



**SANDFIRE RESOURCES NL**

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR



# DELIVERING ON OUR POTENTIAL

## Diggers and Dealers – August 2015

Karl Simich, Managing Director and CEO



**GROWTH**  
& success



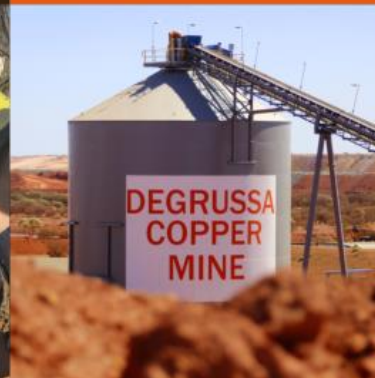
**PRODUCTION**  
consistent & profitable



**EXPLORATION**  
delivering new discoveries



**RETURNS**  
for shareholders



# Important Information and Disclaimer

## Forward-Looking Statements and Competent Person's Statement

### Forward-Looking Statements

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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.



# Six Years Ago...

## “Doolgunna:

More spectacular hits,  
massive sulphides  
intersected in three new  
diamond drill holes further  
extending the area of known  
mineralisation”

Sandfire ASX Announcement,  
2 August 2009



## The DeGrussa copper-gold discovery

- Initial diamond drilling underway
- More than 70m of massive sulphides intersected in first diamond hole
- The start of a major resource drill-out
- One of the most significant greenfields discoveries in Australia in over a decade

# June 2015 – a major breakthrough

Massive sulphides with visible chalcopyrite, similar to the massive sulphides seen at DeGrussa ~10km east of the DeGrussa Copper Mine



## Doolgunna Project – Exploration Update

“Sandfire Resources is pleased to advise that diamond drilling at the Springfield Project, part of its joint venture with Talisman Mining, has intersected a zone of massive sulphides approximately 10km east of its 100%-owned DeGrussa Copper Mine.”

ASX Release, 17 June 2015

# A Strong Platform for Value Creation and Growth

- **Leading ASX-200** copper-gold producer
- New chapter of **discovery success and growth** at DeGrussa
- **Recent exciting VMS discovery** re-rates district exploration potential
- Value underpinned by **consistent, low-cost copper production**
- **Strong balance sheet** to fund growth and shareholder returns
- **Organic growth focus** through committed exploration
- **Emerging** international growth pipeline





# Company Snapshot

## Sandfire Resources NL (ASX: SFR)



### Share Price

#### 52-Week

Low A\$3.74

High A\$6.80

**Market Cap ~A\$1 billion**

**Shares on issue – 156.9m**

### FINANCIAL OVERVIEW:

	FY 2013	FY 2014	1H FY 2015
Operating Cashflow*	\$272.4M	\$249.5M	\$112.8M
Net Profit After Tax	\$88.0M	\$78.2M	\$30.6M
Earnings Per Share	57.48c	50.22c	19.62c
Cash	\$77M	\$58M	\$46M
Debt:	\$285M	\$160M	\$130M
Dividends	N/A	10c (final, unfranked)	3c (interim, unfranked)

\*Prior to exploration expenditure

### Dividends – Past 12 Months

Dividends paid

A\$0.13

Last dividend pay date

26 March 2015

**Debt (30/06/15)**

**A\$120m**

**Cash (30/06/15)**

**A\$107m**

# A Powerful Platform for Growth



Discovery success and world-class exploration potential at Doolgunna



International growth pipeline



Exploring world-class provinces on Australia's East Coast

Sustainability



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# DeGrussa – the Cornerstone Asset

## DeGrussa Project – Key Facts

<b>Production</b>	+200,000t of copper, +100,000oz of gold to date
<b>Revenues</b>	+\$1.5 billion to date
<b>Mining</b>	+1.5Mtpa via long-hole open stoping 28.8km of underground development completed to date
<b>Underground Mine Plan</b>	9.6Mt @ 4.4% Cu and 1.6g/t Au for 424,000t Cu, 484,000oz gold (December 2014)
<b>Underground Mining</b>	Byrnecut Australia Pty Ltd
<b>Mine Life</b>	Mid-2021
<b>Processing</b>	1.5Mtpa concentrator (nameplate)
<b>Product</b>	~270Ktpa high quality concentrate grading 24-25% Cu, 4-4.5g/t Au

DeGrussa  
Copper-Gold Mine





# Strong and Consistent Low-Cost Gold and Copper Production

Track record of achieving guidance with excellent safety performance

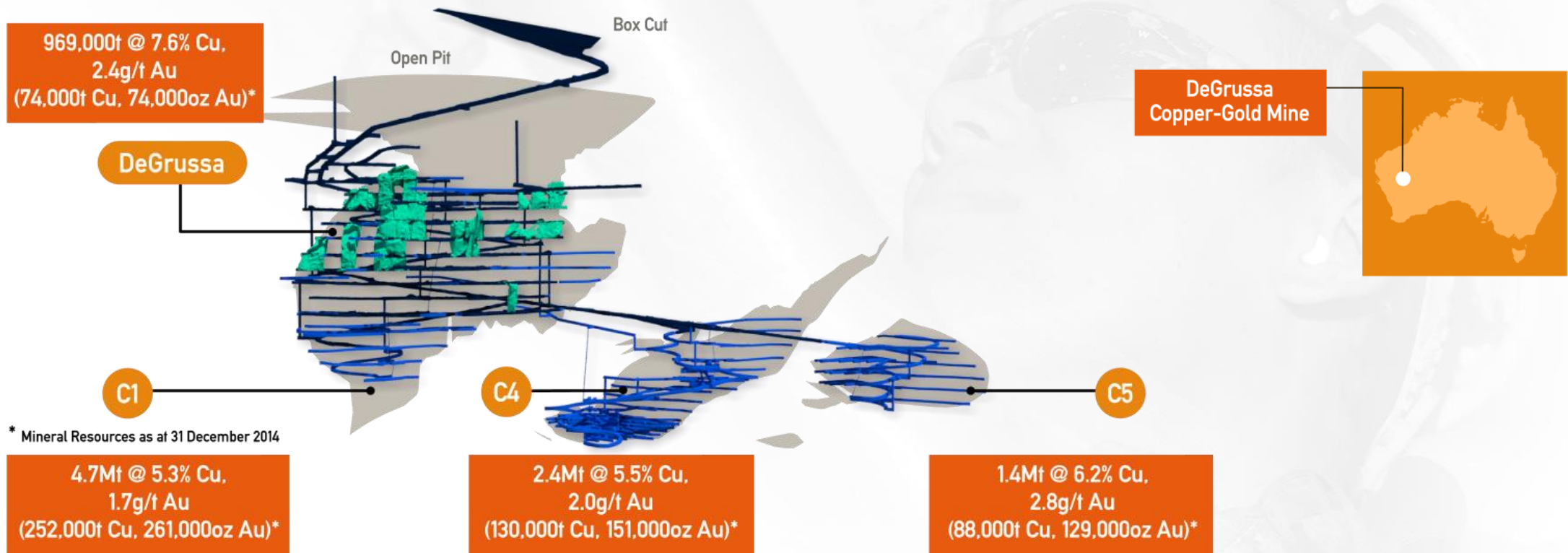
## FINANCIAL OVERVIEW:

