
Surefire Resources NL (ASX Code: SRN)

Surefire is an exploration company with assets in Western Australia.

Surefire will focus on a rigoured approach around project development through the application of the companies study management experience. Surefire believes that Australia still offers an extraordinary opportunity for resource development and will continue to seek and develop projects.

BOARD CHANGES

- Board restructure 17th May
 - Don Valentino and Graeme Smith stepped down from board
 - John Wareing appointed non executive chairman
 - David Sumich appointed managing director
 - Victor Turco appointed as Company Secretary
- Subsequent to this restructure
 - David Sumich resigned as Managing Director on 21 June 2017
 - Victor Turco joined board as non executive director on 21 June 2017



EXPLORATION ACTIVITIES

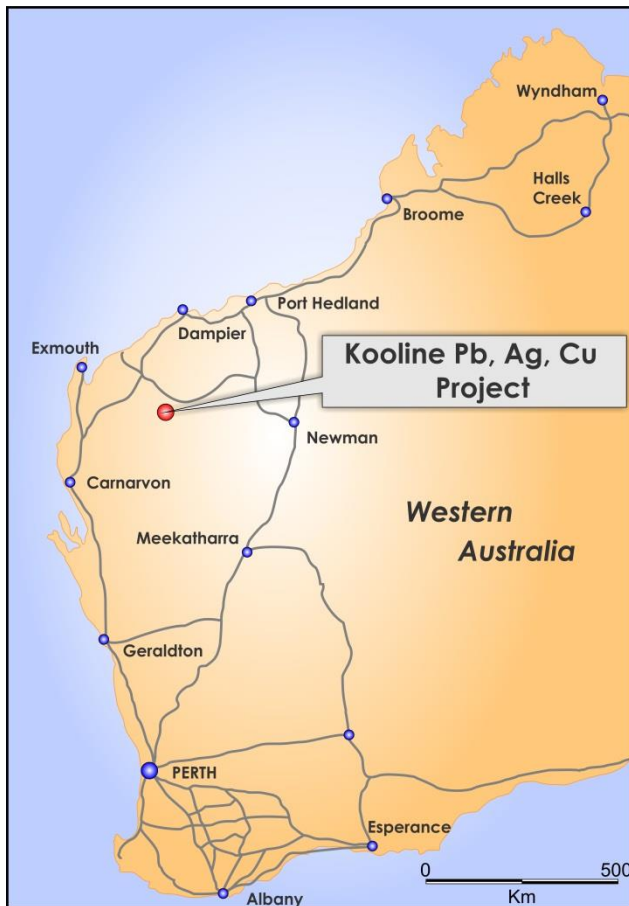


Figure 1: Regional Location Plan of Kooline

KOOLINE PROJECT (90% SRN)

The Kooline precious and base metals project is situated 55km south of Paulsen's Gold Mine and 190km west-north-west of Paraburdoo, within the Ashburton province of Western Australia. The project is a recent acquisition of Surefire Resources Limited ("SRN") whom have elected to earn a 90% stake from Ilmenite Resources Pty Ltd ("Ilmenite").

Historic exploration activities have consisted predominantly of geochemical soil, stream sediment, auger, and rock-chip sampling, with a relatively small amount of deeper drilling. More recently geophysical surveys were carried out by Athena Resources Ltd, a previous lease holder at Kooline.

The Project is comprised of two Exploration Licences E08/2372, and E08/2373 which combine for a total area of 91.44km².

Geology

The tenements are located within the Proterozoic Ashburton Formation, the uppermost stratigraphic unit of the Wyloo Group. The Ashburton Formation conformably overlies the Duck Creek Dolomite and is unconformably overlain by the Capricorn, Bresnahan, and Edmund Groups.

It outcrops in a broad southeast-trending belt and has an estimated thickness of 5 to 12 km. The Ashburton Formation consists of mudstone, sandstone and minor amounts of conglomerate, banded iron formation, and felsic to mafic volcanics.

Two phases of deformation are evident resulting in SW-trending folds and NW-trending folds with attendant steep to vertical bedding. Interference between the two fold generations led to the development of areas of large-scale dome-and-basin geometry (e.g. Mt Clement area). Quartz veining is common throughout much of the Ashburton Formation and is associated with structural sites arising from the two phases of deformation. Quartz veins are thus seen to occur on the limbs of folds where they may possibly represent the legs of saddle reefs and in tensional sites associated with dextral wrenching.

