

SANDFIRE RESOURCES NL

ABN 55 105 154 185

RAB DRILLING RESULTS

DOOLGUNNA PROJECT, WA

HIGHLIGHTS

- 158 RAB holes were drilled within three gold prospects at Doolgunna during May 2006.
- The best intersections were returned from the Old Highway prospect including 24m@3.22g/t Au, (which includes an interval of 10m@7.50g/t Au) from DGRB202 and 8m@2.50g/t from DGRB200.
- 13 RC holes were completed in June and assay results are expected early July 2006.

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Doolgunna Project

As announced on 30th May 2006, the Company has completed further RAB drilling at the Doolgunna project located approximately 150km north of Meekatharra, Western Australia (fig.1). This program was designed to follow up a RAB program completed earlier in the year at Old Highway, East Shed Well and Cow Hole Bore prospects. These prospects (and several other prospects) are located within the Jenkins fault zone, an extensive regional structure. The Company has tenure to approximately 40km of this prospective zone.

A total of 158 RAB holes totalling 6,547m were drilled in this program. The holes were angled at 60 degrees.

Significant results from the first 33 drill holes were released on 30th May 2006. Assay results from the complete program are included in this release.

At the end of the RAB program, 13 shallow RC holes targeting the inferred mineralised structures below the water table were completed. These results are expected in early July.

Also pending are the results from additional soil geochemistry extending the coverage of selected mineralised structures.

Old Highway

The RAB drill holes were confined to the zone of known mineralisation and projected extensions (fig.2 and 3). Results include:

Hole ID	From/To	Interval	Gold Grade g/t	Comments
DGRB200	16-30m	14m	1.00	Section 716900E
	Incl 16-24m	8m	2.50	
DGRB201	34-42m	8m	2.81	Section 716900E
DGRB202	0-24m	24m	3.22	Section 716900E
	Incl 6-18m	12m	6.42	
	Incl 8-18m	10m	7.50	
	Incl 12-18m	6m	9.33	
DGRB323	26-32m	6m	1.86	Section 717100E
	Incl 28-30m	2m	5.00	
DGRB325	2-42m	40m	0.30	Section 717100E
DGRB328	0-42m	42m	0.51	Section 717300E
	Incl 4-14m	10m	1.06	

This drilling has defined the mineralised zone over a strike length of 600m. The zone is up to 60m wide. The assessment of this mineralisation and its relationship to the surface



geochemistry is ongoing. Additional drilling is required to the east and west to test for extensions.

As part of this program, 8 reverse circulation drill holes were completed for 926 metres. Six of these holes were targeted below selected intersections to assess the tenor of the mineralisation at depth and to assist in the interpretation of the structure. Two of the holes were drilled to test an interpreted structure on the northern margin of the soil geochemical anomaly. Results are awaited.

Further soil samples have been collected east and south of the prospect and assays are pending.

East Shed Well

The RAB drilling at East Shed Well was aimed at testing geochemical anomalies outside the known mineralised zone (fig. 4 and 5). The results include:

Hole ID	From/To	Interval	Gold Grade g/t	Comment
DGRB219	36-42m	6m	1.22	Section 726000E
DGRB283	26-28m	2m	0.98	Section 726400E

Several other holes returned anomalous (> 0.2g/t) gold intersections.

The main mineralised zone is 450m long, being widest on the western side.

Four RC holes were drilled to test down dip projections of the mineralisation intersected by the RAB drilling. Results are awaited.

Cow Hole Bore

The drilling at Cow Hole Bore has been testing low order gold anomalies. To date most of the RAB intersections have been < 1g/t. However, the evidence of mineralisation from drilling, soil geochemistry and rock samples extends over a strike length of some 1400m which may be indicative of mineralisation which has not yet been fully exposed by weathering. Intersections from the RAB program include:

Hole ID	From/To	Interval	Gold Grade g/t	Comment
DGRB220	22-34m	12m	0.47	Section 732700E
DGRB222	20-34m	14m	0.40	Section 732700E
DGRB233	18-30m	12m	0.27	Section 732700E
	Incl 24-26m	2m	0.61	
DGRB236	14-24m	10m	0.77	Section 732700E
	Incl 18-18m	2m	1.37	



The results of the May RAB program have confirmed the significance of the gold mineralisation at Old Highway and East Shed Well. The expectation based on field observations is that the RC drilling will establish the continuity of the mineralised zones. On that basis, the Company is preparing for ongoing RC drilling. In addition, further RAB drilling is planned to test extensions to the known structures and to continue testing of geochemical targets.

