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December 2014 Quarterly Report Presentation and Webcast – Karl Simich, Managing Director & CEO

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28 January 2015

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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.

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

Agenda



December 2014 Quarterly Highlights



Production and Operations

- 15,350t copper and 9,058oz gold produced; C1 US\$1.18/lb
- 1H FY2015 production exceeds guidance at 31,413t copper and 17,737oz gold
- Installation of key process plant enhancements – expected to improve plant efficiency and boost copper recoveries to +90%
- 2H FY2015 production guidance: 33-36,000t of copper; C1 in the range US\$1.05-1.15/lb
- Mine life extended to mid-June 2021 with updated Mine Plan, Mineral Resource and maiden C4 Ore Reserve

Exploration

- Underground exploration focused on delineation of feeder zones in the footwall of C1 and in-fill at C5
- Drilling underway to test 7km geochemical anomaly at North Robinson Range; extensive programs continuing on Talisman JV ground
- Encouraging results from drilling at Misima Copper Gold Project (SFR: 37% of WCB Resources)
- Sandfire Executive Bruce Hooper commenced as President & CEO of Tintina Resources (SFR: 36%) to lead the evaluation and development of the high-grade Black Butte copper project, USA

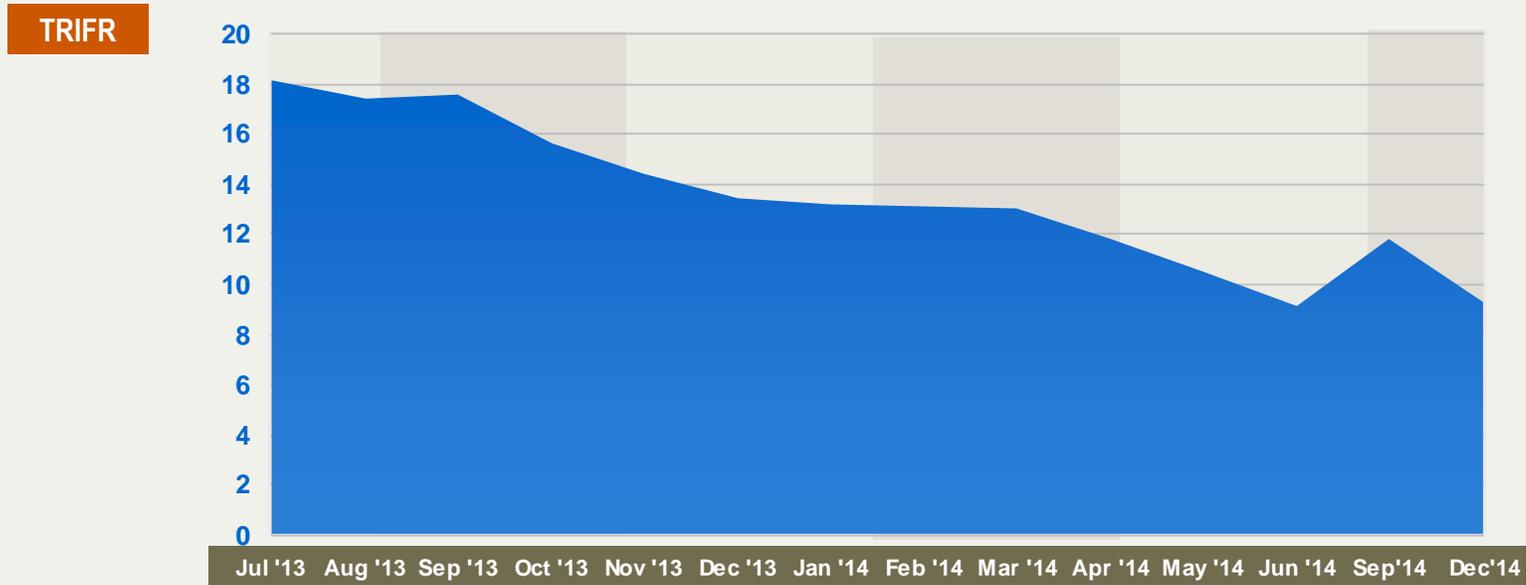
Corporate and Financial

- Agreement to acquire 100% of Sipa Resources' Thaduna Copper Project
- Facility balance reduced to \$130M at 31 December 2014 with cash reserves of \$46M

