

ATO Class Ruling for FireFly's in-specie distribution of Bellavista shares

Ruling confirms capital return treatment – no dividend or assessable income – for shareholders who held FireFly shares on capital account

FireFly Metals Ltd (ASX: FFM, TSX: FFM) (**FireFly** or the **Company**) is pleased to announce that the Australian Taxation Office (**ATO**) has published Class Ruling CR 2026/30 (**ATO Class Ruling**) confirming the Australian income tax treatment of the reduction of FireFly's share capital effected by way of the in-specie distribution of shares in Bellavista Resources Ltd (ASX:BVR) (**Bellavista**) to eligible FireFly shareholders (**In-specie Distribution**).

The In-specie Distribution completed on 11 May 2026 (**Payment Date**) and involved the transfer to eligible FireFly shareholders of 60 million¹ ordinary shares in Bellavista that were received by FireFly on 29 April 2026 at completion of the transaction announced on 2 February 2026 for the sale to Bellavista of the Pickle Crow and Sioux Lookout Projects in Ontario.

The ATO Class Ruling applies to certain classes of FireFly shareholders, including those who, on the record date of 4 May 2026 (**Record Date**), held their FireFly shares on capital account and were not 'temporary residents' of Australia on the Payment Date (**Class Ruling Shareholders**). Shareholders should review the ATO Class Ruling and seek independent advice where appropriate to confirm whether they are included as a Class Ruling Shareholder.

The ATO Class Ruling confirms the information in section 4.13 of the Explanatory Memorandum in the Notice of General Meeting announced by the Company on 23 March 2026 (**Explanatory Memorandum**), regarding the likely Australian income tax implications of the In-specie Distribution.

In particular, the ATO Class Ruling confirms that the In-specie Distribution constituted a return of FireFly's share capital of 4.5 cents per FireFly share (**Capital Return**). The Capital Return is not a dividend,² and no part of the Capital Return is included in the assessable income of a Class Ruling Shareholder under subsection 44(1) of the *Income Tax Assessment Act 1936* (Cth) (**Act**). The ATO has also confirmed that the anti-avoidance provisions in sections 45, 45A and 45B of the Act will not be applied to treat any part of the Capital Return as an unfranked dividend.

¹ Minus 2,883 Rounding Shares as set out in the Explanatory Memorandum.

² As 'dividend' is defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (Cth).

The table below summarises the key Australian income tax outcomes for Class Ruling Shareholders confirmed by the ATO Class Ruling.

Capital Return	<p>The Capital Return of 4.5 cents per FireFly share is not a dividend and is not included in a Class Ruling Shareholder’s assessable income.</p> <p>The cost base of each FireFly share held on the Payment Date is reduced (but not below nil) by the amount of the Capital Return. If the Capital Return for a FireFly share exceeds its cost base, the excess is a capital gain for the year ended 30 June 2026. The capital gain may be eligible for the CGT discount where the FireFly share was held for at least 12 months. No capital loss can arise on the Capital Return.</p> <p>Class Ruling Shareholders who held FireFly shares on the Record Date but had disposed of them prior to the Payment Date will instead make a capital gain to the extent the Capital Return exceeds the cost base of their right to receive it.</p>
Cost base of Bellavista shares	The cost base of each Bellavista share received under the In-specie Distribution is 58 cents, being the market value of a Bellavista share on the Payment Date.
Acquisition date of Bellavista shares	For CGT purposes, Bellavista shares received under the In-specie Distribution are taken to have been acquired on the Payment Date (11 May 2026).

Foreign-resident Class Ruling Shareholders can generally disregard any capital gain made on the Capital Return, unless their FireFly shares (or their right to receive the Capital Return) are taxable Australian property.

Class Ruling Shareholders should refer to the full text of the ATO Class Ruling, which can be accessed from the ATO website at the following link: www.ato.gov.au/law.

The information in this announcement is a summary in nature. Tax consequences of the In-specie Distribution may vary depending upon the individual circumstances of FireFly shareholders. The Company recommends that FireFly shareholders obtain independent tax advice specific to their circumstances regarding the tax consequences of the In-specie Distribution.

Distribution of Bellavista Shares and Cash Proceeds

On 11 May 2026, eligible FireFly shareholders³ were transferred 1 Bellavista share for approximately every 12.8 FireFly shares held on the Record Date, subject to rounding adjustments. Holding statements for such Bellavista shares were despatched on 11 May 2026.

Following the sale of the relevant Bellavista shares, ineligible FireFly shareholders received cash proceeds, less costs and expenses in connection with the sale, of \$0.546975 for each Bellavista share they would have been entitled to be distributed had they been eligible FireFly shareholders. Payment to ineligible FireFly shareholders was despatched on 27 May 2026.

³ Eligible FireFly shareholders are those who had a registered address on the Record Date in one of the eligible jurisdictions set out in section 2.4 of the Explanatory Memorandum and who were entitled to receive a distribution of Bellavista shares which constituted a marketable parcel (being a parcel of Bellavista shares with a market value of at least A\$500) as of the Record Date.

