SUREFIRE RESOURCES NL

AND ITS CONTROLLED ENTITIES

ANNUAL REPORT

ENDED 30 JUNE 2019

WWW.SUREFIRERESOURCES.COM.AU • ASX: SRN and SRNOB •ABN 48 083 274 024

SUREFIRE RESOURCES NL

AND ITS CONTROLLED ENTITIES

CONTENTS

CORPORATE DIRECTORY

DIRECTORS VLADIMIR NIKOLAENKO Executive Chairman and Managing Director MICHAEL POVEY Non-Executive Technical Director ROGER SMITH Non-Executive Director **COMPANY SECRETARY** Neville Bassett **REGISTERED OFFICE** Ground Floor 45 Ventnor Avenue, West Perth WA 6005 Telephone (08) 9429 8846 Facsimile (08) 9429 8800 **WEBSITE** www.surefireresources.com.au **FOR SHAREHOLDER INFORMATION CONTACT** **SHARE REGISTRY** Advanced Share Registry Limited 110 Stirling Highway, Nedlands WA 6009 Telephone (08) 9389 8033 Facsimile (08) 9262 3723	**FOR INFORMATION ON THE COMPANY CONTACT** **PRINCIPAL & REGISTERED OFFICE** Ground Floor 45 Ventnor Avenue, West Perth WA 6005 Telephone (08) 9429 8846 Facsimile (08) 9429 4400 **BANKERS** National Australia Bank Limited 226 Main Street, Osborne Park WA 6017 **AUDITORS** Greenwich & Co Audit Pty Ltd Chartered Accountants Level 2,267 St George's Terrace, Perth WA 6000 **STOCK EXCHANGE** Australian Securities Exchange (ASX) **ASX COMPANY CODES** SRN (Fully paid shares) SRNOB (Options to acquire fully paid shares) **ISSUED CAPITAL** 503,153,640 fully paid ordinary shares 300,252,600 partly-paid ordinary shares 419,952,600 options to acquire fully paid shares exercisable at $0.018 by 30 November 2019

Overall Review

During the year, the Company was active in its exploration efforts and continued to advance its vanadium project at Unaly Hill its multi-element Kooline project and gold exploration at Victory Bore. The completion of an RC drilling programme and an advanced metallurgical testwork programme on the Unaly Hill mineralisation both endeavours produced extremely encouraging results. At the Kooline project the geochemical and geophysical data compilation and analysis has concluded that the area is a likely setting for an Intra Cratonic Magma Copper Gold system with copper and gold potential in addition to the known high-grade lead-silver mineralisation historically mined.

Vanadium

Unaly Hill and Victory Bore (E57/1068 and E57/1036), Western Australia –Vanadium Projects

The licence areas are located approximately 500km north of Perth Sandstone in the East Murchison Mineral field of Western Australia and form a 25km long contiguous tenement holding along strike of the Youanmi Shear zone.

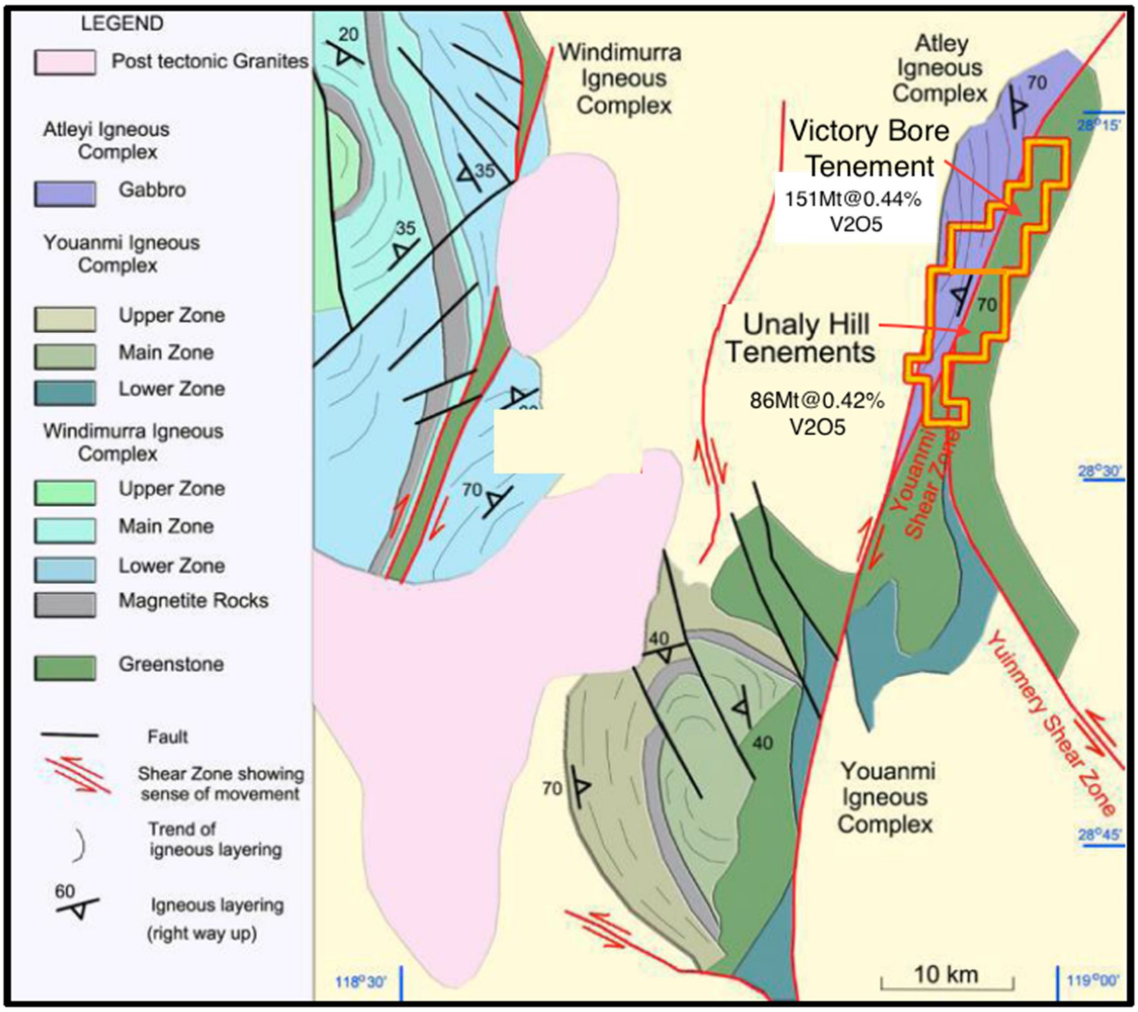

__Figure 1__ Location and geological setting of the Unaly Hill and Victory Bore Projects

Geological Setting.

The Unaly Hill and Victory Bore Vanadium project licence areas, E57/1068 and E57/1036 lie within the Atley Igneous Complex located approximately 48 km south of Sandstone in the East Murchison Mineral field of Western Australia. The Atley Intrusion is a layered gabbroic body is hosted within greenstones that lie within a major NNE trending shear zone that separates the Sandstone greenstone belt to the northeast and the Youanmi belt to the southwest. The Atley complex has a maximum thickness of 4.5km with exposures over a strike length of 17km and 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 saprorock.

The greenstones have documented gold mineralisation and provide an additional focus for current exploration activities.

Exploration Activity

During the year the Company completed a drilling programme at Unaly Hill designed to test additional magnetic anomalies identified along strike of the Company's current established JORC Inferred resource of 86Mt @ 0.42% V_2O_5. (@ 0.3% Cut-off). A total of 10 RC drill holes ranging in down-hole depth from 100m to 200m were completed along six traverses for an aggregate of 1,258m. The widely spaced drilling was based on detailed 2D forward modelling of high-resolution airborne magnetic data carried out by Southern Geoscience Consultants Pty Ltd (SGC). And covered an additional 4km of the magnetic anomaly delineating the vandiferous–magnetite mineralisation.

All the drill holes intersected a number of vanadiferous magnetite bands of varying down-hole width occurring as wide adjacent parallel bands, dipping steeply easterly on some sections with relatively shallow levels of weathered/oxidized cover. Significant results included:

- Individual composite intersections of grades up to 0.90% V_2O_5
- 15 intersections greater than 0.50% V_2O_5 and wider than 4 metres.
- Significant intersection widths of:

    40m @ 0.44% V_2O_5 from 82m in UHRC008 Including 24m @ 0.51% V_2O_5

    34m @ 0.53% V_2O_5 from 79m in UHRC009 including 16m @ 0.69% V_2O_5

    36m @ 0.43% V_2O_5 from 64m in UHR007 including 14m @ 0.58% V_2O_5

The drilling shows that, in accordance with the aeromagnetic data, the mineralisation at Unaly Hill remains open for a considerable distance along strike from the previous drilling.

Metallurgical Testwork

During the year the Company completed a comprehensive metallurgical testwork programme on the Unaly vandiferous magnetite core obtained from diamond drill hole UHDM001. The programme, developed and supervised by METS Engineering Group based in Perth, Western Australia focused on the salt roasting process, a commonly used process for the processing of vanadiferous titanomagnetites that recovers vanadium as a product from the ore. The testwork looked at the effects of grind size on mineral liberation and magnetic separation and addressed the following parameters:

- Comminution and physical characterisation
- Mineralogy
- Magnetic beneficiation
- Salt roasting

The 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.

Sureflre's Vanadium Resources

The acquisition of the Victory Bore vanadium project significantly increased the Company's vanadium resource base and exploration potential. In conjunction with the Company's Unaly Hill vanadium project the Company with have a combined Inferred Mineral Resource of 237 Mt grading~0.42-44% V_2O_5 with a contained V_2O_5 content of 102,900 tonnes making it one of the largest vanadium resource holders in Australia.

The majority of the magnetic anomalies within both licence areas remain untested by drilling the potential exists therefore for not only an increased resource tonnage but for larger zones of higher-grade vanadium mineralisation.

The Company has previously established a substantial JORC vanadium resource at Unaly Hill (Table 1) from drilling 3 kilometres of magnetic anomaly corresponding with the cumulous magnetite layers within the intrusive. The acquisition of the Victory Bore project during the year has substantially added to the Company's vanadium resource base (Table 2) in addition to increasing its potential for gold mineralisation. The project areas currently have a combined JORC compliant Inferred Mineral Resource of 237 Mt @ 0.43% V_2O_5, making Surefire a significant vanadium resource holder in Australia.

