



## JUNE 2017 QUARTERLY ACTIVITIES REPORT

***Spitfire refocuses on Australian gold sector after completing acquisition of Admiral Gold and \$4.5M capital raising; maiden drilling program delivers significant results***

- Acquisition of unlisted gold company Admiral Gold Limited completed.
- Experienced mining executives and Pilbara Minerals (ASX: PLS) founders Neil Biddle and John Young join the Spitfire board; John Young appointed as Managing Director.
- Significant high-grade primary gold mineralization intersected in maiden 3,000m drilling program at Mulwarrie Project, WA. Further drilling planned for August.
- \$4.5M placement completed in early July to advance Spitfire's Australian gold projects.

### Overview

The June Quarter was a significant period for Spitfire, with the Company completing the acquisition of 100% (meeting held on 29 June 2017) of the issued capital of unlisted Australian gold company Admiral Gold Limited ("Admiral"), finalising a \$4.5 million share placement to fund upcoming exploration programs and appointing two highly respected Australian mining executives, Neil Biddle and John Young, to its board.

Messrs Biddle and Young were the founding directors of the successful Australian lithium development company Pilbara Minerals (ASX: PLS) and played a key role in that Company's growth from a micro-cap junior to an emerging \$600 million mid-tier lithium miner.

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.

The acquisition complements and expands 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.

The Company's maiden drilling program at the Mulwarrie Gold Project delivered impressive high-grade results, confirming extensions of high-grade mineralisation mined historically and upgrading the project's potential. Follow-up drilling is planned for August.

## Alice River Gold Project, NE Queensland

### EXPLORATION ACTIVITIES

The Alice River Gold Project is located 270km west of Cooktown, or 470km north-west of Cairns, in NE Queensland, at the southern end of the Savannah Province. During the Quarter, the key exploration licence, EPM 26266, was granted over the central 15km of the Alice River shear zone, providing contiguous coverage over the eight granted Mining Leases. Native Title clearance work and agreements are currently being negotiated to allow for on-ground exploration to begin in late August/September.

Gold mineralisation occurs at several prospects along the Alice River Shear Zone, a 50-60km long north-west trending set of shear zones which offers outstanding potential for a world-class discovery. Following significant due diligence at the Alice River Gold Project – including field reconnaissance, orientation sampling, confirmation of historical sampling results and validation of the extensive historical database – the Company published an initial Exploration Target (see ASX release, 26 May 2017) and is also planning a maiden 5,000m Reverse Circulation drilling program for the project.

The detailed aeromagnetic survey shown in Figure 1, which covered the priority exploration and historical mining areas at the Alice River Gold Project, was also completed during the Quarter.

