



ASX/Media Release

13 December 2010

SANDFIRE COMPLETES \$103 MILLION CAPITAL RAISING

\$37M RAISED THROUGH RETAIL ENTITLEMENT OFFER COMPLETING FINAL COMPONENT OF EQUITY RAISING TO ACCELERATE DEVELOPMENT OF THE DEGRUSSA COPPER-GOLD PROJECT

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Sandfire Resources NL (ASX: SFR) ("Sandfire") is pleased to announce the completion of the retail component of its **\$103 million** equity raising announced on Tuesday, 16 November 2010, with a total of **\$37 million** raised from participating and eligible retail shareholders.

The funds were raised through the retail component of the 1-for-12 accelerated non-renounceable pro-rata entitlement offer ("Retail Entitlement Offer"), which opened on Monday, 22 November 2010 and closed on Wednesday, 8 December 2010. The Retail Entitlement Offer price was \$6.60.

The Retail Entitlement Offer was strongly supported with over 90% of retail offer entitlements taken up by eligible retail shareholders. The amount of the Retail Entitlement Offer which was not subscribed for by eligible retail shareholders was 528,685 shares or approximately \$3.5 million.

The Retail Entitlement Offer is underwritten and New Shares not applied for will be allocated to Goldman Sachs in accordance with the underwriting agreement. Goldman Sachs has in turn entered into sub-underwriting agreements for the total number of retail shortfall shares.

The proceeds of the \$103 million capital raising will increase Sandfire's cash resources to approximately \$135 million, putting it in a very strong position to accelerate development of its flagship DeGrussa Copper-Gold Project in Western Australia while maintaining an aggressive near-mine and regional exploration program.

Sandfire's Managing Director, Mr Karl Simich, said, "We are very pleased with the results of the retail component of the equity raising and I thank both our retail and institutional shareholders for their continued support. The proceeds of our equity raising leave us very well positioned to develop the DeGrussa Copper-Gold Project."

"The strength of our balance sheet will assist us to secure the best possible financing package. Following the grant of the DeGrussa Mining Lease last week and with a Definitive Feasibility Study due during the second quarter of 2011 we are on track to commence mine development and construction before mid-year 2011," Mr Simich added.

New Shares issued under the Retail Entitlement Offer will rank equally with existing Sandfire shares and are expected to be issued on Thursday, 16 December 2010 with trading expected to commence on the ASX on Friday, 17 December 2010.

Goldman Sachs is the Lead Manager and Bookrunner to the Offer. Macquarie Capital Advisers and Bell Potter have acted as Co-Lead Managers to the Offer. Clayton Utz acted as legal adviser to Sandfire in relation to the Offer.



For further information, please contact:

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Forward-Looking Statements

Certain statements made during or in connection with this statement, including, without limitation, those concerning exploration targets, contain or comprise certain forward-looking statements regarding Sandfire's exploration operations, economic performance and financial condition. Although Sandfire believes that the expectations reflected in such forward-looking statements are reasonable, 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, 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. 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.