



SANDFIRE RESOURCES NL ASX CODE: SFR
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March 2015 Quarterly Report Presentation and Webcast – Karl Simich, Managing Director & CEO

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23 April 2015

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Forward-Looking Statements and Competent Person's Statement



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Competent Person's Statement

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.

- Highlights
- Safety
- Mining
- Processing
- Sales
- Operating Costs
- Guidance
- Exploration
- Summary and outlook

Agenda



March 2015 Quarterly Highlights



Production and Operations

- 17,103t copper and 10,150oz gold produced; C1 US\$0.97/lb
- Mining rates at ~1.7Mtpa; Milling rates maintained at ~1.5Mtpa
- Installation and commissioning of key process plant enhancements completed; initial results indicate boost to copper recoveries of +2%
- First C4 development ore intersected; on track for first stope ore in 1H FY 2016
- Agreement signed with juwi Renewable Energy to construct a 10.6MW solar power station at DeGrussa
- Q4 FY2015 production guidance: ~17,000t of copper (FY2015 production guidance within guidance range); C1 ~US\$1.00/lb (FY2015 cost guidance reduced to ~US\$1.10)

Exploration

- Data review underway to generate a robust geological model for drill targeting of the DeGrussa stringer stockwork zone
- Drilling underway to test 7km geochemical anomaly at North Robinson Range
- Extensive drilling programs and EM surveys continuing on Talisman JV ground

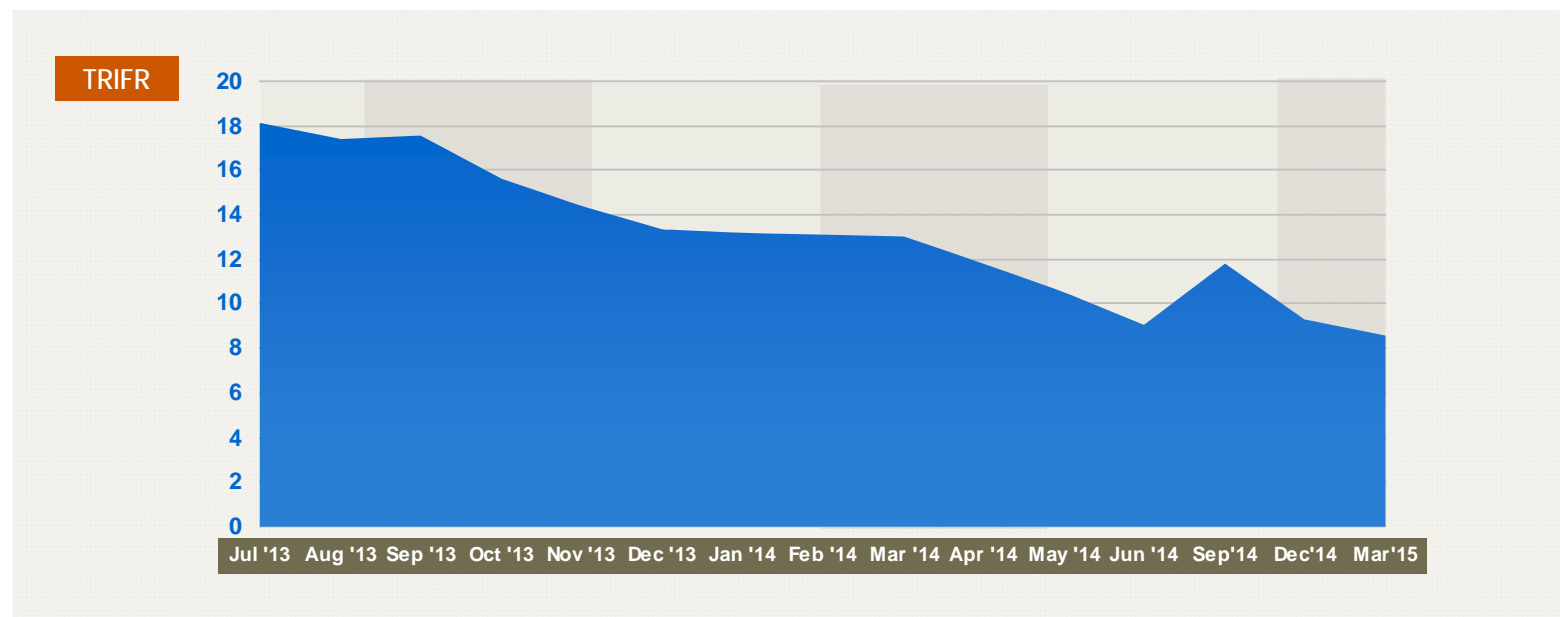
Corporate and Financial

- Payment of interim dividend of 3 cents per share (unfranked)
- Amendment to repayment schedule for DeGrussa finance facility ahead of broader restructure
- Facility balance reduced to \$125M at 31 March 2015; cash and deposits of \$58M

Safety

Continued sound safety performance

- Total Recordable Injury Frequency Rate (TRIFR) of 8.6 at Quarter-end (vs. 9.3 at December Quarter-end)
- Work continues on initiatives to improve safety performance including development of safety systems, improved safety leadership, enhancement of safety culture and risk and assurance management.





