Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SANDFIRE RESOURCES N L

ABN	Quarter ended ("current quarter")
55 105 154 185	**30 June 2006**

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors			
1.2	Payments for	(a) exploration and evaluation	(361)	(2,426)
		(b) development		
		(c) production		
		(d) administration	(93)	(257)
1.3	Dividends received			
1.4	Interest and other items of a similar nature received		12	67
1.5	Interest and other costs of finance paid			
1.6	GST Refund / GST Paid		18	5
1.7	Other -			
	Net Operating Cash Flows		(424)	(2,611)
	Cash flows related to investing activities			
1.8	Payment for purchases of:			
	(a) prospects			
	(b) equity investments			
	(c) other fixed assets		-	(16)
1.9	Proceeds from sale of:			
	(a) prospects			
	(b) equity investments			
	(c) other fixed assets			
1.10	Loans to other entities			
1.11	Loans repaid by other entities			
1.12	Other : Capital Raising Costs		(250)	(250)
	Net investing cash flows		(250)	(266)
1.13	Total operating and investing cash flows (carried forward)		(674)	(2,877)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(674)	(2,877)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4,741	5,550
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other : - Option Conversions		
	Net financing cash flows	4,741	5,550
	Net increase (decrease) in cash held	4,067	2,873
1.20	Cash at beginning of quarter/year to date	560	1,954
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	4,627	4,627

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.2	Aggregate amount of payments to the parties included in item 1.2	61
1.2	Aggregate amount of loans to the parties included in item 1.10	Nil

1.2 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	504
4.2		
	Total	**504**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	127	60
5.2	Deposits at call	4,500	500
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	4,627	560

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed		Not Applicable		
6.2	Interests in mining tenements acquired or increased		Not Applicable		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	53,773,626 12,475,625	53,773,626 12,475,625	- -	Fully Paid .0001 cents
7.4	Changes during quarter (a) Increases through conversions (b) Increased through issues	191,076 200,000 5,882,250 8,285,300	191,076 Nil 5,882,250 8,285,300	Paid up 15 cents 25 cents 30 cents 35 cents	Fully Paid Fully paid Fully Paid Fully Paid
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**			*Exercise price (Note 1)*	*Expiry date*
	SFRO	2,800,000	Nil	*25 cents*	31 Dec 08
	Unlisted	1,000,000	Nil	*20 cents*	30 Sep 08
7.8	Issued during quarter				
7.9	Exercised during quarter	200,000	Nil	*25 cents*	31 Dec 08
7.10	Expired during period				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: M K Smartt.................................... Date:26th July 2006
(~~Director~~/Company secretary)

Print name: **M K Smartt**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

= == == == ==