



QUARTERLY REPORT

For the period ended 30 September 2018

Highlights

Production & Operations

Contained metal production	September 2018 Quarter	FY2019 Guidance
Copper (t)	17,924	63,000 – 67,000
Gold (oz)	11,141	37,000 – 40,000
C1 cost (US\$/lb)	0.89	1.00 - 1.05

- Strong mine production and milling rates maintained for the Quarter.
- Installation of additional concentrate thickener and filter completed, with commissioning and ramp-up nearing completion.
- FY2019 guidance maintained: 63-67kt Cu and 37-40koz Au at C1 US\$1.00-\$1.05/lb.

Development Projects

- Monty development works are progressing with decline and lateral development advanced to 3,202m at Quarter-end. First development ore from Monty is on track for December 2018.
- Environmental Impact Statement (EIS) for the 78%-owned Black Butte Copper Project in central Montana, USA currently in its final stages with a draft EIS expected to be available for public comment in the December 2018 Quarter. Key consultants have been engaged to commence the Black Butte Feasibility Study.

Exploration

- Multi-pronged exploration programs continuing across Sandfire's Greater Doolgunna Project. Sandfire's aggregate contiguous exploration area, including Joint Venture and Farm-in arrangements, increased during the quarter to 6,588km² as a result of the Alchemy Resources Ltd Farm-in.
- Follow-up drilling and geophysics continuing at the Morck Well Project. Aggressive ongoing work plan includes diamond and RC drilling (all with DHEM surveys), and in-fill aircore drilling.

Corporate

- Acquisition of Talisman Mining Ltd's 30% interest in the Springfield Exploration and Mining Joint Ventures completed for approximately \$72M in cash plus an ongoing 1% Net Smelter Return (NSR) royalty on future discoveries, and assumption of the existing 2.25% royalty to financiers.
- \$1 million convertible loan provided to White Rock Minerals Ltd (ASX: WRM) to support its exploration activities at its high-grade zinc VMS Red Mountain Project in Alaska.
- Agreement to acquire Independence Group NL's current Farm-in Rights over Alchemy Resources Ltd's Bryah Basin Project, further expanding Sandfire's commanding ground position in the Doolgunna region.
- Group cash on hand as at 30 September 2018: \$218.4 million (unaudited).

1.0 SAFETY PERFORMANCE

The Total Recordable Injury Frequency Rate (TRIFR) for the Sandfire Group at the end of September was 8.6 (June Quarter: 7.1). Recordable injuries include those that result in any days away from work (Lost Time Injuries), those where an employee or contractor cannot perform all or any part of their normal shift (Restricted Duty Injuries), as well as any injury that requires services that only a medical practitioner can provide (Medical Treatment Injuries).

Safety system developments continue to focus on the prevention of incidents and principal hazard management, with the continued roll-out of new software to assist in managing and improving the safety culture and the management of risk for both employees and contractors.

2.0 OPERATIONS OVERVIEW

Copper production for the Quarter was 17,924 tonnes (June Quarter: 17,867 tonnes). C1 cash operating costs for the Quarter were US\$0.89/lb.

Mine production for the Quarter was 369,763 tonnes grading 4.94% Cu, with production sourced from all lenses at DeGrussa.

A total of 391,065 tonnes of ore grading 4.95% Cu was milled for the Quarter, with copper recovery averaging 92.7%.

3.0 MINING & PRODUCTION

3.1 Overview

September 2018 Quarter – Production Statistics		Tonnes	Grade (% Cu)	Grade (g/t Au)	Contained Copper (t)	Contained Gold (oz)
Concentrator	Mined	369,763	4.9	2.0	18,277	23,163
	Milled	391,065	4.9	1.9	19,388	23,431
Production		74,164	24.2	4.7	17,924	11,141

Note: Mining and production statistics are rounded to the nearest 0.1% Cu grade and 0.1 g/t Au grade. Errors may occur due to rounding. Production statistics are subject to change following reconciliation and finalisation subsequent to the end of the Quarter.

3.2 Underground Mining

During the Quarter, production was sourced from all lenses at DeGrussa with the mine remaining in balance between production and back-fill.

3.3 Processing

Mill throughput for the Quarter was slightly below forecast. This was attributable to scheduled maintenance shutdowns in August and September, as well as periods where the feed grade into the mill was significantly higher than predicted. This necessitated mill throughput being constrained to manage concentrate inventory within dewatering capability.

In addition, periods of harder ore treatment and coarse feed also impacted throughput. However, the throughput tonnage was positively off-set by a higher feed grade. Copper recovery was also above forecast for the Quarter, averaging 92.7%.

3.4 Projects

The solar farm has been actively producing into the DeGrussa electrical network, providing on average 18.6% of the overall power usage for the September Quarter.

3.5 Guidance – FY2019

Targeted copper production for FY2019 remains unchanged, with production expected to be within the range of 63,000-67,000 tonnes of contained copper metal and gold production within the range of 37,000-40,000 ounces. Headline C1 cash operating costs are expected to be within the range of US\$1.00-\$1.05/lb.

4.0 SALES AND MARKETING

4.1 Copper Concentrate Shipments

A total of 52,703 dry metric tonnes of concentrate containing 12,668 tonnes of copper (12,126 tonnes payable) and 7,376 ounces of gold (6,837 ounces payable) was sold for the Quarter. Five shipments were completed from Port Hedland and Geraldton in the Quarter. Concentrate stocks are at a high level at the end of the quarter with around 35,000 tonnes of concentrate containing around 8,500 tonnes of contained copper. Stocks levels are expected to reduce with sales activities in the December 2018 Quarter.