Table 1: Inferred Mineral Resource, Unaly Hill

Tonnes (Mt)	V_2O_5 (%)	Content (t) V_2O_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. Vladilslav 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.*

Table 2: Inferred Mineral Resource, Victory Bore

Tonnes (Mt)	V_2O_5 (%)	Content (t) V_2O_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).*

Gold

Victory Bore E57/1036

A review of historic exploration data has identified gold mineralisation within the Company's tenements. Historic RAB and MMI sampling delineated large areas of anomalous gold values on both the Victory Bore and Unaly Hill tenements. Follow up RC drilling on some targets provided some significant gold drill intersections (shown in Table 4). The majority of the anomalous zones and gold targets remain untested.

Geology

The project areas contains greenstones that host the Atley Igneous Complex and lie within a major NNE trending shear zone that separates the Sandstone greenstone belt to the northeast from the Youanmi belt to the southwest.

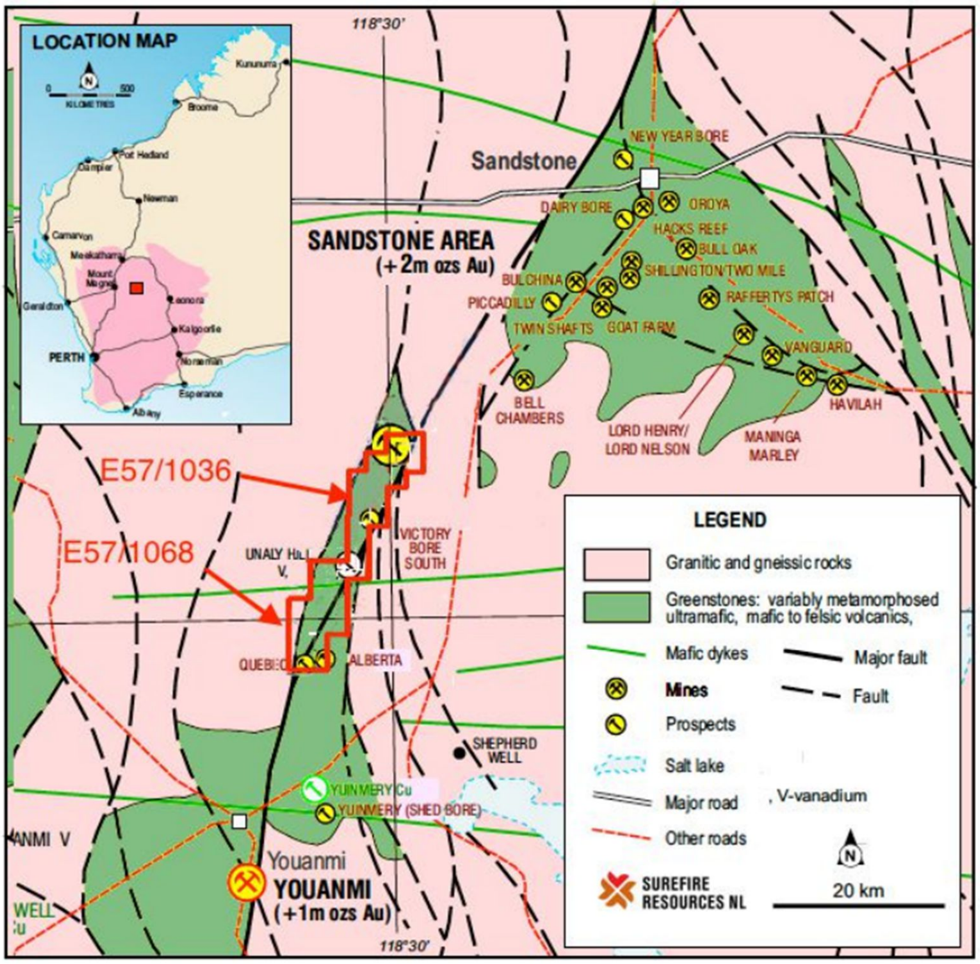

***Figure 2**: Project areas in relation to Sandstone and Youanmi Gold Centres*

In the 1990s gold exploration on these greenstones together with several other greenstone segments within the Youanmi Shear Zone was stimulated by the known occurrence of the >1Moz gold deposit at the Youanmi mine to the SW and the Sandstone gold mining area to the North (see Figure 2).

Between 1995-1997, Battle Mountain Gold (BMG) undertook a programme of vertical Rotary Air Blast (RAB) holes down to bedrock that traversed parts of both the Victory Bore and Unaly Hill licence areas, the majority collared within the Victory Bore licence. This programme defined a large elongate gold anomaly within Victory Bore some 4km long and up to 750m wide that is oriented NNE. BMG followed up the more significant gold anomalies from the RAB drilling with a limited number of RC holes that intersected ore-grade gold mineralisation at shallow depths

The Company's maiden RC drill programme is currently underway at Victory Bore and is designed to test the known mineralised horizon and a 3.5 km long x 800m wide zone of structural complexity along an otherwise sub-parallel linear package of units with high and low magnetic response (Figure 3)

The target area contains a number of previously reported high-grade gold intercepts from the historic RC drilling. The structurally complex zone is characterised by a "blow-out" in sub-linear magnetic units which correspond with a series of NE-SW trending cross cutting sinistral faults. Other structures present are NW-SE trending faults and shears with strike inflexions with potential dilation zones.

These dilation zones, particularly where they intersect cross cutting structures, provide excellent targets for potential fluid pathways and gold mineralisation.

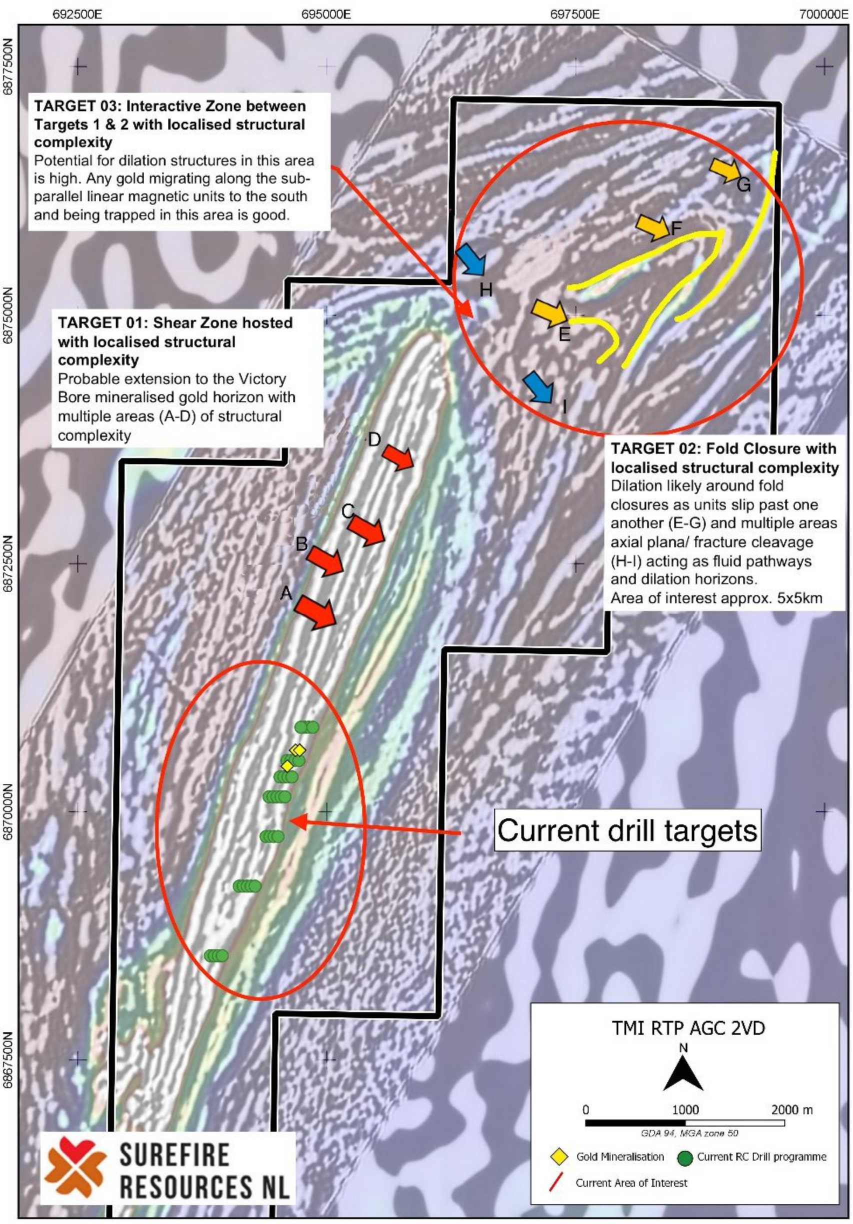

__Figure 3:__ Current Drill and Exploration Targets Victory Bore

Copper/Gold/Lead/ Silver

Kooline E08/2372 and E08/2956

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, E08/2373 and E 08/2956 . The Company's licence tenure now covers a total of 386 km², and more importantly, includes 48km of contiguously striking licences that link numerous clusters of high-grade historic artisanal Lead-Silver-workings and elevated gold-copper geochemical anomalies.. 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.

Geophysical and Geochemical Data Compilation

During the year, activity on the project centred on a comprehensive review of the geochemical data undertaken by geological consultants CSA Global and the completion of the geophysical data compilation and processing by Southern Geoscience.

CSA's analysis of the geochemical data concluded that the anomalous geochemical results determined in their review are indicative of an Intra Cratonic Magma Copper Gold (IMCG) mineralisation system where a major regional structure (the Baring Downs Suture) has channelled mineralised fluid into the project area. CSA established four exploration target areas in the northern section of the licence (Figure 3) that enclose, or are along strike from geochemical anomalies present or adjacent to the project area.

The geophysical data now compiled provides a significantly greater understanding of the geological structure within and beneath the project area's transported cover. In particular it provides far greater detail of magnetic responses of the lithology. The new datasets will now enable the detailed structural analysis and, when combined with the geochemical data enable the development of an exploration strategy to more accurately test the target areas for their copper/gold potential.

