

SUREFIRE RESOURCES NL

(formerly BLACK RIDGE MINING NL)

ABN 48 083 274 024

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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CORPORATE DIRECTORY

Board of Directors

Mr John Wareing– Non-executive Director

Mr Victor Turco – Non-executive Director

Mr Vladimir Nikolaenko – Non-executive
Director

Company Secretary

Mr Victor Turco

Registered Office

Level 1, Wesley Central
8-12 Market Street
Fremantle WA 6160
Phone: +61 8 9431 9888
Email: info@blackridgemining.com

Banker

National Australia Bank Limited
226 Main Street
OSBORNE PARK WA 6017

Auditors

Greenwich & Co Audit Pty Ltd
Level 2
35 Outram Street
WEST PERTH WA 6005

Solicitors

Murfett Legal Pty Ltd
Level 2,
111 Wellington Street
EAST PERTH WA 6004

Share Registry

Advanced Share Registry
150 Stirling Highway
NEDLANDS WA 6009
Phone: +61 8 9389 8033
Fax: + 61 8 9389 7871

Stock Exchange Listing

Australian Securities Exchange
Surefire Resources NL
ASX Code: SRN

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
ABN 48 083 274 024

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REVIEW OF OPERATIONS

Kooline Silver Lead Project

During the half year the Company entered into an option agreement to acquire the Kooline Silver-Copper-Lead Project.

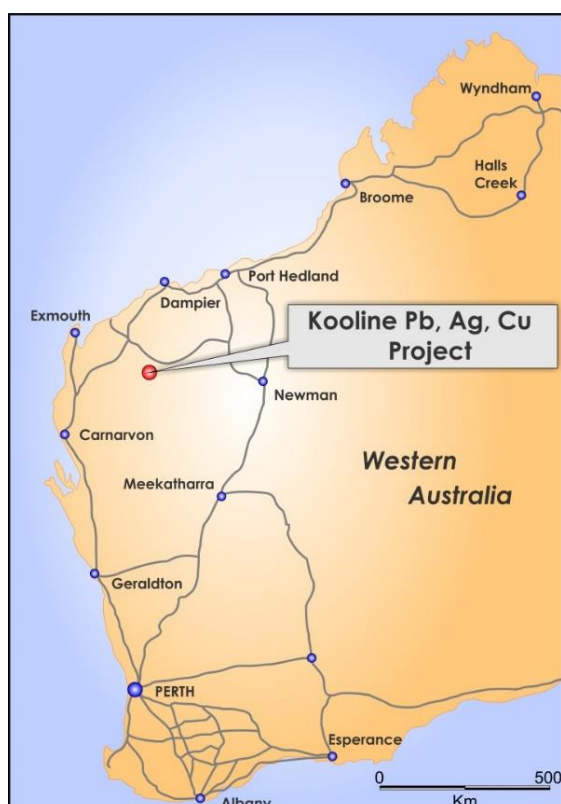
The Project, located 55km south of the Paulsen's Gold Mine, within the Ashburton Province, produced a total of 3,600t of lead and 950kg (30,546oz) of silver over an eleven-year period (1948 and 1959). Much of the historical production came from three mines: The Gift, Jane-Audrey and Bilrose, which lie within the tenure. Many of the old workings at Kooline have demonstrated untested potential extensions both along strike and down dip. Thus, many prospects are drill-ready. The Project includes an extensive 6km long auger soil geochemical anomaly, and is characterised by numerous high grade silver (up to 19oz/t Ag) and lead occurrences (10 – 70% galena) with historical workings distributed over a 5km length within the tenure.

Since announcing the Kooline option agreement, the Company has:

- Sourced all available geophysical datasets, including high resolution aeromagnetic and ground IP;
- Appointed a consultant geophysicist to reprocess and re-evaluate the datasets; and,
- Collated the limited historical drilling, geology and geochemistry into a relational database for review by BRD's technical consultants.

The Company has moved quickly to validate the legacy information and to generate new drill ready targets by considering the holistic nature of the technical information within a more evolved structural framework.

Project Geology



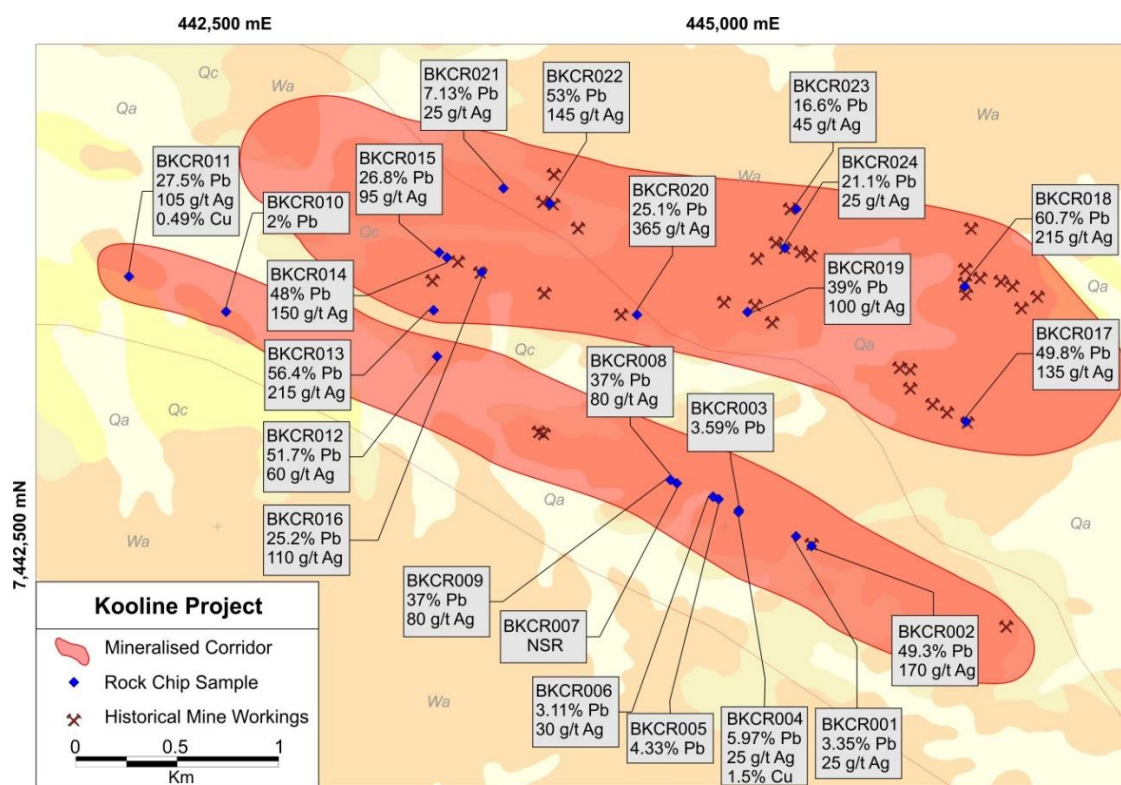
The Project geology has only been partially mapped by prior explorers and has been interpreted as being dominated by the Ashburton Formation and Quaternary cover consisting of laterite, colluvium and alluvium associated with relict and erosional regolith domains.

Within the Project area, the Ashburton Formation is predominantly siltstone, thin to very thick bedded lithic quartz sandstone and minor pebble conglomerate to greywacke. No felsic volcanic lithologies have been noted within the Project area to date. This lithology has been metamorphosed to lower greenschist facies.

The structural complexity and implications with respect to mineralisation at Kooline is poorly understood. Structural mapping has confirmed multiple deformation events. Rodding or pencil slate caused by the intersection of cleavage planes was confirmed in both the June Audrey and Bilrose Prospect areas. Preliminary structural data from field reconnaissance suggests that gold, lead and silver mineralisation is bound within potential multiple,

REVIEW OF OPERATIONS

subtle dilation zones associated with common intersection lineation environment.



A field trip to the tenements yielded twenty-four rock chip samples across a wide area. Seven samples returned lead assays in excess of 40% lead. Ten samples produced assays over 3oz per tonne silver, and two samples assayed at greater than 1% copper. (ASX Release: 17 January 2017)

The resulting assays confirm the widespread occurrence of high grade silver and lead values in mineralised structures that crop out over a minimum 4.5km of strike at Kooline. The west-northwest trending mineralised structures are buried in the west by sediments associated with the Ashburton River floodplain.

REVIEW OF OPERATIONS



CORPORATE

During the year the Company raised \$500,000 from the issue of 250 million shares to sophisticated and professional investors.

In January 2017, Trent Spry's contract with the Company ended and was not renewed.

