

NEWS

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SPITFIRE PREPARES FOR WHAT COULD BE A COMPANY-MAKING DRILLING CAMPAIGN ON ITS SOUTH WOODIE WOODIE MANGANESE PROJECT IN AUSTRALIA

By Our Man in Oz

No-one will ever be able to accuse James Hamilton and his crew at Spitfire Resources of not giving the company's South Woodie Woodie manganese exploration project in Western Australia their best shot. Starting in the next few days Spitfire will sink the best part of A\$2 million, or close to 40 per cent of its cash, into an ambitious 10,000 metre drilling program. It is perhaps going too far to describe the drilling as a make-or-break assault on South Woodie Woodie which has so far only yielded tantalising hints that it might be something big. To date, there hasn't been quite enough for James to be able to say he's got a mine. But, if results from the current exploration campaign live up to expectations then Spitfire might be able to break into the tightly-controlled manganese market with a project that sits close to the centre of a manganese belt which has already attracted some of the world's more interesting miners.

"The data from previous drilling and more recent geophysical work looks good", James told Minesite's Man in Oz over a pizza and glass of New Zealand sauvignon blanc at a restaurant close to his Perth office. "We're certainly going to give it our best pop. There's no point in leaving money in the bank when there's a first rate target to be drilled". He's right, of course, but it's not often that a company puts so much on the line in a single, albeit well-focussed, drilling campaign. But four factors underpin **Spitfire's** enthusiasm and optimism for South Woodie Woodie.

Firstly, there is the record of earlier success that **Spitfire** has demonstrated in finding a modest manganese deposit at Tally-Ho. This was the original discovery on the company's extensive 1,800 square kilometre landholding south of Port Hedland. This is big country for manganese, as just 70 kilometres south lies the famous Woodie Woodie manganese mine operated by Consolidated Minerals, now a plaything of Ukrainian billionaire, Gennadiy Bogolyubov. Analysis of Tally-Ho points to it having the potential to yield up to 600,000 tonnes of manganese product grading between 35% and 40% after beneficiation.

Secondly, it's now apparent that the identification of Tally-Ho was just the start of **Spitfire's** work in unravelling the geological mysteries of the greater Woodie Woodie region. About 10 kilometres to the northwest of Tally-Ho lies the Contact discovery, currently rated the company's best development opportunity. Late last year, **Spitfire** reported highly encouraging drill hits at Contact, including one 17 metres thick just nine metres from the surface. There were other hits too, and the current geological interpretation shows the manganese-rich structure to be open to the north, west, and south-west.

Thirdly, geophysical work that the company completed in December has revealed a series of Contact lookalikes. A further examination of these IP-identified targets is one of the primary goals of the current drilling program. But **Spitfire** will also undertake resource definition work at both Contact and Tally-Ho, and step-out work on other IP targets. There will also be a separate 1,000 metres of diamond coring to extract manganese samples for metallurgical test work.

Fourthly, **Spitfire** is not alone on its remote patch of inland Australia. It is surrounded by a gathering of the Who's Who of mining. On **Spitfire's** western boundary is Fortescue Metals Group, the iron ore producer controlled by Australia's second richest person, Andrew Forrest, who appears to be developing a late-in-life taste for manganese. To the north is the vast tenement holding of the Ukrainian oligarch, Bogolyubov. To the northwest is a basket of tenements held by Jupiter Mines, a business controlled by former BHP Billiton boss, Brian Gilbertson, and to the southwest is a small mine co-owned by Australia's richest person, the iron ore heiress, Gina Rinehart. There are other players in the Woodie Woodie manganese belt too, such as Auvex, which owns the Ant Hill project. And Ant Hill is close to a new tenement application lodged earlier this month by **Spitfire**.

Collectively, the location, the neighbours, the two operating mines, and the latest geophysical data all place **Spitfire** right in the centre of a world-class manganese province. What it needs now is for its biggest ever drilling campaign to deliver the goods. For investors, that means keeping an eye on the news flow from South Woodie Woodie. The first hole is scheduled to start early next month, subject to recent flooding abating.

Watching most closely - and this is another reason to add **Spitfire** for a watch list - are the company's major shareholders. Coal hopeful **Churchill Mining** is the biggest, with an 18.4 per cent stake, followed by Singapore-based but Chinese controlled Prosperity Steel, which has 15.8 per cent, French minerals group Eramet, which has 6.4 per cent, and the Indian manganese and steel company Sarawagi Group, which has six per cent.

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