



SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR



September 2018 Quarterly Report Presentation and Webcast – 25 October 2018

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DeGrussa and Monty Mineral Resource

The information in this report that relates to the DeGrussa Mineral Resource is based on information compiled by Mr Callum Browne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne is a permanent employee of Sandfire Resources NL 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 Resource and Ore Reserve. Mr Browne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Monty Mineral Resource is based on information compiled by Mr Ekow Taylor who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Taylor was a permanent employee of Sandfire Resources NL at the time of Mineral Resource compilation 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 Resource and Ore Reserve. 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.

DeGrussa and Monty Ore Reserve

The information in this report that relates to the DeGrussa and Monty Ore Reserve 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 NL 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.

Black Butte Mineral Resource

The information in this report that relates to Black Butte Mineral Resource is based on information compiled by Mr Michael J. Lechner who is a Registered Member of SME, a CPG with AIPG, a RPG in Arizona, and a P. Geo. In British Columbia. Mr Lechner is an independent consultant 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 Lechner 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 Statements

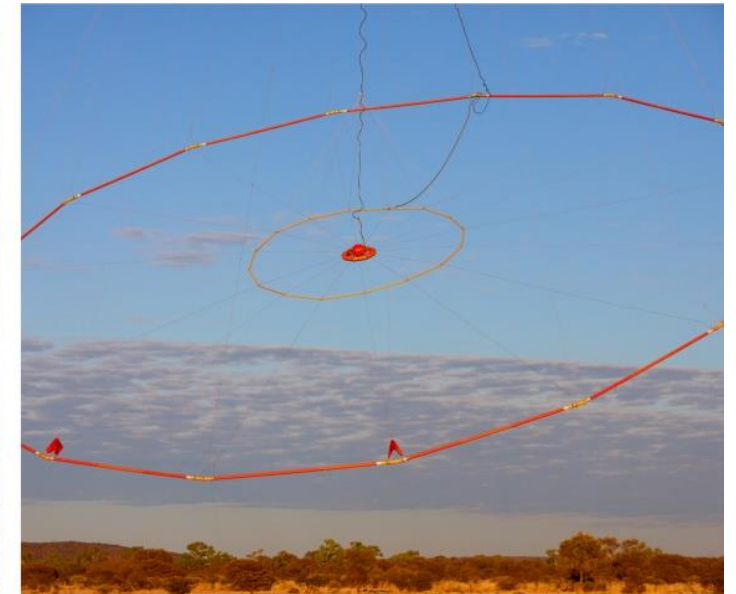


Exploration Results Doolgunna

The information in this presentation 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 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 continuing exploration programs aimed at reporting additional JORC compliant resources for the Greater Doolgunna 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

