



SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR



June 2015 Quarterly Report Presentation and Webcast – Karl Simich, Managing Director & CEO

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29 July 2015

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Forward-Looking Statements and Competent Person's Statement

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Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr. Shannan Bamforth who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Bamforth is a permanent employee of Sandfire Resources and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bamforth consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. While Sandfire is confident that it will report additional JORC compliant resources for the DeGrussa Project, there has been insufficient exploration to define mineral resources in addition to the current JORC compliant Mineral Resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.

- Highlights
- Safety
- Mining
- Processing
- Sales
- Operating Costs
- Guidance
- Exploration
- Summary and Outlook

Agenda



June 2015 Quarterly Highlights

Outstanding quarter with record copper production and significant new high-grade VMS discovery

Production and Operations

- 18,637t copper and 9,499oz gold produced; C1 US\$0.98/lb
- Mining rates at ~1.7Mtpa; milling rates maintained at ~1.6Mtpa
- Key process plant enhancements delivering strong results, increasing copper recoveries by around 2%
- FY2016 production guidance: 65-68kt of copper and 35-40koz of gold; C1 ~US\$0.95-1.05/lb

Exploration

- Discovery breakthrough with a significant zone of high-grade copper-gold mineralisation identified within Talisman JV area, 10km east of DeGrussa. Results to date include:
 - 16.5m @ 18.9% Cu and 2.1g/t Au from 409.5m down-hole (not true width, from 365m below surface vertical depth)
 - 9.2m @ 11.8% Cu and 2.9g/t Au from 417m down-hole (not true width, from 370m below surface vertical depth)
 - 18m of massive sulphides from 108m down-hole (not true width) – assays awaited
- Major 2D seismic survey completed – proof-of-concept testing for using this technique as a detection tool for VMS deposits

