



SANDFIRE
RESOURCES NL

A QUALITY COPPER-GOLD COMPANY
ASX Code: SFR

June 2017 Quarterly Report Presentation and Webcast 28 July 2017

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Earthworks underway for the box-cut at the
new Monty copper-gold mine

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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 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 Doolgunna

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.

Competent Person's Statement – Exploration Results Temora

The information in this report that relates to Exploration Results at Temora is based on information compiled by Mr Bruce Hooper who is a Registered Professional Geoscientist (RPGeo) of The Australian Institute of Geoscientists. Mr Hooper 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 Hooper 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
- ▶ Operations
- ▶ Guidance and costs
- ▶ Development
- ▶ Exploration
- ▶ Summary





Production and Operations

- ▶ June 2017 Quarter: 17,092t copper and 9,721oz gold produced; C1 US\$0.95/lb
- ▶ FY2017: 67,088t of contained copper, 38,623oz of contained gold; C1 costs US\$0.93/lb
- ▶ Mining contract extension with Byrnes Mining (4-year term)
- ▶ Updated Mine Plan, Ore Reserve and Mineral Resource released for DeGrussa (as at 31 December 2016)

Development

- ▶ Monty Copper-Gold Project (Springfield JV) site works commenced – road and box-cut for underground access
- ▶ Permitting continues for the Black Butte development (Tintina Resources – SFR 61%)

Exploration

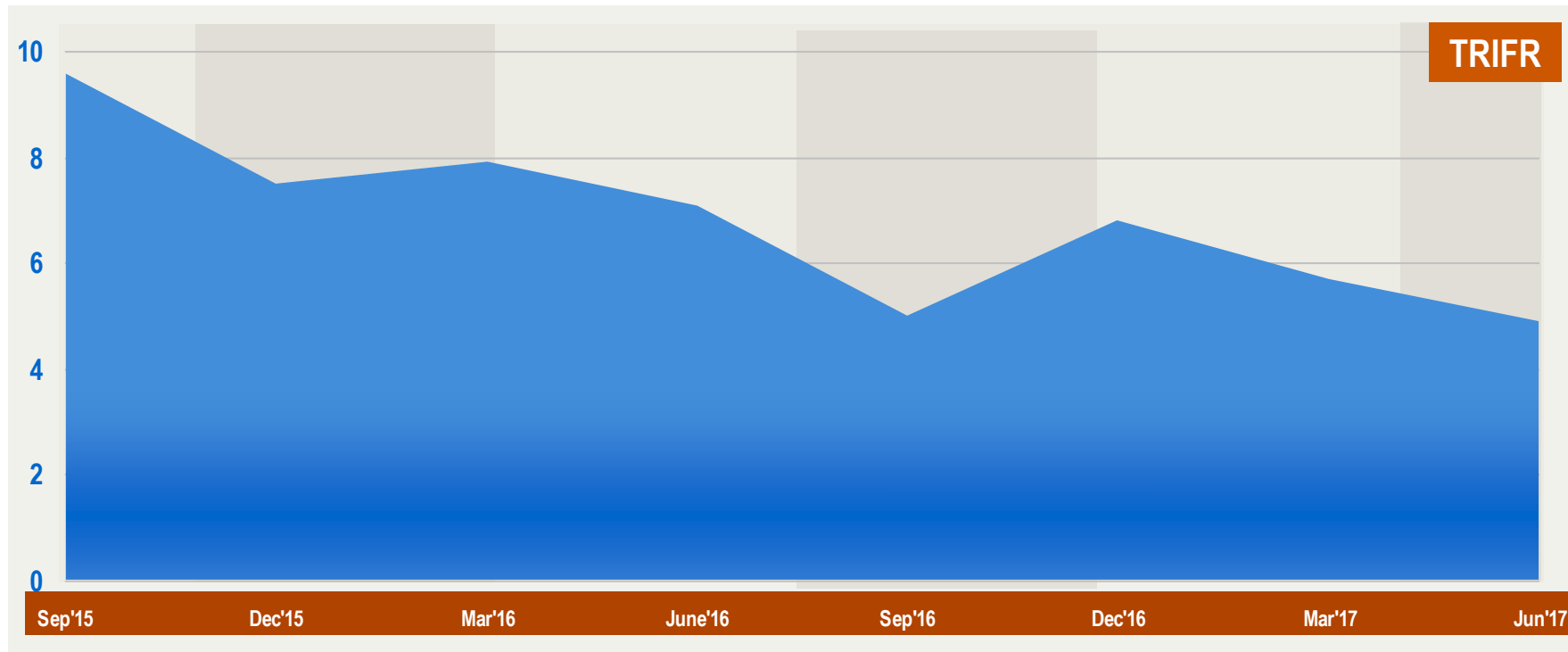
- ▶ Multi-pronged exploration programs continuing at both Sandfire's Greater Doolgunna Project and the Springfield Joint Venture which, including JV and Farm-in Agreements, now covers a total area of 5,846km²
- ▶ Enterprise farm in exploration program commenced

