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DRILLING EXPANDS CONTACT MANGANESE DISCOVERY

Second thicker zone discovered with down-hole intersections of up to 75 metres in total of visually logged manganese mineralisation

- Strong start to 2011 drilling program with **31 of the 33 Reverse Circulation (RC) drill holes** (completed to date) **intersecting significant intervals of logged manganese mineralisation** at the Contact discovery (South Woodie Woodie Project, East Pilbara)
- Initial drilling focused **immediately east of the previously reported intercepts at Contact** (17m @ 16.81% Mn) with **best visually logged intercepts** from the current programme to date including:
 - **75m Total from two layers (CON002)**
 - **46 metres** logged Mn from 45 metres down-hole
 - **29 metres** logged Mn from 102 metres down-hole
 - **70m Total from three layers (CON003)**
 - **22 metres** logged Mn from 43 metres down-hole
 - **20 metres** logged Mn from 86 metres down-hole
 - **28 metres** logged Mn from 112 metres down-hole
 - **63m Total from two layers (CON024)**
 - **31 metres** logged Mn from 78 metres down-hole
 - **32 metres** logged Mn from 111 metres down-hole
 - **55m Total from two layers (CON022)**
 - **40 metres** logged Mn from 51 metres down-hole
 - **15 metres** logged Mn from 97 metres down-hole
 - **43m** logged Mn from 59 metres down-hole (CON013)
 - **39m** logged Mn from 48 metres down-hole (CON023)
 - **36m** logged Mn from 34 metres down-hole (CON029)
- Drilling **extends the upper zone defined by the 2010 drilling**, which averages 12-17m thickness, and **intersects a substantial new deeper zone which is up to 46m thick and commences around 50m below surface**
- Sectional interpretations indicate that the deposit extends **over an area of 600m by 360m**, and remains **open to the south-east**, where intensive drilling is continuing to test the limits of the mineralisation

Spitfire Resources Limited (ASX: **SPI** – “Spitfire” or “the Company”) is pleased to advise recently commenced drilling at its **South Woodie Woodie Manganese Project** in Western Australia has **identified significant extensions** to the zone of near-surface manganese mineralisation discovered at the “**Contact**” prospect last year.

A program of up to 10,000m of Reverse Circulation (RC) drilling commenced at Contact on the 10th of April to test the potential for immediate extensions to the east and north of the manganese mineralisation discovered at the end of the 2010 exploration field season.

To date, a total of 33 RC drill holes have been completed in the area immediately east of previously reported intercepts from the 2010 drill campaign including **17 metres @ 16.81% Mn** from 13 metres, including **5 metres @ 19.02% Mn** from 22 metres (*see ASX Announcement – 9 November 2010*).

The “Contact” area is located in the north-eastern part of Spitfire’s **100%-owned** tenement EL46/787, 10km north-west of the Company’s **Tally-Ho deposit** and approximately 70km directly south of the world-class Woodie Woodie Manganese Mine operated by Consolidated Minerals Limited (*see Figure 1*).

Spitfire has established an Exploration Target* of **5-10Mt grading 15-25% Mn** for the Contact discovery.

** Because the potential quantity and grade of this Exploration Target is conceptual in nature, Spitfire notes in accordance with Section 18 of the JORC Code that there has been insufficient verification of previous exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

Drilling Update

RC drilling commenced on 10 April and has progressed rapidly with a total of 33 holes completed to date.

Significant visual intersections of manganese oxide mineralisation have been logged in 31 of the holes drilled to date by experienced field geologists, with supervision from the Company’s Exploration Manager and Exploration Consultant. The Company’s Exploration Consultant is a highly experienced manganese geologist with extensive experience of mineralisation in the Woodie Woodie area.

RC drill samples for the first 12 holes have been dispatched to the assay laboratory for priority processing.

While assay results have not yet been received, the visually logged manganese mineralisation is consistent with the material intersected in last year’s drilling, for which assay results have been received.

Spitfire emphasises that the estimates and descriptions of the manganese mineralisation are based on visual observations, are highly subjective and must be taken as such.

Drilling has so far encountered the Contact mineralisation over an area approximately 600 metres long and 360 metres wide, and extending in a south-easterly direction (*see Figure 2 showing the previously reported intercepts and the location of the new RC drilling. See Table 1 for full drill hole coordinates and details*).

