



SANDFIRE RESOURCES NL

ABN 55 105 154 185

ACTIVITY REPORT

QUARTERLY REPORT FOR THE PERIOD ENDED 31st March 2007

HIGHLIGHTS

- **DOOLGUNNA**

- Encouraging gold results returned from the RC drilling program completed in February.
- Significant result from DGRC016 of 8m grading 7.48 g/t gold from 56-64m including 2m @ 18.06 g/t.
- High grade gold values up to 15g/t returned from rock chip samples at Cow Hole Bore.
- Regulatory approvals for the remainder of the program expected in the near term.

- **MT BOGGOLA**

- Secondary copper mineralisation located over airborne electromagnetic anomaly.

- **BORROLOOLA**

- Airborne electromagnetic survey contract let to Fugro Airborne Surveys. Completion date end June 2007.

**ASX CODE: SFR
SFRCA**

OFFICE AT:

1 VENTNOR AVENUE
WEST PERTH 6005
WESTERN AUSTRALIA

T: +61 8 9226 5833

F: +61 8 9226 5844

E: admin@sandfire.com.au

www.sandfire.com.au

CORRESPONDENCE:

PO BOX 1495
WEST PERTH 6872
WESTERN AUSTRALIA



OVERVIEW

Activity during the March quarter included RC drilling and surface geochemical sampling at Doolgunna, development of the year's program at Borroloola and Urandy, and further surface geochemical sampling at Mt Boggola and Yannarie.

Bedrock drilling programs are scheduled to commence in April at Doolgunna and Urandy.

The airborne electromagnetic (AEM) survey at Borroloola is planned for May/June.

Doolgunna (Sandfire 100%)

As previously reported, the Company completed part of the planned RC drilling program at Doolgunna (fig.1). Sixteen holes were drilled totalling 1,112m.

The last matter delaying regulatory approval for the remaining RC holes has been finalised and the Company expects formal notification of the approval for the program of work in the near term. This work will be undertaken when a suitable drilling rig can be obtained.

The results from East Shed Well (fig. 2) include:

Hole ID	From/To	Interval	Gold Grade g/t	Comment
DGRC015	56-58m	2m	4.46	Section 726040E
DGRC016	56-64m Incl.58-62m Incl.58-60m	8m 4m 2m	7.48 13.18 18.06	Section 726040E
DGRC018	18-20m	2m	3.05	Section 726140E
DGRC020	4-12m Incl.4-8m	8m 4m	1.29 1.81	Section 726240E
DGRC021	22-30m Incl.22-26m 44-46m	8m 4m 2m	2.15 2.74 1.16	Section 726240E
DGRC022	2-4m 44-46m	2m 2m	2.13 1.12	Section 726340E
DGRC023	36-38m	2m	1.28	Section 726340E
DGRC024	32-52m Incl.36-40m Incl.36-38m	20m 4m 2m	1.20 4.33 7.47	Section 726340E
DGRC025	4-36m Incl.30-36m Incl.34-36m	32m 6m 2m	0.67 2.02 3.76	Section 726700E



This drilling has confirmed the strike extent of the main zone of mineralisation to be at least 400m. The continuation of the zone to the area of DGRC025 will be tested during the next RAB program. Confirmation of this continuity will result in a strike length to the mineralisation of 800m.

The results from Cow Hole Bore include:

Hole ID	From/To	Interval	Gold Grade g/t	Comment
DGRC028	32-38m	6m	2.77	Section 736200E
	Incl.32-36m	4m	3.48	
	Incl.32-34m	2m	4.23	
DGRC029	40-46m	6m	2.41	Section 736160E
	Incl.40-44m	4m	3.23	
	Incl.40-42m	2m	5.42	

These two holes confirmed the continuity of the mineralisation intersected in RAB drilling. In addition, rock chip samples from the same area returned gold values to 15g/t supporting the conclusion. The results of surface geochemistry to the east and west indicate that the mineralisation is open along strike.

