



# FireFly

## METALS

**FireFly Metals Ltd**  
**ACN 110 336 733**

### **Prospectus**

This Prospectus is being issued for the offer of up to 9,009,010 Shares at an issue price of C\$0.666 (A\$0.7503) per Share (the **Offer**).

**THIS IS A TRANSACTION-SPECIFIC PROSPECTUS ISSUED IN ACCORDANCE WITH SECTION 713 OF THE CORPORATIONS ACT.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

**THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.**

**Not for release to US wire services or distribution in the United States**

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## Important Information

This Prospectus is dated 4 April 2024 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Prospectus will be made available in electronic form only to persons in Australia. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company as detailed in the Corporate Directory.

The Company will also provide copies of other documents on request (see Section 5.6).

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Shares will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia and Canada.

The Shares to be issued under the Offer may be traded in accordance with Canadian securities legislation (i) through an exchange, or a market, outside of Canada, or (ii) to a person or company outside of Canada, provided the Company is a foreign issuer within the meaning of applicable Canadian securities laws and is not a reporting issuer in any jurisdiction of Canada.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

The Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state of the United States, and may not be offered or sold in the United States, except in transactions exempt from or not subject to the registration requirements of the US Securities Act and any other applicable US securities laws.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any particular Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to the time in Perth, Western Australia unless otherwise indicated. Unless stated otherwise in this Prospectus, all references to the A\$ equivalent of C\$ have been derived using an exchange rate of A\$1.00 = C\$0.88162.

# Corporate Directory

## Directors

Kevin Tomlinson	Non-Executive Chair
Stephen Parsons	Managing Director
Michael Naylor	Executive Director
Jessie Liu-Ernsting	Non-Executive Director

## Officers

Darren Cooke	Chief Executive Officer
William Nguyen	Chief Financial Officer and Joint Company Secretary
Maddison Cramer	Joint Company Secretary

## Registered and Principal Office

Level 2, 8 Richardson Street  
West Perth WA 6005  
Phone: +61 (08) 9220 9030  
Email: [info@fireflymetals.com.au](mailto:info@fireflymetals.com.au)  
Website: <http://www.fireflymetals.com.au/>

## Share Registry\*

Computershare Investor Services Pty Limited  
Level 17, 221 St Georges Terrace  
Perth WA 6000  
Tel (within Aus): 1300 850 505  
Tel (outside Aus): +61 (0)3 9415 4000

**ASX Code:** FFM

## Joint Lead Managers

Canaccord Genuity (Australia) Limited  
Level 42, 101 Collins Street  
Melbourne VIC 3000

BMO Nesbitt Burns Inc.  
100 King Street West, 3<sup>rd</sup> Floor  
Toronto, Ontario, Canada, M5X 1H3

## Auditor\*

Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000

## Lawyers

Hamilton Locke Pty Ltd  
Central Park Building  
Level 48, 152 – 158 St Georges Terrace  
Perth WA 6000

\* This entity is included for information purposes only. They have not been involved in the preparation of this Prospectus.

## Indicative Timetable

Event	Date*
Lodgement of Prospectus with ASIC and ASX	4 April 2024
Opening Date of Offer	4 April 2024
Issue of Shares under the Offer	5 April 2024
Issue of Traditional FT Placement Shares and T1 Placement Shares	9 April 2024
Closing Date of Offer as at 5.00pm (AWST)	12 April 2024

\* The dates and times noted above are indicative only and subject to change. Any material changes will be notified by the Company to ASX. The Company reserves the right to amend any or all of these dates and times, including amending the Closing Date of the Offer, without prior notice subject to the Corporations Act, the Listing Rules and other applicable laws.

## Investment overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Shares.

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.5
<p><b>Offer</b></p> <p>This Prospectus is being issued for an offer of up to 9,009,010 Shares at an issue price of C\$0.666 (A\$0.7503<sup>1</sup>) per Share (the <b>Offer</b>).</p> <p>The Prospectus is also being issued to remove any trading restrictions on the sale of the Shares issued by the Company under the Offer, the Traditional FT Placement and the T1 Placement (refer to Section 1.4 for further details).</p>	Sections 1.1 to 1.4
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <p>(a) <b>Operating Risk:</b> There are significant risks in developing a mine and there is no guarantee that the Company will be able to achieve economic production from any of the Tenements. In addition, the operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>(b) <b>Flow-through placement risk:</b> The Shares issued pursuant to the Offer and the Traditional FT Placement are intended to qualify as "flow-through shares" as defined in the <i>Income Tax Act (Canada)</i> (ITA).</p> <p>The term "flow-through share", as defined in the ITA, refers to an ordinary share that will be issued by the Company to an investor under a written</p>	Section 4

<sup>1</sup> Using an exchange rate of A\$1.00 = C\$0.8876.

Key Information	Further Information
<p>agreement with the investor, whereby the Company agrees to incur certain mining expenditures and to renounce tax deductions associated with those expenditures to the investor.</p> <p>In this regard, the Company has agreed to incur certain qualifying expenditures being:</p> <p>(A) by 31 December 2024, “Canadian development expenditure” in an amount equal to the gross proceeds raised in connection with the Shares issued under the Offer; and</p> <p>(B) by 31 December 2025, “Canadian exploration expenditure” in an amount equal to the gross proceeds raised in connection with the Shares issued under the Traditional FT Placement,</p> <p>The Company will renounce such qualifying expenditures to Extract Capital and the Charity FT Investors (together, the <b>FT Investors</b>) effective no later than 31 December 2024. If the Company and the FT Investors comply with the rules under the ITA, the FT Investors will be entitled to deduct the amount renounced in computing income for Canadian income tax purposes, including in the case of the Traditional FT Placement, additional tax credits for expenditures targeting critical minerals. The right to deduct qualifying expenditures renounced in respect of flow-through shares accrues to the initial purchaser of the shares and is not transferable.</p> <p>The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Shares under this Prospectus, including the considerations applicable in connection with the renunciation of qualifying expenditures to FT Investors, are not described in this Prospectus. Applicants are strongly urged to consult their professional tax advisor in connection with subscribing for Shares under this Prospectus.</p> <p>There is no guarantee that an amount equal to the total proceeds of the issue of the Shares issued under the Offer or Traditional FT Placement, as applicable, will be expended on qualifying expenditures on or prior to 31 December 2024 or 31 December 2025, as applicable or that the renunciation of such expenditures or the expected tax deductions will be accepted by the Canada Revenue Agency or a provincial tax authority.</p> <p>If the Company does not renounce to a FT Investor effective on or before 31 December 2024, or if there is a reduction in such amount renounced pursuant to the provisions of the ITA, then the Company shall indemnify the FT Investor for an amount equal to the amount of any tax payable or that may become payable under the ITA (and under any corresponding provincial legislation) by the FT Investor (or if the FT Investor is a partnership, the partners thereof) as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity.</p> <p>(c) <b>Future Capital Risk:</b> The Company is currently loss making and will not generate any operating revenue from the Green Bay Copper-Gold Project</p>	

Key Information	Further Information
<p>unless and until it successfully re-commences commercial operations at the Green Bay Copper-Gold Project and/or commercial production commences at the Pickle Crow Project and Gold Hunter Projects. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Company's Capital Raise should be adequate to fund its business development activities, exploration program and other Company objectives for the next 12 months. However, the Company will require additional funding in the future in order to fund its business development activities, exploration program and other Company objectives.</p> <p>(d) <b>Minerals and Currency Price Volatility Risk:</b> If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The price of gold, copper and other base metals fluctuate and are affected by numerous factors beyond the control of the Company. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Canadian and Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Canadian and Australian dollar as determined in international markets.</p> <p>(e) <b>Exploration and Development Risk:</b> Mineral exploration and development are high-risk undertakings. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. Mineral exploration and development involve substantial expenses related to locating and establishing mineral reserves, developing metallurgical processes, and operating mining and processing facilities at a particular site. Until a deposit is actually mined and processed, the quantity of mineral resources and grades must be considered as estimates only, and are expressions of judgement based on knowledge, mining experience, analysis of drilling results and industry best practices. The future exploration and development activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>(f) <b>Environmental Risk:</b> The Company's mineral activities are subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil, administrative, environmental, or criminal fines, penalties, or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. Pursuant to Canadian environmental laws, FFM Canada has been required to contribute C\$4,497,832 as term deposits (<b>Restricted Cash</b>) in respect of a rehabilitation guarantee pertaining to the</p>	



