

## DECEMBER 2007 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

#### *Corporate*

- **A\$6M IPO (30 million 20c shares) closed heavily oversubscribed.**
- **Successful listing on the Australian Securities Exchange on December 12, 2007.**

#### *South Woodie Woodie Manganese*

- **Experienced exploration and mine Geologist Nathan Cull appointed as Exploration Manager.**
- **Planning commenced in preparation for RC drilling in April 2008.**
- **Planned expansion of Regional Exploration following review of geological model and field visit.**

### 1. Corporate

The December 2007 Quarter has been a highly productive period for Spitfire Resources Limited (ASX Code: SPI) considering its short corporate existence.

On December 12 the Company successfully listed on the Australian Securities Exchange (ASX) after raising A\$6 million via an Initial Public Offering (IPO) of 30 million shares at 20c per share. The offer was heavily oversubscribed.

In conjunction with this raising, the Company announced an Options Entitlement Issue whereby it proposes to undertake a non-renounceable issue of Options within three to six months of the commencement of trading of SPI shares on the ASX. All eligible SPI shareholders, at a record date to be announced by the Company, will be entitled to participate in this Loyalty Issue on the basis of 1 Option for every 3 Shares held. The Options will be issued at a price of 1c each with an exercise price of 20c and an expiry date of 30 June 2010. It is anticipated that the timing of this Options Entitlement Issue will be announced during the March Quarter.



**Spitfire Resources Limited**  
ACN 125 578 743

#### *Corporate Details*

**ASX Code:** SPI

**Issued Capital:**  
61,000,015 Ordinary Shares

#### **Substantial Shareholders:**

Planet Mining Pty Ltd (40.98%)  
GLG European  
Long-Short Fund (7.00%)  
Citicorp Nominees Pty Ltd (6.10%)

#### **Directors:**

Chairman:  
Paul Mazak

Managing Director:  
James Hamilton

Non Executive:  
Russell Hardwick

Non Executive:  
Chris Daws

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## 1. Corporate continued

The successful ASX listing and IPO has put Spitfire in a strong position to pursue its core objectives, which are:

- To explore its 80%-owned South Woodie Woodie manganese project in the East Pilbara region of Western Australia; and
- To review other project opportunities in Australia and other parts of the world.

In relation to the second objective, Spitfire has recently initiated dialogue with its strategic alliance partner, PT Ridlatama Nickelindo, about potential resource opportunities in Indonesia. It has also engaged in discussions with other non-Indonesian groups, with its priority being to identify projects in commodities which are experiencing a high level of demand in key markets in Asia. Only projects demonstrating the potential to substantially increase the value of the company will be pursued.

## 2. South Woodie Woodie - Spitfire Resources 80% (Manganese)



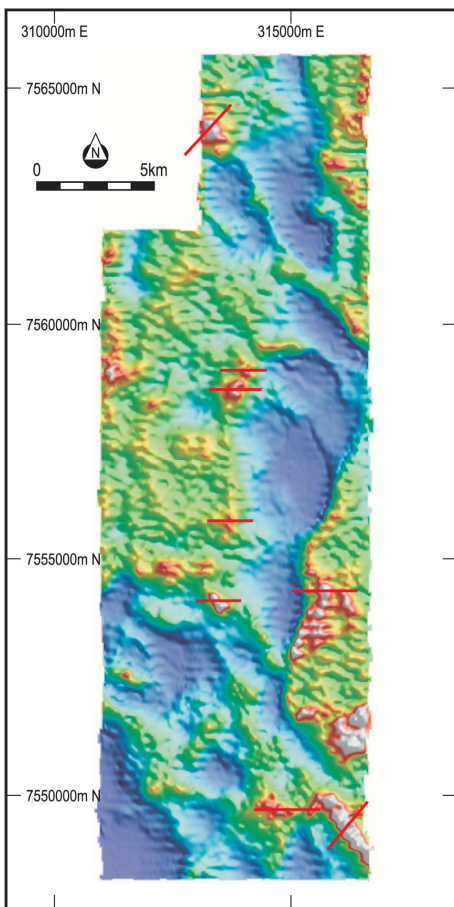
*Nat Cull – Exploration Manager*

During the Quarter Spitfire sought to recruit an Exploration Manager to expedite and enhance fieldwork at South Woodie Woodie during 2008. The Company has subsequently announced the appointment of Nat Cull to the role.

