



SANDFIRE
RESOURCES NL

A QUALITY COPPER-GOLD COMPANY
ASX Code: SFR

June 2016 Quarterly Report Presentation and Webcast

28 July 2016

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Monty resource drill hole TLGT0001 – high grade massive bornite

Forward-Looking Statements

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Competent Person's Statement – Ore Reserves and Mine Plan

The information in this report that relates to Ore Reserves and Mine Plan is based on information compiled by Mr. Neil Hastings who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Hastings 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 Hastings consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement – Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Ekow Taylor who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Taylor is a permanent employee of Sandfire Resources and has sufficient experience that is relevant to the style of mineralization 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 Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement – Exploration Results

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



Record annual copper production; Monty Feasibility Study and Mining Lease Application; Company net debt-free Production and Operations

- ▶ June 2016 Qtr: 17,827t copper and 11,227oz gold produced; C1 US\$0.85/lb
- ▶ FY2016: 68,202t copper and 37,612oz gold produced; C1 US\$0.95/lb
- ▶ FY2017 production guidance: 65-68kt of contained copper, 35-40koz of contained gold; C1 ~US\$0.95-1.05/lb

Development and Exploration

- ▶ Feasibility Study commenced on the Monty Copper-Gold Project (Springfield JV) following completion of maiden Mineral Resource estimate – 1.05Mt at 9.4% Cu, 1.6g/t Au for 99,000t of contained copper and 55,000oz of contained gold (99% Indicated)*
- ▶ 16.42km² Mining Lease Application lodged for Monty Project
- ▶ Maiden C5 Ore Reserve, updated DeGrussa Mine Plan, Ore Reserve and Mineral Resource Statement**

Exploration

- ▶ Multi-pronged exploration programs continuing at both Sandfire's Doolgunna Project and the Springfield Joint Venture; including systematic AC, RC and Diamond drilling, and geophysical surveys
- ▶ Springfield Joint Venture with Talisman Mining (ASX: TLM): \$4.0M cash calls for the June 2016 Quarter (Sandfire 70%, Talisman 30%) – \$12.9M cash calls JV to date

* See ASX Release – 13 April 2016

** As at 31 December 2015 – see ASX Release – 14 April 2016 SANDFIRE RESOURCES NL - A QUALITY COPPER-GOLD PRODUCER

Record annual copper production; Monty Feasibility Study and Mining Lease Application; Company net debt-free

Corporate and Financial

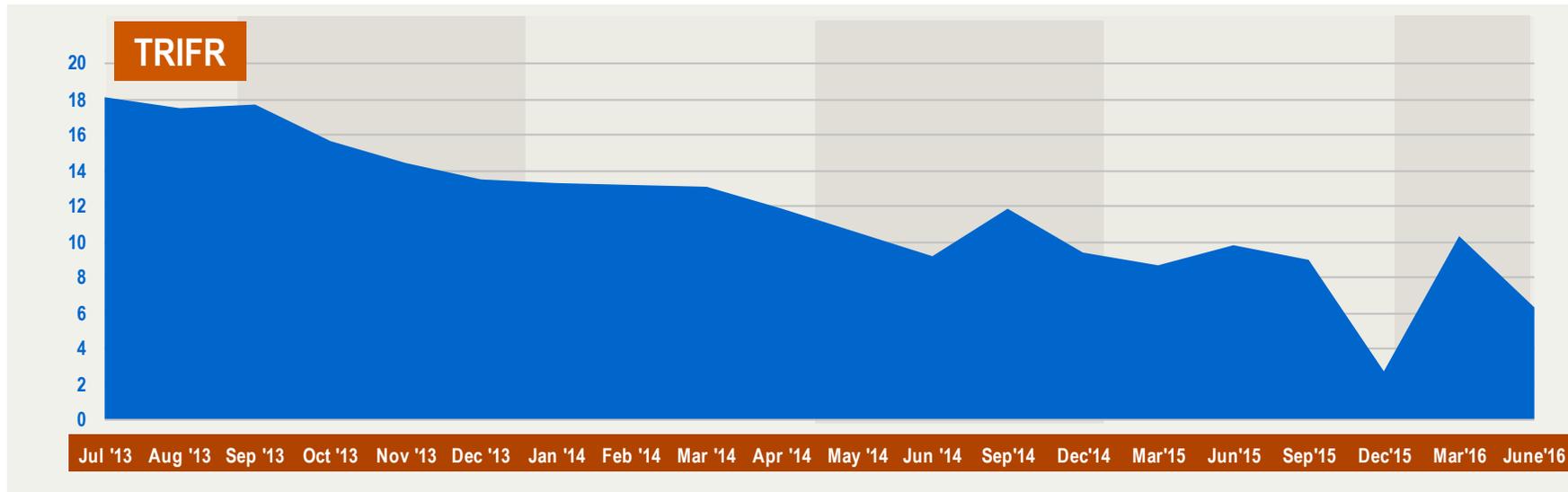
- ▶ \$20M DeGrussa Amortising Finance Facility fully repaid at 30 June 2016 ahead of schedule
- ▶ Total debt reduced to \$50M (Revolver Facility)
- ▶ Cash and deposits \$62M (Sandfire); \$66M consolidated cash including Tintina Resources and Springfield JV (70%)
- ▶ Sandfire now net cash positive; borrowed \$380M in 2011 to build and develop DeGrussa

