

SANDFIRE RESOURCES NL

(ABN 55 105 154 185)

OFFICES AT:
10 Walker Avenue
WEST PERTH WA 6005

Tel: +61 8 9226 5833
Fax: +61 8 9226 5844
Email: admin@sandfire.com.au
www.sandfire.com.au

CORRESPONDENCE:
PO Box 806
WEST PERTH WA 6872

ASX Announcement

ASX code: SFR

23 August 2004

DRILLING TARGETS DEFINED AT BORROLOOLA

The company is pleased to report that work at Borroloola since listing has identified 9 drilling targets following the recent completion of the program of induced polarisation (**IP**) using the MIMDAS system. A total of six IP lines were surveyed across the Coppermine Creek fault and one line across the gravity low reported in the last quarterly. The results are shown on the diagram attached.

It is reasonable to postulate that 6 of the targets (located close to the Coppermine Creek fault) may all be due to the same mineralised structure. This structure is now known to extend over a length of 2,000m within the company's tenements. Outcropping copper mineralisation has been located by the company in locations coincident with these IP targets.

The remaining targets comprise, separately, the previously reported gravity low in the southern part of the project area adjacent to the Four Archers fault and features that are ascribed to base metal type targets within the McArthur Group rocks.

COPPERMINE CREEK FAULT

The 6 lines surveyed across the Coppermine Creek fault were widely spaced at intervals of 500m (5 lines) and 1,000m (1 line) and were of varying limited lengths.

The survey has defined a clear IP anomaly at depth below the Gordons copper prospect. All previous drilling failed to test this target.

Each of the 2 lines surveyed across the Coppermine Creek fault to the west of the Gordons copper prospect have IP anomalies (there being 2 IP targets on the western most line) whilst 2 of the 3 lines surveyed across the Coppermine Creek fault to the east of the Gordons copper prospect have IP anomalies.

Whilst the spacing of the lines is not ideal (they are very wide) to be entirely sure of the correlation, the data supports the continuation of this zone 1,000m to the east and 1,000m to the west of the Gordons copper prospect.

BASIN ANOMALIES

The survey also defined anomalous IP responses within the McArthur Group rocks to the south of the Coppermine Creek fault.

The line surveyed across the previously reported gravity low shows a coincident near surface, saucer shaped resistivity feature (but not shown as an IP anomaly on the accompanying diagram). The source of the gravity feature could be a down faulted block of Tawallah or Roper Group rocks or an intrusive into the McArthur Group rocks. Intrusives into the McArthur Group are uncommon, the most notable being Kimberlitic intrusives such as those at the Merlin project 120 km to the east. Three drainage samples were collected downstream from the anomaly which will be processed for diamond indicator minerals.

The same line also shows an IP anomaly (not coincident with the gravity low but shown as overlapping that low on the accompanying diagram) within the McArthur Group rocks consistent with the base metal model postulated in the company's IPO prospectus. A similar anomaly was also located on one of the eastern IP lines over the Coppermine Creek fault; the relationship between these 2 anomalies is not yet known due to the limited scope of the IP survey.

PROGRAMME

The Company has initiated the appropriate Aboriginal heritage survey ahead of site works for drilling activity and tenders for drilling will be called immediately.

It is the Company's intention to undertake a limited drilling program if possible in 2004 to provide sub-surface information. The company intends to undertake additional IP survey work in 2005 followed by more drilling.

For more information on the company visit www.sandfire.com.au

Please direct enquiries to:

Peter Thomas

Chairman

Mob: 0412 759 409

Greg Steemson

Managing Director

Phone: +61 8 9226 5833

The information on mineralisation contained in this report accurately reflects the information compiled by Mr Gregory H Steemson BSc, MAusIMM, who is a competent person (as defined by the Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves) with relevant experience in relation to such mineralisation.

