

SHAREHOLDER LETTER

Dear Shareholder,

Reflecting on the past 12 months, I am filled with pride and excitement about the journey Firebird Metals (the Company) has embarked upon. It has been a period of remarkable transformation and progress, bringing us closer to realising our vision of becoming a global leader in the manganese industry. I would like to update you on our achievements over the past year and share our plans for the next six months.

Our commitment to entering the high-purity manganese sulphate (MnSO_4) market is central to our vision for this new era, recognising its critical role in the growing clean energy sector. Through extensive research and networking completed in both Australia and China, we identified the immense potential of lithium manganese iron phosphate (LMFP) batteries, a technology renowned for its benefits in safety, cost, and performance. The year 2023 marked a significant milestone for this technology, as the commercialisation of LMFP batteries took off, positioning us perfectly to capitalise on this wave of innovation and demand. Experts foresee the LMFP market surpassing US\$20 billion by 2030¹, and we are committed to rapidly evolving within this innovative market.

Central to our strategy is our Chinese subsidiary, Hunan Firebird Battery Technologies Co. Ltd (HBFT), which we established on 1 November 2023 after a thorough investigation of potential sites for our manganese sulphate plant. Our team visited 10 industrial parks across several provinces, meticulously assessing each location. Ultimately, we found our new home in the Jinshi High Tech Industries Development Zone in Hunan Province. This region is not only a hub for China's significant lithium-ion battery industry, but also a major centre of technical expertise and innovation in processing battery raw materials.

Firebird is committed to delivering on our high-purity manganese sulphate strategy and the Company has made significant strides in the execution of this strategy in just eight months. Outlined below are some of the key milestones we have delivered since the incorporation of HBFT:

1. Establishment of a World-Class Technical Team: Led by Mr Zhou Qiyun, our technical team boasts extensive manganese operational and process experience. Mr Zhou and his team have successfully run high-purity MnSO_4 commercial productions and consulted for many industry participants. Our engineers also specialise in energy recycling and cost reduction designs, exemplified by the 5th Gen Crystallisation Reactor and Firebird-Sunward Kiln.

2. Completion of Highly Successful Feasibility Study²: The Study assessed the operational capabilities of producing 50kt High Purity MnSO_4 and 10kt Battery Grade Mn_3O_4 (75kt MnSO_4 capacity equivalent), with results demonstrating a strong opportunity for Firebird to become a near-term, low-cost battery-grade MnSO_4 producer. Importantly, the Study also

demonstrated significant cost, development and operational advantages gained by building a plant and establishing operations in China.

3. Pilot Plantⁱⁱⁱ: The Plant was delivered on time, under budget and has been instrumental in demonstrating the feasibility of scaling the Company's unique technology processes to a commercial level.

4. Progressing Critical Permits: The permitting process for the Plant is advancing well, with the safety permit already received^{iv}. The environmental permit is expected within coming weeks and the energy use permit is expected in the September quarter. These three permits are critical and required to commence construction of the Plant.

5. Top-Tier Partnerships: Our collaboration with China Chemical^v, a leader in chemical plant design and construction, and the Hunan Chemical Engineering Design Institute^{vi}, the best in high-purity manganese sulphate project design, demonstrates the strength of our partnerships and the strong levels of support we have in China.

6. Leading Innovation: To maintain our industry-leading position and achieve the lowest energy consumption, innovation is crucial. Our 5th Gen Crystallisation Reactor consumes less than 1/10th of the energy used by some competitors^{vii}. The Firebird-Sunward kiln, another prime example, is expected to have energy use 1/6th that of conventional kilns, with the pilot plant due for delivery in late August.

7. Financing Agreement^{viii}: In early 2024, we announced a non-binding financing agreement with China Construction Bank (Jinshi Division), securing 50% of the estimated plant CAPEX requirements of US\$83.5 million and 70% of the estimated working capital of US\$10.6 million. This significantly de-risks our financing profile and highlights the opportunity we have in China to rapidly grow into a near-term, low-cost producer.

8. Government Support^{ix}: The Jinshi Government has and continues to actively assist Firebird in the permitting process, offering substantial financial incentives, including a 62.5% land rebate in cash within 60 business days and six years of tax incentives from commercial production. Our progress has been achieved within budget, with costs significantly lower than our peers in both time and cost.

9. Investor Site Visits: A particularly memorable moment this year was hosting two investor site visits to our Chinese operations, showcasing our developments and introducing our expert technical team.

Looking Ahead

Over the next six months, Firebird and HFBT will focus on delivery of the following milestones:

1. Preliminary Engineering Design: Expected to be completed by mid-Q3 2024, forming the basis for detailed engineering design, with the final design anticipated by year-end.

2. Customer Engagement: We continue to progress advanced discussions with several offtake parties and will target both Chinese and Western end users, following successful sample production at our pilot plant.

3. Firebird-Sunward Kiln Testing: Expected in late August, the results will be integrated into our design and cost model.

4. Final Investment Decision: We are on track to make a Final Investment Decision in H2 2024, with a 12–15 month construction timeline, ahead of first production

Oakover Project

Since our listing in 2021, we have made significant strides at our flagship Oakover Manganese Project in Western Australia. We are preparing this tier-one and sizeable project to feed directly into our Battery Grade Sulphate Plant in China. Currently, we are working through environmental studies and surveys, setting the stage for the next phase of growth at Oakover.

The journey towards creating long-term shareholder value is continuous, and we are committed to executing our plans efficiently across China and Western Australia. Our growth strategy aims to strengthen our position in the domestic and international manganese markets, characterised by significant efforts across our LMFP battery strategy and the development of Oakover.

As we look forward to the next financial year, our commitment to near-term MnSO_4 production remains unwavering. We will continue to maintain open and transparent communication with all stakeholders. Your support has been instrumental in our achievements, growth, and success and we thank you for your ongoing support and will continue our commitment and dedication to creating value for all our shareholders.

Kind regards,

Peter Allen
Managing Director

This announcement has been approved for release by the Board.

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ⁱ Soochow Securities report dated 16 August 2023

ⁱⁱ ASX Announcement 7 May 2024: *Feasibility Study confirms potential for low-cost, high purity manganese production*. The Company confirms the material assumptions and technical parameters underpinning the production target disclosed on 7 May 2024 continue to apply and have not materially changed.

ⁱⁱⁱ ASX Announcement 29 January 2024: *Manganese sulphate pilot plant operational*

^{iv} ASX Announcement 28 May 2024: *Key safety permit granted for China battery grade manganese sulphate plant*

^v ASX Announcement 13 March 2024: *Firebird & China Chemical sign strategic co-operation agreement to develop high-purity manganese sulphate plant*

^{vi} ASX Announcement 30 November 2023: *China-based battery grade manganese sulphate and LMFP business update*

^{vii} ASX Announcement 30 November 2023: *China-based battery grade manganese sulphate and LMFP business update*

^{viii} ASX Announcement 14 May 2024: *Substantial low-cost financial support for battery grade manganese sulphate plant*

^{ix} ASX Announcement 14 May 2024: *Substantial low-cost financial support for battery grade manganese sulphate plant*