



ASX/Media Release

24 January 2012

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## DEGRUSSA PROJECT PICTORIAL UPDATE

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

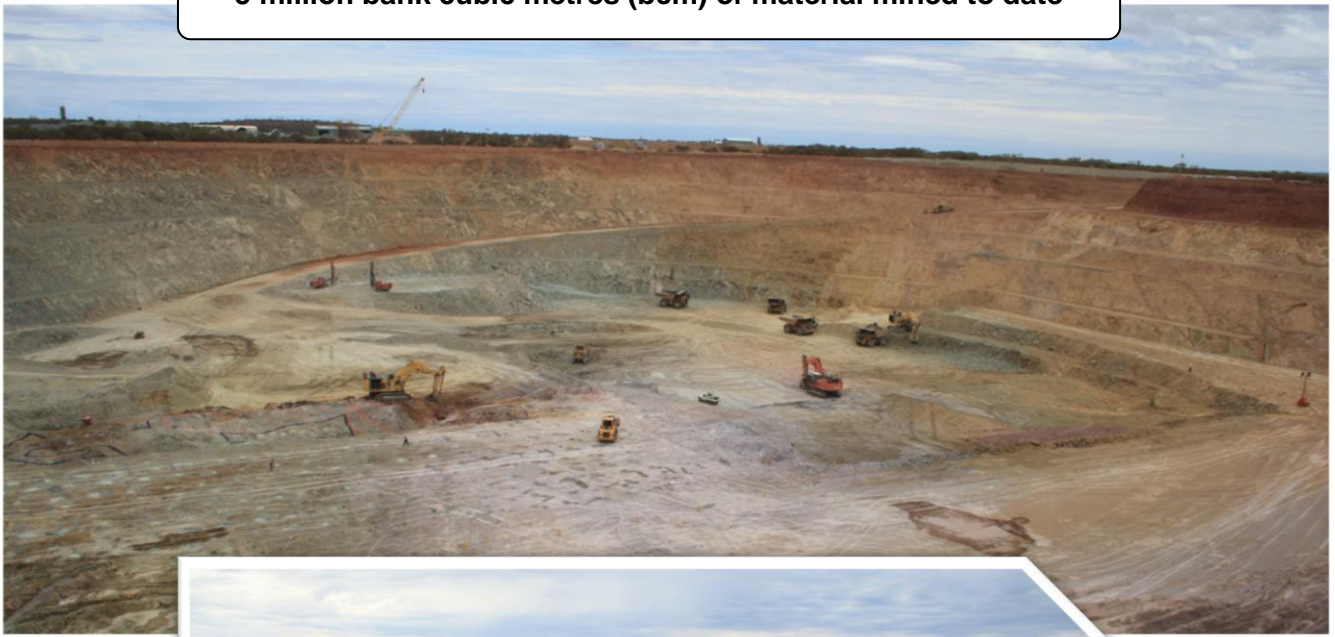
- Construction of DeGrussa mine and infrastructure progressing well, with the overall project now +60% complete.
- Underground mine development is progressing on schedule with the “Evans Decline” currently advanced 1,000 metres from the portal, with approximately 300 metres of decline development remaining before the first ore is accessed.
- Open pit mining is progressing on schedule with a total 5 million bank cubic metres (bcm) of material mined to date from the Stage 1 open pit, which is over 60 per cent complete. The open pit is currently at a depth of 45 metres below surface with oxide copper mineralisation now exposed and the floor is approximately 10 metres above Direct Shipping Ore (DSO).
- The Company remains on track to mine the first of the high-grade DSO from the open pit in March 2012.
- Installation of major infrastructure is progressing well with construction of the workshop and warehouse facilities well advanced and the power station expected to be commissioned in February.
- Construction of the 1.5Mtpa DeGrussa concentrator significantly progressed with construction of major concrete foundations for the SAG Mill, Ball Mill and crushed ore bin completed and first steel fabrication underway.
- The DeGrussa Aerodrome is well advanced, with earthworks completed and the aerodrome on schedule to be operational in February.

