



AND ITS CONTROLLED ENTITIES

ANNUAL REPORT
ENDED 30 JUNE 2020

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AND ITS CONTROLLED ENTITIES

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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

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45 Ventnor Avenue, West Perth WA 6005
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www.surefireresources.com.au

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Advanced Share Registry Limited
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Telephone (08) 9389 8033
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FOR INFORMATION ON THE COMPANY CONTACT**PRINCIPAL & REGISTERED OFFICE**

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BANKERS

National Australia Bank Limited
226 Main Street, Osborne Park WA 6017

AUDITORS

Elderton Audit Pty Ltd
Chartered Accountants
Level 2, 267 St George's Terrace, Perth WA 6000

STOCK EXCHANGE

Australian Securities Exchange (ASX)

ASX COMPANY CODES

SRN (Fully paid shares)
SRNOC (Options to acquire fully paid shares)

ISSUED CAPITAL

708,153,640 fully paid ordinary shares

300,252,600 partly-paid ordinary shares

55,000,000 options to acquire fully paid shares exercisable at \$0.018 by 25 May 2021

354,076,820 options to acquire fully paid shares exercisable at \$0.006 by 30 June 2022

General

Exploration field activities were severely curtailed due to the Covid-19 pandemic. During this difficult time, the Company spent considerable time reinterpreting data from its current projects and reviewing and appraising numerous new project opportunities across several target commodities.

The Company will continue these efforts as many new projects and opportunities become available to Surefire.

Shareholders are encouraged to review the Quarterly Reports which are lodged with ASX each quarter as these reports contain detailed information in relation to the Company's ongoing exploration activities.

Kooline – Ashburton (WA)

During the financial year, Surefire continued to evaluate the high priority lead-silver targets at the Kooline Project. The Kooline Project, situated in the Ashburton Province, is host to the Kooline Lead Field where historic production mounted to over 2,679 tonnes of lead and 26,533 ounces of silver.

Within the 386 km² project area, historic high grade rockchip samples has included:

- Silver 580g/t Ag
- Lead 79.3% Pb
- Copper 3.78% Cu
- Gold 1.6 g/t Au

The Kooline Lead field hosts over 50 mapped historic excavations where the DSO grade material was mined in the post WW2 period of 1947 to 1959. The most significant mines include Bilrose, The Gift, June Audrey, with each of these operations supporting their own processing facilities. These mines provide excellent targets for exploration drilling testing the down-dip and strike extent of the mineralisation. Further, during the year Southern Geoscience were commissioned to re-evaluate several of the historic IP and EM surveys that were carried out by previous explorers and test for anomalies that may provide further targets for drilling.

Victory Bore – Murchison (WA)

During the year, Surefire planned and executed a program of exploration drilling targeting gold intersections from historic drilling. A total of 29 reverse circulation (RC) holes were drilled for a total of 2,256m. Results included some highly anomalous gold grades within shallow zones which covered 3.5km of strike. While the grades fell short of the high grades from historic drilling, further work is required to develop understanding of the structural controls of the gold mineralisation.

At a magnetic target in the north of the Victory Bore tenement, a 155 sample geochemical soil sampling program was carried out which produced low level gold anomalist up to 5 times background gold levels.

Unaly Hill – Murchison (WA)

During the year, work progressed toward assessment of the High Purity Alumina potential of the alumina contained within the Vanadiferous titanomagnetite resource. Dr Greg Power was appointed as the companies well credentialled HPA consultant to explore the projects potential. NAGROM were engaged to commence further metallurgical testing of Unaly Hill diamond core drilled during the 2018 campaign. Within the vanadium-titanium-iron orebody the average Al₂O₃ grades are around 17%. The Company is interested in examining the potential for further refining of the ore to yield a High Purity Alumina ("HPA") product. For this purpose, a 50kg sample was submitted to NAGROM for beneficiation and hydrometallurgical testwork to produce High Purity Alumina from the ore. The material currently being leach tested has an Al₂O₃ grade of 20.4% and has been taken from material within the ore-zone of the Unaly Hill Mineral Resource. A 2019 metallurgical study, carried out by METS Engineering, showed that after a phase of magnetic separation the grade of the Al₂O₃ in the non-magnetic fraction is **93.2%**.

Mt Magnet Gold Project (WA)

Towards the end of the year, the Company applied for an exploration licence (E58/559) covering approximately 15km² in close proximity to the Mt Magnet townsite and gold mining operations that extend northwards along the greenstone belt.

The Mt Magnet gold mining town, some 500km north of Perth, has been producing gold since discovery in 1891. It is situated within the Murchison Goldfields of the Yilgarn Craton in WA. Historically Mt Magnet produced over 6 million ounces of gold and has significant potential to host new discoveries. The Hill 50 Gold Mine commenced in 1936 and produced intermittently for many years. From 1955 and 1961 it was Australia's most profitable gold mine and over its life produced more than 2 million ounces until closure in 2007 at a depth of 1,500m below the surface.

The Mt Magnet project is located within the north-south striking Meekatharra-Mt Magnet greenstone belt. The greenstone belt lithologies comprise a succession of steeply dipping and intensely deformed mafic and ultramafic extrusive and intrusive rocks, felsic volcanics and banded iron formations (BIF). Granitic rocks intrude the greenstone belt stratigraphy. The BIF is the dominant host rock for gold mineralisation in the area. Gold mineralisation is typically associated the pyrite & pyrrhotite replacement of magnetite in the banded iron. High-grade ore shoots are developed along the intersection of the BIF and a swarm of northeast trending faults.

