



Management's Discussion and Analysis

For the three and six month periods ended 31 December 2024

Table of Contents

1.	Management's Discussion and Analysis	3
2.	Business Overview	3
3.	Strategy	3
4.	Quarterly Highlights	4
5.	Green Bay Copper-Gold Project	4
6.	Pickle Crow Gold Project	14
7.	Corporate	14
8.	Overall Performance	15
9.	Liquidity and Capital Resources	19
10.	Table of Contractual Obligations	22
11.	Financial Instruments	22
12.	Off-Balance Sheet Arrangements	23
13.	Related Party Transactions	23
14.	Proposed Transactions	23
15.	Outstanding Share Data	23
16.	Critical Accounting Estimates	23
17.	Risk Factors	25
18.	Controls and Procedures	25
19.	Qualified Persons & Disclosure of Technical Information	26
20.	Additional Information	26
21.	About FireFly Metals	26
22.	Compliance Statements	27
23.	Cautionary Note Regarding Forward-Looking Statements	28

1. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following FireFly Metals Ltd (**FireFly** or the **Company**) Management's Discussion and Analysis (**MD&A**) has been prepared as at 13 February 2025. This MD&A is intended to supplement the condensed consolidated interim financial statements for the three and six month periods ended 31 December 2024 and related notes thereto (**Interim Financial Statements**) which have been prepared in accordance with Australian Accounting Standards Board (**AASB**) 134 and International Accounting Standards (**IAS**) 34 *Interim Financial Reporting*, and should be read in conjunction with the Company's audited annual financial statements for the financial year ended 30 June 2024. The Interim Financial Statements and other information pertaining to the Company are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.fireflymetals.com.au. As this is the first MD&A to be filed by FireFly, and is an interim MD&A, additional information has been included in this report.

FireFly's management team (**Management**) is responsible for the preparation and integrity of the Interim Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the Interim Financial Statements and MD&A, is complete and reliable. This MD&A was approved by the Company's Board of Directors on 13 February 2025.

In this MD&A, unless the context otherwise requires, references to FireFly or the Company include FireFly Metals Ltd and its controlled entities (collectively, the **Group**). Unless otherwise specified, all dollar figures stated herein are expressed in Australian dollars (**AUD**).

This MD&A contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risk Factors" section of this MD&A and the Company's Annual Information Form and to the "Cautionary Note Regarding Forward-Looking Statements" section of this MD&A.

2. BUSINESS OVERVIEW

The Company was incorporated in South Australia pursuant to the provisions of the *Corporations Act 2001* (Cth) on 3 August 2004 under the name Monax Mining Ltd. The Company changed its name to Auteco Minerals Ltd on 8 November 2018 and to FireFly Metals Ltd on 24 November 2023. The Company's Ordinary Shares were quoted on the Australian Securities Exchange (**ASX**) on 21 September 2005 and currently trade on the ASX under the ASX ticker code "FFM".

On 16 December 2024, the Company commenced trading on the main board of the Toronto Stock Exchange (**TSX**). This listing is in addition to FireFly's primary ASX Listing. The head office and registered office of the Company is located at Level 2, 8 Richardson Street, West Perth, Western Australia, 6005.

FireFly is currently engaged in the exploration and development of mineral deposits in Newfoundland and Labrador and Ontario, Canada.

The Company is focused on advancing its business as an emerging copper-gold company by developing its high-grade Green Bay Copper-Gold Project in Newfoundland and Labrador, Canada. The Company also holds a 70% interest in the high-grade Pickle Crow Gold Project in the Uchi sub-province of Ontario, Canada and a 90% interest in the Limestone Well Vanadium-Titanium Project in Western Australia.

For further information regarding FireFly Metals Ltd, please visit SEDAR+ at www.sedarplus.ca, the ASX platform (ASX:FFM) or the Company's website www.fireflymetals.com.au.

3. STRATEGY

FireFly's strategy is to create value for shareholders through resource growth and advancing its Green Bay Copper-Gold Project in Canada. The Company is committed to being a responsible steward of the environment and building collaborative partnerships with communities, governments, and all other stakeholders for mutual success.

4. QUARTERLY HIGHLIGHTS

- FireFly's strategy to create value for shareholders by growing and advancing its Green Bay Copper-Gold Project in Canada continues to deliver outstanding results, with a substantial increase in the Mineral Resource and exceptional drilling results generated during the December 2024 quarter.
- The Measured and Indicated Resource at the Green Bay Copper-Gold Project in Canada grew in October 2024 to 24.4Mt at 1.9% for 460kt CuEq and the Inferred Resource grew to 34.5Mt at 2% for 690kt CuEq¹ reflecting the results of the highly successful 2023-2024 underground drilling campaign.
- The Mineral Resource increase was driven mainly by mineralisation from the large-scale footwall copper zone due to the Phase 1 drill platform locations; Phase 2 is now well underway with drilling targeting the high-grade copper-gold VMS zones which are expected to underpin the next round of Mineral Resource growth.
- Four rigs are drilling underground as part of a fully-funded 130,000m drill campaign with a combined focus on Mineral Resource growth and conversion infill.
- On 16 December 2024, the Company commenced trading on the TSX under the symbol "FFM", in addition to FireFly's primary listing on the ASX.
- FireFly completed the transaction to acquire the 115km² highly prospective Tilt Cove copper-gold regional exploration project in Newfoundland.
- FireFly appointed a highly experienced General Counsel and Company Secretary, Laura Noonan-Crowe.
- Share Purchase Plan (SPP) successfully completed and increased to A\$8m after overwhelming demand.
- FireFly is well funded for its accelerated growth strategy with ~A\$84.1 million in cash, receivables and liquid investments at 31 December 2024.

Drilling Results:

- The Green Bay Copper-Gold Project hosts two distinct styles of copper mineralisation: one contains high-grade copper-gold massive sulphide zones (VMS) and the other is a large-scale, copper-rich stringer sulphides Footwall Zone (FWZ)
- The drilling results released during the quarter reveal strong FWZ mineralisation directly below the high-grade VMS. This has resulted in continuous copper-gold intersections which are both wide (~true thickness) and high-grade, including drill holes:
 - **86.3m @ 3.7% CuEq¹ (3.1% Cu & 0.6g/t Au)** in hole MUG24-079
Intersection includes two distinct VMS lodes grading **15.5m @ 4.6% CuEq** and **9.9m @ 5.8% CuEq** above a broad copper FWZ intersection with a high-grade core of **27.6m @ 5.3% CuEq**
 - **76.3m @ 2.9% CuEq (2.4% Cu & 0.5g/t Au)** in hole MUG24-073
Intersection includes an upper VMS lode grading **20.1m @ 6.1% CuEq** above multiple FWZ intersections including **24.0m @ 2.6% CuEq** and **11.0m @ 2.4% CuEq**

5. GREEN BAY COPPER-GOLD PROJECT

PROJECT BACKGROUND

On 20 October 2023, FireFly announced the completion of the acquisition of all shares in Rambler Metals and Mining Canada Limited and 1948565 Ontario Inc (**Acquisition**). As a result of the Acquisition, the Company owns 100% of the Green Bay Copper-Gold Project located on the Baie Verte peninsula of north-east Newfoundland, Canada. At the time of the Acquisition, a Mineral Resource Estimate prepared in accordance

¹ Metal equivalent for the Mineral Resource Estimate has been calculated at a copper price of US\$8,750/t, gold price of US\$2,500/oz and silver price of US\$25/oz. Metallurgical recoveries have been set at 95% for copper and 85% for both gold and silver. Copper equivalent (CuEq) was calculated based on the formula: $CuEq(\%) = Cu(\%) + (Au(g/t) \times 0.82190) + (Ag(g/t) \times 0.00822)$. In the opinion of the Company, all elements included in the metal equivalent calculation have a reasonable potential to be sold and recovered based on current market conditions, metallurgical test work, and historical performance achieved at the Green Bay Copper-Gold Project whilst in operation.

Management's Discussion and Analysis

(Expressed in Australian dollars except where otherwise indicated)



with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (**NI 43-101**) of 39.2Mt @ 2.1% for 811,000t CuEq had been announced².

The province of Newfoundland and Labrador has been recognised as a top four global mining investment jurisdiction in the 2022 Fraser Institute Annual Survey of Mining Companies. The project consists of multiple assets, headlined by the Ming underground mine.

Ming Mine

The Ming deposit is a high-grade copper-gold Volcanogenic Massive Sulphide (VMS) deposit located ~9 kilometres east of the township of Baie Verte. The deposit comprises an upper zone of multiple tabular copper-gold rich massive sulphide horizons underlain by an extensive broad large-scale copper stringer zone, known as the Footwall Zone (FWZ). In places, the FWZ exceeds 100m in width and 200m strike, and extends for over 1,200 metres down plunge and remains open. The Ming deposit was originally mined from 1972 to 1982 and again from 2012 to 2022. At the time of the Acquisition, the Ming Mine had an unmined Mineral Resource Estimate (prepared in accordance with NI 43-101) of 30.2Mt at 1.81% copper, 0.4g/t gold and 2.7g/t silver for 811,000 tonnes at 2.1% CuEq. The mine consists of a fully operating decline accessible to 950m below surface, and an existing 650m deep shaft. This functional infrastructure provides a significant platform for FireFly to conduct the drilling required to increase the Mineral Resource for minimal capital outlay, and position the Company for future mining operations.

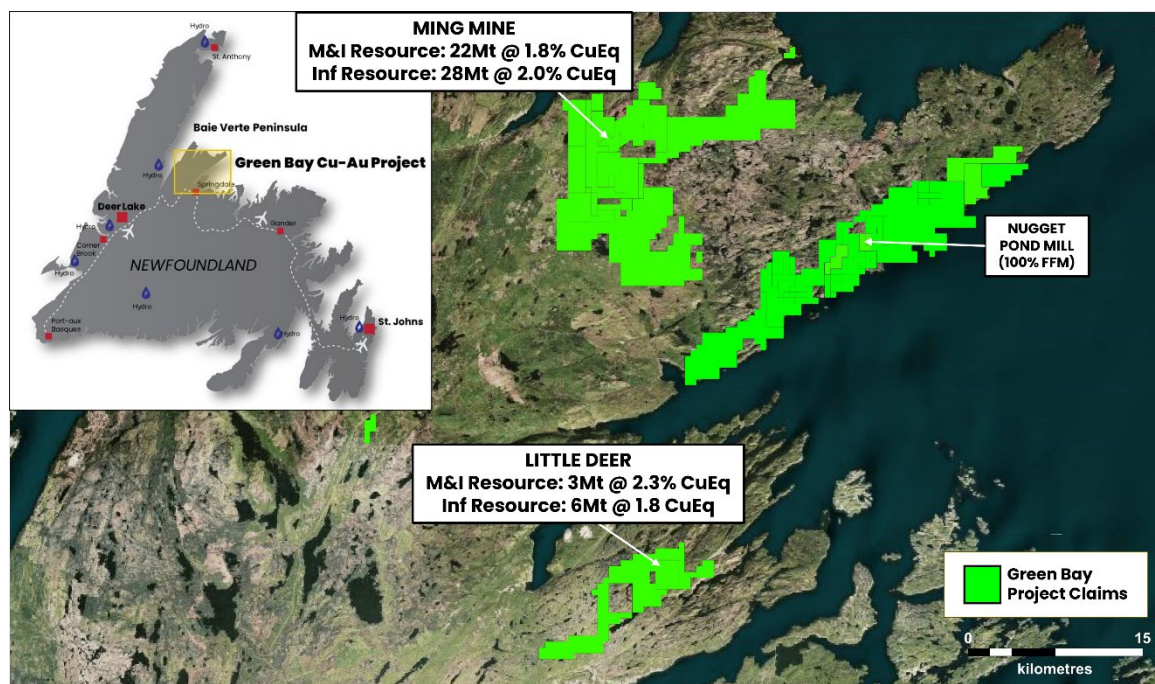


Figure 1: FireFly Location and Tenure in Newfoundland, Canada.

