



Norwegian deal adds to Spitfire's firepower

By **BARRY FITZGERALD**

NORWEGIAN metals and alloys group Tinfos is to become a 14% shareholder in Perth-based manganese explorer Spitfire Resources.

The interest in Spitfire for Tinfos is its manganese exploration project to the south of Consolidated Mineral's Woodie Woodie mine in Western Australia.

ConsMin was taken over earlier this year in a shootout between Ukrainian group Privat and Brian Gilbertson's privately owned Pallinghurst. Privat won the day with a \$1.3 billion bid — more than double the \$625 million opening shot of Pallinghurst.

During that shootout it was widely reported but never confirmed that Tinfos had acquired a 4.9% ConsMin stake and that it had hoped to conduct due diligence on ConsMin before the bidding duel between Privat and Pallinghurst overtook events.

Tinfos' interest in Spitfire comes as manganese prices are booming. In a recent "benchmark" settlement with Japanese customers, BHP Billiton secured a massive price increase from \$US2.70 a metric tonne unit to \$US11.20/mtu.

Spitfire is to issue 8.65 million shares at 20c each to Tinfos, raising \$1.73 million. The proceeds

will boost the relative newcomer's cash balance to more than \$7 million, allowing it to accelerate its soon-to-start south Woodie Woodie exploration program. Spitfire shares closed 3.5c higher at 21c, a gain of 20%.

Tinfos has also agreed to consider helping Spitfire with financing, either by project mining finance or direct company capital injection to help Spitfire evaluate, explore and develop other manganese projects. Spitfire managing director James Hamilton said the Tinfos deal would increase Spitfire's options.