**Sandfire Resources NL** ABN 55 105 154 185
Level 2, 31 Ventnor Ave, West Perth Western Australia 6005
**Phone:** +61 8 6430 3800 **Fax:** +61 8 6430 3849
**Email:** info@sandfire.com.au **Web:** www.sandfire.com.au

**ASX/Media Release** **28 November 2011**

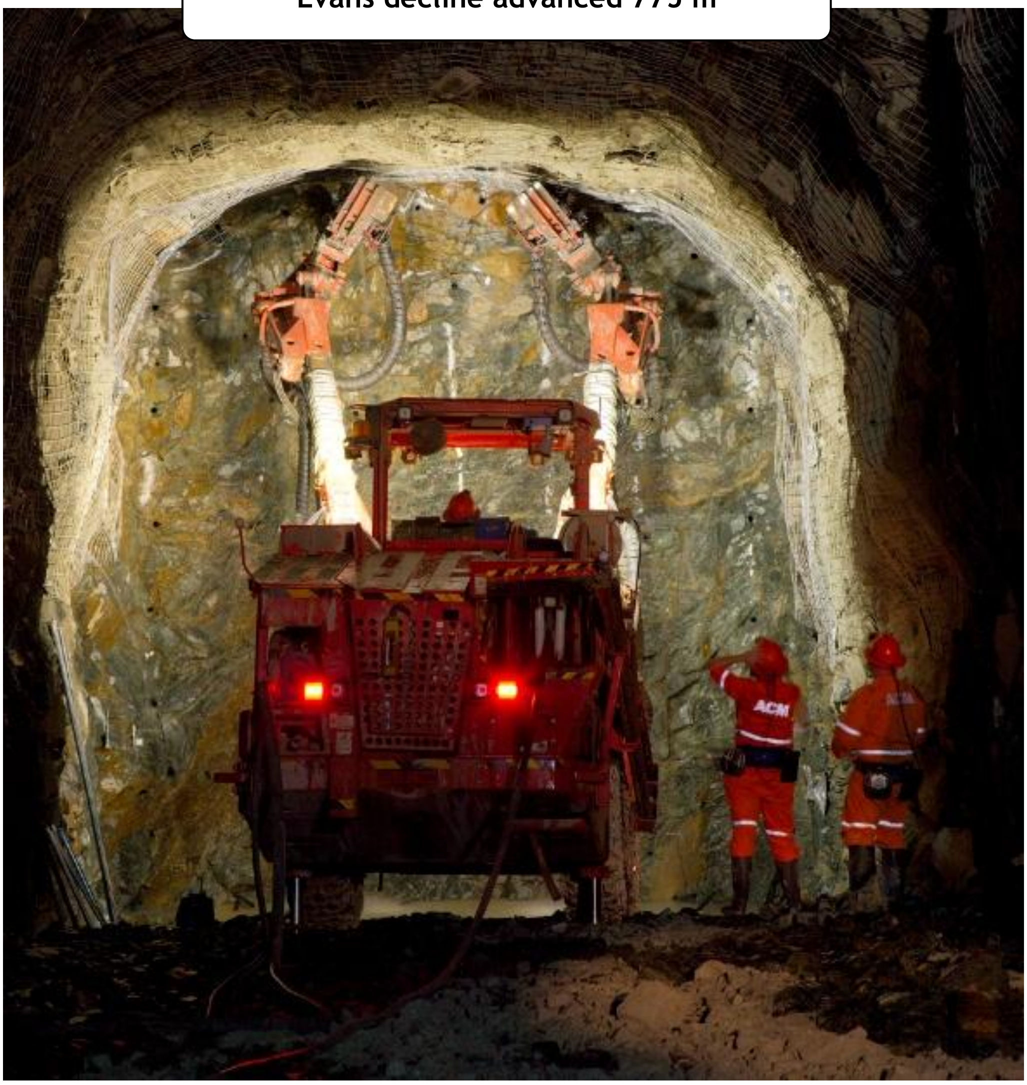
# DEGRUSSA PROJECT PICTORIAL UPDATE

Sandfire Resources NL is pleased to provide a pictorial update on the ongoing progress of construction and infrastructure development at DeGrussa.

- Underground mine development is progressing on schedule with the "Evans Decline" currently advanced +775 metres from the portal, with approximately 675 metres of decline development remaining before the first ore is accessed.
- Open pit mining is progressing on schedule with a total 4 million bank cubic metres (bcm) of material mined to date from the Stage 1 open pit, which is over 50 per cent complete. The open pit is currently at a depth of 30 metres below surface with oxide copper mineralisation now exposed (approximately 25m above Direct Shipping Ore).
- Construction of major foundations for the coarse ore bin, SAG Mill raft, Ball Mill raft and crusher pocket are well advanced. Thickener plinths are also complete allowing five construction work fronts to be progressed simultaneously.
- Power House steel structure complete with wall cladding underway.
- Construction complete on the main access road from the Great Northern Highway to the DeGrussa site.
- Aerodrome construction commenced.

