
Acquisition of Victory Bore Vanadium Project

Highlights:

- Tenement consolidation in the Mid-West provides Surefire with over 25km strike of vandiferous titanium-magnetite mineralisation.
- New Combined Inferred Mineral Resource over 237Mt consisting of:
 - Victory Bore 151Mt @ 0.44% V₂O₅
 - Unaly Hill 86.2Mt @ 0.42% V₂O₅
 - Over 1 Billion lbs of contained Vanadium
- Metallurgical Scoping Study and advanced testwork for the production of Ferro-Vanadium completed by METS/CSIRO on Victory Bore.
- Study showed estimated operating costs for Ferro-Vanadium production well below the current product price.
- Advanced metallurgical studies on Unaly Hill and Victory Bore confirm good quality vanadium products can be produced.
- Additional revenue potential from titanium and iron by-products.
- Company intends to evaluate economic potential of Ferro-vanadium as well as vanadium pentoxide as a final product.
- Greater than 200Mt of similar mineralisation potential within Victory Bore and Unaly licences.

Victory Bore Vanadium Project

The Company is pleased to announce that it has now settled its purchase acquisition of Exploration Licence 57/1036 at Victory Bore in the mid-west of Western Australia (**Victory Bore Tenement**) from High Grade Metals Limited (**HGM**) consistent with terms announced to ASX on 23 August 2018. SRN has paid the balance of \$450k and issued 62,500,000 fully paid ordinary shares which are subject to a voluntary escrow for six months.

Surefire's Vanadium Resources

The Unaly Hill and Victory Bore Vanadium Projects are located in the Mid-West of Western Australia approximately 48 km south of Sandstone in the East Murchison Mineral field and 500km north-east of Perth, the projects form a contiguous tenement holding with the Victory Bore licence E57/1036 abutting the Unaly Hill licence E57/1068 on its northern boundary (Figure 1). The Mid-west gas pipeline runs from Geraldton to Windimurra terminating approximately 30km west of the Unaly Hill project.

Project	Licence	Area	Grant date	Term
Unaly Hill	E57/1068	48 sq km	24/1/2018	5-yrs
Victory Bore	E57/1036	39 sq km	01/7/2016	5-yrs

The acquisition of the Victory Bore Tenement has significantly increased the Company's vanadium resource base and exploration potential and Surefire now has a contiguous tenement holding over approximately 25 km of strike of the Atley Complex. The Victory Bore licence, in conjunction with the wholly owned Unaly Hill vanadium project will provide the Company with a combined Inferred Mineral Resource of 237 Mt grading 0.43% V₂O₅, with considerable additional resource potential. The combination of these large assets makes Surefire a significant vanadium resource holder in Australia.

Previous exploration activity conducted within the Victory Bore Tenement boundary has established a Mineral Resource in accordance with JORC Code 2012. The details provided by independent geological consultants CSA Global are shown in Table 1 and the Unaly Hill resource in Table 2.

Table 1: Inferred Mineral Resource, Victory Bore

Tonnes (Mt)	V ₂ O ₅ (%)	Content (t) V ₂ O ₅	Fe (%)	TiO ₂ (%)	P (%)	SiO ₂ (%)
151	0.44	664,400	25.0	6.73	0.013	28.6

Note: The Mineral Resource was established within constraining wireframe solids based on a nominal lower cut-off grade of 20% Fe. The Resource is quoted from blocks above a specified Fe % cut-off grade of 20% Fe. The information relates to in-situ Mineral Resources was compiled by David Williams of CSA Global Pty Ltd. David Williams is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition).

The above Mineral Resource was announced by HGM (formerly Quest Minerals Limited) to the ASX on 29 June 2017 (**ASX:QNL**).

Table 2: Inferred Mineral Resource, Unaly Hill

Tonnes (Mt)	V ₂ O ₅ (%)	Content (t) V ₂ O ₅	Fe (%)	TiO ₂ (%)	SiO ₂ (%)
86.2	0.42	365,330	24.8	4.5	28.6

Note: The Inferred Mineral Resource (Table 1) was prepared (October 2011) by Mr. Vladislav Trashliev of Gemcom, (an independent geological consultancy company) and Mr. Andrew Bewsher from BM Geological Services PL was the Competent Person responsible for the Independent Audit of the Mineral Resource.

