



27 Mar 2024

Ticker	Current Price
ASX:SRN	A\$0.010

Market Data		
52-Week Range (AUD cents)	0.8 – 2.7	
3mth Avg Vol (Mil)	3.12	
Market Cap (A\$Mil)	19.9	
Shares Out. (Mil)	1,986.3	
Cash as of Dec'23 (A\$Mil)	2.7	
Enterprise Value (A\$Mil)	17.2	
Est. Debt (A\$M)	0.0	
Options		
Options @ Strike price	Expiry	Qty (Mil)
SRNOD @ \$0.019	30-Nov-26	351.1
Unlisted @ \$0.027		188.8
Unlisted @ \$0.006		70.0
Unlisted @ \$0.0187	6-Dec-25	30.0



Top 5 shareholders	
Vladimir Nikolaenko Group (Exec. Chairman)	13.6%
Michael Giuliano	5.1%
Admark Investments Pty Ltd	2.8%
Silas T Haysom	1.2%
Sunset Capital Management Pty Ltd	1.2%

Surefire Resources NL (ASX: SRN)

Desk Note

Cyprus Sia | Analyst | Spark Plus Pte Ltd. | cyprus@sparkplus.org

OUTSTANDING PROJECT NPV₁₀ OF US\$1.1B IS MORE THAN A VANADIUM STORY. A PFS completed in Dec'23 demonstrated excellent economics for Surefire's Victory Bore Vanadium Project with a pre-tax NPV₁₀ of US\$1.1B, IRR of 42.2%, and payback of 2.4 years over a 24-year LOM. The PFS models a 4Mtpa ROM to produce ~1.25Mtpa of high-grade magnetite concentrate on-site which will be shipped and processed in KSA into 2.6ktpa of V₂O₅, 55.8ktpa of FeV, 192.9ktpa titanium slag, 364.5ktpa pig iron, 245.8ktpa iron oxide pigment, and 245.8ktpa Fe₂O₃, all for a CAPEX of US\$498.4M.

What are the Sparks?

One of the largest vanadium deposits. SRN's 100% owned Victory Bore Project has a JORC Resource of 464Mt @ 0.39% V₂O₅ including 139Mt @ 0.33% V₂O₅ in M+I. Most of the orebody comprises 2 massive lodges of ~50m wide that trends continuously for ~7km north-south, and dips ~75° to the west from surface, making it ideal for open pit bulk mining. In addition, the ores are relatively soft (7-9kWh/t) as compared to other titanomagnetite making it less energy intensive and easier to process.

Multiple by-products that diversify risks. Victory Bore Project's Resource also contains 5.12% TiO₂ + 17.7% Fe + 16.4% Al₂O₃ + 36.2% SiO₂ which provides the project with a well-diversified revenue stream and makes it less sensitive to the fluctuations of a single commodity. As per the PFS, the 4 other co-products/by-products contribute to ~86% of the total expected revenue. These commodities have performed better or stable in the past few months, offsetting the drop in V₂O₅ prices.

Additional revenue stream. Between the 2 major lodges exist a high-grade aluminum oxide lodge, about 50m wide, that holds a JORC Resource of 37Mt @ 23.3% Al₂O₃ and remains open at depth. Metallurgical testwork has successfully produced 4N purity alumina. Further optimisation to produce 5N purity alumina is underway while the Company conducts a Scoping Study to assess the viability of producing HPA in KSA.

Leveraging low-cost energy in the Kingdom of Saudi Arabia (KSA). SRN plans to conduct its downstream processing in KSA to produce 6 end products. Power is the 2nd largest cost component for downstream processing and a relatively lower utility and fuel cost in KSA provides the Company with significant operating cost advantages.

Non-binding MOU with the Ministry of Investment Saudi Arabia (MISA) to explore downstream processing opportunities in KSA. MISA may assist SRN with activities associated with the development of the downstream processing plant including investment opportunities, logistics, incentives, and securing binding agreements. This has led to the Company identifying the Ras Al-Khair region, a growing operational industrial hub and port in KSA, as the location for its processing plant and progressed discussions with 2 other Saudi Arabian partners to develop the processing plant in KSA.

MOUs with Saudi Arabian partners. SRN has a non-binding MOU with Ajlan & Bros Mining and Metals Company to collaborate on a JV structure for the development of Victory Bore in Australia and the processing facility in KSA as well as a project-level investment by Ajlan. Another non-binding MOU with RASI Investment company is established to explore the potential of investment, co-participation, and offtake for the downstream processing facility in KSA.

We value SRN at A\$167.2M or A\$0.084 per share. We believe the market may have overlooked SRN's independence of V₂O₅ prices and sold down the Company's share along with the sectoral sell-off.

