



---

## **SANDFIRE SECURES CORNERSTONE POSITION IN ADVANCED, HIGH-GRADE USA COPPER PROJECT**

### **BLACK BUTTE PROJECT IN MONTANA: A QUALITY GROWTH OPPORTUNITY**

---

- **Sandfire to acquire a 36% stake in copper developer Tintina Resources (TSX-V: TAU)** through a C\$16M private share placement at \$C0.20 per share. Sandfire will also be issued warrants exercisable at C\$0.28, C\$0.32 and C\$0.40 respectively which, if exercised, would increase its stake to 53% on an undiluted basis, giving it a clear path to control.
- **Tintina's key asset is a 100% interest in the Black Butte Copper Project** in central Montana, USA, an advanced high-quality copper project in a stable jurisdiction which represents an excellent strategic fit with Sandfire's DeGrussa Project and a high quality growth opportunity which would allow Sandfire to apply its project development and operational expertise.
- Black Butte contains NI 43-101 compliant Measured and Indicated Resources of **15.7Mt grading 3.4% Cu (533,600t of contained copper)** and Inferred Resources of **2.3Mt grading 2.8% Cu (63,500t of contained copper)**.
- Tintina has completed a **Preliminary Economic Assessment (PEA)** demonstrating the potential to develop a **robust underground mine capable of producing ~30,000tpa of copper** at an average cash cost of US\$1.80/lb over an 11-year mine life (including royalties) with indicative CAPEX of ~US\$218M. The full version of the PEA is available on Tintina's website at <http://www.tintinaresources.com/home>.
- Funds contributed by Sandfire will be used to **complete a Feasibility Study and to pursue project permitting**, as well as to fund further exploration in the district.
- Sandfire's Chief Business Development Officer, Bruce Hooper, will be appointed President and Chief Executive Officer of Tintina and will join the Board of Directors.
- All matters remain subject to the approval of the TSX Venture Exchange.

---

Sandfire Resources NL (ASX: SFR; "Sandfire") is pleased to advise that it has secured the opportunity to participate in the ongoing evaluation, exploration and development of one of the highest grade undeveloped copper deposits in North America after reaching agreement to acquire a cornerstone interest in Vancouver-based copper development company Tintina Resources ("Tintina"; TSX-V: TAU).

As part of its global business development strategy of securing quality growth opportunities in base metals and gold, Sandfire has entered into agreements with Tintina whereby it will subscribe for 80 million shares in a private share placement at C\$0.20 per share. The C\$16 million placement will give Sandfire an initial 36% interest in Tintina.



*Figure 1: Location map  
Black Butte Project, Montana*

In addition, Tintina will issue Sandfire with 20 million two-year Class A warrants exercisable at C\$0.28 per share, 20 million three-year Class B warrants exercisable at C\$0.32 per share and 40 million five-year Class C warrants exercisable at C\$0.40 per share. If these warrants are exercised, Sandfire's interest would increase to 53% (undiluted) giving it a clear path to control of the Company and the project.<sup>1</sup>

Tintina has granted Sandfire the right to appoint two representatives to the Tintina Board, including the appointment of Bruce Hooper, Sandfire's current Chief Exploration & Business Development Officer, who will fulfil the role of President and Chief Executive Officer.

Sandfire will become the largest shareholder of Tintina (36%), alongside other strategic shareholders including Quantum Partners LP (~21%) and Electrum Strategic Metals LLC (~16%). Following completion of the placement, Tintina will have cash on hand of C\$18.5 million with approximately 222 million shares on issue.

### **The Black Butte Copper Project**

Tintina's key asset is a 100% interest in the premier, high-grade Black Butte Copper Project, located near Helena in the State of Montana in the United States. The project is located close to existing road, power and rail infrastructure, with the ability to access a residential workforce located nearby and competitive sources of materials and power.

Located on private ranch land in central Montana, the Black Butte Project copper resource consists of three flat-lying sedimentary hosted copper deposits which have been extensively drilled by Tintina (over 53,000m of diamond drilling).

An Updated Technical Report and Preliminary Economic Assessment (PEA) completed by Tintina in July 2013 was based on reported NI 43-101 Measured and Indicated Resources totalling 15.7 million tonnes grading 3.4% Cu, 0.1% Co and 14g/t Ag for 533,600 tonnes of contained copper and Inferred Resources totalling 2.3 million tonnes grading 2.8% Cu, 0.09% Co and 14g/t Ag for 63,500 tonnes of contained copper (calculated using a 1.6% copper cut-off grade) for the Johnny Lee Upper Zone and Lowry deposits, and a 1.5% Cu cut-off for the Johnny Lee Lower Zone).

