



ABN 40 125 578 743

MEDIA / ASX RELEASE

5 August 2008

DRILLING AND EXPLORATION UPDATE SOUTH WOODIE WOODIE

HIGHLIGHTS

- **16 RC holes drilled for a total of 2,227 metres.**
- **Manganiferous material intersected in five out of six target areas, 10 out of 16 drill holes.**
- **Intercepts range between 1 - 12 metres with anomalous manganese grades.**
- **Successful beneficiation testwork indicates that the manganese can be upgraded to +45% Mn grade.**
- **Beneficiated manganese ore displays low levels of sulphur and phosphorous, similar to Woodie Woodie style manganese.**
- **Second round of drilling targeted to commence later this year.**
- **Field reconnaissance underway in southern project area.**

Spitfire Resources Limited (ASX: SPI – “Spitfire” or “the Company”) is pleased to announce the results of initial drilling and beneficiation testwork from the maiden drilling program at its 80%-owned **South Woodie Woodie Project** in the East Pilbara region of Western Australia.

Drilling Summary

The Company drilled 16 RC holes for a total of 2,227 metres in the first program. Spitfire had planned to drill 34 holes across seven targets, however, abrasive rock types and balling clays constrained penetration rates. The program was further hampered by unseasonal rains which forced it to be shortened. Consequently, one target area and many follow-up holes were not drilled. These holes will be considered for priority follow-up in the next drilling campaign slated for October 2008.

The deepest hole reached 214m and all holes were vertical. **Manganiferous material was intersected at five of six target areas drilled and 10 out of the 16 holes drilled recorded manganese intercepts ranging between 1 to 12 metres in thickness.**



Significant results are summarised below:

Hole ID	Depth From	Depth To	Interval (m)	Mn (%)
WWS030	0	3	3	5.68
WWS030	25	27	2	4.94
WWS031	4	6	2	5.58
WWS032	8	11	3	4.77
WWS033	10	13	3	4.43
WWS034	1	8	7	6.88
WWS035	31	38	7	2.73
WWS037	30	39	9	2.39
WWS039	109	111	2	5.48
WWS040	140	142	2	5.39
WWS041	80	89	9	2.54
WWS041	120	121	1	3.09
WWS041	145	154	9	3.11
WWS041	167	179	12	6.53*
WWS041	187	190	3	3.31

* includes 2m @ 13.7% Mn and 2m @ 14.4% Mn.

Drill hole WWS041, the final hole in the program, is considered to be particularly significant, returning an intersection of 12 metres of anomalous manganese grades. The ore zones occur as apparent broad zones of mineralisation, interbedded with chert. The follow-up drill hole to WWS041 was abandoned due to rain and will be continued in the upcoming drill round. The Woodie Woodie-style mineralisation intersected in this hole was broadly interbedded with silica.

Metallurgical Test Work

Five samples taken from hole WWS041 (from 168 to 173m) were submitted for Heavy Media Separation (HMS) test work at Amdel Mineral Laboratories. This process works on the same principle as the beneficiation process used to remove dilutants from mined ores.

The assays returned from the test work are summarised below:

WWS041 Intercept	Mn %	Fe %	SiO ₂ %	S %	P %
168-169m	49.5	9.3	0.8	0.008	0.04
169-170m	47.3	9.21	4.87	0.004	0.045
170-171m	37.8	8.78	20.7	0.007	0.041
171-172m	37.3	3.34	30.9	0.008	0.021
172-173m	44.8	9.22	9.24	0.009	0.041

The results confirm the geological logs in that the manganese ore zones exist as broad, high-grade zones of mineralisation, that are easily upgradeable to export quality product specifications.

It is also worth noting that the concentrations of deleterious elements (sulphur and phosphorous) are exceptionally low. The manganese occurs predominantly as pyrolusite and is of sufficient hardness to produce quality lump product. These characteristics are highly desirable for steel makers.

Conclusions and Upcoming Activities

Spitfire's maiden drilling campaign has confirmed the presence of Bangermall Basin lithologies at South Woodie Woodie. Of significance is the fact that these units are mineralised in exactly the same nature as the Woodie Woodie deposits. The recent drilling has yielded important evidence regarding thickness trends within a sequence overlying the carawine dolomite. This has narrowed the field of view for the mapping and upcoming drilling campaigns.

Subsequent to the unseasonal rains during the June Quarter, Spitfire has re-established its field camp and now has a team of experienced geologists conducting reconnaissance mapping in the southern areas of the project. Once this target delineation program is complete the Company will seek the necessary heritage approvals before commencing its second round of drilling.

Competent Person's Statement

The information in this release relating to exploration 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 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.'

ENDS

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

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

About Spitfire Resources

Spitfire Resources Limited (ASX Code: SPI) is an Australian resource company initially focused on the exploration and development of a portfolio of manganese exploration assets in the East Pilbara region of Western Australia. Spitfire listed on the Australian Securities Exchange in December 2007 following a successful A\$6 million Initial Public Offer (IPO).

*AIM-listed Churchill Mining Plc is the Company's largest shareholder, which it received as vendor consideration for the divestment to Spitfire of its asset, an 80% interest in the **South Woodie Woodie Manganese Project** in Western Australia's East Pilbara region.*

The South Woodie Woodie Project comprises three granted Exploration Licences. The principal area of initial exploration focus lies some 50km down-strike from the 1Mtpa Woodie Woodie manganese mine. Spitfire also announced that it had secured a substantial portfolio of new exploration tenure near the South Woodie Woodie Project, more than doubling its existing land holdings in the prospective East Pilbara region. The Company has lodged applications for four strategic tenements, covering a total area of 899 square kilometres, which are located approximately 13km south-east of the South Woodie Woodie Project.

Some of the new ground package abuts tenements managed by Consolidated Minerals, the former listed owner of the Woodie Woodie mine, and who was bought by private Ukrainian group Palmary Enterprises. Spitfire selected the ground after completing interpretive geological work suggesting that the area to the south-east could host strike extensions of a potential corridor of manganese host rocks.

In June 2008, Spitfire announced a significant addition to its asset base through an agreement to acquire a portfolio of advanced thermal coal projects located in Tasmania, providing the basis for a potential niche thermal coal export business.

ENDS