SUREFIRE IDENTIFIES SIGNIFICANT GOLD ANOMALIES AT KADJI GOLD PROJECT

Highlights:

- The Kadji tenements cover the underexplored Koolanooka Greenstone Belt (**KGB**) in the Yilgarn Craton comprising a sheared ultra-mafic / mafic package considered highly prospective for orogenic gold.
- Previous exploration by Anaconda, BHP, CRA, and Sons of Gwalia produced highly anomalous Au results from soil and rock chip sampling but were not followed up due to gold price at the time.
- BLEG soil anomalies from BHP in 1980's - *never followed up.*
  BLEG Assays up to 1g/t Au
- Soil samples with coincident Gold (**Au**), Arsenic (**As**) and Antimony (**Sb**) anomalous results from BHP and CRA sampling - *never followed up:*

  Soil assays of up to: **>300ppb Au**
  500ppm Sb
  400ppm As

- Reverse circulation drilling by Anaconda in early 1980's recorded significant drill intercepts of: **PC01 2m @ 2.15g/t Au**
  PC05 1m @ 11.6g/t Au
  PC16 28m @ 0.72g/t Au
  ***incl* 4m @ 1.24g/t Au**
- High grade gold in rock sample by Sons of Gwalia in early 1990's:

  Assays of up to: **8.05 g/t Au**
  4.30 g/t Au

- Channel samples by Hunter Exploration in 1990's:

  Assays of up to: **33m @ 0.21g/t Au**
  30m @ 0.22g/t Au

Management comment:

Surefire Managing Director Paul Burton noted: "*With gold prices at exceptional levels it is important that we rigorously assess our project tenure for any gold anomalies. It is very encouraging to have these historic gold results which surprisingly have never been followed up. The tenor of the results are very high and we are excited about defining drill targets and seeing the scale of any mineralisation.*

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This provides yet another gold project for Surefire to focus on and I look forward to bringing updates to shareholders as the exploration programmes advance".

Surefire Resources NL (ASX: SRN) ("**SRN**" or the "**Company**") is pleased to provide an update on its 100% owned **Kadji Gold Project** located in the Mid-West of Western Australia.

The Kadji Gold Project comprises a large tenement package covering favourable geological formations of banded iron formations and mafic/ultra-mafic greenstone which form part of the Koolanooka Greenstone belt, Figure 1.

The area contains a significant Magnetite deposit which the company is progressing separately. The remainder of the project area remains very underexplored by modern exploration methods, due mainly to limited outcrop and large-scale farming, despite significant gold mineralisation having been located by previous explorers. These include results from rock chip, channel sampling and RC drilling, and a number of significant soil anomalies of coincident gold, arsenic (As) and antimony (Sb) pathfinder elements all of which remain untested.

Regional Interest

The company's tenements are surrounded by other exploration groups including **Chalice Mining Ltd** (ASX:CHN) to the West and North, who note the area contains new and extensive areas of interpreted greenstone belt geology transected by regional scale structures considered prospective for orogenic gold deposits similar to Boddington (30Moz Au and 1.3 Mt Cu).

Heavy Rare Earths Ltd (ASX:HRE) on the eastern side of Kadji Tenements are exploring for calcrete-type uranium and heavy rare earths (HREE)-enriched ion adsorption clay deposits. The area ranked very highly in an HRE internal study targeting these styles of mineralisation associated with Western Australia's paleochannels.

Previous Exploration

Past exploration activity for gold and base metals has focussed on the areas of outcropping volcanic assemblages. This work comprised a regional scale BLEG survey, detailed soil samples, rock chip and channel sampling and limited drilling as summarised below:

- **Anaconda –** Investigated the area for primarily for base metal and Golden Grove style deposits.
- **Hunter Exploration –** Undertook geological mapping, rock chip and channel sampling.
- **BHP** - Undertook a regional Bulk Leach Extractable Gold (BLEG) sampling survey over the entire tenement areas. BLEG is an extremely accurate and sensitive leach for delineating gold in soil or stream sediment samples down to low parts per billion (ppb). The BLEG results are up to 966 ppb (0.966 ppm) which are highly anomalous.

