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SPITFIRE IDENTIFIES NEW MANGANESE TARGETS NEAR CONTACT DISCOVERY – SOUTH WOODIE WOODIE

SUCCESSFUL GRADIENT ARRAY IP SURVEY IDENTIFIES NEW PRIORITY TARGET AREA

- *Successful Gradient Array Induced Polarisation (GAIP) survey completed at South Woodie Woodie – the same technology responsible for major greenfields discoveries at the nearby world-class Woodie Woodie manganese project.*
 - *New priority targets identified, including a large anomaly to the north-west of the recent ‘Contact’ manganese discovery.*
 - *Survey results correlate with confirmed mineralisation at ‘Contact’ – indicating GAIP has worked well at detecting shallow, manganese mineralisation.*
 - *Heritage clearances underway for 10,000m drilling program scheduled to commence in March 2011 to test the new areas, in-fill and extend the Contact discovery and in-fill and extend the Tally-Ho deposit.*
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Spitfire Resources Limited (ASX: **SPI** – “Spitfire” or “the Company”) is pleased to announce that it has identified several highly prospective new exploration targets in the area surrounding the recent “Contact” manganese discovery at its **South Woodie Woodie Manganese Project**, located in the east Pilbara region of Western Australia (see *Figure 1*).

The Company has received and interpreted the results of a successful Gradient Array Induced Polarisation (GAIP) survey completed at South Woodie Woodie late last year.

GAIP was one of the key exploration techniques used by Consolidated Minerals to successfully uncover a number of major greenfields discoveries at the nearby world-class Woodie Woodie manganese mine.

The GAIP survey evaluated a 3km² area centred on the Contact discovery, identifying numerous anomalies potentially associated with near-surface manganese mineralisation (see *Figure 2*). Importantly, the survey results correlate with the known mineralisation identified at Contact, indicating that GAIP has worked well at detecting manganese mineralisation.

The survey has identified a large chargeability anomaly to the north-west of Contact as shown on Figure 2, which is of particular interest as the surrounding rocks are Carawine Dolomite, which are the host rocks of the Woodie Woodie mineralisation.

This anomaly will be a priority exploration target alongside the Contact discovery itself and the existing Tally-Ho deposit when Spitfire's 2011 exploration program commences in March this year.

Spitfire has unveiled a significantly expanded manganese exploration program for 2011, comprising at least 10,000 metres of Reverse Circulation and Diamond Core drilling.

The campaign will focus on:

- RC drilling to in-fill and extend the Contact mineralised zone to test the area of the broader Exploration Target and establish an initial JORC compliant Mineral Resource;
- Diamond drilling to obtain representative core samples for definitive metallurgical test work. This test work program will be designed to confirm the ability to upgrade the Contact material using relatively simple beneficiation techniques to a final direct shipping grade product (+40% Mn);
- Deeper RC and selective diamond drilling based on the results of the GAIP survey to assess the potential for the Contact area and surrounding zones to host high-grade Woodie Woodie-style (+40% Mn) manganese within the Carawine Dolomite host rock – with particular focus on the large anomaly to the north-east of Contact. The presence of Carawine Dolomite has strengthened the potential for this area to host high-grade manganese deposits;
- RC drilling to in-fill and extend the current JORC resource at the Tally-Ho deposit Inferred Resource of **2.94Mt @ 7.07% Mn**). The Company believes that there is excellent potential to increase both the manganese resource inventory and grade percentage at Tally-Ho; and
- RC drilling to test selected targets within the Company's tenement holding, particularly targets which have been reassessed and upgraded in light of the recent exploration success at Tally-Ho and Contact.

Spitfire's Chief Executive Officer Mr. John Mackenzie, said he was pleased by the initial success of the GAIP survey and was looking forward to further testing the anomalies.

"While it is still early stage exploration at this point, we are very encouraged by the initial survey results – particularly in light of Consolidated Minerals' success in using this technology at Woodie Woodie," he said. "We are very much looking forward to getting underway with our 2011 exploration campaign."