On 18 January 2017 the Unaly Hill tenement (E57/420) expired and was not renewed. The tenement was being maintained, at the time, by a professional tenement management company and the Company believed the management company were responsible for its renewal. The Company did not consider the Unaly Hill tenement to be of any value and its carrying value was written off to zero at 31 December 2016.

On 9 February 2017 shareholder approval was received to approve and ratify a number of issues of securities in the Company being:

- The ratification of the issue of 26,666,666 shares at a deemed issue price of \$0.0015 each;
- The ratification of the issue of 259,000,000 shares at an issue price of \$0.002 each;
- Approval for the issue of 250,000,000 shares at a deemed issue price of \$0.0015 each in consideration of the acquisition of the Kooline Silver-Lead-Copper project;
- Approval for the issue of 430,000,000 quoted options at an exercise price of \$0.003 and an expiry date of 30 December 2017;
- Approval for the issue of 80,000,000 shares at a deemed issue price of \$0.002 each; and
- Approval for the issue of 7,500,000 performance rights to a related party.

REVIEW OF OPERATIONS

On 13 February 2017 the Company announced that it had elected to proceed with the acquisition of 90% equity in the Kooline Silver-Lead-Copper Project for consideration of 250 million fully paid ordinary shares.

On 13 February 2017 the Company issued 75 million shares to Plato Mining Pty Ltd in part settlement of amounts owing.

The Company disposed of 51% of its subsidiary Oil & Gas SE Pty Ltd, which owned the Petrolocate Technology, on 8 March 2017.

On 31 March 2017, the Company made a loan re-payment of \$59,849.55 to Mutual Holdings Pty Ltd, an entity associated with director Vladimir Nikolaenko.

On 28 April 2017, the Company acquired a 3 month option to acquire 100% of 27 Exploration Pty Ltd, which holds the Ashburton Cobalt Project, with consideration for the option being 75 million shares.

Schedule of Tenements

Project	Tenement Details	Interest
Western Australia		
Kooline	E08/2372	90% *
Kooline	E08/2373	90% *

- * Acquired as outlined above. The Company is currently undertaking the administrative process of arranging the registration of title transfer under the Mining Act 1978.

Competent Persons Statement

The information in this announcement that relates to the Kooline Project Exploration Results is based on information compiled and fairly represented by Mr Jonathan King, who is a Member of the Australian Institute of Geoscientists and a consultant to Surefire Resources NL. Mr King 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 Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

REVIEW OF OPERATIONS

Finance Review

The Group recorded an operating loss after income tax for the year ended 30 June 2017 of \$1,589,661 (2016: loss of \$452,624).

At 30 June 2017 cash assets available totalled \$20,554 (2016: \$148,225).

Cash outflows from operating activities during the year ended 30 June 2017 were \$431,380 in 2017 (2016: \$15,850)

DIRECTORS' REPORT

Your directors submit their report for the Company and its controlled entities ("the Consolidated Entity" or "Group") for the year ended 30 June 2017.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr John Wareing

Chairman (appointed 16 May 2017)

Experience

Mr Wareing is a business professional with 20+ years extensive corporate and strategy skills developed across the mining, oil and gas government sectors. He has extensive experience working as a consultant, adviser and facilitator to numerous companies in Australia and Internationally in the areas of strategic advice, commercialisation, solution development, project acquisition, government and stakeholder management. He has considerable experience in negotiations across state, national and international jurisdictions and have an extensive network of political and business connections within government, mining, oil and gas and industrial sectors.

Mr Wareing brings a proven track record in management consultancy, business development in tough markets, capital raising, broker management, corporate presentations, mergers and acquisitions, corporate social responsibility, team development and change management.

Directorships in other companies in the past 3 years

Nil

Interest in Shares & Options

Mr Wareing holds no shares nor options in Surefire Resources NL

Mr Victor Turco

Non Executive Director (appointed 21 June 2017)

Experience

Mr Turco is a Certified Practicing Accountant and the principal and public practice license holder of Turco & Co Pty Ltd. Mr Turco holds a Bachelor of Business from the Western Australian Institute of Technology (Curtin University), is a registered tax agent and registered auditor of self-managed superannuation funds and is also a member of both the Australian Society of CPA's and the National Tax and Accountant's Association. Mr Turco has been involved in public accounting arena for 36 years and has a wealth of experience both in Australia and overseas in the accounting, taxation, finance, corporate and property fields.

Directorships in other companies in the past 3 years

Citation Resources Ltd

Interest in Shares & Options

Mr Turco holds no shares nor options in Surefire Resources NL

DIRECTORS' REPORT

Mr Vladimir Nikolaenko Non-executive Director (resigned 18 August 2016, re-appointed 27 July 2017)

Experience 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.

Directorships in other companies in the past 3 years Nil

Interest in Shares & Options ORD – 481,561,050
SRNO – 50,000,000

Mr Graeme Smith Non-executive director (appointed 27 October 2015, resigned 16 May 2017)

Qualifications BEc, MBA, MComLaw, FCPA, FGIA, FCIS

Experience Mr Smith is the principal of Wembley Corporate Services which provides company secretarial, CFO and corporate governance services. He is a finance professional with over 25 years' experience in accounting and company administration. He is a Fellow of the Australian Society of Certified Practising Accountants, the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia.

Directorships in other companies in the past 3 years Anglo Australian Resources NL; Criterion Resources Limited
Rubianna Resources Limited (resigned 2014)

Interest in Shares & Options ORD – 37,500,000
Nil

Mr Brett Clark Non-executive director (appointed 8 March 2016, resigned 17 August 2017)

Experience Mr Clark is a partner with a New York based investment merchant bank.

He has over 20 years' experience in the resources sector in business development, operations, acquisitions, asset management, project management, business improvement and financial roles. Brett brings specific experience in corporate roles that have focused on strategic operational outcomes and implementation of major resource project studies. Mr. Clark also has previous director experience with Oakajee Port and Rail, and senior executive roles with Tethyan Copper, Ernst & Young, Snowden Group, Rio Tinto/Iron Ore Company of Canada/Hamersley Iron and Western Mining.

Directorships in other companies in the past 3 years Pluton Resources Limited (resigned 2014); Nelson Resources Ltd

Interest in Shares & Options Nil

DIRECTORS' REPORT

Mr Don Valentino **Non-executive director (appointed 18 August 2016, resigned 16 May 2017)**

Qualifications

Experience Mr Valentino was previously Managing Director of Genesis Biomedical Limited and was primarily responsible for redirecting Genesis from its original biomedical activities to involvement in the mining and resources areas.

Mr Valentino was also the state manager for Sigma Pharmaceuticals.

Directorships in other
companies in the past 3
years Nil

Interest in Shares &
Options Nil

Mr David Sumich **Managing Director (appointed 16 May 2017, resigned 21 June 2017)**

Mr Sumich is a mining industrial professional of over 20 years experience and has held the role of Managing Director with previous ASX listed entities.

Interest in Shares &
Options Nil

OTHER OFFICERS

Mr Trent Spry **Chief executive officer (appointed 22 February 2016, resigned 4 January 2017)**

Mr Spry has enjoyed successful careers with both large and junior resource companies listed on the ASX and has held executive, board and technical advisory positions. Trent has also been a director of a large international consulting firm where he was responsible for running a multi-disciplinary team of geoscientists and engineers, as well as direct technical advisory to clients

Mr Victor Turco **Company Secretary (appointed 16 May 2017)**
Mr Graeme Smith **Company Secretary (appointed 27 October 2015, resigned 16 May 2017)**

DIVIDENDS

The directors have not recommended the declaration of a dividend. No dividend was paid or declared during the current or prior period.

PRINCIPAL ACTIVITIES

The principal activity during the financial year was mineral exploration including the exploration and evaluation of opportunities located domestically and internationally.

OPERATING RESULTS

The Consolidated Entity's operating loss after tax for the year ended 30 June 2017 was \$1,589,661 (2016: loss of \$452,624).

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Progress of the Group's activities, and future emphasis, in relation to projects and negotiations thereon located in Western Australia and overseas are detailed in the Review of Operations which precedes the Directors' Report.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

Other than as referred to in the Review of Operations, further information as to likely developments in the operations of the Consolidated Entity would, in the opinion of the directors, be speculative and may hinder the Consolidated Entity in the achievement of its commercial objectives.

SIGNIFICANT CHANGE IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year, not otherwise disclosed in this Directors' Report or in the Review of Operations.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

Ongoing Funding

Subsequent to year end, the Company entered into an agreement for a loan drawdown facility of up to \$200,000 (initial tranche of \$100,000 plus an option for a further \$100,000 subject to certain conditions) with Vargas Holdings Pty Ltd, a company associated with Mr. Vladimir Nikolaenko, as the lender. Interest rate of 14%. It is anticipated that the proceeds of the facility will be used for general working capital purposes of the company.

