

## SEPTEMBER 2016 QUARTERLY ACTIVITIES REPORT

- **Spitfire has executed a conditional agreement to acquire the England Gold Project**
- **Company remains focused on seeking new opportunities in the minerals sector**

### 1. Acquisition of Western Australian Gold Exploration Project

On 7 October 2016, Spitfire Materials Limited (ASX:SPI) announced that it has executed a conditional Tenement Sale and Purchase agreement (“agreement”) to acquire 100% of the granted Western Australian gold exploration license E38/2869 which is known as the England Gold Project.

Under the terms of the agreement Spitfire has agreed to issue the vendors 2,000,000 fully paid ordinary shares in Spitfire which will be voluntary escrowed for 12 months. The vendor has also indicated an interest to participate in any capital raisings over the next 12 months. The acquisition is subject to normal conditions precedent including any necessary statutory, regulatory and third party consents.

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).

Additionally, Dacian Gold’s Joanne and Jenny deposits occur 10km to the north north-east of the England Project along a significant structural corridor with multiple known gold deposits.

**ASX Code:** SPI

**Issued Capital:**  
107.18M Ordinary Shares

**Directors:**

Director/Secretary:  
Russell Hardwick

Non Executive Directors:  
Ian Huitson  
Dominic Traynor

**Contact:**  
1/346 Barker Rd Subiaco  
Perth, Western Australia 6008  
ABN: 40 125 578 743

PO Box 8050  
Subiaco East, Western Australia  
6008

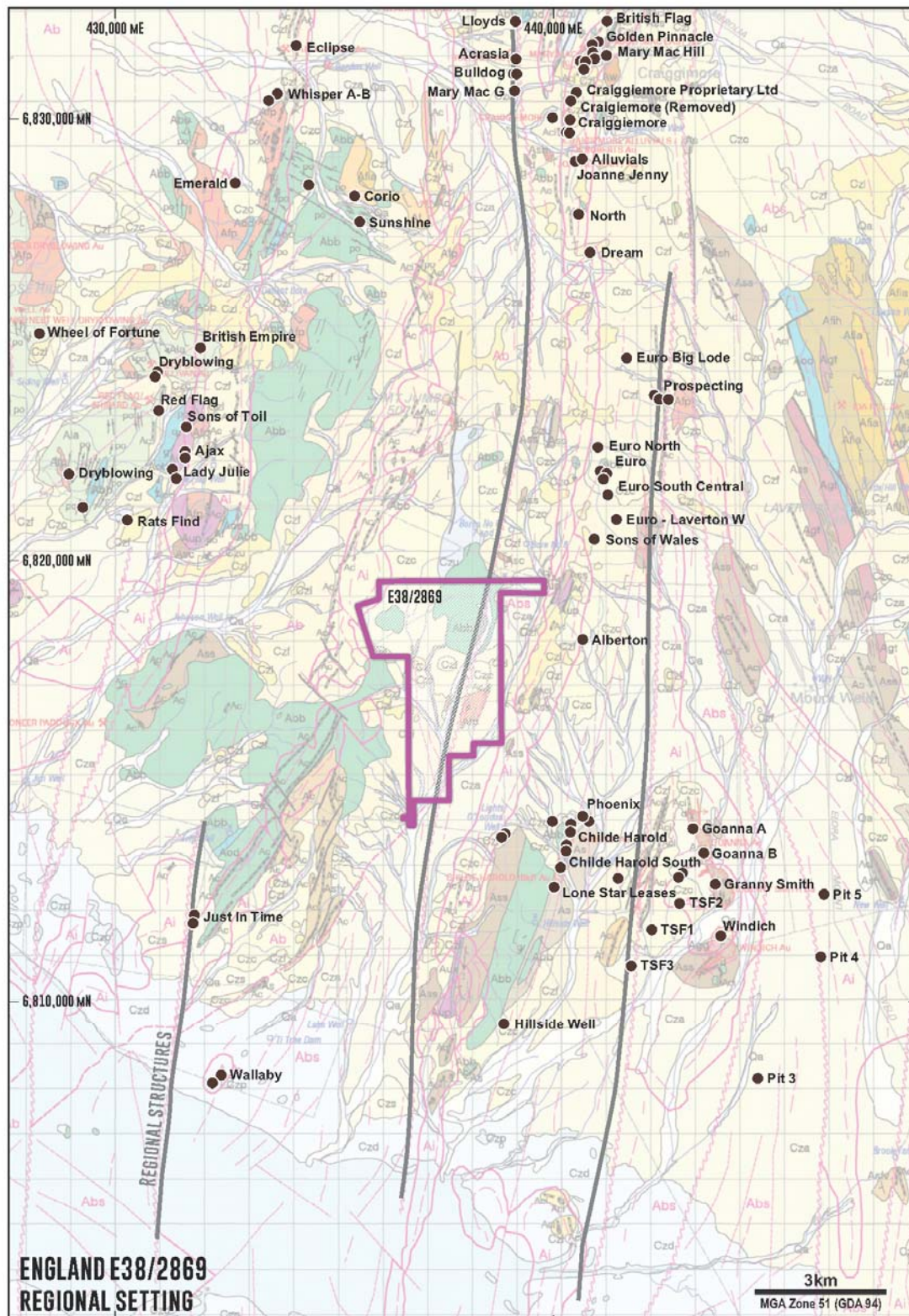
Tel: +61 (0)8 6380 9660

Previous exploration activity on the England Project has included the following:

1. During 1996 structural targeting, combined with 208 shallow vacuum holes (ENV001-208) and 22 angle RAB holes (ENR001-022) were drilled for 1,957m. An extensive north north-east trending gold soil geochem anomaly was identified “the Goat Creek Anomaly” with assays up to 235ppb Au from south-western and southern areas of the project. The RAB drilling program identified numerous holes with anomalous gold mineralisation at the southern end of the Goat Creek Anomaly with a best intersection of 5m @ 5.6g/t Au from 45m in hole ENR022. (Refer: Table 1 Drilling summary – ASX Release 7 October 2016).
2. 65 sample bulk leach extractable gold (BLEG) soil geochemical program during September 1999. Sampling covered two panels over the southern area of the current tenement with limited success.
