
Spitfire diversifies with Tasmanian coal acquisition

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Australian exploration company Spitfire Resources Limited has moved to diversify its asset portfolio and commodity base after entering into an agreement to acquire Black Rock Energy Pty Ltd a privately owned company whose assets include an advanced thermal coal project and a prospective portfolio of coal exploration properties located in the Derwent Valley at north west of Hobart in Tasmania.

Spitfire has reached conditional agreement with the shareholders of Black Rock to acquire all of its issued capital. Black Rock's assets comprise applications for the advanced Langloh Coal Project, the Avoca Coal Project, the Ouse Coal Project and the Sandfly Coal Project, located in Tasmania.

The proposed acquisition provides Spitfire with an opportunity to significantly expand the existing JORC compliant 10 million tonne In Situ Inferred thermal coal resource at Langloh within a 12 month timeframe as the basis for a potential niche thermal coal export business in Tasmania. It also provides an attractive pipeline of exploration opportunities in the region for additional thermal coal deposits.

The Langloh Project, which was drilled in the early 1980s, is favorably located with respect to infrastructure and has multiple deep sea port options, the closest of which is Hobart 45kms to the south east. Historical and recent analysis of the coal suggests that it is of medium calorific value, suitable for export markets in Asia.

The proposed acquisition is consistent with Spitfire's focus of developing a portfolio of assets in the carbon steel materials and energy sectors. The Company intends to progress the Langloh asset in parallel with its other core asset, the 80% owned South Woodie Woodie Manganese Project in the East Pilbara region of Western Australia, where it recently commenced its maiden drilling program.

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