

**SANDFIRE RESOURCES NL**

**NOTICE OF THE 2007 ANNUAL GENERAL MEETING**

**TO BE HELD ON TUESDAY, 20 NOVEMBER 2007 AT 2.00PM WST**

**AT THE CELTIC CLUB, 48 ORD STREET WEST PERTH WA 6005**

Please read the Notice carefully and if you are unable to attend the Annual General Meeting of Shareholders please complete and return the attached Proxy Form in accordance with the specified directions.

**SANDFIRE RESOURCES NL**

ABN 55 105 154 185

Registered Office  
1 Ventnor Avenue  
West Perth, Western Australia 6005

Postal Address  
PO Box 1495  
West Perth, Western Australia 6872

Telephone: +61-8 9226 5833  
Facsimile: +61-8 9226 5844  
Email: [admin@sandfire.com.au](mailto:admin@sandfire.com.au)  
Website: [www.sandfire.com.au](http://www.sandfire.com.au)

# NOTICE OF 2007 ANNUAL GENERAL MEETING

## TIME AND PLACE OF MEETING AND HOW TO VOTE

### Venue

The 2007 Annual General Meeting of the shareholders of **Sandfire Resources NL** will be held at:

The Celtic Club

48 Ord Street

West Perth WA 6005

Commencing 2.00pm (WST) on Tuesday, 20 November 2007

### Voting Entitlements

For the purposes of the Corporations Act 2001, all shares of the Company that are quoted securities at 2.00pm (WST) two days prior to the Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at the time and such persons are eligible to vote at the Meeting.

### How to Vote

The business of the Meeting affects your shareholding and your vote is important. Please take action by voting in person (or authorised representative) or by proxy.

### Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 2.00pm (WST).

### Proxies

A Proxy Form accompanies this Notice of Annual General Meeting. To be effective the Proxy Form must be completed and received at either the Company's registered office or its share registry, Security Transfer Registrars no later than 48 hours before the Meeting:

#### Registered Office

Company Secretary  
Sandfire Resources NL  
1 Ventnor Avenue  
West Perth WA 6005  
PO Box 1495  
West Perth WA 6872

*Or by facsimile on:*  
+61-8 9226 5844

*Or by electronic address:*  
[admin@sandfire.com.au](mailto:admin@sandfire.com.au)

#### Share Registry

Security Transfer Registrars  
770 Canning Highway  
Applecross WA 6153  
PO Box 535  
Applecross WA 6953

*Or by facsimile on:*  
+61-8 9315 2233

If any shareholder wishes to lodge a proxy electronically, it will be necessary to scan an image of a signed proxy form and e-mail that image of the proxy form with the signature affixed to be received no later than 48 hours before the Meeting. This is needed to comply with the requirements of section 250A of the Corporations Act that a valid proxy be in writing and be signed by the shareholder appointing the proxy.

If you are entitled to attend and cast a vote at the Meeting you may appoint up to two proxies. A proxy may be an individual or a corporation but need not be a shareholder. If you appoint two proxies each proxy may exercise half of the shareholders votes if no proportion or number of votes is specified.

If you appoint a proxy but attend the Meeting yourself, the rights of the proxy to speak and vote on your behalf at the Meeting will be suspended while you are present.

### Corporate Representatives

A corporation may appoint an individual as a representative to exercise its powers as shareholder or as a shareholder's proxy. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it was previously given to the Company's share registry.

### Powers of Attorney

A person appearing as an Attorney for a shareholder should produce a properly executed original (or certified copy) of an appropriate Power of Attorney for admission to the Annual General Meeting.

# NOTICE OF 2007 ANNUAL GENERAL MEETING

**SANDFIRE RESOURCES NL**, ABN 55 105 154 185 (the **Company**) gives notice that the 2007 Annual General Meeting of shareholders will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 on Tuesday, 20 November 2007 at 2.00pm (Western Standard Time).

## AGENDA

### ORDINARY BUSINESS

#### Financial Statements

To receive the financial report of the Company and the reports of the Directors and Auditors for the year ended 30 June 2007.

