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ASX Announcement – 7 October 2020

Corporate Update

- Drilling to commence at MLL's Koting gold discovery, adjacent to Morila
 - Koting Mining Licence application being prepared
 - US\$1 Million deposit paid to Morila vendors
 - Substantial progress made on Morila production expansion plan
 - Morila continues to operate as normal, producing gold from tailings with over 3000 ounces produced in September 2020
 - New/updated Resource estimates for Morila, 3 satellite deposits and Koting nearing completion
 - Mine plan, Ore Reserves and operating and capital cost models in development
 - Funding secured with the first tranche of an institutional placement completed and the second tranche committed subject to shareholder approval
 - Goulamina Lithium Definitive Feasibility Study nearing completion, expected end of October
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Mali Lithium Limited (ASX:MLL) (**MLL** or the **Company**), to be renamed **Firefinch Limited**, has moved quickly on progressing the Morila transaction after announcing its agreement to acquire the gold mine on 31st August 2020. This has included developing a plan for production expansion as well as preparation work to re-commence drilling at the high-priority Koting gold project on MLL's existing tenements adjacent to Morila.

Drilling Programme to Commence at Koting

The Koting deposit lies within MLL's Massigui Project and is adjacent to the Morila mine, being some 22 kilometres from the processing plant and 2 kilometres from the existing haul road.

An initial Resource Estimate is nearing completion and a programme of 4,400 metres of RC drilling for 38 drillholes has been prepared (Figure 1). The drilling will infill and extend the existing drilling (refer ASX Announcement 19 November 2019) to deliver a Resource suitable for mine planning and design. Drilling will commence as soon as possible after the wet season in Mali, targeting mid to late October.

Work has commenced on mining and environmental studies to support an application for a mining permit for the Finkola tenement which hosts the Koting deposit. The aim is to develop shallow open pit resources which can potentially feed the Morila mill in the short term.

In addition to drilling at Koting, 3 exploration targets will be tested; K2, K3 and K4. A programme of 3,030 metres of RC drilling for 28 drillholes has been prepared. These targets are defined by gold in auger and aircore drilling (refer ASX Announcement 19 November 2019).

