



SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR



Resource drill-out, Monty copper-gold discovery

December 2015 Quarterly Report Presentation and Webcast – 28 January 2016

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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.

Agenda

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



December 2015 Quarterly Highlights



Production ahead of guidance; Monty VMS discovery on track for maiden resource; debt reduced further

Production and Operations

- 17,642t copper and 9,420oz gold produced; C1 US\$1.02/lb
- Mining and milling rates continue above nameplate at 1.6Mtpa
- FY2016 production guidance maintained: 65-68kt of copper and 35-40koz of gold; C1 ~US\$0.95-1.05/lb



December 2015 Quarterly Highlights



Production ahead of guidance; Monty VMS discovery on track for maiden resource; debt reduced further

Exploration

- Resource drilling in progress at Monty VMS discovery: maiden Mineral Resource on track for March Quarter
- High-grade bornite zone intersected at Monty with significant intercepts to date including:
 - 21.6m @ 34.4% Cu and 0.4g/t Au from 339.4m down-hole (TLDD0026); and
 - 25.8m @ 24.1% Cu and 0.5g/t Au from 299.0m down-hole (TLDD0061)
- Further high-grade results from ongoing drilling of the Lower Zone at Monty with assays including:
 - 20.8m @ 14.9% Cu and 1.3g/t Au from 372.7m down-hole (TLDD0042);
 - 11.3m @ 6.7% Cu and 2.9g/t Au from 392.2m down-hole (TLDD0043); and
 - 13.9m @ 7.2% Cu and 2.3g/t Au from 332.7m down-hole (TLDD0046)
- Exploration underway to test host horizons within 5km long prospective Monty VMS horizon
- Diamond drill hole completed at Homer prospect, ~4km east of DeGrussa
- Springfield Joint Venture commenced with Talisman Mining (ASX: TLM) after \$15M farm-in threshold reached to earn 70% interest
- Australian East Coast exploration portfolio further expanded with acquisition of Temora and Currumburrama projects in Lachlan Fold Belt, NSW

December 2015 Quarterly Highlights



Production ahead of guidance; Monty VMS discovery on track for maiden resource; debt reduced further

Corporate and Financial

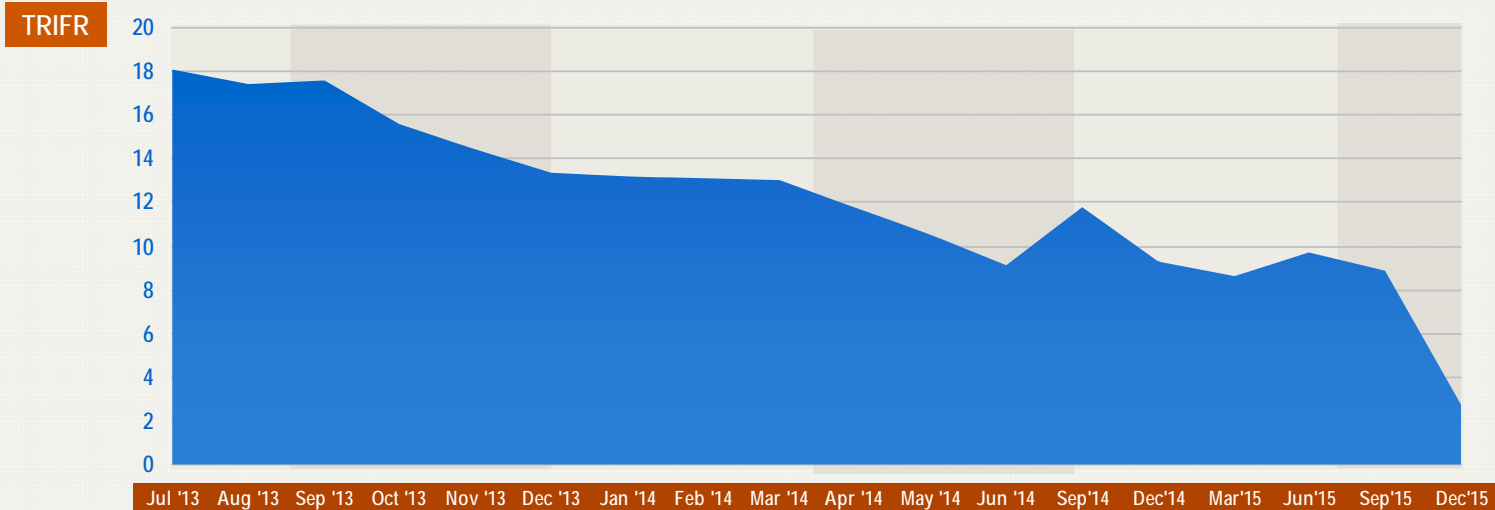
- DeGrussa Finance Facility balance further reduced to \$75M (\$50M Revolver Facility and \$25M Amortising Facility)
- Cash and deposits of \$46M (excluding Springfield JV and Tintina Resources)
- Sandfire's stake in North American copper developer Tintina Resources increased from 36% to 57%



