

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

SANDFIRE RESOURCES NL

ABN

55 105 154 185

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from provision of services	-	-
1.2 Payments for (a) exploration and evaluation	(16,043)	(29,423)
(b) development	-	-
(c) production	-	-
(d) administration	(1,402)	(3,024)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,235	1,604
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	(16,210)	(30,843)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(866)	(1,191)
(c) other fixed assets	-	-
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)	(347)	(834)
Net investing cash flows	(1,213)	(2,025)
1.13 Total operating and investing cash flows (carried forward)	(17,423)	(32,868)

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1.13	Total operating and investing cash flows (brought forward)	(17,423)	(32,868)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	105,168	106,213
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(19)	(38)
1.18	Dividends paid	-	-
1.19	Share issue expenses	(4,252)	(4,792)
1.20	Other	-	-
	Net financing cash flows	100,897	101,383
	Net increase in cash held	83,474	68,515
1.21	Cash at beginning of quarter/year to date	40,875	55,834
1.22	Exchange rate adjustments to item 1.21	-	-
1.23	Cash at end of quarter/year	124,349	124,349

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
1.24	Aggregate amount of payments to the parties included in item 1	713
1.25	Aggregate amount of loans to the parties included in item 1.10	-
1.26	Explanation necessary for an understanding of the transactions	
	Payment of director and consulting fees to directors and director related entities.	

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	9,107
4.2 Development	20,686
4.3 Production	-
4.4 Administration	1,516
Total	31,309

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	13,700	2,536
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposits	110,649	38,339
Total: cash at end of quarter (item 1.23)	124,349	40,875

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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		<u>NT Exploration License</u>		
	SEL26831	Reduction in area (blocks)	100%	100%
	SEL26833	Reduction in area (blocks)	100%	100%
	SEL26835	Reduction in area (blocks)	100%	100%
	SEL26836	Reduction in area (blocks)	100%	100%
	SEL26837	Reduction in area (blocks)	100%	100%
	SEL26938	Reduction in area (blocks)	100%	100%
6.2 Interests in mining tenements acquired or increased	SEL26939	Reduction in area (blocks)	100%	100%
		<u>NT Exploration License</u>		
	EL28508	Application	-	100%
	EL28534	Application	-	100%
	EL28540	Application	-	100%
	EL28541	Application	-	100%
		<u>WA Miscellaneous Licence</u>		
	L52/125	Application	-	100%
	L52/126	Application	-	100%
	L52/127	Application	-	100%
		<u>WA Mining Lease</u>		
	M52/1046	Granted	100%	100%
		<u>WA Miscellaneous Licence</u>		
L52/122	Granted	100%	100%	
L52/120	Granted	100%	100%	

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				

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7.3	*Ordinary securities	148,167,539	148,167,539		Fully paid
7.4	Changes during quarter				
	(a) Increases through issues	4,827,027	4,827,027	\$7.00	Fully paid
		10,525,752	10,525,752	\$6.60	Fully paid
		50,000	50,000	\$0.40	Fully paid
		210,000	210,000	\$1.40	Fully paid
		380,000	380,000	\$0.60	Fully paid
		360,000	360,000	\$0.80	Fully paid
		100,000	100,000	\$1.00	Fully paid
		60,000	60,000	\$4.66	Fully paid
		60,000	60,000	\$5.44	Fully paid
		60,000	60,000	\$6.22	Fully paid
	(b) Decreases through contributing shares paid up in full				
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>			Exercise price	Expiry date
		141,430		\$0.35	7 Feb 2011
		425,000		\$0.40	8 Aug 2011
		1,600,000		\$0.50	30 Sep 2011
		597,000		\$1.40	6 Jul 2012
		200,000		\$3.00	30 Sep 2012
		1,010,000		\$0.60	12 Jul 2013
		1,340,000		\$0.80	12 Jul 2013
		1,600,000		\$1.00	12 Jul 2013
		990,000		\$4.66; \$5.44 and \$6.22	27 Nov 2014
		1,000,000		\$3.80; \$4.40 and \$5.00	15 Jun 2015
7.8	Issued during quarter				
7.9	Exercised during quarter	50,000		\$0.40	8 Aug 2011
		210,000		\$1.40	6 Jul 2012
		380,000		\$0.60	12 Jul 2013
		360,000		\$0.80	12 Jul 2013
		100,000		\$1.00	12 Jul 2013
		60,000		\$4.66	27 Nov 2014
		60,000		\$5.44	27 Nov 2014
		60,000		\$6.22	27 Nov 2014
7.10	Expired during quarter				
7.11	Debentures				
	<i>(totals only)</i>				
7.12	Unsecured notes				
	<i>(totals only)</i>				

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