

15 NOVEMBER 2016

MEDIA/ASX RELEASE

ACQUISITION OF NORTHERN TERRITORY GOLD EXPLORATION PROJECT

KEY POINTS

- **Spitfire Materials Limited (“Spitfire”) has executed a conditional agreement to acquire the granted Northern Territory exploration licence EL 30834 (“Yoda Prospect”).**
- **The Yoda Prospect is located 150km northeast of Alice Springs within the Paleoproterozoic Aileron Province of the Arunta Region.**
- **Significant rock chip assays include 21.5 g/t, 15.4 g/t, 14.6 g/t and 4.8 g/t gold overlying several undrilled induced polarisation targets. (Refer to Table 1 of this announcement for full results).**
- **The consideration for the acquisition is 3,000,000 fully paid ordinary shares (voluntary escrowed for 12 months).**

Background

Spitfire Materials Limited (ASX:SPI) is pleased to announce that it has executed a conditional Tenement Sale and Purchase agreement (“agreement”) to acquire 100% of the granted Northern Territory exploration licence EL 30834 which is known as the Yoda Prospect.

Under the terms of the agreement, Spitfire has agreed to issue the vendors 3,000,000 fully paid ordinary shares in Spitfire, which will be voluntary escrowed for 12 months. The acquisition is subject to normal conditions precedent, including any necessary statutory, regulatory and third party consents.

The Yoda Prospect is located approximately 150 km northeast of Alice Springs (Figure 1). The tenement is located on the Illogwa (SF53-15) 1:250 000 and Quartz (5951) 1:100 000 geological map sheets. The project area is most easily accessed from the north via the Stuart and Plenty Highways and then south via station tracks.

The major historical gold mining districts in the region occur at the Winnecke and Arltunga Goldfields and the more recent White Dam Gold Mine. Winnecke is reported to have produced

1,500 ounces of alluvial gold, Arltunga 15,400 ounces from quartz reefs and White Dam an additional 74,000 ounces, also from quartz reefs.

The deposits are hosted both by the Palaeoproterozoic basement and by the Neoproterozoic Heavitree Quartzite and are inferred to have an age of ~325-290 Ma (late Alice Springs Orogeny).

Previous exploration history at the Yoda Prospect includes:

1. During 2011-2012 exploration for mafic hosted Ni-Cu-PGE deposits was undertaken, during which 53 rock chip samples were collected and a VTEM and IP/Resistivity Survey completed. The exploration revealed a north-south trending, sporadically outcropping quartz vein over several hundred meters on the eastern margin of a dominant amphibolite outcrop. Assays of grab samples recorded gold values up to 21.5 g/t (See Table 1 for full results). A discrete IP anomaly is coincident with this zone. Several other IP targets were identified in proximity to the mineralised quartz vein.
2. In 2012-2013 a further one rock chip and 12 stream sediment samples were collected.

No drilling has been undertaken at any of the gold exploration targets identified in historical exploration. Further exploration work is warranted to test the extent of gold mineralisation associated with the quartz vein and to test three coincident and semi-coincident IP anomalies spatially associated with mineralisation.

The next phase of exploration activity would include a heritage survey prior to drilling of several reverse circulation drill holes, to test the subsurface extent of mineralisation and source of the IP anomalies.