Sustainability

- ▶ \$40M solar project successfully commissioned; 34,080 solar photovoltaic (PV) panels installed at DeGrussa and integrated with the existing 19MW diesel-fired power station
- ▶ Solar project expected to supply around 20% of DeGrussa's power requirements and reduce DeGrussa's solar emissions by around 12,000t of CO₂ per annum
- ▶ 2016 Australasian Reporting Awards – Bronze Award and Finalist for Sustainability Reporting – Private Sector

Continued sound safety performance

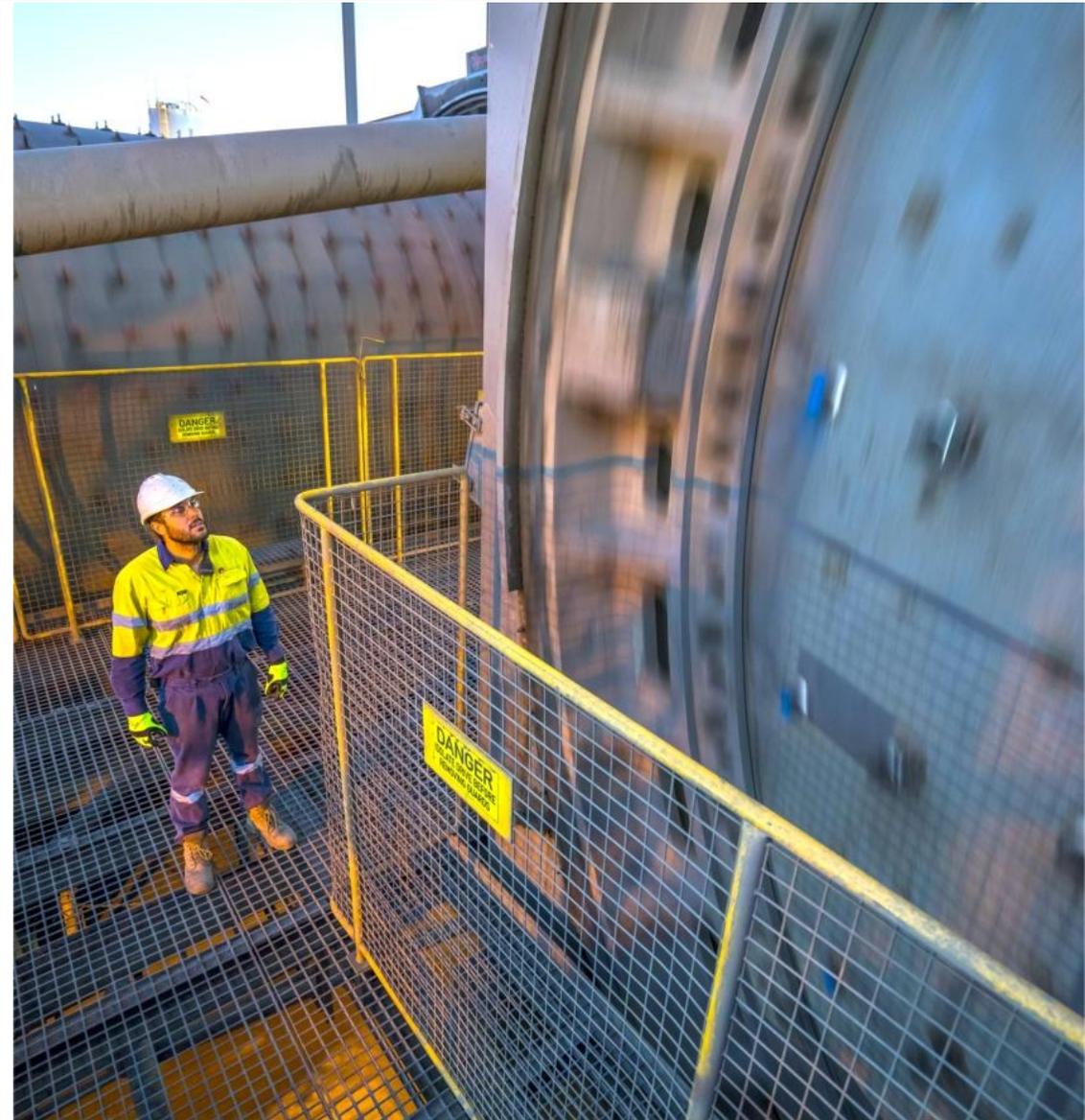
- ▶ Total Recordable Injury Frequency Rate (TRIFR) of 6.3 at Quarter-end (vs. 10.3 at March 2016 Quarter-end) – reflects 2 injuries
- ▶ Exploration driller sustained serious crush injuries when his leg was trapped by the hydraulic ‘breakout’ and the spin cage on the drill stand
- ▶ Safety systems development and critical control management; ongoing focus being applied to improving safety leadership, culture and controls assurance