Corporate and Financial

- ▶ Cash and deposits \$124M (Sandfire); \$127M Group



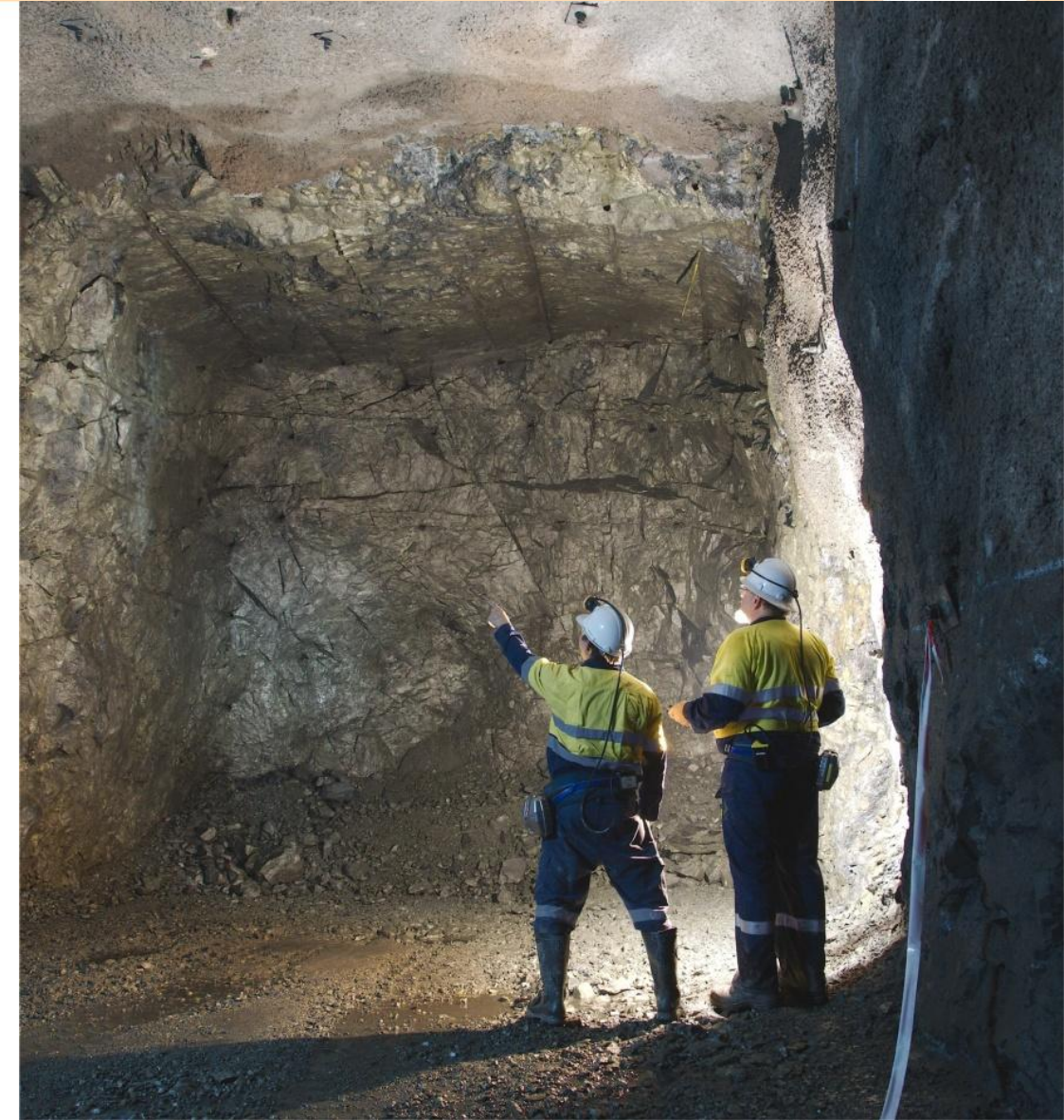
- ▶ Total Recordable Injury Frequency Rate (TRIFR) of 4.9 at Quarter-end (vs. 5.7 at March 2017 Quarter-end)
- ▶ Principal hazard management – ongoing
- ▶ Focus being applied to improving safety leadership, culture and assurance of critical controls





Underground production

- ▶ Total ore production for the Quarter of 393,286 tonnes grading 4.6% Cu
- ▶ Mine remains in balance between production and back-fill
- ▶ DeGrussa and Monty mining contract extension awarded to Byrnescut (4 year term)





Mill throughput

- ▶ 412,271 tonnes milled at average feed grade of 4.6% Cu

Recovery

- ▶ Quarterly copper recovery of 90.8%; Gold recovery 46.7% (FY2018 guidance: copper ~92%, gold ~44%)
- ▶ Further improvements to recovery in FY2018 with additional rougher flotation capacity

