



## DEGRUSSA PROJECT PICTORIAL UPDATE

Sandfire Resources NL is pleased to provide a pictorial update on the ongoing progress of construction, mining and production at DeGrussa.

- Mining of open pit Stages 1 and 2 is progressing on schedule with a total of 10.2 million bank cubic metres (bcm) of material mined to date, including:
  - 60,000 tonnes of Direct Shipping Ore (DSO) chalcocite at a grade of 30% Cu;
  - 2,000,000 tonnes of oxide copper material at a grade of 1.1% Cu.
- Underground mine development is progressing on schedule with the Evans Decline currently advanced to 1,720 metres from the portal and 270m below surface. A total of 6,200 metres of development has been completed to date and:
  - 60,000t of massive sulphide ore at a grade of 4.2% Cu has been mined from the underground mine and is stockpiled on the ROM pad ready for processing.
- Construction of the 1.5M tonne per annum Concentrator continues on schedule with first ore to be processed in September 2012. Commissioning of selected areas of the Concentrator continues.

**62 tonne chalcocite boulder from open pit, averaging 50% Cu (XRF), 7 August 2012**  
*Sandfire personnel L-R: Craig Dawson (GM DeGrussa), John Evans (Technical Director), Martin Reed (Project Manager), Karl Simich (Managing Director), Glen Church (Open Pit Engineer)*



