

DECEMBER 2016 QUARTERLY ACTIVITIES REPORT

- Acquisition of the England Gold Project completed
- Acquisition of Northern Territory Gold Project
- New mineral projects being actively pursued
- Market and Prospectivity review of the White Lion Project underway

1. Completion of acquisition of the Western Australian Gold Exploration Project - England

During the quarter, Spitfire Materials Limited (ASX: SPI) completed the acquisition of the granted Western Australian gold exploration license E38/2869 which is known as the England Gold Project.

The England project (E38/2869) is located within the Laverton Shire on the Laverton (SH51-02) 1:250,000 geological sheet and the Laverton (3340) 1:100,000 sheet. The tenement is located 15km south south-west of Laverton along the Granny Smith mine road and then west along station tracks and is 7km to the north-east along a major structural corridor that hosts the world class Wallaby gold deposit (currently >7Moz Au).

The next phase of exploration activity will include additional infill air-core bedrock drilling adjacent to the Goat Creek gold intersection of 5m@5.6g/t in hole ENR022 to determine the full extent of mineralisation. Additional reconnaissance bedrock air-core drilling is also planned over untested areas of the England project within highly prospective structural corridors covered with sheet-wash/alluvial sediments.

ASX Code: SPI

Issued Capital:
112.18M Ordinary Shares

Directors:

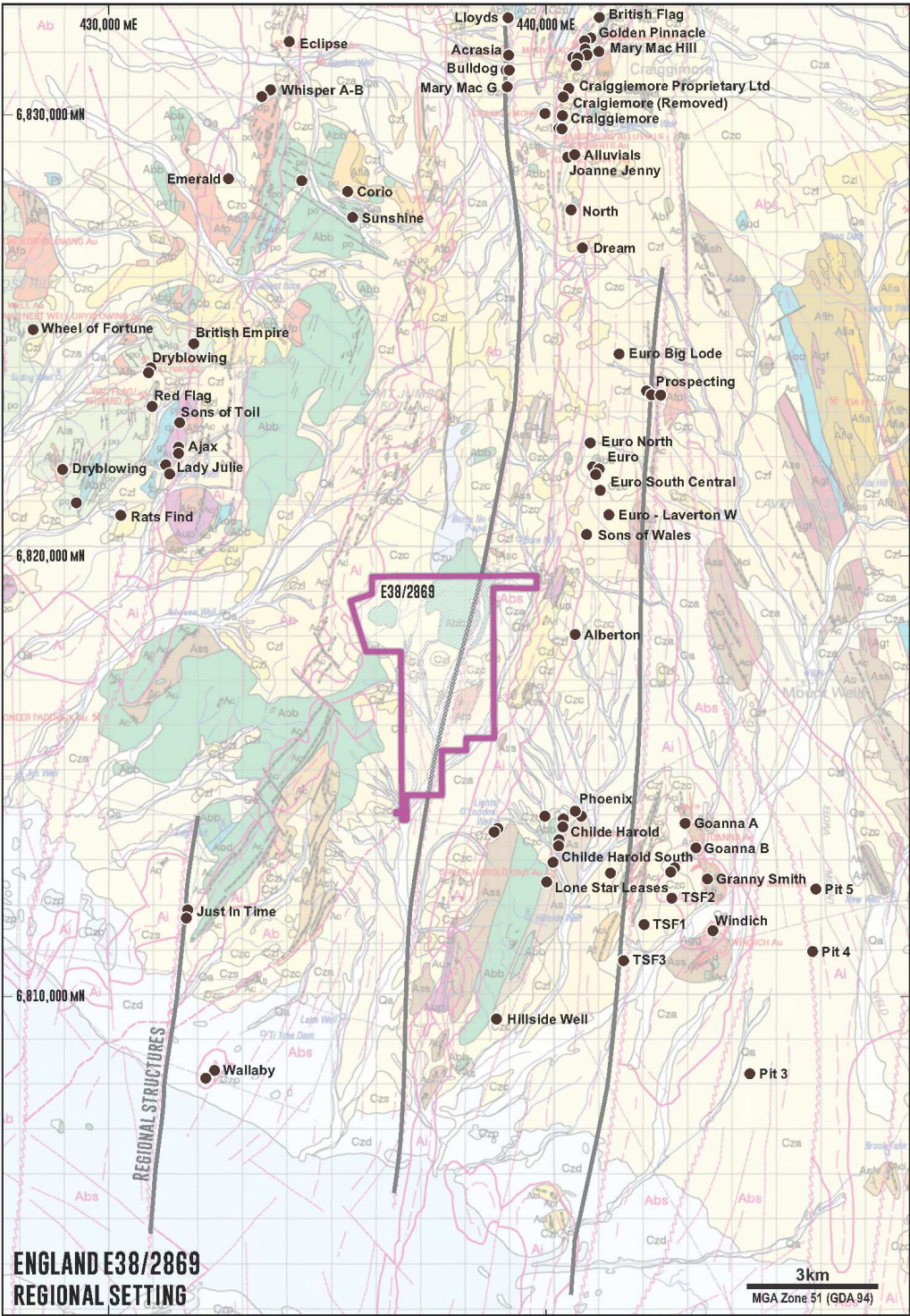
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Figure 1: England Project Location