Safety

Continued sound safety performance

- Total Recordable Injury Frequency Rate (TRIFR) of 9.3 at Quarter-end (vs. 11.8 at September Quarter-end)
- Work continues 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

Activities temporarily suspended for dewatering; production rates back on target by Quarter-end

Underground

- Mining temporarily suspended due to increased water flows into the Conductor 4/5 Decline
- Occurred at the location of underground drill holes completed as part of a long-term water management program
- DeGrussa Concentrator continued to process ROM stockpiles while dewatering was completed
- Production rates returned to +1.5Mtpa by Quarter-end
- 290,390 tonnes of underground sulphide ore mined for the Quarter.
- Mine remains in balance between production and back-fill: paste-plant performance on target

Processing

Enhancement projects to boost recoveries in 2H FY2015

Mill throughput

- 337,797t milled at average head feed grade of 5.1% Cu
- Process improvement projects nearing completion:
 - Pebble crusher and SAG mill classification screen installed and commissioned
 - Immediate improvement to grind size and milling efficiency
 - Column flotation cell installed, commissioning late-January

Recovery

- Copper recovery of 89.5%; Gold recovery 49.5%
- Copper recoveries expected to increase to +90% in 2H FY2015

Concentrate & metal production

- 64,001t of concentrate produced
- 15,350t of contained copper produced: ahead of guidance



- Quarterly sales of 16,057 tonnes of contained copper and 8,838 ounces of gold
- Port Hedland and Geraldton Ports both operating well
- ~ 13,000 tonnes concentrate holding at site and at port at Quarter-end



Unit Operating Costs

C1 and total production costs

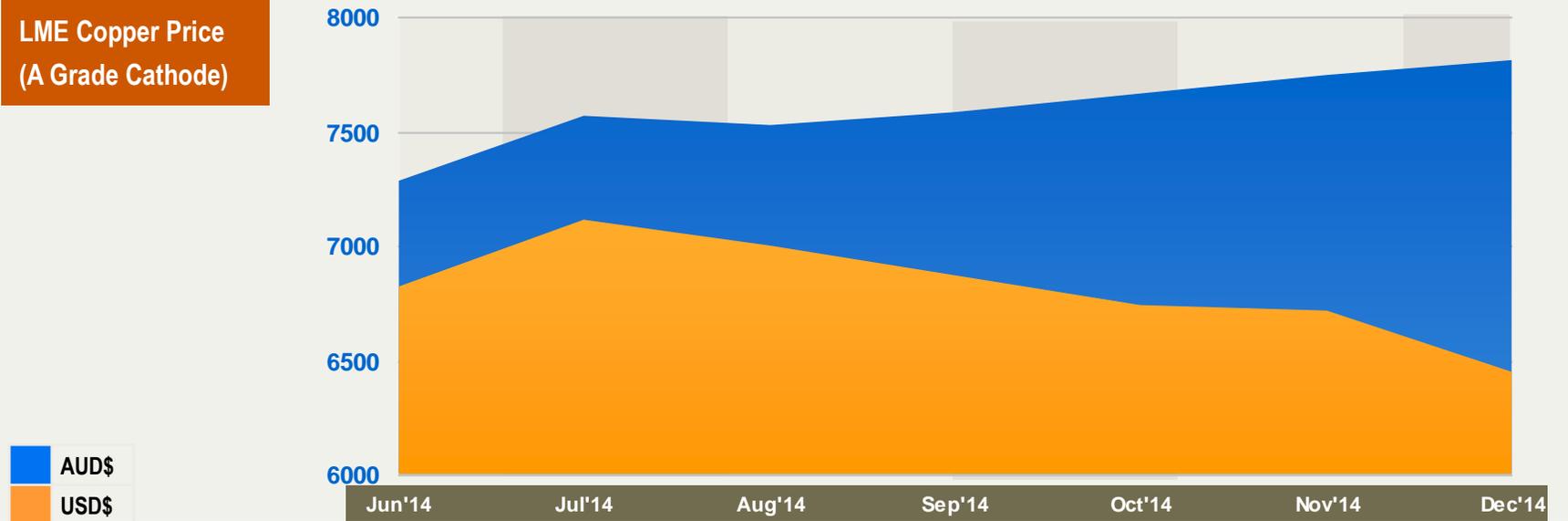
Unit costs – DeGrussa Mine	Q2 FY2015 (US\$/lb)	Commentary
Mining (net of development)	0.38	Factors assisting lower C1 unit costs: 1. Plant improvements driving capacity and higher recoveries 2. Operating cost containment measures 3. Falling diesel price 4. Continued currency weakness
Processing	0.37	
Business services	0.18	
Transport, treatment and refining	0.56	
C1 cost (pre-by product credit)	1.49	1H FY2015 unit costs US\$1.22/lb
By-product credit (gold and silver)	(0.32)	
C1 cost	1.18	2H FY2015 unit costs are expected to be within the range of US\$1.05-1.15/lb with increasing copper production per previous guidance.
Royalties	0.15	
Production cost	1.33	FY2015 unit cost guidance US\$1.10-1.20/lb
Depreciation and amortisation	0.52	
Total production cost	1.85	FY2015 mine development ~\$65-70M (YTD \$31M)