Corporate

On 17 August 2017, Mr Brett Clark resigned from the board.

On 21 August 2017 it was announced by the Company on the ASX that, further to the request on 2 August 2017 for the securities in the Company to be placed into suspension, Rahul Singh and Jan Peter Sloane (announced on the ASX to have been appointed in July 2017) resigned from the Board effective 10 August 2017.

It was announced on the ASX that Phillip Hains was appointed in July 2017 and resigned on 10 August 2017.

On 10 July 2017, the Company received a request under section 249D of the Corporations Act 2001 to call and hold a General Meeting of shareholders. In light of the reconstituted board (as noted above), the Company received from Plato Mining Pty Ltd a formal withdrawal of the Section 249D notice on 1 September 2017.

Apart from the above, there has not been any matter or circumstance other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This remuneration report outlines the remuneration arrangements for the Company's Key Management Personnel (KMP).

Remuneration policy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract competent and experienced directors and executives.

To ensure this the Company has put in place a remuneration structure:

- That provides a balance of base compensation long term incentive plans;
- That provides market-based director fees for its non executive directors.

Remuneration committee

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2017.

The Board elected that the Company was of the size that a Remuneration Committee was not warranted and that these issues would be continually considered by the Board.

The full Board is responsible for establishing the Company's remuneration policies and practices and to ensure they match the group's objectives. The Company's Board is responsible for reviewing non-executive remuneration.

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 Company. The Board has 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 Company is improved. During the year ended 30 June 2017, the non-executive directors and Chairman received a base directors fee of \$30,000 p.a.

Reward for performance

During the year there was no reward for the performance component of any remuneration package.

Key management personnel positions at the date of this report

J Wareing	Non-executive Director
V Turco	Non-executive Director
V Nikolaenko	Non-executive Director

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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DIRECTORS' REPORT

Remuneration report (cont'd)

Remuneration of directors and named KMP's

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in Accordance with Australian Accounting Standards

	Appointment / resignation	Short-term employee benefits			Post- employment benefits	Share-based payment			
		Salary & Fees Accrued \$	Profit Share & Bonus \$	Non- monetary \$		Super- annuation \$	Equity-settled		
							Shares (iii) \$	Options \$	Total \$
2016/2017									
John Wareing	A – 16/05/17	3,000	-	-	-	-	-	3,000	-
Victor Turco	A – 21/06/17	3,500	-	-	-	-	-	3,500	-
Vladimir Nikolaenko	R – 18/05/16; A – 27/07/17	-	-	-	-	15,000		15,000	100%
Graeme Smith (i)	R– 16/05/17	102,934	-	-	-	15,000	-	117,934	13%
David Sumich	A – 16/05/17; R – 21/06/17	-	-	-	-	-	-	-	-
Brett Clark	R – 17/08/17	37,302	-	-	-	8,750	-	46,052	19%
Trent Spry (ii)	R – 04/01/17	80,000	-	-	-	-	-	80,000	-
Don Valentino	R – 16/05/17	72,396	-	-	8,101	16,250	2,500	99,247	15%
Total 2016/2017		299,132	-	-	8,101	55,000	2,500	364,733	11%
2015/2016									
Graeme Smith	A – 27/10/15	-	-	-	-	20,000		20,000	100%
Brett Clark	A – 08/03/16	10,000	-	-	-	-	-	10,000	-
Trent Spry (ii)	A – 22/02/16	60,200	-	-	-	24,000	-	84,200	28%
Peter Elliott	R – 08/03/16	-	-	-	-	30,000	-	30,000	100%
Vladimir Nikolaenko	R – 18 /8 /16	-	-	-	-	30,000	-	30,000	100%
Thomas Gilfillan	R – 27/10/15	-	-	-	-	30,000	-	30,000	100%
Total 2015/2016		70,200	-	-	-	134,000	-	204,200	66%

DIRECTORS' REPORT

- i) Includes the following fees accrued to Wembley Corporate Services Pty Ltd, a company wholly owned by Graeme Smith:
- Accounting fees: \$42,856;
 - Company secretarial services: \$32,225
 - Capital raising fees: \$16,602
- Included in trade and other payables as at 30 June 2017 are amounts recorded as owing to Wembley Corporate Services Pty Ltd of \$97,881. Further details in relation to this are at Note 19 of the financial statements.
- ii) Accrued to Premier Developments and Investments Pty Ltd, a company wholly owned by Trent Spry
- iii) As approved at the Company's Annual General Meeting on 30 November 2016, 30,666,666 shares were issued to directors, former directors and their related entities at a deemed issue price of \$0.003 in lieu of amounts owing to them for services received. To the extent that the issue related to services received by directors during the year ended 30 June 2017, the value is reflected in the above remuneration table for the 2016/2017 year.

Securities Received that are not performance Related

Securities received by KMP's were in exchange for directors fees or services rendered to the Company during the year ended 30 June 2017.

KMP Service agreements

The Company has signed an agreement with Turco & Co Pty Ltd, related to Mr Victor Turco, under which financial and company secretarial services are provided for a minimum of \$3,500 per month.

No other KMP have service agreements with the Company.

KMP options granted as remuneration

The number of options in the Company held by each KMP and their related entities of the Company during the financial year is as follows:

		Granted as Remuneration		Other ²	
30 June 2017	Balance at start of year or date of appointment	Issue date	No	No	Balance at the end of the year or date of resignation
J Wareing	-	-	-	-	-
D Sumich	-	-	-	-	-
V Turco	-	-	-	-	-
G Smith	37,500,000	-	-	(37,500,000)	-
B Clark	-	-	-	-	-
T Spry	6,000,000	-	-	-	6,000,000
V Nikolaenko	392,500,000	-	-	-	392,500,000
D Valentino	-	13/02/17 ¹	5,000,000	-	5,000,000
	436,000,000	-	5,000,000	(37,500,000)	403,500,000

¹ Mr Valentino was issued listed options exercisable at \$0.003 and expiring on 30 December 2017 as part of the terms and conditions of his appointment. He ceased being a director on 16 May 2017

²Options expired on 30 November 2016

DIRECTORS' REPORT

KMP shareholdings

The number of ordinary shares in the Company held by each KMP or their related entities of the Company during the financial year is as follows:

30 June 2017	Balance at start of year or date of appointment	Issued during the year	Balance at the end of the year or date of resignation
		Remuneration ¹ Other	
J Wareing	-	-	-
D Sumich	-	-	-
V Turco	-	-	-
G Smith	37,500,000	12,333,333	49,833,333
B Clark	-	6,250,000	6,250,000
D Valentino	-	7,083,333	7,083,333
V Nikolaenko ²	481,561,050	-	481,561,050
T Spry	12,000,000	-	12,000,000
	<u>531,061,050</u>	<u>26,666,666</u>	<u>-</u>
			556,727,716

¹ Shares issued pursuant to shareholder approval obtained at 9 February 2017 and 30 November 2016 general meetings.

Loans with KMP are listed at Notes 16 and 23 to the financial statements.

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 (AUDITED)

DIRECTORS' REPORT

SHARE OPTIONS

Unissued Shares under Options

Unissued ordinary shares of Surefire Resources NL under option at the date of this report are as follows:

Expiry date	Exercise price	Number of options
30 December 2017	\$0.003	430,000,000
Total number of options outstanding at the date of this report		430,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

For details of options issued to directors and executives as remuneration, refer to the remuneration report. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of the body corporate.

DIRECTORS' MEETINGS

During the year, 11 directors' meetings were held. The number of meetings in which directors were in attendance is as follows:

	Directors' Meetings	
	No. of meetings held while in office	Meetings attended
J Wareing	1	1
V Turco	1	1
V Nikolaenko	1	1
G Smith	10	10
B Clark	11	11
D Valentino	9	9

DIRECTORS' REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Consolidated Entity paid premiums totalling \$5,772 (2016: \$5,000) in respect of a contract insuring all the directors of the Company against a liability incurred in their role as directors of the consolidated entity, except where:

- the liability arises out of conduct involving a wilful breach of duty;
- there has been a contravention of the relevant sections of the Corporations Act;
- the conduct involves trading whilst insolvent;
- the conduct involves an operation carried on outside Australia.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Company support and have adhered to the principles of Corporate Governance.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's exploration operations are subject to environmental regulations under Commonwealth and State legislation. The directors believe that the Company has adequate systems in place for the management of the requirements under those regulations, and are not aware of any breach of such requirements as they apply to the Company.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001, is set out on the following page.

NON-AUDIT SERVICES

There were no non-audit services provided by the external auditors during the financial year.

