

**ASX ANNOUNCEMENT**  
**12 February 2024**

## **SHAREHOLDER LETTER**

Dear Shareholder,

As we embark on what is shaping up to be a busy 2024, I wanted to take the time to reflect on what has been a transformative 12 months for Firebird and outline our key focus areas for the year ahead.

2023 saw a major pivot in our corporate strategy that we are convinced will deliver significant rewards to shareholders by adding value to the manganese we plan to mine and sell from our flagship Oakover Project.

As well as supplying manganese ore and concentrates for use in the traditional global steel industries, the spotlight is now being shone on manganese sulphate and its use in lithium-ion batteries - specifically, LMFP (Lithium, Manganese, Iron and Phosphate) batteries which are being touted as the next major evolution of vehicle battery technology.

The strategy for Firebird to develop a China-based Manganese Sulphate Plant was developed following extensive research in China on the high-purity manganese sulphate market through which we developed relationships with several Chinese manganese sulphate experts.

To fund the strategy, we completed a heavily oversubscribed Placement of A\$8 million, which included a A\$1.7 million cornerstone investment by China-based Canmax Technologies Co., Ltd which subsequently became the Company's largest shareholder. Canmax is a committed investor in the Electric Vehicle battery space and has become China's leading lithium chemical producer supplying both Chinese and International Li-ion battery producers.

We are pursuing our vision with significant haste. We completed a Manganese Sulphate Scoping Study in November which confirmed the exciting potential, highlighted by a strong NPV of approximately US\$331M, a total capital expenditure of approximately US\$82.3M, an IRR of 47% and payback period of less than two years.

We have since secured a preferred location for the plant within the Jinshi High Tech Industries Development Zone in Hunan province, which is a dominant LFP cathode production region and central to the growth of China's battery industry.

In January 2024 we announced completion of our Research and Development Centre, which was delivered ahead of schedule and under budget. Completion of R&D Centre paved the way for the Company to commence Pilot Plant operations, with samples of high-purity manganese sulphate (MnSO<sub>4</sub>) and manganese tetra oxide (Mn<sub>3</sub>O<sub>4</sub>) to be produced for potential customers and offtake parties. The Plant will also be used to demonstrate the production process to financiers.

The next major milestone for the Company is completion of the Feasibility Study, which is progressing and expected to be completed in Q1 2024. The Company is also well-progressed on plans to host both customers and investors to site in both March and April.

Underpinning our entire strategy, of course, is the flagship Oakover Project, which hosts an indicated and inferred total Mineral Resource Estimate of 176.7Mt @ 9.9% Mn.

An updated Dense Media Separation (DMS) Manganese Concentrate Scoping Study last year confirmed Oakover as a long-life, tier-one manganese operation. The results showed Oakover could produce approximately 1.2Mt of 30-32% Mn concentrate annually over an 18-year mine life, for a capital cost estimate of A\$123M, delivering an approximate \$741.3M NPV and impressive IRR of 73.1%.

Our work in 2023 was extensive and has put us in a prime position to advance in 2024 and establish Firebird as a low-cost, near-term global cathode producer.

Despite a lot of media attention on commodity prices, especially the plight of lithium in the past 12 months, we remain convinced by the global electric vehicle revolution that will result in undeniable demand for battery minerals into the future.

We take a long-term view as we are building long-term projects. Commodity cycles are part and parcel of the mining game, but we believe our strategy of pursuing mining as well as downstream processing is one that will deliver long-term value for our shareholders.

I am personally excited and motivated for the year ahead and look forward to sharing our progress with you. I, along with the Board, would like to thank our investors for their ongoing support and commitment to Firebird.

Kind regards,

Peter Allen  
Managing Director

**This announcement has been approved for release by the Board.**

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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 Estimate<sup>1</sup> 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 Resource<sup>2</sup> 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.

*For full details refer to ASX announcements 10/3/22, 30/1/23, 23/3/23, 26/6/23, 30/8/23, 1/9/23, 18/10/23, 21/11/23, 30/11/23, 13/12/23 and 29/1/24*

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

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

## **CAUTIONARY STATEMENT – CHINA BASED BATTERY GRADE MNSO<sub>4</sub> SCOPING STUDY**

The China-based Manganese Sulphate Scoping Study, announced to the ASX on the 21/11/2023 is a preliminary technical and economic study of the potential viability of the processing of part of the manganese concentrate to be produced from the Oakover Manganese Project at a facility to be established in China. The Scoping Study outcomes, production targets and forecast financial information referred to in this release are based on low accuracy level technical and economic assessments that are insufficient to support estimation of Ore resources.