#### 1. Proposed Joint Venture Terms

To consider and, if thought fit, to pass the following resolution as an ordinary resolution.

"That the Company approves the principal commercial terms of proposed Joint Venture Agreement which are summarised in the Explanatory Notes."

#### Election of Directors

To consider, and if thought fit, to pass the following Resolutions as ordinary resolutions.

#### 2. Re-election of Mr Miles Kennedy

"That Miles Kennedy who, having been appointed as a director of the Company by its other directors, retires in accordance with the Constitution and, being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."

#### 3. Re-election of Mr John Hutton

"That John Hutton who, having been appointed as a director of the Company by its other directors, retires in accordance with the Constitution and, being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."

#### 4. Re-election of Mr Karl Simich

"That Karl Simich who, having been appointed as a director of the Company by its other directors, retires in accordance with the Constitution and, being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."

#### 5. Re-election of Mr John Evans

"That John Evans who, having been appointed as a director of the Company by its other directors, retires in accordance with the Constitution and, being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."

#### Remuneration Report

To consider, and if thought fit, to pass the following Resolution as an ordinary resolution.

#### 6. Adoption of Remuneration Report

"That the remuneration report forming part of the Company's 2007 Annual Report, which accompanies this Notice of Annual General Meeting be adopted."

### SPECIAL BUSINESS

#### 7. Employee Option Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution.

"That, for the purpose of ASX Listing Rule 7.2 (Exemption 9) and for all other purposes, the Company adopts the "Sandfire Resources NL Incentive Option Scheme", the material terms of which are summarised in the Explanatory Notes, and approves the issue of securities under that incentive scheme."

<p><b>Voting Exclusion Statement:</b> The Company will disregard any votes cast on this Resolution by a director of the Company or by any person who may participate in the issues of securities under the incentive scheme and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any votes cast by an associate of such person. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.</p>
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## NOTICE OF 2007 ANNUAL GENERAL MEETING

### 8. Adoption of New Constitution

To consider and, if thought fit, to pass, the following resolution as a special resolution.

"That the Constitution tabled at the meeting and initialled by the Chairman for identification be and is hereby adopted as the Constitution of the Company in substitution for its existing Constitution with effect from the earliest date permitted by law."

### 9. Ratification of Issues

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders of the Company hereby ratify the issue of 600,000 ordinary fully paid shares, announced in the Company's December 2006 quarterly report and more fully described in the Explanatory Notes accompanying this Notice of Annual General Meeting."

<p><b>Voting Exclusion Statement:</b> The Company will disregard any votes cast on this Resolution by any person who participated in the issue of securities referred to in this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any votes cast by an associate of such person. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.</p>
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### Other Business

To deal with any other business that may be brought forward in accordance with the Company's Constitution and the Corporations Act 2001.

By order of the Board

**JEAN MATHIE**  
**COMPANY SECRETARY**

Date: 16 October 2007

These Explanatory Notes form part of the Notice of 2007 Annual General Meeting.

### Financial Statements

This deals with the presentation of the Company's Financial Report and the reports of the directors and auditors for the year ending 30 June 2007. The Company will take Shareholders' questions and comments about the management of the Company. The auditor of the Company will be available to take Shareholders' questions and comments about the conduct of the audit and preparation and content of the audit report.

No resolution is required to be moved in respect of this item.

### RESOLUTION 1 – PROPOSED JOINT VENTURE TERMS

The Company is considering non-binding proposal (*the Proposal*) for a proposed Joint Venture Agreement in relation to various tenements and applications for tenements of the Borroloola Project. As the Proposal relates to numerous tenements held or applied for by the Company, the current directors of the Company deem it appropriate that shareholders consider and vote on the principal commercial terms of the Proposal before the Company negotiates or concludes any binding agreement based on the Proposal.

The principal commercial terms of the Proposal are summarised below.