These include by far the most significant widths of manganese mineralisation encountered to date by Spitfire at South Woodie Woodie. Drilling to date has indicated the presence of two distinct zones of mineralisation at Contact:

- an upper zone, which was discovered in the 2010 drilling, which averages 12-17m in thickness and commences at approximately 9 metres below surface; and

- a newly discovered lower zone, with intersections of up to 40m in thickness and typically commencing 50 metres below surface. This zone remains open to the south-east and trends indicate it to be widening and plunging to the east and south-east.

The mineralisation at “Contact” remains open and depth extensions to this style of mineralisation are also possible.

The presence of manganiferous Carawine Dolomite also indicates significant potential for the discovery of bodies of high-grade manganese at depth or within the immediate vicinity of the mineralisation.

Table 1 – Contact drill hole coordinates and details. Spitfire notes that the description of mineralisation encountered is based on visual logging observations.

Hole_ID	Easting	Northing	From	To	Intercepts	Max_Depth
CON001	311747	7536852	19	49	31m	132
CON002	311841	7536844	45	90	46m	136
			102	130	29m	
CON003	311648	7536846	43	64	22m	142
			86	105	20m	
			112	139	28m	
CON004	311599	7536809	12	25	14m	76
CON005	311600	7536895	24	25	2m	88
CON006	311641	7536949			0m	70
CON007	311493	7536905	28	40	13m	94
CON008	311651	7536745	1	11	11m	93
CON009	311749	7536654	5	10	6m	100
			71	83	13m	
CON010	311842	7536743	42	70	29m	94
CON011	311948	7536755	Re-Drilled (See CON033)		-	76
CON012	311898	7536758	53	67	15m	105
			75	102	28m	
CON013	311957	7536652	59	101	43m	113
CON014	311903	7536651	45	80	36m	88
CON015	311843	7536645	53	57	5m	118
			61	65	5m	
			87	97	11m	
			100	107	8m	
CON016	311907	7536862	31	51	21m	116
			56	60	5m	
CON017	311952	7536835	29	45	17m	130
			83	95	13m	
CON018	311741	7536943	31	37	7m	112
			45	67	23m	
CON019	311804	7536979	7	15	9m	100
			53	57	5m	
CON020	311754	7536750	24	33	10m	130

Hole_ID	Easting	Northing	From	To	Intercepts	Max_Depth
			48	57	10m	
			97	105	9m	
			110	125	16m	
CON021	311850	7536549	55	59	5m	88
CON022	311950	7536550	51	90	40m	118
			97	111	15m	
CON023	311700	7536700	34	42	7m	100
			48	86	39m	
CON024	312001	7536650	78	108	31m	148
			111	142	32m	
CON025	311999	7536751	71	78	8m	124
			93	100	8m	
			109	120	12m	
CON026	311548	7536956	16	37	22m	88
CON027	311551	7537051	126	156	31m	160
CON028	311543	7537147	51	60	10m	172
CON029	311838	7536949	34	69	36m	124
CON030	311997	7536853	70	77	8m	142
			100	108	9m	
CON031	311996	7536953			0m	112
CON032	311951	7536948	63	82	20m	130
			86	125	40m	
CON033	311948	7536755	87	104	18m	124
			108	124	17m	

Forward Program

Intensive drilling will continue at Contact with the following objectives:

- drilling will continue on 100m by 100m spacings to define the lateral limits of the mineralisation;
- the rig will then move to test the large chargeability anomaly located immediately north-west of the known mineralisation which was identified by the Gradient Array Induced Polarisation (GAIP) program conducted in December 2010;
- once initial assay results have been received, the rig will return to conduct in-fill drilling on 50 by 50m spacings within the Contact mineralisation with a view to generating sufficient data to underpin an initial JORC resource estimate;
- selected RC drill holes within the deposit will be extended to a depth of 200-300m to test the potential for a primary high-grade manganese deposit at depth; and
- first-pass testing will be undertaken on selected targets within close proximity of the Contact mineralisation.

Commenting on the results, Spitfire's Managing Director, Mr. John Mackenzie, said: "While it's still early days for this discovery, the widths and continuity of the mineralisation we have seen in the drilling is very exciting and indicates that this is indeed a potentially company-changing event for Spitfire.

