

SEPTEMBER 2011 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

South Woodie Woodie Manganese Project, East Pilbara

- **High-grade zone of manganese grading up to 46.68%** discovered within the **Contact North Discovery**.
- **Major new Gradient Array Induced Polarisation survey (GAIP)** commenced with over 30.1 square kilometres of geological target areas with initial results revealing **2 new large anomalies**.
- **Up to 14,000m RC drilling scheduled to start October 2011** to infill the **Contact North Deposit** and focus on the new **exploration GAIP targets**.
- **Mining lease applied for at South Woodie Woodie**

Dogfight Project, Northern Territory

- **Native copper found in rock samples** during extensive ground mapping field trip.
- **New prospective Copper target located** and new high resolution **Aero Magnetic survey** planned.

Corporate

- **Successful \$2.64 million capital raising** to underpin an aggressive manganese exploration push.
- **Cash reserves of \$5.88 million** as at 30 September 2011, underpinning the Company's ongoing manganese exploration programs.

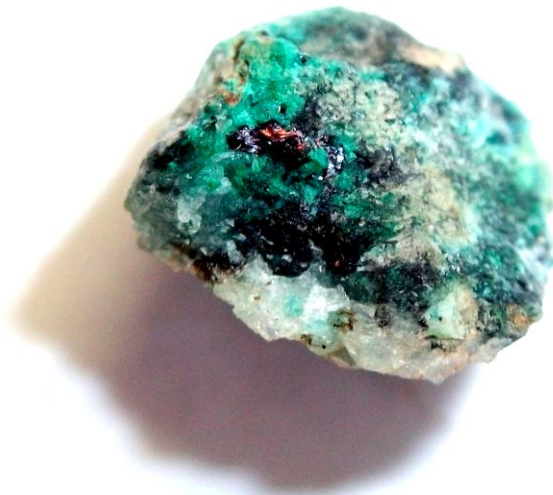


Figure 1: Native Copper from the "Dogfight" Project area



ASX Code: SPI

Issued Capital:
156.333M Ordinary Shares

Substantial Shareholders:
Prosperity Steel United
Churchill Mining Plc
JP Morgan Nominees
Eralloys Holdings AS
SK Resources

Directors:
Managing Director:
John Mackenzie

Executive Chairman:
James Hamilton

Director/Secretary:
Russell Hardwick

Non Executive Director:
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1. South Woodie Woodie Manganese Project

The South Woodie Woodie Manganese Project comprises 10 granted Exploration Licences and 10 Exploration Licence Applications (ELA's) covering a total area of more than 2,000 square kilometres in Western Australia's emerging East Pilbara Manganese Province. The tenements lie along strike and to the south of the 1.2Mtpa Woodie Woodie Manganese Mining Centre (operated by Consolidated Minerals Limited) and in close proximity to several emerging manganese projects which are being actively explored or developed (See figure 2).

During the quarter the Company received outstanding assay results from Contact North highlighting the discovery of a zone of high-grade Woodie Woodie-style mineralisation within the deposit (South Woodie Woodie Project). The results were by far the best grades of manganese mineralisation seen to date and confirmed the significant potential for primary, high-grade manganese deposits at South Woodie Woodie. Drilling resumed at South Woodie Woodie on October 9th 2011 and will target this high-grade discovery in addition to multiple new targets identified over the quarter through the Company's ground mapping Gradient Array Induced Polarisation (GAIP) program.

The best assay results for the quarter were spread over three individual holes (see Figure 4) with 1m comp RC assays returning Mn grades above 40% manganese, including a best result of **8m @ 40.33% Mn** from 91m depth at hole CON138.

Hole ID	From	To	Mn%	Fe%	SiO ₂ %	Al ₂ O ₃ %
CON138	91	92	42.65	16.6	2.04	0.49
CON138	92	93	46.68	12.8	1.49	0.43
CON138	93	94	41.43	16.6	1.88	0.48
CON138	95	96	41.20	12.4	6.94	1.14
CON138	96	97	40.26	17.3	2.34	0.63
CON139	57	58	42.86	12.7	5.76	2.23
CON139	58	59	40.03	14.4	5.21	1.97
CON154	15	16	43.01	2.37	15.7	5.88

Table 1: Assay results +40% Mn from Contact North

Drilling during the quarter defined an extensive zone of near-surface manganese mineralisation at Contact North which further extended the deposit to approximately 650 metres by 520 metres which still remains open in a number of directions.

