



SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR

June 2018 Quarterly Report Presentation and Webcast – 27 July 2018

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DeGrussa and Monty Mineral Resource

The information in this report that relates to the DeGrussa Mineral Resource is based on information compiled by Mr Callum Browne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne 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 Resource and Ore Reserve. Mr Browne 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 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.

DeGrussa and Monty Ore Reserve

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.

Competent person's statements



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 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
- ▶ Development
- ▶ Guidance and costs
- ▶ Exploration
- ▶ Summary





Production and Operations

- ▶ June 2018 Quarter: 17,867t copper and 9,548oz gold produced; C1 US\$0.80/lb
- ▶ FY2018: 64,918t copper and 39,273oz gold produced; C1 US\$0.93/lb
- ▶ FY2019 guidance: 63-67kt of contained copper, 37-40koz of contained gold; C1 costs ~US\$1.00-1.05/lb

Development

- ▶ Monty Copper-Gold Project (Springfield JV) decline development progressing; in principle agreement reached to acquire Talisman Mining Ltd's 30% JV interest
- ▶ Black Butte permitting final stage (EIS) continues (SFR holding 78%), draft EIS imminent

Exploration

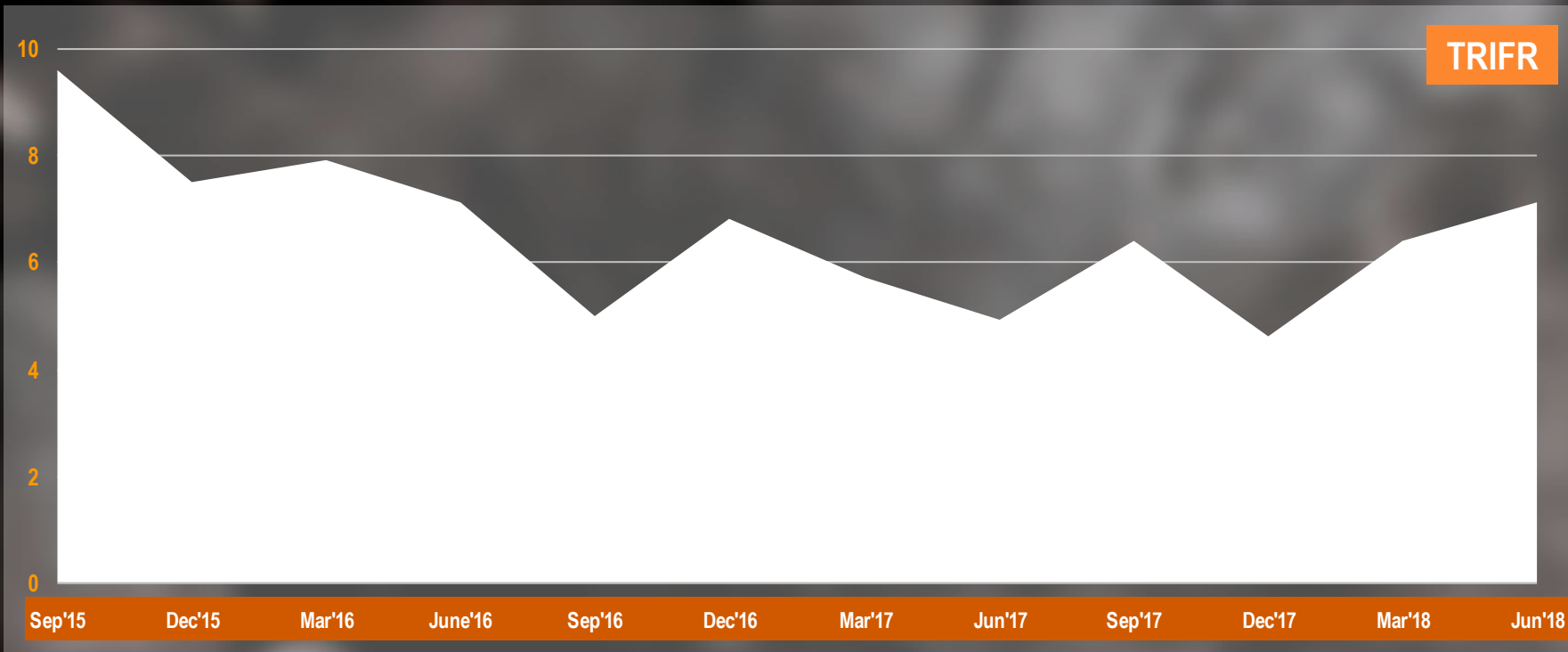
- ▶ Multi-pronged exploration programs continuing at both Sandfire's Greater Doolgunna Project and the Springfield Joint Venture
- ▶ Massive sulphide intersected as part of Farm-in agreement with Auris Minerals Ltd

