

ASX Release – 19 April 2010

MARCH 2010 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

South Woodie Woodie Manganese Project, East Pilbara

- Planning completed for 2010 manganese exploration campaign, with RC drill rig secured and heritage approvals completed.
- Drilling commenced on 9 April with the initial program comprising 3,000m of drilling focusing on 16 priority geophysical and geological targets for high-grade manganese.
- Targets include strong EM conductors, extensive areas of manganese outcrop and geological targets derived from mapping.
- Updated JORC resource in preparation for the Tally-Ho manganese deposit and expected to be finalised before the end of April 2010.

Business Development – Manganese

- Highly prospective 111 sq km tenement, E45/875, located immediately north of the Nicholas Downs manganese mine in the East Pilbara region, secured by Spitfire following a strongly contested ballot.
- The new tenement increases Spitfire's East Pilbara ground holding to over 1,500 sq km including over 1,100 sq km of 100% owned tenements.

Tasmanian Coal

- Drilling program commences at Langloh thermal coal project, to be immediately followed by drilling at Avoca Project.
- Full coal quality analysis to be conducted for both projects to determine optimum strategy to progress thermal coal portfolio.

Corporate

- Cash reserves of A\$4.15 million at the end of the March Quarter.

Overview

Spitfire Resources (ASX: SPI – “Spitfire” or “the Company”) commenced drilling programs on two fronts during the March Quarter, with its 2010 manganese drilling program in the East Pilbara kicking off in early April following the start of the first drilling program within its Tasmanian coal portfolio.

Both of these programs are expected to deliver a significant flow of results and news flow during the June Quarter. The commencement of these significant exploration programs coincides with the return of investor interest to the exploration sector driven by the strong recent performance of commodity and equity markets.

Work also continued on analysis of results from diamond drilling conducted last Quarter to test extensions of the Tally-Ho Deposit at South Woodie Woodie. An updated JORC resource is currently being prepared by the Company's consultants, Optiro Pty Ltd, and is expected to be finalised before the end of April 2010.



Spitfire Resources Limited

ACN 125 578 743

Corporate Details

ASX Code: SPI

Issued Capital:
101.01M Ordinary Shares

Substantial Shareholders:
Churchill Mining Plc
Eralloys Holding AS

Directors:

Chairman and Managing Director:
James Hamilton

Director/Secretary:
Russell Hardwick

Non Executive Director:
Chris Daws

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1. South Woodie Woodie Manganese

The South Woodie Woodie Project area comprises four granted Exploration Licences and ten Exploration Licence Applications in Western Australia's emerging East Pilbara Manganese Province. The tenements lie along strike and to the south of the 1Mtpa Woodie Woodie Manganese Mining Centre (operated by Consolidated Minerals Limited) and in close proximity to several emerging manganese projects which are being actively explored.

2010 Manganese Exploration Program

During the Quarter, Spitfire secured a drilling rig and completed all heritage clearances required to commence the 2010 manganese drilling program at the South Woodie Woodie Project.

The 2010 program will provide the first definitive test of multiple targets for high-grade manganese which have been developed and geologically assessed by Spitfire over the past field season.

The targets are located throughout EL46/616 (SPI 80%), which also hosts Spitfire's recently discovered Tally-Ho manganese deposit. An updated JORC resource estimate is currently being prepared for Tally-Ho following extensional drilling programs and subsequent test work conducted last year.

The 2010 drilling program will continue Spitfire's focus on discovering potential Direct Shipping Ore deposits of high-grade manganese mineralisation at South Woodie Woodie.

Spitfire has developed a strong pipeline of attractive targets based on an extensive airborne EM survey completed over the southern portion of the tenements last year, as well as detailed mapping and incorporation of structural and geological models.

Spitfire has budgeted for an initial 3,000m of Reverse Circulation (RC) drilling across 16 priority targets. Further metres will be drilled if deemed appropriate. Boart Longyear has been contracted to undertake the drilling, which commenced on 9 April 2010. The Company has also contracted GPX Surveys to fly a new 774km airborne geophysical survey west of the current drilling area. This program coupled with geological mapping will potentially delineate a second suite of targets which are planned to be drill tested later in the calendar year.

