SUREFIRE RESOURCES NL

AND ITS CONTROLLED ENTITIES

ANNUAL REPORT

ENDED 30 JUNE 2018

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SUREFIRE RESOURCES NL

AND ITS CONTROLLED ENTITIES

CONTENTS

CORPORATE DIRECTORY

SUREFIRE RESOURCES NL

DIRECTORS VLADIMIR NIKOLAENKO Executive Chairman and Managing Director MICHAEL POVEY Non-Executive Technical Director ROGER SMITH Non-Executive Director **COMPANY SECRETARY** Neville Bassett **REGISTERED OFFICE** Ground Floor 45 Ventnor Avenue, West Perth WA 6005 Telephone (08) 9429 8846 Facsimile (08) 9429 8800 **WEBSITE** www.surefireresources.com.au **FOR SHAREHOLDER INFORMATION CONTACT** **SHARE REGISTRY** Advanced Share Registry Limited 110 Stirling Highway, Nedlands WA 6009 Telephone (08) 9389 8033 Facsimile (08) 9262 3723	**FOR INFORMATION ON THE COMPANY CONTACT** **PRINCIPAL & REGISTERED OFFICE** Ground Floor 45 Ventnor Avenue, West Perth WA 6005 Telephone (08) 9429 8846 Facsimile (08) 9429 4400 **BANKERS** National Australia Bank Limited 226 Main Street, Osborne Park WA 6017 **AUDITORS** Greenwich & Co Audit Pty Ltd Chartered Accountants Level 2, 35 Outram Street, West Perth WA 6005 **STOCK EXCHANGE** Australian Securities Exchange (ASX) **ASX COMPANY CODES** SRN (Fully paid shares) SRNOB (Options to acquire fully paid shares) **ISSUED CAPITAL** 420,653,640 fully paid ordinary shares 300,252,600 partly-paid ordinary shares 419,952,600 options to acquire fully paid shares exercisable at $0.018 by 30 November 2019

Overall Review

During the year, the Group has increased its licence area at the Kooline lead/silver project and now has a contiguous holding covering 48km of mineralisation. Field work and rock chip sampling at Kooline has provided high-grade lead/silver results and also anomalous gold and copper. At the Unaly Hill vanadium project exploration drilling has been undertake in order to further delineate the known resource and identify higher-grade zones of vanadium mineralisation. A 345m diamond drill hole has confirmed three consistent and extensive zones of mineralisation and provided sufficient mineralised core to advance a detailed metallurgical test work programme.

Unaly Hill (E57/420), Western Australia –Vanadium Project

The licence area is located approximately 500km north of Perth Sandstone in the East Murchison Mineral field of Western Australia covers the Unaly Hill Vanadium project and approximately 14km of a major N-S trending aeromagnetic anomaly within the Atley Igneous Complex.

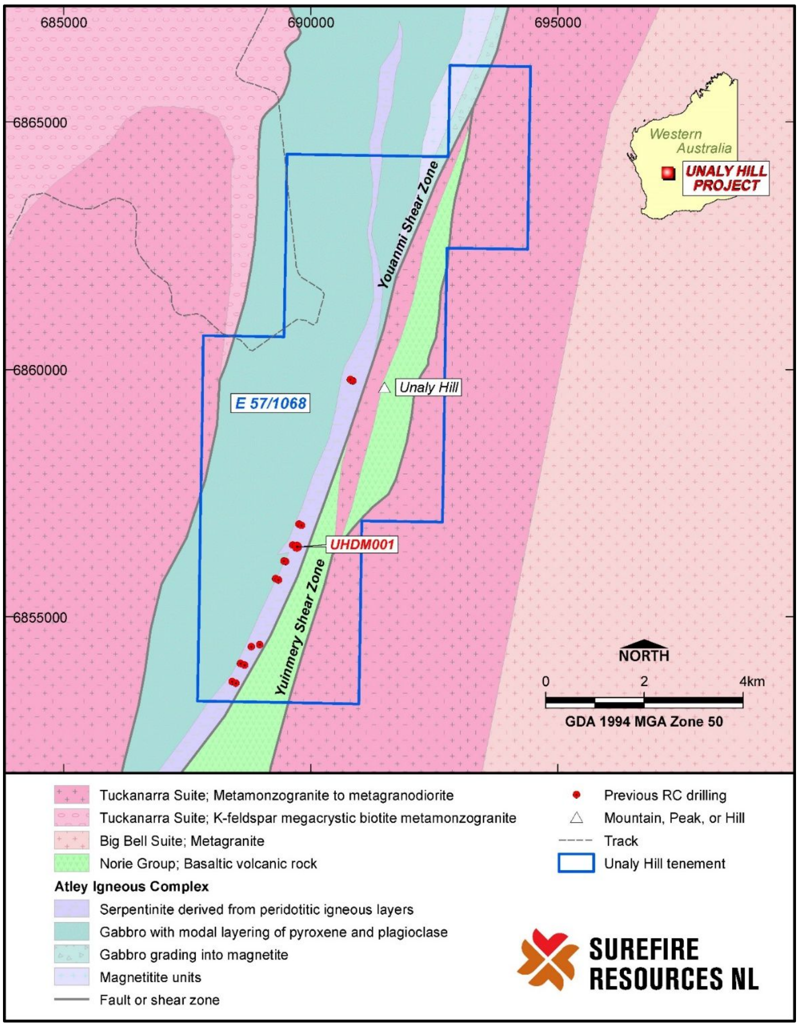

Figure 1 *Location and geological setting of the Unaly Hill Project*

Geological Setting

The Unaly Hill Vanadium project licence area, E57/1068 (Figure 1) lies within the Atley Igneous Complex located approximately 48 km south of Sandstone in the East Murchison Mineral field of Western Australia. The Atley Intrusion is a layered gabbroic body that is elongate in an NNE/SSW orientation and runs along the axis of the regional scale Youanmi Fault, a regionally dominant geological feature. Unaly Hill's geological setting and style of mineralization has been well documented and has many similarities with other world-class magmatic Fe-Ti-V deposits associated with layered intrusive complexes.

The Group has previously established a substantial vanadium resource (Table 1) from drilling 3 kilometres of magnetic anomaly corresponding with the cumulous magnetite layers within the intrusive. The mineralisation remains open at depth and along strike and over 7 km of strike length of the magnetic anomaly within the licence area remains undrilled.

Table 1

Inferred Mineral Resource (October 2011)					
Million Tonnes	V_2O_5 %	Content (Kt) V_2O_5	Fe %	TiO_2 %	SiO_2 %
86.3	0.42	36,533	23.57	4.51	30.1

(The JORC (2004) Inferred Mineral Resource (Table 1) based on a cut-off of 0.30% V_2O_5) was prepared (October 2011) by Mr Vladilslav Trashliev of Gemcom, (an independent geological consultancy company) and Mr Andrew Bewsher from BM Geological Services PL was the Competent Person responsible for the Independent Audit of the Mineral Resource

Exploration Activity

Subsequent to the end of the financial year the Group executed a single HQ diamond drill hole and commenced a more extensive RC drilling programme that will test additional magnetic anomalies and areas of potential higher-grade mineralisation within the Unaly Hill mineralisation. Southern Geoscience (SGC) who produced the original target drill hole model plots in 2010 were engaged to analyse and assess the detailed geophysical data available for the areas north of the 2010 drilling program.

Drilling commenced and completed on the new magnetic targets in September and the assays results are currently pending.

The diamond dill hole, UHDM001 (Figure 2), was completed at a depth of 345.5m drilled to acquire sufficient core sample to advance metallurgical testing. The hole intersected three consistent zones of extensive vandiferous mineralisation occurring as coarse, euhedral magnetite in a chloritic gabbro

The mineralisation graded from moderate-heavily disseminated, to matrix and massive concentrations of cumulate magnetite and included a 9m intersection grading 0.89% V_2O_5.

