

DECEMBER 2015 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Head of Corporate Development appointed**
- **Sampling at White Lion confirms cement production potential**
- **Drilling program finalised for mid-year start**
- **Spitfire seeks to dual list on A.I.M**

ASX Code: SPI
SPIOA

Issued Capital:
471.8M Ordinary Shares

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Executive Chairman:
James Hamilton

Director/Secretary:
Russell Hardwick

Non Executive Director:
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1. Head of Corporate Development Appointed

During the Quarter Spitfire Resources Limited (“Spitfire” or “The Company”) announced the appointment of Maximilian Vermorken as Head of Corporate Development.

A seasoned transaction and construction materials expert Mr Vermorken was most recently a strategic advisor with the world’s biggest construction materials group Lafarge-Holcim.

His last job for the company was to manage the hive-down and integration of two large asset portfolios – a mix which included two cement plants and a multitude of downstream aggregates and construction materials assets – in the context of the global Lafarge-Holcim merger.

Prior to working for Lafarge-Holcim Mr Vermorken worked with Luxembourg-headquartered Private Equity group Genii where he reported directly to its founding principals.

Mr Vermorken holds a PhD in Financial Economics and Bachelor and Master degrees in both Civil Engineering and Economics.

2. White Lion Sampling Program

During the Quarter Spitfire announced it had completed a large surface sampling program at the White Lion limestone project in Zambia with the results showing an extensive high-grade limestone exposure with calcium grades of up to 55.3% CaO. *(Please see ASX Sampling Program Announcement on October 20 for complete reporting and assay data tables)*

The large-scale surface sampling program consisted of taking 198 rock chip and soil samples at a 500m x 500m spacing across approximately 60 square kilometres. The program was split into two parts and was designed to focus on the areas containing limestone as well as complimentary cement plant blend materials such as alumina, silica and iron.

The Limestone Program

The limestone section of the sampling program consisted of 109 samples and specifically targeted outcropping limestone. The assays returned excellent results showing a large expanse of high-grade calcium limestone covering an area of approximately 21 square kilometres.

While the majority of the samples were rock chips, some of the sample locations were covered by a shallow alluvial soil cover and here only a soil sample was recovered. However, due to the contiguous nature of the limestone deposition it was recognised that the limestone ran continuously under these areas.

To calculate an average limestone grade, Spitfire used a nominal >40% CaO cut off. The 53 samples grading above the cut off were used for the calculation. Key elements observed by the Company included:

- Calcium 51.05% CaO
- Silica 2.88% SiO₂
- Alumina 0.39% Al₂O₃
- Iron 0.40% Fe
- Magnesium Oxide 2.28% MgO

These average results were benchmarked against typical industry standards (ASTM 150)* for Portland cement which is outlined below.

- Calcium At least 40.2% CaO
- Silica not >16.2% SiO₂
- Alumina not >4.8% Al₂O₃
- Iron not >1.6% Fe₂O₃
- Magnesium Oxide not >2.8% MgO

* ASTM C150 / C150M-15, Standard Specification for Portland cement, ASTM International, 2015.

Consequently, from the work done to date it appears evident that the White Lion project contains high grade limestone potentially suitable for cement manufacturing. Greater knowledge of its chemical composition at depth will be further refined by the drilling program planned for the middle of 2016.

Due to the excellent consistency of the calcium grade over such a big area Spitfire has set an initial Exploration Target of between 70 and 90 million tonnes with a grade of 45% to 47% CaO.* This would conceptually be enough limestone to supply a large cement works.

* Exploration Disclaimer: The exploration target is based on previous sampling by the former owner in addition to the 198 new samples taken from the exploration area as detailed in the text. The exploration target is formulated by calculating a one square kilometre sampled area and conceptualises a limestone depth of 50m, multiplied by a 2.7sg (specific gravity) of the material. Because the potential quantity and grade of this Exploration Target is conceptual in nature, Spitfire notes in accordance with Clause 17 of the JORC Code 2012 that there has been insufficient exploration to define a Mineral Resource estimate. It is uncertain if further exploration will result in the determination of a Mineral Resource.

The Blend Materials Program

Part two of the sampling program was tasked to locate suitable complimentary cement plant materials such as silica, alumina and iron. From the work done to date, a sizeable area has been discovered which contains blend rock high in silica and aluminum but importantly low in magnesium oxide impurities. The sampling program has also revealed multiple areas on the tenement showing good iron grades.

3. Drilling program for mid 2016

Spitfire has now completed planning work for a drilling program at White Lion to take place in mid-2016 following the current wet season. The program has been optimised to target the best quality materials for not just cement production but also for the downstream supply of aggregates, concrete and agricultural lime products. Considerable consideration has also been given to ensure the program does not encroach on areas being used by existing land users. The proposed drilling zones cover an area of approximately 4.6 square kilometres and future drilling areas can be extended to the south and north.

The planned drill program will now consist of a minimum of 25 reverse circulation (RC) holes to a nominal depth of 50m. Drilling will be located within the target zones (as shown in Figure 1) and will be at a nominal 250m spacing. This program will target the highest grade limestone areas to allow for a JORC resource to be formulated. Total planned drilling meters will be at least 1250m RC and this will be followed up with 6 diamond holes (BQ) of 80m each totalling 480m.

