

ASX Release- 31 January 2012

DECEMBER 2011 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

South Woodie Woodie Manganese Project, East Pilbara

- In-fill drilling completed at Contact and Contact North Deposits
- Metallurgical test work results expected shortly for the Contact and Contact North Deposits
- Ongoing Gradient Array Induced Polarisation (GAIP) survey identifies multiple new targets for future drilling
- Mining and Miscellaneous lease applications submitted
- Contact Deposits JORC resource statement due Q1 2012

Dogfight Copper Project, Northern Territory

- Aerial geophysical survey completed over target areas refining and identifying viable mineralisation targets
- Further reconnaissance and geophysics planned for 2012 over project

Corporate

- Spitfire secures \$150,000 Western Australian Government co-funding grant for ongoing drilling activities
- Cash reserves of \$4.56 million as at 31 December 2011, underpinning the Company's ongoing Manganese and Copper programs



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:
Executive Chairman:
James Hamilton

Managing Director:
John Mackenzie

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 11 Exploration Licence Applications (ELA's) covering a total area of more than 2,200 sq km in Western Australia's emerging East Pilbara Manganese Province (see Figure 1.). 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.

1.1 Infill Drilling Program

The Contact North infill program comprised 68 RC holes for 8,909 metres to infill and test the boundaries of the mineralisation. Assays from this program are nearly-complete with the full set of results expected by February 2012. Once the data is checked and finalised it will be sent for independent modelling, with a maiden JORC resource expected by the end of the first quarter 2012.

1.2 Metallurgical Testing Program

Spitfire recruited the services of Mineral Engineering Technical Services (METS) to assist with design of a beneficiation program to metallurgically test the diamond core, received from the Contact and Contact North campaign. The program was carried out in late-2011.

1.3 GAIP Survey

The Gradient Array Induced Polarisation (GAIP) survey has continued, with the team relocating to the Phase 2 Northern Area (see figure 2), and have already identified two large chargeability anomalies. Early stage exploration drilling was conducted on one of the targets with three of the six holes drilled intersecting manganese mineralisation (See table 1 below). Once this area has been completed, the team will move on to the new target areas planned for the first half of 2012.

Hole_ID	Easting	Northing	Depth From	Depth To	Mn %	Al2O3 %	Fe %	SiO2 %	P %	LOI(1000)
CON241	309066	7543239	49	50	12.00	2.18	2.12	73.20	0.01	3.76
CON241			50	51	15.75	1.41	4.31	65.30	0.01	0.97
CON241			51	52	10.00	2.72	2.68	76.80	0.01	1.02
CON241			52	53	12.87	1.23	1.55	75.70	0.01	1.79
CON241			53	54	11.07	1.90	3.41	75.40	0.01	1.23
CON242	309248	7543340	49	50	10.52	3.68	24.60	36.70	0.20	7.78
CON242			50	51	31.74	2.89	13.60	18.60	0.17	12.00
CON243	309196	7543447	63	64	31.32	3.91	12.10	20.80	0.17	11.20
CON243			68	69	18.54	1.56	26.80	24.00	0.15	9.58
CON243			74	75	32.11	1.39	8.88	29.70	0.12	9.57
CON243			75	76	19.67	2.25	7.04	51.50	0.10	6.98

Table 1: Highlighted assay results from new chargeable anomaly

1.4 Exploration Program

The focus of the 2012 exploration programme is to continue the GAIP surveys over larger areas of highly prospective geological targets within the tenements E46/835, E46/787, E46/710, E46/615 and E46/875 to

identify multiple new drilling targets. The next drilling campaign is tentatively scheduled for April to October 2012 and will specifically target the new anomalies located by the GAIP programme.

In addition to this, Spitfire has been awarded a \$150,000 grant by the Department of Mines and Petroleum after submitting a successful application under the government co-funded exploration scheme which will assist with continuing the aggressive exploration Spitfire is undertaking in the area.

1.5 Mining

Spitfire Resources has submitted a mining lease application (M46/0521) that covers the Contact/Contact North deposits and surrounding area.

Two miscellaneous licences applications (L46/0103, L46/0102) have also been pegged between the mining lease and the Woodie Woodie access road to the north and the Hancock prospecting mine to the south respectively. These miscellaneous licences will allow construction of a heavy vehicle haul road for future haulage use between the planned mine site and Port Hedland and a transport and freight corridor to Newman.