Rock Chip Sampling

The main cluster of over thirty mines at Kooline has seen rock-chip samples containing galena, cerussite and silver returning some extremely high grades. A number of rock chip samples were collected from the main areas and the assay results announced from these samples confirm the high-grade nature of the mineralisation with results up to 79% Pb and 232g/t Ag. The significant sample results are shown in Table 3 below:

Table 3

KOOL-001 UNITS	Pb %	Ag PPM	Cu PPM	Au PPM	PROSPECT
KRK001	12.3	24	5120	0.15	Rainbow Costean
KRK002	30.9	36	12300	0.23	Rainbow Costean
KRK005	55.3	249	615	0.11	Bilrose - costean
KRK006	48.1	170	9350	0.52	June Audrey
KRK007	7	39	150	0.03	Bilrose channel sample 1m
KRK008	79.3	232	1390	0.21	June Audrey - spoils pile
KRK009	12	78	26200	0.15	Phar Lap
KRK011	44.7	40	690	0.05	Big Chief - costean
KRK013	7.28	23	145	0.04	Kooline Griffiths

The Kooline area has not been effectively explored, spatially or at depth. In addition, the historic focus has been on the high-grade Lead-Silver-Copper veins associated with the artisanal workings. There has been no coherent exploration to define the potential for large volume Lead-Silver-Copper deposits. Copper appears to have been treated as a by-product and Gold despite an historic intercept of 1m @ 3.87g/t (AK09RC04 at 25m) at the Bilrose working and minor artisanal gold workings in the area, has not been the focus of a coherent exploration programme. The compilation of all available historic geochemical data from surface sampling and drilling, clearly shows that less than half the project area has been tested and less than a quarter of the area has been tested effectively for all relevant minerals. Where the area has been tested, anomalous results are common.

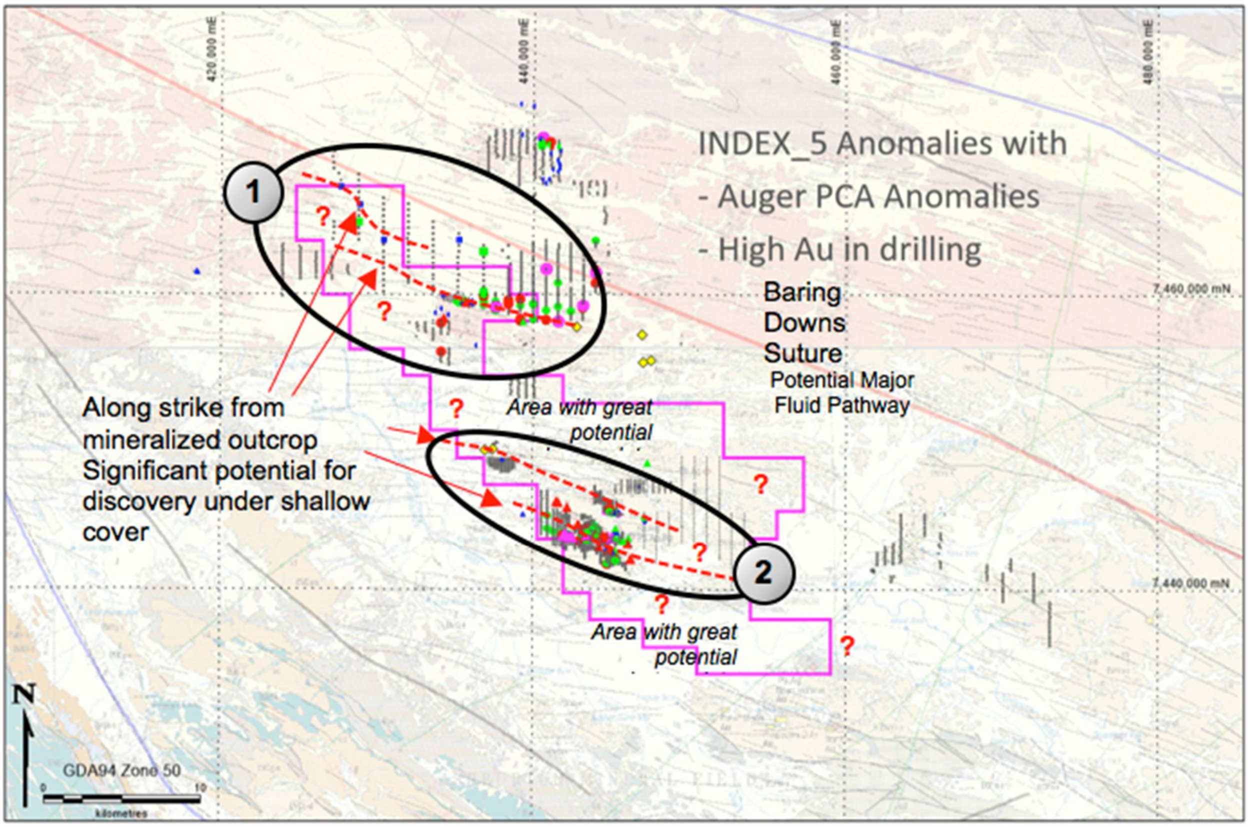

Figure 4: *Anomalous INDEX 5 scores for combined surface and drill sample dataset combined with anomalous Fortescue Metals Auger samples and high-Au in Au-only drilling (background image from CSA 2018).*

For the Kooline Project, CSA proposed the following metric: INDEX_5 = Log Pb + Log Au + Log Cu + Log As + Log Sb, which they consider to be a very good way to highlight mineralisation. As shown in Figure 4 two clear trends are observed.

- Area 1, hosts highly anomalous results even with the broad spaced data and the area is also in close proximity to the potentially major mineralised fluid pathway in the Baring Downs Suture.
- Area 2 hosts the historic Kooline Pb-Ag-Cu workings plus additional anomalies, including gold either along strike or sub-parallel to the main mineralised trends.

The mineral system that could be present across the Kooline tenements presents numerous opportunities for further exploration.

Competent Person Statement

The information in this announcement that relates to the historical Exploration Results (unless otherwise referenced) is based on and fairly represents information compiled by Mr Michael Povey who is a Member of the Australian Institute of Mining and Metallurgy. Mr Povey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserve Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Povey consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Your directors submit the financial report of Surefire Resources NL (the "**Group**" or "**Surefire**") and its controlled entities (the "**Consolidated Entity**" or "**Group**" – refer Note 18 for additional details) for the year 30 June 2019.

DIRECTORS

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

Mr Vladimir Nikolaenko
Mr Michael Povey
Mr Roger Smith

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were to explore and/or review mineral tenement holdings in Western Australia.

RESULTS FROM OPERATIONS

During the year the Group recorded an operating loss of $2,475,208 (2018: Loss $1,231,789).

The operating loss recorded during the year included an amount of $1,375,240 incurred in respect of the acquisition of the Victory Bore tenement.

DIVIDENDS

No amounts have been paid or declared by way of dividend by the Group since the end of the previous financial year and the Directors do not recommend the payment of any dividend.

REVIEW OF OPERATIONS

A review of operations is covered elsewhere in this Annual Report.

EARNINGS PER SHARE

Basic and diluted loss per share for the financial period was 0.556 cents (2018: Loss 0.805 cents – adjusted for 1:20 consolidation effected during year ended 30 June 2018).

FINANCIAL POSITION

The Group's cash position as at 30 June 2019 was $135,800, a substantial decrease from the 30 June 2018 cash balance which was $1,860,697.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year, the Company completed the acquisition of the Victory Bore vanadium project, significantly increasing the Company's vanadium resource base and exploration potential. In conjunction with the Company's Unaly Hill vanadium project the Company with have a combined Inferred Mineral Resource of 237 Mt grading~0.42-44% V_2O_5 with a contained V_2O_5 content of 102,900 tonnes making it one of the largest vanadium resource holders in Australia.

Other than as noted above, there were no significant changes in the state of affairs of the Group during the financial period.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to the end of the financial reporting period, Surefire has announced a capital raising whereby that it has received firm commitments from professional and sophisticated investors to raise up to $1.15 million (**Placement**), before costs.

The Placement will result in the issue of up to 125,000,000 fully paid ordinary shares (**Shares**) at $0.0092 each and will be placed within the Company's existing Listing Rule 7.1 placement capacity of up to 74,684,636 Shares and pursuant to Listing Rule 7.1A placement capacity of 50,315,364 Shares. The issue price represents a discount of 15.26% to the 15-day VWAP. The Shares, when listed, will rank pari-passu with existing SRN shares quoted on the ASX. It is expected that the receipt of funds will be completed on or around 2 October 2019 and Shares issued immediately thereafter.

CPS Capital Group Pty Ltd (AFSL 294848) (**CPS**) have been appointed to act as Lead Manager and Broker to the Placement and to provide corporate advisory services on a non-exclusive basis. CPS will be paid a management fee of 2% (plus GST) for managing the placement, a placement fee of 4% (plus GST) for funds raised via the Placement and will be issued up to 55,000,000 options exercisable at $0.018 each, having an expiry date which is 18 months from the date of issue. The issue of the options will require shareholder approval and will not be quoted.

SUREFIRE RESOURCES NL

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Full current details of the Group's operations can be located on its website, www.surefireresources.com.au

ENVIRONMENTAL ISSUES

The Group carries out exploration operations in Australia which are subject to environmental regulations under both Commonwealth and State legislation. The Group's exploration manager is responsible for ensuring compliance with those regulations. During or since the financial period there have been no known significant breaches of these regulations.

INFORMATION ON DIRECTORS AND COMPANY SECRETARIES

Vladimir Nikolaenko
Executive Chairman and Managing Director

Mr Nikolaenko has over 30 years of commercial experience in exploration, project evaluation, development and operations, predominantly focused in the base metals, gold and diamond sectors. He has a depth of management and corporate expertise in the operation of public companies and has held the position of managing director of four public companies over a period of more than 20 years involved in exploration and production, property development and technology.

He has held no directorships in public companies in the past 3 years.

Mr Nikolaenko has a relevant interest in 92,687,141 ordinary fully paid shares, 67,188,767 partly-paid ordinary shares and 102,188,767 options to acquire fully paid shares. Mr Nikolaenko is not considered to be an independent director but possesses appropriate skill sets to be a suitably qualified key board member whose interests are aligned with those of the shareholders.

Michael Povey
Non-Executive Technical Director

Mr Povey is a mining engineer with over 35 years worldwide experience in the resource sector. This experience has encompassed a wide range of commodities and included senior management positions in mining operation and the explosives industry in Africa, North America and Australia. During this time, he has been responsible for general and mine management, mine production, project evaluation, mine feasibility studies and commercial contract negotiations.