Production rates on target

Underground production and mine development

- ▶ Total ore production for the Quarter of 421,218 tonnes grading 5.1% Cu
- ▶ Production for FY17 ~ 1.55 Mt with rates from Q2 onwards at 1.6 Mtpa
- ▶ 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 Conductor 5 stope mined in the June 2016 Quarter – production now being sourced from all lenses
- ▶ Underground pumping station, ventilation and other infrastructure being installed in C4 and C5 for LOM production



Processing rates on target

Mill throughput

- ▶ 406,237 tonnes milled at average head feed grade of 4.9% Cu
- ▶ Milling rates to continue at ~1.6Mtpa for FY2017 at planned 4.5%Cu

Recovery

- ▶ Quarterly copper recovery of 90.5%; Gold recovery 42.3% (FY2016 guidance: copper ~91%, gold ~45%)

June 2016 Qtr concentrate & metal production

- ▶ 73,084 tonnes of concentrate produced
- ▶ 17,827 tonnes of contained copper produced
- ▶ 11,227 ounces of contained gold produced



Copper & Gold Sales

- ▶ June 2016 Qtr: Sales of 17,484 tonnes of contained copper (16,761 tonnes payable) and 10,275 ounces of contained gold (9,515 ounces payable)
- ▶ FY2016: 282,012 tonnes of concentrate sold; containing 68,653 tonnes of copper (65,832 tonnes payable) and 36,042 ounces of gold (33,302 ounces payable)



Unit Operating Costs

C1 and total production costs

Unit costs – DeGrussa Mine	Q4FY2016 (US\$/lb)	FY2016 (US\$/lb)	Commentary
Mining (net of development)	0.34	0.34	Solid quarterly copper production maintaining low C1 cost levels
Processing	0.26	0.32	
Business services	0.11	0.13	Low reported C1 assisted by high copper production, high gold production (high head grade), increased gold price and lower quarterly scheduled shutdown costs
Transport, treatment and refining	0.45	0.46	
C1 cost (pre-by product credit)	1.16	1.24	
By-product credit (gold and silver)	(0.31)	(0.28)	FY2017 C1 unit cost guidance ~USD0.95-1.05/lb (Au US\$1,250/oz, FX 0.72)
C1 cost	0.85	0.95	Mine development \$15M for the quarter, \$66M for FY2016 (FY2017 mine development guidance ~\$56M)
Royalties	0.12	0.11	
Production cost	0.97	1.06	Capital guidance \$20M for FY2017: Strategic capital \$9M (U/G pumping system), Sustaining capital \$11M
Depreciation and amortisation	0.49	0.47	
Total production cost	1.46	1.53	

Maiden Monty Mineral Resource delivered; MLA lodged; Feasibility Study commenced

- ▶ Sandfire is Manager of the Springfield JV – interests Sandfire 70% / Talisman 30%
- ▶ Maiden JORC 2012 compliant Mineral Resource estimate:
 - ▶ Total Indicated and Inferred Mineral Resource of 1.05Mt @ 9.4% Cu and 1.6g/t Au for 99,000 tonnes of contained copper, 55,000 ounces of contained gold*
- ▶ 16.42 square kilometre Mining Lease Application (MLA) lodged with the Western Australian Department of Mines and Petroleum for the Monty Copper-Gold Project
- ▶ High-level studies completed to investigate optimal pathway to production, including assessment of the utilisation of the DeGrussa plant and infrastructure; preferred boxcut location selected
- ▶ Feasibility Study commenced; \$3.9M (100%) budget with expected completion in Q1CY2017
 - ▶ Metallurgical testwork for comminution and flotation
 - ▶ Geotechnical and structural geology studies well advanced
 - ▶ Mine design engineering commenced
 - ▶ Proposed haul road route under investigation