  None of BHP's BLEG gold anomalies have been followed up.
- **CRA Exploration -** Undertook a cyanide leach survey of pisolite areas with resulting gold anomalism.

None of CRA's soil anomalies outside the volcanic belt have been followed up.

- **Sons of Gwalia -** Undertook a laterite and rock chip sampling confined mostly to the eastern area. Limited RAB drilling was carried out.

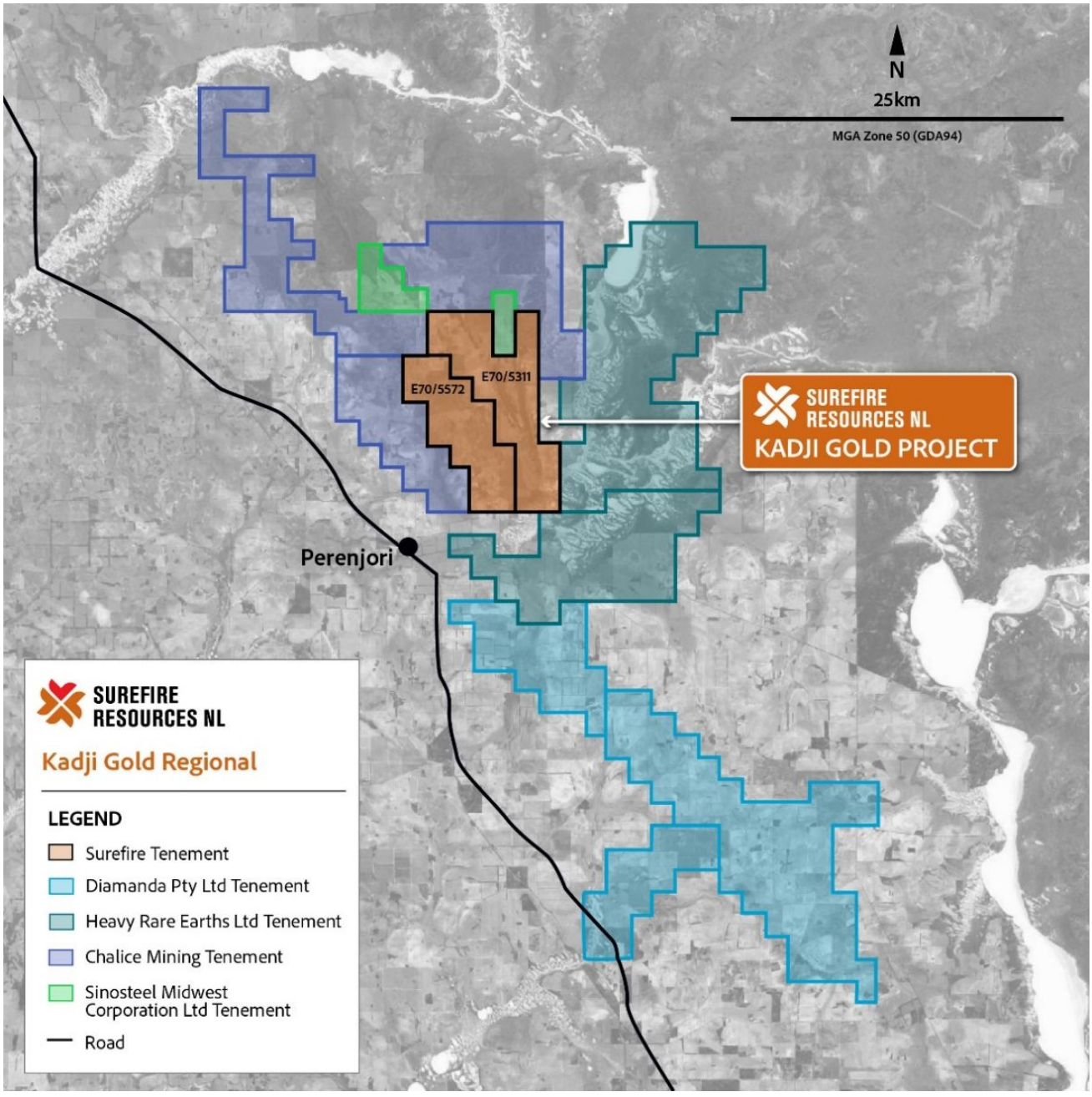

Figure 1: Location map of Kadji Gold Project

The combined surface soil sampling from the historical data is summarised in Figure 2. Significant results from rock chip and drilling are summarised in Tables 1 and 2 with locations on Figure 4.

