



ABN 48 083 274 024

AND ITS CONTROLLED ENTITIES

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# HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2023

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This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by Surefire Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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**AND ITS CONTROLLED ENTITIES**

**CONTENTS**

**HALF-YEAR FINANCIAL REPORT**

	<b>Page No.</b>
Directors' Report	4
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to and forming part of the Financial Statements	14
Directors' Declaration	18
Independent Auditor's Review Report	19

Your directors submit the financial report of Surefire Resources NL (the “Company” or “Surefire”) and its subsidiaries (the “Group”) for the half-year ended 31 December 2023.

**DIRECTORS**

The following persons were directors of the Company during the half-year and up to the date of this report:

- Mr Vladimir Nikolaenko
- Mr Paul Burton
- Mr Michael Povey
- Mr Roger Smith

**REVIEW OF OPERATIONS**

The total loss from continuing operations for the half-year ended 31 December 2023 was \$1,776,618 (2022: \$1,923,140).

The Group’s activities during the six-month period are summarised in this report which unless otherwise stated, should be read as if dated 31 December 2023.

Surefire Resources NL (“Surefire”, “the Company”) is pleased to report on its exploration activities at the Company’s 100% owned properties for the six months ending 31 December 2023.

During the half year, Surefire Resources NL focussed on advancing its high value portfolio of assets.

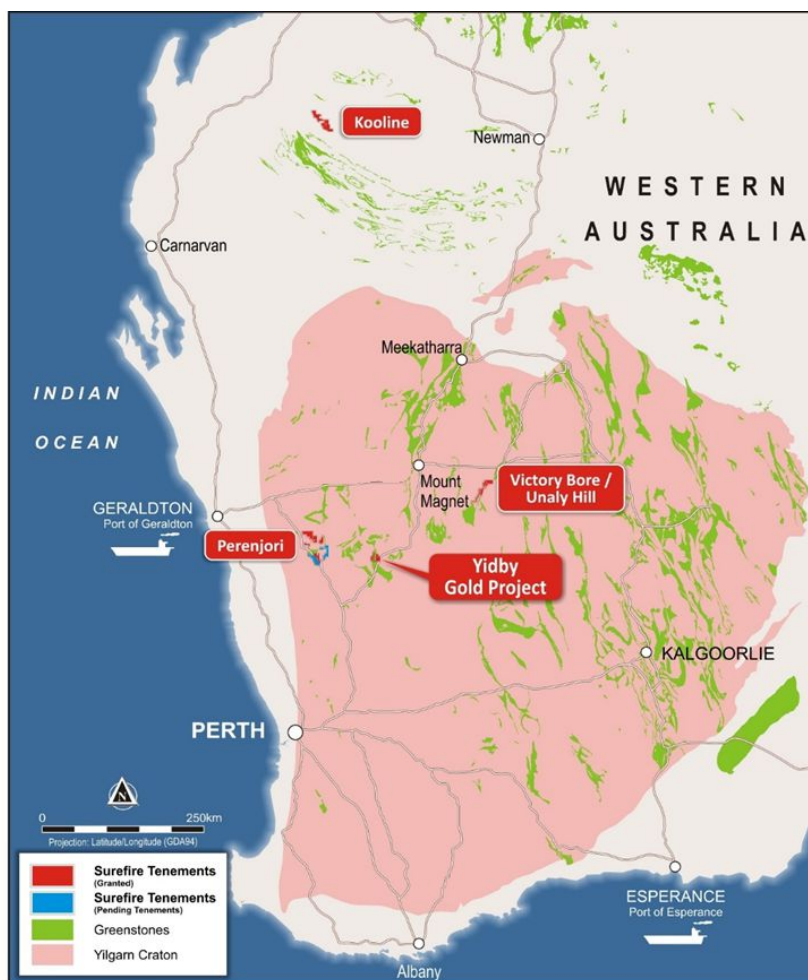


Figure 1 - Surefire Resources NL project locations

**VICTORY BORE VANADIUM PROJECT**

The Victory Bore Vanadium Project contains the Victory Bore and Unaly Hill deposits lie in the Mid-West of Western Australia approximately 530km north of Perth. These deposits consist of multiple stacked vanadium-titanium-magnetite rich layers up to 80m wide are that are contained within a layered gabbro. Weathering is shallow, with fresh rock consistently logged from 10 to 25m below surface. The combined Victory Bore - Unaly Hill host gabbro has a total strike length of over 20km, which is yet to be fully tested and illustrates the Project's longer-term exploration potential.