SIGNED in accordance with a resolution of the directors



Victor Turco
Director

Perth, 30 September 2017



Greenwich & Co

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458

Level 2, 35 Outram Street, West Perth WA 6005

PO Box 963, 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 2017, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the 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

Andrew May
Audit Director

30 September 2017
Perth

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
ABN 48 083 274 024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Continuing operations			
Income from ordinary activities			
Income	3	43,300	669
Expenses from ordinary activities			
Director fees and employee benefits expense		(215,582)	(137,178)
Depreciation expense		-	(35,200)
Exploration expenses		(96,430)	(128,183)
Exploration acquisition costs written off	13	(990,000)	(87,000)
Interest expense	16	(7,424)	-
Administration expenses	4	(207,253)	(65,732)
Loss before tax		(1,473,389)	(452,624)
Income tax expense	6	-	-
Net loss from continuing operations		(1,473,389)	(452,624)
Discontinued operations			
Loss from discontinued operations	5	(116,272)	-
Net loss for the year		(1,589,661)	(452,624)
Other comprehensive income		-	-
Total comprehensive income for the year		(1,589,661)	(452,624)
Loss per share			
Basic and diluted loss per share (cents per share) from continuing and discontinuing operations	9	0.08	0.03
Basic and diluted loss per share (cents per share) from continuing operations		0.07	0.03
Basic and diluted loss per share (cents per share) from discontinuing operations		0.01	-

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
ABN 48 083 274 024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	20,554	148,225
Trade and other receivables	11	-	11,776
Total current assets		20,554	160,001
Non-current assets			
Property, plant & equipment	12	-	91,522
Deferred exploration expenditure	13	415,000	840,000
Total non-current assets		415,000	931,522
TOTAL ASSETS		435,554	1,091,523
LIABILITIES			
Current liabilities			
Trade and other payables	15	376,561	517,432
Borrowings	16	805,937	1,008,362
Total current liabilities		1,182,498	1,525,794
TOTAL LIABILITIES		1,182,498	1,525,794
NET LIABILITIES		(746,944)	(434,271)
EQUITY			
Contributed equity	17	23,250,156	22,025,668
Share based payment reserve	17	52,500	-
Accumulated losses		(24,049,600)	(22,459,939)
DEFICIT IN SHAREHOLDERS FUNDS		(746,944)	(434,271)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
ABN 48 083 274 024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2015	20,443,107	-	(22,007,315)	(1,564,208)
Comprehensive Income				
Loss for the year	-	-	(452,624)	(452,624)
Total Comprehensive Loss			(452,624)	(452,624)
Transactions with owners in their capacity as owners and other transfers				
Shares issued during the year	1,598,861	-	-	1,598,861
Costs of Issue	(16,300)	-	-	(16,300)
Transactions with owners and other transfers	1,582,561		-	1,582,561
Balance at 30 June 2016	22,025,668	-	(22,459,939)	(434,271)
Balance at 1 July 2016	22,025,668	-	(22,459,939)	(434,271)
Comprehensive Income				
Loss for the year	-	-	(1,589,661)	(1,589,661)
Total Comprehensive Loss	-	-	(1,589,661)	(1,589,661)
Transactions with owners in their capacity as owners and other transfers				
Shares issued during the year	1,374,540	-	-	1,374,540
Costs of Issue	(150,052)	-	-	(150,052)
Issue of options	-	52,500	-	52,500
Transactions with owners and other transfers	1,224,488	52,500	-	1,276,988
Balance at 30 June 2017	23,250,156	52,500	(24,049,600)	(746,944)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
ABN 48 083 274 024

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		737	147
Research and development tax incentive		42,563	-
Other revenue		-	522
Payment to suppliers and employees		(474,680)	(16,519)
Net cash used in operating activities	21(b)	(431,380)	(15,850)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		-	(126,722)
Exploration & evaluation expenditure incurred		(96,430)	(89,585)
Net cash used in investing activities		(96,430)	(216,307)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	16	(59,850)	-
Proceeds from issue of ordinary shares, net of costs		459,989	365,789
Net cash provided by financing activities		400,139	365,789
Net (decrease)/increase in cash held		(127,671)	133,632
Cash and cash equivalents at the beginning of financial year		148,225	14,593
Cash and cash equivalents at the end of financial year	10	20,554	148,225

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of Surefire Resources NL (or “the Company”) and its Controlled Entities (“Group”).

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements 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 as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Surefire Resources NL at the end of the reporting period. A controlled entity is any entity over which Surefire Resources NL has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity’s activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 14 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

b. Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (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 unused tax losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability 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 and 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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) a legally enforceable right of set-off exists; and (b) 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.

c. Plant and equipment

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

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land and leasehold improvements, is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated on a straight line basis over the estimated useful lives of the improvements.

The depreciation rates used for the depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and Equipment	33%
Computer Equipment	37.5%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset 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 comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Exploration and evaluation costs

It is the Group's policy to capitalise the cost of acquiring rights to explore areas of interest. All other exploration expenditure is expensed to the statement of profit or loss and other comprehensive income as incurred.

The costs of acquisition are carried forward as an asset provided rights to tenure are current and one of the following conditions are met:

- Such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively, by its sale; or
- Exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence of otherwise of recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit is never larger than the area of interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

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 *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

f. Investments in associates

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the associate company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits.

If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Accounting Standard (eg in accordance with the revaluation model in AASB 116).

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Contributed equity

Issued and paid-up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

i. Equity-settled compensation

From time to time the Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions)

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a pricing model which incorporates all market vesting conditions.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-based transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If any equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

j. Provisions

Provisions are recognised when the Company 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

l. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method.

Research and development tax incentive income is recognised when it can be measured reliably and is probable of being received.

Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

o. Comparative information

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

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

p. Discontinued operations

A discontinued operation is a component of an entity, being a cash generating unit that either has been disposed of or is classified as held for sale, and represents a separate major line of business.

q. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements 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 within the Company.

(i) Measurement of Share Based Payments

From time to time, the Company grants options to key management people in lieu of services received. Options granted are measured using a Black Scholes or Binomial model that incorporates various estimates and assumptions, including estimated future share price volatility.

(ii) Deferred exploration and evaluation costs

The ultimate recoupment of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties. The Company undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Where impairment indicators are noted, there is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(iii) **Going concern**

A key assumption underlying the preparation of the financial statements is that the Company will continue as a going concern.

A Company is a going concern when it is considered to be able to pay its debts as and when they are due, and to continue in operation without any intention or necessity to liquidate or otherwise wind up its operations. A significant amount of judgment has been required in assessing whether the Company is a going concern as set out in Note 1t.

r. Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

s. New standards and interpretations not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

The Company does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AAASB 15 'Revenue from contracts with customers'	1 January 2017	30 June 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Going concern

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

For the year ended 30 June 2017, the Group incurred an operating loss of \$1,589,661 (2016: \$452,624). The Group has recorded net liabilities of \$763,489 as at 30 June 2017. This creates significant uncertainty that may cast doubt as to whether the Group will 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 amounts stated in the financial report.

Entities related to Mr Vladimir Nikolaenko have confirmed that they will not call the amounts owed to them as at 30 June 2017 by the Group for at least one year from the date of this report unless the Group has ability to pay.

Based upon a commitment from entities related to Mr Nikolaenko not to demand repayments for loans given to the Group for a period of up to 1 year from the date of this financial report, the directors consider there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation to be appropriate for the preparation of the Group's 2017 financial report.

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

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

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

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

STATEMENT OF FINANCIAL POSITION

	2017	2016
	\$	\$
ASSETS		
Current assets	20,554	160,002
Non current assets	415,000	1,039,068
TOTAL ASSETS	<u>435,554</u>	<u>1,199,070</u>
LIABILITIES		
Current liabilities	1,182,498	1,525,795
TOTAL LIABILITIES	<u>1,182,498</u>	<u>1,525,795</u>
NET LIABILITIES	<u>(746,944)</u>	<u>(326,725)</u>
EQUITY		
Issued capital	23,250,156	22,025,668
Share Based Payment Reserve	52,500	-
Accumulated losses	(24,049,600)	(22,352,393)
TOTAL EQUITY	<u>(746,944)</u>	<u>(326,725)</u>
STATEMENT OF COMPREHENSIVE INCOME		
Total loss for the year	<u>(1,589,661)</u>	<u>(345,078)</u>

Guarantees

The Company has not entered into any guarantees in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities

Details of contingent liabilities are set out in Note 19.

