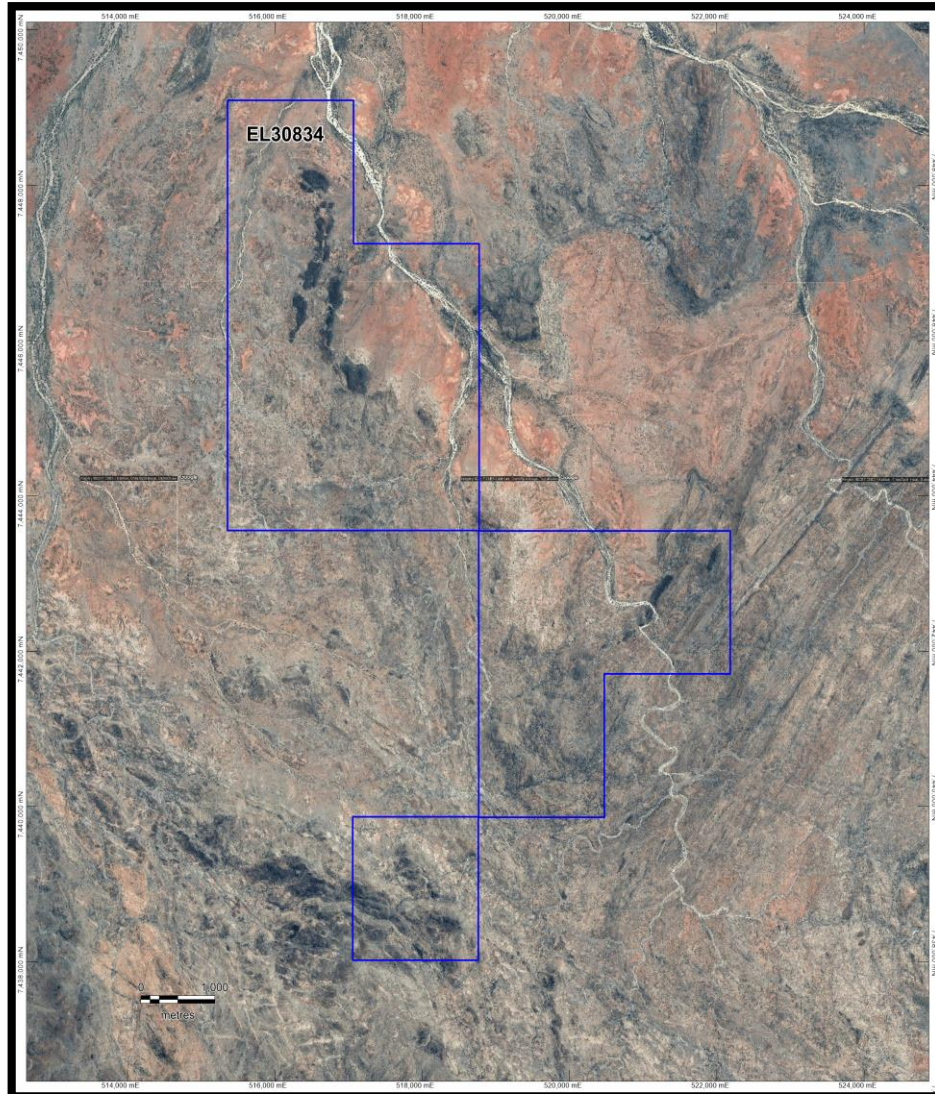


**ANNUAL TECHNICAL REPORT
EL 30834
“INKAMULLA CREEK”
YEAR 1 (2016)**



Author:	Michael Schwarz
Date:	7 th February 2017
Tenement Holders:	Starpark Holdings Pty Ltd 100%
Tenement:	EL30834 “Inkamulla Creek”
Reporting Period:	11 th December 2015 to 10 th December 2016 (Year 1)
Distribution:	Spitfire Materials Ltd Capricorn Mapping & Mining Title Services Geoscience.Info (Dept Primary Industries and Resources,1)
Map Sheet:	Illogwa Creek 1:250,000 sheet (SF5315) Quartz 1:100,000 sheet (5951)
Target Commodity:	Gold
Keywords:	Literature review, mineral potential modeling, gold, quartz veins, epigenetic, structure

CONTENTS

- 1.0. Summary
- 2.0. Introduction
- 3.0. Geology & Mineralisation
- 4.0. Tenure
- 5.0. Previous Exploration
 - 5.1. Historical Exploration
- 6.0. Year 1 (2016) Work Summary & Discussion
- 7.0. Rehabilitation
- 8.0. Year 1 Expenditure
- 9.0. Year 2 (2017) Proposed Expenditure
- 10.0 Copyright Statement

