



24 January 2013

Mr Wade Baggot
Adviser, Issuers (Perth)
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Wade,

**LODGEMENT OF DECEMBER 2012 QUARTERLY ACTIVITIES REPORT, QUARTERLY UPDATE
PRESENTATION AND SYNCHRONISED INVESTOR PRESENTATION**

I am pleased to attach the following items for immediate release to the market:

1. December 2012 Quarterly Activities Report
2. December 2012 Quarterly Update Powerpoint Presentation

In addition, Sandfire's Managing Director and Chief Executive Officer, Karl Simich, has recorded a synchronised investor presentation to update the market and investors on the Company's performance during the December 2012 Quarter and project to date.

This synchronised presentation is available through the Company's website or through BRR Media.

Live date:

Thursday, 24 January 2013

Access this webcast at:

<http://www.brrmedia.com/event/109349/?popup=true>
<http://www.sandfire.com.au>

Yours sincerely,

Matthew Fitzgerald
Chief Financial Officer
and Company Secretary

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View of the Flotation cells at the 1.5Mtpa DeGrussa processing plant

ASX Code:
SFR

Issued Capital:

Ordinary Shares 153.5M
Options 7.8M

Major Shareholders:

OZ Minerals 19.5%
POSCO 15.4%

Directors:

Derek La Ferla
Non-Executive Chairman

Karl M. Simich
Managing Director and
Chief Executive Officer

W. John Evans
Non-Executive Director

Soocheol Shin
Non-Executive Director

Robert Scott
Non-Executive Director

Management:

Matthew Fitzgerald
Chief Financial Officer and
Company Secretary

Martin Reed
Chief Operating Officer

Robert Klug
Chief Commercial Officer

Date:
24 January 2013



SANDFIRE RESOURCES NL

QUARTERLY REPORT

for the period ended 31 December 2012

HIGHLIGHTS

Production & Operations

Contained metal production	December 2012 Quarter	Year to date	Project to date
Copper (tonnes)	16,392	37,573	42,097
Gold (ounces)	14,695	21,411	24,713

- Plant commissioning and ramp-up progressing, with ore throughput on track to achieve concentrator nameplate capacity of 1.5Mtpa (125,000 tonnes per month), underpinning an annualised production rate of 77,000tpa copper and 34,000oz gold.
- Achievement of steady-state nameplate production rates are targeted by mid-CY2013.
- Quarterly copper sales of 22,454 tonnes (Sep Qtr: 11,547 tonnes) and gold sales of 13,184oz (Sep Qtr: 4,442oz).
- Stage 1 open pit completed with 147,297t of DSO chalcocite mined grading 24.9% Cu for 36,622t of contained copper – 98% reconciliation against ore reserves.
- Shipments of copper concentrate commenced with three further sales contracts finalised, increasing the total to four.
- Production guidance for FY2013 is 67-71,000t of copper and 49,000oz of gold based on results to date and the plant ramp-up schedule. Project-to-date production guidance to June 2013 is 71-75,000t of copper and 52,000oz of gold.

Exploration

- Intersected 10.6m @ 4.46% Cu, 2.02g/t Au from 465.3m down-hole (approximate true width) outside the current resource envelope from diamond drilling targeting up-plunge extensions of Conductor 4.
- Drilling to test the interpreted displaced position of the DeGrussa deposit south of the Shiraz Fault intersected 4.0m from 270.9m down-hole and 2.8m from 299m down-hole) of intense talc-carbonate altered argillite hosting semi-massive and stringer sulphides, confirming a new high priority near-mine exploration target.
- Farm-in joint venture signed with Argonaut Resources at the Alford Project, Yorke Peninsula in South Australia, with drilling planned for Q1 CY2013.

Corporate

- First scheduled debt repayment funds of \$50 million deposited into debt service reserve account, with payment to be effected end Q1 CY2013.



1.0 OVERVIEW

Following completion of major construction activities at the DeGrussa Copper-Gold Project last Quarter, commissioning of the 1.5Mtpa Concentrator commenced with first copper concentrate produced in early October 2012. The maiden shipment of copper concentrate was loaded in late November 2012.

Plant commissioning and ramp-up progressed during the Quarter with ore throughput and production on track to achieve demonstrated nameplate levels by mid-CY2013.