	2017	2016
	\$	\$
NOTE 3: INCOME		
Finance income	736	147
R and D tax incentive	42,564	
Other	-	522
Total income from ordinary activities	<u>43,300</u>	<u>669</u>

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4: ADMINISTRATION EXPENSES

2017

2016

\$

\$

Loss from ordinary activities before income tax expense has been arrived at after charging the following items:

Administration costs

- Audit fees	24,836	10,827
- Company secretarial fees	35,725	(15,487)
- Legal fees	27,900	5,293
- Accounting fees	20,535	2,290
- Rent & outgoings	1,100	-
- ASX / Share registry fees	71,952	44,205
- Other	25,205	18,604
	<u>207,253</u>	<u>65,732</u>

NOTE 5: DISCONTINUED OPERATIONS

On 24 February 2017, the Company entered in to a Share Sale Agreement with Premier Development and Investments Pty Ltd (an entity owed by former CEO, Mr Trent Spry) for the sale of its 51% equity interest in Oil and Gas SE Pty Ltd. In compliance with Accounting standards, the group has deconsolidated its interest in Oil and Gas SE Pty Ltd.

Loss on sale:

\$

Trade and other payables extinguished	55,800
Carrying value of plant and equipment on disposal	(70,309)
Income tax	-
	<u>(14,509)</u>

Financial performance of the discontinued operation to date of sale:

Depreciation expense	(21,213)
Consulting fees	(80,000)
Other expenses	(550)
Income tax	-
Total loss on discontinued operations	<u>(116,272)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6: INCOME TAX

	2017	2016
	\$	\$
A reconciliation between tax revenue and the product of accounting loss before income tax multiplied by Group's applicable income tax rate is as follows:		
Accounting loss before tax from continuing operations		
Loss before tax from discontinued operations	(1,589,661)	(452,624)
At the Parent Entity's statutory income tax rate of 28.5% (2016: 28.5%)	(453,053)	(128,998)
- Section 40-880 deduction	(1,735)	(9,937)
Unused tax losses and temporary differences not recognised as deferred tax assets	454,788	138,935
Income tax attributable to entity	-	-

Net deferred tax assets have not been brought to account, as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The estimated tax losses of the Group as at 30 June 2017 are \$14,565,686 (2016: \$13,099,721).

NOTE 7: KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2017.

The totals of remuneration attributable to KMP of the Company during the year are as follows:

	2017	2016
	\$	\$
Short-term employee benefits	299,132	70,200
Post-employment benefits	8,101	-
Share based payments	57,500	134,000
	364,733	204,200

NOTE 8: AUDITORS' REMUNERATION

Audit and review of accounts	24,836	27,000
	24,836	27,000

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9: LOSS PER SHARE	2017	2016
Loss used in the calculation of EPS	\$	\$
Loss	(1,589,661)	(452,624)

	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic EPS	1,961,379,713	1,440,642,135

The Company's potential ordinary shares are not considered dilutive and accordingly basic loss per share is the same as diluted loss per share.

	Note	2017	2016
NOTE 10: CASH AND CASH EQUIVALENTS		\$	\$

Cash at bank	20,554	148,225
	<u>20,554</u>	<u>148,225</u>

NOTE 11: TRADE AND OTHER RECEIVABLES

GST receivable	-	11,776
	<u>-</u>	<u>11,776</u>

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

At cost	-	151,797
Accumulated depreciation	-	(60,275)
	<u>-</u>	<u>91,522</u>

Computer equipment

At cost	-	21,620
Accumulated depreciation	-	(21,620)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>91,522</u>

Movements in carrying amount

Balance at beginning of the year	91,522	-
Additions	-	126,722
Disposals due to loss of control (Note 5)	(70,309)	-
Depreciation expense (Note 5)	(21,213)	(35,200)
Carrying amount at the end of the year	<u>-</u>	<u>91,522</u>

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
ABN 48 083 274 024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: DEFERRED EXPLORATION EXPENDITURE

	2017	2016
	\$	\$
Balance at beginning of year	840,000	927,000
- Kooline Project (90%) (Note 17)	415,000	-
- Ashburton option (Note 17)	150,000	-
Costs written off (i)	(990,000)	(87,000)
	415,000	840,000

- i) Costs written off relate to the Ashburton option, which has expired, and the Unaly Hill project. During the year ended 30 June 2017, the Unaly Hill tenement expired (E57/420) and was not renewed (Refer to Note 19 for further details).

Realisation of the carrying value of the Group's interest in deferred exploration and evaluation expenditure is dependent upon:

- The continuance of the consolidated Group's right of tenure of the areas of interest;
- The results of future exploration;
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

NOTE 14: CONTROLLED ENTITIES AND INVESTMENTS IN ASSOCIATES

Controlled entities consolidated	Country Incorporated	Percentage Owned (%)	
		2017	2016
Subsidiaries of Surefire Resources NL			
Unaly Hill Pty Ltd	Australia	100	100
Sandstone Holdings Pty Ltd	Australia	100	100
Oil & Gas SE Pty Ltd (i)	Australia	49	100

- i) As outlined at Note 5, during the year ended 30 June 2017 the Company disposed of 51% of Oil & Gas SE Pty Ltd. As a result, the Company no longer controls Oil & Gas SE Pty Ltd, but has significant influence over it. It is now accounted for as an investment in an associate, under the equity method of accounting The Groups share of assets and liabilities of the associate as at 30 June 2017 was \$Nil.

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 15: TRADE AND OTHER PAYABLES		
Trade payables *	351,940	506,932
Sundry payables and accrued expenses	24,621	10,500
	<u>376,561</u>	<u>517,432</u>

*Trade payables are non-interest bearing and normally settled in 30 days.

NOTE 16: BORROWINGS

	2017	2016
	\$	\$
Loan – Pyro Holdings (ii)	266	266
Loan – Fiji Holdings Pty Ltd (i)	81,671	74,246
Loan – Mutual Holdings Pty Ltd (ii) (iii)	-	59,850
Loan – Plato Mining Pty Ltd (ii) (iv)	724,000	874,000
	<u>805,937</u>	<u>1,008,362</u>

- (i) Loan payable to Fiji Holdings (Company related to Mr Vladimir Nikolaenko) is unsecured. Interest is payable on this loan at 10% per annum. During the year ended 30 June 2017, interest of \$7,424 was accrued to the loan balance.
- (ii) Loans payable to Mutual Holdings, Pyro Holdings and Plato Mining Pty Ltd (Companies related to Mr Vladimir Nikolaenko) are unsecured and non-interest bearing.
- (iii) Repaid in March 2017.
- (iv) During the year ended 30 June 2017, 75 million shares were issued in part settlement of amount owing (Note 17)

Mr Nikolaenko was a director of the Company until 18 August 2016, and was re-appointed on 27 July 2017. Plato Mining Pty Ltd is a significant shareholder of the Company.

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
ABN 48 083 274 024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 17: ISSUED CAPITAL

	2017	2016	2017	2016
	No of shares	No. of shares	\$	\$
a. Issued share capital				
Fully paid ordinary shares	2,402,020,803	1,655,353,481	23,302,656	22,025,668

b. Ordinary shares

	2017	2017
	Number	\$
Reconciliation of share movement		
Opening balance at 1 July 2016	1,655,353,481	22,025,668
Shares issued during the year		
28 December 2016 – Funds from issue of shares	250,000,000	500,000
1 December 2016 – Kooline Project option (Note 13)	26,666,666	40,000
28 December 2016 – Corporate adviser costs	9,000,000	18,000
1 December 2016 – In lieu of amounts owed to directors and consultants	30,666,666	92,000
30 November 2016 - Options exercised	954,000	3,340
10 February 2017 – Part settlement of borrowings (Note 16)	75,000,000	150,000
10 February 2017 – Director	5,000,000	10,000
13 February 2017 – 90% of Kooline Project (Note 13)	250,000,000	375,000
28 April 2017 & 28 June 2017 – Corporate advisory services	24,279,990	36,000
28 April 2017 – Cleansing prospectus	100,000	200
28 April 2017 – Ashburton Project option (Note 13)	75,000,000	150,000
Total shares issued	2,402,020,803	23,400,208
Less: Share issue costs	-	(150,052)
Balance at 30 June 2017	2,402,020,803	23,250,156
<i>Comparatives</i>	2016	2016
	Number	\$
Reconciliation of share movement		
Opening balance at 1 July 2015	854,561,658	20,443,107
20 August 2015 @ \$0.002 (i)	601,641,823	1,200,561
13 November 2015 @ \$0.002 (ii)	17,500,000	35,000
27 November 2015 @ \$0.002 (iii)	86,250,000	172,500
01 April 2016 @ \$0.002 (iv)	12,000,000	24,000
22 June 2016 @ \$0.002 (v)	83,400,000	166,800
Total shares issued	1,655,353,481	22,041,968
Less: Share issue costs	-	(16,300)
Balance at 30 June 2016	1,655,353,481	22,025,668

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 17: ISSUED CAPITAL (continued)

Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Capital management policy

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund its activities. The Group monitors capital on the basis of the gearing ratio.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group is not subject to externally imposed capital requirements.

c. Share Based Payments Reserve

During the year ended 30 June 2017, 430 million options were issued, as approved by shareholders in a 9 February 2017 General Meeting, in regards to the following:

- 250 million free attaching options;
- 75 million options to Plato Mining Pty Ltd as part consideration for part settlement of debt (Note 16);
- 100 million options to CPS Capital under a signed mandate; and
- 5 million options to Mr Don Valentino, a director until May 2017

The options are exercisable at \$0.003 and expire on 30 December 2017.

