SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR

September 2015 Quarterly Report Presentation and Webcast – Karl Simich, Managing Director & CEO

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23 October 2015

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Forward-Looking Statements and Competent Person's Statement

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Competent Person's Statement

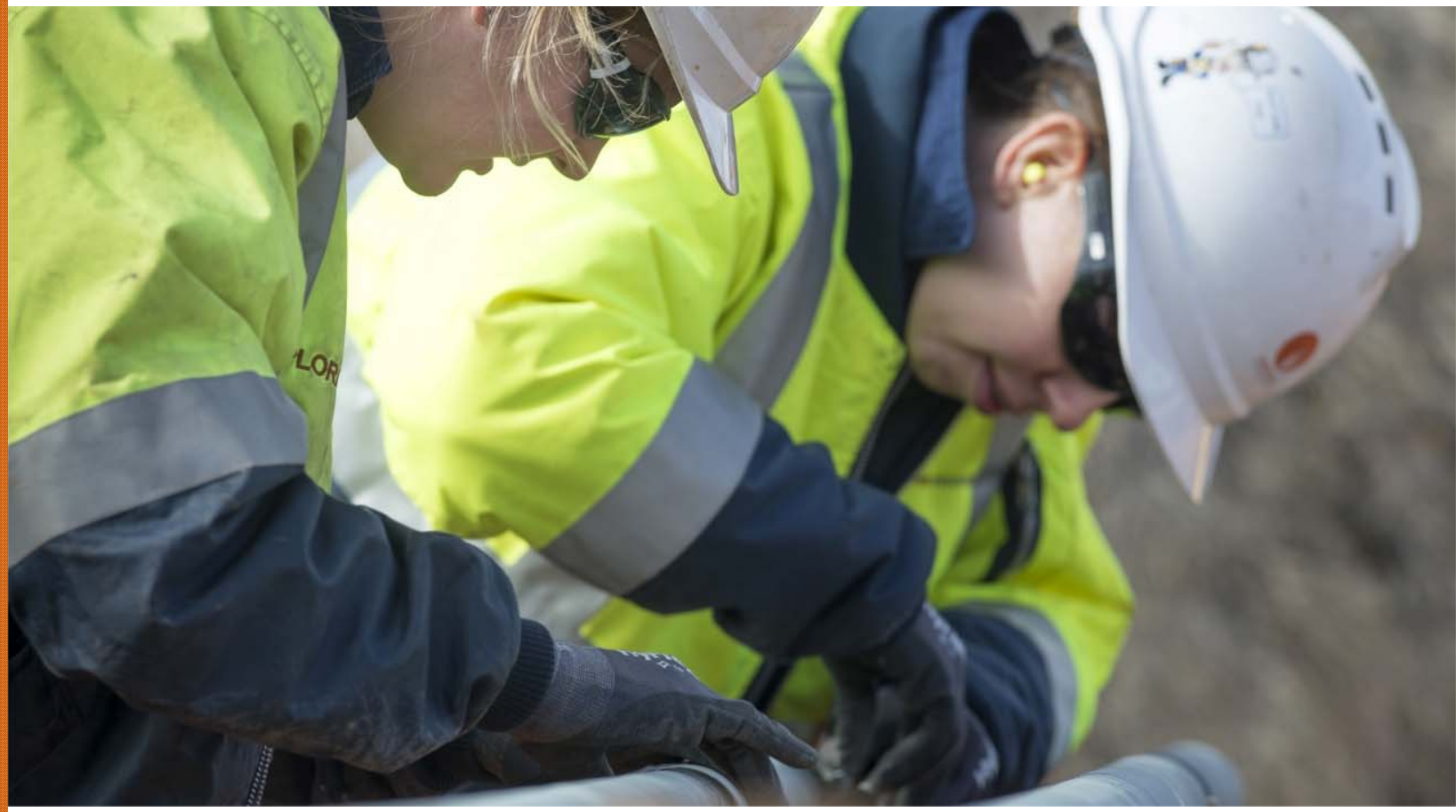
The information in this report that relates to Exploration Results is based on information compiled by Mr. Shannan Bamforth who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Bamforth is a permanent employee of Sandfire Resources and has sufficient experience that is relevant 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.