The Stage I open pit was completed in early December 2012, extracting all of the DSO chalcocite, together with additional sulphide and copper oxide material which has been stockpiled awaiting processing. The completion of this phase of open pit operations marks the transition to underground mine production as the main production source at DeGrussa.

Underground mining progressed on schedule with ore currently coming from the P1 and P2 stopes and the Evans Decline advanced some 2km from the portal. Total underground development stands at over 8.9km.



1.1 Safety

Further improvements in safety performance were achieved for the Quarter with one lost time injury sustained. The lost time injury frequency rate (per million worked hours) was 3.0 at the end of the December 2012 Quarter, compared with 3.8 at the end of the September Quarter, below the targeted annual rate of 3.1.

The total recordable injury frequency rate also decreased during the Quarter, in line with the targets established in the Safety Management Action Plan.

2.0 CONSTRUCTION & DEVELOPMENT

Site construction activities wound down during the Quarter, with construction supervision personnel released from the project and operations teams taking full control of the processing plant.

The status of other key infrastructure items is summarised below:

- Paste plant – construction was completed and commissioning commenced. First production of paste is expected to be achieved in late February 2013 on completion of the underground paste reticulation system and the first stope.
- Port Hedland Container Facility – the placement of asphalt and RigiPhalte layers was completed in December and the facility has been handed over to the haulage contractor.

3.0 MINING & PRODUCTION

3.1 Overview

December 2012 Quarter – Production Statistics		Tonnes	Grade (% Cu)	Grade (g/t Au)	Contained Copper (t)	Contained Gold (oz)
DSO	Mined	43,912	19.2	4.0	8,420	5,707
	Crushed	47,652	17.7	4.1	8,430	6,241
	DSO sales	60,567	27.0	3.2	16,328	6,230
Concentrator	Mined	296,809	5.1	1.9	15,063	17,713
	Milled	251,016	4.9	1.9	12,361	15,071
	Concentrate produced	36,578	21.8	3.3	7,962	3,938
	Concentrate sold	28,972	21.1	2.6	6,126	2,438
Oxide gold	Mined	-	-	-	-	-
	Milled (toll treatment)	33,819	-	4.7	-	5,092
	Gold production					4,516
	Gold sales					4,516
Total	Mined	340,721	6.9	2.1	23,483	23,420
	Crushed/Milled	332,487	6.3	2.5	20,791	26,404
	Copper production	84,230	19.5	3.8	16,392	10,179
	Gold production					4,516
	Contained metal production				16,392	14,695
	Copper and gold sales	89,539	25.1		22,454	13,184

Note: Mining and production statistics are rounded to the nearest 0.1% Cu grade and 0.1 g/t Au grade. Errors may occur due to rounding. Production Statistics are subject to change following reconciliation and finalisation subsequent to the end of the Quarter.

3.2 Open Pit

Stage I of the DeGrussa open pit was completed in early December 2012, extracting all of the chalcocite DSO Ore Reserves, together with additional sulphide and copper oxide material which has been stockpiled awaiting processing.

A total of 7.7 million bank cubic metres (Mbcm) of material was mined from the Stage 1 open pit.

Mining of the Stage II open pit to extract massive sulphide and copper and gold oxide will continue through until Q2 of CY2013. To the end of the Quarter, a total of 4.7Mbcm of material had been mined from the Stage II pit.



A total of 147,297 tonnes of DSO chalcocite grading 24.9% Cu was mined during Stage I, containing 36,622 tonnes of copper metal. This represents an overall 98 per cent reconciliation of contained copper when compared with the 31 March 2012 DSO Probable Ore Reserve of 144,736 tonnes grading 25.9% Cu for 37,549 tonnes of contained copper. Further details of the DSO Ore Reserve reconciliation are provided in Appendix 3 to this report.

Reconciliation to Ore Reserves for the remaining Stage 1 open pit primary mineralisation types (chalcocite, massive sulphide and oxide copper) has commenced. It is expected that a portion of sulphide material will be re-classified to oxide copper stockpiles, to be treated through the oxide processing route.

The completion of the Stage I open pit marks the transition from open pit to underground as the main source of mine production at DeGrussa.

3.3 Underground

Underground mining is proceeding on schedule, with the Evans Decline advancing to 2,026m from the portal by the end of the Quarter. Total development for the underground mine to date is 8,938m.

