

---

# SPITFIRE RESOURCES LIMITED

ACN 125 578 743

## NOTICE OF GENERAL MEETING

---

**TIME:** 10.00 am (WST)  
**DATE:** 23 July 2008  
**VENUE:** Subiaco Hotel  
Level One, 465 Hay Street  
Subiaco  
Western Australia 6008

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9381 3733.*

---

**CONTENTS PAGE**

---

Notice of General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	15
Schedule 1 - Black Rock Vendors	16
Proxy Form	17

---

**TIME AND PLACE OF MEETING AND HOW TO VOTE**

---

**VENUE**

---

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (WST) on 23 July 2008 at:

Subiaco Hotel  
Level One, 465 Hay Street  
Subiaco  
Western Australia 6008

**YOUR VOTE IS IMPORTANT**

---

The business of the General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

---

To vote in person, attend the General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

---

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Spitfire Resources Limited, Suite 1, 346 Barker Road, Subiaco, Western Australia 6008; or
- (b) facsimile to the Company on facsimile number (+61 8) 9382 4527,

so that it is received not later than 10.00 am (WST) on 21 July 2008.

**Proxy Forms received later than this time will be invalid.**

---

## NOTICE OF GENERAL MEETING

---

Notice is given that the General Meeting of Shareholders will be held at 10.00 am (WST) on 23 July 2008 at the Subiaco Hotel, Level One, 465 Hay Street, Subiaco, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 10.00 am (WST) on 21 July 2008.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

---

#### RESOLUTION 1 – ACQUISITION OF BLACK ROCK ENERGY PTY LTD

---

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue the following securities to the parties set out in the Explanatory Statement as consideration for the acquisition of all the issued capital of Black Rock Energy Pty Ltd:*

- (i) 10,000,000 Shares (Stage 1 Consideration); and
- (ii) 10,000,000 Shares (Stage 2 Consideration),

*and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

#### 2. RESOLUTION 2 – PLACEMENT – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue Shares raising a total of up to \$6,000,000 on the terms and conditions set out in the Explanatory Statement.”*

---

---

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**DATED: 19 JUNE 2008**

**BY ORDER OF THE BOARD**



**MR RUSSELL HARDWICK  
SPITFIRE RESOURCES LIMITED  
COMPANY SECRETARY**

---

## EXPLANATORY STATEMENT

---

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.00 am (WST) on 23 July 2008 at the Subiaco Hotel, Level One, 465 Hay Street, Subiaco, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

---

### 1. OVERVIEW OF ACQUISITION OF BLACK ROCK ENERGY PTY LTD

#### 1.1 Overview of the Transaction

As announced to ASX on 20 May 2008, the Company advised that it was conducting exclusive due diligence for the proposed acquisition of a coal project in Tasmania.

Subsequently, as announced to ASX on 23 May 2008, the Company entered into a share sale agreement with the shareholders of Black Rock Energy Pty Ltd (**Black Rock Vendors**) to acquire 100% of the issued capital of Black Rock Energy Pty Ltd (**Black Rock**) (**Share Sale Agreement**). 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 (together the **Projects**).

#### 1.2 Summary of Share Sale Agreement

The material terms of the Share Sale Agreement are as follows:

- (a) completion of the Share Sale Agreement is conditional upon:
  - (i) Spitfire completing its due diligence investigations in respect of Black Rock and being satisfied with the outcome of those investigations in its sole and absolute discretion, and advising the Black Rock Vendors of this fact in writing by the date which is 30 days after the date of the Share Sale Agreement (**Due Diligence Condition**);
  - (ii) Spitfire being satisfied as at the "Completion Date" (as defined in the Share Sale Agreement) that:
    - (A) the Black Rock Vendors have not materially breached the Share Sale Agreement; and
    - (B) none of the warranties given by the "Warranting Vendors" (as defined in the Share Sale Agreement) under the Share Sale Agreement is or has become false, misleading or incorrect;
  - (iii) Spitfire obtaining all necessary Shareholder approvals to give effect to the Transaction including but not limited to Shareholder approval in accordance with ASX Listing Rule 7.1 (and any applicable waivers necessary to give effect to the Share Sale Agreement);

