



spitfire

RESOURCES LTD

ASX Code: SPI

## Investor Update

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June 2010



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## South Woodie Woodie / Northern Territory

- *The information in this Presentation 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 Exploration Manager for Spitfire Resources Ltd, and consents to the inclusion in this type of Presentation 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.'*

## Tasmanian Coal Project

- *The information in this Presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Neil Fraser who is a Member of The Australasian Institute of Mining and Metallurgy. Neil Fraser is employed by Marston International Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Neil Fraser consents to the inclusion in the Presentation of the matters based on his information in the form and context in which it appears.*



- Australian minerals Company
- Steel and energy inputs focus
- 1,500 sq km manganese portfolio – South Woodie Woodie, WA
  - *includes maiden JORC manganese resource*
- Emerging coal portfolio – Tasmania
- Focused and committed explorer

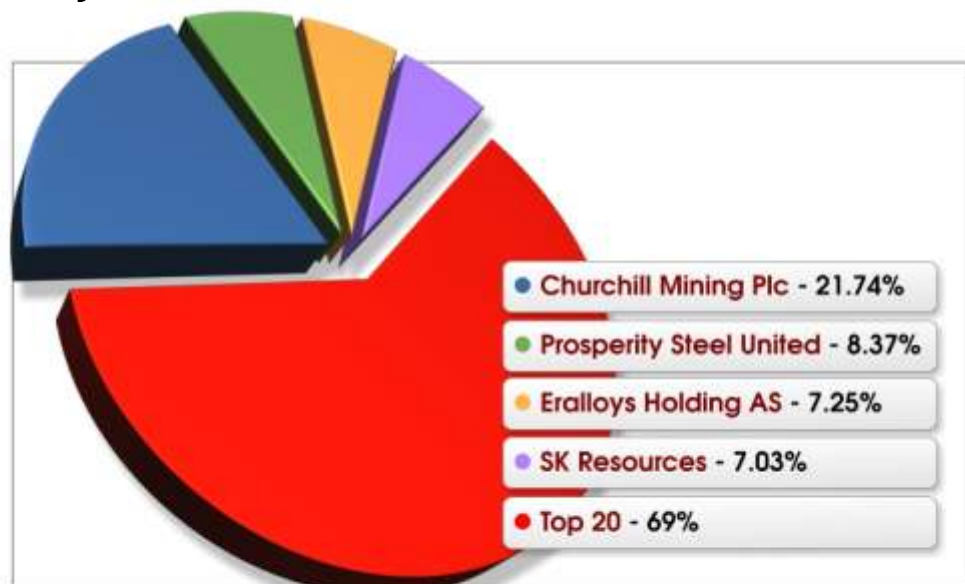




## Capital Structure:

- Shares on Issue: *115M (ASX: SPI)*
- Options on Issue: *49.8M*
- Market Capitalisation: *~\$13.8M (at 12c)*
- Cash (no debt): *~\$5M (May 2010)*
- Share price: *12c*

## Major Shareholders:



## Directors & Management:

- James Hamilton:
  - Managing Director
- Chris Daws:
  - Non-Executive Director
- Russell Hardwick
  - Non-Executive Director
- Nathan Cull:
  - Exploration Manager



# Why Manganese?



- Critical in modern steel-making
- No satisfactory substitute
- While manganese is abundant globally, high-grade manganese is not
- Global high-grade manganese sector is dominated by just a handful of players
- Only three established manganese mines in Australia
- New sources of supply keenly sought by traders and steel groups



# The Pilbara Manganese Exploration Rush



- Spitfire – *recent Tally-Ho Discovery*
- Auvex – *mining started, IPO planned*
- Consolidated Minerals – *mining with aggressive exploration (\$40 million) around/south of Woodie Woodie*
- FerrAus – *exploring*
- Shaw River Resources – *drilling 2010, recent JV with Talisman Mining*
- Jupiter Mines – *drilling 2010*
- AusQuest – *recently drilled*
- Mineral Resources – *mining started at Nicholas Downs*
- *Given the millions of dollars being spent on exploration, the Pilbara is poised to become a major world manganese mining province...*

