24 September 2020

NOTICE OF GENERAL MEETING
ACQUISITION FUNDING OF MORILA GOLD MINE

Mali Lithium Limited is pleased to advise the General Meeting to consider the funding for the purchase of the Morila Gold Mine announced on 31 August 2020, will be held on Friday, 23 October 2020 at 10am.

A Notice of General Meeting, Explanatory Memorandum and example Proxy Form is appended with full details of the meeting’s business.

-ENDS-

By order of the Board
Eric Hughes
Company Secretary

For Enquiries
Dr Alistair Cowden
Executive Chairman
Mali Lithium Limited
alistair.cowden@malilithium.com
+61 419 914 988

Dannika Warburton
Director
Investability Partners
dannika@investability.com.au
+61 401 094 261
21 September 2020

Dear Fellow Shareholder,

The Company recently announced the acquisition of an 80% interest in the Morila Gold mine in Mali from Barrick Gold Corporation and AngloGold Ashanti (the “Morila Transaction”).

We have secured a unique opportunity in acquiring the Morila mine. The mine has 7.4 Moz of past production and, in addition, 1.3 Moz of Inferred Resources in a conservative pit. It is estimated that we will inherit the benefit of $50m of drilling and a 4.5 million tonnes per annum plant which is estimated to cost US$300m to replicate.

The mine is producing at 50koz pa from tailings, with US$17m cashflow estimated to May 2021. There is potential to bring additional production on stream from satellite pits in early 2021. Estimates of the first resources and reserves at satellite pits is imminent. The cashflow generated from continuing operations will allow the Company to re-start satellite pit mining as a bridge to the de-watering and ramp up main Morila pit with the aim of long term sustainable production at 4-4.5mtpa from late 2021.

There has been little drilling at Morila for 10 years plus and the limits to the deposit are not clear. We will start drilling from next month, firstly at the satellite pits and then at Morila itself. There are also deeper hits which point to its longer term underground potential. In addition we control this major goldfield with 686km² of consolidated tenure with 4 known deposits, multiple anomalies with drill hits and yet to be tested.

The capital raising allows the Company to leverage the sunk capital at Morila to deliver production now, production growth and exploration excitement.

What follows in the Notice of General Meeting and Explanatory Memorandum to Shareholders (“NOM”), is a series of resolutions to give effect to the Morila Transaction and accordingly, the future on the Company.

The Company’s General Meeting of shareholders is scheduled to be held in Theatrette at the QV1 Building in Perth on 23 October 2020 at 10.00am (AWST). A copy of the NOM is available at:

http://www.mallithium.com

We are asking for your support and your approval for the fund raising, including Directors’ participation in the Placement. As Directors, we wish to reaffirm our ongoing commitment to the Company by personally investing in the raise; we wholeheartedly believe in the great potential the Morila Transaction provides.

We are also asking for you to approve incentives for the Directors. These incentives are only available if performance hurdles are met over time; hurdles that will deliver value to shareholders. Your Board is currently small and has shown its commitment through reducing and deferring fees and furthermore, it has put in substantial effort well beyond the normal role of a Director to make this transaction happen. As a Board we are committed and keen to continue to create value and I urge you to consider reasonable incentivisation for performance.

In closing, I would like to thank our staff, who have worked hard on Morila Transaction and did so on reduced remuneration. I would also like to thank our loyal shareholders - I look forward to exciting journey ahead and thank you for your continuing support.

Sincerely

Dr Alistair Cowden
Executive Chairman
NOTICE OF GENERAL MEETING
AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting
23 October 2020
Time of Meeting
10.00am AWST
Place of Meeting
Theatrette in the QV1 Building, 250 St Georges Terrace, Perth WA 6000
A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.
If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.
MALI LITHIUM LIMITED
ABN 11 113 931 105

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Mali Lithium Limited (ABN 11 113 931 105) will be held at the Theatrette in the QV1 Building, 250 St Georges Terrace, Perth WA 6000 on 23 October 2020 at 10.00am AWST for the purpose of transacting the following business referred to in this Notice of General Meeting. Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

AGENDA

1 Resolution 1 – Ratification of issue of Shares under Tranche 1

To consider and, if thought fit to pass the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 46,039,716 Shares (at an issue price of $0.16 each) on 15 September 2020 to sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

(a) a person who participated in the issue or is a counterparty to the agreement being approved; or
(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2 Resolution 2 – Ratification of Issue of Shares to Capital Drilling on conversion of Capital Drilling Debt (Listing Rule 7.4)

To consider and, if thought fit to pass the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,562,500 Shares (at a deemed issue price of $0.16 each) on 15 September 2020 to Capital Drilling to convert an amount of $250,000 of the Capital Drilling Debt to Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

(a) a person who participated in the issue or is a counterparty to the agreement being approved; or
(b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
3 Resolution 3 – Issue of Shares under Tranche 2 (Listing Rule 7.1)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to 348,883,034 Shares at an issue price of $0.16 per Share to sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

(a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
(b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4 Resolution 4 – Issue of Shares to Capital Drilling on conversion of Capital Drilling Debt (Listing Rule 7.1)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to 6,251,095 Shares at a deemed issue price of $0.16 per Share to Capital Drilling to convert an amount of $1,000,175.13 of the Capital Drilling Debt to Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

(a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
(d) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
5 Resolution 5 – Issue of Shares to Dr Alistair Cowden or his nominee(s) under Tranche 2 (Listing Rule 10.11)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,125,000 Shares at an issue price of $0.16 per Share to Dr Alistair Cowden (Director of the Company) or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:
(a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or his nominee(s); or
(b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:
(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6 Resolution 6 – Issue of Shares to Mr Mark Hepburn or his nominee(s) under Tranche 2 (Listing Rule 10.11)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 300,000 Shares at an issue price of $0.16 per Share to Mr Mark Hepburn (Director of the Company) or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:
(a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or his nominee; or
(b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:
(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
7 Resolution 7 – Issue of Shares to Mr Brendan Borg or his nominee(s) under Tranche 2 (Listing Rule 10.11)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,207,500 Shares at an issue price of $0.16 per Share to Mr Brendan Borg (Director of the Company) or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:
(a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or his nominee; or
(b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:
(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8 Resolution 8 – Grant of Performance Rights to Dr Alistair Cowden or his nominee(s) under the Awards Plan (Listing Rule 10.14)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 2,000,000 Performance Rights for no consideration, each Performance Right having an expiry date 36 months from the date of issue, to Dr Alistair Cowden or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:
(a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee scheme in question; or
(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:
(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:
(a) the appointment specifies the way the proxy is to vote on the Resolution; or
(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key
Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting. If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

9  Resolution 9 - Approval of potential termination benefit in relation to Performance Rights proposed to be issued to Dr Alistair Cowden (Listing Rule 10.19)

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“Subject to the passing of Resolution 8, that for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act, and for all other purposes, the potential termination benefit in relation to the Performance Rights (the subject of Resolution 8) described in the Explanatory Memorandum which may become payable to Dr Alistair Cowden or his nominee(s), be approved.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- an officer of the Company or any of its child entities who is entitled to participate in a termination benefit; or
- an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- the appointment specifies the way the proxy is to vote on the Resolution; or
- the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting. If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

