



MARCH 2020 QUARTERLY REPORT

DeGrussa Operations deliver strong production performance; A4 copper discovery in Botswana continues to grow; Black Butte Project fully permitted following positive Record of Decision

Highlights

Production & Operations

Contained metal production	September 2019 Quarter	December 2019 Quarter	March 2020 Quarter	FY2020 YTD
Copper (t)	16,730	18,258	17,936	52,924
Gold (oz)	8,647	10,723	9,352	28,722
C1 cost (US\$/lb)	0.87	0.83	0.74	0.80

- The health and well-being of our people, contractors and stakeholders is of paramount importance, and Sandfire has implemented, and will continue to proactively implement, appropriate protocols to minimise the potential transmission of COVID-19.
- DeGrussa Operations in Western Australia continue to operate at full capacity, with strong mine production and milling rates maintained for the Quarter.
- FY2020 guidance withdrawn subject to further assessment of the impacts of COVID-19 (previously 70-72kt of contained copper and 38-40koz of contained gold; C1 costs ~US\$0.90/lb).

Development Projects

- Excellent progress with permitting at the Black Butte Copper Project in Montana, with the final Environmental Impact Statement (EIS) issued during the Quarter and a positive Record of Decision (ROD) issued subsequent to Quarter-end. These represent the final permitting requirements for the project development to proceed, with a Feasibility Study also nearing completion ahead of a decision to mine and financing considerations.
- Optimisation of the Feasibility Study for the T3 Copper-Silver Project in Botswana is continuing, focused on open pit optimisation, plant scale and operating costs.

Exploration

- Multi-pronged exploration programs continuing across Sandfire's Greater Doolgunna Project with extensive programs of RC, diamond and AC drilling completed during the Quarter at the Morck Well, Cheroona and Springfield Projects.
- Further positive results from exploration at the Tshukudu Exploration Project in the Kalahari Copper Belt, with additional high-grade intercepts returned from resource drilling at the A4 Dome, 8km west of the T3 Copper-Silver Project. Assay results include 18m @ 3.9% Cu and 124g/t Ag from 77m.

Corporate

- Farm-in agreement signed with Auris Minerals Ltd (ASX: AUR) to explore the Cheroona Project. Cheroona is located immediately along strike to the west of the Cashman JV, where Sandfire is exploring the same stratigraphy that hosts the DeGrussa and Monty copper-gold deposits.
- Sandfire announced a net profit attributable to members of \$34.2 million for the six months ended 31 December 2019 on total sales revenue of \$313.1 million. An interim fully-franked dividend of 5.0cps fully-franked was paid on 11 March 2020.
- Group cash on hand at 31 March 2020 of \$242.0 million.

1.0 COVID-19 – BUSINESS RESPONSE

The health and wellbeing of our people, contractors and stakeholders is of paramount importance to Sandfire and, in light of the global and evolving COVID-19 pandemic, the Company has implemented, and will continue to proactively implement, protocols to minimise the potential transmission of the virus.

Key measures implemented by the Company include:

- Maintaining health and safety systems in line with formal guidance of State health authorities;
- Boosting workforce social distancing measures across aviation, transit and workplaces;
- Health screening introduced at airport for personnel travelling to site;
- Modified flight schedules and reduced number of personnel on each flight;
- Enhanced workforce communication and promotion of Sandfire's health and wellbeing programs, including mental health;
- Planning workforce retention programs;
- Extended sick and compassionate leave assistance to employees, including casuals;
- Consulting with and assisting our communities;
- Working with our contractors to provide assistance;
- Maintaining critical payments to employees and contractors; and
- Securing additional supplies of consumables and critical spares.

The DeGrussa Operations in Western Australia continue to operate at full capacity, with mining, processing and concentrate sales for the March 2020 Quarter in line with previously announced guidance.

However, given the current uncertainty regarding the potential global impact of COVID-19, during the March Quarter Sandfire withdrew its production guidance for the 2020 Financial Year (previously 70-72kt of contained copper and 38-40koz of contained gold; C1 costs ~US\$0.90/lb). Year-to-date production for FY2020 stands at 52,924t of contained copper and 28,722oz of contained gold, with C1 costs of US\$0.80/lb.

Exploration programs in the Doolgunna region are continuing, with the exploration team now separated from the production team in a separate accommodation camp, south of DeGrussa.

At Tshukudu, Botswana, studies continue on the optimisation of the T3 Copper-Silver Project Feasibility Study. However, the decision to mine and any subsequent commencement of development activities at T3 has been delayed, pending the potential impact of COVID-19.

Exploration in Botswana continued up until late March 2020, when all drilling and exploration activities were suspended in compliance with the 28-day lockdown imposed by the Botswana Government and medical authorities in response to the COVID-19 pandemic. In addition, the Tshukudu team has implemented a series of measures and protocols consistent with the COVID-19 response implemented across the Sandfire Group.

In Montana, USA, Sandfire Resources America Inc. (Sandfire America) has temporarily closed the White Sulphur Springs office to protect the workforce and the local community. Work activities and all communications continue with staff working remotely, in line with instructions from the State of Montana. Sandfire America is monitoring and planning for the potential impact of COVID-19 on its operations.