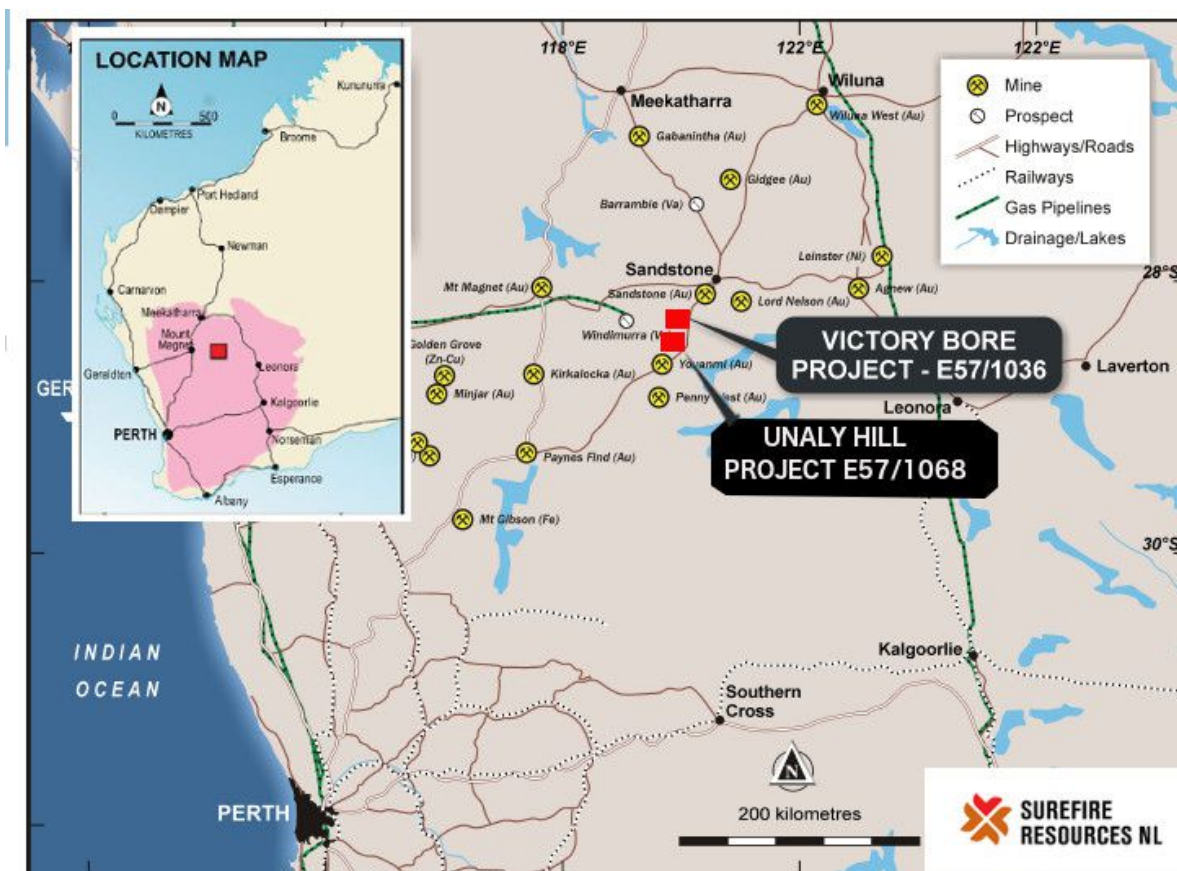


Figure 1: Location of Victory Bore and Unaly Hill Projects

Geological Setting

Both deposits the Unaly Hill and Victory Bore deposits are contained within the Atley Igneous Complex, (Figure 2), a layered sequence of gabbros with magnetite rich layers enriched with vanadium and titanium.

The Atley Intrusion is a layered gabbroic body that is elongate in an NNE/SSW orientation and runs along the axis of the regional scale Youanmi Fault, a regionally dominant geological feature. It has a maximum thickness of 4.5km and there are exposures over a strike length of more than 17km. The iron-vanadium-titanium mineralisation is situated within cyclical cumulous layers within the intrusive complex and is generally weathered to a depth of 10-40m with fresh gabbro passing through 5m of saprock.