The continuity of this manganese layer, which averages between 7 and 20 metres in thickness, combined with the presence of the internal layer of high-grade material averaging between 30% to 40% Mn, makes this a highly attractive exploration target for Spitfire from a future mining perspective, consistent with its objective of discovering and developing low-cost manganese deposits which can be exploited by open pit mining.

The results provide strong support for the Company's previously announced Exploration Target* of **10-15Mt grading 15-25% Mn** for the Contact-Contact North discovery. Preliminary modelling of the deposits indicates they may be potentially mined as one pit and Spitfire now aims to release a combined JORC resource for the two deposits in the first quarter of 2012.

* 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.

In preparation for the development of a mining operation at South Woodie Woodie Spitfire has applied for a mining lease during the first week of October 2011 and is progressing with all other necessary requirements and approvals to progress the company to development.

During the quarter a major new Gradient Array Induced Polarisation (GAIP) survey was commenced targeting the potential for additional areas of manganese mineralisation within what appears to be an emerging manganese field at South Woodie Woodie. Surveys initially focused on a group of new target areas located immediately to the south-west and west of the Contact North and Contact manganese deposits.

GAIP is a sophisticated geophysical technique which has been successfully used to identify zones of manganese mineralisation beneath cover, both by Spitfire at South Woodie Woodie and by other operators in the area, including at Consolidated Minerals' world-class Woodie Woodie mine to the north.

The current GAIP program will cover a total area of approximately 30.1 square kilometres. Surveying has recently been completed over this area and several chargeable anomalies have been identified for exploration drilling.

The second phase of GAIP surveying will cover a total area of 20.5 square kilometres over two discrete target areas, one to the north of Area 1 and another target area to the northwest of the Contact Deposits. A third area of up to 40 square kilometres will be surveyed subsequently in early 2012 (See figure 3).

The GAIP surveys have the potential to uncover additional target areas which, if successfully drilled, could result in additional discoveries with the potential and ultimately increase the JORC resource inventory at South Woodie Woodie.

2 Northern Territory Dogfight Copper Project

Spitfire holds a 70% interest in a group of 5 exploration licences and a 100% interest in 2 exploration licences 380km south-west of Katherine in the Northern Territory. Spitfire's tenements span a total area of 6,635km² covering prospective features that target:

- Michigan-style Copper Deposits within the Antrim Plateau Volcanics
- Magmatic Sulphide-Rich Nickel-Copper Deposits within the Antrim Plateau Volcanic
- Stratiform Zinc-Lead-Silver Deposits within the Birrindudu and Limbunya Groups

During August 2011 Spitfire performed a helicopter-based mapping and sampling field trip to the "Dogfight" area in the Northern Territory accompanied by a representative from Golders Associates Pty Ltd. The programme was designed to provide reconnaissance level geological exploration data within the "Dogfight" tenements and confirm the potential for future targeted exploration.

Suitable host rocks have been located within the licence area, namely altered vesicular basalts and agglomerate units that have been intruded by hydrothermal veins and volcanic dykes. These altered rock types are prospective to act as depositional sites for base metal mineralisation. Multiple targets were inspected and samples taken across the tenements. Native copper was located within small rock samples collected during the field trip (see figure 1) and their location correlates well with the location of the prospective host rock.

Quartz veining was observed to the west of the Kirkimbie Homestead in the southwest of the Limbunya sheet. These contain massive quartz and altered vesicular basalt dykes that have intruded and brecciated the earlier quartz. Traces of secondary copper mineralisation was noted in a vesicular volcanic unit immediately adjacent to one of the veins. Spitfire has placed a new exploration application EL28/939 over this prospective ground. (see figure 5).

Due to the encouraging results from the field trip further airborne magnetic surveys have been planned to commence later this year. These surveys will target the areas identified as prospective during the field trip and from these results a more in-depth exploration programme will be formulated.