Metallurgical Testwork

Historical testwork undertaken in 2011 confirmed that a high-grade vanadium pentoxide concentrate could be produced from the Unaly Hill mineralisation. In order to re-affirm this and evaluate the potential process flowsheet in detail a comprehensive metallurgical test work program has been designed for the new mineralised core and the Group has engaged metallurgical consultancy company METS Engineering of West Perth, to manage the testwork program in conjunction with ALS Metallurgy Pty Ltd (ALS) part of the ALS Global group specialising in assay and metallurgical process work. Composites from the UHDM001 mineralised core are currently undergoing comminution and beneficiation testwork with results expected in the December quarter of 2018.

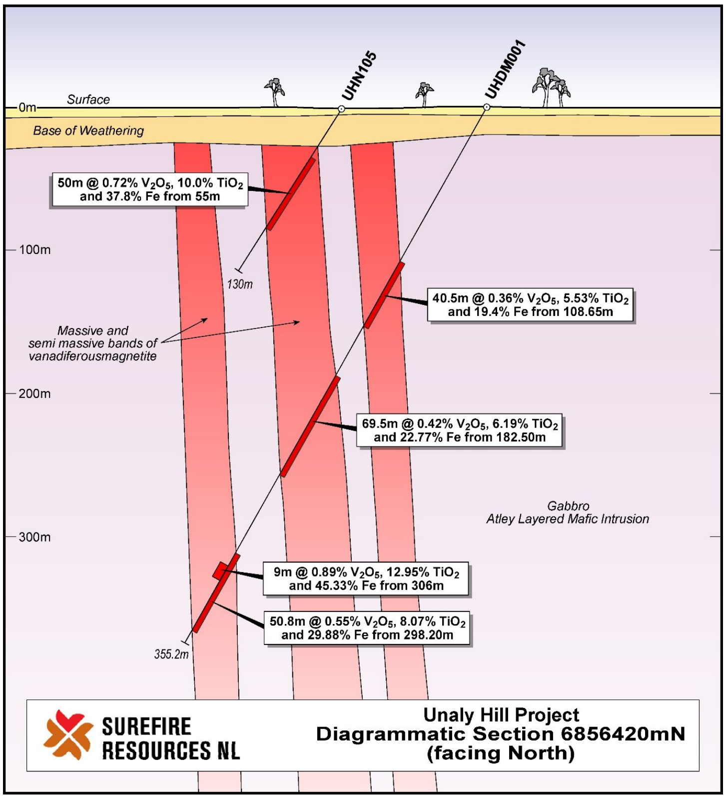

Figure 2 *Diamond Drill Hole UHDM – Intersections 2018*

Victory Bore Vanadium Deposit Acquisition – E57/1036

Subsequent to the end of the financial year Surefire acquired the Victory Bore vanadium project subject to various approval conditions.

The acquisition will greatly increase the company's vanadium resource base. Exploration licence E57/1036 abuts the northern boundary of Surefire's Unaly Hill project licence E57/1068 and will provide approximately 25km of almost contiguous strike of the vanadium–rich magnetite mineralisation within the Atley Igneous complex, the majority of which is untested.

Previous exploration activity conducted within the current tenement boundary has an established a Mineral Resource estimate in accordance with JORC Code 2012.

Quest Minerals (ASX.QNL) previously announced this mineral resource estimate on 29 June 2017.

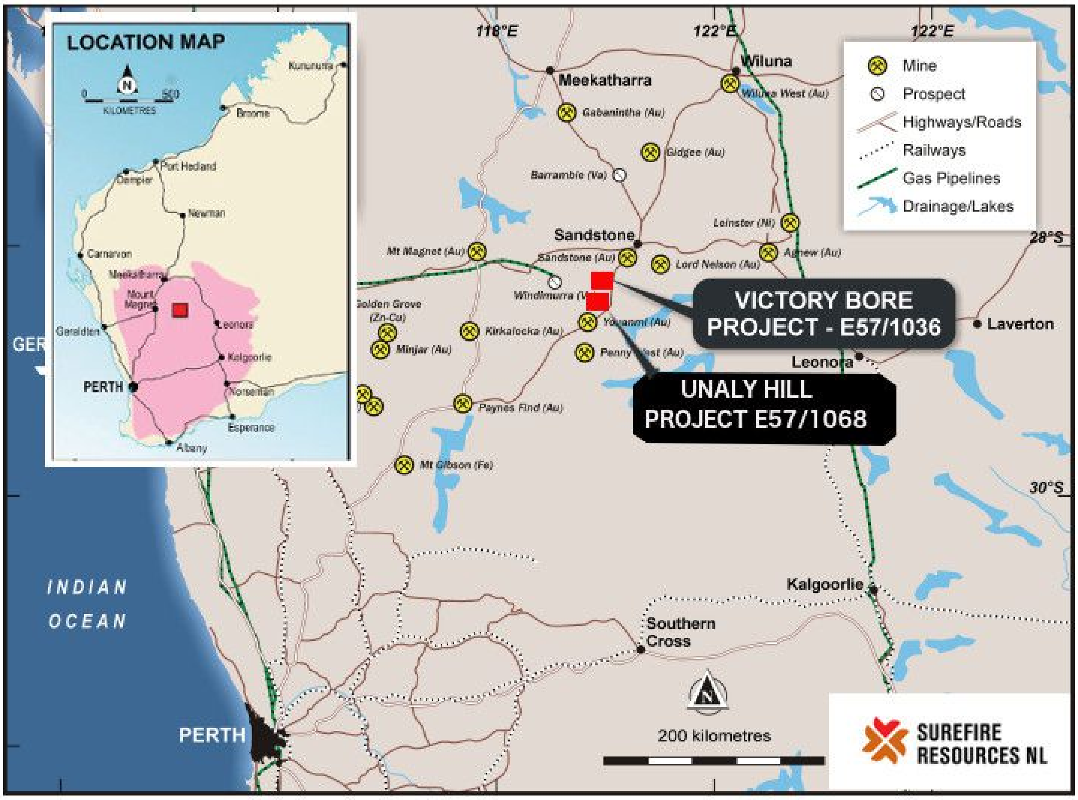

Figure 3 *Victory Bore and Unaly Hill Locations*

The estimate provided by independent geological consultants CSA Global is shown in Table 2.

Table 2

Inferred Mineral Resource (October 2011)					
Million Tonnes	V_2O_5 %	Content (Kt) V_2O_5	Fe %	TiO_2 %	SiO_2 %
151	0.44	66,440	25.0	6.73	28.6

Note: The Mineral Resource was estimated within constraining wireframe solids based on a nominal lower cut-off grade of 20% Fe. The Resource is quoted from blocks above a specified Fe % cut-off grade of 20% Fe.

Sureflre's Vanadium Resources

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

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

Vanadium Market

Significant changes have occurred in the vanadium market since the Group's 2010 drill and metallurgical testwork programs.

With fivefold increase in price between November 2015 and April 2018 vanadium is ahead of other 'hot' battery metals, including cobalt and lithium, whose prices have risen amid expectations of surging demand from electric vehicle manufacturers.

There are strong reasons to believe that the vanadium price will continue to rise, two excellent drivers of long-term demand are the new tensile strength rules to be implemented in China and the growth of vanadium redox flow batteries (VRFBs).

From the 1st November 2018 Chinese steel manufacturers will have to double the vanadium content in their rebar products to make them stronger. The China Iron & Steel Research Institute has stated this the move alone could increase vanadium consumption by 30 percent.