5.0 DEVELOPMENT PROJECTS

5.1 Monty Copper-Gold Mine

Further progress was achieved in development of the Monty Copper-Gold Mine during the Quarter, with on-site construction activities and pre-production surface and underground infrastructure installed and in-use.

The underground mining contractor, Byrncut Australia Pty Ltd, continues to progress underground development activities at Monty and, by Quarter-end, the underground decline had advanced to 1,349 metres, compared to a corresponding budget of 1,643 metres (18% under budget).

Development advance was slowed during the previous two months as remedial ground support activities were undertaken on areas where poorer ground was intersected and pumping capacity was installed to cater for expected water in-flows. Development for the critical path Diamond Drill drive was completed in line with budget, with Diamond Drilling commencing on 29th September.

The development rate was impacted late in the quarter by slower than expected face advance, nominally 3.6 metres against a design 4.0 metres per cut. This coincided with the discovery of a sub-standard emulsion product towards the end of the quarter which is likely to have contributed to the poor face advance. This faulty product has now been replaced. Installation of in-fill split sets as part of the ground support design continues and is reviewed regularly against QAQC testing. Total development advance was 3,202 metres at Quarter-end, compared to the budget of 3,762 metres.

First ore production remains on schedule for late in the December 2018 Quarter, with initial stope production planned to commence in the March 2019 Quarter.



Figure 1: Monty Copper-Gold Mine decline transition lighting.

5.2 DeGrussa Oxide Copper Project

The column test work planned for the DeGrussa Oxide Copper Project was concluded, with analysis of the test results now underway.

The ore sorting pilot testing has moved into the analysis phase with seventeen 800kg samples delivered to ALS laboratories in Perth for bulk density determination, copper assay, scrubbing and acid bottle roll testing.

5.3 Black Butte Copper Project, USA (Sandfire: 78%)

Sandfire holds a 78% interest, via North American-listed company Sandfire Resources America Inc (formerly Tintina Resources Inc) (SFR.V: SFR) in the premier, high-grade Black Butte Copper Project, located in central Montana in the United States. The project is being permitted by Tintina Montana Inc (Tintina), a 100%-owned subsidiary of Sandfire Resources America Inc and is located close to existing road, power and rail infrastructure, with the ability to access a residential workforce located nearby. Located on private ranch land, the Black Butte copper resource consists of three flat-lying sedimentary hosted copper deposits which have been extensively drilled by Tintina (over 53,000m of diamond drilling).

An Updated Technical Report and Preliminary Economic Assessment (PEA) completed by Tintina in July 2013 was based on reported NI 43-101 Measured and Indicated Resources totalling 15.7Mt grading 3.4% Cu, 0.1% Co and 14g/t Ag for 533,600t of contained copper and Inferred Resources totalling 2.3Mt grading 2.8% Cu, 0.09% Co and 14g/t Ag for 63,500t of contained copper calculated using a 1.6% copper cut-off grade for the Johnny Lee Upper Zone and Lowry deposits, and a 1.5% Cu cut-off for the Johnny Lee Lower Zone. This makes Black Butte one of the top-10 undeveloped copper projects worldwide by grade.

The PEA confirmed that the Black Butte deposit has the potential to underpin a robust underground mining operation with forecast life-of-mine production of ~30,000tpa of copper-in-concentrate over a mine life of ~11 years.

Permitting Progress

Preparation of the Environmental Impact Study (EIS) under the supervision of the Montana Department of Environmental Quality (MT DEQ) is currently in the final stages. The draft EIS is expected to be available for public comment in the December 2018 Quarter.

Once completed, the EIS will result in a final Record of Decision (ROD), which would be issued by the MT DEQ and allow for construction and development of the underground mine to commence. This could be completed during the March 2019 Quarter.

Feasibility Study (FS)

The Company is planning a drilling program for the December 2018 Quarter designed to collect additional data for resource verification and to collect geotechnical data necessary for the FS. The Company has selected Ruen Drilling Inc. as the contractor for the drilling program. Drilling will commence following approvals now received from the MT DEQ.

The Company has signed a letter of intent with GR Engineering Services Ltd to be the lead consultant on the Feasibility Study. Under the arrangement with GR Engineering, Mining Plus Pty Ltd will prepare the Mineral Reserve Statement and SRK Consulting has been selected to prepare the Mineral Resource Statement. Each group is expected to manage Feasibility Study work through their Denver offices.

Initial feasibility work is planned to start soon with the bulk of the work commencing in November and a target completion date during the June 2019 Quarter. Tetra Tech Ltd has completed initial design work and the specification report for the portal pad and the contact water pond. This is a key milestone as the first completed design component for construction of the project.

Corporate Activities

Sandfire America announced the appointment of Rob Scargill as CEO following the unexpected passing of John Shanahan in early June 2018. Mr Scargill will also continue in his role as VP of Project Development for the Company's wholly-owned subsidiary, Tintina Montana Inc.

Sandfire America Inc. is currently undertaking a Rights Offering to raise up to C\$18.9 million to fund ongoing permitting costs of the FS and future development costs related to the Black Butte Copper Project. Sandfire has committed to subscribe for its full entitlement under the Rights Offer to maintain its 78% interest in Sandfire America, and may further increase its shareholding through participation in any shortfall.

For further details refer to the market releases of Sandfire America found on the company website www.sandfireamerica.com.