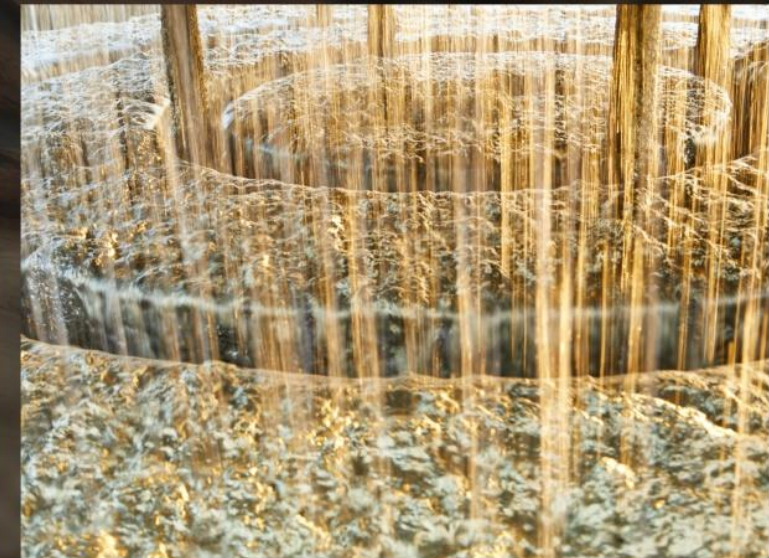
Operations

Development

Guidance & Costs

Exploration

Summary



September 2018 Quarterly Highlights



Production and Operations

- ▶ September 2018 Quarter: 17,924t of contained copper and 11,141oz of contained gold produced; C1 US\$0.89/lb
- ▶ FY2019 guidance maintained: 63-67kt of contained copper; 37-40koz of contained gold; C1 costs ~US\$1.00-1.05/lb

Development

- ▶ Monty Copper-Gold Mine decline development progressing; Talisman Mining Ltd's 30% JV interest acquired
- ▶ Black Butte permitting final stage (EIS) continues (SFR holding 78%), draft EIS expected December 2018 quarter

Exploration

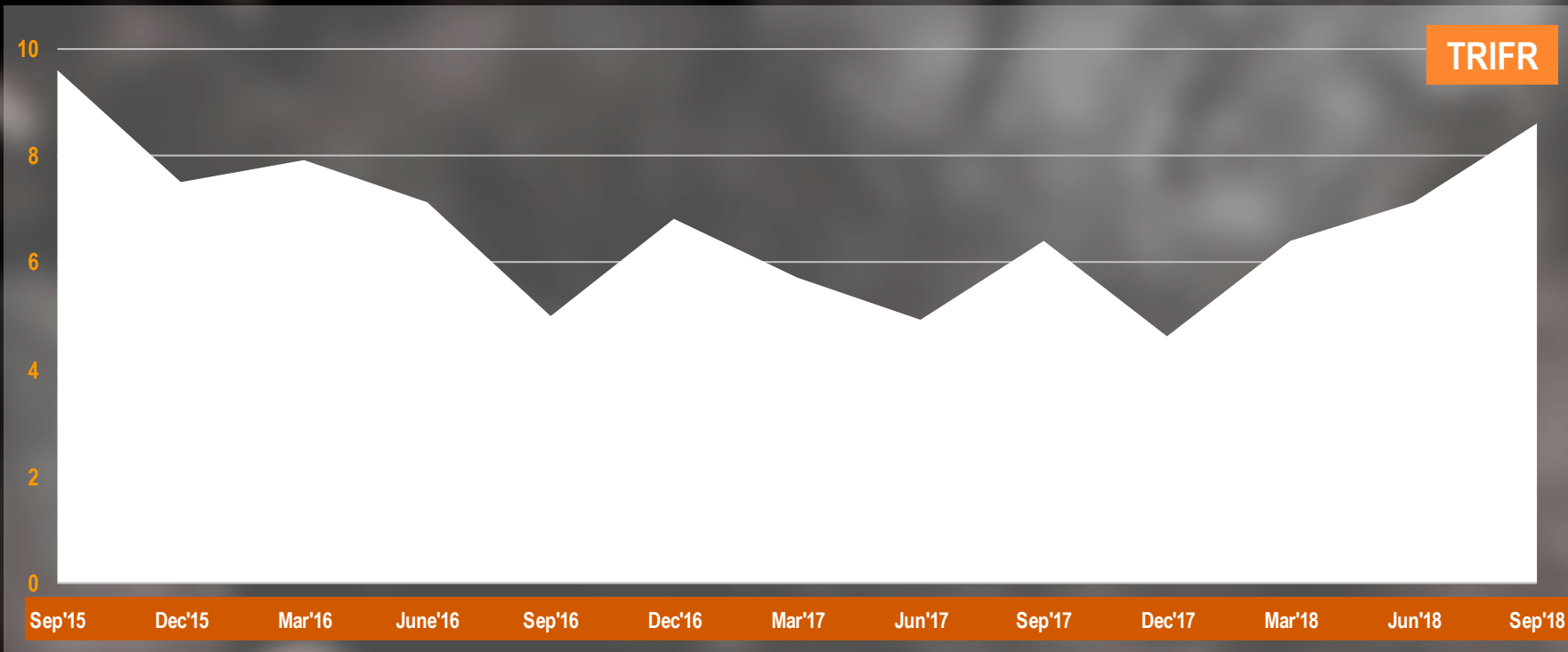
- ▶ Multi-pronged exploration programs continuing across Sandfire's Greater Doolgunna Project; Sandfire's exploration tenure, including Joint Venture and Farm-in arrangements, increased to 6,588km²
- ▶ Follow-up drilling and geophysics continuing at the Morck Well Project (Auris Farm-in)

