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ASX/MEDIA RELEASE

SPITFIRE RAISES \$5.33M IN HEAVILY OVERSUBSCRIBED PLACEMENT TO UNDERPIN MAJOR GOLD DRILLING PUSH IN 2018

5,000m diamond drill program set to commence at Aphrodite Gold Project in late January

Highlights

- **\$5.33M raised through heavily oversubscribed share placement at 10c.**
- **Capital raising follows recent completion of merger with Aphrodite Gold Limited.**
- **Major new 5,000m resource in-fill and extensional drill program to commence at the Aphrodite Gold Project, located in WA this month.**
- **Funds will also be used to progress development studies at the Aphrodite Gold project, to undertake further drilling at the Mulwarrie Project, to meet costs associated with the merger, and for general working capital purposes.**

Spitfire Materials Limited (ASX: SPI) is pleased to advise that it has successfully raised a total of \$5.33 million to fast-track its Australian gold exploration and development strategy.

The funds will be used to rapidly advance Spitfire's portfolio of Australian gold projects, commencing with a major resource in-fill and extensional diamond drilling program scheduled to begin later this month at the advanced Aphrodite Gold Project, located 65km from Kalgoorlie in Western Australia.

Share Placement

The Company has received firm commitments to undertake a share placement to existing and new sophisticated and professional investors comprising 53.3 million shares at an issue price of \$0.10 per share to raise a total of \$5.33 million before costs (**Placement**).

The strongly supported capital raising will result in the introduction of a number of strategic international and domestic high net worth investors to the Spitfire register. Several existing cornerstone shareholders are also participating in the Placement. The new shares to be issued under the Placement will rank equally with the existing ordinary shares on issue.

The Placement will be undertaken within the Company's existing placement capacity under ASX Listing Rule 7.1. Allotment of the shares to be issued under the Placement is expected to be completed by late next week.

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Use of Funds

The proceeds of the Placement will put the Company in a strong position to progress its Australian gold exploration and development strategy following its recently completed merger with Aphrodite Gold Limited.

As a result of the merger, the Company now has a diversified asset base including an advanced resource-level project at the Aphrodite Gold Project, an advanced exploration asset at the nearby Mulwarrie Project and a regional exploration project at the Alice River Gold Project in North Queensland.

The proceeds of the Placement will be used to:

- Undertake a 5,000m diamond drilling program at the Aphrodite Gold Project to in-fill, upgrade and extend the existing resource – commencing late January;
- Commence key pre-development studies at the Aphrodite Gold project including metallurgical and ore sorting test work;
- Undertake follow-up drilling at the Mulwarrie Project, where drilling last year intersected significant primary high-grade gold mineralization;
- Meet some of the outstanding costs of the recently completed merger with Aphrodite Gold Limited, including stamp duty on the transaction;
- Evaluate other complementary growth and consolidation opportunities in the Western Australian gold sector; and
- Provide general working capital.

Management Comment

Spitfire's Managing Director, Mr John Young, said the Company had well and truly hit the ground running in 2018.

"It's already been a busy few weeks for us, with the implementation of the Scheme of Arrangement with Aphrodite Gold in early January marking the completion of the merger, and now a well-supported capital raising being completed just two weeks into the New Year," he said.

"We are delighted with the outstanding level of support we have received both from existing shareholders and new investors as part of this capital raising – which I believe reflects the quality of the gold assets we now own and the significant opportunity in front of us to rapidly grow our resource inventory and build a substantial new Australian gold company against the backdrop of significant investor interest in the Australian gold sector," he said.

"We intend to bring a combination of creative new thinking, new technology and a real focus to the re-evaluation of the Aphrodite Project – which is the centerpiece of our strategy to quickly establish the critical mass to become a significant new player in the Australian gold sector.

"Shareholders can look forward to a very busy few months ahead as we get going on what should be a very exciting drill campaign at Aphrodite aimed at upgrading and extending the existing resource and putting in place the foundations for a near-term development opportunity."

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