#### Tenements

The Proposal relates to:

- (a) the following granted Northern Territory mining tenements held by the Company:
  - (i) ELs 10121, 24349, 24373, 24374, 24714, 24946, 24996, 24997, 25070, 25312, 25328, 25462, 25590, 25591, 25592, 25647, (*Royalty-Free Tenements*);
  - (ii) MLN 624 and EL 10121 (*Biddlecombe Royalty Tenements*); and
  - (iii) ELs 24401, 24402, 24664, 24700, 24778, 24942 and 24943 (*Manganese Royalty Tenements*); and
- (b) five additional Exploration Licences applications, being ELAs 25501, 26298, 26299, 26402 and 26403 (*Applications*) which the proposal states are not crucial to the project.

The Proposal records that the tenements described in (a) are subject to certain interests in favour of third parties.

#### Proposed Exploration Areas

Under the Proposal, the Proposed Exploration Areas would comprise the tenements listed above and additional tenements acquired pursuant to decisions of the JV management committee from time to time within an Area of Influence consisting of all areas within 20kms of any part of any of the existing tenements.

#### Principal Warranties and Indemnities

The Company would be required to give warranties to the effect that all the tenements listed in the Applications have been duly granted and are in good standing, that it is the sole holder of all the tenements listed above and none of the tenements is encumbered by any right in favour of a third party (except as listed in the Proposal).

The Company would be required to indemnify the other party (*OP*) in respect of any existing environmental damage by the Company.

#### Licence to use Mining Information

The Company would provide OP with all mining information in the Company's possession that relates to the Exploration Areas.

#### Joint Venture Assets

The joint venture assets (*Joint Venture Assets*) would comprise:

- (a) the tenements listed above; and
- (b) the Company's rights in relation to discoveries on Gravity Diamonds tenements under a Memorandum of Understanding.

#### Purchase price and settlement

Under the Proposal:

- (a) the Company would be required to sell 50% of its interest in each of the Joint Venture Assets to OP for a total cash payment of approximately AUD\$1.75m, being equivalent to 50% of the Company's historical expenditure of approximately \$3.5m on the tenements listed above until 31 December 2007; and

- (b) settlement would take place on fulfilment of “the conditions precedent” or on 14 January 2008, whichever is later.

**Joint Venture Terms**

On settlement of the sale, an unincorporated joint venture would come into being on terms typical in the Australian exploration industry, except where inconsistent with the following terms.

**Initial Joint Venture Interests**

Each party would initially have a 50% interest in the joint venture.

**Management**

The Company would be the first manager of the Joint Venture but a party that acquires a joint venture interest greater than 50% would be entitled to assume management.

**Object and independent activities**

- (a) the purpose of the joint venture would be to explore for minerals and exploit any discovery, provided that any joint venture activities proposed by the managing party that are focussed on minerals other than base metals would be subject to veto by the non managing party;
- (b) if the non-managing party vetoes any activities, the managing party would be entitled to conduct those activities at its own cost subject to an indemnity in favour of the joint venture for those independent activities and provided that if there is of a conflict between any activities of the joint venture and the independent exploration activities of the managing party, the activities of the joint venture would prevail;
- (c) if the managing party discovers a Mineral Resource (to JORC) in the course of its independent activities, it would be entitled to demarcate areas reasonably required to exploit the discovery, provided such areas do not encroach upon any area reasonably required by the joint venture for the exploitation of an existing discovery of its own.

**Management committee and voting rights**

Each party would be entitled to appoint two representatives to the management committee and voting rights would be in proportion to joint venture percentage interests, except that so long as the parties interests remain equal, the Company would have a casting vote and that the non-managing party would have a right of veto over non base metal activities.

**Budgets and contributions**

Joint venture expenditure would be in accordance with programs and budgets approved by the management committee, with annual programs & budgets commencing on 1 January 2008 and each party being committed to contribute 50% of the first annual budget, which would not exceed \$3m unless both parties agree.

Each party would contribute to subsequent budgets in accordance with its percentage joint venture interests unless it has elected to dilute.

If a party defaults in making contributions (i.e. where the party has not elected to dilute but fails to contribute), the other party would have the option to sue for payment of the call or invoke dilution at double the usual rate. If a party dilutes to less than 10%, the other party would have an option to purchase the diluting party's remaining interest at market value.