LIST OF TABLES

<i>Table No</i>	<i>Title</i>
4.1	Tenure Details
8.1	Activity details for the Year 1 reporting period
9.1	Proposed exploration activities and expenditure for the Year 2 reporting period

LIST OF FIGURES

<i>Figure No</i>	<i>Title</i>
1.1	Location Map of EL 30834
3.1	Extract from Quartz 1: 100,000 Geology

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1.0 Summary

EL30834 "Inkamalla Creek" is located approximately 85 km northeast of Alice Springs. Access is by the Arltunga Road from the Stuart Highway via The Garden Homestead. Access within the area is by means of station tracks (Figure 1.1). During the reporting period Spitfire Materials undertook a detailed review of GIS datasets and mineral potential modeling based on epigenetic vein hosted gold systems

Having completed mineral potential modelling for the region around the Yoda Gold Prospect on EL 30834, the company now plans to undertake detailed soil sampling, further geological mapping and rock chip sampling across priority targets. Exploration activities may also include a detailed prospect-scale IP geophysical survey to identify disseminated sulphides associated with gold mineralisation in quartz veins. The interpretation of geophysical results and sample geochemistry will be incorporated with existing datasets for target generation works and the development of drilling proposals for the Project.

EL 30834 is held 100 % by Starport Holdings Pty Ltd which is a wholly owned subsidiary of Spitfire Materials Ltd.

