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## PERENJORI IRON PROJECT

### SCOPING STUDY CONFIRMS ECONOMIC POTENTIAL

#### Scoping Study Highlights

- **The Scoping Study indicates a low capital operation producing premium high grade magnetite concentrate is economically viable**
- **The Study considered a conservative iron pricing regime that included a premium for high grade magnetite concentrate**
- **Proposed operation will use industry-standard beneficiation equipment and processes**
- **An existing, nearby, and available rail line reduces capital requirements**
- **Project is near existing high voltage power infrastructure**
- **The Scoping Study shows a clear pathway to meeting the Company's 30% Internal Rate of Return hurdle for development**

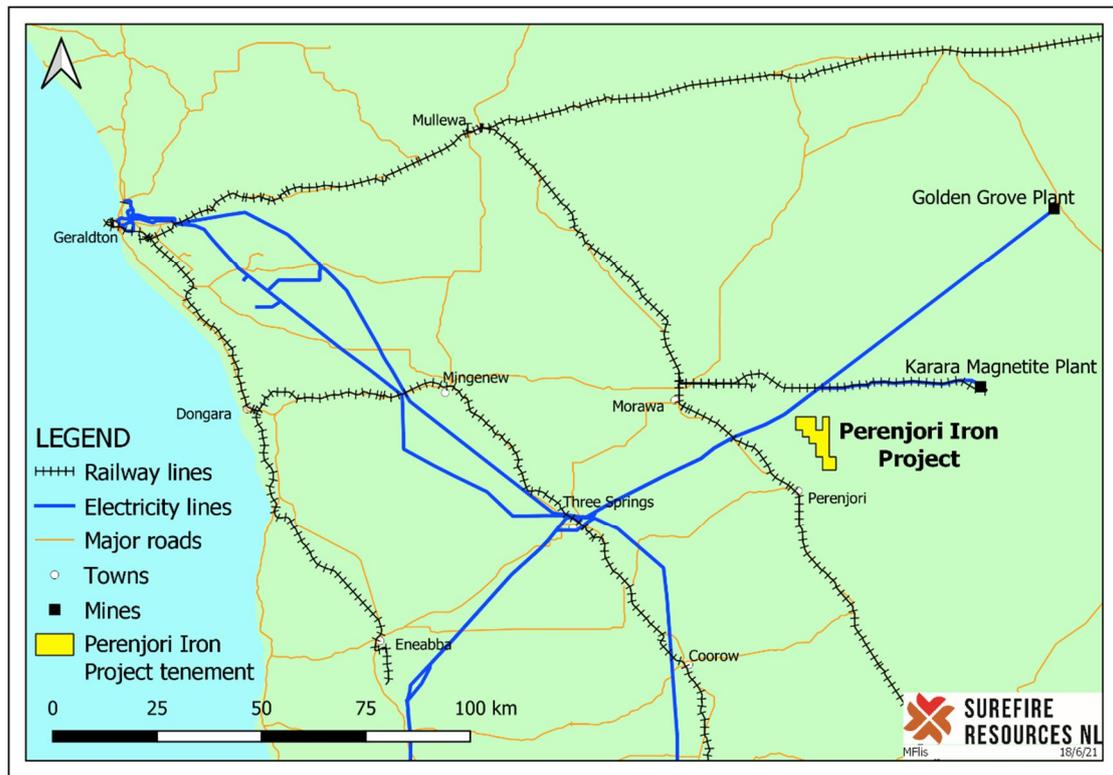
Surefire Resources NL (ASX: SRN, "the Company" or "SRN") is pleased to report the scoping study announced on 13 May, 2021 for the Perenjori Iron Project has now been completed. The study confirms the economic potential of this project. It gives the Board comfort to progress the project. The study was undertaken by MinRizon Projects Pty Ltd whose principals have been pivotal to the design and construction of other magnetite beneficiation plants in Australia.

The Scoping Study is based on an Inferred Mineral Resource of **191.7Mt @ 36.6% Fe** (JORC(2004)) estimated by internationally recognised consultants CSA Global, and announced by Quest Minerals Ltd (ASX:QNL). The information is extracted from the report entitled "Resource Uplift for Perenjori Iron Ore Project" created on 27 September 2013 and is available to view on the ASX's website. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply, and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## Scoping Study Considerations

The Scoping Study was based on metallurgical work supervised by Mintrex Pty Ltd. Additional test work will be undertaken during the Prefeasibility Study stage to confirm their conclusions.

The study examined using conventional mining, beneficiation, and transport processes and concentrated on the beneficiation and transport components. Pit optimisation in support of open cut mining is planned.



**Figure 1 Perenjori Iron Project and existing infrastructure location**

### Location

The Perenjori Iron Project is exceptionally well positioned. It is located within approximately 15km of both the Morawa-Perenjori trunk rail line and the Karara rail spur (Figure 1). The rail distance to Geraldton port is approximately 219km.

