



AND ITS CONTROLLED ENTITIES

---

# **HALF-YEAR FINANCIAL REPORT**

## **31 DECEMBER 2017**

---

ABN 48 083 274 024



## AND ITS CONTROLLED ENTITIES

### CONTENTS

#### HALF-YEAR FINANCIAL REPORT

	Page No.
Directors' Report	3
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	17
Independent Auditor's Review Report	18

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 2017.

### DIRECTORS

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

Mr Vladimir Nikolaenko – Appointed 27.7.2017  
Mr Brett Clark – Resigned 17.8.2017  
Mr John Wareing – Resigned 12.10.2017  
Mr Michael Povey – Appointed 12.10.2017  
Mr Victor Turco – Resigned 29.11.2017  
Mr Roger Smith – Appointed 29.11.2017

### REVIEW OF OPERATIONS

The total loss from continuing operations for the half-year ended 31 December 2017 was \$313,598 (2016: \$1,175,976).

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 2017.

### PROJECT REPORT

During the period, the Group expanded its Kooline Lead/Silver Project in the Ashburton Province with the acquisition of Exploration Licence Application E08/2956. The acquisition increased the total licence area to nearly 400km<sup>2</sup> and forms a continuous tenement holding along the strike of the mineralisation that encompasses all the known historic mines and occurrences within the Kooline Lead/Silver field. The Company is also well advanced in its plans to test a number of targets identified by induced polarisation (IP) anomalies. During the period, a Program of Work (“POW”) was been granted from the Department of Mines and Petroleum (“DMP”) in order to commence this drilling.

#### Kooline Lead/Silver Project

The Kooline Project is centred 55 kilometres south of the Paulsen's goldmine and 190 kilometres WNW of Paraburdoo within the Ashburton province of Western Australia. The project area tenements consist of granted Exploration Licences, E08/2372, and E08/2373 and ELA 08/2956 (Figure 1). The Company's licence tenure now covers a total of 386 km<sup>2</sup>, and more importantly, includes 48km of contiguously striking licences linking a number of clusters of historic artisanal lead workings and mines in the high-grade Kooline Lead Field. The tenement area now extends from the Big Chief Lead Mine in the south-eastern corner, to the Kooline-Coombes Lead Mine in the projects north west.

#### Kooline Lead/Silver Project Background

The Kooline Project is situated in a relatively underexplored region in Western Australia where numerous historic gold, and particularly lead/silver workings, are evident. The tenements strike along a moderately defined magnetic and gravity anomaly, indicating the potential presence of moderately deep igneous intrusions. Such intrusions are an important heat source driving the circulation of hydrothermal fluids enriched in various base and precious metals, particularly lead. The lead/silver is deposited in vein filled shears and structures primarily as massive galena. In addition to the lead/silver mineralisation, 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.

#### Historic Exploration Activity

Most of the modern exploration activity over of the licence areas at Kooline was undertaken between 2007 and 2010 and included a number of geophysical and geochemical field surveys and some very limited drilling.

In 2008, a series of gradient array IP surveys over the Pharlap June Audrey and Silver King/Rainbow historic mines 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.

A small (10-hole) RC drill programme at that time targeted some anomalies but 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, Also of interest is an anomalous gold intersection from this drill programme where hole AK09RC04 at the Bilrose mine workings (Figure 2) that unexpectedly returned a 1m intersection @ 3.87g/t from 25 metres depth. No follow-up testing was undertaken.

The high grade of the mineralisation from the workings at the Kooline Lead/Silver field has been previously supported by rock-chip assays announced by both Surefire and previous workers. These results also include a number of significant copper assay values. Figure 3 shows the Company's rock chip assay results, previously announced on the ASX.