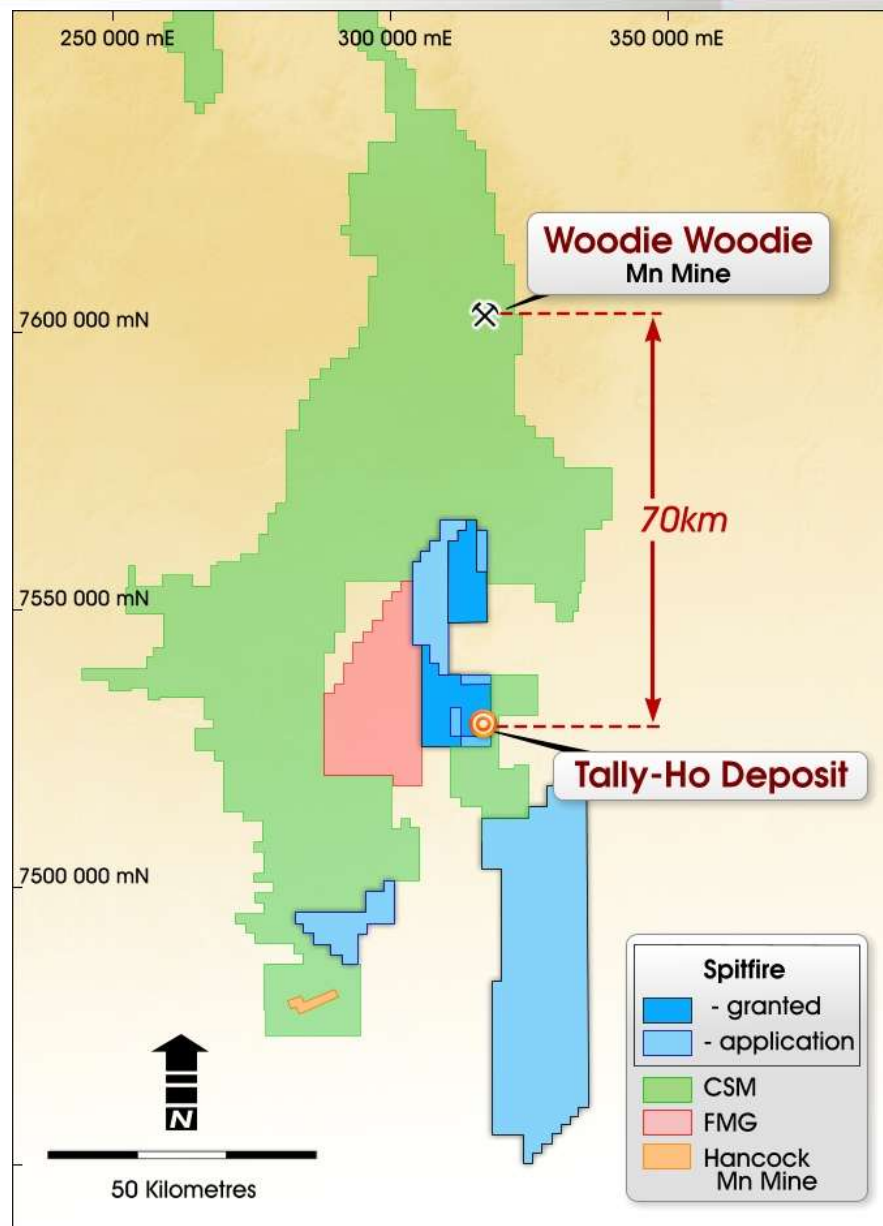


# Spitfire ... Location is the key

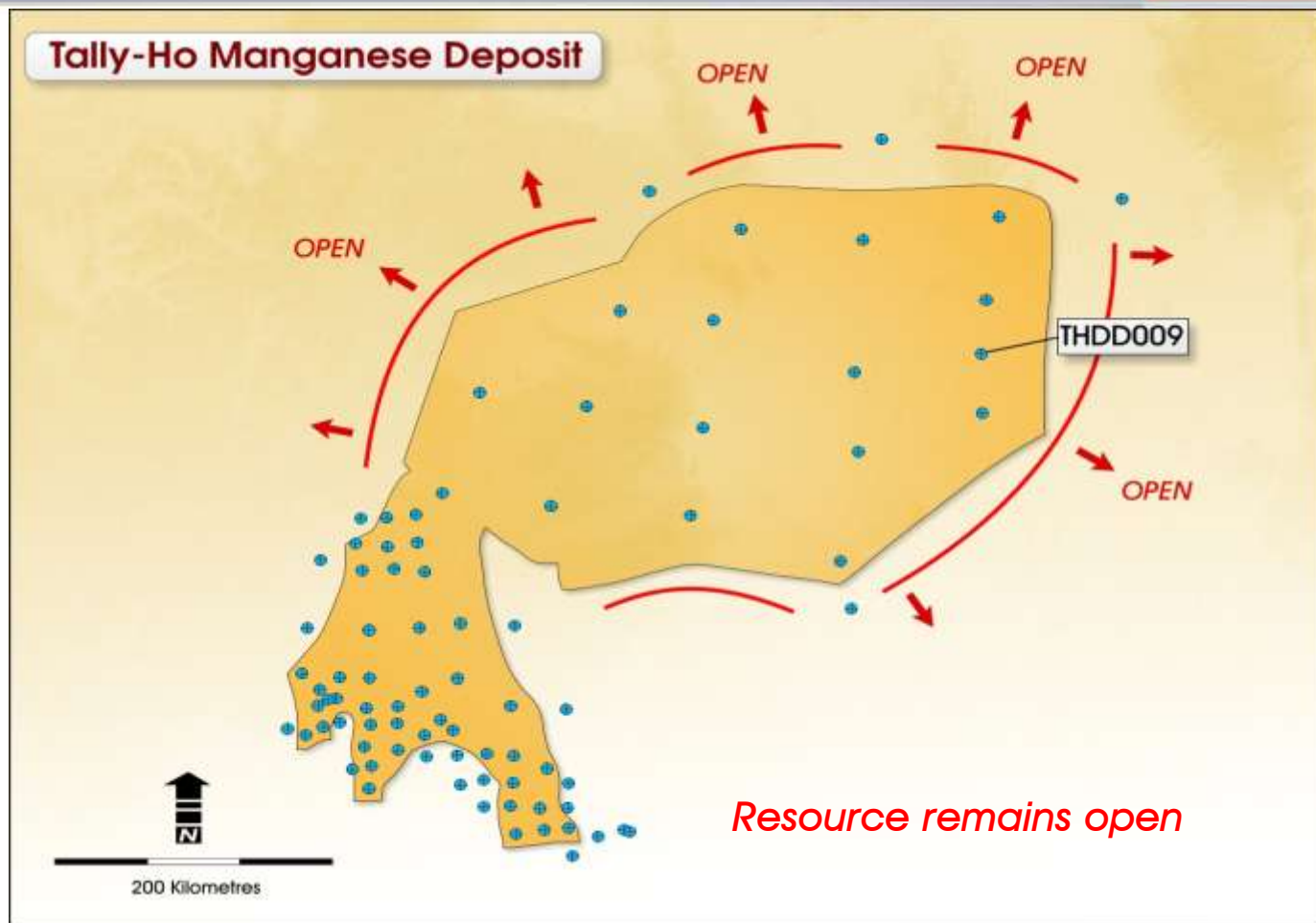


- 1,500 sq km tenement position 50km south of Woodie Woodie\*
- Similar geology with multiple evidence of manganese occurrences at surface
- + \$3M spent on exploration since listing
- Tally-Ho deposit discovered in 2009 – maiden JORC resource

