SUREFIRE RESOURCES NL

Quarterly Report

For the three months ended 31st March 2019

ASX Announcement

Highlights

Unaly Hill Vanadium

- The Company continued to progress towards a Pre-feasibility Study on Unaly
- In-Fill drilling programme revised and planned on the most favourable areas of the Unaly mineralisation to delineate an Indicated JORC resource
- Programme of Work for the drilling currently being designed
- Ground magnetic survey to refine drill targeting within target areas
- Further metallurgical scope of works to meet Pre-Feasibility Study level requested from metallurgical consultants
- New licence application ELA57/1112 adds to tenement holding at Unaly

Kooline Lead-Silver-Copper- Gold

- Intra-cratonic magmatic copper-gold (IMCG) mineral system
- Available geophysical data compiled and to be reprocessed
- Improved magnetic imagery will refine the structural interpretation for the IMCG model

Surefire Resources NL ("**Surefire**" or "**Company**") has continued to advance its Unaly Hill Vanadium project towards a Scoping and Pre-Feasibility study. Further to the comprehensive geochemical data review and exploration targeting of the Kooline project area by geological consultants CSA Global Pty Ltd, the Company is progressing the compilation of the available geophysical data. In particular, the higher resolution magnetic data and the improved imagery will enable a better understanding of the structural setting and refine the drill targets.

Unaly Hill Vanadium

During the quarter, the Company commenced detailed planning for an in-fill drilling programme to establish a JORC Indicated Resource at Unaly Hill. The new programme is based on recommendations made by CSA Global and additional discussion between the Company and its geological consultants Unearthed Elements who supervised the 2018 drilling programmes.

CSA Global recommended that Surefire should aim for a 100 m (along strike) by 50 m (across strike) drill pattern to achieve an Indicated Resource status and that two main areas should be targeted. These areas are shown between the red bounding lines in Figure 1.

