

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

<b>SANDFIRE RESOURCES NL</b>
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ABN

<b>55 105 154 185</b>
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Quarter ended ("current quarter")

<b>31 March 2010</b>
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### Statement of cash flows

	Current quarter	Year to date
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from provision of services	-	-
1.2 Payments for (a) exploration and evaluation	(4,089)	(11,803)
(b) development	(3,349)	(3,349)
(c) production	-	-
(d) administration	(480)	(1,115)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	92	328
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Movement in Working Capital	-	-
<b>Net Operating Cash Flows</b>	<b>(7,826)</b>	<b>(15,939)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(403)	(1,863)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	61	61
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (payments for security deposits/bonds)	(18)	(92)
<b>Net investing cash flows</b>	<b>(360)</b>	<b>(1,894)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(8,186)</b>	<b>(17,833)</b>

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(8,186)	(17,833)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	42,956	57,650
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Interest and other costs of finance paid	-	-
1.19	Dividends paid	-	-
1.20	Share issue expenses	(1,744)	(1,867)
1.21	Other – reclassification of cash to environmental bonds	-	-
	<b>Net financing cash flows</b>	41,212	55,783
	<b>Net increase in cash held</b>	33,026	37,950
1.22	Cash at beginning of quarter/year to date	7,569	2,645
1.23	Exchange rate adjustments to item 1.22	-	-
1.24	<b>Cash at end of quarter/year</b>	40,595	40,595

**Significant notes to the Statement of Cash Flows**

Subsequent to 31 March 2010, the Company completed the conditional placement comprising 2.8 million shares at \$3.20 per share to Sandfire's largest shareholder, Posco Australia Pty Ltd, to raise \$9.1 million. The Company also raised an additional \$15 million, subsequent to 31 March 2010, via the issue of 4.7 million shares to eligible shareholders participating in the Company's Share Purchase Plan, completed during April 2010.

**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
1.25	Aggregate amount of payments to the parties included in item 1	235
1.26	Aggregate amount of loans to the parties included in item 1.10	-

1.27 Explanation necessary for an understanding of the transactions

Payment of director and consulting fees to directors and director related entity.

**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

As approved by shareholders in general meeting, held 26 February 2010, the Company issued 83,810 ordinary fully paid shares with a value of \$3.73 per share to Mr Miles Kennedy, representing a retirement payment of \$500,000 less the sum of \$187,500 required to be deducted by the Company for tax purposes.

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.

+ See chapter 19 for defined terms.

### 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	5,400
4.2 Development	4,000
<b>Total</b>	<b>9,400</b>

### 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	5,595	2,569
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Term Deposits	35,000	5,000
<b>Total: cash at end of quarter</b> (item 1.24)	<b>40,595</b>	<b>7,569</b>

### 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	E04/1425	<u>WA Exploration License</u> Surrendered	100%	-
6.2 Interests in mining tenements acquired or increased	E04/1828	<u>WA Exploration License</u> Granted	-	100%
	E04/1829	Granted	-	100%
	L52/120	<u>WA Miscellaneous License</u> Application	-	-
	M52/1046	<u>WA Mining Lease</u> Application	-	-

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**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 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	121,577,268	121,577,268		Fully paid
7.4 Changes during quarter (a) Increases through issues 70,000 13,289,154 83,810 212,857 395,000 25,000 (b) Decreases through contributing shares paid up in full				
		70,000	\$0.15	Fully paid
		13,289,154	\$3.20	Fully paid
		83,810	\$3.73	Fully paid
		212,857	\$1.40	Fully paid
		395,000	\$0.40	Fully paid
		25,000	\$0.35	Fully paid
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)			<b>Exercise price</b>	<b>Expiry date</b>
	216,430		\$0.35	7 Feb 2011
	1,025,000		\$0.40	8 Aug 2011
	1,600,000		\$0.50	30 Sep 2011
	907,143		\$1.40	6 Jul 2012
	200,000		\$3.00	30 Sep 2012
	1,690,000		\$0.60	12 Jul 2013
	4,000,000		\$0.80 and \$1.00	12 Jul 2013
	1,170,000		\$4.66; \$5.44 and \$6.22	27 Nov 2014
7.8 Issued during quarter				
7.9 Exercised during quarter	212,857 395,000 25,000		\$1.40 \$0.40 \$0.35	6 Jul 2012 8 Aug 2011 7 Feb 2011
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 April 2010

(Company Secretary)

Print name:

MATTHEW FITZGERALD

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.