Competent Person Statement

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

DIRECTORS' REPORT



Your directors submit the financial report of Surefire Resources NL (the "Group" or "Surefire") and its controlled entities (the "Consolidated Entity" or "Group" – refer Note 17 for additional details) for the year 30 June 2020.

DIRECTORS

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

Mr Vladimir Nikolaenko
Mr Michael Povey
Mr Roger Smith

PRINCIPAL ACTIVITIES

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

RESULTS FROM OPERATIONS

During the year, the Group recorded an operating loss of \$1,111,291 (2019: Loss \$2,475,208).

The operating loss recorded during the previous year ended 30 June 2019 included an amount of \$1,375,240 incurred in respect of the acquisition of the Victory Bore tenement.

DIVIDENDS

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

REVIEW OF OPERATIONS

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

EARNINGS PER SHARE

Basic and diluted loss per share for the financial period was 0.186 cents (2019: Loss 0.556 cents).

FINANCIAL POSITION

The Group's cash position as at 30 June 2020 was \$193,990, an increase from the 30 June 2019 cash balance which was \$135,800.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year, the Company:

- issued 125,000,000 fully paid ordinary shares to professional and sophisticated investors, resulting in the receipt of \$1.15 million (before costs);
- undertook a sale of small share parcels in accordance with its Constitution; and
- issued 55,000,000 options to acquire fully paid ordinary shares to the Company's brokers, each option being exercisable at \$0.018 on or before 25 May 2021.

Other than as noted above or in the Review of Operations, 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 year, the Company announced on 6 August 2020 that it had acquired high-grade gold tenements in the Yidby and Perenjori project areas, Western Australia. The Yidby Project includes 112.77km² of prospective greenstone terrain within the bountiful Yalgoo-Singleton Greenstone Belt. The Perenjori Gold Project includes 311.42km² of tenure situated 65km to the west of the Yidby Project within the Koolanooka Greenstone Belt. Both projects contain well mineralised shear zones, banded iron formations, and many untested target areas.

On 24 August 2020, the Company advised that pursuant to the non-renounceable rights issue announced 20 July 2020, the Company had received applications for 208,629,560 New Options from shareholders who had accepted and paid for their entitlement under a Prospectus lodged on 21 July 2020. Each New Option entitled the holder to subscribe for one fully paid ordinary share in SRN, exercisable upon payment of a further \$0.006 on or before 30 June 2022. The remaining shortfall amounted to \$105,447 (105,447,260 New Options) and was fully underwritten by CPS Capital Group Pty Ltd

The Company announced on 18 September 2020 that it had received firm commitments from existing and new professional and sophisticated investors to raise up to \$1.28 million, before costs. The placement resulted in the issue of 80,000,000 fully paid ordinary shares at \$0.016 each, together with 40,000,000 free attaching options on a one for two entitlement basis (issued on the same terms and conditions as those

currently quoted on ASX, that is, exercisable at \$0.006 each and exercisable on or before 30 June 2022). The placement was made within the Company's existing Listing Rule 7.1 placement capacity of 17,184,636 Shares, within Listing Rule 7.1A placement capacity of 62,815,364 shares and within Listing Rule 7.1 placement capacity of 40,000,000 options. The issue price of the shares represented a 10% premium to the 10-day VWAP. Both the shares and the options rank pari-passu with existing SRN shares and SRNOC options quoted on the ASX. The receipt of funds was completed on 24 September 2020.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

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

ENVIRONMENTAL ISSUES

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

INFORMATION ON DIRECTORS AND COMPANY SECRETARIES

Vladimir Nikolaenko

Executive Chairman and Managing Director

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

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

Mr Nikolaenko has a relevant interest in 121,953,917 ordinary fully paid shares, 67,188,767 partly-paid ordinary shares and 60,726,959 options to acquire fully paid shares. Mr Nikolaenko is not considered to be an independent director but possesses appropriate skill sets to be a suitably qualified key board member whose interests are aligned with those of the shareholders.

Michael Povey

Non-Executive Technical Director

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

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

Roger Smith

Non-Executive Director

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

Mr Smith has a relevant interest in 12,822,851 ordinary fully paid shares, 1,469,178 partly-paid ordinary shares and 5,190,071 options to acquire fully paid shares. Mr Smith is considered to be an independent director.

Neville Bassett

Group Secretary

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

DIRECTORS' REPORT



MEETINGS OF DIRECTORS

During the financial year ended 30 June 2020, the following director meetings were held:

	Eligible to Attend	Attended
V Nikolaenko	8	8
M Povey	8	8
R Smith	8	8

REMUNERATION REPORT (Audited)

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

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

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

Key Management Personnel Remuneration and Incentive Policies

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

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

Non-Executive Directors

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

Incentive Plans and Benefits Programs

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

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

Retirement and Superannuation Payments

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

Non-Executive Director and Executive Remuneration

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

During the year ended 30 June 2020, the non-executive directors received a maximum of an annualised base director's fee of \$42,000.