Safety

Continued sound safety performance

- Total Recordable Injury Frequency Rate (TRIFR) of 2.7 at Quarter-end (vs. 8.9 at September 2015 Quarter-end)
- Pleasing safety performance reflecting the work on initiatives to improve safety performance including development of safety systems, improved safety leadership, enhancement of safety culture and risk and assurance management

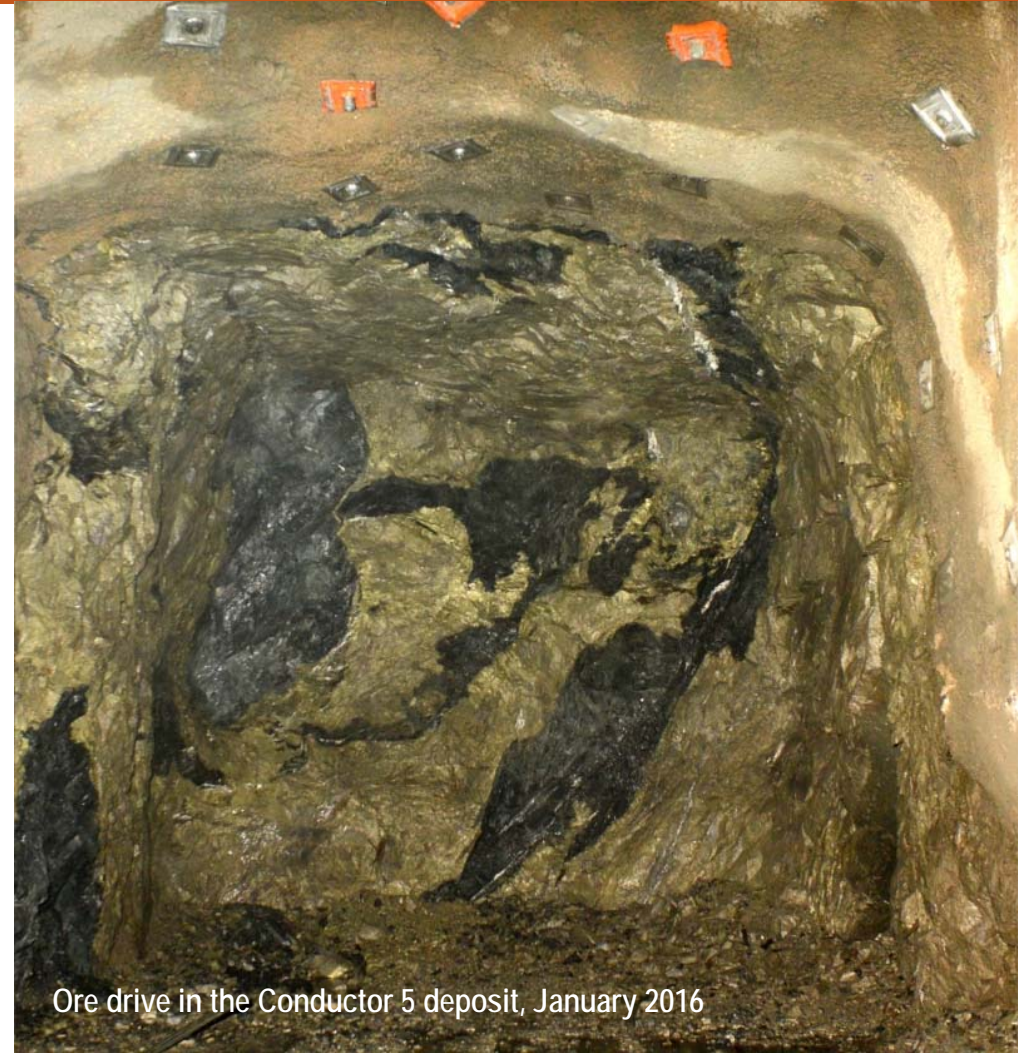


Mining Overview

Production rates on target

Underground production and mine development

- Total ore production for the Quarter of 399,940 tonnes grading 4.8% Cu
- Production rates ~1.6Mtpa
- Mine remains in balance between production and back-fill
- Conductor 4 and 5 Decline development proceeding on schedule, with all development advance occurring in good ground conditions
- First C4 stope successfully completed
- C5 ore development completed with first C5 stope brought forward to the June 2016 Quarter