Mr Povey has a relevant interest in 1,797,945 ordinary fully paid shares, 1,797,945 partly-paid ordinary shares and 19,797,945 options to acquire fully paid shares. Mr Povey is considered to be an independent director.

Roger Smith
Non-Executive Director

Mr Smith has served on a number of boards of listed companies as both a Non-Executive Chairman and Non-Executive Director as well as having held a number of proprietary company directorships. Mr Smith has been successful in the operation of wholesale/retail businesses, property development and the hotel industry.

Mr Smith has a relevant interest in 6,664,155 ordinary fully paid shares, 1,469,178 partly-paid ordinary shares and 4,469,178 options to acquire fully paid shares. Mr Smith is considered to be an independent director.

Neville Bassett
Group Secretary

AUDIT COMMITTEE

At the date of this report the Group does not have a separately constituted Audit Committee as all matters normally considered by an audit committee are dealt with by the full Board.

REMUNERATION COMMITTEE

At the date of this report, the Group does not have a separately constituted Remuneration Committee and as such, no separate committee meetings were held during the year. All resolutions made in respect of remuneration matters were dealt with by the full Board.

SUREFIRE RESOURCES NL

MEETINGS OF DIRECTORS

During the financial year ended 30 June 2019, the following director meetings were held:

	Eligible to Attend	Attended
V Nikolaenko	4	4
M Povey	4	4
R Smith	4	4

REMUNERATION REPORT (Audited)

Names of and positions held by key management personnel (defined by the Australian Accounting Standards as being "*those people having authority and responsibility for planning, directing, and controlling the activities of an entity, either directly or indirectly. This includes an entity's directors*") in office at any time during the financial year are:

Key Management Person	Position
Vladimir Nikolaenko	Executive Director
Michael Povey	Non-Executive Director
Roger Smith	Non-Executive Director
Neville Bassett	Group Secretary

The Group's policy for determining the nature and amounts of emoluments of key management personnel is set out below:

Key Management Personnel Remuneration and Incentive Policies

At the date of this report, the Group does not have a separately constituted Remuneration Committee ("**Committee**") as all matters normally considered by such a Committee are dealt with by the full Board. When constituted, its mandate will be to make recommendations to the Board with respect to appropriate and competitive remuneration and incentive policies (including basis for paying and the quantum of any bonuses), for key management personnel and others as considered appropriate to be singled out for special attention, which:

- motivates them to contribute to the growth and success of the Group within an appropriate control framework;
- aligns the interests of key leadership with the interests of the Group's shareholders;
- are paid within any limits imposed by the Constitution and make recommendations to the Board with respect to the need for increases to any such amount at the Group's annual general meeting; and
- in the case of directors, only permits participation in equity-based remuneration schemes after appropriate disclosure to, due consideration by and with the approval of the Group's shareholders.

Non-Executive Directors

- Non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements, where applicable.
- To the extent that the Group adopts a remuneration structure for its non-executive directors other than in the form of cash and superannuation, disclosure shall be made to stakeholders and approvals obtained as required by law and the ASX listing rules.

Incentive Plans and Benefits Programs

The Board, acting in its capacity as a Remuneration Committee, is to:

- review and make recommendations concerning long-term incentive compensation plans, including the use of equity-based plans, administer equity-based and employee benefit plans and discharge any responsibilities under those plans, including making and authorising grants, in accordance with the terms of those plans;
- ensure that, where practicable, incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide remuneration when they are achieved; and
- review and, if necessary, improve any existing benefit programs established for employees.

Retirement and Superannuation Payments

No prescribed benefits were provided by the Group to directors by way of superannuation contributions during the year.

Non-Executive Director and Executive Remuneration

The remuneration of non-executive directors may not exceed in aggregate in any financial year the amount fixed by the Group. The Board has previously agreed to set remuneration for non-executive directors at $3,500 per month and the Chairman at $5,000 per month once working capital and cashflow of the Group allowed.

During the year ended 30 June 2019, the non-executive directors received a maximum of an annualised base director's fee of $42,000.

Relationship between Group Performance and Remuneration

There is no relationship between the financial performance of the Group for the current or previous financial year and the remuneration of the key management personnel.

Remuneration is set having regard to market conditions and encourage the continued services of key management personnel.

Use of Remuneration Consultants

The Group did not employ the services of any remuneration consultant during the financial year ended 30 June 2019.

Consultant Agreements

The current directors and company secretary do not have employment contracts with the Group save to the extent that the Group's constating documents comprise the same.

Key Management Personnel Remuneration

Year ended 30 June 2019			
Key Management Person	**Short-term benefits Fees & contractual payments ($)**	**Total cash and cash equivalent benefits ($)**	**Total ($)**
Vladimir Nikolaenko Appointed 27.7.2017	300,000	300,000	300,000
Michael Povey Appointed 12.10.2017	112,550	112,550	112,550
Roger Smith Appointed 29.11.2017	42,000	42,000	42,000
Total	**454,550**	**454,550**	**454,550**

The following amounts payable to Key Management Personnel (including GST where applicable) are included in Trade and Other Payables as at 30 June 2019 in respect of costs accrued during the year ended 30 June 2019:

V Nikolaenko (Corporate Admin Services Pty Ltd)	82,500
M Povey (Minman Pty Ltd)	19,030
R Smith (Halith Pty Ltd)	10,500
Total	**$112,030**

Key Management Personnel Remuneration (Continued)

Year ended 30 June 2018				
Key Management Person	**Short-term benefits Fees & contractual payments ($)**	**Total cash and cash equivalent benefits ($)**	**Equity-settled share-based payments ($)**	**Total ($)**
John Wareing (i) Resigned 12.10.2017	37,450	37,450	-	37,450
Victor Turco (ii) Resigned 12.10.2017	94,141	94,141	-	94,141
Vladimir Nikolaenko (iii) Appointed 27.7.2017	200,066	200,066	122,500	322,566
Michael Povey (iv) Appointed 12.10.2017	46,355	46,355	63,000	109,355
Roger Smith Appointed 29.11.2017	24,682	24,682	10,500	35,182
Rudolf Tieleman Appointed 15.12.2017 Resigned 24.4.2018	26,372	26,372	-	26,372
Total	**429,066**	**429,066**	**196,000**	**625,066**

(i) Includes $28,050 corporate consulting fees accrued to Argonaut Consulting Group Pty Ltd, a company related to John Wareing.
(ii) Includes $79,141 accountancy and secretarial service fees accrued to Turco & Co Pty Ltd, a company related to Victor Turco.
(iii) Includes $161,000 fees accrued to Corporate Admin Services Pty Ltd, a company related to Vladimir Nikolaenko.
(iv) Includes $16,150 geologist consulting fees accrued to Minman Pty Ltd, a company related to Michael Povey.

INTERESTS HELD BY DIRECTORS, OTHER KEY MANAGEMENT PERSONNEL and RELATED PARTIES

The number of shares and partly-paid contributing shares in the Group held at the beginning and end of the year and net movements **during the financial year** by directors, other key management personnel and/or their related entities are set out below:

30 June 2019:

Name	**Balance at the start of the year**	**Movements during the year**	**Balance at the end of the year**
Vladimir Nikolaenko			
Fully paid ordinary shares	92,687,141	-	92,687,141
Partly paid ordinary shares	67,188,767	-	67,188,767
Michael Povey			
Fully paid ordinary shares	1,797,945	-	1,797,945
Partly paid ordinary shares	1,797,945	-	1,797,945
Roger Smith			
Fully paid ordinary shares	6,664,155	-	6,664,155
Partly paid ordinary shares	1,469,178	-	1,469,178
Neville Bassett	-		-
Total ordinary shares	**101,149,241**	**-**	**101,149,241**
Total partly paid contributing shares	**70,455,890**	**-**	**70,455,890**

INTERESTS HELD BY DIRECTORS, OTHER KEY MANAGEMENT PERSONNEL and RELATED PARTIES (Continued)

30 June 2018:

Name	Balance at the start of the year or date of appointment	Issued during the year Entitlement Offer	Balance at the end of the year or date of resignation
Vladimir Nikolaenko			
Fully paid ordinary shares	25,498,374	67,188,767	92,687,141
Partly paid ordinary shares	-	67,188,767	67,188,767
Michael Povey			
Fully paid ordinary shares	-	1,797,945	1,797,945
Partly paid ordinary shares	-	1,797,945	1,797,945
Roger Smith			
Fully paid ordinary shares	5,194,977	1,469,178	6,664,155
Partly paid ordinary shares	-	1,469,178	1,469,178
Total ordinary shares	**30,693,351**	**70,455,890**	**101,149,241**
Total partly paid contributing shares	**-**	**70,455,890**	**70,455,890**

Options held by Directors, Other Key Management Personnel and Related Parties

The number of options over fully paid ordinary shares in the Group held at the beginning and end of the year and net movements **during the financial year** by key management personnel and/or their related entities are set out below:

30 June 2019:

Name	Balance at the start of the year or date of appointment	Balance at the end of the year or date of appointment	Vested & exercisable at the end of the year
Vladimir Nikolaenko	102,188,767	102,188,767	102,188,767
Michael Povey	19,797,945	19,797,945	19,797,945
Roger Smith	4,469,178	4,469,178	4,469,178
Total	**126,455,890**	**126,455,890**	**126,455,890**

30 June 2018:

Name	Balance at the start of the year or date of appointment	Granted during the year as remuneration	Granted during the year pursuant to Entitlement Offer	Lapsed during the year	Balance at the end of the year or date of appointment	Vested & exercisable at the end of the year
Vladimir Nikolaenko	392,500,000	35,000,000	67,188,767	(392,500,000)	102,188,767	102,188,767
Michael Povey	-	18,000,000	1,797,945	-	19,797,945	19,797,945
Roger Smith	25,000,000	3,000,000	1,469,178	(25,000,000)	4,469,178	4,469,178
Total	**417,500,000**	**56,000,000**	**70,455,890**	**(417,500,000)**	**126,455,890**	**126,455,890**

INTERESTS HELD BY DIRECTORS, OTHER KEY MANAGEMENT PERSONNEL and RELATED PARTIES (Continued)

Options held by Directors, Other Key Management Personnel and Related Parties
The options granted on 10.4.2018 for nil cash consideration as non-cash remuneration to KMP's entitles the holder to acquire one fully paid ordinary share for each option held. The options were valued using the Black-Scholes Binomial valuation method at $0.0035 each at grant date. Each option is exercisable at $0.018 each on or before 30.11.2019.

