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SPITFIRE TO LAUNCH MAJOR NEW DRILLING PUSH FOLLOWING NEW MANGANESE DISCOVERY

+10,000m OF DRILLING PLANNED IN 2011 TO EXTEND AND IN-FILL DISCOVERIES

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- **Exploration Target¹ of 5-10Mt grading 10% to 25% Mn established for new "Contact" discovery**
 - **Planning underway for major new exploration program including +10,000m of drilling planned across multiple areas. This will include:**
 - extension and In-fill drilling at the "Contact" discovery to establish a JORC Inferred Resource
 - Diamond core drilling to obtain samples for metallurgical test work
 - Exploration drilling to test for the potential for high-grade +40% Mn mineralisation in the vicinity of the "Contact" discovery
 - Extension drilling and further metallurgical test work at the Tally-Ho deposit
 - Testing of other priority targets across the Company's tenement holding
 - **Gradient array IP (Induced Polarisation) survey to commence late November to define potential extensions to the "Contact mineralisation" and refine follow-up drill targets**
 - **"Contact" mineralisation remains open and along strike in several directions, providing outstanding follow-up opportunities for further drilling**

Spitfire Resources Limited (ASX: **SPI** – "Spitfire" or "the Company") is pleased to announce plans for a major new manganese exploration initiative at its **South Woodie Woodie Project** in Western Australia following the recent discovery of a new area of near-surface manganese mineralisation at the "Contact" prospect (see *Figure 1*) and other positive results from ongoing exploration activity.

The presence of Carawine Dolomite has strengthened the potential for this area to host high-grade manganese deposits. Consequently exploration RC Drilling and selective Diamond Coring to assess the potential for the Contact area and surrounding zones to host high-grade Woodie Woodie-style (+40% Mn) manganese will commence early in 2011.

Following a detailed review of the drilling results from the Contact discovery reported on 9 November and assessment of the potential of this area, the Company has established an Exploration Target¹ of **5-10 million tonnes grading 10% to 25% Mn** for this new discovery area. This is based on the current drill spacing and intersection length along with an interpretation of geophysical data and topographical features in the area.

¹ The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The Company has commissioned a gradient array IP (Induced Polarisation) survey which is scheduled to commence on 22 November to more accurately define potential extensions to the mineralised zone and assist in defining follow-up drilling targets.

2011 Exploration: +10,000m Drilling Blitz

In view of the recent discovery success at Contact, Spitfire has begun planning for a significantly expanded manganese exploration campaign next year. This program, of at least 10,000 metres of drilling, will include:

- RC drilling to extend and in-fill the “Contact” mineralised region with the aim of establishing an initial JORC Inferred Resource;
- Diamond drilling to obtain representative core samples for definitive metallurgical test work. This test work program will be designed to confirm the ability to upgrade the Contact material using relatively simple beneficiation techniques to a final direct shipping grade product (+40% Mn);
- The Company believes there is excellent potential to increase its manganese resource inventory at the Tally-Ho deposit (Inferred Resource of **2.94Mt @ 7.07% Mn**). Targeted RC drilling is planned to extend and in-fill the current JORC Inferred resource and further metallurgical test work of the existing core is also planned to improve the precision of current beneficiation and yield figures; and
- RC drilling is planned to test selected targets within the Company’s greater tenement holding; particularly targets which have been reassessed and upgraded in light of the recent exploration success at Contact.

Gradient Array IP Survey

Spitfire has commissioned a ground-based Gradient Array Induced Polarisation (GAIP) survey covering the Contact discovery area in order to define potential extensions to the mineralisation and follow-up drilling targets. This Gradient array (GAIP) will cover a block totalling 4km².

The newly discovered mineralised region at Contact has so far been intersected by five Reverse Circulation (RC) drill holes. The zone has been shown over an area approximately **220 metres long and 130 metres wide** with the mineralisation appearing to extend in numerous directions (see *Figure 2*). Depth extensions to this style of mineralisation are also possible.

The recent drill holes from within the mineralised area have revealed the presence of Pinjian Chert Breccia, altered Carawine Dolomite and varying degrees of manganese replacement of dolomite. These are all the ingredients necessary for high-grade Woodie Woodie-style manganese mineralisation.

Accordingly, Spitfire believes that there is significant potential for the discovery of high-grade material (+40% Mn) within the immediate vicinity of the Contact area.

