Mali Lithium Limited - ASX:MLL
ABN: 11 113 931 105
T : +61 8 6149 6100
E : info@malilithium.com
W: malilithium.com
Suite 18, Level 2, Spectrum Building,
100-104 Railway Road,
Subiaco 6008 Western Australia

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT

For period ending 30 September 2020

For personal use only

ABOUT MALI LITHIUM

Mali Lithium has agreed to acquire, subject to conditions, an 80% interest in the Morila Gold Mine. The State of Mali owns 20%. 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.

A Definitive Feasibility Study was completed for the Goulamina Lithium Project in October 2020 and reported a Measured, Indicated and Inferred Resource Estimate 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. An Ore Reserve of 52 million tonnes at 1.51% Li2O delivers a 23.5 year mine life, 436,000 tonnes per annum of 6% Li2O concentrate at a cash cost of US$281/tonne. This makes Goulamina one of the lowest cost open pit lithium opportunities worldwide.

Key metrics as at 29/10/2020:

Shares on issue (MLL):	781,906,126
Listed options on issue (MLLOA):	29,066,018
Unlisted Options on issue:	2,000,000
Cash:	A$67.9M
Share price:	$0.155
Listed option price:	$0.086
Market capitalisation:	A$123.7M

ACN: 113 931 105
Unit 18, Spectrum Building 100 – 104 Railway Road
Subiaco WA 6008
T: +61 8 6149 6100 E:info@malilithium.com

HIGHLIGHTS – A RENEWED FOCUS ON GOLD

Morila Gold Mine Acquisition

- Agreement signed on 31 August 2020 to acquire an 80% interest in the Morila Gold Mine from Barrick and AngloGold for an estimated US$22-27 million transforming the Company into a gold producer
- Morila is a world class asset that has produced in excess of 7.4 million ounces of gold over 20 years from a 4.5Mtpa plant
- Inferred Mineral Resource adjacent and beneath the Morila pit estimated at 32 million tonnes at 1.26 g/t gold for 1.3 million ounces contained gold within a conceptual US$1250 per ounce gold pit shell and above a 0.5g/t gold cut-off
- New Mineral Resource Estimate update and mine plan are being prepared using prevailing gold prices and existing data for Morila, its satellite pits and MLL's Koting deposit on the adjacent Massigui Project
- The parties are targeting completion by the end of October 2020 or as soon as possible thereafter.

Goulamina Lithium Project DFS Completed

- Results of the Goulamina Definitive Feasibility Study confirm Goulamina confirmed as one of the world's best hard rock lithium assets for scale and cost of production
- The project delivers outstanding returns with a pre-tax NPV of A$1.7 billion using conservative pricing metrics
- A key advantage is the quality of the 6% Li_2O spodumene concentrate (SC6) product, being high in grade and low in impurities

Corporate

- $73.8 million was raised consisting of a Two Tranche Placement to Sophisticated Investors to raise approximately $64 million and a Share Purchase Plan
- A heavily oversubscribed Share Purchase Plan raised $9.8 million.
- Cash available of $6 million at September 30. The Company received an R&D grant of $495k from the Australian Tax Office, and various stimulus payments from both State and Federal governments
- Share price increased from 10.5 cents on June 30 to 15.5 cents as of September 30

For personal use only

OVERVIEW

The quarter has seen the Company transformed. The Morila Gold mine was purchased, subject to satisfaction of certain conditions and the transaction is expected to close shortly. We will become a gold producer and are looking forward to growing production and mine life at Morila. Milestones for Morila in the coming quarter are:

- Successful completion of the transaction and smooth handover from Barrick
- Continuation of Morila tailings production
- Critical evaluation of remaining tailings production and drilling to test for potential expansion of the tailings Resource
- Resource estimation for Morila satellite pits and infill and extension RC Drilling
- Mine design and schedule to incorporate satellite pits into Morila production schedule
- New global resource estimate for the main Morila pit, mine design and schedule
- Critical evaluation of infrastructure; power, crushing, grinding, tailings storage etc and development of refurbishment plan as required
- Building the Morila and Firefinch team

The Company also delivered on the Goulamina Lithium Project, a world class Mineral resource, ore Reserve and production profile demonstrate that this is perhaps the world's premier undeveloped lithium deposit. The Company will commence a strategic review to determine the best path to realise shareholder value from the asset.