2.0 SAFETY PERFORMANCE

The Total Recordable Injury Frequency Rate (TRIFR) for the Sandfire Group at the end of the March Quarter was 6.1 (December Quarter: 6.0). 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 new programs to assist in managing and improving the safety culture and the management of risk for both employees and contractors.

3.0 OPERATIONS OVERVIEW

Copper production for the Quarter was 17,936 tonnes of contained copper (December Quarter: 18,258 tonnes). C1 cash operating costs for the Quarter were US\$0.74/lb (December Quarter: US\$0.83/lb).

Mine production for the Quarter was 436,324 tonnes with production sourced from all lenses at the DeGrussa Copper-Gold Mine (302,791 tonnes grading 4.5% Cu) and from the Monty Copper-Gold Mine (133,533 tonnes grading 7.3% Cu).

A total of 382,605 tonnes of ore at average feed grade of 5.0% Cu was milled for the Quarter, with copper recovery averaging 94.0% and gold recovery averaging 45.3%.

3.0 MINING & PRODUCTION

3.1 Overview

March 2020 Quarter – Production Statistics		Tonnes	Grade (% Cu)	Grade (g/t Au)	Contained Copper (t)	Contained Gold (oz)
Concentrator	Mined – DeGrussa	302,791	4.5	1.8	13,740	17,412
	Mined – Monty	133,533	7.3	1.6	9,683	6,774
Mined – Total		436,324	5.4	1.7	23,422	24,186
Milled		382,605	5.0	1.7	19,072	20,663
Production		75,696	23.7	3.8	17,936	9,352

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 and Monty with the mine remaining in balance between production and back-fill.

Monty grade control drilling was completed during the December Quarter, defining the geometry of the deposit and stope design to a high level of detail and paving the way for an updated Ore Reserve, which was announced separately today (refer separate ASX Announcement lodged today).

Underground mining was temporarily suspended at the DeGrussa Mine in mid-February when rainwater within the open pit, associated with Tropical Cyclone Damien, overtopped a section of a containment bund above the crown pillar stope and entered the Evans Decline. Appropriate measures were activated in line with standard underground mining safety protocols and, following assessment and subsequent clearance, all personnel were safely moved to the surface via light vehicles. Our employees and contractors responded professionally, with the safety of our people paramount at all times.

The immediately impacted area was isolated and damage was limited to erosion of a section of the decline road surface, a light vehicle and one piece of underground mining equipment. Minor water remaining at the base of the decline was pumped out using ancillary pumps and the normal underground mining schedule resumed with minimal impact on production.

3.3 Processing

Continued strong mill throughput for the March Quarter was slightly below target on tonnes driven by lower mill availability and utilisation associated with the timing of plant shutdowns. Strong copper recovery at 94.0% was achieved for the ore profile presented during the Quarter with continued improvements achieved in blending strategies.

3.4 Guidance – FY2020

As outlined above, Sandfire has withdrawn its production and cost guidance for FY2020 due to uncertainty regarding the ongoing impact of COVID-19.

For the year to date, production and costs have remained broadly in line with the Company's previously published guidance for FY2020 of 70-72kt of contained copper and 38-40koz of contained gold, and ahead of the C1 cost guidance of ~US\$0.90/lb on strong production and lower AUD:USD currency.

4.0 SALES AND MARKETING

4.1 Copper Concentrate Shipments

A total of 73,945 dry metric tonnes of concentrate containing 17,564 tonnes of copper (16,801 tonnes payable) and 9,226 ounces of gold (8,369 ounces payable) was sold during the March Quarter. 7 shipments were completed from Port Hedland and Geraldton in the Quarter.

5.0 DEVELOPMENT PROJECTS

5.1 Black Butte Copper, USA (Sandfire: 85%)

Sandfire holds an 85% interest, via North American-listed company Sandfire Resources America Inc. (TSX-V: SFR), in the premier, high-grade Black Butte Copper Project, located in central Montana in the United States. This high-quality project, which is one of the world's highest-grade undeveloped copper projects, has completed the final stage of permitting.

Located on privately-owned ranch land close to existing road, grid power and rail infrastructure with the ability to access a residential workforce located nearby, the project is being developed as a wholly-underground mine with minimal surface footprint. The planned mine development will utilise best-practice technology and modern mining techniques to extract the high-grade copper mineralisation while minimising environmental impact, protecting all water resources and setting mining best-practice standards in addressing Montana's strict "non-degradation" water standards.

Permitting Progress

Project permitting for the Black Butte Copper Project was completed shortly after the end of the March Quarter, with the Montana Department of Environmental Quality (MTDEQ) releasing the Final Environmental Impact Statement (EIS) on 13 March 2020 and issuing a positive Record of Decision (ROD) to grant a Mine Operating Permit (MOP) on 9 April 2020.

Issuance of the Final EIS signals that the MTDEQ, and its independent third-party environmental consultants, have completed all environmental reviews related to the Black Butte Copper Project and all issues raised during the public comment period have been responded to.