Whilst vanadium's main use has been to produce high-strength steel and chemical catalysts, much future demand excitement stems from its role in as an electrolyte in vanadium redox flow batteries (VRFBs). The technology is likely to replace lithium ion batteries for fixed storage applications.

While lithium-based batteries are well suited to consumer electronics and electric vehicles, their lifetimes can be limited. With over a 20-year lifespan, VRFB technology can be fully discharged over an almost unlimited number of charge and discharge cycles without wearing out. This is an important factor when matching the daily demands of utility-scale solar and wind power generation.

High-Grade Lead/Silver

Kooline Project

The Kooline Project is centred 55 kilometres south of the Paulsen's goldmine and 190 kilometres WNW of Paraburdoo within the Ashburton province of Western Australia. The project area tenements consist of granted Exploration Licences, E08/2372, and E08/2373 and ELA 08/2956 (Figure 1). The Group's licence tenure now covers a total of 386 km², and more importantly, includes 48km of contiguously striking licences linking a number of clusters of historic artisanal lead workings and mines in the high-grade Kooline Lead Field.

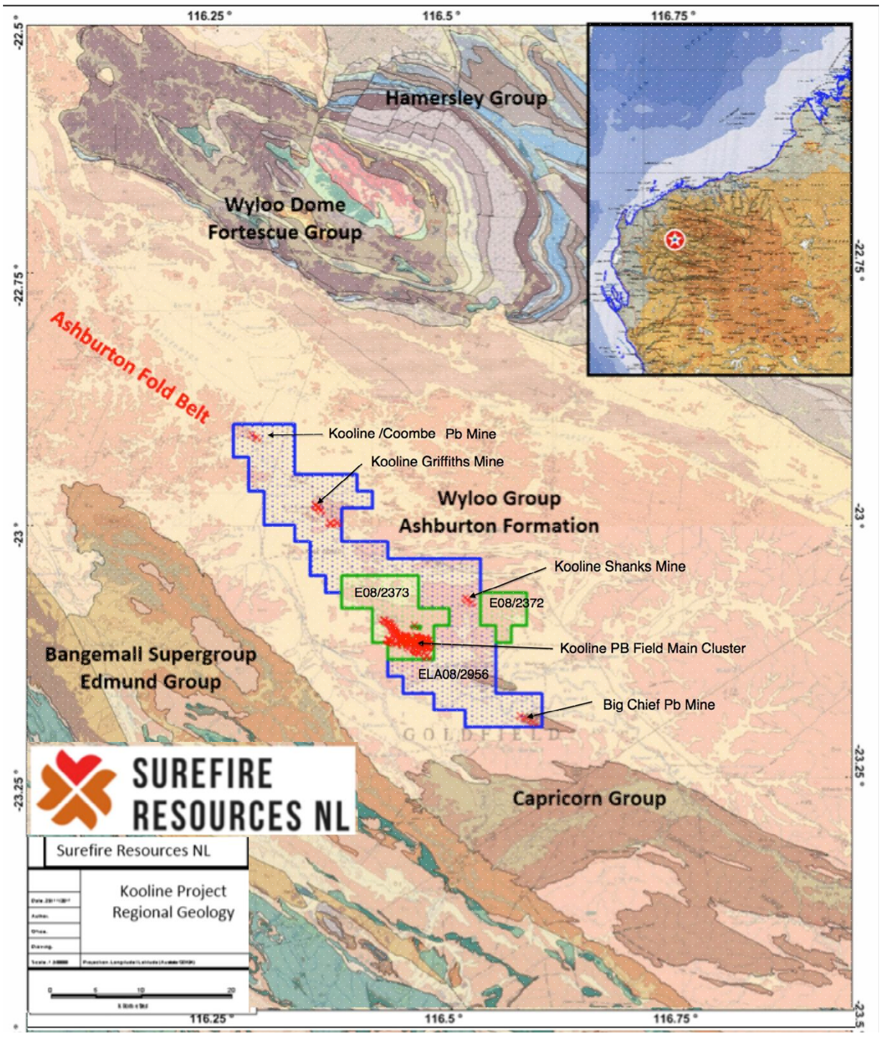

***Figure 4** Kooline Licence area Locations*

The Kooline Project is situated in a relatively underexplored region in Western Australia where numerous historic gold, and particularly lead/silver workings are evident. The tenements strike along a moderately defined magnetic and gravity anomaly, indicating the potential presence of moderately deep igneous intrusions. Such intrusions are an important heat source driving the circulation of hydrothermal fluids enriched in various base and precious metals, particularly lead. The lead/silver is deposited in vein filled shears and structures primarily as massive galena

Exploration Activity

Most of the modern exploration activity over of the licence areas at Kooline was undertaken between 2007 and 2010 and included a number of geophysical and geochemical field surveys and some very limited drilling.

During the year geological consultants Unearthed Elements were commissioned by Surefire to undertake field investigations of the Kooline Lead/Silver Project with a primary focus on the high-grade workings in the main field cluster. The field trip consisted of interpretation of remote sensing information, reconnaissance mapping of the most important of the lead workings and rock chip sampling. The main prospect areas that were inspected were those with a historic mining and exploration history, over 30 workings are recorded in the main area but the field investigation revealed many more that have not been recorded.

Rock Chip Sampling

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

Table 3

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

Due to the high grade in the samples all were re-analysed using XRF in order to provide a more accurate determination of the lead grade. It is notable that all the samples carried anomalous gold and copper values. These copper and gold values were considered significant and the company has engaged CSA Global of Perth, a respected geological consultancy to undertake a study of the available geochemical and geophysical data in order to determine a geological model and target generation for the licence areas.

Your directors submit the financial report of Surefire Resources NL (the "**Group**" or "**Surefire**") and its controlled entities (the "**Consolidated Entity**" or "**Group**") for the year 30 June 2018.

DIRECTORS

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

Mr Vladimir Nikolaenko – Appointed 27.7.2017
Mr Brett Clark – Resigned 17.8.2017
Mr John Wareing – Resigned 12.10.2017
Mr Michael Povey – Appointed 12.10.2017
Mr Victor Turco – Resigned 29.11.2017
Mr Roger Smith – Appointed 29.11.2017

PRINCIPAL ACTIVITIES

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

RESULTS FROM OPERATIONS

During the year the Group recorded an operating loss of $1,231,789 (2017: Loss $1,473,389).

The operating loss recorded during the year included $196,000 in respect of "equity-settled share-based payments". This was not a cash outlay and was brought to account by virtue of a requirement at law. Net of this figure, the operating loss for the year was $1,035,789.

DIVIDENDS

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

REVIEW OF OPERATIONS

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

EARNINGS PER SHARE

Basic and diluted loss per share for the financial period was 0.805 cents (2017: Loss 1.60 cents and 1.40 cents respectively– adjusted for 1:20 consolidation effected during year ended 30 June 2018).

FINANCIAL POSITION

The Group's cash position as at 30 June 2018 was $1,860,697, a substantial increase from the 30 June 2017 cash balance which was $20,554.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year the Group entered into a Lead Manager, Broker and Corporate Advisory Mandate agreement with CPS Capital Group Pty Ltd to manage and underwrite a rights issue of 300,252,600 shares at $0.012 each. Each share was issued with a free attaching option on a 1:1 basis together with a Contributing Share on the same basis with calls thereon totalling $0.027 per share staged over a 3-year period. Broker fees on funds raised comprised a 2% Management Fee, 4% Underwriting Fee and 64,000,000 Options exercisable at $0.018 with a 30 November 2019 expiry, subject to commercial terms and conditions.

As a consequence of the association with CPS, Surefire was successful in raising $2,757,560 (before costs).

