



SANDFIRE
RESOURCES NL

ASX CODE: SFR

June 2019
Full Year Presentation
27 August 2019

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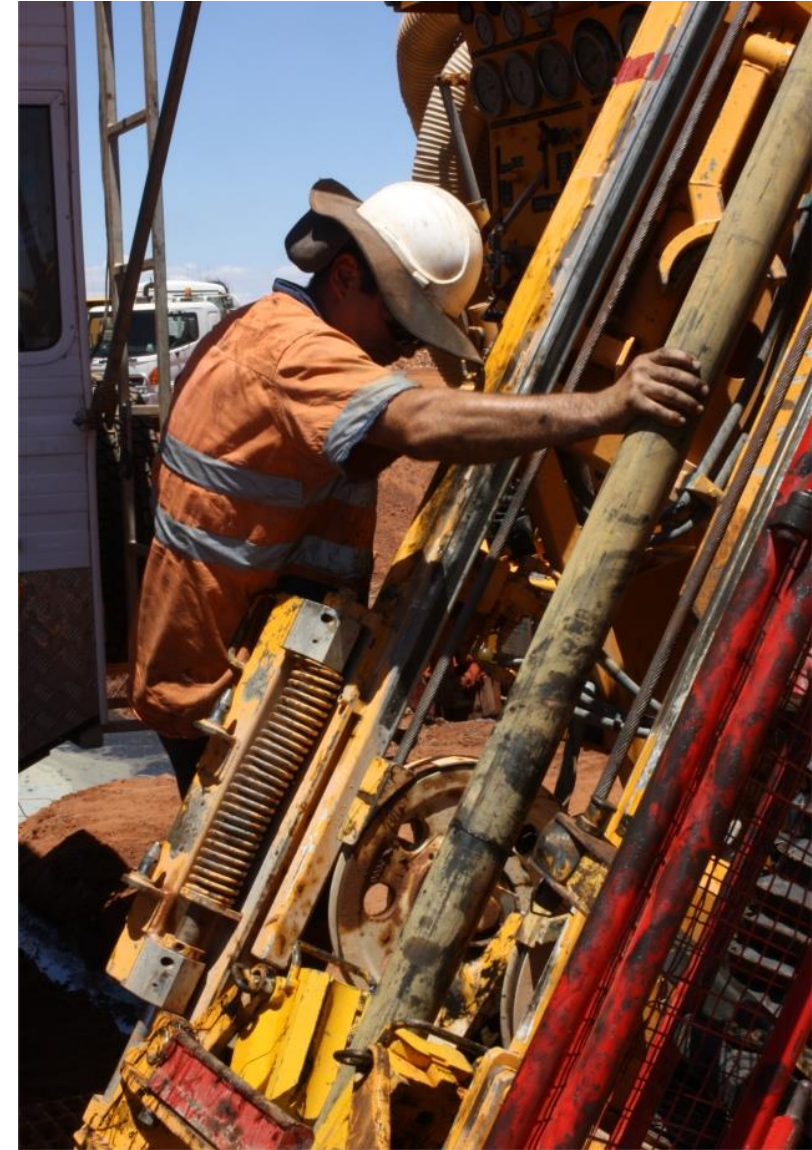


Operating Results – FY2019

Karl Simich – Chief Executive Officer



- ▶ **FY2019:** 69,394t of contained copper and 44,455oz of contained gold produced; C1 US\$0.83/lb
- ▶ **FY2020 guidance:** 70-75kt of contained copper and 38-40koz of contained gold; C1 costs ~US\$0.90-0.95/lb
- ▶ **Safety TRIFR:** 6.2 (June 2019) vs 7.1 (June 2018)
- ▶ Talisman Mining Ltd's **30% Springfield JV interest** acquisition completed
- ▶ First **Monty Copper-Gold Mine** development ore mined in Q2 FY2019, with **first stoping ore** mined in February 2019
- ▶ **Final permitting stage for the Black Butte Copper Project**, draft EIS issued and public comment period closed; **ownership increased to 85%**
- ▶ **Multi-pronged exploration programs** continue across Sandfire's Greater Doolgunna Project
- ▶ **Cash holding:** \$243.0M (Company); \$247.4M (Group)





