

MEDIA / ASX RELEASE

9 November 2010

NEW MANGANESE DISCOVERY AT SOUTH WOODIE WOODIE

Extensive new zone of near-surface manganese discovered in “Contact” area

- Targeted drilling intersects a **significant zone of near-surface manganese**, currently shown over an area of **220m by 130m** and trending in an easterly direction, with best hits including:
 - **17m @ 16.81% Mn** from 13m (**17m @ 29.17% Mn** after +2mm wet field screening)
 - **incl. 4m @ 21.98% Mn (4m @ 41.8% Mn** after +2mm wet field screening)
 - **4m @ 10.23% Mn** from 22m (**4m @ 21.95% Mn** after +2mm wet field screening)
 - **5m @ 19.02% Mn** from 2m depth
 - **incl. 1m @ 31.3% Mn** at 5m
 - Mineralisation is hosted in **prospective Carawine Dolomite**, which also hosts the high-grade (+40% Mn) Woodie Woodie deposits, 70km to the north
 - “Contact” mineralisation **remains open and along strike in several directions**, providing outstanding follow-up opportunities for further drilling
 - Field wet screening of samples was **used to demonstrate a potential upgradeability to +40% Mn**
 - **Gradient array IP (Induced Polarisation) survey to commence shortly to define potential extensions to the mineralisation and follow-up drill targets**
 - **Further drill program planned for early 2011**
-

Spitfire Resources Limited (ASX: **SPI** – “Spitfire” or “the Company”) is pleased to report the discovery of a significant **new zone of near-surface manganese mineralisation** at its South Woodie Woodie Project in the East Pilbara region of Western Australia.

The discovery, in the newly-named “Contact” area, is located in the north-eastern part of Spitfire’s **100%-owned** tenement EL46/787, 10km north-west of the Company’s **Tally-Ho deposit** (Inferred Resource of **2.94Mt @ 7.07% Mn**) and approximately 70km directly south of the world-class Woodie Woodie Manganese Mine operated by Consolidated Minerals Limited (see *Figure 1 attached*).

The new mineralised zone has so far been intersected by three Reverse Circulation (RC) drill holes completed as part of Spitfire's recent Phase II regional drilling program at South Woodie Woodie. The zone has been shown over an area approximately **220 metres long and 130 metres wide**, with the mineralisation appearing to extend in an easterly direction (see Figure 2).

Priority assay results have been received for some of these holes, with significant manganese intersections and hole details and locations summarised in Table 1 below:

Table 1 – Significant drilling intersections, Contact Discovery (RC 1m Composites)

Hole ID	Easting	Northing	From	To	Metres	Mn %	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
WWS120	311433	7536951	22	26	4	10.23	19.73	37.48	8.72	0.05
WWS121	311545	7536846	13	30	17	16.18	18.83	34.12	5.58	0.02
including			13	20	7	18.04	17.07	34.00	5.35	0.03
including			22	29	7	18.49	24.21	21.74	5.71	0.01
including			23	27	4	21.98	24.85	15.90	5.02	0.01
WWS105	311382	7536862	2	7	5	19.02	16.94	28.02	8.07	0.01

These results include some of the most significant widths of manganese mineralisation encountered to date by Spitfire at South Woodie Woodie.

As part of the Company's process of assessing the RC drill samples from the drilling program, it was noted that the manganiferous drill chips separated from the non-manganiferous chips relatively easily when sieved. Spitfire's geologist took the initiative to submit in-field sieved portions of the 1 metre composite samples for assay. This was conducted by wet sieving (using a +2mm hand sieve) of a representative portion of the composite samples.