**10.2Mbcm of material mined from DeGrussa Open Pit**



**Open Pit, Stage 1  
7.4Mbcm**

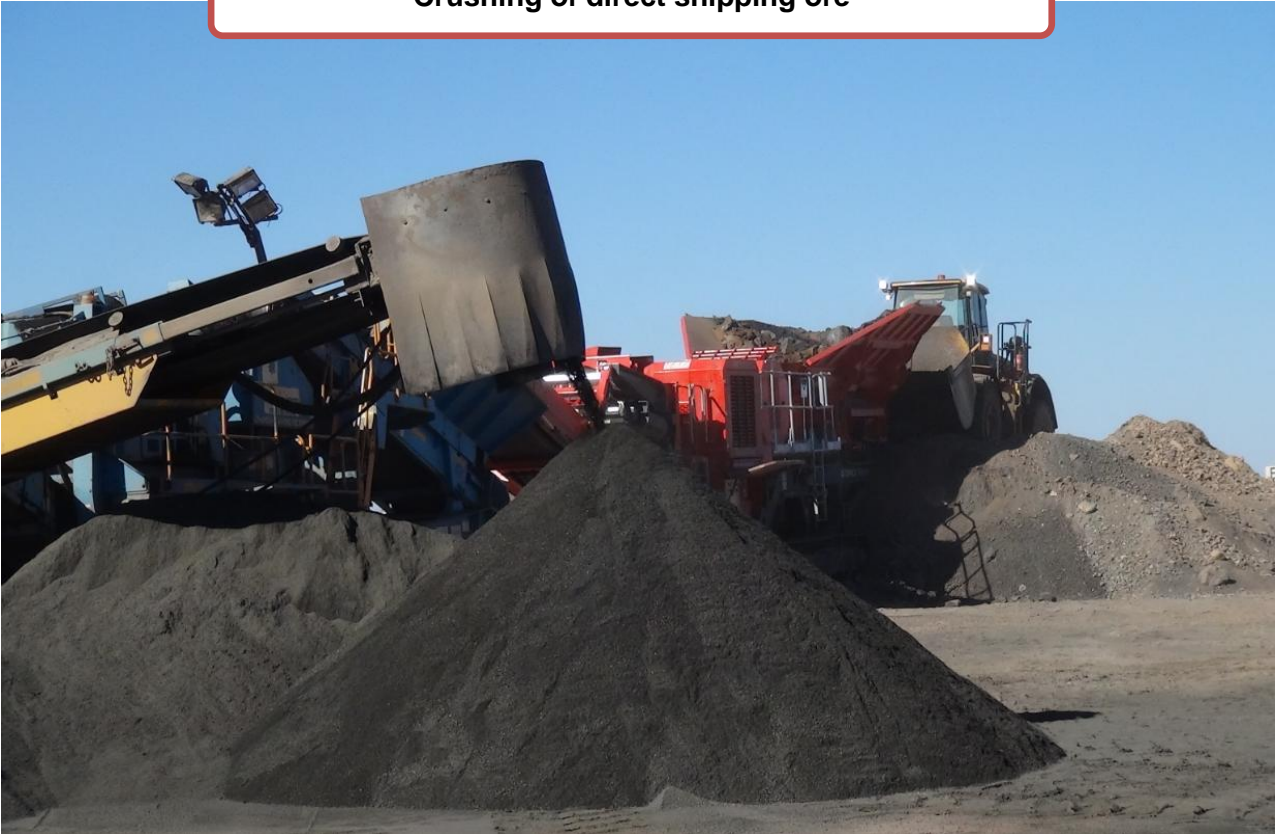
**Open Pit, Stage 2  
2.8Mbcm**



**Open Pit Stage 2**

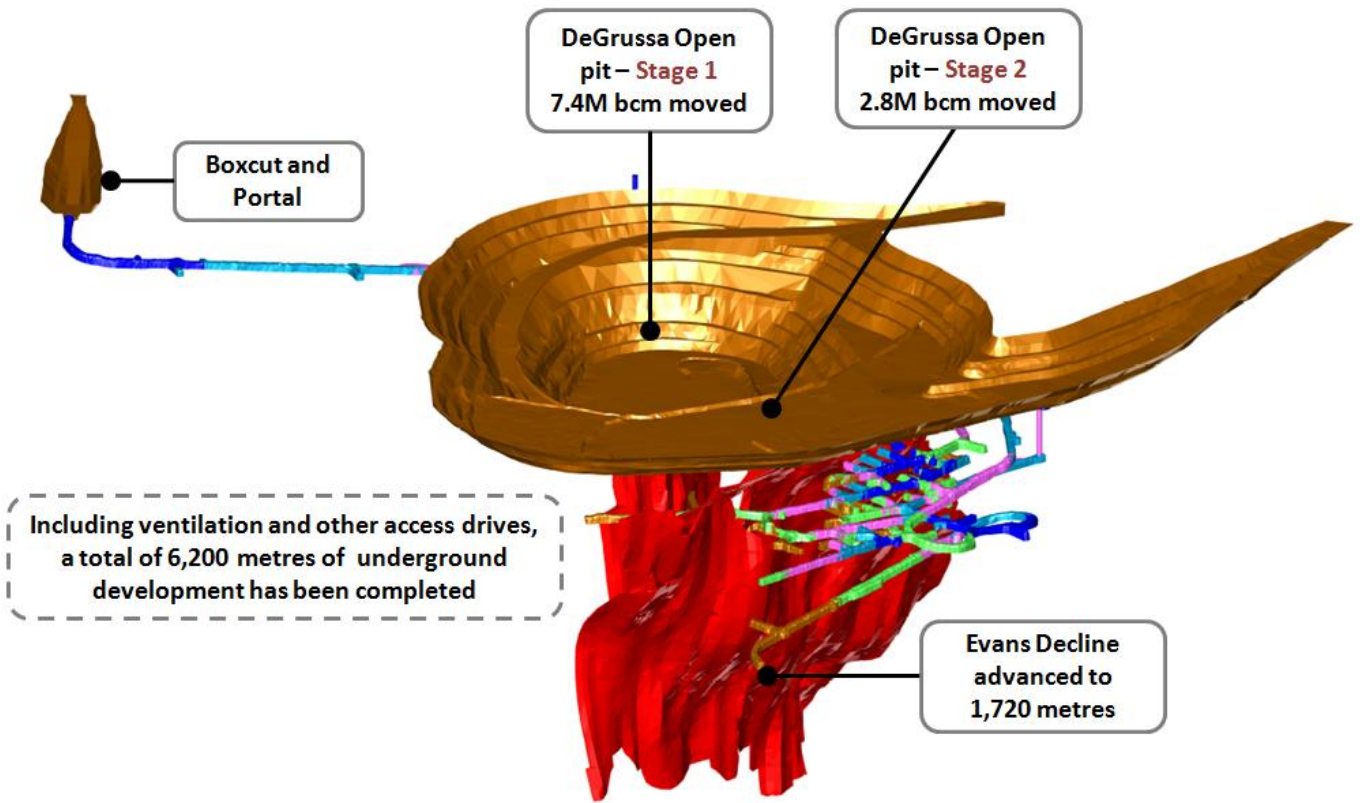


**Crushing of direct shipping ore**

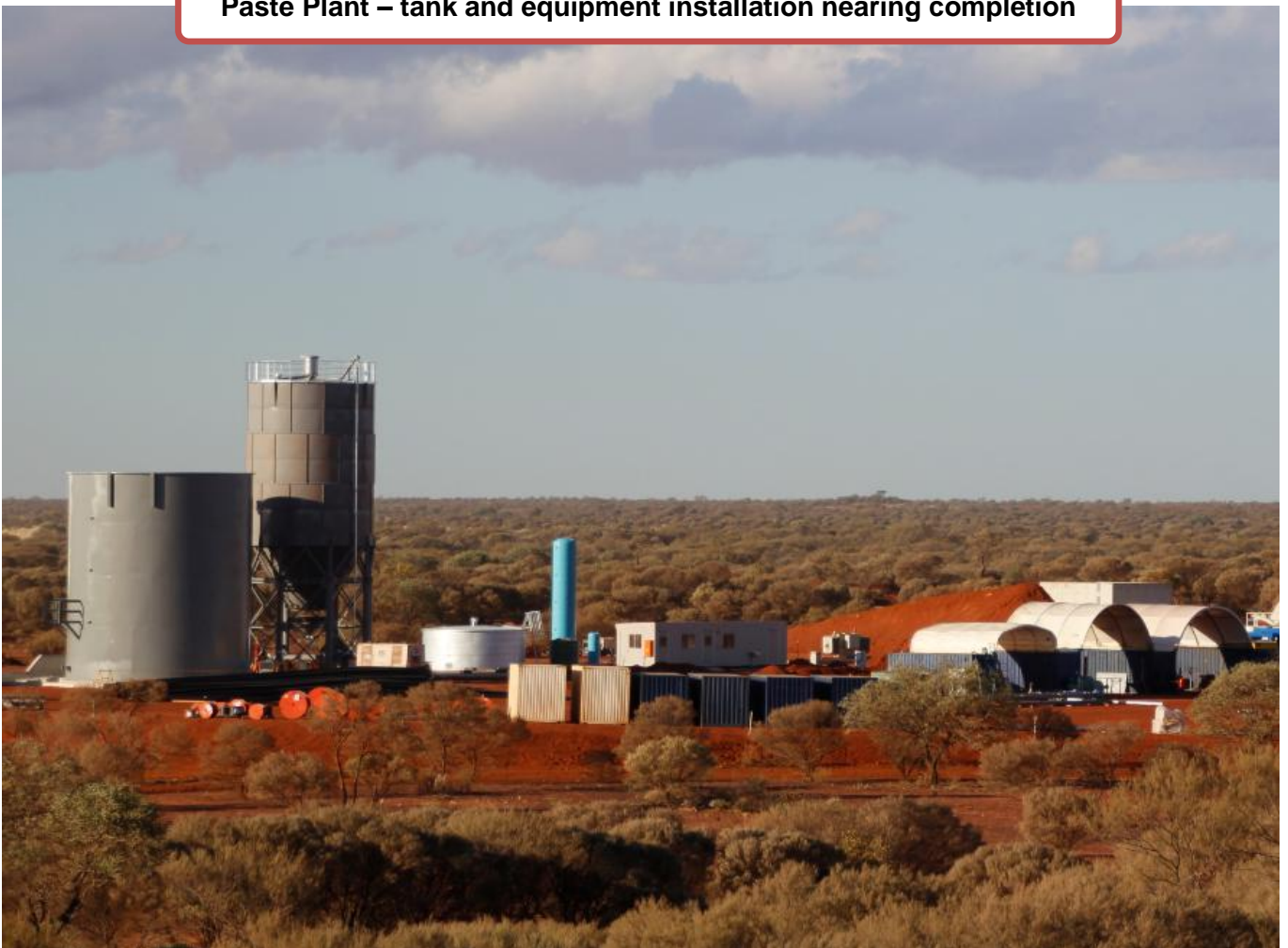


**New half height sea containers being loaded with Direct Shipping Ore at DeGrussa**





Paste Plant – tank and equipment installation nearing completion