2. Acquisition of Northern Territory Gold Project - Yoda

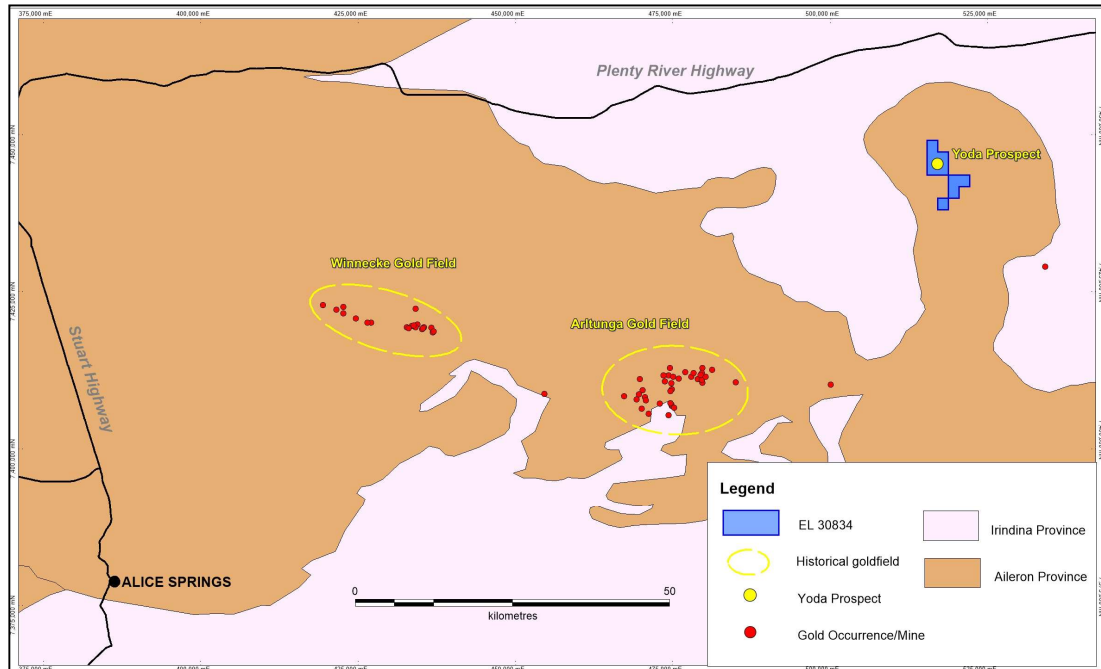
During the quarter, Spitfire acquired 100% of the granted Northern Territory exploration licence EL 30834 which is known as the Yoda Prospect (Refer ASX Release 15 November 2016).

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.

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.

Figure 2. Yoda Prospect Location



3. White Lion Project - Zambia

The White Lion limestone project is located approximately 100km (by sealed road) from the Zambian capital Lusaka and sits on a granted Large Scale Mining Licence which covers a total area of 245 square kilometres. No active exploration was conducted during the quarter.

The Company is undertaking a review of the White Lion Project to determine its viability and has engaged Johannesburg based Venmyn Deloitte to conduct a market and prospectivity review of the project which will be completed during the first quarter of 2017.

4. South Woodie Woodie Manganese Project – Western Australia

Spitfire has reduced or converted its ground position to retention licences to reduce project holding costs and to secure its existing JORC resources. No active exploration was conducted during the quarter. The company continues to monitor the manganese market, which although bottoming in early 2016 has risen steadily since. The company continues to look at ways of maximising value from South Woodie Woodie and remains open to joint ventures or potential farm-in arrangements.

5. Cash Position

The company held cash reserves of A\$1.57 million at the end of the Quarter.

ENDS

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Director/Secretary

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Competent Person's Statement

South Woodie Woodie and White Lion

The information in this document that relates to exploration results and mineral resources is based on information compiled by Mr. Stuart Peterson, the Company's Consulting Exploration Manager, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Peterson has sufficient experience relevant to the styles of mineralisation mentioned and to the type of activities described to qualify as a competent person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves.' The Company is not aware of any new information or data that materially affects the information included in previous reports and this quarterly report.

England Project

The information in this statement relating to Exploration Results and Mineral Resources is based on information compiled by the Company's exploration consultant, Mr. Stuart Till, a competent person, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Till 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. The information contained in this announcement was previously released on 7th October 2016 entitled "Acquisition of Western Australian Gold Exploration Project". The Company is not aware of any new information or data that materially affects the information included in the announcement of 7th October 2016.

Yoda Prospect

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.". The information contained in this announcement was previously released on 15th November 2016 entitled "Acquisition of Northern Territory Gold Exploration Project". The Company is not aware of any new information or data that materially affects the information included in the announcement of 15th November 2016.

SCHEDULE OF TENEMENTS

Country/state	Tenement Code	Beneficial Interest (%)
England Gold Project		
Western Australia	E38/2869	100%
Yoda Prospect		
Northern Territory	EL 30834	100%
White Lion Limestone Project		
Zambia	Large Scale Mining Licence (14948-HQ-LML)	100%
South Woodie Woodie Manganese Project		
Western Australia	E46/616	80%
Western Australia	E46/787	100%
Western Australia	E46/835	100%
Western Australia	R46/0002 Application	80%