Appendix 5B

Rule 5.3

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

SANDFIRE RESOURCES NL

ABN

55 105 154 185

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

		Current quarter	Year to date
Cash flows related to operating activities			(12 months)
		\$A'000	\$A'000
1.1	Receipts from provision of services	-	-
1.2	Payments for (a) exploration and evaluation	(5,691)	(42,440)
	(b) development	(15,449)	(26,249)
	(c) production	- (1,406)	- (E 049)
1.3	(d) administration Dividends received	(1,406)	(5,948)
1.4	Interest and other items of a similar nature received	1,462	4,708
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - Movement in Working Capital	-	-
	Net On welling Or the Element	(01.00.4)	(00,000)
	Net Operating Cash Flows	(21,084)	(69,929)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	_	_
1.0	(b) equity investments	-	-
	(c) other fixed assets	(9,833)	(11,302)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10 1.11	Loans to other entities	-	-
1.11	Loans repaid by other entities Other (payments for security deposits/bonds)	(1,725)	(2,772)
1.12	Other (payments for security deposits/bolids)	(1,725)	(∠,112)
	Net investing cash flows	(11,558)	(14,074)
1.13	Total operating and investing cash flows (carried forward)	(32 642)	(84,003)
1.13	•	(11,558) (32,642)	(14,07 (84,00

⁺ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(32,642)	(84,003)
	(brought forward)	(32,042)	(04,000)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	994	107,258
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(31)	(99)
1.18	Dividends paid	-	-
1.19	Share issue expenses	(150)	(4,949)
1.20	Other	-	-
	Net financing cash flows	813	102,210
	Net (decrease) increase in cash held	(31,829)	18,207
1.21 1.22	Cash at beginning of quarter/year to date Exchange rate adjustments to item 1.21	105,870	55,834
1.23	Cash at end of quarter/year	74,041	74,041

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'000 535 -
- 1.24 Aggregate amount of payments to the parties included in item 1
- 1.25 Aggregate amount of loans to the parties included in item 1.10
- 1.26
 Explanation necessary for an understanding of the transactions

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

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 None.
- 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
-	-
-	-

3.2 Credit standby arrangements

Loan facilities

3.1

The Company announced on 27 July 2011 that a \$75 million secured mine development facility has been executed and, subject to satisfaction of conditions precedent, is available for draw-down to assist with the funding of long lead equipment and initial plant construction, ongoing open pit mining and underground development. For further details refer to the Company's ASX announcement *Project Loan Facility for DeGrussa* dated 27 July 2011.

Estimated cash outflows for next quarter

	Total	70,934
4.4	Administration	1,510
4.3	Production	-
4.2	Development (including payments for purchases of other fixed assets)	62,102
4.1	Exploration and evaluation	7,322
		\$A'000

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	14,397	19,501
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Term Deposits	59,644	86,369
	Total: cash at end of quarter (item 1.23)	74,041	105,870

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	EL24401 EL26953	<u>NT Exploration License</u> Reduction in area (blocks) Reduction in area (blocks)	100% 100%	100% 100%
6.2	Interests in mining tenements acquired or increased	L52/125 L52/126 L52/127 L52/133 L52/134 L52/135	WA Miscellaneous License Granted Granted Granted Application Application Application	100% 100% 100% Nil Nil Nil	100% 100% 100% 100% 100% 100%

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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	Amount paid up per
7.1	Preference			security (see note 3)	security (see note 3)
7.1	+securities (description)				
7.2	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases				
	through returns of capital, buy-backs,				
7.3	redemptions +Ordinary securities	149,384,969	149,384,969		Fully paid
7.3	· Ordinary securities	149,364,969	149,304,909		Fully paid
7.4	Changes during quarter				
	(a) Increases	75,000	75,000	\$0.40	Fully paid
	through issues	1,000,000	1,000,000	\$0.50	Fully paid
	(b) Decreases				
	through contributing shares paid up in full				
7.5	+Convertible debt				
	securities (description)				
7.6	Changes during				
	quarter (a) Increases				
	through issues				
	(b) Decreasesthrough securities				
	matured, converted				
7.7	Options (description	250,000		Exercise price	Expiry date
	and conversion factor)	350,000 600,000		\$0.40 \$0.50	8 Aug 2011 30 Sep 2011
		596,000		\$1.40	6 Jul 2012
		200,000		\$3.00	30 Sep 2012
		1,010,000 1,340,000		\$0.60	12 Jul 2013
		1,600,000		\$0.80 \$1.00	12 Jul 2013 12 Jul 2013
		990,000		\$4.66; \$5.44	27 Nov 2014
		1,000,000		and \$6.22 \$3.80; \$4.40	15 Jun 2015
		3,250,000		and \$5.00 \$9.00; \$10.30 and \$11.70	28 Feb 2016
7.8	Issued during quarter				
7.9	Exercised during quarter	75,000 1,000,000		\$0.40 \$0.50	8 Aug 2011 30 Sep 2011
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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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:	Matthew Fitzgerald	Date: 28 July 2011
	(Company Secretary)	

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.

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