Ore drive in the Conductor 5 deposit, January 2016

Processing



Processing rates on target

Mill throughput

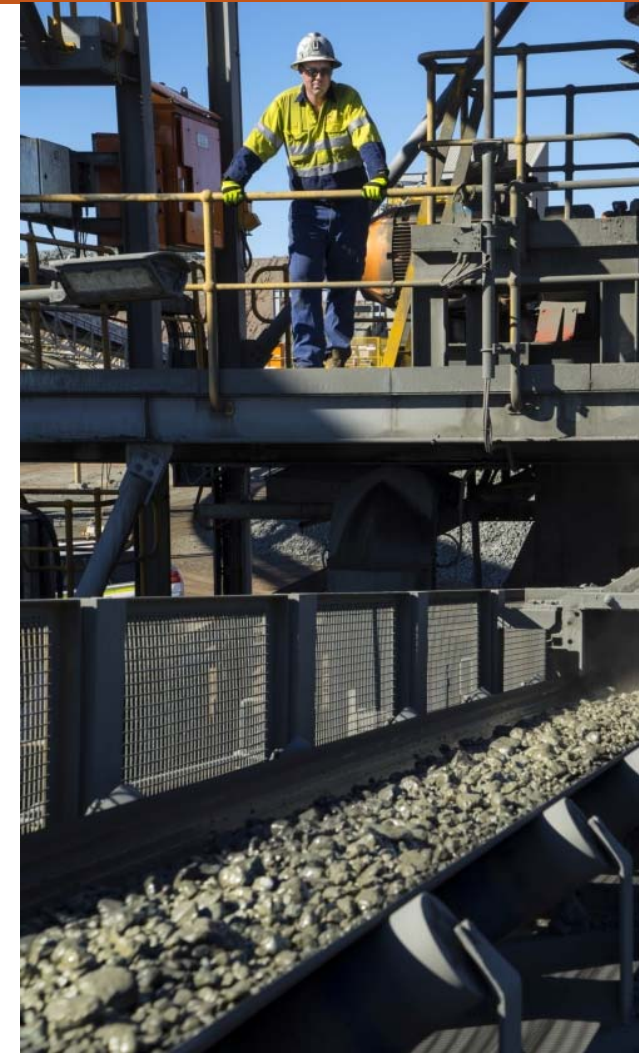
- 403,806 tonnes milled at average head feed grade of 4.8% Cu
- Milling rates continue to match enhanced capabilities of the milling circuit

Recovery

- Quarterly copper recovery of 91.2%; Gold recovery 43.0%
- Opportunities being considered to further lift recoveries

Concentrate & metal production

- 72,039 tonnes of concentrate produced
- 17,642 tonnes of contained copper produced; ahead of guidance



Sales



Copper & Gold Sales

- Quarterly sales of 15,143 tonnes of contained copper and 7,147 ounces of contained gold
- High quarter end concentrate holding (23,800t) due to early January 2016 shipment and sale



Unit Operating Costs



C1 and total production costs

Unit costs – DeGrussa Mine	Q2 FY2016 (US\$/lb)	Commentary
Mining (net of development)	0.35	Solid quarterly copper production
Processing	0.30	
Business services	0.14	Increased mining and milling capacity
Transport, treatment and refining	0.48	Operating cost containment measures continue to be implemented
C1 cost (pre-by product credit)	1.27	
By-product credit (gold and silver)	(0.25)	By-product credits reduced by lower gold production and market pricing
C1 cost	1.02	
Royalties	0.11	USD C1 assisted by AUD currency weakness (0.72 versus guidance set at 0.74)
Production cost	1.12	
Depreciation and amortisation	0.47	Mine development \$15.5M for the quarter (FY2016 mine development guidance \$70M)
Total production cost	1.59	