The options to CPS and Don Valentino were valued at \$0.0005 per option using a Binomial valuation model with the following inputs: Volatility 100%; risk free rate 1.5%; share price at measurement date \$0.002; exercise price \$0.003; measurement date 9 January 2017.

752,137,823 options exercisable at \$0.003 expired on 30 November 2016.

As at 30 June 2017, there were 430 million options on issue, as outlined above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 18: CONTRACTUAL AND LEASING COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay tenement lease rentals and perform minimum exploration work to meet minimum expenditure requirements specified by various government authorities. These obligations are subject to renegotiation when application for a mining lease is made and at various other times. These obligations are not provided for in the financial report and are payable:

	2017	2016
	\$	\$
- not later than 12 months	60,000	70,000
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	<hr/> 60,000	<hr/> 70,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 19: CONTINGENT LIABILITIES AND ASSETS

On January 2017, the Unaly Hill tenement held by the Company expired (E57/420) and was not renewed.

The Company originally acquired the Unaly Hill Tenement (E57/420) from Plato Mining Pty Ltd, a company of which Mr Vladimir Nikolaenko is a director. Under the acquisition agreement, the Company is required to pay a royalty to Plato Mining Pty Ltd upon the establishment of JORC Code compliant resources and sales of minerals derived from the tenement.

In May 2017, the Company lodged a new application for the Unaly Hill area – tenement application E57/1068. If the application is not successful the Company or Plato Mining Pty Ltd may examine further courses of action to recover value from the Unaly Hill area of interest.

Included in trade payables as at 30 June 2017 are amounts recorded (Note 15) as owing to Wembley Corporate Services Pty Ltd, a related entity of former director Mr Graeme Smith, of \$97,881. The Company is currently examining the legitimacy and veracity of these amounts payable.

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 20: OPERATING SEGMENT

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 operation decision makers) in accessing performance and determining to allocation of resources. The group's principle activity is mineral exploration.

NOTE 21: CASH FLOW INFORMATION

	Note	2017 \$	2016 \$
a. Reconciliation of cash			
Cash at end of financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:			
Cash and cash equivalents		20,554	148,225
b. Reconciliation with operating loss			
Reconciliation of cash flows from operations with operating loss after income tax is set out as follows:			
Operating losses		(1,589,661)	(452,624)
Non-cash flows included in loss:			
- Depreciation expense		-	35,200
- Interest expense charged to loan (Note 16)		7,424	-
- Share based payments (Note 17)		102,000	134,000
- Discontinued operation (Note 5)		35,722	-
- Write off of exploration assets		990,000	87,000
Exploration expenditure included in operating loss		96,430	128,183
Changes in assets and liabilities:			
- (Increase)/decrease in receivables		11,776	(11,775)
- Decrease in prepayments		-	-
- (Decrease)/increase in operating creditors and accruals		(85,071)	64,166
Net cash used by operating activities		(431,380)	(15,850)

Non-cash investing and financing activities are disclosed in Notes 17 and 13.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

Ongoing Funding

Subsequent to year end, the Company entered into an agreement for a loan drawdown facility of up to \$200,000 (initial tranche of \$100,000 plus an option for a further \$100,000 subject to certain conditions) with Vargas Holdings Pty Ltd, a company associated with Mr. Vladimir Nikolaenko, as the lender. Interest rate of 14%. It is anticipated that the proceeds of the facility will be used for general working capital purposes of the company.

Corporate

On 17 August 2017, Mr Brett Clark resigned from the board.

On 21 August 2017 it was announced by the Company on the ASX that, further to the request on 2 August 2017 for the securities in the Company to be placed into suspension, Rahul Singh and Jan Peter Sloane (announced on the ASX to have been appointed in July 2017) resigned from the Board effective 10 August 2017.

It was announced on the ASX that Phillip Hains was appointed in July 2017 and resigned on 10 August 2017.

On 10 July 2017, the Company received a request under section 249D of the Corporations Act 2001 to call and hold a General Meeting of shareholders. In light of the reconstituted board (as noted above), the Company received from Plato Mining Pty Ltd a formal withdrawal of the Section 249D notice on 1 September 2017.

NOTE 23: RELATED PARTY TRANSACTIONS

a) Key management personnel

The names of each person who were Key Management Personnel of the Company during the financial year are:

- J Wareing (appointed 16 May 2017)
- V Turco (appointed 21 June 2017)
- V Nikolaenko (resigned 18 August 2016, re-appointed 27 July 2017)
- D Valentino (resigned 16 May 2017)
- G Smith (resigned 16 May 2017)
- B Clark (resigned 17 August 2017)
- T Spry (resigned 4 January 2017)
- D Sumich (appointed 16 May 2017, resigned 21 June 2017)

For details of Key Management Personnel remuneration during the year, refer to Note 7 and the Remuneration Report in the Directors Report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

b) Administration service agreement

- Turco & Co Pty Ltd

The Company has signed a service agreement with Turco & Co Pty Ltd, a company of which Mr. Victor Turco is a director.

The expensed to 30 June 2017 under this agreement was \$3,500 (2016: Nil).

- Wembley Corporate Pty Ltd

The Company had an administration service agreement with Wembley Corporate Services Pty Ltd, a company of which Mr. Graeme Smith is a director and sole owner of. During the year ended 30 June 2017, the Company incurred to following fees

- Accounting fees: \$42,856 (2016: \$Nil);
- Company secretarial services: \$32,225 (2016: \$Nil)
- Capital raising fees: \$16,602 (2016: \$Nil)

These fees are included in the Remuneration Report in the Directors Report.

The amount owing to Wembley Corporate Services Pty Ltd as at 30 June 2017 was recorded as \$97,881 (2016:\$80,400). This amount is included in trade payables (Note 15). As noted in Note 19, this is currently being examined by the Company.

- Corporate Admin Services Pty Ltd

The Company had an administration service agreement with Corporate Admin Services Pty Ltd, a company of which Mr. Vladimir Nikolaenko is a director.

The amount owing to Corporate Admin Services Pty Ltd at 30 June 2017 was \$196,079 (2016: \$196,079). This amount is included in trade payables (Note 15).

c) Acquisition of mining tenement – additional consideration

- Plato Mining Pty Ltd

In 2009, the Company acquired the Unaly Hill Tenement (E57/420) from Plato Mining Pty Ltd, a company of which Mr Vladimir Nikolaenko is a director. Upon the establishment of a JORC Code compliant Inferred resource, Indicated resource or Measured resource on the Tenement, the Company is pay further amounts to Plato Mining Pty Ltd. Further information in relation to this matter is outlined at Note 19.

For details of amounts payable to Plato Mining Pty Ltd, refer to Note 16.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 23: RELATED PARTY TRANSACTIONS (continued)

d) Short term financing arrangement

- Fiji Holdings Pty Ltd

In 2014, the Company entered into a financing arrangement with Fiji Holdings Pty Ltd, a company of which Mr Vladimir Nikolaenko is a director. The agreement provides the Company with a facility of up to \$100,000 to fund operations whilst alternatives for a capital raising are considered, and provides for payment of interest at 10% per annum on the drawn balance. The facility is unsecured. Balance payable at 30 June 2017 is \$98,216 (2016: \$74,246).

- Mutual Holding Pty Ltd

Balance payable at 30 June 2017 was Nil (2016: \$59,850).

- Pyro Holding Pty Ltd

Balance payable at 30 June 2017 was \$266 (2016: \$266).

e) Share based payment

As approved at the Company's Annual General Meeting on 30 November 2016, 30,666,666 shares were issued to directors, former directors and their related entities at a deemed issue price of \$0.003 in lieu of amounts owing to them for services received (Note 17). To the extent that the issue related to services received by directors during the year ended 30 June 2017, the values and details are reflected in the Remuneration Report in the Directors Report and Note 7.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 24: FINANCIAL RISK MANAGEMENT

This note presents information about the Group's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company and the Group through regular reviews of the risks.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, leases and preference shares.

The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

Categories of financial instruments	Note	2017	2016
		\$	\$
Financial assets			
Cash and cash equivalents	10	20,554	148,225
		<u>20,554</u>	<u>148,225</u>
Financial liabilities			
Trade and other payables	15	376,561	571,432
Borrowings	16	805,937	1,008,362
		<u>1,182,498</u>	<u>1,525,794</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

a. General objectives, policies and processes

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The principal financial instruments from which financial instrument risk arises:

- | | |
|-------------------------------|----------------|
| - trade and other receivables | - cash at bank |
| - trade and other payables | - borrowings |

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Company where such impacts may be material.