Agenda

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



September 2015 Quarterly Highlights

Production ahead of guidance; drilling continues to define high-grade VMS discovery at Monty; debt reduced by $40M

Production and Operations

- 16,638t copper and 7,885oz gold produced; C1 US$0.97/lb
- Mining and milling rates continue above nameplate at 1.5-1.6Mtpa
- FY2016 production guidance maintained: 65-68kt of copper and 35-40koz of gold; C1 ~US$0.95-1.05/lb

Exploration

- Step-out drilling continues to significantly enhance the Company's understanding of the nature and controls of mineralisation at the high-grade Monty VMS copper-gold discovery, with two key zones identified to date
- Thick zone (19.9m down-hole) of bornite-bearing massive sulphides intersected in Lower Zone (TLDD0026) – *assays awaited*
- Drilling continuing to define the extents of mineralisation at Monty with targeting underway to test host horizons along strike from Monty within the 5km long prospective VMS horizon
- Drill sites prepared to commence initial phase of drilling at the priority Homer prospect, ~4km east of DeGrussa

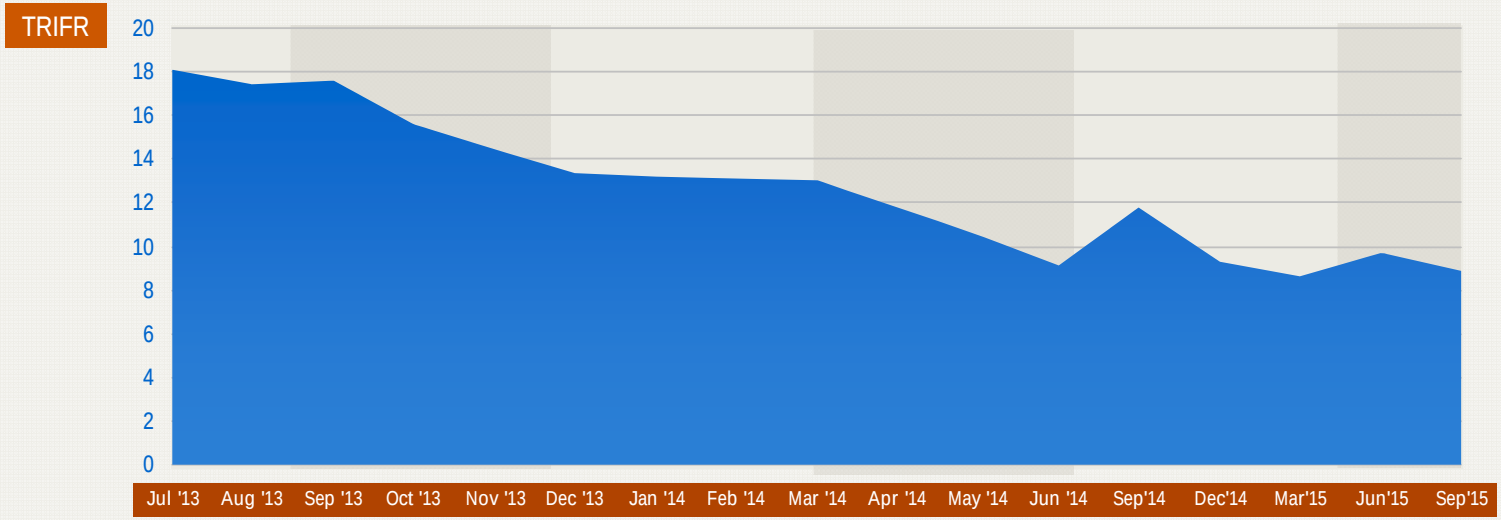
Corporate and Financial

- DeGrussa Finance Facility balance reduced from $120M to $80M ($50M Revolver Facility and $30M Amortising Facility)
- Cash and deposits of $60M following $40M debt reduction and $16M final dividend paid (FY2015)

Safety

Continued sound safety performance

- Total Recordable Injury Frequency Rate (TRIFR) of 8.9 at Quarter-end (vs. 9.7 at June 2015 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 392,269 tonnes grading 4.6% Cu
- Production rates ~1.6Mtpa
- 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
- Production from C4 to commence in the December 2015 Quarter