**Pre-Feasibility Study**

During the reporting period the Company complete the Pre-Feasibility Study (PFS) with encouraging results:

Table 1 Summary of project economics estimate. All values are approximate rounded to nearest significant digit.

Project Parameter	Unit	Amount
Pre-tax NPV at a 10% discount rate	USD \$M	\$1,110
Pre-tax NPV at a 10% discount rate	AUD \$M	\$1,708
Pre-tax Internal Rate of Return	%	42.22%
Capital Cost	USD \$M	\$498
Capital Cost	AUD \$M	\$767
OPEX: normalised back to concentrate produced	USD per tonne of concentrate	\$254
Life of Mine	Years	24
Pre-tax payback	Years	2.4
Exchange rate	USD:AUD	0.65

**Updated Mineral Resource Estimate**

The Mineral Resource Estimate (MRE) for the Victory Bore Project has been updated from the previous MRE (see ASX announcement 1 February 2023). The resource model is unchanged but there has been a change in reporting to consider a lower cut-off grade (V<sub>2</sub>O<sub>5</sub>) from 0.26% to 0.15% based on marginal cut-off grades determined during the PFS. In addition, TiO<sub>2</sub>, Fe, Al<sub>2</sub>O<sub>3</sub> and SiO<sub>2</sub> grades have been included in the reporting.

Classification:	Cut-off (% V <sub>2</sub> O <sub>5</sub> )	Volume (Mbcm)	Tonnes (Mt)	V <sub>2</sub> O <sub>5</sub> (%)	TiO <sub>2</sub> (%)	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)
Measured	0.15	7.6	25.3	0.35	4.96	19.20	17.0	34.9
Indicated	0.15	33.9	113.2	0.32	4.70	18.19	17.4	35.9
Inferred	0.15	99.3	326.1	0.28	5.28	17.41	16.0	36.4
<b>Total</b>	<b>0.15</b>	<b>140.7</b>	<b>464.6</b>	<b>0.30</b>	<b>5.12</b>	<b>17.70</b>	<b>16.4</b>	<b>36.2</b>

*The estimated ore reserves and/or mineral resources underpinning the production target have been prepared by a competent person in accordance with the requirements in the JORC Code.*

*Only Measured and Indicated Resources are used in this PFS. The Inferred Resources do not form part of this PFS and are not used to underpin the proposed production schedule.*

*The Company confirms that all material assumptions and technical parameters underpinning the Mineral Resource Estimates continue to apply and have not materially changed.*

**Maiden Ore Reserve**

The Mineral Resource was converted to an Ore Reserve by economic evaluation using open pit optimisation to produce an economic mining shell followed by detailed pit design, and life of mine scheduling. Mine equipment requirements were estimated and costed for financial modelling. A pit optimisation validation was run using financial model inputs to confirm the shell.

A maiden probable Ore Reserve of 93 Mt @ 0.35% V<sub>2</sub>O<sub>5</sub>, 5.2% TiO<sub>2</sub> and 19.8% Fe was reported in accordance with the JORC Code (2012). All Measured and Indicated Resources above cut-off within the pit design were classified as Probable Ore Reserves after considering the confidence in the material modifying factors. No in-pit Inferred Mineral Resources were included in the Probable Ore Reserve

**Table 13 Victory Bore Ore Reserve as at November 2023**

<b>Classification</b>	<b>Ore tonnes (Mt)</b>	<b>V<sub>2</sub>O<sub>5</sub> (%)</b>	<b>TiO<sub>2</sub> (%)</b>	<b>Fe (%)</b>	<b>Al<sub>2</sub>O<sub>3</sub> (%)</b>	<b>SiO<sub>2</sub> (%)</b>
Probable	93.1	0.35	5.2	19.8	16.8	34.3

**Critical Mineral Status**

Vanadium's classification as a "Critical Mineral" of national strategic importance in the USA, EU, Australia, India and other jurisdictions is anticipated to support the development of a vanadium mining and processing industry in Australia. Vanadium market conditions remain strong, with growing demand from traditional uses in steel strengthening, and more importantly, the mass commercialisation of utility-scale vanadium redox flow battery storage systems (VRFB's) which the Company intends to pursue.

**Ministry of Investment Saudi Arabia (MISA)**

In August 2023 the Company executed a non-binding Memorandum of Understanding (MOU) with MISA for assistance with developing a downstream processing facility in KSA, (refer ASX announcement 16 August 2023).

