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MEDIA / ASX RELEASE

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DRILLING POINTS TO THIRD MANGANESE DISCOVERY AT SOUTH WOODIE WOODIE

First assays from Contact deposit (second discovery) return up to 30% Manganese

- ***Visible logged intersections of manganese in RC drilling indicate the discovery of a third zone of manganese, named Contact North, located just 700m north of the recent Contact discovery (South Woodie Woodie Project, East Pilbara)***
 - ***First six holes at Contact North have intersected a new manganese layer over a length of 640m with thickness of up to 17m from an average depth of 47m***
 - ***Drilling continues to expand Contact North with first assay results expected in 3-4 weeks***
 - ***Initial assay results of up to 30% Mn received from recent drilling at the Contact deposit, with intercepts corresponding with last year's drilling. Initial best results to date include:***
 - ***10m @ 21.12% Mn from 27m (CON007), including:***
 - ***6m @ 27.81% Mn from 30m***
 - ***1m @ 30.07% Mn from 34m***
 - ***6m @ 22.47% Mn from 52m (CON010), including:***
 - ***4m @ 25.96% Mn from 52m***
 - ***1m @ 29.41% Mn from 53m***
 - ***4m @ 15.22% Mn from 10m (CON004), including:***
 - ***1m @ 25.22% Mn from 10m***
 - ***Drilling continuing at South Woodie Woodie as part of the current 10,000m program with further results from Contact and Contact North to be released as they become available over coming weeks***
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Spitfire Resources Limited (ASX: **SPI** – “Spitfire” or “the Company”) is pleased to report that it has made a third manganese discovery (Tally-Ho, Contact, Contact North) at its **South Woodie Woodie Project** in the East Pilbara region of Western Australia, with recent drilling intersecting significant intervals of logged manganese mineralisation at the newly named “Contact North” prospect.

The first six holes drilled at Contact North, which lies just 700m north of Spitfire’s recently discovered Contact deposit, have intersected a new zone of manganese mineralisation with visually logged thickness of between 9 and 17 metres, commencing from an average depth of 47m below surface.

Significant visual intersections of manganese oxide mineralisation have been logged **in all six of the holes drilled to date**. This anomaly was identified by a Gradient Array Induced Polarisation (GAIP) program conducted in December 2010.

Further to its ASX Release of 28 April 2010, Spitfire has also received initial assay results from the 2011 drilling program at the Contact discovery, where drilling has defined a substantial zone of manganese mineralisation.

Initial assays with **up to 30% manganese** have been received from the first RC drill holes completed as part of the current drilling program at Contact. These results, combined with the results of the preliminary metallurgical testwork completed earlier this year, are encouraging.

The “Contact” area is located in the north-eastern part of Spitfire’s 100%-owned tenement EL46/787, 11km 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-Contact North 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.*

New Discovery at Contact North

Following the previously reported RC drilling at Contact (*see ASX Announcement – 28 April 2011*), the drilling rig completed initial scout drilling to test a large chargeability anomaly located immediately north-west of the known mineralisation. This new area has been named “Contact North”.

This drilling has been successful, with **significant visual intersections of manganese oxide mineralisation** logged in all six of the RC drill holes completed to date in this area 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 six holes at Contact North have been dispatched to the assay laboratory for processing.

While assay results have not yet been received, the visually logged manganese mineralisation is consistent with the material intersected in both the 2010 and 2011 drilling programs at Contact, including that for which assay results have been received (*see below*).

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 defined the mineralisation at Contact North over an area of approximately 640 metres long and with a thickness of up to 17 metres from an average depth of 47 metres below surface.

Logged manganese intersections from Contact North are summarised in Table 1 below:

Hole ID	From	To	Intercept
CON064	37m	50m	14m
CON065	67m	75m	9m
CON066	49m	64m	16m
CON067	50m	66m	17m
CON068	36m	46m	11m

Table 1 - Visible logged intersections at Contact North.

The mineralisation at Contact North remains open in all directions and further RC drilling of this new discovery is underway to define this deposit.

Initial Manganese Assay Results

Drilling has so far encountered an upper Contact mineralisation layer over an area approximately 450 metres long and 280 metres wide and trending in a south-easterly direction (*see Figure 3*) with assays returning manganese grades of up to 30.07% Mn (*see Table 2 for combined assay results*). Spitfire to date has received 1247 assays from the predicted 5000+ assay sampling programme.