To date soil sampling has been applicable to a small part (less than 20%) of the inferred structural zone that hosts the known mineralisation. The remainder of the prospective zone is under transported cover. To explore these areas, a bedrock RAB drilling program of approximately 15,000m is planned. This work is scheduled to commence in April.

Testing of the recently defined soil anomalies will be undertaken in conjunction with this program.

Mt Boggola (Sandfire 100%)

During the quarter surface samples were collected from the area of the airborne electromagnetic ("AEM") anomaly and several other areas highlighted by anomalous geochemical results from previous sampling programs.

A small area of secondary copper mineralisation was located over the inferred outcrop position of the AEM anomaly. To date the only assays received are from drainage (2 sites) and rock samples (2) collected in the vicinity of the anomaly. One drainage sample returned anomalous gold and base metal values. Both rock samples returned anomalous precious and base metals with maximum values of 6.2% copper, 0.5% lead, 301ppm antimony, 1873ppm zinc, 0.1ppm gold and 4.3ppm silver.

Assays for the remaining samples are pending.

Access for drill testing the AEM anomaly will be assessed in the near future.



Borrooloola (Sandfire 100%)

The initial interpretation of the open file AEM data has been completed and targets have been selected for further investigation. These targets range from stratigraphic type targets (where the mineralisation is inferred to be deposited at the same time as the host rocks) to transgressive targets (where the mineralisation is inferred to be later than the host rocks).

The Company has entered into a contract with Fugro Airborne Surveys to collect new TEMPEST AEM data over a wide area west of Borrooloola. This work is planned for May/June.

Field follow up is planned for July onwards.

Urandy (Sandfire 100%)

Based on field work completed in 2006, two areas, being in the southwest and northwest of the project area respectively, have been identified as requiring further work. Large parts of these areas are covered by a thin layer of transported material and are therefore not amenable to surface geochemistry.

To test these areas, a bedrock drilling program is proposed. This drilling program is scheduled for April.

Yannarie (Sandfire 100%)

Additional soil samples were collected over the lead prospect at Two Peaks. These results have extended the southern boundary of the anomaly such that the anomaly now measures approximately 1500 metres in length (fig. 3). The anomaly is located over rocks of the Irregully Dolomite.

Field checking of the site is planned for April to assess access for drilling equipment.

Corporate – Contributing Shares

The Company currently has 10,672,652 contributing shares on issue. These shares have \$0.15 to pay to convert them to fully paid shares. The Board has resolved to set the call date at 31st August 2007.

Greg Steemson
Managing Director
17 April 2007



The information in this report that relates to Exploration Results is based on information complied by Greg Steemson who is a Fellow of the Australian Institute of Geoscientists. Greg Steemson 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 for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Greg Steemson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Corporate Information

Directors and Executive Management

B Coppin: *Non-Exec Chairman*

G H Steemson: *Managing Director*

G Hutton: *Executive Director*

R Lewis: *Company Secretary*

Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

- 65,059,626 fp shares
- 10,672,652 contributing shares with \$0.15 to pay, call date 31st August 2007
- 2.392m 31/12/08 \$0.25 opts
- 0.525m 30/9/08 \$0.20 opts

- 6.9m 30/6/07 \$0.60 opts

- 3.0m 30/9/11 \$0.50 opts

Shareholder Enquiries

Matters related to shares held, change of address, tax file numbers and the like should be directed to the Company's Registry:
Security Transfer Registrars Pty Ltd
Phone – 08 9315 2333

Investors interested in receiving copies of ASX announcements can register such interest on the Company's website www.sandfire.com.au.