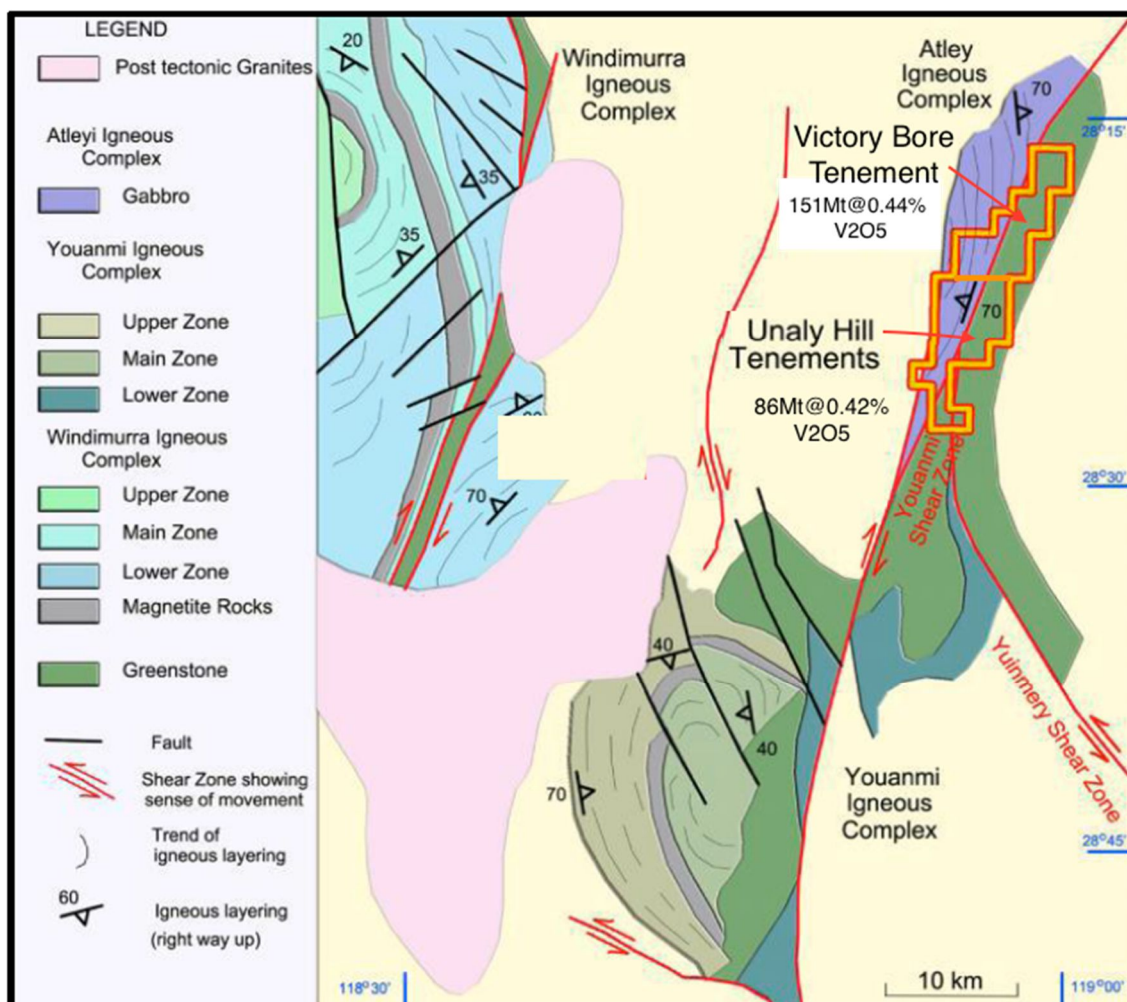


Figure 2: Regional Geology Victory Bore and Unaly Hill Licence area

Exploration Targets

A major 25km long aeromagnetic anomaly dominates the geophysical signature of the Atley Complex (Figure 3). and covers the vanadiferous magnetite horizon that runs through both project licence areas. The NNE trending magnetic anomaly is consistent in its magnetic signature, with vanadium and titanium mineralisation occurring fairly continuously along it. The aeromagnetic anomaly does vary slightly in its intensity but this may be due to differences in depths of weathering or variation in grade and width of the mineralised bands. Although a large resource has been established in both licences area the majority of the magnetic targets contained within this area remain, as yet, untested.

