



MARCH 2017 QUARTERLY ACTIVITIES REPORT

- **Conditional share sale agreement to acquire unlisted Australian gold explorer Admiral Gold Limited.**
- **Admiral Gold Limited has farm-in and joint venture arrangements over two prospective gold projects.**
- **Acquisition complements and expands Spitfire's existing gold exploration portfolio.**
- **Heavily oversubscribed \$4.5M conditional placement to advance Spitfire's Australian gold projects.**

ASX Code: SPI

Issued Capital:
112.18M Ordinary Shares

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1. Spitfire to acquire unlisted Australian gold explorer Admiral Gold Limited

During the quarter, Spitfire Materials Limited (ASX: SPI) entered into a conditional share sale and purchase agreement to acquire unlisted Australian gold exploration company, Admiral Gold Limited ("Admiral") ("Acquisition").

The Acquisition will complement and expand Spitfire's existing Australian gold exploration portfolio, which includes the England Gold Project in the Laverton district of Western Australia and the Yoda Prospect in the Northern Territory.

Admiral has secured farm-in and joint venture agreements for two prospective gold projects, the Alice River Gold Project in North Queensland and the Mulwarrie Gold Project in Western Australia's Eastern Goldfields. Admiral has conducted significant due diligence on both projects, including field reconnaissance and confirmation of historical sampling. This has resulted in the definition of a number of drill-ready targets which Spitfire intends to pursue once the Acquisition has been completed. Further details regarding Admiral's projects are provided below.

The consideration for the Acquisition of Admiral is the issue of 59,500,001 fully paid ordinary shares in Spitfire. The Acquisition is conditional on the satisfaction of a number of conditions precedent. These include obtaining all necessary ASX, shareholder, third party and regulatory approvals.

Following completion of the Acquisition, Mr Neil Biddle and Mr John Young, will join the board of Spitfire. Messrs Biddle and Young are highly experienced and capable geologists and mining executives with a strong track record in the Australian mining industry spanning many years.

ADMIRAL GOLD'S EXPLORATION PROJECTS

ALICE RIVER GOLD PROJECT, NE QUEENSLAND

The Alice River Gold Project is located 460km north-west of Cairns in North East Queensland. The project encompasses 27 tenements including 7 EPMs, 8 granted MLs, 11 MLAs and 1 EPM Application, for a total of 875.63 square km.

The project has a long history of prospecting and exploration work, commencing with the discovery of gold by John Dickie in 1903. In the late 1970s, Anaconda Australia explored the northern parts of the project around the Potallah and Gossan prospects including undertaking geochemical surveys, geophysical surveys and drilling. In the 1980s to 1990s, a significant amount of exploration work was conducted by Cyprus Gold Australia, Beckstar and Goldminco, which focused further south around the Peninsula King, Alice Queen and Posie prospects.