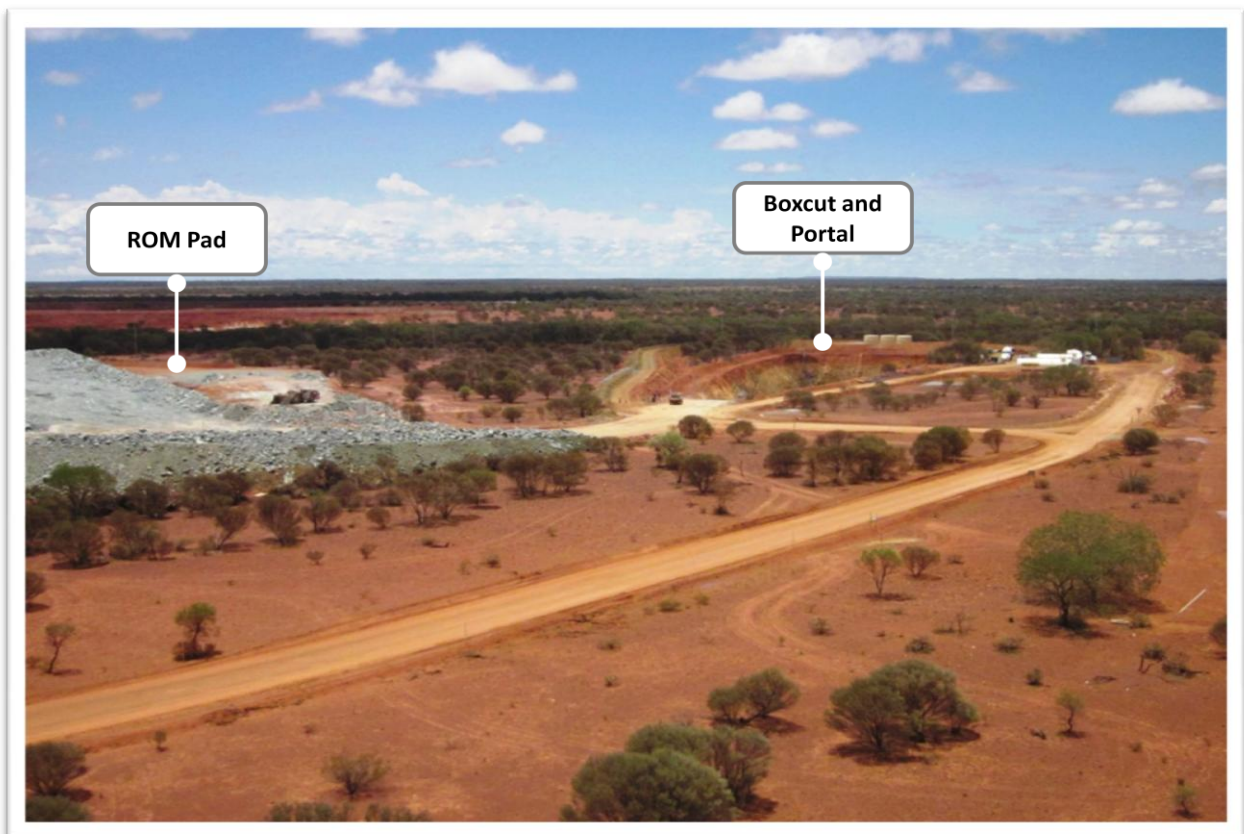