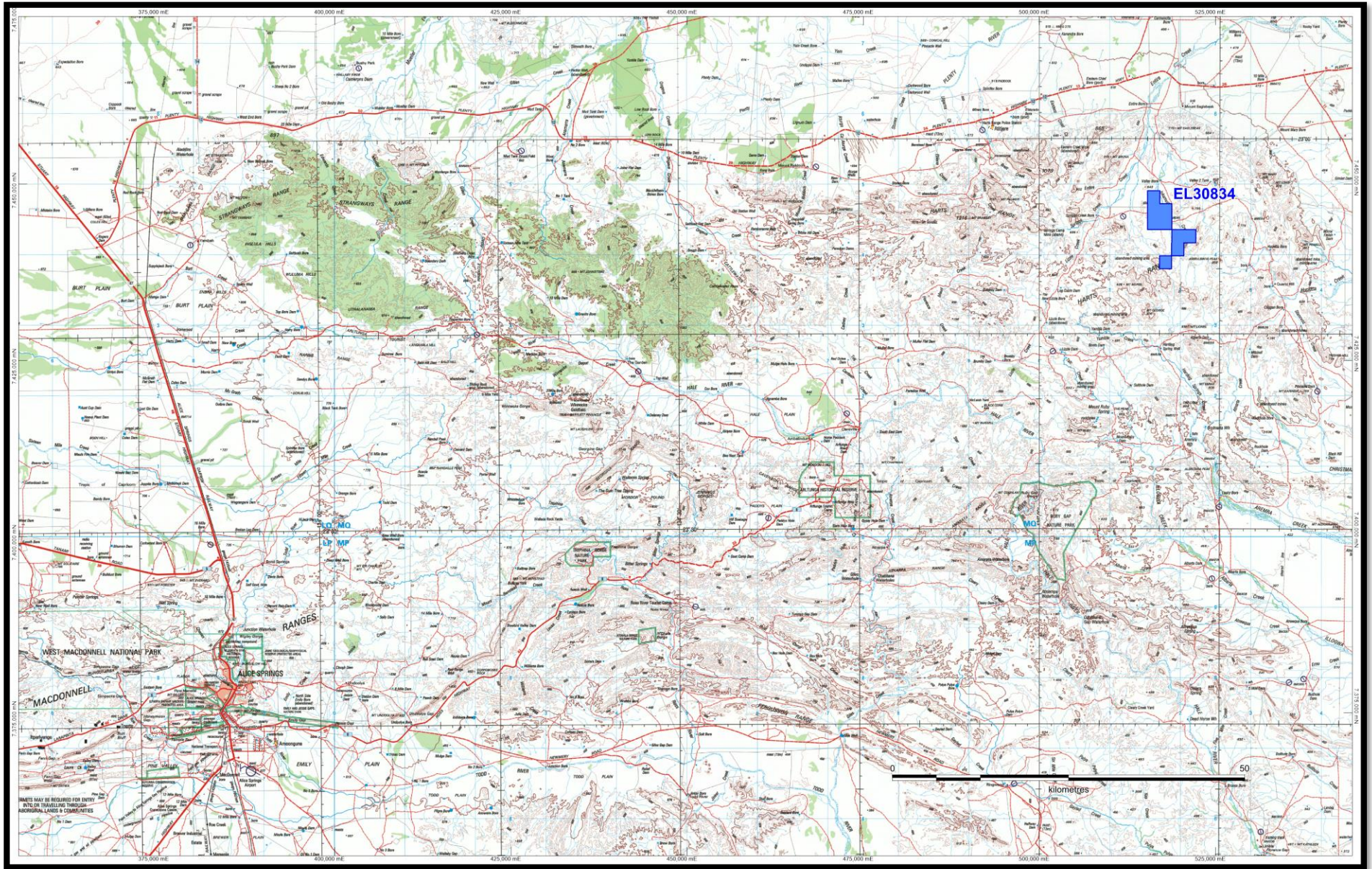


Figure 1.1: Location Map of EL30834

2.0 Introduction

This report presents work completed on the Inkamulla Creek Tenement (EL 30834) by Spitfire Materials for the first reporting year, ending 9 January 2017.

EL 30834 is located approximately 150 km northeast of Alice Springs (Figure 1.1). The tenement can be accessed from the north via the Plenty Highway and station tracks or the east via the Ross Highway and station tracks. Station tracks provide for reasonable access to much of the tenement area.

Access within the tenement is limited; the general area is hilly with only a few vehicle tracks available. Due to seasonal rains, much of the area is overgrown inhibiting detailed ground. The rivers are prone to flooding during heavy rainfalls over the summer. The climate is typical of central Australia, hot summers, and mild winters.

3.0 Geology and Mineralisation

EL30834 is in the Proterozoic Aileron Province of the Central Arunta Region. The rocks dominantly comprise variably metamorphosed sediments, volcanics, calcsilicates, amphibolites and granite (Figure 3.1). The dominant structures appear to trend northeast. The geology of the Aileron Province is described by Murrell (1989) and Zhao & Cooper (1992).

The tenement falls entirely within the Entia Domal Structure. Approximately 50% of the area covered by EL 30834 for is overlain by a thin veneer of Recent colluvial deposits. The remaining area comprises cropping/sub cropping Palaeoproterozoic Harts Range Group, which forms part Arunta Block of the Aileron Province. The 1774Ma Entia Gneiss is intruded by shear controlled, attenuated meta-ultramafic rock of indeterminate age. However, within the nearby onlapping Neoproterozoic-Carboniferous Irindina Province, metasediments contain similar sill-like, mineralised mafic-ultramafic intrusions assigned to 409Ma Lloyd Gabbro Suite. Similarly intruding the 1774Ma Entia Gneiss is sheared 1762Ma Inkamulla Granodiorite. An arcuate NNW-trending shear zone hosts attenuated exposures of granodiorite and further to the north, meta-ultramafic rock over 10km. Within this area, the structure hosts the Yoda Gold Prospect.

The area is considered prospective for;

- Epigenetic gold mineralisation
- Ni-Cu-PGE mineralisation associated with mafic and ultramafic intrusions
- "Basil type" Cu-Co semi-massive sulphides
- Vein-style REE-Th mineralisation
- Uranium mineralisation

4.0 Tenure

Exploration Licence 30834 was transferred to Starport Holdings on the 22nd December 2016. The tenement overlaps pastoral leases PPL 1124 (Ambalindum Station) and PPL 989 (Mt Riddock). Tenure details are summarised in Table 4.1.

Table 4.1 Summary tenement detail for EL 30834

Tenement	Tenement Name	Owner	Date Granted	Tenure	Size	Expenditure Commitment
EL 30834	Inkamulla Creek	Starport Holdings Pty Ltd 100%	11/12/2015	6 Years	9 blocks 28.43km ²	\$11,350