* See ASX Release – 13 April 2016

Looking to the next discovery

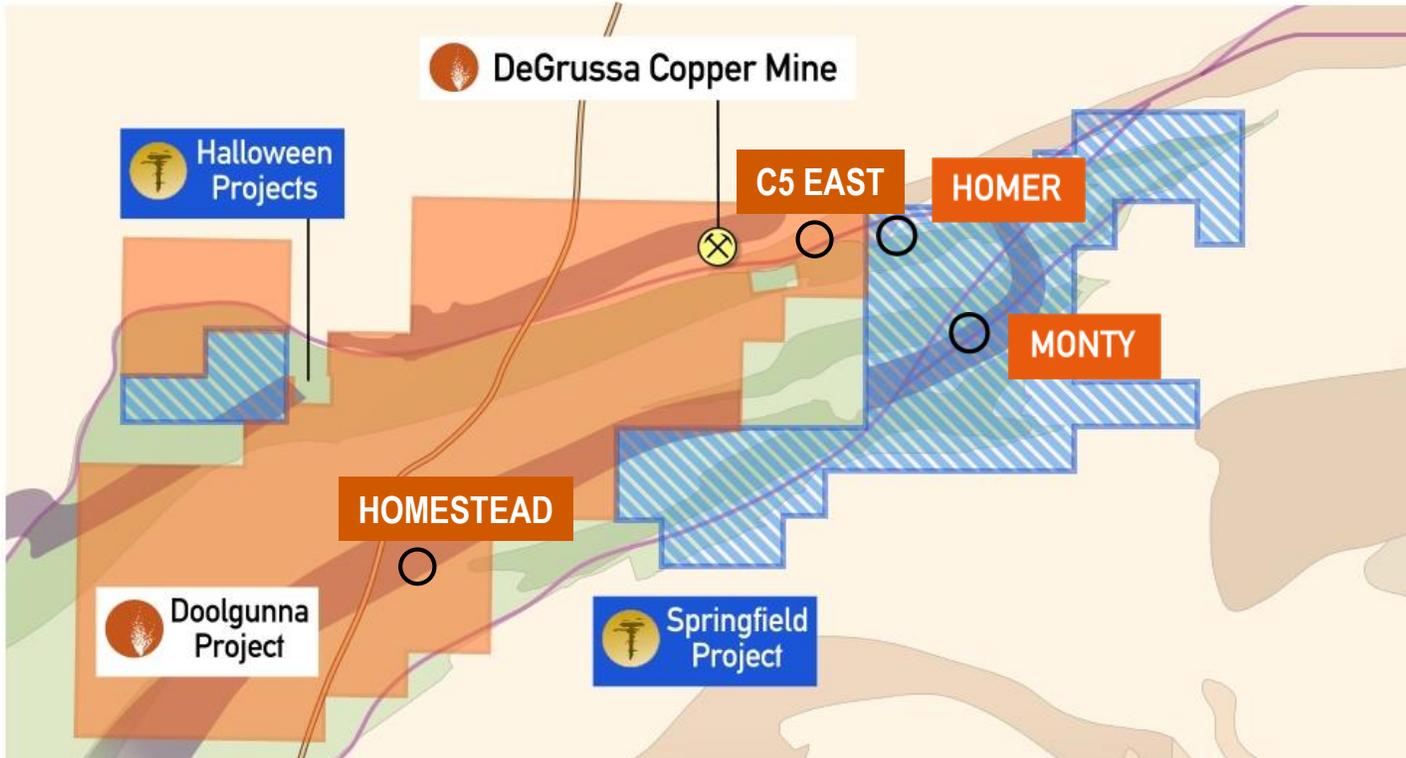
- ▶ Monty is the first VMS deposit to be delineated outside of DeGrussa mining complex
- ▶ Confirms the potential for the overall Doolgunna VMS field to host multiple centres of mineralisation
- ▶ Exploration continuing as a priority along highly prospective 5km long Monty VMS corridor:
 - ▶ Systematic aircore drilling to accurately delineate the interpreted VMS horizon along the prospective host horizon
 - ▶ Reverse Circulation (RC) drilling within the interpreted VMS horizon along strike from Monty to inform the interpretation of the host stratigraphy
 - ▶ Diamond drilling to test the areas in the vicinity of the Monty deposit
 - ▶ DHEM surveys of all RC and diamond drill-holes as part of this new phase of exploration following completion of the resource definition drill-out
 - ▶ Development of a structural geology model to provide additional context regarding the location and geological setting of Monty