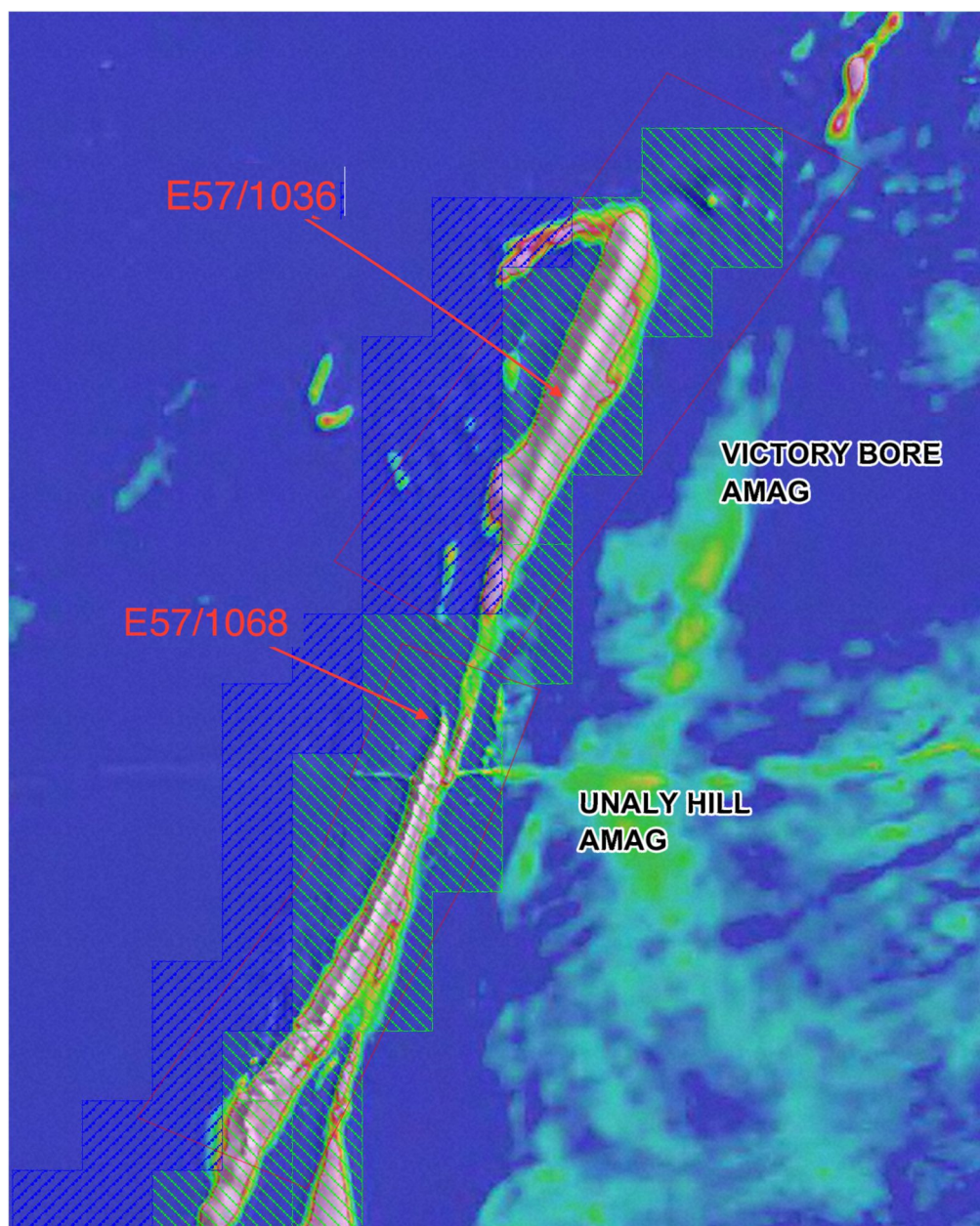


Figure 3: Aeromagnetic Anomaly Unaly Hill and Victory Bore

1. Unaly Hill Exploration Potential

Surefire has previously established a substantial vanadium resource at Unaly Hill from drilling a relatively short series of traverses covering 3 kilometres of anomalous magnetic targets. The vanadium titaniferous mineralisation remains open at depth and along strike. The additional widely spaced drilling traverses drilled in 2018 are shown in Figure 4 (red lines) and all the holes from this drilling campaign intersected a number of vanadiferous titano-magnetite bands of varying grade up to 40m in down-hole width. Thus, confirming extensive areas of vanadium-bearing magnetite mineralisation some 4km north of the current mineral resource

