
SANDFIRE ACCELERATES DEBT REDUCTION

- **\$20M debt prepayment completed**, reducing outstanding balance on DeGrussa Project Finance Facility to \$170M at 30 April 2014.
 - **Sandfire's financing arrangements to be sole funded by ANZ following recent bank completion test.**
 - **\$50M working capital facility secured**, which can be drawn down against the value of saleable copper concentrate to smooth cash flow from the timing of concentrate shipments.
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Sandfire Resources NL (ASX: **SFR**; "Sandfire") is pleased to announce that it has completed an accelerated prepayment against the DeGrussa Project Finance Facility of \$20 million. The prepayment reduces the outstanding balance of the facility to \$170 million as at 30 April 2014.

The prepayment of debt reflects the strength of the operating cash flows being generated by the DeGrussa Copper-Gold Mine and the robustness of Sandfire's business.

A total of \$210 million has now been repaid against the original \$380 million DeGrussa Project Finance Facility, with a total of \$115 million repaid to date for FY 2014. A further \$10 million is scheduled to be repaid on 30 June 2014, further reducing the outstanding balance of the facility to \$160 million. The repayment schedule otherwise remains unchanged over the facility repayment period, which remains to December 2015.

Banking Restructure and Working Capital Facility

With the rapid repayment in debt achieved over the past 12 months, the achievement of steady-state operations and the recent satisfaction of the DeGrussa financing completion test, Sandfire has simplified its banking arrangements, moving from a syndicate to a single funding bank.

Accordingly, the Company has reached agreement to restructure its banking arrangements with ANZ Banking Corporation ("ANZ") to become its sole financier, replacing the previous syndicate.

ANZ has been Sandfire's transactional bank since the incorporation of the Company and was sole underwriter of the original \$380 million banking syndicate which financed the DeGrussa project development and construction.

The Company has also secured a new \$50 million working capital facility with ANZ which can be drawn down against the value of saleable copper concentrate inventories held by the Company at the mine and ports.



This facility is designed to reduce the potential cash flow impact of timing of concentrate shipments and cash receipts. This new facility, which follows usual financing conditions, terms and pricing, is undrawn at 30 April 2014.

Management Comment

Sandfire's Managing Director, Mr Karl Simich, said the Company had decided to take advantage of its strong operational and financial position to accelerate its debt repayments, reducing the balance on the DeGrussa facility to just \$170 million at the end of April 2014 and leaving one final repayment of \$10 million for the 2014 financial year.

"This is a reflection of the strong operating cash flows being generated by the DeGrussa operation and the continued hard work and focus of our team," he said.

"Following the recent successful bank completion test, we have also restructured our banking arrangements so they are better aligned with our current debt levels and cash flow requirements. I would like to thank ANZ for their continued support of Sandfire and also to acknowledge the members of our previous banking syndicate."

"Looking to the future, we have also decided to put in place a \$50 million working capital facility which can be drawn down against saleable copper concentrate. This is a prudent measure to assist in managing our cash flows."

"Sandfire has now well and truly achieved its objective of reducing its gearing as quickly as possible and, with the DeGrussa operation running at steady-state levels, we have moved into a new phase of our life as a listed company where we have significant discretion on how to deploy our surplus cash."

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For further information contact:

Sandfire Resources NL

Karl Simich – Managing Director/CEO

Office: +61 8 6430 3800

Read Corporate

Mobile: +61 419 929 046 (Nicholas Read)

Mobile: +61 421 619 084 (Paul Armstrong)

Forward-Looking Statements

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