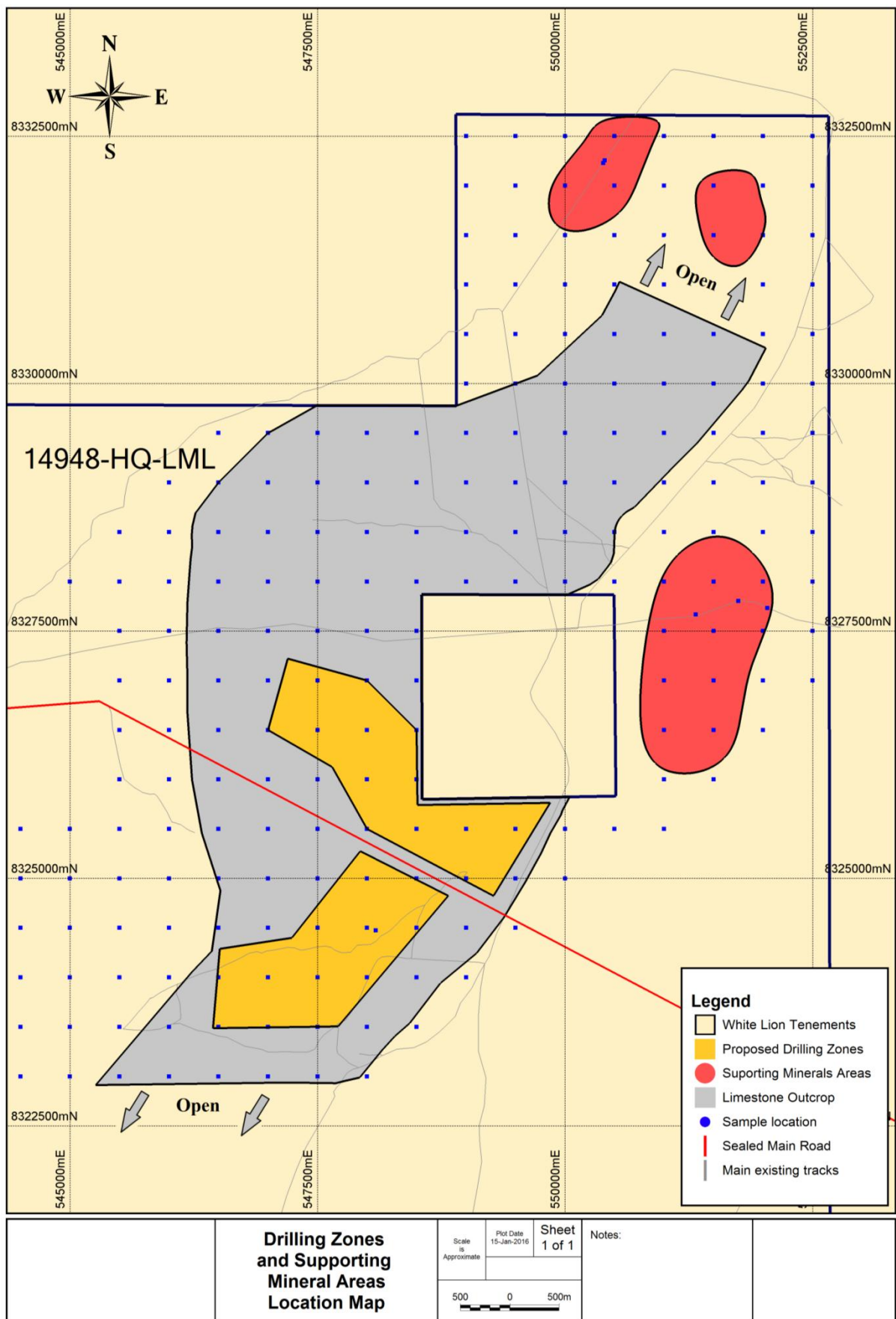


Figure 1: Overview map of the White Lion Limestone Project showing Drilling zones and supporting minerals.

4. Spitfire seeks dual listing on A.I.M

Subsequent to the reporting period Spitfire announced its intention to dual list on London's Alternative Investment Market ("AIM") in the second quarter of calendar 2016. *(Please see ASX announcement 25 January 2016 for full details and rationale)*

Spitfire has now appointed the required service providers to help it ensure a successful listing. Spitfire is also currently meeting with a wide range of interested potential investors to contribute to a capital raising.

The Company will also seek approval from its shareholders to change its name to Spitfire Materials Limited – the name better reflecting the Company's new strategic direction.

Further details on the planned fundraising, its size and pricing, its effect on the Company's share capital and all other matters will be explained in detail to existing shareholders by way of a Notice of General Meeting.

5. South Woodie Woodie Manganese Project

No fieldwork was conducted at South Woodie Woodie during the quarter and Spitfire has no immediate future plans to explore in the region given the badly depressed manganese market. Spitfire has reduced its ground position to cut project holding costs.

6. Cash Position

The company had cash reserves of \$2.0 million at the end of the Quarter.

ENDS

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Competent Person's Statement

The information in this report relating 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 Results, Mineral Resources and Ore Reserves.'

SCHEDULE OF TENEMENTS

Country/state	Tenement Code	Beneficial Interest (%)
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%