Underground mining will continue to progressively ramp up, with full production rates expected to be achieved in mid-CY2013.

3.4 Processing

Plant commissioning progressed during the Quarter, with ore throughput and production on track to achieve demonstrated nameplate levels of 125,000 tonnes per month by mid-CY2013.

Concentrate quality is approaching planned specification and copper recoveries are improving in accordance with the ramp-up schedule.

A total of 251,016 tonnes of sulphide ore at an average head grade of 4.9% Cu and 1.9g/t Au was processed for the Quarter, resulting in the production of 36,578 tonnes of concentrate at a grade of 21.8% Cu and 3.3g/t gold. 28,972 dry tonnes of concentrate grading 21.1% Cu were hauled to Geraldton during the Quarter for export.

The operations team has been focused on plant ramp-up, including the resolution of a number of issues which commonly occur in the commissioning phase for a base metals concentrator. These issues, which directly impacted mill throughput and metal production rates for the Quarter, included:

- Plant outages caused by the tailings disposal thickener – now resolved;
- Periods of relatively harder ore attributable to dilution and the decision to restrict treatment rates while optimising the flotation performance; and
- Control system deficiencies which impacted short-term plant stability, especially around the control of the regrind circuit. Optimisation of the control system is currently underway, and a number of actions to improve concentrate grade and recovery were initiated during the Quarter.

Plant ramp-up will continue into the March 2013 Quarter and the Company expects nameplate production levels to be achieved by mid-CY2013.

3.5 Production Guidance

Based on the current ramp-up schedule, Sandfire expects copper production for FY2013 to be in the range of 67-71,000 tonnes of copper and 49,000oz of gold. Project-to-date production guidance to June 2013 is 71-75,000t of copper and 52,000oz of gold, including DSO and oxide gold production from 2H FY2012.

Contained metal production	To December 2012		2HFY13 – Guidance		To June 2013 - Guidance	
	Cu(kt)	Au(koz)	Cu(kt)	Au(koz)	Cu(kt)	Au(koz)
Concentrator	8	4	27-31	21	35-39	25
DSO	30	12	2	1	32	13
Oxide gold	-	6	-	5	-	11
Total – 2012/2013	38	22	29-33	27	67-71	49
DSO	4	2			4	2
Oxide gold	-	1			-	1
Total – 2011/2012	4	3			4	3
Total – Project to date	42	25	29-33	27	71-75	52

Operating costs levels have been in line with expectations during commissioning and ramp-up. Sandfire will commence reporting of C1 cash operating costs once plant commissioning and ramp-up activities have completed. We maintain life-of-mine C1 cash cost guidance at around US\$1.20 per pound of payable copper production.

The Company's financial performance will be reported in the December 2012 Half Year Financial Report, to be released around the end of February 2013.

4.0 SALES AND MARKETING

Sales of gold and copper increased significantly during the December 2012 Quarter, reflecting the part depletion of metal inventories from the end of the September 2012 Quarter. Sales of copper metal totalled 22,454 tonnes (Q1FY2013: 11,547 tonnes), while gold sales totalled 13,184oz (Q1FY2013: 4,442oz).

Metal sales for the first half of FY2013 totalled 34,001 tonnes of copper metal and 17,626oz of gold.

4.1 DSO Shipments

Sandfire continued to make regular shipments to China during the December Quarter, with 60,567 tonnes shipped at 27.0% Cu containing 16,328 tonnes of copper metal.

The high-grade DSO mined from the DeGrussa open pit is being sold under two sales contracts, with MRI Trading AG and Yunnan Copper Corporation Ltd.

A total of 11 shipments of DSO chalcocite material have now been shipped to customers in China totalling 107,717 tonnes grading 28.0% Cu containing 30,123 tonnes of copper. At least two remaining shipments are scheduled for 1H CY2013.

Approximately 24,000 tonnes of lower grade DSO material, grading 11% Cu, is planned to be shipped at lower payability than the higher grade DSO.

4.2 Copper Concentrate Shipments

Sandfire completed the sale of its first shipment of copper concentrate from DeGrussa in November 2012. The maiden shipment comprised 4,950 dry tonnes of copper concentrate grading approximately 22% Cu and was produced as part of the commissioning process.