		FY 2013	FY 2014	FY 2015	FY 2016 (guidance)
Production	Copper (Cu)	64,017t	67,690t	67,154t	65-68kt
	Gold (Au)	42,679oz	33,893oz	37,386oz	35-40koz
C1 Cash Operating Costs (US\$/lb)		1.24	1.18	1.09	0.95-1.05

DeGrussa  
Copper-Gold Mine



# Robust Underground Mine Performance



- Mining rate lifted to 1.6Mtpa
- Current production from DeGrussa and C1 deposits
- C4/5 Decline development well advanced: first production from C4 in FY2016 and from C5 in FY2017

- C4 level development commenced with first development ore intersected and first stope ore in December Quarter
- ~29km of underground development completed to date
- Underground mine development reducing: ~8000m (FY 2016), ~5000m (FY 2017) to <1000m a year (FY 2018 onwards)



# Process Plant Upgrades Delivering Strong Results

- Excellent results from recently completed plant enhancements:
  - Copper recoveries increased by ~2% as a result of flotation improvements and installation of column cell
  - Milling throughput increased by 11% following Primary Screen and Pebble Crusher improvements
- Copper recovery guidance increased to 92% for FY2016; gold recovery 45%
- Further options being explored to increase copper recoveries

DeGrussa  
Copper-Gold Mine





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International growth pipeline



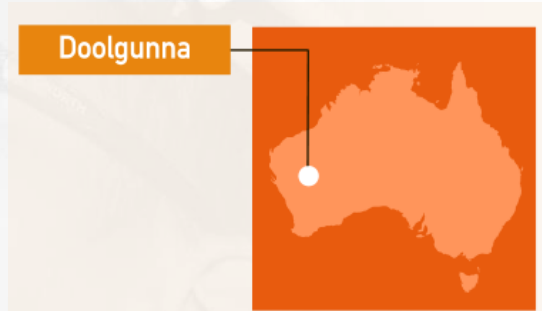
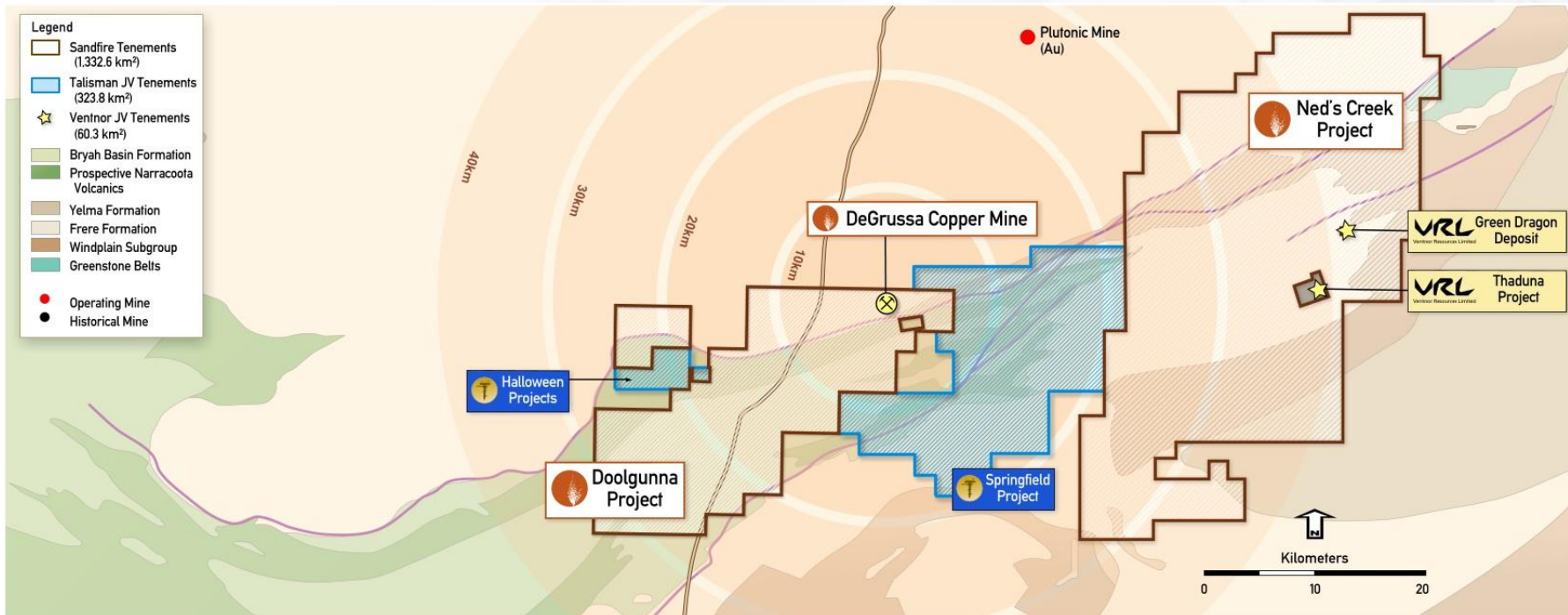
Exploring world-class provinces on Australia's East Coast