Exploration Overview

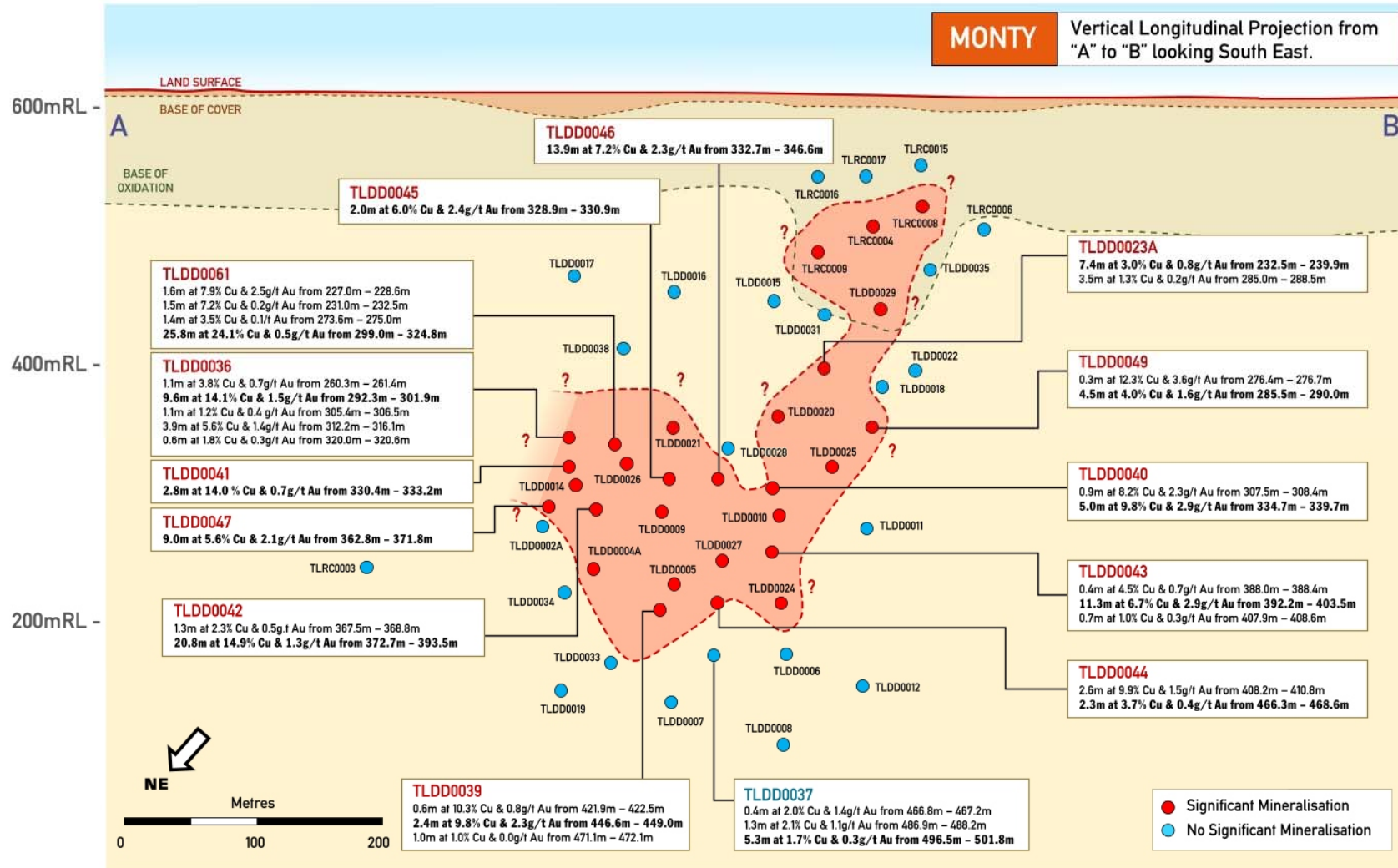


Drilling focused on emerging VMS discovery at Monty; testing of other priority targets underway