\* *Woodie Woodie – 41 orebodies, 47kt-2mt Grading 40%-48% Mn mined since 1958*



# Tally-Ho Deposit – Resource Remains Open

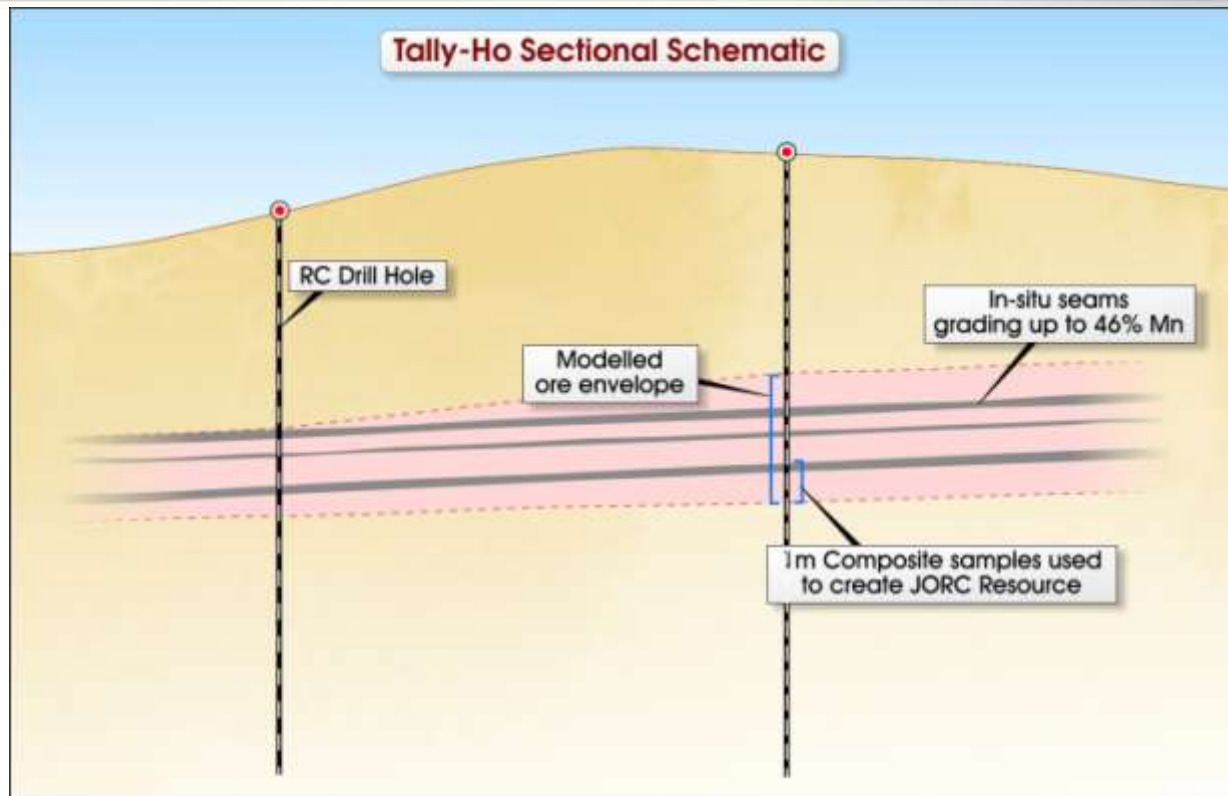


*Resource remains open*

<sup>1</sup> **Resource estimate** quoted utilising a 7.5% Mn cut-off applied to modelled blocks within mineralised envelope wireframe.

<sup>2</sup> **Resource estimate** quoted incorporating all modelled blocks within mineralised envelope wireframe.

	Tonnes	Mn%	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Pb%	P%	S%
<b>Previous Resource Estimate <sup>1</sup></b>	205,000	10.20	8.10	57.00	8.10	0.02	0.03	0.02
<b>New Estimate <sup>2</sup></b>	2,940,000	7.07	9.13	62.93	6.65	0.01	0.04	0.01

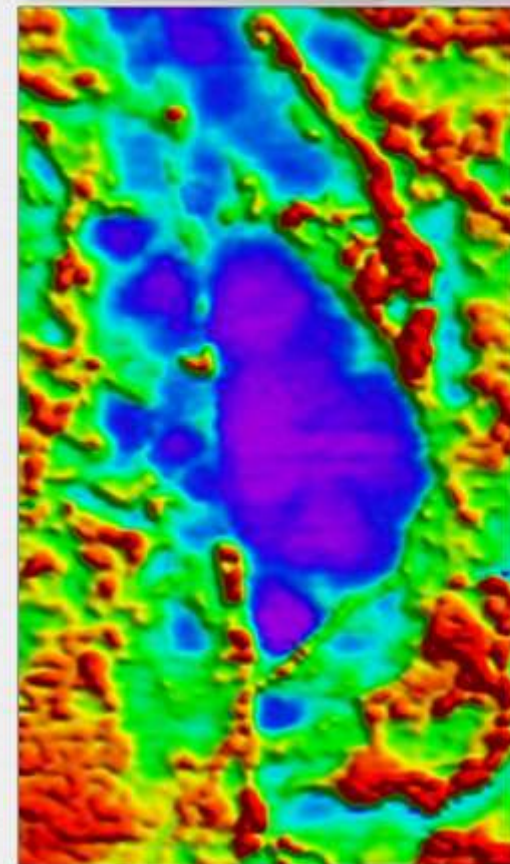


- Near-surface, flat-lying, tabular body of mineralisation – multiple stacked seams
- In-situ grades up to 46% Mn
- Preliminary testwork using Dense Media Separation (DMS) achieved yield of 31.45% and final product specification of 40% Mn
- **Contained high-grade manganese after beneficiation of between 500,000 tonnes and 600,000 tonnes, grading between 35 and 45% Mn \***