G Steemson
Director
27th May 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 Australasian Institute of Mining and Metallurgy. 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:

- 53,723,626 fp shares (upon the completion of the June 06 SPP)
- 12,525,652 contributing shares with \$0.15 to pay, no call before 3/3/07
- 2.8m 31/12/08 \$0.25 opts
- 1m 30/9/08 \$0.20 opts

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 2333

Investors interested in receiving copies of ASX announcements can register such interest on the Company's website www.sandfire.com.au.

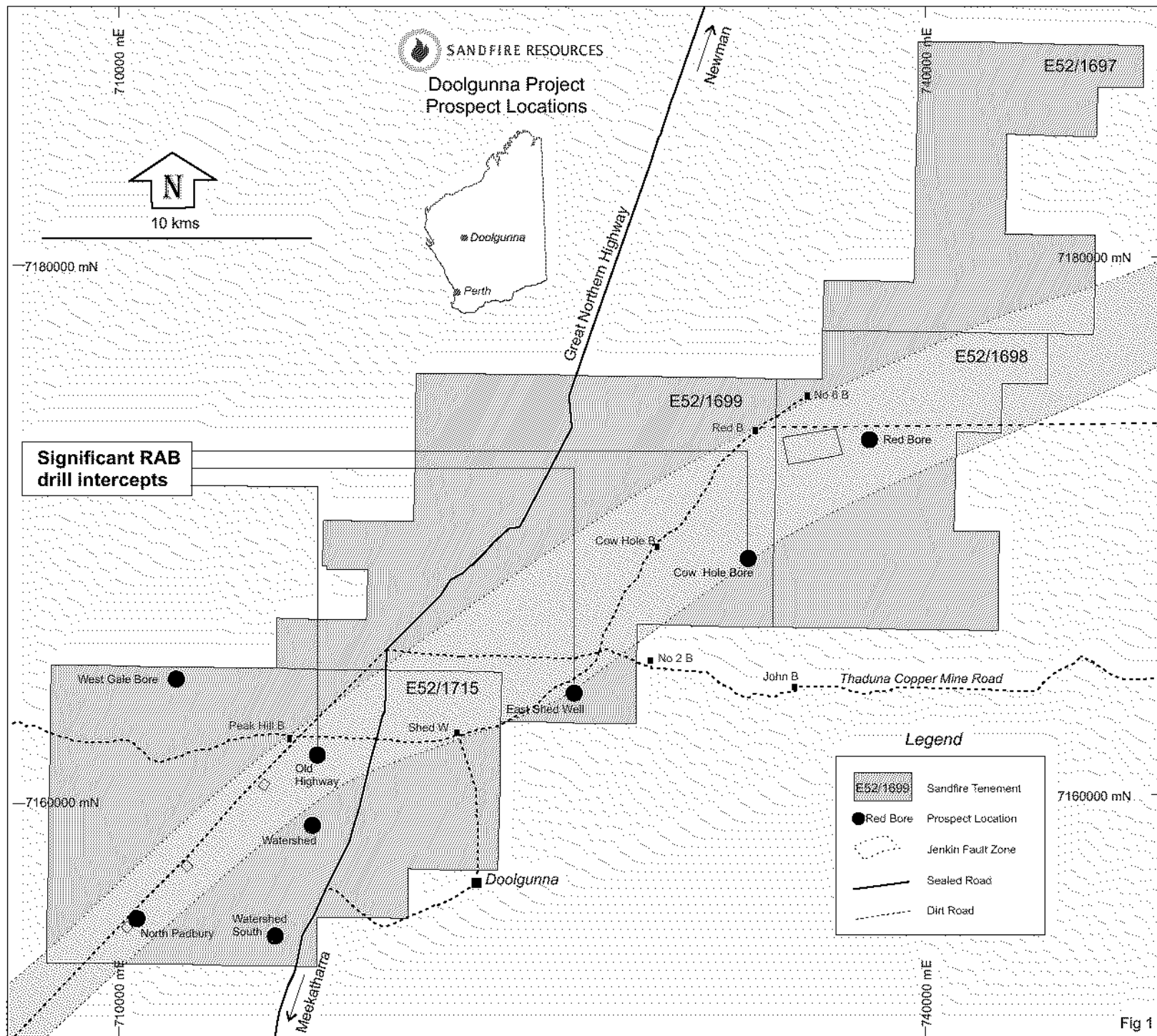


Fig 1