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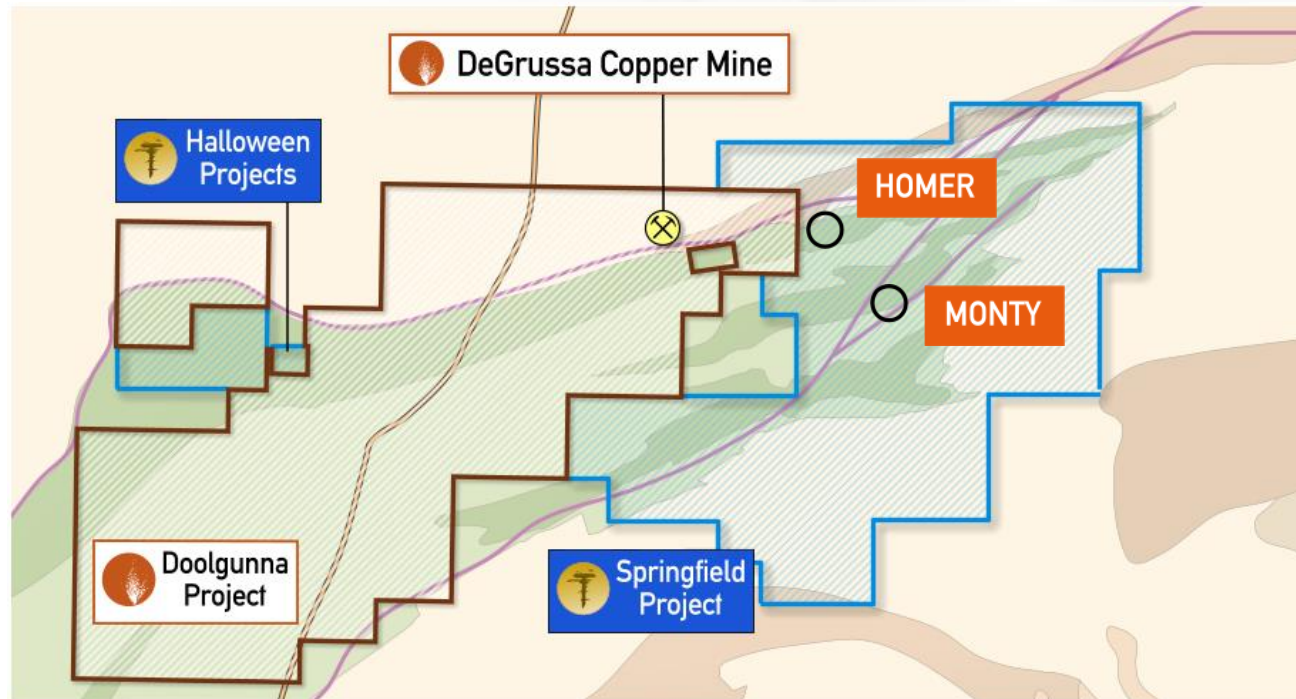
# Doolgunna – world-class exploration upside



- Dominant 1,700km<sup>2</sup> ground position in WA's premier emerging copper belt
- Only operating processing facility in the District
- Outstanding potential: 65km strike length of prospective VMS horizons
- Significant new high-grade discovery within Springfield Project (Talisman Farm-In) upgrades district-wide VMS potential – multiple emerging target areas