Relationship between Group Performance and Remuneration

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

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

Use of Remuneration Consultants

The Group did not employ the services of any remuneration consultant during the financial year ended 30 June 2020.

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 2020			
Key Management Person	Short-term benefits Fees & contractual payments (\$)	Total cash and cash equivalent benefits (\$)	Total (\$)
Vladimir Nikolaenko	300,000	300,000	300,000
Michael Povey	123,350	123,350	123,350
Roger Smith	42,000	42,000	42,000
Total	465,350	465,350	465,350

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

DIRECTORS' REPORT



The following amounts payable to Key Management Personnel (including GST where applicable) are included in Trade and Other Payables as at 30 June 2020 in respect of costs accrued up to 30 June 2020:

V Nikolaenko (Corporate Admin Services Pty Ltd)	110,000
M Povey (Minman Pty Ltd)	78,300
R Smith (Halith Pty Ltd)	52,500
Total	\$240,800

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 2020:

Name	Balance at the start of the year	Movements during the year	Balance at the end of the year
Vladimir Nikolaenko			
<i>Fully paid ordinary shares</i>	92,687,141	19,530,000	112,217,141
<i>Partly paid ordinary shares</i>	67,188,767	-	67,188,767
Michael Povey			
<i>Fully paid ordinary shares</i>	1,797,945	-	1,797,945
<i>Partly paid ordinary shares</i>	1,797,945	-	1,797,945
Roger Smith			
<i>Fully paid ordinary shares</i>	6,664,155	(284,000)	6,380,155
<i>Partly paid ordinary shares</i>	1,469,178	-	1,469,178
Neville Bassett	-		-
Total ordinary shares	101,149,241	19,246,000	120,395,241
Total partly paid contributing shares	70,455,890	-	70,455,890

30 June 2019:

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

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

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 2020:

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

30 June 2019:

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

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

At the end of the financial year and at the date of this report, no director or other KMP held any options in the Company. **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

On 30 June 2020, aside from directors, the Group has no other employees. The same position prevailed at 30 June 2019.

CORPORATE STRUCTURE

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

ACCESS TO INDEPENDENT ADVICE

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

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

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

OPTIONS

As at the date of this report there are 55,000,000 unquoted 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 (if any), 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

Signature of Vladimir Nikolaenko noted as having been affixed with approval

Mr Vladimir Nikolaenko

Managing Director

30 September 2020

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 2020, 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.

Signature of Elderton Audit Pty Ltd noted as having been affixed with approval

Elderton Audit Pty Ltd

Signature of Rafay Nabeel noted as having been affixed with approval

Rafay Nabeel
Audit Director

30 September 2020
Perth

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

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

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

Website Disclosures

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

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020**



	Notes	Year Ended 30 Jun 2020 (\$)	Year Ended 30 Jun 2019 (\$)
Revenue:		-	-
Expenses:			
Administrative expenses	3	(238,577)	(272,346)
Director fees and consulting charges		(465,350)	(454,550)
Exploration expenses		(400,717)	(373,072)
Tenement acquisition costs written off		-	(1,375,240)
Interest expense		(6,647)	-
Loss before income tax expense		(1,111,291)	(2,475,208)
Income tax expense	4	-	-
Loss from continuing operations		(1,111,291)	(2,475,208)
Other comprehensive income for the year			
Total Comprehensive loss for the year attributable to members of the Group		(1,111,291)	(2,475,208)
Basic (loss) per share (cents per share)	6	(0.186)	(0.556)
Diluted (loss) per share (cents per share)	6	(0.186)	(0.556)

The accompanying notes form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**



	Notes	30 Jun 2020 (\$)	30 June 2019 (\$)
Current Assets			
Cash and cash equivalents	7	193,990	135,800
Other receivables	8	76,167	25,501
Total Current Assets		<u>270,157</u>	<u>161,301</u>
TOTAL ASSETS		<u>270,157</u>	<u>161,301</u>
Current Liabilities			
Trade and Other payables	9	775,910	560,039
Interest-bearing liabilities	10	60,000	135,000
Total Current Liabilities		<u>835,910</u>	<u>695,039</u>
TOTAL LIABILITIES		<u>835,910</u>	<u>695,039</u>
NET ASSETS/(LIABILITIES)		<u>(565,753)</u>	<u>(533,738)</u>
Equity			
Contributed equity	11	28,336,435	27,262,659
Reserves	11	5,500	375,200
Accumulated losses		<u>(28,907,688)</u>	<u>(28,171,597)</u>
TOTAL EQUITY		<u>(565,753)</u>	<u>(533,738)</u>

The accompanying notes form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**



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

Balance at 1.7.2019	27,262,659	375,200	(28,171,597)	(533,738)
Comprehensive Income				
Operating (loss) for the year	-	-	(1,111,291)	(1,111,291)
Total comprehensive income for the year	-	-	(1,111,291)	(1,111,291)
Transactions with owners, in their capacity as owner, and other transfers				
Shares issued during the period	1,150,000	-	-	1,150,000
Share issue costs	(76,224)	-	-	(76,224)
Reversal of unexercised expired options	-	(375,200)	375,200	-
Share based payments – share issue costs	-	5,500	-	5,500
Total transactions with owners and other transfers	1,073,776	5,500	375,200	1,079,276-
Balance at 30.6.2020	28,336,435	5,500	(28,907,688)	(565,753)

