

PERENJORI PREMIUM IRON PROJECT INITIATING NEGOTIATIONS FOR OFF-TAKE AND INFRASTRUCTURE SOLUTIONS

- **Talks with potential magnetite concentrate off-take partners have begun**
- **Access to third-party transport solutions is being negotiated**
- **Perenjori well placed to supply a carbon neutral steel industry**

Surefire Resources NL (ASX: SRN, "the Company" or "SRN") wishes to report to the market that it is exploring transport and off-take options for its 100% owned Perenjori Iron Project. As announced recently (ASX, 2 February 2022), the project has an exploration target of **870 to 1,240 million tonnes** (Mt) at a grade of **29% to 41% iron** (Fe) that may add to its existing Inferred Resource **191.7Mt @ 36.6% Fe** (JORC 2004) (ASX, 25 February 2021).

Infrastructure – the key to an economic bulk commodity

The Perenjori Iron Project is located in an infrastructure-rich location. Existing rail and power are within 15km of the project (Figure 1). Geraldton Port is a terminus to the rail. To facilitate the planning for an expanded magnetite concentrate production profile (ASX, 22 June 2021) Surefire has initiated talks with a third party infrastructure provider to build, own, and operate a slurry pipeline and transshipment facility independent of Geraldton Port. A slurry pipeline could deliver lower transport costs than rail while at the same time lowering the project's capital requirements for development. An agreement is yet to be concluded.

Off-take agreement to underpin project financing

Surefire is progressing magnetite concentrate off-take negotiations with potential partners, including global commodities traders. Mine scheduling, product quality parameters, off-take volumes, and pricing mechanisms are key to those talks. Additionally, the off-taker's risk mitigation considerations are being addressed in advance of any formal contract. These negotiations remain incomplete and confidential and there is no guarantee that they will conclude with a contract.

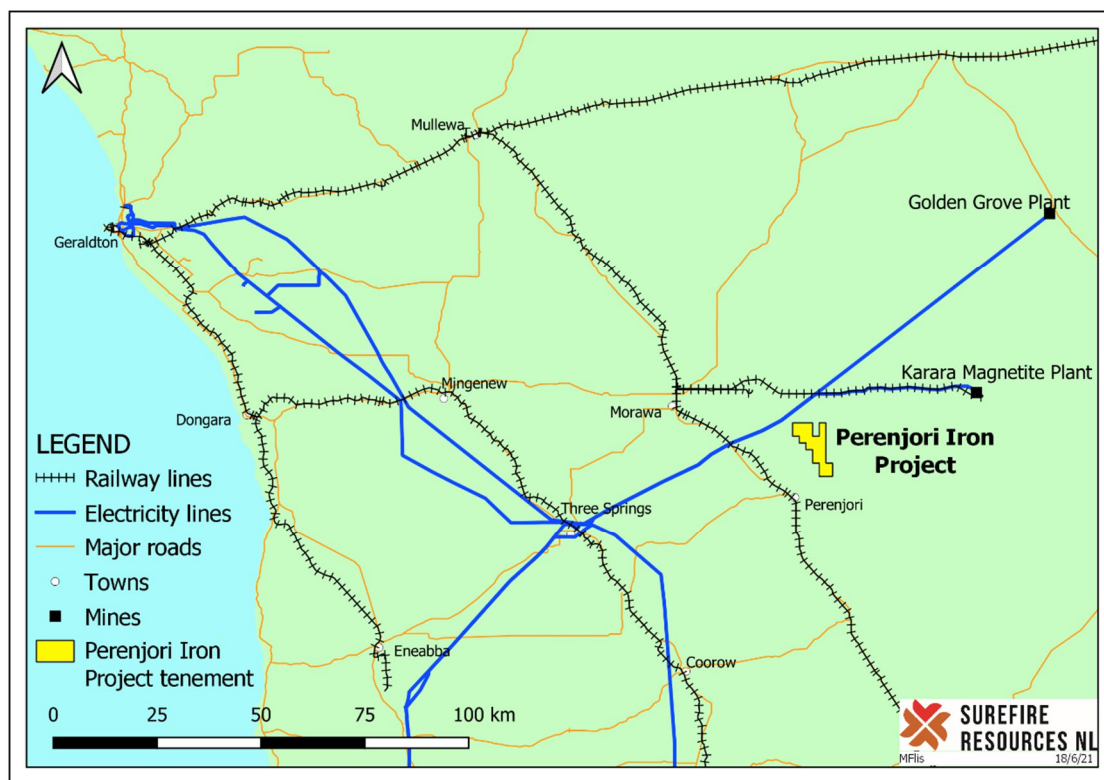


Figure 1 Perenjori Iron Project and existing infrastructure location

Magnetite – the key to a clean future

Magnetite is increasingly being recognised as the iron ore feed that will help decarbonize the steel industry. It presents an opportunity to supply higher grade iron than the traditional haematite blast furnace feeds while at the same time, delivering an energy richer feed. Magnetite is exothermic during processing, meaning it releases energy compared to haematite, which is endothermic, needing greater heat input to reduce it to iron. Crucially, mined haematite grades are going down, whereas magnetite concentrate grades can achieve up to 71% Fe. This means less magnetite ore needs to be smelted per tonne of steel produced.

Perenjori Premium Iron Project ore has one of the highest iron contents amongst its peers. The Inferred Resource grade of **36.6% Fe** is 2% to 6% higher than other magnetite resources in the Mid-West district. At the mining and processing level, this higher grade means less ore needs to be mined to produce the product, significantly enhancing its economic value. Metallurgical test work has shown a premium magnetite concentrate grade of up to **69.6% Fe**, with low deleterious elements, can be produced at an industry standard grind size (ASX, 26 February 2021).

The Perenjori Premium Iron Project can deliver low carbon magnetite concentrate into the next generation of environmentally friendly steel mills.

Surefire Managing Director Vladimir Nikolaenko commented:

“Surefire is laying the groundwork to enhancing the Perenjori Iron Project’s viability through advancing its geotechnical, mining, processing, transporting, and marketing credentials. Putting in place the infrastructure and customers solutions puts in place the foundations for economic studies going forward.”

Cautionary Statement

The Exploration Target referred to in this announcement, being conceptual in nature, takes no account of geological complexity, possible mining method or metallurgical recovery factors. The Exploration Target was estimated in order to provide an assessment of the potential scale of the exploration on the Perenjori Iron Project and to inform the Company prior to a decision to proceed with additional resource definition work and more advanced and definitive studies.

There is a low level of geological confidence associated with Inferred Mineral Resources. There is no certainty that further exploration work will result in the determination of Reserves.

No New Information or Data

SRN confirms that it is not aware of any new information or data that materially affects the information included previous market announcements and, in the case of Mineral Resources, which all material assumptions and technical parameters underpinning the estimates in the relevant announcements 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 materially changed from the original market announcement.

Forward Looking Statements:

This announcement contains ‘forward-looking information’ that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company’s business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘potential’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information.

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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