# Springfield Project – Talisman Joint Venture

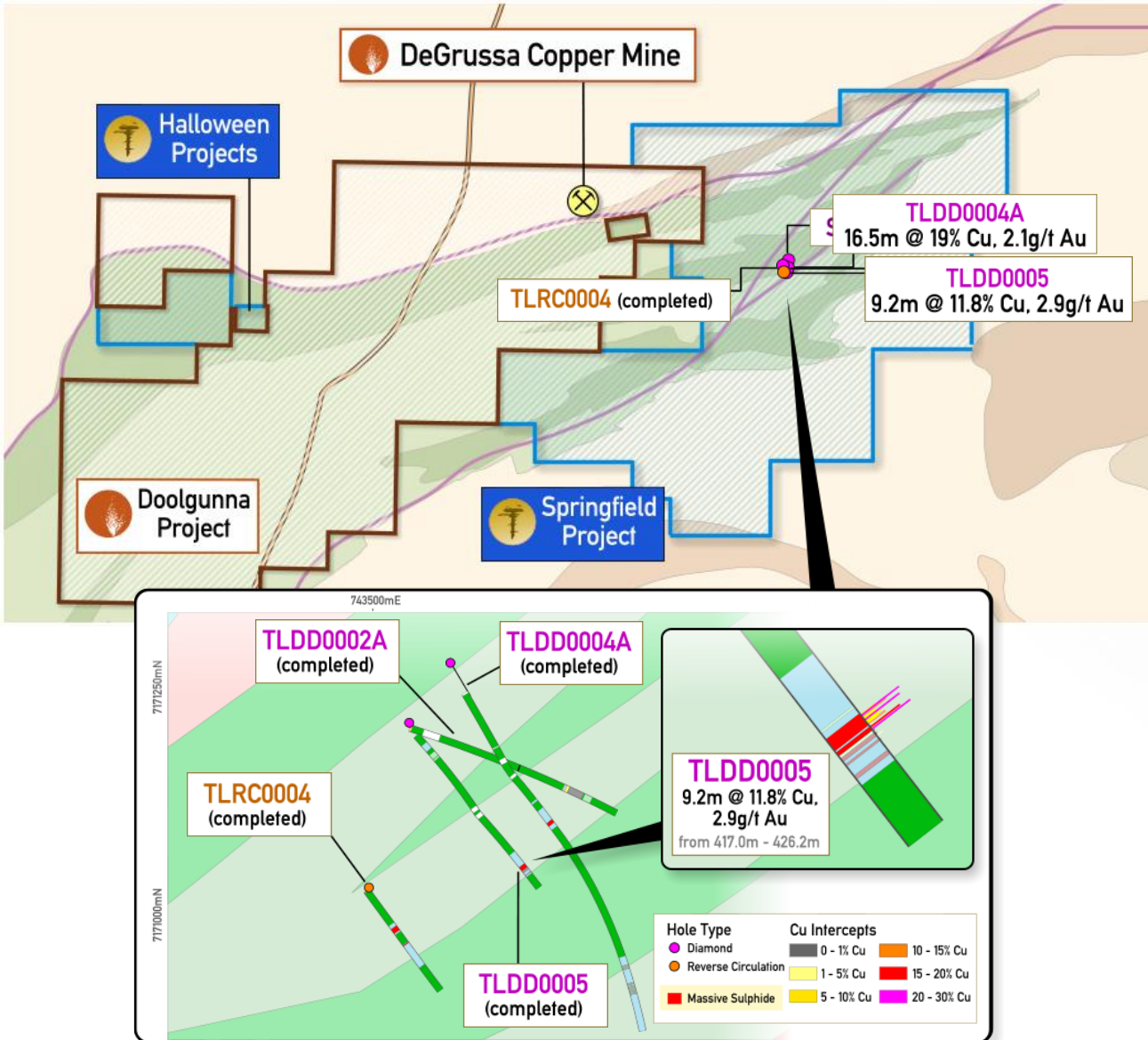


- Sandfire earning 70% interest via \$15M farm-in with Talisman Mining (ASX: TLM): \$5M spent to date
- Two emerging areas of exploration focus
- **Monty** – 10km east of DeGrussa
  - Significant new high-grade discovery – first discovery outside of DeGrussa
  - Growing footprint of sulphide mineralisation
  - Opens up highly prospective +5km long parallel VMS trend
  - Drilling continuing
- **Homer** – 4km east of DeGrussa:
  - Thick package of exhalative VMS sequence identified within DeGrussa Mine Corridor
  - Similarities to host sequence seen at DeGrussa
  - Follow-up drilling planned



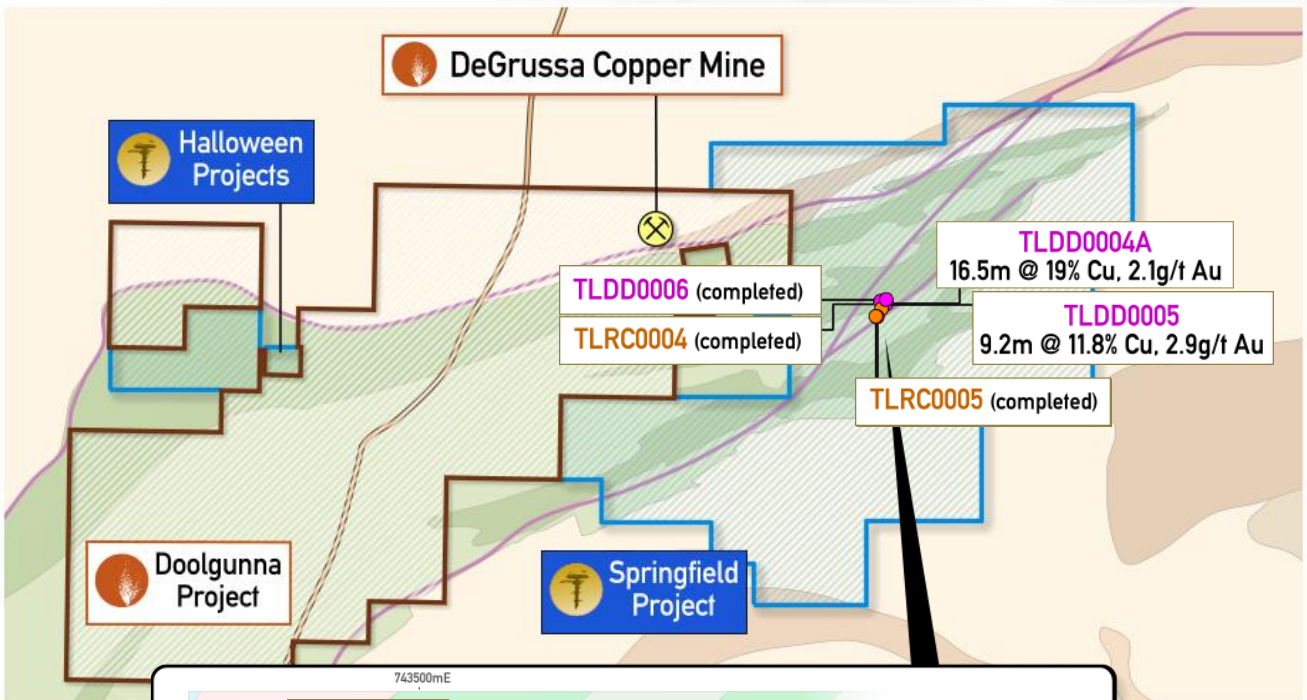


# Monty – new high-grade VMS copper-gold discovery

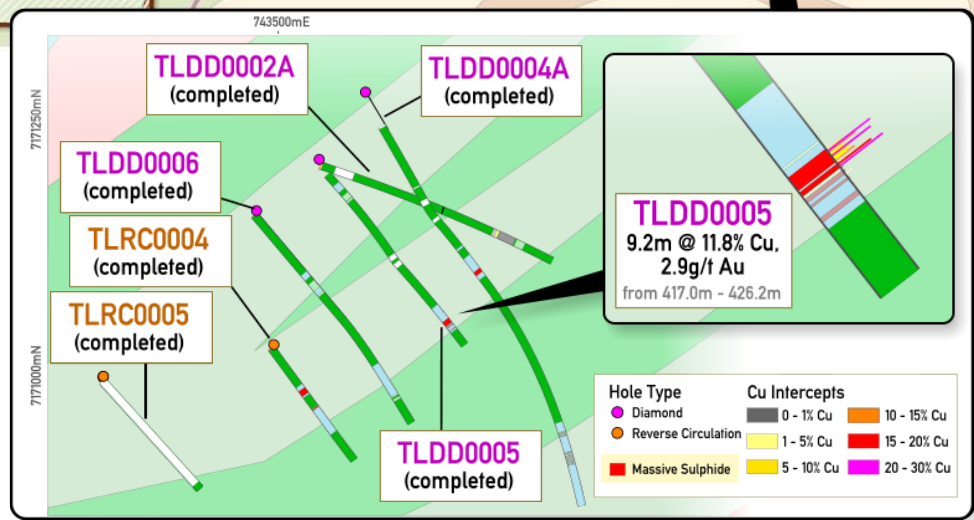


- New area identified by diligent, focused exploration including reworking and analysing data from historical Talisman drilling
- Subtle off-hole EM conductor identified at historical Talisman hole SPD021
- Follow-up hole TLDD0002A failed to explain the conductor
- Hole TLDD0004A intersected the target on 17 June 2015:
  - Exceptional discovery intersection of 16.5m @ 18.9% Cu, 2.1g/t Au from 409.5m
- Step-out hole TLDD0005 also intersected massive sulphides:
  - Intersection of 9.2m @ 11.8% Cu, 2.9g/t Au from 417m down-hole
- RC pre-collar step-out TLRC0004 intersected 18 metres of massive sulphides (assays pending) from 108m down-hole while testing stratigraphy