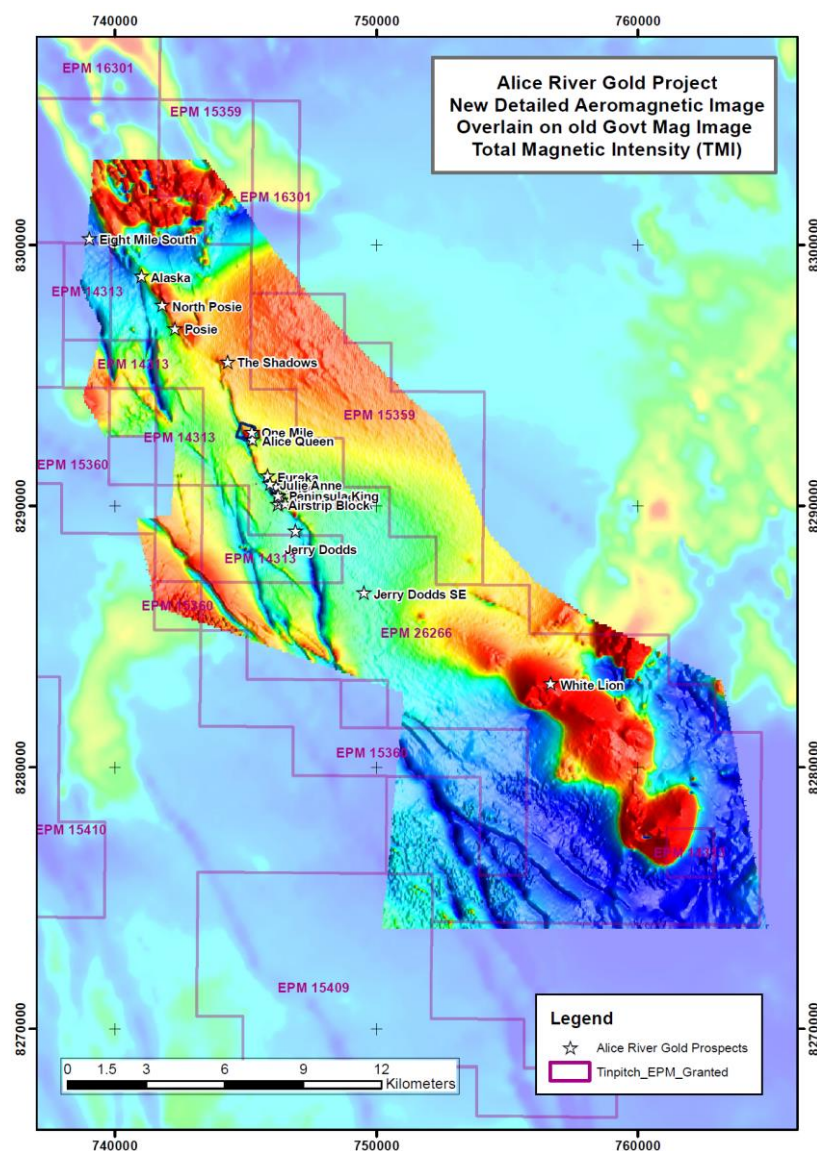


Figure 1: Alice River Gold Project, Location

## Mulwarrie Gold Project, WA

### EXPLORATION ACTIVITIES

The Mulwarrie Gold Project is located 150km north-west of Kalgoorlie in the Ularring 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.

During the Quarter, Admiral Gold completed its maiden drilling program, which returned highly encouraging results, intersecting significant primary gold mineralisation below and along strike from a historical gold mining area. The drilling intersected thick zones of primary gold mineralisation both down-plunge and along strike from the historical Mulwarrie Central open pit (see ASX Release 3 July 2017 for full results):

- 17MWRC008     **30m @ 16.87 g/t Au** from 56m, including:  
                         **4m @ 118 g/t Au** from 73m
- 17MWRC010     7m @ 19.96 g/t Au from 53m; and  
                         12m @ 2.65 g/t Au from 65m
- 17MWRC012     **23m @ 3.7 g/t Au** from 70m, including:  
                         **4m @ 14 g/t Au** from 70m
- 17MWRC003     **2m @ 10.86g/t Au** from 31m
- 17MWRC014     **9m @ 4.13 g/t Au** from 137m including  
                         **1m @ 16.54 g/t Au** from 137m
- 17MWDD001     **23m @ 7.27 g/t Au** from 53m, including:  
                         **9.5m @ 16.26g/t Au** from 63m
- 17MWRC018     **4m @ 8.69 g/t Au** from 67m;
- 17MWRC019     **7m @ 22.66 g/t Au** from 97m including  
                         **1m @ 133 g/t Au** from 97m, and  
                         **5m @ 2.39 g/t Au** from 121m
- 17MWRC024     **4m @ 8.84 g/t Au** from 87m

### MULWARRIE CENTRAL

At Mulwarrie Central, 13 RC holes were completed for 1,608m, with the drilling designed to test the area down-dip of the Mulwarrie Central Pit covering several historical drill traverses over 200m of strike to the south (local grid 9650mN to 9850mN). Previous modelling of the mineralized zone within the central Pit has suggested that the ore plunges shallowly to the south-east, and drilling targeted the shear zone and the down-plunge extensions.

RC drilling at Mulwarrie Central was successful in identifying a narrow but high-grade zone of **2m @ 10.86g/t Au** sitting in the hanging wall immediately adjacent the pit in 17MWRC003. This lode is clearly a target for follow-up drilling, and it is likely that this is the northern extension of the East Lode which was intersected in RC holes 17MWRC008, 17MWRC010 and 17MWRC012. Hole 17MWRC012 is located some 50m south of the pit and returned **23m @ 3.7 g/t Au from 70m including 4m @ 14.0 g/t Au from 70m**. This hole was collared 12m east of historical hole MWRC604, which returned **10m @ 10.6 g/t Au from 70m**.

