

March 2020 Quarterly Activities Report

Forrestania Gold-Lithium Project, Western Australia (Firefly 100%)

- **Drill program planned to follow up high-priority gold targets at Crossroads and across the Kit Kat gold prospect area at the Forrestania Project, WA.**
- **Drilling will be initiated once permits are received and business conditions have normalised.**

Corporate

- **New project opportunities under review, consistent with the Company's focus on advanced gold exploration opportunities in WA.**
- **Significant cost-cutting measures implemented across the Company in light of current challenging market conditions and the impact of the COVID-19 pandemic.**

Forrestania Gold-Lithium Project, W.A. (Firefly 100%)

Firefly Resources Ltd (ASX: FFR; Firefly or the Company) owns a highly prospective tenement package covering a total area of >1,000km² in the Southern Forrestania Greenstone belt – one of Australia's last under-explored major greenstone belts.

The Southern Forrestania region has been overlooked as a gold exploration play, with many operators in the region focusing historically on nickel and base metal exploration despite ~1.2Moz of production from the Bounty Gold Mine.

Firefly's portfolio includes historical high-grade gold mines with mineralised rock dumps and geophysical extensions to proven high-grade gold structures.

The Company completed two gold-focused Reverse Circulation (RC) drilling programs across three of its high-priority gold prospects in the latter part of 2019 (see ASX announcements released as MZN dated 28/10/19 and 04/12/19).

These programs delivered two new gold discoveries at the Gemcutter and Crossroads gold prospects, while also defining the lithological and structural setting of the Kit Kat gold prospect.

The Company's first gold-focused drill program in the Kit Kat area represented a fundamentally important step in defining the path towards potential discovery opportunities just 3.5km along-strike from the 2km long Kat Gap gold trend being explored by Classic Minerals (ASX: CLZ) (see Figure 1).

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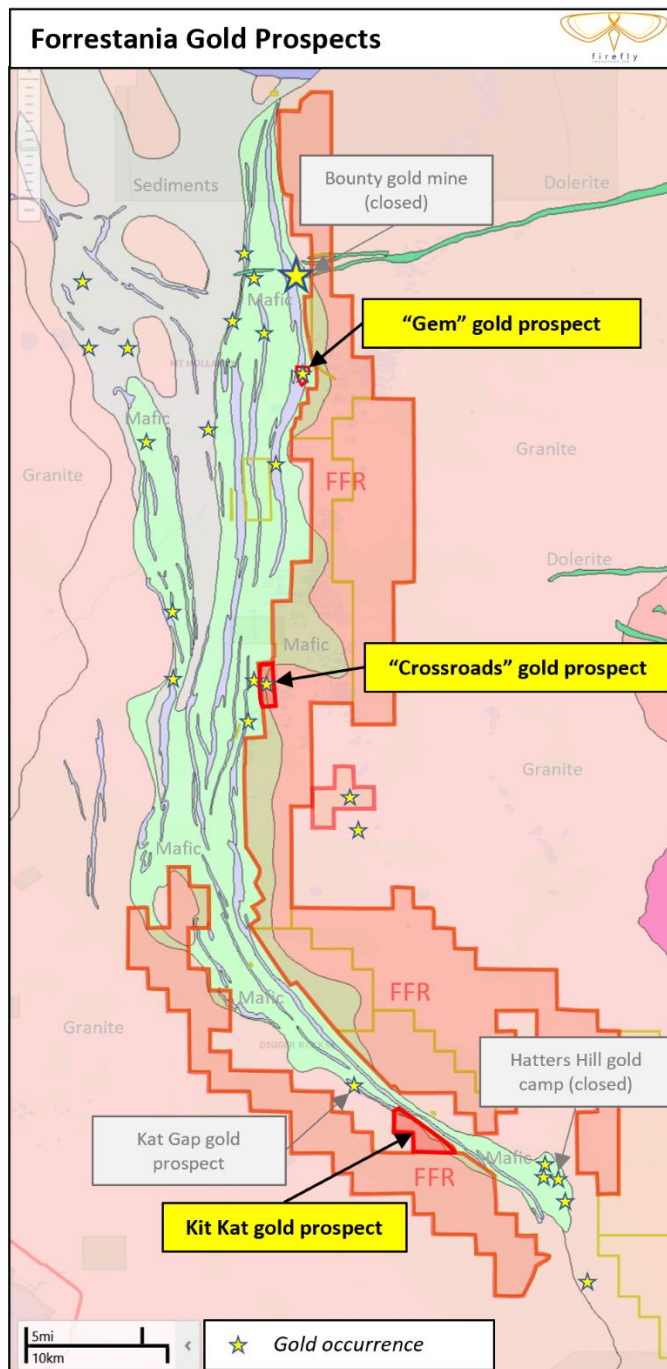


Figure 1. Forrestania Gold Prospects drilled during the September 2019 campaign.

During the March Quarter, the Company progressed permitting for planned follow-up RC drilling of both the Crossroads gold discovery trend and the Kit Kat gold prospect target area and is currently awaiting a permit for clearance work for drill access from the WA Department of Mines, Industry Regulation and Safety (DMIRS). The Company has also been evaluating a number of promising gold assets within the Forrestania region, as well as further afield. The Company's focus is on augmenting the greenfields gold prospectivity of Forrestania with a more advanced brownfields gold project in the future.

Paterson Copper-Gold Project, W.A. (Firefly 100%)

The Paterson Copper-Gold Project comprises several tenement applications covering ~1,000km² of the highly prospective Paterson Province in north-western Western Australia. The main focus for Firefly in establishing these applications was to secure a favourable geological position over existing historical copper-gold prospects around the Kintyre uranium mine, particularly the Wanderer copper-gold-molybdenum prospect.