**Assignment**

Each party would have pre-emptive rights over the sale by the other party of its joint venture interests to third parties, but would be entitled to assign any part of its joint venture interest to its associates and affiliates without observing pre-emptive rights.

**RESOLUTIONS 2, 3, 4 and 5 – RE-ELECTION OF DIRECTORS**

The Company's Constitution provides that a person appointed as a director of the Company by the other directors will hold office only until the next annual general meeting of the Company. Messrs. Kennedy, Hutton, Simich and Evans, who were all appointed as directors by the other directors, will accordingly retire at the Annual General Meeting. Messrs. Kennedy, Hutton, Simich and Evans are all eligible to and have consented to be re-elected as directors of the Company.

**RESOLUTION 6 – ADOPTION OF REMUNERATION REPORT**

The vote on the remuneration report is advisory only and non-binding to the Company. However, the Board of Directors will take the outcome of the vote into consideration when reviewing the remuneration policies of the Company.

The Chairman of the meeting intends to vote undirected proxies in favour of the adoption of the remuneration report.

During the consideration of this item, there will be an opportunity for shareholders to comment on and ask questions about the Company's remuneration report. This remuneration report can be found in Company's 2007 Annual Report.

## RESOLUTION 7 – EMPLOYEE OPTION PLAN

This resolution is put to shareholders, for the purpose of ASX Listing Rule 7.2 (Exemption 9) and for all other purposes, to adopt the "Sandfire Resources NL Incentive Option Scheme".

The directors consider it desirable to establish an option plan to be known as the "Sandfire Resources NL Incentive Option Scheme" (**Scheme**) under which selected employees (excluding directors or an Associated Body Corporate) and consultants may be offered the opportunity to subscribe for options in the Company in order to increase the range of potential incentives and to strengthen links between the Company and its employees and consultants.

Shareholders can inspect the Scheme prior to the Meeting at the Company's registered office. The Scheme will also be available for inspection at the Meeting.

### Summary of the Scheme

The following is a summary of the key terms of the Scheme.

- a) Subject to the Corporations Act and the ASX Listing Rules, the directors may, at such times as they determine, issue an invitation (**Offer**) (in such form as the directors decide from time to time) to full or part time employees and consultants of the Company (**Eligible Participants**) (excluding directors or an Associated Body Corporate) inviting application for the issue of options upon and subject to the terms and conditions of the Scheme. Options issued under the Scheme will be issued for no consideration.
- b) The formula by which the entitlements of Eligible Participants is determined shall be at the absolute discretion of the directors and shall take into account skills, experience, length of service with the Company, remuneration level and such other criteria as the directors consider appropriate in the circumstances.
- c) If the Company makes an Offer where:
  - (i) the total number of Shares to be received on exercise of the Options the subject of that Offer, exceeds the limit set out in the relevant Class Order; or
  - (ii) the Offer does not otherwise comply with the terms and conditions set out in the relevant Class Order,

the Company must comply with Chapter 6D of the Corporations Act at the time of that Offer.
- d) Offers are not assignable but, on receipt of an Offer, an Eligible Participant may nominate an Associate (**Nominee**) in whose favour the Eligible Participant wishes to renounce the Offer and the directors may, in their discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision. If the directors resolve to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the Rules.
- e) The directors may determine the Option exercise price for each Offer in their absolute discretion. Subject to the Listing Rules, the Option exercise price may be nil but to the extent the Listing Rules specify or require a minimum price, the Option exercise price in respect of an Offer must not be less than any minimum price specified in the Listing Rules.
- f) The directors will have the power to make adjustments to or vary the terms of exercise of an Option, but any proposed variation or adjustment will be subject to any requirements of the Listing Rules and, except in certain prescribed circumstances, no adjustment or variation of the terms of exercise of an Option will be made without the consent of the Participant who holds the relevant Option if that adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Options).
- g) Subject to the terms of the Offer made to a Participant and except in the certain prescribed circumstances (including death, permanent disability, retirement or redundancy), a Participant's Options will lapse immediately, and all rights in respect of those Options will be lost if, in respect of a Participant or an Offer:
  - (i) the relevant person ceases to be an employee of, or to render services to, a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) and the Exercise Conditions have not been met;