A shareholder meeting held on the 23rd of October approved various resolutions relating to raising A$74 million to fund the acquisition and growth of Morila and Goulamina. Shareholders also resolved to change the name of the Company to FireFinch Limited (ASX:FFX), the name will take effect upon ASIC approval.

Firefinch will be a growing and active West African gold producer, targeting becoming a mid-tier gold producer within 24 months and delivering exploration excitement for Morila and its strategic regional tenure and providing exposure to renewable energy metals though the world class Goulamina Lithium Project.

The Company confirms that Morila continues to produce gold from reclamation and processing of tailings. 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. The Company also confirms that all material assumptions relating to the Goulamina Project as disclosed in the ASX announcement dated 20 October 2020 continue to apply.

MORILA GOLD MINE

On 31 August 2020, the Company entered an agreement to acquire, subject to the fulfilment of certain conditions, an 80% interest in the Morila Gold Mine (**Morila**) in south-west Mali from Barrick Gold Corporation (**Barrick**) and AngloGold Ashanti (**AngloGold**) (**Transaction**) (refer ASX release 31 August 2020).

Key points of the Transaction:

- Agreement signed to acquire an 80% interest in Morila from Barrick and AngloGold for an estimated US$22-27 million subject to adjustments at closing.
- The acquisition is subject to securing acquisition finance and no objection from government; the parties are targeting completion by the end of October 2020 or as soon as possible thereafter.
- Morila is a world class asset that has produced in excess of 7.4 million ounces of gold over 20 years from a 4.5 million tonne per annum plant.

For personal use only

- Morila is currently producing gold from hydraulic mining and processing of tailings and will provide cashflow from completion of acquisition.

- Immediate potential to increase production from 3 satellite pits.

- MLL estimate the Inferred Mineral Resource adjacent and beneath the Morila pit at 32 million tonnes at 1.26 g/t gold for 1.3 million ounces contained gold within a conceptual US$1250 per ounce gold pit shell and above a 0.5g/t gold cut-off. This would underpin a substantial, long term gold operation.

- Morila is currently producing at an annualised rate of up to 50,000 ounces recovered gold from tailings,1 however the Company plans to grow production from re-commencing open pit mining at satellite pits and Morila itself.

- The Mineral Resource Estimate for the Morila tailings has been classified as Measured and is reported above a lower cut-off grade of 0.3g/t gold as at 31 August 2020 to be: 4.8 million tonnes at 0.50 g/t gold for 76,000 ounces of contained gold (refer to ASX release 7 September 2020).

- A new Mineral Resource Estimate update and a new mine plan are being prepared using prevailing gold prices and existing data for Morila, its satellite pits and MLL's Koting deposit on the adjacent Massigui Project.

- Drilling to upgrade and extend Mineral Resources at Morila and its satellite deposits will commence as soon as practical.

- Little extension drilling has occurred at Morila in the last decade to follow up hits such as 56m at 4.97g/t gold.

- In the period between settlement (expected 30 October 2020 or as soon as possible thereafter) and the completion of the tailings treatment operations at the end of the second quarter of 2021, the operations are forecast to generate approximately US$17 million (A$24 million) of after tax cashflow assuming a gold price of US$1850 per ounce. That cashflow will be applied to confirmation, infill and extension drilling of Morila and its satellites and, if warranted, the ramp up of production through the restart of mining at the satellite pits.

- Processing of ore from Morila and its satellites and tailings has been straightforward with free milling ore with a significant portion of gravity recoverable gold. Historic gold recoveries from Morila ore were 91% or better.

- Morila has immediate upside without the need for drilling through re-modelling existing data at the prevailing gold prices. MLL has identified significant potential at shallow depth at the Morila pit and its satellites, not previously pursued at lower gold prices. This work is in progress.

- Morila is adjacent to the Company's Massigui Project, where MLL has successfully explored for gold for nine years. Previous discoveries on MLL's tenure have supplied ore to the Morila plant and generated revenue for the Company via a royalty. Owning Morila will unlock value in existing gold discoveries, targets and exploration potential at Massigui.

- Acquisition will consolidate 685km^2 of highly prospective tenure for MLL to pursue exploration.