Corporate and Financial

- ▶ Cash and deposits \$217.6M (Sandfire); \$218.4M (Group)



- ▶ Total Recordable Injury Frequency Rate (TRIFR) of 8.6 at Quarter-end (vs. 7.1 at June 2018 Quarter-end)
- ▶ Principal hazard management – key theme to improve safety culture
- ▶ Focus continues to be applied to improving safety leadership, culture and assurance of critical controls





Underground production

- ▶ Total ore production for the Quarter of 369,763t grading 4.94% Cu
- ▶ Mine remains in balance between production and back-fill





Mill throughput

- ▶ Quarter: 391,065 tonnes milled at average feed grade of 4.95% Cu

Recovery

- ▶ Copper recovery of 92.7%; Gold recovery 47.5%

Concentrate & metal production

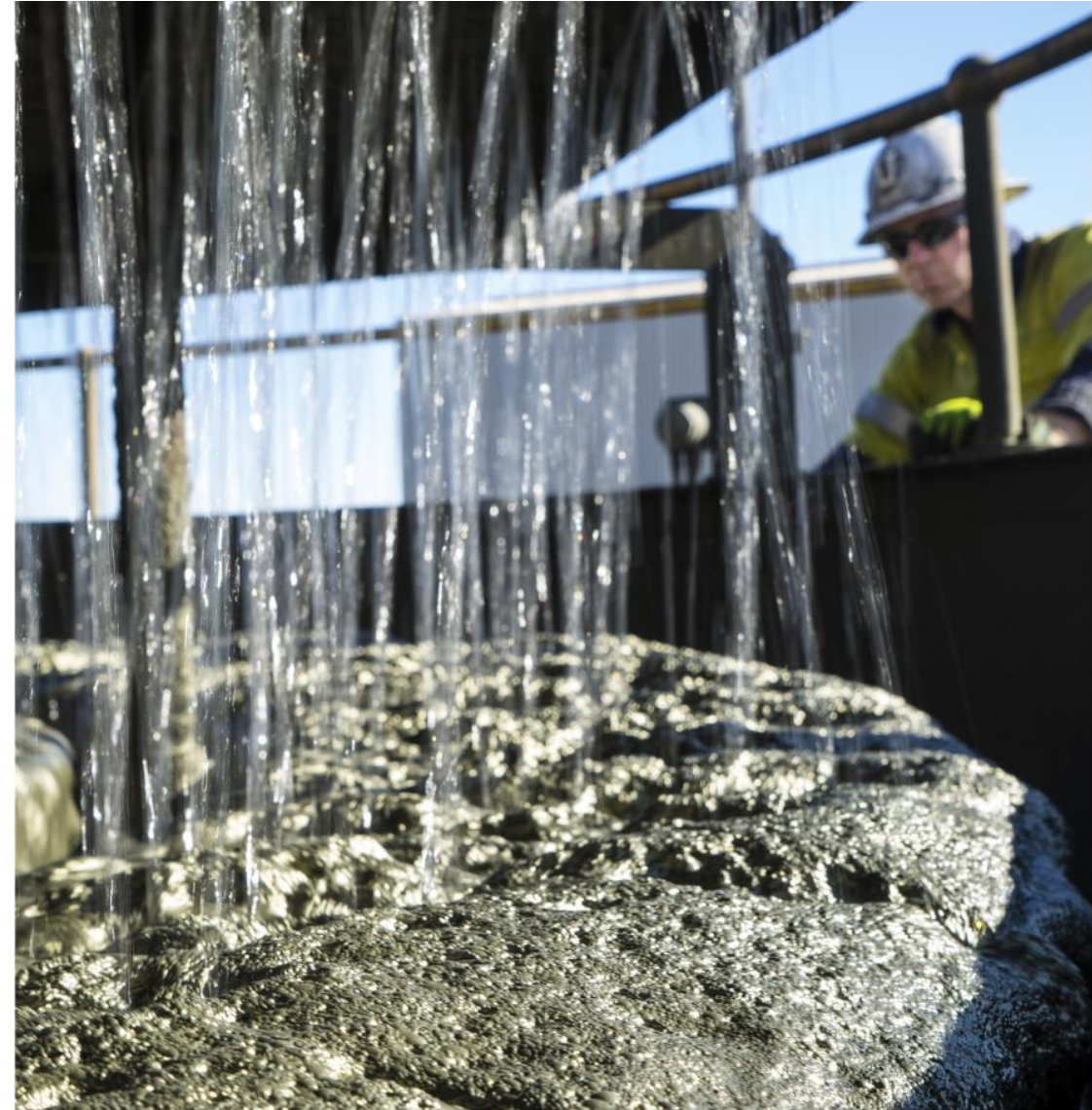
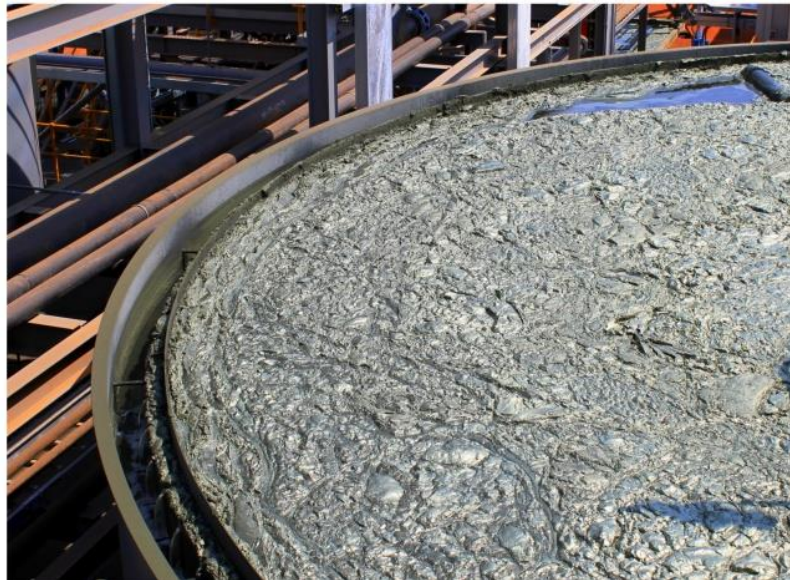
- ▶ 74,164 tonnes of concentrate produced
- ▶ 17,924 tonnes of contained copper produced
- ▶ 11,141 ounces of contained gold produced