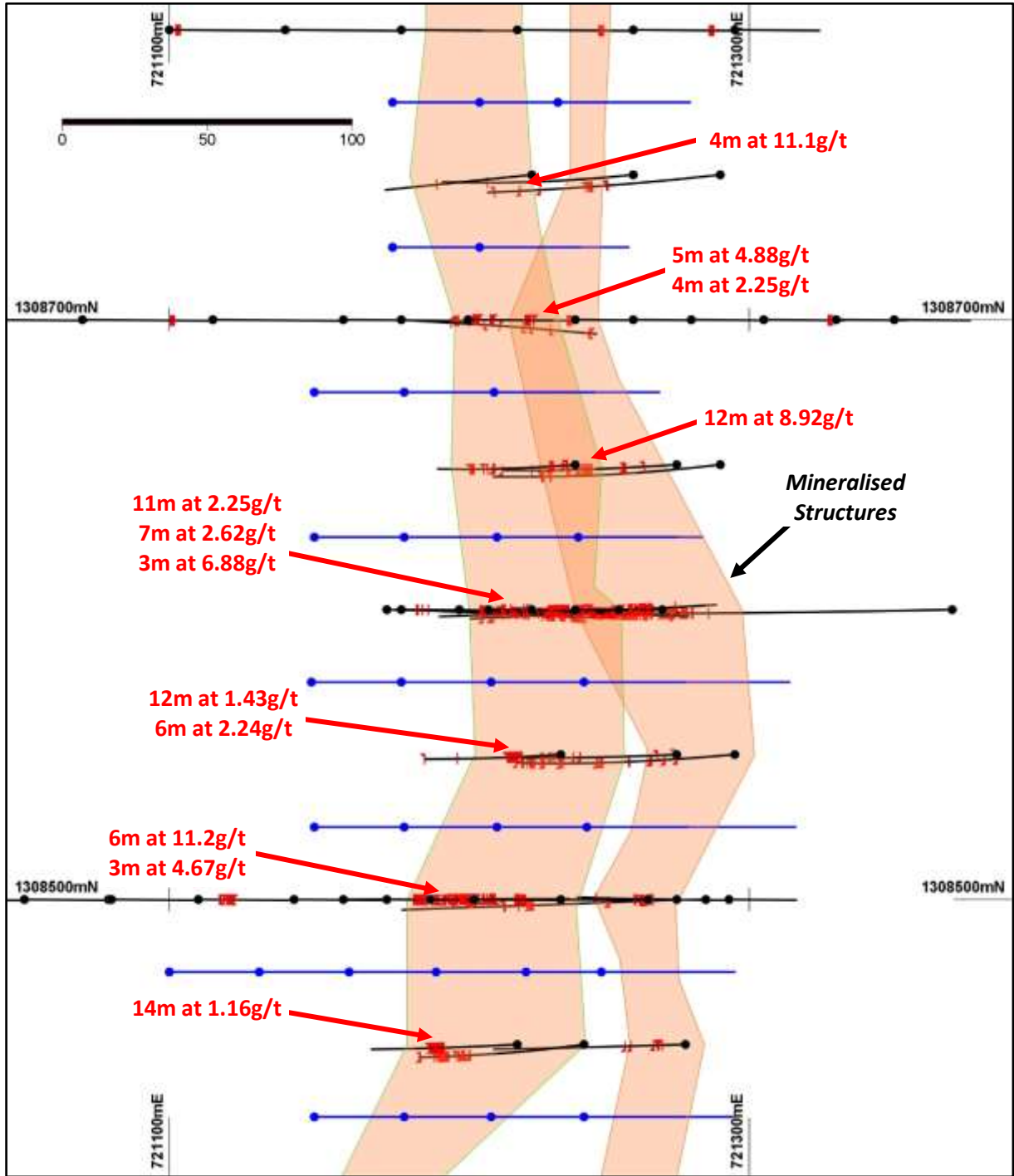


Figure 1: Plan view of planned and previous drilling at the Koting K1 Prospect.
 Refer ASX Announcement 19 November 2019 for details of previous drilling results.

Morila Acquisition

The Company paid a US\$1 million deposit to the vendors on 16 September as required by the sale and purchase agreement. The acquisition is subject to the Company raising a minimum of US\$25 million prior to closing and receiving no objection to the transaction from the government of Mali. The transaction is scheduled to close on 31 October 2020.

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On 7th September 2020 the Company announced a placement of A\$64 million in two tranches to institutional and sophisticated investors. The first tranche of A\$7.6 million has been completed and the balance of A\$56.4 million is subject to shareholder approval at a General Meeting of Shareholders to be held on 23rd October 2020. A Share Purchase Plan to raise up to A\$6 million has also been launched.

To date, no objections have been received from the Malian government. Both the Company and Barrick Gold Corporation have been in contact with government providing information on arrangements with regard to worker entitlements and future employment at Morila, the continuity of community programmes and the Company's plans to re-establish open pit mining at Morila. To date, these discussions have been positive and no objections raised.

The Company is working closely with Barrick on handover of the asset scheduled for October 31st. Key handover items currently being discussed are labour, Information Technology, insurance, banking, accounting, and financial reporting among others.

Morila continues to produce gold from reclamation and processing of tailings. Production performance for the month of September was above 3000 ounces of recovered gold. Detail of the Company's Production Target relating to production from 1st November 2020 onwards was contained in the announcement on 7 September 2020 and the Company confirms that all material assumptions contained in that announcement continue to apply.

Morila Resource and Mine Plan Update

The Company has commenced work to upgrade the current Inferred classification, and to increase the size of the current 1.3 million ounce Inferred Mineral Resource for the main Morila pit, using all available data along with prevailing gold prices and costs, to create a new Mineral Resource Estimate. The current Mineral Resource for the main Morila pit comprises 32 million tonnes at 1.26g/t gold in the Inferred category.