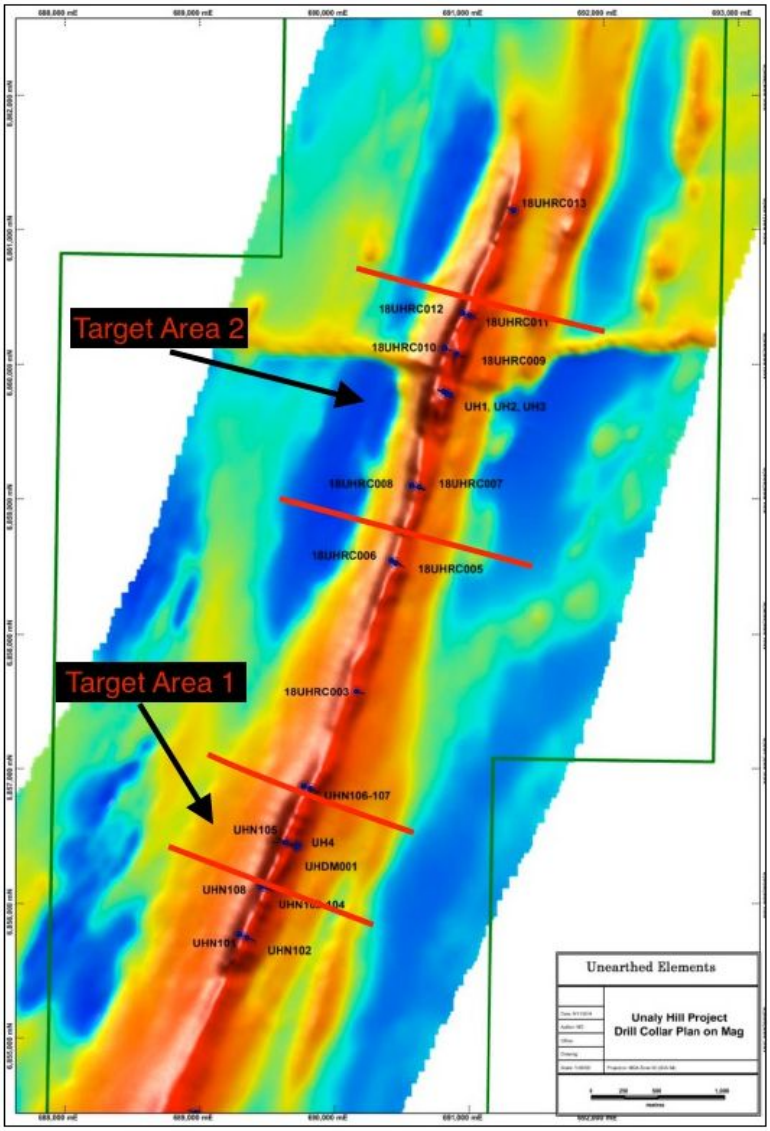

Figure 1: Aeromagnetic map showing In-Fill Target Areas and 2018 Drill collars

The primary target area based on the recent drilling and CSA recommendations are the areas between approximately 350-400m north and south of diamond drill hole UHDM001 (Target area 1, in Figure 1). This area is the most significant mineralised intersections of the project drilled to date and represents a strike length of approximately 800m.

North of the primary target area, a second area between drill sections 18UHRC011 and 18UHRC012 in the north and then south to the midpoint between 18UHRC008 and 18UHRC006 (Target Area 2 in

Figure 1) is also recommended for in-fill drilling based on the 2018 drill intersections. This represents a strike length of approximately 1,500 m.

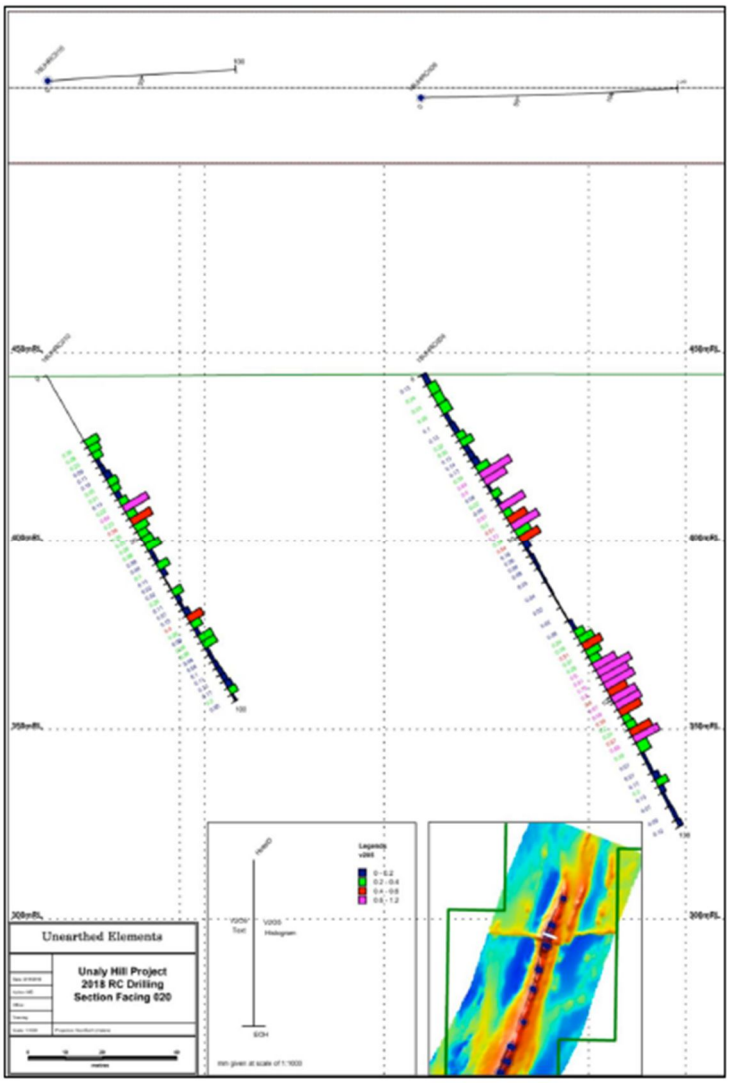

Figure 2: 2018 Drill Intersections collars

Figure 2 shows the drill intersections in 18UHRC009 and 18UHRC010 previously reported (ASX: 11/12/2018) within the second target area. These show significant widths of higher grade (+0.6%V2O5) mineralisation at sub-100m depth. If a mineralisation width of 25m or greater is maintained relatively consistently then greater than 20-25 million tonnes of ore in an indicated resource could be delineated from these two areas.