10  Resolution 10 – Grant of Performance Rights to Mr Mark Hepburn or his nominee(s) under the Awards Plan (Listing Rule 10.14)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 750,000 Performance Rights for no consideration, each Performance Right having an expiry date 36 months from the date of issue, to Mr Mark Hepburn or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”
Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

(a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee scheme in question; or

(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

11 Resolution 11 - Approval of potential termination benefit in relation to Performance Rights proposed to be issued to Mr Mark Hepburn (Listing Rule 10.19)

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“Subject to the passing of Resolution 10, that for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act, and for all other purposes, the potential termination benefit in relation to the Performance Rights (the subject of Resolution 10) described in the Explanatory Memorandum which may become payable to Mr Mark Hepburn or his nominee(s), be approved.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

an officer of the Company or any of its child entities who is entitled to participate in a termination benefit; or

an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.
Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting. If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

12 Resolution 12 – Grant of Performance Rights to Mr Brendan Borg or his nominee(s) under the Awards Plan (Listing Rule 10.14)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 750,000 Performance Rights for no consideration, each Performance Right having an expiry date 36 months from the date of issue, to Mr Brendan Borg or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:
(a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee scheme in question; or
(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:
(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:
(a) the appointment specifies the way the proxy is to vote on the Resolution; or
(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting. If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

13 Resolution 13 - Approval of potential termination benefit in relation to Performance Rights proposed to be issued to Mr Brendan Borg (Listing Rule 10.19)

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“Subject to the passing of Resolution 12, that for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act, and for all other purposes, the potential termination benefit in relation to the Performance Rights (the subject of Resolution 12) described in the Explanatory Memorandum which may become payable to Mr Brendan Borg or his nominee(s), be approved.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:
(a) an officer of the Company or any of its child entities who is entitled to participate in a termination benefit; or
(b) an Associate of those persons.
However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the
directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance
with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary
provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting,
and is not an Associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to
vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy
even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key
Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour
of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by
the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to
them under the Corporations Act.

14 Resolution 14 - Approval of change of Company name

To consider and, if thought fit, pass the following Resolution as an special resolution:

“That with effect from the date that ASIC alters the details of the Company’s registration in accordance
with section 157 of the Corporations Act, and for all other purposes, the name of the Company be
changed to Firefinch Limited.”

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the
Constitution and the Corporations Act.

By order of the Board

Eric Hughes
Company Secretary

Dated: 21 September 2020
How to vote
Shareholders can vote by either:
• attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
• appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

Voting in person (or by attorney)
Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation
A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy
• A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
• The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
• A proxy need not be a Shareholder.
• The proxy can be either an individual or a body corporate.
• If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 8 – 13 (inclusive) in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

• Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
• If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
• Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
• To be effective, proxies must be received by 10.00am (AWST) on 21 October 2020. Proxies received after this time will be invalid.
• The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the address below, or by facsimile, and by 10.00am (AWST) on 21 October 2020. If facsimile transmission is used, the Power of Attorney must be certified.
• Proxies may be lodged using any of the following methods:
  By internet:
  Log on to www.investorvote.com.au
  If you are a custodian and an Intermediary Online subscriber, you can log on to www.intermediaryonline.com
  By post:
  Computershare Investor Services Pty Limited,
  GPO Box 242,
  Melbourne Victoria 3001 Australia
  By fax:
  (within Australia) 1800 783 447
  (outside Australia) +61 3 9473 2555

Shareholders who are entitled to vote
In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4pm (AWST) on 21 October 2020.
This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company. ASX takes no responsibility for the contents of this Notice.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1 Transaction overview

1.1. Background

On 31 August 2020 the Company announced the acquisition of all of the issued capital in Morila Limited (Morila) which owns 80% of the equity in Société des Mines de Morila SA (Morila SA) which in turn owns the Morila Gold Mine in Mali (Morila Transaction). The balance of the equity in Morila SA (20%) is held by the Republic of Mali (State) (See full details on the Morila Transaction and the Morila Gold Mine in the Company's ASX announcement dated 31 August 2020).

The Morila Gold Mine abuts, and is partially surrounded by the Company's Massigui Gold Project (see Figure 1).

1.2. Morila Transaction Documents

Pursuant to the Share Purchase Agreement, the Company has agreed to pay the Vendors an amount of USD$22 - 27 million, subject to adjustment at closing by any difference between the estimated VAT refund due to Morila SA from the Government and the actual VAT balance (Total Consideration).

The Company is required to pay a non-refundable deposit of USD$1 million to the Vendors by 18 September 2020.

The Company has completed an Inferred Mineral Resource Estimate for Morila Gold Mine of 32 million tonnes at 1.26 g/t gold for 1.3 million ounces contained gold. This estimate is based upon the extensive prior drilling beneath the main pit at the Morila Gold Mine and is constrained within a pit optimisation shell estimated using a USD$1250 per ounce gold price (See full details in the Company’s ASX announcement dated 31 August 2020).

During the period prior to completion, the Company intends to commence work on the estimation of new and updated Mineral Resources, preparing Ore Reserve estimates and a Life of Mine Plan as well as completing a comprehensive handover plan for the Morila Gold Mine.

The acquisition of the shares in Morila is subject to only two conditions precedent, namely:

(a) the Company raising the funds to complete the Morila Transaction; and
(b) the Morila Transaction being acknowledged without objection by the Government of Mali.

In addition, the broad terms of the Morila Transaction provides for:

(a) the Company and Morila SA to develop a handover plan to transfer support services provided by Barrick as mine manager of the Morila Mine to the Company;
(b) limited warranties and indemnities as the sale and purchase is effectively a walk-in walk-out transaction assumes the Company has completed its own due diligence; and
(c) the consideration which is payable by the Company will be paid to the Vendors by way of payments to take an assignment of existing shareholder loans and the purchase of the shares in Morila.

See full details on the transaction and the Morila Gold Mine in the Company's ASX announcement dated 31 August 2020.

The Company intends to raise up to $70.4 million prior to completion of the purchase of Morila via a Share Purchase Plan capped at $6 million and a two tranche placement. Tranche 1 was completed on 15 September 2020 raising approximately $7.36 million. Tranche 2 to raise approximately $55.8 million is subject to Shareholders passing Resolutions 3 and 4.

Of the $70.4 million capital raising, approximately $1.25 million represents the conversion of debt to equity, of which conversion, $1,000,175.13 is the subject of Resolution 4.

The fundraising initiatives are intended to provide the Company with funds to:

- pay the Total Consideration which is estimated to be in the range of USD$22 - 27 million;
- fund exploration at the Company’s gold tenements adjacent to Morila;
- fund holding costs at Goulamina Lithium;
- fund development and engineering studies at Morila prior to completion of the Transaction;
- fund handover and transition;
- fund in transaction costs; and
- provide $5 million in working capital for both Morila and the Company.

The parties are targeting completion of the Morila Transaction before the end of October 2020.

1.3. Debt to Equity Conversion

On 3 September 2020, the Company entered into an agreement with Capital Drilling pursuant to which Capital Drilling was given the right to convert part or all of the Capital Drilling Debt to equity in the Company at the same price as Tranche 1 issue price (Equity Conversion and Drilling Deed).