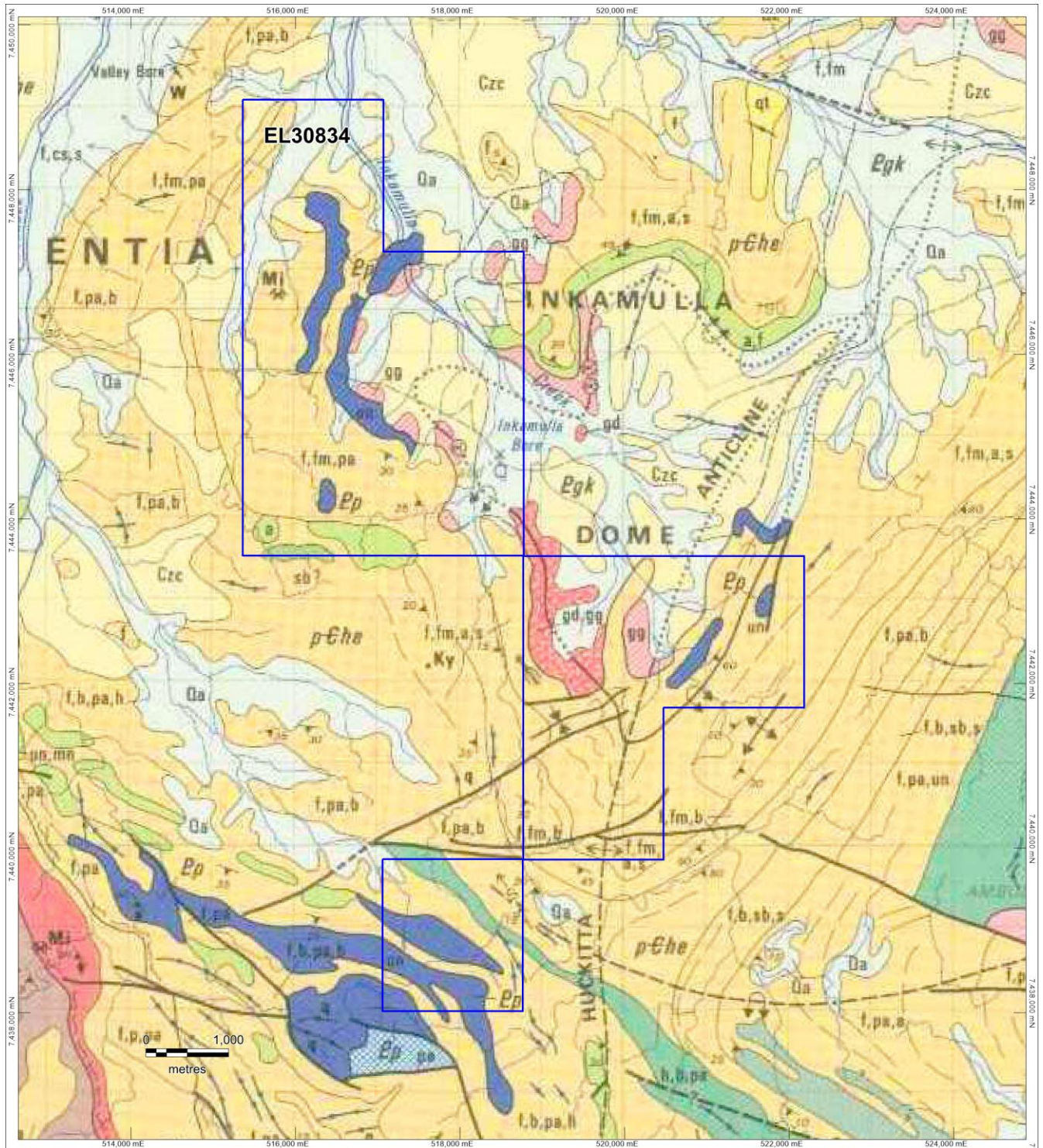


Figure 3.1 Extract from Quartz 1:100,000 Geology

5.0 Previous Exploration

5.1 Historical Exploration

Little exploration has been undertaken in the area prior to a Joint Venture between Mithril Resources and MMG from 2012 to 2015. MMG focused on exploration for Ni-Cu-PGE mineralisation associated with mafic and ultramafic intrusions and "Basil type" Cu-Co semi-massive sulphides.

Work completed during the 2011-2012 period included:

- 53 rock chip samples collected
- VTEM Survey: 130 line kilometres of data collected
- Resistivity Survey: 1.05 km line of data collected

Significant gold values (to 22g/t Au) were returned from grab samples from a sporadically outcropping quartz vein over a distance of several hundred meters on the eastern margin of a dominant amphibolite outcrop. A small discrete IP anomaly is coincident with this horizon.

Work completed during the 2012-2013 year included:

- Stream sediment sampling (12 samples)
- Grab sampling (1 sample)

No significant anomalies were detected from the stream sediment geochemical sampling.

