



SANDFIRE
RESOURCES NL

ASX Code: SFR

A QUALITY COPPER-GOLD PRODUCER

June 2018 Full Year Results Presentation – 30 August 2018

Access this presentation at: <http://webcasting.boardroom.media/broadcast/5b70ffd3b14eaa0d3507d544>
OR www.sandfire.com.au



Forward-Looking Statements

This presentation has been prepared by Sandfire Resources NL. This document contains background information about Sandfire Resources NL current at the date of this presentation. The presentation is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this presentation.

This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

This presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction.

This presentation does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, Sandfire Resources NL, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this presentation. No responsibility for any errors or omissions from this presentation arising out of negligence or otherwise is accepted.

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Sandfire Resources NL. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Sandfire Resources NL does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward looking statement is based.



SANDFIRE RESOURCES NL

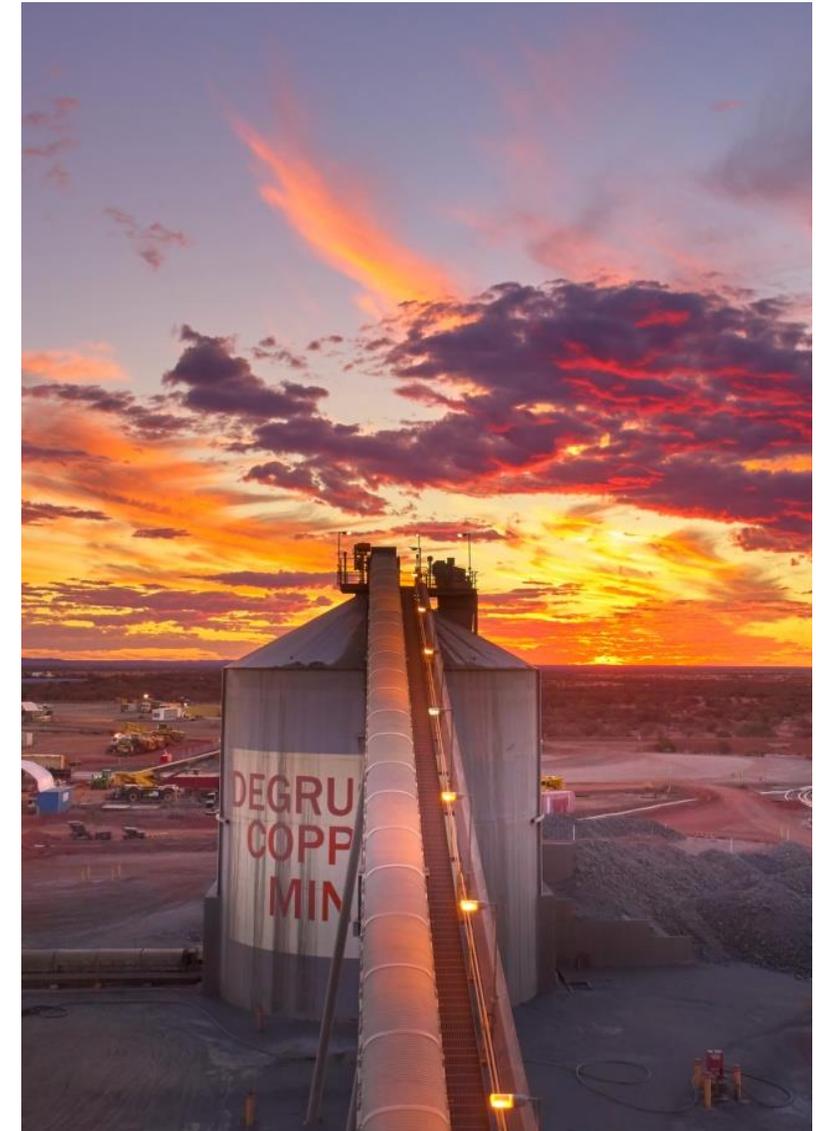
A QUALITY COPPER-GOLD COMPANY ASX Code- SFR