3. Corporate

3.1 Capital Raising

During the quarter the company successfully raised \$2.64M through a share placement to new and existing strategic and sophisticated investors. The share placement, comprising 20.32 million shares at 13 cents per share, was made within the 15% limit allowed under the ASX listing rules.

The Company's existing major shareholder, Prosperity Steel United Singapore Pte Ltd, subscribed for \$1.04 million of shares, with the balance of the placement being taken up by sophisticated investors. The funds raised will be used for:

- The GAIP program at South Woodie Woodie over multiple high priority targets around the Contact and Contact North deposits;
- the Phase III drilling program at South Woodie Woodie, including in-fill and extension drilling at Contact North and initial drill testing of other high priority targets; and
- General working capital.

3.2 Cash Position

The Company had cash reserves of A\$5.88million at the end of the Quarter.

JOHN MACKENZIE
Managing Director

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Competent Person's Statement – South Woodie Woodie Project

The information in this report relating to Exploration Results and Mineral Resources from the South Woodie Woodie Manganese Project and the Northern Territory Project is based on information compiled by Nathan Cull who is a Member of the Australian Institute of Geoscientists. Mr. Cull is a Senior Consulting Geologist for Spitfire Resources Ltd, and consents to the inclusion in this report of the information as presented. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration 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'.

Competent Person's Statement – Northern Territory Project

The information in this report relating to Exploration Results and Mineral Resources from the Dogfight Project is based on information compiled by Neil Fraser who is a full time employee of Golder Associates Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr. Fraser consents to the inclusion in this report of the information as presented. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration 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'.

