



SANDFIRE
RESOURCES NL

A QUALITY COPPER-GOLD COMPANY
ASX Code: SFR

December 2017 Quarterly Report Presentation and Webcast

30 January 2018

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Monty Copper-Gold Mine

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Competent person's statements



DeGrussa and Monty Mineral Resource and Ore Reserve

The information in this report that relates to the DeGrussa and 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.

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.

Thaduna and Green Dragon Mineral Resource

The information in this report that relates to the Thaduna and Green Dragon 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 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 statements



Temora Project Mineral Resource

The information in this report that relates to the Dam, Cullingerai, Estoril, Mandamah, Yiddah and Gidginbung Mineral Resources is based on information compiled by Mr Ross Corben who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Corben 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 Corben consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Exploration Results Doolgunna

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 Results Temora

The information in this report that relates to Exploration Results at Temora is based on information compiled by Mr Bruce Hooper who is a Registered Professional Geoscientist (RPGeo) of The Australian Institute of Geoscientists. Mr Hooper 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 Hooper 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.

Agenda



- ▶ Highlights
- ▶ Safety
- ▶ Operations and costs
- ▶ Development
- ▶ Exploration
- ▶ Summary



December 2017 Quarterly Highlights



Production and Operations

- ▶ December 2017 Quarter: 16,263t copper and 8,130oz gold produced; C1 US\$1.02/lb
- ▶ December 2017 Half Year: 31,521t copper and 18,799oz gold produced; C1 US\$1.00/lb
- ▶ FY2018 guidance maintained: 63-66kt of contained copper, 35-38koz of contained gold; C1 costs US\$1.00-1.05/lb

Development

- ▶ Monty Copper-Gold Project (Springfield JV) decline development ahead of schedule.
- ▶ Permitting final stage (EIS) for the Black Butte development (Tintina Resources – SFR holding 78%)

Exploration

- ▶ Multi-pronged exploration programs continuing at both Sandfire's Greater Doolgunna Project and the Springfield Joint Venture which, including JV and Farm-in Agreements, covers a total area of 5,846km²
- ▶ Enterprise farm in exploration program progressed