² The Company first announced the foreign estimate for the Green Bay Copper-Gold Project on 31 August 2023. The foreign estimate is prepared in accordance with NI 43-101 and has not been reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code 2012**). A competent person has not done sufficient work to classify the foreign estimates in accordance with the JORC Code 2012 and it is uncertain whether, following evaluation and or further exploration, a foreign estimate will be able to be reported in accordance with the JORC Code 2012.



Figure 2: Aerial view of Ming Mine.

Little Deer Copper Complex

The Little Deer copper complex is located only 40 kilometres south of the Ming Mine and is a high-grade copper-rich VMS deposit. Two historical operations, the Little Deer and Whalesback mines, were in operation between 1960 and 1972. The current unmined Mineral Resource Estimate (prepared in accordance with NI 43-101) is 2.9Mt of Measured and Indicated Resources at 2.3% for 65Kt CuEq and 6.2Mt of Inferred Resources at 1.8% for 114Kt CuEq. Limited exploration has been conducted in recent years.

Nugget Pond Processing Facility & Goodyear's Cove Port

The Nugget Pond processing facility is a 500,000 tonne per annum plant that consists of a conventional circuit. The plant consists of a crushing and grinding circuit made up of a two-stage jaw crusher, a semi-autogenous grind and ball mill. The fine product is then fed to a standard flotation plant consisting of roughers, scavengers and three stage cleaners. The float product is then dewatered by a filter press and hauled to the Goodyear's Cove Port facility, where the Company owns a concentrate storage facility.

MINERAL RESOURCE UPDATE OCTOBER 2024

On 29 October 2024, FireFly announced that the Mineral Resource at its Green Bay Copper-Gold Project in Newfoundland, Canada had increased significantly since the previous estimate as a result of the Company's investment in exploration development and drilling.

The Mineral Resource now comprises 24.4Mt of Measured and Indicated Resources at 1.9% for 460Kt CuEq and 34.5Mt of Inferred Resources at 2% for 690Kt CuEq.

The Mineral Resource consists of two components, namely the Ming Mine containing 21.5Mt @ 1.8% for 393Kt CuEq (1.6% Cu & 0.3g/t Au) of Measured and Indicated Resources and 28.4Mt @ 2.0% for 576Kt CuEq (1.7% Cu & 0.4g/t Au) of Inferred Resources and the Little Deer deposit containing 2.9Mt of Measured and Indicated Resources at 2.3% for 65Kt CuEq and 6.2Mt of Inferred Resources at 1.8% for 114Kt CuEq. The Mineral Resource Estimates for both have been prepared in accordance with the JORC Code 2012, and NI43-101, and estimated by external independent consulting groups.

All Mineral Resource growth was attributable to the Ming Mine, with no additional Mineral Resource growth drilling completed at the Little Deer deposit.

Management's Discussion and Analysis

(Expressed in Australian dollars except where otherwise indicated)



The increase in the Mineral Resource has been driven primarily by the successful growth strategy implemented by FireFly since it acquired the Green Bay Copper-Gold Project in October 2023. Over 1,400m of underground development has been mined at the Ming deposit to position the drill rigs to effectively test down-plunge extensions of the high-grade volcanogenic massive sulphide (**VMS**) mineralisation and broad footwall copper stringer zone (**FWZ**). Up to four rigs have been operating and approximately 50,000m of diamond drilling completed.

This exploration drilling has successfully demonstrated that the Mineral Resource at the Ming Mine extends over considerable distances, now reaching a strike length of approximately 2.1km. Both the high-grade massive sulphide zones and broad footwall stringer zones remain open, with downhole geophysical surveys indicating probable extensions to the mineralisation.

Green Bay Copper-Gold Project Mineral Resources

Table 1: Ming Mineral Resource Estimate

	TONNES	COPPER		GOLD		SILVER		CuEq
	(Mt)	Grade (%)	Metal ('000 t)	Grade (g/t)	Metal ('000 oz)	Grade (g/t)	Metal ('000 oz)	Grade (%)
Measured	4.7	1.7	80	0.3	40	2.3	340	1.9
Indicated	16.8	1.6	270	0.3	150	2.4	1,300	1.8
TOTAL M&I	21.5	1.6	340	0.3	190	2.4	1,600	1.8
Inferred	28.4	1.7	480	0.4	340	3.3	3,000	2.0

Table 2: Little Deer Mineral Resource Estimate

	TONNES	COPPER		GOLD		SILVER		CuEq
	(Mt)	Grade (%)	Metal ('000 t)	Grade (g/t)	Metal ('000 oz)	Grade (g/t)	Metal ('000 oz)	Grade (%)
Measured	-	-	-	-	-	-	-	-
Indicated	2.9	2.1	62	0.1	9	3.4	320	2.3
TOTAL M&I	2.9	2.1	62	0.1	9	3.4	320	2.3
Inferred	6.2	1.8	110	0.1	10	2.2	430	1.8

Table 3: GREEN BAY TOTAL MINERAL RESOURCE ESTIMATE

	TONNES	COPPER		GOLD		SILVER		CuEq
	(Mt)	Grade (%)	Metal ('000 t)	Grade (g/t)	Metal ('000 oz)	Grade (g/t)	Metal ('000 oz)	Grade (%)
Measured	4.7	1.7	80	0.3	45	2.3	340	1.9
Indicated	19.7	1.7	330	0.2	154	2.6	1,600	1.9
TOTAL M&I	24.4	1.7	400	0.3	199	2.5	2,000	1.9
Inferred	34.6	1.7	600	0.3	348	3.1	3,400	2.0

1. Mineral Resources for the Green Bay Copper-Gold Project, incorporating the Ming Deposit and Little Deer Complex, are reported in accordance with the JORC Code 2012 and NI 43-101.
2. Mineral Resources have been reported at a 1.0% copper cut-off grade.
3. Metal equivalents for the Mineral Resource Estimate has been calculated at a copper price of US\$8,750/t, gold price of US\$2,500/oz and silver price of US\$25/oz. Metallurgical recoveries have been set at 95% for copper and 85% for both gold and silver. Copper equivalent (CuEq) was calculated based on the formula: $CuEq(\%) = Cu(\%) + (Au(g/t) \times 0.82190) + (Ag(g/t) \times 0.00822)$.
4. Totals may vary due to rounding.

For further information regarding the Mineral Resource update, please refer to the Company's ASX announcement dated 29 October 2024.

DRILLING ACTIVITIES

On 10 December 2024, FireFly announced its best assays yet at the Green Bay Copper-Gold Project, further highlighting the significant potential for ongoing growth in the Mineral Resource.

Drilling at the margins of the current Mineral Resource show the development of a strong copper-rich footwall zone directly beneath the upper VMS lenses. In other parts of the deposit the separation of the VMS and FWZ can exceed 50 metres. **Their convergence has resulted in thick and consistent high-grade copper and gold intersections which are amongst the best mineralised results returned from the deposit to date.** Highlights include 86.3m @ 3.7% CuEq (~true thickness) made up of two separate VMS intersections of 15.5m @ 4.6% CuEq and 9.9m @ 5.8% CuEq above a thick FWZ mineralised zone with a core of 27.6m @ 5.3% CuEq.

Both the high-grade massive sulphide zones and broad footwall stringer zones remain open, with downhole geophysical surveys indicating probable extensions to the mineralisation.

Four drill rigs are currently operating underground, with the focus split between both extension / exploration (two rigs) and Mineral Resource conversion drilling (two rigs).

Drilling results reported in ASX Announcements on 3 October 2024 and 10 December 2024 were received after the data cutoff for the Mineral Resource update reported on 29 October 2024.

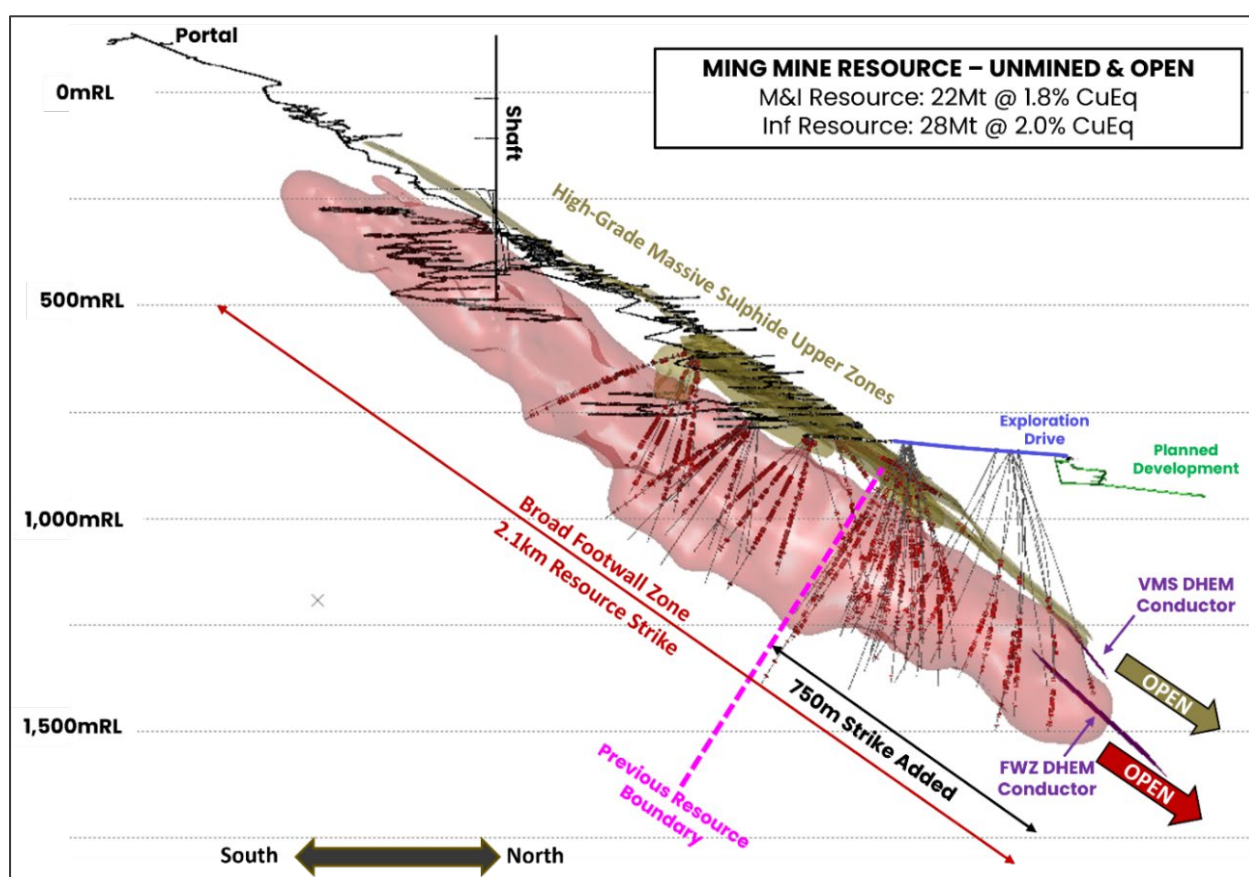


Figure 3: Long section of Ming Mine resource extent and drilling completed by FireFly in 2023-2024 to inform the estimate. The resource remains open and recent geophysical DHEM conductors indicate the mineralisation continues down plunge. Red wireframes denote footwall stringer zone mineralisation and gold wireframes are the upper high-grade copper-gold volcanogenic massive sulphide (VMS) lodes. Red on the drillholes are assays >0.5% copper.