Mining Overview

Production rates on target

Underground production and mine development

- Total ore production for the Quarter of 440,347 tonnes grading 4.60% Cu
- Production rates +1.7Mtpa
- Mine remains in balance between production and back-fill; paste plant performance on target
- Conductor 1, 4 and 5 Decline development proceeding on schedule, with all development advance occurring in good ground conditions
- First development ore intersected in Conductor 4 Decline with development program on target for first stope ore in early FY 2016

Processing

Enhancement projects immediately boost recoveries

Mill throughput

- 363,841t milled at average head feed grade of 5.12% Cu
- Process improvement projects installed and commissioned with optimisation underway
 - Pebble crusher, SAG mill classification screen and column flotation cell installed and commissioned
 - Immediate improvement to grind size and milling efficiency
 - Improvements to flotation circuit boosting recoveries by +2%

Recovery

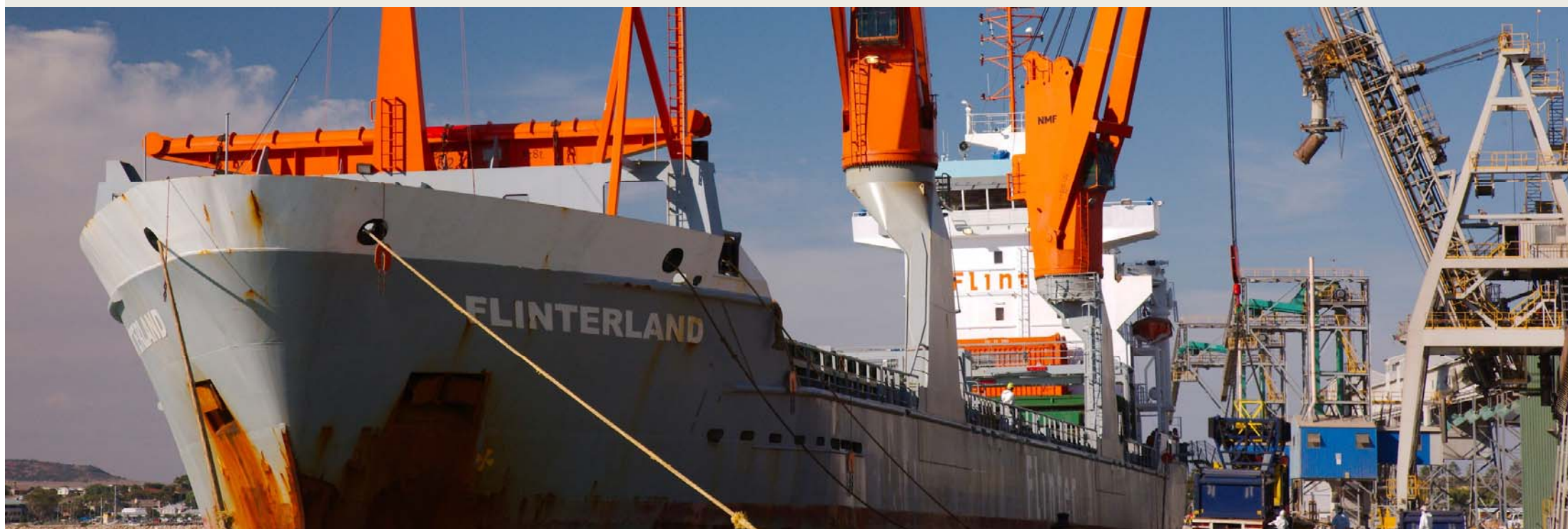
- Quarter copper recovery of 91.7%; Gold recovery 50.4%

Concentrate & metal production

- 70,217t of concentrate produced
- 17,103t of contained copper produced; in line with guidance



- Quarterly sales of 16,257 tonnes of contained copper and 9,756 ounces of gold
- Port Hedland and Geraldton Ports both operating well
- 17,000 tonnes concentrate holding at site and at port at Quarter-end



DeGrussa Solar Power Initiative

Renewable energy project with potential to reduce costs and CO₂ emissions

- Proposed DeGrussa 10.6MW solar power station to be fully integrated with existing 16MW diesel-fired power station
- \$40M project being led by Juwi Renewable Energy on Build, Own, Operate (BOO) basis; Sandfire's capital contribution ~\$1M
- Expected savings in consumption of diesel fuel, significantly increasing with mine life extension
- Reduction in CO₂ emissions by 12,000 tonnes per year
- Financial close targeted for 1 May 2015 with construction Q2 2015 and completion by end-2015
- Expected to be one of the largest integrated off-grid solar power systems to be used in the mining industry anywhere in the world