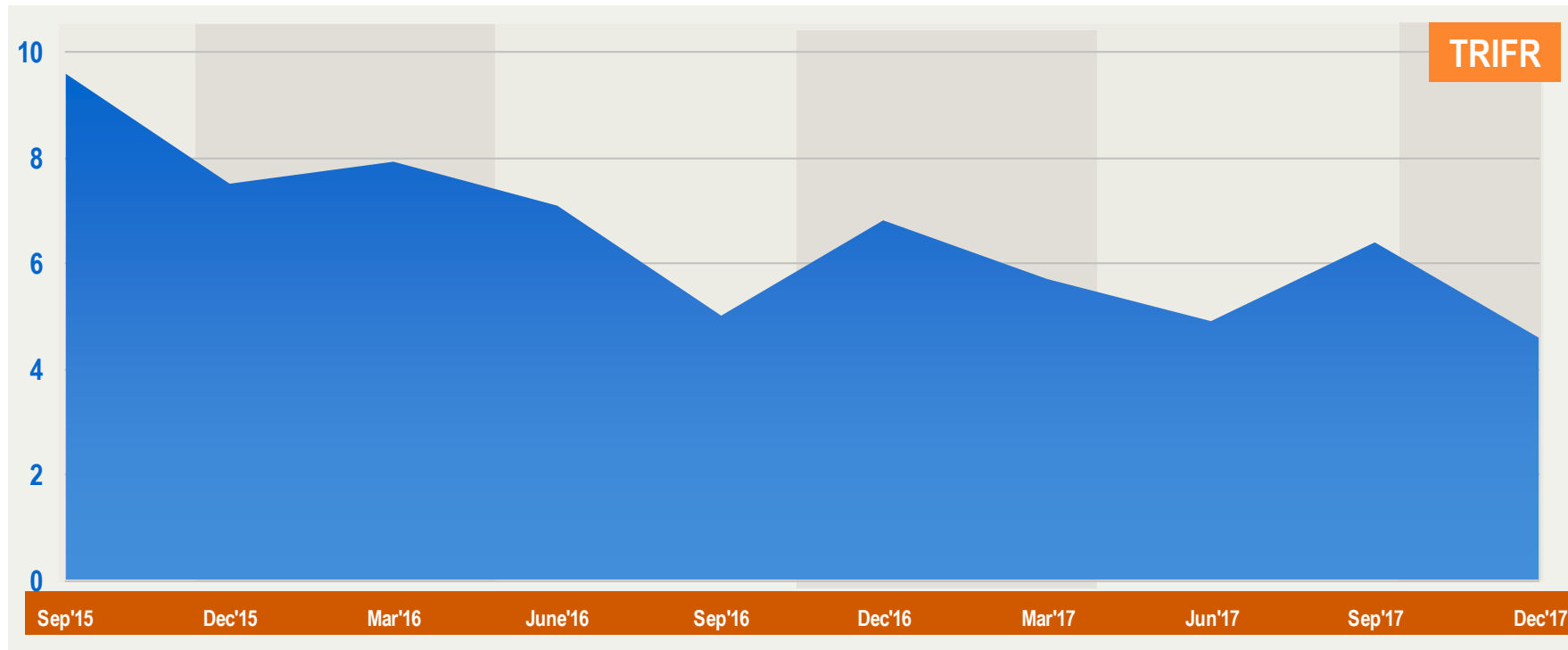
Corporate and Financial

- ▶ \$13.5M tax payment during the quarter for FY2017; Tintina rights issue participation \$8.7M
- ▶ Cash and deposits \$150.3M (Sandfire); \$164.4M (Group)

Safety



- ▶ Total Recordable Injury Frequency Rate (TRIFR) of 4.6 at Quarter-end (vs. 6.4 at September 2017 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 407,151 tonnes grading 4.3% Cu
- ▶ Mine remains in balance between production and back-fill
- ▶ Stopes mined during the quarter from C1 continued to include high talc levels as scheduled, expected to return to average levels over the full financial year



Operations – Processing



Mill throughput

- ▶ 436,516 tonnes milled at average feed grade of 4.1% Cu

Recovery

- ▶ Quarterly copper recovery of 91.7%; Gold recovery 40.2% (FY2018 guidance: copper ~92%, gold ~44%)
- ▶ Bedding down improvements to overall recovery capacity with additional rougher flotation capacity

Concentrate & metal production

- ▶ 67,358 tonnes of concentrate produced
- ▶ 16,263 tonnes of contained copper produced
- ▶ 8,130 ounces of contained gold produced



Operations – Capital programs



Underground pumping station

- ▶ Commissioned allowing for the completion of hydrology drilling and the continuation of resource definition drilling in C4 and C5

Rougher column cell

- ▶ Commenced commissioning early July 2017
- ▶ Positive signs in copper recovery and concentrate grade – expecting ~1.4% improvement (based on comparable Cu:S ratio ore and averaging talc levels)