The Department of Natural Resources & Conservation (MTDNRC) also issued a Preliminary Determination (PD) in response to the water right owners' application to modify their irrigation water rights to include leasing water for mitigation for the Black Butte Copper Project. The proposed water right modification maintains water balance in the Sheep Creek drainage area.

The PD will also address Sandfire America's request for a groundwater permit and a high flow water right to capture spring run-off and store in a reservoir, which will provide water to replenish stream flows year-round. The issuance of the PD triggers a comment period for other water rights holders prior to a Final Determination.

Following the release of the final EIS, the MTDEQ released a positive Record of Decision (ROD) to grant a Mine Operating Permit (MOP) on 9 April 2020. The grant of the MOP to the Company's wholly-owned subsidiary, Tintina Montana Inc. (Tintina), represents the final permitting milestone required to allow development and underground mining of the Johnny Lee deposit at the Black Butte Copper Project to proceed.

Issuance of the ROD now requires the MTDEQ to finalise a financial bond calculation within 40 days. Submission and acceptance of the bond paves the way for the potential commencement of construction at Black Butte subject to the completion of studies and financing considerations.

Tintina Montana Inc. concurrently received its preliminary Air Quality Permit and a Montana Pollution Discharge Elimination System (MDPES) permit.

The ROD comes with stipulations consistent with Tintina's planned staged approach to development and environmental protection. The ROD and stipulations can be found on MTDEQ's website at <http://deq.mt.gov/Public/eis>.

The stipulations require an incremental bonding approach allowing for an initial bond increment for Phase 1 development work of surface preparation of the mine site. This will be followed by a second bond increment to cover all underground development, mill construction and any activities involving beneficial water use.

There is also a reclamation bond calculation and final design requirement for the agency modified alternative closure plan, before the second increment of bonding and any Phase 2 development work or mining.

The Johnny Lee deposit represents one of the highest copper grade undeveloped projects in the world with a Measured and Indicated Undiluted Resource of 10.9 million tonnes at 2.9% Cu for 311,000 tonnes of contained copper, including a Lower Copper Zone with a copper grade of 6.8%, plus an Inferred Resource of 2.7 million tonnes at 3.0% copper for 80,000 tonnes of contained copper at a 1.0% Cu cut-off (refer Sandfire's ASX Announcement, dated 30 October 2019 for details).

Black Butte's design is a relatively shallow underground mine to be accessed by a 1,700m decline to access the Upper Copper Zone (60-200m deep) first, followed by additional development to reach the Lower Copper Zone (300-500m deep).

Feasibility Study

All the technical studies have now been completed for the Black Butte Project Feasibility Study, which commenced in October 2018. Sandfire America released an updated Mineral Resource on 30 October 2019 for use as the foundation for the Feasibility Study. The timing for completion of the Feasibility Study may be delayed due to the global health crisis caused by COVID-19.

Financing

Sandfire provided a US\$2 million unsecured loan to Sandfire America to cover anticipated expenditures through the ROD and completion of the FS. This is in addition to the US\$3 million previously advanced. Once the Feasibility Study is completed, the Board of Sandfire America will consider its mid-term and long-term financing requirements in line with the outcome of the Feasibility Study and decision to mine. For further details refer to the market releases of Sandfire America available on the company's website www.sandfireamerica.com.

5.2 T3 Copper-Silver Project, Botswana

Sandfire completed the acquisition of 100% of MOD Resources Ltd (MOD) on 23 October 2019, providing the Company with a large land-holding in the highly prospective Kalahari Copper Belt in Botswana, including the advanced T3 Copper-Silver Project.

Feasibility Study Optimisation

MOD completed a Feasibility Study for the T3 Project in March 2019. Sandfire has commenced a detailed review and optimisation of the T3 Feasibility Study. Timing for the completion of the updated Feasibility Study and Ore Reserve will be advised following the completion of a COVID-19 impact assessment.

Key areas of the Feasibility Study progressed during the March Quarter included:

- Significant progress on the Process Plant Engineering including draft PDC, mass balance and flow sheets. Core areas of the plant have been agreed and layout has commenced.
- Completion of pit stage designs and a LOM mining production schedule. These are now being incorporated into tender documents for the Mining Contract.
- High Voltage systems studies was completed by Mott McDonald and submitted to the Botswana Power Corporation for review and approval.
- Long duration groundwater draw-down tests continued through February to inform groundwater modelling and the remodelling has commenced.
- Negotiations for the purchase of land for access roads, accommodation village and the high voltage sub-station.

A decision to mine and any subsequent commencement of development activities at T3 have also been delayed, pending completion of the COVID-19 impact assessment.

Project Permitting

Sandfire has submitted an Environmental and Social Impact Assessment (ESIA) for the T3 Project together with a Mining Licence Application. Government approval for both of these permits is expected soon.

Kalahari Copper Belt Exploration

The Tshukudu Project comprises 11,700km² of highly prospective tenure surrounding the Company's T3 Copper-Silver Project. The Tshukudu licenses represent a rare belt-scale exploration opportunity globally, comprising an extensive and strategic position along the 200km centre of a major emerging sediment-hosted copper belt. There has been minimal prior drilling and no modern or systematic exploration such as airborne electromagnetics (AEM) nor extensive soil sampling programs on the Sandfire licenses.

