



**SANDFIRE**  
RESOURCES NL

ASX CODE: SFR

**June 2019**  
**Full Year Presentation**  
27 August 2019

Access this presentation at:  
<https://webcasting.boardroom.media/broadcast/5d257e83116088619836734d> or  
<http://www.sandfire.com.au>

# Important Information and Disclaimer



This presentation has been prepared by Sandfire Resources NL (**Sandfire**). This document contains background information about Sandfire current at the date of this presentation. The presentation is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this presentation.

This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. This presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction.

This presentation does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, Sandfire, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this presentation. No responsibility for any errors or omissions from this presentation arising out of negligence or otherwise is accepted.

Certain statistical and other information included in this presentation is sourced from publicly available third party sources and has not been independently verified.

All figures are expressed in Australian dollars unless otherwise stated.

## Forward-Looking Statements

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Sandfire. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Sandfire does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward looking statement is based.





**SANDFIRE RESOURCES NL**

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR



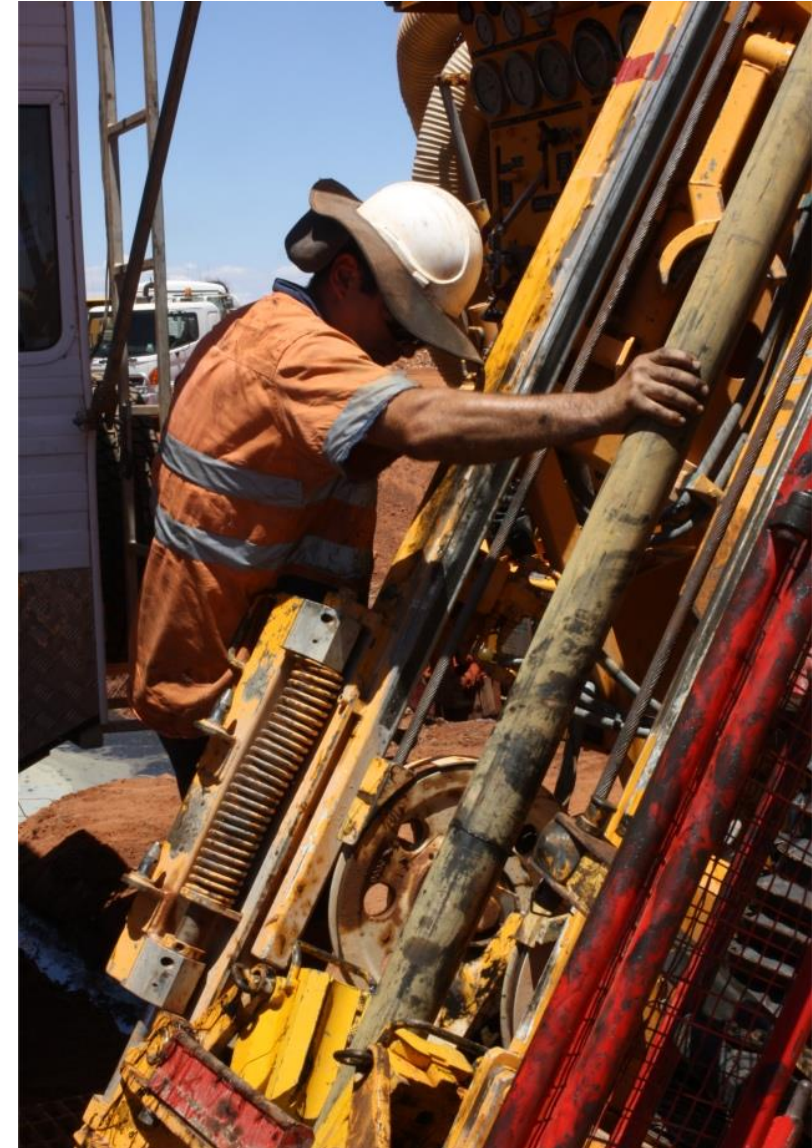
## Operating Results – FY2019

Karl Simich – Chief Executive Officer





- ▶ **FY2019:** 69,394t of contained copper and 44,455oz of contained gold produced; C1 US\$0.83/lb
- ▶ **FY2020 guidance:** 70-75kt of contained copper and 38-42koz of contained gold; C1 costs ~US\$0.90-0.95/lb
- ▶ **Safety TRIFR:** 6.2 (June 2019) 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 for the Black Butte Copper Project**, draft EIS issued and public comment period closed; **ownership increased to 85%**
- ▶ **Multi-pronged exploration programs** continue across Sandfire's Greater Doolgunna Project
- ▶ **Cash holding:** \$243.0M (Company); \$247.4M (Group)