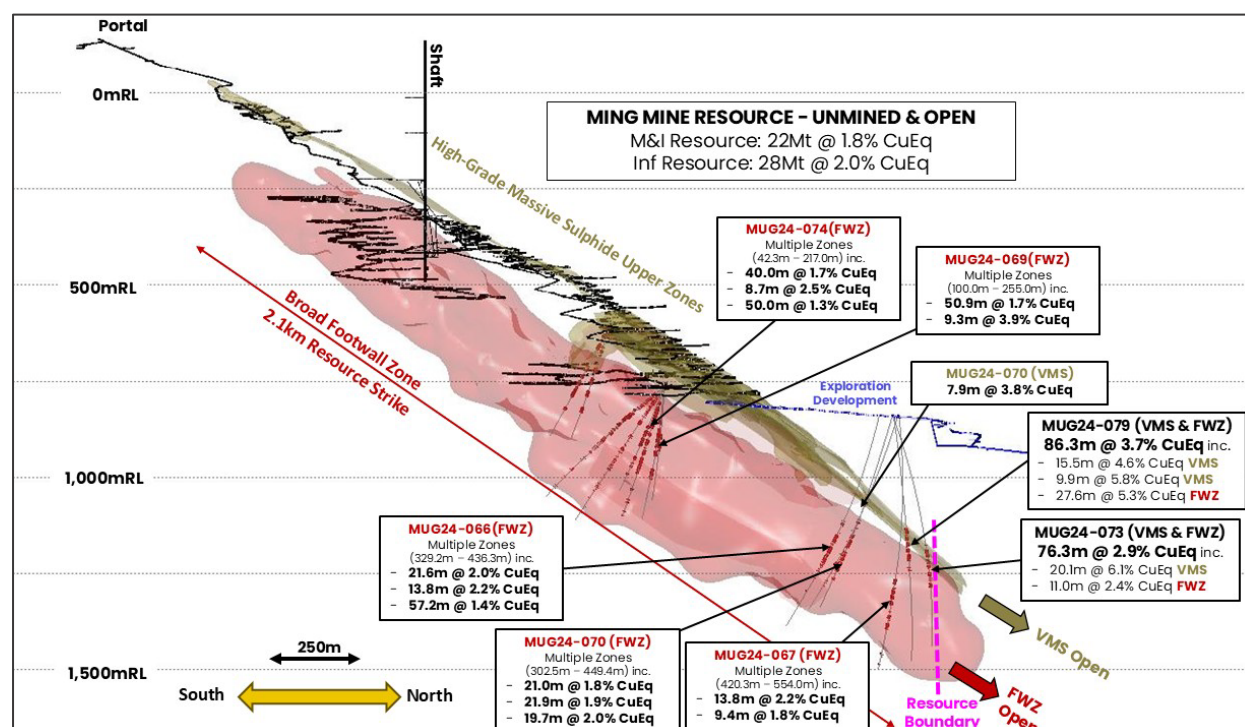


Figure 4: Long Section through the Green Bay Ming underground mine showing the location of the Company's drill results announced in the Company's ASX Announcement dated 10 December 2024. These holes intersected both high-grade VMS zones and the broad Footwall Zone. Drillhole assays >0.5% copper are shown in red.

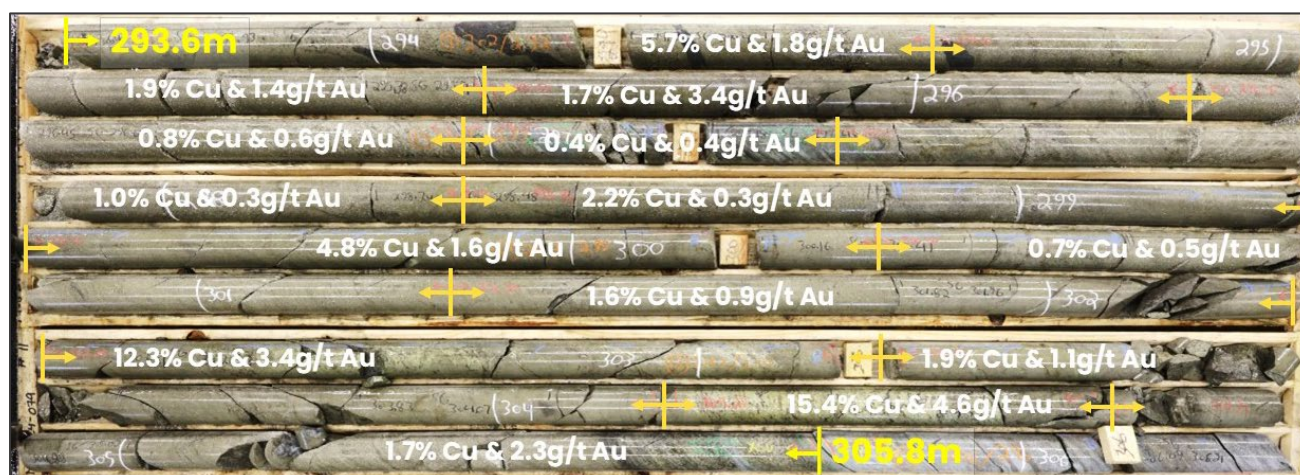


Figure 5: Core photograph of a portion of the upper massive sulphide zone in hole MUG24-079 that graded 15.5m @ 4.6% CuEq (3.0% Cu & 1.4g/t Au). Copper and gold assays for individual samples are shown. See Figure 4 for location of the intersection.

Development Drilling (from the 805 Level)

During the quarter, FireFly reported results from holes completed from the two northern-most drill platforms in the drill drive. All holes demonstrate the presence of both VMS and FWZ style mineralisation, confirming continuity of the mineralised system over a known strike of 2.1 km.

The drilling intersected a coherent stringer zone immediately beneath the high-grade copper-gold VMS horizons, resulting in broad consistent intersections that are amongst the highest metal accumulation (grade x width) results obtained from drilling at the Ming Mine to date at 315.2 %m.

Significant intersections³ from Resource drilling completed from the exploration drive include, but are not limited to (refer to ASX announcements dated 3 October 2024 and 10 December 2024):

Hole MUG24-079 includes multiple mineralised zones of both VMS and FWZ:

- **86.3m @ 3.05% Cu, 0.6g/t Au, 4.9g/t Ag, 0.45% Zn (3.7% CuEq)** from 290.3m (VMS & FWZ Stringer-style), including (~true thickness):
 - **15.5m @ 3.04% Cu, 1.4g/t Au, 10.6g/t Ag, 2.16% Zn (4.6% CuEq)** from 290.3m (VMS-style)
 - **9.9m @ 4.48% Cu, 1.4g/t Au, 8.1g/t Ag, 0.12% Zn (5.8% CuEq)** from 312.7m (VMS-style)
 - **27.6m @ 4.98% Cu, 0.3g/t Au, 4.8g/t Ag, 0.12% Zn (5.3% CuEq)** from 344.9m (FWZ Stringer-style)

Hole MUG24-073 includes multiple mineralised zones of both VMS and FWZ:

- **76.3m @ 2.4% Cu, 0.5g/t Au, 4.4g/t Ag, 0.1% Zn (2.9% CuEq)** from 356m (VMS & FWZ stringer-style) including (~true thickness):
 - **20.1m @ 4.93% Cu, 1.3g/t Au, 11.3g/t Ag, 0.23% Zn (6.1% CuEq)** from 356m (VMS-style)
 - **24m @ 2.19% Cu, 0.4g/t Au, 3.1g/t Ag, 0.08% Zn (2.6% CuEq)** from 381.3m (FWZ-style)
 - **11m @ 2.25% Cu, 0.1g/t Au, 2.2g/t Ag, 0.06% Zn (2.4% CuEq)** from 415.5m (FWZ Stringer-style)

Hole MUG24-070 includes multiple mineralised zones (~true thickness):

- **7.9m @ 1.14% Cu, 2.9g/t Au, 20.1g/t Ag, 1.02% Zn (3.8% CuEq)** from 232.5m (VMS-style)
- **21m @ 1.74% Cu, 0.1g/t Au, 1.6g/t Ag, 0.02% Zn (1.8% CuEq)** from 336.5m (FWZ Stringer-style)
- **21.9m @ 1.86% Cu, 0.1g/t Au, 1.7g/t Ag, 0.02% Zn (1.9% CuEq)** from 370.5m (FWZ Stringer-style)
- **19.7m @ 1.91% Cu, 0.1g/t Au, 2.1g/t Ag, 0.02% Zn (2.0% CuEq)** from 406.1m (FWZ Stringer-style)

Hole MUG24-042 includes multiple mineralised zones:

- **2.7m @ 2.32% Cu, 4.9g/t Au, 50.5g/t Ag, 1.09% Zn (6.9% CuEq)** from 464.3m (VMS-style)
- **5.0m @ 1.02% Cu, 2.9g/t Au, 11.2g/t Ag, 0.29% Zn (3.4% CuEq)** from 473m (VMS-style)
- **5.0m @ 0.6% Cu, 3.9g/t Au, 35.6g/t Ag, 1.63% Zn (4.5% CuEq)** from 485.3m (VMS-style)

Hole MUG24-049 includes multiple mineralised zones: ~200m down plunge step-out from historic exploration hole R17-025 (102m @ 1.7% Cu)

- **61.8m @ 1.71% Cu, 0.1g/t Au, 2.0g/t Ag (1.8% CuEq)** from 567.3m (FW Stringer-style)
- **6.3m @ 2.43% Cu, 0.1g/t Au, 2.5g/t Ag (2.6% CuEq)** from 596.5m (FW Stringer-style)
- **13.6m @ 1.34% Cu, 0.2g/t Au, 2.5g/t Ag (1.5% CuEq)** from 606.4m (FW Stringer-style)