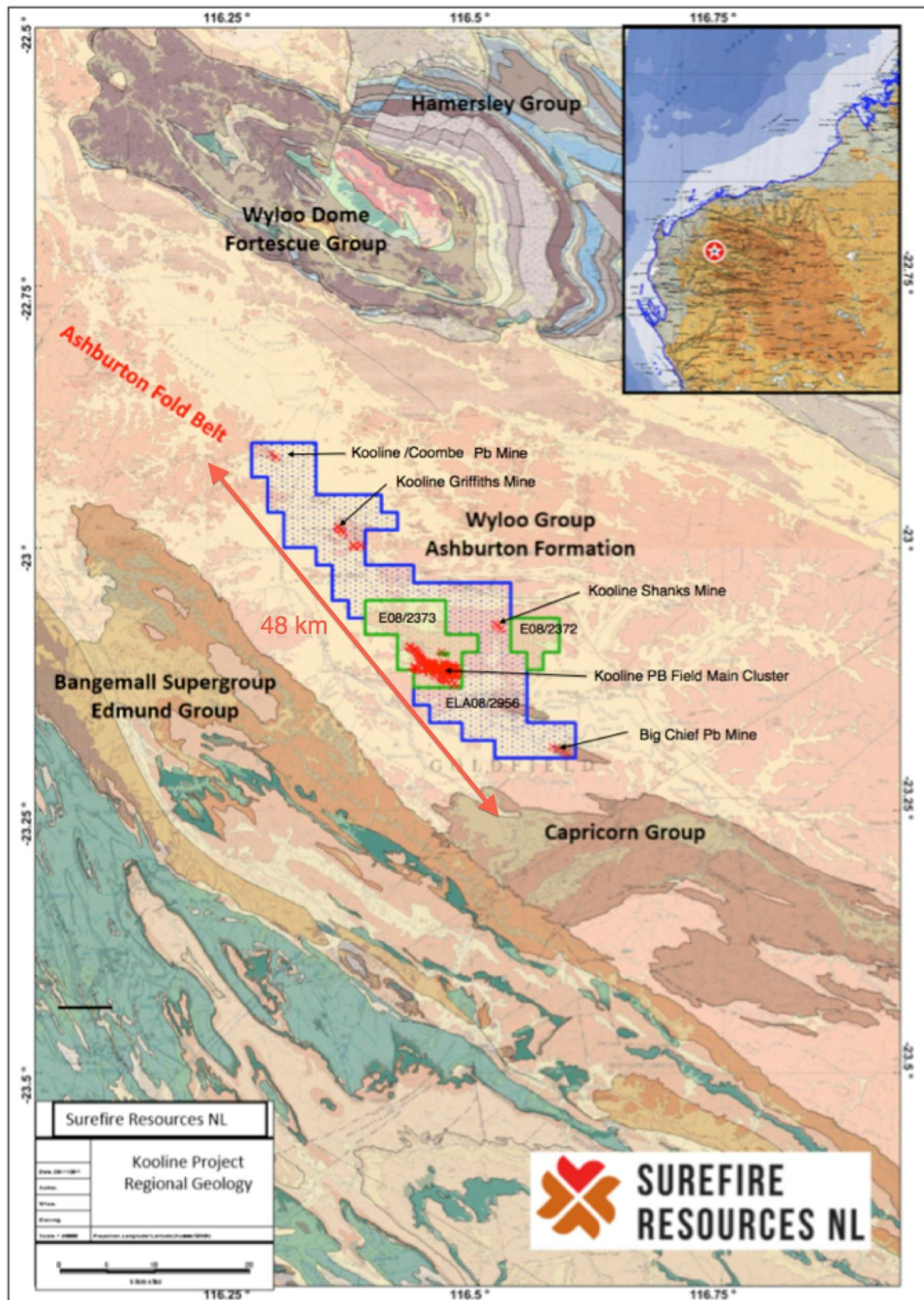


Figure 1: Project tenements and location



Sample	Easting	Northing	Au g/t	Ag g/t	Pb %	Cu %
AKCR027	444947	7442640	1.02	70	18	1.07
AKCR007	443591	7443844	0.56	175	34	2.15
AKCR041	444973	7445336	0.01	155	59	0.01
AKCR015	444566	7443542	0.19	201	43	0.01
AKCR038	444290	7442871	0.01	85	42	0.15
AKCR016	445304	7443878	0.04	40	37	0.01
AKCR004	443554	7443569	0.32	65	26	0.43
AKCR005	443559	7443720	0.7	30	5	0.38
AKCR013	446320	7441999	0.41	35	12	0.29
AKCR023	445076	7442573	0.31	20	0.01	1.63
AKCR044	442560	7443552	0.11	225	45.8	0.27
AKCR045	442538	7443559	0.51	280	54.8	0.7
AKCR046	442389	7443578	0.23	120	45.6	0.44
AKCR047	442132	7443764	0.21	245	58.1	1.49
AKCR048	442026	7443745	0.34	375	42.5	3.78
AKCR049	442274	7445505	0.15	220	68.4	0.99
AKCR051	441541	7445930	0.18	60	18.2	0.24
AKCR052	441685	7445854	0.05	30	8.22	0.43
AKCR056	442936	7444392	0.11	140	49.3	0.06
AKCR057	445376	7443407	0.13	70	25.1	0.02
AKCR058	446191	7443399	0.46	70	31	0.01
AKCR059	446185	7443007	0.03	120	56.5	0.02
AKCR060	446153	7443040	0.6	580	29.9	2.07
AKCR061	445897	7443190	0.01	65	20.9	0.04