Figure 1. Yoda Prospect Location

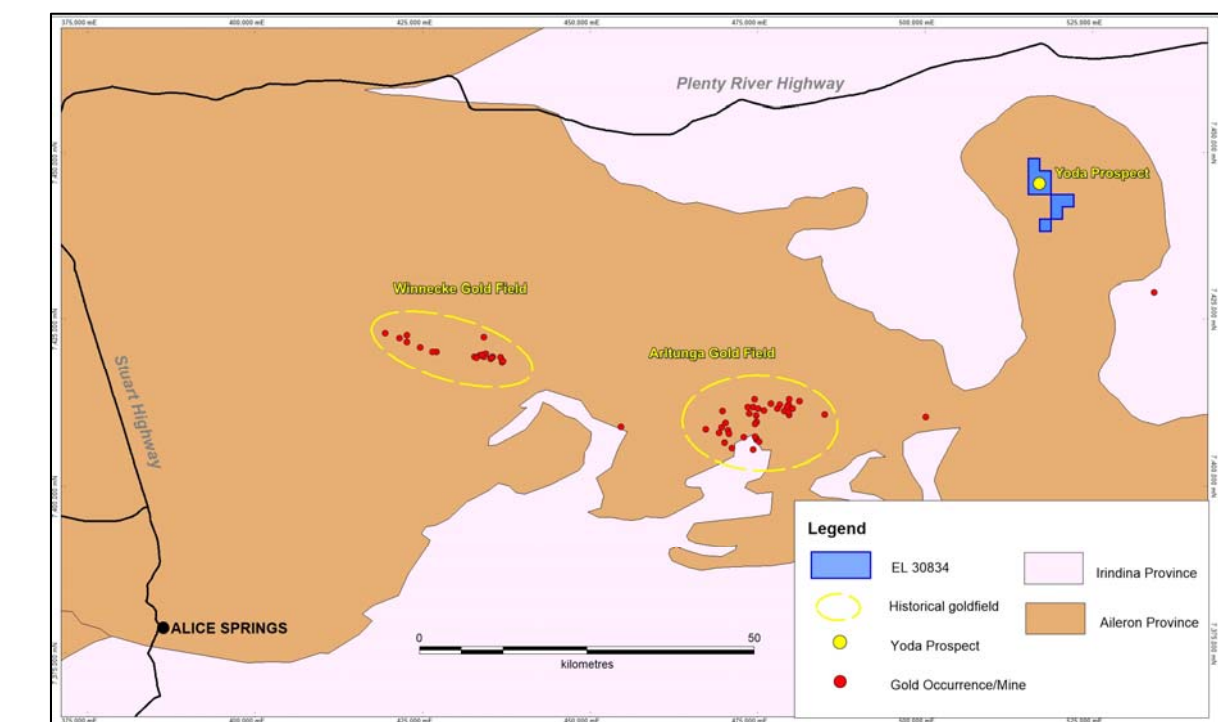
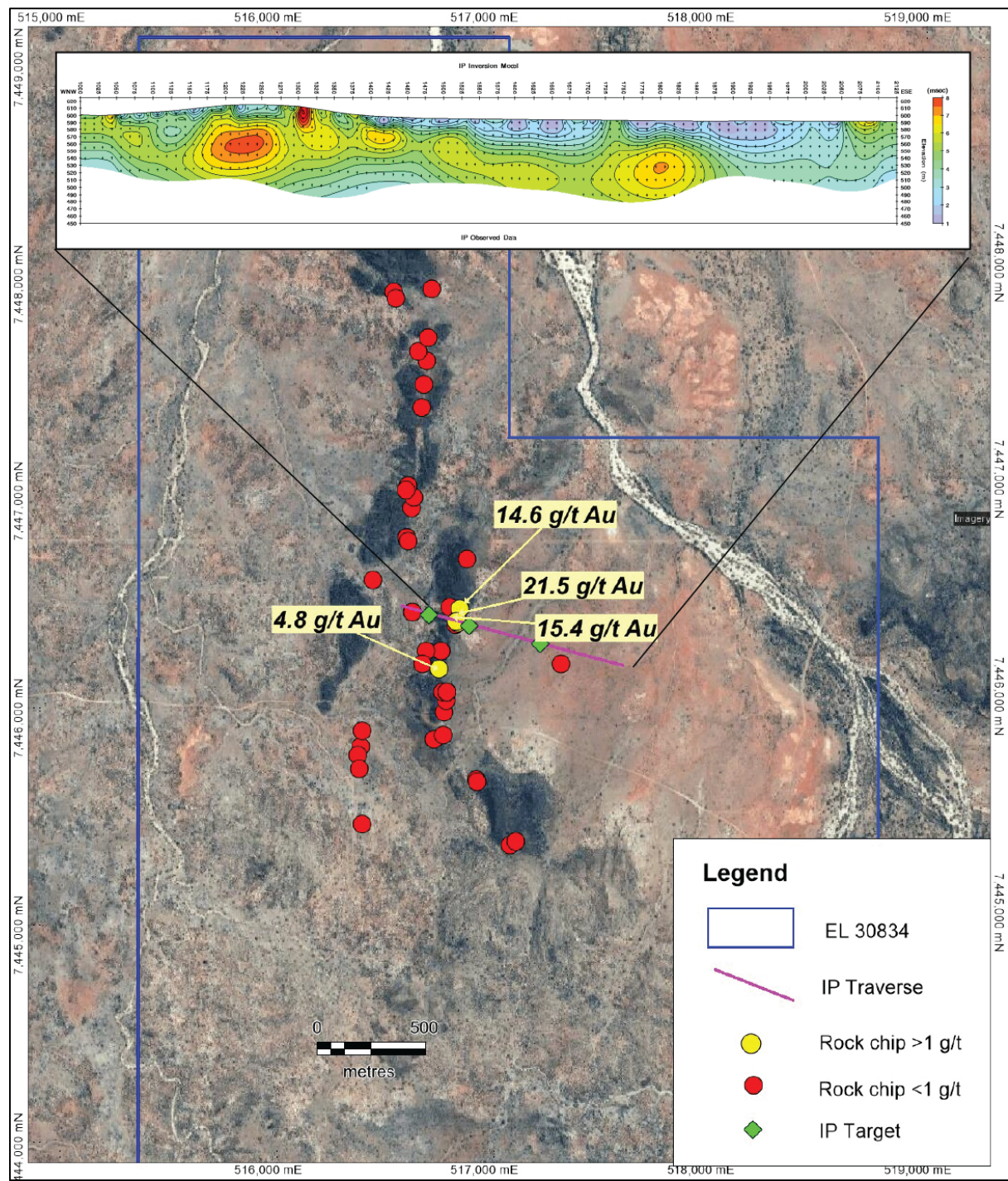