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Financial Results – FY2019

Matthew Fitzgerald – Chief Financial Officer



Sandfire maintains strong financial performance

- ▶ Revenue of **\$592.2M** net of treatment and refining charges and price adjustment losses
- ▶ Strong cash flow from operating activities of **\$210.4M** (**\$267.4M** prior to payments for exploration and evaluation expenses)
- ▶ DeGrussa Operations segment earnings before net finance and income tax of **\$225.7M**
- ▶ Profit before net finance and income tax of **\$153.1M**
- ▶ Profit before income tax expense of **\$158.6M**
- ▶ Net profit after income tax of **\$104.0M**
- ▶ Net profit after income tax attributable to members **\$106.5M**
- ▶ Earnings per share of **65.23cps** (basic and diluted)
- ▶ Group cash of **\$247.4M** at 30 June 2019



Sandfire continues dividend payments

- ▶ Maintaining dividend stream from profitable operations
- ▶ **Final dividend for FY2019 of 16.0cps (fully franked)** following interim dividend for 1HFY2019 of 7.0cps (fully franked)
- ▶ Dividend record date 15 November 2019 to allow MOD Resources Ltd shareholders the opportunity to participate as agreed (subject to finalisation of the MOD Scheme of Arrangement)





Income Statement Review – Key Results

(\$000)	Jun 2019	Jun 2018
Revenue	592,211	570,045
Profit before net finance income and income tax expense	153,056	173,765
Net finance income	5,583	1,776
Profit before income tax expense	158,639	175,541
Income tax expense	(54,626)	(54,788)
Net profit for the year	104,013	120,753
Net profit attributable to the equity holders of the parent	106,456	123,024



- ▶ Revenue increase on increased production despite lower year-on-year copper price
- ▶ Higher exploration and evaluation expenditure largely driven by increased exploration activities at the Greater Doolgunna Project and evaluation costs associated with the Black Butte FS and EIS



Balance Sheet Review - Assets

(\$000)	Jun 2019	Jun 2018
ASSETS		
Cash and cash equivalents	247,449	243,367
Trade and other receivables	15,325	13,773
Inventories	45,143	33,961
Other current assets	3,626	2,680
Total current assets	311,543	293,781
Financial investments	19,617	9,925
Receivables	526	465
Inventories	11,698	11,698
Exploration and evaluation assets	25,975	24,410
Property, plant and equipment	366,491	330,619
Total non-current assets	424,307	377,117
TOTAL ASSETS	735,850	670,898

- ▶ Cash and cash equivalents – refer Slide 11
- ▶ Inventories – increased holdings of ore and concentrate
- ▶ Financial investments – Sandfire Ventures strategy
- ▶ Property, plant and equipment – increased by DeGrussa and Monty mine development, Monty 30% acquisition from Talisman Mining Ltd; reduced by depreciation & amortisation