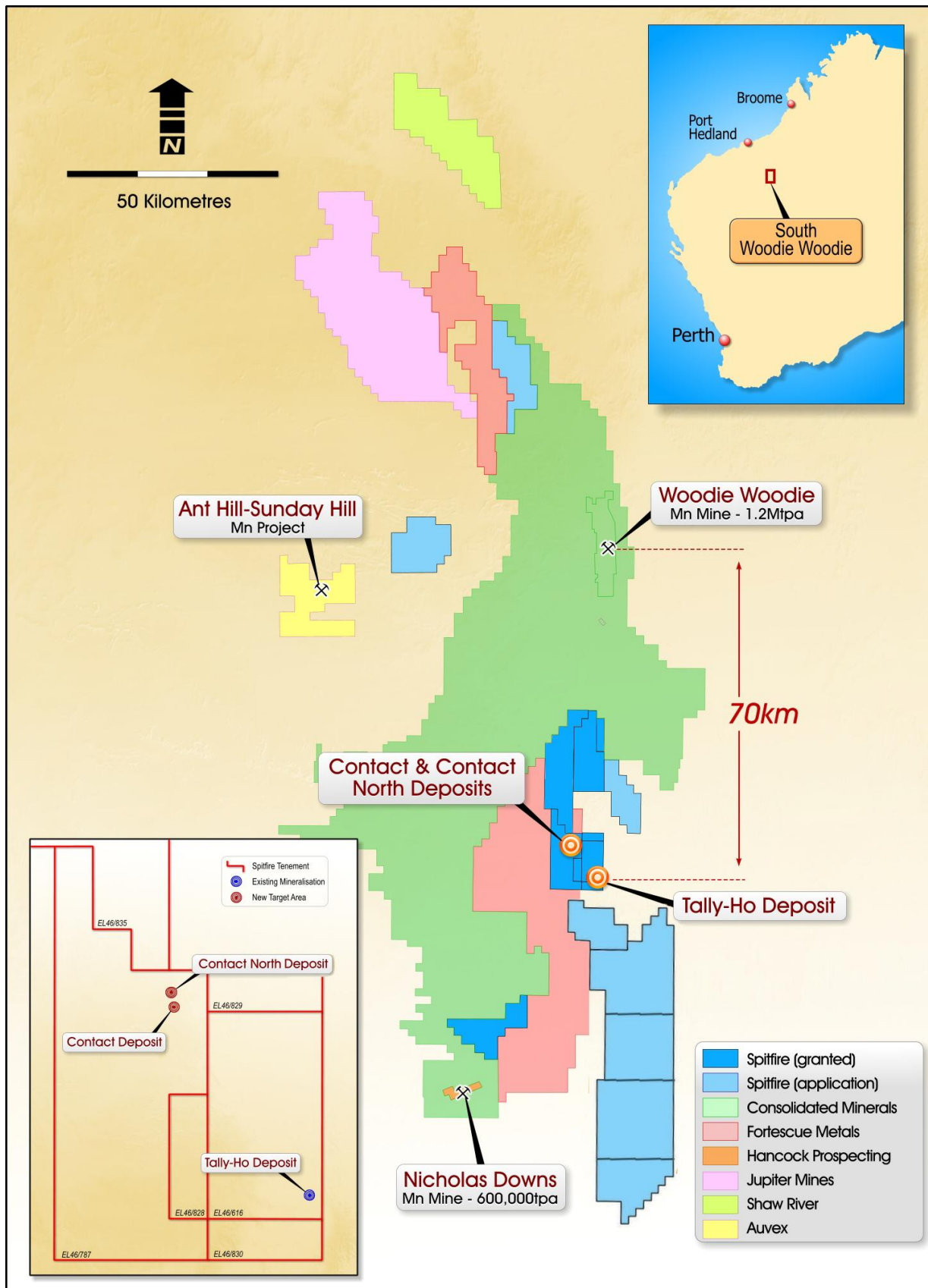


Figure 2: Spitfire South Woodie Woodie Tenement

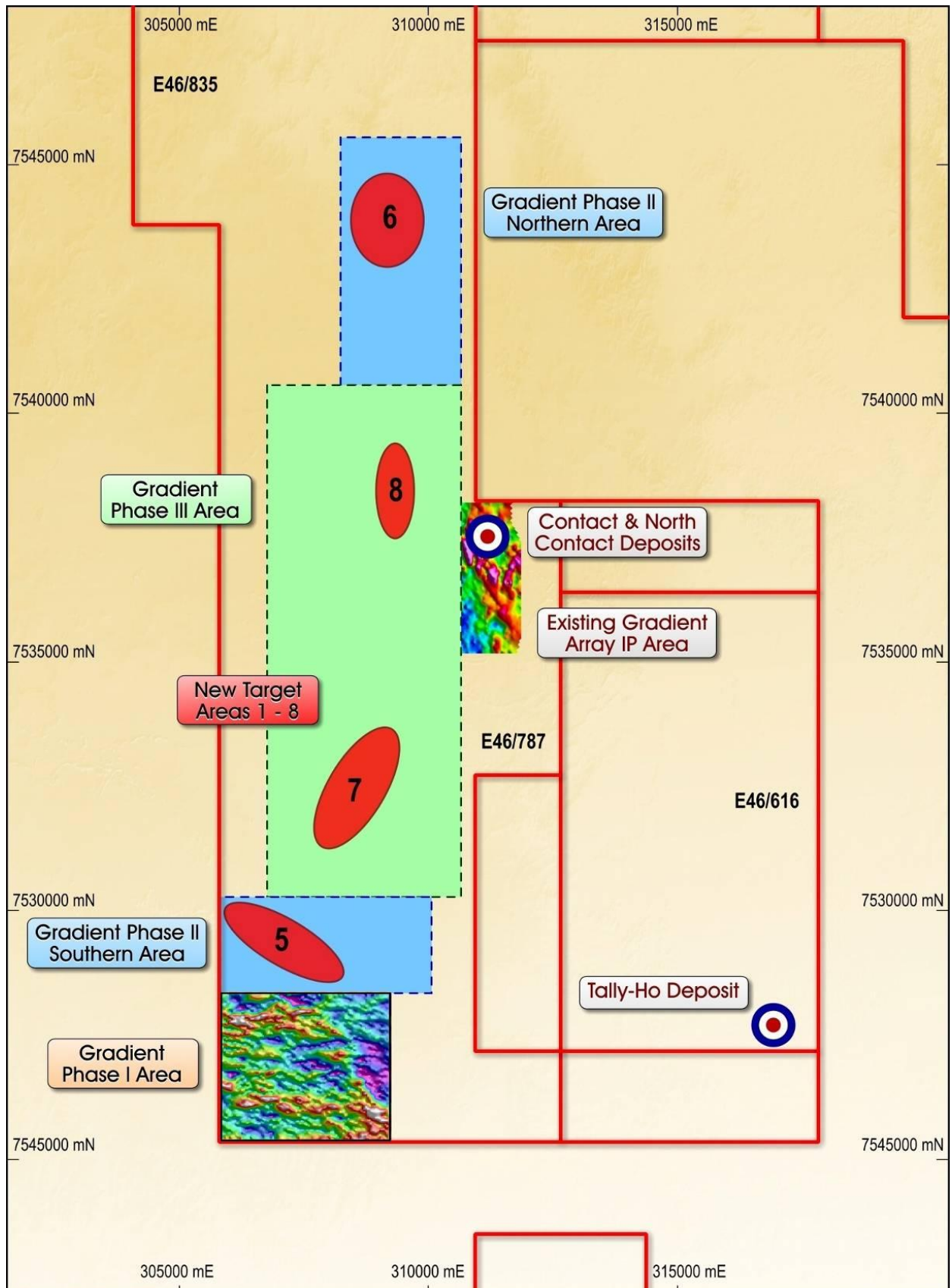


