
SPITFIRE RESOURCES LIMITED

ABN 40 125 578 743

NOTICE OF GENERAL MEETING

TIME: 10.00 am

DATE: 29 April 2008

PLACE: Subiaco Hotel

Level One, 465 Hay Street
Subiaco
Western Australia 6008

This Notice of General 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 Mr Russell Hardwick on 08 9381 3733.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Spitfire Resources Limited which this Notice of General Meeting relates to will be held at 10.00 am on 29 April 2008 at the Subiaco Hotel, Level One, 465 Hay Street, Subiaco, Western Australia 6008.

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 proxy form enclosed:

- (a) send the proxy form by post to P.O Box 8050, Subiaco East, Western Australia 6008: or
- (b) by facsimile to the Company on facsimile number +61 8 9382 4527,

so that it is received not later than 10.00 am on 27 April 2008

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Spitfire Resources Limited (ABN 40 125 578 743) (**Company**) will be held at 10.00 am (WST) on 29 April 2008 at the Subiaco Hotel, Level One, 465 Hay Street, Subiaco, Western Australia 6008.

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 5.00 pm (WST) on 27 April 2008.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

AGENDA

RESOLUTION 1 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

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 7.2 (Exception 9) and for all other purposes, approval is given for the Directors to adopt and implement the “Spitfire Resources Employee Share Option Plan” (**Plan**) in accordance with the terms and conditions of the Plan, a summary of which is set out in the Explanatory Statement.”*

Short Explanation: The Plan is designed to be an incentive to key people who assist in the successful development and operation of the Company. Approval is sought pursuant to ASX Listing Rule 7.2 (Exception 9) so that securities issued pursuant to the Plan are not included in the Company's 15% capacity for the purposes of ASX Listing Rule 7.1. Please refer to the Explanatory Statement for further details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates.

RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – 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 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 8,650,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates.

RESOLUTION 3 – ISSUE OF OPTIONS TO MR JAMES TYSON HAMILTON

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 2,000,000 Class A Director Options and 2,000,000 Class B Director Options to James Tyson Hamilton (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by James Tyson Hamilton or his nominee/s.

RESOLUTION 4 – ISSUE OF OPTIONS TO MR PAUL GERARD MAZAK

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 750,000 Class A Director Options and 750,000 Class B Director Options to Paul Gerard Mazak (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Paul Gerard Mazak or his nominee/s.

RESOLUTION 5 – ISSUE OF OPTIONS TO MR RUSSELL PAUL HARDWICK

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 750,000 Class A Director Options and 750,000 Class B Director Options to Russell Paul Hardwick (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Russell Paul Hardwick or his nominee/s.

RESOLUTION 6 – ISSUE OF OPTIONS TO MR CHRISTOPHER JOHN DAWS

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and 750,000 Class A Director Options and 750,000 Class B Director Options to Christopher John Daws (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Christopher John Daws or his nominee/s.

DATED: 17 March 2008
BY ORDER OF THE BOARD



Russell Paul Hardwick
COMPANY SECRETARY
SPITFIRE RESOURCES LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at 10.00 am on 29 April 2008 at the Subiaco Hotel, Level One, 465 Hay Street, Subiaco, Western Australia 6008.

The 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 RESOLUTION 1 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

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 rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

Resolution 1 seeks Shareholder approval for the adoption of the "Spitfire Resources Employee Share Option Plan" (**Plan**) to allow the issue of Options under the Plan as an exception to ASX Listing Rule 7.1 in accordance with ASX Listing Rule 7.2 (Exception 9).

Shareholders should note that no Options have previously been issued under the Plan and the objective of the Plan is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the Plan and the future grant of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

The terms and conditions of the Plan are set out in Schedule 1.

2 RESOLUTION 2 RATIFICATION OF PRIOR ISSUE OF SHARES

On 17th March 2008, the Company announced the placement of 8,650,000 Shares for additional working capital.

The subscriber pursuant to this issue was not a related party of the Company.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 8,650,000 Shares were allotted;
- (b) the issue price was \$0.20 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to Tinfos AS; and
- (e) the funds raised from this issue were used for additional working capital.

3 RESOLUTION 3 – 6 - AUTHORISATION TO GRANT OPTIONS

General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 8,500,000 Options (**Director Options**) to Messrs Hamilton, Mazak, Hardwick and Daws (**Related Parties**) on the terms and conditions set out below.

The Director Options will comprise of:

- (a) 4,250,000 Class A Director Options; and
- (b) 4,250,000 Class B Director Options.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit and as Directors, Messrs Hamilton, Mazak, Hardwick and Daws, are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances.

Accordingly, Shareholder approval is sought for the grant of Director Options to the Related Parties.

Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related parties are Messrs Hamilton, Mazak, Hardwick and Daws (or their nominee/s) and they are related parties by virtue of being Directors;
- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 2,000,000 Class A Director Options and 2,000,000 Class B Director Options to James Tyson Hamilton;
 - (ii) 750,000 Class A Director Options and 750,000 Class B Director Options to Paul Gerard Mazak;
 - (iii) 750,000 Class A Director Options and 750,000 Class B Director Options to Russell Paul Hardwick; and
 - (iv) 750,000 Class A Director Options and 750,000 Class B Director Options to Christopher John Daws.
- (c) the Director Options will be granted to the Related Parties no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) 2,125,000 of the Class A Director Options and 2,125,000 of the Class B Director Options will vest 1 year after the grant date;
- (e) 2,125,000 of the Class A Director Options and 2,125,000 of the Class B Director Options will vest 2 years after the grant date;
- (f) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (g) the terms and conditions of the Director Options are set out in Schedule 2;
- (h) the value of the Director Options and the pricing methodology is set out in Schedule 3;

- (i) the relevant interests of the Related Parties in securities of the Company are set out below;

Related Party	Shares	Options
James Tyson Hamilton	350,000	Nil
Paul Gerard Mazak	250,000	Nil
Russell Paul Hardwick	175,000	Nil
Christopher John Daws	550,000	Nil

Mr Mazak and Mr Hamilton are directors of Planet Mining Pty Ltd ("Planet") which holds 25 million ordinary shares in Spiffire. Planet is a 100% controlled subsidiary of Churchill Mining Plc which is listed on AIM. Mr Mazak and Mr Hamilton are Directors of Churchill Mining Plc and their combined interests are less than 5% of the issued capital of Churchill Mining Plc.

- (j) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

Related Party	Current Financial Year (Half-year to 31 December 2007)	Previous Financial Year
James Tyson Hamilton	\$70,833	Nil
Paul Gerard Mazak	\$70,833	Nil
Russell Paul Hardwick	\$55,645	Nil
Christopher John Daws	\$ 8,333	Nil

- (k) if the Director Options granted to the Related Parties are exercised, a total of 8,500,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 70,150,015 to 78,650,015 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Party	Issued Shares as at the date of this Notice of Meeting	Director Options to be issued	Issued Shares upon exercise of all Director Options	Dilutionary effect upon exercise of Director Options
James Tyson Hamilton	350,000	4,000,000	4,350,000	5.09%
Paul Gerard Mazak	250,000	1,500,000	1,750,000	1.91%
Russell Paul Hardwick	175,000	1,500,000	1,675,000	1.91%
Christopher John Daws	550,000	1,500,000	2,050,000	1.91%
TOTAL	1,325,000	8,500,000	9,825,000	10.82%

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company. Shareholders should note that the Company will, however receive subscription monies totalling \$1,912,500 if all the Director's options are exercised.

On 8 February 2008 the Board resolved to issue the Director Options, subject to Shareholder approval, on the terms and conditions set out in this Notice of General Meeting at a time when the Share price was trading on ASX below the exercise price of the Director Options, but Shareholder approval has not been able to be obtained until this General Meeting.

- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	27 cents	12 December 2007
Lowest	12.5 cents	22 January 2008
Last	17.5 cents	14 March 2008

- (m) the primary purpose of the grant of Director Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their respective roles as Directors;

- (n) the Board acknowledges the grant of Director Options to Paul Mazak, Russell Hardwick & Christopher Daws is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to Paul Mazak, Russell Hardwick and Christopher Daws reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.

The Board considers that in view of the financial, legal and other responsibilities assumed by directors of public companies, the payment of monetary directors fees alone is often not an adequate reward and does not provide an adequate incentive to keep board members and directors of the requisite level of experience and qualifications. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;

- (o) Mr Hamilton declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 3, recommend that Shareholders vote in favour of Resolution 3. The Board (other than Mr Hamilton) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution;
- (p) Mr Mazak declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. The Board (other than Mr Mazak) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution; and
- (q) Mr Hardwick declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board (other than Mr Hardwick) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.
- (r) Mr Daws declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board (other than Mr Daws) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

ENQUIRIES

Shareholders should contact Mr Russell Hardwick if they have any queries in respect of the matters set out in these documents.

GLOSSARY

All references to currency are to Australian Dollars and cents.

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of Directors as constituted from time to time.

Business Day has the meaning set out in the Corporations Act.

Company means Spiffire Resources Limited (ABN 40 125 578 743).

Corporations Act means the Corporations Act 2001 (Cth).

Class A Director Option means an option to acquire a fully paid ordinary share in the capital of the Company granted pursuant to Resolutions 3 to 6 with the terms and conditions set out in Schedule 2.

Class B Director Option means an option to acquire a fully paid ordinary share in the capital of the Company Options granted pursuant to Resolutions 3 to 6 with the terms and conditions set out in Schedule 2.

Directors mean the directors of the Company.

Directors Option means A Class Options and B Class Options as the context requires.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

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

Notice means the Notice of Meeting.

Option means an option to acquire a Share in the Company.

Optionholder means a holder of an A Class Option or a B Class Option as the context requires.

Share or **Shares** means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares in the Company.

WST means Western Standard Time observed in Perth, WA.

SCHEDULE 1

1) Introduction

The Plan is designed to provide full-time and part-time employees and executive Directors (but not non-executive Directors) of the Company (**Eligible Employees**) with an ownership interest in the Company and to provide additional incentives to increase profitability and returns to Shareholders.

