

SANDFIRE RESOURCES NL

ABN 55 105 154 185

GREENFIELDS GOLD DISCOVERY

DOOLGUNNA, WA

HIGHLIGHTS

- Gold discovery in greenfields exploration project.
- Eight prospects defined to date by surface geochemistry within the 40km length of the Jenkins fault zone within the Company's tenements.
- Five of these tested by limited RAB drilling.
- Significant RAB intersections returned from three of these prospects.
- Surface geochemical sampling programs are underway.
- Follow up and extension drilling is being expedited.
- The shallow depth, thickness and grade of the mineralisation are indicative of economic gold mineralisation.

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The Company's 100% owned Doolgunna project is located approximately 150km north of Meekatharra, Western Australia. The Company has tenure to approximately 40km of the Jenkin fault zone, a complex structural zone composed of several interconnecting structures and in places is over 5km wide (fig.1).

During 2005 eight prospects were identified as warranting further investigation either by additional surface geochemistry or drilling or both. Of these eight prospects, five were selected for an initial RAB drilling program to investigate the nature of the bedrock and to establish the origins of the anomalies.

The program was commenced at the end of January and, due to rain, was suspended soon thereafter in early February. The program was completed in March.

The holes were inclined at 60 degrees and mostly drilled to a vertical depth of around 30m. In some case the holes were shorter due to hard ground conditions. Parts of some of the anomalies were drilled with overlapping holes.

To date a total of 190 holes have been drilled at the five prospects. The total metres drilled is 6,819m.

These early results over such an extensive area are considered to be very encouraging.

East Shed Well

Prior to the wet weather suspension, two short drill traverses separated by 600m were drilled across anomalous geochemistry on the inferred structure at East Shed Well (fig.2). Three of the holes on the western most traverse (726200E) returned anomalous to significant gold values including:

Hole ID	From/To	Interval	Gold Grade g/t	Comment
DGRB050	16-28m	12m	0.14	Anomalous from 16 to 28m EOH
DGRB051	0-34m	34m	1.08	EOH 34m
	Incl 12-22m	10m	2.17	
	Incl 14-16m	2m	6.46	
DGRB052	16-34m	18m	1.19	Anomalous from 16 to 34m EOH
	Incl 16-20m	4m	3.00	
	Incl 16-18m	2m	4.41	

EOH – end of hole

All three of these holes ended in mineralisation.



After the stoppage, a drill traverse was drilled 100m east and west of the traverse on 726200E.

Results from the second program include:

Hole ID	From/To	Interval	Gold Grade g/t	Comment
DGRB094	16-18m	2m	10.0	Section 100m west
	28-46m	18m	0.38	
	Incl 28-30m	2m	2.00	
DGRB096	16-36m	20m	0.63	Section 100m west
	Incl 26-28m	2m	2.57	
DGRB100	10-31m	21m	0.80	Section 100m east
	Incl 10-14m	4m	2.01	

Drilling completed 300 to 500m further east intersected anomalous gold values suggesting that the zone extends for at least 700m. However, it is likely that the drilling was located too far north to intersect the mineralised zone.

From the drilling, it became evident that additional soil geochemistry was required. This work is in progress. However, from the samples collected to date, a result of 1.2ppm gold has been returned from a sample 300m south east of the area of anomalous RAB results included in the above tables.

The East Shed Well area requires substantial further drill testing to follow up these preliminary but exciting results and to continue testing the soil geochemical targets. This drilling will be commenced as soon as possible.

Old Highway

The Old Highway gold anomaly is the most robust series of anomalies with peak gold values of >100ppb and a surface area extent measuring some 600m x 1200m (fig.3). The northern part of the anomaly is underlain by ferruginous pisolitic regolith which based on the soil and drilling contains gold. To date the best bedrock gold intersections have been obtained at the southern edge of the anomaly which is defined by an interpreted bounding structure. The boundary is also marked by a major change in manganese geochemistry.



Drilling results include:

Hole ID	From/To	Interval	Gold Grade g/t
DGRB158	26-42m	16m Incl 8m	1.5 2.5
DGRB166	34-42m	8m Incl 4m	1.52 2.48
DGRB167	18-26m	8m Incl 4m	0.67 1.07
DGRB188	0-14m	14m Incl 4m	0.64 1.14
DGRB189	22-40m	18m Incl 12m Incl 4m	1.05 1.40 2.58

Gold mineralization has been intersected over a strike length of 400m. The current interpretation suggests the pattern of the surface geochemistry is a result of the regolith over the gold mineralisation being stripped off and the gold being transported north of the inferred outcrop position. The likely extent of the mineralisation may therefore be poorly defined by the surface geochemistry in detail and can be used only as a broad indicator in this particular area.

RAB drilling to test the extensions to the inferred structure is planned and will start as soon as possible.