In addition, new Mineral Resource Estimates, will be created for the 3 satellite deposits (Domba, N'Tiola and Viper) as well as the Koting discovery. These estimates will use all available data and prevailing gold prices and costs.

The resources will be subject to optimisation and mine design to provide an initial Ore Reserve estimate, mine plan, operating costs and schedules. New waste dump and road infrastructure designs will also be completed. **The schedule will provide the roadmap for bringing Morila back to full production based on mining of tailings and the satellites, ahead of the re-start of mining at the Morila Main Pit.**

Infill and extension RC drilling will be undertaken at the satellite pits on completion of the drilling at Koting with over 9,000 metres of drilling planned. Results from drilling will permit further upgrades to resources and reserves at these deposits and verification of the proposed schedule. The Company is also investigating drilling of previously untested areas within the tailings at Morila.

Planning is underway to determine the capital works necessary to re-establish large scale open pit mining and processing, including plant refurbishment, pit dewatering, power station upgrade and tailings storage dam reconfiguration.

While travel restrictions are still in place globally, the Company has been able to call on expertise within Mali and elsewhere in West Africa, in partnership with the established operating team on site at Morila, to commence works on site.

The results of these studies are expected to be available progressively from early November and we look forward to updating shareholders as soon as new information comes to light.

Goulamina Definitive Feasibility Study

The Goulamina Definitive Feasibility Study is nearing completion with the documentation of mining studies and financial modelling. The Company hopes to release the results of the study before the end of October.

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About Mali Lithium

Mali Lithium has been an active gold explorer in Mali, Africa's third largest gold producer, since 2011. In August 2020 it agreed to acquire, subject to conditions, an 80% interest in the Morila Gold Mine. The State of Mali owns 20%. The acquisition is expected to close by the end of October 2020. Morila is an operating gold mine and has a 4.5 million tonnes per annum processing plant and all infrastructure required for a remote mine site (see MLL's ASX Release dated 31 August 2020 for full details).

The hard rock open pit Inferred Mineral Resource at Morila is 1.3 million ounces of gold and there is standout potential to materially increase those resources.

Morila has produced over 7.4 million ounces of gold from open pit mining and processing of stockpiles and tailings over 20 years of Barrick/AngloGold ownership. Hydraulic mining and processing of tailings is providing immediate modest cashflow and the company is investigating supplementing gold production from tailings with open pit mining in 2021 from Morila, its satellite pits and the Company's Koting discovery on its adjacent Massigui Project. The Measured Mineral Resources for tailings is 4.8 Mt at 0.5g/t gold for 76,000 ounces of contained gold.

Exploration will focus on growing the Morila resource, defining resources at the Morila satellite pits and the Koting discovery and testing multiple high value targets on the 685km² of combined tenure.

In 2016 the Company acquired the Goulamina Lithium deposit and subsequently defined resources and reserves to support a 2018 Pre-Feasibility Study. The study described a 16 year operation that can produce 362,000 tonnes per annum of 6% Li₂O₂ spodumene concentrate. All permits for development have been secured. A Measured, Indicated and Inferred Resource Estimate was announced in August 2020 of 109 million tonnes at 1.45% Li₂O with 1.57 million tonnes of contained Li₂O making Goulamina one of the world's largest ready to develop lithium deposits. A Definitive Feasibility Study (DFS) is targeted to be completed in October 2020. The Company will explore options to realise value for this exceptional asset upon completion of the DFS.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources at Goulamina and Morila and the production estimates for Goulamina in the PFS. The Company also confirms that all material assumptions and parameters underpinning the Mineral Resource estimates and production estimates continue to apply and have not materially changed. Please refer to ASX Announcements of 4 July 2018 and 8th July 2020 (Goulamina), 31 August 2020 (Morila) and 7th September (Morila tailings).