Figure 2: Kooline Rock Chip assays. (ASX announcement November 2016)

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. This data shows that the massive galena which was historically mined occurs within shear-hosted hydrothermal veins that appear dilated at intersections with cross cutting faults.

Structural thickening of the host veins is to be targeted by Surefire with RC drilling in order to locate and hence define significant mineral resources of sufficient tonnage.

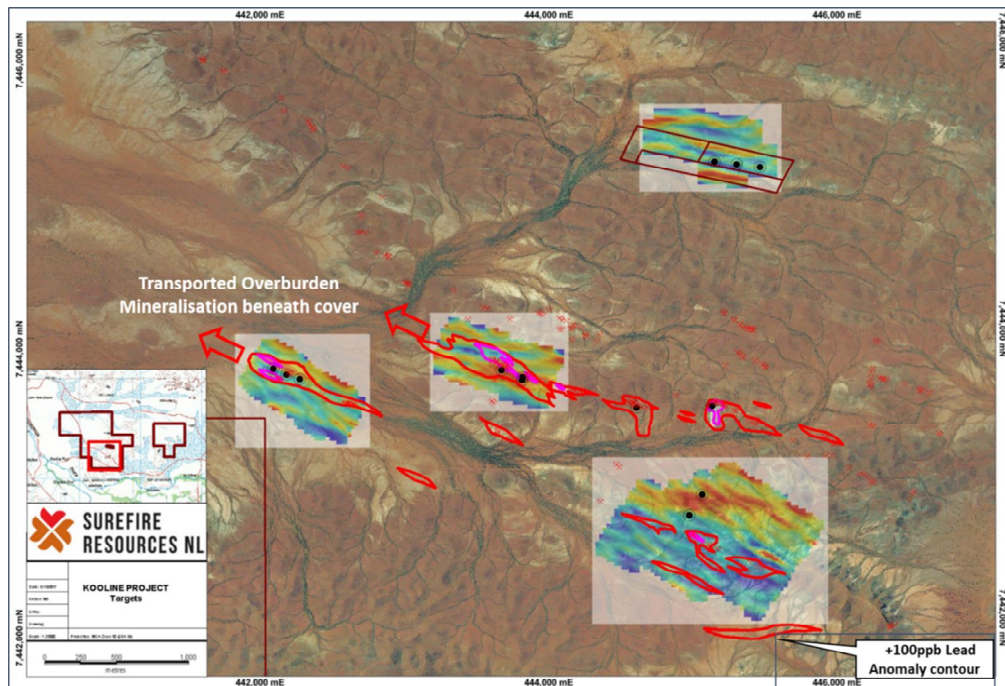


Figure 3: Kooline Main Lead/Silver Field with +100ppb lead contours and IP survey chargeability overlying air photo and RTP aeromagnetic image

### Changes in the Lead Market

Global lead mine output has continued to decline in recent years (Figure 4). In 2016, there was a sharp decrease in Australian lead mine output mainly as a consequence of the closure of the Century mine in 2015 and a 100,000-tonne cutback in lead output at some Glencore operations. These reductions were partially balanced by a rise in production in China resulting in an overall global decline of 1.3%.