Additional concentrate thickener & filter

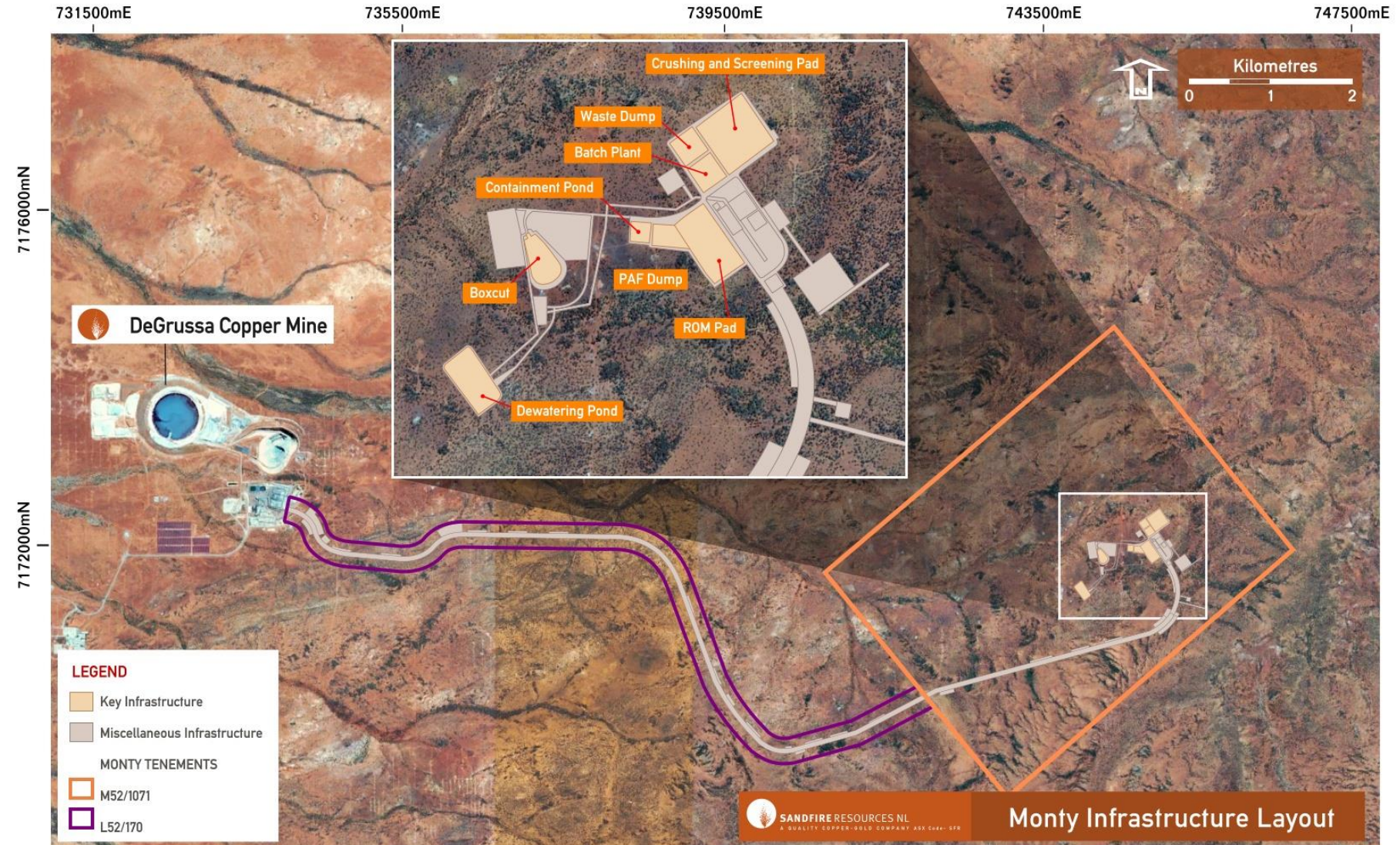
- ▶ Expected to commence commissioning Q4 FY2018 (\$12M); increases peak concentrate capacity to 400,000tpa ahead of Monty ore blending from Q2 FY2019