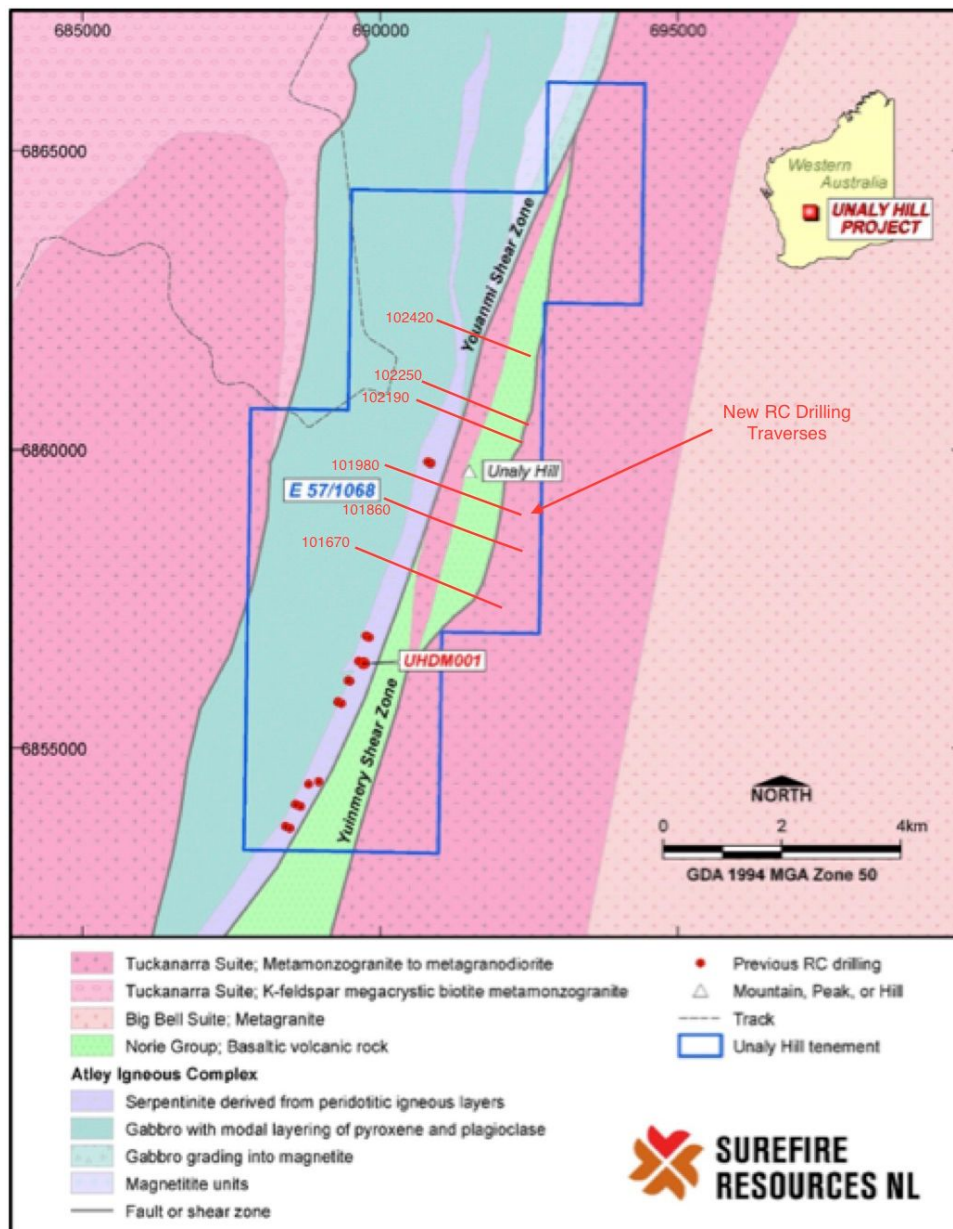


Figure 4: RC Drilling Traverses 2018 Unaly Hill

A total of 7km of strike is still untested and in-fill drilling is currently being planned. Surefire requested CSA Global for recommendations for target areas and drill density for this in-fill drilling in order to enable the company to progress to an Indicated JORC Resource status. These recommendations are currently being used to design the next stage of drilling at Unaly.