After completing the acquisition of MOD in late October 2019 and successfully integrating MOD's assets and key team members, Sandfire embarked on a significantly expanded exploration program starting at the A4 Dome.

An exploration budget of \$10-12 million was established for the period to 30 June 2020 with the initial focus of activity on the T3 Expansion Project, which is focused on drilling three high-priority targets identified within a 25km radius of T3.

Drilling during the March Quarter focused on the shallow, high grade vein system extending ~800m along the large A4 Dome, with significant visible mineralisation intersected in most holes. Mineralised veins occur near the top of the Lower D'Kar Formation and dip 25-30 degrees to the north-west.

Assays received during the March Quarter returned significant intersections associated with prominent quartz/carbonate veins, including (refer Figure 1):

- 18m @ 3.9% Cu and 124g/t Ag from 77m (cut to 15% Cu) (MO-A4-035D);
- 21.5m @ 2.4% Cu and 46g/t Ag from 67m (MO-A4-036D); and
- 24m @ 2.1% Cu and 51g/t Ag from 86.6m (MO-A4-039D).

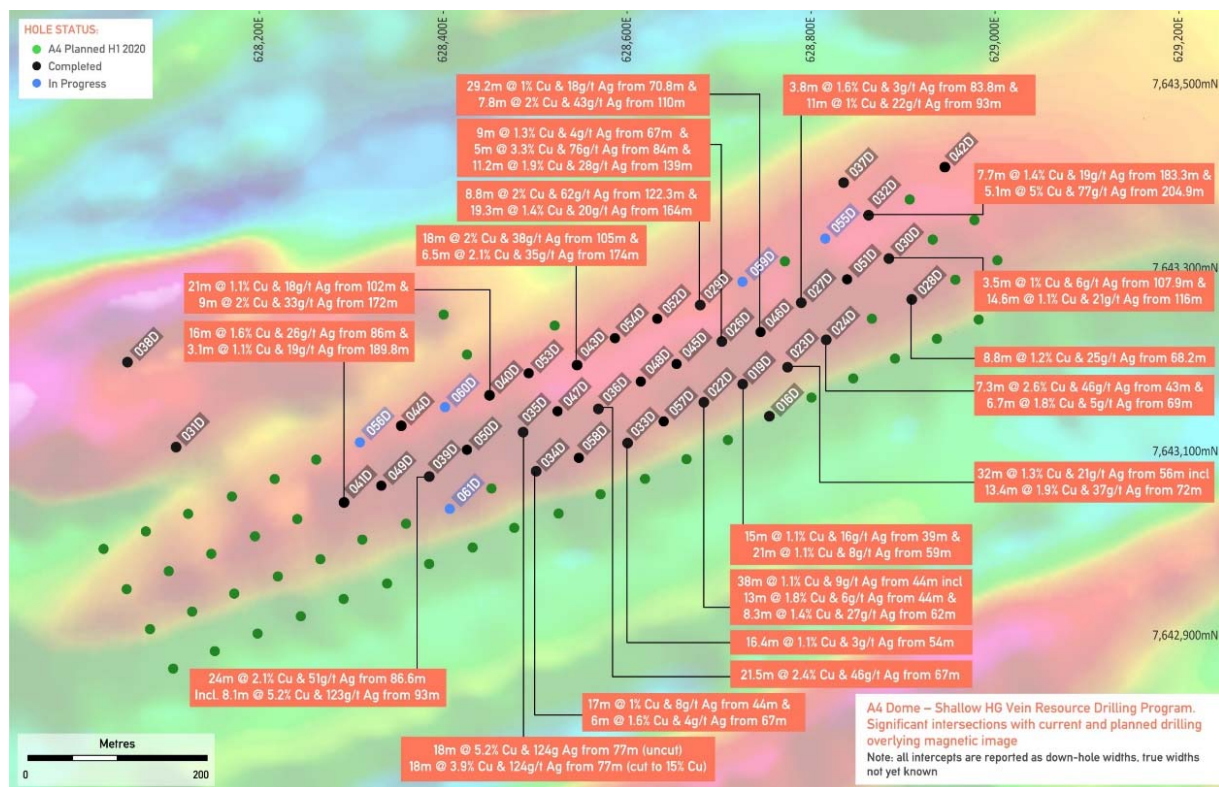


Figure 1: A4 resource drilling program showing significant intersections from results received to date and drill-hole collars plotted over magnetic image.

For full details of the A4 drilling results reported during the Quarter, refer to Sandfire's ASX Announcement, dated 24 January 2020 (Tshukudu Exploration Update) and subsequent update released separately to the market today (refer ASX Announcement, dated 17 April 2020, Tshukudu Exploration Update).

Exploration drilling programs in Botswana were suspended in late March due to the 28-day lockdown imposed by the Botswana Government in response to the COVID-19 pandemic.

When exploration programs resume, resource definition drilling is planned to resume. In addition, a major aeromagnetic survey is planned over the area linking the T3 Expansion Project to the T20 Exploration Project, including over the northern structural corridor.