CSA (Meakin 2018) noted that the magnetite-bearing intrusive sequence is highly continuous, as is evident in the magnetic data; the continuity of massive and semi-massive lenses (in particular) however, remains subject to some uncertainty given the limited dataset. In order to improve the

targeting prior to drilling additional exploration measures were **assessed during the quarter and the Company currently plans to undertake the following:**

- Detailed ground or low-level drone magnetic survey as this would provide improved definition for the magnetic modelling as the last programme showed some inconsistencies with the inverse modelling from the airborne survey. This is to be expected from the higher flight height of the original survey and the subtle magnetic variations that can result from even small differences in weathered cover.
- Lithogeochemistry work that will further the understanding of identifying individual "pulses" within the intrusive body.

A modified Programme of Work is currently being designed for the proposed drilling for submission to the Department of Minerals and Petroleum.

Further Metallurgical Studies

The 2018 advanced test work programme supervised by METS was successful in showing consistent vanadium grades and recoveries across the three mineralised zones tested.

A 192% to 367% vanadium upgrade with V_2O_5 concentrate grades up to 1.43% were achieved with lower grade ore beneficiating to similar grades as the high-grade zones with good salt roast vanadium recoveries.

In order to progress to the planned Pre-Feasibility Study the Company has requested METS to provide a scope and budget to meet the requirement for a PFS level of evaluation and the development of a detailed process flow sheet. This will include any additional metallurgical core requirements along strike of the delineated Indicated Resource.

Geological Setting

The Unaly Hill Vanadium project licence area, E57/1068 lies within the Atley Igneous Complex located approximately 48 km south of Sandstone in the East Murchison Mineral field of Western Australia (Figure 3). The Atley Intrusion is a layered gabbroic body that is elongate in a 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 4.5 km and there are exposures over a strike length of 17 km. The compositional layers recognized are gabbro, leucogabbro, pyroxenite (completely altered to talc, chlorite and tremolite), anorthosite and magnetite rock. The iron-vanadium-titanium mineralisation is situated within cyclical cumulous layers within the intrusive complex.

The Company has previously established a substantial vanadium resource from drilling 3 kilometres of the anomalous magnetic anomaly.