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to the end of the financial reporting period, the Group:

1. has consolidated its tenement holding at Unaly Hill by the acquisition of the Victory Bore Vanadium field from High Grade Metals Limited as announced to ASX on 23 August 2018; and
2. issued 300,000 fully paid ordinary shares pursuant to a shareholder's request to exercise 300,000 options at $0.018 each.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

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

ENVIRONMENTAL ISSUES

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

INFORMATION ON DIRECTORS AND COMPANY SECRETARIES

Vladimir Nikolaenko
Executive Chairman and Managing Director (Re-appointed 27 July 2017)

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

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

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

Michael Povey
Non-Executive Technical Director (Appointed 12.10.2017)

Mr Povey is a mining engineer with over 34 years worldwide experience in the resource sector. This experience has encompassed a wide range of commodities and included senior management positions in mining operation and the explosives industry in Africa, North America and Australia. During this time, he has been responsible for general and mine management, mine production, project evaluation, mine feasibility studies and commercial contract negotiations.

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

Roger Smith
Non-Executive Director (Appointed 29.11.2017)

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

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

John Wareing
Chairman (Resigned 12.10.2017)

Victor Turco
Non-Executive Director (Resigned 29.11.2017)

Brett Clark
Non-Executive Director (Resigned 17.8.2017)

Rahul Singh
Executive Chairman (Appointed 5.7.2017, Resigned 10.8.2017)
This was an interim short-term appointment disputed by a major shareholder.

Jan Peter Sloane
Non-Executive Director (Appointed 5.7.2017, Resigned 10.8.2017)
This was an interim short-term appointment disputed by a major shareholder.

Phillip Hains
Non-Executive Director (Appointed 5.7.2017, Resigned 10.8.2017)
This was an interim short-term appointment disputed by a major shareholder.

Victor Turco
Group Secretary (Resigned 29.11.2017)

Winton Willesee and Erlyn Dale
Joint Group Secretaries (Appointed 29.11.2017, Resigned 15.12.2017)

Rudolf Tieleman
Group Secretary (Appointed 15.12.2017, Resigned 24.4.2018)

Neville Bassett
Group Secretary (Appointed 24.4.2018)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

MEETINGS OF DIRECTORS

During the financial year ended 30 June 2018, the following director meetings were held:

	Eligible to Attend	Attended
B Clark	1	1
J Wareing	1	1
V Turco	1	1
V Nikolaenko	3	3
M Povey	3	3
R Smith	3	3

REMUNERATION REPORT (Audited)

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

Key Management Person	Position
Vladimir Nikolaenko	Executive Director
Michael Povey	Non-Executive Director
Roger Smith	Non-Executive Director
John Wareing	Chairman – resigned 12.10.2017
Brett Clark	Non-Executive Director – resigned 17.8.2017
Victor Turco	Non-Executive Director – resigned 29.11.2017
Rahul Singh	Non-Executive Director – resigned 10.8.2017
Jan Peter Sloane	Non-Executive Director – resigned 10.8.2017
Phillip Hains	Non-Executive Director – resigned 10.8.2.017
Neville Bassett	Group Secretary
Winton Willesee and Erlyn Dale	Joint Group Secretaries – resigned 15.12.2017
Rudolf Tieleman	Group Secretary – resigned 24.4.2018

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

Key Management Personnel Remuneration and Incentive Policies

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

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

Non-Executive Directors

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

Incentive Plans and Benefits Programs

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

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

Retirement and Superannuation Payments

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

Non-Executive Director and Executive Remuneration

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

During the year ended 30 June 2018, the non-executive directors and Chairman received a maximum of an annualised base director's fee of $42,000.

Relationship between Group Performance and Remuneration

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

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

Use of Remuneration Consultants

The Group did not employ the services of any remuneration consultant during the financial year ended 30 June 2018.

Consultant Agreements

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

Key Management Personnel Remuneration

Year ended 30 June 2018				
Key Management Person	**Short-term benefits Fees & contractual payments ($)**	**Total cash and cash equivalent benefits ($)**	**Equity-settled share-based payments ($)**	**Total ($)**
John Wareing (i) Resigned 12.10.2017	37,450	37,450	-	37,450
Victor Turco (ii) Resigned 12.10.2017	94,141	94,141	-	94,141
Brett Clark Resigned 12.10.2017	-	-	-	-
Rahul Singh Appointed 5.7.2017 Resigned 10.8.2017	-	-	-	-
Jan Peter Sloane Appointed 5.7.2017 Resigned 10.8.2017	-	-	-	-
Phillip Haines Appointed 5.7.2017 Resigned 10.8.2017	-	-	-	-
Vladimir Nikolaenko (iii) Appointed 27.7.2017	200,066	200,066	122,500	322,566
Michael Povey (iv) Appointed 12.10.2017	46,355	46,355	63,000	109,355
Roger Smith Appointed 29.11.2017	24,682	24,682	10,500	35,182
Winton Willesee and Erlyn Dale Appointed 29.11.2017 Resigned 15.12.2017	-	-	-	-
Rudolf Tieleman Appointed 15.12.2017 Resigned 24.4.2018	26,372	26,372	-	26,372
Neville Bassett Appointed 24.4.2018	-	-	-	-
Total	**429,066**	**429,066**	**196,000**	**625,066**

(i) Includes $28,050 corporate consulting fees accrued to Argonaut Consulting Group Pty Ltd, a company related to John Wareing.

(ii) Includes $79,141 accountancy and secretarial service fees accrued to Turco & Co Pty Ltd, a company related to Victor Turco.

(iii) Includes $161,000 fees accrued to Corporate Admin Services Pty Ltd, a company related to Vladimir Nikolaenko.

(iv) Includes $16,150 geologist consulting fees accrued to Minman Pty Ltd, a company related to Michael Povey.

The following amounts payable to Key Management Personnel (including GST where applicable) are included in Trade and Other Payables as at 30 June 2018 in respect of costs accrued during the years ended 30 June 2017 and 30 June 2018:

J Wareing and Argonaut Consulting Group Pty Ltd	41,195
V Turco and Turco & Co Pty Ltd	104,017
B Clark and Wembley Corporate Services Pty Ltd	97,881
Mineral Resources Consulting Pty Ltd	22,000
V Nikolaenko and Corporate Admin Services Pty Ltd	179,502
M Povey and Minman Pty Ltd	16,110
R Smith	7,052
Rudolf Tieleman	3,630
Total	**$471,387**

Key Management Personnel Remuneration (Continued)

Year ended 30 June 2017					
Key Management Person	**Short-term benefits Fees & contractual payments ($)**	**Post-employment Statutory superannuation ($)**	**Total cash and cash equivalent benefits ($)**	**Equity-settled share-based payments ($)**	**Total ($)**
John Wareing Appointed 16.5.2017	3,000	-	3,000	-	3,000
Victor Turco Appointed 21.6.2017	3,500	-	3,500	-	3,500
Vladimir Nikolaenko Resigned 18.5.2016	-	-	-	15,000	15,000
Graeme Smith Resigned 16.5.2017	102,934	-	102,934	15,000	117,934
David Sumich Appointed 16.5.2017 Resigned 21.6.2017	-	-	-	-	-
Brett Clark	37,302		37,302	8,750	46,052
Trent Spry Resigned 4.1.2017	80,000		80,000	-	80,000
Don Valentino Resigned 16.5.2017	72,396	8,101	80,497	18,750	99,247
Total	**299,132**	**8,101**	**307,233**	**57,500**	**364,733**

