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HIGH-GRADE WOODIE WOODIE-STYLE MANGANESE ZONE DISCOVERED AT CONTACT NORTH

Assays returning up to 46.68% Mn at Contact North, including 8m @ 40.33% Mn

- **Outstanding new assay results highlight the discovery of a zone of high-grade Woodie Woodie-style mineralisation within the Contact North discovery (South Woodie Woodie Project). Best results include (+40% Mn intersections underlined):**
 - **19m @ 30.44% Mn from 90m (CON138), including:**
 - 12m @ **35.31%** Mn from 91m;
 - 8m @ 40.33% Mn from 91m;
 - 3m @ 43.58% Mn from 91m;
 - 1m @ 46.68% Mn at 92m
 - **13m @ 25.46% Mn from 48m (CON139), including:**
 - 8m @ **30.51%** Mn from 58m;
 - 3m @ 40.93% Mn from 57m
 - **9m @ 23.04% Mn from 14m (CON154), including:**
 - 5m @ **29.33%** Mn from 14m;
 - 2m @ **37.49%** Mn from 14m;
 - 1m @ 43.01% Mn at 15m
 - **20m @ 23.06% Mn from 51m (CON039), including:**
 - 16m @ **24.26%** Mn from 53m;
 - 5m @ **29.50%** Mn from 57m;
 - 2m @ **34.23%** Mn from 57m;
 - 1m @ **37.27%** Mn at 58m
- **The results, which are by far the best grades of manganese mineralisation seen to date, confirm the significant potential for *primary, high-grade manganese deposits at South Woodie Woodie*.**
- **Drilling planned to resume at South Woodie Woodie targeting this high-grade discovery in October.**
- **Major new Gradient Array IP survey set to commence next week targeting the potential for additional areas of manganese mineralisation within what appears to be an emerging manganese field at South Woodie Woodie.**

Spitfire Resources Limited (ASX: **SPI** – “Spitfire” or “the Company”) is pleased to announce that it has identified a zone of direct shipping ore (DSO) grade Woodie Woodie-style mineralisation within the recently discovered **Contact North** deposit at its South Woodie Woodie Project in the East Pilbara Region of WA (see *Figure 1*).

The Company has received further results from the recently completed Phase II drilling program at Contact North which have identified a **significant pod of high-grade manganese mineralisation**, featuring by far the best Mn grades seen at South Woodie Woodie.

The best results are spread over three individual holes (see *Figure 2*) 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%	SiO2%	Al2O3%
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

The drilling has so far defined an extensive zone of near-surface manganese mineralisation at Contact North further extending the deposit to approximately 650 metres by 520 metres which still remains open in most directions.

The continuity of this manganese layer, which averages between 7 and 20 metres in thickness, combined with the presence of an **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 new 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.

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*).

* 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.

Future Program

With the success of using Gradient Array IP (GAIP) surveys to help identify the Contact deposits Spitfire is set to commence a major campaign of GAIP surveys at the South Woodie Woodie project. Three new prospective areas are to be targeted in this campaign with a total of 27.8 square kilometres selected for this survey set to start in September 2011, with additional areas to be surveyed in early 2012.

The Company is planning to resume RC drilling at the deposit in October as part of its Phase III drilling program at South Woodie Woodie. This next phase of drilling will focus on:

- *Extension drilling to identify the boundaries of the Contact North deposit;*
- *In-fill and extensional drilling around the newly identified high-grade zone with a view to identifying potential primary sources of this direct shipping grade material;*
- *In-fill drilling to enable a maiden JORC compliant resource to be calculated for Contact North by the end of this calendar year; and*
- *Initial drilling to test newly identified exploration targets from the Gradient Array IP survey.*

A maiden JORC resource for the Contact deposit is expected to be completed by the end of September. In addition, metallurgical test work on material from both Contact and Contact North is continuing, and results will be reported as they come to hand.

“This is a tremendously exciting development,” said the Company’s Managing Director, Mr. John Mackenzie. “Not only have we uncovered Spitfire’s first high-grade pod of direct shipping grade but we are increasingly confident of more discoveries as we continue to build our understanding of the geological formation and distribution of manganese mineralisation in the area”.

