
CORPORATE UPDATE

Leo Lithium Limited (ASX:LLL) (**Leo Lithium** or the **Company**) provides the following update.

Highlights

- Leo Lithium to proceed to monetise its remaining assets and return all net proceeds to shareholders to maximise value for shareholders
- \$330 million to be returned to shareholders in two tranches prior to the end of 2025, comprising:
 - a first dividend of \$265 million payable in mid-October 2025; and
 - a second distribution of \$65 million to be made prior to year-end, comprising a capital return and dividend
- Orderly and timely process to monetise the TPSF to commence immediately. Net proceeds and any surplus cash to be returned to shareholders as a third distribution comprising a capital return as soon as practical following sale completion
- Shareholder meeting to be convened seeking approval for return of capital
- ATO class ruling to be obtained in connection with the second and third distributions

Process to acquire an asset and relist on ASX terminated

The Company's previous strategy was to acquire an asset and seek relisting on the ASX. The Company had undertaken with this strategy to:

- obtain shareholder approval if any of the Tranche 2 proceeds from the Goulamina sale (**Tranche 2 Funds**) were utilised in the acquisition; and
- return the Tranche 2 Funds to shareholders if no M&A opportunities were significantly progressed by Q3 2025.

As advised on 11 September 2025, the Company has thoroughly investigated several acquisition opportunities during 2025 but has not secured a transaction that it considers would be in the best interests of shareholders.

Leo Lithium also advised on 11 September 2025 it was reviewing the ongoing strategy for the Company, focused on how best to maximise value for shareholders following its decision to return the Tranche 2 Funds to shareholders.

Accordingly, the Company has now terminated the search for a new asset and has determined the best alternative for shareholders is to proceed to monetise its remaining assets and return all net proceeds to shareholders in the manner described below.

Company to return a further \$330 million to shareholders in 2025

In addition to the \$207 million returned to shareholders in January 2025, the Company has determined to return a further \$330 million (approximately 27.4 cents per share¹) to shareholders prior to the end of 2025 as follows:

First distribution

The Company will pay a dividend of \$265 million (being 22 cents per share) on 14 October 2025, comprising:

- a franked dividend of \$4.8 million, constituting 0.4 cents per share; and
- an unfranked dividend of \$260.2 million, constituting 21.6 cents per share.

The Record Date for the first distribution will be Friday, 3 October 2025, and the Payment Date will be Tuesday, 14 October 2025.

Second distribution

The Company currently intends to make a second distribution of \$65 million (approximately 5.4 cents per share) to shareholders prior to the end of 2025. The Company anticipates that this distribution will comprise both a capital return and an unfranked dividend.

The final composition of the distribution will be determined following engagement with the ATO on the Australian income tax implications for shareholders who hold their shares on capital account for Australian tax purposes.

As the Corporation Act requires a return of capital to be approved by shareholders, the Company proposes convening a meeting of shareholders prior to year-end to obtain the necessary approval. If shareholders do not approve a return of capital, the Company currently proposes making the \$65 million second distribution by way of an unfranked dividend.

Further updates will be provided on the timing of this meeting following engagement with the ATO.

TPSF to be monetised

The Company will retain only a small amount of cash in order to monetise its sole other remaining asset, the Trailing Product Sales Fee (TPSF). An orderly and timely process to sell the TPSF will commence immediately. The net proceeds from the sale, and any surplus cash available at the time of sale completion, will be returned to shareholders as a third distribution. The Company anticipates that this distribution will comprise a capital return, but this is dependent on the ATO class ruling.

The Company will look to dispose of the TPSF as soon as practically possible, whilst also seeking to maximise the value achieved for shareholders from that sale. Accordingly, it is not possible at this time to put an exact date on completion of the sale and the payment of the third distribution, which will occur as soon as practical following sale completion.

¹ Assumes a fully diluted share capital of 1,204,827,813 Leo Lithium shares on issue.

Company restructure

As a consequence of the decision to terminate the search for a new asset, the Company has commenced a process to right-size the organisation and its assets for the work program outlined above. The Company expects this process to be completed in the next 4 to 6 weeks.

The Board has also resolved, in accordance with the terms of the Leo Lithium Employee Awards Plan, to terminate the 2025 equity incentives issued earlier this year. The Board has formed the view that the vesting conditions attached to these equity incentives are no longer capable of being met.

Update your contact and payment details

Consistent with the distribution paid in January 2025:

- the proposed distributions outlined above will only be paid by way of electronic funds transfer; and
- Australian withholding tax must be withheld from all distributions to Australian resident shareholders where the shareholder has not registered its tax file number or Australian Business Number (as applicable) with Computershare Investor Services prior to the Record Date.

Accordingly, Leo Lithium strongly encourages all shareholders to update their:

- mailing address;
- email address;
- tax file number or Australian Business Number (if applicable); and
- banking details,

as soon as possible through Computershare's Investor Centre website at www.investorcentre.com/au or via your broker. Alternatively, shareholders may contact Computershare on 1300 850 505 (within Australia) or + 61 3 9415 4000 (outside Australia).

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

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