General

There were no other transactions conducted between the Group and KMP or their related parties apart from those disclosed above relating to equity and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under the arm's length dealings with unrelated parties.

End of Remuneration Report.

EMPLOYEES

At 30 June 2019, aside from directors, the Group has no other employees. The same position prevailed at 30 June 2018.

CORPORATE STRUCTURE

Surefire is a no liability company incorporated and domiciled in Australia.

ACCESS TO INDEPENDENT ADVICE

Each director has the right, so long as he is acting reasonably in the interests of the Group and in the discharge of his duties as a director, to seek independent professional advice and recover the reasonable costs thereof from the Group.

The advice shall only be sought after consultation about the matter with the chairman (where it is reasonable that the chairman be consulted) or, if it is the chairman that wishes to seek the advice or it is unreasonable that he be consulted, another director (if that be reasonable).

The advice is to be made immediately available to all Board members other than to a director against whom privilege is claimed.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has entered into agreements indemnifying, to the extent permitted by law, all the directors and officers of the Group against all losses or liabilities incurred by each director and officer in their capacity as directors and officers of the Group. During the year no amount was incurred as insurance premiums for this purpose.

OPTIONS

As at the date of this report there are 419,952,600 quoted options over unissued ordinary shares in the Group. Option holders do not have any rights to participate in any issues of shares or other interest of the Group. For details of options issued to directors and other key management personnel, refer to the Remuneration Report above.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out in this annual report.

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

For and on behalf of the Directors

Electronic Signature noted as having been affixed with approval

Mr Vladimir Nikolaenko
Managing Director

30 September 2019

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458
Level 2, 267 St Georges Terrace, Perth WA 6000
PO Box 983, West Perth WA 6872
T 08 6555 9500 | F 08 6555 9555
www.greenwichco.com

Auditor's Independence Declaration

To those charged with the governance of Surefire Resources NL

As auditor for the audit of Surefire Resources NL for the year ended 30 June 2019, 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 audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Rafay Nabeel
Audit Director

30 September 2019
Perth

This statement is provided in compliance with the ASX Corporate Governance Council's (the **Council**) Corporate Governance Principles and Recommendations Third Edition ("**Principles and Recommendations**").

The Group has resolved that for so long as it is admitted to the official lists of the ASX, it shall abide by the Principles and Recommendations, subject however to instances where the Board of Directors that a Council recommendation is not appropriate to its particular circumstances.

The Board encourages all key management personnel, other employees, contractors and other stakeholders to monitor compliance with this Corporate Governance manual and periodically, by liaising with the Board, management and staff, especially in relation to observable departures from the intent of these policies and with any ideas or suggestions for improvement. Suggestions for improvements or amendments can be made at any time by providing a written note to the chairman.

Website Disclosures

In order to streamline the content of this Annual Report and pursuant to the disclosure options mandated by the Council, the Group has elected to publish its Corporate Governance Statement in compliance with ASX Listing Rule 4.10.3 on its website at www.surefireresources.com.au under the "**Corporate Governance**" tab.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019

SUREFIRE RESOURCES NL

	Notes	Year Ended 30 Jun 2019 ($)	Year Ended 30 Jun 2018 ($)
Revenue:			
Interest income		-	39
Expenses:			
Administrative expenses	3	(272,346)	(358,377)
Director fees and consulting charges		(454,550)	(386,544)
Exploration expenses		(373,072)	(268,002)
Tenement acquisition costs written off	9	(1,375,240)	-
Interest expense		-	(22,905)
Share-based payments	17	-	(196,000)
Loss before income tax expense		(2,475,208)	(1,231,789)
Income tax expense	4	-	-
Loss from continuing operations		(2,475,208)	(1,231,789)
Other comprehensive income for the year			
Impairment of deferred exploration expenditure	9 +	-	-
Total Comprehensive income for the year attributable to members of the Group		(2,475,208)	(1,231,789)
Basic (loss) per share (cents per share)	6	(0.556)	(0.805)
Diluted (loss) per share (cents per share)	6	(0.556)	(0.805)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

SUREFIRE RESOURCES NL

	Notes	30 Jun 2019 ($)	30 June 2018 ($) Restated See Note 9
Current Assets			
Cash and cash equivalents	7	135,800	1,860,697
Other receivables	8	25,501	42,473
Total Current Assets		161,301	1,903,170
Non-Current Assets			
Deferred exploration expenditure	9	-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		161,301	1,903,170
Current Liabilities			
Trade and Other payables	10	560,039	717,100
Interest-bearing liabilities	11	135,000	-
Total Current Liabilities		695,039	717,100
TOTAL LIABILITIES		695,039	717,100
NET ASSETS/(LIABILITIES)		(533,738)	1,186,070
Equity			
Contributed equity	12	27,262,659	26,507,259
Reserves	12	375,200	375,200
Accumulated losses		(28,171,597)	(25,696,389)
TOTAL EQUITY		(533,738)	1,186,070

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

SUREFIRE RESOURCES NL

	Contributed Equity (Net of costs) ($)	Reserves ($)	Accumulated Losses ($)	Total ($)
Balance at 1.7.2017 (Restated – Note 9)	**23,250,156**	**52,500**	**(24,464,600)**	**(1,161,944)**
Comprehensive Income				
Operating (loss) for the year	-	-	(1,231,789)	(1,231,789)
Total comprehensive income for the year	**-**	**-**	**(1,231,789)**	**(1,231,789)**
Transactions with owners, in their capacity as owner, and other transfers				
Shares issued during the year	3,603,031	-	-	3,603,031
Cost of capital raising (includes share-based payments)	(398,428)	-	-	(398,428)
Unexercised options issued as capital raising costs expired December 2017	52,500	(52,500)	-	-
Share-based Payments Reserve	-	375,200	-	375,200
Balance at 30.6.2018 (Restated – Note 9)	**26,507,259**	**375,200**	**(25,696,389)**	**1,186,070**

Balance at 1.7.2018 (Restated – Note 9)	**26,507,259**	**375,200**	**(25,696,389)**	**1,186,070**
Comprehensive Income				
Operating (loss) for the year	-	-	(2,475,208)	(2,475,208)
Total comprehensive income for the year	**-**	**-**	**(2,475,208)**	**(2,475,208)**
Transactions with owners, in their capacity as owner, and other transfers				
Shares issued during the period as part payment for tenement acquisition	750,000	-	-	750,000
Shares issued during the period pursuant to exercise of Options	5,400	-	-	5,400
Total transactions with owners and other transfers	**755,400**	**-**	**-**	**755,400**
Balance at 30.6.2019	**27,262,659**	**375,200**	**(28,171,597)**	**(533,738)**

The accompanying notes form part of these consolidated financial statements.

SUREFIRE RESOURCES NL

	Note	Year Ended 30 Jun 2019 ($)	Year Ended 30 Jun 2018 ($)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees	13	(841,178)	(543,648)
Net cash (used in) operating activities		(841,178)	(543,648)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for new tenement prospects		(508,507)	(55,852)
Exploration and evaluation expenditure incurred		(515,612)	(63,483)
Net cash from (used in) investing activities		(1,024,119)	(119,335)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		5,400	2,936,760
Share issue costs		-	(398,428)
Loan advances		135,000	271,905
Loan repayments		-	(307,111)
Net cash from financing activities		140,400	2,503,126
Net increase (decrease) in cash held		(1,724,897)	1,840,143
Cash and cash equivalents at the beginning of the financial period		1,860,697	148,225
Cash and cash equivalents at the end of the financial period		135,800	1,860,697

The accompanying notes form part of these consolidated financial statements.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* for Surefire Resources NL and its controlled entities.

The consolidated financial statements were authorised for issue on 30 September 2019.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Reporting Basis and Conventions
The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

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

The ability of the Group to continue as a going concern is dependent on securing additional capital raising activities to continue its operational and exploration activities.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the consolidated financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Cash and cash equivalents on hand as at the date of this report was approximately $8,646.

Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Surefire Resources NL.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Coninued)

Accounting Policies

(a) Interest Income

Interest revenue is recognised on a proportional basis taking into account interest rates applicable to the financial asset. All revenue is stated net of the amount of goods and services tax (GST).

(b) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by non-casual employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. There is no liability for annual or long service leave entitlements.

(c) Exploration and Evaluation Expenditure

All exploration and evaluation expenditure is expensed to Statement of Financial Performance as incurred. The effect of this is to increase the loss incurred from continuing operations as disclosed in the Statement of Financial Performance and to decrease the carrying values of total assets in the Statement of Financial Position. That the carrying value of mineral assets, as a result of the operation of this policy, may be zero does not necessarily reflect the Board's view as to the market value of that asset.

(d) Acquisition of Assets

The cost method is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of assets given up at the date of acquisition plus costs incidental to the acquisition.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the Statement of Financial Performance is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities and assets are therefore measured at the amounts expected to be paid to or recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses, if any in fact are brought to account.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled. No deferred tax is recognised for the carried forward tax losses as the Group considers there will be no taxable profit available to offset the brought forward tax losses in the foreseeable future.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(h) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Financial Performance. This policy has no application where paragraph (c) (Exploration and Evaluation Expenditure) applies.

(i) Earnings per Share

(i) *Basic Earnings per Share* – Basic earnings per share is determined by dividing the loss from continuing operations after related income tax expense by the weighted average number of ordinary shares outstanding during the financial period.

(ii) *Diluted Earnings per Share* – Options that are considered to be dilutive are taken into consideration when calculating the diluted earnings per share.

(j) Property, plant and equipment

Each class of plant, equipment and motor vehicles is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant, equipment and motor vehicles are measured on the cost basis.

The carrying amounts of plant, equipment and motor vehicles are reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all plant, equipment and motor vehicles are depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for the class of plant, equipment and motor vehicle depreciable assets range between 20% and 100%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Financial Performance. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company determines the classification of its financial instruments at initial recognition.

Financial assets

From 1 January 2018, financial assets are classified at initial recognition a (i) subsequently measured at amortised cost, (ii) fair value through other comprehensive income (OCI) or (iii) fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designed upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Income Statement within finance costs. Transaction costs arising on initial recognition are expensed in the Income Statement.

Financial assets at fair value through other comprehensive income

The financial asset is held for both collecting contractual cash flows and selling the financial asset. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets at amortised cost

Financial asset at amortised costs are non-derivative financial assets with fixed or determinable payments that re not quoted in an active market.
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gain and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
The Company's financial assets at amortised cost include 'trade and other receivables' and "cash and equivalents' in the Balance Sheet.

