

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003

Name of entity	SANDFIRE RESOURCES NL
ABN	55 105 154 185

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Unlisted options. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 250,000 unlisted options exercisable at \$9.00 expiring 28 February 2016;
166,667 unlisted options exercisable at \$10.30 expiring 28 February 2016; and
83,333 unlisted options exercisable at \$11.70 expiring 28 February 2016. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion). | Unlisted options issued in accordance with terms and conditions as set out in Annexure A. |
| 4 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Yes, when exercised. |

+ See chapter 19 for defined terms.

5	Issue price or consideration	Nil.	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Options issued to senior managers, pursuant to the Sandfire Resources NL Incentive Option Plan adopted by shareholders at the annual general meeting held on 29 November 2010.	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	22 August 2012	
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	+Class
		151,557,635	Ordinary fully paid shares (SFR).
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	+Class
		1,010,000	Options exercisable at \$0.60 expiring 12 July 2013.
		980,000	Options exercisable at \$0.80 expiring 12 July 2013.
		1,600,000	Options exercisable at \$1.00 expiring 12 July 2013.
		990,000	Options exercisable in three equal tranches at \$4.66, \$5.44 and \$6.22 expiring 27 November 2014.
		266,666	Options exercisable at \$3.80 expiring 15 June 2015.
		666,668	Options exercisable in two equal tranches at \$4.40 and \$5.00 expiring 15 June 2015.
		1,499,995	Options exercisable at \$9.00 expiring 28 February 2016.
		1,416,665	Options exercisable at \$10.30 expiring 28 February 2016.
		1,333,340	Options exercisable at \$11.70 expiring 28 February 2016.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	

Appendix 3B
New issue announcement

15	*Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has *security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	
25	If the issue is contingent on *security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

- 41 Reason for request for quotation now
Example: In the case of restricted securities, end of restriction period
(if issued upon conversion of another security, clearly identify that other security)

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- 42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

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Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

- 2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the ⁺securities to be quoted, it has been provided at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Matthew Fitzgerald
 Company Secretary

Date: 24 August 2012

ANNEXURE A

TERMS OF OPTIONS

The Options are issued upon and subject to the following terms and conditions.

a) Definitions:

- (i) **ASX** means ASX Limited (ABN 98 008 624 691).
- (ii) **Ceasing Date** means the day the Option Holder (or associate, as the case may be) ceases to be an employee or contractor of the Company for any reason (including voluntary or involuntary resignation).
- (iii) **Company** means Sandfire Resources NL (ABN 55 105 154 185).
- (iv) **Exercise Price** means the exercise price of each Option, being:
 - **Tranche 1 Options:** exercisable at \$9.00;
 - **Tranche 2 Options:** exercisable at \$10.30; and
 - **Tranche 3 Options:** exercisable at \$11.70.
- (v) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising Options.
- (vi) **Expiry Date** means the expiry date of each of the Options, being 28 February 2016.
- (vii) **Listing Rules** means the Listing Rules of the ASX (including the ASTC Settlement Rules, ASX Market Rules and the ACH Clearing Rules).
- (viii) **Offer** means an offer made to an Option Holder to subscribe for one or more Options.
- (ix) **Option** means an option granted pursuant to these Terms to subscribe for one Share upon and subject to the terms of these Terms.
- (x) **Option Holder** means full or part time employees and contractors of the Company, but excludes a Director, and means the person or persons registered as the holder of one or more Options from time to time.
- (xi) **Share** means a fully paid ordinary share in the capital of the Company.
- (xii) **Takeover Announcement** means the announcement or making of a Takeover Bid for the Company.
- (xiii) **Takeover Bid** means a takeover bid of office within the meaning of those terms under the Corporations Act.

b) The Options cannot be exercised before the following date (referred to as 'Vesting Conditions'):

- **Tranche 1 Options:** 28 February 2012
- **Tranche 2 Options:** 28 February 2013
- **Tranche 3 Options:** 28 February 2014

except where either of the following events occurs before the relevant Vesting Condition is satisfied:

- The service of a bidder's statement or a like document on the Company; or
- The Option Holder (or associate, as the case may be) ceases to be an employee or contractor of the Company for any reason (including voluntary or involuntary resignation) (Ceasing Date); or

- If a merger by way of a scheme of arrangement under the Corporations Act 2001 (Cth) has been approved by the Court under section 411(4)(b) of the Corporations Act 2001 (Cth); or
 - The date upon which a person or a group of associated persons become entitled, subsequent to the date of issue of the Options to sufficient Shares to give it or them the ability in general meeting to replace all or allow a majority of Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons in which event the Vesting Conditions no longer have application such that the exercise restrictions cease to apply from that time.
- c) Where an Option Holder (or associate, as the case may be) ceases to be an employee or contractor of the Company for any reason (including voluntary or involuntary resignation), the Option Holder will be entitled to exercise the Options granted as a result of the Offer in accordance with the terms of the Offer, for a period up to 180 days after the Ceasing Date, after which the Option Holder's Options will lapse immediately and all rights in respect of those Options will thereupon be lost.
- d) Each Option is transferable but unlisted.
- e) No monies will be payable for the grant of the Options.
- f) A holding statement will be issued for the Options.
- g) Each Option carries the right to subscribe for one Share.
- h) Subject to b) above, Options may be exercised by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
- i) The Exercise Notice must state the number of Options to be exercised and be accompanied by the relevant holding statement(s) and a cheque or electronic funds transfer (in Australian currency) made payable to the Company for an amount being the result of the applicable Exercise Price multiplied by the number Options being exercised.
- j) The Options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- k) Following receipt of a properly executed Exercise Notice and cleared application monies in respect of the exercise of any Option, the Company will issue the resultant Shares and deliver notification of shareholdings.
- l) The Company will make application to have the Shares (issued pursuant to an exercise of Options) listed for quotation by ASX within 7 days of the date of issue.
- m) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- n) Options carry no right to participate in pro rata issues of the securities to shareholders unless the Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- o) Each Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
- p) Subject to the Corporations Act 2001 (Cth) and Listing Rules, Options do not confer the right to a change in Exercise Price.
- q) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Options will be changed to the extent necessary to comply with the requirements of the ASX Listing Rules (in force at the time of the reorganisation).