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

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

30 June 2018:

Name	Balance at the start of the year or date of appointment	Issued during the year		Balance at the end of the year or date of resignation
		Remuneration	Entitlement Offer	
John Wareing	-	-	-	-
Victor Turco	-	-	-	-
Brett Clark *Fully paid ordinary shares*	-	-	-	-
Rahul Singh	-	-	-	-
Jan Peter Sloane	-	-	-	-
Phillip Haines	-	-	-	-
Vladimir Nikolaenko				
Fully paid ordinary shares	25,498,374	-	67,188,767	92,687,141
Partly paid ordinary shares	-	-	67,188,767	67,188,767
Michael Povey				
Fully paid ordinary shares	-	-	1,797,945	1,797,945
Partly paid ordinary shares	-	-	1,797,945	1,797,945
Roger Smith				
Fully paid ordinary shares	5,194,977	-	1,469,178	6,664,155
Partly paid ordinary shares	-	-	1,469,178	1,469,178
Winton Willesee and Erlyn Dale	-	-	-	-
Rudolf Tieleman	-	-	-	-
Neville Bassett	-	-	-	-
Total ordinary shares	**30,693,351**	**-**	**70,455,890**	**101,149,241**
Total partly paid contributing shares	**-**	**-**	**70,455,890**	**70,455,890**

30 June 2017 (Comparatives adjusted for 1:20 Consolidation effected April 2018):

Name	Balance at the start of the year or date of appointment	Issued during the year		Balance at the end of the year or date of resignation
		Remuneration	Other	
John Wareing	-	-	-	-
Victor Turco	-	-	-	-
Vladimir Nikolaenko	24,078,052	-	-	24,078,052
Graeme Smith	1,875,000	616,667	-	2,491,667
David Sumich	-	-	-	-
Brett Clark	-	312,500	-	312,500
Trent Spry	600,000	-	-	600,000
Don Valentino	-	354,167	-	354,167
Total ordinary shares	**26,553,052**	**1,283,334**	**-**	**27,836,386**

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

30 June 2018:

Name	Balance at the start of the year or date of appointment	Granted during the year as remuneration	Granted during the year pursuant to Entitlement Offer	Lapsed during the year	Balance at the end of the year or date of appointment	Vested & exercisable at the end of the year
John Wareing	-	-	-	-	-	-
Victor Turco	-	-	-	-	-	-
Brett Clark	-	-	-	-	-	-
Rahul Singh	-	-	-	-	-	-
Jan Peter Sloane	-	-	-	-	-	-
Phillip Haines	-	-	-	-	-	-
Vladimir Nikolaenko	392,500,000	35,000,000	67,188,767	(392,500,000)	102,188,767	102,188,767
Michael Povey	-	18,000,000	1,797,945	-	19,797,945	19,797,945
Roger Smith	25,000,000	3,000,000	1,469,178	(25,000,000)	4,469,178	4,469,178
Winton Willesee and Erlyn Dale	-	-	-	-	-	-
Rudolf Tieleman	-	-	-	-	-	-
Neville Bassett	-	-	-	-	-	-
Total	**417,500,000**	**56,000,000**	**70,455,890**	**(417,500,000)**	**126,455,890**	**126,455,890**

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

General

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

End of Remuneration Report.

EMPLOYEES

At 30 June 2018, aside from directors, the Group has no other employees. The same position prevailed at 30 June 2017.

CORPORATE STRUCTURE

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

ACCESS TO INDEPENDENT ADVICE

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

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

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has entered into agreements indemnifying, to the extent permitted by law, all the directors and officers of the Group against all losses or liabilities incurred by each director and officer in their capacity as directors and officers of the Group. During the year no amount was incurred as insurance premiums for this purpose – an amount of $6,013 was paid during the year ended 30 June 2017 which substantially covered the whole of the 2018 year.

OPTIONS

As at the date of this report there are 420,252,600 quoted options over unissued ordinary shares in the Group.
Option holders do not have any rights to participate in any issues of shares or other interest of the Group.
For details of options issued to directors and other key management personnel, refer to the Remuneration Report above.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITOR'S INDEPENDENCE DECLARATION

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

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

For and on behalf of the Directors

Electronic Signature noted as having been affixed with approval

Mr Vladimir Nikolaenko
Managing Director
28 September 2018

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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 2018, I declare that, to the best of my knowledge and belief, there have been:

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

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

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Rafay Nabeel
Audit Director

28 September 2018
Perth

SUREFIRE RESOURCES NL

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

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

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

Website Disclosures

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

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018

SUREFIRE RESOURCES NL

	Notes	Year Ended 30 Jun 2018 ($)	Year Ended 30 Jun 2017 ($)
Revenue:			
Interest income		39	736
R & D rebate		-	42,564
Expenses:			
Administrative expenses	3	(358,377)	(207,253)
Director fees and consulting charges		(386,544)	(215,582)
Exploration expenses		(268,002)	(96,430)
Exploration acquisition costs written off		-	(990,000)
Interest expense		(22,905)	(7,424)
Share-based payments	17	(196,000)	-
(Loss) before income tax expense		(1,231,789)	(1,473,389)
Income tax expense	4	-	-
(Loss) from continuing operations		(1,231,789)	(1,473,389)
Other comprehensive income for the period			
Loss from discontinued operations		-	(116,272)
Total Comprehensive income for the period attributable to members of the Group		(1,231,789)	(1,589,661)
Basic (loss) per share (cents per share) 2017 adjusted for 1:20 consolidation effected during year ended 30.6.2018	6	(0.805)	(1.60)
Diluted (loss) per share (cents per share) 2017 adjusted for 1:20 consolidation effected during year ended 30.6.2018	6	(0.805)	(1.40)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

SUREFIRE RESOURCES NL

	Notes	30 Jun 2018 ($)	30 June 2017 ($)
Current Assets			
Cash and cash equivalents	7	1,860,697	20,554
Trade and other receivables	8	42,473	-
Total Current Assets		1,903,170	20,554
Non-Current Assets			
Deferred exploration expenditure	9	415,000	415,000
Total Non-Current Assets		415,000	415,000
TOTAL ASSETS		2,318,170	435,554
Current Liabilities			
Trade and other payables	10	717,100	376,561
Interest-bearing liabilities	11	-	805,937
Total Current Liabilities		717,100	1,182,498
TOTAL LIABILITIES		717,100	1,182,498
NET ASSETS/(LIABILITIES)		1,601,070	(746,944)
Equity			
Contributed equity	12	26,507,259	23,250,156
Reserves	12	375,200	52,500
Accumulated losses		(25,281,389)	(24,049,600)
TOTAL EQUITY		1,601,070	(746,944)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

SUREFIRE RESOURCES NL

	Contributed Equity (Net of costs) ($)	Reserves ($)	Accumulated Losses ($)	Total ($)
Balance at 1.7.2016	**22,025,668**	**-**	**(22,459,939)**	**(434,271)**
Comprehensive Income				
Operating (loss) for the period	-	-	(1,589,661)	(1,589,661)
Total comprehensive income for the period	**-**	**-**	**(1,589,661)**	**(1,589,661)**
Transactions with owners, in their capacity as owner, and other transfers				
Shares issued during the period	1,374,540	-	-	1,374,540
Cost of capital raising	(150,052)	-	-	(150,052)
Options issued as share-based payments for capital raising costs		52,500	-	52,500
Total transactions with owners and other transfers	**1,224,488**	**52,500**	**-**	**1,276,988**
Balance at 30.6.2017	**23,250,156**	**52,500**	**(24,049,600)**	**(746,944)**