The Three Springs-Golden Grove electricity transmission line is within 8km of the deposit. Numerous towns occur in the district that may supply the workforce for project development.

### Mining Method

Conventional open pit methods using standard drill and blast and shovel and truck will be used to deliver magnetite ore to the beneficiation plant and waste to waste dumps. Nominal contract mining costs were used.

### Beneficiation Flow Sheet

Ore will be beneficiated using standard crushing and two pass grinding, and magnetic separating. A rougher magnetic separator will use 220µm feed, with magnetic material passing to a secondary AG mill and fine magnetic separation circuit using a grind size of P<sub>80</sub> of 35µm. Weight recovery is expected to be 44% with an 85% yield of iron being achieved. The final indicative

product specifications is shown in Table 1.

**Table 1** Indicative magnetite product specifications

Fe%	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	S	LOI	-150µm	-35µm
67.5	5.0	0.23	0.007	0.025	-3.2	100%	80%

### Transport

The project has access to railways to the north and south, both within 15km. A spur railway line and trucking to rail head options were considered. Estimates of CAPEX and OPEX for both scenarios have a similar effect on the project's Net Present Value within the accuracy of the costing estimate.

### Power and Water

A 330kv line runs from Three Springs to the Karara and Golden Grove Mines (Figure 1). The line passes within 8km of the Perenjori Iron Project deposit. Costing for a connector to the Perenjori Iron Project has been estimated in the study. As an alternative, a LPG gas turbine-based power source has been assessed.

Pit dewatering water may be available. This has not yet been demonstrated to be sufficient for the beneficiation plant's needs. Good quality water is available within 60km of the project area and will be subject to the government water allocation scheme. A water supply pipeline has been included in the costings.

### Port Facilities

Port storage and reclaim facilities at Geraldton to service Panamax-sized vessels is included in the costings. Access to port facilities will need to be negotiated.

### Tenure

The Perenjori Iron Project is contained within E70/5311 owned 100% by Surefire. This tenement was granted to Beau Resources Pty Ltd and subsequently acquired by Surefire. It has an expiry date of 11 November, 2025 and is in good standing. The tenement is subject to an ILUA. Standard environmental and Native Title approvals will be required during the process of converting this tenement to a Mining Lease and gaining mining permits.

### Capital and Operating Cost Estimates

A high level Net Present Value-based financial model was developed to assess the economic viability of the project. Cost estimates were deemed to be to an accuracy of +/-35%. While the regulatory guidelines discourages the release of mining and production rates and financial forecasts without more highly developed studies, the Scoping Study has underpinned the Board's confidence that this project can deliver competitive high grade magnetite at an economically rewarding return on investment.

### Timeframe for Development

No timeframe for development has been set at this stage. The Company is planning to undertake additional resource definition work, in particular ensuring the stated Inferred Resource is converted to JORC(2012) standard. The Company has sufficient finances to undertake this work.

**Surefire Managing Director Vladimir Nikolaenko commented:**

*“Surefire is delighted with the outcome of the Scoping Study. Technical assessment has already indicated the ore can produce a high grade magnetic concentrate that is attractive to the market. This first-pass preliminary economic assessment has now provided the Board with confidence that the Perenjori Iron Project is commercially attractive. Surefire can now confidently plan to move the project forward.”*

**Cautionary Statement**

The Scoping Study referred to in this announcement is a preliminary technical and economic study of the potential viability of open cut mining and beneficiation of the Perenjori Iron Project magnetite deposit. It was undertaken to inform the Company prior to a decision to proceed with additional resource definition work and more advanced and definitive studies. It is based on low level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves. Further exploration and evaluation work and appropriate studies are required before Surefire will be in the position to estimate any Ore Reserves or to provide any assurance of an economic development case.

The study is based on the material assumptions outlined below. While Surefire considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the study will be achieved.

To achieve the outcomes indicated in this study, additional funding will be required. Investors should note that there is no certainty that Surefire will be able to raise funding when needed. It is also likely that such funding may only be available on terms that may be dilutive or otherwise affect the value of Surefire’s existing shares.

It is possible that Surefire could pursue other value realisation strategies such as sale, partial sale or joint venture of the Project. If it does, this could materially reduce Surefire’s proportionate ownership in the Project.

Surefire has concluded that, based on the results of the Scoping Study and strong market fundamentals, there is sufficient degree of confidence to progress the project. However, given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

The Scoping Study uses a portion of Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or Reserves.

**Competent Person Statement**

The information in this report that relates to Mineral Resource is based on information compiled by Mr Marcus Flis who is a Fellow of the Australian Institute of Geoscientists. Mr Flis is an independent Principal Consultant at Rountree Pty Ltd. Mr Flis has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are 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’ and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

This announcement is issued under the authority of the Board of Surefire Resources NL.

For further information, contact:

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