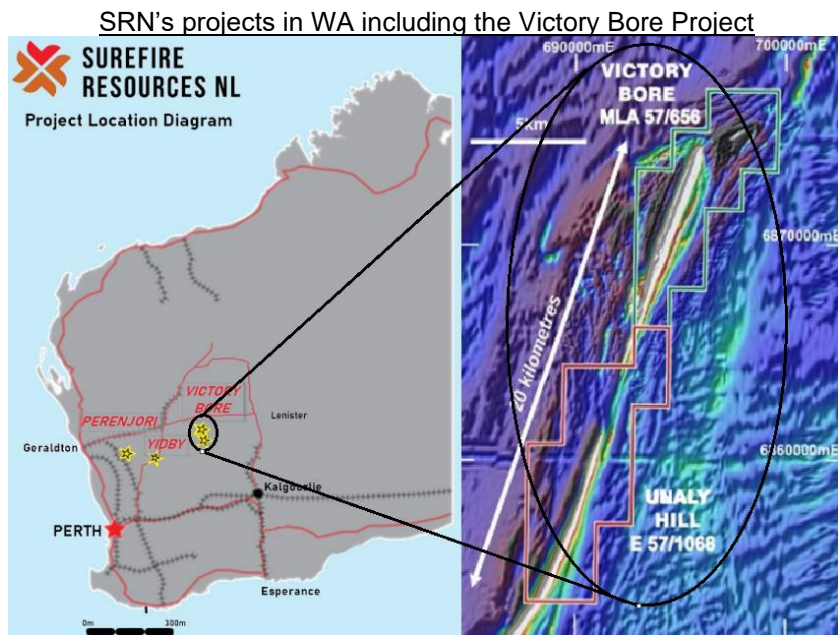


Company overview

Surefire Resources NL (SRN) is a mineral exploration company that is focused on developing its 100% owned Victory Bore Vanadium Project in Western Australia with the plan to conduct downstream processing of the concentrates in the Kingdom of Saudi Arabia (KSA). The Company also holds the Yidby Gold Project, the Perenjori Iron Ore and Rare Earth Project, and the Kooline Silver-Lead project in WA.

Victory Bore Vanadium Project (“Victory Bore Project”)

The Victory Bore Vanadium Project contains the Victory Bore and Unaly Hill deposits lie approximately 530km north of Perth, WA. These deposits consist of multiple stacked vanadium-titanium-magnetite-rich layers up to 80m wide 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.



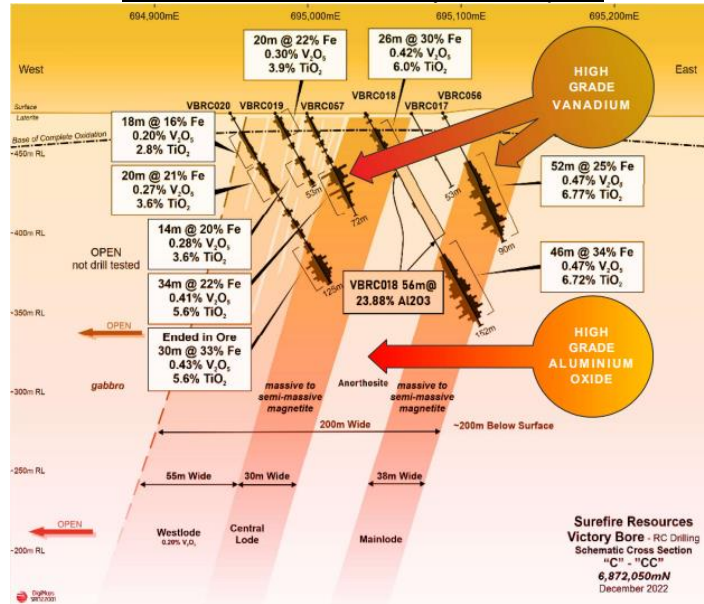
Bulk of the exploration activities were focused on Victory Bore where the Company proved up a JORC Resource of 464Mt @ 0.39% V2O5 + 5.12% TiO2 + 17.7% Fe + 16.4% Al2O3 + 36.2% SiO2 (30% M+I) while Unaly Hill holds an Inferred Resource of 86.2Mt @ 0.42% V2O5. The majority of the Resource are hosted in 2 massive lodes of ~50m wide that trend continuously for ~7km north-south, and dip ~75° to the west from surface to >250m down, making it ideal for open pit bulk mining. The orebody remains open along trend, at depth, and to the west.

Mineral Resource Estimate of the Victory Bore Vanadium Project as of Nov’23

Mineral Resource Statement	Cut-off grade	Tonnes	V2O5	TiO2	Fe	Al2O3	SiO2
Victory Bore	% V2O5	Mt	%	%	%	%	%
Measured	0.15	25.3	0.35	4.96	19.20	17.00	34.90
Indicated	0.15	113.2	0.32	4.70	18.19	17.40	35.90
Inferred	0.15	326.1	0.28	5.28	17.41	16.00	36.40
Victory Bore Total	0.15	464.6	0.30	5.12	17.70	16.40	36.20
Unaly Hill (Inferred)		86.2	0.42	4.50	24.80		28.60
Total	0.15	550.8	0.32	5.02	18.81	13.83	35.01



Cross section of the Victory Bore deposit



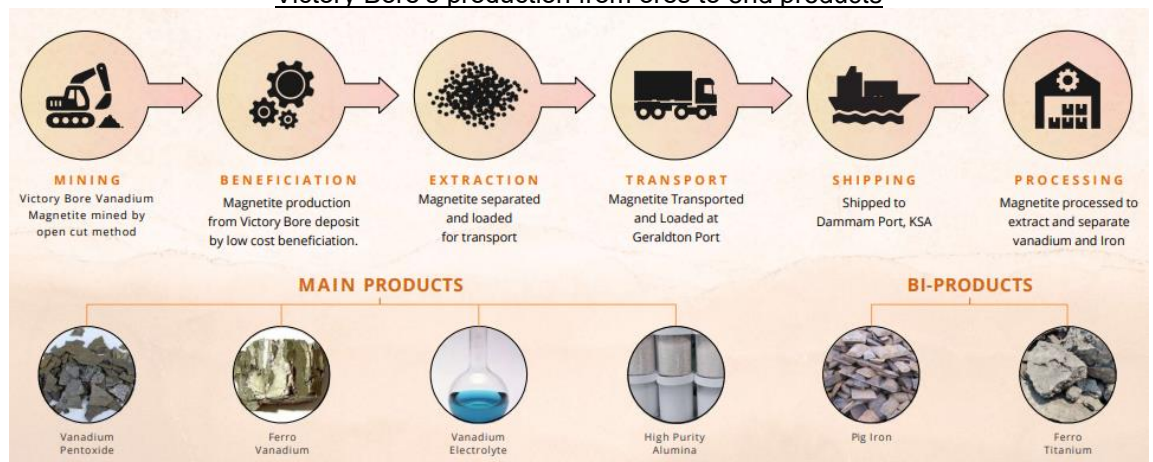
In addition, between the 2 lodges exists a high-grade aluminum oxide lode, about 50m wide, which holds a JORC Resource of 37Mt @ 23.3% Al₂O₃ and remains open at depth.