Doolgunna Exploration Overview

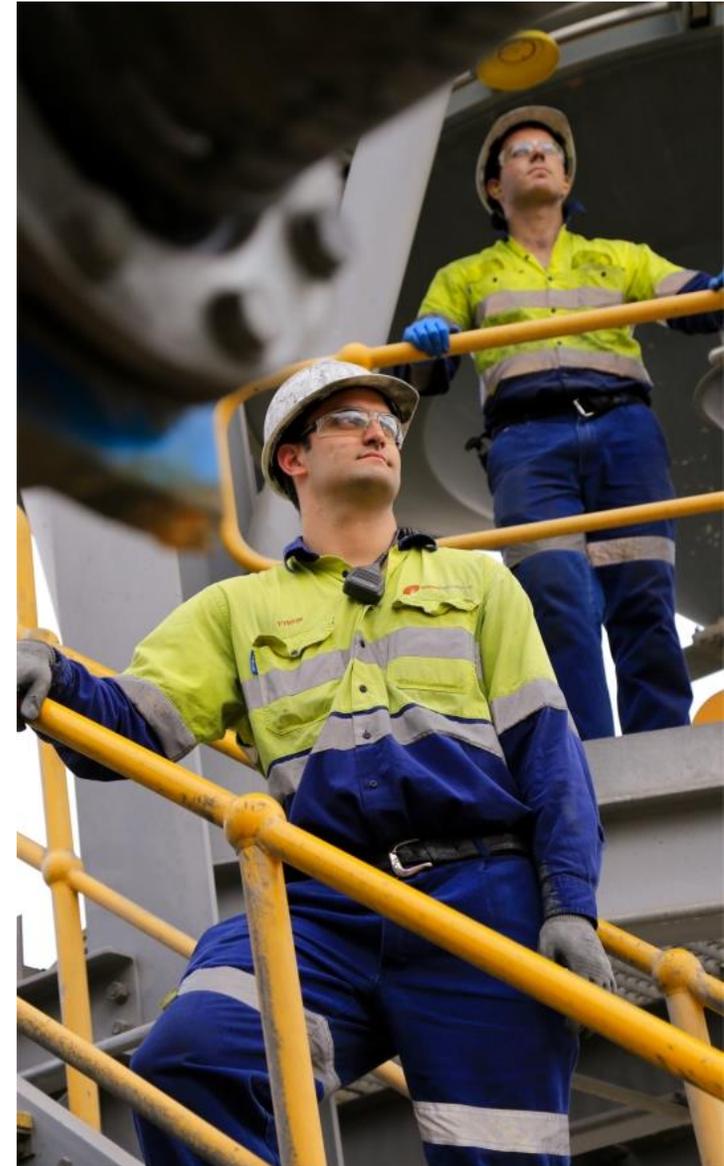
Monty resource drill-out completed; maiden resource delivered; exploration continuing

- ▶ Exploration advancing at other prospects within Greater Doolgunna area:
 - ▶ Homestead Prospect ~12km south west of DeGrussa (Sandfire 100%)
 - ▶ C5 East mineralised trend (Sandfire 100%)
 - ▶ Monty and Homer Corridors (Springfield JV)
 - ▶ Southern Volcanics (Springfield JV)



Strong quarter and year; net cash position; growth through exploration and discovery success

- ▶ Production and cost performance:
 - ▶ FY2016: 68,202t contained copper, 37,612oz contained gold, C1 cost US\$0.95/lb
 - ▶ FY2017 guidance: 65-68kt contained copper, 35-40koz contained gold, C1 cost US\$0.95-1.05/lb
- ▶ Monty Feasibility Study commenced following maiden Monty Mineral Resource:
 - ▶ Total Indicated and Inferred Mineral Resource of 1.05Mt grading 9.4% Cu and 1.6g/t Au for 99,000 tonnes of contained copper, 55,000 ounces of contained gold
- ▶ First high grade C5 stope completed on schedule
- ▶ Updated DeGrussa Mine Plan, Mineral Resource and Ore Reserve delivered
 - ▶ Active exploration underway along 5km long prospective VMS horizon around Monty targeting the next VMS discovery
- ▶ Emerging Bryah Basin VMS district – aggregate contiguous exploration area of 1,600km²





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