Concentrate & metal production

- ▶ 70,268 tonnes of concentrate produced
- ▶ 17,092 tonnes of contained copper produced
- ▶ 9,721 ounces of contained gold produced





Underground pumping station

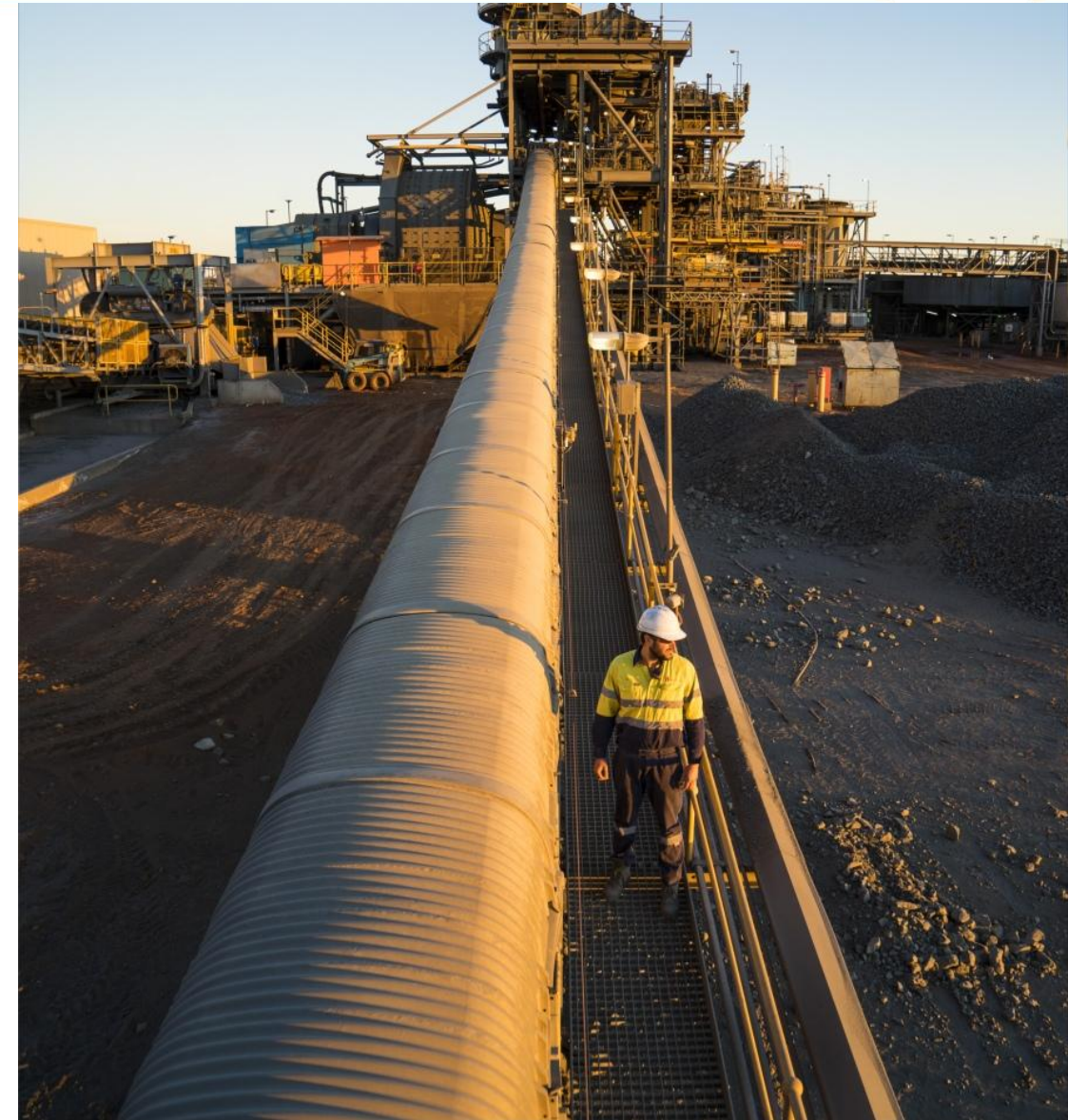
- ▶ Expected to commence commissioning August 2017
- ▶ Ahead of C4 and C5 drilling

Rougher column cell

- ▶ Commenced commissioning early July 2017
- ▶ Initial positive signs in copper recovery and concentrate grade – expecting ~1.4% improvement (based on comparable Cu:S ratio ore)