This lower grade commissioning concentrate is being produced and sold on a spot basis ahead of Sandfire's main copper concentrate sales contracts, which commence in 2013.

Additional sales of commissioning concentrate have since been completed on favourable terms, with a total of 28,972 tonnes of copper concentrate grading 21% Cu shipped during the December 2012 Quarter.

4.3 Copper Concentrate Sales Agreements

During the Quarter, Sandfire secured a further three sales contracts for DeGrussa's copper concentrate production, following a highly successful marketing process for DeGrussa concentrate. Together with the first sales contract signed in July 2012, this increases the total number of sales contracts in place for copper concentrate production from DeGrussa to four.

The sales contracts, for up to 3-year terms, have been signed with international trading companies and smelters.

Sandfire's marketing strategy is for sales contracts covering up to 85 per cent of annual copper concentrate production from DeGrussa, with the remainder available for delivery into the spot market and production variances.

5.0 FEASIBILITY STUDIES & METALLURGY

5.1 Oxide copper

During the Quarter, GR Engineering Services advanced the engineering study of the oxide copper crushing-scubbing plant and expects to complete the report in the March 2013 Quarter. In addition, a scoping study has been completed and a draft report prepared on the viability of a heap leach / solvent extraction and electrowinning (SX/EW) recovery option for copper oxide ore. These studies indicate improved costs and copper recovery compared to previous work and an indicative project timeline for copper production commencing during FY2015.



6.0 DEGRUSSA EXPLORATION

6.1 Overview

Sandfire has implemented a disciplined scientific approach to exploration at DeGrussa, underpinned by an aggressive \$20 million annual exploration budget and drawing on some of the most sophisticated and leading-edge technologies available and some of the most accomplished technical experts in the field of VMS exploration.

Structural interpretation from mapping within the underground mine and open pit has proved to be invaluable in improving the Company's understanding of the lithological sequence, structural setting and, consequently, the positioning of potential accumulations of VMS mineralisation, giving the geological team a unique level of insight into the most likely areas where ore zones could occur.

The structural complexity of the VMS environment at DeGrussa represents both a significant challenge and an opportunity given the impact of vertical and lateral displacement and faulting combined with the obscuring effect of transported cover.

The Company continues to be very encouraged by the prospectivity of the DeGrussa and surrounding Doolgunna Projects for additional VMS discoveries. This view has been reinforced by some of the encouraging results achieved during the Quarter from drilling in the immediate near-mine environment, as well as at key regional targets such as South Airstrip and elsewhere.

Sandfire has continued to implement extensive drilling programs during the past two quarters, comprising a mix of Aircore/RAB drilling (regional geochemistry/lithology), RC drilling (target generation drilling) and diamond drilling (structural and target drilling). The breakdown of metres drilled is shown below:

Drilling	AC/RAB Drilling (m)	RC Drilling (m)	Diamond Drilling (m)	Total Drilling (m)
Q1FY2013	21,789	9,168	-	30,957
Q2FY2013	17,210	7,187	2,985	27,382
1HFY2013	38,999	16,355	2,985	58,339

6.2 DeGrussa Mine Corridor

Diamond drilling completed during the Quarter focused on targeting up-plunge extensions of the C4 massive sulphide orebody as well as testing the interpreted displaced position of the DeGrussa orebody south of the Shiraz Fault.

Diamond drill-hole DGDD375 tested the interpreted displaced position of the DeGrussa orebody south of the Shiraz Fault. The hole intersected 4.0m and 2.8m (from 270.9m and 299.0m down-hole respectively) of intense talc-carbonate altered argillite, hosting semi-massive and stringer sulphides. Drill-hole DGDD372_W1 was also drilled to test this position 70m (down-hole distance) to the west of DGDD375 and intersected an altered zone of sediments with 0.25m of massive sulphide.

This technical success is very encouraging and confirms an additional high priority exploration space in the near-mine environment. Other results are shown in Appendix 4.

Diamond drill-hole DGDD375, testing for an interpreted sub-parallel lens below C5, passed through the C5 position at an interpreted 11m thick section but intersected massive sulphides over a width of 26m (assay results pending). This encouraging intercept opens the interpretation of C5 to the north-west to a greater width and possibly to further extension. The parallel lode position was untested in this hole due to deviation and will be followed up in Q3FY2013.