Hole ID	From	To	Mn %	AL203 %	Fe %	SiO2 %
CON004	10m	13m	15.22	8.72	11.14	41.63
Including	10m	11m	25.22	5.15	12.7	28.8
CON007	27m	36m	21.12	5.06	11.1	37.49
Including	30m	35m	27.81	4.54	9.84	28.7
Including	33m	34m	30.07	2.72	10.1	26.5
CON010	52m	57m	22.47	1.98	11.82	39.38
Including	52m	55m	25.98	1.43	10.68	36.2
Including	52m	53m	29.41	1.26	10.9	29.8

Table 2 - Highlighted assays from the current Drill programme.

This near-surface zone of manganese has shown good upgradeability potential during the metallurgical test work performed last year (*see ASX Release – 28 January 2011*).

A programme of in-fill RC drilling and PQ diamond drilling is currently underway and this will be followed by a full suite of metallurgical test work, enabling definitive data sets for upcoming resource evaluation.

Spitfire's Managing Director, Mr John Mackenzie, said the Company was delighted to have made a third discovery at South Woodie Woodie hot on the heels of the Contact find.

"These intersections from the Contact North discovery are very encouraging and provide more evidence that the South Woodie Woodie Project has the potential to be an economic development," Mr Mackenzie said.

"Drilling is continuing at both Contact North and Contact with a steady flow of assay results expected over coming weeks and months," he added.

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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 70km down-strike to the south from the 1.2Mtpa Woodie Woodie Manganese Mine in the East Pilbara region of Western Australia.