Pursuant to its right, Capital Drilling elected to convert all of the Capital Drilling Debt of approximately $1.25 million to equity in the Company. This has resulted in:

(a) the Company issuing 1,562,500 Shares to Capital Drilling at the same time as the completion of Tranche 1; and

(b) the agreement to issue a further 6,251,095 Shares subject to Shareholders passing Resolution 4.

In addition to the conversion of the debt to equity, the Company has agreed to grant Capital Drilling the right to bid for all drilling work which any of the Company's Malian subsidiaries (including Morila SA once completion of the Morila Transaction has occurred) may wish to undertake in Mali for the period ending 30 June 2023. Capital Drilling will be awarded the contract to undertake the drilling where Capital Drilling’s quote is competitive with the quotes of other parties. The Company has agreed to guarantee the payment for work which Capital Drilling may undertake for the Company's Malian subsidiaries.

The drilling contract which is to be entered into between Capital Drilling and the Company's Malian subsidiaries is in a form consistent with industry practice.
1.4. The Company and its existing projects

The Company is a public company listed on the ASX with a historical focus on exploration in the Republic of Mali. In Mali, the Company holds the major Goulamina Lithium deposit and prospective gold tenure at the Massigui and Dankassa Gold Projects.

The Goulamina Lithium Project has been the Company’s main focus for approximately the past 3 years. The Company has held the Massigui Gold Project since 2012 and the Dankassa Gold Project since 2011. Notwithstanding the Company’s focus on the Goulamina Lithium Project, the Company has continued work on its gold projects and has expended approximately A$3.63 million on these projects in the last 24 months and in late 2019 notified the market of its renewed focus on gold and its gold assets.

Given the weakness of lithium prices in recent times and the increasing price of gold, the Board considers it prudent to leverage its Mali experience and expand upon its existing gold projects and so it has entered into the Morila Transaction. In addition, the Morila Transaction provides a unique opportunity to acquire a fully operational mine in close proximity to the Company’s existing Massigui gold tenements.

Figure 1: Regional Geological map showing the Morila lease and the Massigui leases. Morila is shown relative to the Domba, Viper and N’Tolia pits and the Company’s Koting discovery and other targets.
1.5. **Morila Gold Mine**

The Morila Gold Mine is located in southern Mali adjacent to the Company's Massigui Project where the Koting discovery was recently drilled. A more detailed description of the Morila Gold Mine asset is provided in the Company’s ASX announcement dated 31 August 2020.

The Morila Gold Mine was the foundation asset of Randgold Resources Limited (**Randgold**). In its early years the mine had the lowest cash costs in the world (USD$150 per ounce), produced in excess of 1 million ounces in one year and generated the cashflow that enabled Randgold to grow to a scale where it merged with Barrick Gold Corporation last year.

Production at the Morila Gold Mine commenced in 2000 and as of December 2019, total production was 60.6 million tonnes at 3.82g/t gold for 7.4 million contained ounces from the main Morila Gold Mine pit, three satellite pits (two of which were purchased by Morila SA from the Company) and processing of stockpiles and tailings.

Mining of the main Morila Gold Mine pit ceased in 2010 other than a limited cut back in 2014 when gold prices were USD$700 ounce. There was open pit mining of three satellite pits in 2019. Extensive mineralisation was drilled outside the Morila Gold Mine pit but was not pursued at low gold prices in favour of stockpile processing and tailings processing.

The Morila Gold Mine has all the infrastructure required of a remote gold mining operation and the plant has a throughput capacity of 4.5 million tonnes per annum and average recoveries of 91% when treating hard rock.

1.6. **Proposed capital raising**

The Company intends raising up to $70.4 million via equity raisings and debt conversion of approximately $1.25 million. Of the amount of $70.4 million, $7,406,354.56 has been raised with the issue of 47,602,216 Shares (Resolutions 1 and 2) and the balance of the raising has been committed to, subject to the passing of Resolutions 3 and 4.

These fundraisings will enable the Company to:

(a) satisfy existing debt;
(b) fund the Total Consideration payable to settle the Morila Transaction; and
(c) provide working capital.

The Company has undertaken and proposes to undertake a series of additional fundraisings which are outlined below. Shareholder approval is required for a number of these fundraisings and these details are set opposite the description of the required fundraising:

<table>
<thead>
<tr>
<th>Fundraising</th>
<th>Shareholder approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranche 1 (47,602,216 Shares) pursuant to the Company’s 15% capacity to sophisticated and professional investors (Resolutions 1 and 2)</td>
<td>15% capacity under listing rule 7.1 and this is to be ratified by shareholders</td>
</tr>
<tr>
<td>Issue of 6,251,095 Shares to Capital Drilling (Resolution 4)</td>
<td>Shares are being issued in satisfaction of the balance of the Capital Drilling Debt</td>
</tr>
<tr>
<td>Share purchase plan</td>
<td>No approval expected to be required</td>
</tr>
<tr>
<td>Tranche 2 to sophisticated and professional investors (Resolution 3)</td>
<td>Up to 348,883,034 Shares subject to shareholder approval</td>
</tr>
</tbody>
</table>
1.7. Effect on the capital structure

<table>
<thead>
<tr>
<th>Tranche description</th>
<th>Shares to be issued</th>
<th>Cumulative total Shares on issue</th>
<th>Amount raised (assumed $0.16 per share across all tranches)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Shares on issue (as at 8 September 2019)</td>
<td>N/A</td>
<td>317,348,112</td>
<td>N/A</td>
</tr>
<tr>
<td>Tranche 1 (issued on 15 September 2020) (Resolution 1)</td>
<td>46,039,716</td>
<td>363,387,828</td>
<td>$7,366,355</td>
</tr>
<tr>
<td>Placement to Capital Drilling (issued on 15 September 2020) (Resolution 2)</td>
<td>1,562,500</td>
<td>364,950,328</td>
<td>$250,000</td>
</tr>
<tr>
<td>Share Purchase Plan</td>
<td>37,500,000</td>
<td>402,450,328</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Tranche 2 (Resolution 3)</td>
<td>348,883,034</td>
<td>751,333,362</td>
<td>$55,821,286</td>
</tr>
<tr>
<td>Placement to Capital Drilling (Resolution 4)</td>
<td>6,251,095</td>
<td>757,584,457</td>
<td>$1,000,175</td>
</tr>
<tr>
<td><strong>TOTALS (on completion of the Morila Transaction)</strong></td>
<td>-</td>
<td>757,584,457</td>
<td><strong>$70,437,815</strong></td>
</tr>
</tbody>
</table>

1.8. Effect on the Board and senior personnel

The Board consists of Alistair Cowden (Executive Chairman), Mark Hepburn (Non-Executive Director) and Brendan Borg (Non-Executive Director). The Board is not expected to change as a result of the Morila Transaction.