2. Victory Bore Exploration Potential

The Victory Bore drill programmes were successful in delineating a series of vanadiferous–titaniferous magnetite lenses within the metagabbro unit and interpretation of aeromagnetic imagery suggests the magnetite lenses continue along strike to the southwest of the current Mineral Resource. Collectively the lenses have the potential to contain additional significant tonnages of vanadiferous magnetite ore

Based on the Mineral Resource model, drilling data along strike from the Mineral Resource and the aeromagnetic interpretation completed by Southern Geoscience Consultants Pty Ltd (SGC), CSA Global (Williams 2017) believe an additional Exploration Target of 150–200 Mt of magnetite-bearing iron ore may be present with grades ranging from, 0.4% – 0.7% V_2O_5 , 22% – 40% Fe, 6% – 8% TiO_2 .

This Exploration Target was estimated on the basis that similar widths of magnetite mineralisation to those interpreted to support the Mineral Resource are present over a 5km strike length immediately to the southwest of the known resource. This is based on aeromagnetic modelling and historical drilling which suggests magnetite and vanadiferous mineralisation is likely to present over this distance.

Positive Metallurgical Studies

Ore from both projects areas has been subject to advanced metallurgical testwork confirming both are amenable to standard vanadium processing techniques and will produce a good quality final product.

1. Unaly Hill

During 2018, a comprehensive metallurgical test work program was undertaken on new mineralised core obtained from 2018 diamond drill hole UHDM001 in order to update the historical testwork and refine the metallurgical characteristics of the ore.

The metallurgical programme developed and supervised by Minerals Engineering Technical Services Pty Ltd (METS) based in Perth, Western Australia focused on the salt-roasting process, a commonly used process for the processing of vanadiferous titano-magnetites that solely recovers vanadium as a product from the ore.

Table 4: Unaly Hill Vanadium recoveries and grades for the P₈₀ 106 µm

Gauss	Composite 1		Composite 2		Composite 3	
	Grade (%)	Recovery (%)	Grade (%)	Recovery (%)	Grade (%)	Recovery (%)
2000	1.39	72.54	1.43	80.51	1.33	79.84
3000	1.38	74.70	1.42	80.55	1.33	79.81
4000	1.33	71.76	1.41	80.18	1.33	80.18

Source: J5033 – Unaly Hill Vanadium Testwork Report METS Engineering (Nicol 2018)

Key Metallurgical Results

Consistent vanadium grades and recoveries across the three mineralised zones tested

- 192% to 367% vanadium upgrade
- V₂O₅ concentrate grades up to 1.43% achieved
- Lower grade mineralised zone beneficiates exceptionally well
- Ore below a nominal cut-off grade shown to beneficiate to similar grades as high-grade zones
- Excellent rejection of gangue minerals
 - Up to 99.5% rejection for silica
 - Up to 99.0% rejection for alumina
 - Up to 99.3% rejection for calcium

2. Victory Bore

In 2011, METS) was tasked with providing a scoping study for the Victory Bore Vanadium project with the aim to provide sufficient information for the production of Ferro-Vanadium to move the project forward to a pre-feasibility study.

In order to achieve this, METS planned and supervised a testwork programme, which was then undertaken by CSIRO. The testwork results were used in developing a process route and mass balance and this information was then used to determine the costs associated with a 3.1Mtpa ore throughput plant and the nominated process route for treatment of the Victory Bore Vanadium ore. At the head grade of the ore at 0.44% V₂O₅ as described by the Inferred Resource this equates to a plant that will treat 7638 tpa of vanadium.

The scoping study report completed in January 2012 covered three major aspects:

- Development and management of the metallurgical testwork programme
- Development of initial process documentation, including process descriptions, mass balance and flow diagram.

- Prepare a scoping study level capital cost (CAPEX) and operating cost (OPEX).

Key Metallurgical Results:

- The testwork suggested that the ore was amenable to processing via beneficiation by magnetic separation and sodium salt roast and water leach.
- Magnetic separation testwork achieved 93.7% recovery of the vanadium suggesting good recovery should be possible at a larger scale.
- The average leach recovery of the vanadium was 89.2% and the results suggested that vanadium recovery improved at lower salt to ore ratio.

The study determined that the operating cost for the production of Ferro-Vanadium was \$AU8.69 per pound (with an estimate accuracy of $\pm 35\%$. Breakdown by area Figure 6) In recent years the supply and demand dynamics have significantly increased vanadium product pricing and current prices for Ferro-Vanadium are at approximately US\$48.5/kgV and recently peaked at over US \$140/kgV in November 2018.