# Monty – next steps

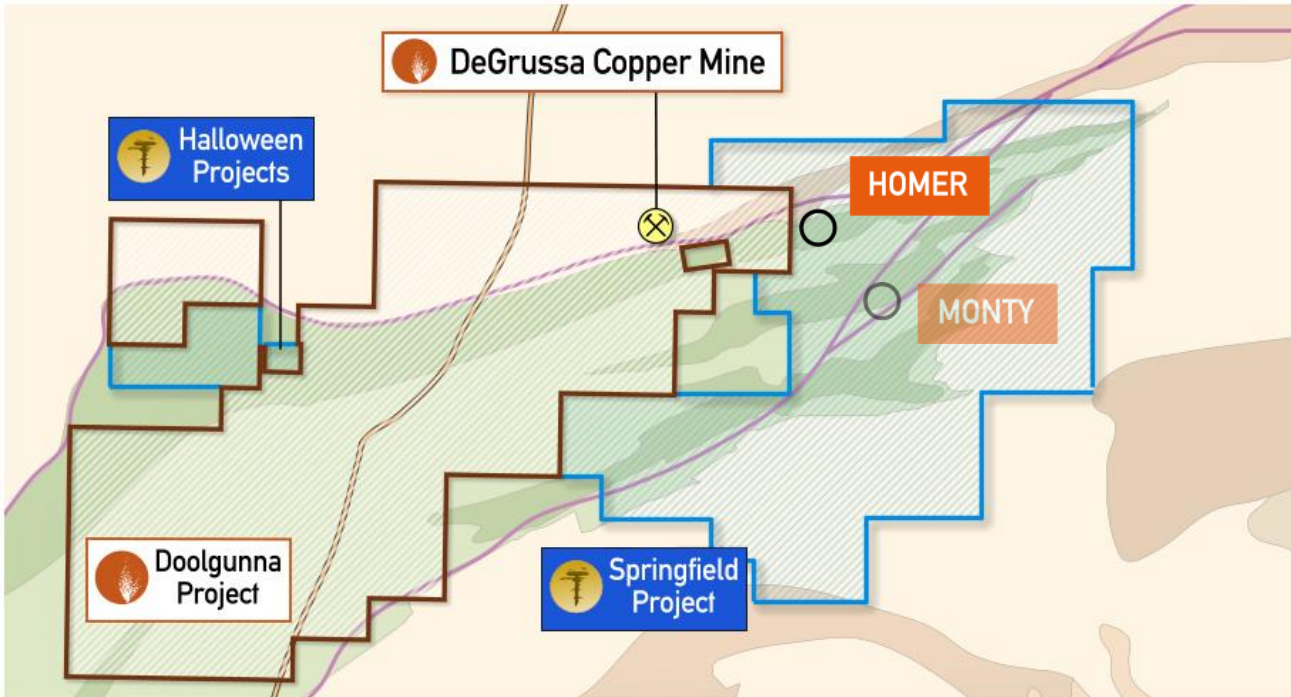


- Further diamond drilling up-dip and down-dip
- Ongoing DHEM surveys
- Diamond and RC drilling along strike to test the entire 5km long prospective sequence
- Two rigs operating with potential for further drilling capacity to be added in coming weeks