1.9. Indicative Timetable

<table>
<thead>
<tr>
<th>Event</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranche 1 (Resolution 1)</td>
<td>15 September 2020</td>
</tr>
<tr>
<td>Placement to Capital Drilling (Resolution 2)</td>
<td>15 September 2020</td>
</tr>
<tr>
<td>Share Purchase Plan completed</td>
<td>Late October 2020</td>
</tr>
<tr>
<td>Tranche 2 (Resolution 3)</td>
<td>Late October 2020</td>
</tr>
<tr>
<td>Placement Capital Drilling (Resolution 4)</td>
<td>Late October 2020</td>
</tr>
<tr>
<td><strong>Target Completion of the Morila Transaction</strong></td>
<td><strong>By the end of October 2020</strong></td>
</tr>
</tbody>
</table>

1.10. Directors’ Recommendation

After completing due diligence on the Morila Gold Mine and Morila SA which involved site visits from senior Company executives and consultants to the Company, prior to the COVID-19 travel bans enquiry of the Morila Gold Mine and the Vendors, review of public information and completion of a Mineral Resource Estimate, the Directors are of the opinion that Resolutions 1 to 4 and Resolution 14 are in the best interests of Shareholders and accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 to 4 and Resolution 14. The Directors’ recommendations are based on the reasons outlined in this Explanatory Memorandum. Each of the Directors intend to vote all of their Shares in favour of Resolutions 1 to 4 and Resolution 14 (except in relation to any Resolution in which they are excluded from voting).
2 Resolution 1 – Ratification of issue of Shares under Tranche 1 (Listing Rule 7.4)

On 15 September 2020, the Company issued 46,039,716 Shares at an issue price of $0.16 per Share to raise $7.36 million to sophisticated and professional investors (Tranche 1).

Funds raised pursuant to Tranche 1 will be used to satisfy existing debt, to fund the Total Consideration payable to settle the Morila Transaction and to provide ongoing working capital including advancing technical studies on Morila required to evaluate increasing production and mine life.

Subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Tranche 1 does not fit within any of these exceptions and, as it has not yet been approved by the Company’s Shareholders, it uses up part of the 15% limit in Listing Rule 7.1, reducing the Company’s capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date the Company issued Shares pursuant to Tranche 1.

Listing Rule 7.4 allows the shareholders of a company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company’s capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1, and therefore seeks Shareholder approval to ratify the issue of Shares pursuant to Tranche 1 under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Shares issued pursuant to Tranche 1 will be excluded in calculating the Company’s 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued Shares pursuant to Tranche 1.

If this Resolution is not passed, the Shares pursuant to Tranche 1 will be included in calculating the Company’s 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued Shares pursuant to Tranche 1.

The following information in relation to the Shares the subject of Tranche 1 is provided to Shareholders for the purposes of Listing Rule 7.5:

(a) the 47,602,216 Shares were issued to sophisticated and professional investors which are unrelated parties of the Company;

(b) the sophisticated and professional investors under Tranche 1 were selected by the Company on the basis of the investors identified by the lead manager Euroz Securities Limited who had bid for Shares in a book-build process, including existing shareholders who are sophisticated and professional investors;

(c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;

(d) the Shares were issued on 15 September 2020;

(e) the Shares were issued at an issue price of $0.16 each;

(f) the Shares were issued for satisfying existing debt, funding the Total Consideration payable to settle the Morila Transaction and to provide ongoing working capital; and

(g) a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.
3 Resolution 2 – Ratification of Issue of Shares to Capital Drilling on conversion of Capital Drilling Debt (Listing Rule 7.4)

On 3 September 2020, the Company entered into the Equity Conversion and Drilling Deed with Capital Drilling pursuant to which Capital Drilling was given the right to convert part or all of the Capital Drilling Debt, as summarised in section 1.3 above. On 3 September 2020 Capital Drilling elected to convert all of the Capital Drilling Debt (approximately $1.25 million) to Shares.

On 15 September 2020, the Company issued 1,562,500 Shares at a deemed issue price of $0.16 per Share to convert $250,000 of the $1.25 million of the Capital Drilling Debt to Shares (First Equity Conversion).

No funds were raised by the First Equity Conversion, but the Capital Drilling Debt, and therefore the Company’s liabilities, was reduced by $250,000. The First Equity Conversion allowed the Company to repay this portion of the Capital Drilling Debt in Shares instead of cash.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The First Equity Conversion does not fit within any of these exceptions and, as it has not yet been approved by the Company’s Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company’s capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date the Company issued Shares pursuant to the First Equity Conversion.

Listing Rule 7.4 allows the shareholders of a company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company’s capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and therefore seeks Shareholder approval to ratify the issue of Shares pursuant to the First Equity Conversion under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Shares pursuant to the First Equity Conversion will be excluded in calculating the Company’s 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued Shares pursuant to the First Equity Conversion.

If this Resolution is not passed, the Shares pursuant to the First Equity Conversion will be included in calculating the Company’s 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued Shares pursuant to the First Equity Conversion.

The following information in relation to the Shares the subject of the First Equity Conversion is provided to Shareholders for the purposes of Listing Rule 7.5:

(a) the Shares were issued to Capital Drilling, which is an unrelated party of the Company;
(b) 1,562,500 Shares were issued;
(c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
(d) the Shares were issued on 15 September 2020;
(e) the Shares were issued at a deemed issue price of $0.16 each;
(f) the Shares were issued pursuant to the terms of the Equity Conversion and Drilling Deed;
(g) a summary of the material terms of the Equity Conversion and Drilling Deed is set out in Section 1.3 above; and
(h) a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

4 Resolution 3 –Issue of Shares under Tranche 2 (Listing Rule 7.1)

The Company has, subject to the receipt of Shareholder approval, agreed to issue 348,883,034 Shares at an issue price of $0.16 per Share to raise $55.8 million (Tranche 2).

Funds raised pursuant to Tranche 2 will be used to satisfy existing debt, to fund the Total Consideration payable to settle the Morila Transaction and to provide ongoing working capital.

Subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that the Company can issue without the approval of its Shareholders over any 12-month period to 15% of the Shares it had on issue at the start of that period.

The proposed issue of Shares pursuant to Tranche 2 not fall within any of the exceptions set out in Listing Rule 7.2. While the proposed issue of Shares does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the proposed issue of Shares pursuant to Tranche 2 under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval as set out in Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval to the proposed issue of securities under and for the purposes of Listing Rule 7.1.

If this Resolution is passed:

(a) the issue of Shares under Tranche 2 can proceed without using up any of the Company’s 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1;
(b) the Company will issue up to 348,883,034 Shares to sophisticated and professional investors;
(c) as a result of Tranche 2, the Company’s cash reserves will increase by approximately $55.8 million (before expenses); and
(d) the Company’s capital structure will change as set out in Section 1.7.

If this Resolution is not passed, the proposed issue of Shares pursuant to Tranche 2 may still proceed but it will reduce, to that extent, the Company’s capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

(a) the Shares will be issued to sophisticated and professional investors who are unrelated parties of the Company;
(b) the sophisticated and professional investors under Tranche 2 were selected by the Company on the basis of the investors identified by the lead manager Euroz Securities Limited who had bid for Shares in a book-build process;
(c) the Company will issue up to 348,883,034 Shares;
(d) the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
(e) the Shares will be issued no later than 3 months after the date of the Meeting;
(f) the Company will receive $0.16 for each Share issued;
(g) the Shares are being issued to satisfy existing debt, to fund the Total Consideration payable to settle the Morila Transaction and to provide ongoing working capital; and
(h) a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

5 Resolution 4 – Issue of Shares to Capital Drilling on conversion of Capital Drilling Debt (Listing Rule 7.1)

On 3 September 2020, the Company entered into the Equity Conversion and Drilling Deed with Capital Drilling. Pursuant to the Equity Conversion and Drilling Deed, Capital Drilling was given the right to convert part or all of the Capital Drilling Debt into Shares. On 3 September 2020 Capital Drilling elected to convert all of the Capital Drilling Debt (approximately $1.25 million) into Shares.