6.0 EXPLORATION

6.1 Overview

Sandfire continues to progress a tightly focused, multi-disciplinary exploration campaign to test for extensions to the known cluster of volcanogenic massive sulphide (VMS) deposits at DeGrussa and Monty, and to unlock the broader potential of the Doolgunna region for additional VMS and structurally-hosted copper deposits. Key components of the Company's exploration activity during the September Quarter included:

- Continuation of the major Aircore (AC) drilling program through the Morck Well Project, part of the Auris Minerals Ltd farm-in, to aid geological interpretation and provide quality geochemical coverage of the interpreted Karalundi Formation, which hosts the DeGrussa and Monty copper-gold deposits.
- Reverse Circulation (RC) drilling at the Morck Well Project to test stratigraphy along-strike from where visible copper mineralisation was intersected in first-pass AC drilling in the June Quarter.
- RC and Diamond drilling within the Ned's Creek Project to test geophysical conductors identified through the inversion of an Airborne Versatile Electromagnetic (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 the Springfield Project to test a subtle DHEM anomaly identified in a review of data collected from SPD017 in the Monty North-east area.

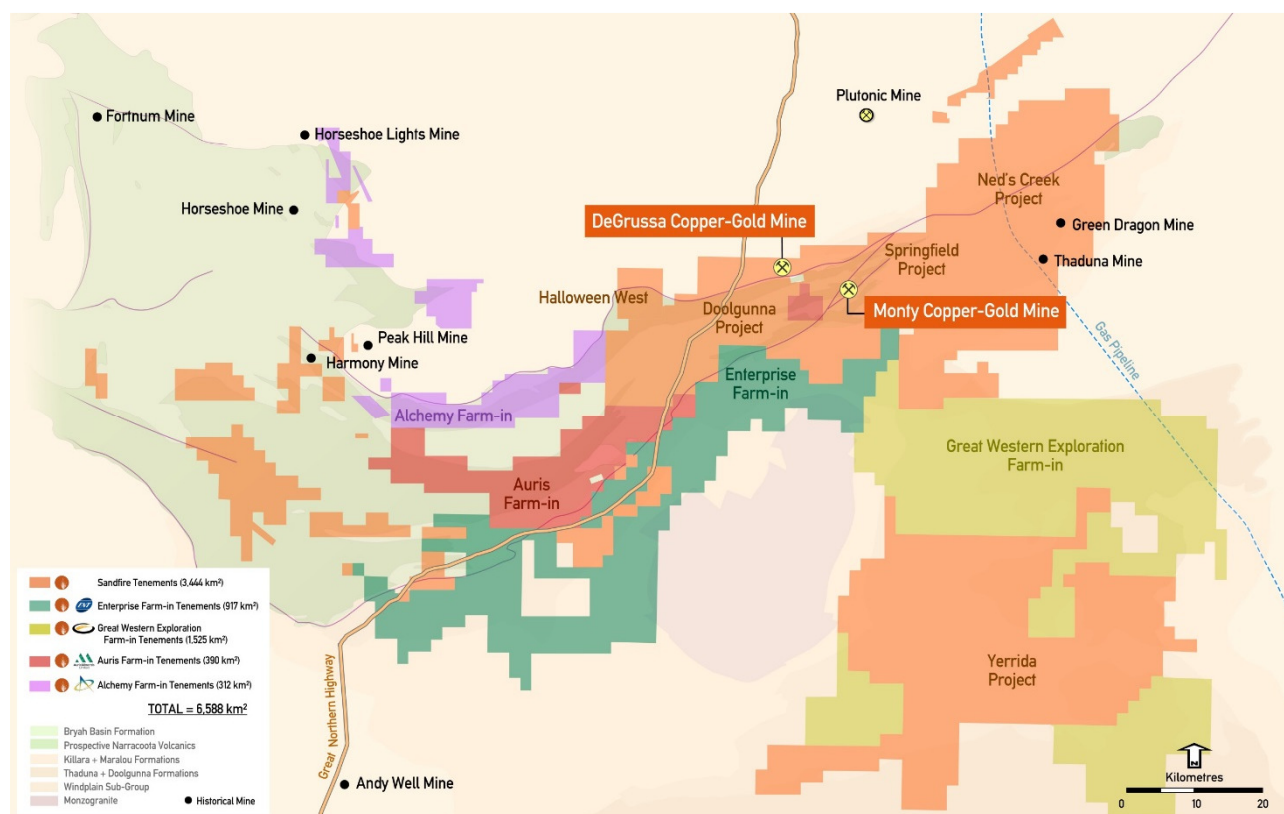


Figure 2: Sandfire's tenement holding in the Greater Doolgunna region.

The aggregate exploration metres drilled on Sandfire's wholly-owned and JV tenements during the September 2018 Quarter are summarised below.

Project	AC/RAB Drilling (m)	RC Drilling (m)	UG Diamond Drilling (m)	Surface Diamond Drilling (m)	Total Drilling (m)
Doolgunna (SFR 100%)	-	-	-	-	-
Ned's Creek (SFR 100%)	743	2,401	-	1,162	4,306
Springfield (SFR 100%)	-	382	-	223	605
Enterprise JV (Earn-in)	-	58	-	420	478
Auris JV (Earn-in)	56,421	3,177	-	-	59,598
TOTAL Sep 2018 Qtr	57,164	6,018	-	1,805	64,987

6.2 Greater Doolgunna Project

The Greater Doolgunna Project, which includes 100% Sandfire tenure, Joint Venture and Farm in projects, covers an aggregate contiguous exploration area of 6,588km². This includes over 90km of strike extent in host VMS lithologies. Much of this stratigraphy is obscured beneath transported cover and requires systematic AC drilling to test the bedrock geochemistry and identify prospective areas.

6.2.1 Morck Well Project

Sandfire entered into a farm-in agreement with Auris Minerals Ltd (ASX: AUR) and Fe Ltd (ASX: FEL) in relation to their Morck Well JV Project (Auris 80%: Fe 20%), located 22km south-west from DeGrussa and Auris' 100% owned Doolgunna Project, in February 2018. Sandfire can earn up to a 70% interest in five exploration tenements in the eastern portion of the Bryah Basin.

