



MEDIA / ASX RELEASE

12 October 2010

Spitfire Resources Limited (ASX: **SPI** – “Spitfire” or “the Company”) refers to its announcement dated 11 October, 2010 in relation to the appointment of experienced corporate executive, Mr John Mackenzie, as Chief Executive Officer (CEO) and Managing Director-designate as part of a proposed management transition.

A summary of the key terms and conditions of Mr Mackenzie’s executive services agreement are detailed below:

Contract Term

The contract is for an ongoing term subject to satisfactory completion of a 3 month probationary period.

Total Fixed Remuneration

Total fixed remuneration of \$280,000 per annum (inclusive of superannuation).

Incentive Arrangements

Spitfire’s remuneration policy includes the entitlement of key management to participate in the Company’s Incentive Share Option Plan subject to board approval. Mr Mackenzie will be issued with the following options under the terms of the Spitfire share option plan.

2,000,000 five year share options exercisable at 12.5c.

2,000,000 five year share options exercisable at 17.5c.

Valuation of the share options is conducted using a Black-Scholes method and expensed in accordance with normal accounting standards.

Termination

Following the probationary period of 3 months and during the first 12 months the Company may terminate Mr Mackenzie’s employment by giving 1 months notice and making a payment of 2 month’s salary (or a combination of notice and payment in lieu of notice). After the first 12 months the Company may terminate Mr Mackenzie’s employment by giving 1 months notice and making a payment of 5 month’s salary (or a combination of notice and payment in lieu of notice).

Mr Mackenzie may terminate his employment by giving 3 months written notice to the Company during the first 12 months; thereafter by giving 6 months notice.

ENDS

Released by:
Mr. Nicholas Read
Read Corporate
Telephone: (61-8) 9388 1474

On behalf of:
Mr. James Hamilton
Executive Chairman
Spitfire Resources Limited
Telephone: (61-8) 6382 3700
www.spitfireresources.com

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 South Woodie Woodie Manganese Project, which is located approximately 50km down-strike to the south from the 1.2Mtpa 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 little historical exploration.

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 and prospective base metals tenure in the Northern Territory which offer the potential for future diversification.