Key Information	Further Information
<p>Green Bay Copper-Gold Project. While the Company will receive the indirect benefit of this existing Restricted Cash, there is a risk that some or all of this amount may be required to rectify environmental liabilities or that legislative changes may require the Restricted Cash be increased from time to time.</p> <p>(g) <b>Resource Estimation Risk:</b> There is inherent uncertainty with mineral resource estimates. In addition, there is no guarantee that inferred mineral resource estimates can successfully be converted to indicated or measured mineral resource estimates to allow potential reserve estimates. There remains risk, regardless of JORC Code or other status, with actual mining performance against any resource or reserve estimate. The Green Bay Copper-Gold Project includes a Canadian National Instrument 43-101 compliant mineral resource estimate (<b>Foreign Estimate</b>). Investors are cautioned that:</p> <p>(A) the Foreign Estimate is a foreign estimate and is not reported in accordance with the JORC Code;</p> <p>(B) a competent person has not done sufficient work to classify the Foreign Estimate as a mineral resource in accordance with the JORC Code; and</p> <p>(C) it is uncertain that following evaluation and/or further exploration work that the Foreign Estimate will be able to be reported in accordance with the JORC Code.</p> <p>The Company first disclosed the Foreign Estimate in the market release on 31 August 2023. The Company is not in possession of any new information or data relating to the Foreign Estimate that materially impacts the reliability of the Foreign Estimate or the Company's ability to verify the Foreign Estimate in accordance with the JORC Code. The information contained in the initial market announcement continues to apply and has not materially changed.</p> <p>(h) <b>Unforeseen Expenditure Risk:</b> The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.</p>	
<p><b>Effect of the Offer, Traditional FT Placement and T1 Placement</b></p> <p>The Offer will result in the issued capital of the Company increasing by 9,009,010 Shares.</p> <p>The Traditional FT Placement will result in the issued capital of the Company increasing by 9,019,893 Shares.</p> <p>The T1 Placement will result in the issued capital of the Company increasing by 39,271,097 Shares.</p> <p>The Company is of the view that the Offer, the Traditional FT Placement and the T1 Placement will not affect the control of the Company. No investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offer, Traditional FT Placement and T1 Placement.</p>	<p>Sections 2 and 5.16</p>

Key Information	Further Information																								
<p>The expenses of the Offer are approximately A\$451,617.</p> <p>The expenses of the Offer will be paid out of the Company's current cash at bank. Therefore, the proceeds of the Offer will be approximately A\$6.7 million.</p>																									
<p><b>Indicative capital structure</b></p> <p>The indicative capital structure upon completion of the Offer is set out below:</p> <table border="1" data-bbox="172 546 1184 981"> <thead> <tr> <th></th> <th>Shares</th> <th>Options</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Existing Securities on issue</td> <td>396,013,927</td> <td>2,133,334</td> <td>35,385,417</td> </tr> <tr> <td>Shares to be issued under the Offer</td> <td>9,009,010</td> <td>-</td> <td>-</td> </tr> <tr> <td>Traditional FT Placement Shares</td> <td>9,019,893</td> <td>-</td> <td>-</td> </tr> <tr> <td>T1 Placement Shares</td> <td>39,271,097</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Total</b></td> <td><b>453,313,927</b></td> <td><b>2,133,334</b></td> <td><b>35,385,417</b></td> </tr> </tbody> </table> <p>The T2 Placement Shares will be issued subject to Shareholder approval at the General Meeting (and after the Closing Date).</p> <p>Further details in respect of the Company's capital structure are set out in Section 2.1.</p>		Shares	Options	Performance Rights	Existing Securities on issue	396,013,927	2,133,334	35,385,417	Shares to be issued under the Offer	9,009,010	-	-	Traditional FT Placement Shares	9,019,893	-	-	T1 Placement Shares	39,271,097	-	-	<b>Total</b>	<b>453,313,927</b>	<b>2,133,334</b>	<b>35,385,417</b>	Section 2.1
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Traditional FT Placement Shares	9,019,893	-	-																						
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<b>Total</b>	<b>453,313,927</b>	<b>2,133,334</b>	<b>35,385,417</b>																						
<p><b>Directors' interests in Securities</b></p> <p>The relevant interest of the Directors in Securities as at the date of this Prospectus is set out in the table below:</p> <table border="1" data-bbox="193 1317 1187 1727"> <thead> <tr> <th>Directors</th> <th>Shares</th> <th>Voting power (%)</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Kevin Tomlinson</td> <td>40,000</td> <td>0.01%</td> <td>1,680,000</td> </tr> <tr> <td>Stephen Parsons</td> <td>20,449,802</td> <td>5.16%</td> <td>12,400,000</td> </tr> <tr> <td>Michael Naylor</td> <td>6,697,098</td> <td>1.69%</td> <td>8,066,666</td> </tr> <tr> <td>Jessie Liu-Ernsting</td> <td>0</td> <td>-</td> <td>0</td> </tr> </tbody> </table> <p>Further details in respect of the Directors' relevant interests in Securities are set out in Section 5.12.</p>	Directors	Shares	Voting power (%)	Performance Rights	Kevin Tomlinson	40,000	0.01%	1,680,000	Stephen Parsons	20,449,802	5.16%	12,400,000	Michael Naylor	6,697,098	1.69%	8,066,666	Jessie Liu-Ernsting	0	-	0	Section 5.12				
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Michael Naylor	6,697,098	1.69%	8,066,666																						
Jessie Liu-Ernsting	0	-	0																						
<p><b>Forward looking statements</b></p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p>	Important Information and Section 4																								

Key Information	Further Information
<p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	

## 1. Details of the Offer

### 1.1 Background

On 28 March 2024, the Company announced a capital raising comprising:

- (a) a flow-through placement of 9,009,010 Shares at C\$0.666 (A\$0.7503<sup>2</sup>) per Share to Canadian investors to raise approximately A\$6.7 million (**Charity FT Placement**);
- (b) a flow-through placement of 9,019,893 Shares at C\$0.6652 (A\$0.7480<sup>3</sup>) per Share to Extract Capital to raise approximately A\$6.7 million (**Traditional FT Placement**); and
- (c) an institutional placement of 63,423,848 Shares priced at A\$0.61 per Share to raise approximately A\$38.7 million (before costs) (**Institutional Placement**),

(**Capital Raise**) each of which are further described below.

The Traditional FT Placement and Institutional Placement are not offers being made under this Prospectus.

### 1.2 Offer

Under the Charity FT Placement:

- (a) PearTree Securities Inc. (**PearTree**), as agent for certain investors (**Charity FT Investors**), will subscribe for 9,009,010 Shares under a subscription and renunciation agreement (**PearTree Subscription Agreement**); and
- (b) pursuant to a block trade agreement between PearTree and the Joint Lead Managers, the Joint Lead Managers will facilitate the secondary on-sale of the Shares issued to PearTree to select sophisticated and professional investors in Australia and certain other countries, at a price per Share of A\$0.61 (**Block Trade**).

This Prospectus invites PearTree or the Charity FT Investors to apply for up to 9,009,010 Shares at an issue price of C\$0.666 (A\$0.7503<sup>4</sup>) per Share to raise approximately C\$6 million (approximately A\$6.7 million) (**Offer**).

The Charity Flow-through Placement Shares issued pursuant to this Prospectus are intended to qualify as "flow-through shares" as defined in the ITA. If the Company and the Charity FT Investors comply with the detailed rules under the ITA, the Charity FT Investors will be entitled to deduct the amount renounced by the Company in computing income for Canadian income tax purposes for expenditures that qualify as "accelerated Canadian development expenditures" as defined in the ITA. The tax benefits associated with the Shares are available only to the Charity FT Investors (who are Canadian residents for the purposes of the ITA) and not to any other person who acquires the Shares through the on-sale or transfer of those Shares. Refer to Section 4.1(c) for the risks associated with the "flow-through shares".

The Shares issued pursuant to the Offer will be issued under the Company's existing placement capacity under Listing Rule 7.1.

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<sup>2</sup> Using an exchange rate of A\$1.00 = C\$0.8876.

<sup>3</sup> Using an exchange rate of A\$1.00 = C\$0.8893.

<sup>4</sup> Using an exchange rate of A\$1.00 = C\$0.8876.

The Company is only extending the Offer to PearTree as agent for the Charity FT Investors.

The Shares issued under the Offer will be issued as fully paid ordinary shares and will rank equally with the existing Shares on issue. Refer to Section 5.1 for details of the rights and liabilities attaching to Shares.

### 1.3 Background to the Capital Raise

#### (a) Traditional FT Placement

On 28 March 2024, the Company announced it had received firm commitments for 9,019,893 Shares (**Traditional FT Placement Shares**) at an issue price of C\$0.6652 (A\$0.7480<sup>5</sup>) per Share to raise approximately C\$6 million (approximately A\$6.7 million).

The Traditional FT Placement Shares will be issued to Extract Capital under a subscription and renunciation agreement (**Extract Subscription Agreement**).

The Traditional FT Placement Shares issued pursuant to this Prospectus are intended to qualify as "flow-through shares" as defined in the ITA. If the Company and Extract Capital comply with the detailed rules under the ITA, Extract Capital will be entitled to deduct the amount renounced by the Company in computing income for Canadian income tax purposes and receive additional tax credits. The tax benefits associated with the Traditional FT Placement Shares are available only to Extract Capital (which is domiciled in Canada) and not to any other person who acquires the Shares through the on-sale or transfer of those Shares.

The Shares issued pursuant to the Traditional FT Placement will be issued under the Company's existing placement capacity under Listing Rule 7.1.

The Traditional FT Placement is not an offer under this Prospectus and the Traditional FT Placement Shares will be issued on or around 9 April 2024, being a date under which offers for securities under this Prospectus are still open for acceptance.

The Traditional FT Placement Shares will be issued without disclosure under Part 6D.2 of the Corporations Act.

#### (b) Institutional Placement

On 28 March 2024, the Company announced it had received firm commitments from professional and sophisticated investors to raise approximately A\$38.7 million (before costs) through the issue of 63,423,848 Shares at an issue price A\$0.61 per Share.