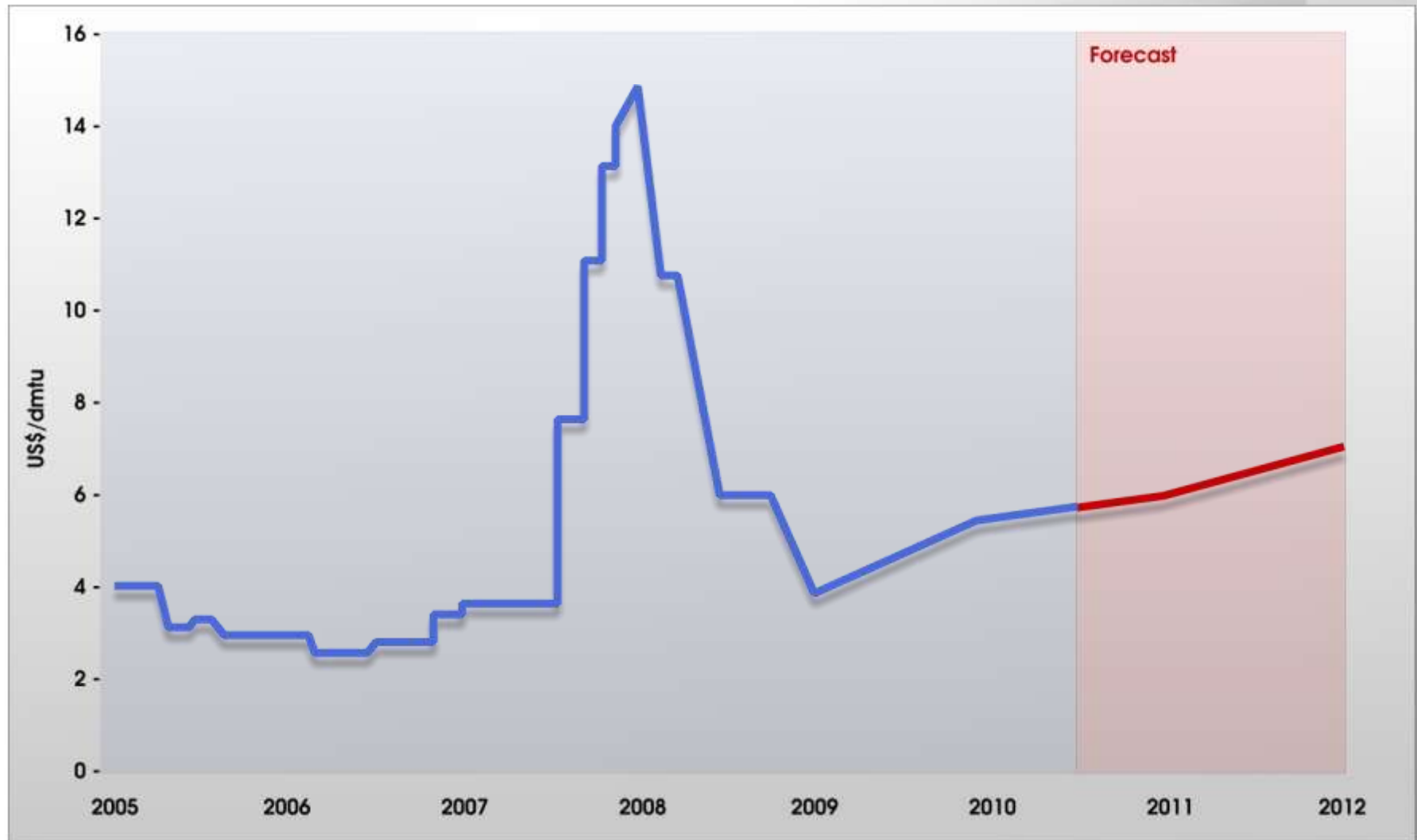
\* Because the potential quantity and grade of this Exploration Target is conceptual in nature, Spitfire notes in accordance with Section 18 of the JORC Code that there has been insufficient verification of previous exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.



