

27 October 2017**ASX Announcement**

SEPTEMBER 2017 QUARTERLY ACTIVITIES AND CASHFLOW REPORT

Highlights

- Surefire entered into an agreement for a loan drawdown facility of up to \$200,000 with Vargas Holdings Pty Ltd.
- Exploration data compilation and analysis has identified geophysical and geochem anomalies as targets for drilling.
- A Reverse Circulation (RC) drilling program of ~3000m to commence following programme of works approval by Department of Mines.
- Drill targets are focused on IP anomalies within a mineralised corridor containing numerous historic lead/silver mines.
- Historic mining operations at the Kooline had a high average ore grade of 10-12% lead and 30-45g/t silver.
- Old, mainly shallow workings extend for over twenty kilometres.
- Interpretation of the extensive geophysical survey data over Kooline has provided a better understanding of the geological controls on the mineralisation.

ONGOING FUNDING

During the quarter, the Company has entered into an agreement for a loan drawdown facility of up to \$200,000 with Vargas Holdings Pty Ltd, a company associated with Mr. Vladimir Nikolaenko, as the lender. The proceeds of the facility will be used for general working capital purposes of the company.

Whilst the entry to this facility agreement provides the Company with additional funding, the Board continues to consider further and alternative funding options for the Company's operations moving forward.

EXPLORATION ACTIVITIES

During the quarter the Company undertook the compilation and an in-depth analysis of the Open File exploration data sets available for the company's Kooline project area in the Ashburton region. Following this detailed appraisal of past exploration data a number of high order targets that warrant drill testing were identified. These targets include mineralised corridors defined by clusters of historic lead mines and numerous moderate to high order induced polarisation ("IP") anomalies.

Fieldwork has commenced in preparation for an upcoming reverse circulation (RC) drilling programme designed to test these anomalies and a Program of Work ("POW") has been lodged to the Department of Mines and Petroleum ("DMP"). DMP approval for the Company's RC drilling program at Kooline is expected in the coming weeks. It is anticipated the program will include approximately 3,000m of drilling.



Kooline Project

The Kooline Project, situated in the Ashburton Region is comprised of two Exploration Licences, E08/2372, and E08/2373 for a combined area of 92km². The project is situated in a relatively underexplored region in Western Australia where numerous historic gold, and particularly lead workings are evident. A number of other base metal anomalies occur within the project area with numerous high-grade copper, lead, silver and gold samples from rock-chipping and RC drilling.