Further 3D leapfrog modelling is required and in-fill drilling will determine the geometry and extent of the high-grade shoots. The individual quartz lodes appear to extend up to 60m down-plunge and are slightly steeper than the original interpretation. The down-plunge extent of these shoots will be drilled as well as areas where there is insufficient drill coverage, as shown in Figure 2.

The long section in Figure 2 illustrates both the continuity of the Central Lode and newly identified East Lode extending from the southern end of the existing pit. The southern extension of the Central pit lode appears to be offset, with the drilling in this location focused on the East Lode (17MWRC008 - 17MWRC12). However, when modelled it appears that the down-plunge extension of the Central Lode has been intersected in 17MWRC014, which returned **9m @ 4.13 g/t Au from 137m**. Further drilling is required.

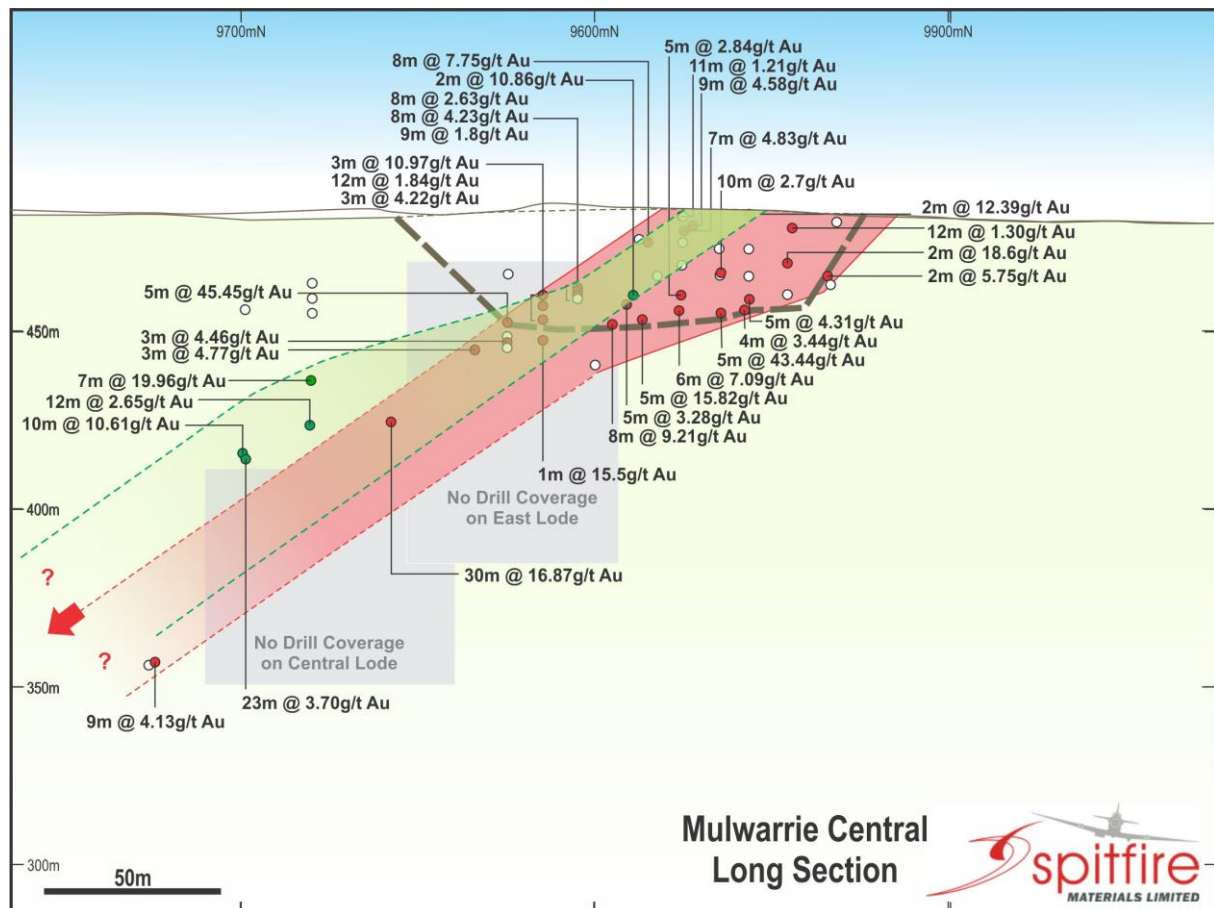


Figure 2: Mulwarrie Central Long Section

## MULWARRIE SOUTH

At Mulwarrie South, 12 holes were drilled for 1,406.6m (including diamond hole 17MWDD001). The drilling was designed to test the area down-dip of several historical drill traverses over 350m of strike (local grid 9080mN to 9425mN). Prior to the RC drilling, a single diamond hole 17MWDD001 was completed as a twin to MWRC628, which had previously returned **15m @ 9.54g/t from 72m**. The quartz sulphide lode material was intersected in twin 17MWDD001 at 53m down-hole, with the new intersection estimated to be some 10m to the south and east of MWRC628 returning a significant intersection of **9.5m @ 16.26g/t Au from 63m, within a wider intercept of 23m @ 7.27 g/t Au from 53m**.

On section 9374mN the mineralised zone intersected in 17MWDD001 occurs at a different position from MWRC628, and, as a check, the original hole was re-surveyed with a north seeking gyro down hole survey instrument. The discrepancy in the geometry is unexplained at this stage, however the tenor of the mineralisation is similar. It is assumed that the geometry of the lode structure is complex. Preliminary structural work on 17WDD001 suggests that the lode structures are steeper-plunging than Mulwarrie Central and the true width is up to 50% of the intersection width. Two RC holes were completed on this section up- and down-dip of 17MWDD001 and although RC drilling does not repeat the high-grade intercept up-dip from MWRC628, the down-dip hole 17MWRC26 intersected 8m @ 1.35 g/t Au from 87m – again suggesting that these lode structures are plunging steeply to the south-east and are restricted in their lateral extent within the mineralised shear.



The mineralisation in 17WMRC026 is associated with sheared and altered basalt with disseminated sulphide and with no significant quartz lode material. 3D leapfrog modelling of these zones at Mulwarrie South will be completed to determine the next steps for this area and to target down-plunge extensions of the high-grade zones (see Figure 3). The significant RC drilling intercepts >1g/t recorded over 350m of strike are reported in full in ASX Release dated 3 July 2017.