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

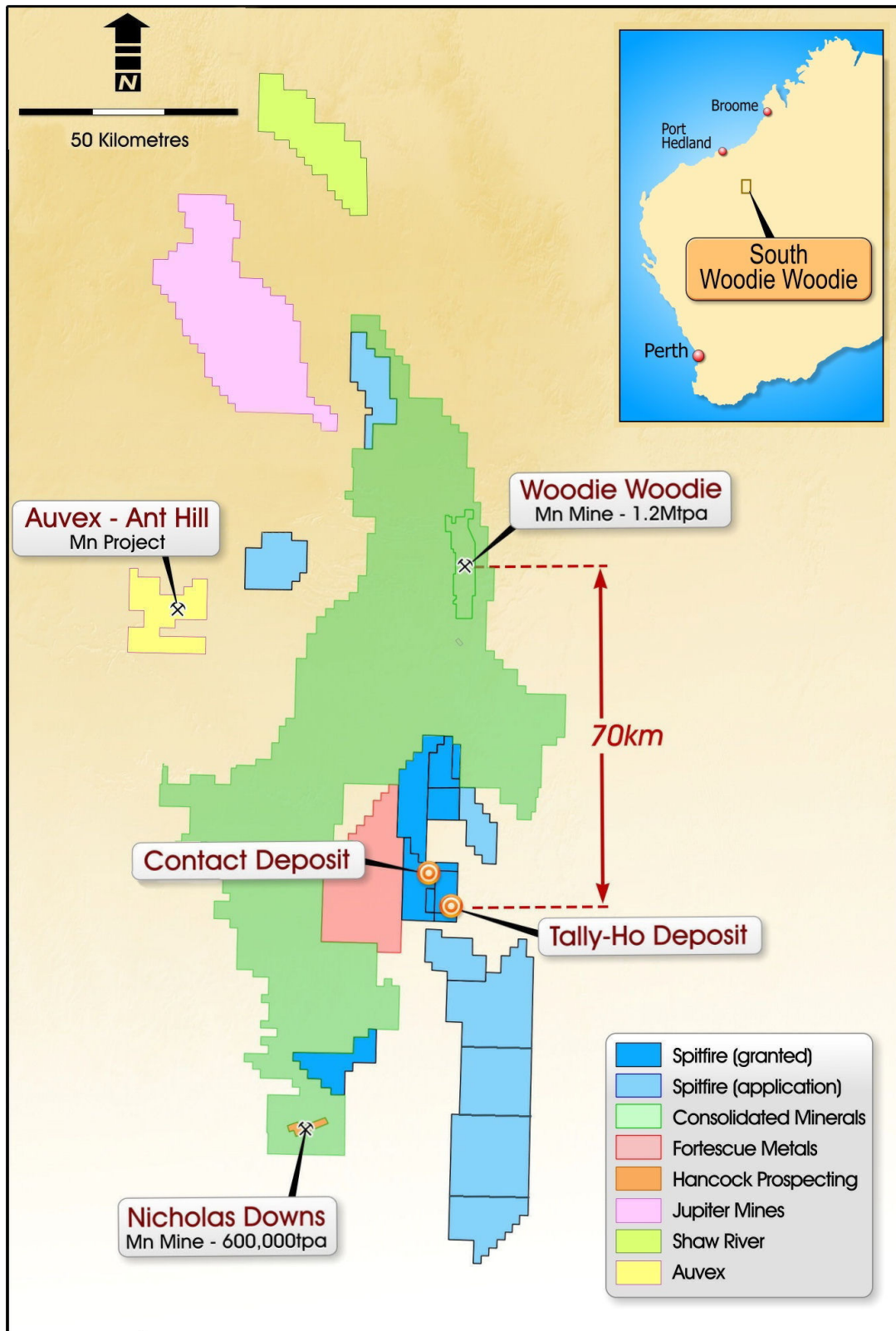


Figure 1 - Spifire Tenement holding and deposit locations.