Figure 3: Gradient Array Induced Polarisation current and proposed location Map

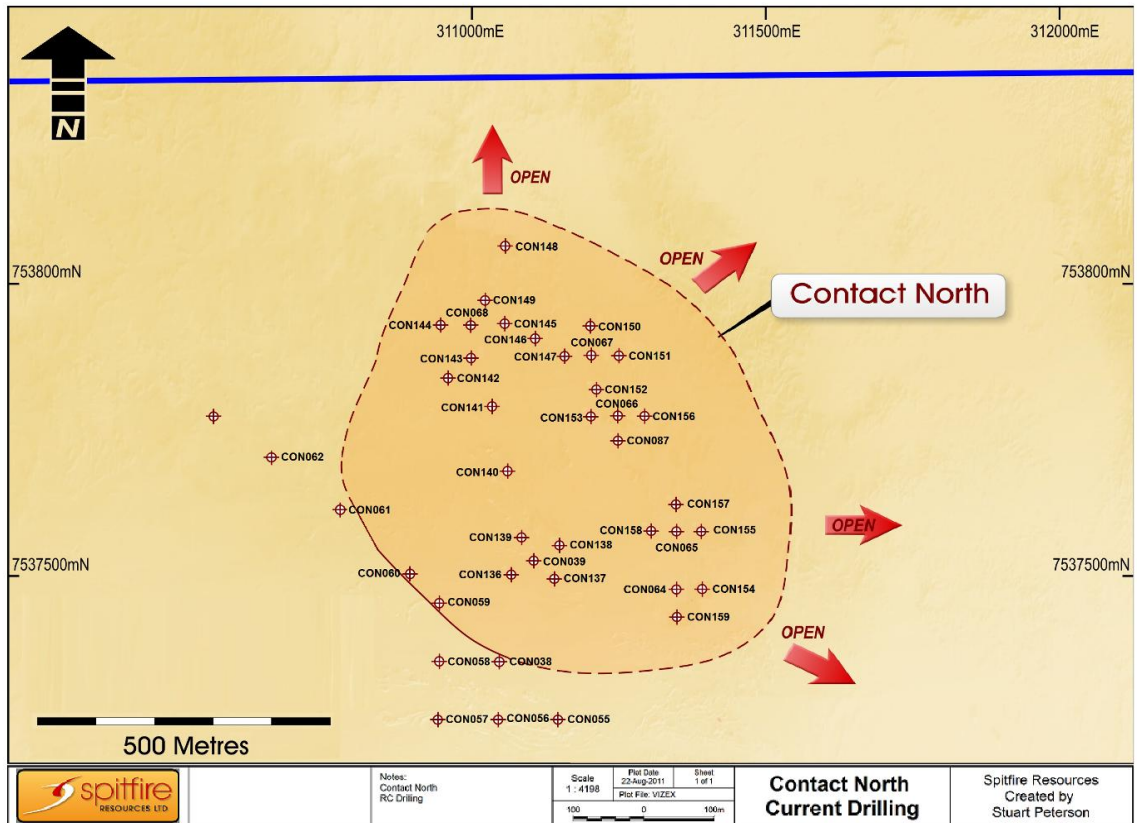