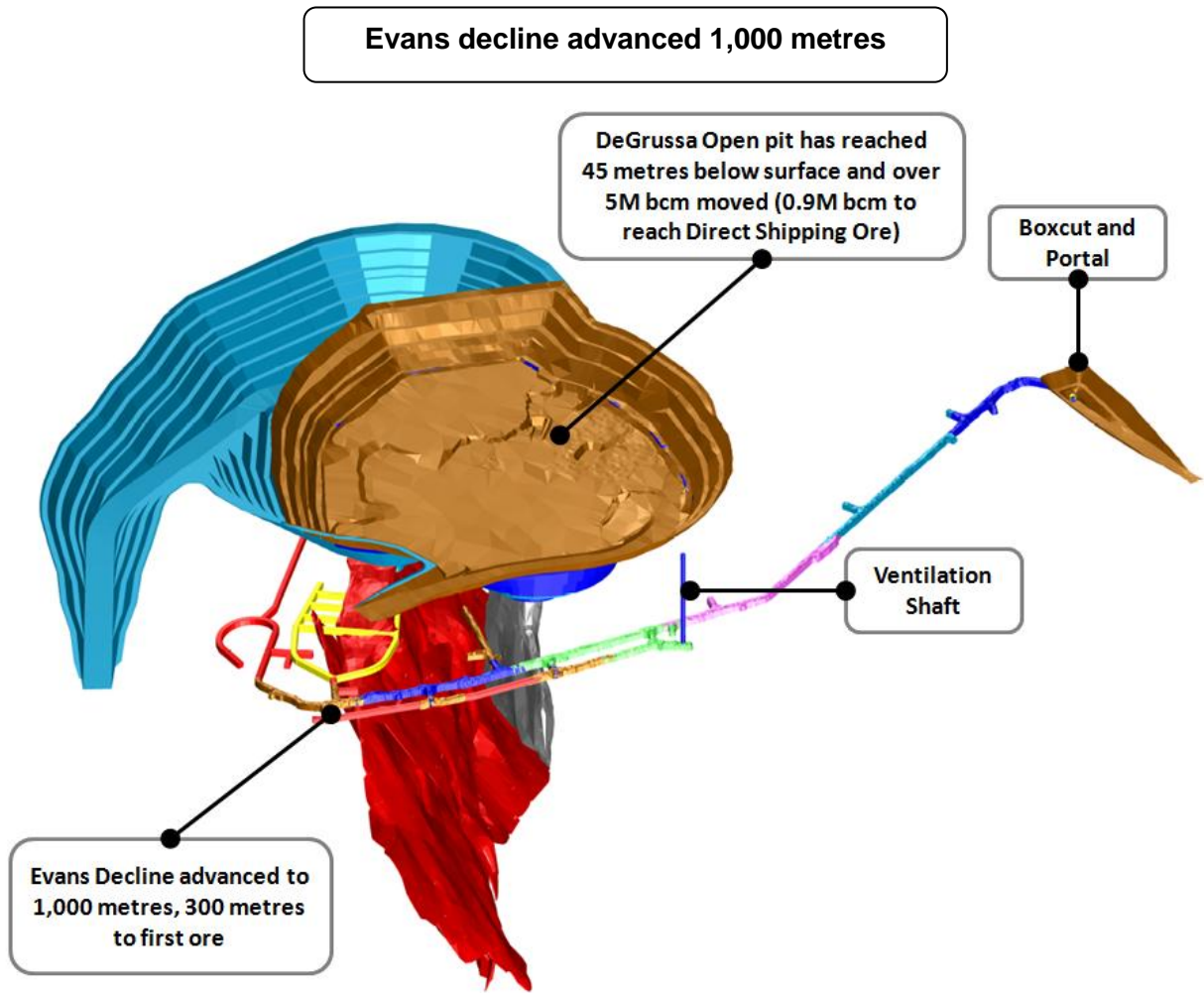