Additional concentrate thickener & filter

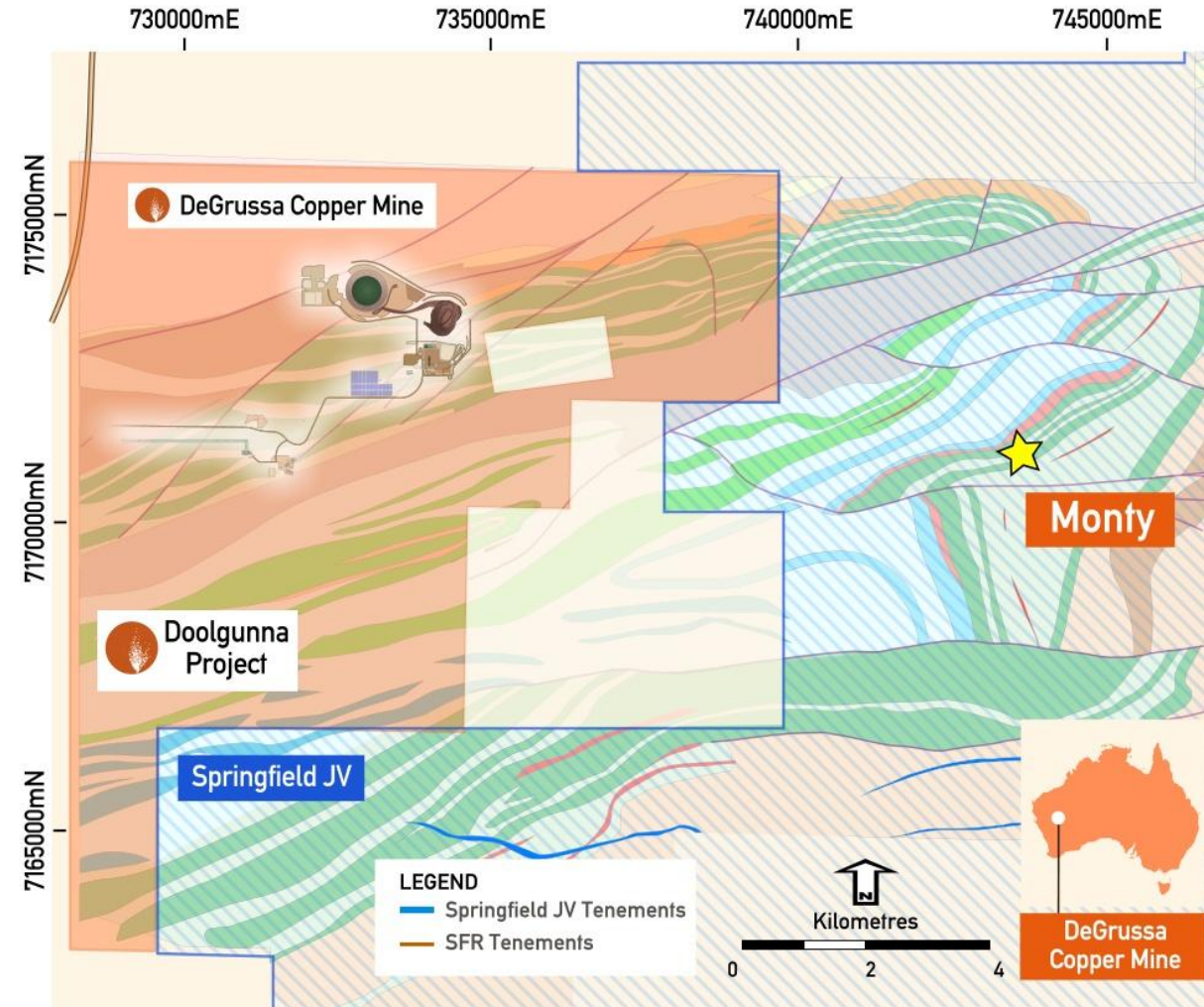
- ▶ Equipment ordered - Expected to commence commissioning Q4 FY2018 (\$12M)
- ▶ Increases peak concentrate capacity to 400,000tpa ahead of Monty ore blending from Q2 FY2019



Development – Monty Copper-Gold Project



- ▶ Sandfire is Manager of the Springfield JV – interests Sandfire 70%/Talisman 30%
- ▶ Mining contract awarded to Byrnescut (combined operations between DeGrussa and Monty JV)
- ▶ Approval for the Mining Proposal and Mine Closure Plan
- ▶ Civil works awarded to the Yagahong Alliance
- ▶ Works have commenced
 - Haul and access roads
 - Excavation of box cut for underground access
 - Stockpile and laydown area pads
 - Infrastructure works and drainage





- ▶ June 2017 Quarter: Sales of 72,525 tonnes of concentrate (dry) containing 17,350 tonnes of copper (16,614 tonnes payable) and 9,135 ounces of gold (8,443 ounces payable)
- ▶ FY2017: Sales of 272,925 tonnes of concentrate (dry) containing 65,403 tonnes of copper (62,663 tonnes payable) and 37,148 ounces of gold (34,333 ounces payable)
- ▶ 7 shipments completed for the quarter; 26 shipments for FY2017
- ▶ FY2017 revenue and QP gains ~\$533M* (unaudited and subject to reconciliation adjustments)