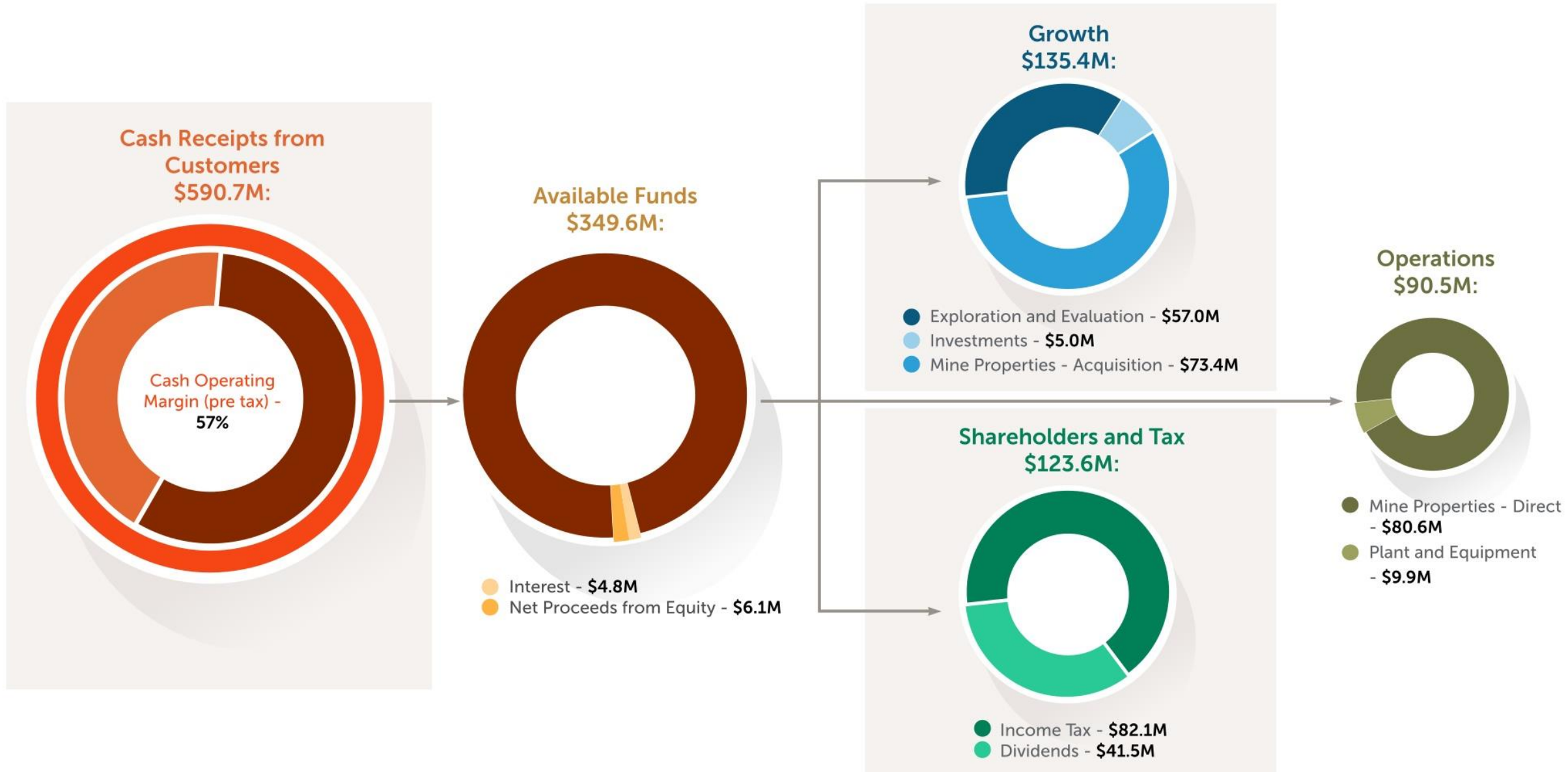


Balance Sheet Review - Liabilities

(\$'000)	Jun 2019	Jun 2018
LIABILITIES		
Trade and other payables	56,550	39,898
Interest bearing liabilities	193	1,611
Income tax payable	833	31,203
Provisions	4,822	4,255
Total current liabilities	62,398	76,967
Trade and other payables	2,520	-
Interest bearing liabilities	355	239
Provisions	30,796	29,467
Deferred tax liabilities	35,604	32,174
Total non-current liabilities	69,275	61,880
TOTAL LIABILITIES	131,673	138,847
NET ASSETS	604,177	532,051

- ▶ Trade and other payables – increased on higher operating costs (addition of Monty Copper-Gold Mine)
- ▶ Income tax payable – clearance of prior year payable, paid in December 2018
- ▶ Deferred tax liabilities – Reducing for DeGrussa mine development; increasing for Monty mine development

Full Year ended 30 June 2019 – Cash Generation and Investment





Rising production and strong outlook for FY2020

▶ Consistent, low-cost copper-gold production

- FY2019: 69,394t of contained copper and 44,455oz of contained gold produced; C1 US\$0.83/lb
- FY2020 guidance: 70-75kt of contained copper and 38-42koz of contained gold; C1 ~US\$0.90-0.95/lb

▶ First **Monty Copper-Gold Mine** development ore mined in Q2 FY2019 ahead of first stoping ore in February 2019

▶ Multi-pronged exploration programs continued across Sandfire's Greater Doolgunna Project – 90km of strike extent in host VMS lithologies

▶ **DeGrussa cash flow strength** continues to fund growth and shareholder returns

- Continued strong dividend stream for shareholders
- Committed exploration to further extend mine life
- 85% interest in high-grade USA Black Butte copper project in final stage EIS process

▶ **Emerging** international and domestic growth pipeline



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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