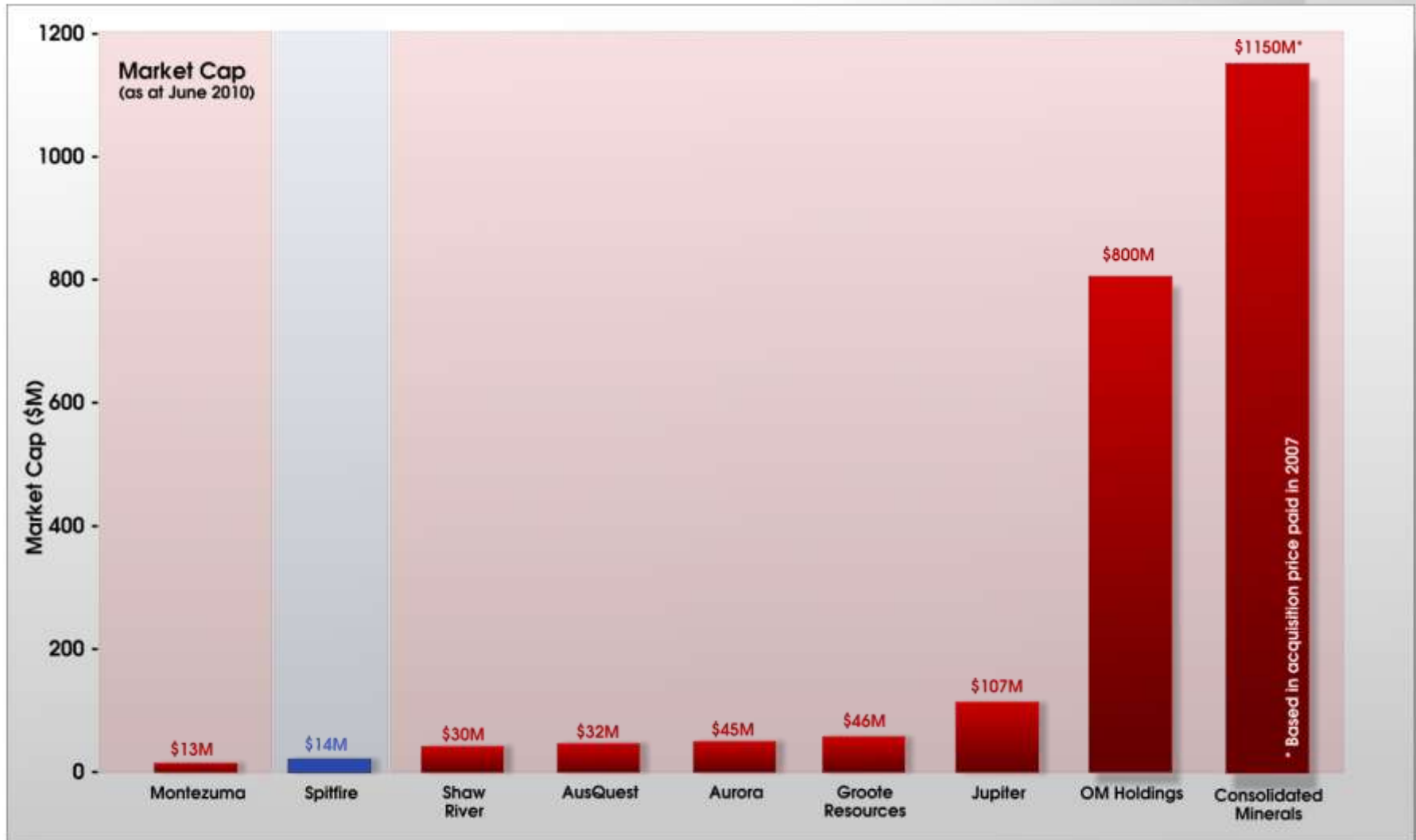
- Tally-Ho is a pathfinder for the discovery of other primary manganese deposits
- Spitfire's focus remains the discovery of Direct Shipping Ore (DSO) manganese deposits (+40% Mn)
- Phase 1 drilling completed in June 2010 – to test 16 initial EM and geological targets
- Follow-up drilling planned in second half of 2010