<sup>1</sup> The warrants are subject to early expiry, if, over twenty consecutive trading days in the last three months prior to the natural expiry date of each class of warrants, the VWAP of Tintina's shares on the TSX-V is at least 120% of the exercise price and Sandfire does not exercise the relevant class of warrants in full. Early expiry of any class of warrants causes all subsequent warrants to also expire.

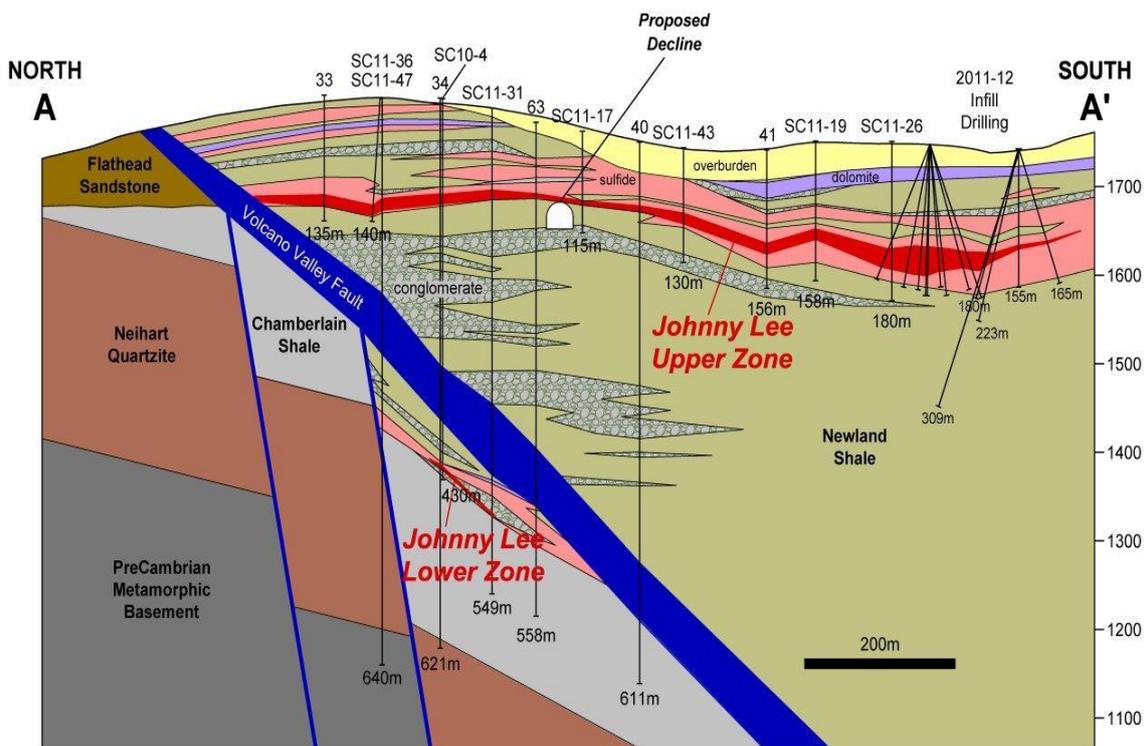


Figure 2: Cross-section of Johnny Lee upper and lower deposits

The Mineral Resource inventory contained in the PEA is summarised below (see Tintina’s website - <http://www.tintinaresources.com/home> for the full PEA).

Table 1 – Total Undiluted Black Butte Measured and Indicated Mineral Resources

CURRENT MEASURED & INDICATED RESOURCES									
Deposit	Category	Status	Tonnes (M)	Cu grade (%)	Cu (M lbs)	Co Grade (%)	Co (M lbs)	Ag Grade (g/t)	Ag (M oz)
Johnny Lee Deposit Upper Zone	Measured Resource*	NI 43-101	2.66	2.99	175	0.12	6.9	16.3	1.39
Johnny Lee Deposit Upper Zone	Indicated Resource*	NI 43-101	6.52	2.77	398	0.13	18	15.5	3.25
Johnny Lee Deposit Lower Zone	Indicated Resource**	NI 43-101	2.39	6.40	337	0.03	1.7	4.5	0.35
Lowry Deposit Middle Zone***	Indicated Resource*	NI 43-101	4.10	2.94	266	0.10	9.0	15.1	1.99
<b>Total</b>	<b>Measured &amp; Indicated Resources</b>	<b>NI 43-101</b>	<b>15.66</b>	<b>3.40</b>	<b>1,176</b>	<b>0.10</b>	<b>36</b>	<b>13.9</b>	<b>6.98</b>