Development – Monty Copper-Gold Project

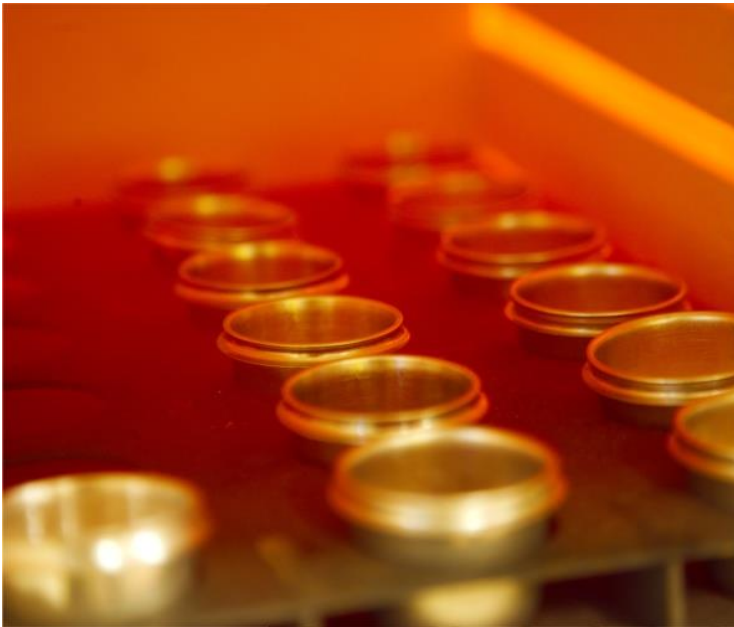


- ▶ Sandfire is Manager of the Springfield JV – interests Sandfire 70%/Talisman 30%
- ▶ Works progressing on schedule
 - Haul and access roads
 - Excavation of box cut for underground access
 - Decline works commenced
 - Stockpile and laydown area pads
 - Infrastructure works and drainage





- ▶ December 2017 Quarter: Sales of 73,098 tonnes of concentrate (dry) containing 17,558 tonnes of copper (16,804 tonnes payable) and 10,258 ounces of gold (9,470 ounces payable)
- ▶ 7 shipments completed for the quarter, additional shipment and revenue received in early October 2017
- ▶ Half year revenue and QP gains \$296.2M (unaudited); 7,200t of Cu subject to QP at quarter end



Operations – Q2FY2018 Unit Operating Costs



Unit costs – DeGrussa Mine	Q2FY2018 (US\$/lb)	1HFY2018 (US\$/lb)	Commentary
Mining (net of development)	0.46	0.47	Overall 1H C1 assisted by high gold production and price, increasing by-product credits.
Processing	0.30	0.31	
Business services	0.14	0.13	
Transport, treatment and refining	0.46	0.46	FY2018 C1 unit cost guidance maintained at ~USD1.00-1.05/lb.
C1 cost (pre by product credit)	1.37	1.37	
By-product credit (gold and silver)	(0.35)	(0.37)	DeGrussa Mine development \$7M for the quarter (FY2018 full year guidance \$37M).
C1 cost	1.02	1.00	
Royalties	0.19	0.18	Monty JV capital \$10M for the quarter (FY2018 full year guidance \$44M) – 100%
Production cost	1.21	1.18	
Depreciation and amortisation	0.78	0.80	Sustaining and strategic capital expenditure \$4M (FY2018 full year guidance \$24M)
Total production cost	1.98	1.97	

Development and Growth – Black Butte Copper Project, USA



- ▶ 78% stake in Black Butte Copper Project, central Montana (via stake in Tintina Resources 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 Study (EIS) progressing as final stage of state permitting process



