



ASX/Media Release

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## **COPPER CONCENTRATE SALES CONTRACTS**

EXCELLENT RESPONSE TO SALES PROCESS REFLECTS STRONG DEMAND FOR PREMIUM PRODUCT

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Sandfire Resources NL (ASX: **SFR**; "Sandfire") is pleased to announce that it has signed the first sales contract for copper concentrate to be produced from its 100%-owned DeGrussa Copper-Gold Mine in Western Australia, marking another key milestone ahead of the start of plant commissioning later this Quarter.

The sales contract, with an international metals trading house, follows a highly successful off-take marketing process for DeGrussa concentrate, during which firm offers were received from a range of smelters and traders short-listed to receive the final invitation to bid.

Sandfire is aiming to finalise product sales agreements with 4 concentrate customers for up to 3-year terms to cover the majority of its annual concentrate production, while allowing for delivery of a targeted 10-15% of production into the spot market.

Sandfire's Managing Director, Mr Karl Simich, said the premium quality and grade of its concentrate has resulted in strong market demand from potential customers predominantly in the Asian region, enabling the Company to obtain superior smelter terms including discounted treatment and refining costs. "We are looking forward to concluding the remaining contracts over the coming weeks, ahead of the anticipated commencement of concentrate deliveries," he added.

Product sales agreements are already in place for all of the high-grade chalcocite Direct Shipping Ore currently being mined and shipped from the open pit mining operation at DeGrussa.

Over 30,000 tonnes of massive sulphide ore grading 5% Cu has been mined from underground and stockpiled on the ROM pad ready for plant commissioning.

"Everything is now rapidly coming together at DeGrussa as we prepare for plant start up later this Quarter," Mr Simich said. "The Project is on time and on budget and we are now moving inexorably towards our objective of becoming a leading Australian copper-gold producer by the end of this year. Shareholders can look forward to an active and exciting period over the next six months."

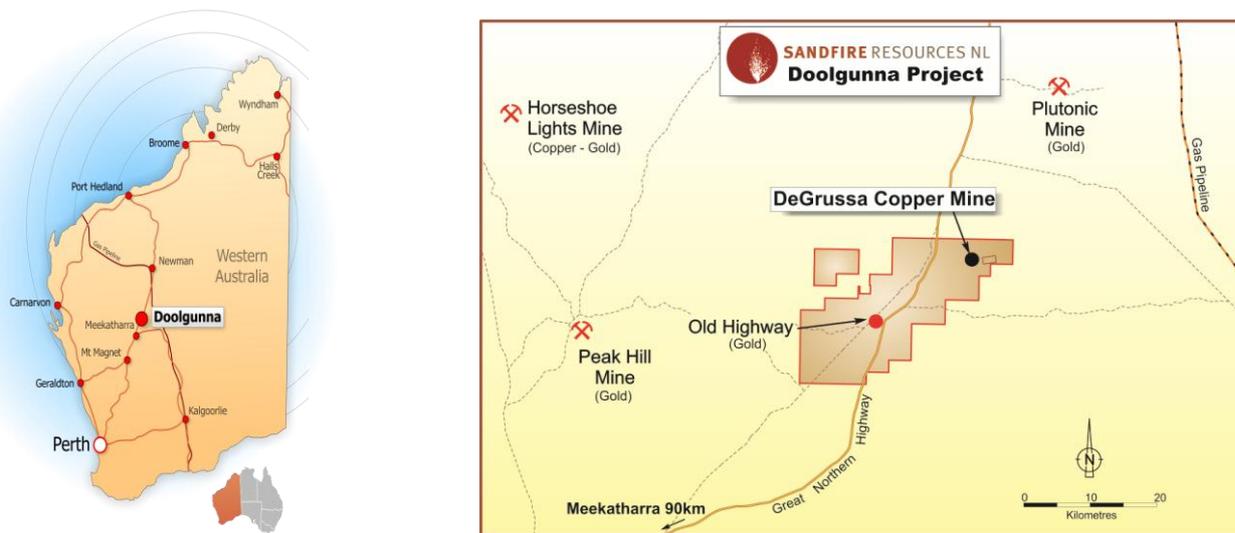
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Figure 1 – DeGrussa Copper Mine location



### Forward-Looking Statements

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration operations, project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Sandfire believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of Sandfire, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. Sandfire undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly you should not place undue reliance on any forward looking statement.

### Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration Targets for the DeGrussa Project 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 resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.