# Homer – the next discovery opportunity?

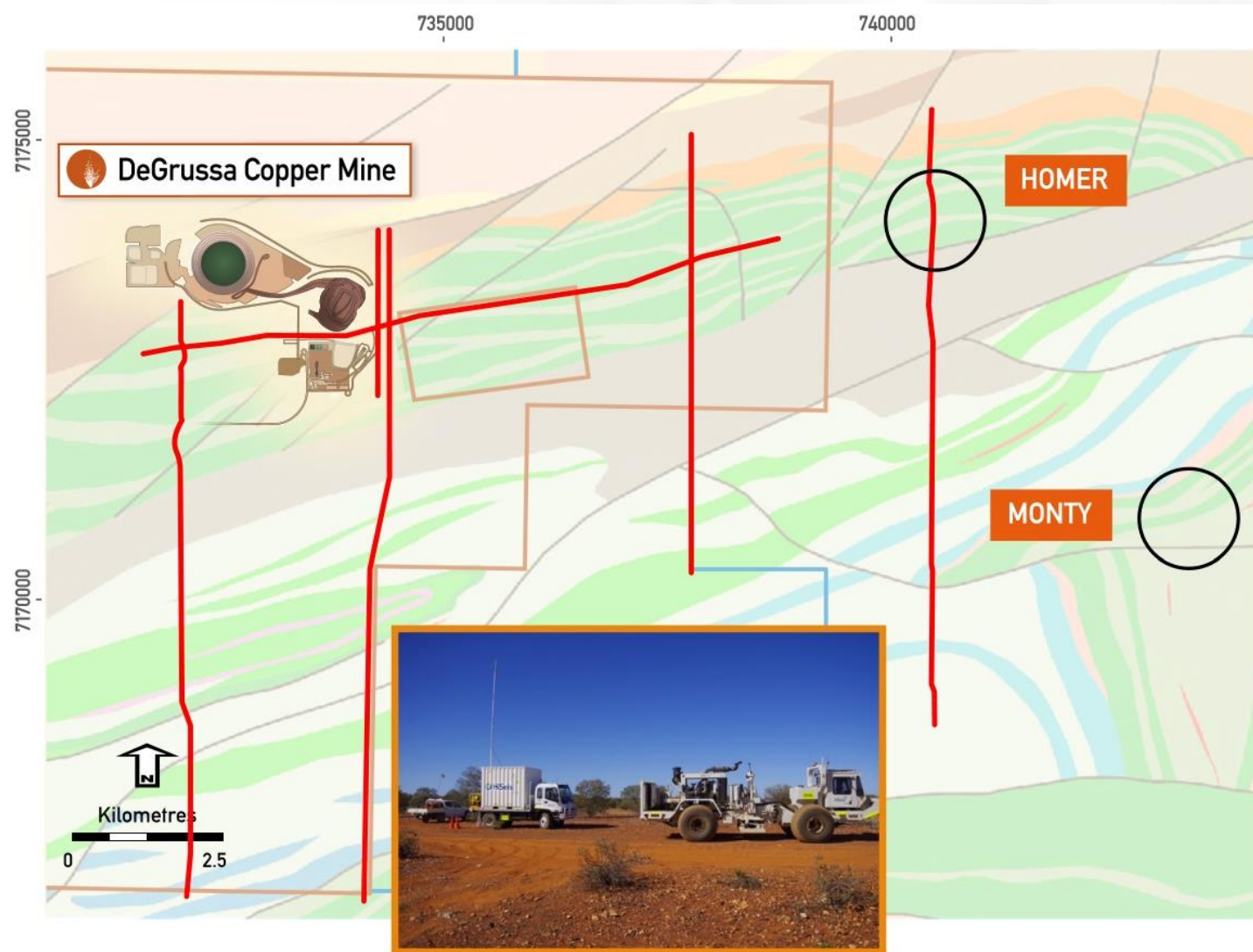


- Located 4km directly east of DeGrussa
- Hole TLDD0003 completed recently to test eastern strike extension of interpreted C5 host horizon
- Followed up encouraging results from TLDD0001 completed last year
- TLDD0003 intersected haematitic exhalite with jasper clasts – interpreted to be C5 host horizon
- High priority target within immediate eastern extension of DeGrussa Mine Corridor





# Other Opportunities – Seismic Surveys



- 34km HiSeis seismic data acquisition program commenced April 2015 over DeGrussa Mine Corridor
- Key objective is to investigate if seismic surveying is suitable for direct detection of massive sulphides
- A unique approach of testing target specific receiver arrays and line design
- Seismic has proven to be a useful exploration tool in other global VMS camps
- Processing and interpretation of results underway

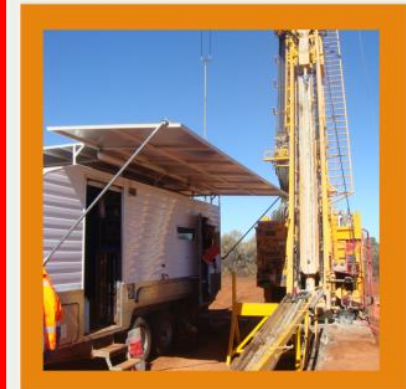
# A Powerful Platform for Growth



Discovery success and world-class exploration potential at Doolgunna



International growth pipeline



Exploring world-class provinces on Australia's East Coast

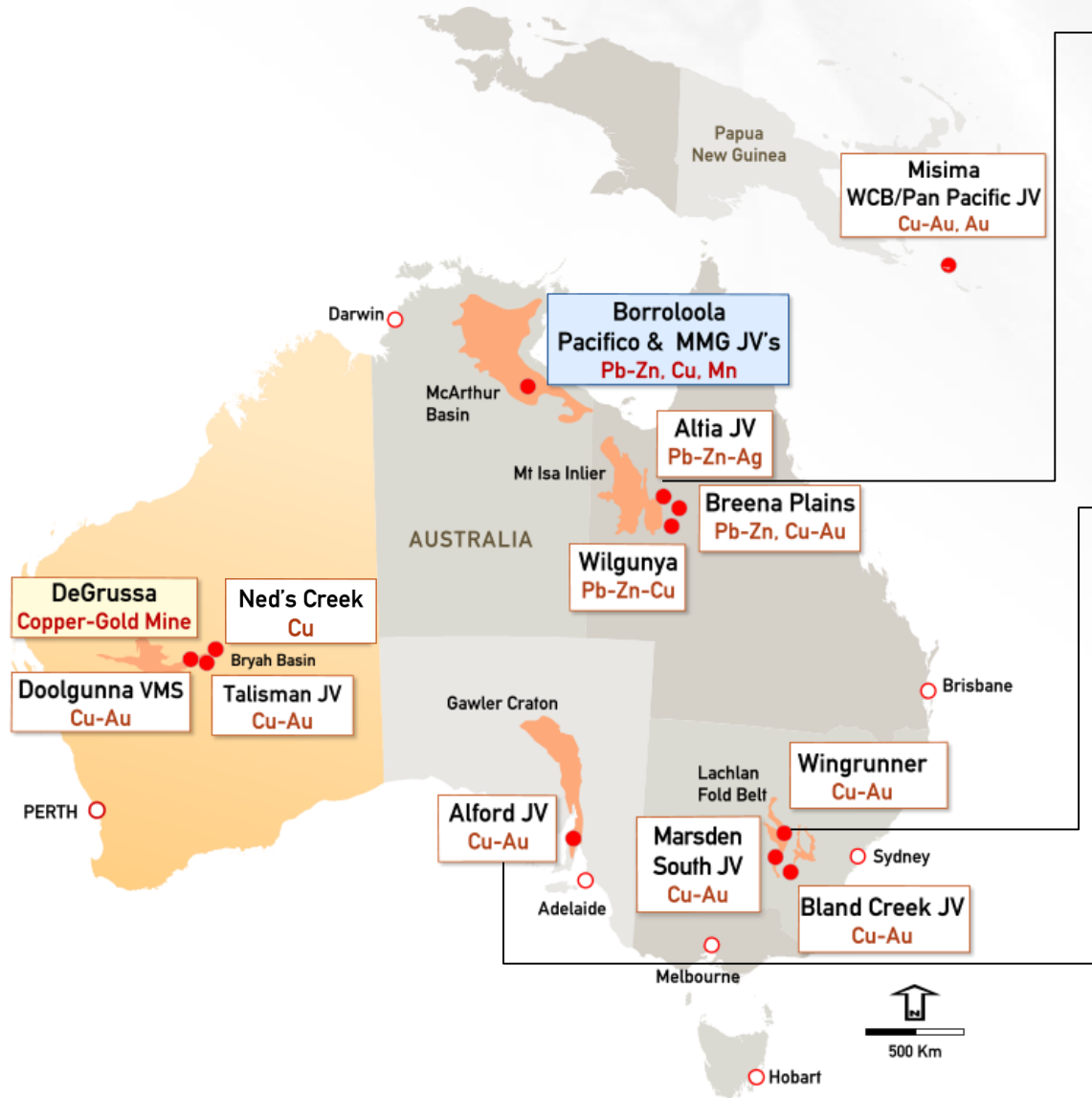
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# Australian Regional Exploration Projects

Targeting world-class discoveries in Australia's premier exploration provinces



## EXPLORATION:

### Queensland Base Metals

- 2,300km<sup>2</sup> in Mt Isa-Cloncurry province
- 100km strike length with outstanding potential for Broken Hill/Cannington-style and IOCG mineralisation
- Drilling up to 6 targets at Breena Plains, Altia and Black Rock Q2 2015

## EXPLORATION:

### NSW Base Metals

- 2,100km<sup>2</sup> in Lachlan Fold Belt
- Outstanding potential for porphyry mineralisation
- Drilling up to 6 targets at Wingrunner, Marsden South, Bland Creek in Q4 2015
- Planning ~2,000m DD 4,000m of RC, 4,500m AC
- Ground magnetics and IP.