* Gross of treatment and refining charges



Operations – FY2017 Unit Operating Costs



Unit costs – DeGrussa Mine	Q4FY2017 Result (US\$/lb)	FY2017 Result (US\$/lb)	Commentary
Mining (net of development)	0.37	0.39	
Processing	0.25	0.28	
Business services	0.14	0.14	Pleasing cost performance at both a gross and unit cost level for the quarter and FY2017.
Transport, treatment and refining	0.46	0.46	
C1 cost (pre by product credit)	1.23	1.27	FY2017 C1 unit costs at below the lower end of guidance ~USD0.95-1.05/lb.
By-product credit (gold and silver)	(0.28)	(0.34)	Mine development \$9M for the quarter (FY2017 mine development \$50M).
C1 cost	0.95	0.93	Capital \$26M for FY2017.
Royalties	0.13	0.13	
Production cost	1.08	1.06	Depreciation and amortisation \$117M for FY2017.
Depreciation and amortisation	0.74	0.61	
Total production cost	1.82	1.67	

Operations – FY2018 Operating, Unit Cost and Capital Guidance



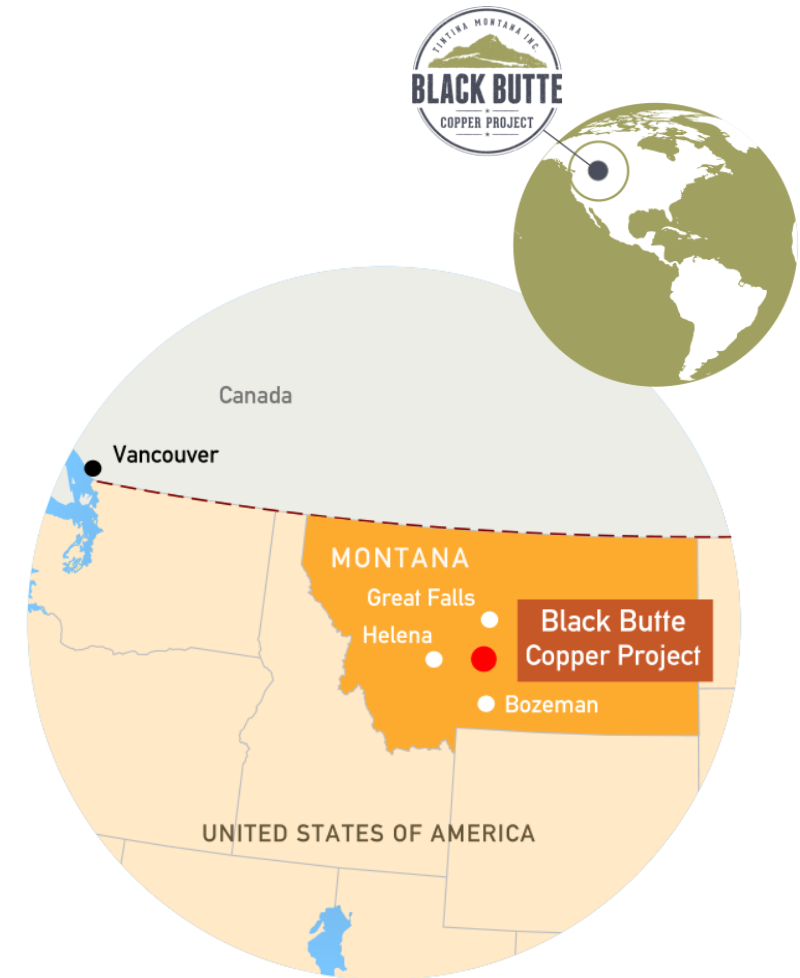
DeGrussa Mine FY2018 Guidance	Tonnes	Cu	Au	Commentary
Mining	1.6M	4.4%	1.6g/t	C1 – 43%, DG – 10%. C4 – 19%, C5 – 21%, Devt – 7%
Processing	1.6M	4.3%	1.6g/t	Maintaining stockpile volumes following drawdown in FY2017
Recovery	-	92%	44%	Lowered in line with Cu:S ratio/grade; increased by rougher column cell
Concentrate production and grade	257 – 270k	24.5%	4.3g/t	~25 shipments from Geraldton and Port Hedland
Metal production – contained	-	63 – 66kt	35 – 38kt	Continued consistency of annual copper and gold production ahead of Monty blending from FY2019

- ▶ FY2018 C1 cost guidance US\$1.00-1.05/lb (FX at 0.77 and gold US\$1,240/oz) – deeper, increased number of stopes, less capital development
- ▶ FY2018 capital expenditure guidance \$29M (Strategic \$21M, Sustaining \$8M); Mine development \$37M; D&A \$135M
- ▶ Ultra high-grade Monty ore to be blended with DeGrussa from Q2 FY2019
- ▶ Talisman Mining's 30% share of Monty ore to be purchased under OSPA

