Spitfire Global Pty Ltd
Northern Territory Base Metals Project
Exploration Licences EL27398, EL27399, EL27400, EL27404
Combined Annual Report 10th February 2010, to 9th February 2011
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1. Summary
The Northern Territory Base Metals project is located approximately 580km South/South-West of Darwin and comprises the granted tenements EL27398, EL27399, EL37400 and EL27404 covering a total area of 6041.55 square kilometres.

The area is highly prospective for base metal mineralisation due to its unique geology; the interaction of the Cambrian aged Antrim Plateau volcanics and the underlying Limbunya group lithologies, and its similarity to the Norilsk style Cu-Ni/PGE deposit which is being used as the exploration model. Due to this the area has been the focus of numerous reconnaissance and explorative activities in the past and present.

They are located on numerous pastoral leases approximately 580 kilometres S/SW of Darwin. Based on this, Spitfire acquired the licences, deemed the Northern Territory Base Metals project, and for first year exploration undertook in depth literature reviews of available data and online magnetics to determine the viability of them individually. Due to financial limitations and other commitments, no fieldwork was undertaken except on licence EL27400. The fieldwork on EL27400 has assisted with designating reconnaissance targets.

After reviewing the licences, Spitfire is focusing its attention on EL’s 27399 and 27400 due to noticeably higher magnetic anomalies being present. A field visit conducted in late 2010 allowed numerous field observations to be made at EL27400 and will assist in further definition of exploration and sampling targets. Further work was not undertaken at the other licences due to financial restraints due to the global financial crisis and a demanding project in WA, coupled with overly optimistic covenants for those licences being submitted. It is the conclusion of the work done thus far that licences EL27398 and EL27404 be surrendered and that EL27399 be partially surrendered to free up company resources to focus on the areas of interest. It is intended for further work to be undertaken involving helicopter based reconnaissance and sampling later in 2011 on EL27400 and EL27399.

2. Regional location
The Northern Territory Base Metals project is centrally located approximately 580km South/South-West of Darwin just across the border from Western Australia. The licences are located over a number of pastoral leases in the Victoria Daly shire.

3. Tenure
The project comprises the granted tenements EL27398, EL27399, EL37400 and EL27404 covering a total area of 6041.55 square kilometres.
4. Location and access
All the licences are mainly accessed from the Buntine highway via Duncan Road from WA. From the highway existing station and public tracks are used to access further into the licence areas. Licence EL27400 is located across the Riveren and Inverway pastoral leases. EL27398 and EL27399 are located mainly on the Limbunya lease and EL27404 further to the East partially on the Victoria River downs lease.

5. Topography
Topography over all four licences is generally similar involving flatter, lower lying alluvial areas moving into elevated mesas of varying heights.

6. Regional geology
Regionally the project sits mainly in the Proterozoic aged Birrindudu basin with basement being the Inverway metamorphics. The Limbunya group, member of the Birrindudu basin, is broadly composed of sandstones, siltstones, dolomites and volcanic tuffs. It is overlain by the Proterozoic Victoria basin sediments which contain the Wattie and Auvergne groups, composed of sandstones, conglomerates and dolomites. The target Antrim plateau volcanics of the Lower Cambrian Wiso basin overlie and interlie with the two sedimentary groups below and are overlain partially by remnant Cretaceous sediments in some areas with Tertiary cover composed generally of black soils and alluvium.

There is a regional anticlinal fold present is orientated to the East and has localised domal structures of uplifted upper Limbunya and lower Victoria basin sediments present along the anticline. Two main faults run through the area in the South, the NW-SE trending Limbunya and NE-SW trending Neave faults with several parallel off shoots and lineaments present.
7. Local geology

The Inverway basement is only present through thin sections of uplift in the regional anticline, which is mainly expressed in EL27404 through surface domal structures. Main local lithological units are the members of the Limbunya sediments (see Table 1 below). The designated Birrindudu group lies within the Limbunya sediments and is composed mainly of black shales, one of the target lithologies for base metal accumulation. The overlying Victoria basin sediments only occur in the North Western corner of EL27399 and are otherwise not present.

The antrim plateau volcanics are composed mainly of massive fine grained tholeiitic basalt flows which over and interlie the Limbunya sediments dominantly in most licences excluding EL27399. The Headley’s limestone member of the Wiso basin appears on EL27398 and interacts with the basalt. The project area is covered by Tertiary black soils and alluvium surrounding elevated mesas of basalt and sandstones/cherts. The Neave fault, which runs NE-SW, is likely to be a main feeder for the antrim volcanics and crosses EL27400 only.