Figure 4: "Contact North" Drilling Map

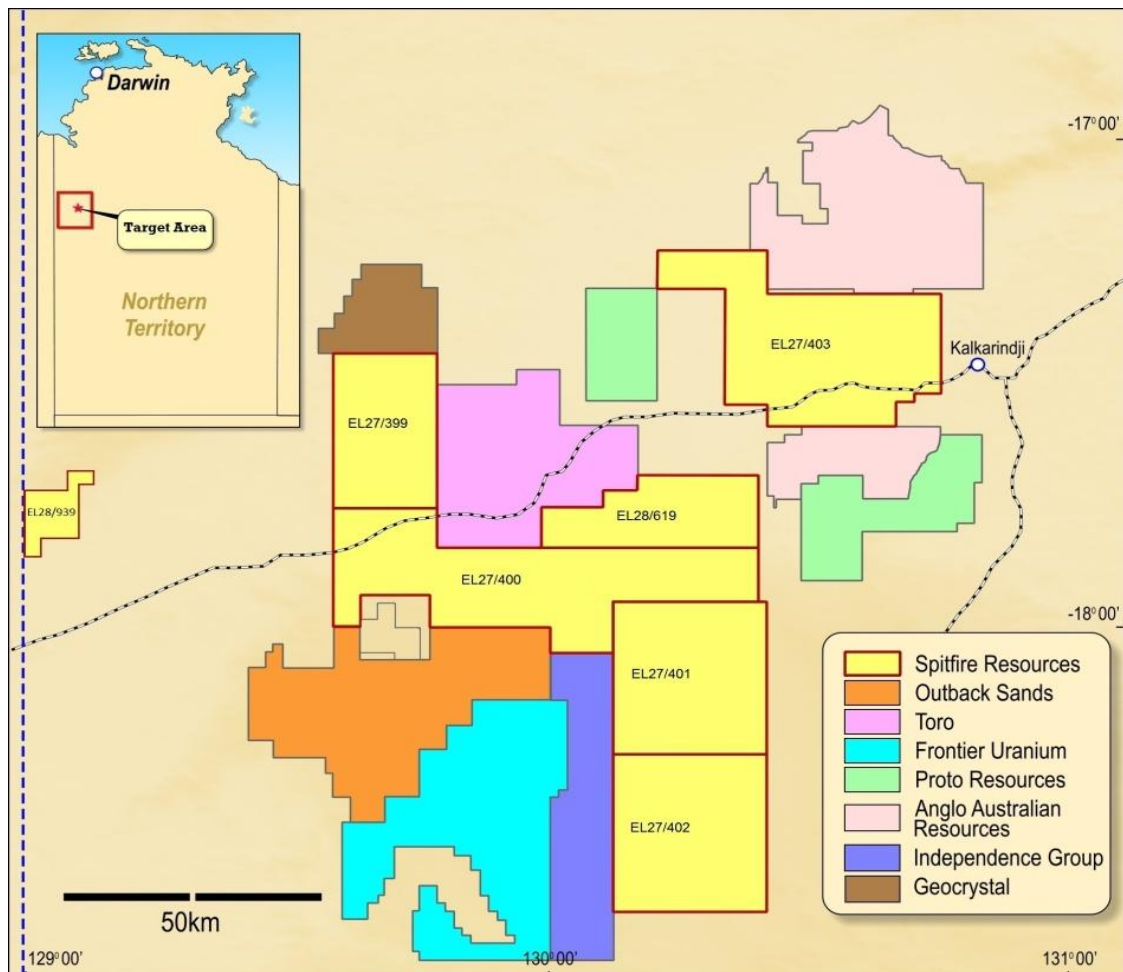


Figure 5: "Dogfight" Tenement location map