6.0 EXPLORATION

6.1 Overview

Sandfire continues to progress a tightly focused, multi-disciplinary exploration campaign across the Greater Doolgunna Project (see Figure 2) 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 activities during the March Quarter are listed below:

- Diamond and Reverse Circulation (RC) drilling at the Springfield Project to test mineralisation and anomalous zones returned in previous drilling.
- RC drilling at the Morck Well Project to test an MLEM anomaly and follow-up Cu-Bi-Zn-Pb anomalism identified in first-pass aircore (AC) drilling through the Tetris prospect.
- AC drilling at the Cheroona Project to provide a first-pass 400x100m spaced pattern through the Orient prospect areas to test the prospective Karalundi stratigraphy and provide high quality litho-geochemical data.
- Ongoing down-hole electromagnetic (DHEM) surveying of holes at Monty Underground and the Southern Volcanics.
- Moving loop electromagnetic (MLEM) surveying over the Karalundi Formation at Southern Volcanics and Cheroona.

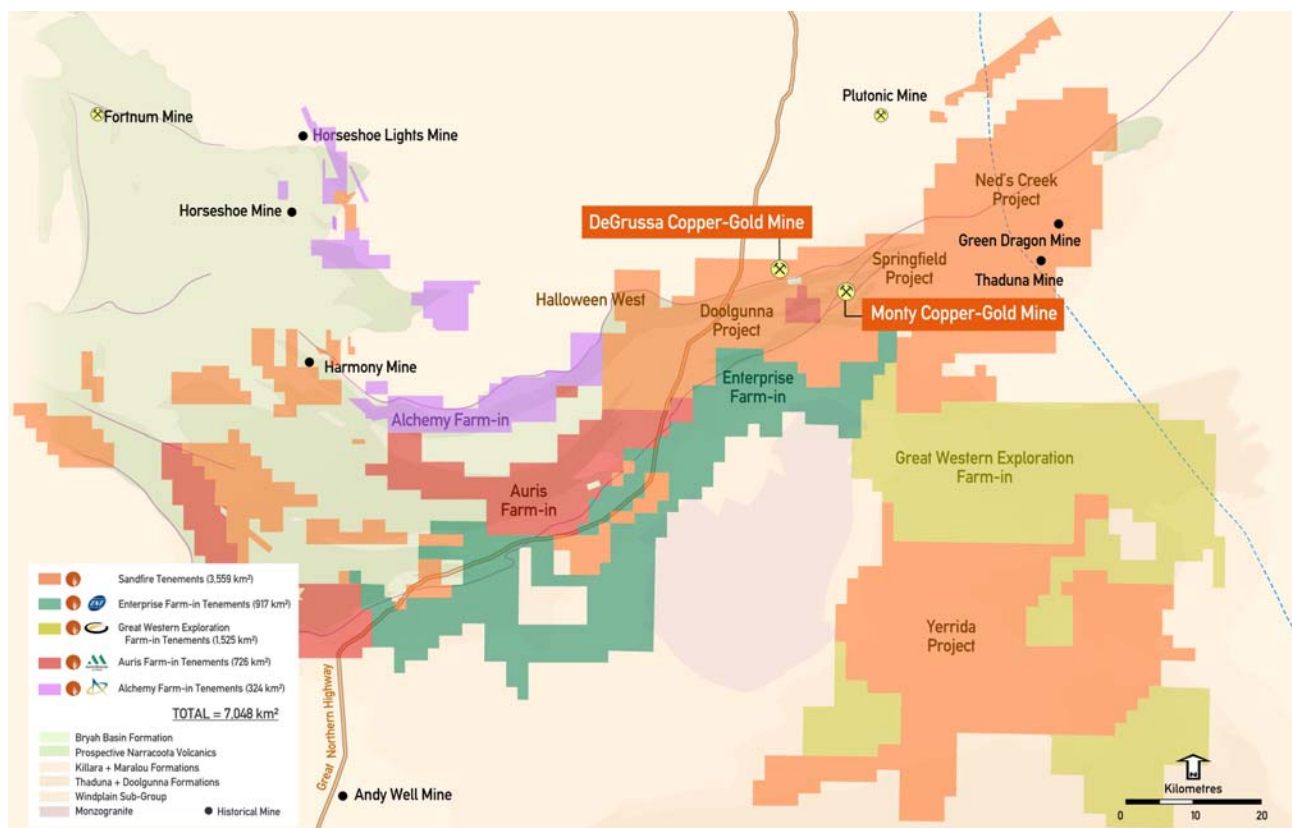


Figure 2: Sandfire's tenement holding in the Greater Doolgunna region.

The aggregate metres drilled on Sandfire's wholly-owned and JV tenements during the March 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%)	-	582	-	-	582
Ned's Creek (SFR 100%)	-	-	-	-	-
Springfield (SFR 100%)	-	2,436	-	266	2,702
West Bryah (SFR 100%)	-	-	-	-	-
Auris JV (Morck Well Earn-in)	12,845	1,532	-	-	14,377
Auris JV (Cashman Earn-in)	38,649	-	-	-	38,649
Alchemy JV (Earn-in)	-	-	-	-	-
Monty (SFR 100%)	-	-	873	-	873
Total	51,494	4,550	873	266	57,183

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 7,048km² (Figure 2). This includes over 90km of strike extent in host VMS lithologies. Much of this stratigraphy is obscured beneath transported cover and requires targeted AC drilling to test the bedrock geochemistry and identify prospective areas.

