



SANDFIRE
RESOURCES NL

A QUALITY COPPER-GOLD COMPANY
ASX Code: SFR

December 2016 Quarterly Report Presentation and Webcast

24 January 2017

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Competent Person's Statement – Ore Reserves and Mine Plan

The information in this report that relates to Ore Reserves and Mine Plan 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 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.

Competent Person's Statement – Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Ekow Taylor who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Taylor is a permanent employee of Sandfire Resources and has sufficient experience that is relevant to the style of mineralization 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 Taylor 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 Statement – Exploration Results

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
- ▶ Monty Project
- ▶ Exploration
- ▶ Summary & Outlook



Production and Operations

- ▶ December 2016 Quarter: 18,130t copper and 10,183oz gold produced; C1 US\$0.81/lb
- ▶ December 2016 Half Year: 33,740t copper and 19,914oz gold produced; C1 US\$0.92/lb
- ▶ FY2017 guidance maintained: 65-68kt of contained copper, 35-40koz of contained gold; C1 ~US\$0.95-1.05/lb

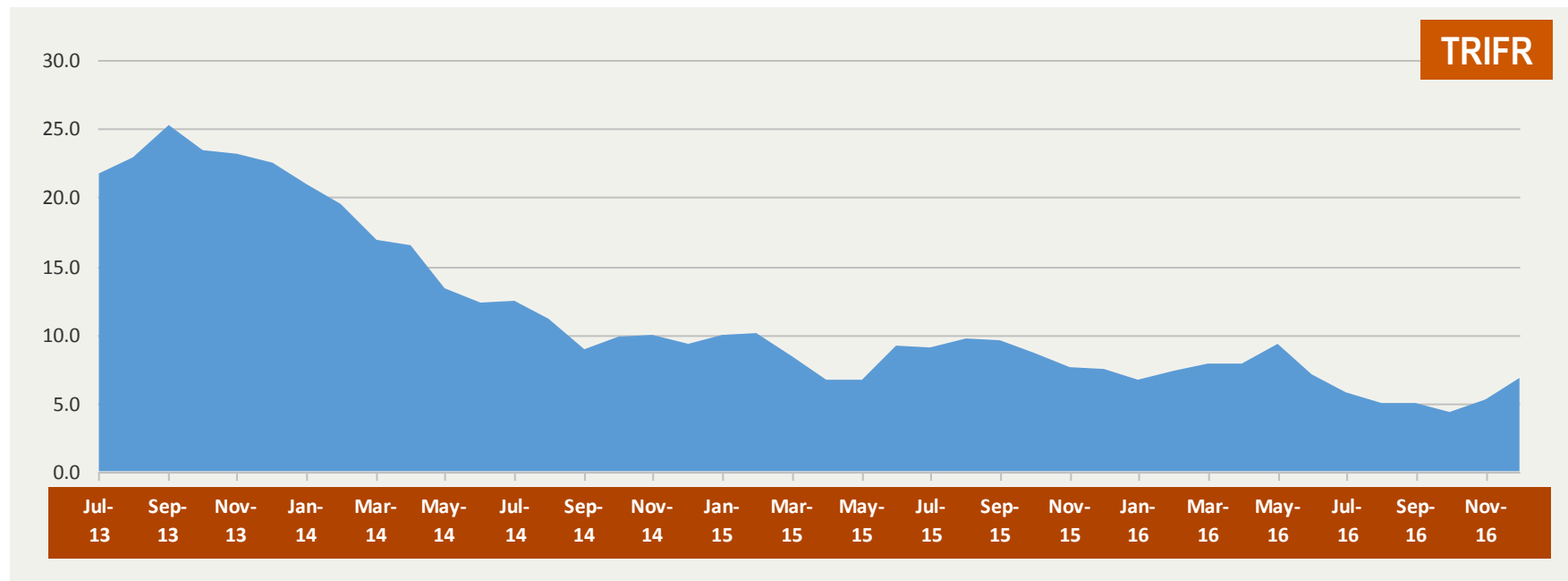
Development and Exploration

- ▶ Increased holding in Tintina Resources (Black Butte development) to 61%
- ▶ Feasibility Study nearing completion on the Monty Copper-Gold Project (Springfield JV)
- ▶ Multi-pronged exploration programs continuing at both Sandfire's Doolgunna Project and the Springfield Joint Venture; including systematic AC, RC and Diamond drilling, and geophysical surveys