Extensive programs of AC and RC drilling were completed within the Morck Well Project during the Quarter.

Regional AC drilling continued on the first-pass 400x100m pattern designed to test the Karalundi Formation throughout the Morck Well Project with the aim of providing high quality geochemistry and assisting with detailed geological interpretation and target generation. A total of 784 holes were completed for a total advance of 56,421m.

Seven RC drill holes were also completed within the Project area. Four of these were part of a wider program designed to test the southwest strike extension of the prospective sediment horizon hosting the visible copper mineralisation intersected in MWAC0109, MWAC0111 and MWAC0112 during the June Quarter (full details of the holes and assay results were reported in the Sandfire ASX announcement titled, 'Doolgunna Project – Exploration Update', dated 6 June 2018). The other three holes were designed to test anomalous geochemistry intercepted in AC drilling to the west of MWRC0007. No significant mineralisation was observed in these holes.

A large Moving Loop Electromagnetic (MLEM) surveying program, designed to test the prospective Karalundi Formation throughout the Morck Well Project, commenced and traversed southwest from the northern end of the Project area. Approximately 10km of strike length was surveyed.

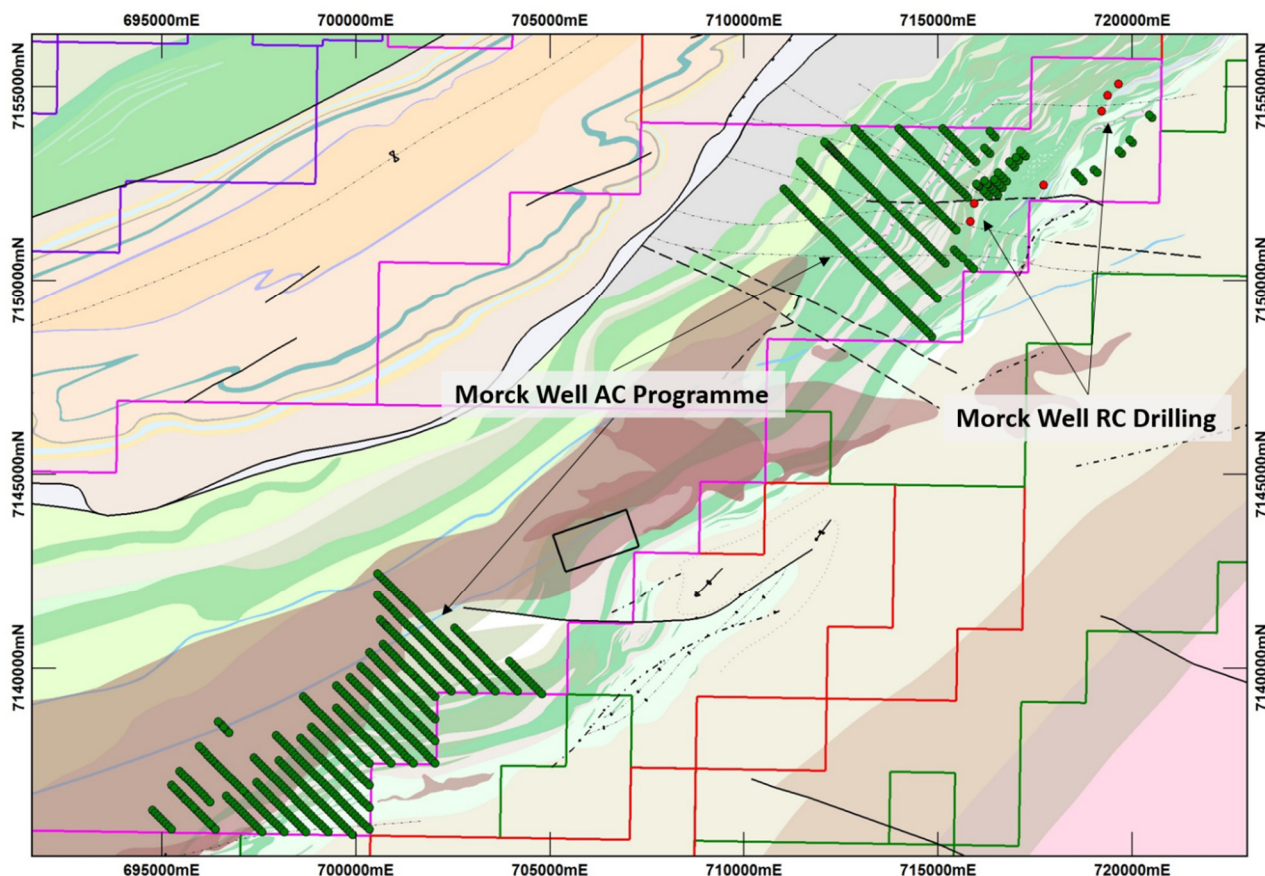


Figure 3: Drilling at the Morck Well Project during the Quarter.

An aggressive forward program is planned at Morck Well with two diamond drill-holes planned during the December 2018 Quarter, including one to test a small, weak off-hole conductor modelled from a DHEM survey in MWDD0001. The other will provide a deep intersection of the sediment horizon that hosts the sulphides intersected by previous AC drilling in MWAC0109-MWAC0112 (see Sandfire ASX Announcement titled, 'Doolgunna Project – Exploration Update', dated 15 May 2018). The hole is designed to test approximately 300m beneath a previous follow-up drill-hole, MWRC0001.

Seven RC holes are also planned for the December Quarter. Five are designed to test the prospective sediment package along strike. Each hole will provide a platform for deep DHEM surveying. The other two holes are designed to test a geophysical anomaly from the recent VTEM survey, which is coincident with anomalous geochemistry intersected in recent AC and RC drilling.

