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METALLURGICAL TEST WORK CONFIRMS POTENTIAL TO UPGRADE “CONTACT” MANGANESE ORE

- *Preliminary laboratory test work correlates with previously-reported field results suggesting ore from ‘Contact’ discovery can be upgraded to +40% Mn.*
- *Diamond drilling campaign to commence at Contact in May 2011 to provide data for full-scale metallurgical test work program.*
- *Initial results provide significant support for upcoming Contact RC infill drilling program.*

Spitfire Resources Limited (ASX: **SPI** – “Spitfire” or “the Company”) is pleased to announce that preliminary laboratory-based metallurgical test work conducted on RC Samples sourced from the recent ‘Contact’ discovery at its South Woodie Woodie Manganese Project are in keeping with the initial field tests, suggesting that the ore can be effectively upgraded. In addition, it is expected that Heavy Media Separation of the ore will further enhance the above grades, returning an achievable product specification grading 40% manganese.

The preliminary laboratory test work was undertaken to follow-up on initial simple field sieving tests which suggested the ore could be easily upgraded. Spitfire’s aim was to ensure the process could be replicated under laboratory conditions.

The laboratory test work was conducted on composite RC samples of the Contact ore, and comprised of assay by size testing that determined a +1mm cut-off size. The raw RC composites were then subjected to a 1mm wet screening test and the samples showed notably improved manganese grades.

Hole ID	Composite No	Composite		Metres	Raw RC Sample		Lab Analysis		% Difference		% Yield
		From	To		Mn%	Fe%	Mn%	Fe%	Mn	Fe	Mn
WWS120	2	21	29	9	9.44	14.45	18.51	12.3	+96.08	-14.88	21.3
WWS121	4	14	20	7	18.04	17.07	34.15	16.8	+89.30	-1.58	27.3
WWS121	5	23	30	8	17.02	21.8	37.17	14.5	+118.39	-33.49	29.9

Table 1 - Assay results for Raw RC composite samples before and after 1mm wet screening in lab

Please note: *Due to the nature of an RC sample the results listed here are skewed towards a Fines (-8mm) product rather than a Lump (+8mm) product. The PQ diamond drilling campaign scheduled to commence in mid 2011 will provide comprehensive metallurgical test results to accurately represent the upgradeability of the "Contact" deposit.*

The preliminary test work demonstrates the Contact manganese has good potential to beneficiate into a saleable product and provides significant momentum for the upcoming infill drilling program. The Contact mineralisation remains open along strike in several directions, and is hosted in the highly prospective Carawine Dolomite, which also host the high-grade (+40% Mn) Woodie Woodie deposits owned by Consolidated Minerals which lie 70km to the north.

Chief Executive of Spitfire, Mr. John Mackenzie, said the results provide early encouragement that Contact will emerge as a key new focus for the Company.

"This was an important box to tick as we evaluate the Contact discovery as a potential mining operation," he said. "We are very pleased by the preliminary results, and look forward to further testing both the extent and characteristics of the mineralisation surrounding the Contact area."

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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 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 near-surface manganese deposits at the Contact and Tally-Ho Prospects, 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