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

Doolgunna Exploration Overview



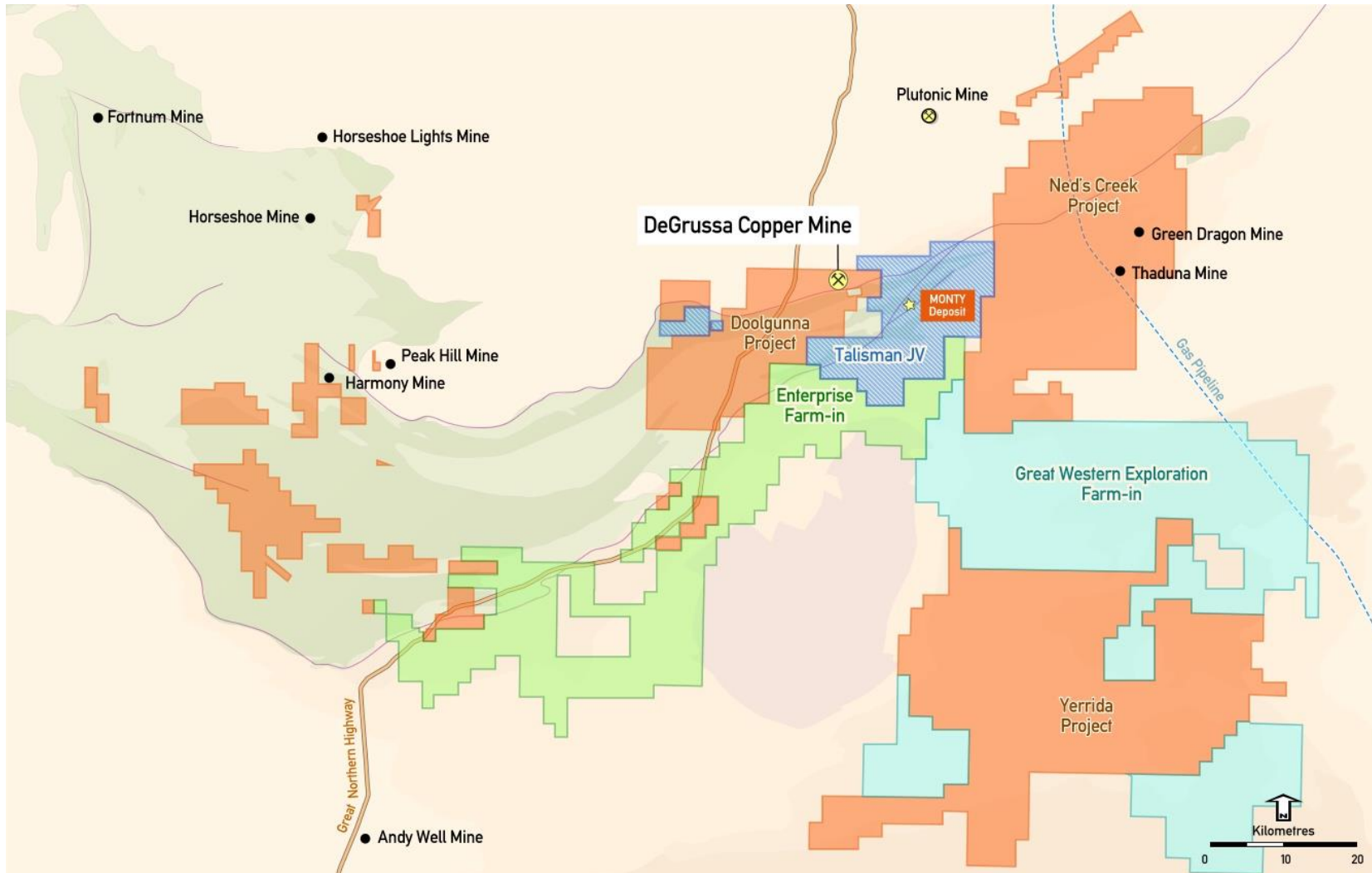
- ▶ Exploration continuing as a priority along highly prospective VMS corridor that hosts the DeGrussa and Monty deposits:
 - DDH drilling at Monty NE to test geochemical anomalies and provide DHEM platforms.
 - RC and DDH drilling within the Vulcan and Homestead prospects to test areas of geochemical anomalism, provide DHEM platforms, and to inform the geological model.
 - Continuation of a major AC drilling program at the Enterprise Metals farm-in project to test interpreted favourable volcano-sedimentary sequence which hosts the DeGrussa and Monty copper-gold deposits
 - Planned SPECTREM fixed-wing airborne survey over large portion of the tenure including the Great Western Exploration farm in tenements.