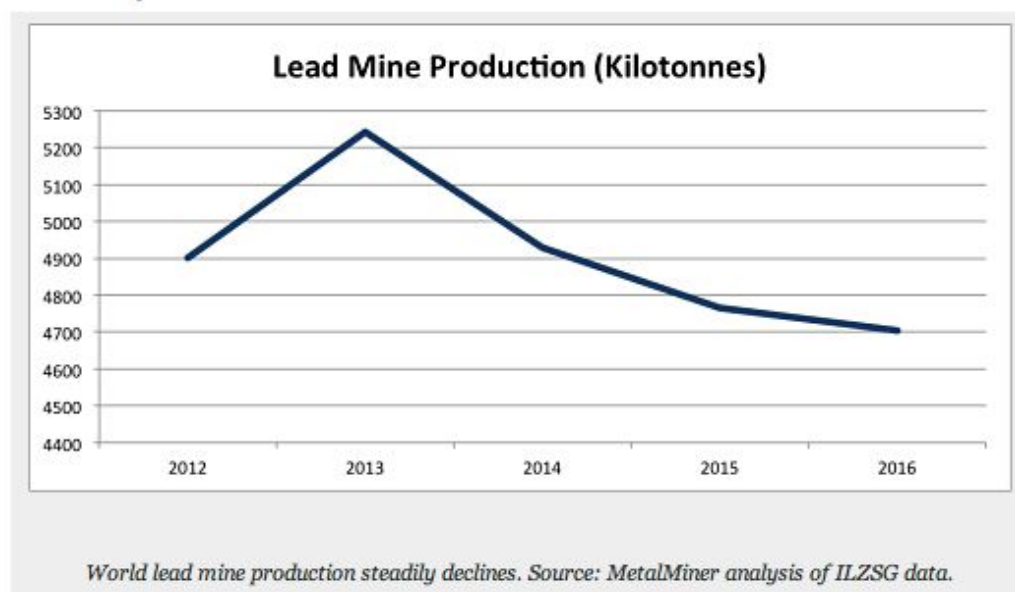


Figure 4: World Mine Lead Production

Although the refined lead market was near balance re supply and demand in 2016, the lack of concentrate supply from mining has resulted in a noticeable fall in Warehouse stocks (Figure 5) and subsequent rise in the lead price (Figure 6.)

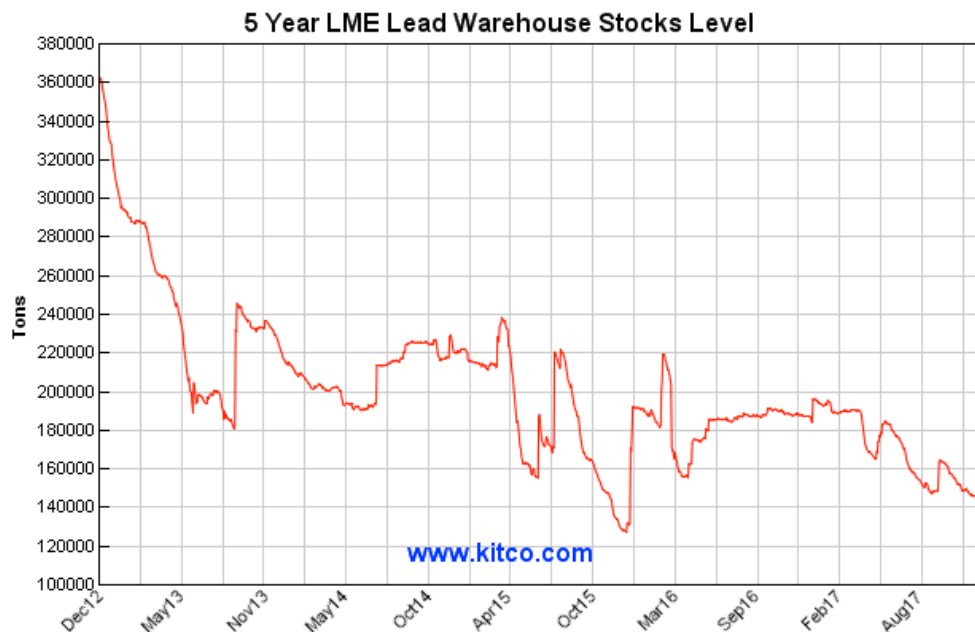


Figure 5: LME Lead Warehouse Stocks (Kitco)