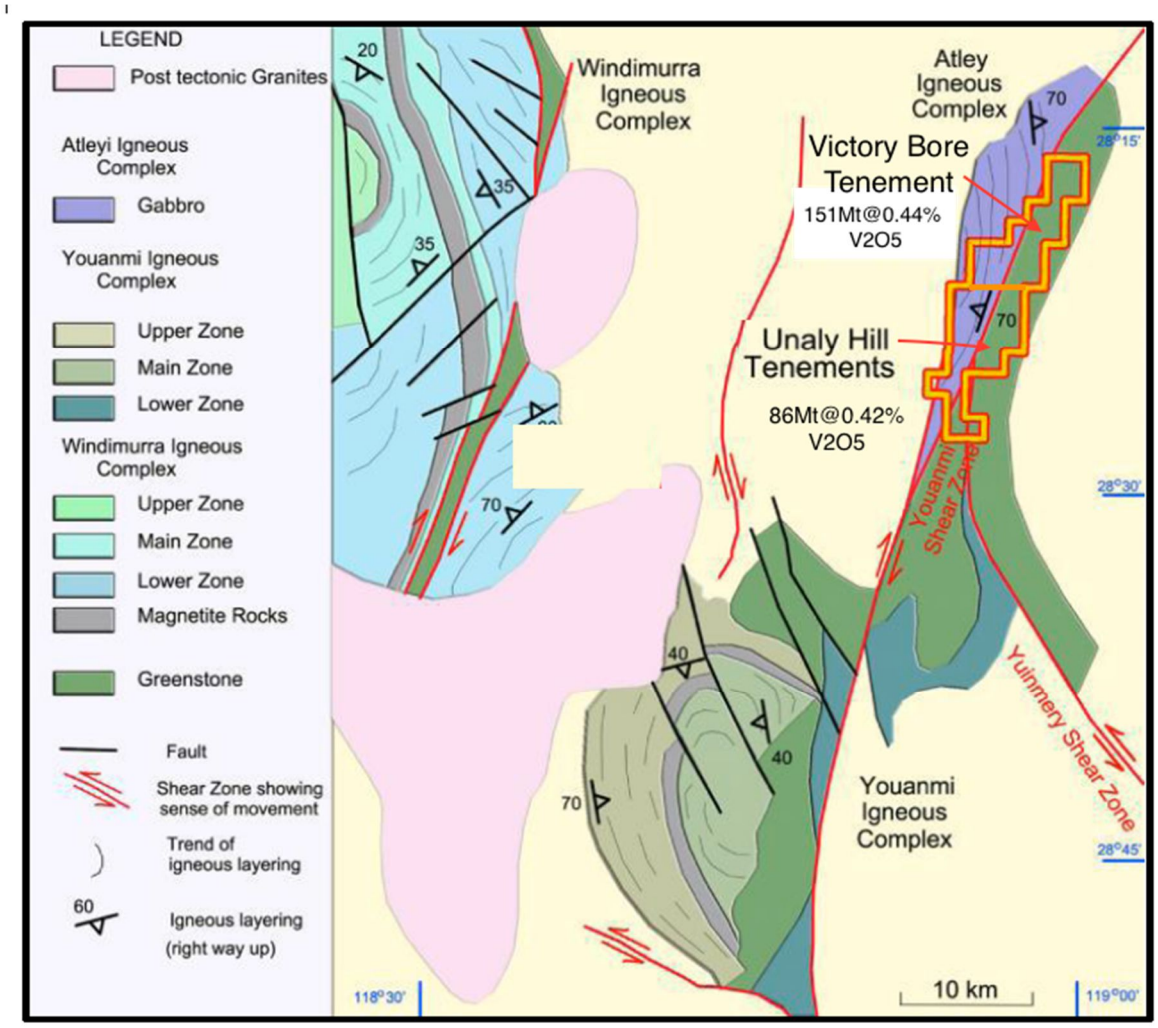

Figure 3: Regional Geology and Unaly Hill and Victory Bore Licence areas

Kooline Project Lead-Silver-Copper-Gold

During the quarter, activity on the project centred on follow up data compilation to the comprehensive review by CSA Global of the historic data on the geochemistry undertaken on or close to the Kooline licence areas.

CSA's compilation of all the available geochemical data work concluded that the anomalous results are indicative of an Intra Cratonic Magma Copper Gold (IMCG) mineralisation system.

The Kooline project is interpreted to lie immediately south of a major regional structure (the Baring Downs Suture) that channelled mineralised fluid into the project area. The high-grade lead-silver fields provide some outcrop exposure in the southern portion of the licence areas, but the northern section is an area of poor outcrop and the surface consists mainly of areas of transported cover.

