

**Churchill Mining plc (“Churchill”)**  
**Spitfire Resources Quarterly Report**

Churchill Mining Plc is pleased to draw shareholders’ attention to the first quarterly report released by Spitfire Resources Limited (“Spitfire”) on the ASX, in which Churchill holds a 40.1% interest.

**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 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)**

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.

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.

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 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.

*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.*

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#### Notes to editors

Churchill Mining Plc listed on AIM in April 2005.

#### South Woodie Woodie

Given the increased prospectivity of South Woodie Woodie, and Churchill's increasing focus on its Indonesian coal and coal bed methane projects, the Company sold 80% of the project to Australian company Spitfire Resources Limited ('Spitfire'). Spitfire, which listed on the ASX on the 12th December 2007, will have the option to purchase the remaining equity in the project after spending AUD\$1.5 million on exploration.

The South Woodie Woodie project covers approximately 490 square kilometres in the East Pilbara region of Western Australia, and sits approximately 400km southeast of Port Hedland in the highly prospective Pilbara manganese province. Churchill has recently completed a heliborne versatile time-domain electromagnetic geophysics programme and interpretive work, and a follow up dipole-dipole IP survey which identified multiple drill targets.

#### Sendawar - CBM

The Sendawar Coal CBM project in Kalimantan, Indonesia, covers more than 800 square kilometres of prospective ground and lies in close proximity to two operating open-cut coal mines. The project is located approximately 50km from the Mahakam River.

During Churchill's coal exploration programme, data collected during geophysical and resistivity work, along with data collected from previous oil and gas exploration in the area; indicated that the area was highly prospective for Coal Bed Methane. Churchill (70% of the CBM project) along with its Indonesian partner RMU (30% of the

CBM project) applied for and were granted Indonesia's first CBM JEA license in September 2007. The CBM project has the potential to host Gas-in-Place of 5.6 TCF. Churchill is currently conducting further studies on the CBM project before starting detailed field work.

### **East Kutai Coal Project**

Churchill announced on 15 February 2007 that it had signed an Exclusivity Agreement with PT Techno Coal Utama to enable it to conduct due diligence work on the thermal coal project. In May 2007 Churchill announced a sales agreement had been entered into to purchase a 75% interest in the Project, which has now been finalised. Exploration and resource drilling continue at the project.