Additional concentrate thickener & filter

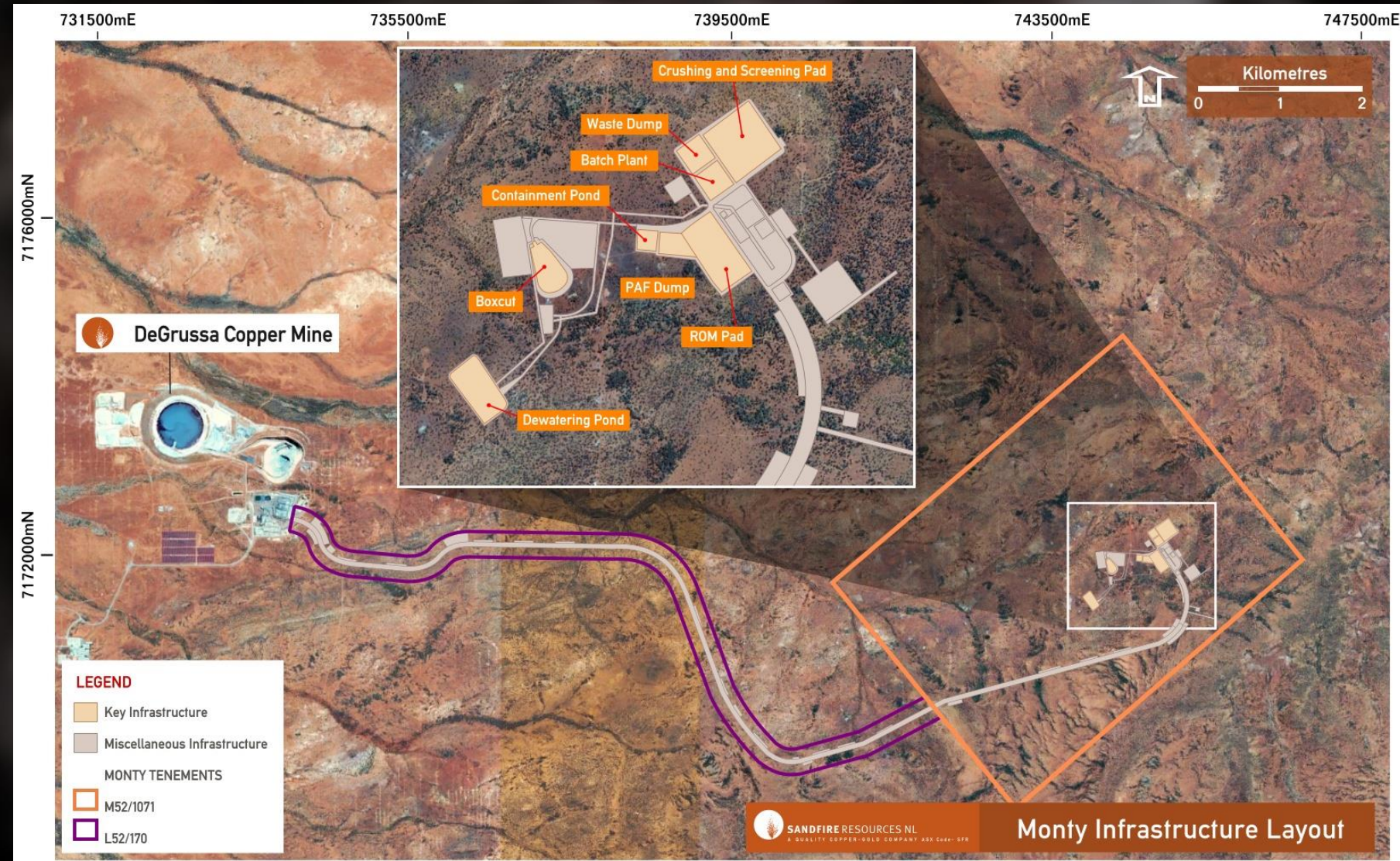
- ▶ Commenced commissioning
- ▶ Increases peak concentrate capacity to 400,000tpa ahead of Monty ore blending



Development – Monty Copper-Gold Mine



- ▶ Talisman's 30% interest in the Springfield JV acquired
- ▶ Decline works progressing
 - 1,349m project to date against budget 1,643m
- ▶ Total development
 - 3,202m project to date against budget 3,762m