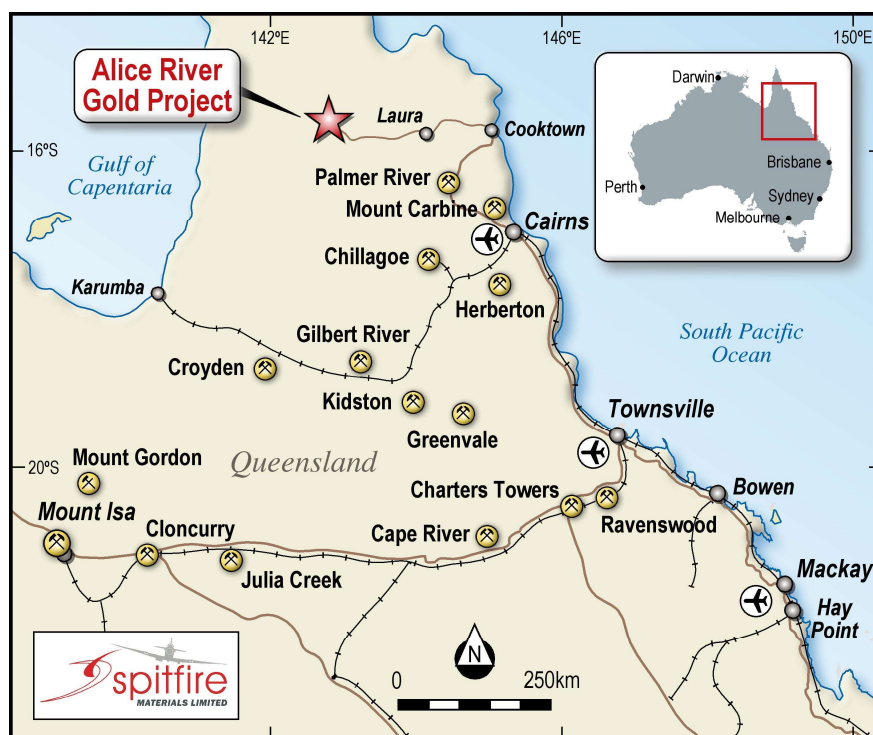


Figure 1: Location, Alice River Gold Project

The Alice River Gold Project includes rocks of the Proterozoic Holyroyd Metamorphics, which have been intruded by Late Silurian to Early Devonian Granitoids of the Pama Igneous Province. The gold mineralisation occurs at several prospects along the Alice River Shear Zone, a 50-60km long north-west trending set of shear zones located with the Alice-Palmer Structural Zone.