- (ii) the Exercise Conditions are unable to be met;
  - (iii) the Lapsing Date has passed; or
  - (iv) the deadline provided for in the Scheme has passed, whichever is earlier.
- h) Where a Relevant Person ceases to be an employee of, or to render services to, a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) before the Lapsing Date in relation to the Options granted under an Offer (***Ceasing Date***) and the Exercise Conditions have been met, the Participant will be entitled to exercise Options granted as a result of an Offer in accordance with the terms of the Offer and the Rules, for a period of up to 60 days after the Ceasing Date, after which the Participant's Options will lapse immediately and all rights in respect of those Options will thereupon be lost.
- i) Where, in respect of a Participant, the Relevant Person ceases to be an employee of, or to render services to, a member of the Group, for any reason, before the date on which Options become exercisable, the directors may, in their absolute discretion, determine that some or all of the Options held by that Participant do not lapse and may be exercised by the Participant, if otherwise permitted under the Rules, within such additional time as is determined by the directors following the Ceasing Date. Options which have not been exercised by the end of that period lapse immediately and all rights in respect of these Options will thereupon be lost.
- j) Each Option entitles the holder to subscribe for and be allotted one Share. Shares issued pursuant to the exercise of Options will in all respects, including bonus issues and new issues, rank equally and carry the same rights and entitlements as other Shares on issue.
- k) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- l) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option Exercise Price shall be reduced according to the formula specified in the Listing Rules. If a bonus issue of Shares is made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.
- m) Options will not be quoted on ASX. However, application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Options if the Company's Shares are listed on ASX at that time.
- n) Subject to and in accordance with the Listing Rules (including any waiver granted under the Listing Rules), the directors (without the necessity of obtaining the prior or subsequent consent of shareholders of the Company in a general meeting) may from time to time amend, revoke, add to or vary all or any provisions of the Rules of the Scheme in any respect whatsoever, provided that rights or entitlements in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
- o) Notwithstanding the Rules of the Scheme, on the occurrence of a Trigger Event, the directors may determine:
- (i) that the Options may be exercised at any time from the date of that determination, and in any number until the date determined by the directors so as to permit the holder to participate in any change of control arising from a Trigger Event, provided that the directors will forthwith advise in writing each holder of such determination. Thereafter, the Options will lapse to the extent they have not been exercised; or
  - (ii) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the directors shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.
- p) The directors may appoint such persons as they consider desirable and may to administer and manage the Scheme and delegate to them such authorities as may be necessary or desirable for that administration and management.



- q) Subject to the provisions of the Rules of the Scheme, the directors may make such regulations and establish such procedures for the administration and management of the Scheme as they consider appropriate and the decision of the directors as to the interpretation, effect or application of the Rules will be final.
- r) Neither participation in the Scheme by the Company or an Associated Body Corporate or any Eligible Participants or Option holders or anything contained in the Rules of the Scheme will in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any Eligible Participant or Option holder or to vary the terms of employment of any Eligible Participant or Option holder. Nor will participation or the rights or benefits of an Eligible Participant or Option holder under the Rules be relevant to or used as grounds for granting or increasing damages in any action brought by an Eligible Participant or Option holder against the Company or an Associated Body Corporate whether in respect of any alleged wrongful dismissal or otherwise.
- s) Notwithstanding any provisions of the Scheme, every covenant or other provision set out in an exemption or modification granted from time to time by the ASIC in respect of the Scheme pursuant to its power to exempt and modify the Corporations Act and required to be included in the Scheme in order for that exemption or modification to have full effect, is deemed to be contained in the Scheme.
- t) Definitions

For the purposes of the Scheme, the following words have the following meanings.

