

Proposed Issue of Performance Rights

Firefly Resources Ltd (**ASX: FFR; Firefly or the Company**) advises that it proposes to issue a total of 17,150,000 Performance Rights to Directors and eligible participants in the Company's Employee Incentive Plan.

The issue of the Performance Rights is designed to align the interests of Firefly's senior leadership team and key employees with existing shareholders, appropriately incentivise key management personnel and act as an effective means of retaining experienced and talented staff as the Company embarks on a significant phase of growth at its recently acquired Yalgoo Gold Project in WA.

15,100,000 Performance Rights will be issued to members of the Board, subject to shareholder approval under Listing Rule 10.14, to be sought at the Company's upcoming Annual General Meeting. A notice of meeting containing further details of the proposed issue will be circulated to shareholders in due course.

A further 2,050,000 Performance Rights will be issued without shareholder approval to eligible participants under the Company's Employee Incentive Plan.

There will be three separate tranches of approximately 5,716,667 Performance Rights which will not vest (and the underlying shares will not be issued) unless the performance vesting conditions set out below have been satisfied over a three-year term. The Board has carefully considered the following key project and business objectives and believe that offering these incentive securities is an appropriate method for linking the Company's current remuneration structure to the achievement of short-term goals and longer term sustainable growth for shareholders.

Tranche	Applicable Milestone/ Vesting Conditions
Tranche 1	Upon announcement by the Company on the ASX market announcements platform of a minimum of 210,000 ounces of Inferred, Indicated and/or Measured Resources, at a minimum grade of 0.3g/t gold or gold Equivalent ¹ , reported in accordance with the JORC Code on any one or more of the Tenements ²
Tranche 2	Upon announcement by the Company on the ASX market announcements platform of a minimum of 350,000 ounces of Inferred, Indicated and/or Measured Resources, at a minimum grade of 0.3g/t of gold or gold Equivalent, reported in accordance with the JORC Code on any one or more of the Tenements.
Tranche 3	Upon the volume weighted average market price of the Company's Shares trading on ASX over 20 consecutive trading days on which the Shares have traded being at least \$0.20

¹ Equivalent has the same meaning given by paragraph 50 of the JORC Code 2012.

² Tenements mean the tenements package that forms the Yalgoo Gold Project.

The Performance Rights will have a nil issue price. The terms and conditions of the Performance Rights will be set out in the notice of meeting expected to be released in the coming weeks.

Authorised by the Board of Directors - Firefly Resources Ltd

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