or damage incurred by Firefinch (including tax liabilities) relating to the Leo Lithium business. Leo Lithium is also required to indemnify Ganfeng for similar liabilities.

As a result of this indemnification, Leo Lithium would be obligated to reimburse any capital gains tax liability incurred by Firefinch. Given the current uncertainty of the calculation of any potential capital gain, it is not possible to reliably estimate any potential exposure at this time. The relevant tax returns and documentation will be lodged by the Group on behalf of Firefinch with the Mali tax authorities in due course for assessment.

NOTE 8. COMMITMENTS

The Group did not have any material commitments at the reporting date (2022: nil).

NOTE 9. EVENTS AFTER THE REPORTING PERIOD

Other than the matter set out below, in the interval between the end of the Half-Year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years:

(a) Mali Government Discussions

On 18 July 2023, the Company entered into a trading halt of its ordinary shares on Australian Securities Exchange (**ASX**) and was in a voluntary suspension from trading from 20 July 2023 to 4 September 2023, when the Company resumed trading on the ASX after release of an announcement titled "*Goulamina on Schedule Post Discussions with Mali Government*".

The Company received correspondence from the Mali Government on 17 July 2023, covering a number of topics including direct shipping ore (**DSO**), status of the Government free carry stake and overall status of the Project. The Mali Government formed a commission to examine these items as well as issues surrounding the Morila Gold Mine in Mali which is owned by Firefinch Limited (**Firefinch**) and the relationship between the Company and Firefinch (**Commission**).

At the directive of the Mali Government, DSO activities have been suspended at the Project. This does not delay any aspect of the Project with mining continuing as per the pre-existing plan and mined ore being stockpiled ahead of first spodumene concentrate production in Q2, 2024, which remains on schedule.

The Company and Ganfeng presented information to the Commission that conclusively shows that they have no connection with Firefinch (other than Firefinch holding a 17.6% shareholding in the Company with no board representation), that the Project license was validly transferred from a Firefinch entity to LMSA (the Malian company that holds the Project) and that the Company and Ganfeng were not involved with the Morila Gold Mine at any time.

LMSA has an Establishment Agreement with the Mali Government which provides exemptions from, among other things, duties and taxes on petroleum products and a three-year exemption from import duties and taxes for the importation of Project equipment. Since mid-July 2023, the Mali Government's actions have not been consistent with the Project's exemptions from import duties and taxes. If the matter is not resolved, the Project could pay up to US$45-50 million (Leo Lithium share US$20-23 million) in the capital phase of the Project for unplanned import duties and taxes.

The Company and Ganfeng continue to engage in good faith with the Mali Government on the matters outlined above. The Government has not set a timeframe for resolution on the items and therefore no guidance can be provided as to the timing for conclusions.

(b) Ganfeng Investment

On 29 May 2023, the Company announced that it had entered into a binding agreement with Ganfeng to, amongst other matters, raise $106.1 million through the issue of 131 million new fully paid ordinary shares in Leo Lithium (**Placement**). The Placement was subject to the satisfaction of conditions precedent, including:

- Regulatory approvals in China; and
- Execution of a Cooperation Agreement

On 4 September 2023, the Company announced that it had executed the Cooperation Agreement and reached agreement with Ganfeng for a direct equity investment by Ganfeng of US$137.2 million into MLBV (the Goulamina JV holding company) whereby Ganfeng will increase its equity in MLBV to 55% and Leo Lithium's equity stake will reduce to 45% (**Equity Investment**) and terminated the Placement.

The funds from the Equity Investment together with the drawdown of the Ganfeng US$40 million debt facility will be used to develop the Project before any further contributions are required from either Leo Lithium or Ganfeng.

The Equity Investment has subsequently received Board approval by both Leo Lithium and Ganfeng and has been formalised in an executed legal agreement that is subject to receipt of regulatory approvals which at the date of signing the financial statements remain outstanding. The Equity Investment structure into MLBV is the same as the initial equity investment of US$130 million by Ganfeng that received all regulatory approvals in 2022.

DIRECTORS' DECLARATION

In the opinion of the Directors:

(a) the financial statements and notes set out on pages 10 to 22 are in accordance with the *Corporations Act 2001* including:

i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

ii. giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

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Simon Hay
Managing Director

Perth, 13 September 2023

Independent auditor's review report to the members of Leo Lithium Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Leo Lithium Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, material accounting policy information and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Leo Lithium Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty relating to going concern

We draw attention to Note 1 in the half-year financial report, which comments on the potential impact of the ongoing Mali Government discussions and if the proposed Goulamina JV investment by Gangfeng does not complete. These conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Ian Campbell
Partner

Perth
13 September 2023