Further details regarding the drilling results will be reported to the market as they come to hand.

Tally-Ho Deposit JORC Resource

During the December 2009 Quarter, Spitfire completed a new program of Diamond and Reverse Circulation (RC) drilling at the Tally-Ho manganese deposit comprising 18 RC drill holes for 692 metres (including five pre-collars for a total of 80 metres) as well as 9 diamond holes for 330 metres.

The RC drilling was designed to test for interpreted extensions to the deposit to the north-east, while the diamond drilling recovered core that was dispatched for extractive metallurgical test work.

Results from these programs have been sent to the Company's resource consultants, Optiro Pty Ltd, who at the time of writing were updating Tally-Ho's JORC resource estimate.

Business Development – Manganese

Subsequent to the end of the Quarter, Spitfire was successful in a ballot to determine competing applications for a highly prospective 111 sq km manganese exploration project in the East Pilbara region of Western Australia.

The highly strategic tenement, E45/875, was secured as a result of a partial surrender of the ground by Consolidated Minerals, which operates the world-class 1Mtpa Woodie Woodie mine, located approximately 120km to the north (see Figure 1).

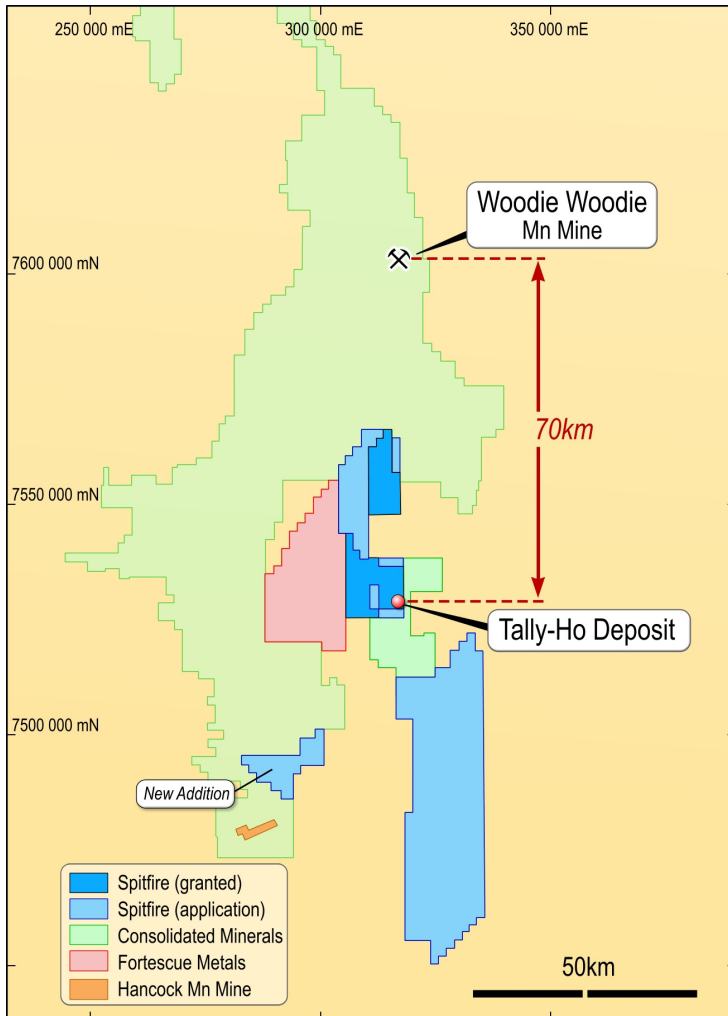


Figure 1 - Tenement map showing new South Woodie Woodie application

The tenement is located approximately 50km south-east of Spitfire's South Woodie Woodie Project, including the granted tenements covering its Tally-Ho Manganese Deposit and immediately north of the Nicholas Downs manganese mine.