- Multiple high-value exploration targets surround the mine and will be the focus of systematic investigation. The acquisition consolidates 685km2 of land in one of West Africa's most prolific gold belts.

For personal use only

- Considerable sunk capital reduces the cost and risk of the operation whilst also providing a strategic advantage. Morila has a substantial drill database and all infrastructure required for a self-sufficient remote site. The plant alone, with an historical throughput of 4.5 million tonnes per annum, is a large and strategic asset being the only gold processing plant for 200 kilometres. The replacement cost is estimated to be in excess of US$265 million, this being the cost of the Perseus plant and infrastructure at Yaoure in neighbouring Ivory Coast.

- The Company has been operating in Mali since 2011 and has the experience of the country to deliver on the potential of Morila. In addition, Morila has a full operating team in place who will remain with the mine after acquisition.

GOULAMINA LITHIUM PROJECT

On the 20 October 2020, the Company announced the results of the Goulamina Definitive Feasibility Study (**DFS**). The DFS confirmed long life, large scale, low cost open pit project with high quality product.

Key metrics of the DFS are:

Mineral Resources (M,I&I)	108.5 million tonnes at 1.45% Li_2O
Mine Life	23 years minimum
Ore Reserves (Proven and Probable)	52 million tonnes at 1.51 % Li_2O
Average Spodumene concentrate production	436,000 tonnes per annum
Concentrate specifications	6% Li2O, <0.6%Fe_2O_3, low mica
Annual Mine throughput	2.3 million tonnes
Pre-tax NPV (8%) at $666/tonne concentrate	Approx. A$1.7 billion (US$1.2billion)
Pre-tax IRR	55.8%
Capital Cost	US$194 million
Cash Costs (Life of Mine)	US$281 per tonne concentrate
All in sustaining cost (AISC) Years 1-5	US$306 per tonne concentrate

The DFS describes a compelling long life, large-scale, hard rock open pit lithium mine in Mali, West Africa. It confirms that the project is among the best in the world for scale and cost of production when compared to current operations and prospective projects. A key advantage is the quality of the 6% Li_2O spodumene concentrate (**SC6**) product, being high in grade and very low in iron and mica impurities.

Goulamina is simple and robust, with high grades and low strip ratios enhancing financial performance. The Project delivers outstanding returns and, unlike peers, delivers good returns even at todays depressed lithium prices. The Project is not dependant on credits from other minerals.

There is considerable potential to increase the size of open pit Mineral Resources and Ore Reserves through infill and extension drilling. These characteristics make Goulamina an important strategic asset for the world's growing demand for lithium.

The Company has recently agreed to purchase the Morila Gold mine in Mali and that transaction is anticipated to close on October 31st2020. A strategic review has commenced to evaluate the optimum path to realise value for shareholders from each of these assets.

The key advantages of the Project are:

For personal use only

- Ore grade averages 1.6% Li_2O in the first 5 years and 1.51% for the Life of Mine (**LoM**), one of the highest-grade deposits globally
- Costs are low at an average LoM All in Sustaining Cost (**AISC**) of US$313 per tonne of 6% spodumene concentrate produced, one of the lowest costs globally
- The Ore Reserve is entirely open pit making for straightforward and low risk mining
- Recovery of Li_2O is 77%, again one of the best among peers
- Processing is simple and low cost given a flotation only approach
- Capital costs are low with capital intensity being among the lowest globally
- Iron and mica impurities are low, lower than peers which results in a preferred product for customers
- Production of over 455,000 tonnes per annum of concentrate for the first five years places Goulamina as one of the largest lithium developments in the world
- Mine life is long at 23 years and conversion of additional Mineral Resources to Ore Reserves and Resource potential will likely extend this
- Local communities are supportive of the development and the associated employment and other economic benefits that the mine would bring
- The Project takes advantage of an established export route through Abidjan in Côte d'Ivoire
- Mali has a well-established mining industry

The Company is taking a patient and measured approach to ensure maximum shareholder value is extracted from this world class asset.

Please refer to the ASX released dated 20 October 2020 for further information on the Goulamina Lithium Project DFS.

HEALTH, SAFETY AND ENVIRONMENT

Mali Lithium recorded no Lost Time Injury incidents at its operations during the quarter.

CORPORATE

Cash Position

As at 30 September 2020 the Company had $6.028million in cash at bank. Cash expenditure by major cost centre for the quarter is set out in the following table.