An Ore Reserve of 93.1Mt @ 0.35% V₂O₅ + 5.2% TiO₂ + 19.8% Fe + 16.8% Al₂O₃ + 34.3% SiO₂ was derived based on the current Measured and Indicated (M+I) Resource and used in the assessment of the Pre-feasibility Study (PFS).

Pre-feasibility Study results

SRN has engaged Snowden-Optiro, METS Engineers, and other key specialists to perform a Pre-feasibility study (PFS) on its Victory Bore Project which was completed and announced in Dec'23. The PFS explored various scenarios and returned the optimal pathway whereby, on average, a ROM of 4Mtpa will be beneficiated into ~1.25Mtpa of high-grade magnetite concentrate on-site Victory Bore Project before shipping to the Kingdom of Saudi Arabia (KSA) for further processing into 6 end products.

Victory Bore's production from ores to end products



The end products include 2,580tpa of V₂O₅, 5,760tpa of FeV, 192,880tpa titanium slag, 364,480tpa pig iron, 245,800tpa iron oxide pigment, and 245,480tpa Fe₂O₃. Based on these outputs, the Victory Bore Project (Victory Bore Mine + Processing facility in KSA) returned a pre-tax NPV₁₀ of US\$1.1B with an IRR of 42.2% and payback period of 2.4 years over a 24-year LOM.



PFS result highlights

PFS metrics	unit	value
Pre-tax NPV10	US\$M	1,110.0
IRR	%	42.22%
CAPEX	US\$M	498.4
OPEX (Victory Bore Mine)	US\$/t conc.	100.6
OPEX (Processing in KSA)	US\$/t conc.	153.5
Life of Mine	years	24.0
Pre-tax payback	years	2.4
Recovery (Ore to Conc.)		
V	%	61.40%
Fe	%	62.47%
Ti	%	46.75%
Recovery (Conc. To product)		
V	%	88.00%
Fe	%	100.00%
Ti	%	97.90%
Royalty	%	2.50%
Exchange rate	USD/AUD	0.65

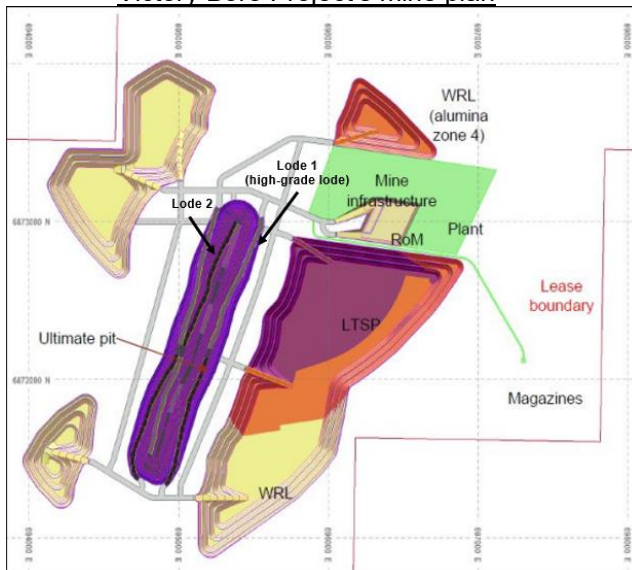
PFS production breakdown

End products per annum basis	tpa	Total cost		Pricing used (US\$/t)	Total Revenue (US\$M)	Revenue weightage by products
		OPEX (US\$/t)	(US\$M)			
High purity Vanadium	2,580	9,973.86	25.7	20,944.00	54.0	8.62%
Ferrovandium	5,760	5,057.64	29.1	26,750.00	154.1	24.57%
Titanium slag	192,880	330.98	63.8	658.00	126.9	20.24%
Pig Iron	364,480	296.41	108.0	412.00	150.2	23.95%
High purity iron oxide pigment	245,480	371.62	91.2	450.00	110.5	17.62%
High grade iron ore	245,480			128.00	31.4	5.01%
Total			318		627	

The Victory Bore Mine is modelled to be developed in 12 stages for scheduling and expediting access to higher ore grades. Overall mining rate, including waste, will ramp up to 12Mtpa within 9 months of mine start-up and 16Mtpa in the following years so as to access the high-grade ore for early processing while stockpiling the lower grades for processing near end of mine life.

The final pit (purple) is expected to be 1.9km long, 375m wide, and 200m deep focusing on the higher-grade lode (Lode 1). The strip ratio (waste:ore) is expected to be low at an average of 0.83.