3. An additional 33 air core holes (ENR023-055) were drilled for 2,959m during September 2006. It is clear from a review of the available historic exploration data covering the area that significant potential exists for medium to large scale mesothermal gold mineralisation within sheared and altered Archaean greenstones of the England project area.

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.

**Figure 1: England Project Location**



## **2. White Lion Project - Zambia**

The White Lion 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. The company conducted a large surface sampling program in October 2015. No further active exploration was conducted during the quarter. The Company is undertaking a review of the White Lion Project to determine its viability and is investigating other ways to best extract value from this project.

During the quarter the company reached agreement with the vendors of the White Lion Project to cancel the performance shares that were issued to the vendors as part of the consideration for the acquisition. (Refer: ASX Announcement 19 August 2015). The milestone events have not been achieved and none of the performance shares have been converted into ordinary shares. No consideration is payable by the Company under the agreement and formal cancellation of the performance shares is subject to shareholder approval at annual general meeting on 16 November 2016.

## **3. 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.

## **4. Reduction in Corporate overheads**

During the quarter the Company incurred approximately \$160,000 as a result of the conclusion of the agreements with its full-time executives and UK based consultants. The company has continued to reduce company overheads where possible.

## **5. Cash Position**

The company had cash reserves of A\$1.74 million at the end of the Quarter.

**ENDS**

**For further information please contact:**

**Russell Hardwick**

**Director/Secretary**

**Tel: +61 (0)8 6380 9660**

**Fax: +61 (0)8 6380 9650**

**Email: [admin@spitfireresources.com](mailto:admin@spitfireresources.com)**



## **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 7<sup>th</sup> 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 7<sup>th</sup> October 2016.*

## **SCHEDULE OF TENEMENTS**

<b>Country/state</b>	<b>Tenement Code</b>	<b>Beneficial Interest (%)</b>
<b>White Lion Limestone Project</b>		
Zambia	Large Scale Mining Licence (14948-HQ-LML)	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 Application	80%