

6 September 2023

FIRETAIL COMPLETES ACQUISITION OF PERU COPPER PROJECTS

Highlights:

- Conditions precedent for the Company's acquisition of up to 80% of the issued share capital of Kiwanda S.A.C. now satisfied with the parties proceeding to completion under the binding terms sheet dated 30 June 2023.
- Kiwanda S.A.C. is the Peruvian incorporated entity that holds the mining concessions prospective for copper comprising the Picha and Charaque Projects in Peru.
- Picha is prospective for epithermal, stratabound, polymetallic carbonate replacement ("CRD") and porphyry style copper mineralisation with several untested significant surface geochemical and geophysical anomalies.
- Valor Executive Chairman, George Bauk, appointed to the Board of the Company as a Non-Executive Director and Frank Bierlein resigning from his role as a Non-Executive Director of the Company.
- Maiden 5,000m diamond drilling program over 4 targeted prospects within the Picha Project expected to commence in October 2023.

Firetail Resources Limited (ASX: FTL) ("Company" or "Firetail") is pleased to announce that it has completed the acquisition of 60% of the issued share capital of Kiwanda S.A.C. ("Kiwanda") from Valor Resources Limited (ASX: VAL) ("Valor") as initially announced on 5 July 2023 ("Acquisition"). Kiwanda is the entity holding the mining concessions prospective for copper comprising the Picha and Charaque Projects in Peru.

Executive Chairman, Brett Grosvenor, commented:

"The completion of the acquisition is another step along the way to starting our exploration activities at Picha.

"We are really excited to be able to get things moving on the ground with the experienced Valor geological team continuing to lead the exploration program. We continue to progress the construction of the exploration camp, and the team has detailed drill planning advancing quickly with the engagement of an experienced local drilling contractor to be announced shortly.

"With our regulatory approvals in hand, and four prospective targets identified for the initial 5,000m drill program, we look forward to bringing consistent news flow on this exciting asset to our shareholders over the coming months."

Projects

Picha Project

The Picha Project is a copper-silver exploration project, located in the Moquegua and Puno Departments of southern Peru. The Picha Project comprises 27 mining concessions covering an area of around 200km² and is prospective for multiple styles of copper mineralisation including epithermal, stratabound, CRD and porphyry related. The Picha Project is located approximately 17km east northeast of the San Gabriel Au-Cu-Ag Project, owned by Compania de Minas Buenaventura S.A.A. (“**Buenaventura**”), which hosts Reserves of 14.9 MT with 4.04 g/t Au and 6.43 g/t Ag, representing 1.94MOz Au; and resources: 24.86 MT with 2.10 g/t Au and 8.46 g/t Ag¹.

Charaque Project

The Charaque Project is located 30km north-east of the Picha Project and comprises eight claims covering an area of around 6,000 hectares (60km²). The area around the Charaque Project is an active exploration area where major mining companies including Barrick, Teck Resources Ltd and Fresnillo Plc have significant landholdings around the project area. The Charaque Project lies along a regional northwest-southeast geological trend which encompasses several deposits, including the Arasi and Jessica Gold mines (owned by Aruntani), the El Cofre polymetallic mine (owned by CIEMSA), and several other prospects and historical mine workings (see Figure 2 below).

On 26 June 2023, Valor and Kiwanda executed an earn-in agreement with Barrick covering the Charaque Project (“**Earn-In Agreement**”)². Under the terms of the Earn-In Agreement, Barrick:

- has been granted a 5-year option to acquire a 70% interest in the Charaque Project for cash payments totalling US\$800,000 and US\$3 million of exploration expenditure;
- during the first two years, guarantees a minimum exploration expenditure of US\$500,000; and
- once it has acquired a 70% interest, can earn an additional 10% by exercising a second option with a US\$1 million cash payment and the delivery of a sole-funded pre-feasibility study, taking its interest to 80%.

All future cash payments associated with the earn in agreement will be split between Valor and Firetail on a 50:50 basis.

Refer to Figure 1 for Project locations. Further details on the Projects are set out in the Company’s announcement dated 10 July 2023.

¹ For details of Mineral Resources and Reserves please refer to Buenaventura Integrated Annual Report 2022

² Refer to VAL ASX Announcement dated 26 June 2023 – Valor Secures Earn-In Agreement with Barrick at Charaque Project