Balance at 1.7.2017	**23,250,156**	**52,500**	**(24,049,600)**	**(746,944)**
Comprehensive Income				
Operating (loss) for the period	-	-	(1,231,789)	(1,231,789)
Total comprehensive income for the period	**-**	**-**	**(1,231,789)**	**(1,231,789)**
Transactions with owners, in their capacity as owner, and other transfers				
Shares issued during the period	3,603,031	-	-	3,603,031
Cost of capital raising (includes share-based payments)	(398,428)	-	-	(398,428)
Unexercised options issued as capital raising costs expired December 2017	52,500	(52,500)	-	-
Share-based Payments Reserve	-	375,200	-	375,200
Balance at 30.6.2018	**26,507,259**	**375,200**	**(25,281,389)**	**1,601,070**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

SUREFIRE RESOURCES NL

	Note	Year Ended 30 Jun 2018 ($)	Year Ended 30 Jun 2017 ($)
CASH FLOWS FROM OPERATING ACTIVITIES	13		
Interest received		39	737
R & D tax offset		-	42,563
Payments to suppliers and employees		(543,687)	(474,680)
Exploration and evaluation expenditure incurred		(63,483)	(96,430)
Net cash (used in) operating activities		(607,1318)	(527,810)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for new tenement prospects		(55,852)	-
Net cash from (used in) investing activities		(55,852)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,936,760	459,989
Share issue costs		(398,428)	-
Loan advances		271,905	-
Loan repayments		(307,111)	(59,850)
Net cash from financing activities		2,503,126	400,139
Net increase (decrease) in cash held		1,840,143	(127,671)
Cash and cash equivalents at the beginning of the financial period		20,554	148,225
Cash and cash equivalents at the end of the financial period		1,860,697	20,554

The accompanying notes form part of these financial statements.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

The financial statements were authorised for issue on 28 September 2018.

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

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

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

Going Concern

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

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

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

Cash and cash equivalents on hand as at the date of this report was approximately $1,293,760.

Principles of Consolidation

(i) Subsidiaries

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

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

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

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

(ii) Changes in ownership interests

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

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

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

Accounting Policies

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

(b) Employee Benefits

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

(c) Exploration and Evaluation Expenditure

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

(d) Acquisition of Assets

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

Costs relating to the acquisition of new areas of interest are classified as either exploration and evaluation expenditure or mine properties based on the stage of development reached at the date of acquisition.

(e) Goods and Services Tax (GST)

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

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

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

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

(f) Income Tax

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

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

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

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

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

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

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

(g) Cash and Cash Equivalents

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

(h) Impairment of Assets

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

(i) Earnings per Share

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

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

(j) Property, plant and equipment

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

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

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

Depreciation

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

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

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

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

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

(k) Financial Instruments

Recognition and Initial 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.

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

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

the amount at which the financial asset or financial liability is measured at initial recognition;

less principal repayments;

plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly 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 in profit and loss.

The Group does not designate any interests in joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains and losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit and loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as non-current assets.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

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

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss.

Financial Guarantees

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

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

De-recognition

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

(l) Provisions

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

(m) Leases

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

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

(n) Contributed Equity

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

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

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

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

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

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

(p) Comparative Figures

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

(q) Segment Reporting

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

(r) Critical Accounting Estimates, Assumptions, and Judgements

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

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

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

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

(s) New Accounting Standards for Application in Future Periods

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below. New standards and interpretations not mentioned are considered unlikely to impact on the financial reporting of the Group.

AASB 9 *Financial Instruments* (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. AASB 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date and will not restate comparative information. Based on the Group's current operations and financial assets and liabilities currently held, the Group does not anticipate any material impact on the financial statements upon adoption of this standard. The Group does not presently engage in hedge accounting.

AASB 15 *Revenue from Contracts with Customers* (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 15 will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer and establishes a five-step model to account for revenue arising from contracts with customers. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group plans to adopt the new standard on the required effective date using the full retrospective method. There will be no material impact on the Group's financial position or performance from the adoption of this new standard.

AASB 16 *Leases* (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change. The Group plans to adopt the new standard on the required effective date. The Group continues to assess the potential impact of AASB 16 on its consolidated financial statements.

NOTE 2 OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified that it operates in only one segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group's principal activity is mineral exploration.

Revenue and assets by geographical region

The Group's revenue is received from sources and assets located wholly within Australia.

Major customers

Due to the nature of its current operations, the Group has not generated or provided any products and services during the year.

NOTE 3 ADMINISTRATIVE EXPENDITURE

	2018 ($)	2017 ($)
Other Expenses		
Audit fees	53,579	24,836
Occupancy costs	3,892	1,100
Filing and ASX fees	49,635	71,952
Legal fees	161,940	27,900
Other expenses from continuing operations	89,331	81,465
	358,377	207,253

NOTE 4 INCOME TAX EXPENSE

	2018 ($)	2017 ($)
The components of tax expense comprise:		
Current tax	-	-
Deferred tax asset/liability	-	-
	-	-
The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
Loss from continuing operations before income tax	1,231,789	1,589,661
Prima facie tax benefit attributable to loss from continuing operations before income tax at 27.5% (2017: 28.5%)	338,742	453,053
Tax effect of Non-allowable items		
• Share-based payments and net end of year accruals	104,931	-
• Section 40-880 deduction	-	1,735
• Brought forward accruals	(6,771)	-
Deferred tax benefit on tax losses not brought to account	(436,902)	(454,788)
Income tax attributable to operating loss	-	-

Unrecognised temporary differences

	2018 ($)	2017 ($)
Net deferred tax assets (calculated at 27.5% - 2017: 28.5%) have not been recognised in respect of the following items:		
Provisions	-	7,017
Unrecognised deferred tax assets relating to the above temporary differences	-	7,017

Unrecognised deferred tax assets

The Group has accumulated tax losses of $15,873,927 (2017: $14,999,261).

The potential deferred tax benefit of these losses at the current corporate tax rate ($4,365,330) will only be recognised if:

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

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

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

NOTE 5 AUDITORS REMUNERATION

	2018 ($)	2017 ($)
Amounts received or due and receivable by the auditors of the Group for:		
Auditing and reviewing the financial report	53,579	24,836
Other	-	-
	53,579	24,836

NOTE 6 EARNINGS PER SHARE

	2018 ($)	2017 ($)
The following reflects the earnings and share data used in the calculation of basic and diluted earnings per share		
Loss for the year	(1,231,789)	(1,589,661
Earnings used in calculating basic and diluted earnings per share	(1,231,789)	(940,457)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share 2017 comparative shares have been adjusted to reflect the 1:20 consolidation effected during the year ended 30 June 2018	153,005,435	98,068,985

The Group had 420,252,600 options (2017 – 430,000,000) over fully paid ordinary shares on issue at balance date. Options are considered to be potential ordinary shares. However, they are not considered to be dilutive in this period and accordingly have not been included in the determination of diluted earnings per share.

NOTE 7 CASH AND CASH EQUIVALENTS

	2018 ($)	2017 ($)
Cash at bank	1,860,697	20,554
	1,860,697	20,554

NOTE 8 TRADE AND OTHER RECEIVABLES

	2018 ($)	2017 ($)
Net tax receivables	42,473	-
	42,473	-

NOTE 9 DEFERRED EXPLORATION EXPENDITURE

	2018 ($)	2017 ($)
Balance at beginning of year:	415,000	840,000
Kooline and Unaly Hill projects	268,002	415,000
Ashburton option	-	150,000
Costs written off	(268,002)	(990,000)
Balance at end of year	415,000	415,000

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

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

NOTE 10 TRADE AND OTHER PAYABLES

	2018 ($)	2017 ($)
Trade payables *	529,768	351,940
Sundry payables and accrued expenses	187,332	24,621
	717,100	376,561

* Trade payables are non-interest bearing

NOTE 11: INTEREST BEARING LIABILITIES

	30 June 2018 ($)	30 June 2017 ($)
Loan – Fiji Holdings Pty Ltd (i)	-	81,671
Loan – Plato Mining Pty Ltd (ii)	-	724,000
Loan – Pyro Holdings Pty Ltd (ii)	-	266
Totals	-	**805,937**

(i) Loan payable to Fiji Holdings (company related to Mr Vladimir Nikolaenko) was unsecured. Interest was payable on this loan at 10% per annum. The loan has been repaid in full, partly by way of debt to equity conversion and partly by cash repayment.