Cow Hole Bore

Four short RAB traverses were drilled across the Cow Hole Bore area (fig.4) over a strike length of 1,300m. These holes tested several low order gold trends. Three of the traverses, covering a strike length of 600m, returned anomalous results with the best from hole DGRB107 which assayed 14m @ 0.75g/t from 28 to 42m, including 2m@1.08g/t.

This result is very significant in terms of the up grading of the soil anomaly by a factor of >100. The anomalies tested are part of a more extensive anomaly which will be tested in future programs.

Red Bore

The drilling results from Red Bore did not return any significant intersections. The bedrock assays were of the same order of magnitude as the soil assays. Further surface geochemistry is planned to further the assessment of the area.



Greg Steemson
Managing Director
18th April 2006

The information in this report that relates to Exploration Results is based on information compiled by Greg Steemson who is a Fellow of the Australian Institute of Geoscientists. Greg Steemson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Greg Steemson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Corporate Information

Directors and Executive Management

P S Thomas: *Non-Exec Chairman*
G H Steemson: *Managing Director*
G Hutton: *Executive Director*
M Smartt: *Company Secretary*

Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

- 39,215,000 fp shares
- 12,666,728 contributing shares with \$0.15 to pay, no call before 3/3/07
- 3m 31/12/08 \$0.25 opts
- 1m 30/9/08 \$0.20 opts

Substantial Shareholders

Faustus Nominees: 14.44%
Resource Development Company: 9.14%

Shareholder Enquiries

Matters related to shares held, change of address, tax file numbers and the like should be directed to the Company's Registry:
Security Transfer Registrars Pty Ltd
Phone – 08 9315 0933