Hole MUG24-058 includes multiple mineralised zones:

- **22.2m @ 2.05% Cu, 3.1g/t Au, 19.6g/t Ag, 1.49% Zn (5.1% CuEq)** from 288.9m (VMS-style)
 - Including: 3.7m @ 5.12% Cu, 5.5g/t Au, 34g/t Ag, 2.02% Zn (10.3% CuEq) from 292.9m; and
 - 8.1m @ 2.47% Cu, 4.5g/t Au, 27.9g/t Ag, 1.88% Zn (6.8% CuEq) from 303m
- **56.8m @ 2.5% Cu, 0.1g/t Au, 2.4g/t Ag (2.7% CuEq)** from 395.1m (FW Stringer-style)
 - Including: 10.7m @ 5.4% Cu, 0.4g/t Au, 4.9g/t Ag (5.9% CuEq) from 395.1m; and
 - 35.9m @ 2.27% Cu, 0.1g/t Au, 2.2g/t Ag (2.4% CuEq) from 416m
- **33.4m @ 1.22% Cu, 0.1g/t Au, 1.4g/t Ag (1.3% CuEq)** from 482m (FW Stringer-style)

Hole MUG24-060 includes multiple mineralised zones:

- **3.4m @ 1.68% Cu, 2.4g/t Au, 14.8g/t Ag, 0.68% Zn (3.9% CuEq)** from 191.7m (VMS-style)
- **12m @ 1.51% Cu, 0.2g/t Au, 1.7g/t Ag (1.7% CuEq)** from 298m (FW Stringer-style)
- **19.9m @ 1.61% Cu, 0.1g/t Au, 1.7g/t Ag (1.7% CuEq)** from 331.5m (FW Stringer-style)
- **11.8m @ 1.77% Cu, 0g/t Au, 1.8g/t Ag (1.8% CuEq)** from 369.7m (FW Stringer-style)
- **10.1m @ 1.82% Cu, 0.4g/t Au, 4.3g/t Ag (2.2% CuEq)** from 425m (FW Stringer-style)

³ Holes are drilled perpendicular to the mineralisation and approximate true thickness.

Resource Conversion Drilling (from the 620 & 750 Levels)

Two drill rigs continue Resource conversion drilling underground at the Ming Mine with the infill drilling to upgrade the Mineral Resource classification from Inferred to the Measured and Indicated categories. Drilling is being undertaken from historically mined development in the upper mine.

Significant intersections⁴ from Resource drilling completed for conversion from Inferred to the higher confidence Indicated category include, but are not limited to (refer to ASX announcement dated 10 December 2024):

Hole MUG24-074 includes multiple mineralised zones (~true thickness):

- **50m @ 1.21% Cu, 0.1g/t Au, 1.2g/t Ag, 0.02% Zn (1.3% CuEq)** from 59m (FWZ Stringer-style)
- **8.7m @ 2.38% Cu, 0.2g/t Au, 2.3g/t Ag, 0% Zn (2.5% CuEq)** from 128.3m (FWZ Stringer-style)
- **12m @ 1.57% Cu, 0.1g/t Au, 1.3g/t Ag, 0.02% Zn (1.7% CuEq)** from 147m (FWZ Stringer-style)
- **40m @ 1.56% Cu, 0.1g/t Au, 1.7g/t Ag, 0.01% Zn (1.7% CuEq)** from 177m (FWZ Stringer-style)

Hole MUG24-069 includes multiple mineralised zones (~true thickness):

- **6m @ 1.65% Cu, 0.1g/t Au, 2.3g/t Ag, 0.07% Zn (1.8% CuEq)** from 100m (FWZ Stringer-style)
- **50.9m @ 1.56% Cu, 0.1g/t Au, 2.2g/t Ag, 0.03% Zn (1.7% CuEq)** from 124m (FWZ Stringer-style) **including:**
 - **8m @ 3.07% Cu, 0.1g/t Au, 4g/t Ag, 0.08% Zn (3.2% CuEq)** from 132m (FWZ Stringer-style)
 - **5.4m @ 2.67% Cu, 0.2g/t Au, 3.8g/t Ag, 0.01% Zn (2.9% CuEq)** from 169.4m (FWZ Stringer-style)
- **9.3m @ 3.41% Cu, 0.2g/t Au, 4.3g/t Ag, 0.01% Zn (3.6% CuEq)** from 190.7m (FWZ Stringer-style)

GREEN BAY REGIONAL

On 4 November 2024, FireFly announced it had signed a binding agreement to acquire the Tilt Cove copper-gold exploration tenure in Newfoundland from Signal Gold Inc (TSX-V: SGNL) (**Signal Gold**).

The transaction strengthens the Company's regional land holding by adding a further 115km² of exploration tenure that is continuous to the emerging world-class Green Bay Copper-Gold Project. The 54% increase in land holding sees the Green Bay Copper-Gold Project grow to a total area of ~326km².

The Tilt Cove property is highly prospective for VMS deposits similar to FireFly's rapidly growing Ming Mine. The project also contains high-grade orogenic-style gold mineralisation.

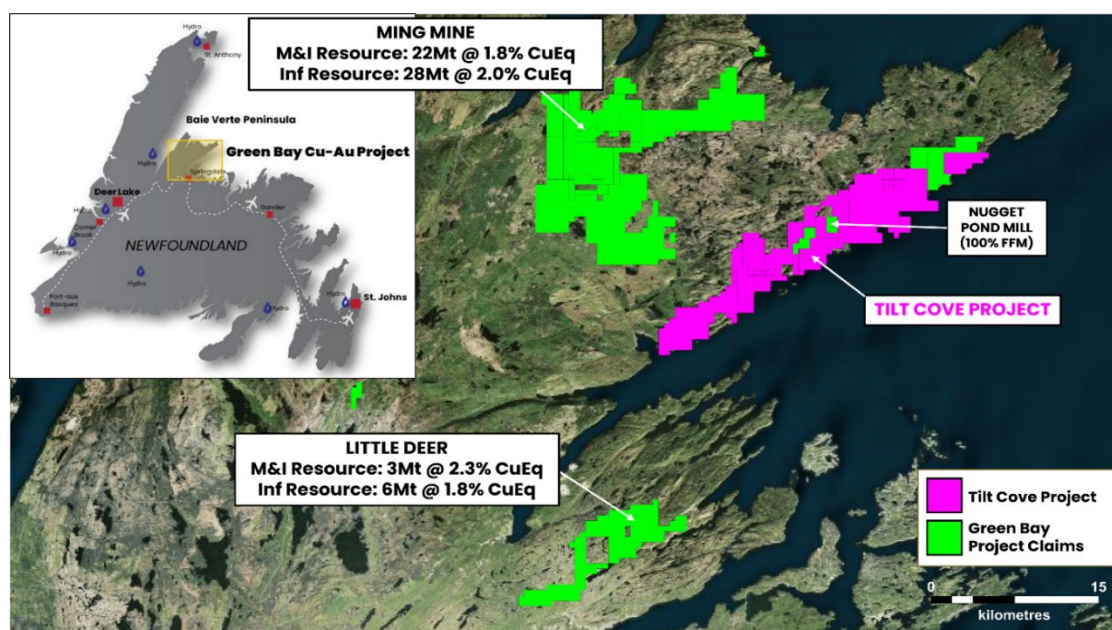


Figure 6: FireFly's tenure in Newfoundland, Canada including the acquired Tilt Cove Project.

⁴ Holes are drilled perpendicular to the mineralisation and approximate true thickness.

Management's Discussion and Analysis

(Expressed in Australian dollars except where otherwise indicated)



A key target within the acquisition area is the namesake Tilt Cove Copper-Gold VMS deposit, which was one of the world's largest copper mines in the late 19th Century. A total of ~170,000t of copper and 50,000oz of gold was mined between 1864 and 1917, with operations briefly resuming between 1957 and 1967.⁵

FORWARD WORK PLANS

FireFly will continue to accelerate a multi-path approach to long-term sustained growth at the Green Bay Copper Gold Project, consisting of:

- Mineral Resource Growth and In-Mine Exploration at Ming Mine;
- Project Development; and
- Regional Exploration (near mine, regional).

The key high-level milestones for the project are summarised in Figure 7. FireFly is funded for its growth plans through 2025 with the recent institutional placement (refer to the Company's ASX Announcement dated 26 September 2024) (**Placement**) and Share Purchase Plan (refer to the Company's ASX Announcement dated 25 October 2024) (**SPP**) raising an additional A\$73M (before costs).

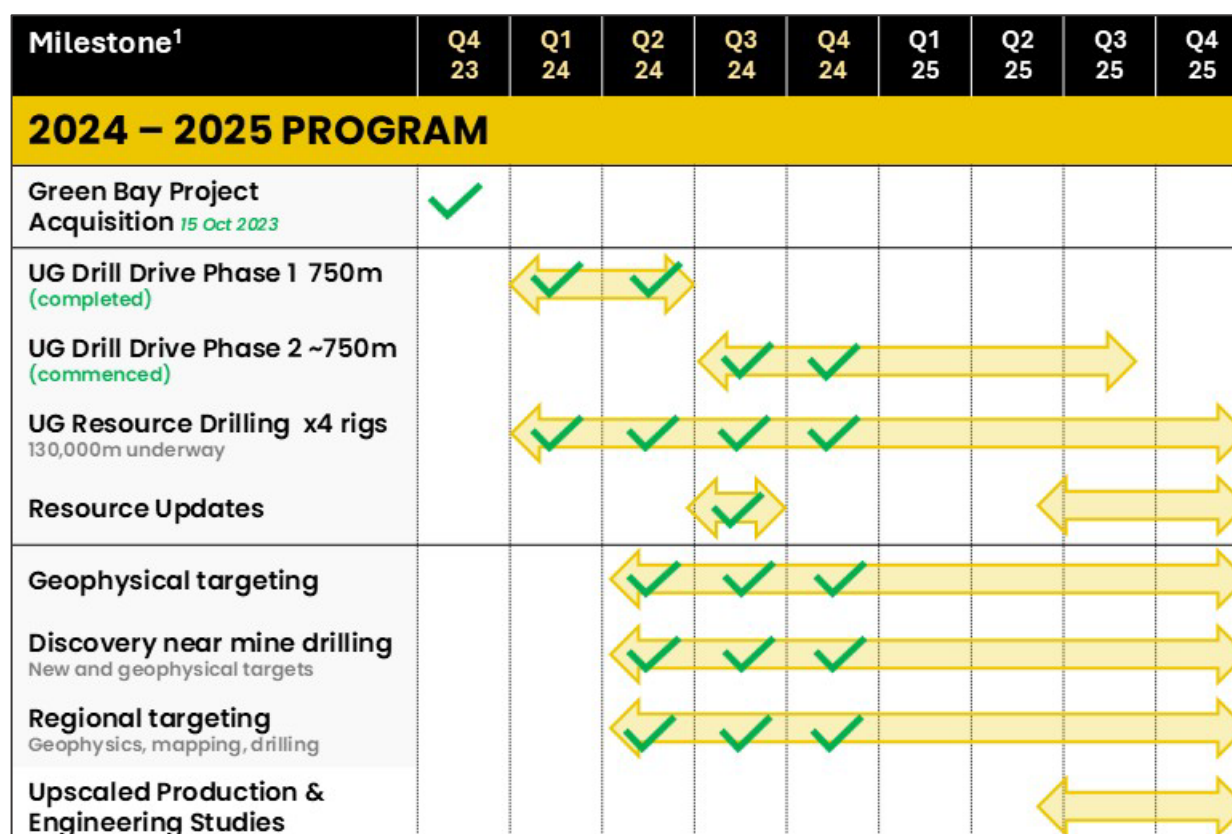


Figure 7: Key 2024-2025 milestones for the Green Bay Copper-Gold Project. Please note that timelines are indicative and may be subject to change.