	A$ millions
Opening cash (30 June 2020)	0.9
Exploration and evaluation	(0.5)
Staff costs	-
Administration and corporate	(0.2)
Morila Gold mine initial payment	(1.4)
Net effect of share issue	7.2
Effect of Foreign Exchange	-
Closing Cash (30 September 2020)	6.0

In August 2020, the Company received a reimbursement of Research and Development costs associated with its 2019 Australian Income Tax return, totalling $494,721.64 (see ASX release 26 August 2020).

Capital Raise

On the 9 September the Company announced a $70 million capital raise to acquire the Morila Gold mine. The capital raise consisted of a Two Tranche Placement at $0.16 per share to Sophisticated Investors to raise approximately $64 million and a Share Purchase Plan to raise up to $6 million (refer to ASX release 9 September 2020). The Company received strong support from existing major shareholders and a range of new institutional investors, including a strategic investment from leading West African gold miner, Resolute Mining Limited.

An overwhelmingly positive response from existing shareholders for the planned $6 million Share Purchase Plan (**SPP**) resulted in the Company accepting oversubscriptions to raise approximately $9.835 million before costs (refer to ASX releases 9 September 2020, 22 September 2020 and 23 October 2020).

Tranche 1, being approximately 46.0 million ordinary shares, settled on Friday 11 September 2020.

Tranche 2, being approximately 352.4 million ordinary shares at A$0.16 per share, was subject to shareholder approval at a shareholder meeting held on 23 October 2020. The resolution has been passed and Tranche 2 shares are expected to settle on 28 October 2020.

Shares issued under SPP are expected to settle on Friday 30 October 2020 with quotation of the shares expected to commence on 2 November 2020.

Funds raised via the Placement and SPP will be applied to the acquisition of an 80% interest in the Morila Gold Mine (refer to ASX release 31 August 2020), amounting to US$22-27 million subject to adjustments at closing.

Funds raised in excess of the Morila Transaction purchase price will be applied to the following growth activities:

- Completion of a new mine plan (Resources, Ore Reserves, schedules and costs);
- Drilling to infill and extend resources;
- The re-start of open pit mining, initially at the N'Tiola and Domba satellite pits;
- Plant and infrastructure works, principally tailings dam and power station;
- Preparation for a re-start of mining at the Morila pit (dewatering and earthworks);
- Preparation of a mining permit for the Company's Koting discovery; and
- General working capital.

After completion of the Morila Transaction, the Company will apply cashflow from the existing tailings operation and satellite pit mining to fund its growth activities.

The Company will look to fund any additional working capital requirements through debt or similar facilities in order to deliver shareholders an optimal capital structure.

For additional details on the fund raising, please see "Capital Raising Presentation September 2020" released to ASX on 08 September 2020.

For personal use only

For personal use only

Conversion of Accounts Payable to Equity

The Company agreed with Capital Drilling to convert to equity up to $1.25 million owed by the Company to Capital Drilling, pursuant drilling services provided, at A$0.16 per share, being the same issue price as Tranche 1 and Tranche 2 of the placement (refer to ASX release dated 9 September 2020).

Capital Drilling has also been given preferred contractor status for drilling to be undertaken by the Company to 3 September 2023.

Peaceful Coup in Mali

In August 2020, Mali saw the resignation of the President and dissolution of the Government with the military seeking to resolve the political crisis. Encouragingly, we note a new civilian government has been appointed that is supported by the majority of Malians.

There was no reported impact on operations or security at any operating mines in Mali, including the Company's operations which are some distance from Bamako.

The situation now appears to be largely resolved however the Company continues to monitor the situation closely in consultation with its local stakeholders.

PERMIT STATUS

The company has seven (7) research tenements and one (1) tenement hosting the Goulamina Lithium Project, for which the Company was granted a mining permit. Five tenements are located within the Circle of Bougouni and three tenements in the Circle of Kati, in Mali.

All tenements are in good standing. It should be noted that the tenements of Finkola, Diokélébougou and Makono had an official expiry date of 31st July 2020. As part of the renewal process for these tenements, the Company met with the Direction Nationale de la Geologie et des Mines (DNGM) and presented the works completed on the Finkola, Diokélébougou and Makono tenements. The DNGM agreed to an extension of the validity period for Finkola for an additional year. And a formal request for subsequently submitted to the DNGM in that regard.