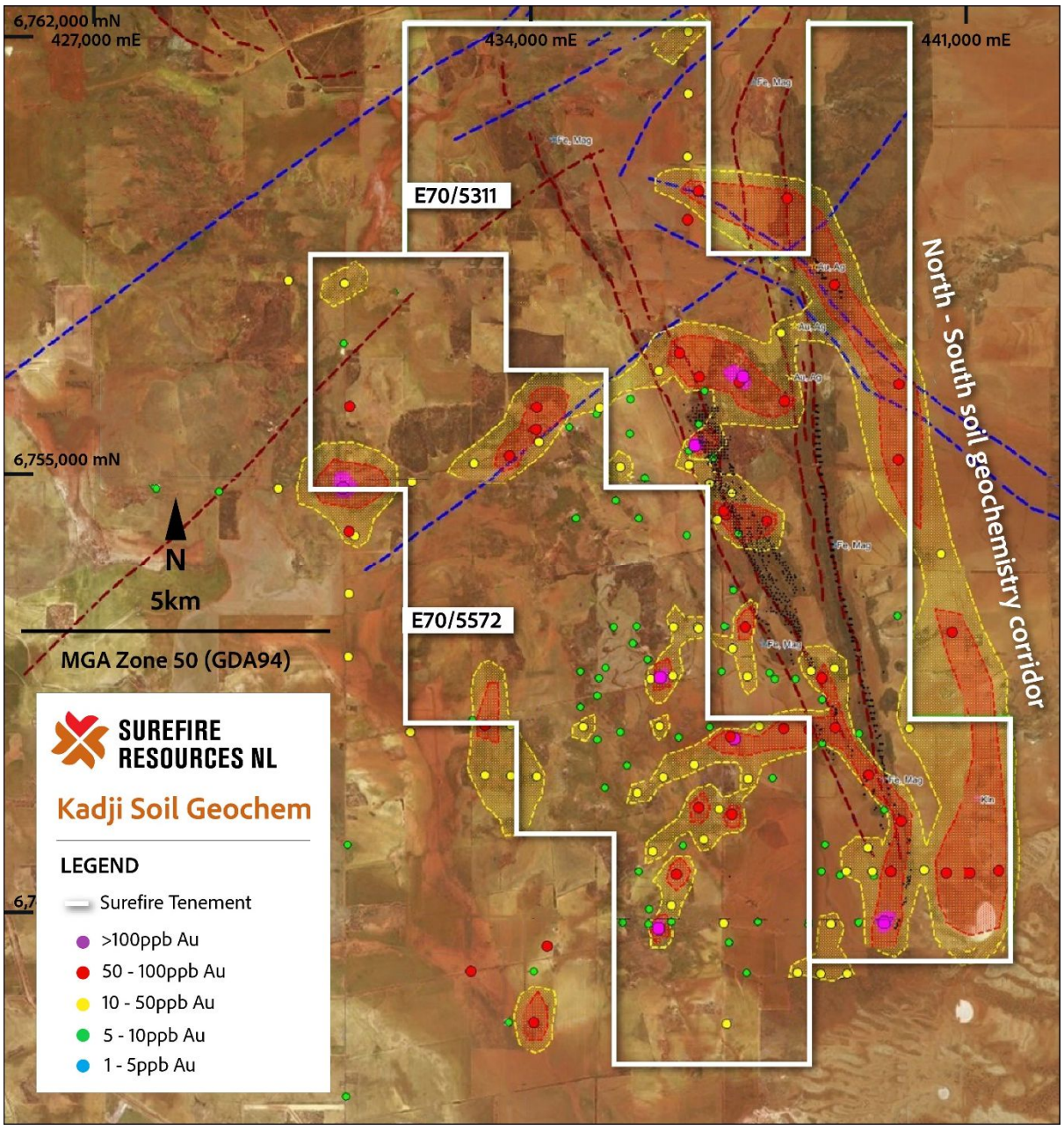

Figure 2: Combined soil Au anomalies at Kadji.

Table 1: Location and significant assays of historical rock chip sampling

Company	Data Type	Sample ID	MGA East	MGA North	g/t Au
Hunter Exploration	Rock chip	15038	439399.5	6753150.3	4.3
Sons of Gwalia	Rock chip	2UR027	438350.0	6757710.0	8.05
Hunter Exploration	Channel sampling	41102-41111	438744.5	6758418.4	0.21
Hunter Exploration	Channel sampling	41116-41120	439105.2	6758133.1	0.22

Table 2: Significant intersections of historical drillholes intersections from this release

Hole ID	From	To	Interval (m)	g/t Au
PC01	18	20	2	2.15
PC05	40	41	1	11.6
PC16	8	36	28	0.72
Incl	32	36	4	1.24

Next Steps

Surefire has identified a number of gold anomalies for immediate ground follow up on E70/5572. This will involve soil grids over the existing BLEG anomalies to vector into drill targets.

In addition, the extent of the gold mineralisation on E70/5311 with significant intersections in drilling with and anomalous rock chip and channel sampling over a combined distance of 5km clearly shows this area has scope for some significant mineralisation to occur (Figure 4).

The Company will use a combined approach using geophysics, mapping, soil sampling and drilling to advance this area.