ENDS

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Competent Person's Statement

The information in this report relating to exploration results and mineral resources is based on information compiled by Mr. N. Cull who is a Member of the Australian Institute of Geoscientists. Mr. Cull is a senior geological consultant 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 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.

Figure 1 – Regional location map showing Spitfire tenements and nearby Manganese Mine sites

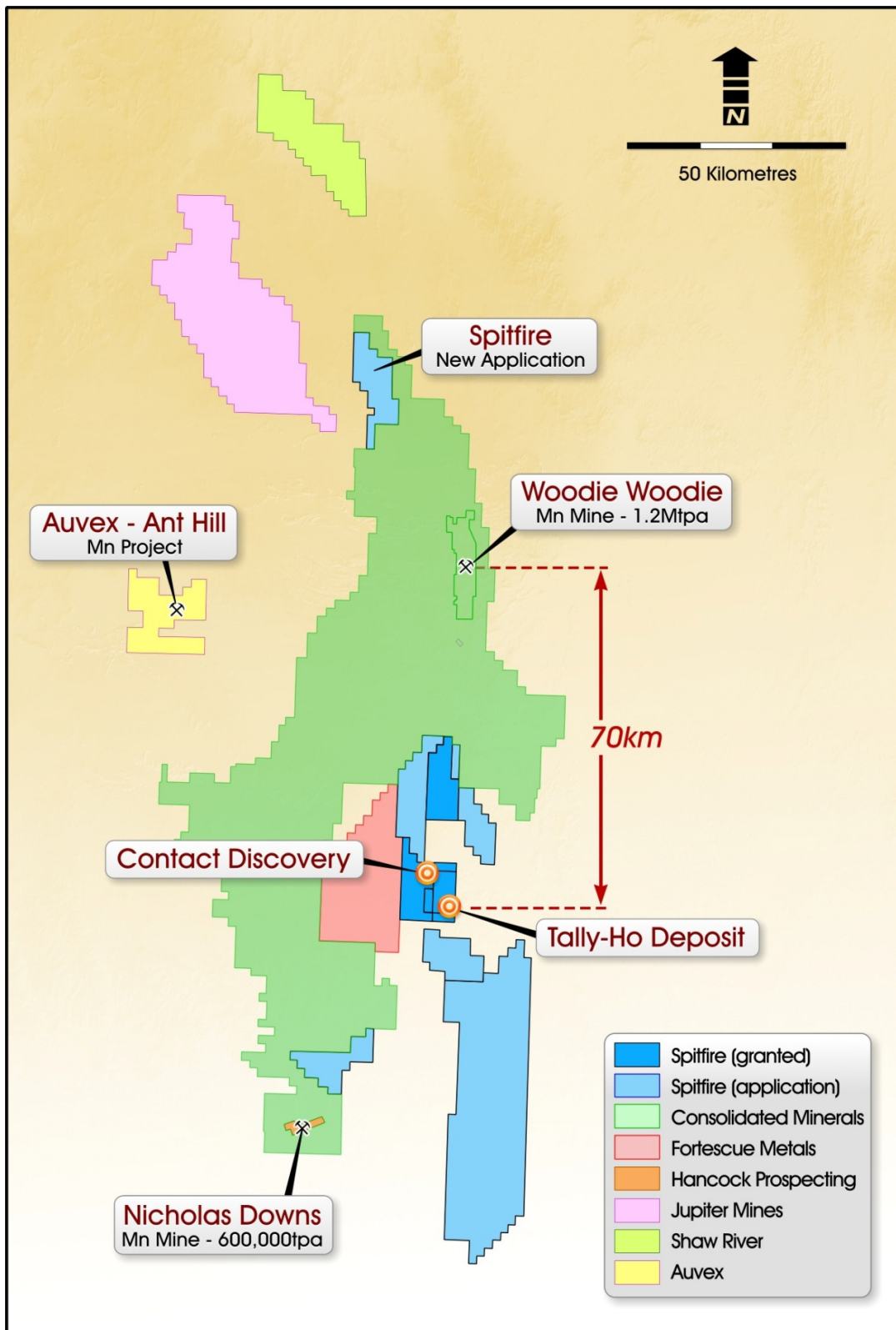


Figure 2 – Spitfire’s New Target area “Contact”