First-pass and in-fill AC drilling will continue advancing towards the Frenchy's Mining Lease, identifying prospective geology and providing high-quality assays for targeting and detailed geological interpretation. A MLEM survey will also continue, and DHEM surveys are expected to be completed on all recent RC drilling completed to date.

6.2.2 Enterprise Project

Sandfire entered into a Farm-in Agreement with Enterprise Metals Ltd (ASX: ENT) in October 2016 to earn up to a 75% interest in Enterprise's Doolgunna Project, which adjoins Sandfire's Doolgunna tenements to the south. The Enterprise tenements cover over 60km of strike along the southern boundary of the Bryah Basin and the northern part of the Yerrida Basin. The southern Bryah Basin contains the Narracoota/Karalundi Formations which host the DeGrussa and Monty copper-gold deposits. The Company considers that the Enterprise tenements offer the potential for new copper-gold discoveries.

Diamond and RC drilling was conducted at the Enterprise Project during the September Quarter. One diamond drill was completed on EFRC0025, which was designed to test prospective sediment horizons within the Karalundi Formation in the Vulcan West prospect. The hole is located approximately 1.8km along-strike to the north-east of visible copper mineralisation intersected in AC drilling at Morck Well. Diamond drilling was required to extend the hole through the host sediment package into the interpreted footwall dolerite. No significant mineralisation was observed.

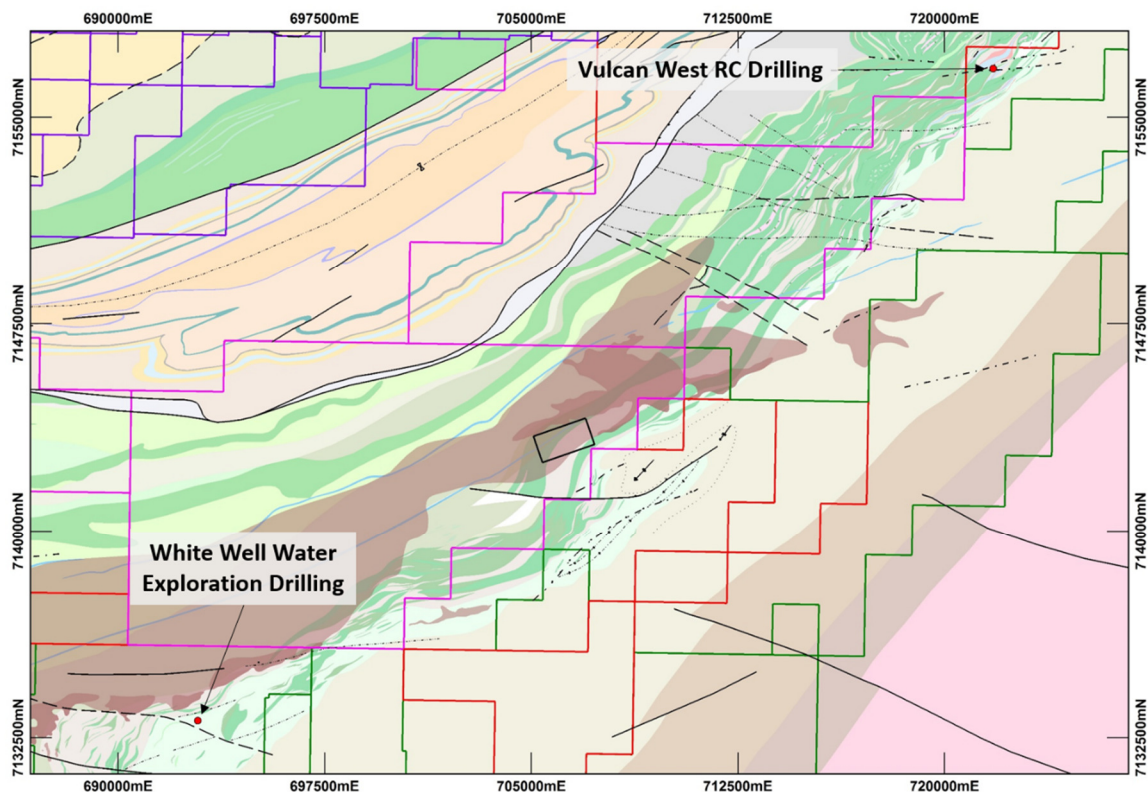


Figure 4: Drilling at the Enterprise Project during the Quarter.

6.2.3 Doolgunna Project – 100% Sandfire

No drilling was undertaken within Sandfire's 100%-owned Doolgunna tenements during the September Quarter.

6.2.4 Ned's Creek Project (including Thaduna)

The Ned's Creek Project comprises over 900km² of prospective geology and surrounds the historical Thaduna Project, which is located 40km east of DeGrussa and represents the largest copper resource in the Doolgunna-Bryah Basin Region outside of Sandfire's DeGrussa-Doolgunna Project.

Diamond, RC and AC drilling was conducted at the Ned's Creek Project during the September Quarter.

Two diamond drill holes were completed at the Enigma Prospect. These were designed to test geophysical conductors identified through the inversion of VTEM data from Ned's Creek. No significant mineralisation was observed in either hole. The anomaly appears to be due to a strongly graphite-altered structure between the Thaduna and Johnson Cairn Formations. The RC pre-collar for the final hole of this program has been completed and diamond drilling will be completed in the December Quarter.

RC drilling programs completed during the September Quarter were focused on the Enigma and Green Dragon Prospects. Ten drill holes were completed at Enigma and were designed to intersect supergene copper mineralisation originally defined by Sipa Resources Ltd. Mineralisation consisted of azurite, malachite, minor chalcocite and trace chalcopyrite and is primarily controlled along redox boundaries within calcareous dolomite. Composite samples from these drill holes have been collected and will be sent for metallurgical testwork.