Unit Operating Costs

C1 and total production costs



Unit costs – DeGrussa Mine	Q3 FY2015 (US\$/lb)	Commentary
Mining (net of development)	0.36	Factors assisting lower C1 unit costs: <ol style="list-style-type: none"> 1. Plant improvements driving capacity and higher recoveries 2. Operating cost containment measures 3. Low diesel price 4. Continued currency weakness
Processing	0.28	
Business services	0.11	
Transport, treatment and refining	0.52	
C1 cost (pre-by product credit)	1.28	FY2015 YTD unit costs US\$1.11/lb
By-product credit (gold and silver)	(0.31)	
C1 cost	0.97	Q4 FY2015 unit costs are expected to be around US\$1.00/lb
Royalties	0.14	
Production cost	1.11	FY2015 unit cost guidance ~US\$1.10/lb
Depreciation and amortisation	0.51	
Total production cost	1.63	FY2015 mine development ~\$70M (YTD \$49M)

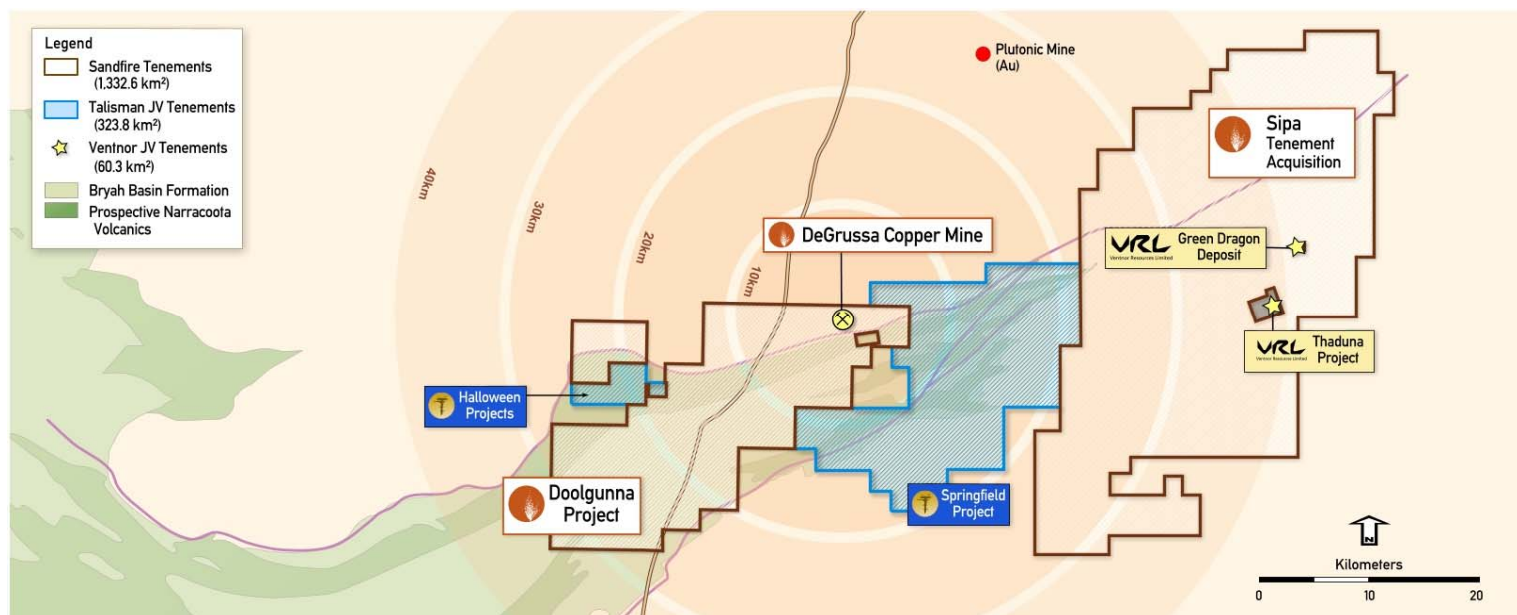
Exploration Summary

Encouraging results from DeGrussa and international exploration

- Data review underway to generate a robust geological model for drill targeting of the DeGrussa stringer stockwork
- RC and diamond drilling underway to test a 7km long geochemical anomaly at the North Robinson Range
- Extensive programs continuing on the Talisman JV ground

Dominant Position in an Emerging VMS Province

Consolidating a strong position in Western Australia's emerging Bryah Basin



- Only operating base metals processing plant in the region (1.5Mtpa DeGrussa Concentrator)
- Outstanding organic growth potential – extensive 65km strike length of prospective VMS horizon



Summary & Outlook

Key enhancement projects now in place; strong outlook for the remainder of FY2015

- Quarterly production and cost performance:
17,103t copper, 10,150oz gold production at C1 cost of US\$0.97/lb
Plant optimisation projects delivering excellent early results
- Operating cash flow:
\$5M repayment reduces finance facility to \$125M
Restructure of finance facility now complete; \$85M revolving facility, \$40M amortising facility to December 2017
Ongoing exploration commitment
- Consistent outlook for FY2015:
FY2015 guidance: 65-68kt Cu, 35-38koz gold at C1 ~US\$1.10/lb
- Expanding footprint in the emerging Bryah Basin VMS district – aggregate contiguous exploration area 1,700km²
- Exciting initial results from Misima Project, tier-1 porphyry copper-gold opportunity



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