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## FIRST SHIPMENT OF COPPER CONCENTRATE FROM DEGRUSSA PLANT

### SANDFIRE SECURES ADDITIONAL SALES CONTRACTS

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Sandfire Resources NL (ASX: **SFR**; "Sandfire") is pleased to announce that it has completed the sale of the first shipment of copper concentrate from its 100%-owned **DeGrussa Copper-Gold Mine** in Western Australia, achieving another important milestone as it continues to ramp-up copper production.

The maiden shipment comprised 4,958 dry tonnes of copper concentrate grading approximately 22 per cent copper and was produced as part of the commissioning process for the 1.5Mtpa DeGrussa Concentrator. 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 January 2013.

Shipments of high-grade Direct Shipping Ore (DSO) chalcocite from the open pit continue, with 10 shipments completed to date, totalling 98,489 tonnes grading 28%Cu containing 27,555 tonnes of copper metal. Mining of Stage I of the open pit is now complete and all DSO chalcocite has been mined, with crushing and sales to continue into early 2013. Mining of Stage II will continue into mid-2013 extracting further sulphide and oxide copper material.

#### **Additional Sales Contracts Finalised**

Sandfire is also pleased to advise that it has signed 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 this year, 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.

Sandfire's Managing Director, Mr Karl Simich, said shipments under the sales contracts were scheduled to commence in January 2013 as the Company completed its production ramp-up and cemented its long-term production and sales arrangements.

"Plant commissioning and production ramp-up at DeGrussa is proceeding with the Company on track to achieve steady-state nameplate production rates of 77,000tpa of copper in concentrate in early 2013." Mr Simich said.

"Our first shipment of copper concentrate is another pleasing milestone for our project development team, and represents another great achievement."



“In addition, we now have product sales agreements in place covering the bulk of our forecast near term production from DeGrussa, with the premium quality and grade of our concentrate reflected in the strong market demand from customers, predominantly in the Asian region.

“Over the next few months we plan to complete production ramp up, ready to commence full scale commercial shipments in the New Year,” he said.

**ENDS**

For further information contact:

Sandfire Resources NL

**Karl Simich – Managing Director/CEO**

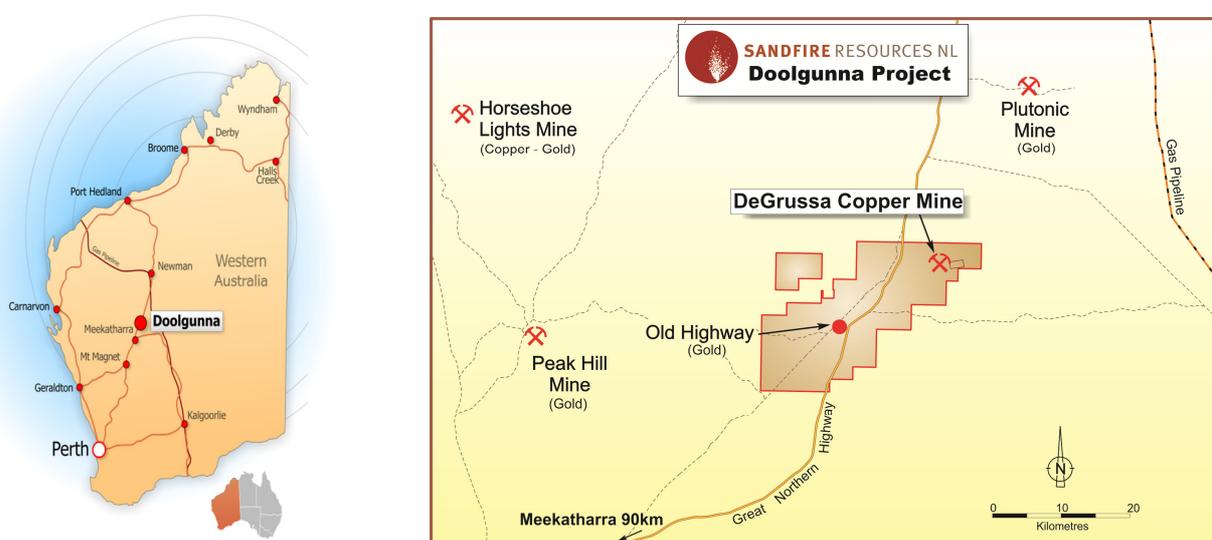
Office: +61 8 6430 3800

Read Corporate

Mobile: +61 419 929 046 (Nicholas Read)

Mobile: +61 421 619 084 (Paul Armstrong)

**Figure 1 – DeGrussa Copper Mine location**



#### 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.