MISA offers supportive and advisory services to organizations to deliver solutions to their business needs and implement local solutions by drawing on a wealth of global knowledge and experience.

**High Purity Alumina (HPA)**

Surefire has initiated a separate study on the potential for production of High Purity Alumina (HPA) from the host rock at the Victory Bore Vanadium project.

Initial test results completed by Lava Blue (refer ASX announcement 25 July 2023) has produced 4N (99.99%) HPA.

**YIDBY GOLD PROJECT**

The Yidby Gold Project is well located close to the Great Northern Highway, 40km southwest of Paynes Find in the Mid-West of Western Australia, and in the southern portion of the Yalgoo-Singleton Greenstone Belt, part of the mid to late-Archaeon Youanmi Terrane.

The Project comprises three granted exploration licences with a total area of 114 km<sup>2</sup> and includes three prospects where significant gold mineralisation has been identified. They are associated with historical workings at Delaney Well and Cashens Find, and a Surefire's new discovery at Yidby Road Gold Prospect.

The Project is surrounded by several significant gold deposits, including the +1.1 million-ounce Minjar Gold Project approximately 65km to the northwest, the 1 million-ounce Kirkalocka Gold Project approximately 70km to the northeast, the 2.1Moz Mount Gibson Gold Project 30km to the south (28 July 2021 ASX: CMM) and the 0.54Moz Rothsay Gold Project 30km to the west (Egan Street Resources, 12 February 2019).

**Gold Mineralisation**

The gold mineralisation at the Yidby Project area currently occurs in three separate mineralised zones, covering a width of almost 500m across strike trending slightly WNW from the Yidby deposit and appears open in all directions.

**Metallurgical test work**

Surefire initiated a rigorous follow program of column leach test work on the Yidby Project Gold Ore. This follow up work program is also being completed by ALS Metallurgical Division.

The Column Leach test work had a duration of 70 days. Column leach preparation and post column leach analysis includes activities completed were as follows:

- **Head assay analysis**, the analysis was conducted using XRF, bottle roll & Photon assay techniques)

- **Crush size analysis**, using bottle roll to obtain the optimum size for the column test. Surefire have chosen an P100 / 8mm crush size.
- **Percolation analysis**. Surefire Yidby samples displayed no slumping and will require no agglomeration.
- **The Column Leaching**. A 70-day leach test program will provide information to support a commercial cyanide leaching operation. This test work was completed during the quarter with excellent recoveries.
- **Results**
- The column leach test work recovered a remarkable 66.3% of the available gold within 70 days.

**PERENJORI IRON ORE and REE**

Perenjori is ideally located in the infrastructure-rich Mid-West mining district of Western Australia, with rail links within 14km and a high voltage transmission line nearby the Project (Figure 5). The Project is significantly closer to the coast than other Western Australian magnetite projects, with rail distance to the port of Geraldton at 219km.

Perenjori is well positioned to deliver high-grade iron concentrates into next-generation zero-carbon steel plants.

Historical Davis Tube Recovery test-work, completed by previous owners Quest Minerals Ltd (see ASX release 26 February 2013), recovered 66 to 70 % Fe concentrate grades from the relatively coarse and favourable grind size of 75 µm, with SiO<sub>2</sub> averaging 4.9% and less than 0.2% Al<sub>2</sub>O<sub>3</sub>. It is expected such a premium grade feed will be suitable for blast furnace pellet production or as a Direct Reduction Iron (DRI) feed.

*Mineral Resource Estimate*

The Perenjori Iron Project Mineral Resource is relatively high grade compared to other Western Australian magnetite projects and as outlined above, can be upgraded to circa 70% Fe concentrate grade.

**Table 3: Inferred Resources of the Perenjori Iron Ore Project (ASX : QNL 27 September 2013).**

Zone	Category	Tonnage Mt	Fe%	Al2O3%	SiO2%	S%
Core BIF Zone	Inferred	93.3	37.22	1.67	41.59	0.05
Eastern Belt (excluding CBZ)	Inferred	78.7	37.64	1.45	41.66	0.03
Western Belt	Inferred	19.7	29.77	3.39	47.04	0.32
<b>Total</b>	<b>Inferred</b>	<b>191.7</b>	<b>36.61</b>	<b>1.75</b>	<b>42.18</b>	<b>0.07</b>

- In addition, Perenjori Premium Iron Project has an Exploration Target of **870 million to 1,240 million tonnes (Mt) at a grade of 29% to 41% iron (Fe)** exclusive of the Inferred Resource (ASX release 3 February 2022).
- *The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource over the entire area of the Exploration Target, and it is uncertain if further exploration will result in the estimation of an increased Mineral Resource.*

**Environmental Survey and Permitting**

A comprehensive flora and fauna survey was completed last quarter which identified some Threatened Ecological Communities (TEC). These will need to be considered with an offset plan prior to future work.