Based on the results presented on the tenements of Diokélébougou and Makono, the DNGM formally agreed for the Company to request new tenure on these tenements. Formal requests will be submitted when the Ministry of Mines, Energy and Mines lifts it's temporary suspension on the processing of requests for mining titles. In the meantime, the tenures on these three tenements remain valid beyond the date of 31st July 2020.

Torokoro PE 19/25 (Goulamina Lithium Project). The Torakoro Exploitation Permit (100 km2) was issued on the 23rd August 2020, under Decree NO2019-0642/PR/RM under the title: "Exploitation Permit for Lithium and Group 2 Mineral Substance to the Company Timbuktu Resources SARL at Torakoro (Circle of Bougouni)." The Goulamina Lithium Project Mining Company was created under the name: "Lithium du Mali S.A.". To comply with the provisions of the mining code, the Torakoro tenement will be transferred to the newly created company. The Company has started the valuation process for the research tenement's assets, which will then be transferred to the new company.

Finkola: PR 13/640 2BIS. The Ministry of Mines and Petroleum has issued the correction Arrêté No2019-4874/MMP-SG dated 20th December 2019 for the Permit of Finkola, replacing previously issued Arrêté No2018-4577/MMP-SG dated 31st December 2018, and extending Permit validity until the 31st July 2020. A request for a one-year extension was submitted to the Ministry of Mines, Energy and Water.

N'Tiola: PR 14-715 2BIS. The Ministry of Mines and Petroleum has issued the Arrêté No2019-3836/MMP-SG dated 29th October 2019 for the Permit of N'Tiola, extending Permit validity until the 17th June 2021.

Finkola Sud: PR 13-672 2BIS. The Ministry of Mines and Petroleum has issued the Arrêté #2019-3799/MMP-SG dated 28th October 2019 for the Permit of Finkola Sud, extending Permit validity until the 4th August 2021.

Sanankoroni: PR 16-805 1BIS. The Ministry of Mines and Petroleum has issued the Arrêté #2019-4873/MMP-SG dated 20th December 2019 for the Permit of Sanankoroni, extending Permit validity until the 11th October 2021.

Finkola Nord: PR 20/1081. The Ministry of Mines and Petroleum has issued the Arrêté #2020-1303/MMP-SG dated 1st April 2020 for the Permit of Finkola Nord. The permit is valid for three (3) years, until the 31st March 2023, and the validity is renewal twice upon request by the Company.

Diokélébougou: PR 13-639 2BIS. The Ministry of Mines and Petroleum has issued the Arrêté #2018-4578/MMP-SG dated 31st December 2018 for the Permit of Diokélébougou, extending Permit validity until the 31st July 2020. The DNGM has agreed for the Company to request a new tenure, beyond the date of 31st July 2020. The request will be submitted as soon the suspension order is lifted. The tenement remains valid beyond the date of 31st July 2020.

Makono: PR 13-637 2BIS. The Ministry of Mines and Petroleum has issued the Arrêté #2019-0561/MMP-SG dated 12th March 2019 for the Permit of Makono, extending Permit validity until the 31st July 2020. The DNGM has agreed for the Company to request a new tenure, beyond the date of 31st July 2020. The request will be submitted as soon the suspension order is lifted. The tenement remains valid beyond the date of 31st July 2020.

A tabulation of the Company's tenure in Mali is given below.

Further Information:

Dr Alistair Cowden
Executive Chairman
Mali Lithium Limited
acowden@malilithium.com
+61 419 914 988

