

STRATEGIC CORNERSTONE INVESTOR SECURED FOR MAJOR MANGANESE SULPHATE GROWTH PHASE

HIGHLIGHTS

- Firm commitments received to raise A\$8 million through heavily oversubscribed Placement.
- Equity raising provides Firebird with funding to advance key LMFP battery activities in China and ongoing development of the flagship Oakover Manganese Project, located in Western Australia.
- A\$1.7 million cornerstone investment by China-based Canmax Technologies Co., Ltd (Canmax), becoming FRB's biggest shareholder through a 9.9% holding post Placement completion.
 - Canmax is a committed investor in the Electric Vehicle battery space.
 - Canmax is a diverse industrial conglomerate, that has rapidly become China's leading lithium chemical producer supplying both Chinese and International Li-ion battery producers.
- Follow-on investment from Mr Tolga Kumova to remain a 9.5% shareholder in FRB post Placement completion.
- Firebird Directors have applied for \$1.68 million in the Placement, subject to shareholder approval, along with strong support from sophisticated investors and the existing top 20 shareholders.

Firebird Metals Limited (ASX: FRB, "Firebird" or "the Company") is pleased to announce that it has received firm commitments to raise A\$8 million (before costs) through a strongly supported, heavily oversubscribed Placement at \$0.125, which represents a 14% discount to the last close of price of \$0.145 on Friday 13 October 2023.

As part of the Placement, Firebird has secured a:

1. Cornerstone investment of A\$1.7 million from Canmax Technologies Co., Ltd (Canmax). Following completion of the Placement Canmax will become the Company's biggest shareholder with a 9.9% interest; and
2. Follow-on investment from Mr Tolga Kumova to maintain his 9.5% holding in the Company.

Firebird Managing Director Peter Allen said, *“This Placement puts Firebird in a very strong position to deliver on our LMFP battery growth strategy and execute our vision of becoming a global leader in the manganese industry with both mining and downstream processing to deliver into the Li-ion and Na-ion battery sectors.*

“We received an enormous amount of interest in the Placement and it was very well supported by leading institutional investors, our current top 20 investor base including Tolga Kumova, the Board and most importantly, Canmax. I would like to formally welcome Canmax as our largest shareholder and look forward to the contribution they can make to the success of our Company.

“I, along with Firebird Executive Director and CFO Mr Wei Li, have spent a lot of time in China over the past few months, as we completed our due diligence on the LMFP strategy, plant locations in China and meeting with potential in-country team members. The completion of the investment by Canmax, along with the significant levels of interest in our Placement by existing and new shareholders, highlights that Firebird is on a very promising path and that the next phase of our growth strategy has been well received by industry professionals and the broader market.

“The global importance of manganese and more specifically LMFP within Li-ion batteries continues to grow rapidly. LMFP technology delivers a cheaper, safer and higher-density battery. We have spent a lot of time assessing the LMFP market and see a strong wave of demand in coming years.

“We are now in a very strong position to execute key work programs on the ground in China, along with the continued development of Oakover. We are fully focused on maintaining this strong momentum and look forward to delivering on a very busy 12 months ahead.”

Firebird Growth Strategy

Firebird is successfully executing its growth strategy to position the Oakover Project as a manganese hub for the supply of a high-quality product into two key markets:

1. Manganese sulphate for use in the lithium-ion battery market; and
2. Manganese ore/concentrates for consumption in the global steel industries

Both areas of focus will be advanced through to completion of a Pre-Feasibility Study from funds raised through this Placement.

In early September 2023, the Company announced the next phase of strategic growth, which is focused on manganese sulphate production in China.

The LMFP growth strategy is driven by:

- The use of manganese in batteries continues to rise, particularly in LMFP battery technology.
- Opportunity to position Firebird as a key cathode producer for LMFP batteries.
- Advanced planning underway for a potential processing plant location in China and assembling a highly experienced, in-country team of manganese sulphate experts.
- Firebird is well positioned to leverage the growing manganese battery market as one of few ASX-listed manganese developers.

The LMFP growth strategy followed a successful two years of exploration and development of Oakover, which culminated in the recent release of an updated Oakover DMS Concentrate

Scoping Study, which confirmed the Project as a long-life, high-quality operation, supported by the following key results:

- 18-year Life-of-Mine.
- ~Approximate A\$741.3 M NPV at a discount rate of 8%.
- Impressive IRR of 73.1%, with a 16-month payback period.
- ~4Mt annual processing, ~1.2 Mt of 30-32 % manganese (Mn) concentrate annually.
- Capex estimated of A\$123 million.
- Low mine strip ratio of 0.45:1.
- Indicated material accounts for 99.2% of the material processed.

Refer to ASX announcement dated 30/8/2023 for full details.

About Canmax

Canmax is a diverse industrial conglomerate, that has rapidly become China's leading lithium chemical producer. Canmax has recently increased its own exposure to the battery sector for electric vehicles through its majority ownership in China-based lithium hydroxide producer Yibin Tianyi. Yibin Tianyi is a joint venture between Canmax and CATL.

Canmax's lithium involvement encompasses three substantial lithium chemical facilities. This includes a 75,000 tonne per annum lithium hydroxide plant in Yibin, a 60,000 tonne per annum lithium hydroxide plant in Meishan and a 30,000 tonne per annum lithium carbonate plant in Yichun.