The accompanying notes form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**



		Year Ended 30 Jun 2020 (\$)	Year Ended 30 Jun 2019 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees	12	(592,641)	(841,178)
Net cash (used in) operating activities		(592,641)	(841,178)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for new tenement prospects		(4,670)	(508,507)
Exploration and evaluation expenditure incurred		(348,774)	(515,612)
Net cash from (used in) investing activities		(353,444)	(1,024,119)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,150,000	5,400
Share issue costs		(70,725)	-
Loan advances		-	135,000
Loan repayments		(75,000)	-
Net cash from financing activities		1,004,275	140,400
Net increase (decrease) in cash held		58,190	(1,724,897)
Cash and cash equivalents at the beginning of the financial period		135,800	1,860,697
Cash and cash equivalents at the end of the financial period		193,990	135,800

The accompanying notes form part of these consolidated financial statements.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for the consolidated entity consisting of Emu NL and its subsidiaries. The financial statements are presented in the Australian currency. Emu NL is a no liability company, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 30 September 2020. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Surefire Resources NL is a for-profit entity for the purpose of preparing the financial statements.

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.

As disclosed in the financial statements, the Group incurred a loss of \$1,111,291 and had net operating cash outflows of \$591,642. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

The ability of the entity to continue as a going concern is dependent on securing additional capital raising activities and/or loan funding to continue its operational and exploration activities. During the year, the Company entered into loan arrangements with Vargas Holdings Pty Ltd, a company associated with Mr Vladimir Nikolaenko, whereby it was agreed that loan funding would be made available as and when required up to an initial \$200,000 with a further increased facility being made available if required to an overall total amount of \$400,000.

Should the entity 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 entity not continue as a going concern.

Compliance with IFRS

The consolidated financial statements of the Surefire Resources NL Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New standards and interpretations not yet adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application date or future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

AASB 16 Leases

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

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

Historical cost convention and going concern basis

These financial statements have been prepared under the historical cost convention, as 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. These financial statements have been prepared on the going concern basis.

(b) 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.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full board of Directors.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Surefire Resources NL's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit and loss and other comprehensive income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(f) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to

offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Note that exploration and evaluation expenditures are expensed as incurred – see note 1(l).

(i) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(j) Financial instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

On the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies
- held for trading; or

- initially designated as at fair value through profit or loss

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over its profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has been expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both. The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

For trade receivables, material expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

For intercompany loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. If the subsidiary does not have sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, an expected credit loss is calculated. This is calculated based on the expected cash flows arising from the subsidiary, and weighted for probability likelihood variations in cash flows.

(k) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of plant and equipment is calculated using the prime cost method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates are 20% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss and other comprehensive income.

(l) Exploration and evaluation costs

All exploration and evaluation expenditure is expensed to the statement of profit and loss and other comprehensive income as incurred. That the carrying value of mineral assets, as a result of the operation of this policy, is zero does not necessarily reflect the board's view as to the market value of those assets.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(n) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(o) Share-based payments

The Group may provide benefits to employees (including directors) of the Group, and to vendors and suppliers, in the form of equity-based payment transactions, whereby employees render services, or where vendors sell assets to the Group, in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the "fair value", not market value. The "fair value" is determined in accordance with Australian Accounting Standards. The Directors do not consider the resultant value as determined in accordance with Australian Accounting Standards (such as by the application of the Black-Scholes European Option Pricing Model) represents market value. In the case of share options issued, in the absence of a reliable measure, AASB 2 *Share Based Payments* prescribes the approach to be taken to determining the fair value. Other models may be used.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

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

Where an option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option, and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as a modification of the original option.

(p) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities,

revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(s) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(t) Taxation

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

(u) 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.

(v) Share-based payments

Share-based payment transactions, in the form of options to acquire ordinary shares, are valued using the Black-Scholes option or other recognised pricing model. Models use assumptions and estimates as inputs.

Whilst the Directors do not consider the result derived by the application of, say, the Black-Scholes European Option Pricing Model is in anyway representative of the market value of the share options issued, in the absence of reliable measure for the same, AASB 2 *Share Based Payments* prescribes the fair value be determined by applying a generally accepted valuation methodology. Other recognised models may be used.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



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

	2020 (\$)	2019 (\$)
Other Expenses		
Audit fees	30,469	28,369
Occupancy and serviced office costs	16,454	16,927
Filing and ASX fees	32,084	39,030
Legal fees	23,401	67,897
Other expenses from continuing operations	136,169	120,123
	<u>238,577</u>	<u>272,346</u>

NOTE 4 INCOME TAX EXPENSE

	2020 (\$)	2019 (\$)
The components of tax expense comprise:		
Current tax	-	-
Deferred tax asset/liability	-	-
	<u>-</u>	<u>-</u>
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	1,111,291	2,475,208
Prima facie tax benefit attributable to loss from continuing operations before income tax at 30%)	333,387	742,562
Tax effect of Non-allowable items		
• End of year accruals	57,651	72,972
• Brought forward accruals	(72,972)	(55,670)
Deferred tax benefit on tax losses not brought to account	(318,066)	(759,864)
	<u>-</u>	<u>-</u>
Income tax attributable to operating loss	-	-

Unrecognised deferred tax assets

The Group has accumulated tax losses of \$21,652,759 (2019: \$20,509,972).