Corporate and Financial

- ▶ Cash and deposits \$238M (Sandfire); \$243M (Group)



- ▶ Total Recordable Injury Frequency Rate (TRIFR) of 7.1 at Quarter-end (vs. 6.4 at March 2018 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 412,116 tonnes grading 4.7% Cu
- ▶ Total ore production for FY2018 of 1.67M tonnes grading 4.3% Cu
- ▶ Mine remains in balance between production and back-fill
- ▶ FY2019 ore to come from DeGrussa and Monty is ~1.64M tonnes grading 4.4% Cu





Mill throughput

- ▶ Quarter: 391,909 tonnes milled at average feed grade of 5.0% Cu
- ▶ FY2018: 1.64M tonnes milled at average feed grade of 4.3% Cu

Recovery

- ▶ Quarter: Copper recovery of 91.8%; Gold recovery 47.5%
- ▶ FY2018: Copper recovery of 91.4%; Gold recovery 44.7% (FY2019 guidance: copper ~92%, gold ~45%)

Concentrate & metal production

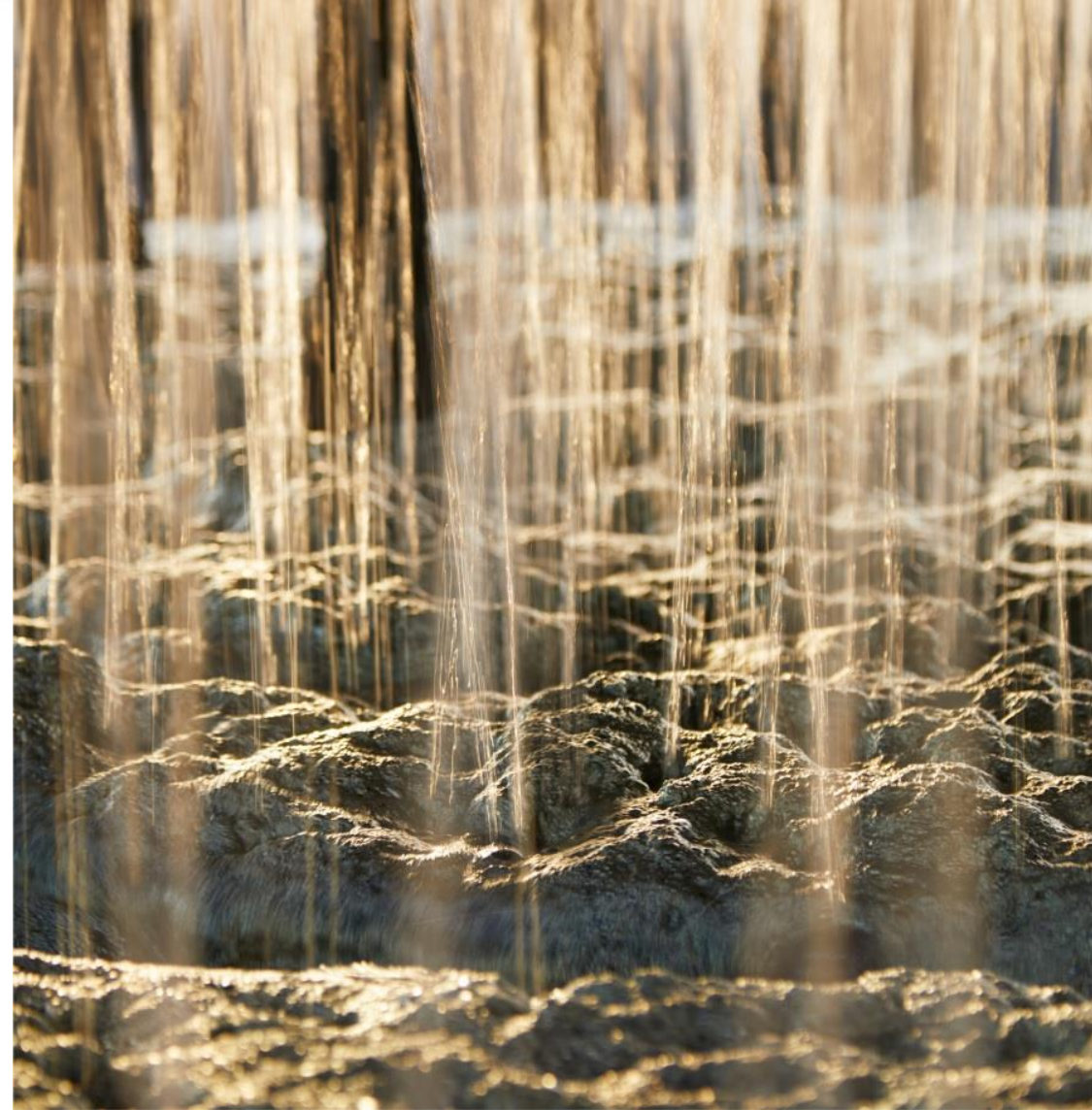
- ▶ 73,941 tonnes of concentrate produced (FY2018: 268k)
- ▶ 17,867 tonnes of contained copper produced (FY2018: 65k)
- ▶ 9,548 ounces of contained gold produced (FY2018: 39k)