6.0 Year 1 Work Summary & Discussion

Spitfire Materials completed a thorough review of historical exploration work completed within the Inkamulla Creek tenement during the 2016 reporting period. The only main occurrences of significant gold mineralisation in the eastern Arunta Inlier occur at the Arltunga-Winnecke Goldfields which have been extensively explored for gold by various companies, including well-funded modern gold explorers Normandy NFM and Tanami Gold. The gold at Arltunga and Winnecke is contained within massive white quartz veins which contain pyrite and rare chalcopyrite. The veins are hosted by various rock units in the Arunta basement and overlying Amadeus Basin. Their emplacement has been interpreted to be related to the ca.320 Ma Alice Springs orogeny. These auriferous veins extend beyond and between the two known goldfields, including at Pattersons (also known as John Bulls Surprise). The greatest problem with this gold system is the extreme variability of results from the same vein and between adjacent prospects. Rock chips from known prospects can frequently return >10 g/t Au, but drilling results have consistently failed to return economic grades and widths, despite intersecting the veins.

Spitfire Materials undertook a detailed review of GIS datasets and mineral potential modelling based on epigenetic vein hosted gold systems.

A number of geological features were identified as potentially having an important role in the development of gold bearing epigenetic quartz veins:

- North-easterly structures
- Retrogressive alteration
- Outcropping quartz dominant vein systems
- Zones of dilation along regional structures including inflections and fault jogs
- Zones of demagnetization associated with retrogressive alteration

Each of these features were identified within various datasets (Landsat, Google Earth, regional magnetics, Aster

data) and incorporated into a mineral potential model within the company's GIS system. Each geological feature was given a weighting according to how likely it is to influence the development of the targeted epithermal quartz veins.

A comparison was then made between known occurrences of epithermal gold mineralisation, elevated gold in rock chip samples from previous explorers and the geological environment as determined from the interpretation exercise.

The results indicated several areas that were previously unidentified as target areas for further work including soil sampling, rock chip sampling and mapping.

The Company plans to undertake the next stage of ground-truthing these targets in the 2017 field season.

7.0 Rehabilitation

There were no earth disturbing activities on the tenement. No rehabilitation was required.

8.0 Year 1 (2016) Expenditure

Year one (1) expenditure details are summarised in table 8.1 below. A formal statement was lodged with the Department of Primary Industries and Resources on the 9th January 2017.

Table 8.1 Activity details for the Year 1 reporting period

ACTIVITY DETAILS FOR THE REPORTING PERIOD		
Admissible Expenditure	Detail work done including number of samples taken / stations / line km surveyed /metres drilled etc.	AU\$ Claimed
A. Geological Activities and Prospecting		
B. Geochemical Activities		
C. Geophysical and Remote Sensing Activities		
D. Drilling		
E. Bulk Sampling and Earthworks		
F. Rehabilitation		
G. Pre-feasibility inc. Metallurgical and Environmental		
H. Office Studies	Review of historical exploration including compilation and quality control of existing geophysical and exploration data. Historical exploration focussed on mafic-ultramafic base and precious metals however the current focus is on gold so the historical data was compiled with a gold focus. Conceptual gold target development and literature review with establishment of relevant mineralisation styles. Planning of forward exploration program.	11670
I. Land Access	Post-grant heritage surveys.	
J. Overheads	Not to exceed 15% of the sum of A to I above. Description not required.	1750
K. Preliminary Exploration	Pre-grant airborne and ground surveys. Can be claimed in Year 1 only.	
L. Total Expenditure Claimed		13420
M. Covenant for this reporting period	\$11350	Number of blocks: 9

9.0 Year 2 (2017) Proposed Activities and Expenditure

Spitfire Materials proposes to complete the following exploration activities within EL 30834 during the next reporting period:

Having completed detailed mineral potential modelling for the company now plans to undertake further geological mapping and rock chip sampling across priority targets.

The interpretation of remodeled geophysical results and sample geochemistry will be incorporated with existing datasets for target generation works and the development of drilling proposals for the Project.

Table 9.1 Proposed exploration activities and expenditure for the Year 2 reporting period

ACTIVITY DETAILS FOR THE NEXT REPORTING PERIOD		
Admissible Expenditure	Specify the work to be undertaken	AU\$ Proposed
A. Geological Activities and Prospecting	Field checking of existing anomalous rock chip samples and mapping of the mineralising structure	5000
B. Geochemical Activities		
C. Geophysical and Remote Sensing Activities		
D. Drilling		
E. Bulk Sampling and Earthworks		
F. Rehabilitation		
G. Pre-feasibility inc. Metallurgical and Environmental		
H. Office Studies		
I. Land Access	Heritage survey to allow access for mapping and sampling programs	8000
J. Overheads	Not to exceed 15% of the sum of A to I above. Description not required.	1000
K. Covenant for next reporting period	\$14000	Number of blocks: 9

10.0 Copyright Statement

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