



SANDFIRE
RESOURCES NL

ASX CODE: SFR

December 2018
Half Year Presentation
19 February 2019

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A QUALITY COPPER-GOLD COMPANY - ASX Code:SFR



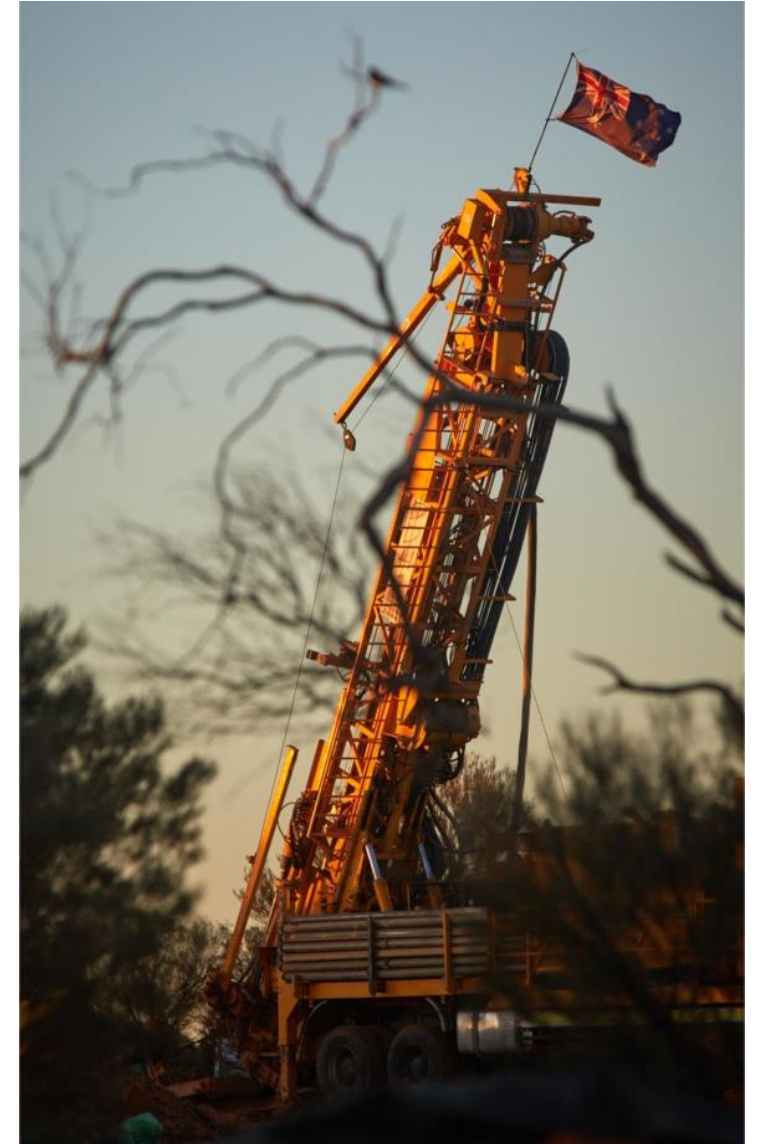
Operating Results – 1H FY2019

Karl Simich – Chief Executive Officer

1HFY2019 in Review



- ▶ **1HFY2019:** 34,813t of contained copper and 21,567oz of contained gold produced; C1 US\$0.87/lb
- ▶ **FY2019 guidance maintained:** upper end of both 63-67kt of contained copper and 37-40koz of contained gold; C1 costs lowered to ~US\$0.90-0.95/lb
- ▶ **Safety TRIFR:** 7.3 (December 2018) vs 7.1 (June 2018)
- ▶ Talisman Mining Ltd's **30% Springfield JV interest** acquisition completed
- ▶ First **Monty Copper-Gold Mine** development ore mined in Q2 FY2019, with **first stoping ore** mined in February 2019
- ▶ **Final permitting stage (EIS) for the Black Butte Copper Project**, draft EIS expected Q3 FY2019; **ownership increased to 86%**
- ▶ **Multi-pronged exploration programs** continued across Sandfire's Greater Doolgunna Project (6,600km²)
- ▶ **Cash holding:** \$164.7M (Company); \$179.0M (Group)





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Financial Results – 1HFY2019