The potential deferred tax benefit of these losses at the current corporate tax rate (\$6,495,828) 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

	2020 (\$)	2019 (\$)
Amounts received or due and receivable by the auditors of the Group for:		
Auditing and reviewing the financial report	30,469	28,369
	<u>30,469</u>	<u>28,369</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



NOTE 6 EARNINGS PER SHARE

	2020 (\$)	2019 (\$)
The following reflects the earnings and share data used in the calculation of basic and diluted earnings per share		
Loss for the year	(1,111,291)	(2,475,208)
Earnings used in calculating basic and diluted earnings per share	<u>(1,111,291)</u>	<u>(2,475,208)</u>
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	<u>595,708,285</u>	<u>445,189,256</u>

The Group had 55,000,000 options (2019 – 419,952,600) over fully paid ordinary shares on issue at balance date. Options are considered to be potential ordinary shares. However, they are not considered to be dilutive in this period and accordingly have not been included in the determination of diluted earnings per share.

NOTE 7 CASH AND CASH EQUIVALENTS

	2020 (\$)	2019 (\$)
Cash at bank	193,990	135,800
	<u>193,990</u>	<u>135,800</u>

NOTE 8 OTHER RECEIVABLES

	2020 (\$)	2019 (\$)
Net tax receivables	70,097	5,926
Prepayments	6,070	19,575
	<u>76,167</u>	<u>25,501</u>

NOTE 9 TRADE AND OTHER PAYABLES *

	2020 (\$)	2019 (\$)
Trade payables	583,741	313,940
Other payables and accrued expenses	192,169	246,099
	<u>775,910</u>	<u>560,039</u>

* All Trade and Other Payables are non-interest bearing

NOTE 10: INTEREST BEARING LIABILITIES

	30 June 2020 (\$)	30 June 2019 (\$)
Loan – Vargas Holdings Pty Ltd (i)	60,000	135,000
Totals	<u>60,000</u>	<u>135,000</u>

- (i) During the year, the Company entered into loan arrangements with Vargas Holdings Pty Ltd, a company associated with Mr Vladimir Nikolaenko, whereby it was agreed that loan funding would be made available as and when required up to an initial \$200,000 with a further increased facility being made available if required to an overall total amount of \$400,000. It was agreed that SRN would grant a security interest over its assets in respect of all amounts outstanding under the facility in favour of the lender, if requested. Interest accrues and is payable on this loan at 14% per annum, calculated on a daily basis and is repayable, together with interest, on a date that is not more than six months from the date on which the first loan advance was made, or such other date as the lender agrees.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



NOTE 11 ISSUED CAPITAL

	2020		2019	
	No.	\$	No.	\$
Contributed Equity – Ordinary Shares				
At the beginning of the period	503,153,640	27,262,659	420,353,640	26,507,259
Shares issued to Acuity Capital in respect of a Controlled Placement Agreement for no consideration			20,000,000	-
Shares issued as part payment for acquisition of Victory Bore tenement			62,500,000	750,000
Shares issued pursuant to exercise of Options at \$0.018 each			300,000	5,400
Share placement at \$0.0092 each	125,000,000	1,150,000	-	-
Share issuance costs – net of expired unexercised options	-	(76,224)	-	-
Closing balance:	628,153,640	28,336,435	503,153,640	27,262,659
Contributed Equity – Contributing Shares – Partly-paid				
At the beginning of the year	300,252,600	-	300,252,600	-
Closing balance:	300,252,600	-	300,252,600	-
Reserves				
Share-based payments reserve (i)		375,200		375,200
Reversal of share based payments reserve on expiry of unexercised options		(375,200)		-
Share based payments – value of options issued to broker(ii)		5,500		-
Closing balance		5,500		375,200
(i) The reserve is used to recognise the fair value of options issued.				
(ii) Options valued on date of grant using the Black-Scholes Option Valuation methodology.				
Options				
The Group had the following options over un-issued fully paid ordinary shares at the end of the year:				
Options issued to broker, exercisable at \$0.018 on or before 25.5.2021 to acquire fully paid ordinary shares	55,000,000		-	
Options exercisable at \$0.018 on or before 30.11.2019 to acquire fully paid ordinary shares (300,000 Options were exercised during the period)	419,952,600		419,952,600	
Options expired as unexercised 30.11.2019	(419,952,600)			
Total Options	55,000,000		419,952,600	

Terms and condition of contributed equity

Ordinary Fully Paid Shares

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

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

Contributing Shares

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



NOTE 12 CASH FLOW INFORMATION

	2020 (\$)	2019 (\$)
Reconciliation of operating loss after income tax with funds used in operating activities:		
Operating (loss) after income tax	(1,111,291)	(2,475,208)
Exploration expenditure included in operating loss	353,444	1,024,120
Share-based payments		750,000
Changes in operating assets and liabilities:		
(Increase) / Decrease in trade and other receivables relating to operating activities	(50,866)	17,172
Increase / (Decrease) in trade and other payables in relation to operating activities	216,072	(157,262)
Cash (outflow) from operations	<u>(592,641)</u>	<u>(841,178)</u>

NOTE 13 TENEMENT EXPENDITURES CONDITIONS AND OTHER COMMITMENTS

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 \$255,000.