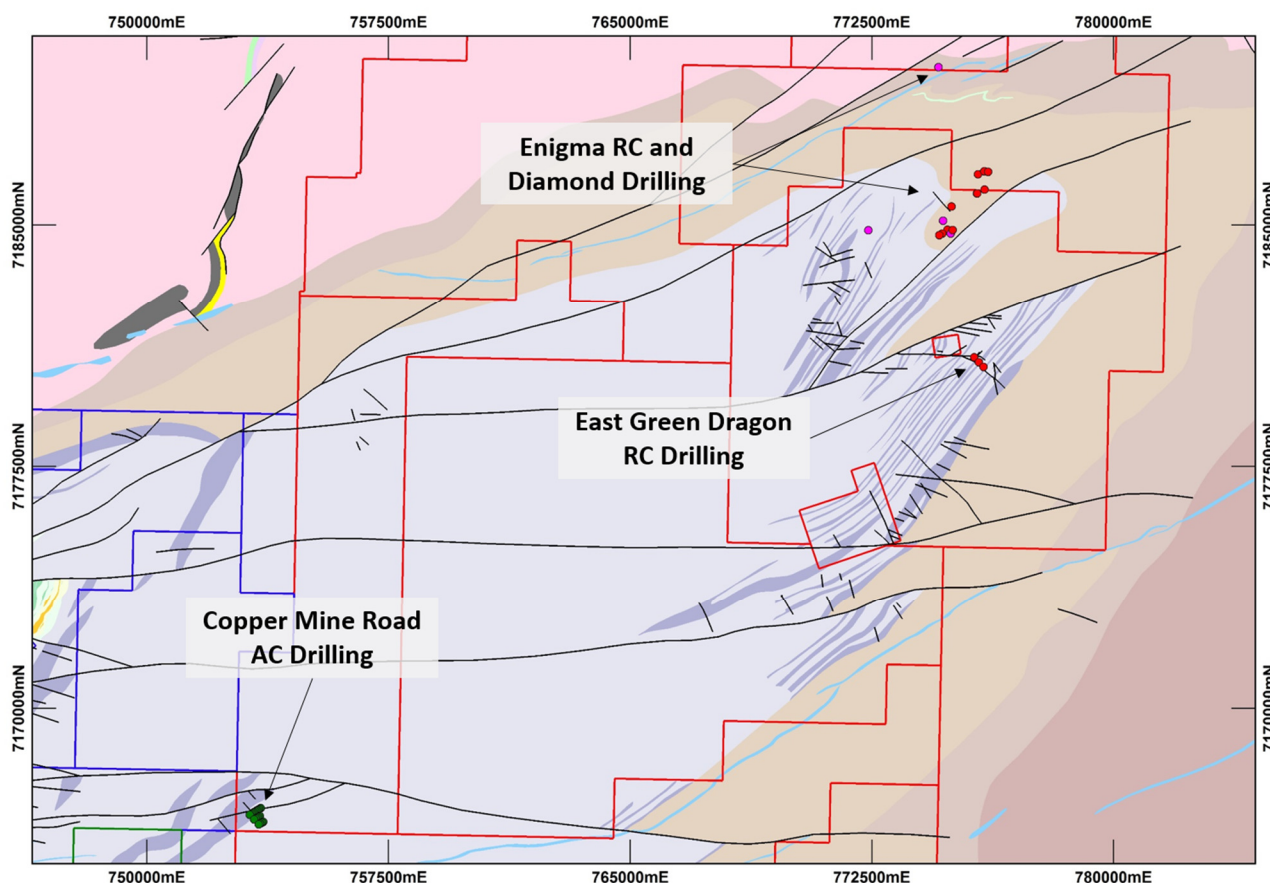


Figure 5: Completed drilling across the Ned's Creek Project during the Quarter.

Three drill holes were also completed along-strike to the east of Green Dragon. These were designed to test the hosting structures for structurally-hosted copper mineralisation. All three holes intersected the interpreted fault structure, however only minor disseminated sulphides (mainly pyrite) associated with proximal carbon alteration were observed.

Aircore drilling commenced towards the end of the September Quarter. A total of 18 holes were completed for a total advance of 743m. These holes are part of a series of small programs designed to test fault systems similar in nature to those known to host epigenetic copper mineralisation elsewhere in the Ned's Creek Project. Drilling will continue in the December Quarter.

6.2.5 Yerrida North Project

Sandfire entered into a Farm-in Agreement with Great Western Exploration Ltd (ASX: GTE) in April 2017 to earn up to an initial 70% interest in GTE's Northern Yerrida tenements, located 25km south of the DeGrussa mining operation. Sandfire has the right to farm into 11 of GTE's Exploration Licenses in the Northern Yerrida basin, Western Australia, covering a total area of 1,560km².

During the September Quarter, detailed structural and geological interpretation was undertaken across the Yerrida basin using the previously flown heli-borne airborne electromagnetic (AEM) survey, which covered the entire Great Western/Sandfire farm-in tenure and Sandfire-held tenure. The AEM has proven very valuable in supporting a 3D interpretation of the basin's geological architecture and has been used in conjunction with magnetic and gravity imagery.

Further regional interpretation will continue utilising aeromagnetic, gravity and the new AEM imagery to inform target generation.

6.2.6 Springfield Project

The Springfield Project comprises the Springfield, Halloween and Halloween West Projects, which abut Sandfire's DeGrussa-Doolgunna tenements. Sandfire acquired 100% interest in all three of these projects in October 2018 after completing the acquisition of Talisman Mining Ltd's 30% interest in the former Springfield Joint Ventures.