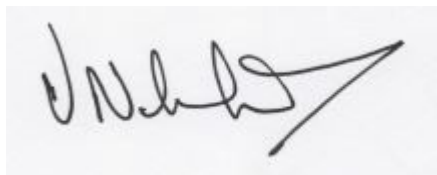
Figure 6: LME Lead Spot Price (Kitco)

With the lack of new mine lead production, the market sentiment for the price of lead continues to be bullish. A key indicator re the supply shortage can be found in the substantial fall in the refining processing price by smelters. During 2017, lead treatment prices have fallen in many instances to below US\$20 per tonne from US\$80 per tonne average in 2016 (Reuters/Metal Miner).

### 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 2017.

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



**Mr Vladimir Nikolaenko**

Director

14 March 2018



## AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Surefire Resources NL

As auditor for the review of Surefire Resources NL for the period ended 31 December 2017, 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.

*Greenwich & Co Audit Pty Ltd*

**GREENWICH & CO AUDIT PTY LTD**

*AM*

**Andrew May**

Audit Director

14 March 2018

Perth

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**



	Notes	Half-Year Ended 31 Dec 2017 (\$)	Half-Year Ended 31 Dec 2016 (\$)
<b>Revenue:</b>			
Interest income		12	265
R & D rebate		-	42,563
<b>Expenses:</b>			
Share based payments		-	(39,500)
Director fees and consulting charges		(144,856)	(45,000)
Exploration expenses		(68,361)	(145,243)
Administration expenses		(100,393)	(127,848)
Impairment of exploration assets		-	(840,000)
Depreciation		-	(21,213)
<b>(Loss) before income tax expense</b>		(313,598)	(1,175,976)
Income tax expense		-	-
<b>(Loss) from continuing operations</b>		(313,598)	(1,175,976)
<b>Other comprehensive income for the period</b>		-	-
<b>Total Comprehensive income for the period attributable to members of the Company</b>		(313,598)	(1,175,976)
Basic (loss) per share (cents per share)		(0.013)	(0.07)
Diluted (loss) per share (cents per share)		(0.013)	(0.07)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**



	Notes	31 Dec 2017 (\$)	30 June 2017 (\$)
<b>Current Assets</b>			
Cash and cash equivalents		10,745	20,554
Trade and other receivables		6,763	-
<b>Total Current Assets</b>		<u>17,508</u>	<u>20,554</u>
<b>Non-Current Assets</b>			
Deferred exploration expenditure		415,000	415,000
<b>Total Non-Current Assets</b>		<u>415,000</u>	<u>415,000</u>
<b>TOTAL ASSETS</b>		<u>432,508</u>	<u>435,554</u>
<b>Current Liabilities</b>			
Trade and other payables		556,461	376,561
Interest-bearing liabilities	4	936,589	805,937
<b>Total Current Liabilities</b>		<u>1,493,050</u>	<u>1,182,498</u>
<b>TOTAL LIABILITIES</b>		<u>1,493,050</u>	<u>1,182,498</u>
<b>NET LIABILITIES</b>		<u>(1,060,542)</u>	<u>(746,944)</u>
<b>Equity</b>			
Contributed equity	3	23,250,156	23,250,156
Reserves	3	-	52,500
Accumulated losses		(24,310,698)	(24,049,600)
<b>TOTAL EQUITY</b>		<u>(1,060,542)</u>	<u>(746,944)</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**