The Institutional Placement is comprised of two tranches as follows.

##### (i) Tranche 1

The Company has received firm commitments in relation to 39,271,097 Shares (**T1 Placement Shares**) to raise approximately A\$24 million (before costs) pursuant to a placement to sophisticated and professional investors qualifying under section 708 of the Corporations Act (being unrelated parties to the Company) at a price per Share of A\$0.61 (**T1 Placement**).

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<sup>5</sup> Using an exchange rate of A\$1.00 = C\$0.8893.

The T1 Placement Shares will be issued under the Company's existing placement capacity under Listing Rules 7.1 and 7.1A as follows:

- (A) 3,001,827 T1 Placement Shares will be issued under Listing Rule 7.1; and
- (B) 36,269,270 T1 Placement Shares will be issued under Listing Rule 7.1A.

As at the date of this Prospectus, the Company has not issued any T1 Placement Shares as the Company is unable to issue a 'cleansing' notice under section 708A(5) of the Corporations Act due to the fact that the Company's securities were suspended from trading from the commencement of trade on Monday, 14 August 2023 and remained in suspension for more than 5 business days.

The T1 Placement is not an offer under this Prospectus and the T1 Placement Shares will be issued on or around 9 April 2024, being a date under which offers for securities under this Prospectus are still open for acceptance.

The T1 Placement Shares will be issued without disclosure under Part 6D.2 of the Corporations Act.

(ii) Tranche 2

The Company has also received a firm commitment in relation to 24,152,751 Shares (**T2 Placement Shares**) to raise approximately A\$14.7 million (before costs) pursuant to a placement to BlackRock (on behalf of funds and accounts under management) at a price per Share of A\$0.61 (**T2 Placement**).

The issue of the T2 Placement Shares is subject to Shareholder approval pursuant to Listing Rule 7.1 at a general meeting expected to be held in May 2024 (**General Meeting**).

Further details in respect of the T2 Placement will be set out in the Notice of Meeting in relation to the General Meeting, which is expected to be dispatching shortly.

#### 1.4 Purpose of the Prospectus

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) within 5 days of the date of issue of the securities. However, the Company is unable to issue a 'cleansing' notice under section 708A(5) of the Corporations Act due to the fact that the Company's securities were suspended from trading from the commencement of trade on Monday, 14 August 2023 and remained in suspension for more than 5 business days.

Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;

- (b) a prospectus is lodged with ASIC either:
  - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

Accordingly, this Prospectus is also being issued to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that attach to the Traditional FT Placement Shares and T1 Placement Shares issued by the Company prior to the Closing Date, so that subscribers of those Shares may, if they choose to, sell those Shares (as applicable) within twelve months from the date of their issue without the issue of a prospectus.

Accordingly, the primary purpose of this Prospectus is to:

- (a) make the offer of Shares under the Charity FT Placement (i.e. the Offer) with disclosure under Part 6D of the Corporations Act and enable the on-sale of such Shares issued pursuant to the Offer; and
- (b) comply with 'Case 2' of section 708A(11) of the Corporations Act and 'cleanse' the Traditional FT Placement Shares and T1 Placement Shares.

## 1.5 **Opening and Closing Dates**

The Company will accept Application Forms in respect of the Offer from Applicants from the Opening Date until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

## 1.6 **Minimum subscription**

There is no minimum subscription under the Offer.

## 1.7 **Oversubscriptions**

The Company will not accept any oversubscriptions in relation to the Offer.

## 1.8 **Effect of the Offer on control of the Company**

The Offer will have no impact on the control of the Company as no person as a result of the Offer will increase their voting power in the Company:

- (a) from 20% or below to more than 20% of issued capital of the Company; or
- (b) from a starting point that is above 20% and below 90% of issued capital of the Company.

## 1.9 **Not underwritten**

The Offer is not underwritten.

## 1.10 **Applications**

The Company will separately advise Applicants of the application procedures for the Offer.

## 1.11 **Application Monies held on trust**

All Application Monies received for the Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

## 1.12 **Allotment**

The Directors will determine the eligible recipients of all the Shares under the Offer. The Company's decision on the number of Shares to be issued to an Applicant under the Offer will be final.

## 1.13 **Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Offer, in which case, the Company will return all Application Monies (without interest) (if any) in accordance with the Corporations Act.

## 1.14 **Application Forms**

The Offer is not open to the general public. Accordingly, the Offer will only be extended to specific parties and the relevant Application Form will be provided by the Company to these parties only. No person in the United States can apply for Shares under this Prospectus.

Applications must be made using the relevant Application Form provided with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Shares under an Offer.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.



### 1.15 **ASX quotation**

The Company intends to submit an Appendix 2A for Official Quotation of the Shares being issued pursuant the Offer on or around 5 April 2024.

In any event, application will be made to ASX no later than 7 days after the date of this Prospectus for official quotation of the Shares under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), any issue or transfer of such Shares will be void in accordance with section 723 of the Corporations Act.

The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

### 1.16 **CHESS**

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS, operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by the Company's Share Registry and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

### 1.17 **Applicants outside Australia**

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this Prospectus may not be distributed outside Australia except to institutional and professional investors who participated in the Traditional FT Placement or the T1 Placement excluding the United States. This Prospectus may not be distributed to any person in the United States.

### 1.18 **Risk factors**

An investment in Shares of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 4.

### 1.19 **Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants or potential investors. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

### 1.20 **Major activities and financial information**

A summary of the major activities and financial information relating to the Company can be found in the Company's annual report for the year ended 30 June 2023 lodged with ASX on 29 September 2023 (**Annual Report**) and in the Company's half-year report for the half-year ended 31 December 2023 lodged with ASX on 14 March 2024 (**Half Year Report**). The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report.

Copies of the Annual Report are available free of charge from the Company. The Directors strongly recommend that Applicants review this document and all other announcements prior to deciding whether or not to participate in the Offer.

### 1.21 **Privacy**

Applicants will be providing personal information to the Company (directly or by the Company's share registry) on the Application Forms. The Company collects, holds and will use that information to assess the Application, service Security holders' needs, facilitate distribution payments and corporate communications to Security holders and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests can be made in accordance with Principle 12 of the Australian Privacy Principles and may be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

#### 1.22 **Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company by email to [info@fireflymetals.com.au](mailto:info@fireflymetals.com.au).

## 2. Effect of the Offer, Traditional FT Placement and T1 Placement

### 2.1 Capital structure on completion of the Offer

Assuming that no existing Options are exercised, or Performance Rights converted into Shares, the effect of the Offer, Traditional FT Placement and T1 Placement on the Company's issued capital as at the date of this Prospectus is as shown in the following table.

	Shares	Options	Performance Rights
Existing Securities on issue	396,013,927 <sup>(1)</sup>	2,133,334 <sup>(2)</sup>	35,385,417 <sup>(3)</sup>
Shares to be issued under the Offer	9,009,010	-	-
Traditional FT Placement Shares	9,019,893	-	-
T1 Placement Shares	39,271,097	-	-
<b>Total<sup>(4)</sup></b>	<b>453,313,927</b>	<b>2,133,334</b>	<b>35,385,417</b>

#### Notes:

- Includes the following Shares subject to escrow:
  - 36,929 Shares escrowed until 10 October 2024;
  - 5,866,667 Shares escrowed until 23 October 2024;
  - 666,667 Shares escrowed until 13 November 2024;
  - 800,001 Shares escrowed until 22 December 2024; and
  - 1,133,334 Shares escrowed until 2 January 2025.
- Comprising:
  - 1,466,667 Options exercisable at \$0.15 each and expiring on 23 January 2025; and
  - 666,667 Options exercisable at \$1.875 each and expiring on 14 April 2024.
- The Performance Rights on issue have expiry dates ranging between 14 April 2026 and 15 December 2028 and, subject to satisfaction of various vesting conditions, are convertible to Shares on a 1-for-1 basis.
- Does not include the T2 Placement Shares which will be issued subject to Shareholder approval at the General Meeting (and after the Closing Date).

### 2.2 Effect of the Offer, Traditional FT Placement and T1 Placement on control of the Company

The Company is of the view that the Offer, the Traditional FT Placement and the T1 Placement will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. So far as the Company is aware, no new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer, Traditional FT Placement and T1 Placement (see Section 5.10).

## 2.3 Use of funds

Upon completion of the Offer, Traditional FT Placement and T1 Placement, the funds raised are intended to be used as set out below.

Use of funds	C\$( <sup>1</sup> )	A\$( <sup>1</sup> )
Phase two of the development drill drive (1,200m extension) at Green Bay Copper-Gold Project	12,500,000	14,200,000
Step-out resource growth and discovery exploration at the Green Bay Copper-Gold Project and the Gold Hunter Projects	13,000,000	14,700,000
Upscaled engineering studies	2,500,000	2,800,000
Working capital <sup>(3)</sup>	3,300,000	3,800,000
Costs of the Offer, Traditional FT Placement and T1 Placement	1,800,000	2,000,000
<b>Total</b>	<b>33,100,000<sup>(2)</sup></b>	<b>37,500,000<sup>(2)</sup></b>

### Notes:

1. Rounded to nearest 100,000.
2. This does not include funds to be raised under the T2 Placement.
3. Working capital includes but is not limited to corporate office, administration, staff and operating costs, directors' fees, executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

The above table is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 4) actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Please refer to Section 5.16 for further details on the estimated expenses of the Offer.

