Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

SANDFIRE RESOURCES NL

ABN

55 105 154 185

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Contributing shares Paid to .0001 cent. (SFRAK)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	575,000
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Equal to the contributing shares currently on issue with 15 cents to be paid to become a fully paid share. (Rights Schedule attached)

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No
5	Issue price or consideration	$.0001 of a cent per share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Incentive to four employees.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	The ASIC Form 484 will be submitted and as soon as this Appendix has been lodged with the ASX, the Share Registry will be sent copies and requested to enter the new securities into our register.

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	SFR 25,265,000 SFRO 12,714,420	Ordinary Fully Paid Opt expiring 30 Sep 05

+ See chapter 19 for defined terms.

9 Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
SFRAI 13,750,000	Ord Fully Paid Restricted
SFRAK 4,590,000	Ord Part Paid Restricted
SFRAM 3,000,000	Opt Exp 31Dec08 Restr

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A
14 +Class of +securities to which the offer relates	N/A
15 +Record date to determine entitlements	N/A
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	N/A
18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19 Closing date for receipt of acceptances or renunciations	N/A

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements *in full* through a broker?	N/A
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ....Date: 7 Jul 2005
(Director/Company secretary)

Print name: Malcolm K Smartt

+ See chapter 19 for defined terms.

Rights Attaching to Contributing Shares

Contributing shares will rank pari passu with all Fully Paid Shares ("Shares") on issue, except that:

a) each contributing Share:
   i) is paid to 0.0001 cent;
   ii) has an amount unpaid of 15 cents;
   iii) carries the right to participate on new issues of securities to holders of Shares (except bonus issues) on the same basis as the holders of Shares;
   iv) carries the right to participate in bonus issues of securities in the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited); and
   v) carries the right to vote in the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

b) the Company shall not make a call in respect of any amount unpaid on a Contributing Share unless the day on which the call will be payable is on or after 3 March 2007 being 3 years from the date on which the Company was admitted to the official list of the ASX;

c) holders of the Contributing Shares have no obligation to meet a call made by the Company, however, non payment of a call will result in the forfeiture of the relevant Contributing Share;

d) holders of Contributing Shares are permitted to pay up to the full amount remaining unpaid at any time (without the Company first being required to make a call), in which case the Contributing Share will become a (fully paid) Share and will rank pari passu with all Shares on issue;

e) if a holder of a Contributing Share tenders part of the amount remaining unpaid on the Contributing Share other than in satisfaction of a call:
   i) the rights attaching to the Contributing Share will not change (including the amounts paid and unpaid); and
   ii) the amount tendered will be returned.

f) if there is a reorganization of the issued capital of the Company (including, but not limited to, a consolidation, subdivision, cancellation, reduction or return of capital):
   i) the number of Contributing Shares must be reorganized in the same proportion as all other classes of shares on issue; and

+ See chapter 19 for defined terms.

ii) the reorganization must not involve a cancellation or reduction of the total amount payable and unpaid by holders of the Contributing Shares.

+ See chapter 19 for defined terms.