The purpose of this technique was not to ascertain upgradeability or yield information, but rather to indicate whether further metallurgical test work should be undertaken. The results of this simple infield testing were overwhelmingly positive, demonstrating that portions of the intersected mineralised zone have direct shipping qualities (+40%Mn). This is summarised in Tables 2 and 3 below:

Table 2 – In-field +2mm wet screened RC Sample (1m Composite)

Hole ID	Easting	Northing	From	To	Metres	Mn%	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%
WWS120	311433	7536951	22	26	4	21.95	18.33	25.80	5.07	0.04
WWS121	311545	7536846	13	30	17	29.17	14.91	23.07	3.11	0.02
including			13	20	7	27.77	15.72	23.68	3.27	0.03
Including			22	29	7	36.69	15.18	11.32	2.59	0.01
including			23	27	4	41.80	13.58	6.38	2.08	0.00
WWS105	311382	7536862	2	7	5	Awaiting assays				

Table 3 – Comparison summary, 1m RC Comp vs. in the field wet +2mm wet screen

Note: all holes were drilled vertically

Hole ID	From	To	Metres	RC Sample		Wet Screen		% Difference	
				Mn%	Fe%	Mn%	Fe%	Mn	Fe
WWS120	22	26	4	10.23	19.73	21.95	18.33	+114.57	-7.10
WWS121	13	30	17	16.19	18.83	29.17	14.91	+80.17	-20.82
including	13	20	7	18.04	17.07	27.77	15.72	+53.94	-7.91
including	22	29	7	18.49	24.21	36.69	15.18	+98.43	-37.30
including	23	27	4	21.98	24.85	41.80	13.58	+90.17	-45.35
WWS105	2	7	5	Awaiting assays					

Based on the overwhelmingly positive results, a number of RC samples will now be submitted for metallurgical test work to obtain definitive results on the upgradeability of the material.

The Company believes that diamond core should be collected as part of the follow-up drill campaign to definitively estimate yield and upgradeability.

High-Grade Potential

The recent drill holes from within the mineralised area have revealed the presence of Pinjian Chert Breccia, altered Carawine Dolomite and varying degrees of manganese replacement of dolomite. These are all the ingredients necessary for high-grade Woodie Woodie-style manganese mineralisation.

Accordingly, Spitfire believes that there is significant potential for the discovery of high-grade material (+40% Mn) within the immediate vicinity of the Contact area.

The lack of outcropping manganese, together with the masking effect of the chert breccia, makes this style of mineralisation very difficult to locate. Planned geophysical work will be used to test extents of mineralisation, and to fingerprint the response in order to locate similar zones of interest.

It must be noted that the mineralisation at “Contact” is open in numerous directions. Depth extensions to this style of mineralisation are also possible. The mineralisation style is not like that of the Tally-Ho Deposit to the south-east.

Summary

The manganese-rich layers intersected by the drilling at Contact represent some of the largest intersections drilled to date by Spitfire at South Woodie Woodie and are of particular interest as the lateral extents of the mineralisation remain to be fully tested.

At this stage, indications are that the mineralisation remains open in most directions to the north and south-east. The presence of manganiferous Carawine Dolomite also indicates significant potential for the discovery of bodies of high-grade manganese at depth or within the immediate vicinity of the mineralisation.

The “Contact” area was targeted by Spitfire’s recently completed Phase II 2010 drilling program at South Woodie Woodie following the discovery of Carawine Dolomite in outcrop at the far north-eastern corner of the 100% Spitfire owned E46/787 tenement during a previous mapping expedition.

Forward Program

Following the Contact discovery, Spitfire has commissioned a ground-based Gradient Array Induced Polarisation (GAIP) survey covering the greater discovery area in order to define potential extensions to the mineralisation and follow-up drilling targets.

Spitfire’s Chairman, Mr. James Hamilton, said: *“While it’s still early days, this is a very exciting and significant discovery for Spitfire which has the potential to add substantial value to the South Woodie Woodie Project and our exploration and development strategy in the manganese business.*

“Of particular note is the width of the intersections and the size of the zone which has been discovered to date by drilling, as well as the fact that it is hosted in Carawine Dolomite – the same formation which hosts the world-class, high-grade Woodie Woodie deposits to the north.

“This discovery provides us with an outstanding area for follow-up exploration, which we plan to commence immediately with the start of ground-based geophysics to define the extent of the mineralised zone and assist in targeting follow-up drilling,” Mr Hamilton added.