Development and Growth – Black Butte Copper Project, USA



- ▶ 61% stake in Black Butte Copper Project, central Montana (via stake in Tintina Resources Inc)
- ▶ 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 *
- ▶ One of the top-10 undeveloped copper projects worldwide by grade
- ▶ Outstanding near-mine and district-wide exploration potential
- ▶ Development studies underway
- ▶ Mine Operating Permit (MOP) for Johnny Lee copper deposit in final stages with Montana Department of Environmental Quality (DEQ)



* NI 43-101 M&I and I Mineral Resources – Refer TSXV Announcement “Preliminary Economic Assessment Black Butte Project”, 12 July 2013”
http://www.tintinaresources.com/assets/docs/ppt/TAU-UpdatedPEA_07-12-2013.pdf

Doolgunna Exploration Overview



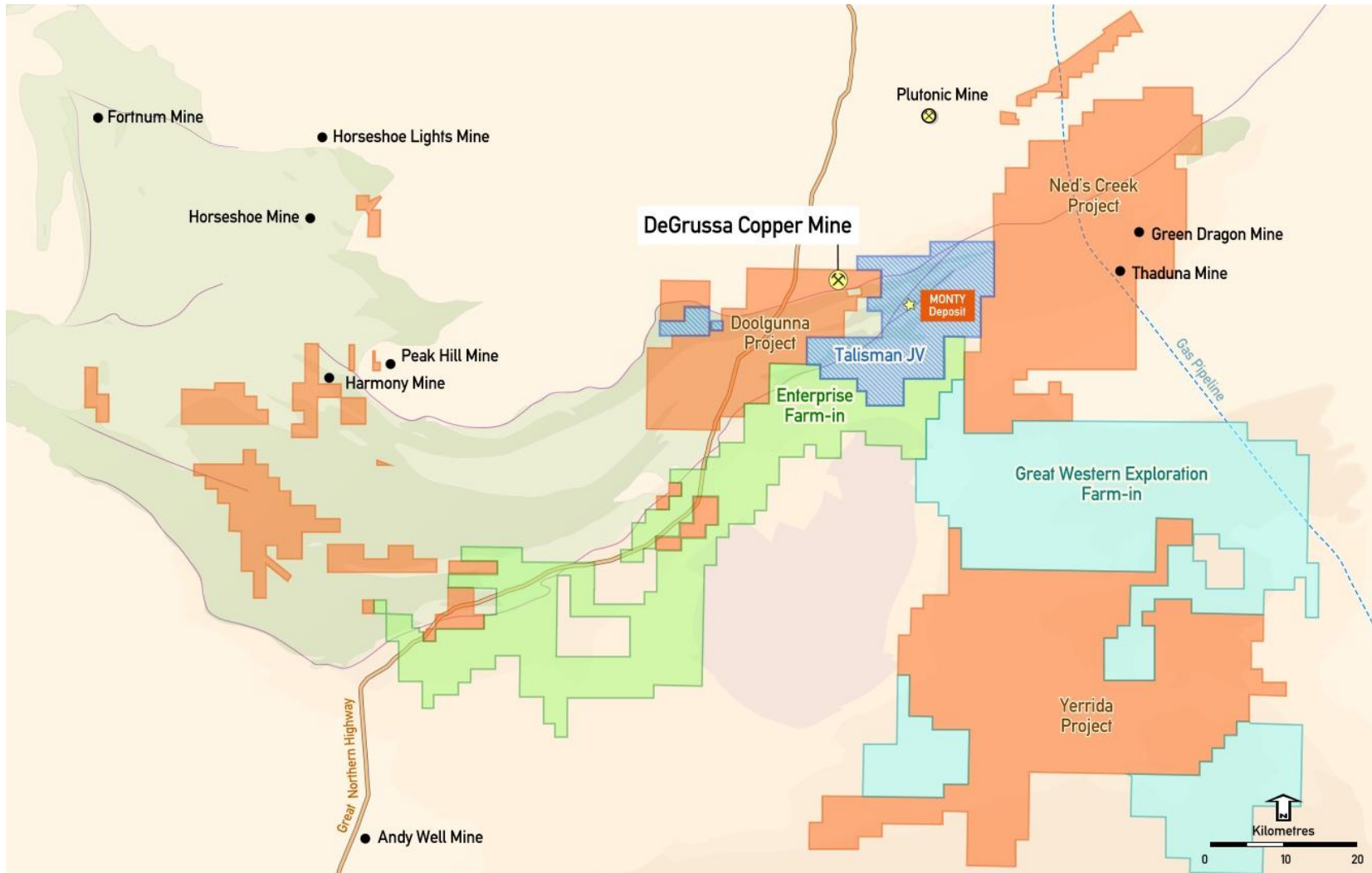
- ▶ Exploration continuing as a priority along highly prospective VMS corridor that hosts the DeGrussa and Monty deposits:
 - RC drilling at the Red Bore East Prospect to test the C5 host stratigraphy along strike from DeGrussa
 - The continuation of AC drilling at the Springfield Project targeting the South-Eastern Volcanics
 - Completion of RC pre-collars for diamond drilling tails to test for potential mineralisation at depth along strike from the Monty deposit
 - The commencement of a major 600-hole AC drilling program at the Enterprise Metals farm-in project to test 10 strike kilometres of the interpreted favourable volcano-sedimentary sequence which hosts the DeGrussa and Monty copper-gold deposits
 - AC drilling at the Ned's Creek project targeting fault systems that exist in close proximity to known epigenetic copper mineralisation