- ▶ September 2018 Quarter: Sales of 52,703 tonnes of concentrate (dry) containing 12,668 tonnes of copper (12,126 tonnes payable) and 7,376 ounces of gold (6,837 ounces payable)
- ▶ 5 shipments completed for the quarter
- ▶ High concentrate stocks on hand at quarter-end ~35,000 dry tonnes containing ~8,500 tonnes of copper



Operations – Unit Operating Costs



Unit costs – DeGrussa Mine	Q1 FY2019 (US\$/lb)	Commentary
Mining (net of development)	0.39	C1 costs assisted by: <ul style="list-style-type: none"> - High quarterly copper production - High head grade and strong recoveries - High mining grade - Reduced FX rate
Processing	0.28	
Business services	0.09	
Transport, treatment and refining	0.46	
C1 cost (pre by-product credit)	1.22	Remainder of FY2019 C1 unit costs expected to be impacted by:
By-product credit (gold and silver)	(0.33)	<ul style="list-style-type: none"> - Monty mining costs commencing in Q2FY2019 with below LOM head grade - Reducing DeGrussa mining scale for total 1.6Mtpa inclusive of Monty - Increased diesel prices impacting mining, transport and power generation
C1 cost	0.89	
Royalties	0.14	
Production cost	1.03	DeGrussa Mine development \$8M for the quarter
Depreciation and amortisation	0.68	Monty capital \$9M for the quarter
Total production cost	1.71	Sustaining and strategic capital expenditure \$3M

Development and Growth – Black Butte Copper Project, USA



- ▶ 78% stake in Black Butte Copper Project, central Montana (via stake in Sandfire Resources America Inc.)
- ▶ Advanced, high quality copper project in stable jurisdiction:
 - Mineral Resource: 18Mt at 3.3% Cu, 14g/t Ag, 0.10% Co for 597,000t of copper, 7,980,000oz of silver and 18,000t of cobalt (JORC)*
- ▶ One of the top-10 undeveloped copper projects worldwide by grade
- ▶ Outstanding near-mine and district-wide exploration potential
- ▶ Mine Operating Permit (MOP) received for Johnny Lee copper deposit
- ▶ Environmental Impact Statement (EIS) progressing as final stage of state permitting process
- ▶ Draft EIS expected in the December 2018 Quarter
- ▶ Key consultants engaged to commence Feasibility Study