⁵ Source: Midat.org, <https://www.mindat.org/loc-25258.html>

Resource Growth and In-Mine Exploration

The Company will continue with its strategy of Mineral Resource growth at Ming with exploration development continuing to position drill rigs to deliver Mineral Resource growth during 2025.

Four drill rigs remain underground at the Ming Mine to ensure the growth objectives are delivered. To December 2024, ~50,000m of the planned 130,000m drill program has been completed. The remainder of the underground drill program for 2024-2025 has three clear strategic components:

- **Resource extension:** Test the down-plunge continuation of both the high-grade copper-gold VMS zones as well as the broad footwall copper stringer zone: ~35,000m of drilling (**Figure 8**);
- **Infill drilling:** Convert Inferred areas of the Mineral Resource to Indicated for inclusion in future mining studies: ~35,000m of drilling; and
- **Discovery drilling:** Drilling to explore for parallel high-grade VMS lodes and additional broad footwall stringer-style mineralisation and possible high grade 'feeder' zone style mineralisation within 600m of the underground infrastructure: ~10,000m of drilling.

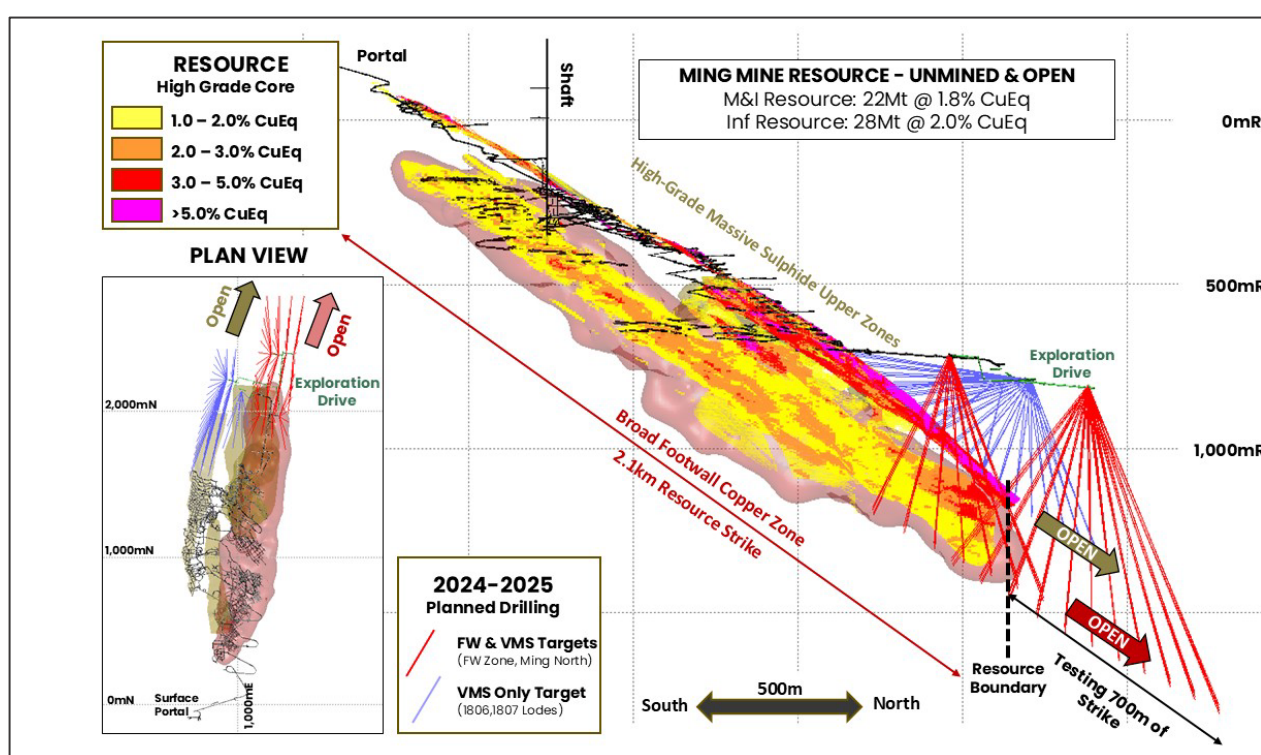


Figure 8: Planned 2024-2025 Resource extensions drilling at the Ming Mine. The objective of this drilling is to add high-grade VMS and broad footwall stringer extensions to the Mineral Resource. Note that new discovery drilling and infill drilling is not shown on this image, only extension drilling.

Project Development

During the December 2024 quarter, approximately 341m of the underground exploration drives were advanced in the Ming Mine. For the six months ended 31 December 2024, a total of approximately 777m was completed. This development was completed to accommodate drill positions to test for further extensions of mineralisation.

Work on conceptual technical and economic evaluations has continued at Green Bay during the past six months of 2024. The purpose of the study work conducted to date, whilst not meeting the criteria required for a Scoping Study or Preliminary Economic Assessment (**PEA**), is to internally evaluate various potential scenarios for an up-scaled recommencement of operations at Green Bay. These studies will guide the options that will be included in the Scoping Studies and PEA planned for completion during 2025.

During the three and six months ended 31 December 2024, the Company focused on the following key studies:

- Mining option assessment (mining methods, production rates, haulage requirements);
- Processing plant options (extraction methods, comminution, mill size and location);
- Environmental baseline studies;
- Tailings management and surface water management opportunities;
- Metallurgical test work; and
- Power and infrastructure reviews.

Total development and engineering studies expenditure for the three and six-months periods ended 31 December 2024 were \$8.4 million and \$16.4 million respectively.

Following the success of the drilling programs to date, the Company intends to complete the next phase of growth drilling before delineating the size of any future potentially upscaled mining operation, to avoid unduly limiting the scale of such operations.

Regional Exploration

Regional exploration will accelerate in the first calendar quarter of 2025, with surface drilling commenced in February 2025. To date, works completed include regional geophysical surveys (VTEM, gravity), surface prospecting and target generation. Drilling will initially focus on the historical mines within 5km of the Ming Mine that contain unmined intersections such as 25.0m @ 4.1% CuEq (4.7g/t gold and 0.23% copper).⁶ Data compilation for the newly acquired Tilt Cove Project is in progress with numerous copper and gold targets for exploration.

Key regional activities planned for coming quarters include:

- Target generation work and data compilation
- Surface drill testing of high-priority exploration prospects
- Surface geochemical sampling and mapping
- Additional ground-based infill geophysics as required

6. PICKLE CROW GOLD PROJECT

No field activities were undertaken by the Company at the Pickle Crow Gold Project during the quarter due to the team's focus on the development and exploration activities at the Green Bay Copper-Gold Project.

The Company has initiated a strategic review with respect to the Company's 70% interest in the high-grade Pickle Crow Gold Project (**Strategic Review**). The objective of the Strategic Review is to evaluate options to maximise value for shareholders whilst also allowing the Company to focus on progressing the Green Bay Copper-Gold Project. Investors are cautioned that there is no guarantee that the Strategic Review will result in the divestment of all or any part of the Company's interest in the Pickle Crow Gold Project and the Company will otherwise keep the market updated in accordance with its continuous disclosure obligations.

7. CORPORATE

TSX Listing

On 16 December 2024, FireFly commenced trading on the TSX under the symbol FFM. This listing is in addition to FFM's primary Australian Securities Exchange Listing.

FireFly, which already has two Board members located in Toronto, believes the TSX listing will assist the Company to significantly increase its profile in the North American investment community and attract local exploration and development talent.

⁶ Refer to ASX announcement dated 22 August 2024 for further details on historical drill results and regional targets at the Green Bay Copper-Gold Project.

TSX Reporting

As a consequence of its listing on the TSX, FireFly is now subject to Canadian continuous disclosure requirements, including NI 43-101 in respect of technical disclosure including Mineral Resource and Reserve estimates. While NI 43-101 and the JORC Code 2012 are similar in many respects, there are some differences in presentation of Mineral Resource estimates that will impact FireFly. In particular, under NI 43-101, Inferred Mineral Resources may not be added to other categories of Mineral Resources. As a result, FireFly will be required to separately disclose totals for Measured and Indicated Resources (which may be combined) and Inferred Resources. **The total Mineral Resource Estimate remains unchanged and this is simply a presentation difference attributable to NI 43-101 requirements.**

Management Updates

On 18 December 2024, the Company announced the appointment of highly experienced lawyer Laura Noonan-Crowe as General Counsel and Company Secretary, effective from 15 January 2025.

Ms Noonan-Crowe has 17 years' experience in the resources industry and brings a wealth of knowledge in TSX compliance, corporate governance, and mining industry mergers and acquisitions.

She was most recently the General Counsel and Company Secretary, Australia for TSX-listed gold mining company, Karora Resources Inc, which owned gold producing assets in Western Australia. In this role, Ms Noonan-Crowe established the legal function in Australia and managed Environment, Social and Governance reporting and initiatives.

Ms Maddison Cramer stepped down as FireFly Company Secretary on 15 January 2025.

8. OVERALL PERFORMANCE

Summary of Quarterly Results

The summary of quarterly results is derived from and should be read in conjunction with the Interim Financial Statements for the three and six-month periods ended 31 December 2024 as well as with the audited annual financial statements for the year ended 30 June 2024. The Company is an exploration-stage mining company, and as such, is not expected to produce revenue until it commences the production and sale of mineral products. Until such time, the Company will generate losses.

The following table summarises selected unaudited financial data for the last eight quarters which have been derived from the financial records of the Company. The financial effect of the acquisition of the Green Bay Copper-Gold Project in October 2023 is discussed further below.

		QUARTER ENDED							
		31 DEC 24	30 SEP 24	30 JUN 24	31 MAR 24	31 DEC 23	30 SEP 23	30 JUN 23	31 MAR 23
Revenue	A\$'000	-	-	-	-	-	-	-	-
Loss for the period attributable to:	A\$'000	(2,581)	(3,150)	(5,486)	(2,863)	(13,437)	(2,077)	(1,022)	(1,115)
Equity holders of the Company									
Basic and diluted loss per share	Cents per share	(0.46)	(0.66)	(1.19)	(0.79)	(4.16)	(1.30)	(0.66)	(0.77)

Selected Financial Information

The following table summarises selected material financial information as at 31 December 2024 and 30 June 2024. The information is derived from and should be read in conjunction with the Interim Financial Statements for the three and six-month periods ended 31 December 2024 as well as with the audited annual financial statements for the year ended 30 June 2024.