On 15 September 2020, issued 1,562,500 Shares to Capital Drilling under the First Equity Conversion. The Company is seeking ratification of the First Equity Conversion pursuant to Resolution 2, as discussed above.

The Company is seeking Shareholder approval to convert the $1,000,175 of the Capital Drilling Debt to Shares by issuing 6,251,095 Shares to Capital Drilling at a deemed issue price of $0.16 per Share (Second Equity Conversion).

No funds will be raised by the Second Equity Conversion, but the Capital Drilling Debt, and therefore the Company’s liabilities, will be reduced by $1,000,175. The Second Equity Conversion under Resolution 4 will have the effect of repaying the outstanding balance of the Capital Drilling Debt in Shares instead of cash.

Subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that the Company can issue without the approval of its Shareholders over any 12-month period to 15% of the Shares it had on issue at the start of that period.

The proposed issue of Shares pursuant to the Second Equity Conversion does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Shareholders under Listing Rule 7.1.

Resolution 4 seeks the required Shareholder approval for the proposed issue of Shares under and for the purposes of Listing Rule 7.1.

If Resolution 4 is passed:

- the Company will be able to proceed with the Second Equity Conversion and the Company will issue 6,251,095 Shares to Capital Drilling;
- the Company’s liabilities will decrease by $1,000,175 and the Capital Drilling Debt will be repaid by the Company in full; and
- the Company’s capital structure will change as set out in Section 1.7.

In addition, the Shares issued pursuant to the Second Equity Conversion under Resolution 4 will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the proposed issue of Shares pursuant to the Second Equity Conversion may still proceed but it will reduce, to that extent, the Company’s capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 in the 12-month period.
The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

(a) the Shares will be issued to Capital Drilling;
(b) the Company will issue 6,251,095 Shares;
(c) the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
(d) the Shares will be issued no later than 3 months after the date of the Meeting;
(e) the Company will receive $0.16 for each Share issued;
(f) the Shares are being issued pursuant to the terms of the Equity Conversion and Drilling Deed;
(g) a summary of the material terms of the Equity Conversion and Drilling Deed is set out in Section 1.3; and
(h) a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

6 Resolutions 5, 6 and 7 – Issue of Shares to Directors or their nominees under Tranche 2

The Company intends to undertake Tranche 2 as set out in Resolution 3 (as described above). Each of Dr Alistair Cowden, Mr Mark Hepburn and Mr Brendan Borg (or their nominees) will be entitled to subscribe for Shares under Tranche 2. The Shares to be issued to Dr Cowden and Messrs Hepburn and Borg are accounted for in the total number of Shares to be issued under Tranche 2.

6.1 Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

(a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
(b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of Dr Cowden, Mr Hepburn and Mr Borg are related parties of the Company, as they are Directors of the Company. Resolutions 5, 6 and 7 relate to the proposed issued of Shares to each of Dr Cowden, Mr Hepburn and Mr Borg, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company’s members; and
(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board (in the absence of Dr Cowden, Mr Hepburn and Mr Borg with respect to each of their respective Resolutions) is on arm’s length terms and therefore, the exception in section 210 of the Corporations Act applies. The proposed issue of Shares under Tranche 2 pursuant to Resolutions 5, 6 and 7 will be issued on the same terms as the Shares issued
under Tranche 2 pursuant to Resolution 3 to non-related, and accordingly, the giving of the financial benefit to the Directors will be on arm’s length terms.

6.2 Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- a related party (Listing Rule 10.11.1);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX’s opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

The proposed issue of Shares to the Directors pursuant to Tranche 2 falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 5, 6 and 7 seek Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow each of Dr Cowden, Mr Hepburn and Mr Borg to subscribe for up to 3,632,500 Shares each under Tranche 2 as detailed above. The participation of the Directors in Tranche 2 will be on exactly the same terms as the unrelated parties.

If this Resolution is passed, the Company will be able to proceed with the issue of Shares to each of Dr Cowden, Mr Hepburn and Mr Borg, and the Company will raise up to $581,200 from the issue of these Shares.

The impact of passing this Resolution on the Directors’ voting power in the Company, assuming they are issued 3,632,500 Shares in aggregate is a dilution of approximate 0.5% of the voting power in the Company.

If Resolutions 5, 6 and 7 are not passed, the Company will not be able to proceed with the issue of Shares to Dr Cowden, Mr Hepburn and Mr Borg (in relation to their respective Resolutions) and may not be able to raise the funds proposed under these resolutions.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.13:

(a) the Shares will be issued to Dr Cowden, Mr Hepburn and Mr Borg or their nominees, as noted above;
(b) Dr Cowden, Mr Hepburn and Mr Borg are Directors of the Company, and are therefore related parties of the Company under Listing Rule 10.11.1;
(c) a total of 3,632,500 Shares will be issued to the Directors, comprising:
   (i) 2,125,000 Shares to Dr Cowden;
   (ii) 300,000 Shares to Mr Hepburn; and
   (iii) 1,207,500 Shares to Mr Borg;
(d) the securities to be issued under this Resolution are fully paid ordinary shares in the Company;
(e) the Shares will be issued on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
(f) the Shares will be issued at an issue price of $0.16 per Share;
(g) the Shares are being issued to satisfy existing debt, to fund the Total Consideration payable to settle the Morila Transaction and to provide ongoing working capital; and
(h) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

If approval is given for the grant of the Shares under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

6.3 Section 195(4) of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors’ meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

A Director does not have a material personal interest in the issue of Shares under Tranche 2 to another Director (or their nominee(s)). However, given that it is proposed that all current Directors be issued Shares under Tranche 2 pursuant to Resolutions 5, 6 and 7 they may be considered to have a material personal interest in the outcome of some Resolutions, in which case the Directors may be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act and put the matters to Shareholders to resolve.

6.4 Directors’ recommendation

Dr Cowden declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of the Resolution. The Directors (in the absence of Dr Cowden) recommend that Shareholders vote in favour of this Resolution.

Mr Hepburn declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of the Resolution. The Directors (in the absence of Mr Hepburn) recommend that Shareholders vote in favour of this Resolution.

Mr Borg declines to make a recommendation about Resolution 7 as he has a material personal interest in the outcome of the Resolution. The Directors (in the absence of Mr Borg) recommend that Shareholders vote in favour of this Resolution.