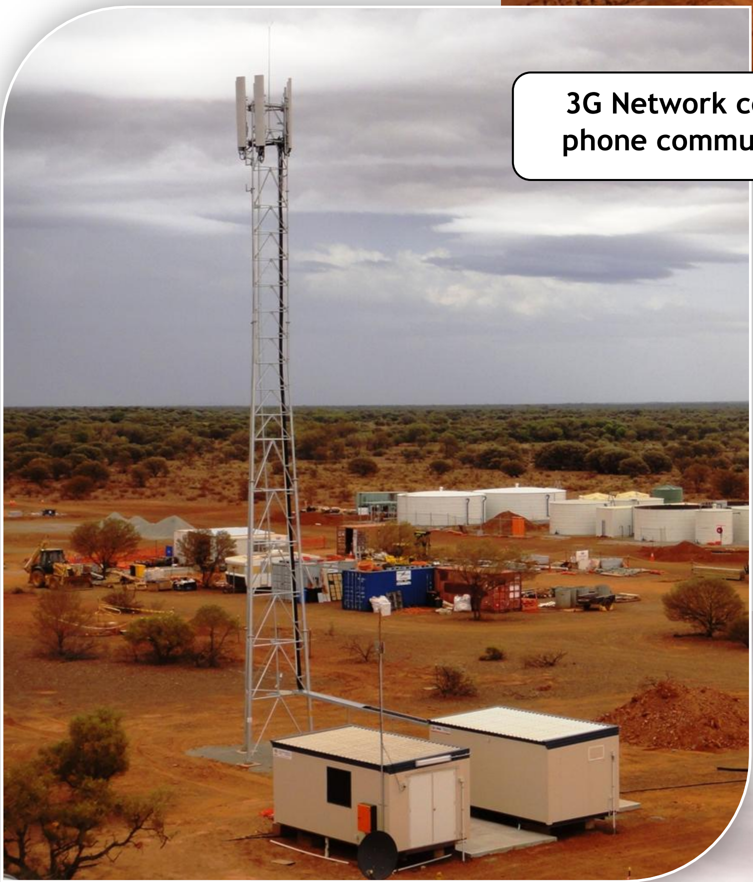
**Full open pit mining fleet now on site**

Evans decline advanced 775 m



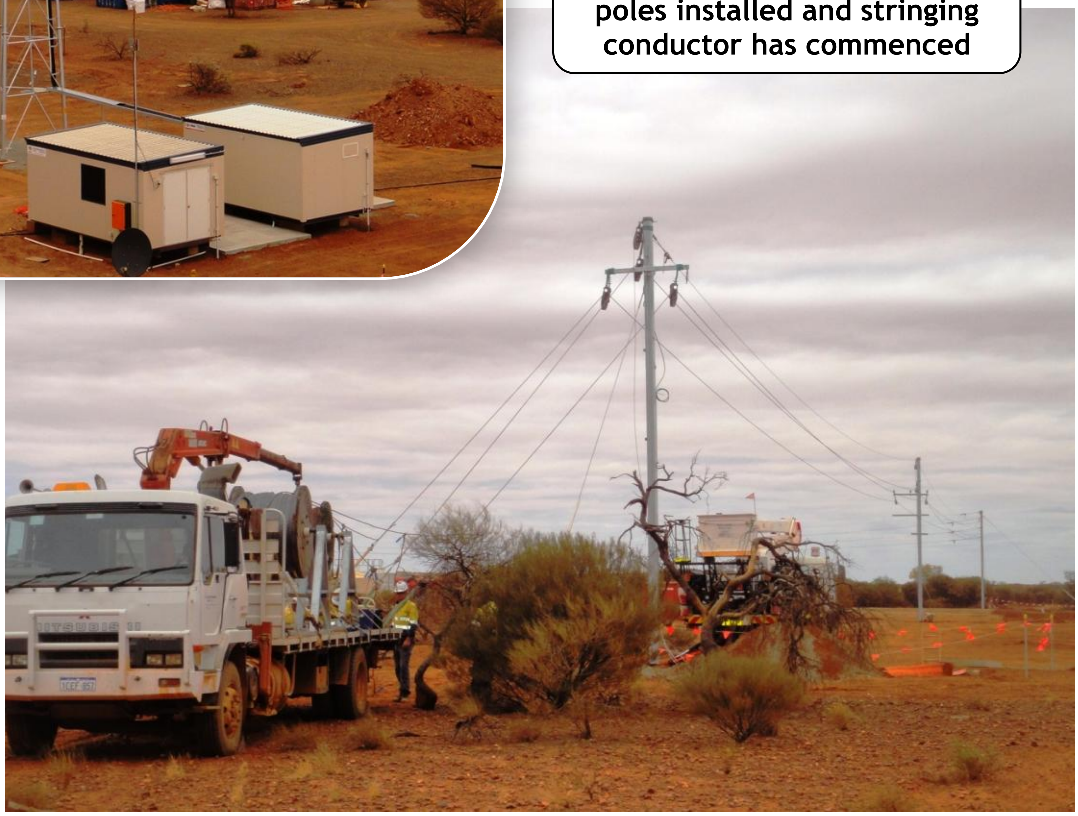
4 million bank cubic metres (bcm) of material mined to date