"We have a lot more work to do to define the size and potential of the Contact mineralisation, but we already have enough evidence to indicate that this is a discovery of considerable significance to the Company," he added. "Intensive drilling is continuing and we look forward to reporting our first assay results and then ongoing results and developments from this exciting discovery as they unfold."

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

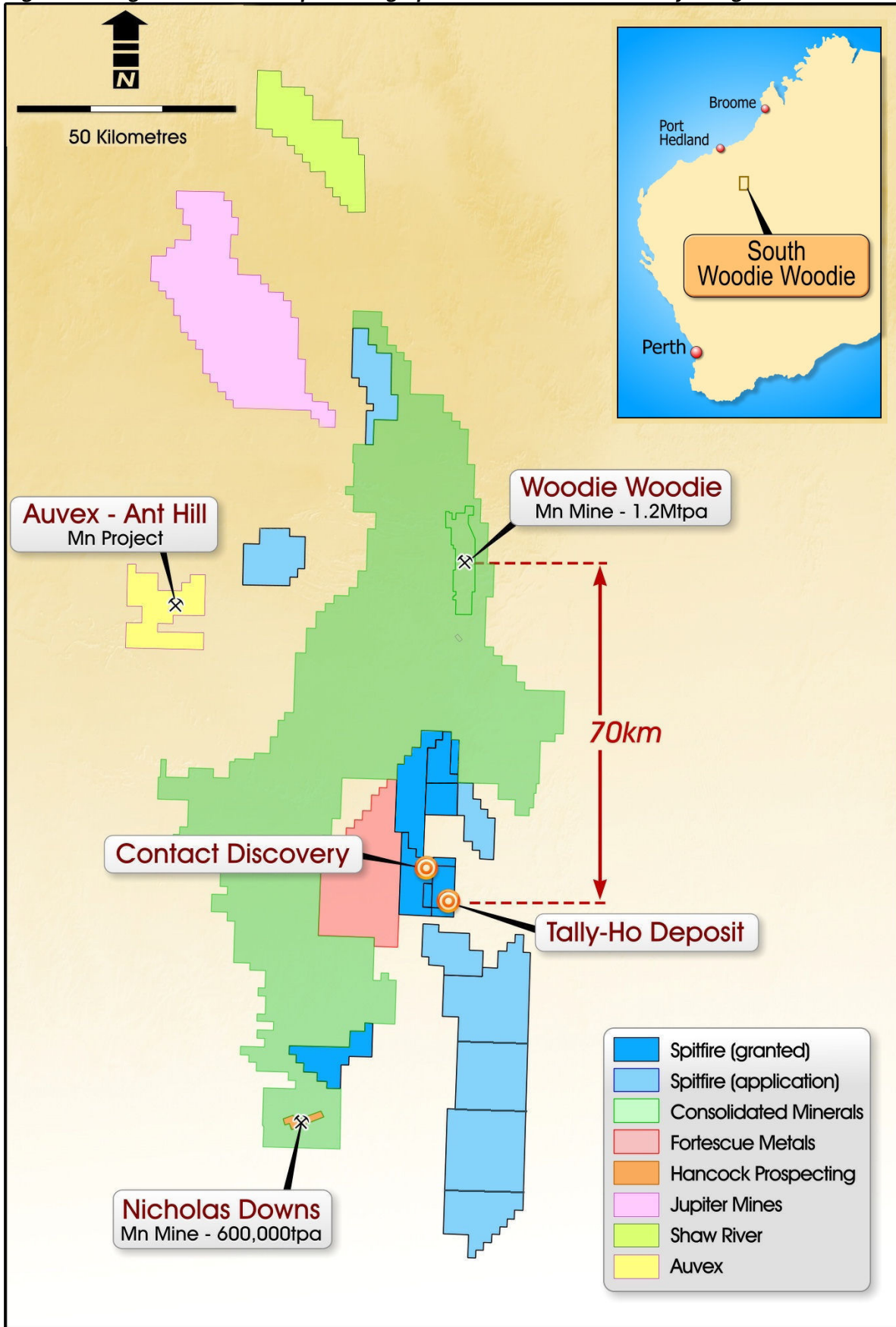


Figure 2 – Location map of Spitfire’s “Contact” RC drilling Programme to date