- 
- 
- (iv) The granting of EL28/2008 and EL27/2008 to Black Rock and confirmation of the Applications for EL38/3008 and EL39/2008 being in the name of Black Rock; and
  - (v) all necessary consents (if any) being obtained in respect of the Transaction including but not limited to the consent, if required, of the Minister being obtained to all dealings evidenced by the Share Sale Agreement, in so far as those dealings require consent under the Mining Act,
- (together, the **Conditions**).
- (b) Subject to the Conditions being waived by the Company,
    - (i) if the Due Diligence Condition is not satisfied or waived by the Purchaser within 30 days from the date of the Share Sale Agreement (unless extended by written agreement between the Parties); and/or
    - (ii) any of the other Conditions are not satisfied by the date which is 6 months after the date of the Share Sale Agreement (**End Date**),the Share Sale Agreement will terminate;
  - (c) the consideration payable by the Company to the Black Rock Vendors for the acquisition of Black Rock is the following:
    - (i) the issue of:
      - (A) 10,000,000 Shares at Completion (**Stage 1 Consideration**); and
      - (B) up to 10,000,000 Shares (**Stage 2 Consideration**) within 10 business days of the delineation of a JORC Code inferred coal resource of not less than 25 million tonnes of black bituminous coal across all of the Tenements (**Coal Resource Achievement**);
    - (ii) Completion is to occur as soon as is practicable after satisfaction or waiver of the Conditions, and in any event no later than the End Date, or any other time, date and place as Spiffire and the Black Rock Vendors agree.
  - (c) in relation to the Stage 2 Consideration:
    - (i) in the event Coal Resource Achievement does not occur within 2 years from the date of the Share Sale Agreement, the Black Rock Vendors will have no entitlement to the Stage 2 Consideration and the total consideration payable under the Share Sale Agreement will be the Stage 1 Consideration; and
    - (ii) the Company may elect to pay the Stage 2 Consideration:
      - (A) in cash; or
      - (B) in a pro-rata combination of cash and Shares.

- 
- 
- (d) the Black Rock Vendors acknowledge that some or all of the Stage 1 and Stage 2 Consideration Shares may be deemed by ASX to be “restricted securities”, and accordingly agree to enter into a restriction agreement pursuant to Chapter 9 of the ASX Listing Rules in respect of the restricted securities. If some or all of the Stage 1 and Stage 2 Consideration Shares are not deemed by ASX to be restricted securities, the Black Rock Vendors in any event agree to execute a voluntary restriction agreement in respect of all of the Stage 1 Consideration Shares from the date of issue of those Shares until that date which is 12 months after.
- (e) the Share Sale Agreement contains representations and warranties pertaining to Black Rock, Black Rock Subsidiaries and the Projects which are typical for an agreement of this nature.

### **1.3 Overview of Black Rock and the Projects**

#### **Background on the Tenements**

Black Rock has applied for, but not yet been granted, exploration licenses to the Projects. The Projects are favourably located thermal coal projects, which are located close to rail and port infrastructure.

The Langloh Project, which was drilled in the early 1980s, is favourably 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, potentially suitable for export markets in Asia.

#### **Summary of the Projects**

The assets that are subject to acquisition are the following tenement applications:

- The Langloh (Hamilton) Coal Project – EL 28/2008;
- The Avoca Coal Project – EL27/2008;
- The Ouse (Langloh North) Coal Project – EL38/2008; and
- The Sandfly (Kaoota) Coal Project – EL 39/2008

#### **The Langloh Coal Project – EL 28/2008**

The Langloh Coal Project comprises tenement applications covering an area of 103 square kilometers in the Derwent Valley region of Tasmania. The project area was extensively drilled and sampled by Capricorn Resources and Petrecon Australia between 1981 and 1982, with a total of 28 holes completed for 1,413 metres of drilling.

The drilling covered an area 7.25km long by 4.5km wide and delineated three seams averaging 3.6 metres in cumulative width. The seams lie within 45 metres of the surface and dip gently to the south-east. The deposit remains open both along strike and at depth. Mining One Pty Ltd has estimated an existing 10 million tonne JORC compliant In Situ Inferred black coal resource.

Historical analysis of the coal indicates that it is of medium calorific value (~5,600 kcal/kg) with low sulphur and phosphorus. The Langloh Project area adjoins a working open pit coal mine operated by The Cornwall Coal Company Pty Ltd (Cornwall Coal), owner of the Fingal Coal Mine (Tasmania’s only other operating coal mine).

