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ASX RELEASE

SPITFIRE RAISES \$4.5M TO ADVANCE AUSTRALIAN GOLD PROJECTS

Proceeds to Underpin Upcoming Gold Exploration Programs in Queensland and WA

KEY POINTS

- **Heavily oversubscribed conditional placement to sophisticated and professional investors comprising 75M shares at \$0.06 per share to raise \$4.5M.**
 - **Following completion of the placement, Spitfire will have cash reserves of ~\$5.8M, putting it in a strong position to progress exploration programs across its expanded Australian gold portfolio.**
 - **Intensive exploration activities planned across the two highly prospective gold exploration projects which Spitfire is acquiring via its acquisition of unlisted gold explorer, Admiral Gold Limited (Acquisition).**
 - **Both the placement and Acquisition of Admiral Gold Limited are subject to shareholder approval at an Extraordinary General Meeting.**
 - **Highly experienced Australian mining executives and Pilbara Minerals founding directors Messrs Neil Biddle and John Young will join the Spitfire board following completion of the Acquisition.**
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Spitfire Materials Limited (ASX: SPI – “Spitfire”) is pleased to advise 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 its recently announced Acquisition of unlisted company Admiral Gold Limited (“Admiral”) (refer ASX Announcement: 27 March 2017), subject to shareholder approval.

The new shares to be issued under the placement will rank equally with the existing ordinary shares on issue

This proposed use of funds includes plans to accelerate initial drilling programs at the highly prospective Alice River Gold Project in North Queensland (Admiral: right to acquire up to a 100% interest) and the Mulwarrie Gold Project in Western Australia (Admiral: right to earn up to 70% interest).

Detailed information on the Admiral transaction and the projects held by Admiral are set out in the Company's ASX announcement of 27th March 2017.

Further information in relation to the Acquisition, including the Independent Expert's Report will be released with the Company's notice of meeting in due course.

Capital Structure

The proposed capital structure of the Company following completion of the placement and completion of the Acquisition of Admiral is set out below:

	Ordinary Shares	Options
Current issued capital	112,183,292	19,225,000
Shares to be issued pursuant to Acquisition	59,500,001	-
Placement	75,000,000	-
Total	246,683,293	19,225,000

Use of Funds

Subject to approval by Spitfire shareholders, it is proposed that proceeds of the funds will primarily be used for:

- Exploration of the Alice River and Mulwarrie Gold Projects, including drilling programs (subject to completion of the Acquisition);
- Exploration and maintenance of the Company's existing exploration projects (being, the England and Yoda Gold Projects, the White Lion Limestone and South Woodie Woodie Manganese Projects); and
- General working capital requirements.

Spitfire's Director, Russell Hardwick, said the Company was delighted with the outstanding response from existing and new investors to the placement.

"This is a reflection of the quality of the projects we are acquiring through the Admiral Gold transaction, the reputation, track record and calibre of the proposed new Directors, Neil Biddle and John Young, and the high level of investor support for our strategic growth plans in the Australian gold sector," he said.

“The funds raised will put the Company in a strong position in terms of the planned exploration programs over our existing and new assets, giving us the ability to fast-track exploration and drilling programs at the Alice and Mulwarrie Gold projects”.

“This is a great time for Spitfire to expand its Australian gold portfolio and to embark on an expanded exploration push. The Australian gold sector continues to enjoy a high level of investor interest and support, underpinned by the strength of the Australian Dollar gold price and the strong outlook for the sector both domestically and internationally”.

“We look forward to providing further information on the progress of the Admiral Gold transaction, the projects being acquired and our planned exploration activities, in the weeks and months ahead,” he added.

ENDS

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