

 LEVEL 1, 31 VENTNOR AVE
 PO BOX 1495
 T
 +61 8 6430 3800

 WEST PERTH WA 6005
 WEST PERTH WA 6872
 F
 +61 8 6430 3849

 ABN 55 105 154 185
 www.sandfire.com.au
 E
 admin@sandfire.com.au

14 March 2013

The Manager **Company Announcements Office** ASX Limited

EXERCISE OF UNLISTED OPTIONS - NOTICE IN ACCORDANCE WITH SECTION 708(A) OF THE CORPORATIONS ACT 2001 (Cth)

Sandfire Resources NL (ASX: SFR, or the Company) advises that 60,000 new fully paid ordinary shares (New Shares) have been allotted and issued upon the exercise of unlisted options. A completed Appendix 3B in respect of the New Shares is attached.

Secondary Trading Exemption Notice

The Corporations Act 2001 ("Corporations Act") restricts the on-sale of securities without disclosure, unless the sale is exempt under Section 708 or 708A of the Corporations Act. By Sandfire giving this notice, on-sale of the New Shares will fall within the exemption offered by Section 708A (5) of the Corporations Act.

Sandfire hereby notifies the ASX (as the operator of the prescribed financial market on which the New Shares are to be quoted) under Section 708A(5)(e) of the Act that:

- 1. The Company issued the New Shares without disclosure to investors under Part 6D.2 of the Corporations Act;
- 2. As at the date of this notice the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company, and with Section 674 of the Corporations Act; and,
- 3. As at the date of this notice there is no information that is excluded information for the purposes of sections 708A(7) and (8) of the Corporations Act.

Yours faithfully

Matthew Fitzgerald **Company Secretary**

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 01/07/96. Origin: Appendix 5. Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

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

Ordinary fully paid shares.

60,000

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued
- 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).
- 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:

- 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

Shares issued on the same terms as existing ordinary
fully paid shares.

ects Yes. ting ank for ust, ank hext lent

⁺ See chapter 19 for defined terms.

5	Issue price or consideration	20,000 at \$4.66 per share; 20,000 at \$5.44 per share; and 20,000 at \$6.22 per share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	60,000 shares issued on conversion of options expiring 27 November 2014.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?	No.
	If Yes, complete sections $6b - 6h$ in relation to the +securities the subject of this Appendix 3B, and comply with section $6i$	
6b	The date the security holder resolution under rule 7.1A was passed	N/A.
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	N/A.
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	N/A.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A.
6f	Number of securities issued under an exception in rule 7.2	N/A.
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A.
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A.
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A.
7	Dates of entering *securities into uncertificated holdings or despatch of certificates	14 March 2013.

⁺ See chapter 19 for defined terms.

		Number	+Class
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	153,650,968	Ordinary fully paid shares (SFR).
		Number	+Class
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in	210,000	Options exercisable at \$0.60 expiring 12 July 2013.
	clause 2 if applicable)	180,000	Options exercisable at \$0.80 expiring 12 July 2013.
		1,600,000	Options exercisable at \$1.00 expiring 12 July 2013.
		930,000	Options exercisable in three equal tranches at \$4.66, \$5.44 and \$6.22 expiring 27 November 2014.
		33,333	Options exercisable at \$3.80 expiring 15 June 2015.
		133,333	Options exercisable at \$4.40 expiring 15 June 2015.
		333,335	Options exercisable at \$5.00 expiring 15 June 2015.
		1,749,995	Options exercisable at \$9.00 expiring 28 February 2016.
		1,666,665	Options exercisable at \$10.30 expiring 28 February 2016.
		1,583,340	Options exercisable at \$11.70 expiring 28 February 2016.

10 Dividend policy (in the case of a trust, The Company does not have a dividend policy. distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

Is security holder approval required? 12 Is the issue renounceable or nonrenounceable? Ratio in which the +securities will be offered +Class of +securities to which the offer relates 15 +Record date to determine entitlements Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? 17 Policy for deciding entitlements in relation to fractions

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⁺ See chapter 19 for defined terms.

18 Names of countries in which the entity has *security holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be total how their entitlements a result of holders must be holder how their entitlements a result of holders must be holder how their entitlements a result of holders how total how their entitlements a result of holders how holder how total result of holders how total how total how holders result of holders how holder how holders for the holders holder how holder how holders for holders holder how holder how holders for holders holder how holder how holder how holder how holders for holders holder how holder how holders for holders holder how holder how holder holders for holders holders holder how holder holder holders for holders holder how holder			
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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 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 begin (if applicable) 20 How do "security holders sell their entitlements in full through a broker? 31 How do "security holders sell part 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?	19		
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entitlements (except by sale through a broker)?	31	entitlements through a broker and accept for	
33 ⁺ Despatch date	32	entitlements (except by sale through a	
	33	⁺ Despatch date	

⁺ See chapter 19 for defined terms.

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*)
 - Securities described in Part 1



(a)

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

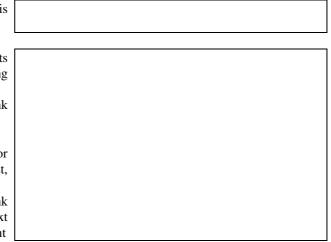
- If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
 1 1,000
 1,001 5,000
 5,001 10,000
 100,001 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

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



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- 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)
- 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.
- 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

Date: 14 March 2013

Company Secretary

+ See chapter 19 for defined terms.