Additional concentrate thickener & filter

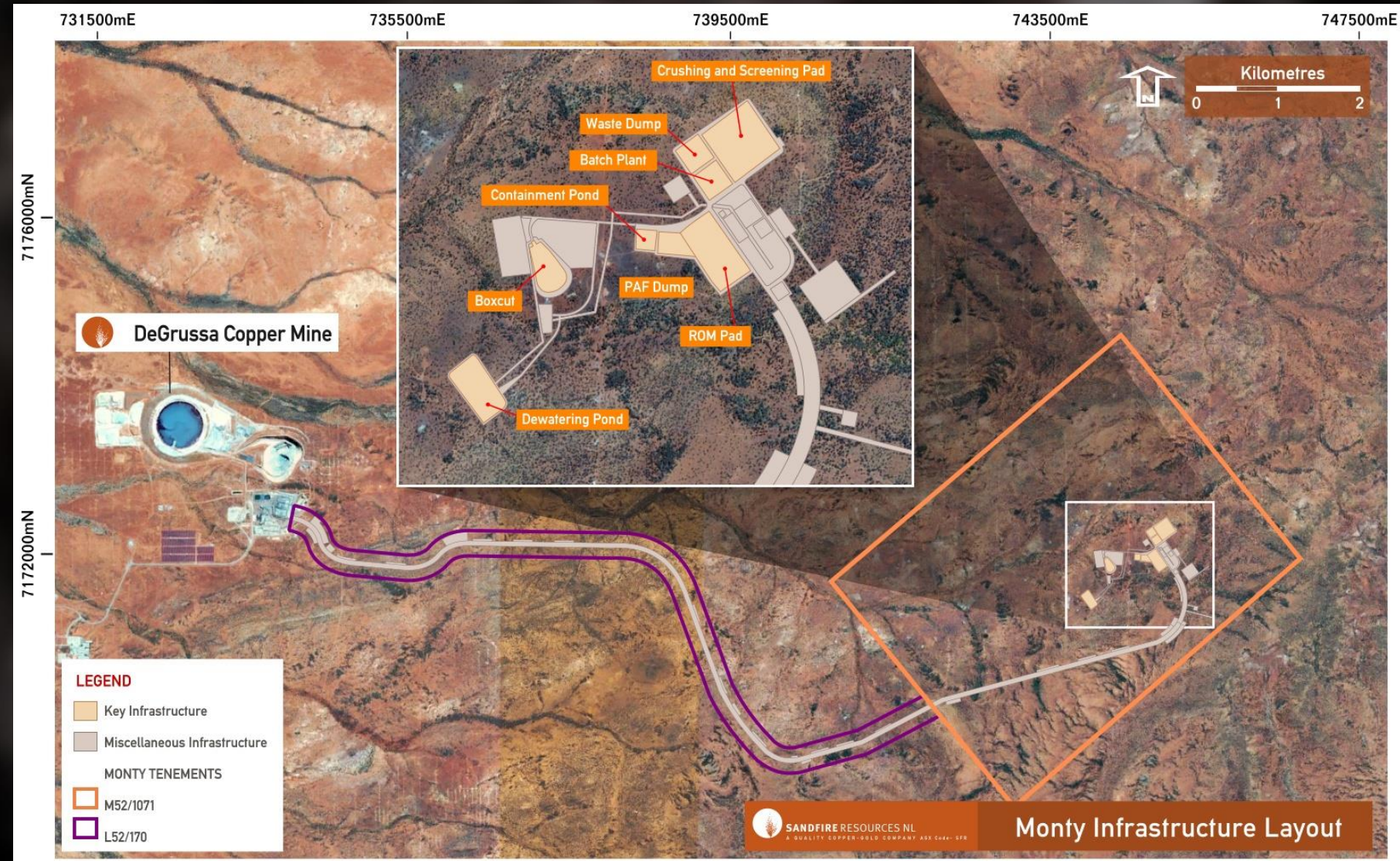
- ▶ Commencing commissioning early Q1 FY2019
- ▶ Increases peak concentrate capacity to 400,000tpa ahead of Monty ore blending from late Q2 FY2019



