
MLBV SALE PROCEEDS - DISTRIBUTION DETAILS

- **Intention to distribute A\$0.172 to shareholder in January 2025**
 - **Capital return of approx. A\$0.014 per share and unfranked dividend of approx. A\$0.158 per share**
 - **Notice of Meeting seeking shareholder approval for return of capital to be dispatched mid-December 2024**
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Leo Lithium Limited (ASX:LLL) (**Leo Lithium** or the **Company**) provides the following update on the distribution of proceeds from the sale of the Company's 40% shareholding in Mali Lithium BV to GFL International Co., Ltd (**Ganfeng**) (**MLBV Sale**).

Distribution of Sale Proceeds

The Company has previously advised of its intention to distribute to shareholders the US\$116.3 million net Tranche 1 payment, the US\$10.5 million deposit and the A\$11.5 million Firefinch Limited contribution (**Sale Proceeds**), all of which have now been received.

The Company intends to distribute the Sale Proceeds as follows:

- a capital return of up to A\$17.3 million, which will be made to Shareholders on a pro rata basis and which equates to approximately A\$0.014 per Share¹ (**Proposed Capital Return**); and
- an unfranked dividend of approximately A\$0.158² per Share (**Special Dividend**),

equating to **a total distribution of A\$0.172 per Share (Tranche 1 Distribution)**.

The exact amount of the Proposal Capital Return will depend upon any further feedback from the ATO in relation to the Class Ruling (see further details below), but will not exceed A\$17.3 million³.

The Proposed Capital Return will take place in accordance with sections 256B and 256C of the Corporations Act. The Corporations Act requires the Company to obtain the approval of Shareholders by ordinary resolution for an equal capital reduction of its share capital. The payment of the Special Dividend does not require Shareholder approval.

It is the Company's intention to determine and pay the Special Dividend in January 2025, with the final amount of the Special Dividend dependent upon whether shareholders approve, and the final value of, the Proposed Capital Return.

The Company will update Shareholders by ASX announcement when the amounts of the Proposed Capital Return and the Special Dividend are finally determined.

¹ Assumes a fully diluted share capital of 1,204,827,813, which assumes all Performance Rights are exercised and no Options are exercised.

² Assumes Sale Proceeds of A\$207.2 million and a fully diluted share capital of 1,204,827,813.

³ The Proposed Capital Return represents approximately 50% of the total capital which may be available to be returned to shareholders in connection with the MLBV Sale and is the maximum amount able to be distributed as part of the Tranche 1 Distribution.

It is currently anticipated that the Record Date for the Proposed Capital Return and Special Dividend will be 23 January 2025 and the payment date will be 31 January 2025.

Shareholder meeting to approve return of capital

A shareholder meeting to obtain approval for the Proposed Capital Return will be convened in mid-January 2025 (**General Meeting**), with a Notice of Meeting to be dispatched to shareholders on or about 13 December 2024 (**Notice of Meeting**). Further detail on the Proposed Capital Return and Special Dividend will be contained in the Notice of Meeting.

In the event that the resolution to approve the Proposed Capital Return is not approved, the Company intends to increase the amount of the Special Dividend by the amount per share that would otherwise have been distributed as the Proposed Capital Return.

Tax implications for shareholders

The Company has applied to the ATO for a Class Ruling to confirm the Australian income tax implications of the Proposed Capital Return and Special Dividend for shareholders who hold their shares on capital account for Australian tax purposes. The discussions with the ATO are substantially progressed. Further information on the tax implications for shareholders will be set out in the Notice of Meeting.

Capital management plans for Tranche 2 Consideration

The Company has previously⁴ outlined the cash management plans for the Tranche 2 consideration from the MLBV Sale as follows:

- if the Company has not identified value accretive investment opportunities by July 2025, the net Tranche 2 consideration will be distributed to shareholders in July 2025; and
- if the Company does identify value accretive investment opportunities involving deployment of any of the Tranche 2 consideration:
 - the investment opportunities will be put to a shareholder vote; and
 - if shareholders do not approve the investment opportunities, the net Tranche 2 consideration will be distributed to shareholders in a distribution planned for July 2025.

Re-quotation on ASX

As previously notified, ASX has advised that it is not minded to reinstate Leo Lithium shares to trading due to concerns regarding Leo Lithium's ability to demonstrate compliance with ASX Listing Rules 12.1 and 12.5, with ASX's concerns arising primarily due to Leo Lithium's minority holding in the Goulamina joint venture. ASX also requires Leo Lithium to address the matters resulting in its suspension under Listing Rule 17.3. Leo Lithium will seek to re-engage with ASX following completion of the MLBV Sale and endeavour to resolve these outstanding concerns.

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

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⁴ See Leo Lithium Ltd announcement dated 25 July 2024 titled "Update on proposed distribution of consideration – MLBV Sale" available at www.asx.com.au.