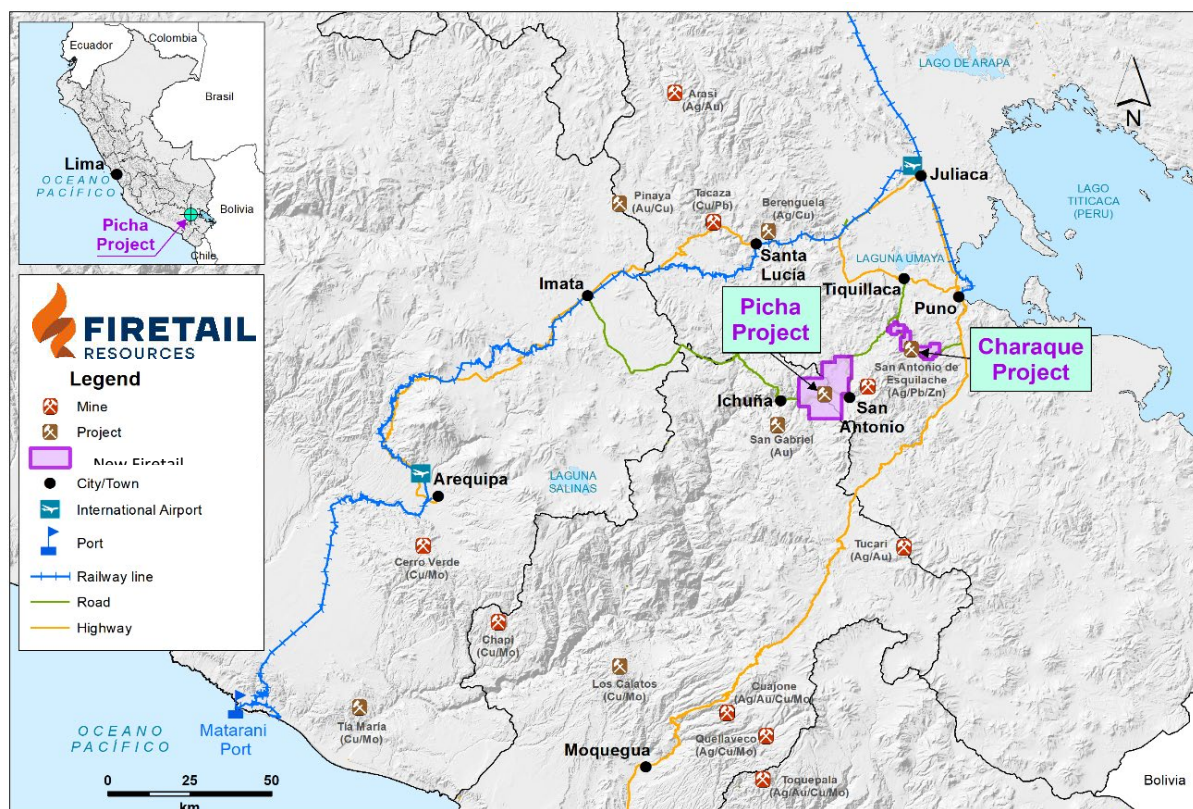


Figure 1: Picha and Charaque Copper Projects in Peru

Acquisition terms and associated matters

The total consideration payable by the Company to Valor pursuant to the Acquisition is set out below:

- a \$200,000 cash payment paid upon the execution of the binding terms sheet in consideration of Firetail being provided an exclusive 90-day due diligence period into Kiwanda and the Projects;
- a \$550,000 cash payment;
- 15,000,000 fully paid ordinary shares in the Company (“**Shares**”) at a deemed issue price of \$0.10 per Share (“**Consideration Shares**”) to acquire an initial 60% shareholding interest in Kiwanda; and
- 20,000,000 performance rights convertible into Shares upon the satisfaction of the vesting conditions (“**Performance Rights**”) following which the Company will acquire an additional 20% interest in Kiwanda (i.e., 80% in total). The terms of the Performance Rights, including the respective performance milestones, are set out in the Company’s notice of general meeting issued to shareholders on 21 July 2023.

On 21 August 2023, the Company obtained shareholder approval for the issue of Consideration Shares and Performance Rights (among other approvals) and will issue these securities to Valor shortly. The Company also confirms that it has issued the Tranche 2 Placement Shares and other security issues approved by Company shareholders at the general meeting.

The capital structure of the Company following the issue of these securities will be as follows:

Capital structure	Existing	Upon completion of Acquisition
Shares		
Existing Shares	132,555,556	132,555,556
Consideration Shares	-	15,000,000
Corporate Advisor Shares	-	1,350,000
Total Shares	132,555,556	148,905,556
Performance Rights		
Performance Rights to Valor	-	20,000,000
Performance Rights to CPS Capital	-	1,200,000
Total Performance Rights	-	21,200,000
Options		
Options expiring 20/01/25 (FTLAC)	500,000	500,000
Options expiring 20/01/25 (FTLAD)	5,000,000	5,000,000
Options expiring 05/04/25 (FTLAE)	1,500,000	1,500,000
Total Options	7,000,000	7,000,000
Fully diluted share capital	139,555,556	177,105,556

Note: The table above provides a summary of the capital structure of the Company as at the date of this announcement and upon completion of the Acquisition.

In association with the Acquisition, the Company's Board of Directors has now been restructured with a nominee director of Valor, George Bauk, being appointed as a Non-Executive Director and current Non-Executive Director, Frank Bierlein, resigning.

Further details with respect to the Acquisition are set out in the Company's announcement dated 5 July 2023.

Next steps

Following completion, Kiwanda will now progress the fully permitted maiden diamond drilling program at the Picha Project³ with drilling scheduled to commence in early October 2023.