NOTE 14 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 15 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the financial year, the Company announced on 6 August 2020 that it had acquired high-grade gold tenements in the Yidby and Perenjori project areas, Western Australia. The Yidby Project includes 112.77km² of prospective greenstone terrain within the bountiful Yalgoo-Singleton Greenstone Belt. The Perenjori Gold Project includes 311.42km² of tenure situated 65km to the west of the Yidby Project within the Koolanooka Greenstone Belt. Both projects contain well mineralised shear zones, banded iron formations, and many untested target areas.

On 24 August 2020, the Company advised that pursuant to the non-renounceable rights issue announced 20 July 2020, the Company had received applications for 208,629,560 New Options from shareholders who had accepted and paid for their entitlement under a Prospectus lodged on 21 July 2020. Each New Option entitled the holder to subscribe for one fully paid ordinary share in SRN, exercisable upon payment of a further \$0.006 on or before 30 June 2022. The remaining shortfall amounted to \$105,447 (105,447,260 New Options) and was fully underwritten by CPS Capital Group Pty Ltd

The Company announced on 18 September 2020 that it had received firm commitments from existing and new professional and sophisticated investors to raise up to \$1.28 million, before costs. The placement resulted in the issue of 80,000,000 fully paid ordinary shares at \$0.016 each, together with 40,000,000 free attaching options on a one for two entitlement basis (issued on the same terms and conditions as those currently quoted on ASX, that is, exercisable at \$0.006 each and exercisable on or before 30 June 2022). The placement was made within the Company's existing Listing Rule 7.1 placement capacity of 17,184,636 Shares, within Listing Rule 7.1A placement capacity of 62,815,364 shares and within Listing Rule 7.1 placement capacity of 40,000,000 options. The issue price of the shares represented a 10% premium to the 10-day VWAP. Both the shares and the options rank pari-passu with existing SRN shares and SRNOC options quoted on the ASX. The receipt of funds was completed on 24 September 2020.

Other than noted above or reported to ASX there have been no matters or circumstances that have arisen since 30 June 2020 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



NOTE 16 EQUITY-SETTLED SHARE-BASED PAYMENTS

On 25 November 2019, the Company issued a total of 55,000,000 options to its brokers to acquire fully paid ordinary shares at an exercise price of \$0.018 each, exercisable on or before 25 May 2021.

A fair value of \$5,500 based upon the share price at the time of issue has been shown as a share raising cost and expensed into Contributed Equity in the Consolidated Statement of Financial Position.

NOTE 17 CONTROLLED ENTITIES

Subsidiaries of Surefire Resources NL	Country of Incorporation	2020 Percentage Owned (%)	2019 Percentage Owned (%)
Unaly Hill Pty Ltd	Australia	100%	100%
Associate of Surefire Resources NL			
Oil & Gas SE Pty Ltd	Australia	49%	49%

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

NOTE 18 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 (Excl GST)	Description of services
Corporate Admin Services Pty Ltd	\$300,000 (2019: \$300,000)	Executive managing consultants services
Vargas Holdings Pty Ltd	\$120,000 (2019: \$135,000)	Loan advances, unsecured, interest payable at 14% pa, calculated on a daily basis, repayable on demand
Minman Pty Ltd	\$123,500 (2019: \$112,550)	Non-executive technical directorial services and geological consultancy
Halith Pty Ltd	\$42,000 (2019: \$42,000)	Non-executive directorial services

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

The total amount owing to both current and past directors and/or director-related parties (including GST) on 30 June 2020 was \$505,893 (2019: \$377,123). Of this amount, \$265,093 is being disputed and subject to legal processes.

NOTE 19 CONTINGENT LIABILITIES AND ASSETS

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

Contingent Liability on Acquisition of Victory Bore Tenement

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

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

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

NOTE 19 CONTINGENT LIABILITIES AND ASSETS (Continued)

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 20 FINANCIAL INSTRUMENTS DISCLOSURE

(a) Financial Risk Management Policies

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

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

Specific Financial Risk Exposure and Management

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

Interest Rate Risk

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

Liquidity Risk

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

Capital Risk

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

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

The working capital position of the Group at 30 June 2020 and 30 June 2019 was as follows:

	2020 (\$)	2019 (\$)
Cash and cash equivalents	193,990	135,800
Other receivables	76,167	25,501
Trade and other payables	(775,910)	(695,039)
Working capital position	<u>(505,753)</u>	<u>(533,738)</u>

Credit Risk

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

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

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

	2020 (\$)	2019 (\$)
AAA rated	193,990	135,800
AA rated	-	-
A rated	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



NOTE 20 FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

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

	2020	2019
	(\$)	(\$)
Other receivables		
Other receivables	76,167	25,501
	<u>76,167</u>	<u>25,501</u>

(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.