Operating Results – FY2018

Karl Simich – Chief Executive Officer



- ▶ **FY2018 production:** 64,918t copper and 39,273oz gold; C1 US\$0.93/lb
- ▶ **FY2019 production guidance:** 63-67kt of contained copper, 37-40koz of contained gold; C1 costs ~US\$1.00-1.05/lb
- ▶ **Safety TRIFR:** 7.1 (June 2018) vs. 5.0 (June 2017)
- ▶ **Monty Copper-Gold Project** (Springfield JV) decline development progressing; agreement finalised to acquire Talisman Mining Ltd's 30% JV interest
- ▶ **Final permitting stage (EIS) for the Black Butte Copper Project, central Montana, USA (TSX-V: SFR):** 78%-owned Sandfire Resources America Inc. developing the high-quality Black Butte Copper Project
- ▶ **Multi-pronged exploration programs** at Doolgunna, Enterprise Farm-In and Springfield JV; Massive sulphides intersected at Auris farm-in





SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR



Financial Results – FY2018

Matthew Fitzgerald – Chief Financial Officer



Sandfire maintains strong operational and financial performance

- ▶ Record sales revenue and price adjustment gains of **\$606.7M**
- ▶ Strong cash flow from operating activities of **\$245.0M** (**\$284.6M** prior to payments for exploration and evaluation expenses)
- ▶ DeGrussa Mine segment earnings before net finance and income tax expense of **\$226.3M**
- ▶ Profit before net finance and income tax expense of **\$173.8M**
- ▶ Profit before income tax expense of **\$175.5M**
- ▶ Net profit after tax **\$120.8M**
- ▶ Net profit after tax attributable to members **\$123.0M**
- ▶ Earnings per share of **77.85cps** (basic and diluted)
- ▶ Cash at 30 June 2018 of **\$243.4M**



Sandfire increases dividend payments

- ▶ Maintaining dividend stream from profitable operations and increased copper price
- ▶ **Final dividend for FY2018 of 19cps (fully-franked)**, following 8cps fully-franked interim dividend
- ▶ Continuing to balance shareholder returns and growth (dividends, business development and exploration) with operational cash flow requirements (DeGrussa and Monty mine development and capital expenditure)

