

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SANDFIRE RESOURCES NL

ABN

55 105 154 185

Quarter ended ("current quarter")

30 September 2009

Statement of cash flows

	Current quarter	Year to date
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from provision of services	-	-
1.2 Payments for (a) exploration and evaluation	(2,860)	(2,860)
(b) development	-	-
(c) production	-	-
(d) administration	(291)	(291)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	183	183
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Movement in Working Capital	-	-
Net Operating Cash Flows	(2,968)	(2,968)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(679)	(679)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (payments for security deposits/bonds)	(74)	(74)
Net investing cash flows	(753)	(753)
1.13 Total operating and investing cash flows (carried forward)	(3,721)	(3,721)

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1.13	Total operating and investing cash flows (brought forward)	(3,721)	(3,721)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	12,793	12,793
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Interest and other costs of finance paid	-	-
1.19	Dividends paid	-	-
1.20	Share issue expenses	(123)	(123)
1.21	Other – reclassification of cash to environmental bonds	-	-
Net financing cash flows		12,670	12,670
Net increase in cash held		8,949	8,949
1.22	Cash at beginning of quarter/year to date	2,645	2,645
1.23	Exchange rate adjustments to item 1.22	-	-
1.24	Cash at end of quarter/year	11,594	11,594

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.25	Aggregate amount of payments to the parties included in item 1	197
1.26	Aggregate amount of loans to the parties included in item 1.10	-

1.27 Explanation necessary for an understanding of the transactions

Payment of director and consulting fees to directors and director related entity.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None.

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,500
4.2 Development	-
Total	3,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,594	645
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposits	10,000	2,000
Total: cash at end of quarter (item 1.24)	11,594	2,645

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E52/1698	<u>WA Exploration Licenses</u> Reduced block size	100%	100%
6.2 Interests in mining tenements acquired or increased	E52/2401	<u>WA Exploration Licenses</u> Granted	0%	100%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	95,728,831	95,728,831		Fully paid
	11,402,616	11,402,616		Partly paid to \$0.0001 cents
7.4 Changes during quarter (a) Increases through issues 120,000 1,400,000 568,570 1,078,363 (b) Decreases through contributing shares paid up in full	9,716,933 120,000 1,400,000 568,570 1,078,363 1,078,363	9,716,933 120,000 1,400,000 568,570 1,078,363 1,078,903	\$1.20 \$0.60 \$0.50 \$0.35 \$0.15 \$0.15	Fully paid Fully paid Fully paid Fully paid Fully paid Partly paid to \$0.0001 cents
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	491,430 1,420,000 1,600,000 1,120,000 200,000 5,880,000		Exercise price \$0.35 \$0.40 \$0.50 \$1.40 \$3.00 \$0.60; \$0.80; \$1.00	Expiry date 7 Feb 2011 8 Aug 2011 30 Sep 2011 6 Jul 2012 30 Sep 2012 12 Jul 2013
7.8 Issued during quarter	1,120,000 200,000		\$1.40 \$3.00	6 Jul 2012 30 Sep 2012
7.9 Exercised during quarter	120,000 1,400,000 568,570		\$0.60 \$0.50 \$0.35	12 Jul 2013 30 Sep 2011 7 Feb 2011
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 21 October 2009
(Company secretary)
Print name: JEAN MATHIE

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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