## 2.4 Pro-forma statement of financial position

A pro-forma statement of financial position has been provided in Section 3 below to demonstrate the indicative impact of the Offer, Traditional FT Placement and T1 Placement on the financial position of the Company. The Company's unaudited interim financial statements for the half-year ended 31 December 2023 have been used for the purposes of preparing the pro-forma statement of financial position and adjusted to reflect pro-forma assets and liabilities of the Company as if completion of the Offer, Traditional FT Placement and T1 Placement had occurred.

The pro-forma statement of financial position is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

## 2.5 **Market Price of Shares**

The highest and lowest closing prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those closing prices were:

Highest:           \$0.765 per Share on 2 April 2024

Lowest:            \$0.455 per Share on 9 February 2024

The latest available closing price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.715 per Share on 3 April 2024.

### 3. Unaudited Pro Forma Statement of Financial Position

	Half-year ended 31-Dec-23	Adjustments for Charity FT Placement <sup>(1)</sup>	Adjustments for T1 Placement <sup>(2)</sup>	Adjustments for Traditional FT Placement <sup>(3)</sup>	Adjustments for Gold Hunter land acquisition <sup>(4)</sup>	Adjustments for acquisition of Maritime shares <sup>(5)</sup>	Adjustments from 31-Dec- 23 <sup>(6)</sup>	Pro forma <sup>(7)</sup>
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>Current Assets</b>								
Cash and cash equivalents	16,771	6,354	22,518	6,612	(566)	(2,820)	(11,510)	37,359
Trade and other receivables	1,048	-	-	-				1,048
Inventory	2,020							2,020
Other assets	959	-	-	-		2,820		3,779
<b>Total Current Assets</b>	<b>20,797</b>	<b>6,354</b>	<b>22,518</b>	<b>6,612</b>	<b>(566)</b>	<b>-</b>	<b>(11,510)</b>	<b>44,205</b>
<b>Non-Current Assets</b>								
Property, plant and equipment	22,717	-	-	-				22,717
Right of use assets	1,805	-	-	-				1,805
Exploration and evaluation	128,592	-	-	-	17,283		9,971	155,847
Restricted cash	5,057							5,057
Goodwill	2,652	-	-	-				2,652
<b>Total Non-Current Assets</b>	<b>160,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,283</b>	<b>-</b>	<b>9,971</b>	<b>188,078</b>
<b>Total Assets</b>	<b>181,620</b>	<b>6,354</b>	<b>22,518</b>	<b>6,612</b>	<b>16,717</b>	<b>-</b>	<b>(1,539)</b>	<b>232,283</b>

	Half-year ended 31-Dec-23	Adjustments for Charity FT Placement <sup>(1)</sup>	Adjustments for T1 Placement <sup>(2)</sup>	Adjustments for Traditional FT Placement <sup>(3)</sup>	Adjustments for Gold Hunter land acquisition <sup>(4)</sup>	Adjustments for acquisition of Maritime shares <sup>(5)</sup>	Adjustments from 31-Dec- 23 <sup>(6)</sup>	Pro forma <sup>(7)</sup>
<b>Current Liabilities</b>								
Trade and other payables	2,474	-	-	-			(957)	1,516
Lease liabilities	287	-	-	-				287
Provisions	244	-	-	-				244
<b>Total current liabilities</b>	<b>3,005</b>	-	-	-		-	<b>(957)</b>	<b>2,048</b>
<b>Non-Current Liabilities</b>								
Lease liabilities	1,468	-	-	-				1,468
Deferred consideration	14,218	-	-	-				14,218
Deferred tax liability	15,237							15,237
Reclamation Liability	3,938	-	-	-				3,938
<b>Total Non-Current Liabilities</b>	<b>34,861</b>	-	-	-	-	-	-	<b>34,861</b>
<b>Total Liabilities</b>	<b>37,866</b>	-	-	-	-	-	<b>(957)</b>	<b>36,908</b>
<b>Net Assets</b>	<b>143,755</b>	<b>6,354</b>	<b>22,518</b>	<b>6,612</b>	<b>16,717</b>	-	<b>(581)</b>	<b>195,375</b>
<b>Equity</b>								
Issued capital	176,182	6,354	22,518	6,612	18,389			230,055
Reserves	7,583	-	-	-				7,583



	Half-year ended 31-Dec-23	Adjustments for Charity FT Placement <sup>(1)</sup>	Adjustments for T1 Placement <sup>(2)</sup>	Adjustments for Traditional FT Placement <sup>(3)</sup>	Adjustments for Gold Hunter land acquisition <sup>(4)</sup>	Adjustments for acquisition of Maritime shares <sup>(5)</sup>	Adjustments from 31-Dec- 23 <sup>(6)</sup>	Pro forma <sup>(7)</sup>
Accumulated losses	(57,264)	-	-	-	(1,672)	-	(581)	(59,517)
<b>Total equity attributed to equity owners of the Company</b>	<b>126,501</b>	<b>6,354</b>	<b>22,518</b>	<b>6,612</b>	<b>16,717</b>	-	<b>(581)</b>	<b>178,121</b>
Non-controlling interest	17,254	-	-	-	-	-	-	17,254
<b>Total Equity</b>	<b>143,755</b>	<b>6,354</b>	<b>22,518</b>	<b>6,612</b>	<b>16,717</b>	-	<b>(581)</b>	<b>195,375</b>

#### Notes and assumptions:

1. The Charity FT Placement as announced on 28 March 2024 being the issue of 9,009,010 Shares at an issue price of A\$0.7503<sup>6</sup> per Share to Canadian investors to raise approximately A\$6.7 million.
2. The T1 Placement as announced on 28 March 2024 being the issue of 39,271,097 Shares at an issue price of A\$0.61 per Share to raise approximately A\$24 million, net of issue costs.
3. The Traditional FT Placement as announced on 28 March 2024 being the issue of 9,019,893 Shares at an issue price of A\$0.7480<sup>7</sup> per Share to Extract Capital to raise approximately A\$6.7 million.
4. As announced to the ASX on 22 December 2023, the Company entered into a binding Share Purchase Agreement to acquire 169 square kilometres of additional ground adjacent to the Green Bay Copper-Gold Project from Gold Hunter. The Company agreed to provide the following consideration in relation to the acquisition:
  - i. 30,290,624 Shares, being C\$15,000,000 in fully paid ordinary shares at a deemed issue price equal to the 20-day volume weighted average price of the Company's Shares on the ASX;
  - ii. 3,029,062 Shares, being C\$1,500,000 in fully paid ordinary shares to discharge an existing liability held by Gold Hunter; and
  - iii. C\$500,000 in cash to exercise the option to acquire 100% interest in the Marwan Project.
5. As announced to the ASX on 26 March 2024, the Company signed a port access agreement with Maritime. As part of the agreement, the Company agreed to invest C\$2,500,000 in Maritime through the acquisition of 50,000,000 common shares at C\$0.05 per share.
6. Ongoing exploration, development and care & maintenance activities at the Green Bay Copper-Gold Project.
7. The T2 Placement, referred to in the Company's announcement dated 28 March 2024, is not included in the pro-forma statement of financial position as this is subject to receipt of shareholder approval at the General Meeting.

<sup>6</sup> Using an exchange rate of A\$1.00 = C\$0.8876.

<sup>7</sup> Using an exchange rate of A\$1.00 = C\$0.8893.

## 4. Risk factors

The Shares offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's particular interests or projects will be successful. Potential investors should consider whether the Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below.

This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offer.

Applicants should be aware of the risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

### 4.1 Risks specific to the Company

#### (a) Operating Risk

There are significant risks in developing a mine and there is no guarantee that the Company will be able to achieve economic production from any of the Tenements. In addition, the operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Projects. Unless and until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.

#### (b) Future Capital Risk

The Company is loss making and will not generate any operating revenue from the Green Bay Copper-Gold Project unless and until it successfully re-commences commercial operations at the Green Bay Copper-Gold Project and/or commercial production commences from the Pickle Crow Project and Gold Hunter Projects. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Capital Raise should be adequate to fund its business development activities, exploration program and other Company objectives for the next 12 months. However, the Company will require additional funding in the future in order to fund its business development activities, exploration program and other Company objectives.

In order to successfully develop its Projects and for production to commence, the Company will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's

operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. Global financial conditions continue to be subject to volatility arising from international geopolitical developments and global economic phenomena, as well as general financial market turbulence. Access to public financing and credit can be negatively impacted by the effect of these events on global credit markets. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources.

If the Company is unable to obtain additional financing as needed, it may be required to indefinitely postpone or reduce the scope of its activities and this could have a material adverse effect on the Company's activities, including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(c) **Flow-through placement risk**

The Shares issued pursuant to the Offer and the Traditional FT Placement are intended to qualify as "flow-through shares" as defined in the *Income Tax Act (Canada)* (**ITA**).

The term "flow-through share", as defined in the ITA, refers to an ordinary share that will be issued by the Company to an investor under a written agreement with the investor, whereby the Company agrees to incur certain mining expenditures and to renounce tax deductions associated with those expenditures to the investor.