**Open pit 45m below surface  
(approximately 10m above Direct Shipping Ore)**



**5 million bank cubic metres (bcm) of material mined to date**





Process plant equipment on site



SAG Mill Shell



Thickener

Jaw Crusher



Mill motors being prepared for transport



Sag Mill head enroute to Fremantle



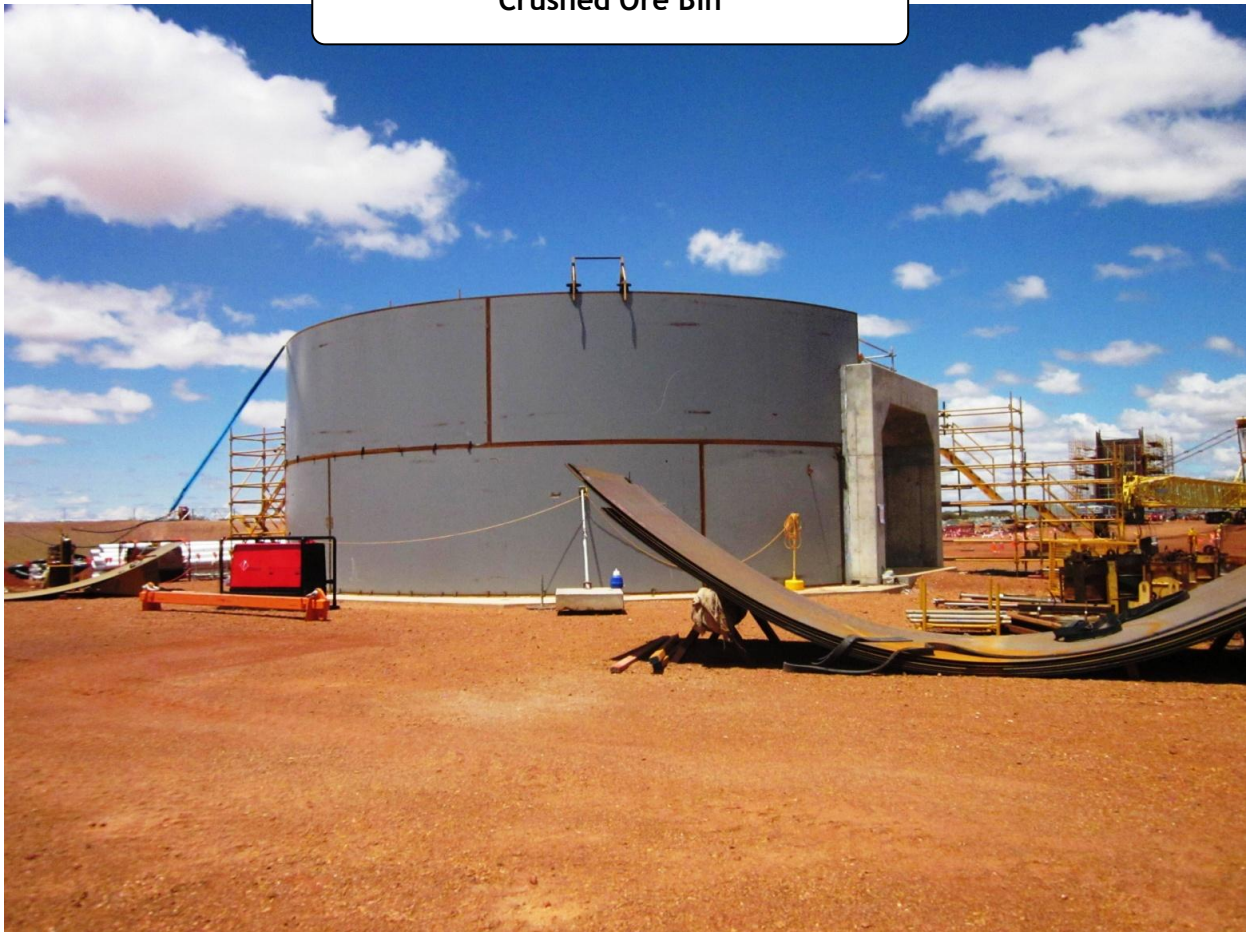
Filter parts being loaded onto the vessel Estraden for shipping from Bremerhaven to Fremantle