Table 2 – Total Undiluted Black Butte Inferred Mineral Resources

CURRENT INFERRED RESOURCES									
Deposit	Category	Status	Tonnes (M)	Cu grade (%)	Cu (M lbs)	Co Grade (%)	Co (M lbs)	Ag Grade (g/t)	Ag (M oz)
Johnny Lee Deposit Upper Zone	Inferred Resource*	NI 43-101	1.26	2.52	70	0.10	2.8	15.2	0.61
Johnny Lee Deposit Lower Zone	Inferred Resource**	NI 43-101	0.21	5.33	24	0.03	0.1	4.1	0.03
<b>Sub Total</b>			<b>1.46</b>	<b>2.91</b>	<b>94</b>	<b>0.09</b>	<b>2.9</b>	<b>13.6</b>	<b>0.64</b>
Lowry Deposit Middle Zone***	Inferred Resource*	NI 43-101	0.80	2.58	46	0.10	2.0	14.1	0.36
<b>Total</b>	<b>Inferred Resources (Johnny Lee &amp; Lowry)</b>	<b>NI 43-101</b>	<b>2.26</b>	<b>2.80</b>	<b>140</b>	<b>0.09</b>	<b>4.9</b>	<b>13.8</b>	<b>1.00</b>

\*Resources calculated using a 1.6% Cu cut-off grade \*\*Resources calculated using a 1.5% Cu cut-off grade \*\*\*The Lowry Deposit Indicated and Inferred Resources were not included in the economic analysis in the PEA.

Cu is presented in millions of pounds: 2,204 lbs equals 1 tonne of contained metal.

See the technical report entitled "Updated Technical Report and Preliminary Economic Assessment for the Black Butte Copper Project, Montana" dated July 12, 2013 (the "PEA"), for more information. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The PEA confirmed that the deposit has the potential to underpin a robust underground mining operation with forecast life-of-mine production of ~30,000tpa of copper-in-concentrate over a mine life of ~11 years, based on total mill throughput of 11.8 million tonnes at an average head grade of 3.1% Cu.

The Project, as described in the PEA, would have an on-site concentrator with minimal surface footprint. Indicative capital costs were estimated in the PEA at US\$218 million, comprising direct costs of US\$152 million, indirect/owner's costs of US\$32 million and contingency of US\$33 million, plus life-of-mine sustaining capital of US\$115 million. Forecast cash costs were estimated at US\$1.80/lb (inclusive of royalties) with the project generating strong economic returns, with an estimated pre-tax NPV of US\$218 million at an 8% discount rate and Internal Rate of Return (IRR) of 30% based on a copper price of US\$3.05/lb Cu.