The Company has engaged Aurora Environmental consultants to assess the recent environmental survey results and aid with development of pathway options.

The process with Aurora is an interactive one whereby Aurora has provided an initial report that requires some finalisation prior to moving onto the next step of obtaining EPA approval.

### KOOLINE SILVER-LEAD PROJECT

The Kooline Base Metals Project in the Ashburton region of Western Australia covers 240km<sup>2</sup> and 50km of strike of prospective lead-silver and copper mineralisation. Sampling results recently announced ((ASX release 14 September 2022) confirm the high-grade tenor of the lead (14-16,2%) and silver (up to 55g/t) mineralisation.

- High-grade mineralisation in the project area is associated with an airborne electromagnetic conductor (AEM) with the strongest AEM targets at Mt Conspicuous, Phar Lap and Northerly prospects (see Figure 6). The Mt Conspicuous AEM target is over 600m in strike length and lies within a structural corridor that contains the historic Mt Conspicuous Mine.

Assay results were received during the quarter from reconnaissance rock chip sampling and mapping (ASX release 14 September 2022), with high-grade Pb-Ag assays up to: **16.2% Pb & 41g/t Ag**.

Further reconnaissance work is intended to be carried out during 2024.

### QUALIFYING STATEMENTS

#### Competent Person Statement:

The information in this report that relates to exploration results has been reviewed, compiled and fairly represented by Mr Edd Prumm, a Member of the Australian Institute of Mining and Metallurgy ('AusIMM') and a fulltime employee of X2M Exploration to Mining. Mr Prumm has sufficient experience relevant to the style of mineralisation and type of deposits under consideration to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee ('JORC') Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Prumm consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Victory Bore Vanadium Mineral resource estimation is based on work completed by Mr Stephen Hyland. Mr Hyland is Principal Consultant Geologist of Hyland Geological and Mining Consultants (HGMC), who is a Fellow of the AusIMM and holds relevant qualifications and experience as a qualified person for public reporting according to the JORC code in Australia. Mr Hyland is also a qualified person under the rules and requirements of the Canadian Reporting instrument NI43-101. Mr Hyland consents to the inclusion in this report of the information in the form and context in which it appears.

### INDEPENDENCE DECLARATION BY AUDITOR

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 for the half-year ended 31 December 2023.

This report has been signed in accordance with a resolution of directors.

For and on behalf of the Directors

#### Signature affixed to original document and held on file

**Mr Vladimir Nikolaenko**

Executive Chairman

15 March 2024



**AUDITOR'S INDEPENDENCE DECLARATION**

To those charged with governance of Surefire Resources NL

As auditor for the review of Surefire Resources NL for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Surefire Resources NL and the entities it controlled during the period.

**Signature of Elderton Audit Pty Ltd affixed to original document and held on file**

**Elderton Audit Pty Ltd**

**Signature of Sajjad Cheema affixed to original document and held on file**

**Sajjad Cheema**

Director

15 March 2024

Perth

**Limited liability by a scheme approved under Professional Standards Legislation**

**T** +61 8 6324 2900

**E** info@eldertongroup.com

**A** Level 32, 152 St Georges Terrace, Perth WA 6000

**ABN** 51 609 542 458

**W** www.eldertongroup.com

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



	Half-Year Ended 31 Dec 2023 (\$)	Half-Year Ended 31 Dec 2022 (\$)
<b>Notes</b>		
<b>Revenue:</b>		
Interest income	6,061	11,782
R&D Tax Offset	495,035	-
<b>Expenses:</b>		
Director fees and consulting charges including share-based payments	(525,194)	(204,000)
Exploration expenses	(1,098,834)	(1,375,132)
Administration expenses	(618,287)	(324,153)
Legal fees	<u>(35,399)</u>	<u>(31,637)</u>
<b>Loss before income tax expense</b>	(1,776,618)	(1,923,140)
Income tax expense	<u>-</u>	<u>-</u>
<b>Loss from continuing operations</b>	<u>(1,776,618)</u>	<u>(1,923,140)</u>
<b>Other comprehensive income for the period</b>	<u>-</u>	<u>-</u>
<b>Total Comprehensive loss for the period attributable to members of the Company</b>	<u>(1,776,618)</u>	<u>(1,923,140)</u>
Basic (loss) per share (cents per share)	(0.103)	(0.122)
Diluted (loss) per share (cents per share)	<u>(0.103)</u>	<u>(0.122)</u>