7 Resolutions 8, 10 and 12 – Grant of Performance Rights to the Directors (or their nominee(s)) under the Awards Plan (Listing Rule 10.14)

The Company proposes to grant Performance Rights under the Awards Plan to Dr Alistair Cowden, Mr Mark Hepburn and Mr Brendan Borg (Directors), or their nominees as follows:

<table>
<thead>
<tr>
<th>Director</th>
<th>Number of Performance Rights under the Awards Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Alistair Cowden, or nominee(s)</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Mr Mark Hepburn, or nominee(s)</td>
<td>750,000</td>
</tr>
<tr>
<td>Mr Brendan Borg, or nominee(s)</td>
<td>750,000</td>
</tr>
<tr>
<td>Total</td>
<td>3,500,000</td>
</tr>
</tbody>
</table>
Each Performance Right will be able to vest at any time after 12 months from the date of issue and if the Director has provided continual service to Board for at least 18 months and remains a director at the time of vesting. The Performance Rights will vest when at least two (2) of the following four (4) vesting conditions are satisfied:

<table>
<thead>
<tr>
<th>Vesting Condition</th>
<th>Vesting Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Company’s Share price has traded on ASX at a 10 cent premium or above to the VWAP of the 3 days after the Morila Transaction is announced (being $0.1971) for 20 consecutive Trading Days in which sales of Shares are recorded.</td>
</tr>
<tr>
<td>2.</td>
<td>Definition of a JORC Code compliant Inferred Mineral Resource* of at least 2,000,000 ounces of gold (or equivalent) on the Morila Exploitation Permit and the Company’s Malian subsidiary’s tenements adjoining the Morila Exploitation Permit at a minimum average grade of 1.0 grams per tonne of gold (or equivalent).</td>
</tr>
<tr>
<td>3.</td>
<td>The Company maintaining production beyond the date provided for in the Closure Plan (May 2021) or expanding production at the Morila Gold Mine by commencing open pit production from the Exploitation Permit (after any extension of its term);</td>
</tr>
<tr>
<td>4.</td>
<td>The Company enters into a sale, joint venture or financing agreement in respect of the Company’s Goulamina Lithium Project which delivers an implied valuation of at least AUD100,000,000 for the Goulamina Lithium Project as at the date of execution.</td>
</tr>
</tbody>
</table>

*The JORC Code compliant Mineral Resource needs to be prepared and signed off by a Competent Person independent of the Directors.

Each Performance Right, if available for vesting, will also vest upon the first of the following conditions having been satisfied:

(a) a Change of Control Event occurring (as defined in Annexure A); or
(b) the termination or cessation of the Director’s employment as a result of:
   (i) total and permanent disablement of the Director, as determined by the Board;
   (ii) mental illness of the Director, as determined by the Board; or
   (iii) the death, or terminal illness, of the Director.

### 7.1 Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

(a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
(b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Directors is a related party of the Company. Resolutions 8, 10 and 12 relate to the proposed grant of Performance Rights to the Directors, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company’s members; and
(b) give the benefit within 15 months following such approval,
unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company’s and the related party’s circumstances.

Having considered the Company’s circumstances and the Directors respective positions with the Company, the Board considers that the financial benefits conferred by the issue of Performance Rights to the Directors (or their nominee(s)) is reasonable given

(a) the respective experience of the Directors;
(b) the total remuneration package, including the proposed issue of the Performance Rights to compensate the Directors, is benchmarked to a peer group of a similar size and stage of development; and
(c) The Performance Rights together with Directors personal holdings in the Company will be individually meaningful to Directors and therefore aligning each Director to long term Shareholder and value creation.

Therefore, the exception in section 211 applies.

7.2 Information Requirements – Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire equity securities under an employee scheme:

(a) a director of the Company (Listing Rule 10.14.1);
(b) an Associate of a director of the Company (Listing Rule 10.14.12); or
(c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX’s opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Performance Rights to the Directors pursuant to Resolutions 8, 10 and 12 falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolutions 8, 10 and 12 are passed, the Company will be able to proceed with the issue and grant Performance Rights to the Directors as noted above.

If Resolutions 8, 10 and 12 are not passed, the Company will not be able to proceed with the issue and will not grant Performance Rights to the Directors.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

(a) the Performance Rights will be granted to Dr Cowden, Mr Hepburn and Mr Borg, or their nominees, as noted in the table above;
(b) each of Dr Cowden, Mr Hepburn and Mr Borg is a Director and therefore falls within the scope of Listing Rule 10.14.1;
(c) a total of 3,500,000 Performance Rights will be granted to the Directors (2,000,000 Performance Rights to Dr Cowden or his nominee(s), 750,000 Performance Rights to Mr Hepburn or his nominee(s) and 750,000 Performance Rights to Mr Borg or his nominee(s);

(d) Dr Cowden, Mr Hepburn and Mr Borg are Directors of the Company and the issue the subject of Resolutions 8, 10 and 12 (respectively) is intended to remunerate or incentivise each of them. The current total remuneration package of each Director is set out below:

<table>
<thead>
<tr>
<th>Director</th>
<th>Fees p.a. (A$)</th>
<th>Value of Performance Rights (A$)</th>
<th>Total Financial Benefit (A$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Alistair Cowden</td>
<td>$78,840</td>
<td>$198,000</td>
<td>$276,840</td>
</tr>
<tr>
<td>Mr Mark Hepburn</td>
<td>$57,600</td>
<td>$74,250</td>
<td>$131,850</td>
</tr>
<tr>
<td>Mr Brendan Borg</td>
<td>$57,600</td>
<td>$74,250</td>
<td>$131,850</td>
</tr>
</tbody>
</table>

1 – In addition to the fees above, Dr Cowden is remunerated at the rate of $1000 per day for time in addition to the normal duties of Chairman. As announced on 6 April 2020, Dr Cowden has agreed to defer the payment of such additional fees for at least 3 months.

(e) no securities have previously issued to Dr Cowden, Mr Hepburn and Mr Borg under the Awards Plan;

(f) the terms and conditions of the Performance Rights are set out in Annexure A to this Explanatory Memorandum;

(g) the Company's advisors have valued the Performance Rights using the using the Black – Scholes Model method. Based on the assumptions set out on in Annexure B, it is considered that the estimated average value of the Performance Rights to be granted to the Directors is A$0.099 per Performance Right;

(h) the Performance Rights will be granted on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;

(i) the Performance Rights will be granted for no consideration;

(j) no funds will be raised from the issue or exercise of the Performance Rights;

(k) details of any securities issued under the Awards Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;

(l) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule; and

(m) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

7.3 Section 195(4) of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors’ meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

A Director does not have a material personal interest in the issue of Performance Rights to another Director (or their nominee(s)). However, given that it is proposed that all current Directors be issued Performance Rights pursuant to Resolutions 8, 10 and 12 they may be considered to have a material
personal interest in the outcome of some Resolutions, in which case the Directors may be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act and put the matters to Shareholders to resolve.

7.4 Directors’ recommendation

Dr Cowden declines to make a recommendation about Resolution 8 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Performance Rights to him individually (or his nominee(s)).

Mr Hepburn declines to make a recommendation about Resolution 10 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Performance Rights to him individually (or his nominee(s)).

Mr Borg declines to make a recommendation about Resolution 12 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Performance Rights to him individually (or his nominee(s)).

ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other’s remuneration as there may be a conflict of interest.

Accordingly, each of the Directors declines to make a recommendation with respect to Resolutions 8, 10 and 12. The Directors are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions.

7.5 Voting

Note that a voting exclusion applies to the Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

8. Resolutions 9, 11 and 13 - Approval of potential termination benefit in relation to Performance Rights (Listing Rule 10.19)

8.1 Background

As noted above, the Company proposes to issue the Directors the Performance Rights on the terms and conditions set out in Annexure A and are subject to the terms and conditions of the Awards Plan.

The Performance Rights will only vest and become capable of exercise if the vesting conditions are satisfied. The relevant vesting conditions for the Performance Rights are set out in full in Annexure A.