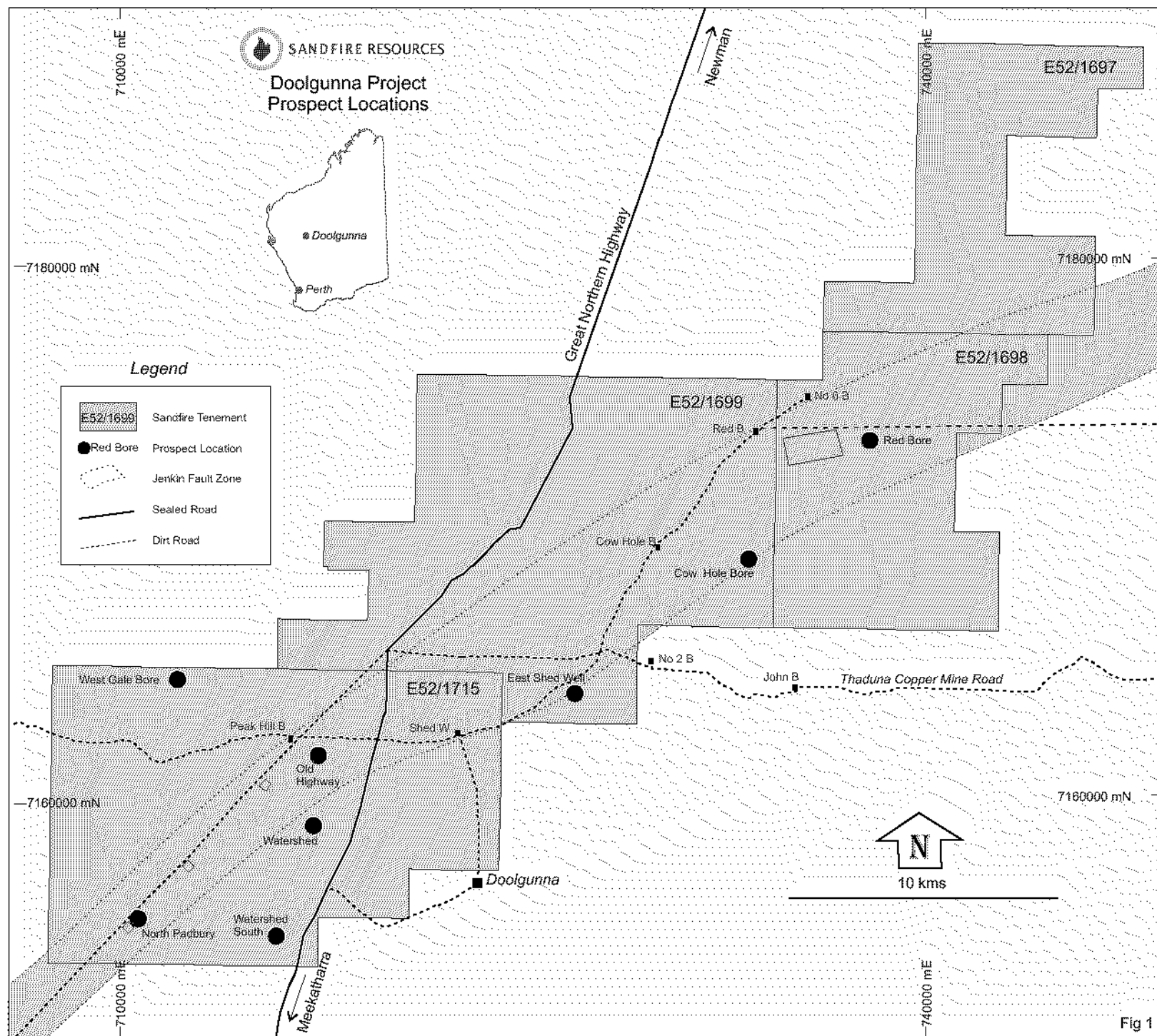


Fig 1

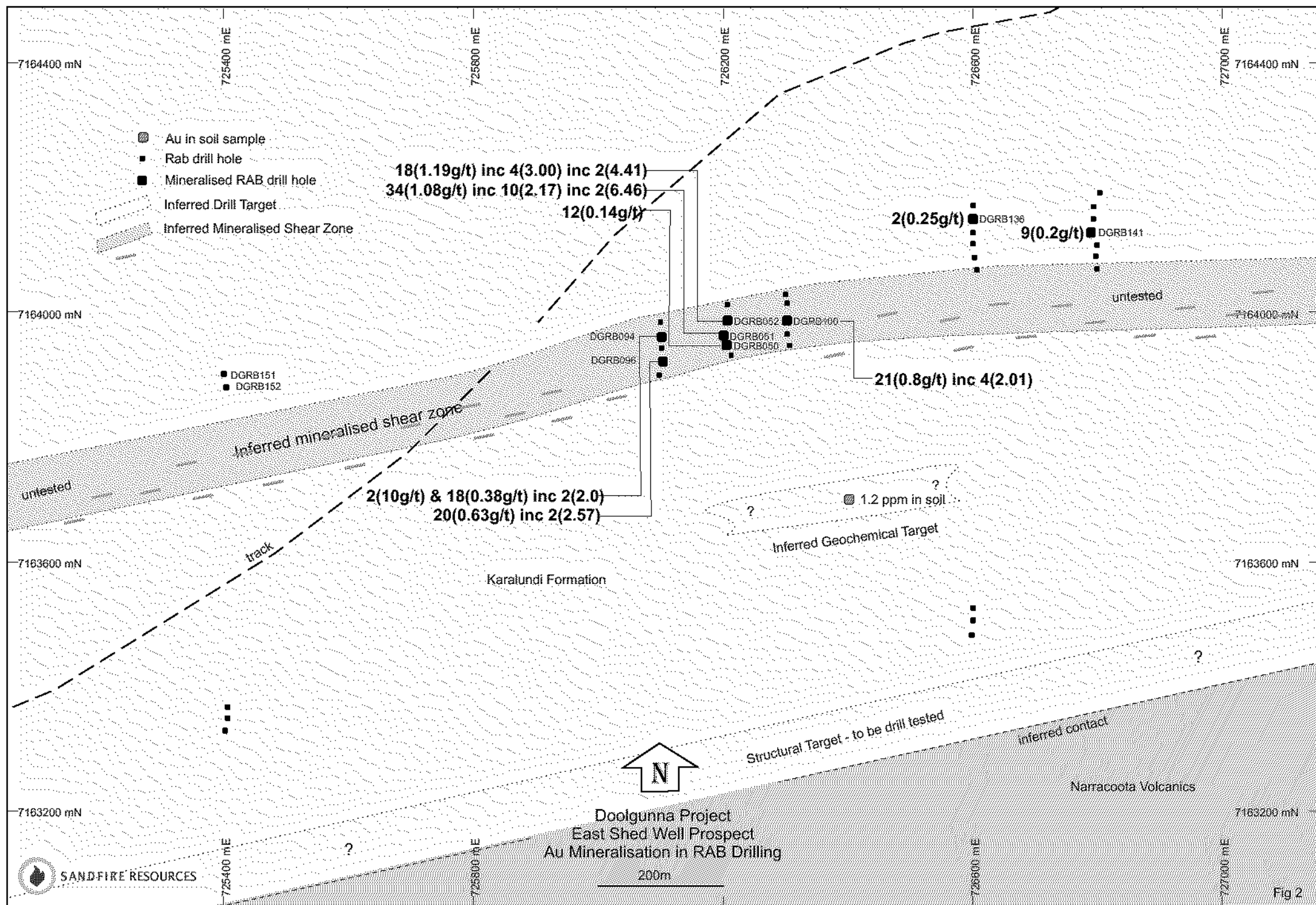


Fig.2