**Process Plant construction**

**Crusher - commissioned**



**Coarse ore bin and crusher (background)**



**Flotation Circuit and Process Water Tank – commissioning under way**



**SAG mill feed conveyor and scats recycle conveyors**



Grinding and Flotation areas – view from ROM pad



Concentrate shed – nearing completion



Regrind mill, cyclones and filter building



Completing installation of 2MW Generators

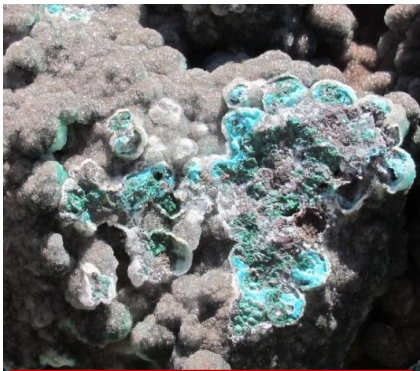




**DeGrussa Mine (open pit) mineral types**



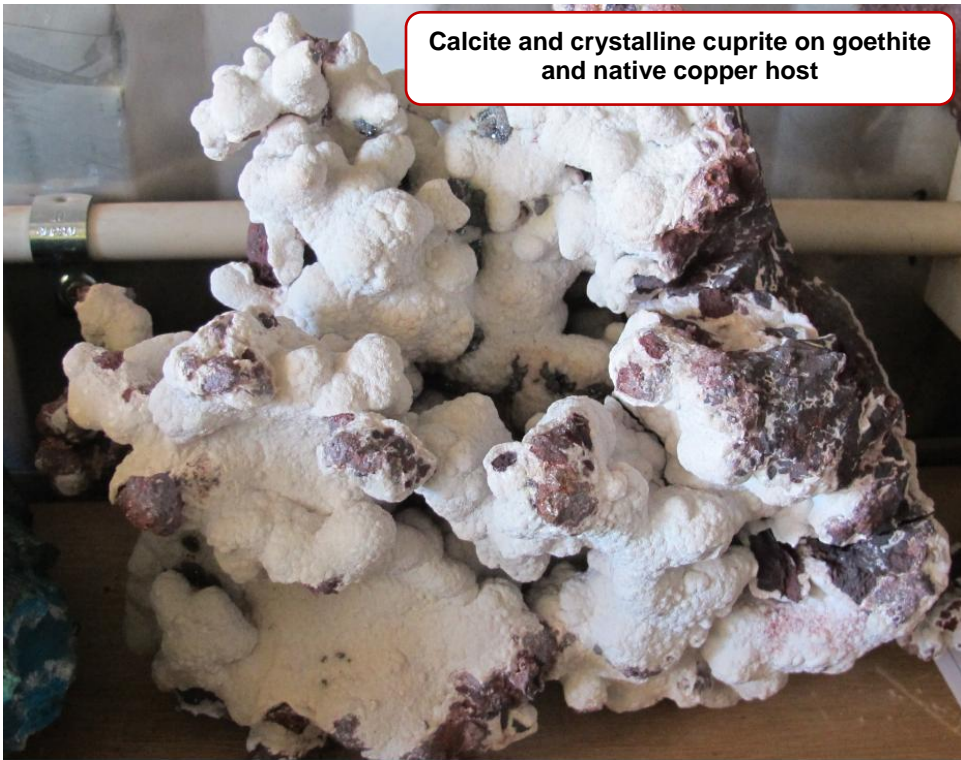
**Malachite encrusted with calcite**



**Calcite encrusted chrysocolla**



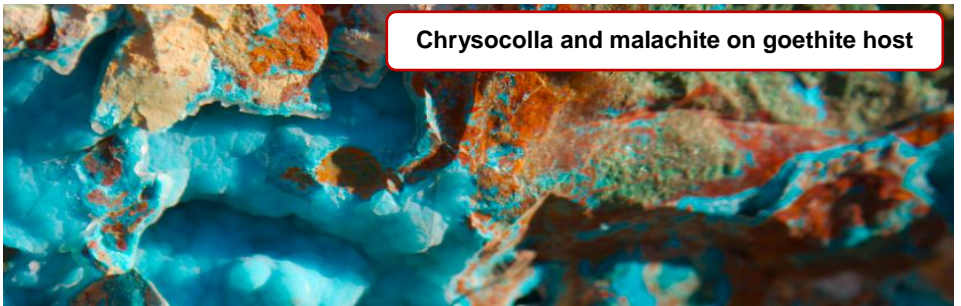
**Calcite encrusted chrysocolla growing into cavity**



**Calcite and crystalline cuprite on goethite and native copper host**



**Crystalline cuprite