Open pit 30 m below surface



3G Network connected and mobile phone communications established

Sixty percent of powerline poles installed and stringing conductor has commenced



Site access road complete

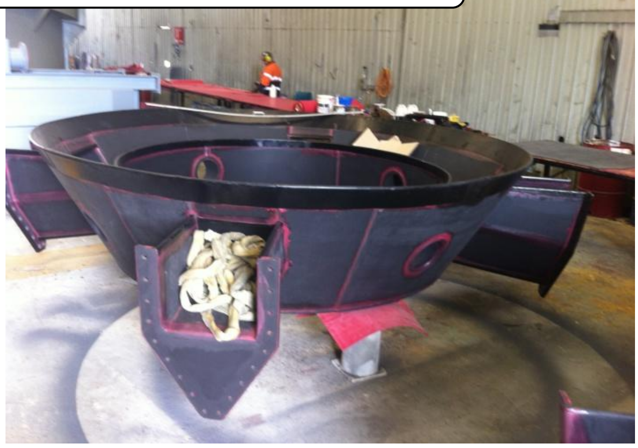
Power House steel structure in progress

Thickener tank plinths in progress and the 15m tails thickener and thickener insert ready for transport to site

Ore Bin Reclaim Tunnel


SAG Mill Plinth

Float Cell and Float Cell Launder ready for transport to site



Aerodrome construction commenced

**ENDS**

For further information contact:

Sandfire Resources NL
**Karl Simich – Managing Director/CEO**
Office: +61 8 6430 3800

Read Corporate
Mobile: +61 419 929 046 (Nicholas Read)
Mobile: +61 421 619 084 (Paul Armstrong)

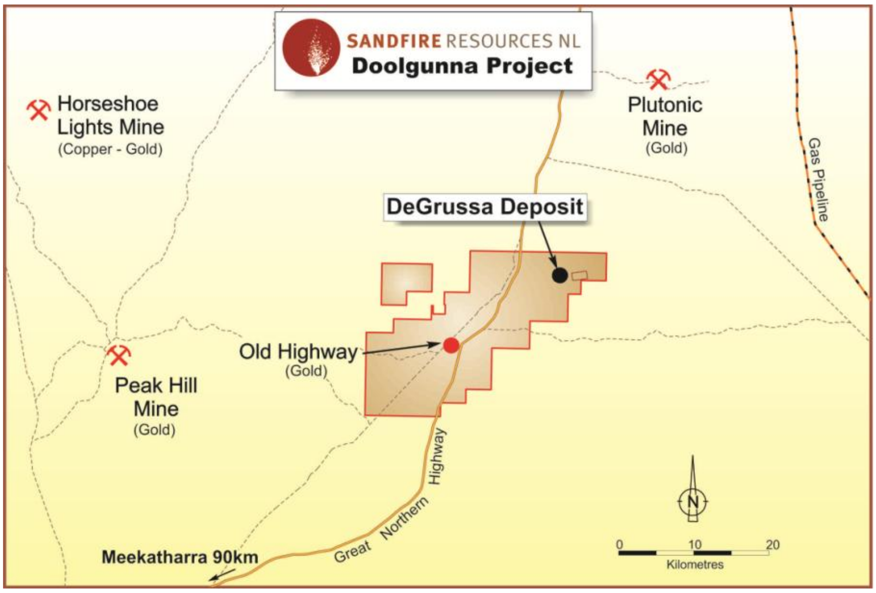



**Figure 1 – DeGrussa Copper-Gold Project location**


**Forward-Looking Statements**

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration operations, project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Sandfire believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of Sandfire, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. Sandfire undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly you should not place undue reliance on any forward looking statement.