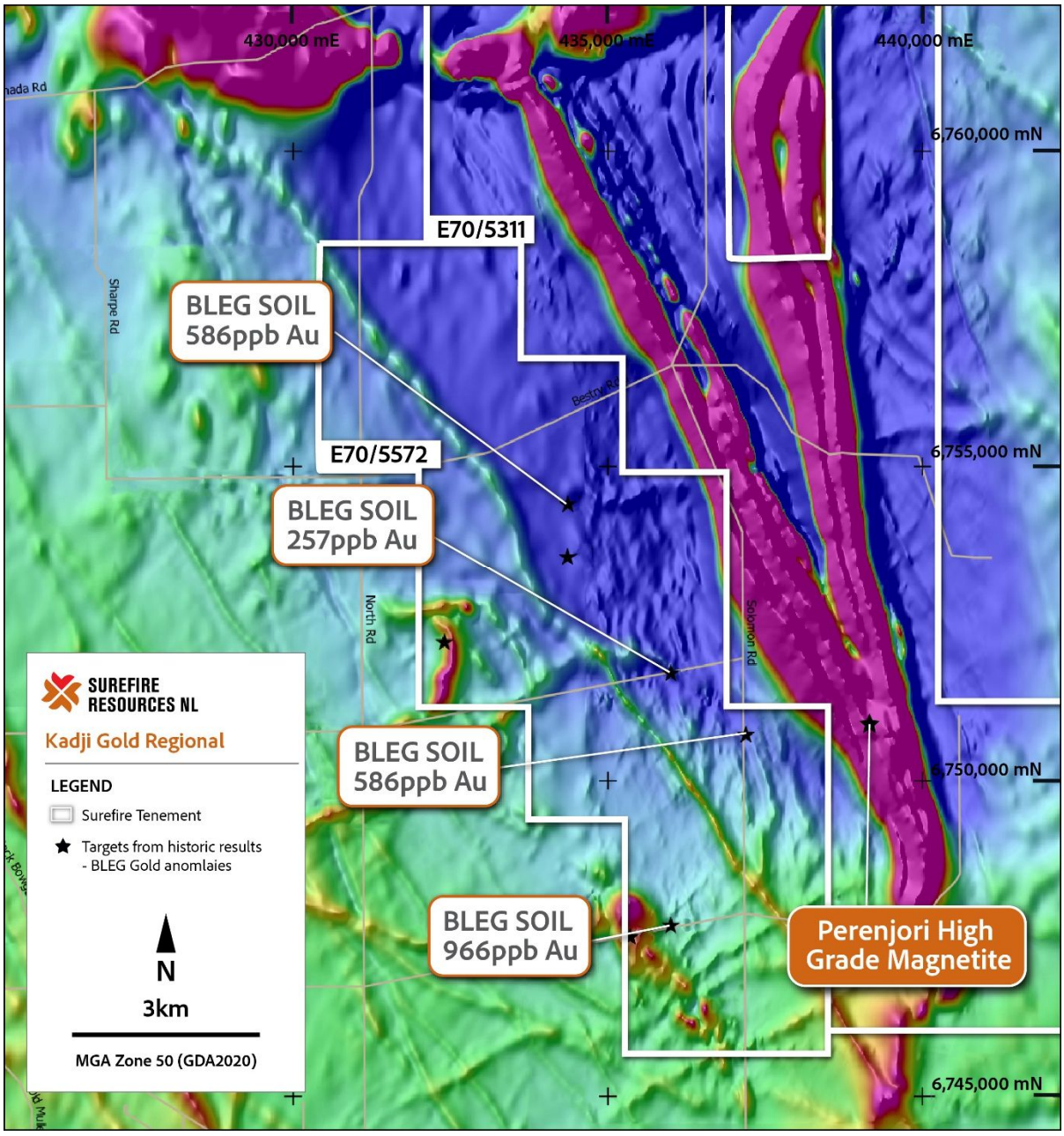

Figure 3 : Targets for follow up BLEG gold results and soil pathfinder element anomalies over magnetics.