2) Acquisition of Options

The Directors may invite Eligible Employees to acquire Options under the Plan at their discretion. The Shares being the subject of the Options will be fully paid ordinary Shares in the capital of the Company, and will rank equally with other issued Shares.

3) Eligible Employees

Permanent full-time and part-time employees, contractors and sub-contractors determined by the Board to be included within the definition of "Eligible Employee" for the purposes of the Plan, and executive Directors (but not non-executive Directors) of the Company or an associated body corporate are eligible to participate in the Plan.

4) Limit on Plan Options

The aggregate number of Options in respect of which invitations may be made under the Plan by the Directors on any date, when added to the number of Options already issued under the Plan during the 5 years preceding the date on which invitations are made, must not exceed 5% of the total number of Options on issue in the capital of the Company.

5) Powers of the Board of Directors

The Plan is administered by the Directors of the Company, who have the power to:

- a) determine procedures for the administration of the Plan;
- b) amend or waive the terms and conditions of the Plan; and
- c) suspend or terminate the Plan.

The Board will retain a discretion to determine when Options will vest, when vested Options may be exercised and when Options may be acquired or cancelled for monetary consideration equivalent to their value.

6) Performance Criteria

The Board, in its absolute discretion, will determine the applicable performance criteria to be achieved and the time period in which those criteria must be satisfied. Whilst not limiting the Board's discretion, the performance criteria would generally be focused on exceeding the key financial and other performance measures of the Company.

SCHEDULE 2 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

Subject to the vesting conditions referred to in Section 3(d) and 3(e) of the Explanatory Statement, the Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Director Option, the Optionholder must exercise the Director Options in accordance with the terms and conditions of the Director Options.
 - (b) The Director Options will expire at 5:00 pm (WST) on that date which is 5 years from the date of issue (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (c) The amount payable upon exercise of each Class A Director Option will be 20 cents (**Exercise Price**).
 - (d) The amount payable upon exercise of each Class B Director Option will be 25 cents (**Exercise Price**).
 - (e) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (f) An Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;
- (Exercise Notice).**
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
 - (i) The Director Options are not transferable.
 - (j) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
 - (k) The Company will not apply for quotation of the Director Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment of those Shares.
 - (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (m) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (n) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Director Options, the exercise price of the Director Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (o) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Director Options, the number of securities over which a Director Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Director Option had been exercised before the record date for the bonus issue.

SCHEDULE 3 – VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to the Related Parties pursuant to Resolutions 3, 4, 5 and 6 have been independently valued by Ord Nexia Chartered Accountants as at 8 February 2008 and by internal management on 14 March 2008. Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Class A Director Options and Class B Directors Options were ascribed a value range, as follows:

Assumptions:	Class A	Class B
Valuation date	8 th February 2008	8 th February 2008
Market price of Shares	15.5 cents	15.5 cents
Exercise price	20 cents	25 cents
Expiry date	7 February 2013	7 February 2013
Risk free interest rate	6.38%	6.38%
Volatility	60%	60%
Indicative value per Director Option	7.96 cents	7.09 cents

Assumptions:	Class A	Class B
Valuation date	14 th March 2008	14 th March 2008
Market price of Shares	17.5 cents	17.5 cents
Exercise price	20 cents	25 cents
Expiry date	7 February 2013	7 February 2013
Risk free interest rate	6.38%	6.38%
Volatility	60%	60%
Indicative value per Director Option	9.51 cents	8.54 cents

The value of the Directors options to be issued to each Director (or nominee) are summarised below:

Name of Related Party	Number of Class A options	Number of Class B options	Total Value Range
Mr James Hamilton	2,000,000	2,000,000	\$301,000 to \$361,000
Mr Paul Mazak	750,000	750,000	\$112,875 to \$135,375
Mr Russell Hardwick	750,000	750,000	\$112,875 to \$135,375
Mr Christopher Daws	750,000	750,000	\$112,875 to \$135,375

Note: The valuation ranges noted above are not necessarily the market prices that the Director Options could be traded at and they are not automatically the market prices for taxation purposes

PROXY FORM

**APPOINTMENT OF PROXY
SPITFIRE RESOURCES LIMITED
ABN 40 125 578 743**

GENERAL MEETING

I/We

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

Appoint

Name of proxy

OR

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

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman'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 on 29 April 2008 at Level One, 465 Hay St Subiaco, Western Australia, and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Approval of ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Options to Mr James Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Options to Mr Paul Mazak	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to Mr Russell Hardwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Options to Mr Christopher Daws	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him 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 Chairman of the meeting will not cast your votes on Resolution/s and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman intends to vote in favour of these Resolutions.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

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

Signed this day of 2008

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Sole Director and Sole Company Secretary

Sole Director and Sole Company Secretary

SPITFIRE RESOURCES LIMITED
ABN 40 125 578 743

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act 2001. Section 127 of the Corporations Act 2001 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 2001, 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.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed:
 - (a) send the proxy form by post to P.O Box 8050, Subiaco East, WA 6008; or
 - (b) by facsimile to the Company on facsimile number +61 8 9382 4527,

so that it is received not later than 5.00 pm on 27 April 2008.

Proxy forms received later than this time will be invalid.