Specifically, the Performance Rights will automatically vest upon:

(a) a Change of Control Event occurring (as defined in Annexure A); or

(b) the termination or cessation of the Director’s employment as a result of:

   (i) total and permanent disablement of the Director, as determined by the Board;
   (ii) mental illness of the Director, as determined by the Board; or
   (iii) the death, or terminal illness, of the Director.

The benefits noted above are in addition to statutory entitlements, any payment in lieu of notice and accrued contractual entitlements, comprised of any outstanding remuneration and any accrued leave entitlements as at the date of termination.
If Resolution 8 is not approved at the Meeting, Resolution 9 will not be put to the Meeting.
If Resolution 10 is not approved at the Meeting, Resolution 11 will not be put to the Meeting.
If Resolution 12 is not approved at the Meeting, Resolution 13 will not be put to the Meeting.

8.2 Sections 200B and 200E of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E of the Corporations Act or an exemption applies.

Section 200B of the Corporations Act applies to managerial or executive officers of the Company or any of its subsidiaries, which includes the Directors.

The term "benefit" has a wide operation and would include any automatic or accelerated vesting of the Performance Rights the subject of Resolutions 8, 10 and 12 upon termination or cessation of employment in accordance with their terms.

Accordingly, Shareholder approval is sought for the purposes of section 200E of the Corporations Act to allow the Company to deal with the Performance Rights upon termination or cessation of employment of Dr Cowden, Mr Hepburn and Mr Borg (as applicable) in accordance with terms and conditions of the Performance Rights (set out in Annexure A) where to do so would involve giving a "benefit" to the relevant Director in connection with him ceasing to hold a managerial or executive office.

The approval is sought in relation to the Performance Rights proposed to be issued to the Directors under Resolutions 8, 10 and 12.

The value of any benefit relating to the Performance Rights the subject of Resolutions 8, 10 and 12 given in connection with Dr Cowden, Mr Hepburn and Mr Borg (as applicable) ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:

(a) the number of Performance Rights held by a Director prior to termination or cessation of his employment;
(b) the number of Performance Rights that vest; and
(c) the market price of the Company’s Shares on ASX on the date Shares are issued to Dr Cowden, Mr Hepburn and Mr Borg (as applicable) upon exercise of Performance Rights.

8.3 Listing Rule 10.19

Shareholder approval of the benefits that may be given to the Directors by virtue of the vesting of the Performance Rights upon termination or cessation of that Directors employment is sought under Listing Rule 10.19.

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules (5% Threshold).

Depending upon the value of the termination benefits (see above), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if such payment would exceed the 5% Threshold. In the event of such termination benefits crystallising, the Company will comply with Listing Rule 10.19.
If Resolutions 9, 11 and 13 are passed, the Company will be able to give termination benefits which may exceed the 5% Threshold to Dr Cowden, Mr Hepburn and Mr Borg (as applicable) in connection with Dr Cowden, Mr Hepburn and Mr Borg (as applicable) ceasing to hold that managerial or executive office in accordance with the rules of the Plan.

If Resolutions 9, 11 and 13 are not passed, the Company will not be able to give termination benefits to Dr Cowden, Mr Hepburn and Mr Borg (as applicable) where those termination benefits along with termination benefits payable to all officers together exceed the 5% Threshold.

The Chairman intends to vote all available proxies in favour of Resolutions 9, 11 and 12.

9. **Resolution 14 - Approval of change of Company name**

The Directors of the Company have determined to change the Company name to Firefinch Limited to better reflect the nature of the Company’s broader operations and aspirations as more diversified resources company in the Republic of Mali following completion of the Morila Transaction.

The proposed name of Firefinch Limited reflects one of the national birds unique to Mali and will more closely align the Company's corporate image and brand with that of its strategy to transition from explorer to become a producer of gold and other minerals in the Republic of Mali.

Resolution 14 seeks Shareholder approval for the change of name in accordance with section 157 of the Corporations Act.

Resolution 14 is a special resolution.

The change of name of the Company will take effect from when ASIC alters the details of the Company’s registration.
GLOSSARY

$ means Australian dollars.
5% Threshold has the meaning set out section 8.3 of the Explanatory Memorandum.
Accounting Standards has the meaning given to that term in the Corporations Act.
Annual Report means the annual report of the Company for the year ended 31 December 2019.
Associate has the meaning given to that term in the Listing Rules.
ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Awards Plan means the Award Plan approved by Shareholders on 27 May 2019, as amended from time to time.
AWST means western standard time as recognised in Perth, Western Australia.
Board means the board of Directors.
Capital Drilling Debt means the debt of €764,522.64 owed by the Company to Capital Drilling pursuant to the Equity Conversion and Drilling Deed.
Chair or Chairman means the individual elected to chair any meeting of the Company from time to time in accordance with rule 5.6 of the Constitution.
Change of Control Event has the meaning set out in Annexure A.
Closely Related Party has the meaning given to that term in the Corporations Act.
Closure Plan means the rehabilitation and closure plan for the Morila Gold Mine which has been agreed to by the Government of Mali and Morila SA.
Company means Mali Lithium Limited ABN 113 931 105.
Constitution means the Company’s constitution, as amended from time to time.
Directors means the directors of the Company.
Equity Conversion has the meaning set out on sections 2 and 4 of the Explanatory Memorandum.
Equity Conversion and Drilling Deed means the deed between the Company and Capital Drilling dated 3 September 2020.
Equity Securities has the meaning given to that term in the Listing Rules.
Explanatory Memorandum means the explanatory memorandum accompanying this Notice.
Exploitation Permit means exploitation permit 99-361 in the Republic of Mali.
Key Management Personnel has the meaning given to that term in the Accounting Standards.
Listing Rules or LR means the ASX Listing Rules.
Meeting means the General Meeting convened by the Notice.
Morila means Morila Limited.
Morila Gold Mine means the gold mine and mining operation conducted by Morila SA in Mali.
Morila SA means Société des Mines de Morila SA.
Morila Transaction means the acquisition of all of the issued capital in Morila, a company which holds 80% of the equity in Morila SA, from the Vendors.
Notice means this Notice of General Meeting.
Notice of Meeting means this Notice of General Meeting.
Option means an option to acquire a Share.
Performance Right means the right to acquire a Share subject to the terms and conditions set out in Annexure A.
Proxy Form means the proxy form accompanying the Notice.
Resolution means a resolution contained in the Notice.
Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.
Shareholder means a member of the Company from time to time.
Shares means fully paid ordinary shares in the capital of the Company.
State means The Republic of Mali.
Total Consideration has the meaning set out in section 1.2 of the Explanatory Memorandum.
Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.
Tranche 1 means 46,039,716 Shares issued to sophisticated and professional investors, the subject of Resolution 1.
Tranche 2 means up to 348,883,034 Shares to be issued to sophisticated and professional investors, the subject of Resolution 3.
USD means United State of America dollars.
VAT means value added tax in Mali.
Vendors means Mining Investments (Jersey) Limited and Anglo Gold Ashanti (Holdings) PLC.
ANNEXURE A

Terms and conditions of Performance Rights

The terms and conditions of the Performance Rights are set out below:

(a) Each Performance Right entitles the holder to be issued one Share, subject to the satisfaction of vesting conditions on or before the Expiry Date and on the terms and conditions below.