A Seismic Survey was completed during the Quarter over a 1.3km x 1.3km area within the DeGrussa Mine Corridor, including over the Conductor 5 orebody. The primary objective of this survey was to determine whether 3D Seismic surveys can directly detect massive sulphides in the DeGrussa area, as well as to assess their ability to assist with geological/structural interpretation.

These survey results are being compared to a 3D geological/structural model of the survey area constructed using available drill-hole data and surface geological mapping, and interpretation of the survey results is continuing.

6.3 Doolgunna Regional Exploration

Regional exploration during the Quarter included continued follow-up Reverse Circulation (RC) drilling of first-pass geochemical aircore anomalies at the North Robinson Range regional target, which returned a series of encouraging anomalous results and geochemistry. An in-fill aircore geochemistry program was subsequently completed at North Robinson Range, which further enhanced the prospectivity of this target.

At the Airstrip South target, additional RC drilling was completed targeting the DGRC672 VTEM and geochemistry anomaly. Encouraging results were received which will be further followed up during the current Quarter. At the end of the Quarter, RC drilling was underway to investigate strike extensions of the DGRC672 Anomaly and follow-up RC drilling had also commenced to test aircore geochemical anomalies in the Access Road South area.

Aircore drilling programs are continuing at South Robinson Range and at the Gascoyne West Extension target. The ongoing aircore program has completed 38,999m of drilling for the FY2013 to date, and the lithological and geochemical information gained from these aircore programs is crucial in redefining the detailed interpreted geology of this section of the Bryah Basin and defining for target areas for potential future discoveries.

High-powered Down-Hole Time Domain Electromagnetic (DHTEM) surveying of recent Reverse Circulation (RC) and diamond drilling was conducted during the Quarter at the Airstrip South and C5 Hill areas and will resume in Q3FY2013.

7.0 AUSTRALIAN AND INTERNATIONAL EXPLORATION

7.1 Borroloola Project

The Borroloola Project comprises a total area in excess of 10,000 square kilometres of tenements and tenements under application in the Northern Territory. The tenements are located north of the McArthur River Mine (Xstrata), the second largest SEDEX base metal deposit in the world. The McArthur River deposit initially contained 230 million tonnes at a grade of 13% combined lead and zinc. Sandfire's tenements cover a strike length of approximately 100km of the Emu Fault Zone, which is the controlling structure of the McArthur River deposit. The Borroloola tenements are also prospective for sedimentary manganese mineralisation, similar to the world-class Groote Eylandt manganese deposits (BHP) in the Gulf of Carpentaria, uranium and iron ore.

The 2012 field season was completed early in the December Quarter and the exploration camp demobilised. The program included six diamond holes at the Rosie Creek prospect, targeting prospective SEDEX lead-zinc targets along the active fault systems in the Barney Creek Formation. Two diamond holes were completed at the Alice prospect testing down-dip from previously intersected lead anomalies. The results are being evaluated.

7.2 Kennedy Highway Project

The Kennedy Highway Project includes five exploration licences in the Eastern Succession of the Mount Isa Block, south of Cloncurry, Queensland. The tenements are prospective for Broken Hill Type lead-zinc-silver deposits similar to the high grade Cannington mine (BHP) to the north and Iron Oxide Copper-Gold deposits similar to the Ernest Henry Mine (Xstrata).

An option agreement for a Joint Venture is in place on EPM15948 with Global Resources Corporation Ltd, where Sandfire can earn up to an 80 per cent interest by funding exploration. Tenement EPM19418 is 100% owned by Sandfire and a further three tenement applications are expected to be granted this year.

Geochemical results have been received from the Kennedy Highway Joint Venture drilling with no significant results reported. The minimum commitment for the Joint Venture has now been completed.

The Lilleyvale tenement, EPM12345, was granted during the Quarter and ground geophysical surveys are being planned with a further drilling program in the second half of 2013 to test further high priority targets in the region.

7.3 Altia Project

The Altia Project is located 70km south-east of Cloncurry in north-west Queensland. The project includes an option to Joint Venture into two areas encompassing 43.7 km² with Breakaway Resources Limited (ASX: BRW) to earn up to 80% of the project. The tenements are prospective for Broken Hill style lead-zinc-silver deposits such as the nearby Cannington deposit (BHP) to the south and the Ernest Henry Iron Oxide copper-gold deposits (Xstrata) to the northwest. The Joint Venture area includes the Altia Deposit, where previous exploration has defined the deposit and a number of regional targets.