This announcement has been authorised by the FireFly Board of Directors.

Contact information:

Steve Parsons

Managing Director
FireFly Metals Ltd
+61 8 9220 9030

Jessie Liu-Ernsting

Chief Development Officer
FireFly Metals Ltd
+1 709 800 1929

Media

Paul Armstrong
Read Corporate
+61 8 9388 1474

ABOUT FIREFLY METALS LTD

FireFly Metals Ltd (ASX, TSX: FFM) is an emerging copper-gold company focused on advancing the high-grade Green Bay Copper-Gold Project in Newfoundland, Canada. The **Green Bay Copper-Gold Project** currently hosts a Mineral Resource prepared and disclosed in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code 2012**) and Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects (**NI 43-101**) of **50.4Mt of Measured and Indicated Mineral Resources at 2.0% for 1,016Kt copper equivalent (CuEq) and 29.3Mt of Inferred Mineral Resources at 2.5% for 722Kt CuEq**. The Company has a clear strategy to rapidly grow the copper-gold Mineral Resource to demonstrate a globally significant copper-gold asset.

The Company also holds a **90% interest in the Limestone Well Vanadium-Titanium Project in Western Australia**.

Further information regarding FireFly Metals Ltd is available on the ASX platform (ASX: FFM) or the Company's website www.fireflymetals.com.au or SEDAR+ www.sedarplus.ca.

ABOUT BELLAVISTA RESOURCES LTD

Bellavista Resources Ltd (ASX: BVR) is an emerging mineral exploration company focused on finding and acquiring world-class precious and base metal deposits in Tier 1 jurisdictions. Bellavista recently acquired FireFly's 70% interest in the high-grade Pickle Crow Gold Project in Ontario, which has an inferred mineral resource of 2.8Moz at 7.2g/t gold, and other nearby highly prospective exploration acreage with known mineralisation.

Bellavista also 100% owns the Brumby Base metal Project which is a large scale and highly prospective mineral province in Western Australia capable of hosting giant to super-giant base metal deposits, and battery mineral deposits.

Bellavista is led by mining industry veterans Mr Glenn Jardine and Mr Peter Canterbury who also led the highly successful WA gold company De Grey Mining post discovery of the Hemi Gold deposit until De Grey's A\$6 billion takeover by Northern Star Resources Ltd.

COMPLIANCE STATEMENTS

Mineral Resource Estimate – Green Bay Project

The Mineral Resource Estimate for the Green Bay Project referred to in this announcement and set out in Appendix A was first reported in the Company's ASX announcement dated 18 November 2025, titled 'Mineral Resource increases 51% to 1.4Mt of copper and 1.1Moz of gold' and is also set out in the Technical Report for the Ming Copper-Gold Mine, titled 'National Instrument 43-101 Technical Report, FireFly Metals Ltd, Green Bay Ming Mine Copper-Gold Project, Newfoundland' with an issue date of 1 December 2025 and a Mineral Resource effective date of 18 November 2025, available on SEDAR+ at www.sedarplus.ca.

Mineral Resource Estimate – Little Deer

The Mineral Resource Estimate for Little Deer referred to in this announcement was first reported in the Company's ASX announcement dated 29 October 2024, titled 'Resource Increases 42% to 1.2Mt of contained metal at 2% Copper Eq' and is also set out in the Technical Report for the Little Deer Copper Project, titled 'Technical Report and Updated Mineral Resource Estimate of the Little Deer Complex Copper Deposits, Newfoundland, Canada' with an effective date of 26 June 2024, available on SEDAR+ at www.sedarplus.ca.

Metal equivalents

Metal equivalents for the Mineral Resource Estimates have been calculated at a copper price of US\$8,750/t, gold price of US\$2,500/oz and silver price of US\$25/oz. Individual Mineral Resource grades for the metals are set out in Appendix A of this announcement.

Copper equivalent was calculated based on the formula $CuEq(\%) = Cu(\%) + (Au(g/t) \times 0.82190) + (Ag(g/t) \times 0.00822)$.

Metallurgical factors have been applied to the metal equivalent calculation. Copper recovery used was 95%. Historical production at the Ming Mine has a documented copper recovery of ~96%. Precious metal (gold and silver) metallurgical recovery was assumed at 85% on the basis of historical recoveries achieved at the Ming Mine in addition to historical metallurgical test work to increase precious metal recoveries.

In the opinion of the Company, all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold based on current market conditions, metallurgical test work, the Company's operational experience and, where relevant, historical performance achieved at the Green Bay project whilst in operation.

Original Announcements

FireFly confirms that it is not aware of any new information or data that materially affects the information included in the original announcements referred to or cross-referenced in this announcement and that, in the case of Mineral Resource Estimates, all material assumptions and technical parameters underpinning the Mineral Resource Estimates in the original announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' and Qualified Persons' findings are presented have not been materially modified from the original market announcements.