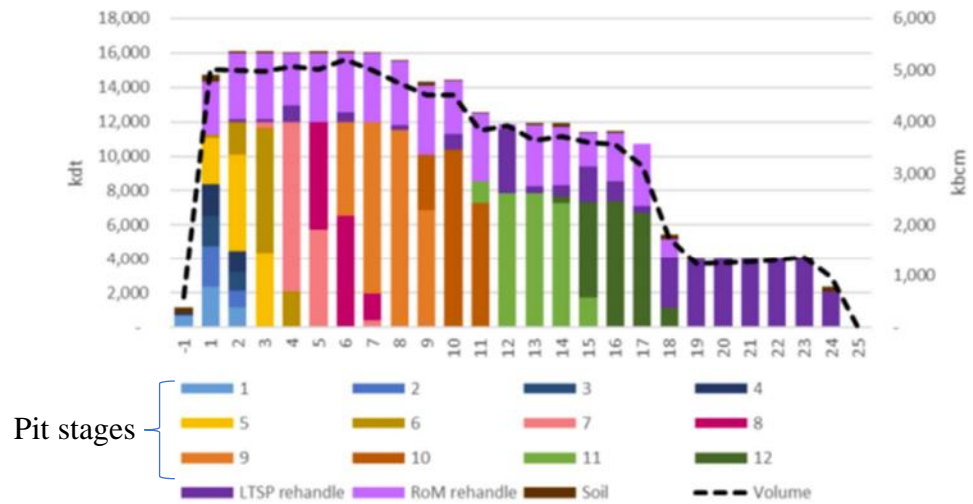
Victory Bore Project's mine plan



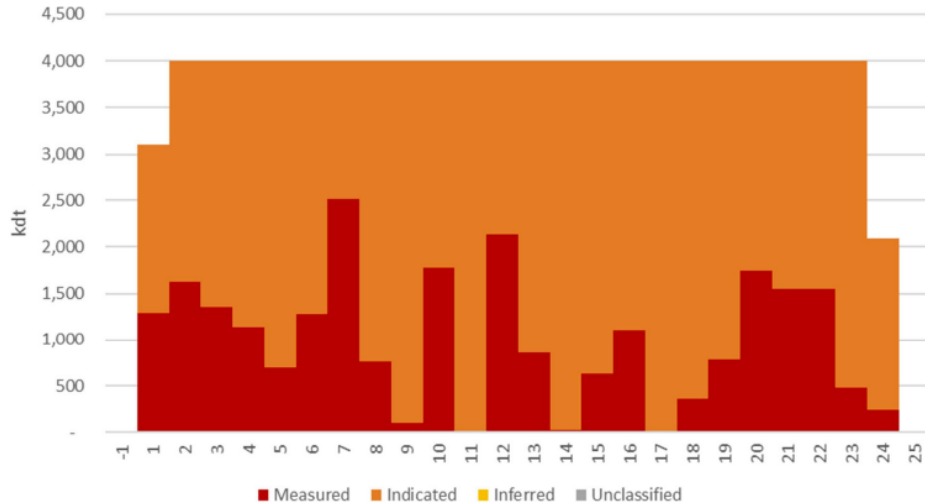
Legends:
 WRL = Waste rock landform
 LTSP = Long term strategic stockpile



Victory Bore mining schedule



Victory Bore production schedule



The Victory Bore Mine has access to gas supply via the Northern Goldfields Interconnect that runs within 1km of the proposed mine site which provides the option for onsite power generation. Diesel and solar plant power production are also considered. Water supply is expected to be provided using bore water. The Company has performed an initial hydrogeological study and does not foresee any significant water-related challenges. The KSA plant is likely to be located within the industrial hub of Ras Al-Khair where existing infrastructure is well-established.

Metallurgy

In Jan'24, SRN announced a breakthrough in its vanadium extraction process where it achieved a 3 percentile point increase in vanadium recovery to 91% from Victory Bore's magnetite concentrate albeit a lower titanium recovery of 88%. The process involves pre-treating the magnetite concentrate, which the Company has intellectual property of, before undergoing a standard leaching process. SRN also claimed that its new process bypasses the need for a kiln which significantly reduces energy consumption and therefore, a much lower carbon footprint. Further optimization work will be carried out to improve the yield of both vanadium and titanium and to validate for commercial-scale use.

In addition, the Company has separately performed laboratory testwork in Mar'23 on ores from the high aluminium lode and confirmed the production of 4N (99.99%) purity alumina. The Company will further optimise the process to achieve a 5N (99.999%) product and will perform a scoping study for the production of HPA in KSA.



Downstream processing in Kingdom of Saudi Arabia (KSA)

SRN signed a non-binding MOU with the Ministry of Investment Saudi Arabia (MISA) in Aug'23 to explore downstream processing opportunities, in KSA, of its high-grade ore from its Victory Bore Project. The outline of the MOU includes assistance to SRN on:

- importing and processing of its mineral concentrate in KSA,
- providing investment opportunities, incentives, and assistance to secure binding agreements for funding and development of the processing facility,
- introduction to partners for the development of a production facility,
- as well as other opportunities such as the establishment of a high purity alumina (HPA) production facility and other vanadium opportunities.

With the help of MISA and the Royal Commission of Saudi Arabia, the Company's proposed processing facility shall be located in the Ras Al-Khair region, an operational industrial hub and port, in KSA.

The Kingdom of Saudi Arabia is a low-power and utilities cost jurisdiction and has substantial funding incentives available of up to 75% of CAPEX for mineral processing projects via the Saudi Investment Development Fund. Since power is the 2nd largest cost component for downstream processing, processing in KSA provides the Company with significant operating cost advantages.

In addition, there is a ready demand for vanadium products from the country's steel sector that is estimated at 10-12ktpa and growing at a 4-5% CAGR.

MOUs with Saudi Arabian partners

SRN signed a 6-month non-binding MOU with Ajlan & Bros. Mining and Metals (Ajlan) in Jan'24 to negotiate binding agreements relating to the establishment of a JV for the development of Victory Bore in Australia and the processing facility in KSA. This may include an investment into Victory Bore by Ajlan.

Subsequently, SRN entered into another non-binding MOU with RASI Investment company (RASI) in Mar'24 to further negotiate binding agreements relating to investment, co-participation, and offtake for the downstream processing facility in KSA.