Corporate and Financial

- ▶ Cash and deposits \$101M (Sandfire); \$107M Group
- ▶ Positive QP adjustments due to increase in copper price
- ▶ Total debt \$50.0M (Revolver Facility at 31 December 2016); to be fully repaid at end January 2017

- ▶ Total Recordable Injury Frequency Rate (TRIFR) of 6.3 at Quarter-end (vs. 5.0 at September 2016 Quarter-end)
- ▶ Safety systems development and critical control management – ongoing
- ▶ Focus being applied to improving safety leadership, culture and assurance controls



Underground production and mine development

- ▶ Total ore production for the Quarter of 389,087 tonnes grading 4.8% Cu
- ▶ Mine remains in balance between production and back-fill
- ▶ Conductor 4 and 5 Decline development complete
- ▶ Underground pumping station, ventilation and other infrastructure being installed for LOM production



Mill throughput

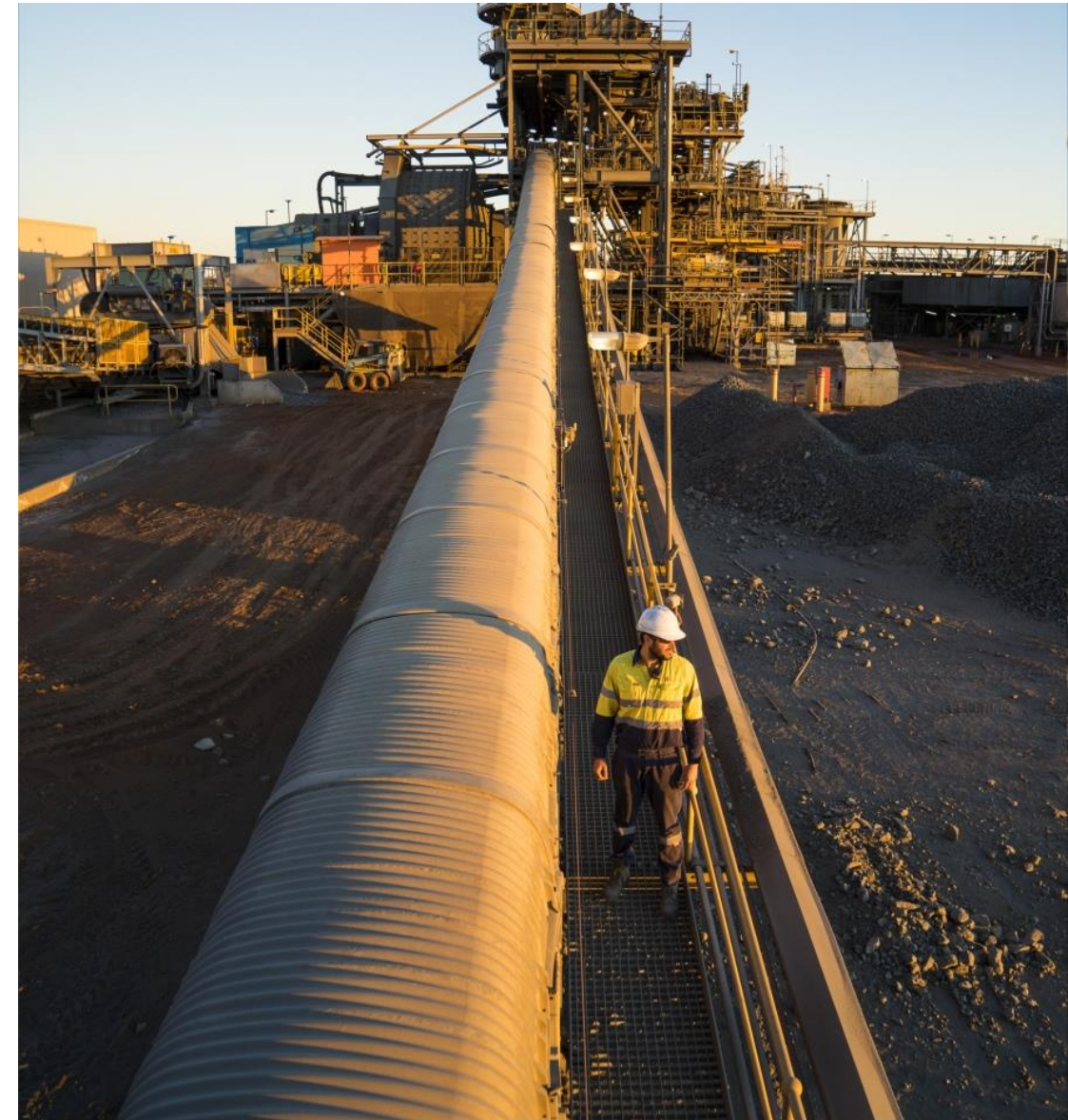
- ▶ 413,625 tonnes milled at average head feed grade of 4.8% Cu