6.2.1 Springfield Project

One diamond tail (TLDD0133) was completed at the Southern Volcanics Prospect for an advance of 266m. Diamond drilling was undertaken from the 310m pre-collar, with the hole completed at a depth of 576m. The hole, which was designed to test an off-hole DHEM conductor identified in the surveying of TLDD0132, intersected a 30cm interval of semi-massive pyrrhotite and minor pyrite coincident with the position of the conductor at 487m down-hole.

The hangingwall of the mineralisation consists of moderately chlorite altered siltstone and quartz arenite with minor disseminated and veinlet in-filling pyrrhotite and pyrite, while the footwall consists of chlorite altered siltstones, arenites and minor conglomerates with disseminated and minor blebby pyrrhotite and pyrite. Although the mineralised interval is narrower than hoped, the presence of sulphides in more than one hole along the same sediment horizon is encouraging and provides a case for further exploration.

Six RC holes were completed at Southern Volcanics for a total advance of 2,436 metres. TLRC0095, TLRC0096 and TLRC0099 were designed to test the prospective sediment horizon east of the mineralisation intersected in TLRC0090 and TLDD0133.

TLRC0095 intersected a significant package of sediments consisting of siltstone, lithic and quartz wackes, breccias and conglomerates. Narrow intervals of strong chlorite observation were observed (125-127m) along with sections of pervasive silicification, both associated with minor disseminated pyrite, however no significant mineralisation was observed.

TLRC0097 was designed to scissor TLRC0095 and test down-dip of the copper anomalism identified previously in AC drilling (TLAC3519-TLAC3521). The hole intersected a narrow interval of sulphide mineralisation consisting of chalcopyrite, pyrrhotite and pyrite from 246-247m within a weakly mineralised dolerite.

TLRC0098 was designed to test a 20mx30m off-hole plate derived from the DHEM survey of TLDD0133. The hole intersected a chlorite-altered sediment package containing disseminated pyrrhotite, but no significant mineralisation. TLRC100 was designed to test down-dip of significant copper anomalism identified in TLAC2243 at Monty South. The hole intersected a narrow interval of chemogenic sediments but no significant mineralisation was observed.

Additional RC holes have been planned to continue tracing the prospective sediment horizons further east through the Southern Volcanics.

6.2.2 Cashman / Cheroona Project

During the March Quarter, Sandfire secured a right to earn up to a 70% interest in the Cheroona Project tenements (E51/1391, E51/1837 and E51/1838) through a farm-in agreement with Auris Minerals Ltd (ASX: AUR) and Northern Star Resources Ltd (ASX:NST). The Cheroona Project lies immediately along strike to the west of the Cashman JV (also in JV with Auris), where Sandfire is exploring in the same stratigraphy that hosts the DeGrussa and Monty Cu-Au deposits.

Drilling at the Cashman / Cheroona Project during the Quarter comprised 819 AC drill holes (CHAC0300 – CHAC400) for a total advance of 38,649m, with all holes part of a first-pass 400x100m spaced pattern through the Orient, North-east Orient, East Orient, East Cashman and Goodin Find prospect areas, designed to test the prospective Karalundi stratigraphy and provide high quality litho-geochemical data.

Drilling of the regional first pass AC program has identified Doolgunna Formation, Karalundi Formation and Narracoota Formation lithologies, suggesting the stratigraphic relationships seen at the Ruby Well and White Well Prospects (Enterprise Project) continue south-west through the Cheroona Project.

Integration with significant field mapping and geophysical datasets indicates structural complexity exists throughout the project area with possible stratigraphic repeats.

Geological interpretation at the Cheroona Project has begun and will continue as drilling is completed and assay results are returned. Field mapping to the west of the Cheroona Project has commenced and will continue into the next reporting period to assist ongoing AC targeting. One RC drill hole has been planned to target magnetic sediments and trace malachite observed in field mapping samples to the south of Orient.

6.2.3 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.

Four RC holes (MWRC0047 – MWRC0050) were completed at Morck Well during the Quarter for a total advance of 1,532m.

MWRC0047 was the third and final hole of a program designed to test a plate derived from an anomalous response identified from a recently completed ARMIT MLEM survey through the Morck Well area. The hole intersected Narracoota Formation stratigraphy, including a mixed sequence of basalt, mafic breccia and conglomerate. An interval of silicified basalt was intersected from 163m to 166m contained disseminated pyrrhotite and magnetite mineralisation, with traces of chalcopyrite and pyrite.

The variation in geology intersected in MWRC0046 and MWRC0047 in comparison to MWRC0045, located 220m south west of MWRC0046, suggests there may be some structural complexity around the position of the MLEM anomaly.

Two RC holes (MWRC0048 & MWRC0049) were completed at the Tetris Prospect for a total advance of 770m. Both holes were designed to follow-up Cu-Bi-Zn-Pb anomalism identified in first-pass AC drilling.