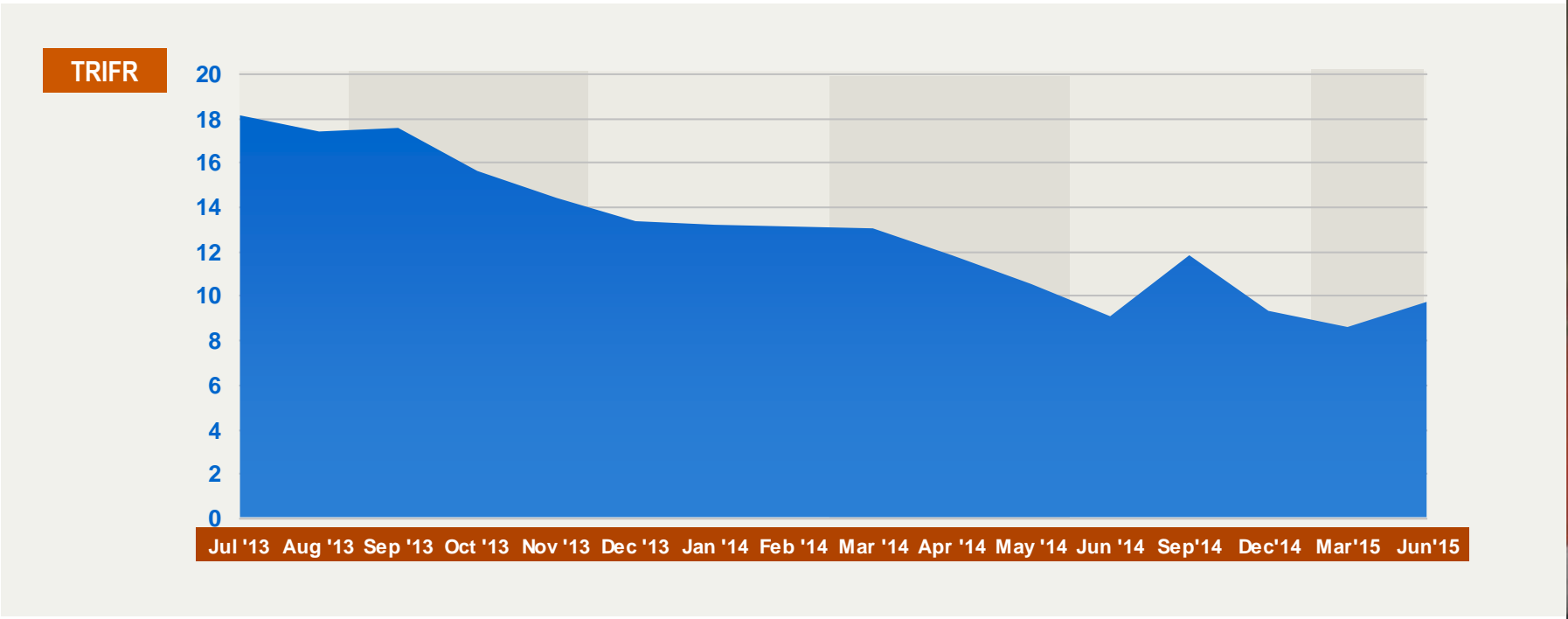
Corporate and Financial

- Restructure of remaining DeGrussa Finance Facility into a separate \$85M Revolver Facility and \$40M Amortising Facility
- Facility term extended to December 2017 to better align with extended mine life at DeGrussa to mid-2021
- Facility balance reduced to \$120M at 30 June 2015; cash and deposits of \$107M

Safety

Continued sound safety performance

- Total Recordable Injury Frequency Rate (TRIFR) of 9.7 at Quarter-end (vs. 8.6 at March Quarter-end)
- Work continues on initiatives to improve safety performance including development of safety systems, improved safety leadership, enhancement of safety culture and risk and assurance management.



Mining Overview

Production rates on target



Underground production and mine development

- Total ore production for the Quarter of 432,401 tonnes grading 5.3% Cu
- Production rates +1.7Mtpa
- Mine remains in balance between production and back-fill; paste plant performance on target
- Conductor 1, 4 and 5 Decline development proceeding on schedule, with all development advance occurring in good ground conditions



Processing

Enhancement projects boost recoveries

Mill throughput

- 399,525 tonnes milled at average head feed grade of 5.1% Cu at 1.6Mtpa
- Process improvement projects delivering strong results:
 - Flotation improvements and column cell have increased copper recoveries by around 2%
 - Pebble crusher delivering a 25% reduction in milling energy, generating a large improvement to the operating cost of the circuit
 - Significant improvement to the efficiency of the ball mill – doing 350% more work while using 40% less power

Recovery

- Quarterly copper recovery of 92.4%; Gold recovery 42.0%

Concentrate & metal production

- 75,082 tonnes of concentrate produced
- 18,637 tonnes of contained copper produced; in line with guidance



- Quarterly sales of 20,184 tonnes of contained copper and 11,012 ounces of gold
- Port Hedland and Geraldton Ports both operating well



Unit Operating Costs

C1 and total production costs

Unit costs – DeGrussa Mine	Q4 FY2015 (US\$/lb)	Commentary
Mining (net of development)	0.43	Lower C1 unit costs continue with:
Processing	0.26	
Business services	0.12	High quarterly copper production
Transport, treatment and refining	0.51	Plant improvements driving capacity and higher recoveries
C1 cost (pre-by product credit)	1.32	
By-product credit (gold and silver)	(0.34)	Operating cost containment measures
C1 cost	0.98	
Royalties	0.15	Continued AUD currency weakness
Production cost	1.13	FY2015 unit costs US\$1.09/lb
Depreciation and amortisation	0.51	FY2015 mine development \$68M
Total production cost	1.64	

Production Guidance: FY2016

Key physicals

Key Operational Targets	FY2016 – Guidance	Commentary
Ore mined	1.60Mt	Underground mining operations
Ore processed	1.65Mt	Includes stockpile of underground sulphide and stockpiled scats
Mined grade - copper	4.5% Cu	Mining: Conductor 1 (57%), DeGrussa (19%), C4 (18%), C5 (6%) – including development ore
Mined grade – gold	1.6g/t Au	
Copper Recovery	92%	Improved recoveries for given Cu grade
Gold Recovery	45%	
Concentrate Produced	270kt	Based on mid-point of production guidance
Concentrate grade – copper	24-25% Cu	Targeted on spec concentrate grade and quality
Concentrate grade – gold	4.0-4.5g/t Au	

Production Guidance: FY2016

Key physicals

Production Guidance – DeGrussa Mine	FY2015	1H FY2016	2H FY2016	FY2016
Contained Copper (t)	67,154	~32,000	~35,000	65-68,000
Contained gold (oz)	37,386	~17,000	~21,000	35-40,000
Head grade (Cu)	5.1%	4.3%	4.6%	4.4%
Head grade (Au)	1.7g/t	1.4g/t	1.7g/t	1.6g/t