**SANDFIRE RESOURCES NL**

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR

## Financial Results – FY2019

Matthew Fitzgerald – Chief Financial Officer



# Financial Results for the Full Year ended 30 June 2019



## Sandfire maintains strong financial performance

- ▶ Revenue of **\$592.2M** net of treatment and refining charges and price adjustment losses
- ▶ Strong cash flow from operating activities of **\$210.4M** (**\$267.4M** prior to payments for exploration and evaluation expenses)
- ▶ DeGrussa Operations segment earnings before net finance and income tax of **\$225.7M**
- ▶ Profit before net finance and income tax of **\$153.1M**
- ▶ Profit before income tax expense of **\$158.6M**
- ▶ Net profit after income tax of **\$104.0M**
- ▶ Net profit after income tax attributable to members **\$106.5M**
- ▶ Earnings per share of **65.23cps** (basic and diluted)
- ▶ Group cash of **\$247.4M** at 30 June 2019

# Financial Results for the Full Year ended 30 June 2019



## Sandfire continues dividend payments

- ▶ Maintaining dividend stream from profitable operations
- ▶ **Final dividend for FY2019 of 16.0cps (fully franked)** following interim dividend for 1HFY2019 of 7.0cps (fully franked)
- ▶ Dividend record date 15 November 2019 to allow MOD Resources Ltd shareholders the opportunity to participate as agreed (subject to finalisation of the MOD Scheme of Arrangement)





# Full Year ended 30 June 2019 – Income Statement



## Income Statement Review – Key Results

(\$000)	Jun 2019	Jun 2018
Revenue	592,211	570,045
Profit before net finance income and income tax expense	153,056	173,765
Net finance income	5,583	1,776
Profit before income tax expense	158,639	175,541
Income tax expense	(54,626)	(54,788)
Net profit for the year	104,013	120,753
Net profit attributable to the equity holders of the parent	106,456	123,024



- ▶ Revenue increase on increased production despite lower year-on-year copper price
- ▶ 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





## Balance Sheet Review - Assets

(\$000)	Jun 2019	Jun 2018
<b>ASSETS</b>		
Cash and cash equivalents	247,449	243,367
Trade and other receivables	15,325	13,773
Inventories	45,143	33,961
Other current assets	3,626	2,680
<b>Total current assets</b>	<b>311,543</b>	<b>293,781</b>
Financial investments	19,617	9,925
Receivables	526	465
Inventories	11,698	11,698
Exploration and evaluation assets	25,975	24,410
Property, plant and equipment	366,491	330,619
<b>Total non-current assets</b>	<b>424,307</b>	<b>377,117</b>
<b>TOTAL ASSETS</b>	<b>735,850</b>	<b>670,898</b>

- ▶ Cash and cash equivalents – refer Slide 11
- ▶ Inventories – increased holdings of ore and concentrate
- ▶ Financial investments – Sandfire Ventures strategy
- ▶ Property, plant and equipment – increased by DeGrussa and Monty mine development, Monty 30% acquisition from Talisman Mining Ltd; reduced by depreciation & amortisation