*The accompanying notes form part of these financial statements.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**



	Notes	31 Dec 2023 (\$)	30 June 2023 (\$)
<b>Current Assets</b>			
Cash and cash equivalents		2,655,572	1,488,255
Other receivables		640,211	78,417
<b>Total Current Assets</b>		<b>3,295,783</b>	<b>1,566,672</b>
<b>Non-Current Assets</b>			
Plant, office equipment and motor vehicles		26,380	29,705
Exploration and evaluation assets	3	12,697,000	3,754,000
Right of use asset		151,536	187,905
<b>Total Non-Current Assets</b>		<b>12,874,916</b>	<b>3,971,610</b>
<b>TOTAL ASSETS</b>		<b>16,170,699</b>	<b>5,538,282</b>
<b>Current Liabilities</b>			
Trade and other payables		898,127	520,484
Lease liability		70,270	68,538
Liability for acquisition of JORC defined resource	4	11,934,987	3,304,000
<b>Total Current Liabilities</b>		<b>12,903,384</b>	<b>3,893,022</b>
<b>Non-Current Liabilities</b>			
Lease liability		80,188	115,761
<b>Total Non-Current Liabilities</b>		<b>80,188</b>	<b>115,761</b>
<b>TOTAL LIABILITIES</b>		<b>12,983,572</b>	<b>4,008,783</b>
<b>NET ASSETS</b>		<b>3,187,127</b>	<b>1,529,499</b>
<b>Equity</b>			
Contributed equity	5	42,835,892	39,610,646
Reserves	5	209,000	-
Accumulated losses		(39,857,765)	(38,081,147)
<b>TOTAL EQUITY</b>		<b>3,187,127</b>	<b>1,529,499</b>

*The accompanying notes form part of these financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



	<b>Contributed Equity (Net of costs) (\$)</b>	<b>Reserves (\$)</b>	<b>Accumulated Losses (\$)</b>	<b>Total (\$)</b>
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<b>Balance at 1.7.2022</b>	<b>38,560,488</b>	<b>735,616</b>	<b>(34,607,383)</b>	<b>4,688,721</b>
<b>Comprehensive Income</b>				
Operating (loss) for the period	-	-	(1,923,140)	(1,923,140)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(1,923,140)</b>	<b>(1,923,140)</b>
<b>Transactions with owners, in their capacity as owner, and other transfers</b>				
Options exercised during the period	716,150	(716,150)	-	-
Options lapsed during the period	-	(19,466)	19,466	-
Shares issued during the period	7,725	-	-	7,725
<b>Balance at 31.12.2022</b>	<b>39,284,363</b>	<b>-</b>	<b>(36,511,057)</b>	<b>2,773,306</b>

<b>Balance at 1.7.2023</b>	<b>39,610,646</b>	<b>-</b>	<b>(38,081,147)</b>	<b>1,529,499</b>
<b>Comprehensive Income</b>				
Operating (loss) for the period	-	-	(1,776,618)	(1,776,618)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(1,776,618)</b>	<b>(1,776,618)</b>
<b>Transactions with owners, in their capacity as owner, and other transfers</b>				
Shares issued	3,440,452	-	-	3,440,452
Share issue costs	(141,206)	-	-	(141,206)
Share based payments to lead manager	(74,000)	74,000	-	-
Share based payments to Managing Director	-	135,000	-	135,000
<b>Balance at 31.12.2023</b>	<b>42,835,892</b>	<b>209,000</b>	<b>(39,857,765)</b>	<b>3,187,127</b>

*The accompanying notes form part of these financial statements.*

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



	Half-Year Ended 31 Dec 2023 (\$)	Half-Year Ended 31 Dec 2022 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	6,061	11,782
Payments to suppliers and employees	<u>(1,186,405)</u>	<u>(798,142)</u>
<b>Net cash (used in) operating activities</b>	<u>(1,180,344)</u>	<u>(786,360)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditure incurred	(528,721)	(1,135,788)
Payments for new prospects	(60,851)	-
Purchase of plant and equipment	<u>-</u>	<u>(7,145)</u>
<b>Net cash from (used in) investing activities</b>	<u>(589,572)</u>	<u>(1,142,933)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	3,078,439	7,662
Share issue costs	<u>(141,206)</u>	<u>-</u>
<b>Net cash from financing activities</b>	<u>2,937,233</u>	<u>7,662</u>
Net (decrease) increase in cash held	1,167,317	(1,921,631)
Cash and cash equivalents at the beginning of the financial period	<u>1,488,255</u>	<u>193,990</u>
Cash and cash equivalents at the end of the financial period	<u><u>2,655,572</u></u>	<u><u>3,148,647</u></u>

*The accompanying notes form part of these financial statements.*

**NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**Basis of Preparation**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard 134: *Interim Financial Reporting*.