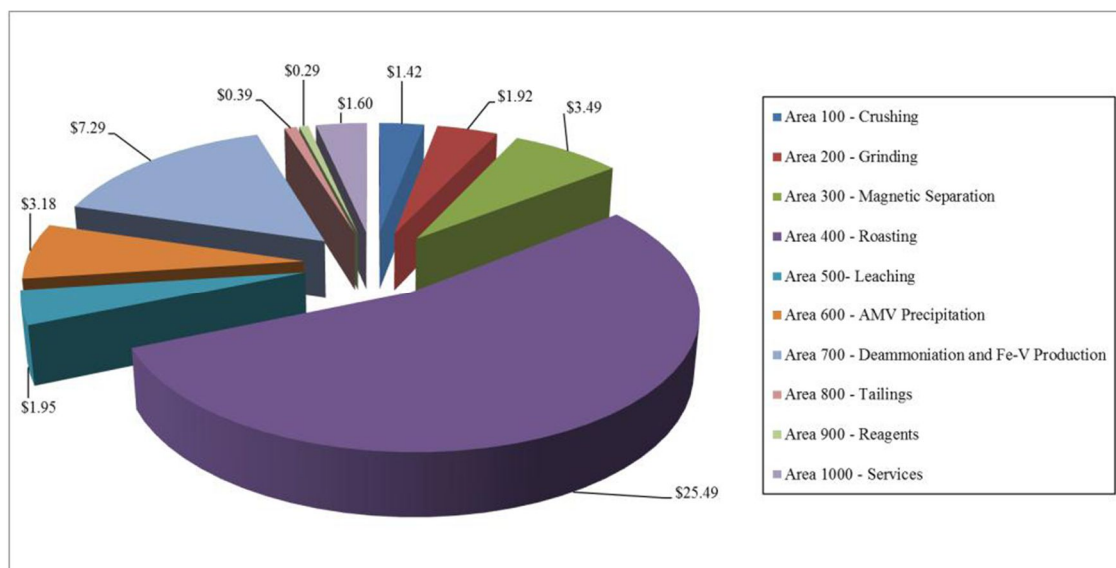


Figure 5: OPEX Estimate breakdown by Area (Victory Bore Scoping Study Report Jan 2012)

Additional Titanium and Iron By-Products

In addition to the economic comparison between the production of vanadium pentoxide and Ferro-Vanadium other additional by-product products may potentially be produced in order to optimise the profitability of the project, METS has recommended the assessment of the following from the Victory Bore study:

- Processing of the titanium contained in the leach residue
- Investigate the production of an iron by-product from the leach residue

XRF assays of the leach residue indicate that these contain on average approximately 6% Ti and 57% Fe.

Similarly, with the Unaly Hill testwork which was based on a vanadium pentoxide final product the results also indicated the potential for extraction of the *Titanium in the form of ilmenite* from the magnetic separation products. Titanium recovery to the magnetic concentrate was good for the relatively low WHIMS gauss of 2,000. The titanium grade of the non-magnetics was upgraded by approximately 350% to 22.2 % TiO₂ indicating the potential to produce high grade titanium concentrate.

The Company intends to investigate in its pre-feasibility study the production of both these by-products as well as the economic comparison of the final vanadium products, vanadium pentoxide and Ferro-vanadium.

Moving Forward

The Company has now secured a contiguous tenement holding over the Unaly and Victory Bore vanadium fields that extend for 25km NNE along the major aeromagnetic anomaly within the Atley Complex. The area has many untested targets along this highly continuous magnetic anomaly and the potential exists for not only an increased resource tonnage but for zones of higher-grade mineralisation.

Advanced metallurgical studies have shown that good quality and grade vanadium products can be produced from the ore on both project areas and the Company can confidently design new drilling programmes in order to establish an Indicated JORC resource on the most favourable areas of the mineralisation. This category of resource definition will enable the Company to progress to a Scoping Study and Pre-Feasibility level of evaluation. To meet this objective the Company is currently well advanced in its drill programme planning and next stage of metallurgical study in order to refine the process flow parameters in sufficient detail to meet the requirements for the Pre-Feasibility Study.

For further information, contact:

Vladimir Nikolaenko
CHAIRMAN