

12 WALKER AVENUE
WEST PERTH 6005
WESTERN AUSTRALIA

PO BOX 608
WEST PERTH 6072
WESTERN AUSTRALIA

T +61 8 9321 5887
F +61 8 9321 5888
E admin@sandfire.com.au
www.sandfire.com.au

SANDFIRE RESOURCES



QUARTERLY REPORT

FOR THE PERIOD ENDED 31 MARCH 2004

ASX CODE: SFR

HIGHLIGHTS

- Sandfire Resources NL commenced trading on the Australian Stock Exchange on 4 March 2004.
- 1:2 non renounceable rights issue of options to acquire a contributing share was announced on 16 March 2004.
- Heritage agreement was signed with the Thalanyji Native Title claimants in the area of the Urandy Project.

ACTIVITY REPORT

Listing of Sandfire Resources NL

The Sandfire Prospectus was lodged with ASIC on 14 January 2004. The fully subscribed IPO raised \$5 million.

Sandfire commenced trading on ASX on 4 March 2004.

The Company's capital structure is:

Shares issued prior to the IPO	14.0 million
Shares issued pursuant to the IPO	25.0 million
Total number of shares issued	39.0 million
Contributing shares (\$0.15 unpaid)	4.0 million
Broker Options (exercisable at \$0.25 expiring 31 December 2008)	3.0 million

Non-Renounceable Rights Issue

On 16 March 2004 the Company announced a 1:2 non-renounceable rights issue of options to acquire a contributing share. Each option will require 2 cents to be paid on application and can be exercised on or before 30 September 2005 by the payment of 10 cents per option. The contributing shares will be the same class as described in the Company's Prospectus dated 14 January 2004. These shares have an amount unpaid of 15 cents and will not be called until after 3 March 2007.

The record date for the entitlement is 14 May 2004. Application will be made to list the options on ASX. A total of 21.5 million options may be issued under this entitlement.

Exploration Projects

Borrooloola Project

The Borrooloola Project is located approximately 85 kms west of the settlement of Borrooloola in the Northern Territory. The tenements cover a fault bounded sequence of McArthur Group rocks. Previous exploration has targeted the copper mineralisation along the Coppermine Creek Fault.

Sandfire's objective is to test the basin south of the Coppermine Creek Fault for stratabound base metal mineralisation. Prior to siting a drill hole, the Company will undertake a gravity survey to assist in target definition.

Quotations for the gravity survey have been received and when access is confirmed the survey will get underway.



The Company has completed a search of the Register held by the Aboriginal Areas Protection Authority for sites of significance within the tenements. No sites have been registered.

Urandy Project

The Urandy project is targeting gold and base metal mineralisation within the Paraburdoo Hinge Zone. The initial work program will consist of an airborne magnetometer survey and associated follow-up. Quotations for this work have been received and the preferred contractor selected.

Discussions with the three native title parties in the area are progressing well. A heritage agreement was signed with the Thalanyji People covering the western part of the project area. Discussions are ongoing with the other two parties.

Sandfire Project

The Sandfire Project is located approximately 50 kms north west of the Admiral Bay mineralisation explored by CRA Exploration in the 1990s. The project is targeting Mississippi Valley Type lead/zinc mineralisation associated with basement structures on the southern margin of the Broome Platform.

Prior to drilling, a structural model of the area will be developed using existing data and new gravity data to be collected as part of the 2004 program.

The initial structural study has commenced with the work being undertaken by Fugro Airborne Surveys using the existing multiclient data.

Quotations have been received for the gravity survey. This phase of the program will commence once access is arranged.

The tenement holding in the area has been enlarged with a new EL being applied for adjoining the northern boundary. Discussions with the Native Title Holders are progressing well.

Doolgunna Project

The areas of recent alluvial gold prospecting activity were visited during the quarter. These areas are concentrated along the interpreted structures traversing the tenements and in particular within E52/1715. The area of anomalous gold geochemistry defined by CRA Exploration lies immediately to the east. This area of anomalous geochemistry and recent prospecting activity measures approximately 10km x 4km.

Previous exploration data are currently being compiled in readiness for field work once the tenements are granted. The grant of these tenements pursuant to the Mining Act is pending the signing of heritage agreements with the Native Title parties in accordance

with the new State Government guidelines. Discussions with the various parties are well advanced.

Mt Augustus and Yannarie

The Company has been advised that ELA08/1409 has been advertised without objection to the use of the expedited process and is ready for granting.

SCHEDULE OF TENEMENTS				
NAME	TENEMENT	AREA/SIZE	DATE OF GRANT	SANDFIRE'S INTEREST %
DOOLGUNNA PROJECT				
Faustus Nominees Pty Ltd	ELA52/1697	23 Sub-Blocks		100/100
Faustus Nominees Pty Ltd	ELA52/1698	28 Sub-Blocks		100/100
Faustus Nominees Pty Ltd	ELA52/1699	54 Sub-Blocks		100/100
Faustus Nominees Pty Ltd	ELA52/1715	56 Sub-Blocks		100/100
YANNARIE PROJECT				
Resource Development Co Pty Ltd	ELA08/1374	70 Sub-Blocks		100/100
Faustus Nominees Pty Ltd	ELA08/1409	52 Sub-Blocks		100/100
Resource Development Co Pty Ltd	ELA09/1111	70 Sub-Blocks		100/100
MT AUGUSTUS PROJECT				
Faustus Nominees Pty Ltd	ELA09/1138	50 Sub-Blocks		100/100
Faustus Nominees Pty Ltd	ELA09/1139	70 Sub-Blocks		100/100
Faustus Nominees Pty Ltd	ELA09/1140	70 Sub-Blocks		100/100
URANDY PROJECT				
Faustus Nominees Pty Ltd	ELA08/1391	36 Sub-Blocks		100/100
Faustus Nominees Pty Ltd	ELA08/1392	39 Sub-Blocks		100/100
Faustus Nominees Pty Ltd	ELA08/1403	46 Sub-Blocks		100/100
SANDFIRE PROJECT				
Resource Development Co Pty Ltd	E04/1344	70 Sub-Blocks	20/10/03	100/100
Resource Development Co Pty Ltd	ELA04/1424	59 Sub-Blocks		100/100
Resource Development Co Pty Ltd	ELA04/1425	59 Sub-Blocks		100/100
Sandfire Resources NL	ELA04/1445	64 Sub-Blocks		100/100
BORROLOOLA PROJECT				
Sandfire Resources NL	EL 10121	5 Sub-Blocks	05/09/02	100%
Sandfire Resources NL	MLN 624	16.18 ha	04/08/71	100%



Pursuant to deeds between the Company and Faustus Nominees Pty Ltd and Resource Development Co Pty Ltd, Sandfire Resources NL is the beneficial owner of all of the tenements held in the latter two entities.

PETER THOMAS
CHAIRMAN

30 April 2004

The geological information in this report is based on data compiled by Greg Steemson. Mr Steemson is a fellow of the Australasian Institute of Mining and Metallurgy. He has consented to the inclusion of this information in the form and context in which it appears in this report.

The Australian Stock Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.