These financial statements were approved by the Board of Directors on the date of the Directors Declaration.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Surefire Resources NL (the “Company”) and its subsidiary (together, the “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2023, together with any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

These financial statements have been prepared on an accruals and historical cost basis, except where indicated.

**Going Concern**

For the half-year ended 31 December 2023, the Group incurred an operating loss of \$1,776,618 (31 December 2022: \$1,923,140).

The Company had a net deficiency in working capital at reporting date of \$9,537,331. This is directly attributable to the current liability (**Net Triggered Payments**) shown as owing to Mutual Holdings Pty Ltd and High Grade Metals Limited in respect of the acquisition of JORC defined resources at the Company’s Victory Bore project - these total \$11,934,987.

Mutual Holdings Pty Ltd has entered into an agreement (**Deed of Amendment – Triggered Payments**) whereby it will not make any demand for payment of the Net Triggered Payments and any accrued interest thereon, which would have the effect of placing Surefire into a financial position of not being able to pay its debts as and when they fell due, for a period of at least twelve months from the date of signing the agreement, which date is 15 March 2024.

Circumstances in which a payment of the Net Triggered Payment can be made are:

1. The balance owing in respect of the Triggered Payments is to be paid as and when funds will allow, and only upon mutual agreement being reached with Surefire’s un-interested board members prior to each corporate action or event which is likely to result in Surefire receiving cash funds of any description; and
2. MH retains the option of converting up to a maximum of \$3 million in value of the Net Triggered Payments into a combination of fully paid ordinary shares and/or partly-paid ordinary shares in Surefire, with any issue of equity securities to MH being subject to, and conditional upon SRN obtaining shareholder approval in accordance with the requirements of the ASX Listing Rules and/or the *Corporations Act 2001* (Cth) (as applicable).

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis.

**Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards of Interpretations that are not yet mandatory have not been adopted early.

**NOTE 2 OPERATING SEGMENTS**

**Segment Information**

**Identification of reportable segments**

The Group has identified that it operates in only one segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group’s principal activity is mineral exploration.

**Revenue and assets by geographical region**

The Group’s revenue is received from sources and assets located wholly within Australia.

**Major customers**

Due to the nature of its current operations, the Group does not provide products and services.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



**NOTE 3 EXPLORATION AND EVALUATION ASSETS**

JORC defined mineral resource acquisition costs - triggered payments calculated in accordance with the terms of a pre-existing agreement in respect of the acquisition of the Victory Bore tenement E57/1036, assumed by the Company and approved by shareholders in a general meeting held on 6 March 2019.

**Total**

31 Dec 2023 (\$)	30 June 2023 (\$)
<u>12,697,000</u>	<u>3,754,000</u>
<u>12,697,000</u>	<u>3,754,000</u>

**NOTE 4 LIABILITY FOR ACQUISITION OF JORC DEFINED RESOURCE**

Mutual Holdings Pty Ltd – refer to Note 9

High Grade Metals Limited – refer to Note 9

**Total**

<u>11,284,987</u>	3,304,000
<u>650,000</u>	-
<u>11,934,987</u>	<u>3,304,000</u>

**NOTE 5 EQUITY**

**Contributed Equity – Ordinary Shares**

Balance at the beginning of the period  
Shares issued at \$0.014 each – Corporate consultants  
Shares issued at \$0.011 each – Placement  
Shares issued at \$0.011 each – Rights Issue  
Balance at the end of the period

31 Dec 2023	
Number	\$
1,651,363,477	39,590,646
3,571,429	50,000
181,818,186	2,000,000
126,404,721	1,390,452
<u>1,963,157,813</u>	<u>43,031,098</u>

**Contributed Equity – Partly paid Contributing Shares**

Balance at the beginning of the period  
Balance at the end of the period

<u>258,785,323</u>	20,000
<u>258,785,323</u>	<u>20,000</u>

Less: Share issue costs

(215,206)