The project geology, which has only been partly mapped by previous explorers, is dominated by the Ashburton Formation and Quaternary cover consisting of Laterite, colluvium, and alluvium associated with the relict and erosional regolith domains. In the project area the Ashburton Formation is predominately siltstone, thin to very thick bedded lithic quartz sandstone, and minor pebble conglomerate and greywacke. No felsic volcanic rocks have been noted in the project area to date. This lithology has been metamorphosed to lower greenschist facies. The southwest edge of the tenement group is aligned with the Targa fault associated with the boundary of the Edmund Basin.



Mineralisation

Mineralisation of lead is evident from the dense cluster of historic excavations and mines. Modern exploration geochemical sampling has confirmed the extent of the mineralisation with a significant number of previously reported rock chip samples returning assays over 20% Pb, with a maximum of 68.4% Pb, see Figure 1. A zone of elevated copper, evident from field reconnaissance, mapping, sampling and assaying is also evident at Kooline.

Historic Production (WAMEX and DMP Records)

The Kooline lead field produced 2,679 tonnes of lead and 26,522 ounces of silver from approximately 40 small workings. Three mines, The Gift, June Audrey and Bilrose, were responsible for about 60% of the production. Each of these three mines had its own treatment plant consisting of a battery or crusher and a concentrator. Ore from the smaller mines and prospects was either hand sorted for direct shipping or treated at one of the three treatment plants. The first lease in the field was pegged over the Beadon mine in October 1947 and mining continued until 1959 when low metal prices forced the mines to close. The leases were not surveyed and Mines Department production records are incomplete. The average grade of ore mined was 10-12% lead and 30-45g/t silver. The mining was mostly above 15 metres depth, but the Gift was 52 metres deep and the workings extended east for 49metres and 46 metres to the west.

*At today's lead and silver prices of \$2,287 per tonne and \$18 per ounce respectively, the value of metal mined was about \$6.1 million for the lead and \$477,000 for the silver or **\$6.58 million (USD) in total.***

The ore consists of disseminated to massive coarse grained galena with minor local concentrations of cerussite, cuprite and barite in quartz veins to 2 metres wide. The style of vein and associated alteration varies with the host rock. In coarse grained quartz psammitic sandstone disseminated galena mineralisation accompanied by chlorite and mica can extend for over 1 metre away from the veins. Quartz veining which is common throughout the field is generally parallel to the axial plane cleavage, but some veins are cross cutting and others occur in tensional jogs. The dominant vein directions are 30° and 260°. The main group of workings is associated with an anticline that trends at 285°. The Gift, Bilrose and June Audrey are located on the southern limb, while the Roebuck, Kooline Queen, South Kooline and Silver King workings are on the northern limb.