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 (see figure 3). 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

Following on from helicopter reconnaissance and mapping undertaken in August 2011, an aerial magnetic and radiometric survey was flown over identified areas of interest within E27/399 and E27/400 by Daishsat geodetic surveyors in November 2011. The aeromagnetics (see figure 4 below) have refined and identified targets which will be followed up with further reconnaissance and sampling, as well as more definitive geophysical surveying in preparation for exploration drilling.

In addition exploration licence E28/619 has been granted, allowing Spitfire to hold ground situated directly over the Neave fault line to the North of E27/400. This structure holds potential as a feeder source for the Antrim volcanics and as a conduit for copper-bearing fluid movement and will also be a focus for upcoming exploration activities. An application has also been submitted to the Northern Territory Department of Resources to partially relinquish areas of E27/400 deemed to hold no potential which will allow Spitfire to better focus on the main E27/400 target anomaly.

3. Corporate

3.1 Cash Position

The Company had cash reserves of A\$4.56 million at the end of the Quarter.



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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'.

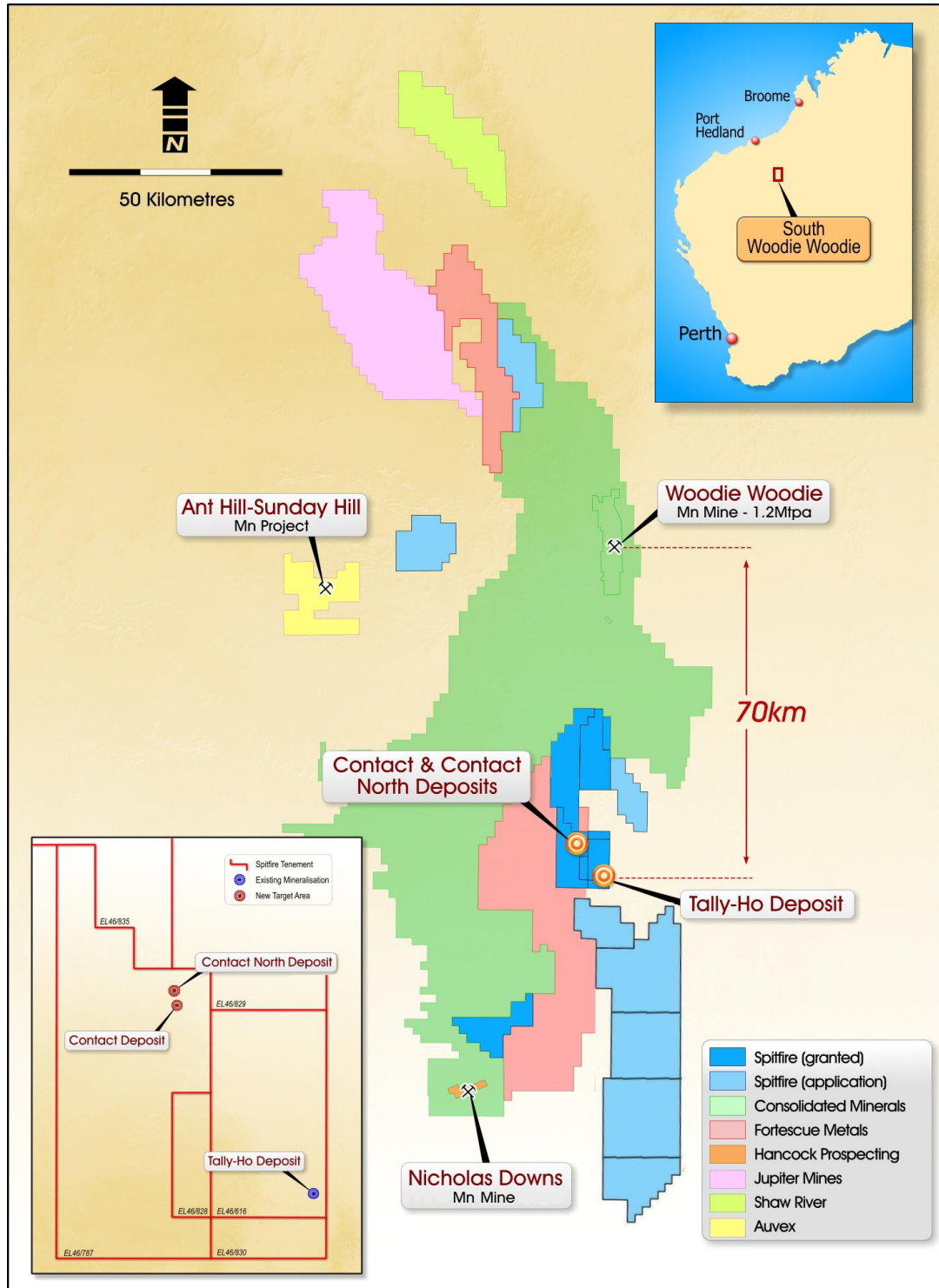


Figure 1: Spitfire South Woodie Woodie tenements

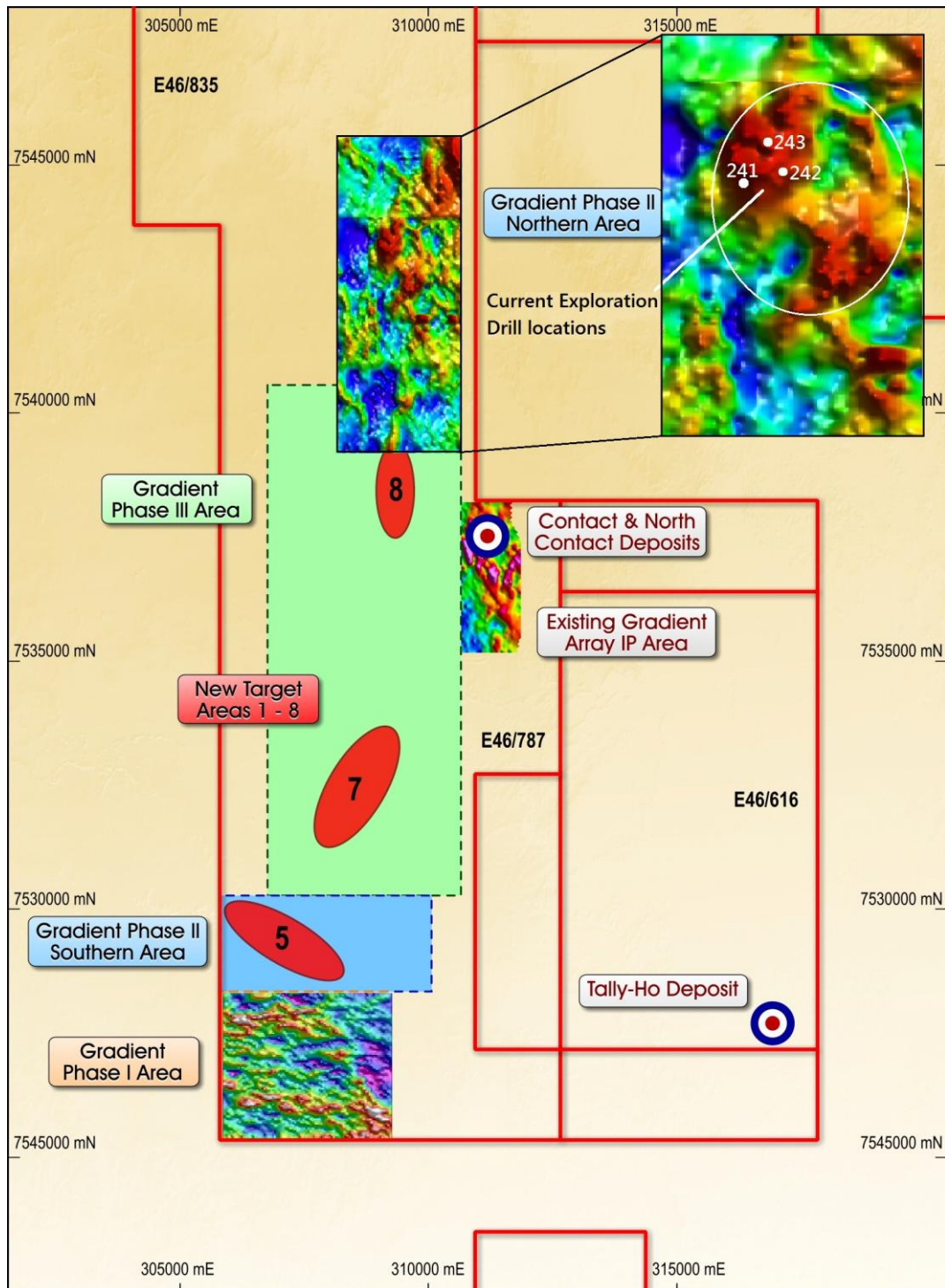


Figure 2: GAIP and exploration drill location Map

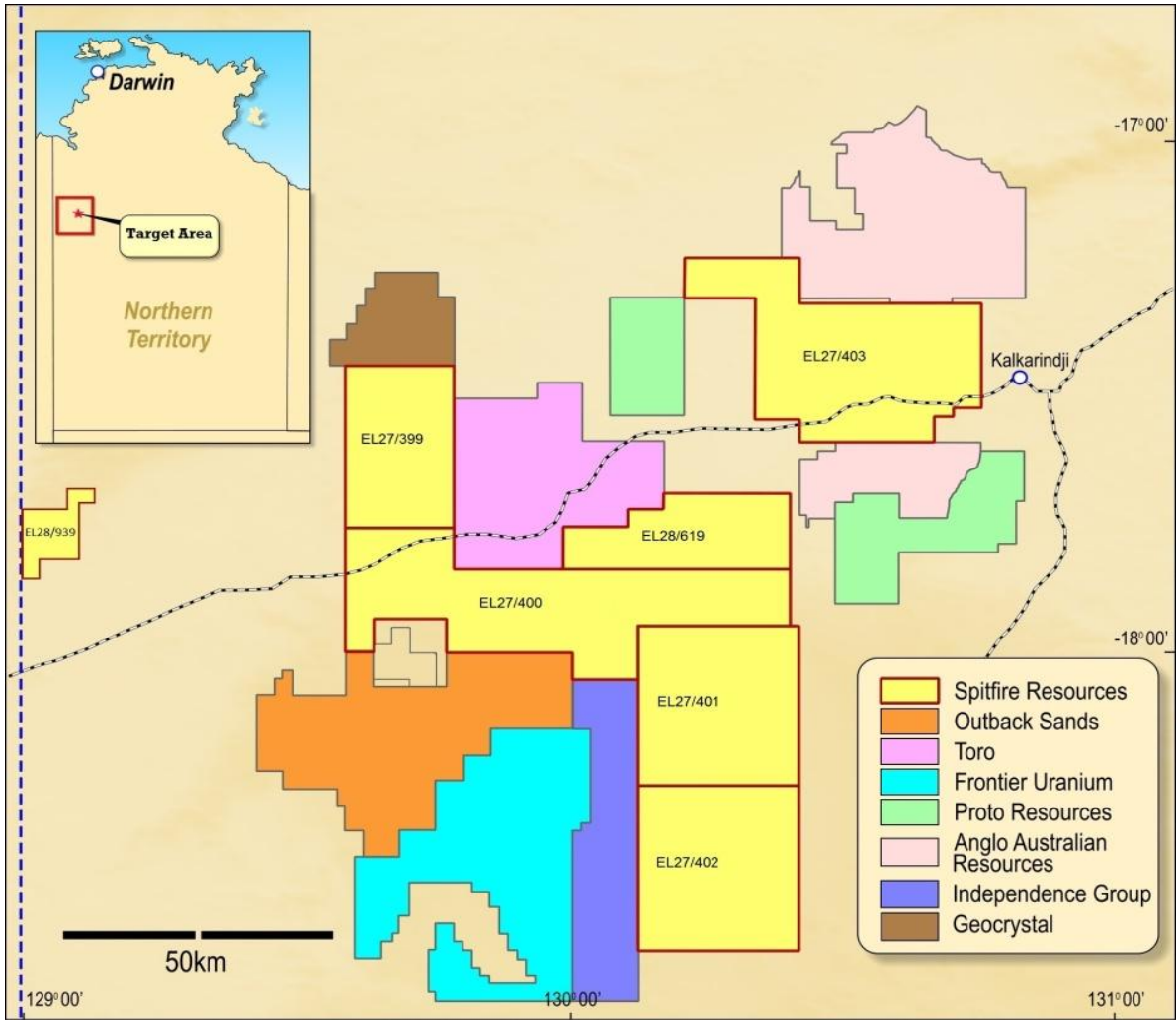


Figure 3: "Dogfight" Tenement location map

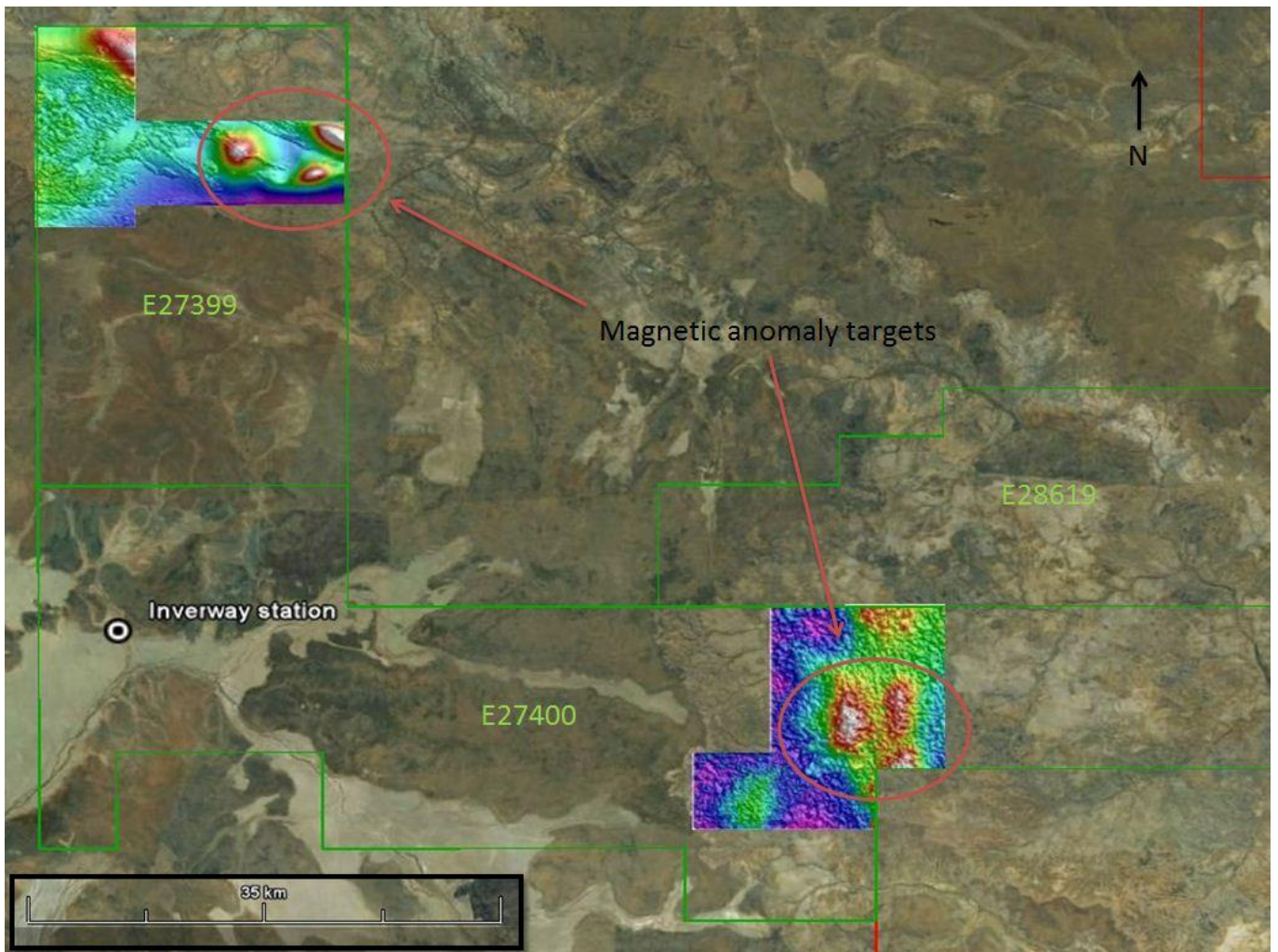


Figure 4: Aerial magnetic surveys over target areas in "Dogfight"