Exploration commenced on the Altia Project shortly after signing the Joint Venture agreement with the mobilisation of a diamond drill rig. Five diamond holes were completed during the Quarter testing the high priority Altia South, Altia North and Boralis prospects. Down-hole EM was completed on these holes to define further targets.

The results of these initial scoping holes are being analysed and incorporated into the planning for the next field season and a significant drilling program commencing in the second Quarter of CY2013.

7.4 Bland Creek Project

The Bland Creek Project lies 50 kilometres south-east of West Wyalong, in the Lachlan Fold Belt of New South Wales. The tenements are prospective for porphyry copper-gold mineralisation as found at Northparkes (Rio Tinto), Cadia (Newcrest) and Cowal (Barrick). The granted exploration licence, EL 5792, is held under a farm-in agreement to earn up to 80% with Straits Resources Ltd (ASX:SRQ) and the surrounding tenements are 100% owned by Sandfire.

Exploration continued through the Quarter on the Currumburrama project under the Joint Venture when weather and cropping conditions permitted access. A program of aircore drilling designed to evaluate the full tenement area is underway including in-fill drilling in areas of anomalism defined during previous drilling and in the early regional drilling. A number of targets have been generated including at the newly defined Monaco Prospect and the program will continue during the current Quarter.

Diamond drilling commenced toward the end of the Quarter at the Monaco prospect and continues to test a number of targets for porphyry copper and gold mineralisation across the Joint Venture area.

7.5 Alford Project

The Alford Project on the Yorke Peninsular lies 20km north-east of Wallaroo, South Australia in the southern portion of the Gawler Craton. The tenements are prospective for iron oxide copper-gold mineralisation as found at Prominent Hill (OZ Minerals), Olympic Dam (BHP) and Hillside (Rex Minerals).

The project includes an option to Joint Venture into the Alford project (EL3969, PM268) with Argonaut Resources Limited (ASX: ARE) to earn up to 75% of the project.

An agreement was signed with Argonaut Resources during the Quarter. Under the terms of the farm-in agreement, Sandfire has the right to earn up to 75 per cent of the project area by sole funding \$8 million over six years with the following terms:

- Sandfire may earn a 49% interest by sole funding \$4 million on exploration in respect to the tenement within a period of three years;
- After earning the minimum interest, Sandfire may elect to continue to sole fund another \$4 million within a further three years to earn a further 26% interest making a 75% interest in total.

A review of the historical data and drilling has highlighted a number of high priority targets including the Alford East and Glenrae prospects for immediate follow up with in-fill and regional aircore drilling programs to define deeper drilling targets.

7.6 South America

Project generation is focused on Chile and Peru, targeting large-scale mineralisation systems prospective for copper.

Ten tenements have now been granted in the Lima Province of Peru covering large scale alteration systems identified on satellite imagery.

Negotiations are continuing on a number of projects in the region.