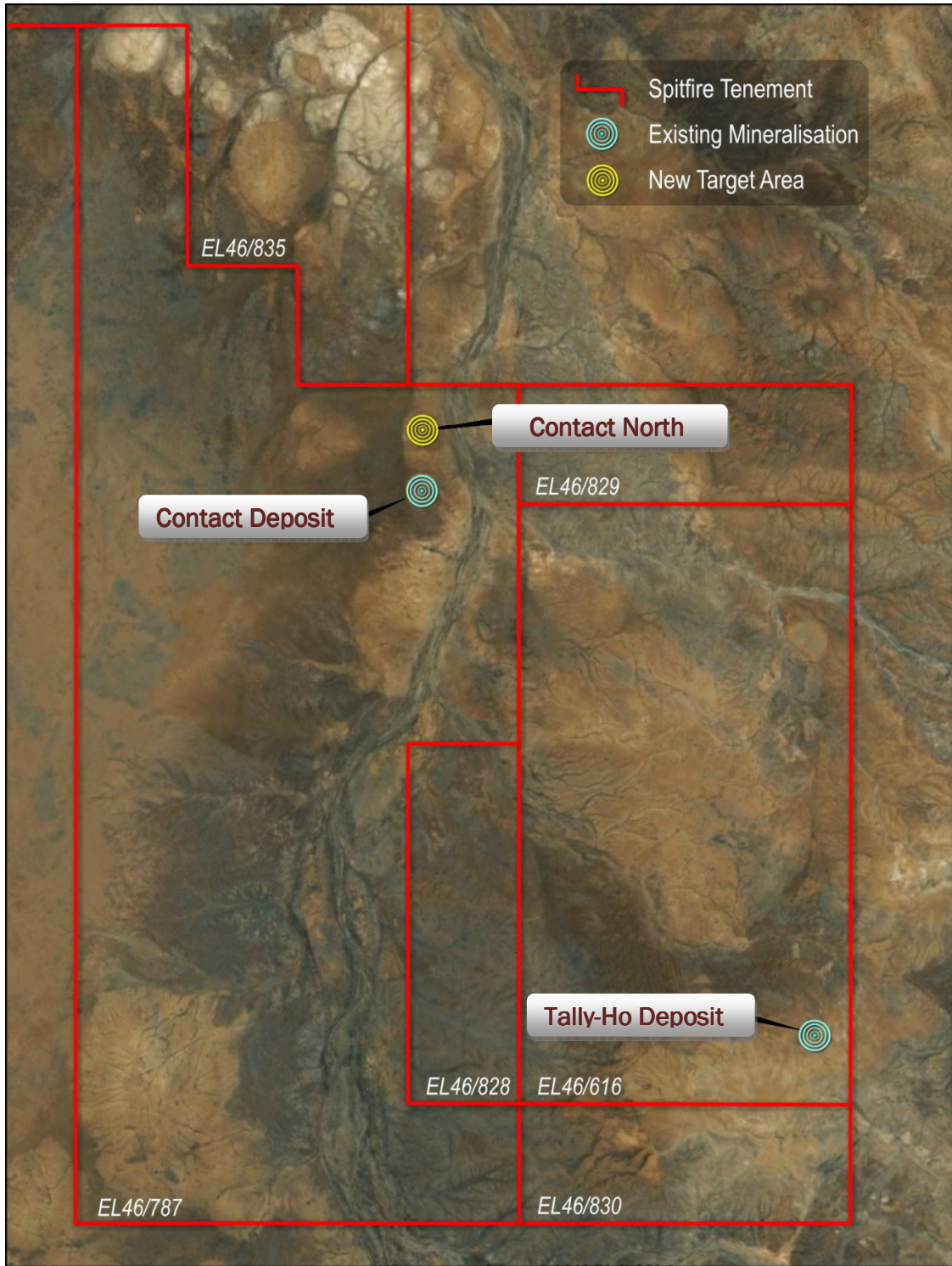


Figure 2 - Location map of Spitfire Resources' Deposits.

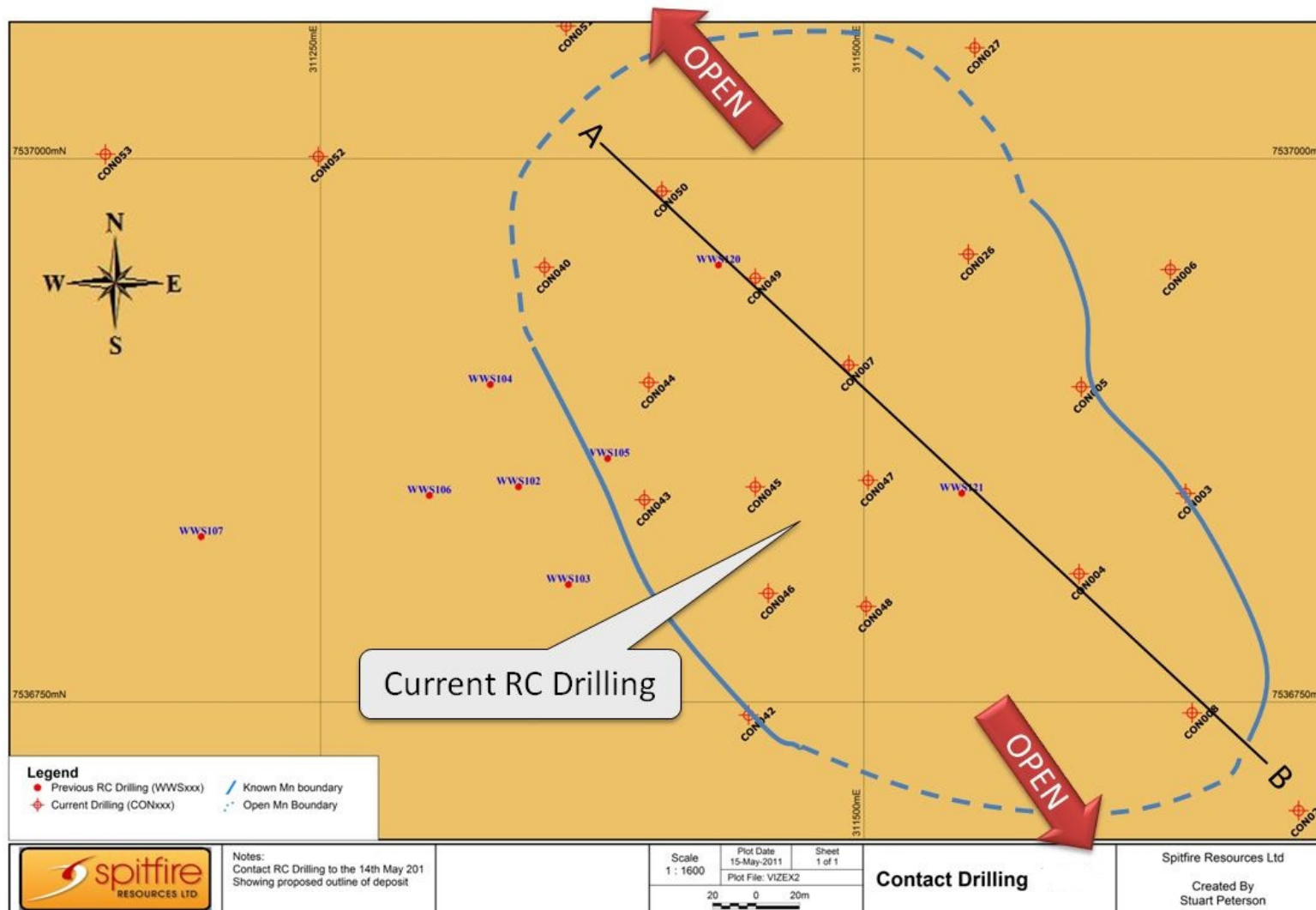


Figure 3 - Contact Drilling plan and outline.