Historical drilling at Wanderer during the 1980's returned primary copper grade up to 6.5%, gold grades up to 1g/t and molybdenum up to 700ppm less than 100 metres from surface, which have never been followed up.

An integration of available historical geophysical datasets conducted by consultants to Firefly has created a large high-resolution geophysical data package over the primary tenement application containing the Wanderer prospect.

This modern dataset illustrates significant structural information, strongly supports Firefly's geological model for potential intrusive copper-gold sources for Wanderer and multiple nearby prospects, and has led to the development of several other high-priority drill targets across the application area.

During the March Quarter, Firefly progressed Native Title discussions over its copper-gold tenement applications in the Paterson Province.

The Traditional Owners of the land on which the Paterson Copper-Gold prospect sits have been very helpful in negotiations with Firefly on the terms of a draft Native Title Agreement, and the Company is confident of being able to finalise an agreement in the near future.

CORPORATE

Business Development Project Review

Firefly Resources continued its review of potential strategic project acquisitions during the March Quarter, consistent with the Company's focus on expanding its gold portfolio in Western Australia.

A number of high-quality potential acquisitions were identified during the quarter, with due diligence continuing at the end of the reporting period.

Further updates on the Company's business development program will be provided in the event of a binding acquisition agreement.

Coronavirus (COVID-19) Pandemic Update

Firefly is proactively managing the impacts of the Coronavirus pandemic through the implementation of a number of measures aimed at ensuring the safety of its personnel and the public, as well as the conservation of funds, in light of current challenging market conditions.

Steps taken to restrict staff exposure include:

1. All staff are now working from home.
2. All management, administrative and accounts meetings are being conducted using teleconferencing.
3. All board meetings will be conducted using teleconferencing.

Steps taken to reduce expenditure include:

1. Further reductions in peripheral ground holdings at Forrestania to reduce tenement holding costs.
2. Recovery of funds through the sale of a work vehicle and additional surplus equipment.
3. Non-executive directors currently not receiving payments.
4. In-field exploration expenditure currently reduced to zero apart from permitting costs.

The measures implemented across the Company will ensure that all relevant activities can continue to allow Firefly to progress its current exploration and corporate activities with minimal impact to its staff and contractors and at the lowest possible cost. The Company will also draw on all available government assistance in Australia to support the business and welcomes the recently announced expenditure relief for explorers by the State government.

Change of Share Registry Details

As of 20 January 2020, the Company's provider for registry services changed from Security Transfer Australia Pty Ltd to Automic Pty Ltd. The new share registry contact details are as follows:

Automic Group

Perth office:

Level 2
267 St Georges Terrace
PERTH WA 6000

Sydney office:

Level 5
126 Phillip Street
SYDNEY NSW 2000

All correspondence to:

GPO Box 5193
SYDNEY NSW 2001

Phone:

1300 288 664 (within Australia)
+61 (0) 2 9698 5414 (International)

Web: www.automicgroup.com.au

Authorised by:

Simon Lawson

Managing Director and CEO

Investor Inquiries

Firefly Resources Limited
08 9322 2338
info@fireflyresources.com.au

Media Inquiries

Read Corporate
Nicholas Read
08 9388 1474
nicholas@readcorporate.com.au

Table 1 – Tenements as at 31/03/2020

Lease	Lease Holder	Locality	Status	Current Area (blocks)	Interest
E47/3555	Firefly Resources Limited	WA	Granted	28	100%
E16/0522	Firefly Resources Limited	WA	Granted	2	100%
E16/0523	Firefly Resources Limited	WA	Granted	6	100%
E16/0524	Firefly Resources Limited	WA	Granted	9	100%
E52/3756	Firefly Resources Limited	WA	Granted	4	100%
E52/3451	Marindi Metals Operations Pty Ltd	WA	Granted	70	100%
E74/0586	Forrestania Pty Ltd	WA	Granted	20	100%
E74/0592	Forrestania Pty Ltd	WA	Granted	70	100%
E74/0591	Forrestania Pty Ltd	WA	Granted	69	100%
E74/0627	Forrestania Pty Ltd	WA	Granted	4	100%
E77/2313	Forrestania Pty Ltd	WA	Granted	5	100%
E77/2364	Forrestania Pty Ltd	WA	Granted	20	100%
E77/2348	Forrestania Pty Ltd	WA	Granted	70	100%
E77/2561	Forrestania Pty Ltd	WA	Granted	47	100%
E77/2345	Forrestania Pty Ltd	WA	Granted	20	100%
E77/2346	Forrestania Pty Ltd	WA	Granted	20	100%
M77/0549	Forrestania Pty Ltd	WA	Granted	73.53 HA	100%
P77/4069	Forrestania Pty Ltd	WA	Granted	180 HA	100%
E52/3577	Forrestania Pty Ltd	WA	Granted	54	100%
E45/5358	Marindi Metals Operations Pty Ltd	WA	Application	68	100%
E45/5396	Marindi Metals Operations Pty Ltd	WA	Application	76	100%
E45/5397	Marindi Metals Operations Pty Ltd	WA	Application	51	100%
E45/5407	Marindi Metals Operations Pty Ltd	WA	Application	87	100%
E45/5391	Marindi Metals Operations Pty Ltd	WA	Application	174	100%
E77/2600	Firefly Resources Limited	WA	Application	21	100%
E16/3265	Firefly Resources Limited	WA	Application	91.49 HA	100%
E16/3266	Firefly Resources Limited	WA	Application	133.35 HA	100%