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DEGRUSSA PROJECT PICTORIAL UPDATE

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

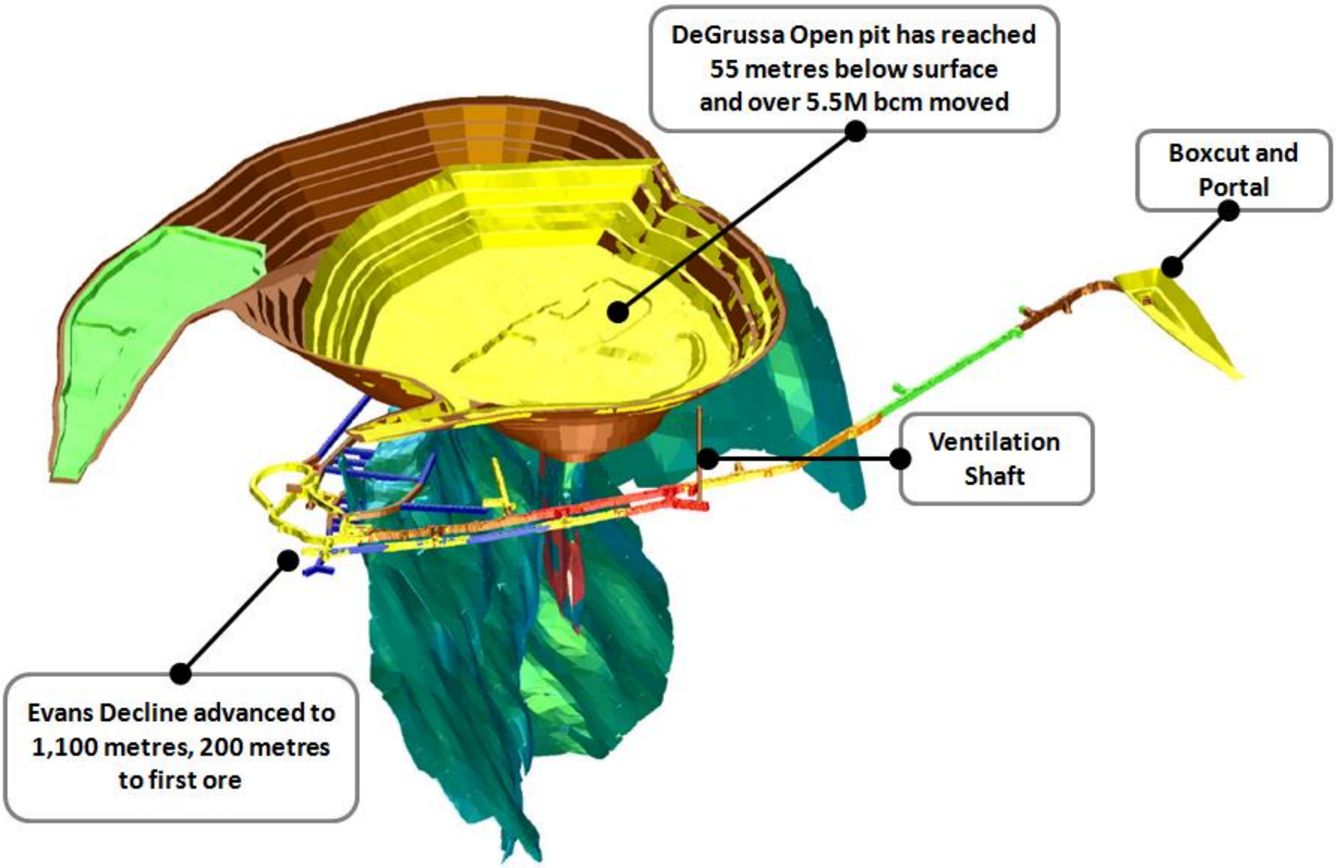
- Underground mine development is progressing on schedule with the "Evans Decline" currently advanced 1,100 metres from the portal, with approximately 200 metres of decline development remaining before the first ore is accessed.
- The first of the DeGrussa Direct Shipping Ore (DSO) was mined on 17 February 2012.
- Open pit mining is progressing on schedule with a total 5.5 million bank cubic metres (bcm) of material mined to date from the Stage 1 open pit, which is over 70 per cent complete. The open pit is currently at a depth of 55 metres below surface with over 1.25 million tonnes of copper oxide mineralisation at 1.05% Cu mined and stockpiled.
- Completion of major infrastructure is progressing well with workshop and warehouse facilities being handed over.
- The power station is currently being commissioned with an interim capacity of 4MW.
- Construction of the 1.5Mtpa DeGrussa concentrator has progressed with over half of the concrete now poured and large quantities of equipment arriving each day.
- The DeGrussa Aerodrome is almost complete with the first landing next week.