Development – Monty Copper-Gold Project



- ▶ Sandfire is Manager of the Springfield JV – interests Sandfire 70%/Talisman 30%
- ▶ In principle agreement reached to acquire Talisman's 30% interest in the Springfield JV – refer announcement
- ▶ Decline works progressing





- ▶ June 2018 Quarter: Sales of 72,512 tonnes of concentrate (dry) containing 17,515 tonnes of copper (16,778 tonnes payable) and 10,085 ounces of gold (9,325 ounces payable)
- ▶ FY2018: Sales of 260,765 tonnes of concentrate (dry) containing 62,918 tonnes of copper (60,247 tonnes payable) and 38,510 ounces of gold (35,692 ounces payable)
- ▶ 7 shipments completed for the quarter, 25 shipments for the year
- ▶ FY2018 revenue and QP gains ~\$605M* (unaudited and subject to reconciliation adjustments)

* Gross of treatment and refining charges



Operations – FY2018 Unit Operating Costs

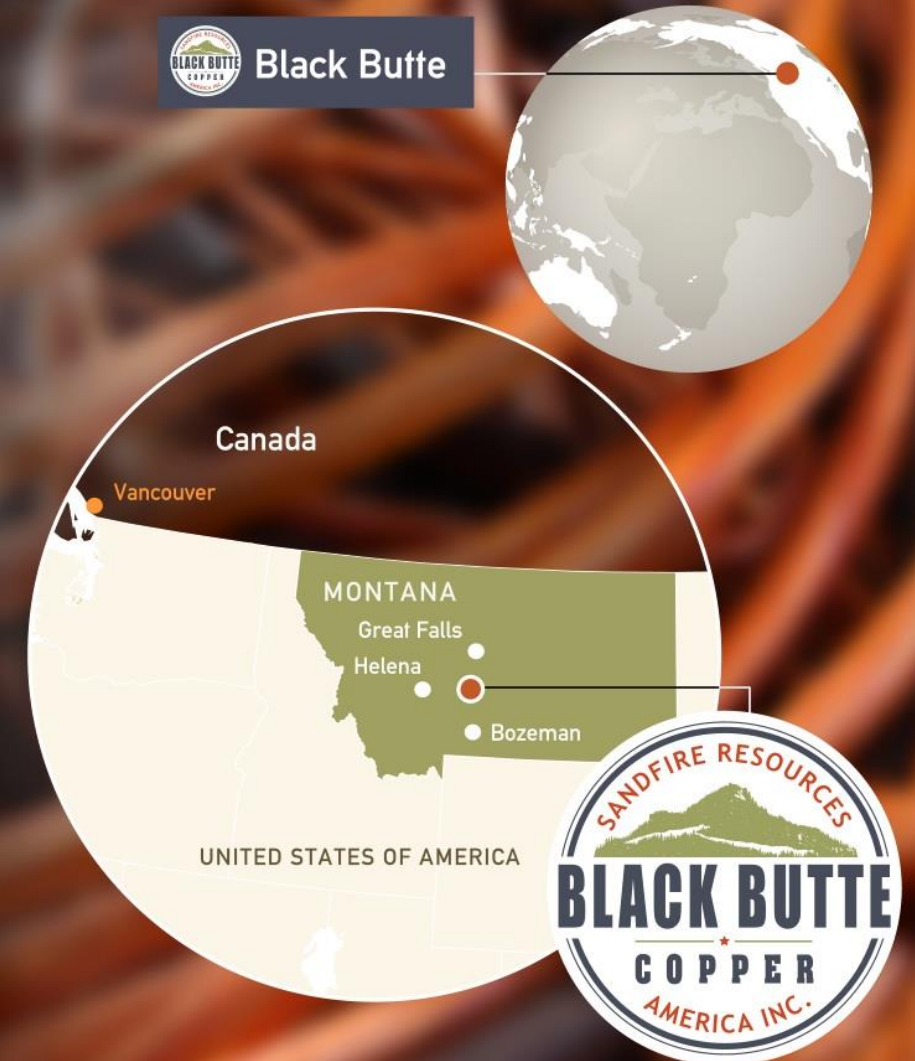


Unit costs – DeGrussa Mine	Q4 FY2018 (US\$/lb)	FY2018 (US\$/lb)	Commentary
Mining (net of development)	0.35	0.44	<p>C1 costs assisted by:</p> <ul style="list-style-type: none"> - High copper production - Cost control - Higher mining grades <p>FY2019 C1 unit costs expected to increase to US\$1.00-\$1.05/lb impacted by:</p> <ul