Next steps

Over the next few months, SRN will work on securing binding JV agreements and binding offtake agreements with, but not limited to, the 2 Saudi Partners above. Concurrently, the Company is conducting geotechnical activities to advance towards a mining license application and further optimise its vanadium extraction process for commercial production.

Despite recently putting out a detailed PFS, the Company alluded to commencing a DFS later this year to quickly achieve bankable status and become one of the fastest mining projects to move into production. SRN will also conduct a scoping study to produce high purity alumina in KSA as part of their terms in the MOU with MISA.



Yidby Gold Project

The Yidby Gold Project is located on the Great Northern Highway, 350km North of Perth and 40km southwest of Paynes Find in WA. The Project comprises granted exploration licenses with a total area of 114 km² within the prolific gold-producing southern portion of the Yalgoo-Singleton Greenstone Belt.

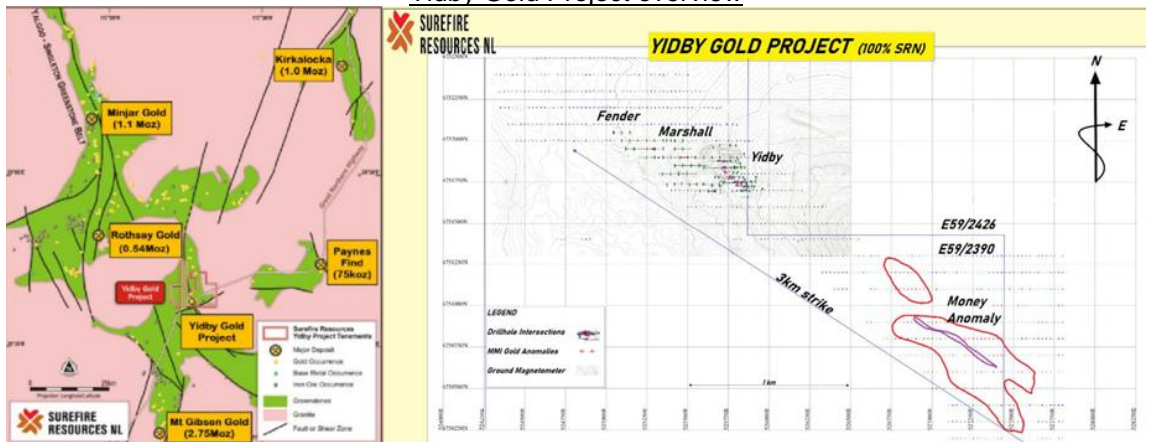
The mineralised system to date is traced for over 3km in a NW-SE trending strike length which consists of several mineralized zones of up to 80m wide with above-average gold intercepts at the Yidby, Fender, and Marshall targets. The gold mineralised system is quartz-porphyry within an assemblage of mafic and ultramafic rocks above a large porphyry system, similar to the Mt Gibson gold mine (2.75Moz) located 30km to the south.

Several drilling campaigns over the past 3 years intercepted mineralization of exceptional width and grades including some highlights as follows;

- 25m @ 1.42g/t Au from 36m
- 38m @ 1.43g/t Au from 32m
- 52m @ 1.40g/t Au from 32m
- 56m @ 1.97g/t Au from 44m
- 11m @ 3.78g/t Au from 53m including 1m @ 34.96g/t Au
- 100m @ 0.53g/t Au from 96m
- 44m @ 2.78g/t Au from 149m

Metallurgical testwork completed on mineralized diamond drill core demonstrated a 66.3% Au recovery on coarse crush size of <6.3mm but suggested a finer crush to 4mm or 5.0mm will provide a significant boost to recovery rate.

Yidby Gold Project overview





Perenjori Iron (Fe) Project

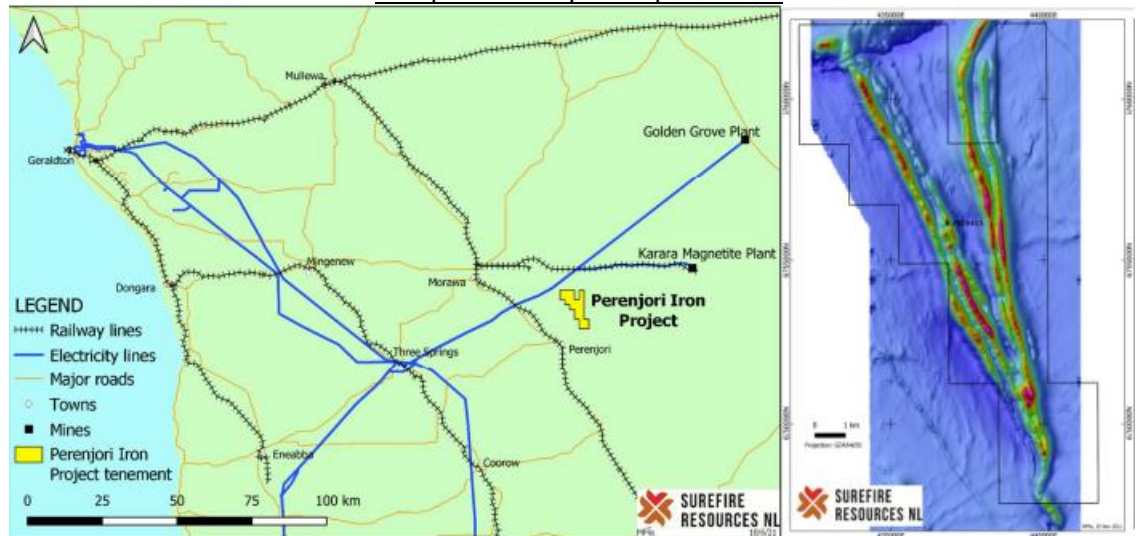
The Perenjori Iron Project is located 150km east of Geraldton with rail links to the Geraldton terminal (219km) and a high-voltage transmission line within 8km of the deposit. The structure is characterised by multiple units of Banded Iron Formation (BIF) that have been repeated by faulting. About 47km strike length of this BIF that ranges up to 80m wide is hosted within the Project area.