In this regard, the Company has agreed to incur certain qualifying expenditures being:

- (i) by 31 December 2024, "Canadian development expenditure" in an amount equal to the gross proceeds raised in connection with the Shares issued under the Offer; and
- (ii) by 31 December 2025, "Canadian exploration expenditure" in an amount equal to the gross proceeds raised in connection with the Shares issued under the Traditional FT Placement.

The Company will renounce such qualifying expenditures to Extract Capital and the Charity FT Investors (together, the **FT Investors**) effective no later than 31 December 2024.

If the Company and the FT Investors comply with the rules under the ITA, the FT Investors will be entitled to deduct the amount renounced in computing income for Canadian income tax purposes, including in the case of the Traditional FT Placement, additional tax credits for expenditures targeting critical minerals. The right to deduct

qualifying expenditures renounced in respect of flow-through shares accrues to the initial purchaser of the shares and is not transferable.

The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Shares under this Prospectus, including the considerations applicable in connection with the renunciation of qualifying expenditures to FT Investors, are not described in this Prospectus. Applicants are strongly urged to consult their professional tax advisor in connection with subscribing for Shares under this Prospectus.

There is no guarantee that an amount equal to the total proceeds of the issue of the Shares issued under the Offer or Traditional FT Placement, as applicable, will be expended on qualifying expenditures on or prior to 31 December 2024 or 31 December 2025, as applicable, or that the renunciation of such expenditures or the expected tax deductions will be accepted by the Canada Revenue Agency or a provincial tax authority.

If the Company does not renounce to a FT Investor effective on or before 31 December 2024, or if there is a reduction in such amount renounced pursuant to the provisions of the ITA, then the Company shall indemnify the FT Investor for an amount equal to the amount of any tax payable or that may become payable under the ITA (and under any corresponding provincial legislation) by the FT Investor (or if the FT Investor is a partnership, the partners thereof) as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity.

(d) **Deferred Consideration Risk**

Pursuant to the share subscription agreement under which the Company acquired the Green Bay Copper-Gold Project (**Green Bay Subscription Agreement**), the Company is obligated to pay deferred consideration of \$7,500,000 in cash and \$7,500,000 in cash or Shares (at the Company's election) within 18 months after the closing date. These amounts are payable to a special purpose vehicle (**NewCo**) for transfer by NewCo to former creditors of Rambler Group in accordance with a reverse vesting order process undertaken pursuant to the Canadian *Companies' Creditors Arrangement Act* (Canada). Further details in respect of the Green Bay Subscription Agreement are set out in the Company's ASX announcement dated 20 October 2023. In connection with these arrangements, FFM Canada has entered into a general security agreement as collateral for the payment of the deferred consideration, granting a security in all of the present and after-acquired personal property (other than consumer goods) of FFM Canada, including, but not limited to, all the right, title, interest and benefit in that property (**Collateral**). The general security agreement will remain in effect until the deferred consideration is paid. If the deferred consideration is not paid within the required timeframe, there is a risk that the remedies exercised by the secured parties under the general security agreement may adversely affect the business, finances, and operations of FFM Canada and the Company. FFM Canada and the Company's ability to pay the deferred consideration will depend on the Company's ability to obtain adequate financing, which is subject to industry conditions and other factors. In the event of a violation by FFM Canada of the general security agreement, including the failure to pay the deferred consideration, the secured party could declare such indebtedness to be immediately due and payable and in certain cases, foreclose on the Collateral. There can be no assurance that in the event FFM Canada is in default of the general security agreement, it will be able to secure a waiver from the other party. Moreover, to the extent the Collateral continues to be

pledged to secure the deferred consideration, such assets will not be available to secure additional indebtedness, which may adversely affect FFM Canada and the Company's ability to borrow in the future.

(a) **Third Party Risk**

The Company is party to the Pickle Crow Property Earn-In Agreement with First Mining in respect of its current 70% interest in the Pickle Crow Project, a Binding Term Sheet with Mithril Resources in respect of the Company's current 90% interest in the Limestone Well Project. As such, the ability of the Company to achieve its objectives will depend on the performance by the other parties to contracts which the Company may enter into in the future. If a party defaults in the performance of its obligations it may be necessary for the Company to approach a court to seek legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

Further, the Company is unable to predict the risk of insolvency or managerial failure by any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

(b) **Port Access Risk**

The Company has entered into a port access agreement (**PAA**) with Maritime Resources Corp. (**Maritime**), which is the owner of surface rights on a property (the **Property**) that is located between the Company's Ming Mine and the navigable waters known as Baie Verte Harbour. There is a barge used to navigate the Baie Verte Harbour which is located at the edge of the Property (**Barge**). Pursuant to the PAA, Maritime has granted the Company a non-exclusive licence for access over the Property for the purpose of transporting up to 1,000,000 tonnes per annum of mineral concentrate to the Barge for storage and export including to construct and use a storage shed (in a location to be agreed by the parties) and access the Barge area.

The Company will coordinate its access and transportation of concentrates over the Property with Maritime and will use reasonable efforts to utilise its rights in a manner that does not conflict with rights conferred by Maritime under two other agreements with other entities that Maritime has contractual obligations to in respect of the Barge. Whilst the Company does not presently consider this to be a material risk to its operations, there is a risk that any delays in resolving and agreeing on customary priority arrangements with those two parties may adversely impact the Company's ability to access the Property and carry out its transportation activities.

(c) **Exploration and Development Risk**

Mineral exploration and development are high-risk undertakings. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. Mineral exploration and development involve substantial expenses related to locating and establishing mineral reserves, developing metallurgical processes, and operating mining and processing facilities at a particular site. Until a deposit is actually mined and processed, the quantity of mineral resources and grades must be considered as estimates only, and are expressions of judgement based on knowledge, mining experience, analysis of drilling

results and industry best practices. The future exploration and development activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

Further to the above, the future development of mining operations at the Projects (or any other current or future projects that the Company may have or acquire an interest in) is dependent on a number of factors and avoiding various risks, including, but not limited to the ability of the Company to repay its existing debt facilities, the mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from third parties providing essential services.

In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

**(d) Integration risk**

Acquisitions of mining assets and businesses may be difficult to integrate with the Company's ongoing business and management may be unable to realize anticipated synergies. Any such acquisitions may be significant in size, may change the scale of the Company's business, may require additional capital, and/or may expose the Company to new geographic, political, operating, financial and geological risks.

**(e) Third-party business relationships**

Multiple third-party creditors of Rambler, which was acquired by the Company pursuant to the Green Bay Subscription Agreement (refer to the Company's ASX announcement dated 20 October 2023 for further information), may not have received the full payment owing to them from Rambler pursuant to debt instruments and agreements that pre-existed the SISP process. As a result of the SISP process, certain creditors may have had to compromise and accept partial payment for the outstanding debt owed, foregoing full repayment. As a result, there is a risk that the Company will be unable to engage such third-party creditors to provide financing in the future.

**(f) New projects and potential acquisitions**

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence.

There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

## 4.2 Mining industry risks

### (a) Resource Estimation Risk

There is inherent uncertainty with mineral resource estimates. In addition, there is no guarantee that inferred mineral resource estimates can successfully be converted to indicated or measured mineral resource estimates to allow potential reserve estimates. There remains risk, regardless of JORC Code or other status, with actual mining performance against any resource or reserve estimate.

The Green Bay Copper-Gold Project includes a Canadian National Instrument 43-101 compliant mineral resource estimate (**Foreign Estimate**). Investors are cautioned that:

- (i) the Foreign Estimate is a foreign estimate and is not reported in accordance with the JORC Code;
- (ii) a competent person has not done sufficient work to classify the Foreign Estimate as a mineral resource in accordance with the JORC Code; and
- (iii) it is uncertain that following evaluation and/or further exploration work that the Foreign Estimate will be able to be reported in accordance with the JORC Code.

The Company first disclosed the Foreign Estimate in the market release on 31 August 2023. The Company is not in possession of any new information or data relating to the Foreign Estimate that materially impacts the reliability of the Foreign Estimate or the Company's ability to verify the Foreign Estimate in accordance with the JORC Code. The information contained in the initial market announcement continues to apply and has not materially changed.

### (b) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(c) **Environmental Risk**

The Company's mineral activities are subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil, administrative, environmental, or criminal fines, penalties, or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. Pursuant to Canadian environmental laws, FFM Canada has been required to contribute C\$4,497,832 as term deposits (**Restricted Cash**) in respect of a rehabilitation guarantee pertaining to the Green Bay Copper-Gold Project. While the Company will receive the indirect benefit of this existing Restricted Cash, there is a risk that some or all of this amount may be required to rectify environmental liabilities or that legislative changes may require the Restricted Cash be increased from time to time. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development, or mining operations.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulation. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Future legislation and regulations could cause additional expenses, capital expenditures, restrictions, liabilities and delays in exploration.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(d) **Grant, tenure and forfeiture of licences**

The Company's Pickle Crow Project, Green Bay Copper-Gold Project and Gold Hunter Projects are subject to the applicable provincial mining acts of Ontario and Newfoundland and Labrador, pursuant to which mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. There is no guarantee that current or future tenements or future applications for production tenements will be approved. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.



Prior to any development on any of its properties, subsidiaries of the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that the Company and its subsidiaries will hold all licences/permits necessary to develop or continue operating at any particular property.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in the jurisdictions in which the Company operates and the ongoing expenditure being budgeted by the Company. However, the consequences of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.