Doolgunna Exploration Overview



- Exploration advancing at multiple prospects within Greater Doolgunna area:

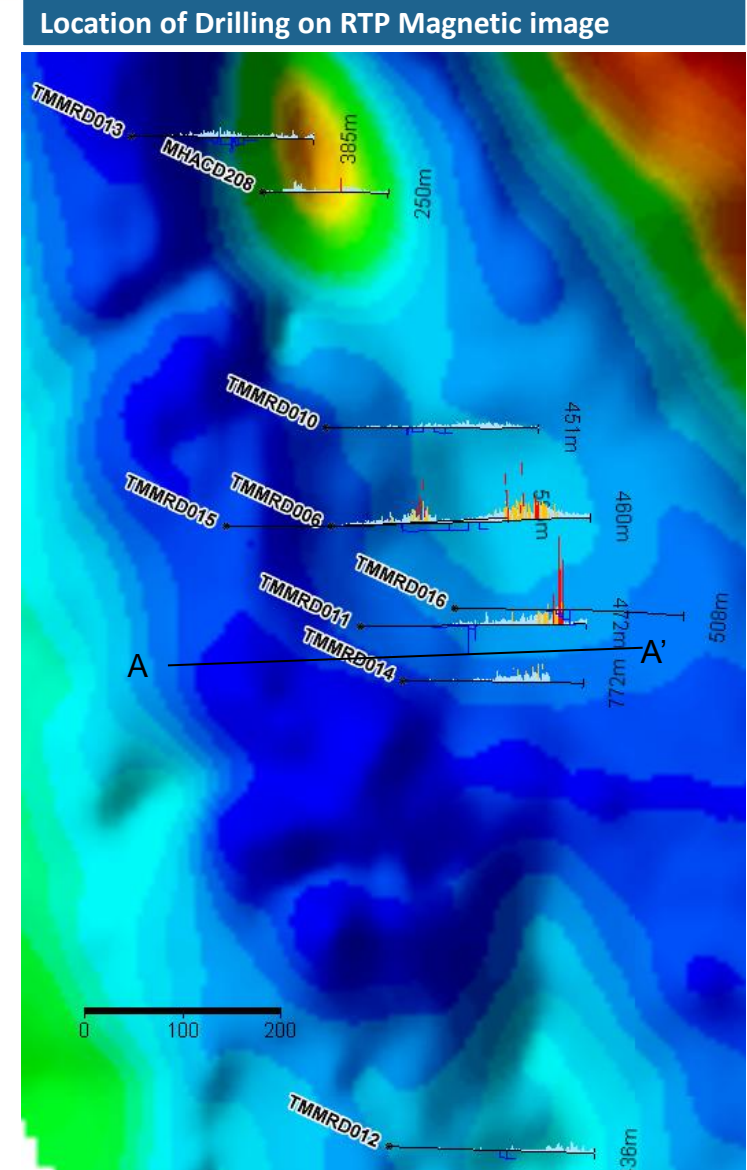
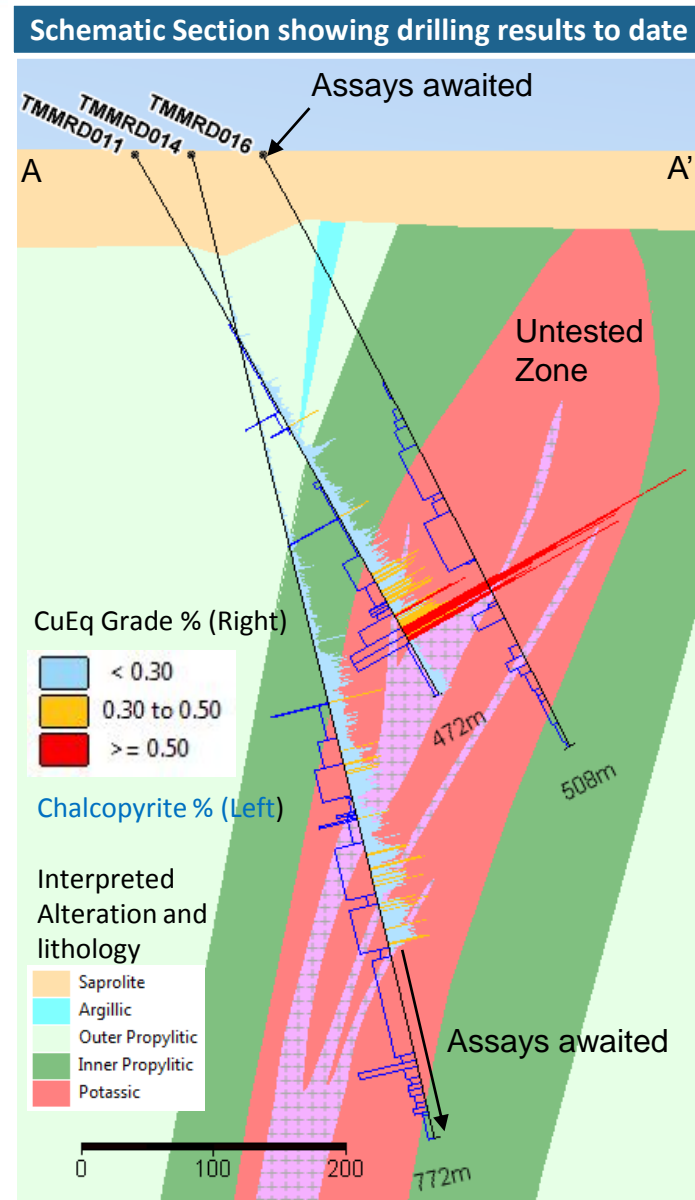


