FIREBIRD METALS PTY LTD

ACN 610 035 535

FINANCIAL REPORT

For the year ended 30 June 2019

General Purpose Financial Statements

Contents

DIRECTOR'S REPORT

The Director of Firebird Metals Pty Ltd (formerly Forrestania Pty Ltd) (the **Company**) presents the Directors' Report together with the financial statements of the Company for the year ended 30 June 2019.

Director

The following person was a director of the Company at any time during or since the year end:

Mr Simon Lawson – appointed 1 May 2018

Mr Lawson has a Master of Science in Geology from Auckland University and has over 15 years of exploration, production and management experience in gold and base metals. He has previously held senior geology roles at major Australian gold producer Northern Star Resources Ltd, where as Principal Geologist, he was part of the team which took the company from junior explorer to a major multi-mine producer, today valued at over $3 Billion.

Company Secretary

Ms Natalie Teo – appointed 12 April 2019

Ms Teo graduated with a Masters in Accounting from Curtin University in Western Australia and completed a Graduate Diploma in Applied Corporate Governance with the Governance Institute of Australia. Ms Teo is a Chartered Secretary and is currently working with a firm that provides corporate and accounting services to both listed and unlisted entities.

Review of Operations

The Company made an operating loss of $1,589,010 (2018: Loss of $979,318) after income tax for the year ended 30 June 2019.

Principal Activity

The Company's principal activity during the year was mineral exploration.

Events arising since the end of the reporting period

There have been no other events subsequent to reporting date which would have a material effect on the Company's financial statements as at 30 June 2019.

Future developments, prospects and business strategies

The Company will continue its main activity as a mineral explorer.

Environmental regulation

The Company's exploration activities are subject to various environmental regulations under Commonwealth and State legislation. The Director is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations. The Director believes that the Company has adequate systems in place for the management of the requirements under those regulations and are not aware of any breach of such requirements as they apply to the Company.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the year.

Dividends

No dividends were paid or declared during the year.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of officers and auditor

No indemnifications have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company, or any related party entity against a liability incurred by the auditor.

Proceedings on behalf of the Company

No person has applied under section 237 of the Corporations Act 2001 (Cth) for leave of the Court to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor

Stantons International was appointed and continues in office in accordance with section 327 of the Corporations Act 2001 (Cth).

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of this report.

Dated this 18 day of December 2020 at Perth, Western Australia

Signed in accordance with a resolution of the sole director:

Simon Lawson
Director

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

18 December 2020

The Director
Firebird Metals Pty Ltd
T2, 64-68 Hay Street
Subiaco, Western Australia 6008

Dear Sirs

RE: FIREBIRD METALS PTY LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Firebird Metals Pty Ltd.

As Audit Director for the audit of the financial statements of Firebird Metals Pty Ltd for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

Firebird Metals Pty Ltd
ACN 610 035 535

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Income		-	-
Exploration and evaluation expenses written off	5	(1,588,747)	(978,663)
Corporate and administrative expenses		(263)	(655)
Loss before income tax		**(1,589,010)**	**(979,318)**
Income tax expense	3	-	-
Loss after income tax expense for the year attributable to the owners		(1,589,010)	(979,318)
Other comprehensive income for the year		-	-
		(1,589,010)	(979,318)
Total comprehensive loss for the year attributable to the owners		**(1,589,010)**	**(979,318)**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Firebird Metals Pty Ltd
ACN 610 035 535

STATEMENT OF FINANCIAL POSITION
30 JUNE 2019

	Note	2019	2018
		$	**$**
Current Assets			
Cash and cash equivalents	4	100	100
Total Current Assets		**100**	**100**
Non-Current Assets			
Exploration and evaluation expenditure	5	65,000	20,000
Total Non-Current Assets		**65,000**	**20,000**
TOTAL ASSETS		**65,100**	**20,100**
Current Liabilities			
Amount due from related companies	6	3,345,650	1,711,640
Total Current Liabilities		**3,345,650**	**1,711,640**
TOTAL LIABILITIES		**3,345,650**	**1,711,640**
NET LIABILITIES		**(3,280,550)**	**(1,691,540)**
Equity			
Issued capital	7	100	100
Accumulated losses		(3,280,650)	(1,691,640)
TOTAL EQUITY		**(3,280,550)**	**(1,694,540)**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Firebird Metals Pty Ltd
ACN 610 035 535