Recovery

- ▶ Quarterly copper recovery of 91.3%; Gold recovery 44.6% (FY2017 guidance: copper ~91%, gold ~42%)
- ▶ Further improvements to recovery in FY2018 with additional rougher flotation capacity being added

Concentrate & metal production

- ▶ 73,763 tonnes of concentrate produced
- ▶ 18,130 tonnes of contained copper produced
- ▶ 10,183 ounces of contained gold produced



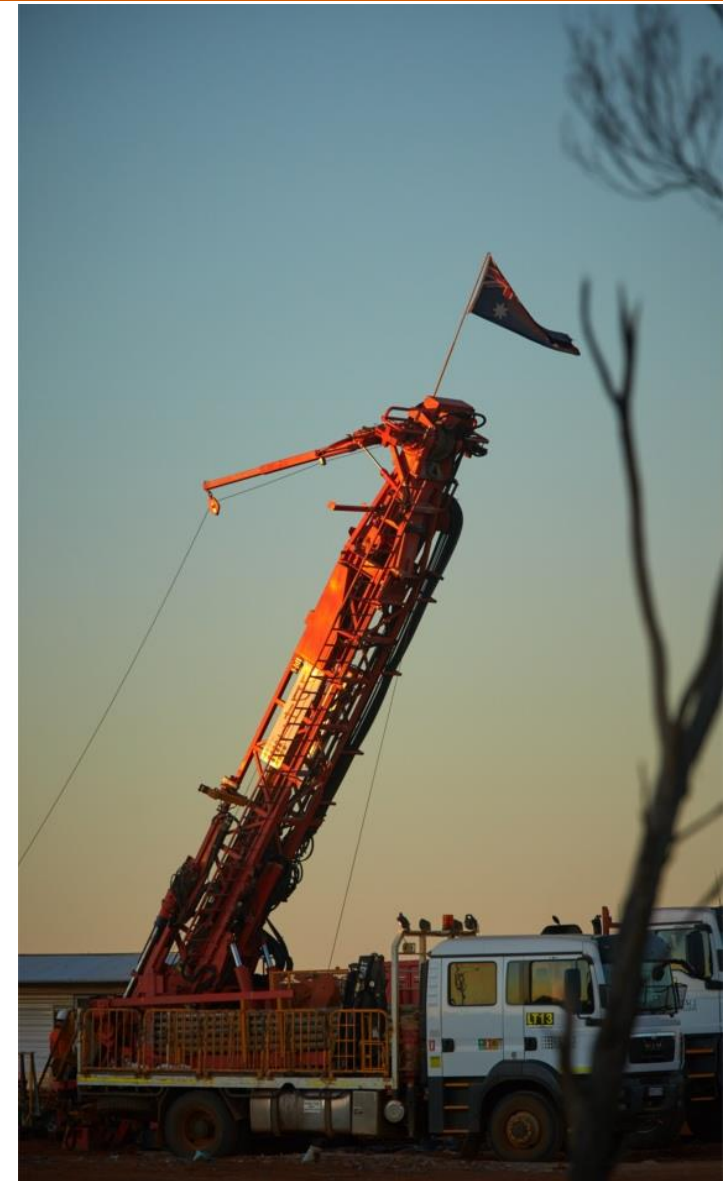
- ▶ Sales of 83,929 tonnes of concentrate (dry) containing 20,456 tonnes of copper (19,613 tonnes payable) and 12,309 ounces of gold (11,374 ounces payable)
- ▶ 8 shipments completed for the quarter