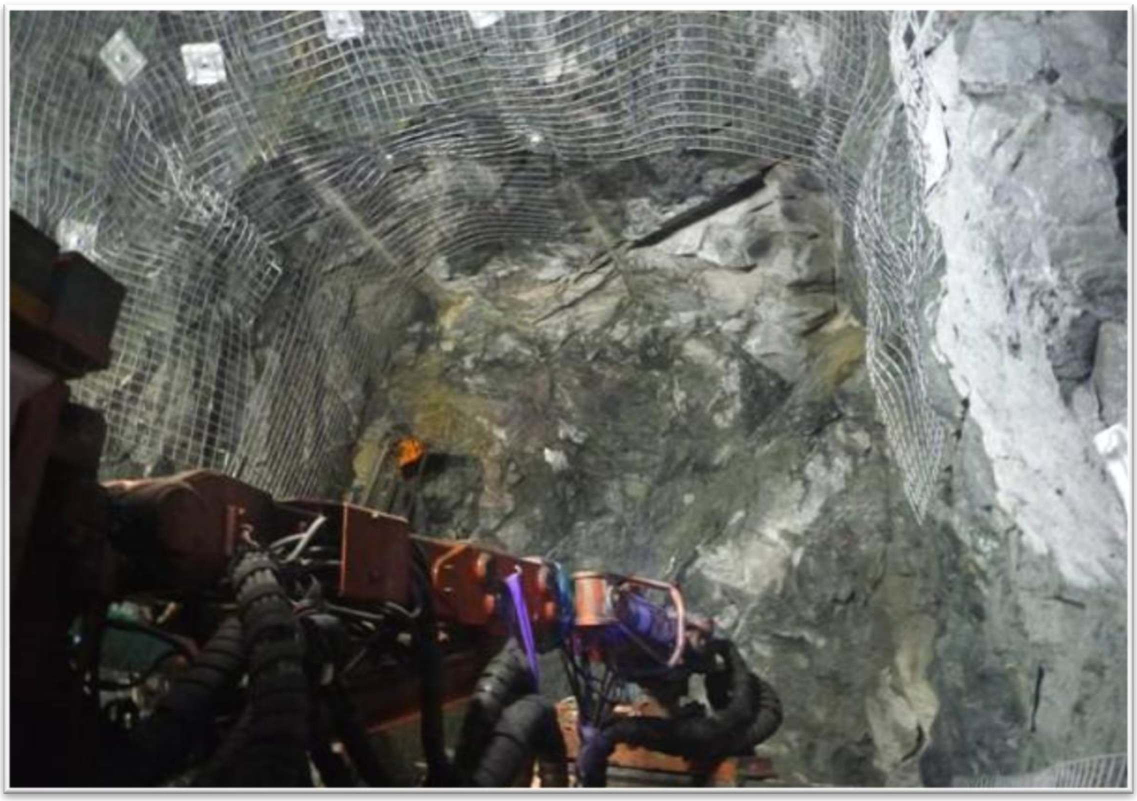
First Direct Shipping Ore mined on 17 February 2012

Direct Shipping Ore mined on 17 February 2012

5.5 million bank cubic metres (bcm) of material mined to date
Open pit 55 m below surface