---

---

The Langloh Project is well served by infrastructure, with the project area transected by a major power line between Hobart and the West Coast. It lies approximately 15km from the Derwent Valley railway and 2km from the town of Hamilton.

The Langloh Project has three deepwater port options, all of which can accommodate large vessels and are served by rail links namely:

- Hobart, 45km from the site;
- Bell Bay, which can accommodate Panamax sized (40 - 60,000 tonnes) vessels; and
- Burnie.

### **The Avoca Coal Project – EL 27/2008**

Coal has been mined in the area surrounding Avoca almost continually since 1923. The historically worked seams were of significant thickness up to 3.6m in places. Extensive exploration was conducted in the region by Western Mining Corporation (Tas) Pty Ltd in 1977, Shell Company of Australia in 1980 and by the Avoca Transport Company Pty Ltd in the late 80's. Western Mining Corporation stated that "Coal analysis has indicated some of the coal to possess Coking properties."

### **The Ouse Coal Project EL 38/2008**

Ouse has been identified as being an area of significant exploration potential. The coal bearing stratigraphy at Ouse is believed to be similar to that of the Langloh area. In 1964 a six hole drill program to test the area's potential was recommended by the previous tenement holder but the drilling was not undertaken.

### **The Sandfly Coal Project EL 39/2008**

The Sandfly (Kaoota) coal field consists of Triassic coal measures containing a number of seams up to two metres thick. Previous small scale mining has occurred at the project intermittently between 1881 and 1971. A total of 11 drill holes were drilled by the Department of Mines between 1895 and 1973, and a further five drill holes completed by Capricorn Mining Limited.

### **Exploration Potential**

Based on recent modeling (non-JORC compliant) completed by Black Rock Energy in 2008 and the historical drilling and sampling information, Spiffire has determined an initial Exploration Target range for the combined Black Rock tenement portfolio of an additional 35 to 45 million tonnes\* of bituminous thermal coal.

*\* Because the potential quantity and grade of the this Exploration Target is conceptual in nature, Spiffire 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.*

### **Competent Person's Statement**

*Information in this notice of meeting that relates to a JORC compliant In Situ Inferred black coal resource of 10 million tonnes is based on information prepared for Black Rock Energy Pty Ltd by Mining One Pty Ltd. The report was prepared by Rob Gaulton (MAusIMM), a consultant affiliated with Mining One Pty Ltd, who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and who qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Rob Gaulton (MAusIMM) and Mining One Pty Ltd consent to the inclusion in this notice of meeting of the matters based on their information in the form and context in which it appears.*

---

---

## 1.4 Advantages and Disadvantages of the Transaction

The directors are of the view that the following non-exhaustive list of advantages and disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Transaction:

### **Advantages**

- (a) Diversification of the Company's assets across the Manganese and Coal sectors;
- (b) Outlook for thermal coal pricing remains strong;
- (c) Tasmania has excellent infrastructure and an attractive environment for the potential development of a niche thermal coal export operation;
- (d) Opportunity to expand the existing JORC compliant 10Mt In Situ Inferred thermal coal resource at the Langloh project;
- (e) Provides an attractive pipeline of exploration opportunities in the region for additional thermal coal deposits.

### **Disadvantages**

- (a) The proposed Transaction will result in the issue of securities to Black Rock which will dilute the current holdings of Shareholders; and
- (b) The proposed Transaction will be subject to a number of risk factors, some (but not all) of which are set out in section 1.5 below.

## 1.5 Risks

Shareholders should be aware that if the proposed Transaction is approved, the Company will be subject to various risk factors. Based on the information available, a non-exhaustive list of risk factors is set out below:

### **(a) Exploration Risks**

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. There can be no guarantee that planned exploration and evaluation programs will lead to positive exploration and evaluation results and the delineation of a commercial deposit or further, a commercial coal mining operation.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

---

---

The success of the Company will also depend upon it having access to sufficient development capital, being able to maintain title to the mining tenements, and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the mining tenements, a reduction in the potential size of the coal deposits of the Company and possible relinquishment of the mining tenements.

**(b) Resource Estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

**(c) Title Risk**

Interests in tenements in Australia are governed by applicable legislation and are evidenced by the granting of mining exploration and mining exploitation concessions. Mining exploration concessions are for a specific term and carry annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, the Tenements if concession conditions are not met.