Cost Guidance: FY2016

C1 unit costs, total production costs and capital expenditure

Unit costs – DeGrussa Mine	FY2016 (US\$/lb)	FY2015 (US\$/lb)	Commentary
Mining (net of development)	0.35	0.42	Mining costs reducing with optimisation and efficiency programs, higher development
Processing	0.31	0.32	
Business services	0.15	0.14	Continued higher smelter treatment and refining charges; offset in part by continued low shipping costs
Transport, treatment and refining	0.51	0.53	
C1 cost (pre-by product credit)	1.32	1.42	Mine development ~\$77M, strategic and sustaining capital ~\$25M (including C4 and C5 infrastructure, tailings dam lift, paste plant enhancements, U/G pumpstation)
By-product credit (gold)	(0.32)	(0.33)	
C1 cost	1.00	1.09	
Royalties	0.14	0.15	Unit cost guidance stated at mid-point of production guidance band. FY2016 guidance based on USD at 0.74c
Production cost	1.14	1.24	
Depreciation and amortisation	0.48	0.54	
Total production cost	1.62	1.78	

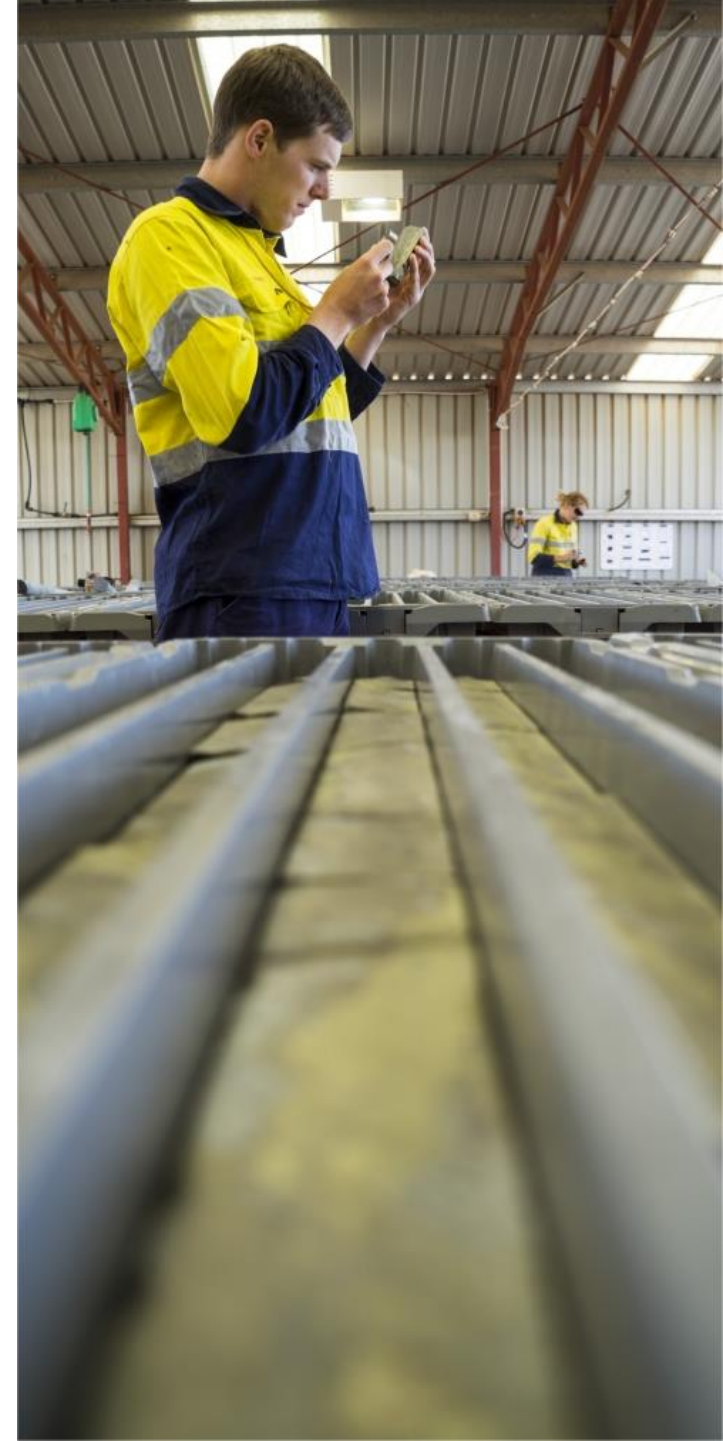
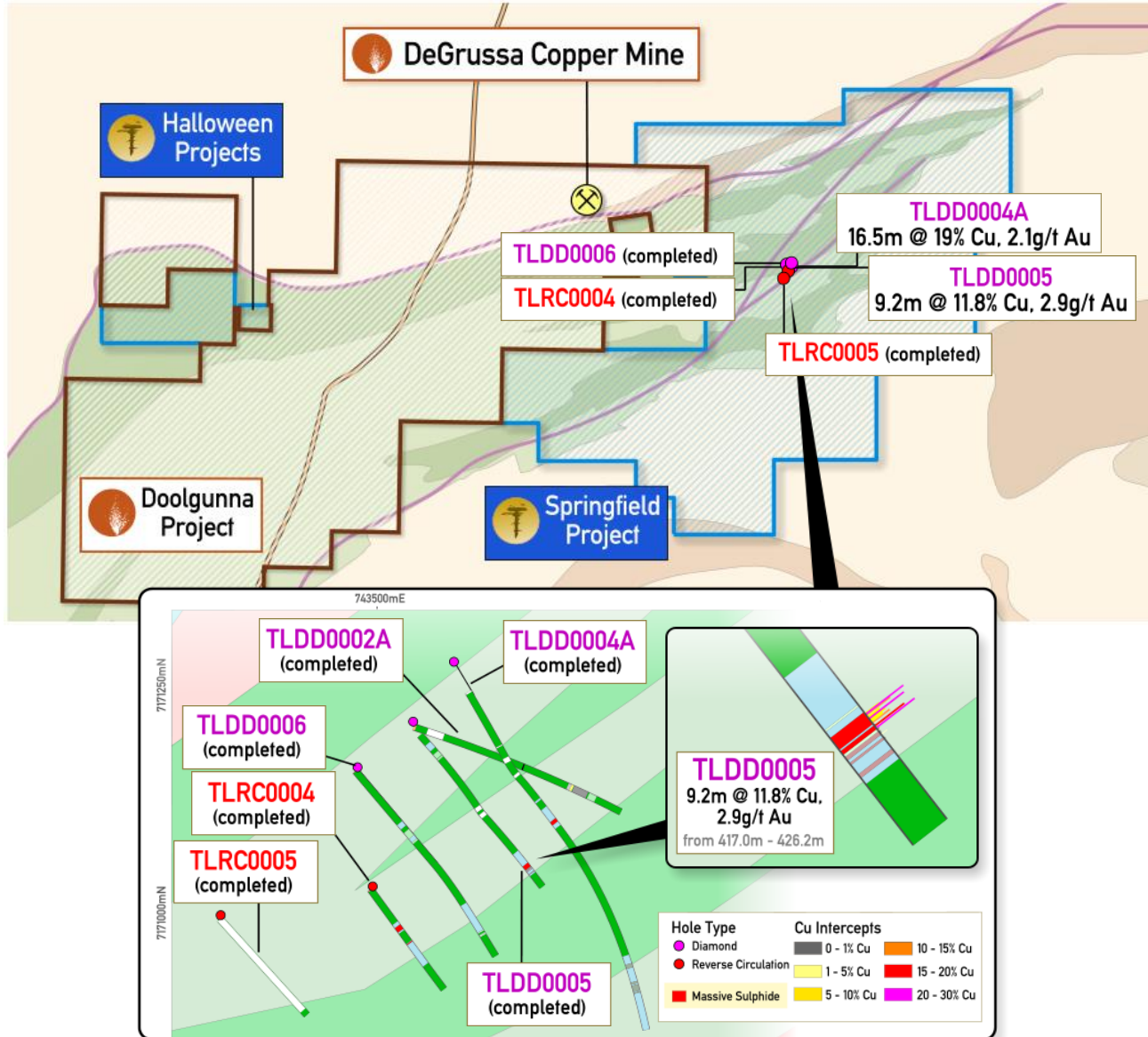
Exploration Summary

