

MARCH 2008 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

Corporate

- Spitfire secures strategic support of diversified Norwegian-based metals and alloys group, Tinfos AS, via A\$1.73M share placement at 20 cents.
- Leading French mining and metals company Eramet SA subsequently reaches agreement to acquire Tinfos' business and operations for €593 million, subject to approvals.
- Spitfire confirms 1-for-3 entitlement of 20c options expiring 30 June 2010.
- Cash reserves of A\$7.1 million at the end of the Quarter.

South Woodie Woodie Manganese

- Exploration field team mobilized and exploration camp established in preparation for the 2008 exploration field season.
- Spitfire more than doubles its existing East Pilbara land holdings by applying for a strategic 899km² ground package to the south east of South Woodie Woodie.
- Initial 7,000m RC drilling program commences on 28 April with the program encompassing seven defined targets.

Overview

The March 2008 Quarter was Spitfire Resources' first full quarter as an Australian Securities Exchange-listed exploration company. The principal focus of activity was preparing for the commencement of the 2008 exploration field season at the **South Woodie Woodie Manganese Project** in the East Pilbara region of Western Australia.

The Company also completed a strategic review of its entire ground holdings and exploration strategy, and secured an important addition to its ground position to the south east of the South Woodie Woodie Project.



Spitfire Resources Limited

ACN 125 578 743

Corporate Details

ASX Code: SPI

Issued Capital:
70,150,015 Ordinary Shares

Substantial Shareholders:

Planet Mining Pty Ltd (35.64%)
Tinfos AS (12.33%)

Directors:

Chairman:
Paul Mazak

Managing Director:
James Hamilton

Non Executive Director:
Russell Hardwick

Non Executive Director:
Chris Daws

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1. Corporate

Tinfos AS becomes major shareholder

A key highlight of the quarter was the announcement that Spitfire had secured the strategic support of the diversified Norwegian-based industrial, trading and metals & alloys group, Tinfos AS, as a major shareholder by way of a share placement.

Spitfire agreed to place 8.65 million shares at 20c to Tinfos, raising \$1.73 million, making Tinfos Spitfire's second largest shareholder with 12.3% of the company's expanded share capital. The shares issued pursuant to the placement were allotted on 17 March and Tinfos lodged a substantial shareholder notice on 27 March.

The proceeds of the share placement increased Spitfire's cash reserves to A\$7.1 million at the end of the March 2008 Quarter, providing a strong foundation for the Company's 2008 exploration program at the South Woodie Woodie Project.

Tinfos AS is a holding company with a portfolio of businesses including industrial export-orientated operations and international trade. Originally established in the 19th century as a hydro-electric power generation company, Tinfos is today a leading diversified industrial, trading and metals & alloys group which generated sales revenue in excess of NOK7 billion in 2007.

The Group's industrial operations are conducted through Tinfos Jernverk AS, which produces manganese alloys, and Tinfos Titan & Iron, which produces titanium iron and pig iron. Tinfos Jernverk AS is a major player in the production of silico-manganese, an alloy used in the making of steel. The Company is a world leader in the production of low-carbon silico-manganese for primarily stainless steel. Tinfos's manganese plant is located in Kvinesdal on the southern tip of Norway making it ideally placed to ship alloy products to Europe.

Spitfire believes Tinfos's specialist knowledge of the global manganese market combined with its strong balance sheet will increase the range of development options open to the Company moving forwards. Tinfos also understands and is supportive of Spitfire's secondary corporate goal, which is to bring in other assets to the company – including non-manganese projects.

Subsequent to the end of the Quarter, on 15 April, the leading French mining and metals company Eramet SA announced that it had reached agreement to acquire Tinfos's business and operations for cash and shares, valuing the group at €593 million.

The acquisition marks a further consolidation of the global manganese industry as demand continues to increase. Eramet is the second largest manganese alloys producer after Ukraine-based Nikopol. The acquisition of Tinfos is expected to increase its manganese alloys production by more than 20%.