	Contributed Equity (Net of costs) (\$)	Reserves (\$)	Accumulated Losses (\$)	Total (\$)
<b>Balance at 1.7.2016</b>	<b>22,025,668</b>	<b>-</b>	<b>(22,459,939)</b>	<b>(434,271)</b>
<b>Comprehensive Income</b>				
Operating (loss) for the period	-	-	(1,175,976)	(1,175,976)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(1,175,976)</b>	<b>(1,175,976)</b>
<b>Transactions with owners, in their capacity as owner, and other transfers</b>				
Shares issued during the period	653,640	-	-	653,640
Cost of capital raising	(31,344)	-	-	(31,344)
<b>Total transactions with owners and other transfers</b>	<b>622,296</b>	<b>-</b>	<b>-</b>	<b>622,296</b>
<b>Balance at 31.12.2016</b>	<b>22,647,664</b>		<b>(23,635,915)</b>	<b>(988,251)</b>
<b>Balance at 1.7.2017</b>	<b>23,250,156</b>	<b>52,500</b>	<b>(24,049,600)</b>	<b>(746,944)</b>
<b>Comprehensive Income</b>				
Operating (loss) for the period			(313,598)	(313,598)
<b>Total comprehensive income for the period</b>			<b>(313,598)</b>	<b>(313,598)</b>
<b>Transactions with owners, in their capacity as owner, and other transfers</b>				
Options expired		(52,500)	52,500	-
<b>Balance at 31.12.2017</b>	<b>23,250,156</b>	<b>-</b>	<b>(24,310,698)</b>	<b>(1,060,542)</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**



	Half-Year Ended 31 Dec 2017 (\$)	Half-Year Ended 31 Dec 2016 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	12	265
R & D tax offset	-	42,563
Payments to suppliers and employees	(72,112)	(73,841)
<b>Net cash (used in) operating activities</b>	(72,100)	(31,013)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	-	(550)
Exploration and evaluation expenditure incurred	(68,361)	(112,456)
<b>Net cash from (used in) investing activities</b>	(68,361)	(113,006)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	471,996
Loan advances	130,652	-
<b>Net cash from financing activities</b>	130,652	471,996
 Net (decrease) increase in cash held	 (9,809)	 327,977
 Cash and cash equivalents at the beginning of the financial period	 20,554	 148,225
 Cash and cash equivalents at the end of the financial period	 10,745	 476,202

*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 2017 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 2017, 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*

These financial statements have been prepared on a going concern basis, which contemplates the continuity of the normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the half-year ended 31 December 2017, the Group incurred an operating loss of \$313,598. The Group has recorded net liabilities of \$1,060,542 as at 31 December 2017. Therefore conditions exist that create uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and, therefore whether the Group will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these financial statements.

During the half-year, the Company used funds sourced from a loan facility entered into with Vargas Holdings Pty Ltd, a company associated with Mr V Nikolaenko, a major shareholder and director of the Company.

Entities related to Mr V Nikolaenko have confirmed that they will not call the amounts owing to them as at 31 December 2017 by the Group for at least one year from the date of these financial statements unless the group has the ability to pay.

Based upon a commitment from entities related to Mr V Nikolaenko not to demand repayment for loans given to the Group for a period of up to one year from the date of these financial statements, and the directors' confidence of sourcing additional funds, the directors consider there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation to be appropriate for the preparation of these financial statements ended 31 December 2017.

However, the Directors recognise that the ability of the Company to continue as a going concern and to pay its debts as and when they fall due is dependent on the continual financial support of entities related to director Mr V Nikolaenko, and the ability of the Company to secure additional funding through either the issue of further shares and or options, convertible notes or entering into negotiations with third parties regarding the sale and or farm out of assets of the Company or a combination thereof.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in these financial statements.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern

**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.

**NOTE 3 EQUITY**

**Contributed Equity - Ordinary Shares and Options**

Balance at the beginning of the period

Balance at the end of the period

**Share Based Reserve**

Balance at the beginning of the period

Options expired as outlined below

Balance at the end of the period

**Options**

During the period, 430,000,000 options due to be exercised by 30 December 2017 expired as unexercised.