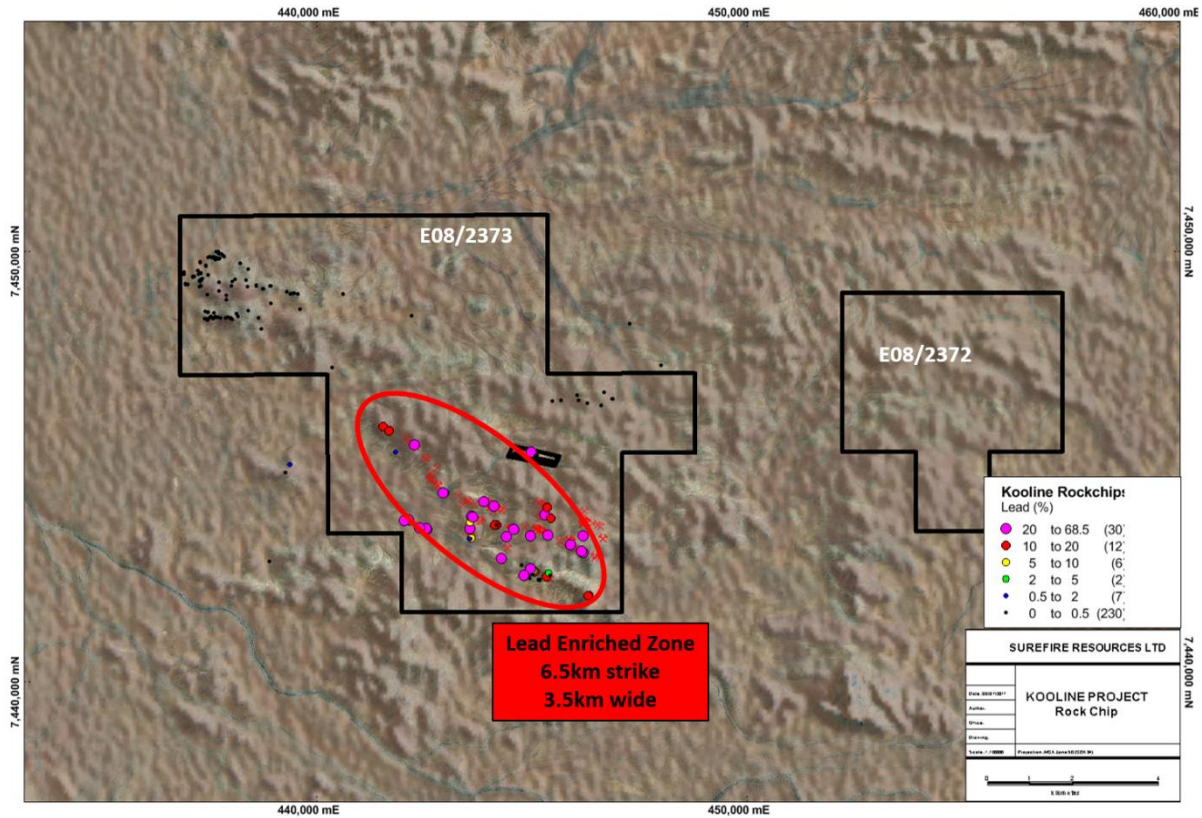


Figure 1 Lead mineralisation extent

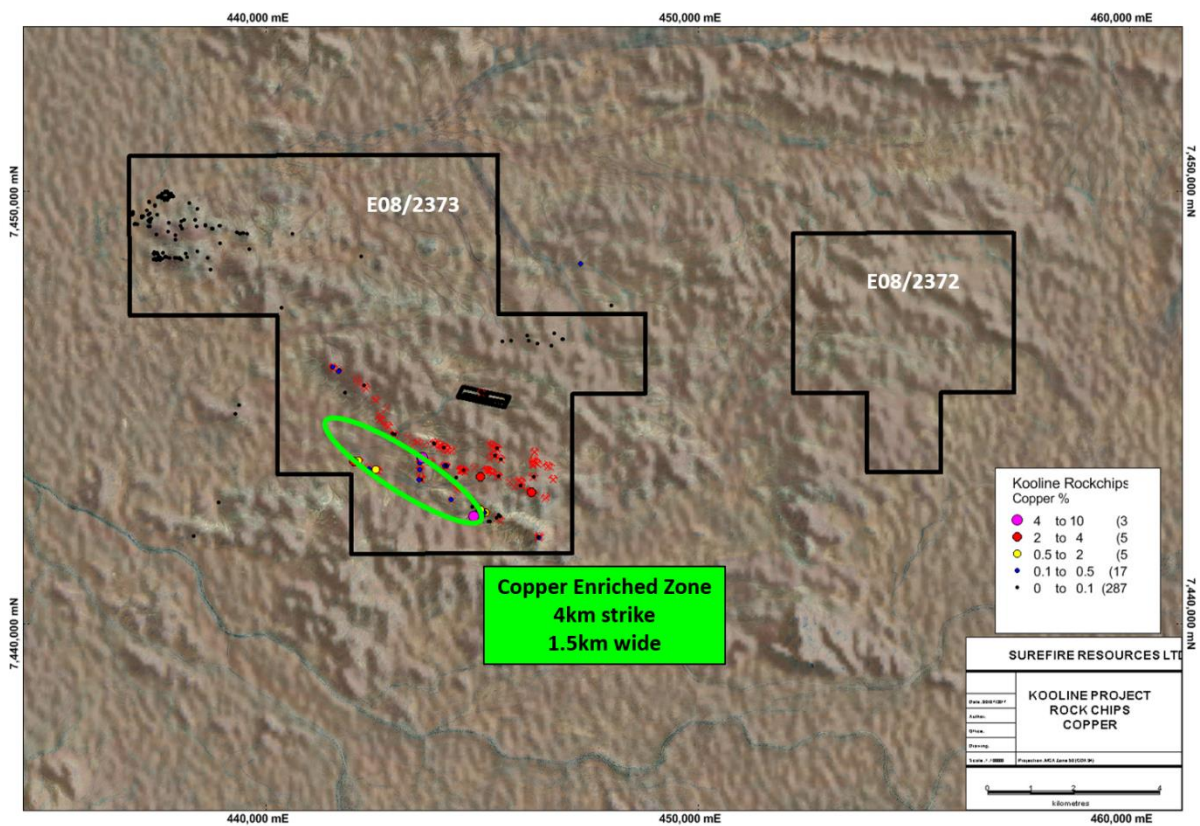


Figure 2 Copper mineralisation extent

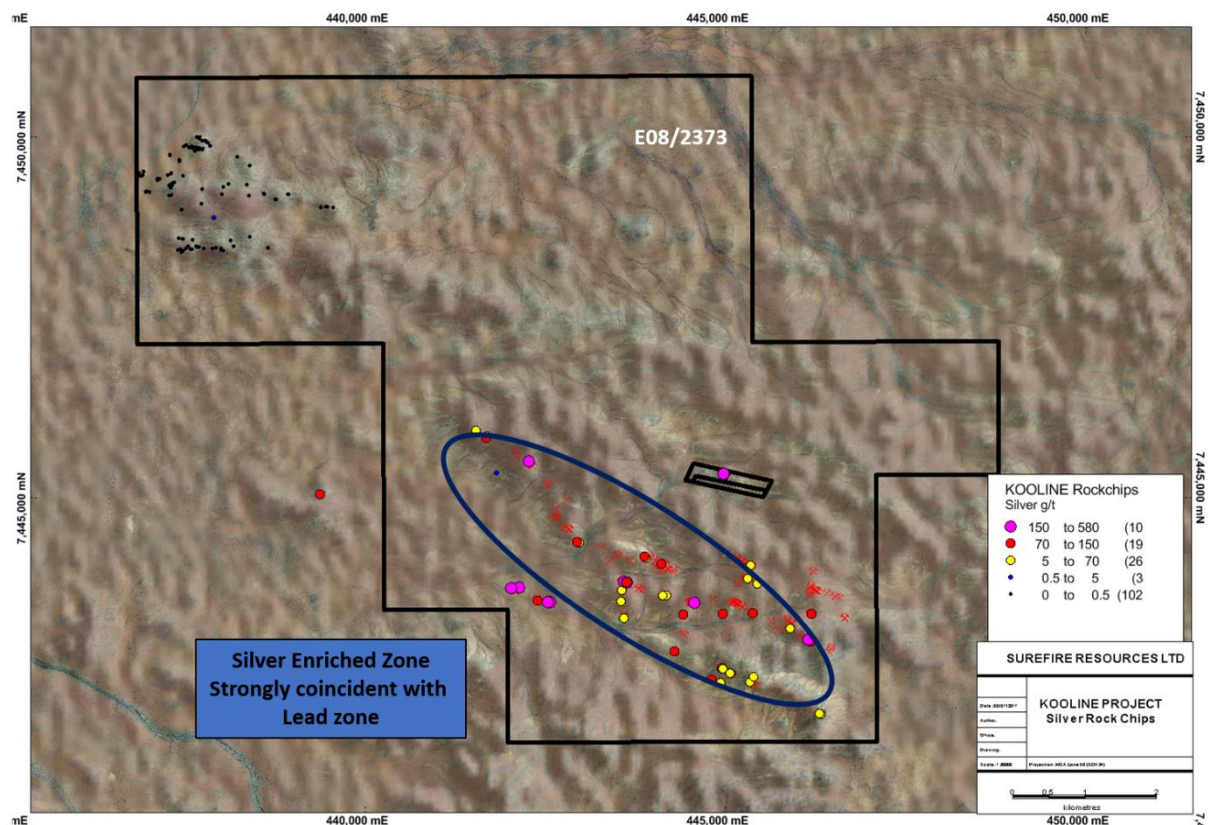


Figure 3 Silver mineralisation extent

RC Drilling

Within the vicinity of the cluster of lead workings a limited RC drilling program was carried out in 2009 by Athena Resources Ltd. 13 holes for a total of 1,150metres were drilled with limited success. According to Athena the program targeted the high grade lead and gold geochemistry and the historic lead mines coincident with geophysical targets. This was the first drilling carried out at this immediate locality in recent times. Several significant drill intersections were achieved with regard to both gold and lead, with anomalous copper and silver also present. Table 1 below summarises the significant intercepts.