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

For personal use only

For personal use only

TABULATION OF PERMITS

Name	Km^2	Number	Status	Owner
GOULAMINA LITHIUM PROJECT				
Tokakoro	100	PE 19/25 (Exploitation Permit)	Goulamina Lithium Project's Mining Company officially created under the name: "Lithium du Mali S.A.".	Timbuktu Resources SARL
MASSIGUI GOLD PROJECT				
Finkola	88	PR 13/640	Second renewal effective from 31st July 2018 Expiry: 31st July 2020 Request submitted for 1-year extension*	Birimian Gold Mali SARL
N'Tiola	64	PR 14/715	Second renewal effective from 17th June 2019 Expiry: 17th June 2021	Birimian Gold Mali SARL
Diokélébougou	100	PR 13/639	Second renewal effective from 31st July 2018. Expiry date: 31st July 2020 Request to be submitted for new tenure*	Birimian Gold Mali SARL
Finkola-Sud	98	PR 13/672	Second renewal effective from 4th August 2019 Expiry date: 4th August 2021	Timbuktu Resources SARL
Finkola Nord	32	PR 20/1081	Granted for a 3-year term, effective from 1st April 2020 Expiry date: 1st April 2023	Sudquest SARL
DANKASSA GOLD PROJECT				
Makono	32	PR 13/637	Second renewal effective from 31st July 2018. Expiry date: 31st July 2020 Request to be submitted for new tenure*	Birimian Gold Mali SARL
Sanankoroni	80	PR 16/805	First renewal effective from 11th October 2019 Expiry date: 11th October 2021	Timbuktu Resources SARL

* Permits valid beyond the date of 31st July 2020

FORWARD LOOKING AND CAUTIONARY STATEMENTS

For personal use only

This announcement contains "forward-looking information" that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the pre-feasibility and feasibility studies, the Company's business strategy, plan, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral resources, results of exploration and relations expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely',' believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions and that the Company's actual future results or performance may be materially different Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of lithium, gold and other metals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to or revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

Statements regarding plans with respect to the Company's mineral properties may contain forward-looking statements in relation to future matters that can be only made where the Company has a reasonable basis for making those statements. Competent Person Statements regarding plans with respect to the Company's mineral properties are forward looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

Previously Reported Information

In accordance with Listing Rule 5.23, references to exploration results, estimates of mineral resources or ore reserves have previously been announced, including the information required under Listing Rule 5.22, in the following announcements:

- "Goulamina Lithium Project Definitive Feasibility Study" dated 20 October 2020
- "Mali Lithium to Acquire Morila Gold Mine to Become Producer" dated 31 August 2020
- "Morila - Tailings Resource and Production Target" dated 7 September 2020
- "Substantial Increase to Goulamina Mineral Resource" dated 8 July 2020

The Company confirms that it is not aware of any other new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company confirms that the form and context in which the

Competent Person's findings are presented have not been materially modified from the original market announcements.

In accordance with Listing Rule 5.19, information relating to production targets or forecast financial information have been previously disclosed. The Company confirms that all material assumptions and parameters underpinning the Mineral Resource estimates and production estimates at Goulamina and Morila and the production estimates for Goulamina in the DFS continue to apply and have not materially changed. Please refer to ASX Announcements of 8th July 2020 and 20 October 2020 (Goulamina), 31 August 2020 (Morila) and 7th September 2020 (Morila Tailings).

For personal use only

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

For personal use only

Name of entity-

Mali Lithium Limited	
ABN -	**Quarter ended**
11 113 931 105	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)		
	(b) development		
	(c) production		
	(d) staff costs	(34)	(398)
	(e) administration and corporate costs	(201)	(797)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	2
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (Federal Govt COVID 19 payment)	42	92
1.9	**Net cash from / (used in) operating activities**	**(193)**	**(1101)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(2)	(29)
	(d) exploration & evaluation (if capitalised)	(486)	(2,519)
	(e) investments	(1,372)	(1,372)
	(f) other non-current assets	-	-

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(1,860)**	**(3,920)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,195	7,195
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	53	53
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(54)	(54)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**7,194**	**7,194**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**891**	**3,793**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(193)	(1,101)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,860)	(3,920)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,194	7,194

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(4)	62
4.6	**Cash and cash equivalents at end of period**	**6,028**	**6,028**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	6,028	891
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,028**	**891**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	16*
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

- All Directors reduced their fees by 20%. In addition, Alistair Cowden and Brendan Borg deferred receiving their fees in July, August and September.
- Mark Hepburn received $16k in director fees during the quarter.
- Outstanding director fees of $118k were accrued during the quarter.

For personal use only

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	Nil	Nil

7.5	**Unused financing facilities available at quarter end**	Nil
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(193)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,860)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,053)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	6,028
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	6,028
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	**4**

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Not applicable.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Not applicable.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Not applicable.

For personal use only

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.



Date: 30 October 2020

Authorised by the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only