8.0 CORPORATE

8.1 Finance Facility

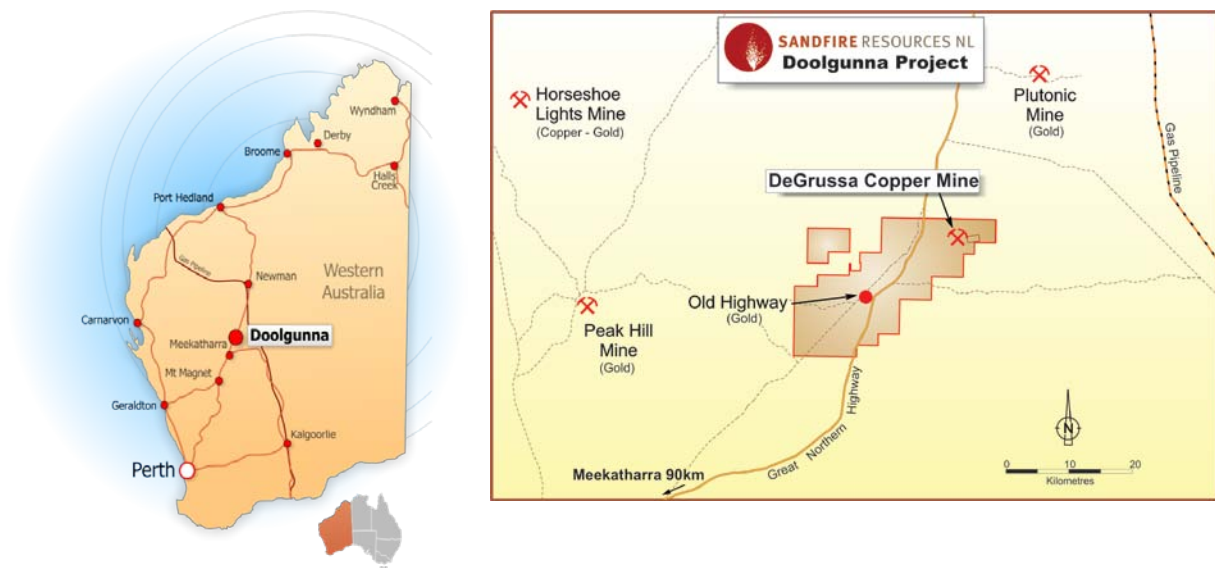
In accordance with the covenants of its DeGrussa Project loan facility, Sandfire is pleased to advise that has deposited \$50 million in a locked bank account representing the first scheduled repayment under its senior debt facilities. This repayment will be made during Q1 CY2013.

The Company will provide further information on its financial position in its results for 1H FY2013, which are scheduled for release to the market around the end of February 2013.

For further information, please contact:
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Office: +61 8 6430 3800

Media Inquiries:
Nicholas Read – Read Corporate:
Mobile: +61 419 929 046 (Nicholas Read)

Figure 1 – DeGrussa Copper-Gold Project Location



Appendix 1: DeGrussa Copper-Gold Project Mineral Resource Statement as at 31 March 2012

Total in situ Mineral Resources stated as at 31 March 2012:

Zone - in situ	Resource Category	Tonnes (mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)	Competent Person
Au Laterite	<i>Measured</i>	0.04	-	1.2	-	2,000	1
Copper Oxides	<i>Measured</i>	0.23	0.8	0.1	2,000	1,000	1
	<i>Indicated</i>	1.06	1.6	0.5	17,000	16,000	1
Supergene Chalcocite	<i>Indicated</i>	0.23	17.9	2.6	42,000	19,000	2
	<i>Inferred</i>	0.19	4.4	1.2	8,000	7,000	1
Primary Massive Sulphides	<i>Indicated</i>	7.84	5.8	2.0	456,000	502,000	1
	<i>Inferred</i>	2.31	4.4	2.0	102,000	146,000	1
Total		11.91	5.3	1.8	627,000	693,000	

Total Stockpiles stated as at 31 March 2012:

Stockpile	Resource Category	Tonnes (mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Laterite Gold	<i>Measured</i>	0.17	0.2	2.2	-	12,000
Copper Oxide	<i>Measured</i>	1.42	1.1	0.3	16,000	16,000
Supergene Chalcocite	<i>Measured</i>	0.01	34.2	2.7	2,000	-
Total	<i>Measured</i>	1.59	4.4	1.2	18,000	28,000

Resources are stated inclusive of Ore Reserves.

Note: Refer to the Competent Person's Statements – Mineral Resources below:

- 1 Competent Person for these zones of resource was Diederik Speijers of McDonald Speijers.
- 2 Competent Person for these zones of resource was David Slater of Coffey Mining.

Appendix 2: DeGrussa Copper-Gold Project Ore Reserve Statement as at 31 March 2012*

Deposit	Reserve Category	Mining Method	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Laterite Gold	Proved	Open Pit	0.10	-	3.0	-	9,000
Copper Oxide	Proved	Open Pit	0.52	2.0	0.7	10,000	11,000
Copper Oxide	Probable	Open Pit	0.52	2.5	0.4	13,000	7,000
DeGrussa	Probable	Open Pit - DSO	0.15	25.9	2.5	38,000	12,000
DeGrussa/C1/ Chalcocite	Probable	Open Pit	0.34	5.3	2.2	18,000	25,000
DeGrussa	Probable	Underground	1.50	6.6	1.9	99,000	90,000
Conductor 1	Probable	Underground	5.70	4.9	1.8	281,000	333,000
Conductor 4	Probable	Underground	0.76	4.4	1.2	33,000	30,000
Total	Proved		0.62	1.7	1.0	10,000	20,000
Total	Probable		8.97	5.4	1.7	482,000	497,000
Total	Proved & Probable		9.59	5.1	1.7	492,000	517,000