- ~70,000m of AC/RAB and RC drilling during the quarter
- Committed to in-ground spend with over ~ 200,000m drilled FY to date
- Farm-in deal completed with Great Western Exploration (ASX: GTE) at North Yerrida Project
- Total Tenure – 5,846km²

Donnington Prospect, Temora – 100% Sandfire



- ▶ 8 holes completed
 - Porphyry alteration over 1.2km strike
- ▶ Extended mineralisation along strike, down dip to > 700m and up dip
- ▶ **TMRCD06**
125m @ 0.32% Cu, 0.46 g/t Au
- 44m @ 0.41 % Cu, 0.62 g/t Au
- ▶ **TMMRD011**
77m @ 0.44% Cu, 0.65 g/t Au
- 24m @ 0.87% Cu, 1.38 g/t Au
- ▶ **TMMRD014**
40m @ 0.26% Cu, 0.36 g/t Au
Mineralised over 377m to EOH, results pending from 626 to 771m
- ▶ **TMMRD015**
25m @ 0.31%Cu, 0.48g/t Au
12m@ 0.36%Cu, 0.62g/t Au
Mineralised over 200m, results pending from 448 to 595m
- ▶ **TMMRD016**
Mineralisation encountered, results pending





- ▶ Strong and consistent production and cost performance
 - FY2017: 67,088t contained copper, 38,623oz contained gold, C1 costs \$0.93/lb
 - FY2018 Guidance: 63-66kt contained copper, 35-38koz contained gold, C1 costs \$1.00-1.05/lb
 - Monty permitted and under development; first ore Q2 FY2019
- ▶ Progressing permitting for 61%-owned Black Butte Copper Project, USA
- ▶ Active exploration underway targeting the next VMS discovery
- ▶ Emerging Bryah Basin VMS district – aggregate contiguous exploration area of 5,846km²
- ▶ NSW follow-up drilling underway to establish extents of mineralisation



Appendix: Mine Plan, Ore Reserve and Mineral Resource



► Updated Mine Plan, incorporating the Monty Mine and OSPA (100% basis):

- Total 7.0Mt grading 5.1% Cu and 1.6g/t Au for 359,000t of contained copper and 368,000oz of contained gold;
- DeGrussa's 1.6Mtpa concentrator to be fed from DeGrussa at 1.2-1.3Mtpa from mid-CY2019 to allow ore from Monty to be blended in at a rate of 0.3-0.4Mtpa; and
- Sandfire will purchase Talisman Mining Limited's ("TLM") 30% share of the Monty JV ore under an Ore Sale and Purchase Agreement (OSPA).

► Updated Underground Ore Reserve, incorporating the Monty Mine (70% basis):

- 6.8Mt grading 5.0% Cu and 1.6g/t Au for 337,000t of contained copper and 355,000oz of contained gold (including UG ore on surface stockpiles); and
- Updated DeGrussa Ore Reserve based on underground mining depletion and mining modifying factors.

► Open Pit Ore Reserve:

- 2.8Mt grading 1.2% Cu and 1.0g/t Au for 35,000t of contained copper and 84,000oz of contained gold (copper oxide ore stockpiled at surface).

► Updated Underground Mineral Resource, incorporating the Monty Mine (70% basis):

- 7.2Mt grading 6.0% Cu and 1.9g/t Au for 434,000t of contained copper and 450,000oz of contained gold; and
- Updated DeGrussa Mineral Resource based on mining depletion, sterilisation and resource definition drilling.

Note: DeGrussa stated as at 31 December 2016; Monty stated as at 31 March 2017

Refer to ASX announcement dated 30 May 2017, titled *DeGrussa Mine Plan, Ore Reserve and Mineral Resource Update*





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