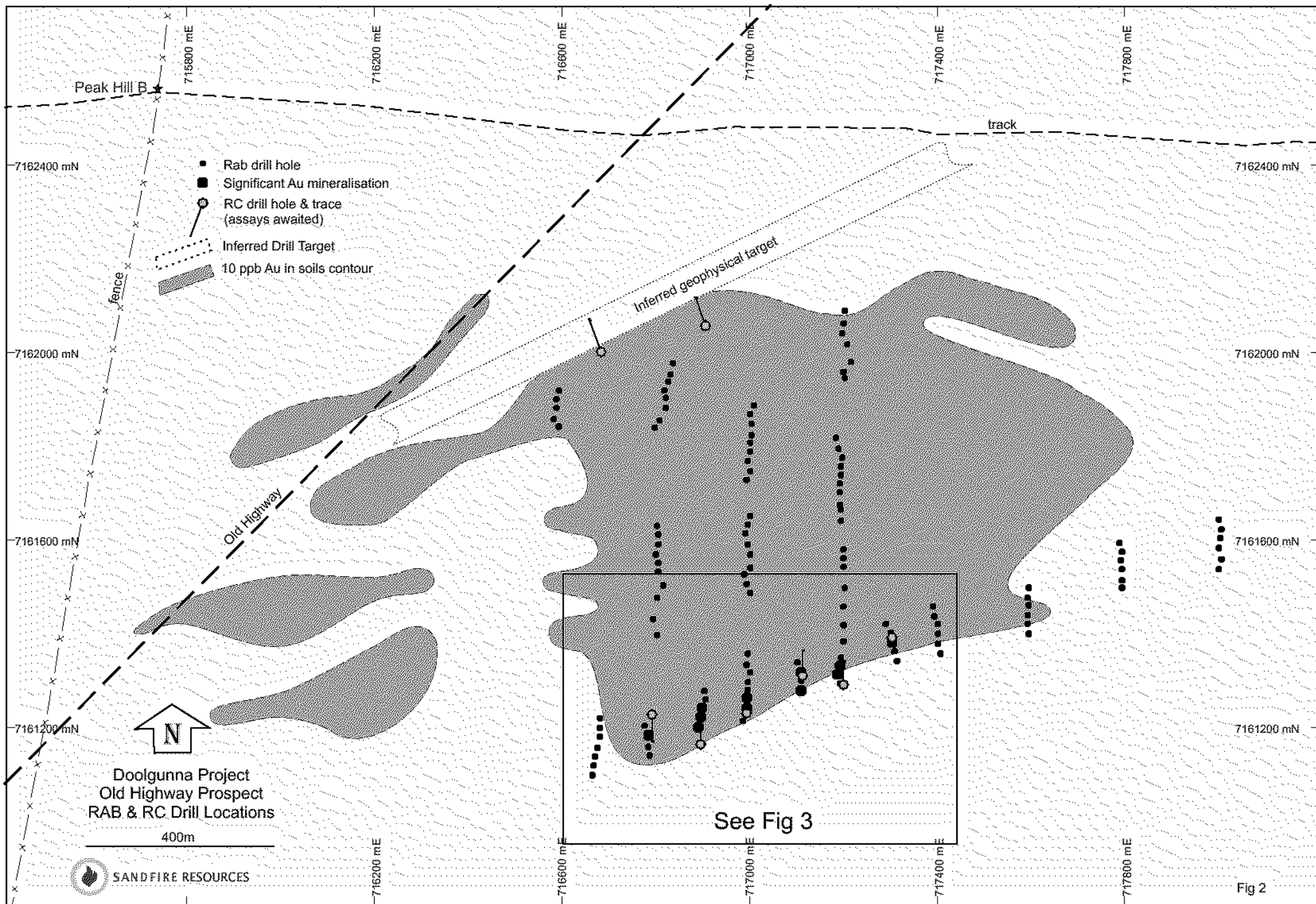


Fig 2

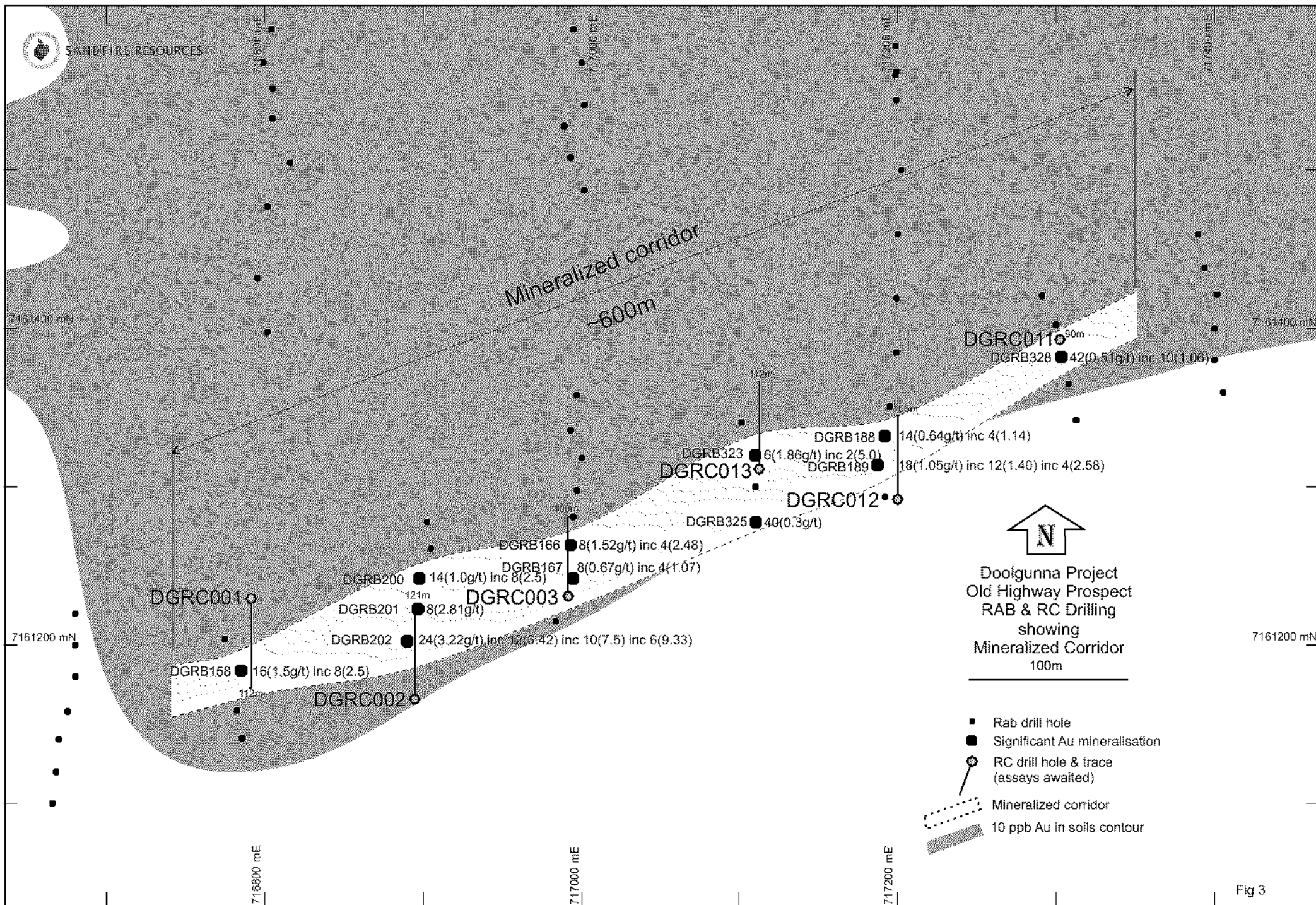


Fig 3



SANDFIRE RESOURCES

7164400 mN

725400 mE

725800 mE

726200 mE

726600 mE

727000 mE

7164400 mN

- Rab drill hole
- Significant Au mineralisation
- ⊙ RC drill hole & trace (assays awaited)
- - - Mineralized corridor
- ▨ Structural target