<table>
<thead>
<tr>
<th>Formation</th>
<th>Thickness</th>
<th>Lithologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Praynes Formation</td>
<td>- 120 m</td>
<td>Silty dolomite, siltstone, dolomite massive chert.</td>
</tr>
<tr>
<td>Campbell Springs Dolomite</td>
<td>- 300 m</td>
<td>Stromatolitic dolomite, dolomite conglomerate.</td>
</tr>
<tr>
<td>Blue Hole Formation</td>
<td>- 150 to 300 m</td>
<td>Silty dolomite, silicified dolomite, siltstone</td>
</tr>
<tr>
<td>Harphaven Sandstone</td>
<td>- 60 to 140 m</td>
<td>Grey and brown quartz sandstone, siltstone</td>
</tr>
<tr>
<td>Kunja Siltstone</td>
<td>- 60 m</td>
<td>Siltstone, silty dolomite</td>
</tr>
<tr>
<td>Mallabah Dolomite</td>
<td>- 15 m - 100 m</td>
<td>Pink-hoff dolomite, siltstone, shale</td>
</tr>
<tr>
<td>Amos Knob Formation</td>
<td>- 50 m</td>
<td>Dolomite, siltstone shale, sandstone.</td>
</tr>
<tr>
<td>Peel Tree Dolomite</td>
<td>- 100 m</td>
<td>Brown dolomite, dolarenite, chert,stromatolitic chert</td>
</tr>
<tr>
<td>Margery Formation</td>
<td>- 120 m</td>
<td>Siltstone, claystone, minor dolomite and chert</td>
</tr>
<tr>
<td>Stirling sandstone</td>
<td>- 140 m</td>
<td>Brown quartz sandstone grit, conglomerate.</td>
</tr>
</tbody>
</table>

Table 1 – Limbunya group stratigraphy (Geopeko, 1993)

8. Previous Work before February 2010

8.1 Work by other companies

Geochemical stream sampling undertaken in the area by other explorers has partially covered parts of EL27398, 27399 and 27404 in the past. While analysis determined anomalous values of gold, copper and zinc present it did not lead to any significant discoveries. Noted field observations record secondary copper minerals at the contact between Headley’s limestone and the Antrim basalt (Burdekin Resources NL, 1995) partially on EL27398.

8.2 Work undertaken by Spitfire

Spitfire has not undertaken any work on the project licences previous to this reporting year.

Below is a summary of work undertaken on each licence during the reporting period, the attached expenditure reports summarise the overall expenditure for each during the reporting year.

9.1 EL27398
Basic literature reviews and research were undertaken on licence EL27398 but there was no fieldwork.

9.2 EL27399
Basic literature reviews and research were undertaken on licence EL27399, but there was no fieldwork. A noted anomaly of interest was determined in the Southern area of the licence based off online magnetic imagery.

9.3 EL27400
Basic literature reviews and research were undertaken on licence EL27400. Based off a prominent magnetic anomaly a fieldtrip was conducted in late 2010 for initial reconnaissance involving photographing and noting points of interest. This has assisted with further target designation and logistical requirements for planned reconnaissance in 2011. Contact was made with landholders.

9.4 EL27404
Basic literature reviews and research were undertaken on licence EL27398, but there was no fieldwork.

10. Conclusions and Recommendations

Based on the review of open data and available online magnetics, combined with the fieldtrip to EL27400, Spitfire believes licences EL27399 and EL27400 both hold potential for base metal mineralisation to occur. In order to allocate the necessary time and financial resources to them, it has been decided to surrender licences EL27398 and EL27404 as they have been deemed to hold no potential, and to surrender the Northern section of EL27399. It is currently planned to undertake a helicopter reconnaissance program later in 2011 covering both the remaining part of EL27399 and EL27400 which will assist in further understanding the geology and designating targets for planned RC drilling in 2012 based on the information collected.

11. References

‘EL7140 and EL7141 combined report on Exploration during the second tenure year ending January 1993’ (report CR19930144), Geoeko, 1993

‘Bigley Springs Project, NT EL’s 8307, 8308 and 8309 Annual Report for the period ending 22nd October, 1995’ (report CR19950072), Burdekin Resources NL, 1995