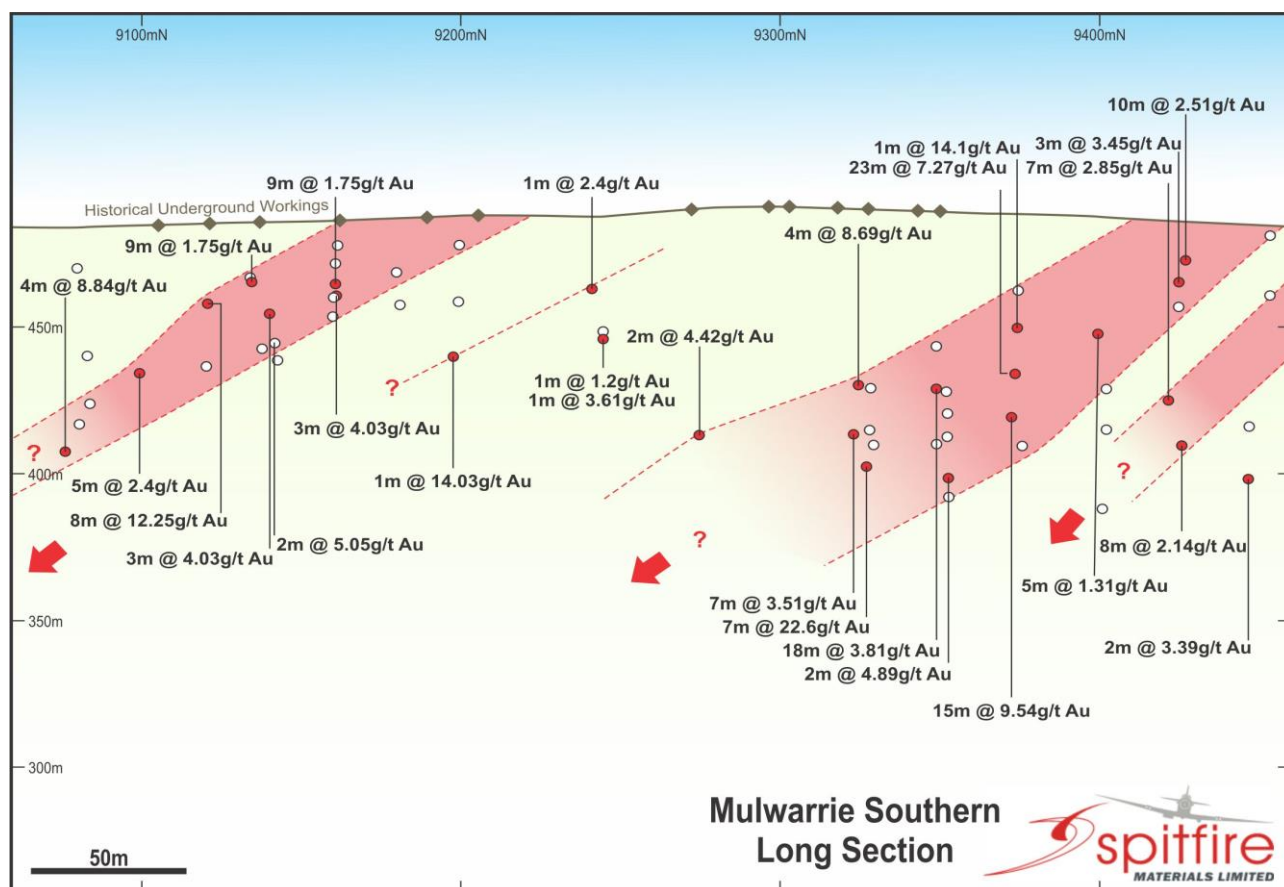


Figure 3: Mulwarrie South Long section

## 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 next quarter, exploration activity will include reconnaissance RC drilling adjacent to the Goat Creek gold intersection of 5m @ 5.6g/t in hole ENR022 to determine the full extent of the mineralisation.

## Yoda Prospect

The Yoda Prospect is located approximately 150km north-east of Alice Springs. 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. No active exploration activities were undertaken during the Quarter.

Investigation into the land access and heritage status of the Yoda Prospect was previously undertaken. These 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 considering the process and commercial benefit to negotiate on-ground access to the prospect.

## South Woodie Woodie Manganese Project – Western Australia

The South Woodie Woodie Manganese project contains three granted exploration licences and two new licences in application, along with two retention licences that are setup to secure the two existing JORC resources. No active exploration was conducted during the Quarter.

The Company has commenced planning for a gravity survey over a potential area of interest. The company continues to monitor the manganese market which, although bottoming in early 2016, has risen steadily since then.

## Corporate

Spitfire is pleased to advise that, following shareholder approval, the funds from the \$4.5 million share placement announced in April (refer ASX Release, 3 April 2017) were released from trust and the shares issued and allotted to applicants on 3 July 2017. The proceeds from the placement will be used to advance exploration programs across the Company's portfolio of Australian gold projects and for general working capital.