Similarly, the rights to mining leases and exploration licences carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the lease or licence and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a lease or leases or licence or licences. There is no guarantee that current or future exploration applications or existing licence renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.

(e) **First Nations Risk**

The Pickle Crow Project, the Green Bay Copper-Gold Project and the Gold Hunter Projects may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. The impact of any such claim on the Company's material interest in the Pickle Crow Project, the Green Bay Copper-Gold Project and the Gold Hunter Projects cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which the Pickle Crow Project, the Green Bay Copper-Gold Project and the Gold Hunter Projects are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties, and there is no assurance that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's mineral properties.

The Limestone Well Project will require the negotiation of a land access agreement with local First Nations groups prior to undertaking further drilling on the project. While the Company does not foresee any issues in obtaining such a land access agreement, there is no guarantee that such an agreement can be obtained promptly, upon terms favourable to the Company or at all which may impact the Company's operations on that project.

(f) **Third party tenure risks**

Under Canadian legislation, the Company may be required, in respect of exploration or mining activities on the Tenements, to recognise the rights of, obtain the consent of, and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including other mining tenure, pastoral leases or petroleum tenure.

The Company may be required to negotiate access arrangements and pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a Tenement. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company's operations. If the Company is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Company.

Any delays or costs in respect of conflicting third-party rights (for example, in relation to the assignment of any access agreements or the relocation of existing infrastructure on any existing miscellaneous licences that overlap with a Tenement), obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

**(g) Competition risk**

The industry in which the Company is involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

The Company's current and future potential competitors may include entities with greater financial and other resources than the Company which, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these entities.

**(h) Third party contractor risks**

The Company is unable to predict the risk of insolvency or managerial failure by any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

**(i) Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

**(j) Reliance on contractors and experts**

In various aspects of its operations, the Company relies on the services, expertise and recommendations of service providers and their employees and contractors, whom often are engaged at significant expense to the Company. The Company cannot exercise complete control over third parties providing services to the Company.

(k) **Staffing**

It may be difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(l) **Climate change**

There are a number of climate-related factors that may affect the Company's business. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access its Projects and therefore the Company's ability to carry out services.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(m) **Occupational health and safety**

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company and its ability to retain and be awarded new contracts in the resources industry. While the Company has a strong commitment to achieving a safe performance on site, a serious site safety incident could impact upon the reputation and financial outcomes for the Company.

Additionally, laws and regulations as well as the requirements of customers may become more complex and stringent or the subject of increasingly strict interpretation and/or enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities, to suspended operations and increased costs.

Industrial accidents may occur in relation to the performance of the Company's services. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have operational and financial implications for the Company which may negatively impact on the financial performance and growth prospects for the Company.

(n) **Insurance**

The Company intends to continue to insure its operations in accordance with industry practice. In certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(o) **Unforeseen Expenditure Risk**

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

## 4.3 General risks

### (a) Economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, including, but not limited to:

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (v) industrial disputes in Australia and overseas;
- (vi) changes in investor sentiment toward particular market sectors;
- (vii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (viii) natural disasters, social upheaval or war.

### (b) Dilution

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted. Performance Rights and Options, if exercised, will also dilute the shareholding of existing Shareholders.

### (c) Share market

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders arising from the transactions the subject of this Prospectus or otherwise.

(d) **Dividends**

The declaration, timing, amount and payment of dividends are at the discretion of the Board and will depend upon, among other things, the Company's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Company will be in a position to declare any future dividends due to the occurrence of one or more of the risks described herein.

(e) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company. The Company cannot be certain that all permits, licences and approvals which it may require for its future operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project that it might undertake. To the extent such permits, licences and approvals are required and are not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its projects, which would adversely affect the Company's business, prospects and operations. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions and may include corrective measures requiring capital expenditures. The Company may not be able to obtain all necessary licences and permits that may be required, or they may be prohibitively costly to obtain.

(f) **Legal proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. However, the Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Legal proceedings brought by third parties including but not limited to customers, business partners, regulators or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(g) **Macro-economic risks**

Changes in the general economic outlook in Australia and globally may impact the performance of the Company. Such changes may include:

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(h) **Broader general risks**

There are also a number of broader general risks which may impact the Company's performance. These include:

- (i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and
- (ii) higher than budgeted costs associated with the provision of service offerings.

(i) **Minerals and Currency Price Volatility Risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The price of gold, copper and other base metals fluctuate and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Canadian and Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Canadian and Australian dollar as determined in international markets.

Future serious price declines in the market values of gold, copper and other minerals could cause the development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of gold, copper and base metals are produced, a profitable market will exist for it.

In addition to adversely affecting any potential future reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular Project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular Project. Even if a Project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(j) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgements applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

(k) **Force majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters – such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

(l) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(m) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

#### 4.4 **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

## 5. Additional information

### 5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### (a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

#### (b) Voting rights

Subject to any rights or restrictions, at general meetings:

- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
- (ii) has one vote on a show of hands; and
- (iii) has one vote for every Share held, upon a poll.

#### (c) Dividend rights

Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

#### (d) Winding-up

If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

#### (e) Ranking of Shares

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

#### (f) Transfer of Shares



Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or cancelled with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 5.2 **PearTree Subscription Agreement**

Pursuant to the PearTree Subscription Agreement (amongst other things):

- (a) PearTree has agreed to purchase the Shares under the Offer as agent for the Charity FT Investors; and
- (b) the Company has agreed to use the proceeds from the Offer to incur Qualifying Expenditures (as defined in the PearTree Subscription Agreement) and to renounce such expenditures for the benefit of the Charity FT Investors for the purposes of the ITA.

No fees are payable to PearTree by the Company for its role in respect to the Offer.

The PearTree Subscription Agreement contains various other terms and conditions considered standard for an agreement of this nature.

## 5.3 **Extract Subscription Agreement**

Pursuant to the Extract Subscription Agreement (amongst other things):

- (a) Extract has agreed to purchase the Shares under the Traditional FT Placement; and
- (b) the Company has agreed to use the proceeds from the Traditional FT Placement to incur Qualifying Expenditures (as defined in the Extract Subscription Agreement) and

to renounce such expenditures for the benefit of Extract Capital for the purposes of the ITA.

The Extract Subscription Agreement contains various other terms and conditions considered standard for an agreement of this nature.

#### 5.4 **Joint Lead Manager Mandate**

The Company entered into a joint lead manager mandate with Canaccord Genuity (Australia) Limited (**Canaccord**) and BMO Nesbitt Burns Inc. (**BMO**) (together, the **Joint Lead Managers**) whereby the Joint Lead Managers will act as joint lead managers and bookrunners to the Company in connection with the Capital Raise (**Joint Lead Manager Mandate**).

The Joint Lead Managers will facilitate the Block Trade.

Under the Joint Lead Manager Mandate, the Company has agreed to pay the Joint Lead Managers the following fees in aggregate:

- (a) a capital raising fee of 4% and a management fee of 2% of the gross proceeds raised under:
  - (i) the Block Trade; and
  - (ii) the Institutional Placement; and
- (b) an advisory fee of 2.0% on the funds raised under the Traditional FT Placement, (**Joint Lead Manager Fees**).

The Joint Lead Managers appointed Euroz Hartleys Limited (**Euroz**), Argonaut Securities Pty Ltd (**Argonaut**) and Shaw and Partners Limited (**Shaw**) as Co-Managers to the Capital Raise (**Co-Managers**). The Joint Lead Managers will pay a flat fee to each of Euroz, Argonaut and Shaw from the Joint Lead Manager Fees for their services as Co-Managers.

The Joint Lead Manager Mandate is otherwise on terms and conditions considered standard for an agreement of this nature.

#### 5.5 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements, accompanied by a Directors' statement and report and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.6 below). Copies of all documents announced to the ASX can be found at <https://fireflymetals.com.au/asx-announcements/>.

## 5.6 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Annual Report for the period ended 30 June 2023 as lodged with ASX on 29 September 2023;
- (b) the Half Year Report for the half-year ended 31 December 2023 as lodged with ASX on 14 March 2024; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report and before the date of issue of this Prospectus which are as follows:

Date	Subject of Announcement
4 April 2024	Investor Presentation April 2024 – Resources Rising Stars
28 March 2024	Investor Presentation March 2024
28 March 2024	Proposed issue of securities – FFM
28 March 2024	Highly successful A\$52m raise to accelerate resource growth
26 March 2024	Application for quotation of securities - FFM
26 March 2024	Prospectus
26 March 2024	Trading Halt
26 March 2024	Firefly secures valuable port access at Green Bay Cu Project
22 March 2024	Initial Director's Interest Notice
22 March 2024	Final Director's Interest Notice
22 March 2024	Notification of cessation of securities - FFM
22 March 2024	Notification regarding unquoted securities - FFM
21 March 2024	More wide zones grading 4% Copper at Green Bay Project
19 March 2024	Board Changes
14 March 2024	Half Year Report and Accounts
4 March 2024	More wide, high grade copper drill intersections - Green Bay