In this northern section CSA established four exploration target areas (Figure 4) ranked in priority, that enclose, or are along strike from geochemical anomalies present or adjacent to the project area

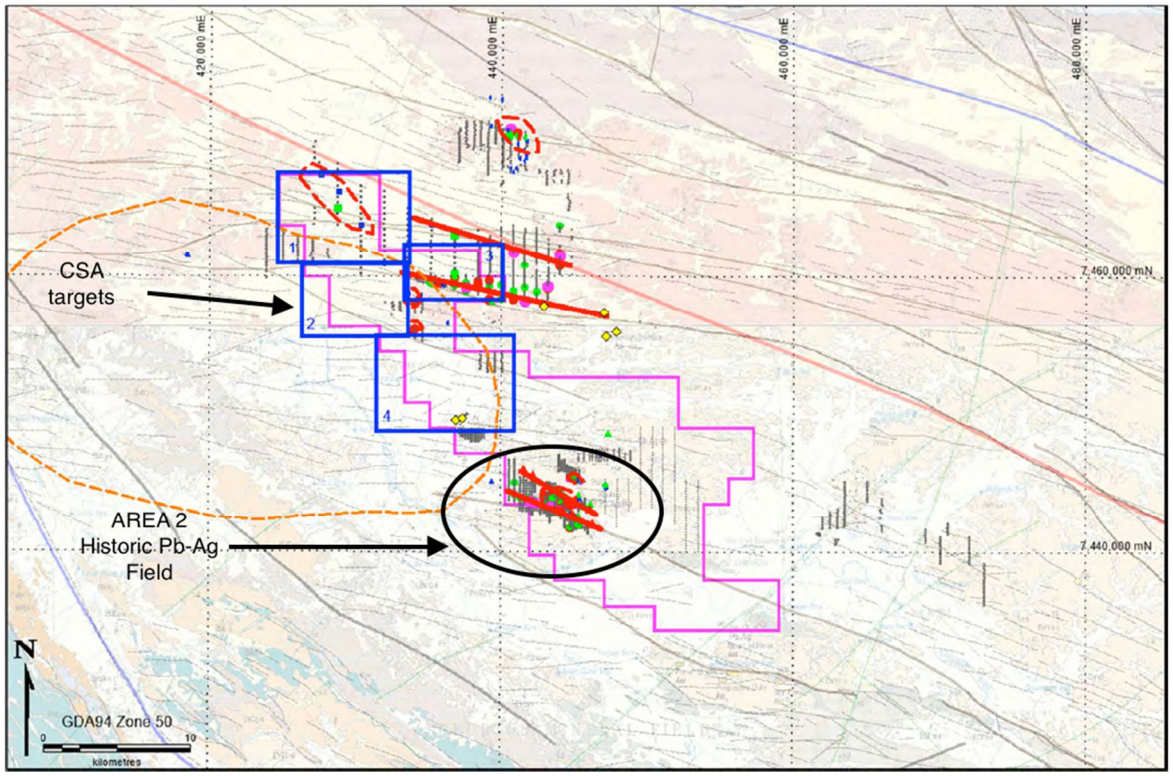

Figure 4: Primary Exploration targets Kooline

Target 1 covers extensions to two main anomalous trends. In this area of RAB-aircore drilling, anomalies are only defined by wide-spaced drilling. Other parts of the target are not drill tested.

- Target 2 covers a large area of transported cover that has not been tested by drilling and is along strike from Kooline North. It lies within 10 km of the Baring Downs Suture.
- Target 3 covers an anomalous trend in an area of wide spaced drilling adjacent to the interpreted Baring Downs Suture.
- Target 4 is a large area of transported cover not tested by drilling. It lies within 15 km of the interpreted Baring Downs Suture.

In addition to these four targets, Area 2 on Figure 4 hosts the historic Kooline Pb-Ag-Cu workings plus additional anomalies, including gold either along strike or sub-parallel to the main mineralised trends.

Geophysical data

The CSA report provided regional scale geophysical information and highlighted that there is a major magnetic anomaly immediately south of the Baring Downs Suture, east-southeast of the Kooline

Project and a less prominent regional anomaly immediately west of the project (Figure 5). Both magnetic anomalies are tentatively interpreted as deep-seated intrusions, which is very significant with regard to the IMCG model. A corridor, about 20 km either side of the Baring Downs Suture, is considered as prospective for IMCG deposits, but it is more prospective where there is evidence of major intrusive activity.