Table of Significant Intercepts					
Hole ID	Depth From	Depth to	Interval	Pb	Au
Unit	(m)	(m)	(m)	(%)	(g/t)
AK09RC01	63	68	5	2.08	
AK09RC02	22	24	2	3.31	
AK09RC02	33	35	2	3.36	
AK09RC03	52	54	2	3.96	
AK09RC04	25	27	2		2.12
AK09RC04	31	32	1	1.72	
AK09RC08	96	97	1	0.36	
AK09RC11	72	73	1		4.75
AK09RC12	75	78	3		6.48
includes	75	76	1		13.9



Further work and field validation is required to assess the efficacy of this first-pass RC drill test. It is also noted that these few holes have not adequately tested and numerous geochemical and geophysical targets present at Kooline and further drilling is recommended.

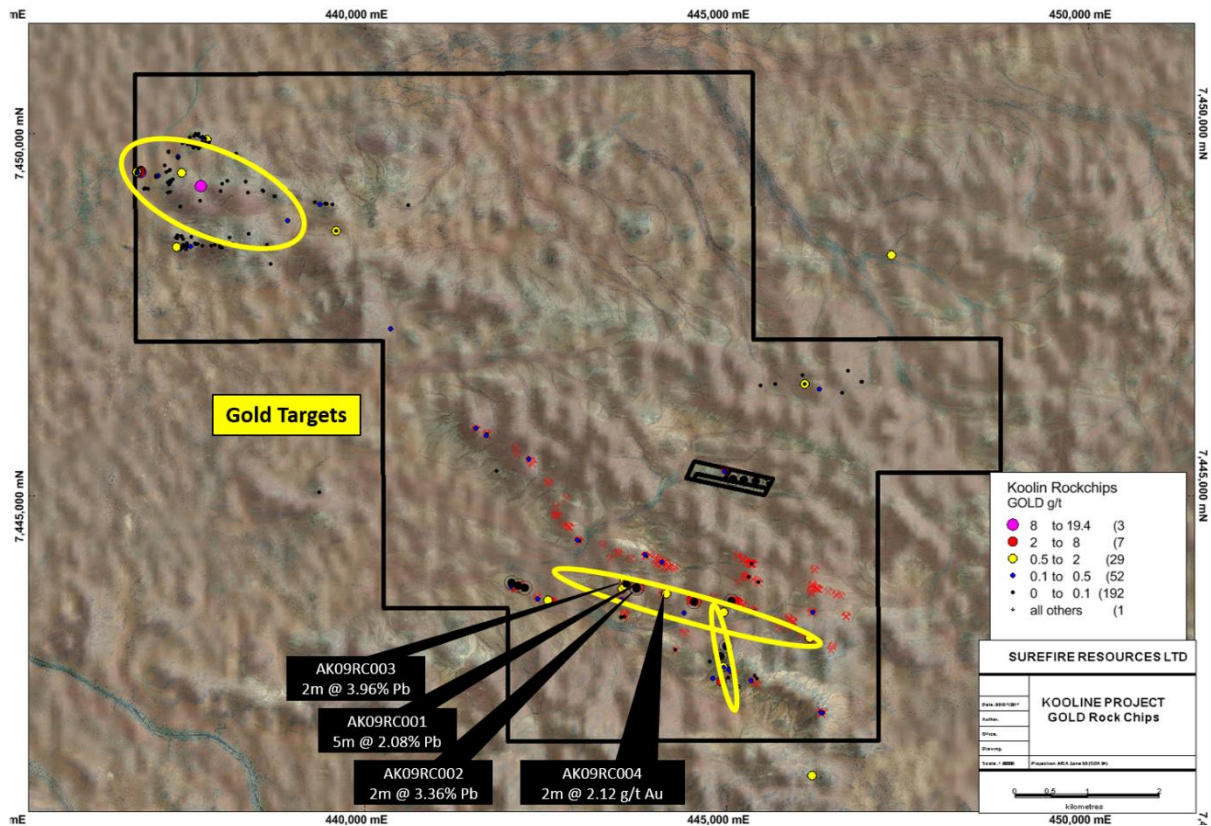


Figure 4 Gold mineralisation extent

Other previous significant exploration activities

Geophysical Surveys

A number of geophysical surveys were executed by Athena Resources Ltd:

- Fixed Loop Electromagnetic ("FLEM") Survey. Athena Resources Ltd commissioned GPX Services Pty Ltd to carry out a total of fourteen 200m lines with 20m station intervals.
- In 2006 Geotech Airborne were commissioned to carry out a helicopter-borne versatile time domain electromagnetic survey ("VTEM") and caesium magnetometer for a total of 476.45 line kilometres were flown.
- Landgate Pty Ltd were commissioned to fly an aerial photographic survey which was ortho-rectified to produce a digital photo-mosaic to assist in interpretation.
- Hyvista Corporation were contracted to acquire and process Hymap-airborne hyperspectral imagery over the project area.
- Digital mapping Australia were commissioned to 10cm GSD imagery over part of the Kooline Project to produce digital orthophotos. The lidar data captured 4 points simultaneously per m² to provide an accurate digital terrain model ("DTM")
- UTS Geophysics Pty Ltd were commissioned to carry out an fixed-wing airborne magnetic and gamma ray spectrometer survey. The survey included a total of 2,368 line kilometres with 50m line spacing, 500m tie line spacing and 30m sensor height.
- GPX Surveys Pty Ltd were commissioned to carry out five gradient array Induced Polarisation Surveys ("GAIP") and two dipole-dipole ("DDIP") surveys.



SRN is presently reviewing the significant amount of available public domain data from these surveys and is undergoing revision, reprocessing and interpretation.

Detailed Geological Mapping

Geological maps prepared by Cotton and Mayers (1997) for Rio Tinto were colour scanned, registered, warped and digitised. Reconnaissance field checking indicates that the project area has been subjected to complex multiple deformation. This is most evident as rodding or pencil slate caused by the intersection of the cleavages. Further work is required to determine the implications of this structural complexity on the mineralisation at Kooline and Lewis's, as the mineralisation at both these areas is structurally controlled.

Soil, Auger, Stream Sediment, and Rock-chip Sampling.

There has been a significant amount of geochemical sampling at the project including rock-chipping, float sampling, conventional soil sampling and auger soil sampling, and stream sediment sampling.