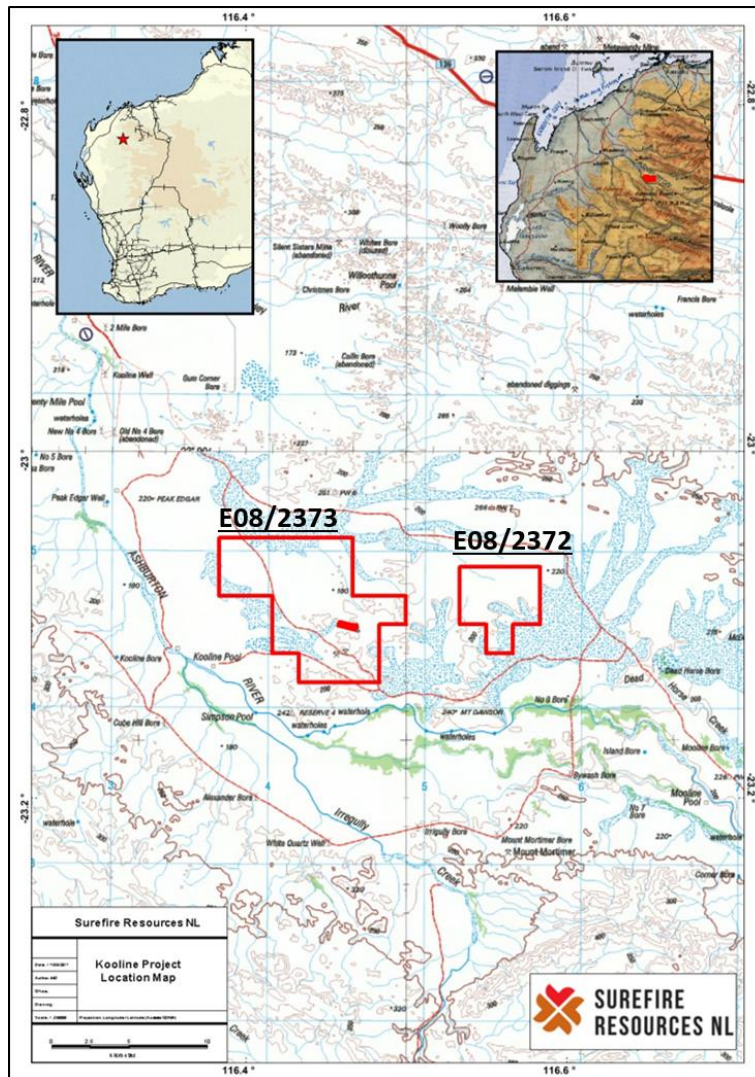


Figure 1: Project tenements and location

Historic Lead/Silver Mining

The Kooline lead field contains numerous high-grade massive galena deposits that have, despite their remote location, been attractive targets for historic mining operations. Production commenced there after the Second World War with the main period of activity occurring between 1947 and 1959. Output from this time yielded some 2,679 tonnes of lead, and 26,522 ounces of silver with an average grade of 10-12% lead and 30-45g/t silver. A proportion of the mined ore was sufficiently high enough grade for direct shipping.



Extending for at least 20 kms in northwest-southeast orientation and the field contains over 40 workings. Although most of these operations were small-scale “hand-mined” shallow workings generally no deeper than 15 metres. Three of the mines accounted for over 60% of production, these being the Gift, June Audrey, and Bilrose mines, each with its own battery or crusher and a concentrator. The Gift mine was the most substantial operation in the area reaching a depth of 52m and workings that extended for almost 50m east and west from the shaft.



Figure 2: Bilrose Mine at Kooline Lead Field

Previous Exploration Activity

The Company’s compilation of past exploration data from DMP Open File Reports has shown that the most recent and focused exploration of the licence areas was between 2007 and 2010. The work done during this period included a number of geophysical and geochemical field surveys and some very limited drilling.

In 2008, Athena Resources Ltd carried out a series of gradient array IP surveys over the Pharlap June Audrey and Silver King/Rainbow historic mines and identified several conductive zones with considerable strike length. Additional Dipole-Dipole surveys across the June Audrey and Silver King/Rainbow workings identified strongly conductive bodies at depth.

Whilst some anomalies were tested in a 10-hole RC drill programme at that time, many targets remain untested. These untested targets include zones of conductivity evident from IP surveys with coincident moderate to strong auger soil geochemical anomalies. Some of these targets are below the deepest levels of workings, or where mineralisation extends beneath areas of transported colluvium and alluvium.

Of particular note, a detailed, low-level airborne magnetic, radiometric, and digital terrain survey also undertaken in 2008 has proved to be instrumental in improving the understanding of the structural



geological controls on the sulphide mineralisation at Kooline. The survey, flown on 50m flight line spacing with a 30m sensor height provided a total of 2,368 line kilometres of data. This data shows the massive galena that was historically mined occurs within shear-hosted hydrothermal veins that appear dilated at intersections with cross cutting faults. Detailed prospect scale geological mapping will soon commence in order to identify structural geological targets related to the lead mineralisation.

The high grade of the mineralisation from the workings at the Kooline Lead field has been previously supported by rock-chip assays announced by both Surefire and Athena. Structural thickening of the host veins is now being targeted by Surefire to test with RC drilling in order to locate and thence define significant mineral resources of sufficient tonnage.

If sufficient resources can be identified at Kooline, a high-grade lead-silver sulphide concentrate could potentially be produced for direct shipping using relatively simple, low-cost gravity separation.