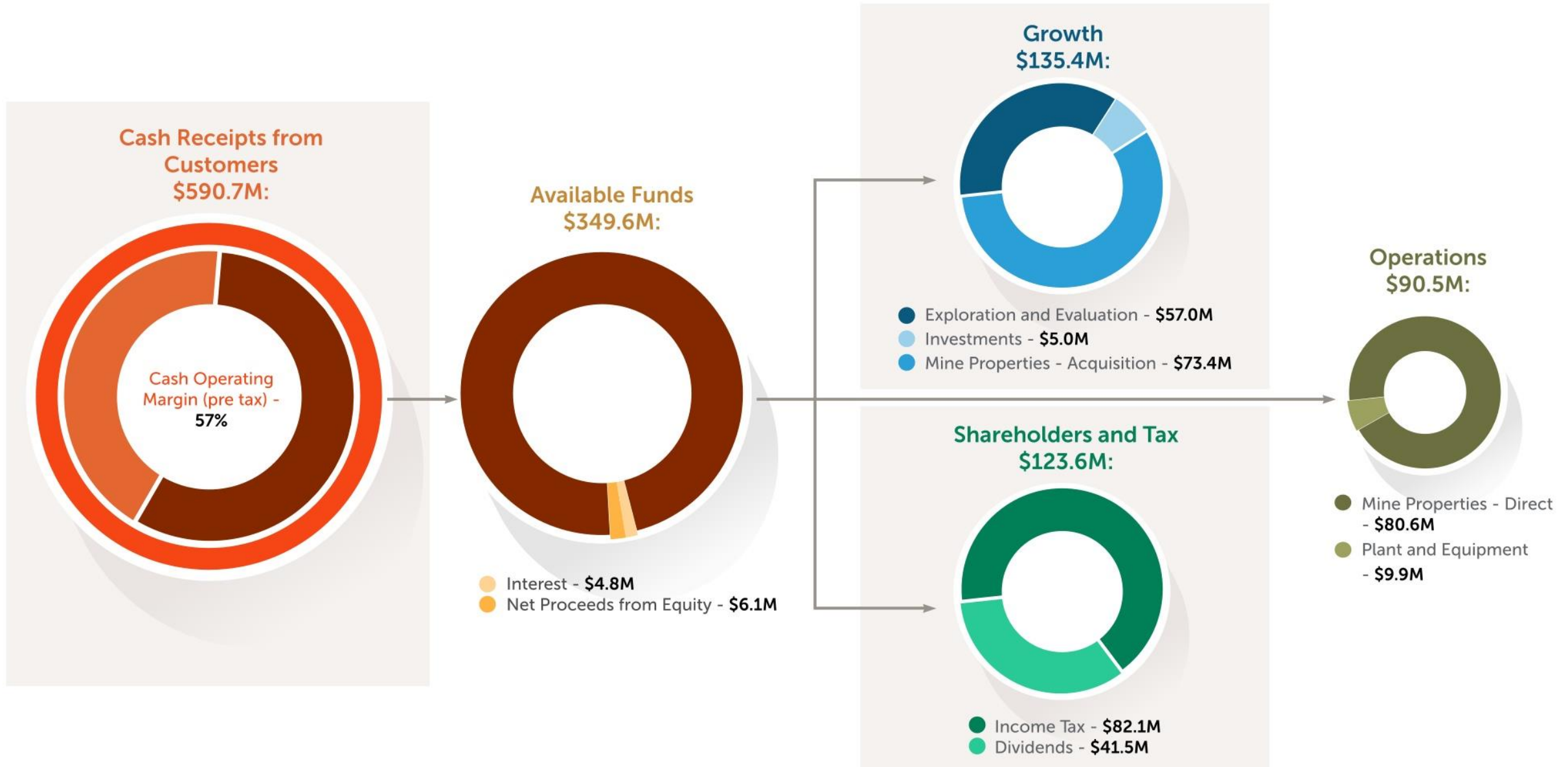
## Balance Sheet Review - Liabilities

(\$000)	Jun 2019	Jun 2018
<b>LIABILITIES</b>		
Trade and other payables	56,550	39,898
Interest bearing liabilities	193	1,611
Income tax payable	833	31,203
Provisions	4,822	4,255
<b>Total current liabilities</b>	<b>62,398</b>	<b>76,967</b>
Trade and other payables	2,520	-
Interest bearing liabilities	355	239
Provisions	30,796	29,467
Deferred tax liabilities	35,604	32,174
<b>Total non-current liabilities</b>	<b>69,275</b>	<b>61,880</b>
<b>TOTAL LIABILITIES</b>	<b>131,673</b>	<b>138,847</b>
<b>NET ASSETS</b>	<b>604,177</b>	<b>532,051</b>

- ▶ Trade and other payables – increased on higher operating costs (addition of Monty Copper-Gold Mine)
- ▶ Income tax payable – clearance of prior year payable, paid in December 2018
- ▶ Deferred tax liabilities – Reducing for DeGrussa mine development; increasing for Monty mine development



# Full Year ended 30 June 2019 – Cash Generation and Investment







## Rising production and strong outlook for FY2020

### ▶ Consistent, low-cost copper-gold production

- FY2019: 69,394t of contained copper and 44,455oz of contained gold produced; C1 US\$0.83/lb
- FY2020 guidance: 70-75kt of contained copper and 38-42koz of contained gold; C1 ~US\$0.90-0.95/lb

### ▶ First **Monty Copper-Gold Mine** development ore mined in Q2 FY2019 ahead of first stoping ore in February 2019

### ▶ Multi-pronged exploration programs continued across Sandfire's Greater Doolgunna Project – 90km of strike extent in host VMS lithologies

### ▶ **DeGrussa cash flow strength** continues to fund growth and shareholder returns

- Continued strong dividend stream for shareholders
- Committed exploration to further extend mine life
- 85% interest in high-grade USA Black Butte copper project in final stage EIS process

### ▶ **Emerging** international and domestic growth pipeline





**SANDFIRE RESOURCES NL**

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR



## Contact Details:

### Sandfire Resources NL

Registered Office and Principal Place of Business

Level 2, 10 Kings Park Road, West Perth, Western Australia 6005

T +61 8 6430 3800 / F +61 8 6430 3849

[www.sandfire.com.au](http://www.sandfire.com.au)