In order to better define smaller scale structures in these areas of little to no outcrop the Company requested Southern Geoscience in Perth to collate all the available geophysics for the Kooline project area with a view to reprocessing it. The reprocessing of all the publicly available aeromagnetic data over the project-scale area will deliver superior magnetic imagery to that used for the CSA report and better imagery will lead to improved litho-structural interpretation with which to guide further exploration.

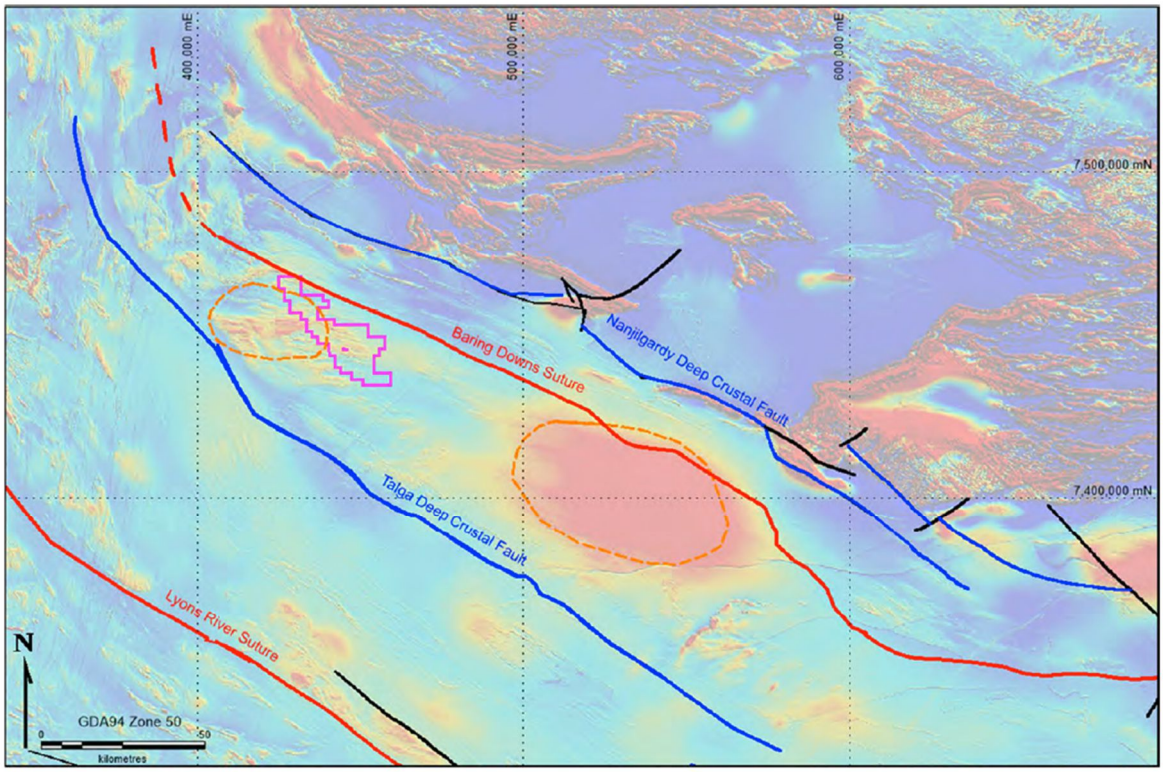

Figure 5: Regional Aeromagnetic Kooline Project Area

Background

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 consists of granted Exploration Licence, E08/2373 and E08/2956 (Figure 6) on the 48 km of contiguously striking licenses that link numerous clusters of high-grade historic artisanal Lead-Silver-Copper workings