**Net Contributed Equity**

42,835,892

**Options**

Balance at the beginning of the period  
Executive options issued to Managing Director (exercisable at \$0.018716, expiry 6.12.2025)  
Options issued pursuant to Non-Renounceable Rights Issue Prospectus dated 9.11.2023 (exercisable at \$0.019, expiry 30.11.2026)  
Options issued to lead manager (exercisable at \$0.019, expiry 30.11.2026)  
Balance at the end of the period

-
30,000,000
308,222,907
<u>20,000,000</u>
<u>358,222,907</u>

**Share Based Reserve**

Balance at the beginning of the period  
Share based payments – Lead managers  
Share based payments – Managing Director  
Balance at the end of the period

-  
74,000  
135,000  
209,000

**NOTE 6: SHARE BASED PAYMENTS**

Share-based payment transactions in the form of options issued to the lead manager of the Non-Renounceable Rights Issue, and the Company's Managing Director, were valued using the Black-Scholes methodology, a risk-free return ranging of 3.74% to 4.35%, and volatility factors ranging from 92.8% to 153%.

**NOTE 7 CONTROLLED ENTITIES**

Subsidiaries of Surefire Resources NL	Country of Incorporation	Percentage Owned (%)
Unaly Hill Pty Ltd	Australia	100%
Argus Mining Pty Ltd	Australia	100%
Kadji Mining Pty Ltd	Australia	100%
Suretec Solutions Pty Ltd	Australia	100%
VB Metals Pty Ltd	Australia	100%
<b>Associate of Surefire Resources NL</b>		
Oil & Gas SE Pty Ltd – this company is dormant	Australia	49%

**NOTE 8 EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to the end of the reporting date, the Company has advised that is has:

- Signed a non-binding MOU with Ajland & Bros Mining and Metals Company, a company based in the Kingdom of Saudi Arabia;
- Signed a second non-binding MOU with RASI Investment Company, also a company based in the Kingdom of Saudi Arabia;
- Issued 23,000,000 fully paid ordinary shares and 23,000,000 options to acquire fully paid ordinary shares pursuant to a prospectus dated 9 November 2023; and
- Mutual Holdings Pty Ltd has entered into an agreement (**Deed of Amendment – Triggered Payments**) whereby it will not make any demand for payment of the Net Triggered Payments and any accrued interest thereon, which would have the effect of placing Surefire into a financial position of not being able to pay its debts as and when they fell due, for a period of at least twelve months from the date of signing the agreement, which date is 15 March 2024.

Other than the above disclosures, there have been no matters or circumstances that have arisen since 31 December 2023 which have significantly affected or may significantly affect:

- the Group's operations in future years; or
- the results of those operations in future years; or
- the Group's state of affairs in future years.

**NOTE 9 CONTINGENT LIABILITIES AND ASSETS**

**Contingent Liabilities on Acquisition of Victory Bore Tenement (VB Tenement)**

**High Grade Metals Limited**

In an Amendment to the Heads of Agreement for Sale of Tenement executed on 16 August 2018 between High Grade Metals Limited (**HGM**), Acacia Mining Pty Ltd (**Acacia**), Mutual Holdings Pty Ltd and Surefire Resources NL, it was agreed (among other terms including the confirmation of commitments to pay royalties to Mutual Holdings Pty Ltd) that:

- Within 60 days of Surefire announcing to the ASX that it has obtained a pre-feasibility study that confirms that the subject tenement, namely Victory Bore, if developed as a mine, has an internal rate of return of not less than 20%, Surefire will pay HGM/Acacia an additional sum of \$650,000; and
- Within 60 days of Surefire announcing to the ASX that it has made a decision to mine within the Tenement area, Surefire will pay HGM/Acacia an additional sum of \$650,000.

The first of these two contingencies triggered upon the ASX release dated 5 December 2023, wherein the Company announced that it had completed a pre-feasibility in respect of the subject Victory Bore project announcement of a resource.

The accrued liability has been included in the Balance Sheet. The second contingency remains open and has NOT been included as an expense in the Financial Report.

**Mutual Holdings Pty Ltd**

An agreement titled Heads of Agreement for Sale of Tenement – Exploration License 57/1036 dated 16 August 2018 (as amended) (**Agreement**) was entered into between Surefire Resources NL (**Surefire**), Mutual Holdings Pty Ltd (**MH**), Acacia Mining Pty Ltd and High Grade Metals Limited.