“We have invested significant time and expertise in mapping the region and the consistency of our results clearly demonstrates we’re doing things right. Our team is highly experienced in manganese with direct experience of the Woodie Woodie deposits and I am confident this is just the beginning in terms of exploration success and building a significant resource inventory”.

“We are very excited and encouraged by these developments and look forward to reporting additional results from South Woodie Woodie over the coming months,” he added.

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 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.

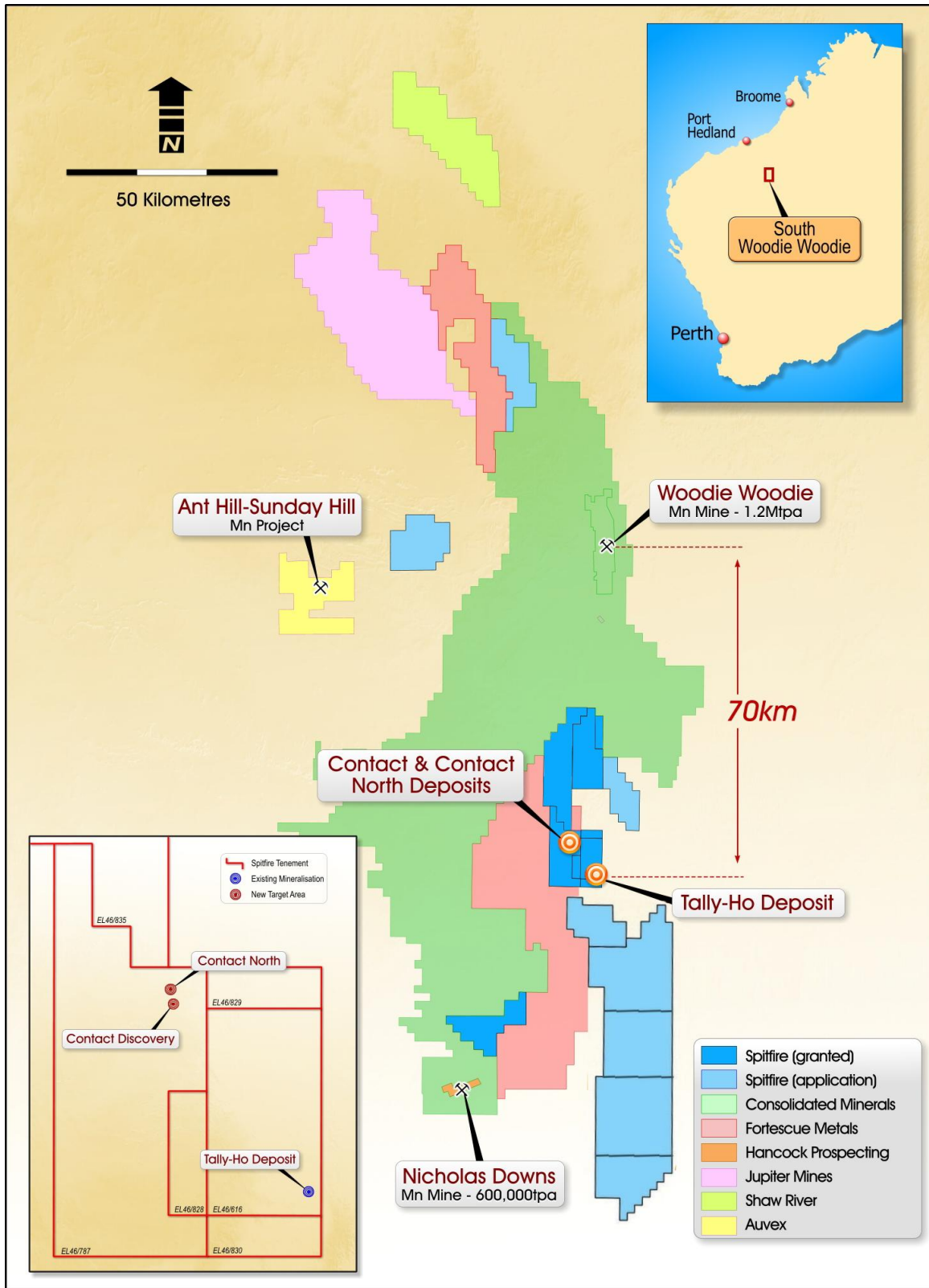


Figure 1 – Spitfire Tenement holding and deposit locations

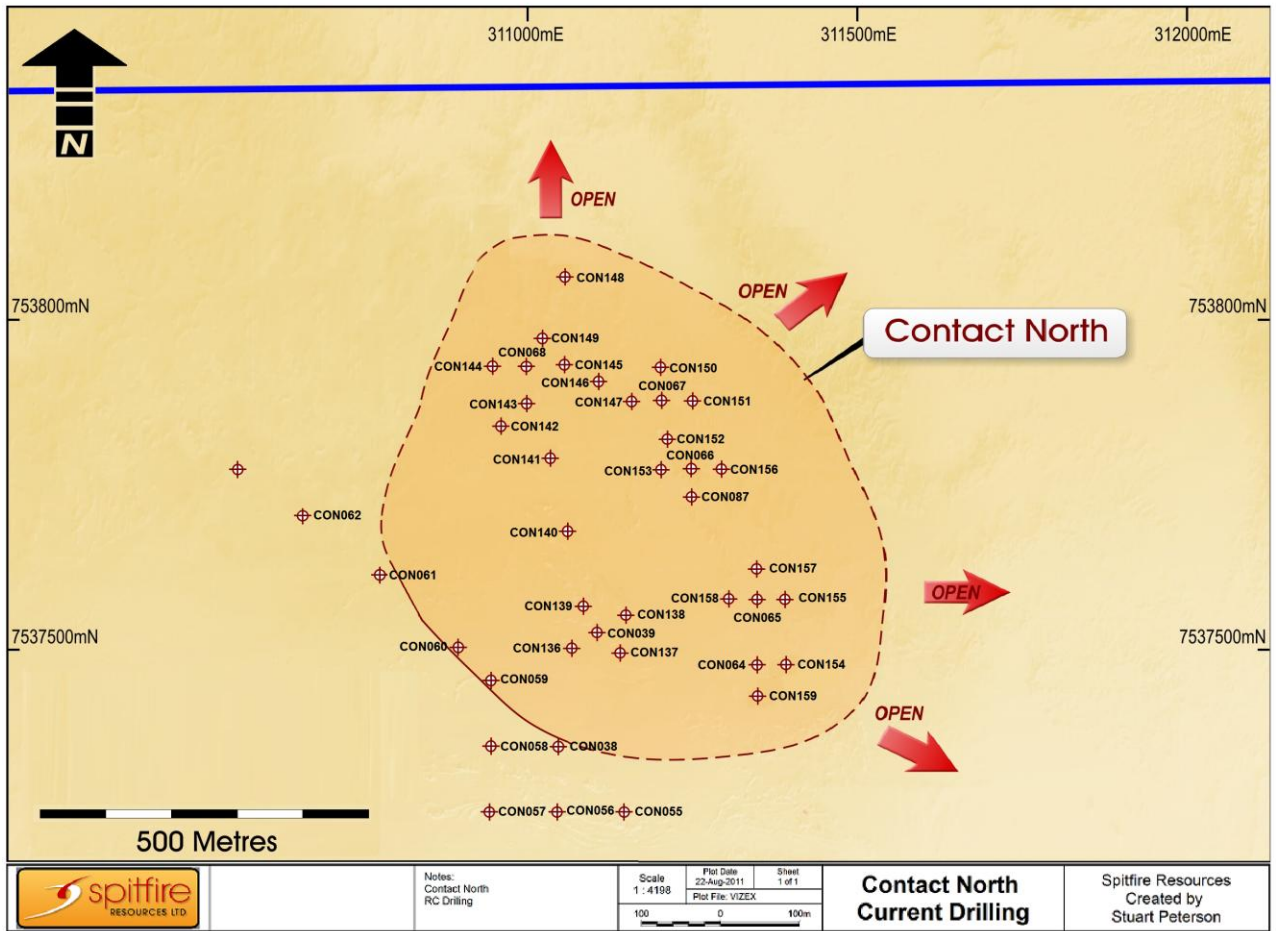


Figure 2 – Contact North deposit drilling