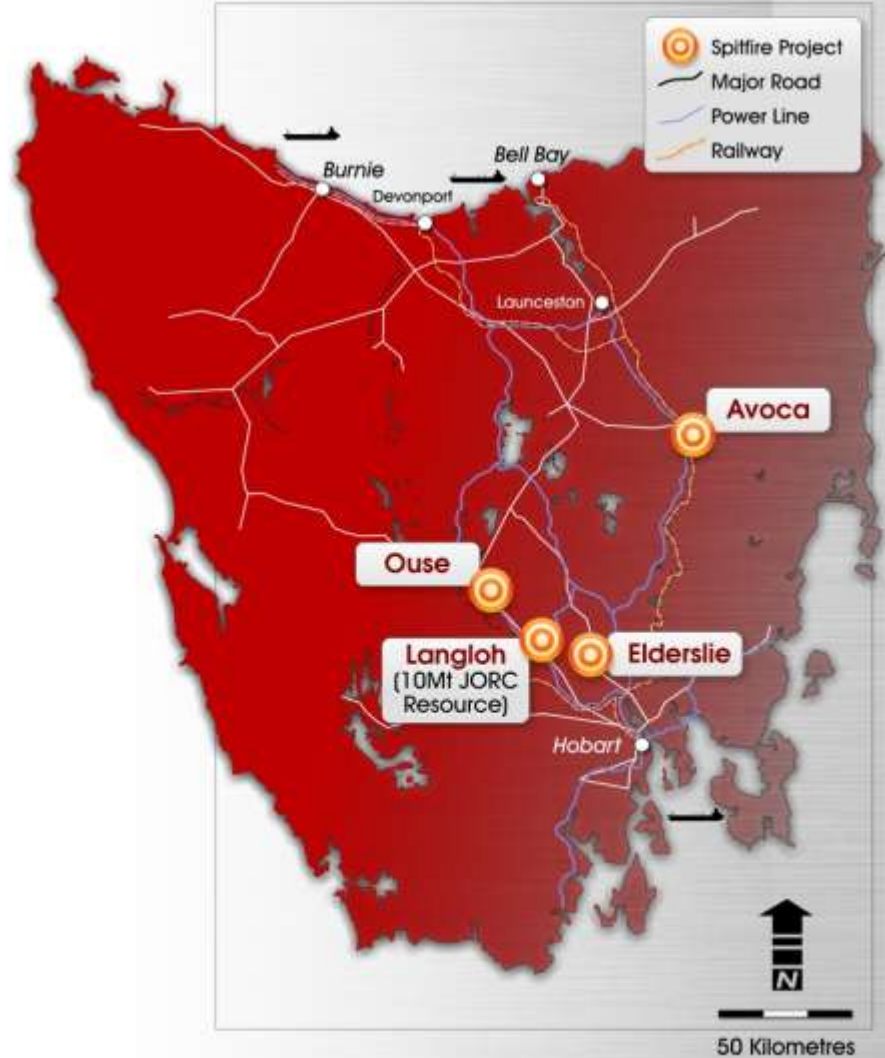
# Manganese Price



# Australia's Manganese Sector – Peer Comparison



# Tasmanian Coal – Infrastructure





- 103km<sup>2</sup> tenement package located in the Derwent Valley
- Comprehensively drilled (28 holes) and sampled (1981-82)
- Three shallow seams (~45m depth) averaging 3.6m cumulative width defined over 7.25km x 4.5km area
- Existing 10Mt JORC in-situ inferred black thermal coal resource
- Open at depth and along strike
- Excellent infrastructure
- Close to small operating coal mine
- Drilling for resource extensions and coal quality analysis completed in June 2010



Coal outcrop near Langloh



Average historical coal qualities of Langloh (air dried basis):

<i>Moisture (%)</i>	<i>4.8</i>
<i>Ash (%)</i>	<i>20.3</i>
<i>Volatile Matter (%)</i>	<i>24.5</i>
<i>Fixed Carbon (%)</i>	<i>50.4</i>
<i>Total Sulphur (%)</i>	<i>0.3</i>
<i>Total Phosphorous (%)</i>	<i>0.003</i>
<i>Specific Energy</i>	<i>5,636 kcal/kg</i>

- *Langloh Coal is of medium calorific value...possibly suitable for the export coal market*



• *Historical Langloh Core Trays (above)*



• *Recent Langloh Core Trays (above)*



- Specialist coal advisor retained
- Programs completed at Langloh (10 core holes) and Avoca (32 open holes)
- Targeting an additional 25-35Mt of open pitable coal resources\*
- Test work to help verify historic coal quality data
- Coal test work to take approximately 10 weeks
- Potential JV partner?



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- Extensional drilling completed surrounding historical coal open pits
- RC and core holes will test both coal strike and coal quality





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