Evans decline advanced 1,100 metres





Process plant equipment on site

Apron Feeder

Filter

Regrind Mill

Arrival of third thickener

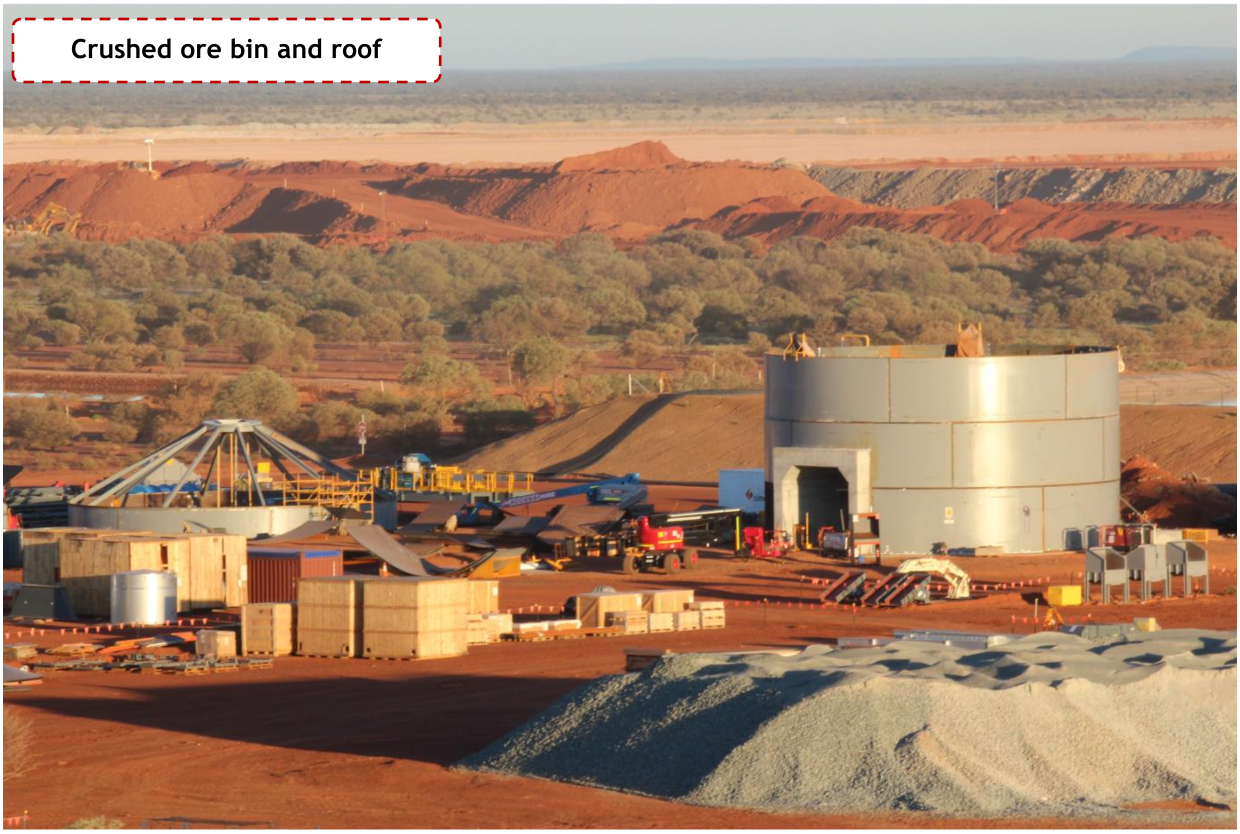
Ball mill head

Regrind thickener centre column

Sag mill shell

Process plant construction


Crusher


Crushed ore bin and roof

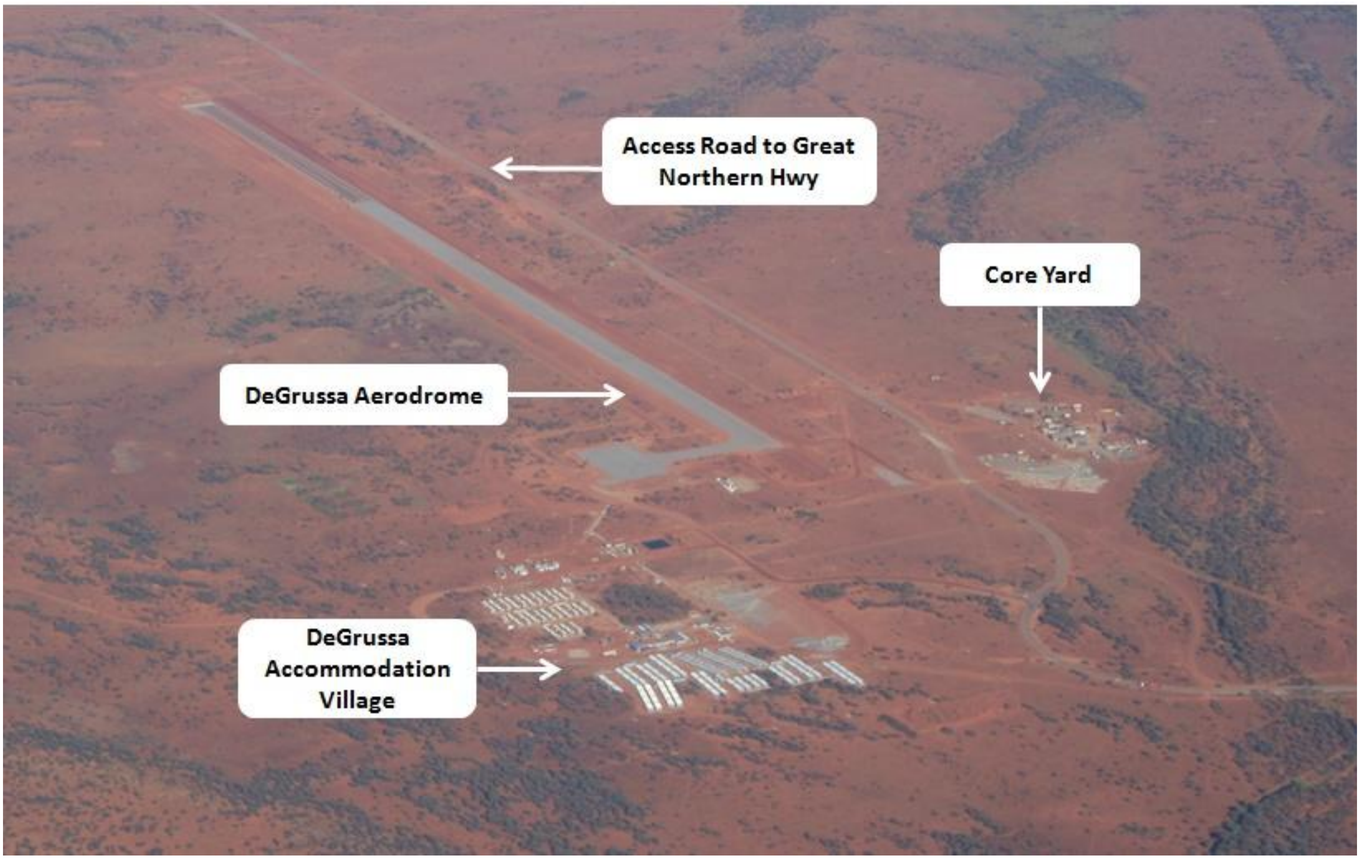