Commodity Price & Exchange Rate

Fall in Australian dollar positive for DeGrussa operating margins

- DeGrussa directly leveraged to AUD copper price per tonne
- Cash costs and operating margins benefited from recent fall in AUD:USD exchange rate

LME Copper Price
(A Grade Cathode)



Production Guidance: FY2015

Key physicals

Production Guidance – DeGrussa Mine	FY2014	1H FY2015 (Actual)	2H FY2015 (Guidance)	FY2015 (Guidance)
Contained Copper (t)	67,690	31,413	33-36,000	65-68,000
Contained gold (oz)	33,893	17,736	18-20,000	36-38,000
Head grade (Cu)	5.2%	5.0%	4.9%	4.9%
Head grade (Au)	1.5g/t	1.7g/t	1.7g/t	1.7g/t



Mine Life Extension and Ore Reserve Update

Maiden C4 Ore Reserve and Mineral Resource additions extend mine life to mid-2021

- Previously announced increases to high-grade Underground Mineral Resource incorporated into DeGrussa Mine Plan, extending mine life to mid-2021
- Maiden Ore Reserve reported for C4 deposit – 2Mt grading 4.5% Cu and 1.5g/t Au
- DeGrussa Ore Reserve updated based on mining depletion to 31 December 2014 to 10.6Mt grading 3.5% Cu and 1.3g/t Au for 376,000t of contained copper and 456,000oz of contained gold

Table 1 – December 2014 Comparison of the Underground Mine Plan, Mineral Resource and Ore Reserve

DeGrussa Underground Mine	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Mine Plan	9.6	4.4	1.6	424,000	484,000
Mineral Resource	9.5	5.7	2.0	546,000	616,000
Ore Reserve	7.8	4.4	1.5	343,000	368,000
DeGrussa Underground Mine by orebody	Tonnes (Mt)	DG (Mt)	C1 (Mt)	C4 (Mt)	C5 (Mt)
Mine Plan	9.6	1.1	4.7	2.2	1.5
Mineral Resource	9.5	1.0	4.7	2.4	1.4
Ore Reserve	7.8	1.1	4.6	2.0	-

Table 2 – December 2014 Ore Reserve

DeGrussa Mine Ore Reserve, net of depletion	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Underground Mine	7.8	4.4	1.5	343,000	368,000
Stockpiles (Total)	2.9	1.2	1.0	35,000	89,000
December 2014 – Total	10.6	3.5	1.3	376,000	456,000

