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MEDIA / ASX RELEASE

3 August 2009

SPITFIRE STRENGTHENS CASH RESOURCES TO UNDERPIN ONGOING MANGANESE EXPLORATION

SHARE PLACEMENT COMPRISING 11.19M SHARES AT 9cps TO RAISE \$1M

Spitfire Resources Limited (ASX: SPI – “Spitfire” or “the Company”) advises that it has agreed to place a total of 11,194,444 shares at a price of 9 cents per share to new and existing sophisticated investors, raising a total of **A\$1,007,500**.

The funds raised will ensure that Spitfire has adequate working capital to continue to pursue an aggressive exploration and development program at its 80%-owned South Woodie Woodie Manganese Project in Western Australia’s East Pilbara.

The placement is being made within the 15% limit allowed under the ASX listing rules. All of the shares issued under the placement are fully paid ordinary shares and will rank *pari passu* with existing ordinary shares. Following completion of the placement, Spitfire will have cash resources of approximately A\$5.4 million.

Spitfire’s Executive Chairman and Managing Director, Mr James Hamilton, said the additional funding would provide a strong platform for the Company to maintain a substantial pace of exploration at South Woodie Woodie.

The Company recently reported encouraging results from follow-up drilling at the Tally-Ho Prospect, where it has defined a coherent, near-surface manganese deposit over an area of approximately 230 metres by 200 metres. The Company is planning to complete an initial JORC resource over this area by September 2009.

Additional exploration activity planned for this year includes:

- Diamond drilling to more accurately determine the geotechnical parameters and seam geometry of the Tally-Ho Deposit;
- Additional metallurgical test work;
- Additional RC drilling to extend the Tally-Ho Deposit to the north, where the mineralisation remains open; and
- Preparations for initial exploration to test a new priority target area for a primary Woodie-Woodie-style deposit located 1km to the north west of Tally-Ho.

ENDS

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Competent Person's Statement

The information in this release relating to exploration is based on information compiled by Mr. N. Cull who is a Member of the Australian Institute of Geoscientists. Mr. Cull is Exploration Manager for Spitfire Resources Ltd, and consents to the inclusion in this type of report of the information as presented. He 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.'

About Spitfire Resources

Spitfire Resources Limited (ASX Code: SPI) is an emerging Australian resource development company focused on the carbon steel materials sector. Spitfire's flagship asset is the 80%-owned South Woodie Woodie Manganese Project, which is located down-strike to the south from the 1Mtpa Woodie Woodie Manganese Mine in the East Pilbara region of Western Australia.

Spitfire's initial exploration success at South Woodie Woodie has been within the Southern Target Area, where it has defined a near-surface manganese deposit at the Tally-Ho Prospect, in an area which has had virtually no historical exploration coverage.

The Company is focusing on progressing this exciting discovery with a view to delivering its first JORC compliant resource estimate during the second half of 2009. In addition, Spitfire has identified a strong pipeline of exploration targets within its tenement holdings, including a priority target located immediately adjacent to Tally-Ho where recent geological mapping has highlighted the potential to discover a primary, Woodie Woodie-style deposit.

Spitfire's principal focus will remain the exploration and evaluation of manganese deposits in the East Pilbara, although it has also acquired a portfolio of advanced thermal coal projects in Tasmania offering the potential for future diversification in the energy sector and a 70% interest in a group of seven Exploration Licence Applications surrounding the Lindeman's Bore Project in the Northern Territory. This tenement package, covering a total area of more than 9,000km², surrounds the tenements where Proto Resources & Investments Ltd has announced a significant new mineral discovery at the LBD-1 target.