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## **Spitfire Resources Is Hoping For Early Production From South Woodie Woodie, In Order To Take Advantage Of A Favourable Manganese Market**

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“Drill, drill, drill!” will be the mantra for Spitfire Resources over the coming months, as it begins exploring for manganese ore at its South Woodie Woodie project this week. Woodie Woodie is situated in the East Pilbara region, 1,200 kilometres north of Perth. The Spitfire aspiration is to bring a mine into production to take advantage of increasing prices. “We have 16 targets to test. The drilling plan revolves around making a high-grade intercept”, company managing director James Hamilton told Minesite. “If we get even just one intercept from here we can chase the orebody via a larger pattern program later this year,” he added.

Hamilton is hopeful that the company will be able to start producing in the next two years, depending on the time it takes to acquire a mining license and construct the mine. Resurgence in demand has helped the manganese price to rebound strongly over the last six months. Manganese flake is currently trading up to US\$2,950 per tonne compared with US\$2,200 a year ago.

And Hamilton expects prices to hold at high levels in the medium-term. A part of the price uplift is due to the emergence of new ferro-alloy producers in India and China, Hamilton said. “These new players are looking outside traditional sources of supply and are keen to lock-down consistent tonnages.”

He added: “I recently attended [Metal Bulletin’s] Asian ferro-alloys conference in Hong Kong and was run over by groups both big and small wanting a new, independent source of ore supply. “End users now understand the need to invest further down the food chain at the exploration level to ensure supply”.

China will remain a dominant force in determining future manganese demand, Hamilton continued. The manganese price will also be dependent on production levels in South Africa and whether mine expansions come to fruition, he said. Output in South Africa makes up for around 80 per cent of the world’s production.

“South Africa...is currently constrained with power and infrastructure issues”, Hamilton said. “Some commentators believe there is a window of about five years before these issues are conquered. Until then, there will be a shortage of independent supply”.

The company is confident that sizeable deposits can be found at the South Woodie Woodie site, and that it will be able to start building a mine in short order. After drilling an initial, albeit small, resource at Tally-Ho, Spitfire’s geological team is confident that this will lead to larger deposits, Hamilton told Minesite.

Spitfire is well-funded to conduct its drilling plans but it will need to return to the market for further funding once a decision is taken to bring a mine into production. “It is my view that once we get significant hits all the major industry players will be knocking on our door”, Hamilton said.

Eramet, which is Spitfire’s second largest shareholder with an 8.5 per cent stake, has also expressed interest in investing further in the company, he noted.

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But for the immediate future the focus this year is on delineating targets, he reiterated. It's not all about feeding the steel industry, though. The company also sees the potential in the energy sector. Spitfire diversified into thermal coal when it bought Black Rock Energy in 2008. Once more drilling has been done on the former Black Rock ground the company will be able to take a decision about progressing towards the feasibility phase.

“At Langloh we are drilling an existing area which has a 10 million tonne JORC resource,” Hamilton said. “At our second target area, Avoca, we are targeting coal extensions around an old open cut mine,” he added. But for the immediate term, all eyes will be on the manganese prospects, and delineating resources at Woodie Woodie.