Figure 2. Yoda Prospect



Note: Significant assay results shown only. Refer to Table 1 for full results.

**Table 1. Gold
analyses from
rock chip
samples**

| SAMPLE NUMBER | SAMPLE TYPE | Au (g/t) |
|---------------|-------------|----------|
| 67897 | FLOAT | 0.041 |
| 67898 | FLOAT | 0.001 |
| 70188 | ROCK | 0.14 |
| 70189 | ROCK | 0.02 |
| 70190 | FLOAT | 0.17 |
| 70191 | ROCK | 0.04 |
| 70192 | ROCK | 0.01 |
| 70663 | ROCK | 0.001 |
| 70664 | ROCK | 0.002 |
| 70665 | ROCK | 0.002 |
| 70666 | ROCK | 0.005 |
| 70667 | ROCK | 0.012 |
| 70668 | ROCK | 0.016 |
| 70669 | ROCK | 0.001 |
| 70670 | ROCK | 0.001 |
| 70671 | ROCK | 0.002 |
| 70672 | ROCK | 0.001 |
| 70673 | ROCK | 0.001 |
| 70679 | ROCK | 0.76 |
| 70680 | ROCK | 0.114 |
| 70683 | ROCK | 14.55 |
| 70684 | ROCK | 0.022 |
| 70685 | ROCK | 0.008 |
| 70686 | ROCK | 0.008 |
| 70687 | ROCK | 0.003 |
| 70688 | ROCK | 0.001 |
| 70689 | ROCK | 0.009 |
| 70690 | ROCK | 0.002 |
| 70691 | ROCK | 0.002 |
| 70692 | ROCK | 0.002 |
| 70693 | ROCK | 0.119 |
| 70694 | ROCK | 0.004 |
| 70695 | ROCK | 0.002 |
| 70696 | ROCK | 0.001 |
| 70697 | ROCK | 0.001 |
| 70698 | ROCK | 0.001 |
| 70699 | ROCK | 0.002 |
| 70700 | ROCK | -0.001 |
| 70902 | ROCK | 0.987 |
| 70903 | ROCK | 0.068 |
| 70904 | ROCK | 21.5 |

| | | |
|-------|---------|-------|
| 70905 | ROCK | 0.05 |
| 70906 | ROCK | 0.061 |
| 70954 | SUBCROP | 0.046 |
| 70955 | ROCK | 0.008 |
| 70956 | ROCK | 0.305 |
| 70957 | FLOAT | 0.009 |
| 70958 | ROCK | 4.78 |
| 70959 | FLOAT | 0.079 |
| 70960 | FLOAT | 15.4 |
| 70961 | FLOAT | 0.126 |
| 70962 | FLOAT | 0.003 |
| 70963 | ROCK | 0.001 |

Note: Samples were analysed at ALS Laboratories using the PGM-ICP23 technique which has a detection limit of 0.001 g/t.

Licence Details

| Tenement Identifier | Tenement Type | Project Name | Area | Granted | Expiry | State |
|----------------------------|----------------------|---------------------|-------------|----------------|---------------|--------------------|
| EL 30834 | Exploration Licence | Yoda | 9 Blocks | 11/12/2015 | 10/12/2021 | Northern Territory |

Spitfire Director, Russell Hardwick, said: “We are pleased with the acquisition of the Yoda Prospect which complements our existing asset portfolio and the focus on seeking new opportunities in the minerals sector for the Company.”