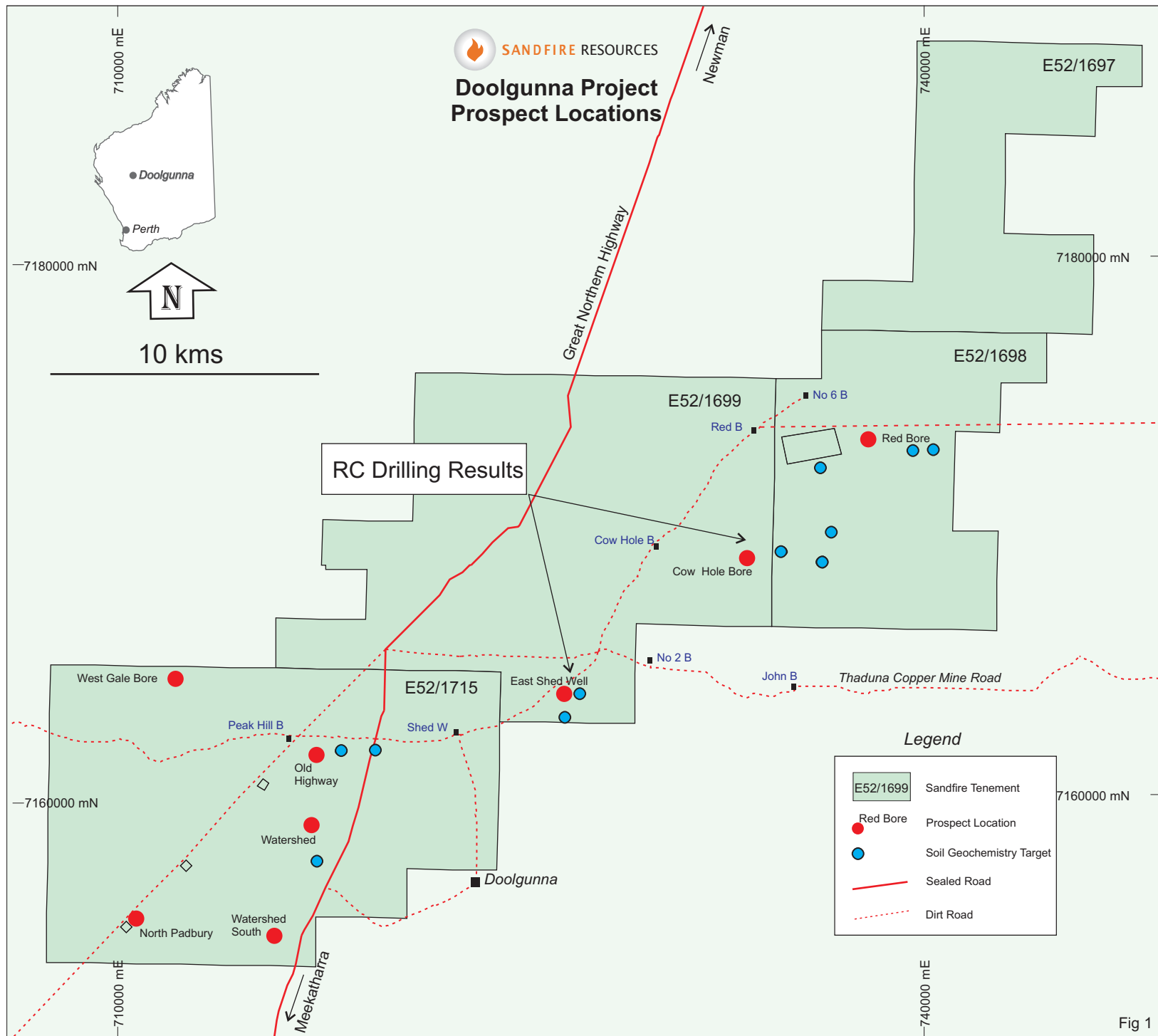


Fig 1



Doolgunna Project East Shed Well Prospect RC Drilling

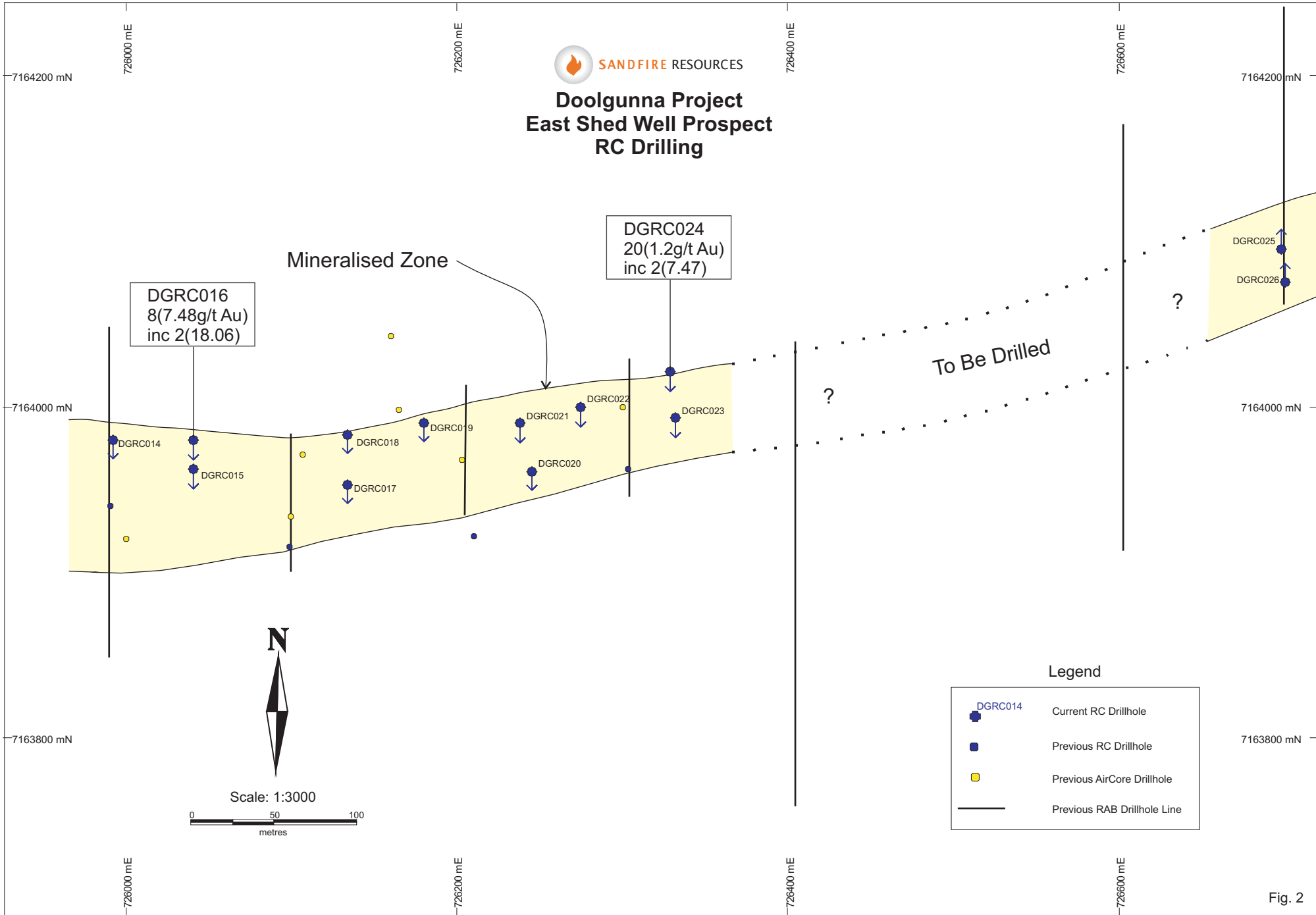
