

Firefly Company, Projects and Corporate Update

Sale of non-core asset and merger with Gascoyne Resources progressing on track

Key Points:

- Forrestania Resources exercises its option to acquire the non-core Forrestania Gold Project.
- Consideration of \$1.25m in shares, \$50,000 in cash and a further milestone payment of \$500,000 to be assigned to Firetail Resources, the new company created by the demerger and spin-off of its exploration assets as part of the agreed merger with Gascoyne Resources (ASX: GCY).
- Merger with Gascoyne via Scheme of Arrangement progressing with the Scheme Booklet and a notice of meeting in respect of the Demerger expected to be dispatched to Firefly shareholders in September 2021.
- 2,100m RC drilling completed across the Applecross, Don Bradman and Crescent targets, ahead of foreshadowed JORC Resource updates. Assays awaited.
- 2,000m of diamond drilling completed at Melville, Applecross and Don Bradman for metallurgical testwork and geotechnical evaluation. Assays awaited.
- Mining Lease Application for Melville Gold Deposit successfully lodged.

Firefly Resources Ltd (ASX: FFR; Firefly or the Company) is pleased to provide the following corporate and project update.

Sale of Forrestania Gold Project

In March 2021, Firefly signed a conditional agreement with Forrestania Resources Limited (**Forrestania Resources**) allowing it to acquire the Company's 100%-owned non-core Forrestania Gold Project via the acquisition of 100% of the shares of Firefly's wholly-owned subsidiary, Firehawk Gold Pty Ltd (**Firehawk**).

Under the agreement, Forrestania Resources had the option to acquire a 100% interest in the Forrestania Gold Project, subject to completion of due diligence, Forrestania Resources receiving conditional approval to list on the ASX either via an IPO or an agreement with an ASX-listed entity as well as other standard regulatory approvals and third-party consents.

Firefly is pleased to advise that Forrestania Resources has now exercised the option and will proceed with the acquisition of the Forrestania Gold Project. The consideration is the issue of \$1.25 million worth shares in Forrestania Resources at completion plus \$50,000 cash and a further milestone payment of \$500,000 in shares which is payable on the definition of JORC Code 2012 Resource of at least 250,000oz of gold at over 2g/t Au (see ASX announcement, 17 March 2021).

As announced on 16 June 2021, Firefly and Gascoyne Resources Limited are seeking to undertake a demerger of certain assets and lithium rights of Firefly and wholly-owned subsidiaries of Firefly and Gascoyne into the newly incorporated wholly-owned subsidiary of Firefly, Firetail Resources Limited (**Firetail**) by way of a pro rata in-specie distribution of shares in Firetail to Firefly shareholders and issue of shares in Firetail to Gascoyne Resources (**Demerger**).

As part of the proposed Demerger, the rights to the consideration from the sale of the Forrestania Gold Project are being assigned to Firetail, subject to the satisfaction or waiver of conditions precedent under the demerger agreements.

Full details of the proposed Demerger were provided in the Company's ASX Announcement dated 8 July 2021.

Merger Update

Firefly advises that its agreed merger with Gascoyne Resources via a Scheme of Arrangement (**Scheme**) is progressing smoothly, with separate shareholder meetings to approve the Scheme and Demerger expected to be held in October 2021. The Scheme and Demerger are not inter-conditional.

Full particulars of the Scheme and Demerger, transaction terms and recommendations will be provided to shareholders through the Scheme Booklet which will include an Independent Expert Report for the Scheme and a notice of meeting in respect of the Demerger. It is expected that this material will be dispatched to shareholders in September 2021.

Shareholders are not required to take any action at this stage in relation to either the Scheme or the Demerger.

Full details of the Merger were provided in the Company's ASX Announcement dated 16 June 2021.

Yalgoo Gold Project Update

Exploration, resource development and preparations for mining are progressing at the Company's 100%-owned Yalgoo Gold Project, with the following activities either completed, underway or planned:

- 2,100m Reverse Circulation drilling program completed across the Applecross, Don Bradman and Crescent targets, to lay the foundation for maiden JORC Code 2012 Mineral Resource Estimates. Assays are awaited;
- ~2,000m of diamond drilling completed at the cornerstone 196,000oz Melville Deposit, as well as at Applecross and Don Bradman for metallurgical testwork and geotechnical evaluation. Assays are awaited; and
- A Mining Lease Application (**MLA**) for the Melville Deposit has been prepared and successfully lodged as part of the Company's preparations for the start of mining.

Authorised by the Board of Directors– Firefly Resources Ltd

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Melville JORC 2012 Mineral Resource Estimate

Indicated			Inferred			Total		
Tonnes	Au (g/t)	Ounces	Tonnes	Au (g/t)	Ounces	Tonnes	Au (g/t)	Ounces
3,314,900	1.47	156,753	887,547	1.39	39,635	4,202,447	1.45	196,388

¹Calculated using a 0.7g/t cut-off grade

FFR confirms that it is not aware of any new information or data that materially affects the information contained in ASX announcement dated 17 March 2021 in relation to the above resource estimate. All material assumptions and technical parameters underpinning the mineral resource estimates continue to apply and have not materially changed.

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resources is based on and fairly represents information and supporting documentation reviewed, collated and compiled by Mr Simon Lawson, a full-time employee and the Managing Director of Firefly Resources Ltd. Mr Lawson is a professional geoscientist and Member of The Australian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves. Mr Lawson consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.