COMPETENT PERSON AND QUALIFIED PERSON STATEMENTS

All technical and scientific information in this announcement has been reviewed and approved by Group Chief Geologist, Mr Juan Gutierrez BSc, Geology (Masters), Geostatistics (Postgraduate Diploma), who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Gutierrez is a Competent Person as defined in the JORC Code 2012 and a Qualified Person as defined in NI 43-101. Mr Gutierrez is a full-time employee of, and holds securities in, the Company. Mr Gutierrez has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code 2012 and a Qualified Person as defined in NI 43-101. Mr Gutierrez has reviewed the contents of this announcement and consents to the inclusion in this announcement of all matters based on his information in the form and context in which they appear.

FORWARD-LOOKING STATEMENTS

This announcement may contain certain forward-looking statements and projections, including statements regarding the Transaction, In-specie Distribution, FireFly's plans, forecasts and projections with respect to its mineral properties and programs, and anticipated timing, outcome and effects of the Transaction and In-specie Distribution (including expected benefits to shareholders of FireFly). Forward-looking statements may be identified by the use of words such as 'may', 'might', 'could', 'would', 'will', 'expect', 'intend', 'believe', 'forecast', 'milestone', 'objective', 'predict', 'plan', 'scheduled', 'estimate', 'anticipate', 'continue', or other similar words and may include, without limitation, statements regarding plans, strategies and objectives.

Although the forward-looking statements contained in this announcement reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, such forward-looking statements and projections are estimates only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may include changes in commodity prices, foreign exchange fluctuations, economic, social and political conditions, and changes to applicable regulation, and those risks outlined in the Company's public disclosures.

The forward-looking statements and projections are inherently uncertain and may therefore differ materially from results ultimately achieved. For example, there can be no assurance that FireFly will be able to confirm the presence of Mineral Resources or Ore Reserves, that FireFly's plans for development of its mineral properties will proceed, that any mineralisation will prove to be economic, or that a mine will be successfully developed on any of FireFly's mineral properties. The performance of FireFly may be influenced by a number of factors which are outside of the control of the Company, its directors, officers, employees and contractors. The Company does not make any representations and provides no warranties concerning the accuracy of any forward-looking statements or projections, and disclaims any obligation to update or revise any forward-looking statements or projections based on new information, future events or circumstances or otherwise, except to the extent required by applicable laws.

APPENDIX A

Green Bay Copper-Gold Project Mineral Resource Estimate

Ming Deposit Mineral Resource Estimate

	TONNES	COPPER		GOLD		SILVER		CuEq
	(Mt)	Grade (%)	Metal ('000 t)	Grade (g/t)	Metal ('000 oz)	Grade (g/t)	Metal ('000 oz)	Grade (%)
Measured	6.3	1.5	94	0.3	50	1.9	388	1.7
Indicated	41.2	1.7	708	0.4	488	3.2	4,320	2.1
TOTAL M&I	47.5	1.7	802	0.4	537	3.1	4,708	2.0
Inferred	23.1	2.0	456	0.7	553	5.9	4,379	2.6

Little Deer Mineral Resource Estimate

	TONNES	COPPER		GOLD		SILVER		CuEq
	(Mt)	Grade (%)	Metal ('000 t)	Grade (g/t)	Metal ('000 oz)	Grade (g/t)	Metal ('000 oz)	Grade (%)
Measured	-	-	-	-	-	-	-	-
Indicated	2.9	2.1	62	0.1	9	3.4	320	2.3
TOTAL M&I	2.9	2.1	62	0.1	9	3.4	320	2.3
Inferred	6.2	1.8	110	0.1	10	2.2	430	1.8

GREEN BAY TOTAL MINERAL RESOURCE ESTIMATE

	TONNES	COPPER		GOLD		SILVER		CuEq
	(Mt)	Grade (%)	Metal ('000 t)	Grade (g/t)	Metal ('000 oz)	Grade (g/t)	Metal ('000 oz)	Grade (%)
Measured	6.3	1.5	94	0.3	50	1.9	388	1.7
Indicated	44.1	1.7	769	0.4	496	3.3	4,638	2.1
TOTAL M&I	50.4	1.7	863	0.3	546	3.1	5,026	2.0
Inferred	29.3	1.9	566	0.6	563	5.1	4,810	2.5

1. FireFly Metals Ltd Mineral Resource Estimates for the Green Bay Copper-Gold Project, incorporating the Ming Deposit and Little Deer Complex, are prepared and reported in accordance with the JORC Code 2012 and NI 43-101.
2. Mineral Resources have been reported at a 1.0% copper cut-off grade.
3. Metal equivalents for the Mineral Resource Estimates have been calculated at a copper price of US\$8,750/t, gold price of US\$2,500/oz and silver price of US\$25/oz. Metallurgical recoveries have been set at 95% for copper and 85% for both gold and silver. These assumptions are made on the basis of historical production at the Ming Mine and additional metallurgical test work. Copper equivalent was calculated based on the formula: $CuEq(\%) = Cu(\%) + (Au(g/t) \times 0.82190) + (Ag(g/t) \times 0.00822)$.
4. Totals may vary due to rounding.