(ii) Loans payable to Pyro Holdings and Plato Mining (companies related to Mr Vladimir Nikolaenko) were unsecured and non-interest bearing. The loan has been repaid in full, partly by way of debt to equity conversion and partly by cash repayment.

NOTE 12 ISSUED CAPITAL

	2018		2017	
	No.	$	No.	$
Contributed Equity – Ordinary Shares				
At the beginning of the year	2,402,020,803	23,250,156	1,655,353,481	22,025,668
Shares issued at $0.0015 each	-	-	274,279,990	411,000
Shares issued at $0.002 each	-	-	440,766,666	868,200
Shares issued at $0.003 each	-	-	30,666,666	92,000
Shares issued at $0.0035 each	-	-	954,000	3,340
Shares consolidated on 1:20 basis	(2,402,020,803)	-	-	-
Shares consolidated on 1:20 basis	120,101,040	-	-	-
Shares issued pursuant to Entitlement Offer at $0.012 each	300,252,600	3,603,031	-	-
Share issuance costs	-	(345,928)	-	(150,052)
Closing balance:	420,353,640	26,507,259	2,402,020,803	23,250,156
Contributed Equity – Contributing Shares – Partly-paid				
At the beginning of the year	-	-	-	-
Shares issued pursuant to Entitlement Offer	300,252,600	-	-	-
Closing balance:	300,252,600	-	-	-
Reserves				
Share-based Payments reserve (i)		375,200		52,500
Closing balance		375,200		52,500

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

Options

	2018 No.	2017 No.
The Group had the following options over un-issued fully paid ordinary shares at the end of the year:		
Options exercisable at $0.003 on or before 30.12.2017 to acquire fully paid ordinary shares (Lapsed 30.12.2017)	-	430,000,000
Options exercisable at $0.018 on or before 30.11.2019 to acquire fully paid ordinary shares	420,252,600	
Total Options	420,252,600	430,000,000

Terms and condition of contributed equity

Ordinary Fully Paid Shares

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

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

Contributing Shares

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

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

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

NOTE 13 CASH FLOW INFORMATION

Reconciliation of operating loss after income tax with funds used in operating activities:

	2018 ($)	2017 ($)
Operating (loss) after income tax	(1,231,789)	(1,589,661)
Interest expense charged to loan	7,630	7,424
Non-cash director fees	67,110	-
Exploration expenditure included in operating loss	119,335	96,430
Exploration expenditure written off	-	990,000
Discontinued operations	-	35,722
Share-based payments	-	102,000
Share-based payments – Group officers	196,000	-
Changes in operating assets and liabilities:		
(Increase) / Decrease in trade and other receivables relating to operating activities	(42,473)	11,776
Increase / (Decrease) in trade and other payables in relation to operating activities	340,539	(85,071)
Cash flow from operations	543,648	(431,380)

NOTE 14 TENEMENT EXPENDITURES CONDITIONS AND OTHER COMMITTMENTS

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

The minimum statutory expenditure commitments required to be spent on the granted tenements for the next twelve months amounts to $83,000.

NOTE 15 TENEMENT ACCESS

Native Title and Freehold

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

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

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

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

NOTE 16 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the financial reporting period, the Group:

1. has consolidated its tenement holding at Unaly Hill by the acquisition of the Victory Bore Vanadium field from High Grade Metals Limited as announced to ASX on 23 August 2018; and
2. issued 300,000 fully paid ordinary shares pursuant to a shareholder's request to exercise 300,000 options at $0.018 each.

Other than noted above or reported to ASX there have been no matters or circumstances that have arisen since 30 June 2018 which have significantly affected or may significantly affect:

(a) the Group's operations in future years; or

(b) the results of those operations in future years; or

(c) the Group's state of affairs in future years.

NOTE 17 EQUITY-SETTLED SHARE-BASED PAYMENTS

On 10 April 2018, 56,000,000 share options were granted to directors to take up ordinary shares. The options are exercisable on or before 30 November 2019 at $0.018 each and were subsequently listed on ASX. The options have no voting or dividend rights, are transferable and vested immediately upon issue. Each option was ascribed a fair value of $0.0035, calculated using the Black-Scholes Option Pricing Model applying the following inputs:

Exercise price:	$0.018
Life of option:	599 days
Expected share price volatility:	58%
Risk-free interest rate:	1.50%
Share price on grant date:	$0.015

The resulting "fair value" of $196,000 has been shown as an expense in the Statement of Financial Performance.

On 21 May 2018, 64,000,000 share options were granted to nominees of the Group's share brokers in accordance with a contractual agreement. The options are exercisable on or before 30 November 2019 at $0.018 each and were subsequently listed on ASX. The options have no voting or dividend rights, are transferable and vested immediately upon issue. Each option was ascribed a fair value of $0.0028, calculated using the Black-Scholes Option Pricing Model applying the following inputs:

Exercise price:	$0.018
Life of option:	558 days
Expected share price volatility:	58%
Risk-free interest rate:	1.50%
Share price on grant date:	$0.015

The resulting "fair value" of $179,200 has been shown as an expense as a Capital Raising Cost in the Balance Sheet (see Statement of Changes in Equity).

NOTE 18 CONTROLLED ENTITIES

Subsidiaries of Surefire Resources NL	**Country of Incorporation**	**2018** **Percentage Owned (%)**	**2017** **Percentage Owned (%)**
Unaly Hill Pty Ltd	Australia	100%	100%
Sandstone Holdings Pty Ltd	Australia	Deregistered	100%
Associate of Surefire Resources NL			
Oil & Gas SE Pty Ltd	Australia	49%	49%

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

NOTE 19 RELATED PARTY AND RELATED ENTITY TRANSACTIONS

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

Name of the related entity	**Total amount invoiced**	**Description of services**
Argonaut Consulting Group Pty Ltd	$37,450 (2017: $Nil)	Corporate consultancy
Turco & Co Pty Ltd	$94,141 (2017: $3,500)	Group secretarial and accounting
Corporate Admin Services Pty Ltd	$161,000 (2017: $Nil)	Corporate consultancy and administration
Minman Pty Ltd	$16,150 (2017: $Nil)	Geologist consultancy

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

The total amount owing to both current and past directors and/or director-related parties (including GST) at 30 June 2018 was $467,757 (2017: $315,960).

Of this amount, $265,093 is being disputed and subject to legal processes.