Financial liabilities

Financial liabilities are classified at initial recognition as (i) financial liabilities at fair value through profit or, (ii) loans and borrowings, (iii) payables or (iv) derivatives designated as hedging instruments, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft. These are subsequently measured at amortised cost using the effective interest method. Gain and losses are recognised in the Income Statement when the liabilities are derecognised. Amortisation is included as finance costs in the Income Statement.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The expression "fair value" – and derivatives thereof – wherever used in this report bears the meaning ascribed to that expression by the Australian Accounting Standards Board.

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.
The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.
The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Leases

Lease payments for operating leases (where substantially all the risks and benefits remain with the lessor) are charged as an expense in the periods in which they are incurred.

Lease incentives under operating leases, if any, are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(o) Share-based Payments and Value Attribution to Equity Remuneration/Benefits

Share-based compensation benefits provided to directors from time to time are approved in general meeting by members. Share-based benefits provided to non-directors are approved by the Board of Directors and form part of that employee's remuneration package.

The Australian Accounting Standards specifies that a valuation technique must be applied in determining the fair value of employees' or directors' stock options as at their grant date. No particular model is specified.

In respect of share options granted to company officers, the (theoretical) fair value is recognised upon vesting as an employee benefit expense with a corresponding increase in equity. The theoretical fair value of the option is calculated at the date of grant taking into account the terms and conditions upon which the options were granted, the effects of non-transferability, exercise restrictions and behavioural considerations using the Black-Scholes Option Pricing Model, an industry accepted method of valuing equity instruments. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

In respect of share options granted to non-company officers, the (theoretical) fair value is recognised upon vesting as an expense with a corresponding increase in equity. The theoretical fair value of the option is calculated at the date of grant taking into account the terms and conditions upon which the options were granted, the effects of non-transferability, exercise restrictions and behavioural considerations using the Black-Scholes Option Pricing Model, an industry accepted method of valuing equity instruments. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(p) Comparative Figures

When required by the Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

(q) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision makers which have been identified by the company as the Board of Directors.

(r) Critical Accounting Estimates, Assumptions, and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and from within the Group.

Taxation
Balances disclosed in the consolidated financial statements and the notes thereto related to taxation are based on best estimates by directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income tax legislation and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current tax position represents the directors' best estimate pending an assessment being received from the Australian Taxation Office.

Environmental Issues
Balances disclosed in the consolidated financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

Share-based payments
Share-based payment transactions made from time to time, in the form of options to acquire ordinary shares, are ascribed a fair value using the Black-Scholes Option Pricing Model. This model uses assumptions and estimates as inputs.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) New Accounting Standards for Application in Future Periods

Adoption of new and revised accounting standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2018. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies including:

- *AASB 9 Financial Instruments*

  AASB 9 Financial Instruments introduces new classification and measurement models for financial assets and is applicable to annual reporting periods beginning on or after 1 July 2018.

  The Company has applied AASB 9 using the modified retrospective approach because the measurement of financial assets under AASB9 are consistent to the Company's current practice.

- *AASB 15 Revenue from Contracts with Customers*

  This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

  The Company does not currently have any contracts with customers in place.

  The Company does not consider there to be any material impact from the adoption of *AASB 15 Revenue from Contracts with Customers.*

- *AASB 16 Leases*

  The standard replaces AASB 117 'Leases" and for lessees will eliminate the classifications of operating leases and finance leases, and require, subject to certain exemptions, the recognition of a 'right-of-use asset' and a corresponding lease liability, and the subsequent depreciation of the 'right-of-use' asset. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

  The Company is currently not party to any material operating or finance lease arrangements.

  This standard is applicable to annual reporting periods beginning on or after 1 January 2019 and as such the Company will adopt this standard from 1 July 2019. Whilst at this time the Company does not consider there to be any material impact from the adoption of *AASB 16 Leases*, it will make an assessment of potential effects over the next 12 month period

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 has not generated or provided any products and services during the year.

NOTE 3 ADMINISTRATIVE EXPENDITURE	**2019 ($)**	**2018 ($)**
Other Expenses		
Audit fees	28,369	53,579
Occupancy and serviced office costs	16,927	3,892
Filing and ASX fees	39,030	49,635
Legal fees	67,897	161,940
Other expenses from continuing operations	120,123	89,331
	272,346	358,377

NOTE 4 INCOME TAX EXPENSE

	2019 ($)	2018 ($)
The components of tax expense comprise:		
Current tax	-	-
Deferred tax asset/liability	-	-
	-	-
The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
Loss from continuing operations before income tax	2,475,208	1,231,789
Prima facie tax benefit attributable to loss from continuing operations before income tax at 30%)	742,562	338,742
Tax effect of Non-allowable items		
• Share-based payments and end of year accruals	72,972	104,931
• Brought forward accruals	(55,670)	(6,771)
Deferred tax benefit on tax losses not brought to account	(759,864)	(436,902)
Income tax attributable to operating loss	-	-

Unrecognised temporary differences

	2019 ($)	2018 ($)
Net deferred tax assets (calculated at 30%) have not been recognised in respect of the following items:		
Prepayments	5,872	-
Unrecognised deferred tax assets relating to the above temporary differences	5,872	-

Unrecognised deferred tax assets

The Group has accumulated tax losses of $20,509,972 (2018: $15,873,927).

The potential deferred tax benefit of these losses at the current corporate tax rate ($6,152,992) will only be recognised if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the losses and deductions to be released;

(ii) the Group continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

NOTE 5 AUDITORS REMUNERATION

	2019 ($)	2018 ($)
Amounts received or due and receivable by the auditors of the Group for:		
Auditing and reviewing the financial report	28,369	53,579
	28,369	53,579

NOTE 6 EARNINGS PER SHARE

	2019 ($)	2018 ($)
The following reflects the earnings and share data used in the calculation of basic and diluted earnings per share		
Loss for the year	(2,475,208)	(1,231,789)
Earnings used in calculating basic and diluted earnings per share	(2,475,208)	(1,231,789)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	445,189,256	153,005,435

The Group had 419,952,600 options (2018 – 420,252,600) over fully paid ordinary shares on issue at balance date. Options are considered to be potential ordinary shares. However, they are not considered to be dilutive in this period and accordingly have not been included in the determination of diluted earnings per share.

NOTE 7 CASH AND CASH EQUIVALENTS

	2019 ($)	2018 ($)
Cash at bank	135,800	1,860,697
	135,800	1,860,697

NOTE 8 OTHER RECEIVABLES

	2019 ($)	2018 ($)
Net tax receivables	5,926	42,473
Prepayments	19,575	-
	25,501	42,473

NOTE 9 DEFERRED EXPLORATION EXPENDITURE

The Company has changed its accounting policy this year of capitalising tenement acquisition costs to writing off as incurred, which is in line with its policy of writing off all exploration costs as incurred. Accordingly, 2018 financial statements have been restated. The impact of the restatement is as follows:

	Before restatement $	Adjustment $	Restated $
Tenement costs	415,000	(415,000)	-

NOTE 10 TRADE AND OTHER PAYABLES

	2019 ($)	2018 ($)
Trade payables *	313,940	529,768
Other payables and accrued expenses	246,099	187,332
	560,039	717,100

* Trade payables are non-interest bearing

SUREFIRE RESOURCES NL

NOTE 11: INTEREST BEARING LIABILITIES

	30 June 2019 ($)	30 June 2018 ($)
Loan – Vargas Holdings Pty Ltd (i)	135,000	-
Totals	135,000	-

(i) Loan payable to Vargas Holdings Pty Ltd (a company related to Mr Vladimir Nikolaenko) was unsecured. Interest is payable on this loan at 14% per annum, calculated on a daily basis.

NOTE 12 ISSUED CAPITAL

	2019		2018	
	No.	$	No.	$
Contributed Equity – Ordinary Shares				
At the beginning of the period	420,353,640	26,507,259	2,402,020,803	23,250,156
Shares consolidated on 1:20 basis	-	-	(2,402,020,803)	-
Shares consolidated on 1:20 basis	-	-	120,101,040	-
Shares issued pursuant to Entitlement Offer at $0.012 each	-	-	300,252,600	3,603,031
Shares issued to Acuity Capital in respect of a Controlled Placement Agreement for no consideration	20,000,000	-	-	-
Shares issued as part payment for acquisition of Victory Bore tenement	62,500,000	750,000	-	-
Shares issued pursuant to exercise of Options at $0.018 each	300,000	5,400	-	-
Share issuance costs – net of expired unexercised options	-	-	-	(345,928)
Closing balance:	503,153,640	27,262,659	420,353,640	26,507,259
Contributed Equity – Contributing Shares – Partly-paid				
At the beginning of the year	300,252,600	-	-	-
Shares issued pursuant to Entitlement Offer	-	-	300,252,600	-
Closing balance:	300,252,600	-	300,252,600	-
Reserves				
Share-based Payments reserve (i)		375,200		375,200
Closing balance		375,200		375,200

(i) The reserve is used to recognise the fair value of options issued.

Options

	2019 No.	2018 No.
The Group had the following options over un-issued fully paid ordinary shares at the end of the year:		
Options exercisable at $0.003 on or before 30.12.2017 to acquire fully paid ordinary shares (Lapsed 30.12.2017)	-	430,000,000
Options exercisable at $0.018 on or before 30.11.2019 to acquire fully paid ordinary shares (300,000 Options were exercised during the period)	419,952,600	
Total Options	419,952,600	430,000,000

NOTE 12 ISSUED CAPITAL (Continued)

Terms and condition of contributed equity

Ordinary Fully Paid Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held, regardless of the amount paid up thereon.

On a show of hands, every holder of fully paid ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll, each member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each fully paid ordinary share.

Contributing Shares

Contributing shares were issued at a price of $0.00 with no amount paid up upon issue.

A total amount of $0.027 per share is payable as follows:

- A first call will be made on the date which is 12 months following the date on which the Contributing Shares were issued, when the amount of $0.009 per share will become payable; and
- A second call will be made on the date which is 24 months following the date on which the Contributing Shares were issued, when the amount of $0.009 per share will become payable; and
- A third and final call will be made on the date which is 36 months following the date on which the Contributing Shares were issued, when the amount of $0.009 per share will become payable.

The Company has advised that it intends to provide notice of the first call to the holders of the Contributing Shares but at the date of this report, no call has yet been made.