Pursuant to clause 19 of that Agreement, Surefire agreed to pay to MH payments (**Triggered Payments**), which were to be calculated in accordance with the Schedule to the Agreement (**Schedule**). As set out in clauses 2.1 and 2.2 of the Schedule, Surefire has a continuing obligation to pay certain amounts to MH on the announcement by Surefire to ASX of the discovery and/or upgrade of an inferred resource, indicated resource or measured resource at the VB Tenement, a \$1 per tonne royalty on iron ore, and a royalty equal to 1% of the gross revenue received by Surefire from the sale of gold, and any other precious metal or base metal derived from that tenement.



As from the date of execution of the Deed of Amendment – Triggered Payments, SRN will be liable to pay interest to MH at the rate of interest stipulated as the *Benchmark Interest Rate* as determined by the Australian Taxation Office pursuant to Division 7A of Part III of the *Income Tax Assessment Act 1936*, currently 8.27% per annum, which non-compounding interest is to be calculated on the outstanding daily balance.

**NOTE 10 TENEMENT EXPENDITURES CONDITIONS AND OTHER COMMITMENTS**

The Group has certain obligations to perform minimum exploration work on the tenements in which it has an interest. These obligations may in some circumstances, be varied or deferred. Tenement rentals and minimum expenditure obligations which may be varied or deferred on application are expected to be met in the normal course of business.

The minimum statutory expenditure commitments required to be spent on the granted tenements for the next twelve months amounts to \$492,000.

The Company leases office and car parking space in South Perth pursuant to an operating commercial tenancy lease which is subject to specific annual escalation clauses. Rent expenses charged to operations for the six months ended 31 December 2023 amounted to \$38,098. Under the terms of the lease, the Company is committed to a further \$158,743 (subject to contractual increases).

**NOTE 11 TENEMENT ACCESS**

**Native Title and Freehold**

All or some of the tenements in which the Group has an interest are or may be affected by native title.

The Group is not in a position to assess the likely effect of any native title impacting the Group.

The existence of native title and heritage issues represent, as a general proposition, a serious threat to explorers and miners, not only in terms of delaying the grant of tenements and the progression of exploration development and mining operations, but also in terms of costs arising consequent upon dealing with aboriginal interest groups, claims for native title and the like.

As a general proposition, a tenement holder must obtain the consent of the owner of freehold before conducting operations on the freehold land. Unless it already has secured such rights, there can be no assurance that the Group will secure rights to access those portions (if any) of the Tenements encroaching freehold land but, importantly, native title is extinguished by the grant of freehold so if and whenever the Tenements encroach freehold the Group is in the position of not having to abide by the Native Title Act in respect of the area of encroachment albeit aboriginal heritage matters still be of concern.

## DIRECTORS' DECLARATION



The directors of the Company declare that:

1. the accompanying financial statements and notes:
  - (a) comply with Accounting Standard AASB 134 : *Interim Financial Reporting* and the *Corporations Act 2001*; and
  - (b) give a true and fair view of the financial position of the Company as at 31 December 2023 and its performance for the half-year ended on that date.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Signed at Perth:

**Signature affixed to original document and held on file**

**Mr Vladimir Nikolaenko**

Executive Chairman

Dated: 15 March 2024

**Independent Auditor's Review Report**

To the members of Surefire Resources NL

**Report on the Half-Year Financial Report**

*Conclusion*

We have reviewed the half-year financial report of Surefire Resources NL ("the Company") and its controlled entities ("the Group"), which comprises the consolidated condensed statement of financial position as at 31 December 2023, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Responsibility of Management for the Financial Report*

The Directors of the Company are responsible for the preparation of the half-year financial report in accordance with the Australian Accounting Standards and the Corporation Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Limited liability by a scheme approved under Professional Standards Legislation**

T +61 8 6324 2900 E info@eldertongroup.com A Level 32, 152 St Georges Terrace, Perth WA 6000  
ABN 51 609 542 458 W www.eldertongroup.com

*Material Uncertainty related to Going Concern*

We draw attention to the note 1 of the financial report, which described that the ability of the Group to continue as a going concern is dependent on raising equity finance. The company incurred a net loss of \$1,776,618 during the period ended December 31, 2023. As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not modified in respect of this matter.

*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023, and of its performance for the half-year ended on that date, and complying with Accounting Standards 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

**Signature of Elderton Audit Pty Ltd affixed to original document and held on file**

**Elderton Audit Pty Ltd**

**Signature of Sajjad Cheema affixed to original document and held on file**

**Sajjad Cheema**

Director

15 March 2024

Perth