ENDS

Released by:
Mr. Nicholas Read
Read Corporate
Telephone: (61-8) 9388 1474

On behalf of:
Mr. John Mackenzie
Chief Executive Officer
Spitfire Resources Limited
Telephone: (61-8) 6382 3700
www.spitfireresources.com

On behalf of:
Mr. James Hamilton
Executive Chairman
Spitfire Resources Limited
Telephone: (61-8)6382 3700
www.spitfireresources.com

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 a near-surface manganese deposit at the Tally-Ho Prospect, 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

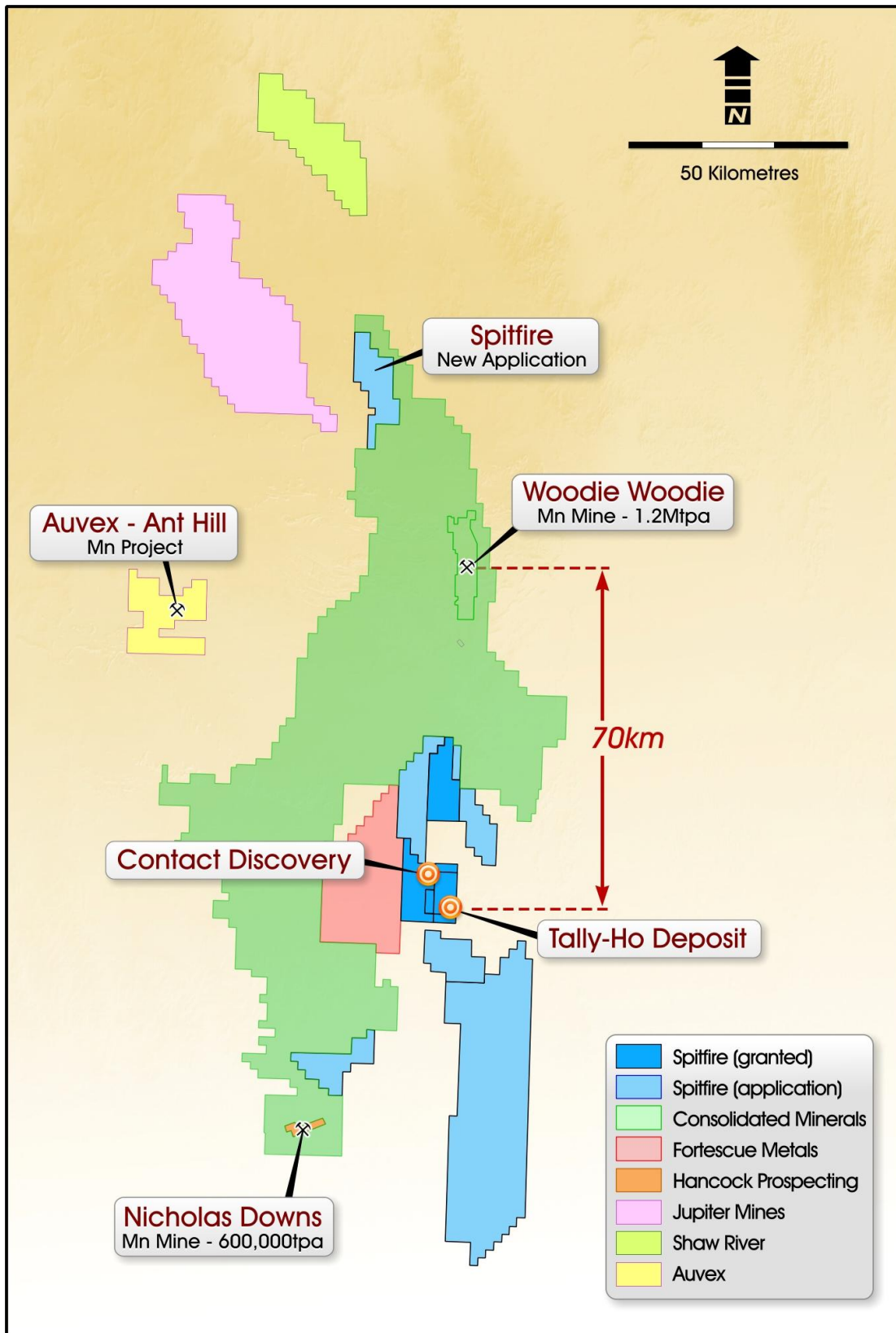


Figure 2 – Location map of Spitfire’s New Target area “Contact”