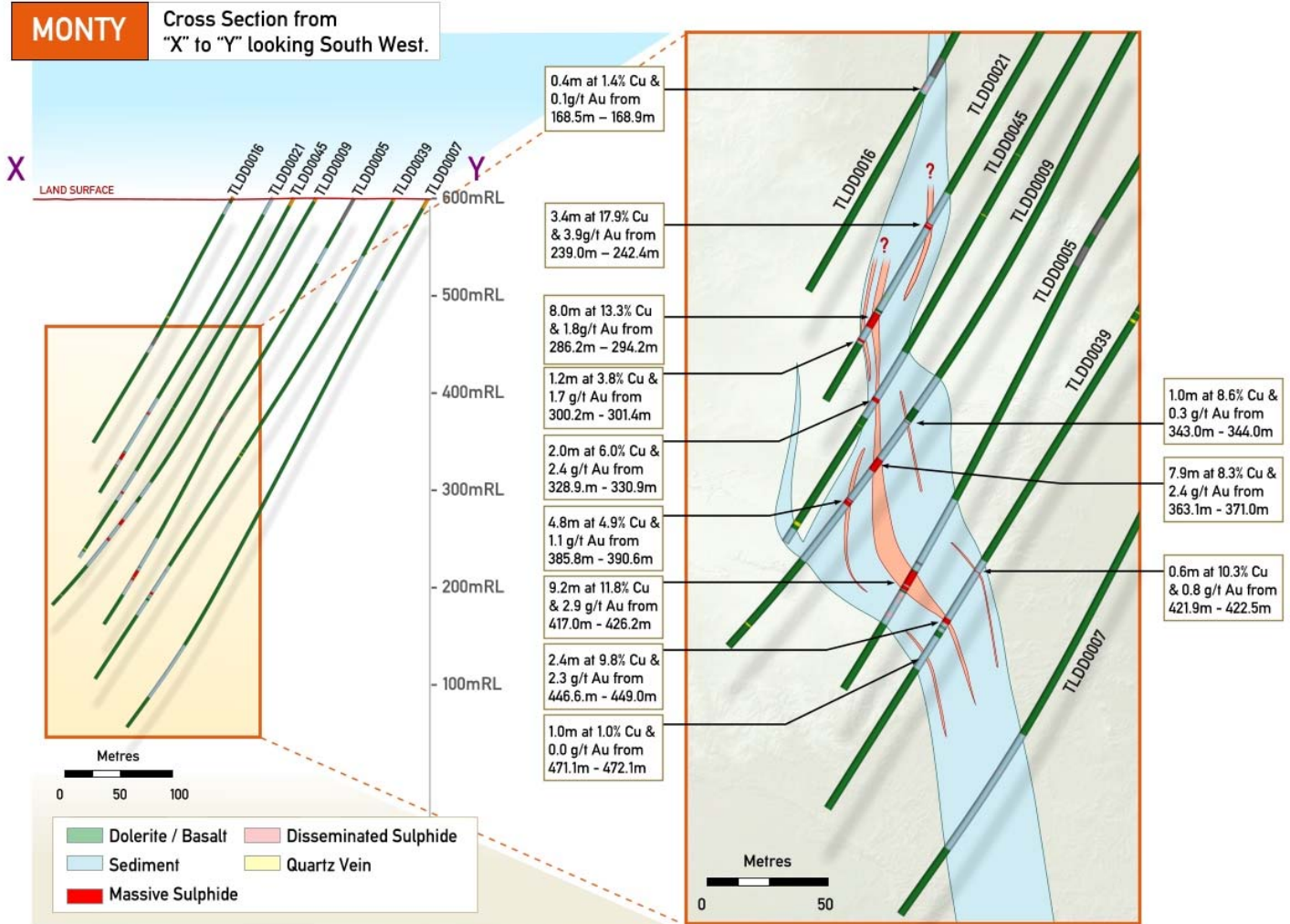
- Main focus of Doolgunna exploration is ongoing diamond/RC drilling at high-grade Monty discovery, ~10km east of DeGrussa on the Talisman farm-in
- Drilling continues to support interpretations of the Monty mineralisation (Upper and Lower Zone)
- Significant thick intersections of bornite-bearing massive sulphides intersected in Lower Zone – up to 36% Cu intersected in expanded bornite zone
- Resource drilling continuing with four diamond rigs – maiden Mineral Resource planned to be completed by end of March 2016 Quarter
- Exploration underway across 5km long Monty VMS corridor
- Drilling commenced at priority Homer exploration prospect, ~5km east of DeGrussa – DHEM planned to guide further drilling
- Underground resource definition drilling completed at C5 deposit to convert Inferred Resources to Indicated and Measured status



Monty – Vertical Longitudinal Projection



Monty – Cross Section Projection



Summary & Outlook



Strong quarter and outlook; robust balance sheet; growth through exploration and discovery success

- H1FY2016 production and cost performance:
 - 34,280t copper, 17,305oz gold production at C1 cost of US\$1.02/lb
- Outlook for remainder of FY2016:
 - FY2016 guidance: 65-68kt Cu, 35-40koz gold at C1 US\$0.95-1.05/lb
 - Strong first half result suggests copper production at upper end of guidance, gold and C1 unit costs at the lower end of guidance
- Outstanding exploration results continue from Talisman farm-in ground: significant new high-grade copper-gold discovery at Monty, ~10km from DeGrussa, with additional priority prospects being drilled
- Maiden Monty Mineral Resource expected during the March 2016 Quarter
- Active exploration underway along 5km long prospective VMS horizon around Monty
- Emerging Bryah Basin VMS district – aggregate contiguous exploration area of 1,600km²





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