

Appendix 5B

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 \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
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	-	-
(d) administration	(1,406)	(5,948)
1.3 Dividends received	-	-
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 Operating Cash Flows	(21,084)	(69,929)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(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 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (payments for security deposits/bonds)	(1,725)	(2,772)
Net investing cash flows	(11,558)	(14,074)
1.13 Total operating and investing cash flows (carried forward)	(32,642)	(84,003)

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1.13	Total operating and investing cash flows (brought forward)	(32,642)	(84,003)
	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	Cash at beginning of quarter/year to date	105,870	55,834
1.22	Exchange rate adjustments to item 1.21	-	-
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
1.24	Aggregate amount of payments to the parties included in item 1	535
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.

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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	-	-

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

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

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	<u>NT Exploration License</u>	100%	100%
	EL26953	Reduction in area (blocks)	100%	100%
6.2 Interests in mining tenements acquired or increased	L52/125	<u>WA Miscellaneous License</u>	100%	100%
	L52/126	Granted	100%	100%
	L52/127	Granted	100%	100%
	L52/133	Application	Nil	100%
	L52/134	Application	Nil	100%
	L52/135	Application	Nil	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 security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	149,384,969	149,384,969		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through contributing shares paid up in full	75,000 1,000,000	75,000 1,000,000	\$0.40 \$0.50	Fully paid Fully paid
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	350,000 600,000 596,000 200,000 1,010,000 1,340,000 1,600,000 990,000 1,000,000 3,250,000		Exercise price \$0.40 \$0.50 \$1.40 \$3.00 \$0.60 \$0.80 \$1.00 \$4.66; \$5.44 and \$6.22 \$3.80; \$4.40 and \$5.00 \$9.00; \$10.30 and \$11.70	Expiry date 8 Aug 2011 30 Sep 2011 6 Jul 2012 30 Sep 2012 12 Jul 2013 12 Jul 2013 12 Jul 2013 27 Nov 2014 15 Jun 2015 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 <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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