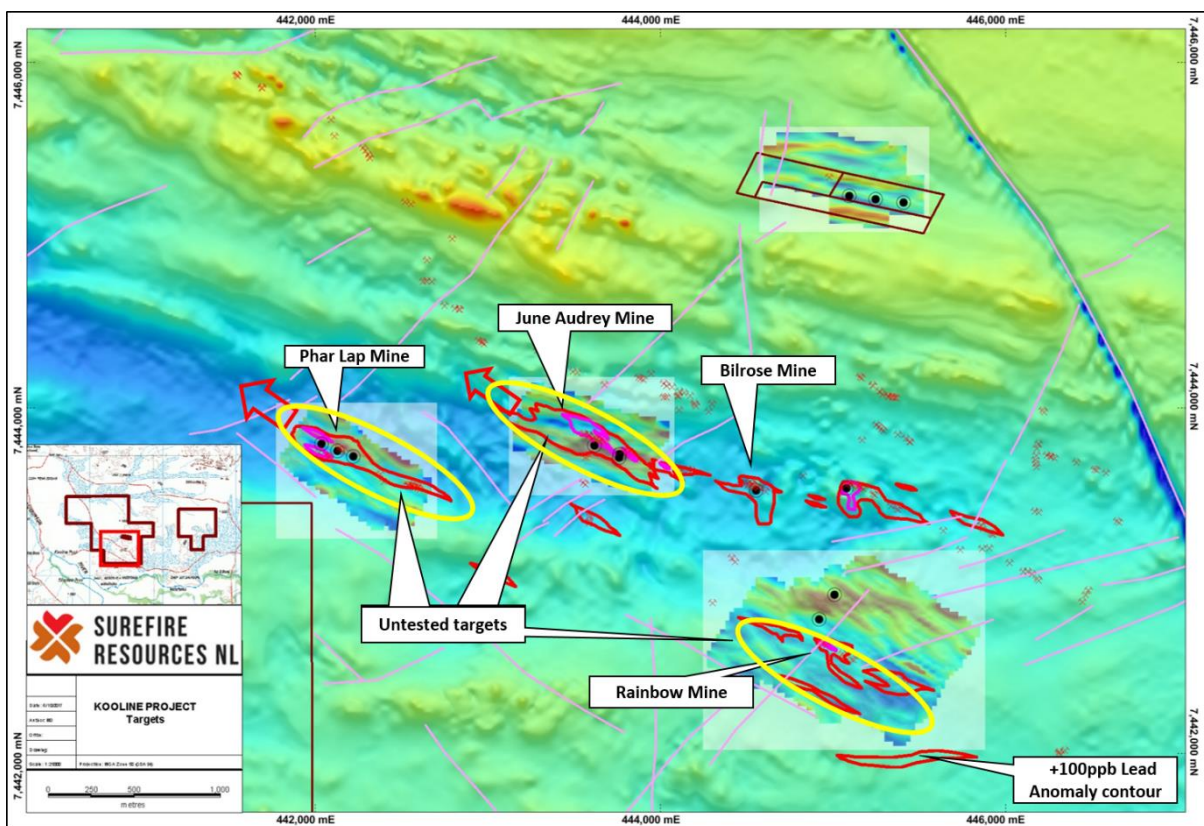


Figure 3: Kooline Lead Field with +100ppb lead contours and IP survey chargeability overlying RTP aeromagnetic image

UNALY HILL. Application awaiting approval.

For and on behalf of the board

Victor Turco
Director



Competent Persons Statement:

Information in this report relating to exploration results is based on information compiled by Martin Dormer' Consultant Geologist, Mr. Martin Dormer, who is a member of the Australian Institute of Mining and Metallurgy. Mr. Dormer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2004 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Dormer consents to the inclusion of such information in this report and the context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

SUREFIRE RESOURCES NL

ABN

48 083 274 024

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(8)	(8)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(27)	(27)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(35)	(35)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	26	26
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20	20
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(35)	(35)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	26	26
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11	11

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	11	20
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11	20

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

Director fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	100	100
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Loan from V Nikolaenko – unsecured, interest 10%pa

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	30
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	35
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	65

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Unaly Hill E57/420		100%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Kooline - E08/2372 E08/2373		Nil Nil	90% 90%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



VICTOR TURCO
Director

27 October 2017

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.