style="list-style-type: none"> - Monty mining costs commencing at below LOM head grade – note guidance based on 100% Monty costs/acquisition (no OSPA payments) - Reducing DeGrussa mining scale for total 1.6Mtpa - Higher diesel prices impacting mining, transport and power generation <p>DeGrussa Mine development \$8M for the quarter (FY2018 full year \$31M). FY2019 guidance \$31M.</p> <p>Monty JV capital \$9M for the quarter (FY2018 full year \$43M) – 100%. FY2019 guidance \$42M.</p> <p>Sustaining and strategic capital expenditure \$5M (FY2018 full year \$21M). FY2019 guidance \$13M.</p>
Processing	0.26	0.30	
Business services	0.11	0.11	
Transport, treatment and refining	0.42	0.44	
C1 cost (pre by product credit)	1.14	1.30	
By-product credit (gold and silver)	(0.34)	(0.37)	
C1 cost	0.80	0.93	
Royalties	0.17	0.17	
Production cost	0.97	1.10	
Depreciation and amortisation	0.60	0.73	
Total production cost	1.57	1.83	

Development and Growth – Black Butte Copper Project, USA



- ▶ 78% stake in Black Butte Copper Project, central Montana (via stake in Sandfire Resources America 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 Statement (EIS) progressing as final stage of state permitting process
- ▶ Draft EIS imminent

