

SUREFIRE EXECUTES MOU WITH THE MINISTRY OF INVESTMENT, KINGDOM OF SAUDI ARABIA FOR VANADIUM AND HPA CRITICAL MINERAL PROCESSING

- Surefire has executed a Memorandum of Understanding (MOU) with the Kingdom of Saudi Arabia, Ministry of Investment Saudi Arabia (MISA) for concentrate processing and vanadium production.
- The MOU follows a development proposal from the Company to MISA on its Victory Bore project, where vanadium bearing magnetite concentrate is to be processed in the Kingdom of Saudi Arabia (KSA) for a variety of products.
- Under the MOU, MISA will assist Surefire to identify suitable process plant locations, introduce potential partners, and secure binding agreements for funding and development.
- This provides the Company with a development pathway of a low capital cost operation in Australia, with value-add downstream processing and production of high value products in a low energy cost jurisdiction.
- The KSA is a significant user of vanadium products, particularly in its steel sector where demand is estimated at 10 - 12 ktpa and growing at 4 - 5% Year on Year.
- The KSA "Green Initiative" includes Vanadium Redox Flow Batteries which provide scalable, long life, and safe electricity storage.
- In addition, the High Purity Alumina (HPA) feedstock from Victory Bore could also be processed in KSA where demand is increasing or for export to Europe.
- The MOU also provides Surefire access to other investment opportunities and processing development incentives of up to 75% of Capital costs.

Management Comment: Mr Paul Burton, Surefire Resources Managing Director said *"This is a very significant milestone and achievement for the Company and provides a clear development pathway for the Victory Bore Project as we progress the Pre-Feasibility Study. The KSA is a rapidly developing region with demand and incentives for critical mineral resources. We welcome the engagement with MISA and look forward to working closely with them to achieve our mutually beneficial development plans"*.



Figure 1: Victory Bore Development and logistics.

Surefire Resources NL (**Surefire** or **the Company**) is pleased to announce it has executed a Memorandum of Understanding (**MOU**) with the Ministry of Investment, Kingdom of Saudi Arabia (**MISA**), for mineral processing opportunities of high-grade ore from its 100% owned Victory Bore Vanadium and High Purity Alumina project.

The MOU provides the Company with a clear pathway for maximising value from the Victory Bore project following a development strategy conducted by Surefire for a mining and beneficiation operation at the Victory Bore mine location, and then transport of high-grade concentrate to a jurisdiction where power costs are low, infrastructure for downstream processing is present, and a large market exists for products.

The MOU terms confirm the party's agreement to progress the following:

- **The processing of Victory Bore concentrate and other vanadium bearing feedstock in KSA will create investment, processing capability, employment, and production of high value commodities;**
- **MISA will provide assistance to SRN for importing and processing of its mineral concentrate;**
- **MISA will provide investment opportunities and incentives and assist Surefire to secure binding agreements for funding and development;**
- **MISA will introduce partners for production facilities;**
- **Surefire will introduce its preferred engineering partners to design and construct the facilities;**
- **Surefire will also consider the establishment of a High Purity Alumina (HPA) production facility in KSA; and**
- **Surefire will have access to other vanadium opportunities in KSA including fly-ash and hard rock vanadium resources.**

Memorandum of Understanding – Development strategy

This MOU defines and outlines the development strategy for a mine and beneficiation operation at the Victory Bore site, where high-grade vanadium concentrate is produced for transport to Geraldton Port, and then on-shipping to Port Damam, KSA. Downstream processing of the concentrate would then occur in nearby industrial sectors to produce high value end products of Vanadium Pentoxide (V_2O_5), Vanadium Electrolyte (VE), Ferro-Vanadium (FeV), and bi-products of Pig-Iron, Ferro-Titanium and also potential for the Company’s High Purity Alumina (HPA), (see figure 2).