**(d) Commodity Price Volatility and Exchange Rate Risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

**(e) Environmental Risks**

The operations and proposed activities of the Company are subject to Australian laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

---

---

**(f) Operating and Technical Risks**

The current and future operations of the Company, including exploration, appraisal and possible production activities, may be affected by a range of factors, including:

- (i) start up risks;
- (ii) geological conditions;
- (iii) limitation on activities due to adverse seasonal weather conditions;
- (iv) unanticipated operational and technical difficulties encountered in sampling, drilling and production activities;
- (v) mechanical failure of operating plant and equipment;
- (vi) industrial and environmental accidents, industrial disputes and other force majeure events;
- (vii) unavailability of drilling equipment;
- (viii) unexpected shortages or increases in the cost of consumables, spare parts, plant and equipment;
- (ix) access to certain parts of the project area; and
- (x) contracting risk from third parties providing essential services.

**(g) Additional Requirements for Capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

**1.6 Effect on Capital Structure**

The capital structure of the Company following implementation of all of the Resolutions contained in this Notice is set out below.

<b>Shares</b>	<b>Number</b>
Shares on Issue at date of this Notice	70,151,681
Acquisition of Black Rock – Stage 1 Consideration Shares	10,000,000
Acquisition of Black Rock – Stage 2 Consideration Shares	10,000,000
<b>Total Shares on issue at completion of the Transaction</b>	<b>90,151,681</b>
<b>Options</b>	
Options on Issue at date of this Notice <sup>1</sup>	34,381,672
<b>Total Options on issue at completion of the Transaction</b>	<b>34,381,672</b>

**Notes:**

1. As at date of this Notice the Company has on issue 34,381,672 options exercisable at various prices and expiring on various dates.

---

## **2. RESOLUTION 1 – ACQUISITION OF BLACK ROCK ENERGY PTY LTD**

### **2.1 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 requires a listed company to obtain Shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any 12 month period.

Resolution 1 seeks Shareholder approval for the allotment and issue of:

- (a) 10,000,000 Shares (Stage 1 Consideration); and
- (b) up to 10,000,000 Shares (Stage 2 Consideration),

to the vendors of Black Rock Energy Pty Ltd as consideration for the acquisition of all of the issued capital in Black Rock Energy Pty Ltd pursuant to the Share Sale Agreement (as summarised in Section 1 of the Explanatory Statement).

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Transaction during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity. ASX has granted the Company a waiver to enable the Company to issue the Stage 2 Consideration by no later than 23 May 2010.

### **2.2 Technical Information Required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3 the following information is provided in relation to the Transaction:

- (a) the maximum number of securities to be issued is 20,000,000 Shares;
- (b) the Shares will be issued for nil cash consideration as they are being issued in consideration for the acquisition by the Company of all of the issued capital of Black Rock;
- (c) the date of allotment of shares will occur on the completion date of the share sale agreement as detailed in Section 1.2 of this Explanatory Memorandum;
- (d) the Shares issued pursuant to Resolution 1 will be issued to the Black Rock Vendors (as set out in Schedule 1), none of whom are related parties of the Company;
- (e) 10,000,000 of the Shares (the Stage 1 Consideration) will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). Pursuant to a waiver granted by ASX in relation to ASX Listing Rule 7.3.2, up to 10,000,000 of the Shares (the Stage 2 Consideration) may be issued no later than 23 May 2010 and in accordance with the terms of the Share Sale Agreement;
- (f) the Shares are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares; and
- (g) no funds will be raised from the issue of the Shares as they are being issued by the Company in consideration for the acquisition by the Company of all of the Black Rock Shares pursuant to the Share Sale Agreement (as summarised in Section 1 of the Explanatory Statement).

---

### **3. RESOLUTION 2 – PLACEMENT - SHARES**

#### **3.1 General**

Resolution 2 seeks Shareholder approval for the allotment and issue of Shares raising a total of up to \$6,000,000, at an issue price per Share not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed (**Share Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 2 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **3.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$6,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Share Placement as set out in Section 3.3.

#### **3.3 Use of funds raised under the Share Placement**

The funds raised under the Share Placement will be used by the Company to progress the Tasmanian Projects and for general working capital.