EXTRACTS FROM THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 DEC 2024	30 JUN 2024 RESTATED *
	A\$'000	A\$'000
Cash and cash equivalents	76,024	37,818
Financial assets at fair value through profit or loss	3,518	2,865
Other receivables	4,683	2,847
Other assets	2,030	1,789
Total current assets	86,896	45,969
Plant and equipment	21,269	21,350
Exploration and evaluation assets	196,240	157,855
Total non-current assets	225,119	186,482
Total assets	312,015	232,451
Trade and other payables	5,636	3,965
Lease liabilities	1,075	636
Other current liabilities	16,030	17,035
Total current liabilities	23,064	21,876
Lease liabilities	1,211	1,367
Provisions	9,494	4,889
Total non-current liabilities	10,705	6,256
Total liabilities	33,769	28,132
Net assets	278,246	204,319

* Refer to section 16 for details regarding a restatement as a result of a business combination measurement period adjustment.

The Company's total assets as at 31 December 2024, were \$312.0 million compared to \$232.5 million as at 30 June 2024, an increase of \$79.5 million. The net increase in assets is comprised of the following:

- **Cash and cash equivalents:** \$38.2 million increase from 30 June 2024, primarily associated with \$73.0 million proceeds (before costs) received following completion of the Placement and SPP in September and October 2024, partially offset by exploration and evaluation, capital raising costs, care and maintenance costs at Nugget Pond processing facility and corporate and administrative expenditures paid during the period.
- **Other Receivables:** \$1.8 million increase from 30 June 2024 primarily relates to net goods and services taxation refunds due from the Canada Revenue Agency.
- **Exploration and evaluation asset:** \$38.4 million increase from 30 June 2024 was primarily associated with \$31.6 million of exploration expenditure incurred for the Green Bay Copper-Gold Project, combined with \$3.5 million exploration and evaluation asset recognised from the acquisition of the Tilt Cove Project.

The Company's total liabilities as at 31 December 2024 were \$33.8 million, compared with \$28.1 million as at 30 June 2024, a net increase of \$5.7 million. The net increase in liabilities was primarily attributable to the \$4.6 million increase in the environmental reclamation provision associated with the Green Bay Copper-Gold Project. Refer to section 16 for further details of the change in the environmental reclamation provision accounting estimate during the period.

Results of Operations

	QUARTER ENDED		HALF YEAR ENDED	
	31 DEC 24 A\$'000	31 DEC 23 A\$'000	31 DEC 24 A\$'000	31 DEC 23 A\$'000
OTHER INCOME	2,012	115	2,865	225
EXPENSES				
Accounting, audit and taxation	(93)	(182)	(215)	(209)
Business development	(568)	(3,268)	(771)	(4,245)
Consultants and contractors	(186)	(228)	(377)	(362)
Depreciation and amortisation	(438)	(374)	(873)	(463)
Employee benefits	(815)	(568)	(1,639)	(952)
Foreign exchange loss	(17)	(79)	(60)	(26)
Listing and compliance	(85)	(107)	(117)	(227)
Other expenses	(694)	(231)	(1,002)	(342)
Other mill and mine costs	(661)	(252)	(1,226)	(252)
Share based payments	(1,546)	(8,219)	(2,755)	(8,430)
Travel and accommodation	(259)	(214)	(447)	(393)
Loss before income tax and net financing income for the period	(3,350)	(13,607)	(6,617)	(15,676)
Net financing income	769	169	886	161
Loss before income tax for the period	(2,581)	(13,438)	(5,731)	(15,515)
Income tax expense	-	-	-	-
Loss after income tax for the period	(2,581)	(13,438)	(5,731)	(15,515)

Three months ended 31 December 2024 compared to 2023:

- **Other Income:** \$1.8 million of the increase comprised \$1.0 million of fair value gains on the Maritime investment, \$0.4 million of flow-through share premium income associated with the flow-through shares issued in March 2024 and \$0.4 million of gain on sale of obsolete assets at the Green Bay Copper-Gold Project.
- **Share based payment expense:** One-off incentive performance rights valued at \$5.0 million were expensed immediately in October 2023.
- **Business Development expense:** \$2.7 million lower cost, as 2023 expenditure included due diligence and transaction costs associated with the acquisition of the Green Bay Copper-Gold Project.

Six months ended 31 December 2024 compared to 2023:

- **Other Income:** \$2.6 million increase mainly comprised \$0.7 million of fair value gains on the Maritime investment, \$1.3 million of flow-through share premium income associated with the flow-through shares issued in March 2024 and \$0.4 million of gain on sale of obsolete assets at Green Bay Copper-Gold Project.
- **Share based payment expense:** One-off incentive performance rights valued at \$5.0 million were expensed immediately in October 2023.
- **Business development expense:** \$3.5 million lower cost, as 2023 expenditure included due diligence and transaction costs associated with the acquisition of the Green Bay Copper-Gold Project.
- **Employee benefits expense:** \$0.7 million increase as a result of increase in the Board and management team following acquisition of the Green Bay Copper-Gold Project.
- **Other mill and mine costs:** \$1.0 million increase due to increased activities at Green Bay Copper-Gold Project and to the comparative period including only 2 months of activity.

Cash Flows

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	31-DEC-24	31-DEC-23	31-DEC-24	31-DEC-23
	A\$'000	A\$'000	A\$'000	A\$'000
Net cash flows used in operating activities	(4,369)	(4,572)	(4,889)	(6,638)
Net cash flows used in investing activities	(13,146)	(36,047)	(25,313)	(41,562)
Net cash flows from financing activities	68,822	50,640	68,323	59,005
Net increase in cash and cash equivalents	51,307	10,021	38,121	10,805
Cash and cash equivalents at beginning of the period	24,819	6,825	37,818	6,016
Effect of movements in exchange rates on cash held	(102)	(75)	85	(50)
Cash and cash equivalents at end of the period	76,024	16,771	76,024	16,771

Three months ended 31 December 2024

Cash and cash equivalents increased by \$51.2 million during the three months ended 31 December 2024 to \$76.0 million, from \$24.8 million. The increase in cash and net cash flows from financing activities was due to \$69.3 million of net proceeds from the Placement and SPP. Key cash outflows during the period included \$12.1 million for payments associated with the underground development drive, underground exploration drilling and project and engineering studies expenditure at the Green Bay Copper-Gold Project; \$0.8 million for payment of the cash consideration and transaction costs associated with the Tilt Cove acquisition; and \$4.4 million for operating activities (including \$2.0 million for GST/HST payments which are due to be refunded from taxation authorities).

Three months ended 31 December 2023

The acquisition of the Green Bay Copper-Gold Project was completed in October 2023 and net proceeds from the capital raising of \$49.6 million in the December 2023 quarter were applied to \$30.8 million of cash payments to acquire the Project; \$5.2 million for exploration and evaluation expenditure, and \$4.6 million for operating activities. Cash and cash equivalents increased by \$10 million during this period.

Six months ended 31 December 2024

Cash and cash equivalents increased by \$38.2 million during the six months ended 31 December 2024 to \$76.0 million, from \$37.8 million. The increase in cash and net cash flows from financing activities is due to \$68.8 million of net proceeds from the Placement and SPP. Key cash outflows during the period included \$24.1 million for payments associated with the underground development drive, underground exploration drilling and project and engineering studies expenditure at the Green Bay Copper-Gold Project, \$0.8 million for payment of the cash consideration and transaction costs associated with the acquisition of the Tilt Cove Project and \$4.9 million for operating activities (including \$0.6 million of GST/HST payments, net of A\$2.6m in refunds of prior period amounts received from Canada Revenue Agency in the September 2024 quarter).

Six months ended 31 December 2023

The acquisition of the Green Bay Copper-Gold Project was completed in October 2023 and net proceeds from capital raisings of \$58.2 million in the December 2023 half year were applied to \$34.3 million of payments to acquire the Project; \$7.2 million for exploration and evaluation activities; and \$6.6 million for operating activities. Cash and cash equivalents increased by \$10.8 million during this period.

Selected Annual Information

		30-JUN-24*	30-JUN-23	30-JUN-22
Total revenue	A\$'000	-	-	-
Loss from continuing operations and total loss attributable to owners of the parent	A\$'000	(23,863)	(3,479)	(3,161)
Basic and diluted loss per share	Cents per share	(7.30)	(2.42)	(2.63)
Total assets	A\$'000	232,451	85,899	83,694
Total non-current financial liabilities	A\$'000	1,367	1,588	-
Dividends	Cents per share	-	-	-

* Restated as a result of a business combination measurement period adjustment. Refer to section 16

The acquisition of the Green Bay Copper-Gold Project in October 2023, and subsequent related activity, has had a significant impact on the results and balances of the Company.

9. LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets to be able to pay debts as and when they become due and payable. The Group manages liquidity risk by monitoring forecast cash flows, only investing surplus cash with major financial institutions.

In addition, the Company has options available to manage liquidity, including one or a combination of, a placement of shares, rights issues, joint venture arrangements, sale of certain assets or a change in the Company's expenditure profile.

The Company has in place a planning and budgeting process to determine the funds required to support the Company's planned exploration programs and ongoing operating expenses. The Company manages its financial resources to ensure there is sufficient working capital to fund near-term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity. The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. Other than as described in the risk factors discussed in this MD&A, the Company does not expect that any material trends, fluctuations, events or uncertainties will impact its liquidity.

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Group in managing its cash flows.

As at 31 December 2024, the Group had current assets of \$86.9 million (30 June 2024: \$46.0 million), including cash and cash equivalents of \$76.0 million (30 June 2024: \$37.8 million), and current liabilities of \$23.1 million (30 June 2024: \$21.9 million).

Management has prepared cash flow forecasts for the next twelve months which contemplate future capital raisings or other transactions for the delivery of exploration projects as currently forecast. Based on these forecasts and funding requirements, Management anticipates the Group will be able to meet its commitments and pay its debts as and when they fall due, while meeting its objectives of rapidly exploring its projects as forecast.

The Directors are satisfied that there is a reasonable basis to conclude that the Group has options available to manage liquidity, including one or a combination of, a placement of shares, rights issues, joint venture arrangements, sale of certain assets or a change in the Company's expenditure profile.

Management's Discussion and Analysis

(Expressed in Australian dollars except where otherwise indicated)



In the event that all of the funding options available to the Group do not transpire and there is no change to the forecasted spending pattern, there may be material uncertainty about whether it would be able to continue as a going concern and, therefore, realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the Interim Financial Statements. The Interim Financial Statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Refer to the Company's Annual Information Form and the audited annual financial statements for the year ended 30 June 2024, available on SEDAR+ at www.sedarplus.ca, to see the principal risk factors that apply to the Company and that may have a material adverse effect on its financial condition, results of operations or the trading price of the Company's shares.