One diamond drill hole was completed within the Monty North-east Prospect. This was designed to test a subtle DHEM anomaly identified in a review of geophysical data previously collected from SPD017. No significant mineralisation was observed during drilling. The subsequent DHEM survey failed to identify an anomalous response associated with a discrete bedrock source.

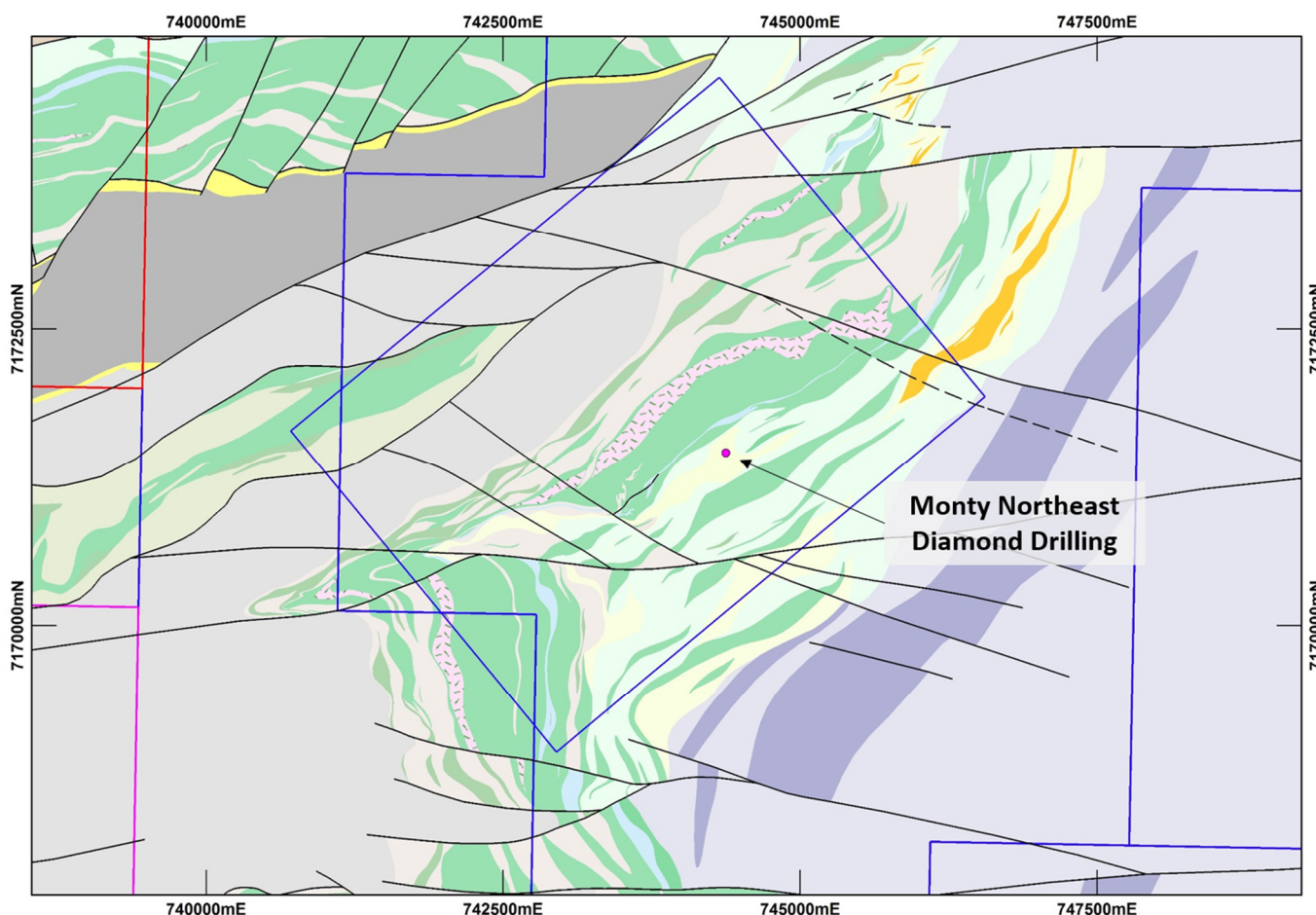


Figure 6: Completed drilling across the Springfield Project during the Quarter.

7.0 AUSTRALIAN EXPLORATION

Sandfire has a number of exploration interests and joint ventures around Australia exploring for base and precious metals. The exploration programs are focused on prospective terranes with the potential for discovery of a significant new deposit that can be developed.



Figure 7: Sandfire's Eastern Australian Projects.

7.1 New South Wales Projects

A number of 100%-owned project areas are held in the Lachlan Fold Belt of New South Wales which are prospective for porphyry copper-gold mineralisation as found at Northparkes (China Moly), Cadia (Newcrest) and Cowal (Evolution). A farm-in agreement to earn up to 80% is held with Gold Fields Australasia Pty Ltd on the Marsden South Project.

A drilling program is being planned for drill testing high priority porphyry copper-gold prospects in the Temora belt commencing during the next quarter. Targets to be tested will be focussed on the large alteration systems within the Rain Hill intrusive complex by aircore infill programs and deep diamond drilling.

7.2 Northern Territory - Borroloola Project

The Borroloola Project is located north of the McArthur River Mine (Xstrata), and is prospective for base metals and sedimentary manganese. Sandfire has signed two farm-out agreements to advance the Borroloola Project. The Batten Trough JV covering the eastern portion of the tenements is under an option and joint venture agreement with MMG Exploration Pty Ltd, which can earn up to an 80% interest. The Borroloola West JV covering the western portion is under an agreement with Pacifico Minerals Ltd, which has now earned a 51% interest in the Project and Sandfire is a contributing 49% JV partner.