MWRC0048 intersected a package of DeGrussa Member lithologies including mafic-derived breccias and conglomerates; plagioclase-phyric and granophyric dolerites; chloritic; laminated siltstones and wackes; and two variably jasperoidal, magnetite-rich exhalative units. Trace pyrite and chalcopyrite was noted within the differentiated dolerite and in the sediments. MWRC0049 intersected a package of Magazine Member lithologies including siltstones and quartz wackes; siliciclastic conglomerates; and massive dolerites with disseminated pyrite.

A total of 149 AC holes (MWAC2196-MWAC2200 and MWAC2209-MWAC2351) were completed at Morck Well for a total advance of 12,845 metres. All holes were part of the 800x100m spaced first-pass pattern through the Morck Well project. The program was designed to help with delineating stratigraphy and provide high-quality litho-geochemical data.

6.2.4 Doolgunna Project

Two RC holes (DGRC913 and DGRC914) were completed during the Quarter, with a third hole (DGRC915) ongoing at the end of the Quarter for a total of 582m.

DGRC913 was designed to test a thick package of DeGrussa Member exhalites with a gap in DHEM coverage ~1km along-strike from DGDD417, which contained a large VMS clast in the hanging wall breccia, in the Homestead prospect area. The hole intersected an interval of haematitic siltstone with minor magnetite; however, no significant mineralisation was observed.

DGRC914 and DGRC915 are the first two holes of a 4-hole program designed to test areas proximal to existing gold mineralisation hosted in discrete quartz veining through Cow Hole Bore Member sediments and dolerite of the Narracoota Formation. DGRC915 intersected two intervals of quartz stockwork veining.

DGRC914 did not intersect any veining, indicating the system is likely to be closed to the west.

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 3: Sandfire's 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). New 100%-owned tenements have been granted in the Cobar basin and a farm-in agreement continues on the Coomeratta project with Sandfire having the right to earn an 80% interest.

Diamond drilling continued through the March Quarter at the Temora Project with seven holes completed during the period for 3,334m. Ten diamond holes for 4,562m were drilled during the field season.

Diamond and AC drilling was focused on geophysical and geochemical anomalies along the eastern and southern margin of the highly magnetic Rain Hill monzodiorite (see figure 4).

At the Monza prospect, follow up drilling on a breccia pipe with chalcopyrite and molybdenum confirmed strong indications of porphyry mineralisation along strike, giving potential for a larger system. DHEM surveys did not return significant anomalies.

At the Fields prospect initial AC drilling identified strong epithermal gold related geochemical anomalism. Follow up Diamond drilling and infill AC drilling confirmed the extent and tenor of the mineralisation.

AC drilling focussed on a number of targets on the margins of the monzodiorite at strongly altered and anomalous prospects with 149 holes drilled for 10,226m and a total of 225 holes for 15,585m drilled in the season. Results of these programs are currently being reviewed however a number of strong anomalies will require further follow up next season. Full assay results are pending.