Date	Subject of Announcement
1 March 2024	S&P DJI Announces March 2024 Quarterly Rebalance
26 February 2024	BMO Investor Presentation
5 February 2024	Australian investor non-deal roadshow
30 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
16 January 2024	Spectacular results extend mineralisation by 350m, Green Bay
16 January 2024	Investor Presentation January 2024
15 January 2024	Restricted shares to be released from escrow
2 January 2024	Change of Director's Interest Notice
2 January 2024	Application for quotation of securities - FFM
22 December 2023	Application for quotation of securities - FFM
22 December 2023	FireFly agrees to acquire additional ground at Green Bay
22 December 2023	Proposed issue of securities - FFM
18 December 2023	Change of Director's Interest Notice x 2
18 December 2023	Notification regarding unquoted securities - FFM
14 December 2023	Change of ASX code
11 December 2023	High grade copper and gold drill results at Green Bay
7 December 2023	Completion of Consolidation
30 November 2023	Macquarie Conference Presentation
29 November 2023	Update on Consolidation of Capital
27 November 2023	Name Change to FireFly Metals Ltd
23 November 2023	Update - Consolidation/Split - AUT
23 November 2023	Results of 2023 Annual General Meeting
23 November 2023	2023 Annual General Meeting Presentation
21 November 2023	Exploration drive underway at Green Bay Copper-Gold Project

Date	Subject of Announcement
14 November 2023	Resources Rising Stars Roadshow Presentation
13 November 2023	Application for quotation of securities - AUT
31 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
26 October 2023	Ceasing to be a substantial holder
25 October 2023	Ceasing to be a substantial holder
25 October 2023	Northern Hemisphere Investor Roadshow Presentation
24 October 2023	Consolidation/Split - AUT
24 October 2023	Notice of Annual General Meeting/Proxy Form/Notice of Access
24 October 2023	Change of Director's Interest Notice x 4
24 October 2023	Application for quotation of securities - AUT
24 October 2023	Notification regarding unquoted securities - AUT
23 October 2023	Drilling underway to grow high-grade Cu resource, Green Bay
23 October 2023	Application for quotation of securities - AUT
20 October 2023	AuTECO completes acquisition of Green Bay Cu-Au Project
20 October 2023	Ceasing to be a substantial holder
19 October 2023	Application for quotation of securities - AUT
18 October 2023	Update - Proposed issue of securities - AUT
18 October 2023	Application for quotation of securities - AUT
18 October 2023	Supplementary Prospectus
18 October 2023	Revised issue date of SPP Shares
17 October 2023	SPP increased to \$5m in response to strong demand
17 October 2023	Update - Proposed issue of securities - AUT
11 October 2023	Constitution
11 October 2023	Results of Meeting

Date	Subject of Announcement
10 October 2023	Application for quotation of securities - AUT
6 October 2023	Share Purchase Plan to close early

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.17 and the consents provided by the Directors to the issue of this Prospectus.

#### 5.7 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus and this Section 5.7.

#### 5.8 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

#### 5.9 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

#### 5.10 Substantial Shareholders

Based on available information as at the date of this Prospectus, the persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are as follows:

Substantial Shareholder	Shares	Voting power %
Stephen Parsons	20,449,802 <sup>(1)</sup>	5.16%
Gold Hunter <sup>(2)</sup>	30,290,624	7.65%

**Notes:**

1. Further details in respect of Mr Parsons' relevant interests in Shares are set out in Section 5.12.
2. The Company understands that Gold Hunter intends to conduct an in-specie distribution to its shareholders of the Shares it owns in due course.

Based on available information as at the date of this Prospectus, the persons which (together with their associates) will have a relevant interest in 5% or more of the Shares on issue following completion of the Offer, Traditional FT Placement and T1 Placement are:

Substantial Shareholder	Shares	Voting power %
Gold Hunter	30,290,624	6.68%
Extract Capital	26,320,656 <sup>(1)</sup>	5.81%
BlackRock	23,121,738 <sup>(2)</sup>	5.10% <sup>(2)</sup>

**Notes:**

1. Extract Capital currently holds 17,300,763 Shares on an indirect basis through the funds it manages, being:
  - (a) Extract Capital Master Fund Ltd (which holds 13,341,485 Shares); and
  - (b) Extract Exploration Fund (Cayman) LP (which holds 3,959,278 Shares).
 Extract Capital will, via its Extract Flow Through Fund LP, subscribe for a further 9,019,893 Traditional FT Placement Shares under the Traditional FT Placement.
2. BlackRock have agreed to subscribe for an additional 24,152,759 Shares under the T2 Placement. If Shareholder approval at the General Meeting is obtained for the T2 Placement, BlackRock will hold 47,274,497 Shares which will constitute a voting power of 9.9% (assuming no further Shares are issued from the date of this Prospectus to the date of settlement of the T2 Placement).

#### 5.11 Directors' interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

#### 5.12 Directors' interests in Securities

The Directors have the following relevant interests in Securities as at the date of this Prospectus:

Directors	Shares	Voting power %	Performance Rights
Kevin Tomlinson <sup>(1)</sup>	40,000	0.01%	1,680,000

Directors	Shares	Voting power %	Performance Rights
Stephen Parsons <sup>(2)</sup>	20,449,802	5.16%	12,400,000
Michael Naylor <sup>(3)</sup>	6,697,098	1.69%	8,066,666
Jessie Liu-Ernsting	0	-	0

**Notes:**

1. 40,000 Shares and 1,680,000 Performance Rights expiring on 20 October 2028 are held indirectly by JJROK Inc., of which Mr Tomlinson is a director and shareholder.
2. The Securities in which Mr Parsons holds a relevant interest are held as follows:
  - (a) 5,449,802 Shares are held indirectly through Symorgh Investments Pty Ltd (as trustee for the Symorgh Super Fund A/C), of which Mr Parsons is a beneficiary; and
  - (b) the following Securities are held indirectly through Symorgh Investments Pty Ltd (as trustee for the Symorgh A/C), an entity which Mr Parsons is a director:
    - (i) 11,000,000 Shares;
    - (ii) 4,000,000 Shares subject to a 12 month voluntary holding lock;
    - (iii) 8,400,000 Performance Rights expiring on 20 October 2028; and
    - (iv) 4,000,000 Performance Rights expiring on 15 December 2028;
3. The Securities in which Mr Naylor holds a relevant interest are held as follows:
  - (a) the following Securities are held indirectly through Gold Leaf Corporate Pty Ltd (as trustee for Gold Leaf Corporate A/C), an entity controlled by Mr Naylor's spouse:
    - (i) 2,495,239 Shares;
    - (ii) 1,866,667 Shares subject to a 12 month voluntary holding lock;
    - (iii) 5,400,000 Performance Rights expiring on 20 October 2028; and
    - (iv) 2,666,666 Performance Rights expiring on 15 December 2028;
  - (b) 968,524 Shares are held indirectly by Mr Naylor and Mrs Sarah June Naylor (as trustees for the Blue Leaf A/C);
  - (c) 1,333,334 Shares are held indirectly by Mr Naylor and Sarah Naylor (as trustees for the M D & S J Superannuation Fund); and
  - (d) 33,334 Shares are held indirectly through Mrs Sarah June Naylor (Mr Naylor's spouse).

### 5.13 Remuneration of Directors

The Constitution of the Company provides that the non-executive Directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$500,000. The amount of the remuneration of the Directors is to be divided among them in the proportion and manner they agree or, in default of agreement, among them equally. The amount may also be provided in a manner the Board decides (with the relevant Director's agreement), which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.



The Constitution also provides that:

- (a) the Directors shall be entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- (b) if any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for his or her share in the fee-pool described above.

The remuneration of executive Directors is to be fixed by the Board. As at the date of this Prospectus, the Company has two executive Directors, Mr Stephen Parsons and Mr Michael Naylor. The total fixed remuneration payable to each of Messrs Parsons and Naylor is \$199,800 per annum (including superannuation).

The current total fixed remuneration payable to the Company's Non-Executive Director, Jessie Liu-Ernsting, is \$85,000 per annum and the current total fixed remuneration payable to the Company's Non-Executive Chairman, Kevin Tomlinson, is \$170,000 per annum.

The table below sets out the remuneration provided to the Directors (and/or their associated companies) during the last two financial years (FY):

Director	FY ended 30 June 2023			FY ended 30 June 2022		
	Cash Salary & Fees	Superannuation	Total	Cash Salary & Fees	Superannuation	Total
	\$	\$	\$	\$	\$	\$
Kevin Tomlinson <sup>(1)</sup>	47,407	-	96,296 <sup>(2)</sup>	-	-	-
Stephen Parsons <sup>(3)</sup>	100,000	10,500	110,500	100,000	10,000	110,000
Michael Naylor <sup>(3)</sup>	78,542	7,722	86,264	60,000	-	60,000
Jessie Liu-Ernsting <sup>(4)</sup>	-	-	-	-	-	-

**Notes:**

1. Mr Tomlinson was appointed Non-Executive Director on 15 December 2022 and Non-Executive Chair on 19 March 2024.
2. Includes Share-based payments of \$48,889.
3. Effective 20 October 2023, Mr Parsons and Mr Naylor were appointed as Managing Director and Executive Director respectively.
4. Ms Liu-Ernsting was appointed as Non-Executive Director on 19 March 2024.

#### 5.14 **Related party transactions**

There are no related party transactions involved in the Offer that are not otherwise described in the Prospectus.