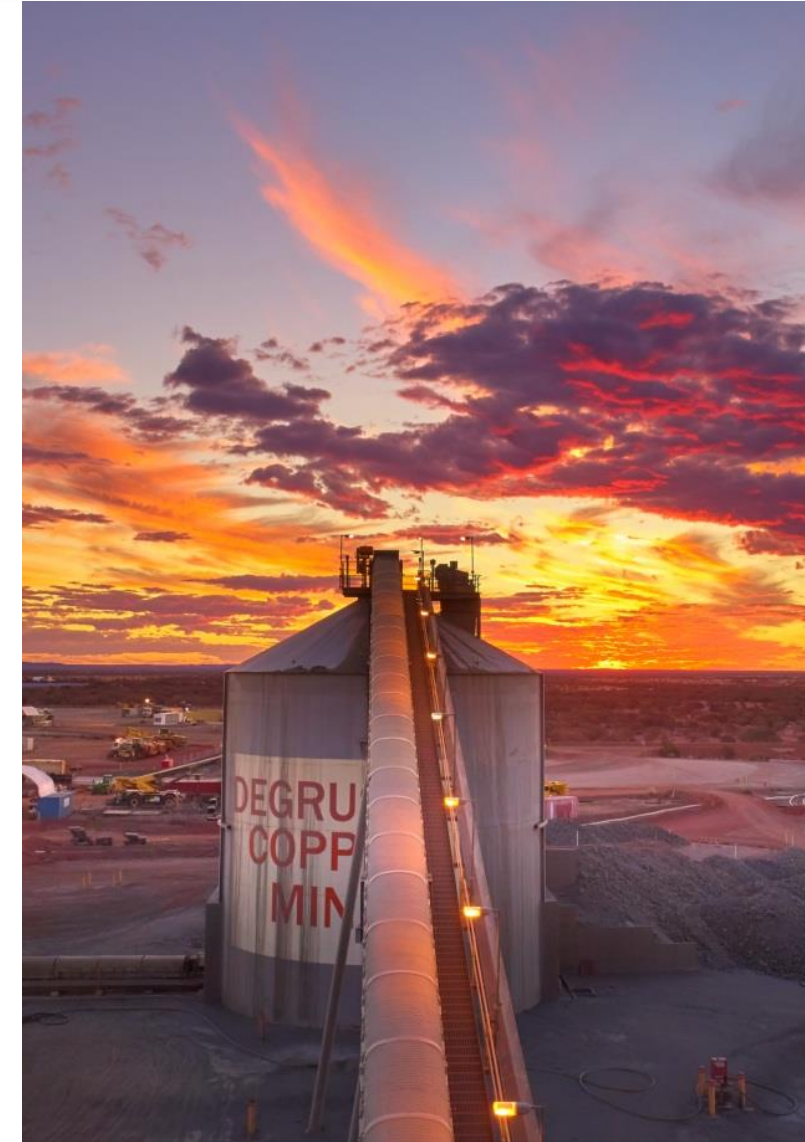


* Refer release "Sandfire Group JORC Mineral Resource and Ore Reserve Statement" (dated 19 October 2017) and associated disclosures.