Balance at the end of the period

31 Dec 2017	
Number	\$
2,402,020,803	23,250,156
2,402,020,803	23,250,156
	52,500
	(52,500)
	-

**NOTE 4: INTEREST BEARING LIABILITIES**

	31 Dec 2017	30 June 2017
Loan – Fiji Holdings Pty Ltd (i)	85,753	81,671
Loan – Plato Mining Pty Ltd (ii)	724,000	724,000
Loan – Pyro Holdings Pty Ltd (ii)	266	266
Loan – Vargas Holdings Pty Ltd (iii)	126,570	-
	936,589	805,937

- (i) Loan payable to Fiji Holdings (company related to Mr Vladimir Nikolaenko) is unsecured. Interest is payable on this loan at 10% per annum.
- (ii) Loans payable to Pyro Holdings and Plato Mining (companies related to Mr Vladimir Nikolaenko) are unsecured and non-interest bearing.
- (iii) Loan payable to Vargas Holdings (company related to Mr Vladimir Nikolaenko) was entered into August 2017, is currently unsecured but is subject to the lender requesting security as they see fit. Interest is payable on this loan at 14% per annum.

**NOTE 5 CONTROLLED ENTITIES**

<b>Subsidiaries of Surefire Resources NL</b>	<b>Country of Incorporation</b>	<b>Percentage Owned (%)</b>
Unaly Hill Pty Ltd (i)	Australia	100%
Sandstone Holdings Pty Ltd (i)	Australia	100%
<b>Associate of Surefire Resources NL</b>		
Oil & Gas SE Pty Ltd (i)	Australia	49%

(i) These companies are dormant.

**NOTE 6 EVENTS SUBSEQUENT TO REPORTING DATE**

The directors of Surefire have given notice of a General Meeting of shareholders to be held 22 March 2018. At that meeting, shareholders will be requested to consider a proposal (among other resolutions) that the Company's share capital be consolidated on the basis that every 20 Shares be consolidated into 1 Share. In the Explanatory Statement, the Company advised that subject to this resolution being approved, an entitlement issue would be undertaken whereby it would seek to raise approximately \$3,603,031 through the issue of approximately 300,252,600 Shares (together with 1 free-attaching Option and 1 free-attaching Contributing Share for every 1 Share issued to eligible Shareholders on a 2.5:1 basis. Further details of the Entitlement Issue are to be contained within an approved prospectus.

Other than noted above there have been no matters or circumstances that have arisen since 31 December 2017 which have significantly affected or may significantly affect:

- (a) the Group's operations in future years; or
- (b) the results of those operations in future years; or
- (c) the Group's state of affairs in future years.

**NOTE 7 CONTINGENT LIABILITIES AND ASSETS**

The directors intend to clarify and possibly dispute various invoices included in the Company's financial records which were raised by outgoing directors in relation to services rendered. The total amount of those charges equates to \$265,093 and have been included in expenses incurred to date.

## 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 2017 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:

A handwritten signature in black ink, appearing to read "V Nikolaenko", with a long horizontal stroke extending to the right.

**Mr Vladimir Nikolaenko**

Director

Dated this 14th day of March 2018

## **Independent Auditor's Review Report**

To the members of Surefire Resources NL

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

We have reviewed the accompanying half-year financial report of Surefire Resources NL, which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Half-Year Financial Report**

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

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Surefire Resources NL's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. As the auditor of Surefire Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Surefire Resources NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Surefire Resources NL's financial position as at 31 December 2017 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 Act 2001*.

***Emphasis of Matter – Inherent uncertainty regarding continuation as a going concern***

Without modifying our conclusion, we draw attention to Note 1 to the half-year financial report which outlines that the ability of Surefire Resources NL to continue as a going concern is dependent on the continual financial support of entities related to director Mr V Nikolaenko, and the ability of the Company to secure additional funding through either the issue of further shares and or options, convertible notes or entering into negotiations with third parties regarding the sale and or farm out of assets of the Company or a combination thereof.

As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on Surefire Resources NL's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our conclusion is not qualified in respect to this matter.

*Greenwich & Co Audit Pty Ltd*

**GREENWICH & CO AUDIT PTY LTD**

*AM*

**Andrew May**

Audit Director

14 March 2018

Perth