A significant IP geophysical program and deep drilling has been completed by MMG on the Batten Trough JV with full results pending.

7.3 Queensland Projects

A number of projects are held in the eastern succession of the Mount Isa region south and east of Cloncurry in northwest Queensland which are prospective for Broken Hill type (BHT) lead-zinc-silver deposits such as the Cannington deposit (South 32) and the Ernest Henry iron oxide-copper-gold (IOCG) deposits (Xstrata). A Joint Venture is held over the Altia project with Minotaur Exploration Ltd (ASX: MEP) with the right to earn 80%.

A drilling program has been completed at a number of the 100% owned prospects in the district including Breena North, Landsborough, Blackrock and the Cannington West projects. A full review of all results is underway prior to deciding on any further work in the district.

8.0 CORPORATE

8.1 Completion of acquisition of Talisman Mining's 30% interest in the Springfield JV's

Subsequent to the end of the Quarter, Sandfire completed the acquisition of the 30% interest in the Springfield Exploration and Mining Joint Ventures (Springfield Project) held by Talisman Mining Ltd (ASX: TLM), giving it 100% ownership of the Springfield Project including the high-grade Monty Copper-Gold Mine.

Completion of the Transaction follows the satisfaction of all conditions precedent outlined in Sandfire's ASX release of 8 August 2018, including approval by Talisman's shareholders at an Extraordinary General Meeting held on 4 October 2018. Following the approval, Sandfire completed the acquisition of Talisman's subsidiary, Talisman A Pty Ltd (TLMA), for the purchase price of \$72.3 million in cash on a debt-free and cash-free basis. Sandfire will be required to pay stamp duty in relation to the Transaction and has also incurred other transaction costs.

Talisman retains an ongoing 1% Net Smelter Return (NSR) royalty payable on any future discoveries at the Springfield Project. Through its acquisition, Sandfire will assume the existing 2.25% gross revenue royalty held by Taurus Mining Finance Fund payable on 30% of the copper and gold produced from the Monty deposit area, capped at 29,700t of copper and 16,500oz of gold (based on a 30% revenue share). As previously advised, the acquisition was funded from Sandfire's existing cash reserves.

8.2 Convertible Loan to White Rock Minerals

Sandfire agreed terms to provide an unsecured Convertible Loan to White Rock Minerals Ltd (ASX: WRM), providing for two loans of \$500,000 each.

As announced on 10 July 2018, Sandfire acquired a cornerstone 14.2% investment (12.7% as at 27 July 2018) in White Rock Minerals, with the parties also agreeing to formalise a strategic relationship in relation to White Rock's globally significant high-grade Red Mountain Zinc VMS Project in Alaska. Funds from the Convertible Loan are to be used for the exploration and development of the Red Mountain Project.

8.3 Alchemy Resources Ltd Farm-in

Sandfire signed a Deed of Covenant – Letter Agreement ("Agreement") with Alchemy Resources Ltd (ASX: ALY) to acquire Independence Group NL's (ASX: IGO) Farm-in Rights over Alchemy's Bryah Basin Project in August 2018.

The Agreement transfers all of IGO's rights and remaining obligations associated with the original Letter Agreement between Alchemy and IGO dated 29 January 2014 to Sandfire (refer to Alchemy's ASX announcement, dated 30 January 2014), which includes all commodities excluding iron ore, and relates to whole and part tenements that cover the base metal prospective part of Alchemy's Bryah Basin Project.

The Agreement retains an earn-in expiry date of 28 October 2019, and IGO's total spend on the project to date is approximately \$3.9M of which approximately \$1M is the initial spend, with \$2.9M contributing towards the earn-in amount and a \$3.1M spend remaining in order to earn up to an 80% interest.

Sandfire intends to combine its extensive local geological, geophysical and geochemical knowledge gained from exploring and mining of the DeGrussa ore body with the detailed surface electromagnetic work completed by IGO over the strike extensive highly prospective Narracoota/Karalundi Formation contact zone in order to define base metal targets within the farm-in tenements.

8.4 Cash position

Company cash on hand as at 30 September 2018 totalled \$217.6 million (unaudited). Group cash on hand as at 30 September 2018 totalled \$218.4 million (unaudited).

8.5 Finance Facility

Sandfire's financing arrangements continue to be supported by a secured loan facility with ANZ secured by a fixed and floating charge over the Company's assets. Aside from minor borrowings under a bonding facility there is no debt drawn under these facilities and the available amount to be drawn remains nil. The facilities expire on 31 October 2018 unless extended by mutual agreement.

8.6 Investor Call and Webcast

A teleconference on the Quarterly results will be held for the investment community on Thursday 25th October commencing at 10.00am (AWST) / 1.00pm (AEDT). Investors, brokers, analysts and media can join the teleconference by dialling the following numbers:



Within Australia (Toll Free): 1 800 558 698
Alternate Australia Toll Free: 1 800 809 971
International: +61-2 9007 3187

Conference ID: 489562

The Quarterly Report and an accompanying slide presentation will be available via the ASX Company Announcements Platform (ASX code: SFR) as well as at Sandfire's website at www.sandfire.com.au.

A live webcast of the teleconference and synchronised slide presentation will also be available via the BRR Media service website at <http://webcasting.brrmedia.com/broadcast/5bb2ad1abfd72969440cb5a0>.

ENDS

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Competent Person's Statement – Exploration Results Doolgunna

The information in this report that relates to Exploration Results at Doolgunna 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 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 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.

Forward-Looking Statements

This ASX release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Sandfire's current expectations, estimates and assumptions about the industry in which Sandfire operates, and beliefs and assumptions regarding Sandfire's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Sandfire. 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. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this release. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement.

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