NOTE 13 CASH FLOW INFORMATION	**2019 ($)**	**2018 ($)**
Reconciliation of operating loss after income tax with funds used in operating activities:		
Operating (loss) after income tax	(2,475,208)	(1,231,789)
Interest expense charged to loan	-	7,630
Non-cash director fees	-	67,110
Exploration expenditure included in operating loss	1,024,120	119,335
Exploration expenditure written off	-	-
Share-based payments	750,000	-
Share-based payments – Group officers	-	196,000
Changes in operating assets and liabilities:		
(Increase) / Decrease in trade and other receivables relating to operating activities	17,172	(42,473)
Increase / (Decrease) in trade and other payables in relation to operating activities	(157,262)	340,539
Cash (outflow) from operations	(841,178)	(543,648)

NOTE 14 TENEMENT EXPENDITURES CONDITIONS AND OTHER COMMITTMENTS

The Group has certain obligations to perform minimum exploration work on the tenements in which it has an interest. These obligations may in some circumstances, be varied or deferred. Tenement rentals and minimum expenditure obligations which may be varied or deferred on application are expected to be met in the normal course of business.

The minimum statutory expenditure commitments required to be spent on the granted tenements for the next twelve months amounts to $193,000.

NOTE 15 TENEMENT ACCESS

Native Title and Freehold

All or some of the tenements in which the Group has an interest are or may be affected by native title.

The Group is not in a position to assess the likely effect of any native title impacting the Group.

The existence of native title and heritage issues represent, as a general proposition, a serious threat to explorers and miners, not only in terms of delaying the grant of tenements and the progression of exploration development and mining operations, but also in terms of costs arising consequent upon dealing with aboriginal interest groups, claims for native title and the like.

As a general proposition, a tenement holder must obtain the consent of the owner of freehold before conducting operations on the freehold land. Unless it already has secured such rights, there can be no assurance that the Group will secure rights to access those portions (if any) of the Tenements encroaching freehold land but, importantly, native title is extinguished by the grant of freehold so if and whenever the Tenements encroach freehold the Group is in the position of not having to abide by the Native Title Act in respect of the area of encroachment albeit aboriginal heritage matters still be of concern.

NOTE 16 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the financial reporting period, Surefire has announced a capital raising whereby that it has received firm commitments from professional and sophisticated investors to raise up to $1.15 million (**Placement**), before costs.

The Placement will result in the issue of up to 125,000,000 fully paid ordinary shares (**Shares**) at $0.0092 each and will be placed within the Company's existing Listing Rule 7.1 placement capacity of up to 74,684,636 Shares and pursuant to Listing Rule 7.1A placement capacity of 50,315,364 Shares. The issue price represents a discount of 15.26% to the 15-day VWAP. The Shares, when listed, will rank pari-passu with existing SRN shares quoted on the ASX. It is expected that the receipt of funds will be completed on or around 2 October 2019 and Shares issued immediately thereafter.

CPS Capital Group Pty Ltd (AFSL 294848) (**CPS**) have been appointed to act as Lead Manager and Broker to the Placement and to provide corporate advisory services on a non-exclusive basis. CPS will be paid a management fee of 2% (plus GST) for managing the placement, a placement fee of 4% (plus GST) for funds raised via the Placement and will be issued up to 55,000,000 options exercisable at $0.018 each, having an expiry date which is 18 months from the date of issue. The issue of the options will require shareholder approval and will not be quoted.

Other than noted above or reported to ASX there have been no matters or circumstances that have arisen since 30 June 2019 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 17 EQUITY-SETTLED SHARE-BASED PAYMENTS

On 25 April 2019, the Company issued a total of 62,500,000 fully paid ordinary shares as final payment for the acquisition of the Victory Bore tenement (see ASX Release 29 April 2019). These shares are subject to a voluntary escrow until 25 October 2019

A fair value of $750,000 based upon the share price at the time of issue has been shown as a tenement acquisition cost and expensed in full in the Consolidated Statement of Financial Performance.

NOTE 18 CONTROLLED ENTITIES

Subsidiaries of Surefire Resources NL	Country of Incorporation	2019 Percentage Owned (%)	2018 Percentage Owned (%)
Unaly Hill Pty Ltd	Australia	100%	100%
Associate of Surefire Resources NL			
Oil & Gas SE Pty Ltd	Australia	49%	49%

All of these companies are dormant and have not operated during the year.

NOTE 19 RELATED PARTY AND RELATED ENTITY TRANSACTIONS

During the year the following related party transactions were entered into by the company:

Name of the related entity	Total amount invoiced	Description of services
Corporate Admin Services Pty Ltd	$300,000 (2018: $322,566)	Executive managing directorial services
Vargas Holdings Pty Ltd	$135,000 (2018: $Nil)	Loan advances, unsecured, interest payable at 14% pa, calculated on a daily basis, repayable on demand
Minman Pty Ltd	$112,550 (2018: $109,355)	Non-executive technical directorial services and geological consultancy
Halith Pty Ltd	$42,000 (2018: $35,182)	Non-executive directorial services

Particulars of contractual arrangements and financial benefits provided to the key management personnel are detailed in the directors' report.

The total amount owing to both current and past directors and/or director-related parties (including GST) at 30 June 2019 was $377,123 (2018: $467,757). Of this amount, $265,093 is being disputed and subject to legal processes.

NOTE 20 CONTINGENT LIABILITIES AND ASSETS

The directors have disputed various invoices included in the Group's financial records which were raised by previous directors in relation to services rendered. The total amount of those charges equates to $265,093 and have been included in expenses incurred prior to 30 June 2018.

Contingent Liability on Acquisition of Victory Bore Tenement

In an Amendment to the Heads of Agreement for Sale of Tenement executed on 16 August 2018 between High Grade Metals Limited, Acacia Mining Pty Ltd, Mutual Holdings Pty Ltd and Surefire Resources NL, it was agreed (among other terms) that:

1. Within 60 days of Surefire announcing to the ASX that it has obtained a pre-feasibility study that confirms that the subject tenement, namely Victory Bore, if developed as a mine, has an internal rate of return of not less than 20%, Surefire will pay an additional sum of $650,000; and
2. Within 60 days of Surefire announcing to the ASX that it has made a decision to mine within the Tenement area, Surefire will pay an additional sum of $650,000.

Both of these contingencies have NOT been included as an expense in the Financial Report and are subject to the respective conditions being met in due course.

Native Title

Tenements are commonly (but not invariably) affected by native title.

The Group is not in a position to assess the likely effect of any native title impacting the Group.

The existence of native title and heritage issues represent, as a general proposition, a serious threat to explorers and miners, not only in terms of delaying the grant of tenements and the progression of exploration development and mining operations, but also in terms of costs arising consequent upon dealing with aboriginal interest groups, claims for native title and the like.

NOTE 21 FINANCIAL INSTRUMENTS DISCLOSURE

(a) **Financial Risk Management Policies**

The Group's financial instruments consist of deposits with banks, receivables, financial assets and payables.

Risk management policies are approved and reviewed by the Board. The use of hedging derivative instruments is not contemplated at this stage of the Group's development.

Specific Financial Risk Exposure and Management

The main risks the Group is exposed to through its financial instruments, are interest rate and liquidity risks.

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows, cash reserves, liquid investments, receivables and payables.

Capital Risk

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raising as required.

The working capital position of the Group at 30 June 2019 and 30 June 2018 was as follows:

	2019 ($)	2018 ($)
Cash and cash equivalents	135,800	1,860,697
Other receivables	25,501	42,473
Trade and other payables	(695,039)	(717,100)
Working capital position	(533,738)	1,186,070

SUREFIRE RESOURCES NL

NOTE 21 FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the consolidated financial statements.

There are no material amounts of collateral held as security at balance date.

The following table provides information regarding the credit risk relating to cash and cash equivalents based on credit ratings:

	2019 ($)	**2018 ($)**
AAA rated	135,800	1,860,697
AA rated	-	-
A rated	-	-

The credit risk for counterparties included in trade and other receivables at balance date is detailed below.

Other receivables	**2019 ($)**	**2018 ($)**
Other receivables	25,501	42,473
	25,501	42,473

(b) **Financial Instruments**

The Group holds no derivative instruments, forward exchange contracts or interest rate swaps.

Financial Instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments.

2019	**Weighted Average Effective Interest Rate %**	**Floating Interest Rate ($)**	**Fixed Interest Rate ($)**	**Non-Interest Bearing ($)**	**Total ($)**
Financial Assets:					
Cash and cash equivalents		-	-	135,800	135,800
Trade and other receivables		-	-	25,501	25,501
Total Financial Assets	0%	-	-	161,301	161,301
Financial Liabilities:					
Trade and other payables including $135,000 (Note 11) interest at 14%		-	(135,000)	(560,039)	(695,039)
Net Financial Assets		-	(135,000)	(398,738)	(533,738)

	2019 ($)
Trade and other payables are expected to be paid as follows:	
Less than 6 months	(695,039)

NOTE 21 FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

2018	Weighted Average Effective Interest Rate %	Floating Interest Rate ($)	Non-Interest Bearing ($)	Total ($)
Financial Assets:				
Cash and cash equivalents		-	1,860,697	1,860,697
Trade and other receivables		-	42,473	42,473
Total Financial Assets	0%	-	1,903,170	1,903,170
Financial Liabilities:				
Trade and other payables		-	(717,100)	(717,100)
Net Financial Assets		-	1,186,070	1,186,070

	2018 ($)
Trade and other payables are expected to be paid as follows:	
Less than 6 months	(717,100)
	(717,100)

(c) **Sensitivity Analysis – Interest rate risk**

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

As at balance date, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2019 ($)	2018 ($)
Change in loss – increase/(decrease):		
- Increase in interest rate by 2%	2,700	-
- Decrease in interest rate by 2%	(2,700)	-
Change in equity – increase/(decrease):		
- Increase in interest rate by 2%	(2,700)	-
- Decrease in interest rate by 2%	2,700-	-

The directors of the Group declare that:

1. the accompanying consolidated financial statements and notes are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards and the *Corporations Act 2001*;

   (b) give a true and fair view of the financial position as at 30 June 2019 and performance for the year ended on that date of the Group; and

   (c) the audited remuneration disclosures set out in the Remuneration Report section of the Directors' Report for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*;

2. the Chief Executive Officer has declared pursuant to section 295A(2) of the *Corporations Act 2001* that:

   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   (b) the consolidated financial statements and the notes for the financial year comply with Australian Accounting Standards; and

   (c) the consolidated financial statements and notes for the financial year give a true and fair view;

3. in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

4. the directors have included in the notes to the consolidated financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors.