Regrind area footings


Plant Area

Fuel storage commissioned

On site laboratory operational

DeGrussa airstrip nearing completion



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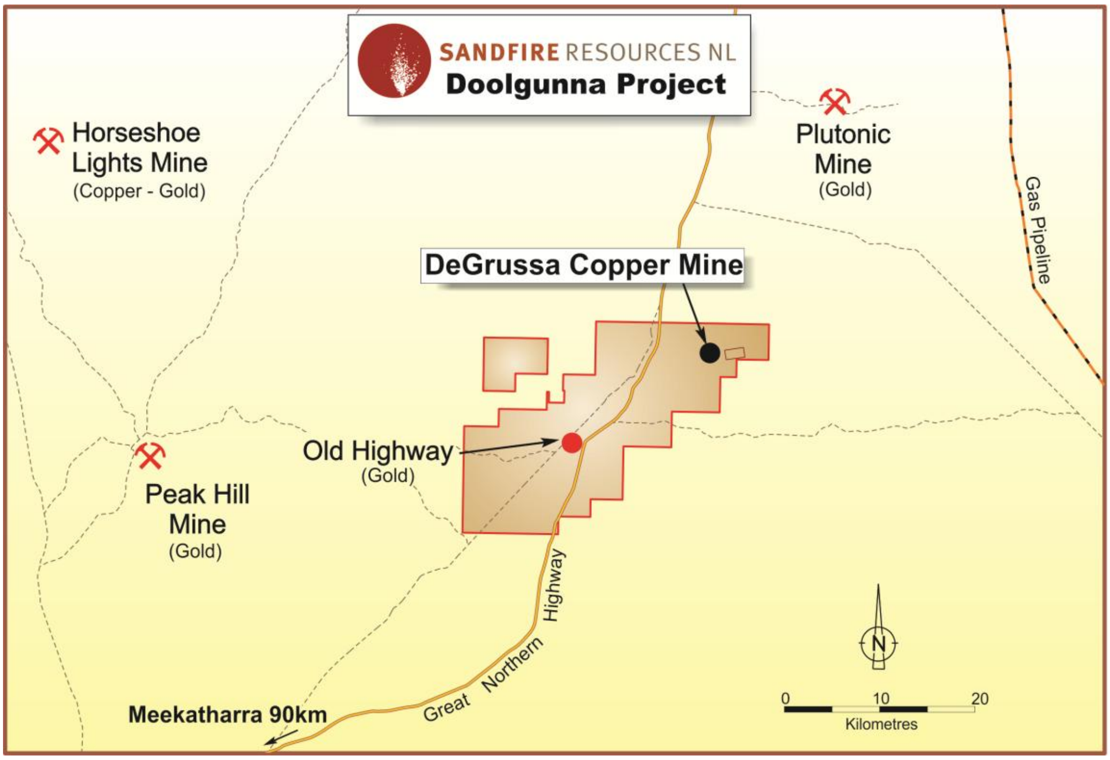

Figure 1 – DeGrussa Copper-Gold Project location

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.