The Perenjori Iron Project holds a legacy Inferred Resource of 191.7Mt @ 36.6% Fe dated back in 2013. This resource represents only about 25% of the potential strike length and only from a single bed of the multi-bedded banded iron formation. Metallurgical test-work, completed by previous owners Quest Minerals Ltd, recovered premium quality concentrates of grade 66% to 70% Fe from the relatively coarse and favourable grind size of 75 µm, with SiO₂ averaging 4.9% and less than 0.2% Al₂O₃.

In Jun'21, SRN completed a Scoping Study that assessed a conventional open pit mine and on-site processing to produce premium grade magnetite concentrates of 67% - 70% Fe. The Scoping Study assumes a mining rate of 5.75Mtpa to produce 2.5Mtpa of magnetite concentrates over a 40-year mine life and confirms the project to be economical with an OPEX of A\$80/t and CAPEX of A\$589M.

Based on modeling of aeromagnetic data and geology with data from 123 drill holes as control, an updated study in Feb'22 further identified an additional Exploration Target of 870 – 1240Mt @ 29% - 41% Fe.

Perenjori Iron Project map overview



The Company is working on obtaining environmental approvals for Perenjori Iron Project currently and is looking for a strategic partner to co-develop it or divest entirely.



Peers

Ticker Company (as of 25 Mar'24)	Units	ASX:AVL Australia Vanadium	ASX:AVL Australia Vanadium	ASX:AVL Australia Vanadium	ASX:VR8 Vanadium Resources	ASX:RVT Richmond Vanadium	ASX:SRN Surefire Resources
MCap	A\$M	137.7	137.7	137.7	25.2	28.9	19.9
EV	A\$M	113.5	113.5	113.5	21.3	13.3	17.2
EV to NPV	%	5.87%	5.87%	5.87%	1.32%	1.93%	1.01%
EV to V2O5 Resource	US\$/lb	0.0113	0.0113	0.0113	0.0013	0.0006	0.0029
Project Name		Total	Australian Vanadium	MTMP	Steelpoortdrift and Tweefontein	Richmond	Victory Bore
Location		Australia	Australia	Australia	South Africa	Australia	Australia
Ownership		100.00%	100.00%	100.00%	86.49%	75.00%	100.00%
Mineral Resource	Mt	392.7	239	153.7	680	1838	550.8
V2O5 Grade	%	0.76%	0.73%	0.80%	0.70%	0.36%	0.32%
Study Date		DFS 2022	BFS Apr-22	DFS Aug-22	DFS Oct-22	PFS Aug-21	PFS Dec-23
CAPEX	US\$M		435.0	422.8	211.0	176.8	498.4
NPV	US\$M	1,259.4	600.0	659.4	1,212.0	447.5	1,110.0
Pre/Post-tax discount rate	%		pre-tax 7.5%	pre-tax 8.0%	post-tax 7.5%	pre-tax 10.0%	pre-tax 10.0%
IRR	%		20.6%	23.0%	42.0%	38.0%	42.2%
Pre/Post-tax Payback	years		post-tax 7.3	pre-tax 7.3	post-tax 2.25	pre-tax 3.2	pre-tax 2.4
LOM	years	25	25	25	25	25	24
V2O5 Production	ktpa	23.7	11.2	12.5	19.4	12.7	5.676
V2O5 Price	US\$/lb	10.5	10.5	10.5	9.5	9.6	9.52
Co- Products	ktpa	1,013.0	915.5	97.5			1,054.1
Co-Products			FeTi	ilmenite	NA	NA	Multiple
Co-Products Avg. Price	US\$/t	82.3	63.4	260.0	NA	NA	543.6
Co-Products weightage		13.2%	18.3%	8.1%	0.0%	0.0%	91.4%
V2O5 OPEX	US\$/lb	4.73	4.43	5.00	3.24	6.32	4.53

The table above is a comparison of advanced vanadium projects (at least a PFS) held by ASX-listed companies. SRN's Victory Bore Project is considered the most updated project with a PFS completed in late 2023 thus, better reflects the current cost environment. In terms of project economics, Victory Bore Project ranks 2nd with a pre-tax NPV₁₀ of US\$1.1B and OPEX of US\$4.53/lb V₂O₅, behind Vanadium Resources' Steelpoortdrift and Tweefontein Vanadium Project (S&T) in South Africa. We estimate S&T pre-tax NPV₁₀ to be c.US\$1.2B. This is due to higher grades, better recoveries, and a generally lower cost jurisdiction which supports SRN's decision to have downstream processing in KSA.

In comparison to its Australian peers, Victory Bore not only has the highest NPV and IRR but also uses a more conservative discount rate of 10% given the higher interest rate environment. We estimate Victory Bore's pre-tax NPV should be 29% higher or US\$1.4B if it was to apply a discount rate of 8%. With that said, SRN is trading as one of the lowest EV to project's NPV of 0.8% as compared to AVL's 5.9% and RVT's 1.9%. We do note that AVL's premium is warranted given its projects are more advanced (DFS has higher accuracy) and 'nearer to production'.