Doolgunna Exploration Overview



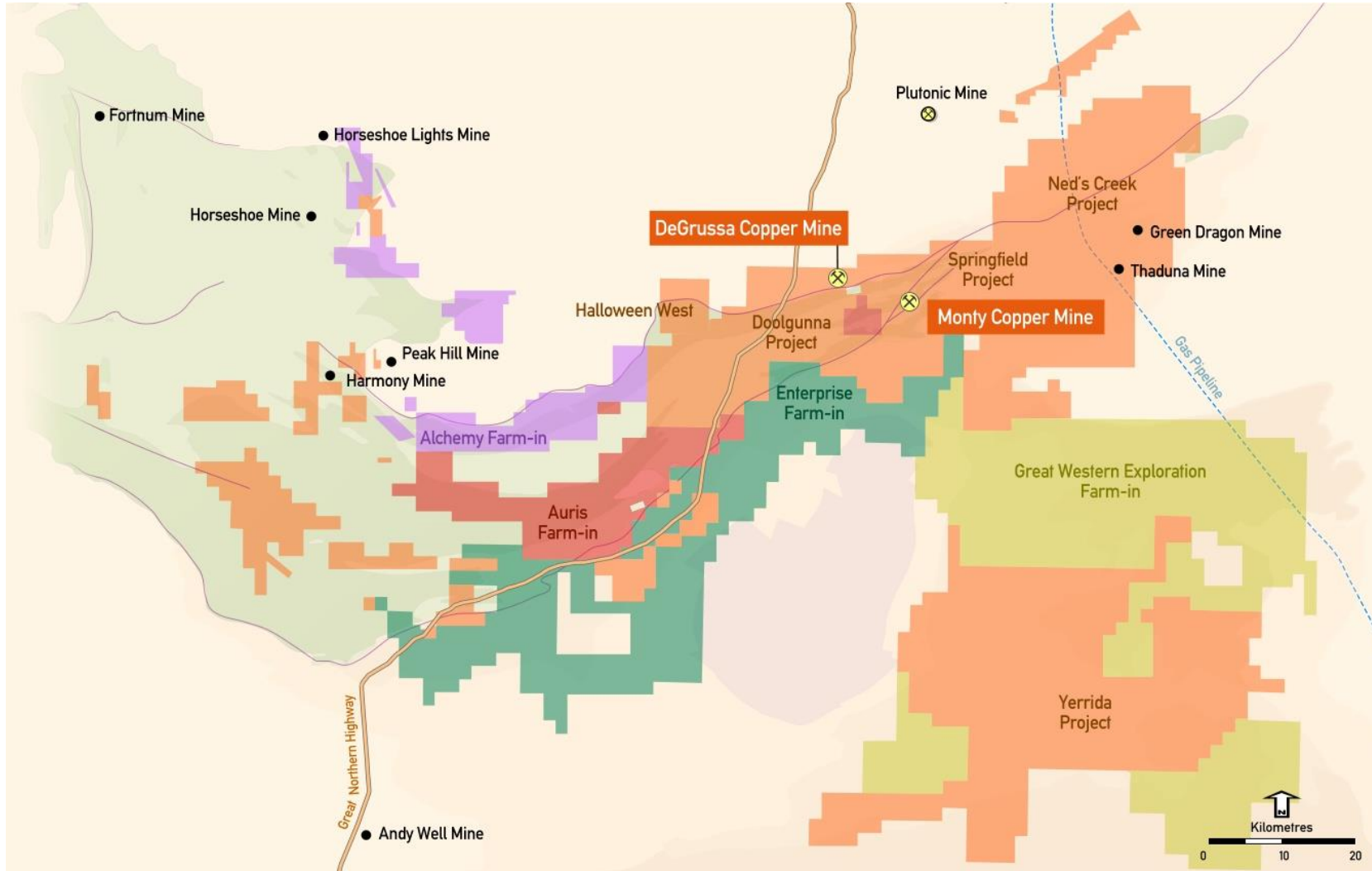
- ▶ Exploration continuing as a priority along highly prospective VMS corridor that hosts the DeGrussa and Monty deposits.
 - Continuation of major AC drilling program through the Morck Well Project to aid geological interpretation and provide quality geochemical coverage.
 - RC drilling at Morck Well Project to test stratigraphy along strike from where visible copper mineralisation was intersected.
 - RC and Diamond drilling within the Ned's Creek Project to test geophysical conductors identified through the inversion of VTEM data and fault systems along strike from Green Dragon for structurally-hosted copper mineralisation.
 - RC drilling at Enigma to aid in the definition of the supergene copper mineralisation defined by Sipa Resources Ltd and provide samples for metallurgical testwork.
 - Diamond drilling at Springfield to test a subtle DHEM anomaly.



Doolgunna Exploration Overview



- ▶ Exploration advancing at multiple prospects within Greater Doolgunna area



- ▶ 57,164m AC/RAB drilling
- ▶ 6,018m RC drilling
- ▶ 1,805m surface DD drilling
- ▶ Total Tenure – 6,588km²

	Sandfire Tenements (3,444 km ²)
	Enterprise Farm-in Tenements (917 km ²)
	Great Western Exploration Farm-in Tenements (1,525 km ²)
	Auris Farm-in Tenements (390 km ²)
	Alchemy Farm-in Tenements (312 km ²)

TOTAL = 6,588 km²

	Bryah Basin Formation
	Prospective Narracoota Volcanics
	Killara + Maralou Formations
	Thaduna + Doolgunna Formations
	Windplain Sub-Group
	Monzogranite
	Historical Mine



- ▶ Production and cost performance
 - Q1 FY2019 strong start: 17,924t of contained copper and 11,141oz of contained gold produced; C1 US\$0.89/lb
 - FY2019 guidance maintained: 63-67kt of contained copper; 37-40koz of contained gold; C1 costs US\$1.00-1.05/lb
 - Monty under development; first development ore scheduled for December 2018
- ▶ Progressing permitting for 78%-owned Black Butte Copper Project, USA
- ▶ Active exploration underway targeting the next VMS discovery
- ▶ Emerging Bryah Basin VMS district – aggregate contiguous exploration area of 6,588km²





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