---

---

It is expected that the funds will be allocated as follows over the next 24 months:

<b>Exploration expenditure (2 years)</b>	<b>Amount</b>
Geological consultants and staff wages	1,348,000
Geophysical surveys and consultants	518,000
Drilling, Assaying and consumables	985,000
Logistical field support and vehicles	270,000
Site set-up and infrastructure	500,000
Travel, Tenement Management and administration expenses	286,500
New project generation	750,000
Brokerage fees and costs of fundraising	300,000
Unallocated Working Capital	1,042,500

The above table is a statement of current intentions (based on the Company's ongoing due diligence) as of the date of this Notice of Meeting. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

In the event the amount raised under the Share Placement is less than \$6,000,000, the funds available for Unallocated Working Capital will reduce by the relevant amount. Should the Share Placement raise less than \$6,000,000, it is believed the Company will still have sufficient working capital to carry out its objectives in relation to the Projects.

---

## **ENQUIRIES**

---

Shareholders are required to contact Mr Russell Hardwick on (+ 61 8) 9381 3733 if they have any queries in respect of the matters set out in these documents.

---

## GLOSSARY

---

**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Black Rock** means Black Rock Energy Pty Ltd (ACN 129 585 486).

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Spitfire Resources Limited (ACN 125 578 743).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**General Meeting** means the meeting convened by the Notice of Meeting.

**JORC Code** means the code for Reporting of Mineral Resources and Ore Reserves as published by the Australasian Joint Ore Reserves Committee.

**Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Tenements** means:

- (a) the Langloh (Hamilton) Coal Project, being EL28/2008;
- (b) the Avoca Coal Project, being EL27/2008;
- (c) the Ouse Coal Project, being EL38/2008; and
- (d) the Sandfly Coal Project, being EL39/2008.

**Transaction** means the transaction contained in the Share Sale Agreement between the Company and Black Rock.

**WST** means Western Standard Time as observed in Perth, Western Australia.

---

**SCHEDULE 1 – BLACK ROCK VENDORS**

---

	<b>Vendor</b>	<b>Shares</b>	<b>% of shares</b>
1	P&D Instrument & Electrical Services Pty Ltd	299,998	1.49998
2	Lionel James Cruttenden	100,000	0.50
3	Peter Stirling Smith and Denise Phyllis Smith	200,000	1.00
4	Ivan Anthony Geddes	200,000	1.00
5	Jonathan Allan Dixon	400,000	2.00
6	Stuart Allan Willis and Barbara Ann Willis	200,000	1.00
7	Bevan Nigel Hugh Tarratt	1	0.00001
8	Bruce James Lane ATF Oscella Family Trust	1	0.00001
9	Resource Corporate Solutions Pty Ltd	2,800,000	14.00
10	Merlin Holdings (WA) Pty Ltd	6,700,000	33.50
11	Luke Marshall	500,000	2.50
12	Robert Jewson	700,000	3.50
13	Hexagon Capital Limited	6,000,000	30.00
14	Eugene Lambert	400,000	2.00
15	John Campbell Smyth and Ann Novello Hogarth Superannuation fund	1,000,000	5.00
16	Graham Woolford	500,000	2.50
	<b>TOTAL</b>	<b>20,000,000</b>	<b>100%</b>

**PROXY FORM**



**APPOINTMENT OF PROXY  
SPITFIRE RESOURCES LIMITED  
ACN 125 578 743**

**GENERAL MEETING**

I/We

Of

being a member of Spitfire Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint   
Name of proxy

OR

Mark this box if you wish to appoint the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10.00 am (WST), on 23 July 2008 at Subiaco Hotel, Level One, 465 Hay St, Subiaco Western Australia 6008, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

**Voting on Business of the General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Acquisition of Black Rock Energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Placement – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**OR**

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolutions 1 and 2 please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 and 2 and that votes cast by the Chair of the General Meeting for Resolutions 1 and 2 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 and 2 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 and 2.

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008 \_\_\_\_\_ %

**By:**

**Individuals and joint holders**

Signature
Signature
Signature

**Companies (affix common seal if appropriate)**

Director
Director/Secretary
Sole Director/ Secretary

**SPITFIRE RESOURCES LIMITED**  
**ACN 125 578 743**

**Instructions for Completing 'Appointment of Proxy' Form**

1. A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

5. Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Spitfire Resources Limited, Suite 1, 346 Barker Road, Subiaco, Western Australia 6008; or
  - (b) facsimile to the Company on facsimile number +61 8 9382 4527,

so that it is received not later than 10.00 am (WST) on 21 July 2008.

**Proxy forms received later than this time will be invalid.**