2020	Weighted Average Effective Interest Rate %	Floating Interest Rate (\$)	Fixed Interest Rate (\$)	Non-Interest Bearing (\$)	Total (\$)
Financial Assets:					
Cash and cash equivalents		-	-	193,990	193,990
Trade and other receivables		-	-	76,167	76,167
Total Financial Assets	0%	<u>-</u>	<u>-</u>	<u>270,157</u>	<u>270,157</u>
Financial Liabilities:					
Trade and other payables including \$60,000 (Note 10) interest at 14%		-	(60,000)	(775,910)	(835,910)
Net Financial Assets		<u>-</u>	<u>(60,000)</u>	<u>(775,910)</u>	<u>(835,910)</u>

**2020
(\$)**

Trade and other payables are expected to be paid as follows:

Less than 6 months	<u>(835,910)</u>
--------------------	------------------

2019	Weighted Average Effective Interest Rate %	Floating Interest Rate (\$)	Fixed Interest Rate (\$)	Non-Interest Bearing (\$)	Total (\$)
Financial Assets:					
Cash and cash equivalents		-	-	135,800	135,800
Trade and other receivables		-	-	25,501	25,501
Total Financial Assets	0%	<u>-</u>	<u>-</u>	<u>161,301</u>	<u>161,301</u>
Financial Liabilities:					
Trade and other payables including \$135,000 (Note 10) interest at 14%		-	(135,000)	(560,039)	(695,039)
Net Financial Assets		<u>-</u>	<u>(135,000)</u>	<u>(398,738)</u>	<u>(533,738)</u>

**2019
(\$)**

Trade and other payables are expected to be paid as follows:

Less than 6 months	<u>(695,039)</u>
--------------------	------------------

NOTE 20 FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

(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:

	2020 (\$)	2019 (\$)
Change in loss – increase/(decrease):		
- Increase in interest rate by 2%	1,200	2,700
- Decrease in interest rate by 2%	(1,200)	(2,700)
Change in equity – increase/(decrease):		
- Increase in interest rate by 2%	(1,200)	(2,700)
- Decrease in interest rate by 2%	1,200	2,700

DIRECTORS' DECLARATION



The directors of the Group declare that:

1. the accompanying consolidated financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards and the *Corporations Act 2001*;
 - (b) give a true and fair view of the financial position as at 30 June 2020 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 2020 complies with section 300A of the *Corporations Act 2001*;
2. the Chief Executive Officer has declared pursuant to section 295A(2) of the *Corporations Act 2001* that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the consolidated financial statements and the notes for the financial year comply with Australian Accounting Standards; and
 - (c) the consolidated financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
4. the directors have included in the notes to the consolidated financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

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

Signature of Vladimir Nikolaenko noted as having been affixed with approval

Mr Vladimir Nikolaenko

Managing Director

Dated 30 September 2020

Independent Audit Report to the members of Surefire Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Surefire Resources NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, 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 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as 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 Group, 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 opinion.

Material uncertainty related to going concern

We draw attention to Note 1 to the financial report, which describes that the ability of the Group to continue as a going concern is dependent on successful mining and exploration, and further equity issues to the market. As a result, there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Directors fees, consulting charges, exploration expenses and administration expenses: \$1,111,291

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

Key Audit Matter	How our audit addressed the matter
<p>Director fees, consulting charges, exploration expenses and administration expenses, collectively are a substantial figure in the financial statements of the Group, representing a significant portion of shareholder equity spent during the financial year.</p> <p>Given the significance of the above expenses, we considered that the validity and accuracy of the recorded expenditures to be a key audit matter.</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none">• We examined the Group's approval processes in relation to making payments to its suppliers and employees.• We selected random sample of expenses, and vouched each item selected to invoices and other supporting documentation.• 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 comprises the Review of Operations and Directors Report and other information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

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 in 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, used 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 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

Opinion on the Remuneration Report

We have audited the Remuneration Report included on page 7 to page 10 in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Surefire Resources NL, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company 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 conducted in accordance with Australian Auditing Standards.

Signature of Elderton Audit Pty Ltd noted as having been affixed with approval

Elderton Audit Pty Ltd

Signature of Rafay Nabeel noted as having been affixed with approval

Rafay Nabeel
Audit Director

30 September 2020
Perth

TENEMENT DETAILS



Tenement	Nature of Interest	Project	Equity (%)
E08/2373	Granted	Kooline-Wyloo Group - Ashburton Region	100
E08/2956	Granted	Kooline - Ashburton Region	100
E57/1068	Granted	Unaly Hill - Sandstone Region	100
E57/1036	Granted	Victory Bore - Sandstone Region	100
E57/1112	Granted	Unaly Hill - Sandstone Region	100
E57/1139	Granted	Victory Bore - Sandstone Region	100
E58/559	Application	Lennonville – Murchison Region	100
E59/2444	Granted	Yidby – Yalgoo Mineral Field	100
E59/2445	Application	Perenjori 1 – Yalgoo Mineral Field	100
E59/2446	Application	Perenjori 2 – Yalgoo Mineral Field	100
E70/5572	Application	Fitzroy – Southwest Mineral Field	100
E70/5573	Application	Pinjarrah Hill – Southwest Mineral Field	100
E70/5575	Application	Kadji – Southwest Mineral Field	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.

OTHER INFORMATION



The following information was applicable as at 25 September 2020.

Share and Option holdings:

Category (Size of Holding)	Fully Paid Ordinary Shares	Partly-paid Ordinary Shares	Options 30.6.2022	Options 25.5.2021
1 to 1,000	45	4	5	-
1,001 to 5,000	33	11	5	-
5,001 to 10,000	17	3	3	-
10,001 to 100,000	221	43	45	-
100,001 and over	512	146	247	1
Total	828	207	305	1

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

123 holders of fully paid ordinary shares; and

35 holders of options to acquire fully paid shares.