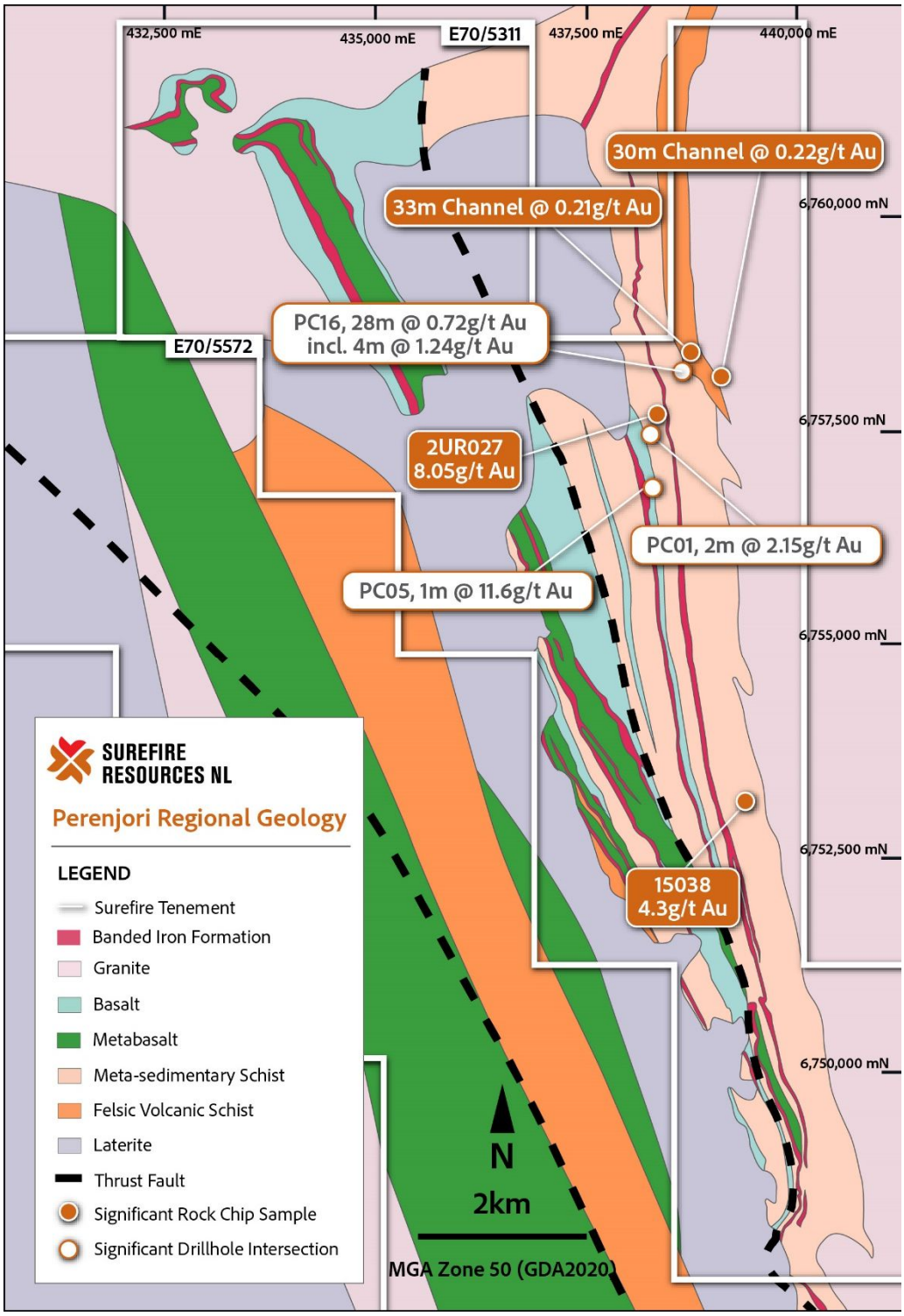

Figure 4: Rock chip and drilling gold results on geology.

Authorised for release to ASX by Paul Burton, Managing Director.

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Competent Person Statement:
The information in this report that relates to exploration results has been reviewed, compiled and fairly represented by Mr Edd Prumm, a Member of the Australian Institute of Mining and Metallurgy ('AusIMM') and a fulltime employee of X2M Exploration to Mining. Mr Prumm has sufficient experience relevant to the style of mineralisation and type of deposits under consideration to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee ('JORC') Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Prumm consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements:
This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

New Information or Data:
SRN confirms that it is not aware of any new information or data that materially affects the information included in previous market announcements and, in the case of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the relevant announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

JORC Code, 2012 Edition:
Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• Historical Open file data BLEG samples completed by BHP.DMIRS WAMEX open file report A063335. • Aeromagnetic data consists of historic surveys available on open file via the DMIRS' MAGIX system.
Drilling techniques	• Reverse Circulation drilling was completed using a face sampling hammer.
Drill sample recovery	• No drilling is being reported.
Logging	• No drilling is being reported.
Sub-sampling techniques and sample preparation	• No drilling is being reported.
Quality of assay data and laboratory tests	• Historic sampling techniques, quality control procedures, sample preparation, and assaying method are poorly described in historic reports.
Verification of sampling and assaying	• Historic data derived from historic reports and cannot be verified.
Location of data points	• Accuracy of sample locations is unknown. • Grid system GDA94, MGA Zone 50.
Data spacing and distribution	• Sample data distribution is generally of a reconnaissance nature and not considered sufficient to cover the tenement.
Orientation of data in relation to geological structure	• Data samples were obtained where possible and not cognisant of geology and/or structures.
Sample security	• Unknown.
Audits or reviews	• Data presented is based on WAMEX publicly available reports.