Loyalty Options

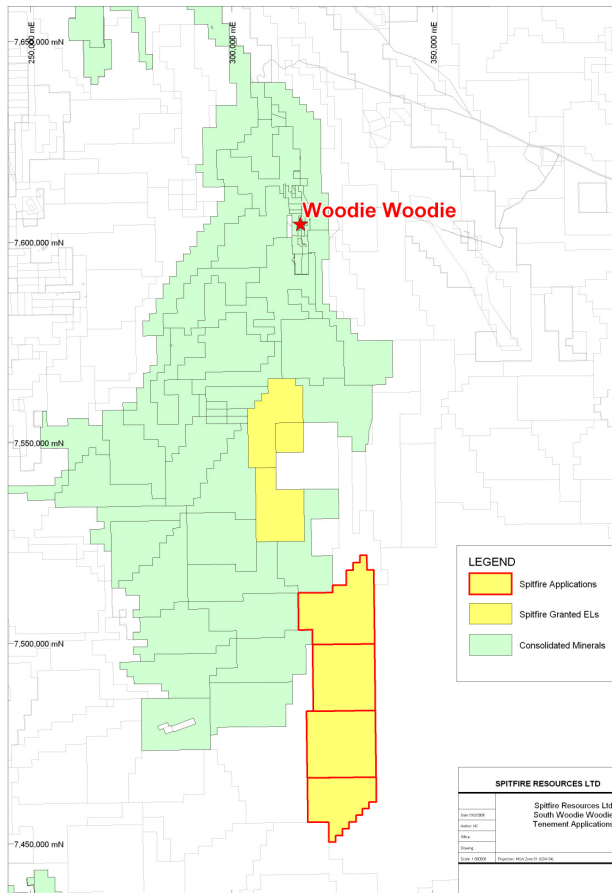
On 1 April, Spitfire announced that it will undertake a pro-rata, non-renounceable entitlements issue of options to shareholders as foreshadowed in its IPO Prospectus.

The Company has lodged a Prospectus with the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX) for the issue of up to 23,383,338 options on a one-for-three basis (one option for every three ordinary shares held) at an issue price of 1 cent per option. These options will have an exercise price of 20c per option prior to the expiry date of 30 June 2010.

The Prospectus is available for viewing on Spitfire's website at www.spitfireresources.com

2. South Woodie Woodie - Spitfire Resources (Manganese)

New Ground Pegged



During the Quarter, Spitfire moved to secure a substantial portfolio of new exploration tenure near its South Woodie Woodie manganese project, more than doubling its existing land holdings in the East Pilbara region of Western Australia.

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, which was recently acquired by Ukrainian group Palmayr Enterprises. Spitfire selected the ground after completing interpretive geological work illustrating that the area to the south east contains strike extensions of a potential corridor of manganese host rocks.

Until now the area applied for has been subjected to very little modern exploration, partly due to transported sands obscuring some of the geology. Spitfire has consequently begun to investigate the use of geophysics as a means to identify the extent of these units and their potential to host manganese mineralisation.

Drilling Commences...





During the Quarter, Spitfire continued its preparations for the maiden drilling program at its 80%-owned South Woodie Woodie project.

The Company completed camp construction, drill-rig access, pad preparation, fuel drops and recruited geological and field staff for the initial program, which is anticipated to comprise of up to 34 holes for approximately 7,000 metres of Reverse Circulation (RC) drilling at seven defined targets which were selected on the basis of geophysical surveys and field work previously undertaken over the South Woodie Woodie tenements. These techniques included IP, EM and gravity surveys, which have become an accepted part of manganese exploration in the district.

Six of the initial targets were selected on the basis of geophysical anomalism, with the seventh target representing a manganese occurrence discovered earlier this year.

Spitfire's South Woodie Woodie tenements are located 35-70km south of the Woodie Woodie manganese mining centre. The Company's exploration strategy is based on the utilisation of sophisticated geophysical techniques to search for "blind" manganese deposits, that is, deposits that are hidden below younger rocks and regolith not exposed at surface.

Subsequent to the end of the Quarter, Spitfire announced on 28 April that drilling had commenced at South Woodie Woodie, marking the commencement of the key first stage of its 2008 exploration field season. Results from this drilling program will be reported to the market as they become available.

A handwritten signature in black ink, appearing to read 'James Hamilton'.

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.