Restricted Cash

The Company has a Bank Guarantee Facility provided by National Australia Bank with a limit of \$0.3 million. The facility is secured against a cash deposit of the same amount earning interest which offsets the facility fee.

The Company has Letters of Credit and Guarantees provided by the Royal Bank of Canada (with a back-to-back arrangement with the Canadian Imperial Bank of Commerce) with a limit of \$1.3 million (C\$1.3 million) and \$3.5 million (C\$3.3 million) respectively, in favour of the government of Newfoundland and Labrador in respect of reclamation and closure liabilities associated with the Green Bay Copper-Gold Project. The facilities are secured against term deposits and guaranteed investment certificates of the same amount earning interest, which offsets the facility fee.

Capital Raisings

September 2024

On 26 September 2024, the Company advised that it received firm commitments to raise \$65 million (before costs) at an issue price of A\$0.95 per fully paid ordinary share (**Share**) through a single-tranche institutional share placement (**Placement**).

On 25 October 2024, the Company successfully completed the SPP which was increased to \$8 million after overwhelming demand. The combined funds raised under the Placement (refer to ASX announcement dated 26 September 2024) and SPP totalled \$73 million (before costs). The proceeds will be used to underpin the next phase of resource growth, discovery and development at the Green Bay Copper-Gold Project in Canada.

The anticipated use of the \$73 million of gross proceeds (before costs) from the September 2024 capital raising, as described below, is based on the best estimates prepared by Management.

	ANTICIPATED USE OF FUNDS	EXPENDITURE TO 31-DEC-24	REMAINING AS AT 31-DEC-24
	A\$'000	A\$'000	A\$'000
Underground development and site costs	24,500	6,754	17,746
130,000m of Resource extension and infill drilling	25,000	-	25,000
Up-scaled mine production and engineering studies	9,000	-	9,000
Final payment for acquisition of Rambler mine	7,500	-	7,500
Working capital (including transaction costs associated with the capital raising)	7,000	3,920	3,080
Total Expenditure	73,000	10,674	62,326

As the Company's Green Bay Copper-Gold Project is evolving, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The Company will update the use of the funds and the particular application of these funds in future MD&As.

Management's Discussion and Analysis

(Expressed in Australian dollars except where otherwise indicated)



March 2024

In March 2024, the Company completed a \$52 million equity raising via a charity flow-through offering, traditional flow-through offering and two-tranche institutional placement. A total of 81,452,759 fully paid ordinary shares at an average price of \$0.64 each were issued to institutional, professional and sophisticated investors under the equity raising (Refer to ASX announcement dated 28 March 2024).

The March 2024 capital raising was completed in three parts which comprised:

- \$6.7 million charity flow-through placement to Canadian investors priced at A\$0.7503 per New Share, which represents a 10.3% premium to FireFly's last closing price on Monday, 25 March 2024, and a 23.0% premium to the Institutional Placement bookbuild price of A\$0.61 per New Share. This portion of the capital raising was completed on 5 April 2024, with the proceeds to be used to fund Canadian development expenditures (**CDE Flow-through Shares**);
- \$6.7 million traditional flow-through placement to a Canadian investor priced at A\$0.748 per New Share (Offer Price), which represents a 10.0% premium to FireFly's last closing price and a 22.6% premium to the Offer Price. This portion of the Equity Raising was completed on 9 April 2024, with the proceeds to be used to fund Canadian exploration expenditures (**CEE Flow-through Shares**); and
- \$38.7 million two-tranche institutional placement at the offer price of A\$0.61 per New Share, which represents a 10.3% discount to the last closing price and a 4.8% discount to the 10-day volume weighted average price up to and including Monday, 25 March 2024 (**Institutional Placement**).

The proceeds from the March 2024 capital raising were used to accelerate drilling with the aim of rapidly growing the Mineral Resource at the Green Bay Copper-Gold Project. The funds raised from the capital raising have and will also be used for phase two of the underground drill drive and development at the Green Bay Copper-Gold Project; step-out Mineral Resource growth and discovery exploration at the Green Bay Copper-Gold Project; upscaled engineering studies; costs of the equity raising; and working capital. The funds allowed the Company to grow the drill program from the original planned 40,000m to an expanded 100,000m of drilling to underpin additional Mineral Resource growth at the Green Bay Project.

The anticipated use of the \$52.2 million of gross proceeds (before costs) from the March 2024 capital raising, as described below, is based on the best estimates prepared by Management.

	ANTICIPATED USE OF FUNDS A\$'000	EXPENDITURE TO 31-DEC-24 A\$'000	REMAINING AS AT 31 31-DEC-24 A\$'000
Phase two of the development drill drive (1,200m extension) at the Green Bay Project	14,200	14,200	-
Step-out Mineral Resource growth and discovery exploration at the Green Bay Project	14,700	8,241	6,459
Upscaled engineering studies	2,800	2,800	-
Placement in Maritime Resources Corp	2,840	2,840	-
Working Capital (including transaction costs associated with capital raising)	17,660	10,707	6,953
Total Expenditure	52,200	38,788	13,412

As a result of subscribers paying a premium for CDE Flow-Through Shares and CEE Flow-Through Shares, the Company recognised a flow-through share premium liability of \$2.5 million in the financial year ended 30 June 2024. During the six months ended 31 December 2024, as the Company has incurred expenditure related to the flow-through shares, the Company has derecognised the proportionate liability and recognised the premium as other income. Refer to Note 5 of the Interim Financial Statements for further details.

10. TABLE OF CONTRACTUAL OBLIGATIONS

The following table summarises the undiscounted contractual cash flows of the Company's financial liabilities as at 31 December 2024:

CONTRACTUAL OBLIGATIONS	Total A\$'000	Less than 1 year A\$'000	1 - 3 years A\$'000s	4 - 5 years A\$'000	After 5 years A\$'000
Trade and other payables	5,636	5,636	-	-	-
Lease liabilities	2,546	1,186	1,360	-	-
Deferred consideration payable ¹	7,500	7,500	-	-	-
Total Contractual Obligations	15,682	14,322	1,360	-	-

¹ Total deferred consideration for the Green Bay Project of \$15 million comprises cash payment of \$7.5 million and the issue of shares in FireFly to the value of \$7.5 million and is due for settlement within eighteen months of the acquisition date.

The Group currently has a lease contract for its head office with three years remaining of the six-year lease term. All other financial liabilities are expected to be settled within 12 months.

In addition to the financial liabilities disclosed in the above table, the Group has the following commitments for capital expenditure. These commitments will be funded from the Group's existing working capital, and no significant additional capital resources are expected to be required to meet these costs.

	31 DEC 2024 A\$'000
<i>Total minimum expenditure requirements to retain tenure to mining tenements for the next three years</i>	
Within one year	748
One to three years	1,678
	2,426

Mining Tenements

In order to maintain current rights of tenure to mining tenements, the Group will be required to perform exploration work to meet the minimum expenditure requirements. This expenditure will only be incurred should the Group retain its existing level of interest in its various exploration areas and provided access to mining tenements is not restricted. These obligations will be fulfilled in the normal course of operations, which may include exploration and evaluation activities.

Flow Through Shares

As at 31 December 2024, the Company is required to spend C\$5.7 million of qualifying exploration expenditures by 31 December 2025 to satisfy the remaining flow-through share premium liability of \$1.2 million.

11. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise cash and short-term deposits, other receivables, investments, trade and other payables and lease liabilities. There has been no significant change in the nature of the Company's financial instruments during the period from the information disclosed in the audited annual financial statements for the year ended 30 June 2024. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments is undertaken.

The Company holds 50 million common shares and 3,648,069 warrants in TSX Venture Exchange (**TSXV**) listed Maritime Resources Corp as part of the Group's port access agreement with Maritime Resources Corp.

The Company has recognised a net fair value gain on revaluation of the Maritime Resources Corp common shares of \$997,000 for the quarter and \$653,000 for the half year as a result of an increase in the share price of Maritime Resources Corp.

12. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial performance.

13. RELATED PARTY TRANSACTIONS

The Company's related party transactions consist of transactions with key management personnel. Transactions with key management personnel are disclosed in the Directors' Report and note 28 to the Company's audited annual financial statements for the year ended 30 June 2024 and there have been no significant changes to the arrangements during the six months ended 31 December 2024.

Subsequent to 31 December 2024, the service agreement with Belltree Corporate Pty Ltd⁷ was terminated in January 2025 following commencement of Laura Noonan-Crowe as General Counsel and Company Secretary.

14. PROPOSED TRANSACTIONS

From time to time, in the normal course of business, the Company considers potential acquisitions, joint ventures, and other opportunities. The Company will disclose such an opportunity if and when required under applicable securities rules. Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

15. OUTSTANDING SHARE DATA

The Company's share capital consists of ordinary shares without par value. As at 31 December 2024, there were 563,826,922 ordinary shares issued and outstanding. In addition, there were 36,207,082 performance rights on issue under the Company's incentive plan.

16. CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates are included in its audited annual financial statements and are summarised below, along with details of changes in estimates during the period.

Going concern

Management has prepared cash flow forecasts for the next twelve months which contemplate future capital raisings or other transactions for the delivery of exploration projects as currently forecast. Based on these forecasts and funding requirements, the Directors anticipate the Group will be able to meet its commitments and pay its debts as and when they fall due, while meeting its objectives of rapidly exploring its projects as forecast.

The Directors are satisfied that there is a reasonable basis to conclude that the Group has options available to manage liquidity, including one or a combination of, a placement of shares, rights issues, joint venture arrangements, sale of certain assets or a change in the Company's expenditure profile and thus it is appropriate to prepare the consolidated financial report on a going concern basis.

In the event that all of the funding options available to the Group do not transpire and there is no change to the forecasted spending pattern, there may be material uncertainty about whether it would be able to continue as a going concern and, therefore, realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report. The Interim Financial Statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

⁷ Belltree Corporate Pty Ltd, a company of which FireFly Director Mr Naylor is a Director and in which he holds a 30% indirect interest, and in which FireFly Managing Director Mr Parsons holds a 20% indirect interest, provided company secretarial services to the Company.

Recoverability of exploration and evaluation assets

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Valuation of share options

The Group makes a judgement in determining the appropriateness of the pricing model to value its share options and performance rights. The Company uses a Black Scholes pricing model where non-market conditions exist and binominal tree and Monte Carlo simulation where market conditions exist. Inherent in the use of the models are estimates around the inputs used in the models as disclosed. These estimates are made with reference to market data and sources.

Environmental provision

A provision has been made for the present value of anticipated costs of the remediation work that will be required to comply with environmental and legal obligations.

The value of the rehabilitation provision is based on a number of assumptions with significant judgement including the nature of rehabilitation activities required, estimates of the cost of performing the work, changes in legislation, changes in technology, the timing of future cash flows and the appropriate risk-free discount rate. A change in any, or a combination, of these assumptions used to determine current provisions could have a material impact to the provision. At each reporting date, the rehabilitation and mine closure cost provision is remeasured to reflect any changes in discount rates and timing or amounts of costs to be incurred. Such changes in the estimated liability are accounted for prospectively from the date of the change and added to, or deducted from, the related asset, subject to recoverability.