Canmax is listed on the Shenzhen stock exchange and has a market capitalisation of US\$3.1bn. The company was formerly known as Suzhou TA&A Ultra Clean Technology Co., Ltd and changed its name to Canmax Technologies Co., Ltd. in March 2023.



Image 1: *Managing Director Peter Allen and Finance Director Wei Li at Yibin Tianyi Headquarters in Chengdu, China*

Placement Overview

The Placement will raise A\$8 million at a price of \$0.125, which is a 14.0% discount to the last close of price on Friday 13 October (\$0.145).

The Placement Shares will be issued across two tranches, as per below:

- **Tranche 1:** 18,040,000 shares to raise a total of \$2,255,000, using the Company's existing placement capacity under ASX Listing Rule 7.1 (10,961,250 Shares) and ASX Listing Rule 7.1A (7,078,750 Shares).
- **Tranche 2:** 45,960,000 shares, including Canmax, Board and management participation shares, will be subject to shareholder approval to be sought at a general meeting of shareholders.

The Directors of Firebird have applied for \$1.68m in the Placement.

In addition to the Placement, Firebird has agreed with consulting group Increva Pty Ltd to receive payment in FRB securities on the same terms as the Placement to a maximum of \$100,000 (800,000 shares) for specialist technical consulting work in the ongoing studies and agreed with Investing News Network (INN) for \$21,600 (172,800 shares) for ongoing public relations work.

Use of Funds

Following completion of the Placement, Firebird will be in a strong financial position to deliver on key workstreams across its LMFP battery strategy in China and on the ground at the Oakover Manganese Project. Key activities are outlined below:

LMFP Strategy

- Establishment of Chinese subsidiary.
- Recruitment of key in-country technical, high-purity manganese experts.
- Completion of Chinese Battery Grade Manganese Sulphate Pre-Feasibility Study.
- Securing industrial land and Chinese operating permits.
- Pilot plant for battery grade manganese sulphate to enable delivery of finished product to LMFP battery manufacturers.
- Secure product offtake and associated construction finance.

Oakover Development

- Completion of environmental surveys and studies.
- Completion of diamond drill program for on-going metallurgical test work.
- Completion of the Manganese concentrate Pre-Feasibility Study.
- Pre-Feasibility Study metallurgical test work program.
- Hydrology / water monitoring.
- Finalisation of the Mining Lease Application including native title and heritage negotiations.

Key Management Roles, Remuneration and Incentive Update

In conjunction with the increase in the Company's activities and particularly in China, Mr Wei Li has agreed to increase the scope of his Executive role with the Company and will now become the General Manager of Firebird's wholly owned Chinese subsidiary, in addition to his current CFO and Executive Director roles.

As such, his remuneration will now be increased to \$275,000 per annum exclusive of superannuation. All other terms of his contract remain the same as previously disclosed to the ASX via the IPO prospectus in February 2021.

The Company also wishes to advise that it has agreed to a new incentive package for the executive management team and Board of Directors and will seek approval from shareholders for the issue of the following options:

- 12.5M unlisted options with an exercise price of \$0.30 and a term of 5 years from issue.
- 12.5M unlisted options with an exercise price of \$0.40 and a term of 5 years from issue.

The terms of the options will otherwise be the same as the current options on issue.

This announcement has been approved for release by the Board of Directors of Firebird Metals Ltd.

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About Firebird Metals Limited

Firebird Metals is a manganese developer focused on its advanced, 100% owned project portfolio, located in the renowned East Pilbara manganese province of Western Australia. The portfolio boasts a total Resource of 234Mt, with exciting exploration and development growth upside.

The Company's flagship Oakover Project holds a Mineral Resource Estimate¹ of 176.7Mt at 10% Mn, with 105.8Mt in an Indicated category. A Scoping Study completed by Firebird at Oakover highlighted the outstanding long-term potential of the Project as a manganese operation. This potential was further strengthened through production of >99.8% purity manganese sulphate monohydrate crystal, which confirmed Oakover manganese ore can be processed into battery grade HPMSM.

The Company's other key Projects are Hill 616 and Wandanya which provide Firebird with compelling growth opportunities.

Hill 616 contains an Inferred Mineral Resource² of 57.5Mt @ 12.2% Mn and shares similar geological traits to Oakover. Wandanya is a high-grade exploration opportunity, with Direct Shipping Ore potential.

Importance of manganese within EV's, due to its cost reduction abilities without reducing energy density and range, along with growing demand for battery grade manganese sulphate, highlights the critical need for projects like Oakover to become operational mines. With a limited number of advanced ASX manganese developers, Firebird is in a strong position to develop Oakover and supply a high-quality product into a growing and supply-constrained market.

The Company is committed to generating sustainable long-term value and growth for stakeholders, through the implementation of best practice exploration methods while prioritising the well-being, health and environmental protection of its employees and communities it operates in.

JORC Compliance Statement

This announcement contains references to Exploration Results and Mineral Resource Estimates, which have been extracted from previous ASX announcements as referenced. For full details of Exploration Results and Mineral Resource Estimates in this release that have been previously announced, refer to those announcements.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the said announcements, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

¹ For full details refer ASX announcements dated 10/3/2022 and 23/3/2023

² For full details refer ASX announcement dated 1/12/2021