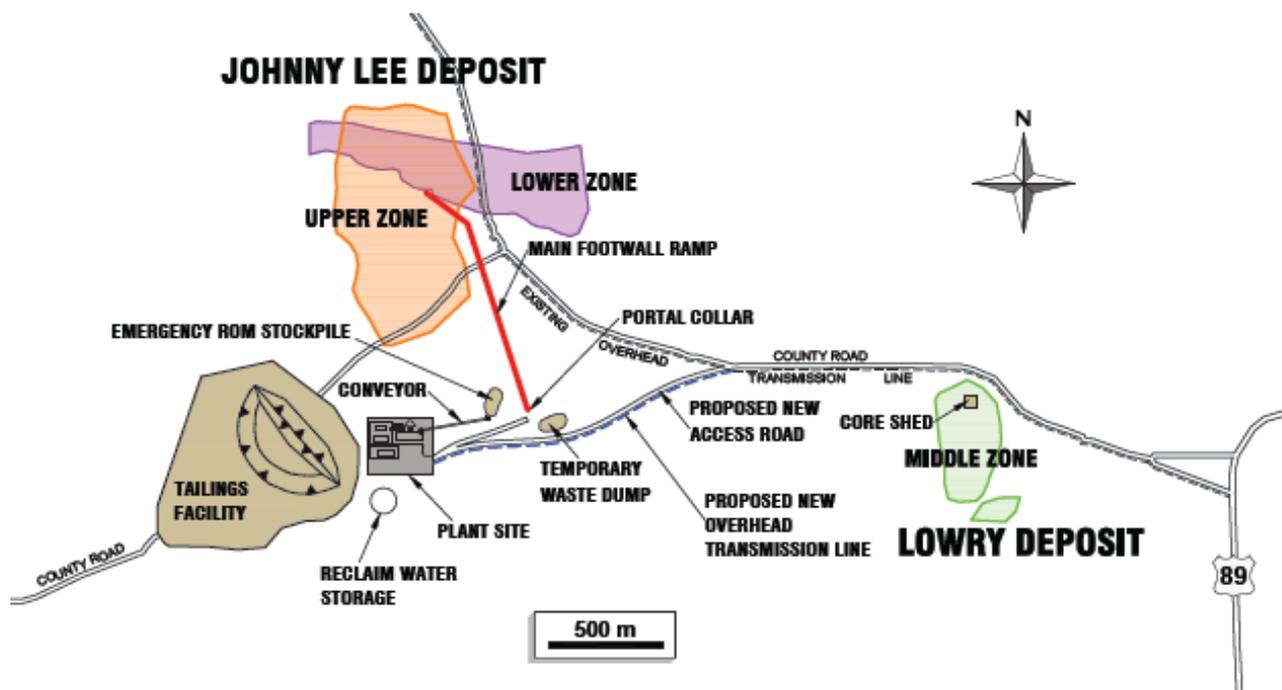


Figure 3: Location of deposits and planned project infrastructure

### **Due Diligence, Forward Plans and Project Permitting**

The Tintina investment opportunity was identified by Sandfire's Business Development Team as part of the Company's ongoing search for quality projects in Australia and overseas with the objective of building a strong pipeline of future organic growth opportunities.

Sandfire has conducted extensive due diligence on Tintina Resources and the Black Butte Copper Project, including meetings with the Government of Montana, the Department of Environmental Quality (DEQ), local businesses, residents, land owners and local mines. These groups have indicated a high level of support for the development of the Black Butte Project, which will deliver significant positive economic

benefits and create substantial employment opportunities, particularly in White Sulphur Springs and the surrounding area.

Sandfire is aware that some groups have concerns about the potential impact of mining operations. Sandfire will support Tintina's ongoing efforts to work closely with all stakeholders in an open, inclusive and transparent manner to progress the consultation and permitting process. Sandfire shares and supports Tintina's strong commitment to develop and operate the mine in an environmentally and socially sustainable manner.

### **Management Comment**

Sandfire's Managing Director, Mr Karl Simich, said the acquisition of a major interest in Tintina Resources represented one of the Company's most significant business development initiatives to date.

"This gives Sandfire a cornerstone position in a premier high-grade, high-margin copper asset with a pathway to production, outstanding growth upside, and the potential to generate significant value for shareholders and other stakeholders," Mr Simich said.

"It represents an excellent strategic fit with our existing project portfolio and with our core strengths and capabilities as an organisation. It also supports our vision to grow Sandfire beyond DeGrussa. Projects like this don't come along every day and we are delighted to have secured this compelling growth opportunity for our shareholders," he continued.

"The studies completed by Tintina have identified the potential to develop a long-life, high-grade underground copper operation with a plus 10-year mine life producing ~30,000 tonnes of copper metal a year at competitive cash costs.

"With Measured, Indicated and Inferred Resources containing approximately 600,000 tonnes of copper metal at an average grade of over 3% Cu, this is an exceptional asset in the copper space which we have been able to secure for an effective in-ground acquisition cost of around US 3 cents per resource pound," Mr Simich continued.

"In part this reflects the expected project permitting timeframe and the fact that there will be strict guidelines that need to be methodically, systematically and transparently worked through with key stakeholders in order to complete the permitting process and advance the project towards development," Mr Simich added.

"The exploration potential of the Project is excellent as the known mineralisation forms part of a very large alteration system, similar in size to some of the world's largest copper deposits. Exploration outside of the main deposit has been limited, with drilling confined to defining the known resources since the early days of the discovery.

The Project is located in an established mining district which is prospective for further discoveries and has the potential to become a major mining district.

"This investment also gives us a base in North America from which to assess future acquisition opportunities, as well as the opportunity to work alongside Tintina's other strategic shareholders, which include some influential and powerful global resources funds," Mr Simich added.

**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)

**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.

**Tintina Resources Preliminary Economic Assessment (PEA)**

To view the Updated Technical Report and Preliminary Economic Assessment for the Black Butte Project (July 12, 2013) click on the link below:

[http://www.tintinaresources.com/i/pdf/reports/TAU-UpdatedPEA\\_07-12-2013.pdf](http://www.tintinaresources.com/i/pdf/reports/TAU-UpdatedPEA_07-12-2013.pdf)