Appendix 3: DeGrussa Project DSO Chalcocite Ore Reserve reconciliation

DSO Chalcocite	Tonnes (t)	Copper (%)	Contained Copper (t)
Ore Reserve – Probable	144,736	25.9	37,549
DSO mined	147,297	24.9	36,622
Reconciliation (%)	102	96	98

Note * Ore Reserves contained in this table have been updated from the Ore Reserve Statement disclosed by the Company on 29 March 2011. Mining activities, including stockpiling, and sale of product have continued since 31 March 2012.

Note 1 A cut-off grade of 8.5% Cu is applied on the Chalcocite to provide a targeted 26% Cu direct sale product. All other material within the defined deposit boundaries has been included in the reporting of Ore Reserves with any sub-economic grade material being treated as internal diluents. These Ore Reserves include an overall assumption of 2.5% mining dilution at nil grade for all grade categories along with an assumed 2.5% mining loss of ore tonnes when mined. Calculations rounded to the nearest 10,000 tonnes; 0.1% Cu grade, 0.1 g/t Au grade; 1,000 tonnes Cu metal and 1,000 ounces Au metal. Errors of rounding may occur. The in-situ Ore Reserves occur within an open pit design containing 14Mt of total material, resulting in a waste to ore strip ratio of 12:1. Low grade laterite gold stockpiles not included in reserve.

- Note 2** A 1.0% Cu lower cut-off grade has been applied to the copper oxide open pit in-situ Ore Reserves. The reported copper oxide stockpiles only include existing stockpiles with an estimated average grade above 1.0 % Cu.
- Note 3** Mining recovery factor of 95% applied to diluted stoping blocks, with cut-off grade of 1.5% Cu and minimum stope size of 2,000t. Calculations rounded to the nearest 1,000t, 0.1%, 0.1g/t and 1,000 ounces; errors of rounding may occur; assumes commodity prices of US\$7,673/t for copper and US\$1,300/oz for gold with a USD/AUD exchange rate of \$0.86; assumes 91% metallurgical recovery rate. Note: Refer to the Competent Person Statements – Ore Reserves at the end of this release.
- Note 4** These Ore Reserves are stated as at 31 March 2012.

Appendix 4: Doolgunna Project – Q2FY2013 significant collar positions

Hole ID	Hole Depth (m)	Easting	Northing	RL	Azimuth	Dip
DGDD372W1	360	734,342	7,173,229	566.6	350	-62
DGDD373AW2	533	734,400	7,173,303	567.0	332	-76
DGRC375	361	734,398	7,173,303	566.7	353	-68
DGRC376	597	734,490	7,173,268	564.9	358	-69

Competent Person's Statement – Mineral Resources

The information in this report that relates to Mineral Resources (except the Indicated Resource of Supergene Chalcocite) is based on information compiled by Diederik Speijers who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Speijers is a permanent employee of McDonald Speijers and 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Speijers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement – Mineral Resources

The information in this report that relates to the Indicated Resource of Supergene Chalcocite is based on information compiled by David Slater who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Slater is a permanent employee of Coffey Mining and 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Slater consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement – Open Pit Ore Reserves

The information in this report that relates to Open Pit Ore Reserves is based on information compiled by Quinton de Klerk of Cube Consulting, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr de Klerk has sufficient experience which is relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr de Klerk consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement – Underground Ore Reserves

The information in this report that relates to Underground Ore Reserves is based on information compiled by Shane McLeay of Entech Pty Ltd, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McLeay 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McLeay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration operations, project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Sandfire believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of Sandfire, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. Sandfire undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly you should not place undue reliance on any forward looking statement.

Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration Targets for the DeGrussa Project is only conceptual in nature. While Sandfire is confident that it will report additional JORC compliant resources for the DeGrussa Project, there has been insufficient exploration to define mineral resources in addition to the current JORC compliant resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.