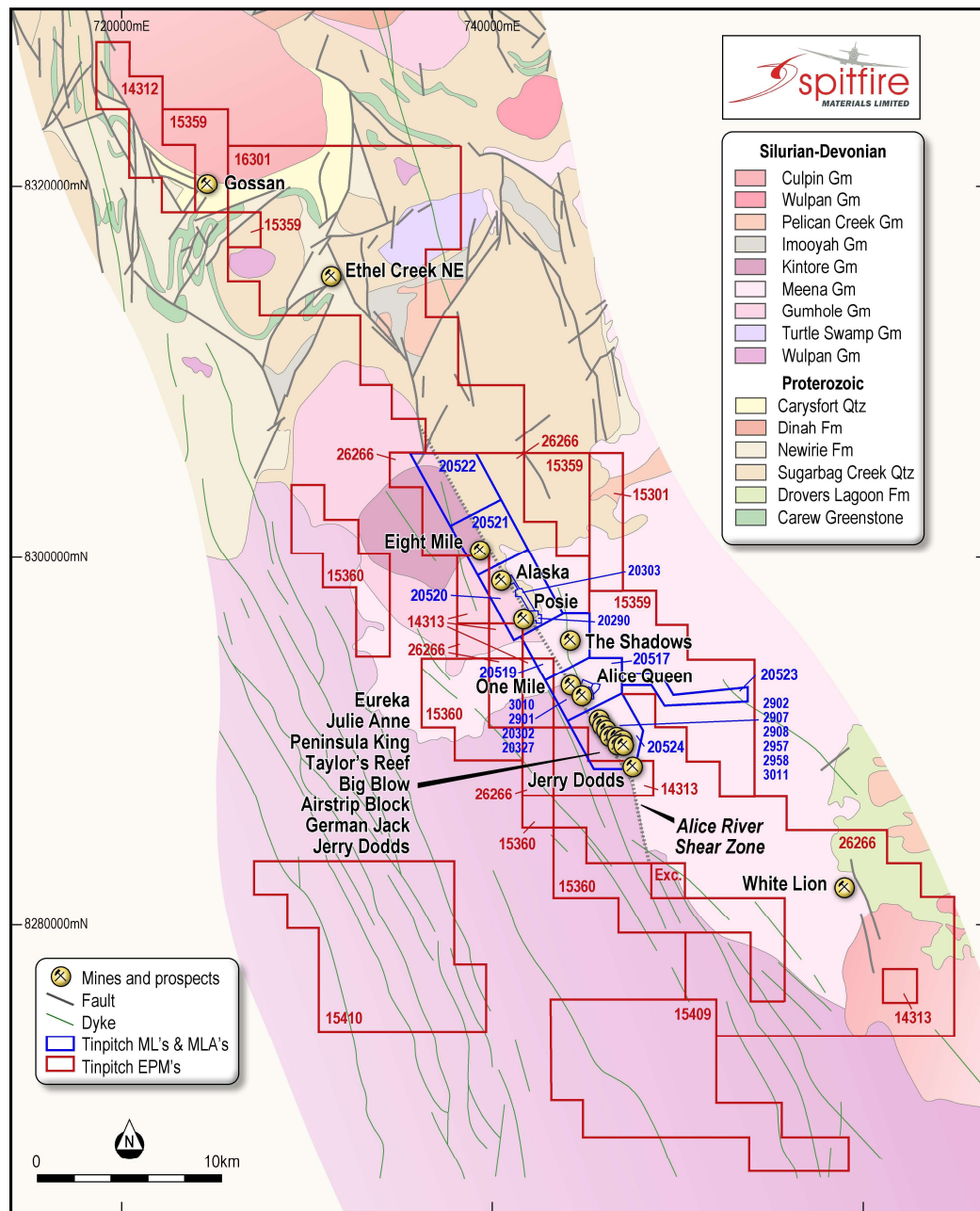


Figure 2: Tenements and regional geology, Alice River Gold Project

All of the significant gold mineralisation which has been identified historically is encompassed within granted Mining Leases. A large amount of drilling was completed along the Alice River shear zones during the period 1987 to 1998 (469 holes for a total of 18,294.7m drilling including 8,322 assays).

MULWARRIE GOLD PROJECT

The Mulwarrie Gold Project is located 150km north-west of Kalgoorlie in the Ullaring District of the North Coolgardie Mineral Field. The project encompasses two contiguous tenements, M30/119 (67.98 Ha) and M30/145 (111.69 Ha), which lie 10km north-west of the Davyhurst Mining centre.

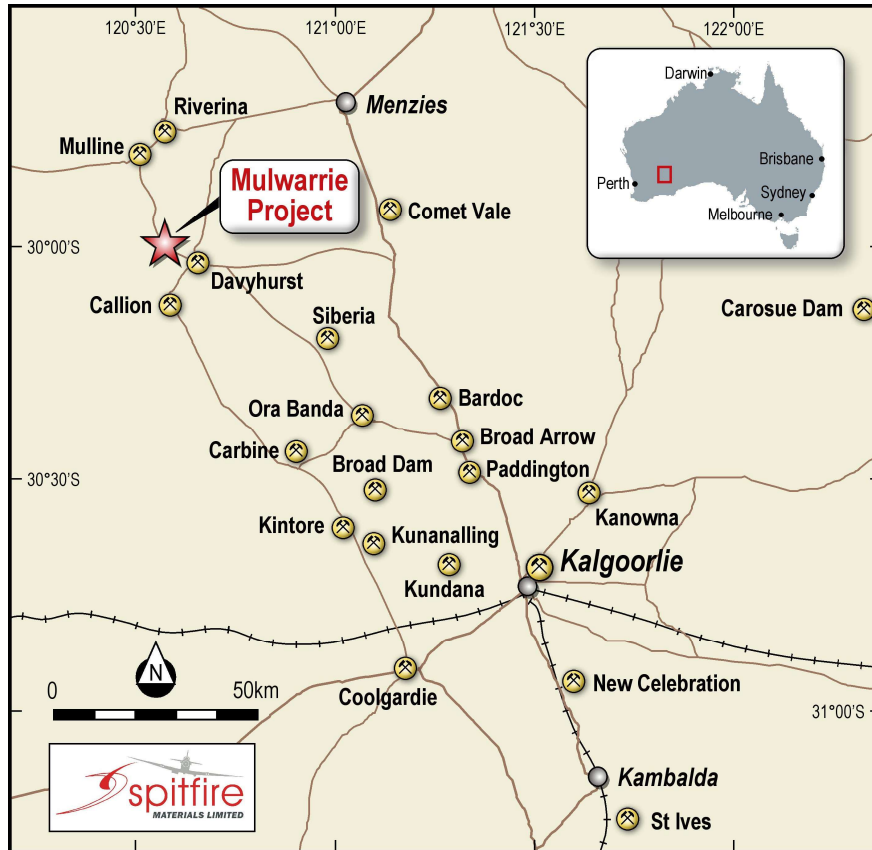


Figure 3: Location, Mulwarrie Gold Project

The two tenements which comprise the Mulwarrie Gold Project lie within a 10km wide greenstone belt which forms the north-west extension of the Coolgardie Line. The structurally dominant, north-trending Mt. Ida fault lies approximately 4km east of the Mulwarrie Mining Centre. Most of the lithologies within this greenstone belt are steeply dipping and well foliated along a NNW/SSE trend.