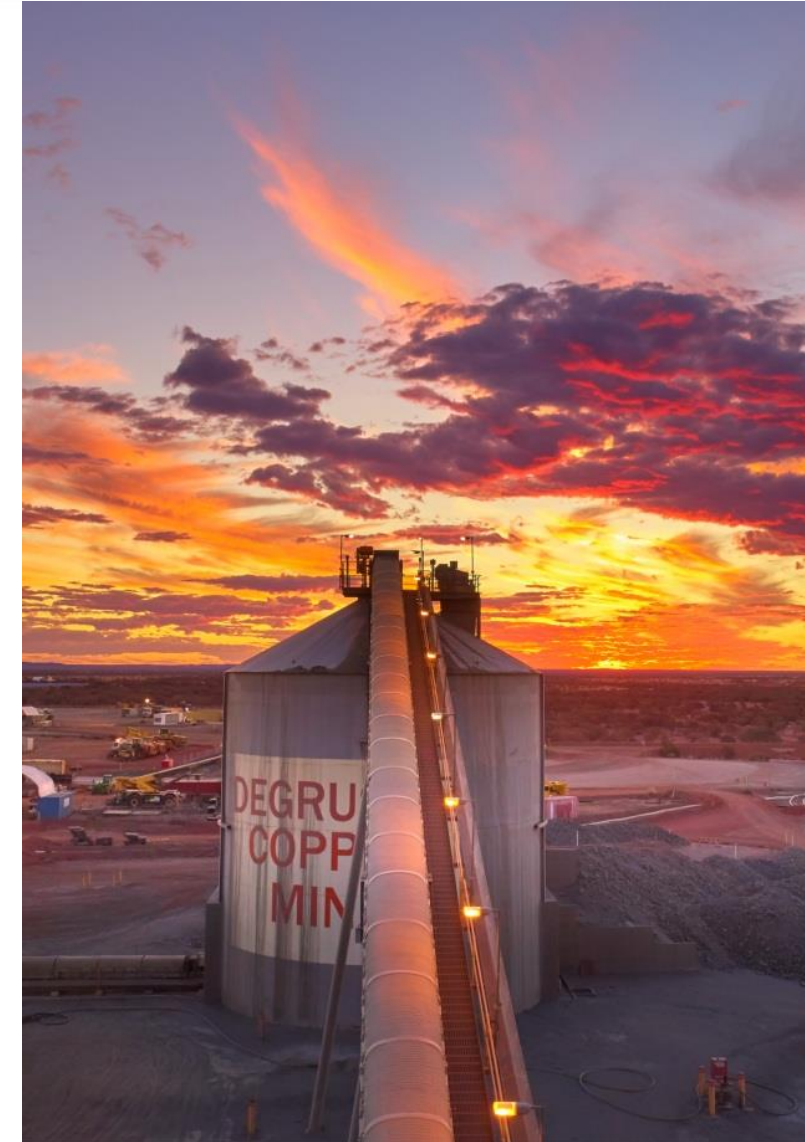


* Refer release “Sandfire Group JORC Mineral Resource and Ore Reserve Statement” (dated 19 October 2017) and associated disclosures.