PROPOSED PATHWAY FOR VICTORY BORE PROJECT DEVELOPMENT



PROCESSING AND PRODUCTS, KSA



Figure 2 : Magnetite concentrate, shipping and downstream processing in KSA and products

Why KSA

The Kingdom of Saudi Arabia (**KSA**) is a low power and fuel cost jurisdiction, providing the Company with significant advantages of reduced operating costs. It also has a significant steel sector with demand for vanadium products including vanadium electrolyte for Vanadium Redox Batteries, all of which are currently not produced in KSA.

Saudi Arabia is one of the world's fastest growing countries with a manufacturing sector growing an average 7.5% per annum. The sector is at the forefront of the Kingdom's economic diversification, localization, and privatization efforts and is now the third largest non-oil contributor to the Saudi economy. Key factors in the growth of the manufacturing industry are the large market size, developed R&D facilities, government support, modern infrastructure, and business-friendly regulations which make it an ideal location for Surefire.

Saudi Arabia is also embarking on the most ambitious infrastructure reform in its history, as the Kingdom is unleashing mega and giga projects that will drive rapid growth in all areas of the economy, including manufacturing. The demand for industrial equipment and spare parts is predicted to increase significantly in the next years as a result of these infrastructure projects.

Ministry of Investment Saudi Arabia (MISA)

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.

The mining and metals sector represents one of the most exciting blue-sky opportunities for investors in Saudi Arabia (source MISA) with an under-supplied local market, and an unprecedented effort to boost industrial production, and proximity to export markets in the region.

Surefire and MISA

In May 2023, Surefire entered into a Non-Disclosure Agreement (**NDA**) with MISA to discuss the potential for downstream processing of mineral concentrates in KSA, and the production and supply of vanadium for its industrial sector. This included potential for the Company to assess other vanadium projects in KSA.

Market Size

KSA is a significant steel product producer with 41 steel factories, and a significant consumer of vanadium, but does not currently produce vanadium products for its industrial sector. The sector is growing rapidly with for example announcing in 2022 the additional construction of 3 Iron and Steel plants worth \$9.3Bn (source The National Business, Sep 13, 2022).

Vanadium demand in KSA is estimated at 10k – 12k tpa, growing at 4-5% Year on Year, with the Steel industry accounting for 90% of the total vanadium demand where it is used in alloying. Under the KSA "Green Initiatives" which is paving the way for a greener future, by environmental protection, energy transition and sustainability programs with the overarching aims of offsetting and reducing emissions, increasing the Kingdom's use of clean energy and addressing climate change. This includes the potential use of Vanadium Redox Flow Batteries with a corresponding increase in vanadium electrolyte demand. (see www.greeninitiatives.gov.sa).

Funding and Incentives

The KSA has significant funding and incentives available to attract investment. These include incentives for processing of critical mineral resources, of up to 75% of Capital Costs, making this very appealing for the development of the Company's Victory Bore deposit.

Next Steps

The Company is currently completing a Pre-Feasibility Study (**PFS**) on the Victory Bore deposit (see ASX announcement 6 June 2023) and expects this to be finalised by November 2023.

Under the PFS the Company is engaging with relevant transport and shipping groups so that this development strategy will be included in the PFS outcome.

Next steps will include site visits to KSA, introductions by MISA to identified companies for joint venture and selection and agreement with preferred engineering groups that can supply vanadium processing plant and equipment.

Further announcements will be provided in due course.

Authorised for ASX release by Paul Burton, Managing Director.

Inquiries: Paul Burton, Managing Director +61 8 6331 6330

About Surefire Resources:

Surefire Resources is an Australian mineral exploration company based in Perth, Western Australia (WA). The company holds mineral exploration licences over Vanadium, Magnetite and Gold projects located in WA. Its focus is on adding value to shareholders by advancing its Victory Bore vanadium critical and battery minerals project, a 321Mt JORC resource located close to existing infrastructure and currently in Pre-Feasibility stage. In addition, its large magnetite project with up to 1B tonnes of high-grade Iron and its Gold project have potential to add considerable value to the company.

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.