



7 October 2005

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Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

\$800,000 RAISED ON OPTION CONVERSIONS

Sandfire are pleased to advise that 8,003,728 options have been converted to contributing (partly paid) shares. The conversion price was 10 cents thus raising in excess of \$800,000.

Until conversion of these options there were 663,000 contributing shares on issue and the total on issue is now 8,666,728 shares with 120 holders. An Appendix 3B was released this day to advise the market of the Conversions and to apply for listing of this class. The ASX have advised that the code for this class will be **SRFCA**.

There are also a further 4 million contributing shares with the same rights that will be listed when they become unrestricted in March 2006. These 4 million shares are not included in the Top 20 or spread shown with the Appendix 3B.

It is anticipated that the 8,666,728 contributing shares will be listed within the next week.

Yours faithfully
SANDFIRE RESOURCES NL

MALCOLM K SMARTT
Company Secretary