7164000 mN

7163600 mN

7163200 mN

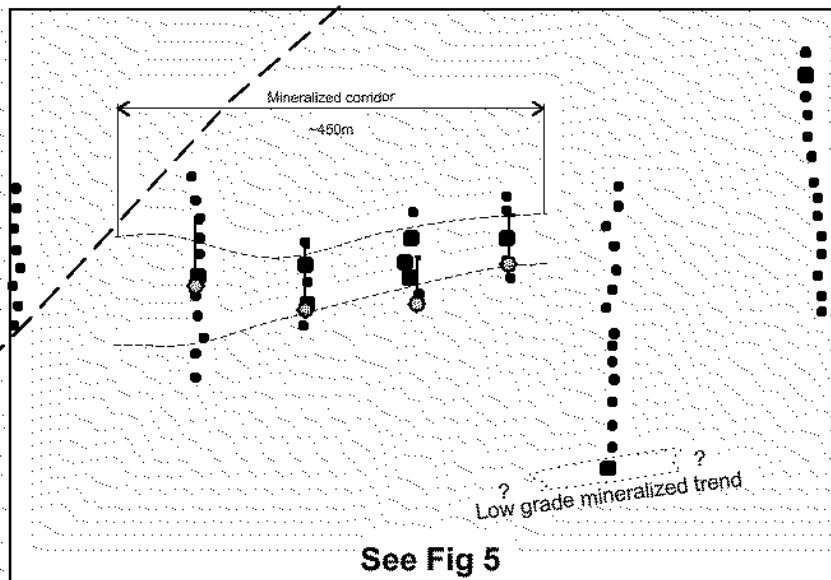
725400 mE

725800 mE

726600 mE

727000 mE

7163200 mN



DGRB141 ■ 9(0.2g/t)

Karalundi Formation

7164000 mN

7163600 mN



Doolgunna Project
East Shed Well Prospect
RAB & RC Drill Locations

200m

Structural Target - to be drill tested

inferred contact

Narracoota Volcanics

Fig 4



726000 mE

726200 mE

726400 mE

726600 mE

Mineralized corridor

~450m

7164000 mN

130m

130m

100m

7164000 mN

DGRB219 6(1.22g/t)

DGRC009

DGRB094 2(10g/t) & 18(0.38g/t) inc 2(2.0)

DGRB096 20(0.63g/t) inc 2(2.57)

DGRC008

DGRB052 18(1.19g/t) inc 4(3.00)

DGRB051 34(1.08g/t) inc 10(2.17) inc 2(6.46)

DGRB050 12(0.14g/t)

DGRB100 21(0.8g/t) inc 4(2.01)

inc 2(4.41)

DGRC007



Doolgunna Project
East Shed Well
RAB & RC Drilling
showing
Mineralized Corridor
200m

- Rab drill hole
- Significant Au mineralisation
- ⊙ RC drill hole & trace (assays awaited)

Mineralized corridor

Low grade mineralized trend

X 1.2 ppm in soil

DGRB136 2(0.25g/t)

7163800 mN

7163800 mN

726000 mE

726200 mE

726400 mE

726600 mE



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733000 mE

733600 mE

7169400 mN

7169400 mN

7168800 mN

7168800 mN

733000 mE

733600 mE

- Rab drill hole
- Significant Au mineralisation
- RC drill hole & trace (assays awaited)
- - - Mineralized corridor
- - - Structural target

inferred contact
Structural Target (under colluvial and lateritic cover) - to be drill tested

Volcano-sedimentary unit
(chlorite/sericite schist on mafic)

Low-grade mineralized zones along interpreted structural corridor

DGRB110 ■ 2(0.39g/t)

DGRB112 ■ 6(0.3g/t)

DGRB222 ■ 14(0.4g/t)

DGRB220 ■ 12(0.47g/t)

DGRB107 ■ 14(0.75g/t)

DGRC010

DGRB103 ■ 2(0.4g/t)

DGRB106 ■ 8(0.26g/t)

DGRB233 ■ 12(0.27g/t) inc 2(0.61)

DGRB236 ■ 10(0.77g/t) inc 2(1.37)

New mineralized trend

Doolgunna Project
Cow Hole Bore Prospect
Au Mineralisation in RAB Drilling

400m



Inferred Geochemical Target

Fig 6