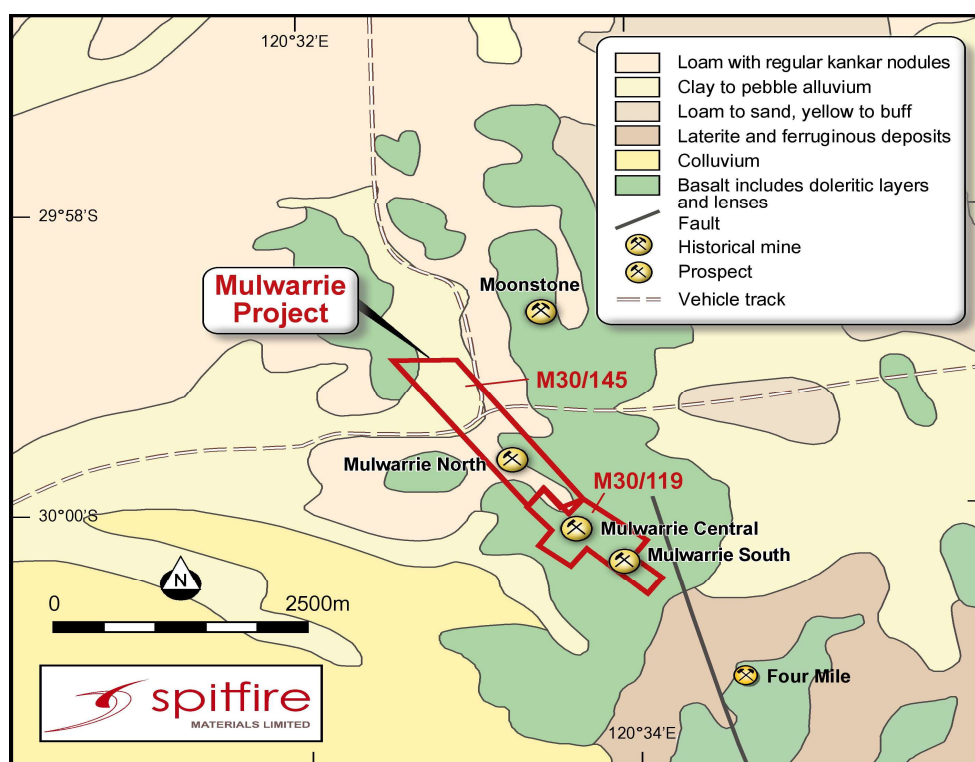


Figure 4: Mulwarrie Gold Project tenements and simplified geology

Detailed information on the proposed acquisition of Admiral and the key terms of its farm-in agreements is set out in the Company's ASX announcement of 27th March 2017.

2. Spitfire Conditionally Raises \$4.5m To Advance Australian Gold Projects

Subsequent to the end of the quarter, Spitfire advised that it has received firm commitments from existing and new sophisticated and professional investors to raise a total of \$4.5M through a heavily oversubscribed conditional share placement. Subject to shareholder approval, the Company will issue 75,000,000 fully paid ordinary shares in the capital of the company ("Shares") at an issue price of \$0.06 per share.

The proceeds of the placement will be used to advance exploration programs across the Company's portfolio of Australian gold projects, including the projects being acquired as part of the proposed acquisition of Admiral - (refer ASX Announcement: 27th March 2017), subject to shareholder approval.

Detailed information in relation to the fundraising is set out in the Company's ASX announcement of 3rd April 2017.

3. Yoda Project

The Yoda Prospect is located approximately 150km north-east of Alice Springs (Figure 5). 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.

