



# SANDFIRE RESOURCES NL

ABN 55 105 154 185

## DRILLING UPDATE FOR BORROLOOLA, YANNARIE AND DOOLGUNNA

### HIGHLIGHTS

- **Drilling rig on site at Borroloola.**
- **Heritage survey complete at Yannarie and site works due to commence.**
- **Outstanding drilling results expected for Doolgunna by mid October.**

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### ***BORROLOOLA (Sandfire 100%)***

A five hole drilling program has been planned for the Coppermine Creek structure at the Company's Gordons prospect, west of Borroloola. Each of these holes will be pre-collared with RC drilling and will be completed with diamond drilling.

These holes will test extensions to the IP zone which returned the high grade copper results from the 2004 drilling program. The program notionally will be done in two parts with the last two holes being conditional on the results of the first three holes.

The drilling rig is currently on site and operations are expected to commence in the next day. Assuming double shifting is successful, each hole should take approximately 7 days.

### ***YANNARIE (Sandfire 100%)***

The Company plans to undertake drilling operations at three locations at Yannarie with drilling set to commence towards the end of October.

Two RC/DDH holes are planned for Two Peaks North to test the iron oxide/base metal/uranium target.

One RC hole is planned to test the copper mineralisation at Copper Prospect. The hole is sited where surface indications suggest the copper bearing zone is > 10m wide.

Three holes are planned for Coria. One hole will be a deep RC/DDH hole again testing an iron oxide/base metal/uranium target. The other two holes will be RC holes testing respectively a base metal/uranium target and a base metal target.

The requisite heritage surveys have been completed and site work is due to commence.

### ***DOOLGUNNA (Sandfire 100%)***

The Company is awaiting the receipt of all drilling and surface geochemical results from the work undertaken in August and September. These are expected by mid-October.

G Steemson  
Director  
4<sup>TH</sup> October 2006

The information in this report that relates to Exploration Results is based on information compiled by Greg Steemson who is a Fellow of the Australasian Institute of Mining and Metallurgy. Greg Steemson 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. Greg Steemson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



## Corporate Information

### Directors and Executive Management

P S Thomas: *Non-Exec Chairman*  
G H Steemson: *Managing Director*  
G Hutton: *Executive Director*  
M Smartt: *Company Secretary*

### Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

- 62,098,626 fp shares
- 12,425,652 contributing shares with \$0.15 to pay, no call before 3/3/07
- 2.6m 31/12/08 \$0.25 opts
- 0.925m 30/9/08 \$0.20 opts
- 6.9m 30/6/07 \$0.60 opts

### Substantial Shareholders

Faustus Nominees Pty Ltd 9.12%  
Resource Development Company 5.21%

### Shareholder Enquiries

Matters related to shares held, change of address, tax file numbers and the like should be directed to the Company's Registry:  
Security Transfer Registrars Pty Ltd  
Phone – 08 9315 2333

Investors interested in receiving copies of ASX announcements can register such interest on the Company's website [www.sandfire.com.au](http://www.sandfire.com.au).