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, 01/06/10.

Name of entity

SANDFIRE RESOURCES NL

ABN	Quarter ended ("current quarter")
55 105 154 185	**30 September 2011**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from provision of services	-	-
1.2	Payments for (a) exploration and evaluation	(11,138)	(11,138)
	(b) development	(24,282)	(24,282)
	(c) production	-	-
	(d) administration	(2,438)	(2,438)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	555	555
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - Movement in Working Capital	-	-
	Net Operating Cash Flows	(37,303)	(37,303)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	(1,855)	(1,855)
	(c) other fixed assets	(39,498)	(39,498)
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 (payments for security deposits/bonds)	(1,192)	(1,192)
	Net investing cash flows	(42,545)	(42,545)
1.13	Total operating and investing cash flows (carried forward)	(79,848)	(79,848)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(79,848)	(79,848)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	987	987
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	30,000	30,000
1.17	Repayment of borrowings	(82)	(82)
1.18	Dividends paid	-	-
1.19	Share issue expenses	(71)	(71)
1.20	Other	-	-
	Net financing cash flows	30,834	30,834
	Net (decrease) increase in cash held	(49,014)	(49,014)
1.21	Cash at beginning of quarter/year to date	74,041	74,041
1.22	Exchange rate adjustments to item 1.21	-	-
1.23	**Cash at end of quarter/year**	25,027	25,027

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
1.24	Aggregate amount of payments to the parties included in item 1	1,302
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Payment of director and consulting fees to directors and director related entities.

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

None.

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	380,000	30,000
3.2	Credit standby arrangements	-	-

Note (i) The Company also has access to a $10 million environmental bonding facility (non cash-backed).
(ii) Funds under the $380 million loan facility and the $10 million environmental bonding facility will be available for drawdown following satisfaction of conditions precedent.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	4,494
4.2	Development (including payments for purchases of other fixed assets)	80,679
4.3	Production	-
4.4	Administration	1,906
	Total	**87,079**

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	21,576	14,397
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Term Deposits	3,451	59,644
	Total: cash at end of quarter (item 1.23)	**25,027**	**74,041**

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		<u>NT Exploration License</u>		
		EL26555	Reduction in area (blocks)	100%	100%
		EL26587	Reduction in area (blocks)	100%	100%
		EL28508	Granted	100%	100%
		EL28534	Granted	100%	100%
		EL28540	Granted	100%	100%
		EL28541	Granted	100%	100%
		EL29022	Application	-	100%
6.2	Interests in mining tenements acquired or increased		<u>WA Miscellaneous License</u>		
		L52/133	Granted	100%	100%
		L52/137	Application	-	100%
		L52/138	Application	-	100%

+ 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)	Amount paid up per security (see note 3)
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**	150,879,969	150,879,969		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through contributing shares paid up in full	350,000 600,000 185,000 360,000	350,000 600,000 185,000 360,000	$0.40 $0.50 $1.40 $0.80	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** *(description and conversion factor)*	411,000 200,000 1,010,000 980,000 1,600,000 990,000 1,000,000 3,250,000		**Exercise price** $1.40 $3.00 $0.60 $0.80 $1.00 $4.66; $5.44 and $6.22 $3.80; $4.40 and $5.00 $9.00; $10.30 and $11.70	**Expiry date** 6 Jul 2012 30 Sep 2012 12 Jul 2013 12 Jul 2013 12 Jul 2013 27 Nov 2014 15 Jun 2015 28 Feb 2016
7.8	Issued during quarter				
7.9	Exercised during quarter	350,000 600,000 185,000 360,000		$0.40 $0.50 $1.40 $0.80	8 Aug 2011 30 Sep 2011 6 Jul 2012 12 Jul 2013
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
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: Matthew Fitzgerald Date: 31 October 2011
(Company Secretary)

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.