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	(Accumulated Losses)/Retained Earnings	Total Equity
	($)	($)	($)
Balance at 1 July 2017	**100**	**(712,322)**	**(712,222)**
Loss after income tax expense for the year	-	(979,318)	(979,318)
Other comprehensive income/(loss) for the year, net of tax	-	-	-
Total comprehensive loss for the year	**-**	**(979,318)**	**(979,318)**
Balance at 30 June 2018	**100**	**(1,691,640)**	**(1,691,540)**
Balance at 1 July 2018	**100**	**(1,691,640)**	**(1,691,540)**
Loss after income tax expense for the year	**-**	(1,589,010)	(1,589,010)
Other comprehensive income/(loss) for the year, net of tax	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**(1,589,010)**	**(1,589,010)**
Balance at 30 June 2019	**100**	**(3,280,650)**	**(3,280,550)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Firebird Metals Pty Ltd
ACN 610 035 535

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		$	**$**
Cash Flow from operating activities			
Cash payments in the course of operations		(1,589,010)	(979,318)
Net cash (used in) operating activities	8	**(1,589,010)**	**(979,318)**
Cash Flow from investing activities			
Payments for exploration and evaluation assets		(45,000)	(20,000)
Net cash (used in) investing activities		**(45,000)**	**(20,000)**
Cash Flow from financing activities			
Proceeds in the form of an intercompany loan		1,634,010	999,318
Net cash provided by financing activities		**1,634,010**	**999,318**
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		100	100
Cash and cash equivalents at the end of the year	4	**100**	**100**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 (Cth), Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (**AASB**) and Corporations Act 2001. The financial statements of the Company also comply with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

The presentational and functional currency is Australian Dollars. The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

The Company's parent entity, Firefly Resources Limited, includes the Company in its consolidated financial statements, which are prepared in accordance with Australian Accounting Standards and also comply with the IFRS as issued by the IASB. The consolidated financial statements are available to the public and may be obtained from the Company's registered office at T2, 64-68 Hay Street, Subiaco Western Australia 6008, Australia.

Use of estimates and judgements

The Director evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from the parent entity.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are outlined below.

- Exploration expenditure: the write-off and carrying forward of exploration acquisition costs is based on assessment of an area of interest's viability and/or the existence of economically recoverable reserves.
- Deferred taxation: Deferred tax assets in respect of tax losses have not been brought forward as it not considered probable that future taxable profits will be available against which they could be utilised.

Going Concern

The financial statements have been prepared on a going concern basis and is dependent on the continuous financial support from its parent entity in order to meet its working capital needs for a period not less than twelve months from the date of the financial statements. The Director is confident that the funding requirements of the Company can be fulfilled through the continuous support from its parent entity.

On this basis, the Director is satisfied that it is appropriate to prepare the financial statements of the Company on a going concern basis. The financial statements do not include any adjustment to the carrying amount or classification of assets and liabilities that would occur if the Company was unable to continue as a going concern.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Exploration and evaluation expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Exploration and evaluation expenditure (continued)

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made.

Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production.

Recoverable amount of non-current assets

The carrying amount of non-current assets are reviewed annually to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

Acquisition of assets

Assets acquired are recognised at cost. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration in a business combination, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Company if a similar borrowing were obtained from an independent financier under comparable terms and conditions. Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the original performance of the asset will flow to the Company in future years. Costs that do not meet the criteria for capitalisation are expended as incurred.

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non – assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date. Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

The Company and its parent entity have unused tax losses. However, no deferred tax balances have been recognised, as it is considered that asset recognition criteria have not been met at this time.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

Borrowings and Borrowing Costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, which are capitalised until the asset is ready for its intended use or sale.

Financial Instruments

Recognition, initial measurement and recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables (if applicable) are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets (continued)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Financial liabilities(continued)

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

From 1 July 2018, the Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Comparative information

The Company has applied AASB 9 Financial Instruments retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy. The Director assessed the Company's financial assets and determined the application of AASB 9 does not result in a change in the classification of the Company's financial instruments.

Amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 Financial Instruments, the Company has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Company designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The adoption of AASB 9 does not have a significant impact on the financial report.

New Accounting Standards for application in future periods

The Company has not adopted new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable. Those which may be relevant are set out below. .

AASB 16 Leases applies to annual reporting periods beginning on or after 1 January 2019

- This standard superseded AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, AASB 115 Operating Leases-Incentives and AASB interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.
- Based on a preliminary analysis, this standard will not have an impact on the balance sheet of the Company.

Other standards not yet applicable

- There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

NOTE 2: FINANCIAL RISK MANAGEMENT

The Director provides principles for overall risk management, as well as policies covering specific areas and oversees the Company's risk profile.

Financial risk management objectives

The Director monitors and manages the financial risk relating to the operations of the Company. The Company's activities include exposure to market risk, fair value interest rate risk and price risk, credit risk, liquidity risk and cash flow interest rate risk. The overall risk management strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on the financial performance of the Company. Risk management is carried out under the direction of the Sole Director.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Market price risk

The Company is involved in the exploration and development of mining tenements for minerals, including gold, lithium, manganese and base metals. Should the Company successfully progress to a producer, revenues associated with mineral sales, and the ability to raise funds through equity and debt, will have some dependence upon commodity prices.

Credit risk

The Company is not materially exposed to changes in market interest rates with reference to its cash and cash equivalents balance.

The Company does not presently have customers and consequently does not have credit exposure to outstanding receivables. The Company may in the future be exposed to interest rate risk should it borrow funds for acquisition and development.

Fair value of financial instruments

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at balance date are recorded at amounts approximating their carrying amount.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Director. The Director has determined an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

Cash flow and interest rate risk

The Company's operating cash flows are not materially exposed to changes in market interest rates.

	2019 $	2018 $
NOTE 3: INCOME TAX		
(a) Income tax expense	-	-
(b) Numerical reconciliation between tax expense and before income tax loss		
Loss before income tax	(1,589,010)	(979,318)
Income tax calculated at 30% (2018:27.5%)	(476,703)	(269,312)
Tax effect of:		
- Exploration acquisition costs incurred	(13,500)	(5,500)
Future income tax benefit not brought to account	(490,203)	(274,812)
Income tax benefit	-	-
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised (as recovery is currently not probable)		
Potential at 30% (2018: 27.5%)	997,574	488,509
(d) Unrecognised temporary differences		
Temporary differences for which deferred tax liabilities have not been recognised:		
- Capitalised exploration costs	19,500	5,500

(e) Tax rates

The potential tax benefit at 30 June 2019 in respect of tax losses not brought forward into account has been calculated at 30% The rate of 27.5% was applied for the year ended 30 June 2018.

	2019	2018
NOTE 4: CASH AND CASH EQUIVALENTS	**$**	**$**
Petty cash	100	100
	100	100

NOTE 5: EXPLORATION AND EVALUATION EXPENDITURE

	2019	2018
Mineral acquisition costs carried forward in respect of areas of interest (net of amounts written off) (a)	**65,000**	**20,000**
Reconciliation		
Carrying amount at the beginning of the year	20,000	-
Expenditure during the year – exploration	1,588,747	978,663
Acquisition during the year – exploration	45,000	20,000
Expenditure written off	(1,588,747)	(978,663)
Carrying amount at the end of the year	**65,000**	**20,000**

(a) The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas. During the year, the Company wrote off expenditure totalling $1,588,747 (2018: $978,663).

NOTE 6: AMOUNTS DUE TO RELATED COMPANIES

This note provides information about the contractual terms of the Company's intercompany loans from the parent entity and another subsidiary within the same group.

	2019	2018
Current		
Loan from Firefly Resources Limited (parent)	2,902,147	1,328,622
Loan from Firefly Operations Pty Ltd (related company)	443,503	383,018
	3,345,650	**1,711,640**

The loans are unsecured, repayable on demand and are not interest bearing. Due to the short-term nature of the liabilities, their carrying value is assumed to be the same as their fair value.

NOTE 7: ISSUED CAPITAL	2019 $	2018 $
100 (2018:100) fully paid ordinary shares	100	100

Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the Company in proportion to the number and amounts paid on the shares held.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTE 8: CASH FLOW INFORMATION

Reconciliation of cash flow used in operating activities

Loss for the year	(1,589,010)	(979,318)

Loss of the year is equivalent to total cash used in operating and investing activities and paid by related parties (refer to Note 10) on behalf of the Company. The Company has no active bank account as at reporting date.