NOTE 20 CONTINGENT LIABILITIES AND ASSETS

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

Native Title

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

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

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

NOTE 21 FINANCIAL INSTRUMENTS DISCLOSURE

(a) **Financial Risk Management Policies**

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

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

Specific Financial Risk Exposure and Management

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

Interest Rate Risk

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

Liquidity Risk

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

Capital Risk

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

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

The working capital position of the Group at 30 June 2018 and 30 June 2017 was as follows:

	2018 ($)	2017 ($)
Cash and cash equivalents	1,860,697	20,554
Trade and other receivables	42,473	-
Trade and other payables	(717,100)	(376,561)
Working capital position	1,186,070	(356,007)

Credit Risk

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

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

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

	2018 ($)	2017 ($)
AAA rated	1,860,697	20,554
AA rated	-	-
A rated	-	-

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

Trade and other receivables	**2018 ($)**	**2017 ($)**
Trade receivables	42,473	-
	42,473	-

(b) **Financial Instruments**

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

Financial Instrument composition and maturity analysis

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

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

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

2017	Weighted Average Effective Interest Rate %	Floating Interest Rate ($)	Non-Interest Bearing ($)	Total ($)
Financial Assets:				
Cash and cash equivalents		-	20,554	20,554
Total Financial Assets	0%	-	20,554	20,554
Financial Liabilities:				
Trade and other payables		-	(376,561)	(376,561)
Net Financial Assets		-	(356,007)	(356,007)

	2017 ($)
Trade and other payables are expected to be paid as follows:	
Less than 6 months	(376,561)
	(376,561)

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

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

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

	2018 ($)	2017 ($)
Change in loss – increase/(decrease):		
- Increase in interest rate by 2%	-	-
- Decrease in interest rate by 2%	-	-
Change in equity – increase/(decrease):		
- Increase in interest rate by 2%	-	-
- Decrease in interest rate by 2%	-	-

DIRECTORS' DECLARATION

The directors of the Group declare that:

1. the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* and:
   (a) comply with Australian Accounting Standards and the *Corporations Act 2001*;
   (b) give a true and fair view of the financial position as at 30 June 2018 and performance for the year ended on that date of the Group; and
   (c) the audited remuneration disclosures set out in the Remuneration Report section of the Directors' Report for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*;
2. the Chief Executive Officer has declared pursuant to section 295A(2) of the *Corporations Act 2001* that:
   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   (b) the financial statements and the notes for the financial year comply with Australian Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
4. the directors have included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

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

Electronic Signature noted as having been affixed with approval

Mr Vladimir Nikolaenko
Managing Director

Dated 28 September 2018

Greenwich & Co

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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 2018, 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 2018 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 2018 includes Director fees and employee benefits expense: $386,544.

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

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

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

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

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.

Deferred exploration expenditure: $415,000

Refer to Note 9, accounting policy Notes 1(d) and 1(r)

Key Audit Matter	How our audit addressed the 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.	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 obtaining independent searches of a sample of the Company's tenement holdings. • 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, and administration expenses: $744,921

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

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

Other Information

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

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

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

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

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 19 of the directors' report for the year ended 30 June 2018. 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 2018 complies with section 300A of the *Corporations Act 2001*.

Basis for Qualified Opinion

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

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

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Rafay Nabeel
Audit Director

28 September 2018
Perth

TENEMENT DETAILS

Tenement	Nature of Interest	Project	Equity (%)
E08/2372	Granted	Kooline Mt Dawson Ashburton Region - Lead/Silver	100
E08/2373	Granted	Kooline-Wyloo Group Ashburton Region - Lead/Silver	100
ELA08/2956	Application	Kooline Ashburton Region - Lead/Silver	100
E57/1068	Granted	Unaly Hill Sandstone Region - Vanadium	100
E57/1036	Granted	Victory Bore Sandstone Region – Vanadium	100

ANNUAL ASX REPORTING REQUIREMENTS

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

The following information was applicable as at 26 September 2018.

Share and Option holdings:

Category (Size of Holding)	Fully Paid Ordinary Shares	Partly-paid Ordinary Shares	Options 30.11.2019
1 to 1,000	438	4	6
1,001 to 5,000	287	11	10
5,001 to 10,000	103	3	3
10,001 to 100,000	486	43	43
100,001 and over	393	146	153
Total	**1,707**	**207**	**215**

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

1,124 holders of fully paid ordinary shares; and

79 holders of options to acquire fully paid shares.

Substantial shareholders:

The names of the substantial shareholders listed in the Group's register as at 26 September 2018.

Shareholder Name	Number of Fully Paid Shares	% of Issued Fully Paid Share Capital
Vladimir Nikolaenko	92,687,141	22.03
Total	**92,687,141**	**22.03**

Twenty largest shareholders – Quoted fully paid ordinary shares:

	Shareholder Name	Number of Shares	% of Issued Share Capital
1.	Plato Mining Pty Ltd	76,942,832	18.29
2.	Celtic Capital Pty Ltd <The Celtic Capital A/c>	21,000,000	4.99
3.	Mercury Investments Pty Ltd	15,411,809	3.66
4.	Stevsand Holdings Pty Ltd <Formica Horticultural A/c>	11,000,000	2.61
5.	Nicole Gallin and Kyle Haynes <GH Super Fund A/c>	10,000,000	2.38
6.	Super MSJ Pty Ltd <MSJ Super Fund A/c>	6,000,000	1.43
7.	Chembank Pty Ltd <RT Unit A/c>	5,000,000	1.19
8.	Ardglen Holdings Pty Ltd <Matthew Smith Family A/c>	4,812,500	1.14
9.	Halith Pty Ltd	4,035,977	0.96
10.	Leticia M Limon	4,000,000	0.95
11.	Silverknight Holdings Pty Ltd	4,000,000	0.95
12.	Agens Pty Ltd < The Mark Collins S/F A/c>	4,000,000	0.95
13.	Vivaldi Capital SDN BHD	3,875,000	0.92
14.	Pheakes Pty Ltd (Senate A/c>	3,545,793	0.84
15.	Tom and Angela Kouloukakis	3,525,000	0.84
16.	Chris and Betsy Carr	3,500,000	0.83
17.	Vulture Fish Pty Ltd	3,500,000	0.83
18.	Kieran G Barratt	3,500,000	0.83
19.	One Managed Investment Funds Ltd (Technical Investing Absolute Return A/c>	3,500,000	0.83
20.	Sumiplas Pte Ltd	3,318,689	0.79
	Total	**194,467,600**	**46.23**

SUREFIRE RESOURCES NL

Twenty largest shareholders – Unquoted partly paid ordinary shares:

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

Twenty largest shareholders – Quoted option holders:

	Option Holder Name	Number of Options	% of Options on Issue
1.	Plato Mining Pty Ltd	90,942,832	21.66
2.	Celtic Capital Pty Ltd <The Celtic Capital A/c>	39,404,325	9.38
3.	First Investment Partners Pty Ltd	30,000,000	7.14
4.	Bin Liu	20,000,000	4.76
5.	CPS Capital Management Pty Ltd	19,200,000	4.57
6.	Sihol M Gultom	12,000,000	2.86
7.	Michael G Povey	12,000,000	2.86
8.	Mercury Investments Pty Ltd	11,008,435	2.62
9.	Mungala Investments Pty Ltd	10,000,000	2.38
10.	AMAX Pacific Pty Ltd	8,426,923	2.01
11.	Michael S Carter <The Carter Family A/c>	8,061,734	1.92
12.	Lehav Pty Ltd	8,012,000	1.91
13.	Minman Pty Ltd <Povey Super Fund A/c>	6,000,000	1.43
14.	Scott A Malone	6,000,000	1.43
15.	Silverknight Holdings Pty Ltd	4,000,000	0.95
16.	Agens Pty Ltd < The Mark Collins S/F A/c>	4,000,000	0.95
17.	William W Jones	3,813,335	0.91
18.	Simon S K Niak	3,600,000	0.86
19.	Princeton Capital (WA) Pty Ltd <The Princeton A/c>	3,500,000	0.83
20.	Ardglen Holdings Pty Ltd <Matthew Smith Family A/c>	3,437,500	0.82
	Total	**303,407,084**	**72.25**

There are 420,653,640 fully paid ordinary shares, 300,252,600 partly-paid ordinary shares and 419,952,600 options to acquire fully paid ordinary shares on issue.

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

Buy-Back Plans

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

Voting Rights

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a Member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each fully paid ordinary share held.

None of the options have any voting rights.