



ABN 24 610 035 535

Financial Report

For the half year ended 31 December 2021

Corporate Directory

Directors	Evan Cranston - Non-executive Chairperson Peter Allen - Managing Director Ashley Pattison - Non-executive Director Wei Li - Finance Director
Company secretary	Mr Alex Neuling
Registered office	Suite 20, 513 Hay Street Subiaco WA 6008
Share registry	Automic Registry Pty Ltd Level 2, 267 St Georges Terrace Perth WA 6000
Auditor	Grant Thornton Audit Pty Ltd Level 43, 152-158 St Georges Terrace Perth WA 6000
Solicitors	Steinepreis Paganin Lawyers & Consultants Level 4, The Read Building 16 Milligan Street Perth WA 6000
Bankers	National Australia Bank Level 4 (UB4440), 800 Bourke Street Docklands VIC 3008 Australia
Stock exchange listing	Firebird Metals Limited securities are listed on the Australian Securities Exchange (ASX code: FRB)
Website	www.firebirdmetals.com.au

Table of Contents

Directors' report	4
Auditor's independence declaration	6
Condensed statement of profit or loss and other comprehensive income	7
Condensed statement of financial position	8
Condensed statement of changes in equity	9
Condensed statement of cash flows	10
Notes to the condensed financial statements	11
Directors' declaration	15
Independent auditor's review report to the members of Firebird Metals Limited	16

Director's report

The Directors present their report, together with the interim financial statements, on Firebird Metals Limited (referred to hereafter as the 'Company') for the half year ended 31 December 2021.

Directors

The following persons were directors of Firebird Metals Limited throughout the half year and up to the date of this report:

Evan Cranston - Non-executive Chairperson
Peter Allen - Managing Director
Ashley Pattison - Non-executive Director
Wei Li - Finance Director

Company Secretary

Alexander Neuling

Principal activities

During the half year the principal activities of the Company consisted of:

- Exploration and development of Oakover Manganese Project; and
- Exploration of other manganese projects in the East Pilbara Manganese Province.

Dividends

There were no dividends paid or declared during the current financial year.

Significant changes in the state of Affairs

There have been no changes in the state of affairs of the Company other than those outlined in the Review of Operations

Operating results

The loss after income tax incurred by the Company for the six months ended 31 December 2021 was \$327,196 (31 December 2020: \$208,097).

Cash and cash equivalent at 31 December 2021 totaled \$1,628,445 (30 June 2021: \$3,808,085).

Significant events after the balance date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the financial impact to the Company has been minimal up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually evolving and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Review of operations

- Completion of 233 holes of Reverse Circle (RC) drilling at the Company's Oakover project (ASX announcement 11 October 2021)
- Positive initial ore sorting results achieved and further ore sorting and metallurgical testing work under way (ASX announcement 11 October 2021)
- Bulk samples were taken from Oakover projects for metallurgical testwork (ASX announcement 17 November 2021)
- Maiden Hill 616 inferred resource completed by CSA Global – 57.5 million tons at 12.2% Mn (1 December 2021)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Director's report

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the directors



Peter Allen
Managing Director

25 February 2022

Auditor's Independence Declaration

To the Directors of Firebird Metals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Firebird Metals Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 25 February 2022

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Condensed statement of profit or loss and other comprehensive income For the half year ended 31 December 2021

	Notes	31 December 2021 \$	31 December 2020 \$
Other Revenue	8	118,421	-
Exploration expenditure		(45,292)	(208,097)
Administration costs		(135,481)	-
Director's fees		(230,760)	-
Depreciation and amortisation expenses		(30,011)	-
Operating Loss		(323,123)	(208,097)
Interest expenses		(4,073)	-
Loss before income tax		(327,196)	(208,097)
Income tax expense		-	-
Loss after income tax for the period		(327,196)	(208,097)
Other comprehensive income			
Other comprehensive loss for the period, net of income tax		-	-
Total other comprehensive loss for the period		(327,196)	(208,097)
Basic loss per share (cents)	9	(0.6)	(0.4)
Diluted loss per share (cents)	9	(0.6)	(0.4)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Condensed statement of financial position
As at 31 December 2021**