NOTE 9: DIVIDENDS

No dividends were declared or paid for the year ended 30 June 2019 (30 June 2018: Nil).

NOTE 10: RELATED PARTY TRANSACTION

(a) Transactions with related parties

Payments for exploration and evaluation expenditure	1,589,010	979,318

(b) Payable to related parties

Loans from Firefly Resources Limited (parent entity)		
Beginning of year	1,328,622	495,672
Movements	1,573,525	832,950
End of year	**2,902,147**	**1,328,622**
Loans from other related party		
Beginning of year	383,018	216,650
Movements	60,485	166,368
End of year	**443,503**	**383,018**

(c) Terms and conditions

All transactions with related parties were made on normal commercial terms and conditions and are interest free.

NOTE 11: FINANCIAL INSTRUMENTS

Maturity profile of financial instruments

The following table details the Company's exposure to interest rate risk and the maturity profile of financial liabilities:

As at 30 June 2019	**Non-interest bearing ($)**
Financial liabilities	
Amounts due from related companies	3,345,650

As at 30 June 2018	**Non-interest bearing ($)**
Financial liabilities	
Amounts due from related companies	1,711,640

Risk and sensitivity

Refer to Note 2 for details on the Company's approach to financial risk management. At present, the Company is not exposed to foreign exchange risk or commodity price risk. It does not have any borrowings, nor does it have exposure to equity securities price risk.

The Company does not presently have customers and consequently does not have credit exposure to outstanding receivables. Trade and other receivables are neither past due nor impaired.

The Company is not exposed to changes in market interest rates.

The Director is confident that the funding requirements of the Company and liquidity risk can be fulfilled and managed through the continuous support from its parent entity.

NOTE 12: LEASING COMMITMENTS

There were no leasing commitments as at 30 June 2019 (30 June 2018: Nil).

NOTE 13: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2019 (30 June 2018: Nil).

NOTE 14: AUDITOR'S REMUNERATION

	2019 $	**2018 $**
Stantons International – audit services		
Audit and review of financial reports	5,000	-

The Company's auditor did not provide any non-audit services during the year and audit fees were paid by related parties (refer to Note 10) on behalf of the Company.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

The Company is not aware of any matter of circumstance which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

(a) the operations, in the financial year subsequent to 30 June 2019, of the Company, or

(b) the results of those operations, or

(c) the state of affairs, in the financial year subsequent to 30 June 2019, of the Company.

DIRECTOR'S DECLARATION

In the Director's opinion:

(a) the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the attached financial statements and notes also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;

(c) the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

(d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the sole director made pursuant to section 295(5)(a) of the Corporations Act 2001.

Dated this 18 day of December 2020 at Perth, Western Australia

Simon Lawson
Director

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FIREBIRD METALS PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Firebird Metals Pty Ltd (formerly, Forrestania Pty Ltd) ("the Company"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report**.**

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director

West Perth, Western Australia
18 December 2020

SUMMARY OF TENEMENTS

Schedule of Tenements as at 18 December 2020

Projects	Tenement Number	Area (blocks)	Registered Holder	Status	Interest
Forrestania	E74/586	20	Firebird Metals Pty Ltd	Granted	100%
Forrestania	E74/591	69	Firebird Metals Pty Ltd	Granted	100%
Forrestania	E74/627	4	Firebird Metals Pty Ltd	Granted	100%
Forrestania	E74/2313	5	Firebird Metals Pty Ltd	Granted	100%
Forrestania	E74/2345	20	Firebird Metals Pty Ltd	Granted	100%
Forrestania	E74/2346	20	Firebird Metals Pty Ltd	Granted	100%
Forrestania	E74/2348	70	Firebird Metals Pty Ltd	Granted	100%
Forrestania	E77/2364	20	Firebird Metals Pty Ltd	Granted	100%
Oakover	E52/3577	54	Firebird Metals Pty Ltd	Granted	100%
Forrestania	M77/549	73.53 HA	Firebird Metals Pty Ltd	Granted	100%