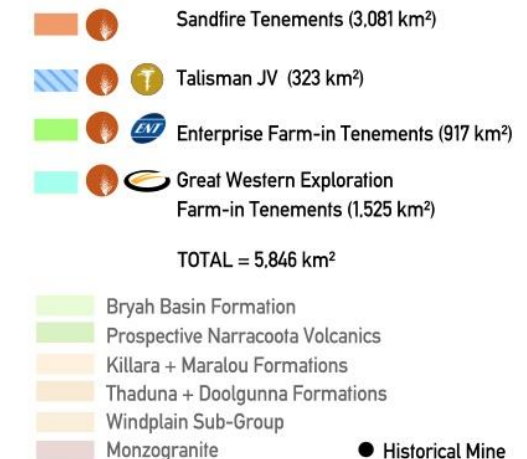
Doolgunna Exploration Overview



- ▶ Exploration advancing at multiple prospects within Greater Doolgunna area:



- ▶ 56,574m of AC/RAB
- ▶ 5,738m RC and,
- ▶ 2,034m DDH during the quarter
- ▶ Total Tenure – 5,846km²



Summary & Outlook



- ▶ Production and cost performance
 - 1H FY2018: 31,521t contained copper, 18,799oz contained gold, C1 costs \$1.00/lb
 - FY2018 Guidance maintained: 63-66kt contained copper, 35-38koz contained gold, C1 costs \$1.00-1.05/lb
 - Monty under development; first ore scheduled Q2 FY2019
- ▶ Progressing permitting for 78%-owned Black Butte Copper Project, USA with the final EIS process
- ▶ Active exploration underway targeting the next VMS discovery
- ▶ Emerging Bryah Basin VMS district – aggregate contiguous exploration area of 5,846km²



Appendix: Group Ore Reserve and Mineral Resource



- ▶ **Group Mineral Resource: DeGrussa, Monty, Black Butte, Thaduna, Green Dragon and Temora Projects are estimated to contain 1.9Mt of copper, 2.7Moz of gold and 15.8Moz of silver.**
- ▶ **Group Ore Reserve: DeGrussa Copper-Gold Mine (100%-owned) and Monty Copper-Gold Project (70%-owned; under development):**
 - ▶ 6.8Mt at 5.0% Cu, 1.6g/t Au, 13g/t Ag for 337,000t of contained copper, 355,000oz of contained gold and 2,766,000oz of contained silver;
 - ▶ 2.8Mt at 1.2% Cu, 1.0g/t Au, 36g/t Ag for 35,000t of contained copper, 84,000oz of contained gold and 3,175,000oz of contained silver (oxide copper stockpile); and
 - ▶ Total 9.5Mt at 3.9% Cu, 1.4g/t Au, 19g/t Ag for 372,000t of contained copper, 439,000oz of contained gold and 5,941,000oz of contained silver.
- ▶ **Mineral Resource for Sandfire's 78.1%-owned Black Butte Copper Project in central Montana, USA (JORC reported):**
 - ▶ 18.0Mt 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.
- ▶ **Mineral Resource for the Thaduna and Green Dragon Copper Projects, located within the wider Doolgunna Project north-east of DeGrussa (Updated):**
 - ▶ 8.2Mt at 1.8% Cu, 3.7g/t Ag for 150,000t of copper and 963,000oz of silver.
- ▶ **Mineral Resource for the Temora Copper-Gold Project in the Lachlan Fold Belt, NSW (Updated):**
 - ▶ 240Mt at 0.30% Cu, 0.29g/t Au for 728,000t of copper and 2,207,000oz of gold.

Note: DeGrussa and other projects stated as at 31 December 2016; Monty stated as at 31 March 2017.

Refer release "Sandfire Group JORC Mineral Resource and Ore Reserve Statement" and associated disclosures.





SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY
ASX Code:SFR

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