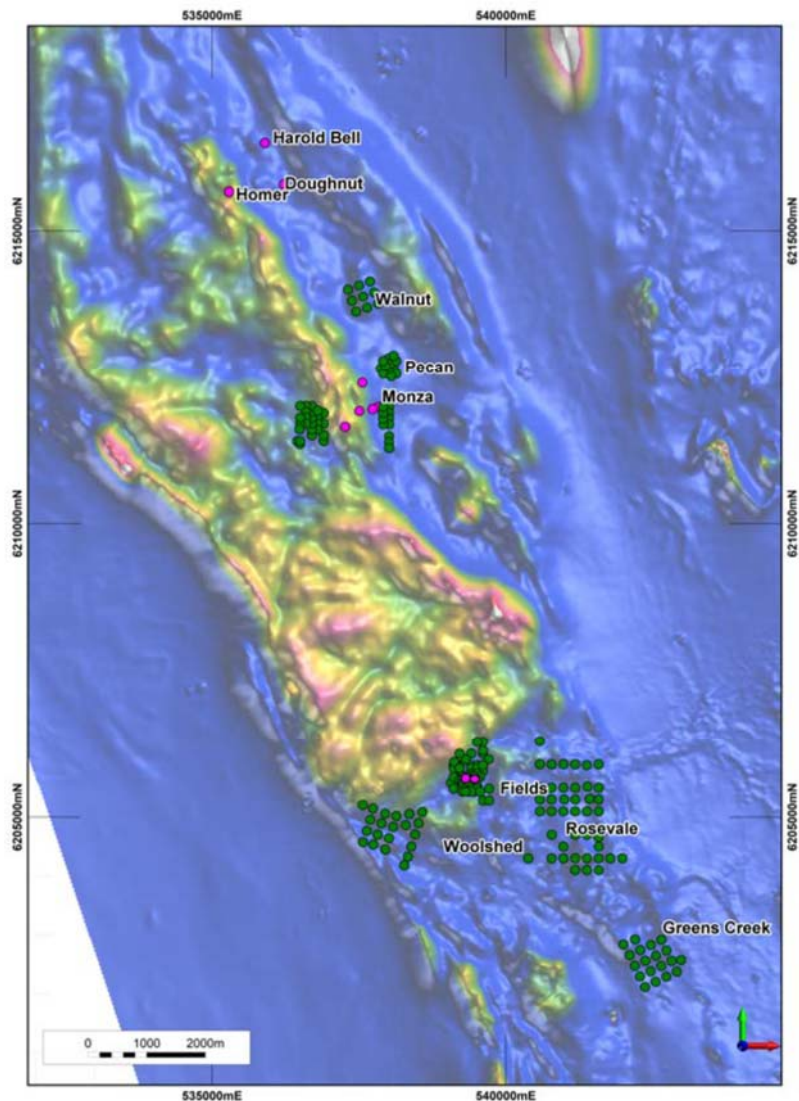


Figure 4: 2019 – 2020 Temora season drillholes overlain on RTP magnetics. Diamond holes are shown in pink, AC holes are shown in dark green.

A Heads of Agreement has been signed with Fortescue Metals Group Ltd (ASX: FMG) over the Wingrunner Project in the central Lachlan of New South Wales. Fortescue have the option to earn 80% of the project by expenditure of \$7 million over 8 years and a minimum commitment of \$0.5 million. A formal agreement is being finalised.

Drill testing of the Coomeratta project in the Cobar district has been delayed due to the COVID-19 pandemic, however a small one man gravity survey was completed. Desktop work continues on targeting within the district including desktop regolith, structural and geochemical studies.

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 farm-out agreements to advance the Borroloola Project. 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. The new North Batten Property Option and Joint Venture agreement allows Teck Australia Pty Ltd (Teck) to earn a 75% interest in the project.

An Option and Joint Venture agreement has been entered with Teck over the North Batten Property in the Northern Territory. Teck are part of a major Canadian based mining company with considerable base metals exploration experience in the region.

Under the terms of the agreement, Teck has the right to earn up to a 75% interest in the project by spending a cumulative \$27 million on exploration over ten years. A minimum expenditure of \$1 million is required by August 2021 and a 51% interest in the property will be earned by expending \$7 million by August 2025.

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 a 60% interest held.

During the Quarter, Sandfire established a joint venture heads of agreement with Minotaur's and OZ Minerals Ltd's (ASX: OZL) Cloncurry Alliance over Sandfire's tenement group near Cloncurry, Queensland. The new Breena Plains JV with the Cloncurry Alliance incorporates some 1,226km² of tenure.

The Breena Plains JV requires the Cloncurry Alliance to invest \$1 million in exploration in the first year. Thereafter, the Cloncurry Alliance may earn an initial 51% tenement interest by sole funding a further \$3 million through the next 2-year period. The Cloncurry Alliance may then earn an additional 24% interest for the further expenditure of \$4 million over the subsequent 2 years. Therefore, in order to attain its maximum interest of 75% over 5 years, the Cloncurry Alliance must invest \$8 million.

Minotaur advised Sandfire that a notice for a potential situation of Force Majeure was declared in early April, due to the current inability of the Cloncurry Alliance to access the tenement areas as a result of restrictions arising from the COVID-19 pandemic.

8.0 CORPORATE

8.1 Withdrawal from Red Mountain Earn-in and Joint Venture Agreement

During the Quarter, Sandfire withdrew from the Red Mountain Project Earn-In and Joint Venture Option Agreement with White Rock Minerals Ltd (ASX: WRM).

Sandfire spent \$8.5 million on the Project during 2019 and will withdraw without any retained interest being earned.

Sandfire remains an 11.07% shareholder of White Rock Minerals Ltd.

8.2 Interim Dividend

On 20 February 2020, Sandfire announced its December 2019 half-year financial results, including a net profit attributable to members of \$34.2 million on total sales revenue of \$313.1 million. The Company declared an interim fully franked dividend of 5cps fully-franked, which was paid on 11 March 2020.

8.3 Cash position

Group cash on hand as at 31 March 2020 totalled \$242.0 million.

8.4 Finance Facility

ANZ continues to hold security via a fixed and floating charge over the Company's assets. Aside from minor borrowings under a bonding facility there is no other debt drawn under financing facilities and no amounts available to be drawn.

8.5 Investor Call and Webcast

A teleconference on the Quarterly results will be held for the investment community on Friday 17th April 2020 commencing at 10.00am (AWST) / 12.00pm (AEST). Investors, brokers, analysts and media can join the teleconference by clicking on the following link: <https://s1.c-conf.com/DiamondPass/10005350-invite.html>.

The March 2020 Quarterly Report and 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 <https://webcasting.boardroom.media/broadcast/5e82b88152594f0ea9346036>.

ENDS

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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 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 – Tshukudu Exploration Project

The information in this report that relates to Exploration Results at the Tshukudu Exploration Project, Botswana is based on information compiled by Mr Julian Hanna who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hanna 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 Hanna 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 Company's Projects, 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

Certain statements made during or in connection with this report contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration and 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. There is continuing uncertainty as to the full impact of COVID-19 on Sandfire's business, the Australian economy, share markets and the economies in which Sandfire conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on Sandfire's business or the price of Sandfire securities.

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 these forward-looking statements 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 forward-looking statements 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.