Electronic Signature noted as having been affixed with approval

Mr Vladimir Nikolaenko
Managing Director

Dated 30 September 2019

Greenwich & Co

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458
Level 2, 267 St Georges Terrace, Perth WA 6000
PO Box 983, West Perth WA 6872
T 08 6555 9500 | F 08 6555 9555
www.greenwichco.com

Independent Audit Report to the members of Surefire Resources NL

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Surefire Resources NL and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

The Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019 includes Director fees and employee benefits expense: $386,544.

We have been unable to obtain sufficient appropriate audit evidence of the validity, accuracy and completeness of the recorded remuneration of former key management persons Mr John Wareing, Mr Victor Turco and Mr Brett Clark and their related entities for the year ended 30 June 2018. This is because certain information was unable to be procured from former key management persons of the Group and as explained in Note 20, the Directors have disputed various invoices included in the Company's financial records which were raised by outgoing Directors in relation to services rendered.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 1 to the financial report, which describes that the ability of the Company to continue as a going concern is dependent on successful mining and exploration, and further equity issues to the market. As a result, there is material uncertainty related to events or conditions that may cast significant doubt on the Company'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 opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Directors fees, employee benefits expenses, exploration expenses and administration expenses: $2,475,208

Refer to Consolidated Statement of Profit or Loss and Other Comprehensive Income and Note 3

Key Audit Matter	How our audit addressed the matter
Director fees, employee benefit expenses, exploration expenses and administration expenses, collectively are a substantial figure in the financial statements of the Group, representing a significant portion of shareholder equity spent during the financial year. Given the significance of the above expenses, we considered that the validity and accuracy of the recorded expenditures to be a key audit matter.	Our audit work included, but was not restricted to, the following: • We examined the Group's approval processes in relation to making payments to its suppliers and employees. • We selected a systematic sample of expenses using the dollar unit sampling method, and vouched each item selected to invoices and other supporting documentation. • We requested copies of service agreements with key management personnel of the Group during the financial year. • From those charged with governance of the Group we requested confirmations from all directors and other key management personnel of the Group during the financial year of their remuneration and any other transactions between them, their related parties and the Group. • We reviewed Board minutes of meetings held during the financial year.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 17 of the directors' report for the year ended 30 June 2019. The directors of the Surefire Resources NL are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Qualified Opinion

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the Remuneration Report of Surefire Resources NL for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Basis for Qualified Opinion

The Remuneration Report includes $37,450 relating to Mr John Wareing and $94,141 relating to Mr Victor Turco for the year ended 30 June 2018 and $97,881 relating to services provided by an entity related to Mr Brett Clark during the year ended 30 June 2018.

We have been unable to obtain sufficient appropriate audit evidence of the validity, accuracy and completeness of the recorded remuneration of former key management persons Mr John Wareing, Mr Victor Turco and Mr Brett Clark and their related entities for the year ended 30 June 2018. This is because certain information was unable to be procured from former key management persons of the Group.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Rafay Nabeel
Audit Director

30 September 2019
Perth

TENEMENT DETAILS

Tenement	Nature of Interest	Project	Equity (%)
E08/2373	Granted	Kooline-Wyloo Group Ashburton Region - Lead/Silver	100
E08/2956	Granted	Kooline Ashburton Region - Lead/Silver	100
E57/1068	Granted	Unaly Hill Sandstone Region - Vanadium	100
E57/1036	Granted	Victory Bore Sandstone Region – Vanadium	100
E57/1112	Application	Unaly Hill Sandstone Region – Vanadium	100
E57/1139	Application	Victory Bore Sandstone Region – Gold	100

ANNUAL ASX REPORTING REQUIREMENTS

In compliance with Chapter 5 of the ASX Listing Rules, the directors consider that the Group does not have any ore reserves and mineral resources on which to conduct a review.

SUREFIRE RESOURCES NL

The following information was applicable as at 23 September 2019.

Share and Option holdings:

Category (Size of Holding)	Fully Paid Ordinary Shares	Partly-paid Ordinary Shares	Options 30.11.2019
1 to 1,000	436	4	6
1,001 to 5,000	287	11	10
5,001 to 10,000	98	3	3
10,001 to 100,000	478	43	40
100,001 and over	415	146	161
Total	**1,714**	**207**	**220**

The number of shareholdings held in less than marketable parcels is:

1,050 holders of fully paid ordinary shares; and

83 holders of options to acquire fully paid shares.

Substantial shareholders:

The names of the substantial shareholders listed in the Group's register as at 23 September 2019.

Shareholder Name	Number of Fully Paid Shares	% of Issued Fully Paid Share Capital
Vladimir Nikolaenko	92,687,141	18.42
Total	**92,687,141**	**18.42**

Twenty largest shareholders – Quoted fully paid ordinary shares:

	Shareholder Name	Number of Shares	% of Issued Share Capital
1.	Plato Mining Pty Ltd	76,942,832	15.29
2.	High Grade Metals Ltd	57,500,000	11.43
3.	Acuity Capital Investment Management Pty Ltd <Acuity Capital Holdings A/c>	20,000,000	3.97
4.	Mercury Investments Pty Ltd	15,411,809	3.06
5.	Sunset Capital Management Pty Ltd <Sunset Superfund A/c>	11,000,000	2.19
6.	Kalaria Nominees Pty Ltd <The Speculator A/c>	9,430,000	1.87
7.	Chembank Pty Ltd <RT Unit A/c>	8,500,000	1.69
8.	Ayers Pty Ltd <Hita Investment No 2 A/c>	6,111,110	1.21
9.	Halith Pty Ltd	5,505,155	1.09
10.	Pershing Australia Nominees Pty Ltd <Accum A/c>	5,030,923	1.00
11.	Taurus Capital Group Pty Ltd	5,000,000	0.99
12.	Ardglen Holdings Pty Ltd <Matthew Smith Family A/c>	4,812,500	0.96
13.	Kim A and Carolyn M Steven	4,700,000	0.93
14.	Leticia M Limon	4,500,000	0.89
15.	George M Armstrong	4,102,010	0.82
16.	Simon J Henderson	4,100,000	0.81
17.	Craig A Silverwood	4,000,000	0.79
18.	Silverknight Holdings Pty Ltd	4,000,000	0.79
19.	Agens Pty Ltd < The Mark Collins S/F A/c>	4,000,000	0.79
20.	Vivaldi Capital SDN BHD	3,875,000	0.77
	Total	**258,521,339**	**51.38**

SUREFIRE RESOURCES NL

Twenty largest shareholders – Unquoted partly paid ordinary shares:

	Shareholder Name	Number of Shares	% of Issued Share Capital
1.	Plato Mining Pty Ltd	55,942,832	18.63
2.	Celtic Capital Pty Ltd <The Celtic Capital A/c>	21,000,000	6.99
3.	Stevsand Holdings Pty Ltd <Formica Horticultural A/c>	15,000,000	5.00
4.	First Investment Partners Pty Ltd	14,875,000	4.95
5.	Mercury Investments Pty Ltd	11,008,435	3.67
6.	Mungala Investments Pty Ltd	10,000,000	3.33
7.	Ranchland Holdings Pty Ltd	8,333,335	2.78
8.	Citicorp Nominees Pty Ltd	5,005,000	1.67
9.	One Managed Investment Funds Ltd (Technical Investing Absolute Return A/c>	5,000,000	1.67
10.	Social Investments Pty Ltd	5,000,000	1.67
11.	Nicole J Gallin	4,500,000	1.67
12.	Sunshore Holdings Pty Ltd	4,166,665	1.50
13.	Princeton Capital (WA) Pty Ltd <The Princeton A/c>	4,150,000	1.39
14.	Group Seventy Three Pty Ltd	4,000,000	1.38
15.	Silverknight Holdings Pty Ltd	4,000,000	1.33
16.	Agens Pty Ltd < The Mark Collins S/F A/c>	4,000,000	1.33
17.	Pheakes Pty Ltd (Senate A/c>	3,545,793	1.33
18.	Nicole Gallin and Kyle Haynes <GH Super Fund A/c>	3,500,000	1.18
19.	Ardglen Holdings Pty Ltd <Matthew Smith Family A/c>	3,437,500	1.17
20.	Roncio Nominees Pty Ltd <Super Fund A/c>	3,000,000	1.14
	Total	**189,464,560**	**63.10**

Twenty largest shareholders – Quoted option holders:

	Option Holder Name	Number of Options	% of Options on Issue
1.	Plato Mining Pty Ltd	90,942,832	21.66
2.	Peter A Proksa	28,000,000	6.67
3.	Michael G Povey	12,000,000	2.86
4.	Sihol Mo Gultom	12,000,000	2.86
5.	Atlantic Way Pty Ltd	11,757,858	2.80
6.	Mercury Investments Pty Ltd	11,008,435	2.62
7.	John P Sorbara	10,900,000	2.60
8.	AMAX Pacific Pty Ltd	10,000,000	2.38
9.	Joseph M Patteson	10,000,000	2.38
10.	Vincenzo and Rita L Brizzi <Brizzi Family S/F>	6,600,000	1.57
11.	Alexis Adamides	6,000,000	1.43
12.	Scott A Malone	6,000,000	1.43
13.	Minman Pty Ltd <Povey Super Fund A/c>	6,000,000	1.43
14.	Dean M Clemente	5,068,370	1.21
15.	Samuel J Moran	5,000,000	1.19
16.	Jaime King and Smitha Selvakumar <King Superfund A/c>	5,000,000	1.19
17.	Peter Firmstone	5,000,000	1.19
18.	Jonathan Pogson	5,000,000	1.19
19.	Benjamin P Nichols	4,000,000	0.95
20.	Netshare Nominees Pty Ltd	4,000,000	0.95
	Total	**254,277,495**	**60.55**

There are 503,153,640 fully paid ordinary shares, 300,252,600 partly-paid ordinary shares and 419,952,600 options to acquire fully paid ordinary shares on issue.

Only the partly-paid ordinary shares are not listed on Australian Securities Exchange.

Buy-Back Plans

The Group does not have any current on-market buy-back plans.

Voting Rights

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a Member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each fully paid ordinary share held.
Each contributing share has a voting entitlement proportionate to the amount paid up thereon relative to the entire amount payable (including the amount paid but ignoring amounts credited as paid).

None of the options have any voting rights.