Matthew Fitzgerald – Chief Financial Officer

Financial Results for the Half Year ended 31 December 2018



Sandfire maintains strong financial performance

- ▶ **Revenue of \$272.3M** post treatment and refining charges and price adjustment losses from **value of metal payable sold of \$303.5M**
- ▶ Strong cash flow from operating activities of **\$97.5M** (**\$121.9M** prior to payments for exploration and evaluation expenses)
- ▶ DeGrussa Operations segment earnings before net finance and income tax of **\$101.7M**
- ▶ Profit before net finance and income tax of **\$70.1M**
- ▶ Profit before income tax expense of **\$73.1M**
- ▶ Net profit after income tax of **\$48.3M**
- ▶ Net profit after income tax attributable to members **\$49.5M**
- ▶ Earnings per share of **31.1cps** (basic and diluted)
- ▶ Group cash of **\$179.0M** at 31 December 2018

Financial Results for the Half Year ended 31 December 2018



Sandfire continues dividend payments

- ▶ Maintaining dividend stream from profitable operations
- ▶ **Interim dividend for 1HFY2019 of 7.0cps (fully franked)**
- ▶ Continuing to balance shareholder returns and growth (dividends, business development and exploration) with operational cash flow requirements (Monty development)



Half Year ended 31 December 2018 – Income Statement



Income Statement Review – Key Results

(\$000)	Dec 2018	Dec 2017
Revenue	272,286	277,434
Profit before net finance income and income tax expense	70,144	84,193
Net finance income	2,997	1,223
Profit before income tax expense	73,141	85,416
Income tax expense	(24,812)	(25,906)
Net profit for the year	48,329	59,510



- ▶ Headline revenue now presented net of treatment and refining charges, as well as price adjustment gains/losses
- ▶ Higher exploration and evaluation expenditure largely driven by increased exploration activities at the Greater Doolgunna Project and evaluation costs associated with the Black Butte FS and EIS

Half Year ended 31 December 2018 – Balance Sheet



Balance Sheet Review - Assets

(\$000)	Dec 2018	Jun 2018
ASSETS		
Cash and cash equivalents	179,022	243,367
Trade and other receivables	13,854	13,773
Inventories	40,473	33,961
Other current assets	1,273	2,680
Total current assets	234,622	293,781
Receivables	475	465
Inventories	11,698	11,698
Exploration and evaluation assets	24,940	24,410
Property, plant and equipment	393,982	330,619
Financial instruments	13,063	9,925
Total non-current assets	444,158	377,117
TOTAL ASSETS	678,780	670,898

- Cash of \$179.0M – increase from operations offset by acquisition of Talisman Mining Ltd's 30% Springfield JV interest for \$73M; \$51M income tax; \$30M final FY18 dividend; and Monty development.

Half Year ended 31 December 2018 – Balance Sheet



Balance Sheet Review - Liabilities

(\$000)	Dec 2018	Jun 2018
LIABILITIES		
Trade and other payables	49,397	39,898
Interest bearing liabilities	445	1,611
Income tax payable	10,745	31,203
Provisions	4,258	4,255
Total current liabilities	64,845	76,967
Trade and other payables	2,642	-
Interest bearing liabilities	291	239
Provisions	28,802	29,467
Deferred tax liabilities	26,186	32,174
Total non-current liabilities	57,921	61,880
TOTAL LIABILITIES	122,766	138,847
NET ASSETS	556,014	532,051

- ▶ Income tax payable - \$51M paid during the half year
- ▶ Deferred tax liability – a result of taxable income lagging accounting profit, continuing to reverse



Continued strong outlook for FY2019 and beyond

- ▶ **Consistent, low-cost copper-gold production**
 - 1HFY2019: 34,813t of contained copper and 21,567oz of contained gold produced; C1 US\$0.87/lb
 - FY2019 guidance maintained: upper end of both 63-67kt of contained copper and 37-40koz of contained gold; C1 costs lowered to ~US\$0.90-0.95/lb
- ▶ First **Monty Copper-Gold Project** development ore mined ahead of first stoping ore in February 2019
- ▶ Multi-pronged exploration programs continued across Sandfire's Greater Doolgunna Project (6,600km²)
- ▶ **Cash flow** continues to fund growth and shareholder returns
 - Continued strong dividend stream for shareholders
 - Committed exploration to further extend mine life
 - 86% interest in high-grade USA copper project development (Black Butte) in final stage EIS process
- ▶ **Emerging** international and domestic growth pipeline



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