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous year.

b. Credit risks

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of the contract obligations that could lead to a financial loss to the Company. There is no material amount of collateral held as security at 30 June 2017.

Cash and cash equivalents

The Company limits its exposure to credit risk by only depositing cash at banks or financial institutions that have an acceptable credit rating.

Trade and other receivables

As the Company operates primarily in investment and exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Company, where necessary, establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at balance date is as follows:

	Note	2017 \$	2016 \$
Other Receivables		-	11,776

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by continuously monitoring forecast and actual flows.

The Company anticipates a need to raise additional capital in the next 12 months to meet forecast operational activities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Financial liability and financial asset maturity analysis

At 30 June 2017

	Within 1 Year \$	1 to 5 Years \$	Over 5 years \$	Total \$
Financial liabilities due for payment				
Payables and borrowings	1,182,498	-	-	1,182,498
Total expected outflows	1,182,498	-	-	1,182,498
Financial assets – cash flows realisable				
Cash and cash equivalents	20,554	-	-	20,554
Total anticipated inflows	20,554	-	-	20,554

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2016

	Within 1 Year	1 to 5 Years	Over 5 years	Total
	\$	\$	\$	\$
Financial liabilities due for payment				
Payables and borrowings	1,525,794	-	-	1,525,794
Total expected outflows	1,525,794	-	-	1,525,794
Financial assets – cash flows realisable				
Cash and cash equivalents	148,225	-	-	148,225
Total anticipated inflows	148,225	-	-	148,225

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Company adopts a policy of ensuring that, as far as possible, it maintains excess cash and cash equivalents on short-term deposit at best available market interest rates.

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Note	Consolidated and Company carrying amount	
		2017	2016
		\$	\$
Variable rate instruments			
Financial assets – cash and cash equivalents		20,554	148,225

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

Fair value sensitivity analysis for variable rate instruments

A change in interest rates at the reporting date would not materially affect profit or loss or equity.

c. Fair values

The fair values of financial assets and financial liabilities approximate their carrying value

There are no financial assets and financial liabilities readily traded on organised markets in standardised form.

Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date:

	Carrying amount		Fair value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets:				
Cash and cash equivalents	20,554	148,225	20,554	148,225
Total financial assets	20,554	148,225	20,554	148,225

	Carrying amount		Fair value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial liabilities:				
Payables and borrowings	1,182,498	1,525,794	1,182,498	1,525,794
Total financial liabilities	1,182,498	1,525,794	1,182,498	1,525,794

Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group is not subject to externally imposed capital requirements.

END OF NOTES TO FINANCIAL STATEMENTS (AUDITED)

DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to the *Corporations Act 2001*.

On behalf of the directors



Victor Turco
Director

Perth, 30 September 2017

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 2017, 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 2017 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 2017 includes:

- Director fees and employee benefits expense: \$215,582; and
- Loss from discontinuing operations: \$116,272.

Director and employee benefits expenses includes \$80,497 relating to Mr Don Valentino's remuneration for the year ended 30 June 2017. Loss from discontinuing operations includes \$80,000 relating to services provided by an entity related to Mr Trent Spry during the year ended 30 June 2017.

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 Trent Spry and Mr Don Valentino and their related entities for the year ended 30 June 2017. This is because certain information was unable to be procured from former key management persons of the Group.

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

Without modifying our opinion, we draw attention to Note 1t to the financial statements which outlines that during the year ended 30 June 2017, the Group incurred an operating loss of \$1,589,661 (2016: \$452,624). The Group has recorded net liabilities of \$746,944 as at 30 June 2017.

As a result there is a material uncertainty related to events or conditions that may cast significant doubt on the Group'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.

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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be key audit matters to be communicated in our report.

Deferred exploration expenditure: \$415,000

Refer to Note 13, accounting policy Notes 1(d) and 1(q)

Key Audit Matter

The Group has a significant amount of capitalised exploration costs. As the carrying value of exploration assets represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances exist to suggest the carrying amount of this asset may exceed its recoverable amount.

How our audit addressed the matter

Our audit work included, but was not restricted to, the following:

- We obtained evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration by examining the tenement sale agreement by which the Group purchased the rights to the Kooline area of interest and examining signed documents lodged to the government authorities to transfer title of tenements to the Group
- We enquired with those charged with governance to assess whether substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's areas of interest are planned
- We enquired with management, reviewed ASX announcements made and reviewed minutes of directors' meetings to ensure that the Group has not decided to discontinue activities in any of its areas of interest.

Directors fees, employee benefits expenses, loss from discontinuing operations, and administration expenses: \$539,107

Refer to Consolidated Statement of Profit or Loss and Other Comprehensive Income and Notes 4 and 5

Key Audit Matter

Director fees, employee benefit expenses, administration expenses, and loss from discontinuing operations 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 high turnover of directors and company secretaries of the Group over the past 12 months, we considered that the validity and accuracy of the recorded expenditures to be a key audit matter.

How our audit addressed the 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 tested a random sample of cash payments throughout the year to 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 other than the matters noted in the *Report on the Remuneration Report* section of our report.

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 12 to 15 of the directors' report for the year ended 30 June 2017. 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 2017 complies with section 300A of the *Corporations Act 2001*.

Basis for Qualified Opinion

The Remuneration Report includes \$80,497 relating to Mr Don Valentino's remuneration for the year ended 30 June 2017 and \$80,000 relating to services provided by an entity related to Mr Trent Spry during the year ended 30 June 2017.

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 Trent Spry and Mr Don Valentino and their related entities for the year ended 30 June 2017. This is because certain information was unable to be procured from former key management persons of the Group.


Greenwich & Co Audit Pty Ltd


Andrew May
Audit Director

30 September 2017
Perth

CORPORATE GOVERNANCE STATEMENT

Since the introduction of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Guidelines" or "the Recommendations"), Surefire Resources NL ("Company") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Guidelines, the Company has followed each Recommendation where the Board has considered the Recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company, the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

Further information about the Company's corporate governance policies can be found on the Company's website.

Taking into account the size of the Company, the Company endeavours to comply with the Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("Corporate Governance Principles and Recommendations") and has adopted the revised Principles and Recommendations. Significant policies and details of any significant deviations from the principles are specified below.

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.		Information about the respective roles and responsibilities of our Board and management (including those matters expressly reserved to the Board and those delegated to management) is found under the Board Charter.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.		<p>The appointment of directors is undertaken by the Board.</p> <p>The Board identifies and recommends candidates to fill vacancies and to determine the appropriateness of director nominees for election to the Board as well as undertake appropriate checks before appointing a person to the Board. The Board recognises the benefits arising from diversity and aims to promote an environment conducive to the appointment of well qualified Board candidates so that there is appropriate diversity to maximise the achievement of corporate goals.</p> <p>As required under the ASX Listing Rules and the Corporations Act, election or re-election of directors is a resolution put to members at each Annual General Meeting. The notice of meeting contains all material information relevant to a decision on whether or not to elect or re-elect a director.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		Letters of appointment for each director have been entered into by the Company.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.		The company secretary reports directly to the Board and is accessible to all directors.

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CORPORATE GOVERNANCE STATEMENT

1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: <ul style="list-style-type: none"> (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. 		<p>The Company had a Diversity policy on its website under the Corporate Governance section. However, the website is currently non-operational. The Company's Diversity policy does not include requirements for the board to set measurable objectives for achieving gender diversity and given the size and nature of the Company at this stage, the Board considers this course of action reasonable.</p> <p>The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.</p> <p>The Company has not set measurable objectives for achieving gender diversity during the reporting period of 2016 – 2017.</p> <p>There are no women on the Board.</p>
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 		<p>Process for Evaluating Board Performance is detailed in the Board Charter.</p> <p>The current directors have only been recently appointed and therefore have yet to receive a formal evaluation.</p>
1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 		<p>The Company does not have any executives and therefore does not have a process for evaluating the performance of senior executives. Given the size and nature of the Company, the board considers this to be reasonable in the circumstances. However, the board will re-evaluate senior executive performance evaluation measures should the Company's circumstances change.</p>

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CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE

2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>		<p>The Board does not have a Nomination Committee at this point in time.</p> <p>The Board considers it has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. Board succession issues are discussed by the whole Board when required.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>		<p>The Board has identified that the appropriate mix of skills and diversity required of its members on the Board to operate effectively and efficiently is achieved by directors having substantial skills and experience in operational management, exploration and geology, corporate law, finance, listed resource companies, equity markets.</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>		<p>The Company considers that Victor Turco and John Wareing are independent directors.</p> <p>Vladmir Nikolaenko is a significant shareholder of and financier to the Company.</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>		<p>The majority of the board are independent directors.</p>
2.5	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>		<p>The Chairman is an independent director. The Company does not have a CEO.</p>