Discovery breakthrough within Talisman JV area

- Discovery of significant zone of high-grade copper-gold mineralisation within the Talisman JV ground, ~10km east of DeGrussa, with results to date including:
 - **16.5 metres grading 18.9% Cu and 2.1g/t Au** from 409.5m down-hole (not true width, from 365m below surface vertical depth) – TLDD0004A
 - **9.2 metres grading 11.8% Cu and 2.9g/t Au** from 417m down-hole (not true width, from 370m below surface vertical depth) – TLDD0005
 - **18 metres of massive sulphides** from 108m down-hole (not true width) – TLRC0004 (assays pending)
- Resource definition drilling at C5 deposit targeting the conversion of inferred resource to indicated
- Major 2D seismic survey completed – designed as proof-of-concept testing for utilising this technique as a direct detection tool for VMS deposits, results expected in September 2015 Quarter



New discovery on Talisman JV ground



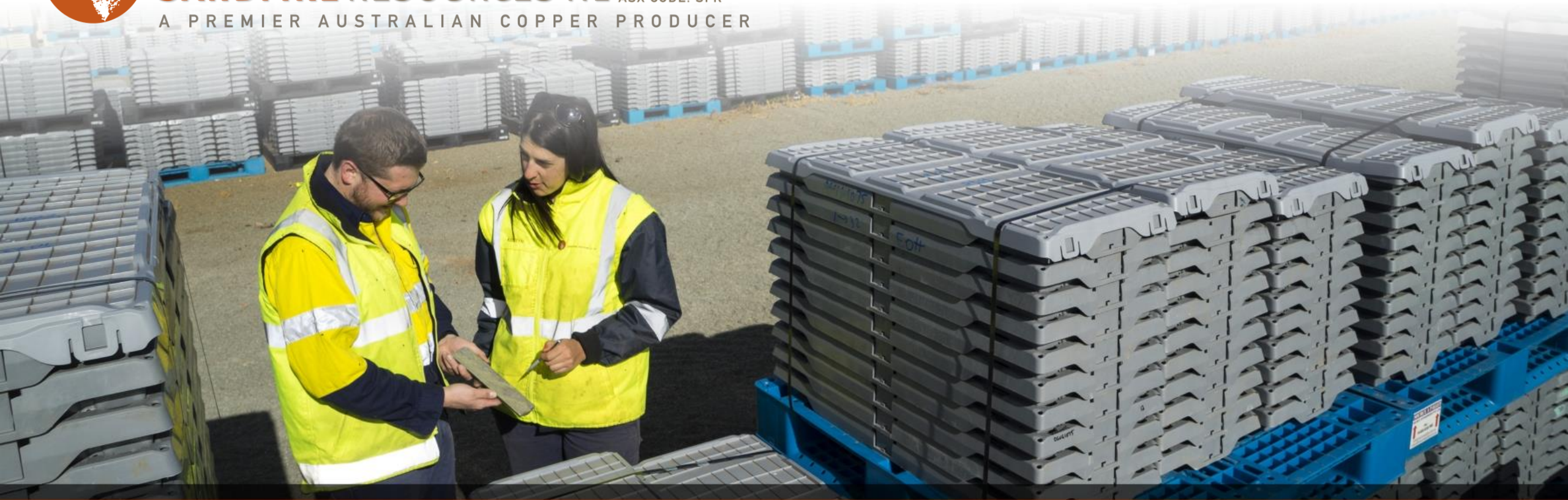
Summary & Outlook

Outstanding quarter and year, strong outlook, robust balance sheet and growth through exploration

- FY2015 production and cost performance:
 - 67,154t copper, 37,386oz gold production at C1 cost of US\$1.09/lb
 - Plant optimisation projects have delivered strong results in recovery and efficiency
- Operating cash flow:
 - Ongoing commitment to exploration, growth and shareholder returns
 - Finance facility balance reduced to \$120M - including \$85M revolver and \$35M amortising facility
- Consistent outlook for FY2016:
 - FY2016 guidance: 65-68kt Cu, 35-40koz gold at C1 US\$0.95-1.05/lb
- Outstanding exploration results from Talisman JV ground: a significant new high-grade copper-gold discovery ~10km from DeGrussa
- Emerging Bryah Basin VMS district – aggregate contiguous exploration area 1,700km²



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