



30 November 2017

Jeremy Newman
Senior Adviser
ASX Compliance Pty Ltd
Level 40, Central Park
152 -158 St George's Terrace
PERTH WA 6000

Dear Jeremy

RESPONSE TO ASX QUERY

We refer to your letter dated 28 November 2017 (**Letter**) and respond to your questions below.

Unless expressed to the contrary, capitalised terms used in this letter have the same meaning given to those terms in the Letter.

Using the numbering in the Letter, we respond as follows:

- 1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?***

The expenditure forecast for the next quarter of \$65,000 exceeds the available cash as at the end of the last quarter (ended 31 September 2017) of \$26,000.

It is anticipated that the Company will be undertaking a capital raising via a rights issue and a placement to raise up to approximately \$3 million in the near future, which is expected to fund its operations for the next 12 months. The Company has been engaging in discussions with third party brokers and has a reasonable basis to believe that the amount being raised (or at least a significant portion of it) may be underwritten. Alternatively, the Company may consider sourcing loan funding from other parties or financiers, and in any event, continues to have approximately \$100,000 available to it under its loan facility with Vargas Holdings Pty Ltd (announced on 1 September 2017).

- 2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?***

The Company does expect to continue to have negative operating cashflows in the foreseeable future as its main asset, the Kooline project, is still in the exploration phase. As is normal with junior exploration companies, the Company will continue



to raise additional capital from either placements or from its shareholders until such time as it is in a positive operating cashflow position.

3. *What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?*

As noted in the Company's response to question 1, it is anticipated that the Company will be undertaking a capital raising to raise approximately \$3 million as soon as possible.

4. *Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?*

The Company can confirm that it is in compliance with all ASX listing rules, including listing rule 3.1. The proposed capital raising has not yet been finalised and the Company is not in a position to make an immediate announcement at this stage.

5. *Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.*

The Company is of the opinion that it is in compliance with listing rule 12.2, which requires the Company's financial condition to be adequate to warrant the continued quotation of its securities and its continued listing on ASX. As mentioned, the Company expects to undertake a capital raising in the near future to a value which is expected to fund its operations for the next 12 months.

6. *Please confirm that Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.*

The Company confirms that the responses to the questions above have been authorised and approved by its board.

If you require any further details please contact us.

Yours Sincerely

A handwritten signature in black ink, appearing to read "V. Nikolaenko", with a stylized flourish at the end.

Vladimir Nikolaenko



29 November 2017

Mr Victor Turco
Company Secretary
Surefire Resources NL

By email:

Dear Mr Turco

Surefire Resources NL (the "Company"): Appendix 5B query

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 September 2017, released to ASX Limited ("ASX") on 27 October 2017 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales of \$0.
2. Net negative operating cash flows for the quarter of \$35,000.
3. Estimated cash outflows of \$65,000.
4. Cash at end of quarter of \$11,000.

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?



5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.
6. Please confirm that Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rules 3.1 – 3.1B".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to tradinghaltspert@asx.com.au. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **9.00 am WST on Friday, 1 December 2017**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries please let me know.

Yours sincerely,

[sent electronically without signature]

Jeremy Newman
Senior Adviser, ASX Listings Compliance