Mr. Cull – who has held a number of senior positions over the past seven years with Australian manganese producer Consolidated Minerals Limited – has over 17 years experience in the exploration and mining sectors, including several years of experience in resource estimation and two years working in the former Soviet Union.

He has performed the role of Chief Mine Geologist for Consolidated Minerals, overseeing the mine geology at the Woodie Woodie manganese and Coobina chromite operations in Western Australia, where he assisted in coordinating the timely development drilling of deposits with mine schedules and was involved in the discovery and drill-out of the Double Eight Extensions manganese deposit.

During the current “wet season” in northern Australia (which restricts drill rig access) Spitfire has used its planning time as an opportunity to refine its exploration targeting process and further understand the geological controls that exist at the project, particularly in the middle and southern portions of the project – which cover large areas that have had very limited previous exploration.

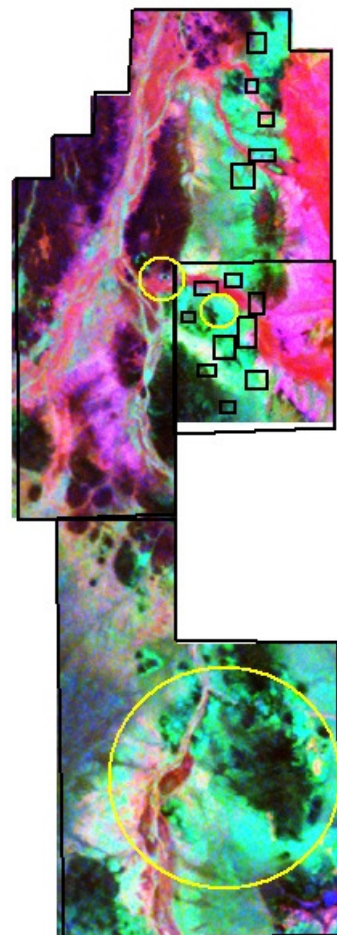


***Pseudo-colour image of the VTEM Data (Channel 15) showing location of IP Survey Lines and conductors that will be drilled (warmer colours represent increasing conductivity)***

The Company is planning initially to drill approximately 7,000m of Reverse Circulation (RC) holes at eight defined targets at South Woodie Woodie in the 2008 field season.

However, following a recent site visit and review of the Company's broader tenement holdings, its geological team has developed an enhanced understanding and interpretation of the geological model in these middle and southern areas. The company is optimistic that additional targets will be generated for further drill campaigns once the initial group of targets has been tested.

***Depicts a radiometrics map covering the Spitfire tenements with existing areas of interest. The April drill targets are within some of these zones. The yellow ellipsoids indicate areas requiring further geological investigation. These areas are highly prospective and require mapping.***



Recent field work has resulted in the identification of a typical East Pilbara style of manganese mineralisation within the Company's tenements, and a number of areas of interest have been identified in addition to existing targets.

***A recent geological field trip revealed areas of manganese mineralisation that were previously unidentified. This image depicts strong manganese mineralisation within the Pinjian Chert Breccia.***



A number of relatively discrete geological indicators were identified by ground reconnaissance. Given the limitations in using grass roots geophysical techniques, which can experience difficulties in attempting to penetrate competent Pinjian chert breccia, the fieldwork has highlighted the need for further detailed geological mapping over the tenements. This has been proven to be a useful technique which can significantly accelerate the discovery rate for manganese deposits in similar settings.

Consequently an intensive mapping program will be initiated to coincide with the beginning of the 2008 field season, focusing on geologically prospective areas.

**JAMES HAMILTON**  
Managing Director

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*The information in this report relating to exploration results is based on information compiled by Mr. N. Cull. Mr. Cull is Exploration Manager for Spitfire Resources Ltd, and consents to the inclusion in this report of the information as presented. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the type of activity described to qualify as a competent person.*