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CORPORATE GOVERNANCE STATEMENT

2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.		The Company will provide induction material for any new directors and, depending on specific requirements, will provide appropriate professional development opportunities for directors.
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PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.		Code of Conduct sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive to abide by when dealing with each other, shareholders and the broad community
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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		The Company's Audit committee comprises the full Board. The Audit Committee charter was disclosed on the Company's website under the Corporate Governance link. However, the website is currently non-operational. Qualifications and experience of members of the Board are found under the directors profile in both the Annual report.
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4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		The Company does not have a CEO but the Board receives from Victor Turco (who performs the CFO function), declarations in relation to full year and half year statutory financial reports during the reporting period in accordance with section 295A of the Corporations Act.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		The audit engagement director attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.		The Company's continuous Disclosure Policy could be found under the Corporate Governance section of the Company's website. However, the website is currently non-operational.
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PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1	A listed entity should provide information about itself and its governance to investors via its website.		The Company's website is currently non-operational.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.		A Shareholder Communication Policy was on the Company's website. However, the Company's website is currently non-operational.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.		The Company encourages shareholders to attend all general meetings of the Company and sets the time and place of each meeting to promote maximum attendance by Shareholders. The Company encourages Shareholders to submit questions in advance of a general meeting, and for the responses to these questions to be addressed through disclosure relating to that meeting. The Company's Shareholder Communication Policy was disclosed on the Company's website. However, the Company's website is currently non-operational.

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CORPORATE GOVERNANCE STATEMENT

6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.		It is the Company's desire that shareholders receive communications electronically in the interests of the environment and constraining costs. In an endeavour to drive this objective the Company has a policy of providing hard materials at least cost (which will generally involve a black & white presentation even where the electronic version is full colour).
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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		<p>The Board has not established a Risk committee however it does have a Risk Policy which was on the company's website. However, currently the Company website is not operational.</p> <p>Risk management is specifically discussed at the Company's board meetings during the year.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>		The Company reviews its risk management framework annually.
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>		Victor Turco provides the Company with bookkeeping and accounting services. Victor Turco discusses with its external auditor each end of year and half year whether there are any issues with internal control and improvements which could be undertaken to improve them.

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7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.		<p>The Company is subject to, and responsible for, existing environmental liabilities associated with its tenements. The Company will continually monitor its ongoing environmental obligations and risks, and implement rehabilitation and corrective actions as appropriate to remain compliant. These risks may be impacted by change in Government policy.</p> <p>The Company does not believe it has any significant exposure to economic and social sustainability risks.</p>
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SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>The Company does not have a Remuneration committee as the Company does not have any staff.</p> <p>The whole board considers the level and composition of remuneration for directors with reference to remuneration levels set by its peers in the mining industry.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>		<p>Non-executive directors are paid amounts equivalent to the remuneration received by other non-executive directors working in similarly sized exploration companies.</p> <p>The Company does not have any staff and no need for a policy on remuneration of executives.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>		<p>The Company does not have an equity based remuneration scheme. However options and shares may be issued to directors from time to time in lieu of services received.</p>

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange Limited and was the status on 21 September 2017.

Shareholding

(a) Distribution of ordinary shareholders:

Category (size of Holdings)	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	39	13,415
1,001 - 5,000	123	407,717
5,001 - 10,000	165	1,501,209
10,001 - 100,000	417	19,774,790
100,001 - 9,999,999,999	839	2,380,323,672
Total	1,583	2,402,020,803

(b) The number of shareholders holding less than marketable parcels is 1,037.

(c) 20 largest shareholders at 21 September 2017 - fully paid ordinary share capital.

Rank	Name	Units held at end of period	% of Issued Capital
1	PLATO MINING PTY LTD	420,000,000	17.49
2	GIANNI HOLDINGS PTY LTD	103,125,000	4.29
3	MR CHRIS CARR + MRS BETSY CARR	100,000,000	4.16
4	HALITH PTY LTD	80,719,523	3.36
5	NATWEST SECURITIES LIMITED	77,500,000	3.23
6	SUMIPLAS PTE LTD	66,373,764	2.76
7	KALIARA NOMINEES PTY LTD <THE SPECULATOR A/C>	63,454,638	2.64
8	MR ANTONIO ALBERGA	42,562,932	1.77
9	PETER ROY ELLIOTT	36,250,000	1.51
10	MR STEPHEN JOHNSON	28,000,000	1.17
11	ARDGLEN HOLDING PTY LTD <MATTHEW SMITH FAMILY A/C>	27,500,000	1.14
12	MR ALDO CARTA	25,500,000	1.06
13	ELYSIAN FIELDS INVESTMENTS PTY LTD	25,130,048	1.05
14	KMC AUTOMATION PTY LTD	25,000,000	1.04
15	TRAYBURN PTY LTD	25,000,000	1.04
16	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	25,000,000	1.04
17	ALL INVESTMENTS PTY LTD	22,110,102	0.92
18	KALIARA NOMINEES PTY LTD	22,110,102	0.92
19	MRS FOOK LIN CHAN	21,049,979	0.88
20	WEMBLEY CORPORATE SERVICES PTY LTD	20,067,011	0.84
Top 20 holders of ORDINARY FULLY PAID SHARES as at 21 September 2017		1,248,592,997	51.98

(d) As at 21 September 2017 the Company has the following Substantial Shareholder:

Shareholder	Ordinary shares	% Held
PLATO MINING PTY LTD	420,000,000	17.49

SUREFIRE RESOURCES NL AND ITS CONTROLLED ENTITIES
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ASX ADDITIONAL INFORMATION

(e) Restricted securities

There are no restricted securities on issue by the company.

(f) Listed Options – SRNO with exercise price of \$0.003, expiring 30 December 2017.

Distribution of ordinary Option holders:

Category (size of Holdings)	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	-	-
100,001 - 9,999,999,999	99	430,000,000
Total	99	430,000,000

20 largest option holders at 21 September 2017 are as follows:

Rank	Name	Units held at end of period	% of Issued Capital
1	PLATO MINING PTY LTD	50,000,000	11.63
2	HALITH PTY LTD	25,000,000	5.81
3	KMC AUTOMATION PTY LTD	25,000,000	5.81
4	CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C>	24,500,000	5.7
5	CPS CAPITAL GROUP PTY LTD	18,300,000	4.26
6	ONE MANAGED INVESTMENT FUNDS LIMITED <TECHNICAL INVESTING ABSOLUTE RETURN A/C>	17,500,000	4.07
7	YEOH SUPER PTY LTD <YEOH SUPER A/C>	15,000,000	3.49
8	AUTTOMAN INTERNATIONAL PTY LTD <THE ELLIS FAMILY A/C>	14,700,000	3.42
9	GOLDFIRE ENTERPRISES PTY LTD	12,500,000	2.91
10	ARDGLEN HOLDINGS PTY LTD <MATTHEW SMITH A/C>	12,500,000	2.91
11	DOVER GARDENS PTY LTD	10,000,000	2.33
12	MR ORAN DOREL	10,000,000	2.33
13	WILBERFORCE PTY LTD	10,000,000	2.33
14	MR BIN LIU	9,820,000	2.28
15	TYCHE INVESTMENTS PTY LTD	9,000,000	2.09
16	ROGON NOMINEES PTY LTD <SUPERANUATION FUND ACCOUNT>	7,500,000	1.74
17	MR JOHN DELLA BOSCA <JA&JG DELLA BOSCA FAMILY A/C>	7,500,000	1.74
18	BROCOP GROUP PTY LTD	7,250,000	1.69
19	GEMELLI NOMINEES PTY LTD <GEMELLI FAMILY A/C>	6,500,000	1.51
20	J MOODY NOMINEES PTY LTD <THE MOODY SUPER FUND A/C>	6,350,000	1.48
Top 20 holders of SRNO 30122017/\$0.003 as at 21 September 2017		1,248,592,997	51.98

ASX ADDITIONAL INFORMATION

(g) Voting rights

No restrictions. On a show of hands every member or proxy present shall be entitled to one vote unless a poll is called in which case every share shall have one vote.

(h) On market buy back

There has been no on market-buy back of the Company's shares during the financial year.

(i) Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

(j) Schedule of Tenements

Project	Tenement Details	Interest
Western Australia		
Kooline	E08/2372	90% *
Kooline	E08/2373	90% *

* Acquired as outlined above. The Company is currently undertaking the administrative process of arranging the registration of title transfer under the Mining Act 1978.