## EXPLORATION:

### South Australian IOCG Project

- 700km<sup>2</sup> in Gawler Craton
- Potential for IOCG copper-gold discoveries



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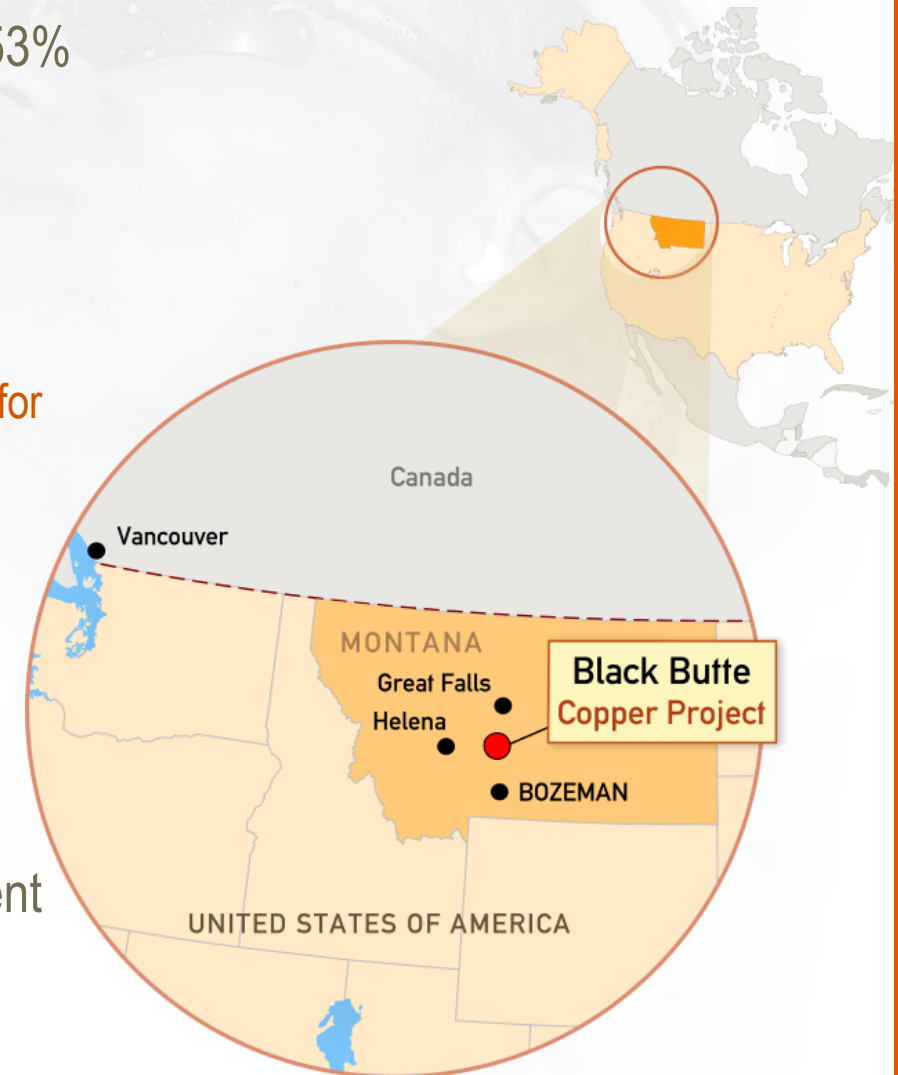
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# Investment in Tintina Resources / Black Butte Copper Project

- 36% stake in Tintina Resources (TSX-V: TAU) with clear pathway to 53% and control
- Developing the Black Butte Copper Project, central Montana, USA
- Advanced, high quality copper project in stable jurisdiction:
  - NI 43-101 Measured and Indicated Resources of 15.7Mt grading 3.4% Cu for 533,600t of contained copper
  - NI 43-101 Inferred Resources of 2.3Mt grading 2.8% Cu for 63,500t of contained copper
- Outstanding near-mine and district-wide exploration potential
- Development studies underway
- Application for Mine Operating Permit (MOP) with Montana Department of Environmental Quality (DEQ) to be filed in Q4 2015



# A Powerful Platform for Growth



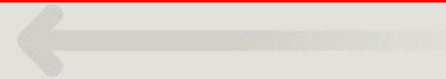
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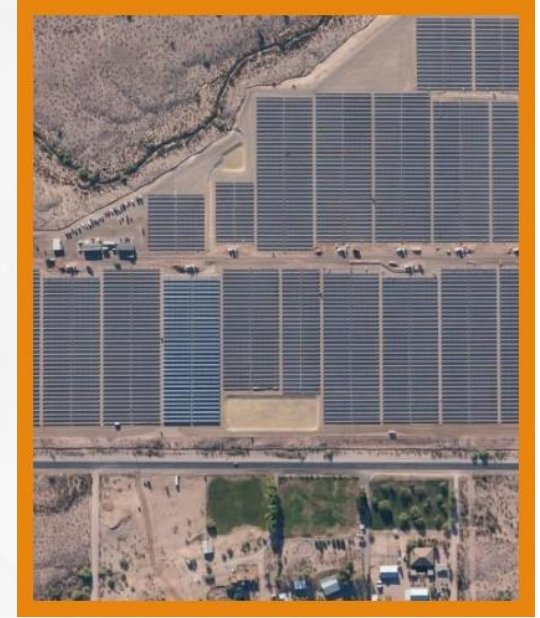
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# Sustainability – DeGrussa Solar Power Project

First-mover renewable energy project with potential to reduce costs and CO<sub>2</sub> emissions