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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 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

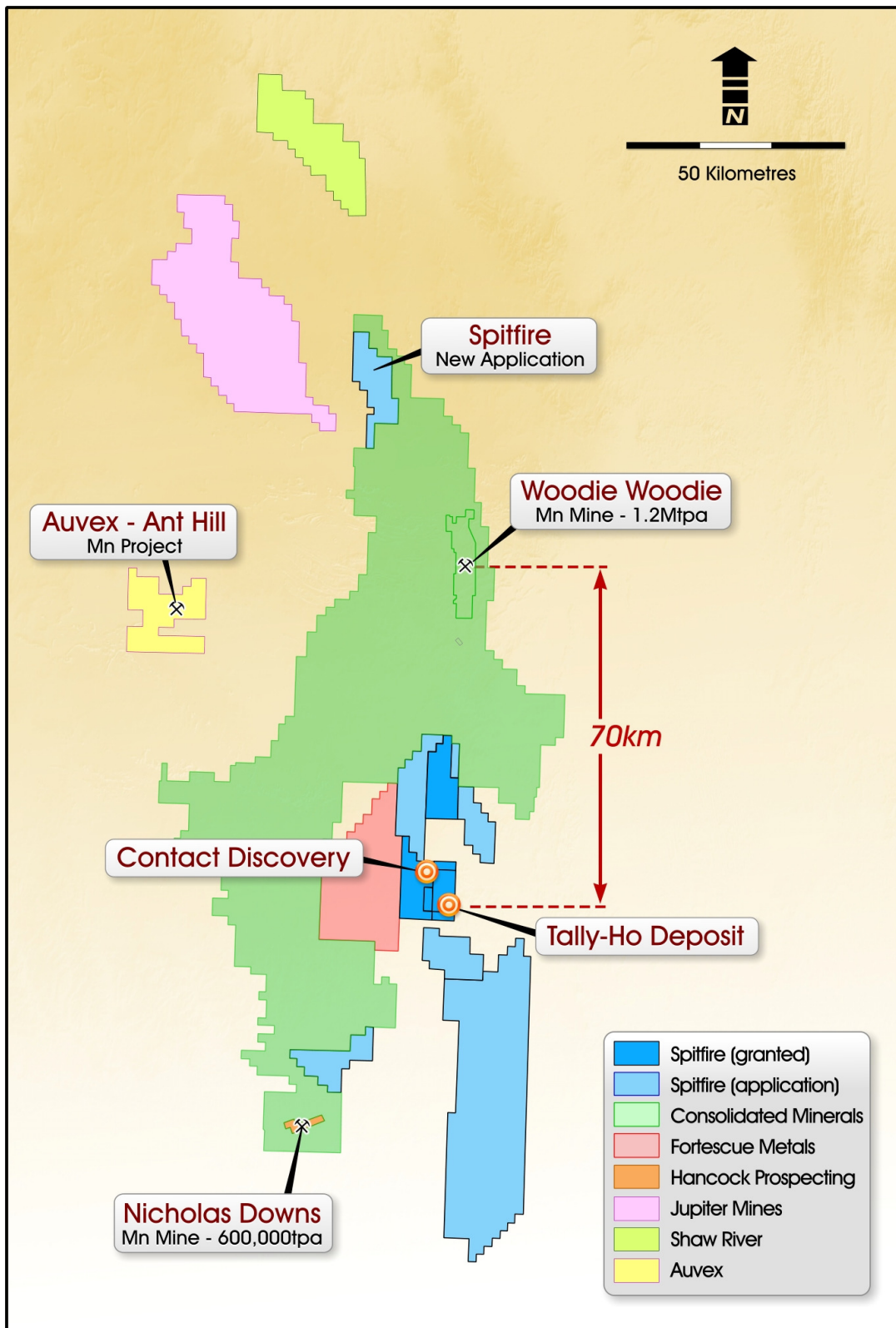


Figure 2 – Gradient Array IP survey results showing chargeability anomalies and new target area to the north-west