Doolgunna Exploration Overview



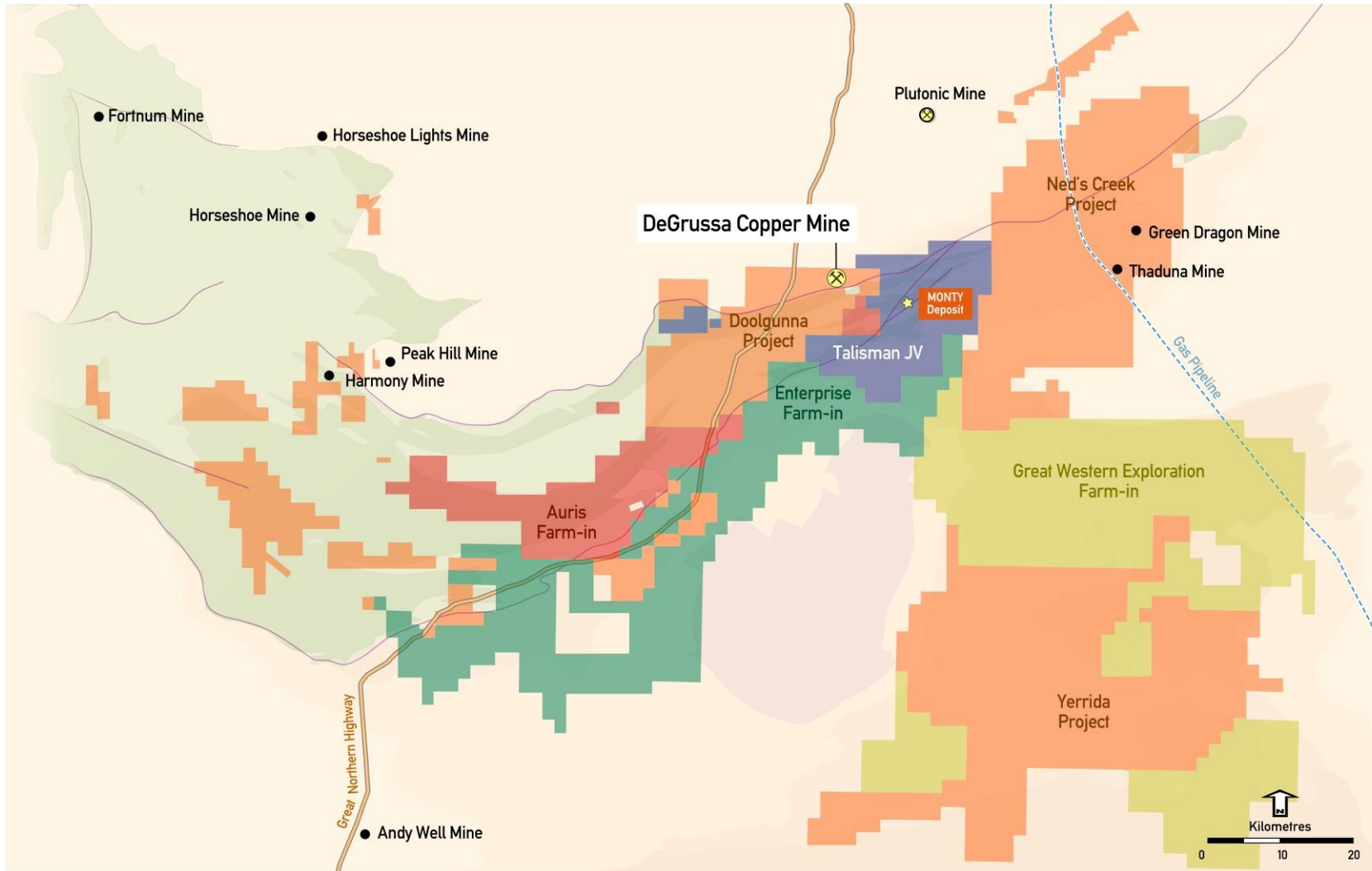
- ▶ Exploration continuing as a priority along highly prospective VMS corridor that hosts the DeGrussa and Monty deposits:
 - Intersected the prospective sequence and sulphide and transitional mineralisation in the Auris Minerals Ltd farm in project at Morck Well.
 - RC and DDH drilling within the Vulcan, Vulcan West and Homestead prospects to test areas of geochemical anomalism, provide DHEM platforms, and to inform the geological model.
 - Extended this zone into the contiguous Morck Well prospect.
 - Continuation of a major AC drilling program along the south westerly extension of the prospective volcano-sedimentary sequence across 100% SFR and farm in JV areas.
 - Completed helicopter airborne EM survey over large portion of the tenure including the Great Western Exploration farm in tenements.



Doolgunna Exploration Overview



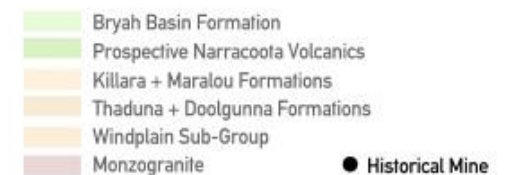
► Exploration advancing at multiple prospects within Greater Doolgunna area:



- 47,572m AC/RAB drilling
- 6,307m RC drilling
- 4,915m surface DD drilling
- Total Tenure – 6,276km²



TOTAL = 6,276 km²





- ▶ Production and cost performance
 - FY2018 strong result: 64,918t copper and 39,273oz gold produced; C1 US\$0.93/lb
 - FY2019 guidance: 63-67kt of contained copper, 37-40koz of contained gold; C1 costs US\$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 6,276km²





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