The provision for rehabilitation of \$9.5 million at 31 December 2024 relates to the Company's Green Bay and Pickle Crow projects. At 31 December 2024, the balance of the rehabilitation provision attributable to Green Bay was \$8.9 million (30 June 2024: \$4.3 million) and to Pickle Crow was \$0.6 million (30 June 2024: \$0.6 million).

During the period, following the Company's acquisition of the Green Bay Copper-Gold Project in the previous financial year, an updated Rehabilitation and Closure Plan for the Green Bay Copper-Gold Project has been prepared. The resulting increase in the present value of the estimated costs of the rehabilitation activities of \$4.3 million, which includes the impact of a change in the discount rate applied, is reflected in the rehabilitation provision at 31 December 2024 and added to the related exploration and evaluation asset.

The discount rate used in the calculation of the provision at 31 December 2024 was 4.86% (30 June 2024: 4.61%).

Changes to estimate in prior years

During the year ended 30 June 2023, the Company received a letter from the Ontario Ministry of Mines advising that the associated financial assurance and closure costs for Pickle Crow historic mining hazards were not the responsibility of the Company. As such, a revised estimate of the provision for rehabilitation for the Pickle Crow Project was made to reflect the Company's responsibility for early exploration and associated structures.

As at 30 June 2023, the Company estimated the environmental reclamation provision for the Pickle Crow Gold Project (at 100%), to be \$579,000 (2022: \$4,399,000). The revision to the estimate of \$3,865,000 reduced the related exploration and evaluation asset.

Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Measurement period adjustments

As at 31 October 2024, the following measurement period adjustments have been made to the provisional values of assets and liabilities at acquisition that were disclosed in the Company's audited annual financial statements for the year ended 30 June 2024:

- The value of exploration and evaluation assets has decreased by \$17.4 million following further assessment of the project as a whole and in light of other adjustments in the determination of fair values;
- The deferred tax liability has decreased by \$17.4 million following more up-to-date information regarding the tax credits available and application of the relevant requirements in determining tax obligations arising from the acquisition of the entities post-administration; and
- Upon finalisation of the valuation of non-current assets with reference to market determined valuation multiples and discounted cashflow analysis, the Group determined a project fair value which did not give rise to either goodwill or a discount on acquisition.

A \$1.4 million tax benefit recognised in the financial year ended 30 June 2024 has been reversed as a result of the measurement period adjustments, resulting in restatement of accumulated losses at 30 June 2024 from \$64.2 million to \$62.8 million.

The measurement period adjustments have had no impact on the profit or loss or cashflows for the periods ended 31 December 2023 or 2024.

Changes in Accounting Policies

There have not been any material changes to the Company's accounting policies during the period of the Interim Financial Statements.

17. RISK FACTORS

Companies in the exploration, development and mining stage face a variety of risks and, while unable to eliminate all of them, the Company aims for managing and reducing such risks as much as possible. FireFly faces a variety of risk factors such as project feasibility and practicability, risks related to determining the validity of mineral property title claims, commodities prices, and changes in laws and the regulatory environment.

The Board oversees Management's establishment and execution of the Company's risk management framework through its Audit and Risk Management Committee (**ARMC**). Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify, analyse and monitor the risks faced by the Company, and to set appropriate risk limits and controls, and monitor their effectiveness in managing and reducing risks.

Refer to the Company's Annual Information Form and the audited annual financial statements for the year ended 30 June 2024, available on SEDAR+ at www.sedarplus.ca, to see the principal risk factors that apply to the Company and that may have a material adverse effect on its financial condition, results of operations or the trading price of the Company's shares.

18. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**), has evaluated the design of the Company's disclosure controls and procedures. Based on the results of that evaluation, the Company's CEO and CFO have concluded that, as of 31 December 2024, the Company's disclosure controls and procedures framework provides reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarised and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

The CEO and CFO are also responsible for establishing and maintaining adequate internal controls over financial reporting (**ICFR**) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with AASB and IAS.

There have been no changes in the Company's ICFR that occurred during the period beginning on 1 July 2024 and ended on 31 December 2024 which have materially affected or are likely to materially affect the Company's ICFR.

Limitations of DC&P and ICFR

All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems that are determined to be effective can provide only reasonable, no absolute, assurance with respect to the preparation and presentation of the financial statements.

Approval

The Board oversees Management's responsibility for financial reporting and internal control systems through the ARMC. The ARMC meets quarterly with Management and half-yearly with the Company's independent auditors to review the scope and results of the annual and quarterly reviews and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board and released. The Board has approved the Interim Financial Statements and the disclosure contained in this MD&A as at 13 February 2025.

19. QUALIFIED PERSONS & DISCLOSURE OF TECHNICAL INFORMATION

Mineral Resource Estimates and Exploration Results are calculated in accordance with the JORC Code 2012 and NI 43-101.

All technical and scientific information in this report have been reviewed and approved by Group Chief Geologist, Mr Juan Gutierrez BSc, Geology (Masters), Geostatistics (Postgraduate Diploma), who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Gutierrez is a Competent Person as defined in the JORC Code 2012 and a Qualified Person as defined in NI 43-101.

NI 43-101 compliant technical reports for each of the Company's Ming Copper Gold Mine, Little Deer Copper Project and Pickle Crow Gold Project are available under the Company's SEDAR+ profile at www.sedarplus.ca.

20. ADDITIONAL INFORMATION

Additional information pertaining to the Company is available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.fireflymetals.com.au.

21. ABOUT FIREFLY METALS

FireFly Metals Ltd (ASX:FFM) (TSX:FFM) is an emerging copper-gold company focused on advancing the high-grade Green Bay Copper-Gold Project in Newfoundland, Canada. The **Green Bay Copper-Gold Project** currently hosts a Mineral Resource prepared in accordance with the JORC Code 2012 and NI 43-101 of **24.4Mt of Measured and Indicated Resources at 1.9% for 460Kt CuEq and 34.5Mt of Inferred Resources at 2% for 690Kt CuEq**. The Company has a clear strategy to rapidly grow the copper-gold resource to demonstrate a globally significant copper-gold asset. FireFly has commenced a 130,000m diamond drilling program.

FireFly holds a 70% interest in the high-grade **Pickle Crow Gold Project** in Ontario. The current Inferred Resource stands at **11.9Mt at 7.2g/t for 2.8Moz gold**, with exceptional discovery potential on the 500km² tenement holding.

The Company also holds a 90% interest in the **Limestone Well Vanadium-Titanium Project** in Western Australia.

22. COMPLIANCE STATEMENTS

Mineral Resources Estimate – Green Bay Project

The Mineral Resource Estimate for the Green Bay Project referred to in this MD&A and set out at Table 1 was first reported in the Company's ASX announcement dated 29 October 2024, titled "Resource increases 42% to 1.2Mt of contained metal at 2% Copper Eq" and is also set out in the Technical Reports for the Ming Copper Gold Mine and Little Deer Copper Project available on SEDAR+ at www.sedarplus.ca.

Metal equivalents for Mineral Resource Estimates

Metal equivalents for Mineral Resource Estimate mineralisation have been calculated at a copper price of US\$8,750/t, gold price of US\$2,500/oz and silver price of US\$25/oz. Individual Mineral Resource grades for the metals are set out at Table 1 of this MD&A. Copper equivalent was calculated based on the formula $CuEq(\%) = Cu(\%) + (Au(g/t) \times 0.82190) + (Ag(g/t) \times 0.00822)$.

Metallurgical factors have been applied to the metal equivalent calculation. Copper recovery used was 95%. Historical production at the Ming Mine has a documented copper recovery of ~96%. Precious metal metallurgical recovery was assumed at 85% on the basis of historical recoveries achieved at the Ming Mine in addition to historical metallurgical test work to increase precious metal recoveries.

In the opinion of the Company, all elements included in the metal equivalent calculations have a reasonable potential to be sold and recovered based on current market conditions, metallurgical test work, the Company's operational experience and, where relevant, historical performance achieved at the Green Bay project whilst in operation.

Metal equivalents for Exploration Results

Metal equivalents for the exploration results have been calculated at a copper price of US\$8,750/t, gold price of US\$2,500/oz, silver price of US\$25/oz and zinc price of US\$2,500/t. Individual grades for the metals are set out in Appendix B of FireFly's ASX announcement dated 12 February 2025.

Metallurgical factors have been applied to the metal equivalent calculation. Copper recovery used was 95%. Historical production at the Ming Mine has a documented copper recovery of ~96%. Precious metal metallurgical recovery was assumed at 85% based on historical recoveries achieved at the Ming Mine in addition to historical metallurgical test work to increase recoveries. Zinc recovery is applied at 50% based on historical processing and potential upgrades to the mineral processing facility.

In the opinion of the Company, all elements included in the metal equivalent calculation have a reasonable potential to be sold and recovered based on current market conditions, metallurgical test work, and the Company's operational experience.

Copper equivalent was calculated based on the formula $CuEq(\%) = Cu(\%) + (Au(g/t) \times 0.82190) + (Ag(g/t) \times 0.00822) + (Zn(\%) \times 0.15038)$.

Exploration results

Previously reported exploration results at the Green Bay Project referred to in this MD&A were first reported in accordance with ASX Listing Rule 5.7 in FireFly's ASX announcements dated 31 August 2023, 11 December 2023, 16 January 2024, 4 March 2024, 21 March 2024, 29 April 2024, 19 June 2024, 3 September 2024, 16 September 2024, 3 October 2024, 29 October 2024 and 10 December 2024.

Original Announcements

FireFly confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that, in the case of Mineral Resources, all material assumptions and technical parameters underpinning the Mineral Resource Estimates in the original announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' and Qualified Persons' findings are presented have not been materially modified from the original market announcements.

23. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A may contain certain forward-looking statements and projections, including statements regarding FireFly's plans, forecasts and projections with respect to its mineral properties and programs. Forward-looking statements may be identified by the use of words such as "may", "might", "could", "would", "will", "expect", "intend", "believe", "forecast", "milestone", "objective", "predict", "plan", "scheduled", "estimate", "anticipate", "continue", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives.

Although the forward-looking statements contained in this MD&A reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, such forward-looking statements and projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of the Company, which may include changes in commodity prices, foreign exchange fluctuations, economic, social and political conditions, and changes to applicable regulation.

The forward-looking statements and projections are inherently uncertain and may therefore differ materially from results ultimately achieved. For example, there can be no assurance that FireFly will be able to confirm the presence of Mineral Resources or Ore Reserves, that FireFly's plans for development of its mineral properties will proceed, that any mineralisation will prove to be economic, or that a mine will be successfully developed on any of FireFly's mineral properties. The performance of FireFly may be influenced by a number of factors which are outside the control of the Company, its directors, employees or contractors. The Company does not make any representations and provides no warranties concerning the accuracy of any forward-looking statements or projections, and disclaims any obligation to update or revise any forward-looking statements or projections based on new information, future events or circumstances or otherwise, except to the extent required by applicable laws.