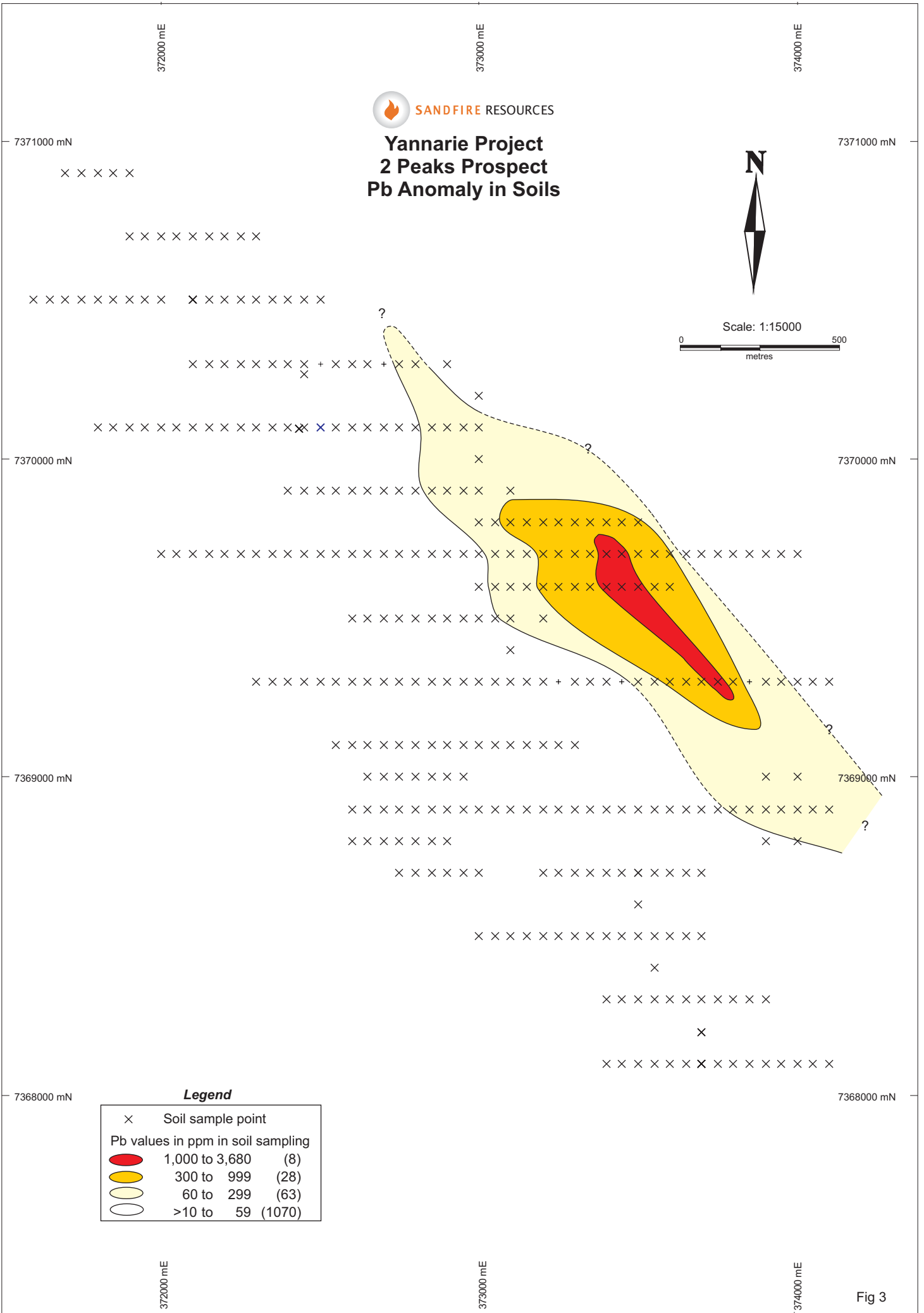
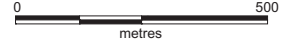


Fig. 2

Yannarie Project 2 Peaks Prospect Pb Anomaly in Soils



Scale: 1:15000



Legend





x	Soil sample point
Pb values in ppm in soil sampling	
	1,000 to 3,680 (8)
	300 to 999 (28)
	60 to 299 (63)
	>10 to 59 (1070)

Fig 3