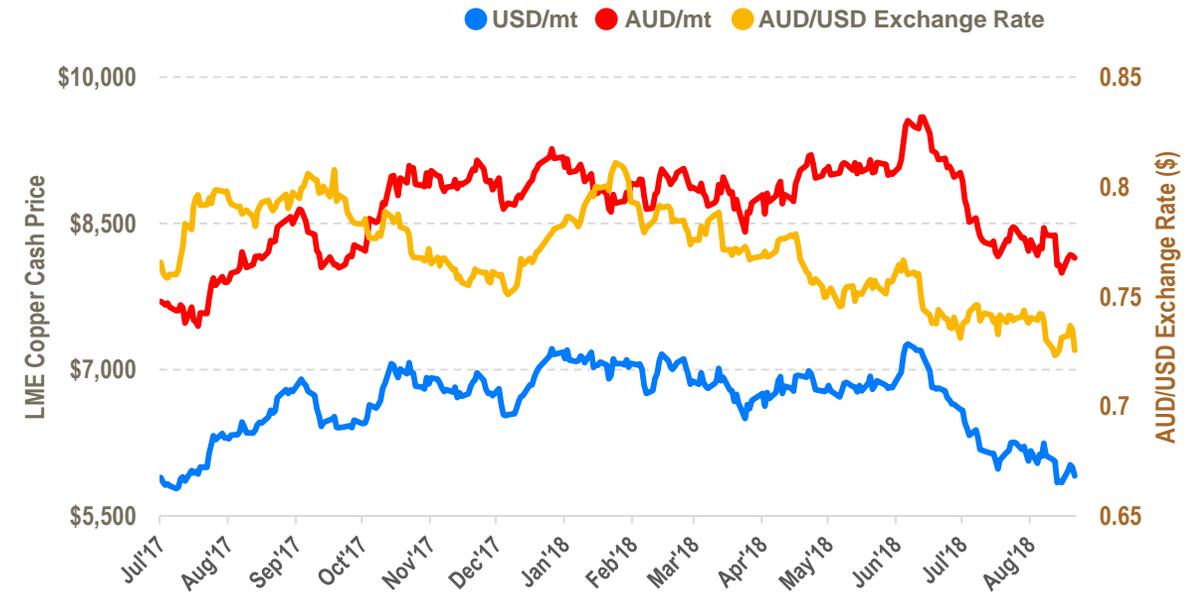




Income Statement Review – Key Results

(\$'000)	June 2018	June 2017
Sales revenue and price gains	606,712	532,548
Profit before net finance and income tax expense	173,541	114,172
Net finance income (expense)	1,776	(3,768)
Profit before income tax expense	175,541	110,404
Income tax expense	(54,788)	(35,388)
Net profit for the year	120,753	75,016
Net profit for the year – equity holders	123,024	77,510

COPPER and AUD Prices



- ▶ Revenue increase of \$74.2M for the year, an increase of 14% driven by strong copper markets, which also contributed to positive net QP price adjustments of \$10.5M over the year
- ▶ DeGrussa Mine Segment contributed \$226.3M to the Group profit before net finance and income tax expense, an increase of \$67.8M
- ▶ All other activities contributed a loss of \$52.6M before net finance and income tax expense, which includes the Exploration and Evaluation Segment (loss of \$39.1M)



Balance Sheet Review

(\$'000)	June 2018	June 2017
ASSETS		
Cash and cash equivalents	243,367	126,743
Trade and other receivables	13,773	15,970
Inventories	33,961	26,473
Other current assets	2,680	3,006
Total current assets	293,781	172,192
Inventories	11,698	11,698
Exploration and evaluation assets	24,410	21,852
Property, plant and equipment	330,619	369,016
Financial assets and other	10,390	1,151
Total non-current assets	377,117	403,717
TOTAL ASSETS	670,898	575,909

- ▶ Cash of \$243.4M – Increased \$116.7M from strong operating cash flows, post tax and dividend payments
- ▶ Property, plant and equipment – Includes \$30.3M invested in the development of the new Monty Copper-Gold Mine



Balance Sheet Review

(\$'000)	June 2018	June 2017
LIABILITIES		
Trade and other payables	39,898	35,478
Interest bearing liabilities	1,611	1,567
Income tax payable	31,203	20,460
Provisions	4,255	3,352
Total current liabilities	76,967	60,857
Trade and other payables	-	97
Interest bearing liabilities	239	210
Provisions	29,467	24,534
Deferred tax liabilities	32,174	48,361
Total non-current liabilities	61,880	73,202
TOTAL LIABILITIES	138,847	134,059
NET ASSETS	532,051	441,850

- ▶ Income tax payable - \$31.2M payable as a result of the higher FY2018 profit
- ▶ Bank Debt – the Group repaid the principal debt facility in 2017 and remains debt free
- ▶ Deferred tax liability – a result of taxable income lagging accounting profit, reversing



Continued strong outlook for FY2019 and beyond

- ▶ **Consistent, low-cost copper-gold production**
 - FY2018 performance: 64,918t Cu, 39,273oz Au at C1 US\$0.93/lb
 - FY2019 guidance: 63-67kt Cu, 37-40koz Au at C1 US\$1.00-1.05/lb
- ▶ **Monty Copper-Gold Project** development (Springfield JV) progressing; on track to intersect first development ore in late Q2 FY2019
- ▶ Multi-pronged exploration programs across 6,588km²
 - Doolgunna, Springfield JV, Enterprise JV
- ▶ **Cash flow** funding growth and shareholder returns
 - Increased dividend stream for shareholders
 - Committed and focused exploration to further extend mine life
 - 78% interest in high-grade USA Black Butte Copper Project development
- ▶ **Emerging** international and domestic growth pipeline



SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR



Contact Details:

Sandfire Resources NL
Registered Office and Principal Place of Business
Level 2, 10 Kings Park Road, West Perth, Western Australia 6005
T +61 8 6430 3800 / F +61 8 6430 3849
www.sandfire.com.au