Unit Operating Costs

Unit costs – DeGrussa Mine	Q2FY2017 (US\$/lb)	1HFY2017 (US\$/lb)	Commentary
Mining (net of development)	0.38	0.40	Q2 copper production was higher in line with guidance, reducing USD C1 unit costs.
Processing	0.25	0.27	
Business services	0.13	0.15	C1 unit costs guided higher in 2HFY2017 due to reduced mine development activity, planned processing shutdown costs and reduced by product credits.
Transport, treatment and refining	0.45	0.46	
C1 cost (pre by product credit)	1.21	1.28	FY2017 C1 unit cost guidance ~USD0.95-1.05/lb maintained.
By-product credit (gold and silver)	(0.40)	(0.36)	
C1 cost	0.81	0.92	Mine development \$15M for the quarter (FY2017 mine development guidance ~\$55M).
Royalties	0.13	0.12	Capital guidance \$30M for FY2017: Strategic capital \$9M (U/G pumping system), \$5M (rougher column cell) and \$6M (paste plant), Sustaining capital \$10M.
Production cost	0.94	1.04	
Depreciation and amortisation	0.50	0.54	Depreciation and amortisation guidance ~\$105M for FY2017.
Total production cost	1.44	1.58	

- ▶ Sandfire is Manager of the Springfield JV – interests Sandfire 70% / Talisman 30%
- ▶ Feasibility Study nearing completion; \$3.9M (100%) budget
 - ▶ Metallurgical testwork for comminution and flotation - complete
 - ▶ Geotechnical and hydrogeological studies - complete
 - ▶ Mine design engineering- complete
 - ▶ Haul road route – Miscellaneous Licence application submitted
 - ▶ Study due to be finalised in Q1 2017
- ▶ DeGrussa and Monty integration
 - ▶ Base case assumes processing at DeGrussa with combined DeGrussa and Monty at total 1.6Mtpa mining rate