A total of 310 rock-chips, 863 auger soil samples, 1,443 conventional soil samples, 27 stream sediment samples have been removed from the project. Data validation is currently in place and all metal anomalies are to be reviewed and interpreted. This process is critical for accurate drill targeting of up-coming RC drilling at the project.

With respect to the above previous exploration work programs, SRN is in the process of validation, interpretation and drill planning to exploit the opportunities that exist within the above data-sets at the Kooline Project. During the September Quarter SRN will progress interpretation of available geochemical and geophysical data in order to produce the most accurate drill targets possible with the assumption testing these as soon as readily possible.

Competent Persons Statement:

Information in this report relating to exploration results is based on information compiled by Martin Dormer' Consultant Geologist, Mr Martin Dormer, who is a member of the Australian Institute of Mining and Metallurgy. Mr Dormer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2004 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dormer consents to the inclusion of such information in this report and the context in which it appears.

For further information:

John Wareing

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

SUREFIRE RESOURCES NL

ABN

48 083 274 024

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(25)	(320)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(113)	(272)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	60
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(138)	(532)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(60)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(60)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	500
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(36)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	464

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	158	148
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(138)	(532)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(60)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	464
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	20	20

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	20	8
5.2	Call deposits	-	150
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20	158

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
42
-

Director fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
72
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	100	100
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
Loan from V Nikolaenko – unsecured, interest 10%pa		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	30
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	35
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	65

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

JOHN WAREING

Director

31 July 2017

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.