The Scoping Study has been completed to a level of accuracy of +/- 35% in line with a scoping level study accuracy. While each of the JORC modifying factors was considered and applied, there is no certainty of eventual conversion to Ore Reserves or that the production target itself will be realised. Further exploration and evaluation work and appropriate studies are required before the Company will be in a position to estimate any Ore Reserves or to provide any assurance of an economic development case. Accordingly, given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study. Given that the results of the Scoping Study are subject to the qualifications above (including assumptions as to accuracy), any results reported in this release should be considered as approximates and subject to variances having regard for the assumptions referred to in this release. The Company has reasonable grounds for disclosing a Production Target, given that approximately 99% of the Life-of-Mine (LOM) Production Target is in the Indicated Mineral Resource category, and 1% is in the Inferred Mineral Resource category. The production target stated in this announcement is based on Firebird's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and studies are required to establish sufficient confidence that the production target will be met. Firebird confirms that the financial viability of the Oakover Manganese Project is not dependent on the inclusion of Inferred Resources in the Scoping Study.

The Company considers all the material assumptions in this to be based on reasonable grounds. These include assumptions about the availability of funding. While Firebird considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved. To achieve the range of potential outcomes indicated in the Scoping Study, funding of in the order of US\$82.3 million (excluding working capital and finance costs) will likely be required. Investors should note that there is no certainty that Firebird will be able to raise that amount of funding when needed. However, the Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the Project. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Firebird's existing shares. It is also possible that Firebird could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Firebird's proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

The Mineral Resources underpinning the production target in the Scoping Study have been prepared by a competent person in accordance with the requirements of the JORC Code (2012). The Competent Person's Statement is found on page 5 of this announcement. For full details of the Mineral Resources estimate, please refer to Firebird's ASX release dated 10th March 2022 and 23 March 2023. Firebird has confirmed that it is not aware of any new information or data that materially affects the information included in that release. All material assumptions and technical parameters underpinning the estimates in that ASX release continue to apply and have not materially changed.

## CAUTIONARY STATEMENT- DMS CONCENTRATE SCOPING STUDY

The Updated Scoping Study announced to the ASX on 30<sup>th</sup> August 2024 has been undertaken for the purpose of initial evaluation of a potential development of the Oakover Manganese Project. The Scoping Study is a preliminary technical and economic study of the potential viability of the Oakover Manganese Project as a manganese producer. The Scoping Study outcomes, production target and forecast financial information referred to in this release are based on low accuracy level technical and economic assessments that are insufficient to support estimation of Ore resources.

The Scoping Study has been completed to a level of accuracy of +/- 35% in line with a scoping level study accuracy. While each of the JORC modifying factors was considered and applied, there is no certainty of eventual conversion to Ore Reserves or that the production target itself will be realised. Further exploration and evaluation work and appropriate studies are required before the Company will be in a position to estimate any Ore Reserves or to provide any assurance of an economic development case. Accordingly, given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study. Given that the results of the Scoping Study are subject to the qualifications above (including assumptions as to accuracy), any results reported in this release should be considered as approximates and subject to variances having regard for the assumptions referred to in this release. The Company has reasonable grounds for disclosing a Production Target, given that approximately 99% of the Life-of-Mine (LOM) Production Target is in the Indicated Mineral Resource category, and 1% is in the Inferred Mineral Resource category. The production target stated in this announcement is based on Firebird's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and studies are required to establish sufficient confidence that the production target will be met. Firebird confirms that the financial viability of the Oakover Manganese Project is not dependent on the inclusion of Inferred Resources in the Scoping Study.

The Company considers all the material assumptions in this Study to be based on reasonable grounds. These include assumptions about the availability of funding. While Firebird considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved. To achieve the range of potential outcomes indicated in the Scoping Study, funding of in the order of \$123 million (excluding working capital and finance costs) will likely be required. Investors should note that there is no certainty that Firebird will be able to raise that amount of funding when needed. However, the Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the Project. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Firebird's existing shares. It is also possible that Firebird could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Firebird's proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

The Mineral Resources underpinning the production target in the Scoping Study have been prepared by a competent person in accordance with the requirements of the JORC Code (2012).. For full details of the Mineral Resources estimate, please refer to Firebird's ASX release dated 10th March 2022 and 23 March 2023. Firebird has confirmed that it is not aware of any new information or data that materially affects the information included in that release. All material assumptions and technical parameters underpinning the estimates in that ASX release continue to apply and have not materially changed.