**Associate** has the meaning given to that term in Section 12(2) of the Corporations Act.

**Associated Body Corporate** means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**ASX** means ASX Limited.

**Class Order** means ASIC Class Order 03/1 84 (or any amendment to or replacement of that Class Order).

**Corporations Act** means the Corporations Act 2001 (Cth), as amended from time to time.

**directors** means the directors of the Company.

**Exercise Condition** means in respect of an Option, any condition set out in the Offer which must be satisfied before that Option can be exercised or any other restriction on exercise of that Option specified in the Offer or in the Rules of the Scheme.

**Group** means the Company or an Associated Body Corporate.

**Lapsing Date** means, in respect of an Option, the date which is two (2) years after the date of the grant of that Option, or such other date as the directors determine in their discretion with respect to that Option at the time of the grant of that Option.

**Listing Rules** means the official listing rules of ASX as amended from time to time.

**Participant** means an Eligible Participant to whom Options have been granted under the Scheme, or if Rule 5.4 applies, an Associate of the Eligible Participant to whom Options have been granted under the Scheme.

**Relevant Person** means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant being a permitted Nominee under Rule 5.4, that Eligible Participant.

**Share** means a fully paid ordinary share in the Company.

**Trigger Event** means:

- (a) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (b) the announcement of a takeover bid or receipt by the Company of a bidder's statement in respect of the Company; or

- (c) the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

### RESOLUTION 8 - ADOPTION OF NEW CONSTITUTION

The proposed Constitution will be made available to any shareholder on request by email, or may be inspected during normal business hours at the Company's registered office or viewed on the Company's web site at [www.sandfire.com.au](http://www.sandfire.com.au).

The reason for the proposed change is that the current Constitution has become dated and fails to enable the Company to take advantage of either the technological efficiencies offered by, or the cost savings which may be accessed through, the use of the internet as a medium of communication.

### RESOLUTION 9 – RATIFY ISSUE OF SECURITIES

On 11 April 2007, 600,000 ordinary fully paid shares in the capital of the Company were issued to Finching Pty Ltd pursuant to the terms and conditions of an "Agreement for Sale of Mining Tenements" between the Company and Finching Pty Ltd and dated 19 January 2007. The shares were issued in consideration for the acquisition by the Company of seven Tenements in the Northern Territory, being Exploration Licences 24401, 24402, 24664, 24700, 24778, 24942 and 24943 (**the Tenements**) and any other mining tenement which may be granted in lieu of or relate to the same ground as the Tenements and including all rights to explore and other privileges attributable to the Tenements.

#### Voting Exclusion Statement

Please refer to the Voting Exclusion Statements contained in the Notice of Annual General Meeting for details regarding votes to be disregarded in relation to Resolutions 7 and 9.

### GLOSSARY

In the Notice of Annual General Meeting and these Explanatory Notes, unless the context otherwise requires, the following expressions have the following meanings:

"**ASX**" means Australian Stock Exchange Limited.

"**ASX Listing Rules**" means the listing rules of ASX.

"**the Company**" means Sandfire Resources NL (ABN 55 105 154 185).

"**Explanatory Notes**" means these explanatory notes.

"**Meeting**" or "**Annual General Meeting**" means the 2007 Annual General Meeting of shareholders convened by this Notice.

"**Notice**" or "**Notice of Meeting**" or "**Notice of Annual General Meeting**" means the Notice of the 2007 Annual General Meeting of which these Explanatory Notes form part.

"**Resolution**" means a resolution referred to in the Notice of Annual General Meeting.

"**Share**" means fully paid ordinary voting Share issued in the capital of the Company.

"**WST**" means Western Standard Time.

The Secretary  
**SANDFIRE RESOURCES NL** (ABN 55 105 154 185)  
 PO Box 1495  
 West Perth, Western Australia 6872  
 Fax: (+61-8) 9226 5844

**SHAREHOLDER DETAILS**

Name of Shareholder: .....

Address of Shareholder: .....

.....

Telephone No: .....

I/We being a member(s) of Sandfire Resources NL, appoint the following person or failing him/her the Chairman of the Meeting as my/our proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairman sees fit) at the Annual General Meeting (Meeting) of the Company to be held at the Celtic Club West Perth 6005, Western Australia at 2.00pm on Tuesday, 20 November 2007 (and at any adjournment thereof).