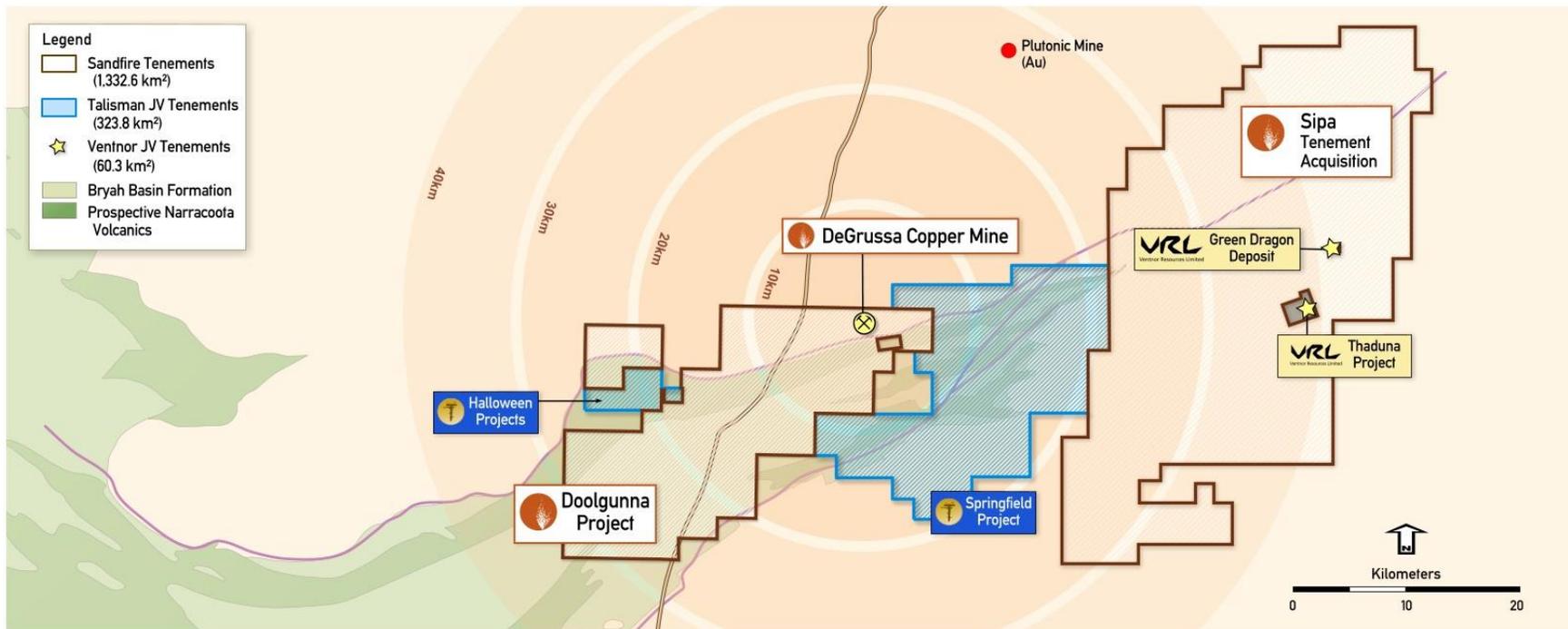
Exploration Summary

Encouraging results from DeGrussa and international exploration

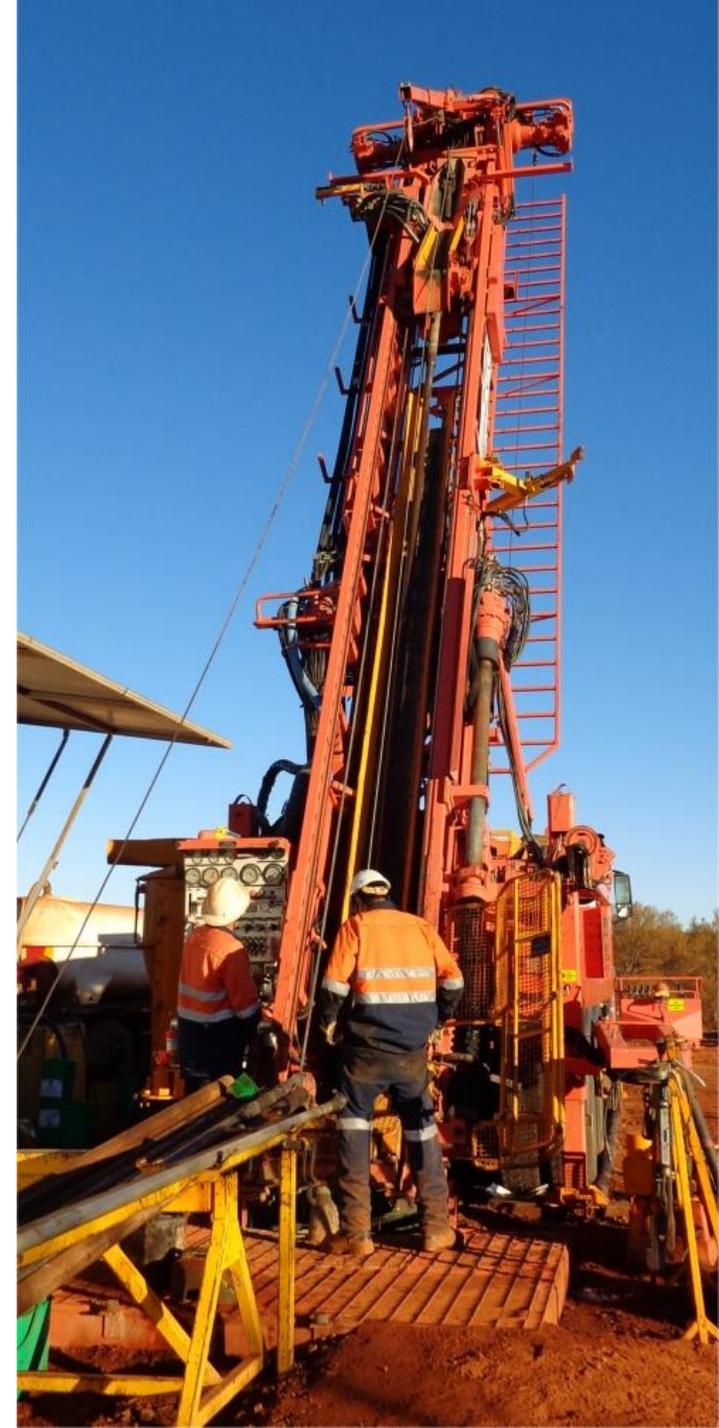
- Focus on delineation of feeder zones in the footwall of the C1 deposit and initial in-fill drilling at C5
- Drilling underway to test 7km long geochemical anomaly at the North Robinson Range and extensive programs continuing on Talisman JV ground
- Encouraging results from deep diamond hole at the Misima Porphyry Copper Prospect (SFR: 37% interest in WCB Resources), which intersected:
 - 48m @ 4.09g/t Au, 15.82g/t Ag and 0.22% Cu from 38m, including
 - 4m @ 47.6g/t Au, 90.55g/t Ag and 0.57% Cu from 60m
- Sandfire Executive Bruce Hooper commenced as President & CEO of Tintina Resources (Sandfire:36%), to lead the evaluation and development of the high-grade Black Butte copper project, USA
- Agreement to acquire 100% of Sipa Resources' Thaduna Copper Project, 25km east of DeGrussa

Dominant Position in an Emerging VMS Province

Consolidating a strong position in Western Australia's emerging Bryah Basin



- Only operating base metals processing plant in the region (1.5Mtpa DeGrussa Concentrator)
- Outstanding organic growth potential – extensive 65km strike length of prospective VMS horizon
- Recently expanded strategic footprint via acquisition of Sipa Resources' Thaduna Copper Project



Summary & Outlook

Key enhancement projects now in place; strong outlook for the remainder of FY2015

- Quarterly production and cost performance:
15,350t copper, 9,058oz gold production at C1 cost of US\$1.18/lb
Plant optimisation projects nearing completion
- Operating cash flow:
\$20M repayment reduces finance facility to \$130M
Ongoing exploration commitment
- Consistent outlook for FY2015:
FY2015 guidance: 65-68kt Cu, 36-38koz gold at C1 US\$1.10-1.20/lb
- Expanding footprint in the emerging Bryah Basin VMS district – aggregate contiguous exploration area increased to 1,700km²
- Exciting initial results from Misima Project, tier-1 porphyry copper-gold opportunity
- Exploration set to ramp up in 2H 2015 at Black Butte Copper Project, USA



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