However, we feel that SRN should also be trading at a premium to its peers given it has a well-diversified revenue stream making it less sensitive to the fluctuations of a single commodity – V₂O₅ prices has been underperforming in the past few months. In fact, as per the PFS, FeV (24.5%), titanium slag (20.2%), pig iron (24.0%), and iron oxide pigment (17.6%), contributes to ~86% of the total expected revenue. These commodities have performed better or stable in the past few months, offsetting the drop in V₂O₅ prices. We believe the market might have overlooked SRN's independence of V₂O₅ prices and sold down the Company's share along with the sectoral sell-off.



Valuation

Given the level of detail and the recentness of the PFS on the Victory Bore Project, we decided to work on the PFS' **pre-tax NPV₁₀** to derive our valuation for SRN.

We accessed the change in recent prices for the 6 end products and assume no change to OPEX to derive to an updated pre-tax NPV₁₀ for Victory Bore Project. As it is still uncertain what corporate structure the Company will adopt to develop the Victory Bore Mine + KSA processing facility, we decided to go with the higher tax rate jurisdiction (Australia @ 30%) to be more conservative. We also estimated the depreciation of the Victory Bore Project considering the CAPEX of US\$498.4M, the mine life schedule provided in the PFS, and a straight-line depreciation for the KSA processing facility over 15 years, to account for the tax deductibles. This resulted in a **post-tax NPV₁₀** of US\$859.0M.

We expect production to commence 4 years from now and used an expected rate of return of 13% to discount the Project's NPV to a current NPV. We then subtracted A\$30M as working capital till project construction, discounted 30% to account for the inaccuracy of a PFS and a further 70% for the probability of successfully developing the Project to derive to a current project value of US\$158.1M (A\$164.6M).

After adding a comparable valuation for the Yidby Gold Project, the Perenjori Iron Project, and the company's net cash position, **we derived to a valuation of A\$167.2M for SRN or a target price of A\$0.084.**

Valuation	Unit	Current Price	PFS Price	Change
High purity Vanadium	US\$/lb	5.43	9.52	-42.96%
Ferrovandium	US\$/t	26,650	26,750	-0.37%
Titanium slag	US\$/t	750	658	14.04%
Pig Iron	US\$/t	456	412	10.59%
High purity iron oxide pigment	US\$/t	450	450	0.00%
High grade iron ore	US\$/t	128	128	0.00%
Revenue per annum	US\$M	637	627	1.58%
Victory Bore's pre-tax NPV₁₀	US\$M	1,128	1,110	1.58%
Tax rate (higher of the two)		30.0%		
<i>Australia Tax rate</i>		30.0%		
<i>KSA Tax rate</i>		20.0%	+ 2.5% of Zakat base	
Add back: Tax on D&A	US\$M	69.66		
Est. Victory Bore's post-tax NPV₁₀	US\$M	858.96		
Discount rate (expected return)	%	13%		
Time to production	years	4		
Current Victory Bore's NPV	US\$M	526.8		
Less: Cash burn till production	US\$M	30		
PFS accuracy risk	%	30%		
Development risk	%	70%		
Current Project value	US\$M	104.3		
AUDUSD		0.66		
Current Project value	A\$M	158.1		
Yidby Gold Project value		1.5		
Perenjore Iron Project value		5.0		
SRN's Target EV	A\$M	164.6		
Cash	A\$M	2.7		
Debt	A\$M	0		
SRN's Target MCap	A\$M	167.2		
SRN's Target Price	A\$	0.084		



Key risks

Dilution risk. SRN is still not revenue generating nor profitable and would probably take years before the Victory Bore Vanadium Project gets to production. As such, the Company would need to raise capital along the way which may dilute shareholders.

Funding risk. The CAPEX to development Victory Bore is estimated to be US\$498.4M which is a relatively large amount as compared to SRN's current market capitalisation of A\$19.3M and cash position of A\$2.2M. Even with a typical 70% debt funding, the remaining US\$149.5M (A\$230.0M) is still a significant amount for SRN to raise.

Commodity prices. Through the PFS, it is noted that Victory Bore derives ~86% of its revenue from ferrovanadium, titanium slag, pig iron, and iron oxide pigment. Fluctuations in the prices of these commodities are likely to affect the economics of the Project.

Interest rate risk. The cost of funds has a direct relationship with interest rate as a result, the value of companies that require funding to grow would be highly sensitive to interest rate changes.

Country risk. The feasibility of Victory Bore hinges on getting the permit to build and operate a processing facility in the Kingdom of Saudi Arabia. We are unaware of any foreign mining companies doing downstream processing in the country and consider the uncertainties in politics, regulatory, legal stability, IP protection, cultural, and skilled labor supply as risks.

Foreign currency risk. The Company's valuation is calculated in USD and converted to AUD based on the date of assessment as such, its valuation is sensitive to the change in USD:AUD. Furthermore, the PFS that forms the basis of the valuation accounted for the operations in KSA which uses Saudi riyal (SAR). This also exposes the Company to the risk of fluctuating USD:SAR and SAR:AUD.