Mineral Resources Limited (ASX: MIN) recently started mining at Nicholas Downs under an agreement with Hancock Prospecting, with a production target of 40,000 tonnes per month of 40% ferruginous manganese.

Spitfire's application for the ground was contested by FMG Pilbara, Murchison Metals and Hancock Balfour Downs.

The new tenement increases Spitfire's total East Pilbara ground holding to over 1,500 sq km, comprising its original 80%-owned tenement holding of 430.1 sq km at South Woodie Woodie, applications for a further 1,015.1 sq km to the south-east and the new application of 110.7 sq km.

The previous and new applications totalling 1,125.8 sq km are 100% owned by Spitfire.

2. Tasmanian Coal

Spitfire's Tasmanian Coal project comprises a prospective portfolio of four coal exploration properties located in Tasmania. These assets comprise the Langloh Coal Project (which has an existing 10 million tonne in-situ Inferred JORC thermal coal resource), the Avoca Coal Project, the Ouse Coal Project and the Elderslie Coal Project. All of these projects have excellent access to infrastructure.

During the Quarter, Spitfire commenced new programs of diamond and RAB drilling at the Langloh and Avoca Projects.

In mid-March, an initial 10-hole drilling program commenced at the Langloh (Hamilton) Coal Project. This represents the first exploration program to be conducted in this area since the early 1980s. The Langloh Project comprises a granted tenement covering an area of 103 sq km in the Derwent Valley region. 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.

This resulted in the definition of an initial In Situ Inferred black coal JORC resource of 10 million tonnes within an area approximately 7.25km long by 4.5km wide. Three seams were delineated averaging 3.6 metres in cumulative width and lying within a maximum 45 metres below surface.

Three RAB holes will test for extensions to the existing resource, which remains open both along strike and at depth. A further seven diamond holes will be drilled to extract samples for coal quality analysis.

The Langloh Project is favourably located with respect to infrastructure. Historical analysis of the coal suggests that it is of medium calorific value, possibly suitable for export markets in Asia.

Following completion of the Langloh drilling a second program comprising 23 holes of Rotary Air Blast (RAB) drilling and 2 diamond drill holes will be undertaken at the Avoca Project. The key objectives of the drilling are to extract samples for coal quality analysis and test the area's coal bearing potential.

Small tonnages of coal have been mined in the area surrounding Avoca almost continually since 1923. The historically worked seams display thickness of 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 1980's. Western Mining Corporation stated that "coal analysis has indicated some of the coal to possess coking properties."

The drilling program follows extensive and detailed planning in conjunction with the Company's consultants Marston over the past 12 months.

Drilling will target the opportunity to expand the existing resource at Langloh and to test the extent and quality of outcropping coal seams at Avoca. In addition, diamond drilling will be undertaken to extract samples for a detailed 3-month program of coal quality analysis which will be crucial to determining the next steps.

The Company intends to fully evaluate the development potential of the Tasmanian coal assets once there is a full suite of data available on coal quality and resource potential.

3. Northern Territory Exploration Portfolio

Spitfire holds a 70% interest in a group of seven Exploration Licence Applications (ELA's) which have been lodged surrounding the Lindeman's Bore Project, located 380km south west of Katherine in the Northern Territory. The Lindeman's Bore Project is owned and operated by Proto Resources & Investments Ltd (ASX: PRW). The tenements have a total area of 9,680 square kilometres covering prospective magnetic features surrounding the Lindeman's Bore discovery.

No significant activities were carried out during the Quarter.

4. Corporate

The Company had cash reserves of A\$4.15 million at the end of the Quarter.



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Competent Person's Statement – South Woodie Woodie and Northern Territory Projects

The information in this Report relating to Exploration Results and Mineral Resources from the South Woodie Woodie Manganese Project and the Northern Territory Project is based on information compiled by Nathan Cull who is a Member of the Australian Institute of Geoscientists. 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 as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Competent Person's Statement – Tasmanian Coal Project

The information in this Report relating to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Neil Fraser who is a Member of The Australasian Institute of Mining and Metallurgy. Neil Fraser is employed by Marston International Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Neil Fraser consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.