ENDS - For further information contact:

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Competent Person's Statement

The information in this announcement relating to Exploration Results and Mineral Resources is based on information compiled by the Company's exploration consultant, Mr Michael Schwarz, a competent person, who is a Member of the Australian Institute of Geoscientists. Mr Schwarz has sufficient experience relevant to the style of mineralisation and to the type of activity described to qualify as a competent person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.” Mr Schwarz consents to the inclusion in this announcement of the matters based on his information in the form and content in which it appears.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

| Criteria | JORC Code explanation | Commentary |
|------------------------------|---|--|
| Sampling techniques | <ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | <ul style="list-style-type: none"> Rock chip sampling was undertaken by Mithril Resources Ltd as part of reconnaissance mapping and prospecting. Samples were taken of separate identified lithological units or when alteration or veining was observed. |
| Drilling techniques | <ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | <ul style="list-style-type: none"> Not applicable as no drilling has been undertaken |
| Drill sample recovery | <ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. | <ul style="list-style-type: none"> Not applicable as no drilling has been undertaken |

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| | <ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | |
| Logging | <ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. | <ul style="list-style-type: none"> Not applicable as no drilling has been undertaken |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. | <ul style="list-style-type: none"> Not applicable as no drilling has been undertaken |
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. | <ul style="list-style-type: none"> Rock chip samples collected by Mithril were sent to ALS for assaying. Samples were analysed using ALS's method ME-ICP61. Where reported, Au, Pt, and Pd were analysed using ALS's method PGM-ICP23 |

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| | <ul style="list-style-type: none"> Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | |
| Verification of sampling and assaying | <ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. | <ul style="list-style-type: none"> Not applicable as no drilling has been undertaken |
| Location of data points | <ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. | <ul style="list-style-type: none"> All coordinate information was collected using hand held GPS utilising GDA 94, Zone 53. |
| Data spacing and distribution | <ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. | <ul style="list-style-type: none"> Data spacing for rock chip samples are displayed in the diagrams. |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | <ul style="list-style-type: none"> Not applicable as no drilling has been undertaken |
| Sample security | <ul style="list-style-type: none"> The measures taken to ensure sample security. | <ul style="list-style-type: none"> No information as to any sample security processes for previous explorer's samples. |

| Criteria | JORC Code explanation | Commentary |
|--------------------------|--|---|
| Audits or reviews | <ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> | <ul style="list-style-type: none"> Not applicable as no audits or reviews of sampling techniques have been undertaken. |

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| Mineral tenement and land tenure status | <ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> | <ul style="list-style-type: none"> The Yoda Prospect area is located within EL30834. EL30834 is currently held 100% by Spitfire Materials Limited. The northern section is located on pastoral land within Mt Riddock Station and the southern section is located with Ambalindum Station. |
| Exploration done by other parties | <ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> | <ul style="list-style-type: none"> The Yoda Prospect was discovered by Mithril Resources Ltd in 2012 during exploration for Ni-Cu-PGE deposits hosted in mafic and ultramafic host rocks. Regional and local mapping and prospecting identified a series of north-south discontinuous quartz veins which were samples for gold. All exploration work done is of a high standard and conforms to industry standard practices. |
| Geology | <ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> | <ul style="list-style-type: none"> The geology of EL30834 is dominated by rocks of the Aileron Province and the Irindina Province. The Aileron Province is comprised of metasedimentary pelites, calc-silicates as well as granites and mafic lithologies. Amphibolites and high grade metamorphic rocks are dominant within the Irindina Province which underwent high grade metamorphism during the Ordovician Larapinta Event. The Aileron Province area was deformed during the Alice Springs Orogeny (300-400Ma) which juxtaposed the Irindina Province against the Aileron Province. |

| Criteria | JORC Code explanation | Commentary |
|---|---|--|
| Drill hole Information | <ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | <ul style="list-style-type: none"> • Not applicable as no drilling has been undertaken |
| Data aggregation methods | <ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. | <ul style="list-style-type: none"> • Not applicable as no data averaging has been used. |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). | <ul style="list-style-type: none"> • As the geochemical results thus far collected by Mithril are from surface any potential depths of mineralisation or orientations can only be inferred from geological observations on the surface and hence are speculative in nature. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Diagrams | <ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | <ul style="list-style-type: none"> See figures in release |
| Balanced reporting | <ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | <ul style="list-style-type: none"> Mithril's rock chip samples from the Yoda Prospect are listed in Table 1. They are displayed in Figure 1. |
| Other substantive exploration data | <ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | <ul style="list-style-type: none"> See release details |
| Further work | <ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | <ul style="list-style-type: none"> Refer to announcement |