	Notes	31 December 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents		1,628,445	3,808,085
Trade and other receivables		292,223	104,993
Total current assets		1,920,668	3,913,078
Non-current assets			
Right of use assets		83,529	113,010
Plant and equipment		16,670	-
Exploration and evaluation assets	5	2,747,624	1,174,680
Total non-current assets		2,847,823	1,287,690
Total assets		4,768,491	5,200,768
Current liabilities			
Trade and other payables		115,552	146,048
Lease liabilities		59,307	56,989
Total current liabilities		174,859	203,037
Non-current liabilities			
Lease liabilities		26,142	56,387
Total Non-current liabilities		26,142	56,387
Total liabilities		201,001	259,424
Net assets		4,567,490	4,941,344
Equity			
Issued capital	6	9,335,854	9,335,854
Reserves	7	2,890,162	2,936,820
Accumulated losses		(7,658,526)	(7,331,330)
Total equity		4,567,490	4,941,344

The above statement of financial position should be read in conjunction with the accompanying notes

**Condensed statement of changes in equity
As at 31 December 2021**

	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	100	-	(3,936,389)	(3,936,289)
Loss after income tax expense for the period	-	-	(208,097)	(208,097)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(208,097)	(208,097)
Issue of share capital	4,144,486	-	-	4,144,486
Balance at 31 December 2020	4,144,586	-	(4,144,486)	100
Balance at 1 July 2021	9,335,854	2,936,820	(7,331,330)	4,941,344
Loss after income tax expense for the period	-	-	(327,196)	(327,196)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(327,196)	(327,196)
Revaluation of directors' options	-	(46,658)	-	(46,658)
Balance at 31 December 2021	9,335,854	2,890,162	(7,658,526)	4,567,490

The above statement of changes in equity should be read in conjunction with the accompanying notes

Condensed statement of cash flows

For the half year ended 31 December 2021

	Notes	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(557,496)	-
Net cash used in operating activities		<u>(557,496)</u>	<u>-</u>
Cash flows from investing activities			
Payment for plant & equipment		(17,200)	
Exploration and evaluation expenditure capitalised		(1,572,944)	-
Net cash used in investing activities		<u>(1,590,144)</u>	<u>-</u>
Cash flows from financing activities			
Payment of principal portion of lease liability		(27,927)	
Interest on leases		(4,073)	
Net cash used in financing activities		<u>(32,000)</u>	<u>-</u>
Net change in cash and cash equivalents held		(2,179,640)	-
Cash and cash equivalents at beginning of the period		3,808,085	100
Cash and cash equivalents at end of the period		<u><u>1,628,445</u></u>	<u><u>100</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the condensed financial statements

1. Corporate information

Firebird Metals Limited (Firebird Metals or the Company) is a for-profit entity for the purpose of preparing the financial statements. Principal activities include exploration and evaluation of mineral resources and pursuing various investment opportunities in the resources sector designed to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities in Australia.

Firebird Metals is domiciled in Australia whose shares are publicly traded and listed on the 18 March 2021 on Australian Securities Exchange (ASX:FRB). The address of its registered office and its principal place of business Suite 20, 513 Hay Street, Subiaco WA 6008.

The financial statements were approved and authorised for issue by the Board of Directors on 25 February 2022.

2. Basis of preparation and statement of compliance

The interim financial statements for the half year have been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The interim condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2021 and any public announcements made by the Company during the Half Year in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements.

Going concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the half-year of \$327,196 and net cash outflows of \$2,179,640.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this interim financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the interim financial statements. The interim financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Notes to the condensed financial statements

3. New and amended accounting standards

The accounting policies adopted in the preparation of the interim financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended 30 June 2021.

Standards and Interpretations applicable to 31 December 2021

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to accounting policies.

4. Segment Reporting

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Company's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Company, the Board as a whole has been determined as the Chief Operating Decision Maker.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being Manganese projects exploration and development and one geographical segment, namely East Pilbara Manganese Province.

The revenues and results of this segment are those of the Company as a whole and are set out in the Condensed Statement of Profit or Loss and Other Comprehensive Income and the assets and liabilities of the Company as a whole are set out in the Condensed Statement of Financial Position.