This placement has resulted in the introduction of a number of strategic high net worth investors to the Company's share register.

## Cash Position

The Company held cash reserves of A\$5.55 million (including A\$4.5m held on trust for the placement that was completed on 3<sup>rd</sup> July 2017).

## MORE INFORMATION

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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 1%) in the Company, an amount not considered to be material. The information contained in this announcement was previously released on 26 May 2017 entitled "Alice River Gold Project – Exploration update" and 3rd July 2017 entitled Primary High-grade Gold intersected at Mulwarrie". The Company is not aware of any new information or data that materially affects the information included in the announcement of 26 May 2017 and 3rd July 2017.*

### *South Woodie Woodie Manganese*

*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." The Company is not aware of any new information or data that materially affects the information included in previous reports and this quarterly report.

### **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.". The Company is not aware of any new information or data that materially affects the information included in previous reports and this quarterly report.

## **SCHEDULE OF TENEMENTS**

<b>Country/state</b>	<b>Tenement Code</b>	<b>Beneficial Interest (%)</b>
<b>England Gold Project</b>		
Western Australia	E38/2869	100%
<b>Yoda Prospect Project</b>		
Northern Territory	EL 30834	100%
<b>South Woodie Woodie Manganese Project</b>		
Western Australia	E46/616	80%
Western Australia	E46/787	100%
Western Australia	E46/835	100%
Western Australia	R46/0002	80%
Western Australia	E46/1159 Application	100%
Western Australia	E46/1160 Application	100%