Substantial shareholders:

The names of the substantial shareholders listed in the Group's register as at 25 September 2020.

Shareholder Name	Number of Fully Paid Shares	% of Issued Fully Paid Share Capital
Vladimir Nikolaenko	121,953,917	17.22
Kyle Haynes	40,000,000	5.65
Total	161,953,917	22.87

Twenty largest shareholders – Quoted fully paid ordinary shares (ASX:SRN):

	Shareholder Name	Number of Shares	% of Issued Share Capital
1.	Plato Mining Pty Ltd	91,179,608	12.88
2.	Celtic Capital Pty Ltd <The Celtic Capital A/c>	30,000,000	4.24
3.	Acuity Capital Investment Management Pty Ltd <Acuity Capital Holdings A/c>	20,000,000	2.82
4.	Mercury Investments Pty Ltd	15,411,809	2.18
5.	Kalaria Nominees Pty Ltd <The Speculator A/c>	15,030,000	2.12
6.	Halith Pty Ltd	11,947,851	1.69
7.	Haynes, Kyle Bradley	10,000,000	1.41
8.	Seeto, Jordan Gei Yip	10,000,000	1.41
9.	Chembank Pty Ltd <RT Unit A/c>	8,500,000	1.20
10.	JAPL Nominees Pty Ltd <JAPL Investment A/c>	7,944,913	1.12
11.	Gaks Investment Holdings Pty Ltd <Gaks Investment A/c>	7,500,000	1.06
12.	Ltd Carter Super Funds Pty Ltd <Living the Dream S/F A/c>	7,000,000	0.99
13.	Sunset Capital Management Pty Ltd <Sunset Superfund A/c>	6,250,000	0.88
14.	No Bull Health Pty Ltd	6,000,000	0.85
15.	AJ Loo Investments Pty Ltd <AL Loo Family A/c>	5,500,000	0.78
16.	Champagne Capital Pty Ltd <Oyster Super Fund A/c>	5,000,000	0.71
17.	Scanlon, Peter Francis	5,000,000	0.71
18.	Ardglen Holdings Pty Ltd <Matthew Smith Family A/c>	4,812,500	0.68
19.	Kangsav Pty Ltd	4,500,000	0.64
20.	Citicorp Nominees Pty Ltd	4,280,422	0.60
	Total	275,857,103	38.95

OTHER INFORMATION



Twenty largest shareholders – Unquoted partly paid ordinary shares:

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

Twenty largest shareholders – Quoted option holders (ASX:SRNOC):

	Option Holder Name	Number of Options	% of Options on Issue
1.	Plato Mining Pty Ltd	45,589,804	12.88
2.	Celtic Capital Pty Ltd <The Celtic Capital A/c>	20,000,000	5.65
3.	Rapcorp Pty Ltd	11,687,499	3.30
4.	Comsec Nominees Pty Ltd	11,412,501	3.22
5.	Nicole Gallin + Kyle Haynes <GH Super Fund A/c>	11,250,000	3.18
6.	Leuchter Enterprises Pty Ltd <Leuchter Superannuation A/c>	10,835,322	3.06
7.	Perth Heat Pty Ltd	10,000,000	2.82
8.	Mercury Investments Pty Ltd	7,708,905	2.18
9.	Kalaria Nominees Pty Ltd <The Speculator A/c>	7,265,000	2.05
10.	Carter, John Stanley	7,000,000	1.98
11.	Poznik, Viktor	7,000,000	1.98
12.	McMeikan, Kelwyn Roy	5,200,000	1.47
13.	Beemuh Holdings Pty Ltd <GH Family A/c>	5,000,000	1.41
14.	Yuen, Soon Jeung	5,000,000	1.41
15.	M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/c>	4,802,082	1.36
16.	Halith Pty Ltd	4,752,571	1.34
17.	Nath, Darren Anil Narayan	4,650,979	1.31
18.	GAKS Investment Holdings Pty Ltd Pty Ltd <GAKS Investment A/c>	3,750,000	1.06
19.	Sunset Capital Management Pty Ltd <Sunset Superfund A/c>	3,125,000	0.88
20.	Kondas, Viktor	3,000,000	0.85
	Total	189,029,663	53.39

OTHER INFORMATION



Unquoted option holders:

Option Holder Name	Number of Options	% of Options on Issue
CPS Capital Group Pty Ltd	55,000,0004	100

Summary of Issued Securities:

There are 708,153,640 quoted fully paid ordinary shares, 300,252,600 unquoted partly-paid ordinary shares, 55,000,000 unquoted options to acquire fully paid ordinary shares at \$0.018 each and 354,076,820 quoted options to acquire fully paid ordinary shares at \$0.006 each on issue.

The partly-paid ordinary shares and options to acquire fully paid ordinary shares at \$0.018 each are not listed on Australian Securities Exchange.

Buy-Back Plans

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

Voting Rights

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

Each contributing share has a voting entitlement proportionate to the amount paid up thereon relative to the entire amount payable (including the amount paid but ignoring amounts credited as paid).

None of the options have any voting rights.