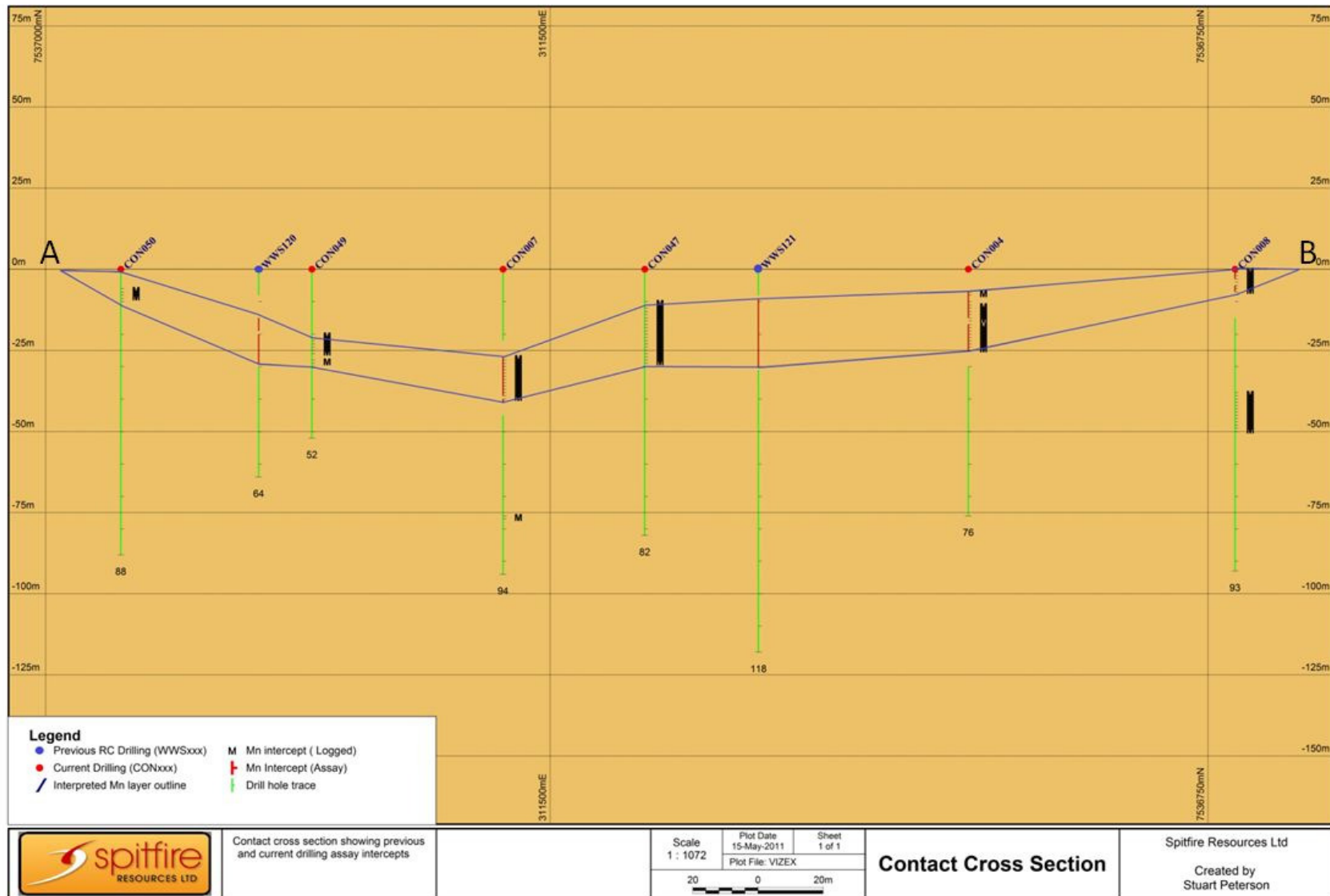


Figure 4 - Contact Cross-section and interpreted layer outline.