Section 2: Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Mineral tenement and land tenure status	• Located approximately 300km north of Perth in the mid-west region of Western Australia. • Surefire sees no impediment to advancing exploration licences to a mining lease should it be successful in discovering economic mineralisation.

Exploration done by other parties	**BHP-Utah** BHP undertook regional soil sampling surveys over a large portion of the lease. These consisted of auger samples (1 to 2m deep), pisolite, stream sediment, and standard soil samples. An 800x400m soil auger sampling survey over the central portion of the lease. Ground magnetic surveys were undertaken over distinct magnetic features which were interpreted as kimberlite pipes in 1985. Whilst drilling was recommended, no evidence of it having been done is recorded (Label, 1985). **CRA Exploration Pty Ltd** During 1987-8 CRAE undertook a cyanide leach surface geochemistry survey of previously defined pisolite anomalies from a study done by Anaconda for base metals. This survey identified gold anomalies up to 2.95ppb. These were followed up with 146 RAB holes for 2,010m with an average depth of about 18m. These returned only very subtle anomalism with a maximum gold intercept of 0.055ppm gold which coincided with the highest surface sampling result (Jackson, 1988). **Sons of Gwalia NL** Sons of Gwalia undertook geological mapping, and soil and rock chip sampling (Fotios, 1991), followed by RAB drilling (140 holes for 1,028m) and aeromagnetic surveying (200m line spacing, 60m sensor height). These activities were mostly centred on the Koolanooka synform and north of it, though some work overlapped E70/5572 to the east. Only low-level gold was obtained in results. **Devereux Nominees Pty Ltd** In 2000, Devereux Nominees commissioned Continental Resource Management Pty Ltd to undertake a review of all previous exploration data. Many of the geochemical datasets were obtained from this report.

Geology	• Gold mineralisation at the project is orogenic, hosted within quartz veining with minor sulphides in ultramafic/mafic lithologies and felsic porphyry intrusions.
Drill hole Information	• No drilling has been undertaken.

Data aggregation methods	• Assaying method is unknown.
	• Historic surface geochemical surveys were assessed. These consisted of:
	  • Greenbushes/St Joe/Sons of Gwalia Laterite sampling
	  • CRA soil sampling
	  • BHP soil sampling
	  • BHP BLEG stream samples
	• To assess any significant influences attributable to soil type or landform regimes on metal responses, background values were calculated for samples allocated to each soil or landform category. After interrogation, the compatibility of the individual data sets was shown to be suspect. Consequently, a number of sub-sets were established within the BHP database to allow normalisation, processing, and interpretation.
	• For each element, a background was calculated using the following methodology:
	  • Each element was selected individually and the lowest 25% of the data for all the samples analysed within the Survey Area was identified.
	  • Any values less than the detection limit was included and a value half of the detection limit was substituted as an estimate value.
	  • After determining the lowest quartile (25%) of the data, the average of these values was then calculated. This was assigned as the BACKGROUND value for that element within the specific data set of the Survey Area.
	  • Response Ratios were calculated for individual samples by dividing each raw value by the predetermined background value for that element. The numbers were then rounded to give whole numbers greater than or equal to one.
	• The displayed assay values are therefore dimensionless and have no units.

Relationship between mineralisation widths and intercept lengths	• No drilling has been undertaken.
Diagrams	• The data has been presented using appropriate scales. • No drilling has been undertaken to necessitate cross sections.
Balanced reporting	• The reporting is presented as being a fair representation of previous explorer's results.
Other substantive exploration data	• Regional geology has been sourced from GSWA data and historic reports. • No new exploration data has been generated at this time apart from the stated interpretation of publicly available aeromagnetic data.
Further work	• Reconnaissance prospecting is in preparation. This includes resampling of historic geochemical anomalies to check historic results.