5. Exploration and evaluation

	31 December 2021	30 June 2021
	\$	\$
Carrying amount at the beginning of the period	1,174,680	45,000
Payment for historical data	-	500,000
Acquisition of projects – share-based payments	-	400,000
Exploration expenditures	1,572,944	229,680
Carrying amount at the end of the period	2,747,624	1,174,680

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

Notes to the condensed financial statements

6. Share capital

	<u>No. of shares</u>	<u>\$</u>
Share capital at 1 July 2021	54,575,000	9,335,854
Share issues	-	-
At 31 December 2021	54,575,000	9,335,854

The share capital of the Company consists only of fully paid ordinary shares. The shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

7. Reserves

	<u>Share-based payments reserve \$</u>	<u>Option payments reserve \$</u>	<u>Total reserves \$</u>
Balance at 1 July 2020	-	-	-
Broker options – 4.5M broker options at IPO	-	99,900	99,900
Director options – 3.5M director options at IPO	-	77,700	77,700
Performance rights – 3.3M director performance rights at IPO	273,229	-	273,229
Directors and management options – 10M options	-	2,485,991	2,485,991
Balance at 30 June 2021	273,229	2,663,591	2,936,820
Adjustment to directors and management options – 10M options (approved at Company's AGM 23-11-2021)	-	(46,658)	(46,658)
Balance at 31 December 2021	273,229	2,616,933	2,890,162

7.1 Share-based payments

Set out below is a summary of unlisted options and performances rights outstanding at 31 December 2021:

	<u>Vested</u>	<u>Unvested</u>	<u>Grant date</u>	<u>Issue date</u>	<u>Expiry date</u>	<u>Share price at grant date Cents</u>	<u>Exercise price Cents</u>	<u>Fair value per unit Cents</u>	<u>Total fair value \$</u>
Unlisted broker options	4,500,000	-	27/1/21	18/3/21	18/3/24	10	30	2.22	99,900
Unlisted directors' options	3,500,000	-	27/1/21	18/3/21	18/3/24	10	30	2.22	77,700
Unlisted directors' & management options	-	10,000,000	23/11/21	-	30/11/26	46	100	24.4 ⁽¹⁾	2,439,333
Performance rights (tranche 1)	-	1,100,000	27/1/21	18/3/21	18/3/26	20	N/A	20	220,000
Performance rights (tranche 2)	-	1,100,000	27/1/21	18/3/21	18/3/26	20	N/A	-	-
Performance rights (tranche 3)	-	1,100,000	27/1/21	18/3/21	18/3/26	20	N/A	1.613	53,229

Notes to the condensed financial statements

- (1) The Company issued 10 million options to directors and key management personnel on 10 May 2021. A fair value of \$2,485,991 was brought to account at 30 June 2021. At the Company's AGM on 23 November 2021, shareholders approved the grant of those options. As a result, a reduction of \$46,658 in the fair value of was recognised due to changes in the valuation assumption. Below is a summary of key information for the 10 million options:

Granted during the year	Grant date	Vesting date	Expiry date	Fair value of options at grant date (cents)	Exercise price (cents)	Risk free rate	Expected volatility	Value of options granted during the year (\$)
10,000,000	23/11/21	-	30/11/26	24.4	100	1.45%	84.8%	2,439,333

8. Other Revenue

	31 December 2021	31 December 2020
	\$	\$
Warehouse rent income	71,763	-
Revaluation of directors' options	46,658	-
Other Revenue	118,421	-

9. Loss per share

	31 December 2021	31 December 2020
	\$	\$
Net loss attributable to ordinary equity holders of the Company	(327,196)	(208,097)
Weighted average number of ordinary shares outstanding during the half year used in calculation of basic and diluted loss per share*	54,575,000	54,575,000
Loss per share (cents per share)	(0.6)	(0.4)

*Weighted average number of ordinary shares for half year ended 31 December 2020 is adjusted retrospectively.

10. Contingencies

There has been no change in contingent liabilities since the last annual reporting date (30 June 2021: \$nil).

11. Subsequent events

There have not been any events that have arisen between 31 December 2021 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

Directors' declaration

In accordance with a resolution of the directors of Firebird Metals Ltd, I state that:

In the opinion of the directors of Firebird Metals Ltd:

- a) The half year financial statements and notes of Firebird Metals Ltd for the half year ended 31 December 2021 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's half year financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting*.
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Peter Allen
Managing director

25 February 2022

Independent Auditor's Review Report

To the Members of Firebird Metals Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Firebird Metals Limited (the Company), which comprises of the condensed statement of financial position as at 31 December 2021, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Firebird Metals Limited does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Firebird Metals Limited financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a net loss of \$327,196 during the half year ended 31 December 2021 and, as of that date, the Company reported operating net cash outflows of \$2,179,640. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 25 February 2022