Financials

Income Statement	FY2021	FY2022	FY2023	1H FY2024
A\$	30-Jun-22	30-Jun-22	30-Jun-23	31-Dec-23
Other income	267	694	147,236	501,096
Administrative expenses	-574,444	-607,207	-754,936	-653,686
Director fees and consulting charges	-384,250	-408,000	-542,141	-1,098,834
Exploration expenses	-1,218,244	-1,296,178	-2,430,106	-525,194
Share-based payments	-353,000	-150,000	0	0
Interest expense	-2,462	0	0	0
Loss on settlement of liability	-508,875	0	0	0
Loss before income tax expenses	-3,041,008	-2,460,691	-3,579,947	-1,776,618
Income tax expense	0	0	0	0
Loss from continuing operations	-3,041,008	-2,460,691	-3,579,947	-1,776,618
Reversal of share-based payments	0	0	106,183	0
Total comprehensive income/loss	-3,041,008	-2,460,691	-3,473,764	-1,776,618
Basic loss per share (cents)	-0.37	0.214	0.226	0.103
Diluted loss per share (cents)	-0.246	0.214	0.226	0.103



Balance Sheet	FY2021	FY2022	FY2023	1H FY2024
A\$	30-Jun-22	30-Jun-22	30-Jun-23	31-Dec-23
Current assets				
Cash and CE	3,355,088	5,070,278	1,488,255	2,655,572
Other receivables	101,840	102,832	78,417	640,211
Total current assets	3,456,928	5,173,110	1,566,672	3,295,783
Non-current assets				
PPE	41,259	49,232	29,705	26,380
Exploration and evaluation assets	112,893	0	3,754,000	12,697,000
Right of use asset		41,074	187,905	151,536
Total non-current assets	154,152	90,306	3,971,610	12,874,916
Total assets	3,611,080	5,263,416	5,538,282	16,170,699
Current liabilities				
Trade and other payables	588,723	531,305	520,484	898,127
Lease liability	69,503	43,390	68,538	70,270
Liability for acquisition of JORC defined resource	0	0	3,304,000	11,934,987
Total current liabilities	658,226	574,695	3,893,022	12,903,384
Non-current liabilities				
Lease liability	43,390	0	115,761	80,188
Total non-current liabilities	43,390	0	115,761	80,188
Total liabilities	701,616	574,695	4,008,783	12,983,572
Equity				
Contributed Equity	34,670,656	38,560,488	39,610,646	42,835,892
Reserves	385,500	735,616	0	209,000
Accumulated losses	-32,146,692	-34,607,383	-38,081,147	-39,857,765
Total equity	2,909,464	4,688,721	1,529,499	3,187,127



Cashflow Statement	FY2021	FY2022	FY2023	1H FY2024
A\$	30-Jun-22	30-Jun-22	30-Jun-23	31-Dec-23
Cashflows from operating activities				
Interest received	267	694	25,226	6,061
Payments to suppliers and employees	-984,939	-1,075,545	-1,581,767	-1,186,405
Net cash used in operating activities	-984,672	-1,074,851	-1,556,541	-1,180,344
Cashflows from investing activities				
Payment for PPE	-48,403	-40,032	-16,999	0
Payments for new tenement prospects	-69,004	-30,472	-7,604	-60,851
Payment for acquisition of JORC defined resource	0	0	-450,000	0
Exploration and evaluation expense	-1,352,168	-1,229,403	-1,971,604	-528,721
Net cash used in investing activities	-1,469,575	-1,299,907	-2,446,207	-589,572
Cashflows from financing activities				
Proceeds from issue of shares	5,790,765	3,460,515	420,725	3,078,439
Proceeds from exercise of options	0	629,433	0	-141,206
Share issue costs	-115,420	0	0	0
Loan repayment	-60,000	0	0	0
Net cash from financing activities	5,615,345	4,089,948	420,725	2,937,233
Net increase/(decrease) in cash	3,161,098	1,715,190	-3,582,023	1,167,317
Starting cash and CE	135,800	3,355,088	5,070,278	1,488,255
Ending cash and CE	3,355,088	5,070,278	1,488,255	2,655,572



Board and Management

<p>Vladimir (Roger) Nikolaenko Executive Chairman</p>	<p>Mr Nikolaenko has over 30 years of commercial experience in exploration, project evaluation, development and operations, predominantly focused in the base metals, gold and diamond sectors. He has a depth of management and corporate expertise in the operation of public companies and has held the position of managing director of four public companies over a period of more than 20 years involved in exploration and production, property development and technology. He has held no directorships in other public companies in the past 3 years and is a major shareholder in the Company.</p>
<p>Paul Burton MD</p>	<p>Paul is an experienced natural resources executive, CEO and Managing Director with a successful career spanning 30 years in exploration and mining for a range of different commodities having worked throughout Australia and internationally and is one of the most experienced professionals in critical minerals projects notably vanadium and its products and battery minerals. Mr Burton is a geologist and graduate from McGill University, Canada; a graduate of the Australian Institute of Directors and AusIMM. He has managed successful corporate activities, mineral exploration, feasibility, FEED, and research study programs and in training and mentoring staff having previously held senior and executive roles at Anglo American, De Beers Ltd, Normandy Mining Ltd and Minotaur Exploration Ltd. Mr Burton was most recently at TNG Ltd, (now TiVan Ltd), where he was instrumental in resource discoveries and establishing a portfolio of quality exploration assets driving the company to a market capital value of over \$100M and developing of the companies critical mineral Vanadium and battery mineral alternative energy strategies.</p>
<p>Michael Povey Non-Executive Director</p>	<p>Mr Povey is a mining engineer with over 35 years worldwide experience in the resource sector. This experience has encompassed a wide range of commodities and included senior management positions in mining operation and the explosives industry in Africa, North America and Australia. During this time, he has been responsible for general and mine management, mine production, project evaluation, mine feasibility studies and commercial contract negotiations.</p>
<p>Roger Smith Non-Executive Director</p>	<p>Mr Smith has served on a number of boards of listed companies as both a Non-Executive Chairman and Non-Executive Director as well as having held a number of proprietary company directorships. Mr Smith has been successful in the operation of wholesale/retail businesses, property development and the hotel industry.</p>
<p>Rudolf Tieleman Company Secretary</p>	



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Spark Plus directors, consultants, and advisers currently hold less than 1% of issued shares in Surefire Resources NL and may buy or sell the shares from time to time.

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