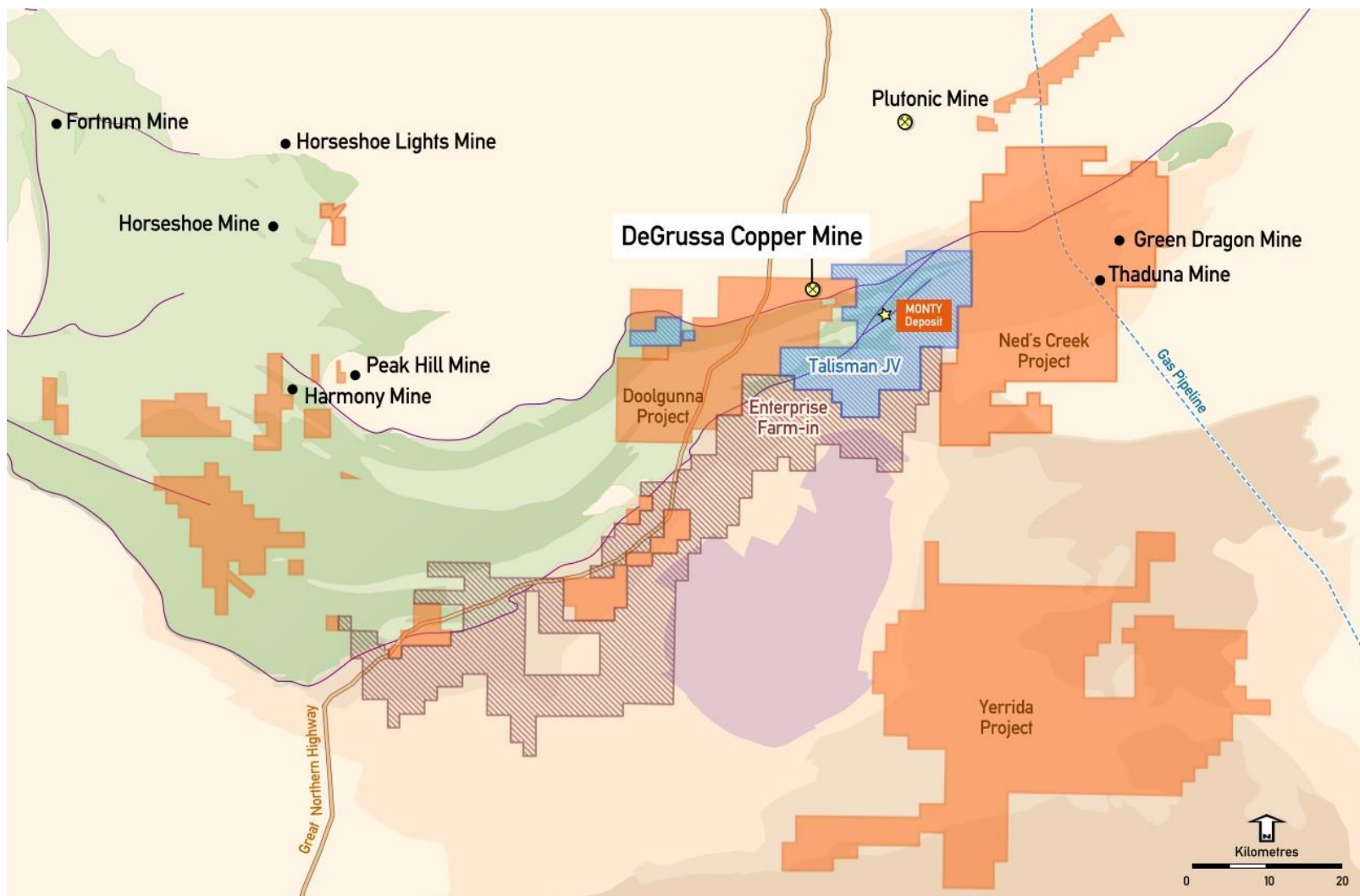


- ▶ Exploration continuing as a priority along highly prospective VMS corridor that hosts the DeGrussa and Monty deposits:
 - ▶ Continued AC and RC drilling at the Homestead project targeting anomalous geochemistry
 - ▶ Completed 1,213m DDH hole under Monty, more deep drilling being planned
 - ▶ Commenced AC drilling at the Ned's Creek Project targeting shear-hosted epigenetic copper mineralisation
 - ▶ Continuation of DHEM surveying on all RC and DDH holes
 - ▶ AC drilling of prospective areas for geological interpretation and identification of geochemical anomalies for targeting purposes
 - ▶ Review and collation of data relating to Enterprise Metals' (ASX: ENT) Doolgunna Project, which adjoins Sandfire's Doolgunna tenements to the south, under the Farm-in Agreement signed with Enterprise in October 2016



Doolgunna Exploration Overview

- Exploration advancing at multiple prospects within Greater Doolgunna area:



- Over 34,000m AC focussed at Springfield and Ned's Creek in the quarter
- Committed in ground spend with over 100,000m drilled FY to date
- Evolving mineralisation models for the eastern Bryah Basin
- Total Tenure – 4,180km²

- ▶ Production and cost performance:
 - ▶ 1HFY2017: 33,740t contained copper, 19,914oz contained gold, C1 cost US\$0.92/lb
 - ▶ FY2017 guidance maintained: 65-68kt contained copper, 35-40koz contained gold, C1 cost US\$0.95-1.05/lb
- ▶ Monty Feasibility Study and Ore Reserve nearing finalisation
- ▶ Original \$380M DeGrussa finance facility now fully repaid
- ▶ Active exploration underway along 5km long prospective VMS horizon around Monty targeting the next VMS discovery
- ▶ Emerging Bryah Basin VMS district – aggregate contiguous exploration area of 4,180km²





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Contact Details: **Sandfire Resources NL**
Registered Office and Principal Place of Business
Level 1, 31 Ventnor Avenue, West Perth, Western Australia 6005
T +61 8 6430 3800
F +61 8 6430 3849
www.sandfire.com.au