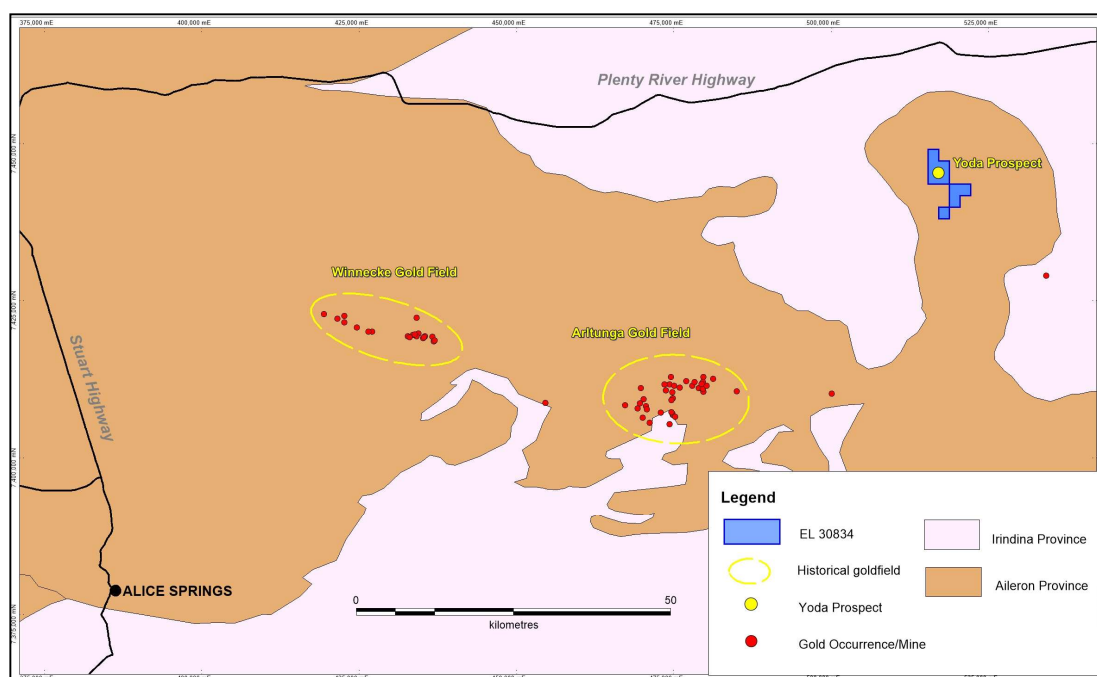


Figure 5: Yoda Prospect Location

No historical drilling has been undertaken at any of the gold exploration targets identified in historical exploration.

A review of available geophysical datasets was undertaken during the period. Data from a relatively recent VTEM electromagnetic and magnetic survey, at 200m line spacing (2011) and a single line of IP data (2011) were acquired and reprocessed. Publicly available Landsat TM and gravity data were also acquired and processed. Results from the VTEM survey showed one anomaly of note with a 3.3ms time decay constant, which will require further ground based follow-up. Results from the IP survey showed that a shallow, steeply dipping, polarizable body was possible beneath the Yoda Prospect.

Investigation into the land access and heritage status of the Yoda Prospect was also undertaken during the period. Initial investigations into a database of registered Aboriginal sacred sites held by the Aboriginal Areas Protection Authority revealed a site located over the broader area of the Yoda Prospect. The company is currently investigating the process to negotiate on-ground access to the prospect.

4. England Gold Exploration 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).

During the quarter, a site visit was undertaken to locate old drill collars and review access and planning for future drilling activity. In addition, further compilation of previous data was undertaken.

The next phase of exploration activity will include additional deep reconnaissance RC 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.

5. White Lion Project – Zambia

The Company has completed its review of the White Lion Project including the engagement of Johannesburg-based Venmyn Deloitte to conduct a market and prospectivity review of the project. The general response received was that the local market and cement industry remains in a difficult mode and unfortunately no substantive interest was received in the project. Accordingly, with the current focus on Australian based exploration projects the company has decided to relinquish the White Lion project.

6. South Woodie Woodie Manganese Project – Western Australia

During the quarter, Spitfire lodged an application for two new exploration licenses covering 22 sub-blocks around its existing tenements. No active exploration was conducted during the quarter.

The Company continues to monitor the Manganese market which, while briefly spiking in late 2016, has since returned to previous levels in 2017. The Company continues to look at opportunities to maximise value from South Woodie Woodie and remains open to joint ventures or potential farm-in arrangements.

7. Cash Position

The Company held cash reserves of A\$1.37 million at the end of the quarter.

MORE INFORMATION

For further information please contact:

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Competent Person's Statement

Alice River and Mulwarrie Gold Project

The information in this announcement 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." Mr Till has disclosed to the Company that he is a minority shareholder (holding 4.20%) in Admiral Gold Limited, an amount not considered to be material. The information contained in this announcement was previously released on 27th March 2017 entitled "Spitfire to expand Australian Gold Portfolio through proposed acquisition of Admiral Gold". The Company is not aware of any new information or data that materially affects the information included in the announcement of 27th March 2017.

South Woodie Woodie Manganese and White Lion Limestone Projects

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 exploration consultant, 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 Gold 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."

Yoda Prospect Project

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."

SCHEDULE OF TENEMENTS

Country/state	Tenement Code	Beneficial Interest (%)
England Gold Project		
Western Australia	E38/2869	100%
Yoda Prospect Project		
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%
Western Australia	E46/1159 Application	100%
Western Australia	E46/1160 Application	100%