Crusher Vault construction



Crushed Ore Bin



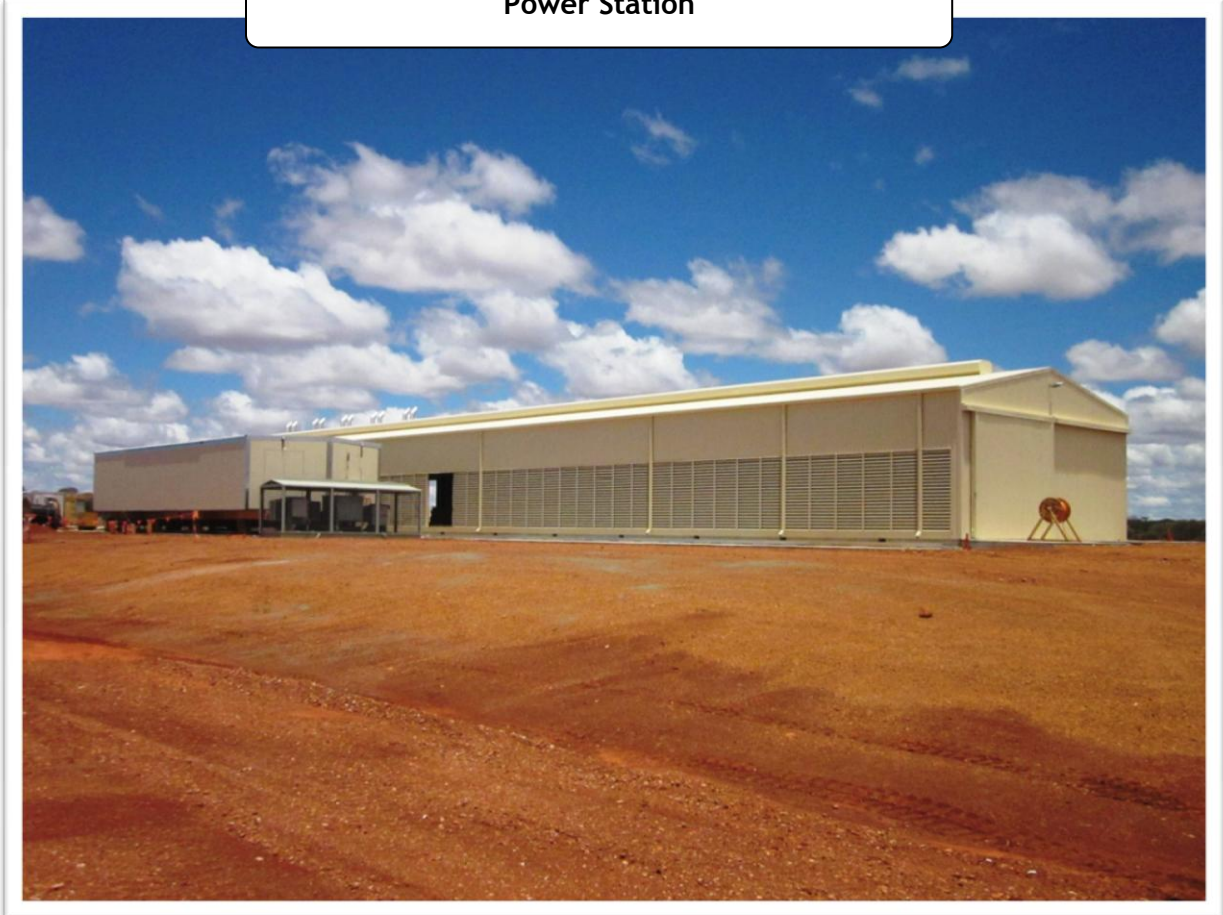


Generators delivered to site



Power House ready for the installation of Gensets

Power Station



**On site Laboratory office and shed  
- operational in February 2012**



**Emergency Response and Training Building**



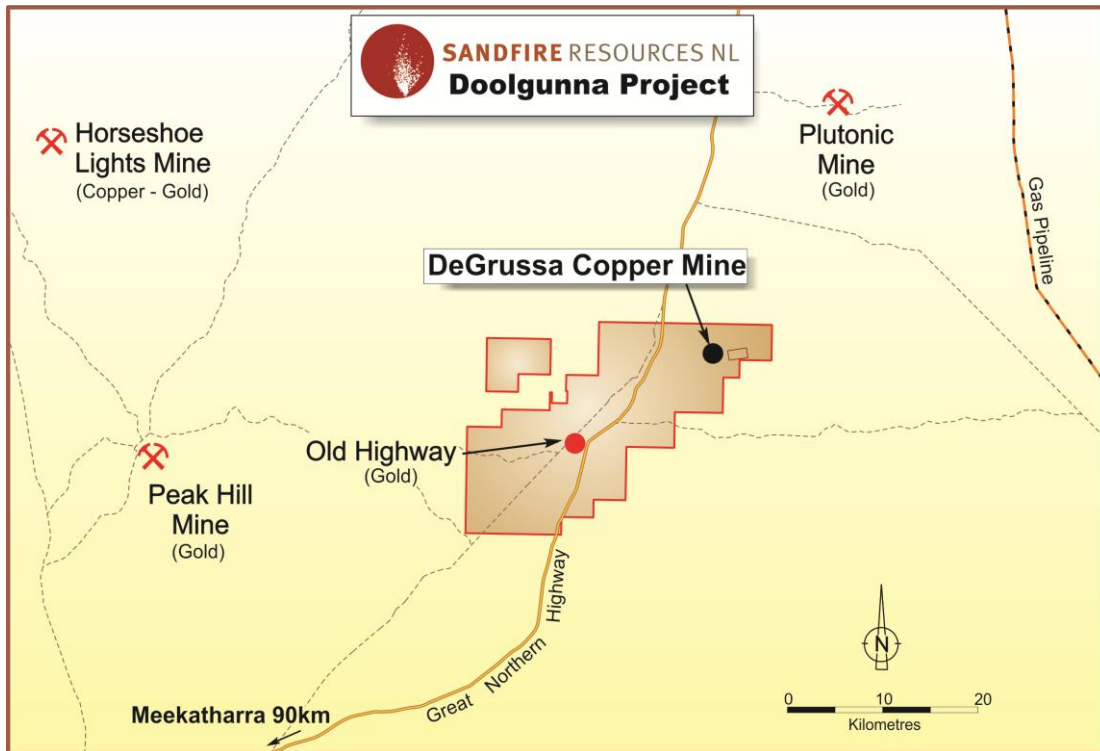
**Heavy vehicle workshop - completion in February 2012**



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



**Forward-Looking Statements**

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