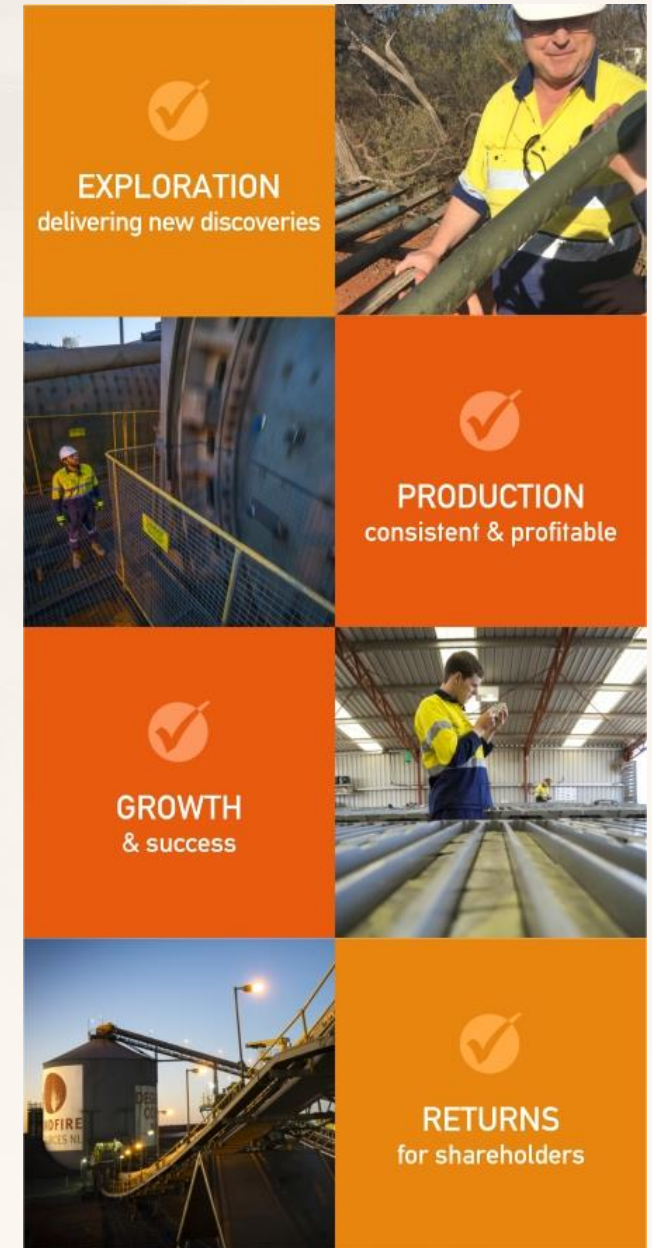
- 10.6MW solar power station being constructed at DeGrussa
- To be fully integrated with existing 19MW diesel-fired power station
- \$40M project being financed, developed and operated by international consortium
- Establishes DeGrussa as potential world-leading reference site for use of renewables
- Expected to be one of the largest integrated off-grid solar power systems in the global mining industry
- Expected reduction in CO<sub>2</sub> emissions by 12,000 tonnes per year
- Completion targeted by early 2016



# Summary

- **Consistent** production
- **Robust** operating cash flows and balance sheet
- **Commitment** to safety, operational efficiency and optimisation
- **Unlocking** outstanding exploration potential at Doolgunna
- Strong **organic growth** and business development

**A clear focus on value creation**







**SANDFIRE RESOURCES NL**

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR

## **CONTACT DETAILS:**

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# Mineral Resource, Ore Reserve and Mine Plan

Maiden C4 Ore Reserve and Mineral Resource additions extend mine life to mid-2021

- Previously announced increases to high-grade Underground Mineral Resource incorporated into DeGrussa Mine Plan, extending mine life to mid-2021
- Maiden Ore Reserve reported for C4 deposit – 2Mt grading 4.5% Cu and 1.5g/t Au
- DeGrussa Ore Reserve updated based on mining depletion to 31 December 2014 to 10.6Mt grading 3.5% Cu and 1.3g/t Au for 376,000t of contained copper and 456,000oz of contained gold

Table 1 – December 2014 Comparison of the Underground Mine Plan, Mineral Resource and Ore Reserve

DeGrussa Underground Mine	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Mine Plan	9.6	4.4	1.6	424,000	484,000
Mineral Resource	9.5	5.7	2.0	546,000	616,000
Ore Reserve	7.8	4.4	1.5	343,000	368,000

DeGrussa Underground Mine by orebody	Tonnes (Mt)	DG (Mt)	C1 (Mt)	C4 (Mt)	C5 (Mt)
Mine Plan	9.6	1.1	4.7	2.2	1.5
Mineral Resource	9.5	1.0	4.7	2.4	1.4
Ore Reserve	7.8	1.1	4.6	2.0	-

Table 2 – December 2014 Ore Reserve

DeGrussa Mine Ore Reserve, net of depletion	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Underground Mine	7.8	4.4	1.5	343,000	368,000
Stockpiles (Total)	2.9	1.2	1.0	35,000	89,000
December 2014 – Total	10.6	3.5	1.3	376,000	456,000



## Drill-hole Information Summary, Springfield Project

Hole ID	Depth	Dip	Azimuth	Grid_ID	East	North	RL	Lease ID	Hole Status
SPD021	553	-60°	180°	MGA94_50	743598	7171437	598	E52/2282	Complete
TLDD0001	1099	-62°	357°	MGA94_50	740146	7174149	589	E52/2313	Complete
TLDD0002A	463	-61°	110°	MGA94_50	743544	7171211	602	E52/2282	Complete
TLDD0003	658	-62°	355°	MGA94_50	740596	7174550	589	E52/2313	Complete
TLDD0004A	817	-60°	148°	MGA94_50	743588	7171281	601	E52/2282	Complete
TLDD0005	478	-62°	139°	MGA94_50	743544	7171211	602	E52/2282	Complete
TLDD0006	554	-62°	138°	MGA94_50	743479	7171160	602	E52/2282	Complete
TLRC0004	306	-62°	143°	MGA94_50	743497	7171025	605	E52/2282	Complete
TLRC0005	306	-62°	138°	MGA94_50	743321	7170993	602	E52/2282	Complete
TLDD0007	<i>Ongoing</i>	-62°	138°	MGA94_50	743505	7171271	602	E52/2282	In Progress