

17 August 2022

Ms. Nikki Ciavatta
Adviser, Listings Compliance (Perth)
ASX Operations Pty Ltd
Level 40 Central Park, 152-158 St Georges Terrace Perth WA 6000

By email: Nikki.ciavatta@asx.com.au

Firebird Metals Limited (“FRB”): Appendix 5B Query

Dear Nikki

Firebird Metals Limited (ASX: FRB, “Firebird” or “the Company”) refers to your letter dated 4 August 2022 (**Letter**) in relation to FRB’s Appendix 5B for the period ended 30 June 2022 (**5B**) and provides the following responses to the queries raised therein.

1. *Does FRB expect that it will continue to have negative operating cash flows for the time being and, if not, why not? In answering this question, please comment on the June 2022 quarter operating cash flows.*

FRB, being a mining exploration entity, expects that it will continue to have negative operating cashflows for the time being. The June 2022 quarter operating cash flows were negative as noted by ASX in the Letter.

2. *Has FRB 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?*

As noted by ASX, FRB stated in its Appendix 5B that

“The Company routinely monitors its cash position and projected outgoings to modify outflows to match available cash as necessary. Further, the Company continually evaluates potential financing alternatives for its near to medium term as well as longer term working capital requirements. FRB’s Board is confident that the Company will be able to raise sufficient additional cash as required to continue the exploration and development of its projects.”

FRB confirms that as at the date of the Appendix 5B it had taken the steps outlined in the above paragraph – being:

- a) to monitor its cash position and projected outgoings in order to identify the need to modify outflows (for example by deferring or delaying outflows in relation to uncommitted expenditure (including investing cash outflows) or payments to related parties); and
- b) to investigate and evaluate potential funding alternatives for its near to medium term working capital requirements (including, as is customary, confidential discussions with potential interested parties).

Since the date of the Appendix 5B, FRB continued to progress funding alternatives. On 15 August 2022 the Company requested and was granted a trading halt on its securities pending release of an announcement

regarding a proposed capital-raising and FRB has today lodged an announcement confirming details of a proposed placement in two tranches to raise \$3.5 million before costs (**Placement**).

3. *Does FRB expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? In answering this question, please comment specifically on the following for the June 2022 quarter:*
1. *3.1 negative operating cash flows of \$242,000;*
 2. *3.2 the closing cash balance of \$500,000; and*
 3. *3.3 negative net investing cash flows of \$431,000.*

As noted by ASX and disclosed by FRB in the Appendix 5B, FRB had a closing cash balance of \$500,000 as at 30 June 2022 and expended operating cash outflows of \$242,000 during the 30 June 2022 quarter. Cash available at quarter end therefore exceeds operating cash outflows for the quarter by approximately \$258,000. Separately, FRB notes that net investing cash flows during the quarter were \$431,000 and, accordingly, that the Company's ability to expend investing cash outflows at the same level during the September 2022 quarter is contingent on further funding becoming available to the Company. That additional funding is now being secured under the Placement.

FRB stated in the Appendix 5B that it expects to be able to continue its operations and to meet its business objectives on the basis that the Board is confident that the Company will be able to raise sufficient additional cash as required to continue the exploration and development of its projects. As noted above, additional funding of \$3.5 million is now being secured under the Placement.

4. *Please confirm that FRB is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.*

Confirmed.

5. *Please confirm that FRB's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of FRB with delegated authority from the board to respond to ASX on disclosure matters.*

Confirmed.

Yours sincerely



Alex Neuling
Company Secretary.



4 August 2022

Reference: ODIN56372

Mr Alex Neuling
Company Secretary
Firebird Metals Limited

By email: alex@erasmusconsulting.com.au

Dear Mr Neuling

Firebird Metals Limited ('FRB'): Appendix 5B Query

ASX refers to FRB's Appendix 5B quarterly report for the period ended 30 June 2022 lodged with ASX Market Announcements Platform on 28 July 2022 (the 'Appendix 5B').

ASX notes that FRB has reported:

- negative net operating cash flows for the quarter of \$242,000
- cash at the end of the quarter of \$500,000;
- 0.74 estimated quarters of funding available;
- negative net investing cash flows for the quarter of \$431,000; and
- the following responses to the questions in section 8.8 of the Appendix 5B as set out below:
 - Q1 – Does the entity expect that it will continue to have the current level of new operating cash flows for the time being and, if not, why not?
 - A1 'Yes'
 - Q2 – 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?
 - A2 – *'The Company routinely monitors its cash position and projected outgoings to modify outflows to match available cash as necessary. Further, the Company continually evaluates potential financing alternatives for its near to medium term as well as longer term working capital requirements. FRB's Board is confident that the Company will be able to raise sufficient additional cash as required to continue the exploration and development of its projects.'*
 - Q3 – Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
 - A3 – *'Refer to answer in 8.8.2*

(together, the 'Responses')

ASX does not consider the Responses have adequately addressed the questions posed in section 8.8 of the Appendix 5B form. As such, ASX asks FRB to respond separately to each of the following questions and requests for information:

1. Does FRB expect that it will continue to have negative operating cash flows for the time being and, if not, why not? In answering this question, please comment on the June 2022 quarter operating cash flows.

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2. Has FRB 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?
 3. Does FRB expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? In answering this question, please comment specifically on the following for the June 2022 quarter:
 - 3.1 negative operating cash flows of \$242,000;
 - 3.2 the closing cash balance of \$500,000; and
 - 3.3 negative net investing cash flows of \$431,000.
 4. Please confirm that FRB is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
 5. Please confirm that FRB's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of FRB with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Tuesday, 9 August 2022**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in FRB's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, FRB's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to FRB's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that FRB's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in FRB's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;

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- how long you want the trading halt to last;
 - the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Nikki Ciavatta
Adviser, Listings Compliance (Perth)