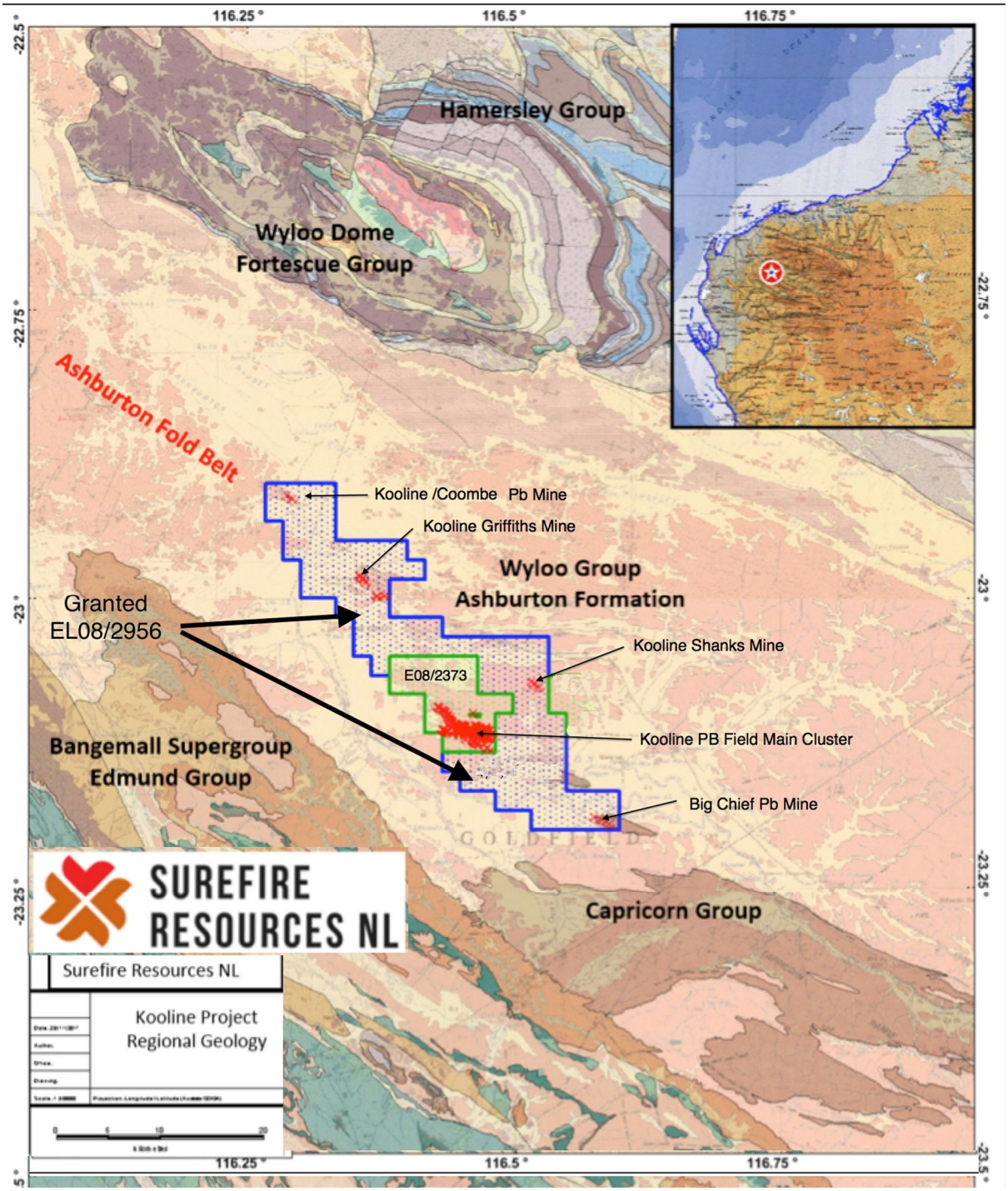

Figure 6: Project tenements and location.

APPENDIX 1

TENEMENT HOLDINGS AT 31 MARCH 2019

Tenement	Nature of Interest	Project	Equity (%)
E08/2373	Granted	Kooline Lead/Silver – Ashburton Region	100%
EL08/2956	Granted	Kooline Lead/Silver – Ashburton Region	100%
E57/1068	Granted	Unaly Hill – Sandstone Region	100%
E57/1112	Application	Unaly Hill – Sandstone Region	100%