clusters on calcite encrusted goethitic host**



**Chrysocolla and malachite on goethite host**



**Crustiform calcite, cuprite and malachite on goethitic host**

**ENDS**

For further information contact:

Sandfire Resources NL

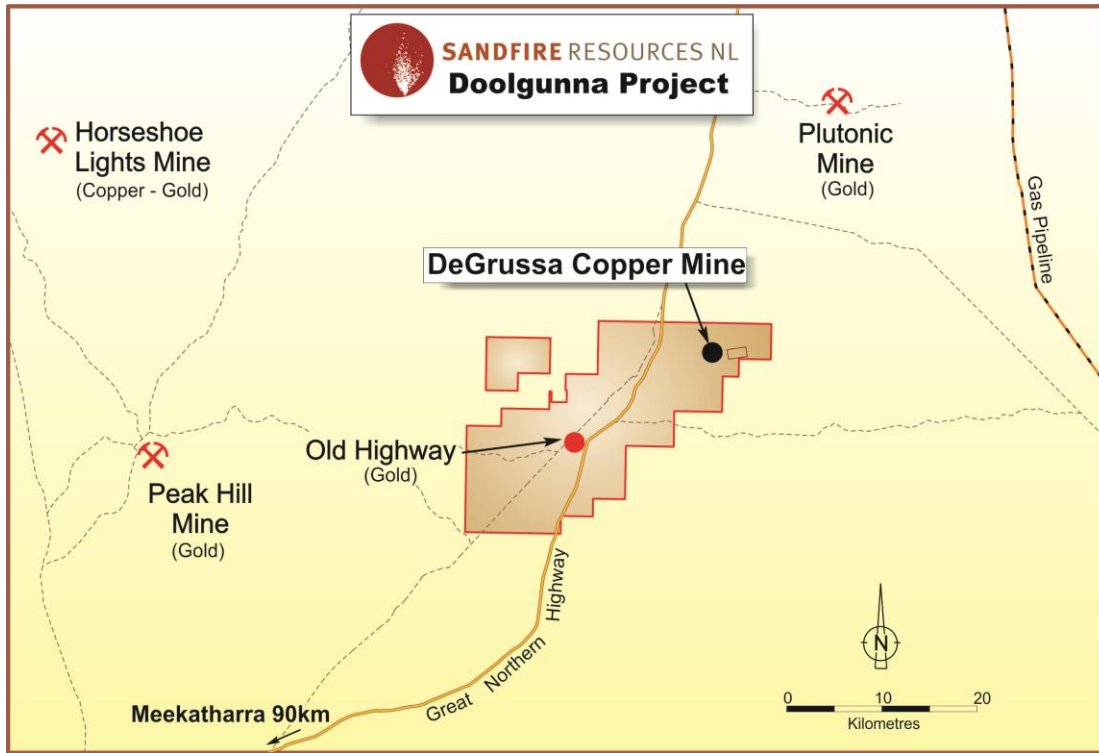
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**Figure 1 – DeGrussa Copper-Gold Project location**



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