(b) Each performance Right will lapse on the Expiry Date.

(c) Each Performance Right will be able to vest at any time after 12 months from the date of issue and if the Director has provided continual service to Board for at least 18 months and remains a director at the time of vesting.

(d) The Performance Rights will vest when at least two (2) of the following four (4) vesting conditions are satisfied:

<table>
<thead>
<tr>
<th>Vesting Condition</th>
<th>Vesting Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Company’s share price has traded on ASX at a 10 cent premium or above to the VWAP of the 3 days after the Morila Transaction is announced (being $0.1971) for 20 consecutive Trading Days in which sales of Shares are recorded.</td>
</tr>
<tr>
<td>2.</td>
<td>Definition of a JORC Code compliant Inferred Mineral Resource* of at least 2,000,000 ounces of gold (or equivalent) on the Exploitation Permit and the Company’s Malian subsidiary’s tenement adjoining the Exploitation Permit at a minimum average grade of 1.0 grams per tonne of gold (or equivalent).</td>
</tr>
<tr>
<td>3.</td>
<td>The Company maintaining production beyond the Closure Plan of 2021 or expanding production at the Morila Gold Mine by commencing open pit production from the Exploitation Permit (after any extension of its term);</td>
</tr>
<tr>
<td>4.</td>
<td>The Company enters into a sale, joint venture or financing agreement in respect of the Company’s Goulamina Lithium Project which delivers an implied valuation of at least AUD100,000,000 for the Goulamina Lithium Project as at the date of execution.</td>
</tr>
</tbody>
</table>

*The JORC Code compliant Mineral Resource needs to be prepared and signed off by a Competent Person independent of the Directors.

(e) Each Performance right, if available for vesting, will also vest upon the first of the following conditions having been satisfied:

(1) a Change of Control Event occurring; or

(2) the termination or cessation of the Director’s employment as a result of:

A. total and permanent disablement of the Director, as determined by the Board;

B. mental illness of the Director, as determined by the Board;

C. the death, or terminal illness, of the Director.

(f) The Board shall promptly determine whether the vesting conditions attaching to the Performance Rights have been met after the occurrence of an event referred to in paragraph (d) of these terms and conditions, and shall provide written notice to the holder as to that determination.

(g) Where a holder (or their nominee) receives notice from the Board that a Performance Right has vested, the Performance Right may be exercised at any time up until 5:00pm (Perth time) on the date that is 3 months after the date on which the Performance Right vests or any other date determined by the Board when the Performance Right vests and notified to the holder (Last Exercise Date), subject to any restriction in the Corporations Act from time to time.

(h) The Performance Rights are issued pursuant to the Award Plan.
(i) In the event of any inconsistency between the Awards Plan and these terms and conditions, these terms and conditions shall prevail.

Definitions:

In these terms and conditions:

Associated Bodies Corporate, in relation to the Company, means:
(a) a body corporate that is a Related Body Corporate of the Company; or
(b) a body corporate that has voting power in the Company of not less than 20%; or
(c) a body corporate in which the Company has voting power of not less than 20%.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires it, the Australian Securities Exchange operated by it.

Awards Plan means the Award Plan approved by the Company’s shareholders on 27 May 2019, as amended from time to time.

Board means the board of directors of the Company.

Business Day has the meaning given to that term in the Listing Rules.

Change of Control Event occurs where:
(a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
(b) the Court orders a meeting of members (or a class of members) or creditors (or a class of creditors) under Part 5.1 of the Corporations Act in relation to a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
(c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
(d) any Group Company enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; or
(e) a shareholder, or group of associated shareholders, being entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board of directors of the Company.

Company means Mali Lithium Limited ACN 113 931 105.

Director means Dr Alistair Cowden, Mr Mark Hepburn or Mr Brendan Borg (as applicable).

Expiry Date means 5.00pm (Perth time) on the date that is 36 months from the date of issue.

Group Company means the Company or any of its Associated Bodies Corporate.

Listing Rules means the official listing rules from time to time of ASX, as amended, modified or waived from time to time.

Performance Right means a right to acquire a Share subject to these terms and conditions.

Related Body Corporate has the same meaning as in section 50 of the Corporations Act.

Share means a fully paid ordinary share in the Company.

Trading Day has the meaning given to that term in the Listing Rules.
ANNEXURE B

Valuation of Performance Rights

The Company’s advisers have valued the Performance Rights to be granted to the Directors using the Black – Scholes Model. The value of a Performance Right calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Performance Rights has been prepared using the following assumptions:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Input - Performance Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying Security spot price</td>
<td>$0.13</td>
</tr>
<tr>
<td>Exercise price</td>
<td>Nil</td>
</tr>
<tr>
<td>Valuation date</td>
<td>13 July 2020</td>
</tr>
<tr>
<td>Share price barrier</td>
<td>$0.23</td>
</tr>
<tr>
<td>Volatility $^1$</td>
<td>80%</td>
</tr>
<tr>
<td>Commencement of performance/vesting period</td>
<td>1 July 2020</td>
</tr>
<tr>
<td>Earliest vesting date</td>
<td>1 July 2021</td>
</tr>
<tr>
<td>Minimum vesting period (years)</td>
<td>1</td>
</tr>
<tr>
<td>End of performance period/expiry date</td>
<td>1 July 2023</td>
</tr>
<tr>
<td>Dividend yield $^2$</td>
<td>Nil</td>
</tr>
<tr>
<td>Risk-free rate $^3$</td>
<td>0.29%</td>
</tr>
<tr>
<td>Number of Performance Rights</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Valuation per Performance Right</td>
<td>$0.099</td>
</tr>
</tbody>
</table>

Notes:

1. The recent volatility of the share price of the Company was calculated for one, two and three year periods, using data extracted from Bloomberg. A future estimated volatility level of 80% for Mali Lithium has been used in the model.
2. Mali Lithium is currently unlikely to pay a dividend during the life of the Performance Rights and therefore a dividend yield of nil has been assumed.
3. 3-year Australian Government bond rate as at the valuation date. The Australian Government 3-year bond rate as at 1 July 2020 was 0.29%.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Performance Rights are granted would have an impact on their value.

Based on the assumptions, it is considered that the estimated average value of the Performance Rights to be granted to the Directors is A$0.099 per Performance Right.
Proxy Form

How to Vote on Items of Business
All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY
Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS
Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING
Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate “Appointment of Corporate Representative”. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, “Printable Forms”.

Need assistance?
Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT
For your proxy appointment to be effective it must be received by 10:00am (AWST) Wednesday, 21 October 2020.

Lodge your Proxy Form:
Online:
Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.
Your secure access information is

Control Number: 184384
SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:
1800 783 447 within Australia or +61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.
Proxy Form

Step 1

Appoint a Proxy to Vote on Your Behalf

If I/we be a member/s of Mali Lithium Limited hereby appoint

the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 8-13 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 8-13 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 8-13 by marking the appropriate box in step 2.

Step 2

Items of Business

Please mark X to indicate your directions

<table>
<thead>
<tr>
<th></th>
<th>For</th>
<th>Against</th>
<th>Abstain</th>
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<tbody>
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</tbody>
</table>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Date

Update your communication details

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

MLL