

LEO LITHIUM PROVIDES PROJECT UPDATE

Leo Lithium Limited (ASX: LLL) (**Leo Lithium** or the **Company**) provides the following update regarding its discussions with the Mali Government and on progress with the Goulamina Lithium Project (**Goulamina**). Goulamina is a world class lithium project in Mali, West Africa. GFL International Co., Ltd (**Ganfeng**) and Leo Lithium have been developing Goulamina through the joint venture holding company Mali Lithium BV (**MLBV**).

Discussions with the Mali Government Continue

Further to the announcement made on 19 January 2024, Leo Lithium and Ganfeng continue to engage with the Mali Government in an attempt to resolve current issues relating to Goulamina with the Mali Government. At this stage, Leo Lithium is unable to provide a definitive timeline for that engagement. Leo Lithium's previously announced agreement to sell an additional 5% of MLBV to Ganfeng for US\$65 million, which is conditional on a settlement with the Mali Government, remains binding.



Figure 1: Plant site aerial

Leo Lithium Managing Director, Simon Hay, commented: “We deeply appreciate our shareholders’ patience and support as we navigate what has been a challenging time for the Company. We continue to engage with the Malian Government whilst working to advance the world-class Goulamina lithium project.

The Company’s relationship with Ganfeng remains strong as we work towards completing project construction ahead of commissioning. We will continue to keep investors updated as and when appropriate.”

Project Update

Progress continues at Goulamina, the world's fifth-largest spodumene deposit. Progress remains on plan, and construction has reached ~80% completion. Goulamina is on track to deliver its first spodumene in early Q3 FY24, becoming West Africa's first spodumene producer.



Figure 2: Wet plant



Figure 3: Dry plant

Goulamina construction activities are advancing. The final concrete is expected to be poured into the plant in April. Structural, mechanical and piping installation has commenced on the majority of work fronts, and the electrical and instrumentation teams have begun work with significant progress on cable installation and terminations. Some areas of the dry plant have progressed to final completion activities and pre-commissioning.



Figure 4: Accommodation facility



Figure 5: Plant administration office



Figure 6: TSF wall



Figure 7: Tails handling



Figure 8: Flotation area



Figure 9: Fuel storage and power plant

The final deliveries of equipment and materials are in transit to site. The primary critical construction paths are the electrical installation and power plant construction packages as well as the associated Government permit to operate the power plant. If the permit is not granted in time, commissioning is planned to occur on temporary power, however the permit is required for full-scale operations to proceed. The Malian authorities have indicated they have re-commenced assessing the application for the power self-generation permit.



Figure 10: Primary crusher



Figure 11: Classification and grinding



Figure 12: Secondary and tertiary crushing



Figure 13: Elec. Switch room/transformer house

Commissioning and Ramp-Up

Local mining contractor Corica Mali has mobilised its main fleet to the site with 1.43 million bulk cubic metres of material mined from the Stage 1 pit to date.



Figure 14: Stage 1 Pit and first cutback

Commissioning of the first of the long-term Caterpillar mining fleets is complete and pre-stripping has commenced in the Stage 2 pit area. Over 425,000 tonnes of high-grade ore from Stage 1 is currently stockpiled in readiness for commissioning and operations start up. Once in operation, plant throughput and recovery are expected to increase over the first six months of production before stabilising and reaching name plate performance.



Figure 15: Primary crusher and Run of Mine (with ore)

All site activities are advancing rapidly with a predominantly Malian workforce on the ground. The bulk of the operations senior management team is onsite, with the General Manager – Operations having commenced in January 2024.

New local content rules have impacted Leo Lithium’s local recruitment strategy with more stringent caps being applied to the number of expatriates able to be employed. The Company is managing this by supplementing with additional short term technical professionals and implementing a comprehensive training and development framework as Goulamina transitions from the development phase into the commissioning phase. Recruitment of process plant operators, maintainers and other site support personnel is underway and will ramp up over the coming months to support commissioning plans.

Community Engagement

Goulamina provides direct and indirect employment for almost 1,500 local Malians. The project continues to have a positive impact on the local communities via health, education and infrastructure initiatives. When operational, it will make a positive economic contribution to the Malian economy over many years.

The Company recently completed a water supply project to provide safe, clean and reliable drinking water to four local villages. Over 12,000 local residents are now benefiting from this initiative. The Company has also completed extensive socioeconomic surveys and health needs assessments in the region to tailor community programs to improve health outcomes in the local community.



Figure 16: Handover ceremony of clean drinking water project

The Company continues to facilitate and develop opportunities for local business initiatives to provide alternative income streams outside of direct employment by the project. This includes developing and implementing programs designed to provide sustainable income streams for women and youth including local soap making, market gardens for women’s co-operatives and commercial honey production from locally sourced honey.



Figure 17: Local women participate in soap making training

Capital Cost Estimate

On 27 April 2023, the Company released a Mid Term Project Update forecasting revised capital costs to complete the project of US\$318 million, comprising US\$285 million for construction and US\$33 million for operational readiness activities. As of 31 December 2023, approximately US\$241 million of the forecast US\$285 million construction total (~85%) had been committed to suppliers and service providers. This guidance remains in place, with the exception of unplanned import customs duties and fees.

In September 2023, the Company announced that the Government had started imposing customs duties and fees on imported equipment and supplies, which the Project should have been exempt from under the Project's Establishment Agreement. Should these fees and duties be charged through to first production it is forecast to cost US\$45-50 million, which is in addition to the US\$285 million construction cost estimate. As of early March 2024, US\$23 million in unplanned fees and duties has been paid.

Funds continue to flow from Ganfeng into the Goulamina joint venture under the Equity Investment Agreement, which was announced on 14 September 2023. Since 31 December 2023, Leo Lithium has received its expected reimbursements from the joint venture.

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

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