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

Dear Sir/Madam

DRILLING UPDATE - SANDFIRE PROJECT (Lead, Zinc 100% Sandfire)

As foreshadowed in the announcement made on 22nd December, the Company has sourced a larger mud pump for the drilling program. The pump has arrived in Broome and is being mobilised to the drill site. The pump will then be connected to the drilling rig and the driller will endeavour to retrieve the whole rod string. If this part of the operation is successful, drilling will continue.

The hole is currently at 1181m. The planned depth for this hole is 1350m.

Greg Steemson
Managing Director
13 January 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 Australian Institute of Geoscientists. 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.