



SANDFIRE RESOURCES NL

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16 December 2010

Mr Wade Baggot
Adviser, Issuers (Perth)
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Wade

Appendix 3B

Please find attached an Appendix 3B that updates the information contained in respect of the accelerated non-renounceable entitlement offer and placement announced by Sandfire on 16 November 2010.

Yours sincerely

Matthew Fitzgerald
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Sandfire Resources NL

ABN

55 105 154 185

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--------------------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Retail Entitlement Offer – 5,620,043 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary fully paid |

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes					
5	Issue price or consideration	Retail Entitlement Offer – A\$6.60 per share					
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Retail Entitlement Offer - Proceeds from the raising will be used to assist to fund completion of the Feasibility Studies for the DeGrussa Project, initial open pit development, deposits for long-lead time items for plant construction and other pre-development activities.</p>					
7	<p>Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	Retail Entitlement Offer - 16 December 2010					
8	<p>Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">After the Retail Entitlement Offer - 148,157,539</td> <td style="text-align: center;">Ordinary</td> </tr> </tbody> </table>	Number	+Class	After the Retail Entitlement Offer - 148,157,539	Ordinary	Ordinary
Number	+Class						
After the Retail Entitlement Offer - 148,157,539	Ordinary						

+ See chapter 19 for defined terms.

	Number	+Class																				
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">141,430</td> <td>Options exercisable at \$0.35 expiring 7 Feb 2011.</td> </tr> <tr> <td style="text-align: center;">425,000</td> <td>Options exercisable at \$0.40 expiring 8 Aug 2011.</td> </tr> <tr> <td style="text-align: center;">1,600,000</td> <td>Options exercisable at \$0.50 expiring 30 Sep 2011.</td> </tr> <tr> <td style="text-align: center;">607,000</td> <td>Options exercisable at \$1.40 expiring 6 July 2012.</td> </tr> <tr> <td style="text-align: center;">200,000</td> <td>Options exercisable at \$3.00 expiring 30 September 2012.</td> </tr> <tr> <td style="text-align: center;">1,010,000</td> <td>Options exercisable at \$0.60 expiring 12 July 2013.</td> </tr> <tr> <td style="text-align: center;">1,340,000</td> <td>Options exercisable at \$0.80 expiring 12 July 2013.</td> </tr> <tr> <td style="text-align: center;">1,600,000</td> <td>Options exercisable at \$1.00 expiring 12 July 2013.</td> </tr> <tr> <td style="text-align: center;">990,000</td> <td>Options exercisable in three equal tranches at \$4.66, \$5.44 and \$6.22 expiring 27 November 2014.</td> </tr> <tr> <td style="text-align: center;">1,000,000</td> <td>Options exercisable in three equal tranches at \$3.80, \$4.40 and \$5.00 expiring 15 June 2015.</td> </tr> </table>	141,430	Options exercisable at \$0.35 expiring 7 Feb 2011.	425,000	Options exercisable at \$0.40 expiring 8 Aug 2011.	1,600,000	Options exercisable at \$0.50 expiring 30 Sep 2011.	607,000	Options exercisable at \$1.40 expiring 6 July 2012.	200,000	Options exercisable at \$3.00 expiring 30 September 2012.	1,010,000	Options exercisable at \$0.60 expiring 12 July 2013.	1,340,000	Options exercisable at \$0.80 expiring 12 July 2013.	1,600,000	Options exercisable at \$1.00 expiring 12 July 2013.	990,000	Options exercisable in three equal tranches at \$4.66, \$5.44 and \$6.22 expiring 27 November 2014.	1,000,000	Options exercisable in three equal tranches at \$3.80, \$4.40 and \$5.00 expiring 15 June 2015.
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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy.																				

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 new share for every 12 fully paid ordinary shares held on the Record Date.
14	+Class of +securities to which the offer relates	Ordinary Shares
15	+Record date to determine entitlements	5.00 pm (Perth time) on 19 November 2010.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	Entitlements rounded up to the nearest whole number.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand and such other jurisdictions into which it is decided to make offers.
19	Closing date for receipt of acceptances or renunciations	Retail Entitlement Offer - 8 December 2010
20	Names of any underwriters	Goldman Sachs & Partners Australia Pty Ltd (Underwriter and Lead Manager of the Entitlement Offer and Placement).
21	Amount of any underwriting fee or commission	A management fee of 0.75% (plus GST) of the total offer proceeds. An underwriting fee of 2.25% (plus GST) of the total offer proceeds. The issuer may, in its absolute discretion, pay an incentive fee of 0.5% (plus GST) of the offer proceeds.
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus was issued. An Offer Booklet and Entitlement and Acceptance Form was despatched to Eligible Retail Shareholders on 22 November 2010.

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	16 November 2010
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	For the Retail Entitlement Offer - 16 December 2010

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Matthew Fitzgerald

Date: 16 December 2010

Company Secretary

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