The Company has engaged Belltree Corporate Pty Ltd (**Belltree**) for the provision of company secretarial services, pursuant to which the Company pays \$6,000 per month (excluding GST) to Belltree with additional fees charged for out-of-scope work. The Joint Company Secretary, Ms Maddison Cramer, is contracted through Belltree to provide these services to the Company. Mr Michael Naylor is a director of Belltree and has an indirect interest in Belltree through an entity controlled by his spouse, and Mr Stephen Parsons also has an indirect interest in Belltree. As such, Belltree is considered to be a related party of the Company.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting, unless it is resolved by the Board of Directors that the Director can be present at the meeting but does not vote on the matter.

#### 5.15 **Interests of other persons**

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

Hamilton Locke will be paid approximately \$40,000 (plus GST) in fees for legal services in connection with the Offer.

The Joint Lead Managers will be paid fees as set out in Section 5.4 for its services in connection with the Offer.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to issue of the Shares under the Offer, and will be paid for these services on standard industry terms and conditions.

## 5.16 Expenses of Offer

The estimated costs of the Offer are approximately as follows (excluding GST):

<b>Estimated expenses of the Offer</b>	<b>\$</b>
ASIC lodgement fee	3,206
ASX quotation fee	18,681
Joint Lead Manager Fees	329,730
Legal, accounting and preparation expenses	100,000
<b>TOTAL</b>	<b>451,617</b>

### Notes:

1. For the avoidance of doubt, the Joint Lead Manager Fees reflected in the above table is only in respect of the capital raising fee of 4% and a management fee of 2% of the gross proceeds raised under the Block Trade.

## 5.17 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus or the making of the Offer;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Hamilton Locke has given its written consent to being named as the solicitors to the Company in this Prospectus. Hamilton Locke has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Each of the Directors have given their written consent to being named in this Prospectus in the context in which they are named. Each of the Directors have not withdrawn their consent before the lodgment of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the Share Registry to the Company in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Canaccord has given its written consent to being named as a joint lead manager to the Offer in this Prospectus. Canaccord has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

BMO has given its written consent to being named as a joint lead manager to the Offer in this Prospectus. BMO has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

**6. Authorisation**

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read 'Michael Naylor', written in a cursive style.

**Michael Naylor**  
Executive Director  
Dated: 4 April 2024

## 7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

<b>\$ or A\$</b>	means Australian dollars.
<b>Gold Hunter</b>	means Gold Hunter Resources Inc., a corporation governed by the laws of the Province of British Columbia.
<b>1948</b>	means 1948565 Ontario Inc.
<b>Annual Report</b>	means the annual financial report of the Company for the period ending 30 June 2023 as lodged with ASX on 29 September 2023.
<b>Applicant</b>	means a person who submits an Application Form.
<b>Application</b>	means a valid application for Shares made on an Application Form.
<b>Application Form</b>	means the application form provided by the Company with a copy of this Prospectus.
<b>Application Monies</b>	means the monies paid by Applicants in respect of Shares the subject of an Application.
<b>Argonaut</b>	has the meaning given in Section 5.4.
<b>ASIC</b>	means Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>AWST</b>	means Australian Western Standard Time, being the time in Perth, Western Australia.
<b>Binding Term Sheet</b>	means the Binding Term Sheet between the Company and Mithril Resources (through its wholly-owned subsidiary) in respect of the Limestone Well Project dated 7 October 2021.
<b>BlackRock</b>	means BlackRock Investment Management (UK) Limited on behalf of funds and accounts under management together with BlackRock Investment Management, LLC on behalf of funds and accounts under management.
<b>Block Trade</b>	has the meaning given in Section 1.2.
<b>BMO</b>	has the meaning given in Section 5.4.
<b>Board</b>	means the Directors meeting as a board.

<b>C\$</b>	means lawful currency of Canada.
<b>Canaccord</b>	has the meaning given in Section 5.4.
<b>Capital Raise</b>	has the meaning given in Section 1.1.
<b>CCAA</b>	means the <i>Companies' Creditors Arrangement Act</i> (Canada).
<b>Charity FT Investor</b>	has the meaning given in Section 1.2.
<b>Charity FT Placement</b>	has the meaning given in Section 1.1.
<b>CHESS</b>	means ASX Clearing House Electronic Sub-registry System.
<b>Closing Date</b>	has the meaning given to it in the Indicative Timetable on page 5 of this Prospectus.
<b>Co-Managers</b>	has the meaning given in Section 5.4.
<b>Company</b>	means FireFly Metals Ltd ACN 110 336 733.
<b>Constitution</b>	means the constitution of the Company as at the date of this Prospectus.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth), as amended from time to time.
<b>Directors</b>	mean the directors of the Company as at the date of this Prospectus.
<b>Euroz</b>	has the meaning given in Section 5.4.
<b>Extract Capital</b>	means Extract Advisors LLC, the funds under its control, and Extract Flow Through Fund LP.
<b>Extract Subscription Agreement</b>	has the meaning given in Section 1.3(a).
<b>FFM Canada</b>	means FireFly Metals Canada Ltd (formerly Rambler Metals and Mining Canada Ltd).
<b>First Mining</b>	means First Mining Gold Corp.
<b>FT Investors</b>	has the meaning given in Section 4.1(c).
<b>General Meeting</b>	has the meaning given in Section 1.3(b)(ii).
<b>Gold Hunter Projects</b>	means the 169 square kilometres of ground adjacent to the Green Bay Copper-Gold Project which the Company acquired from Gold Hunter on 26 March 2024 (including the option to acquire a 100% interest in the Marwan Project which the Company has exercised).
<b>Green Bay Copper-Gold Project</b>	means the Company's copper-gold project located in Newfoundland, Canada.

<b>Green Bay Subscription Agreement</b>	has the meaning given in Section 4.1(d).
<b>Group</b>	means the Company and each of its subsidiaries.
<b>Institutional Placement</b>	has the meaning given in Section 1.1.
<b>Issuer Sponsored</b>	means Securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
<b>ITA</b>	has the meaning given in Section 4.1(c).
<b>Joint Lead Manager</b>	has the meaning given in Section 5.4.
<b>Joint Lead Manager Fees</b>	has the meaning given in Section 5.4.
<b>Joint Lead Manager Mandate</b>	has the meaning given in Section 5.4.
<b>JORC Code</b>	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.
<b>Limestone Well Project</b>	means the Limestone Well vanadium project located north along strike from the Neometals-owned Barrambie deposit, approximately 90km southeast of Meekatharra in Western Australia.
<b>Listing Rules</b>	means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>Marwan Project</b>	means the project comprising the Marwan Claims (refer to the Company's ASX announcement dated 22 December 2023 and titled 'FireFly agrees to acquire additional ground at Green Bay Copper-Gold Project, Canada' for further details).
<b>Mithril Resources</b>	means Mithril Resources Limited (ASX: MTH).
<b>Notice of Meeting</b>	means the notice of meeting expected to be dispatched to Shareholders and released on the ASX markets announcement platform which is anticipated to be in mid-April 2024.
<b>Offer</b>	has the meaning given in Section 1.2.
<b>Official List</b>	means the official list of ASX.
<b>Official Quotation</b>	means quotation of Securities on the Official List.



<b>Options</b>	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
<b>PearTree</b>	has the meaning given in Section 1.2.
<b>PearTree Subscription Agreement</b>	has the meaning given in Section 1.2.
<b>Performance Right</b>	means a performance right, which may be converted into a Share subject to the satisfaction of certain performance milestones.
<b>Pickle Crow Project</b>	means the Pickle Crow gold project located 400 km North of Thunder Bay in Ontario, Canada.
<b>Pickle Crow Property Earn-In Agreement</b>	means the earn-in agreement between members of the Group and First Mining dated 12 March 2020, to acquire up to 80% interest in PC Gold Inc, the 100% holder of the Pickle Crow Project.
<b>Projects</b>	means, collectively, the Company's projects (from time to time).
<b>Prospectus</b>	means this prospectus dated 4 April 2024.
<b>Rambler</b>	means Rambler Metals and Mining Canada Limited.
<b>Rambler Group</b>	means, collectively, Rambler and 1948.
<b>Section</b>	means a section of this Prospectus.
<b>Securities</b>	means any securities, including Shares, Options or Performance Rights issued or granted by the Company.
<b>Share Registry</b>	means Computershare Investor Services Pty Limited (ABN 48 078 279 277).
<b>Shareholder</b>	means a holder of Shares.
<b>Shares</b>	means ordinary fully paid shares in the capital of the Company.
<b>Shaw</b>	has the meaning given in Section 5.4.
<b>SISP</b>	means the sale and investments solicitation process approved by the CCAA Court as part of the restructuring proceedings in respect of Rambler Group (further details in respect of which are set out in the Company's prospectus released to ASX on 7 September 2023).
<b>T1 Placement</b>	has the meaning given in 1.3(b)(i).
<b>T1 Placement Shares</b>	has the meaning given in 1.3(b)(i).
<b>T2 Placement</b>	has the meaning given in 1.3(b)(ii).
<b>T2 Placement Shares</b>	has the meaning given in 1.3(b)(ii).

<b>Tenements</b>	means the tenements in which the Company has an interest (from time to time).
<b>Traditional FT Placement</b>	has the meaning given in Section 1.1.
<b>Traditional FT Placement Shares</b>	has the meaning given in Section 1.3(a).