- Initial diamond drilling program of 5,000m planned to test four targets within the Effective Area - Cobremani, Cumbre Coya, Maricate and Fundicion.
- Firetail has selected a preferred well-regarded local drilling contractor to undertake the initial drilling program.
- Camp construction is underway and on schedule to support site drilling activities.

³ Refer to FTL ASX Announcement 29 August 2023 – Drill planning advances at Picha Copper Project Peru

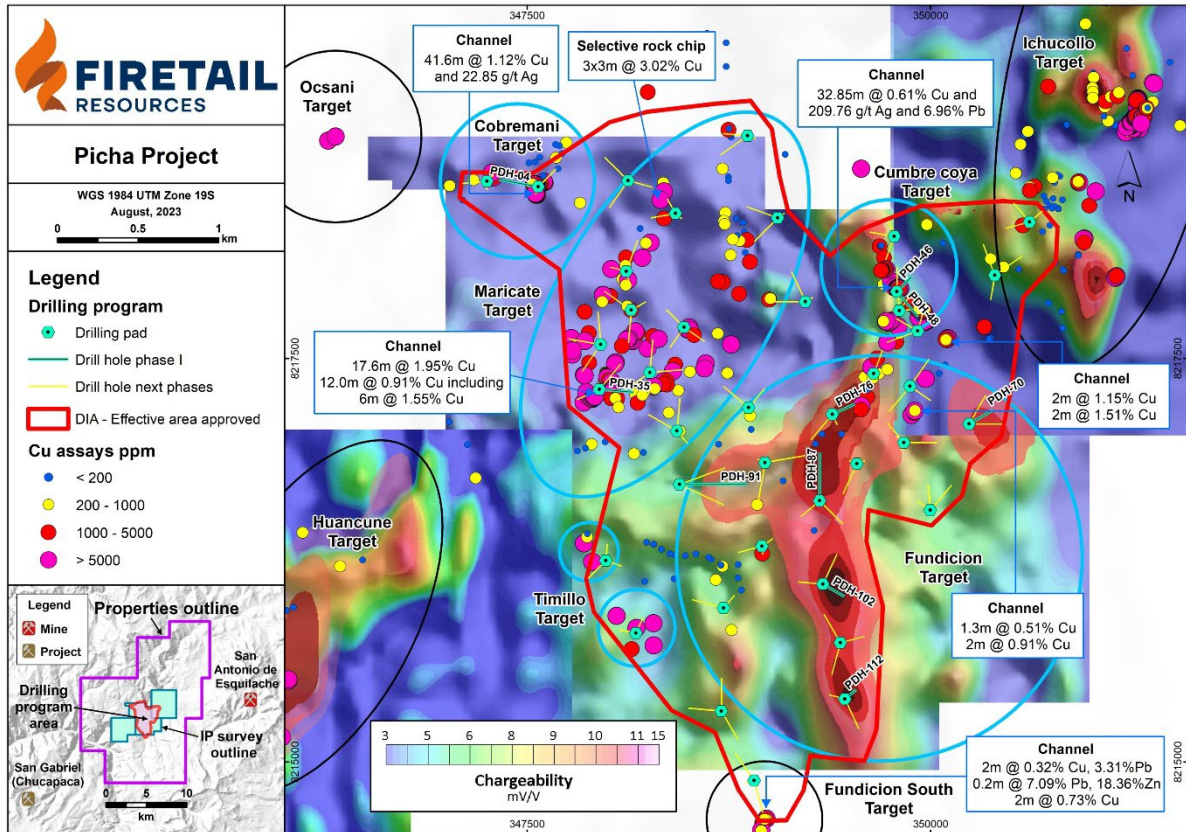


Figure 2: Picha approved drill program and DIA approved area

If you have any questions about the information provided in this announcement, please contact the Company on +61 8 9322 2338.

This announcement has been authorised for release on ASX by the Company's Board of Directors.

For more information contact:

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Competent Person Statement

The information in this announcement that relates to exploration activities is based on information compiled by Mr Robin Wilson who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wilson is a consultant to Firetail Resources and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Wilson consents to the inclusion of this information in the form and context in which it appears.

Forward-looking statements

This announcement may contain certain "forward-looking statements". Forward looking statements can generally be identified by the use of forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

About Firetail Resources

Firetail Resources (ASX:FTL) is a battery minerals company with an exciting project portfolio with exposure to multiple battery mineral commodities at its well-located Western Australian and Queensland projects. The projects range from early exploration stage at the Paterson and Yalgoo-Dalgaranga Projects through to advanced exploration-early resource stage at the Mt Slopeaway Project.

Firetail is also exploring in Peru, recently completing the acquisition of 60% of the issued share capital of Kiwanda S.A.C., a Peruvian incorporated entity that holds mining concessions comprising the Picha Copper Silver Project and Charaque Copper Projects in Peru. Picha is an exciting copper-silver project with multiple drill-ready targets to be tested in coming months; and Charaque hosts a farm-in deal completed with leading global mining company, Barrick Gold Corporation.

With a portfolio of highly prospective assets plus the experience of a strong technical team, the Company is well positioned to rapidly explore and develop its battery mineral projects and become a significant contributor to the green energy revolution.

Peru Projects



Australia Projects