Name of Proxy: .....

Address of Shareholder: .....

**INSTRUCTIONS AS TO VOTING** – refer attached Notes to the Proxy Form

If you wish to direct your proxy how to vote with respect to the proposed resolutions, please indicate the manner in which your proxy is to vote by placing a "X" in the appropriate box below, otherwise your proxy will vote or as he/she thinks fit.

If you do not wish to direct your proxy how to vote please place an "X" in this box.



By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded. It is the Chairman's intention to vote in favour of all resolutions in relation to undirected proxies.

		FOR	AGAINST	ABSTAIN
Resolution 1	<b>Proposed Joint Venture Terms</b>			
Resolution 2	<b>Re-election of Mr Miles Kennedy</b>			
Resolution 3	<b>Re-election of Mr John Hutton</b>			
Resolution 4	<b>Re-election of Mr Karl Simich</b>			
Resolution 5	<b>Re-election of Mr John Evans</b>			
Resolution 6	<b>Adoption of Remuneration Report</b>			
Resolution 7	<b>Employee Option Plan</b>			
Resolution 8	<b>Adoption of New Constitution</b>			
Resolution 9	<b>Ratification of Issues</b>			

**PLEASE SIGN HERE** This Section must be signed in accordance with the instructions set out below to enable your directions to be implemented.

Individual Shareholder	Individual Shareholder No.2 (where joint holders)	Individual Shareholder No.3 (where 3 joint holders) – if more holders each additional holder must sign
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
Date        /        /		

**Shareholder’s Name and Voting Entitlement**

This is the name of the shareholder as it appears on the Company’s share register. For the purposes of this Meeting, shares will be taken to be held by those persons who are the registered holders thereof 48 hours before the time appointed for the commencement of the Meeting.

**Appointment of Proxy**

A shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two other persons (whether shareholders or not) as proxy or proxies to attend in the shareholder’s place at the Meeting. The proxy has the same right as the shareholder to speak and vote at the Meeting. If you leave this section blank, or your named proxy does not attend the Meeting (or in the case you appoint two proxies and neither attends the Meeting), the Chairman of the meeting will be your proxy to vote your shares even if you attend the meeting (unless you revoke your proxy before the meeting).

**Vote on Resolutions**

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution/s you wish to direct your proxy to vote on. If you do so, all your shares will be voted in accordance with your direction. You can split your vote on any resolution/s by inserting the number/s of shares you wish to vote in the appropriate box/es. Please ensure you clearly mark the box in black or blue ink by placing a mark or the number of shares you are voting.

**Appointing a Second Proxy**

If a shareholder appoints two proxies, unless each proxy is appointed to represent a specified proportion of the shareholder’s voting rights, each proxy may exercise half the votes of the appointor.

**Contact Telephone**

This will help us if there are any problems with your proxy form.

**Signature(s)**

You must sign this form as follows in the spaces provided.

- Individual:                                Where the holding is in one name, the holder must sign.
- Joint Holding:                            Where the holding is in more than one name, all of the shareholders must sign.
- Power of Attorney:                    To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies:                                This form must be executed in accordance with Section 127 of the Corporations Act 2001 or signed by a duly authorised officer or agent.

If a representative of the corporation is to attend the meeting the appropriate “Certificate of Appointment of Corporation Representative” should be produced prior to admission. A form of the certificate may be obtained from the Company’s share registry.

**Lodgement of a Proxy**

To be valid, this Proxy Form (and any Power of Attorney under which it is signed) must be received not later than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote, either by facsimile on (08) 9321 5884, by mail to PO Box 806, West Perth, 6872, Western Australia or delivery to the registered office of the Company at 12 Walker Avenue, West Perth, Western Australia, or delivery to the Company’s share registry Security Transfer Registrars Pty Ltd, PO Box 535, Applecross 6953, Western Australia or at 770 Canning Highway, Applecross 6153, Western Australia.