Processing

Processing rates on target

Mill throughput

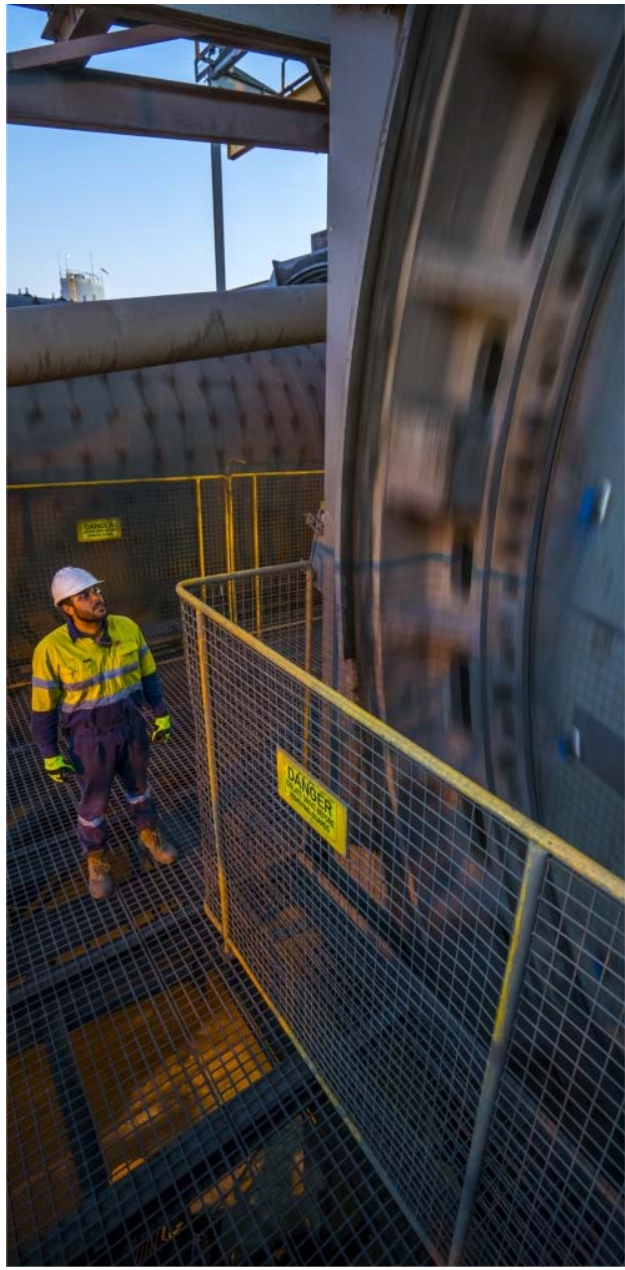
- 387,864 tonnes milled at average head feed grade of 4.7% Cu at 1.55Mtpa
- Milling rates continue to match enhanced capabilities of the milling circuit
- 8-day planned shutdown in July 2015 completed on schedule

Recovery

- Quarterly copper recovery of 91.2%; Gold recovery 41.0%
- Copper recoveries partly impacted by geometallurgical parameters (MgO, oxidised ore from the ROM)

Concentrate & metal production

- 67,024 tonnes of concentrate produced
- 16,638 tonnes of contained copper produced; ahead of guidance



Sales

Copper & Gold Sales

- Quarterly sales of 15,311 tonnes of contained copper and 7,320 ounces of gold
- Port Hedland and Geraldton Ports both operating well

Unit Operating Costs

C1 and total production costs

Unit costs – DeGrussa Mine	Q1 FY2016 (US$/lb)
Mining (net of development)	0.33
Processing	0.30
Business services	0.13
Transport, treatment and refining	0.48
C1 cost (pre-by product credit)	1.24
By-product credit (gold and silver)	(0.27)
C1 cost	0.97
Royalties	0.12
Production cost	1.09
Depreciation and amortisation	0.47
Total production cost	1.57

Commentary

Lower C1 unit costs continue with:

Solid quarterly copper production

Plant improvements driving capacity and higher recoveries

Operating cost containment measures

Continued AUD currency weakness (guidance set at 0.74)

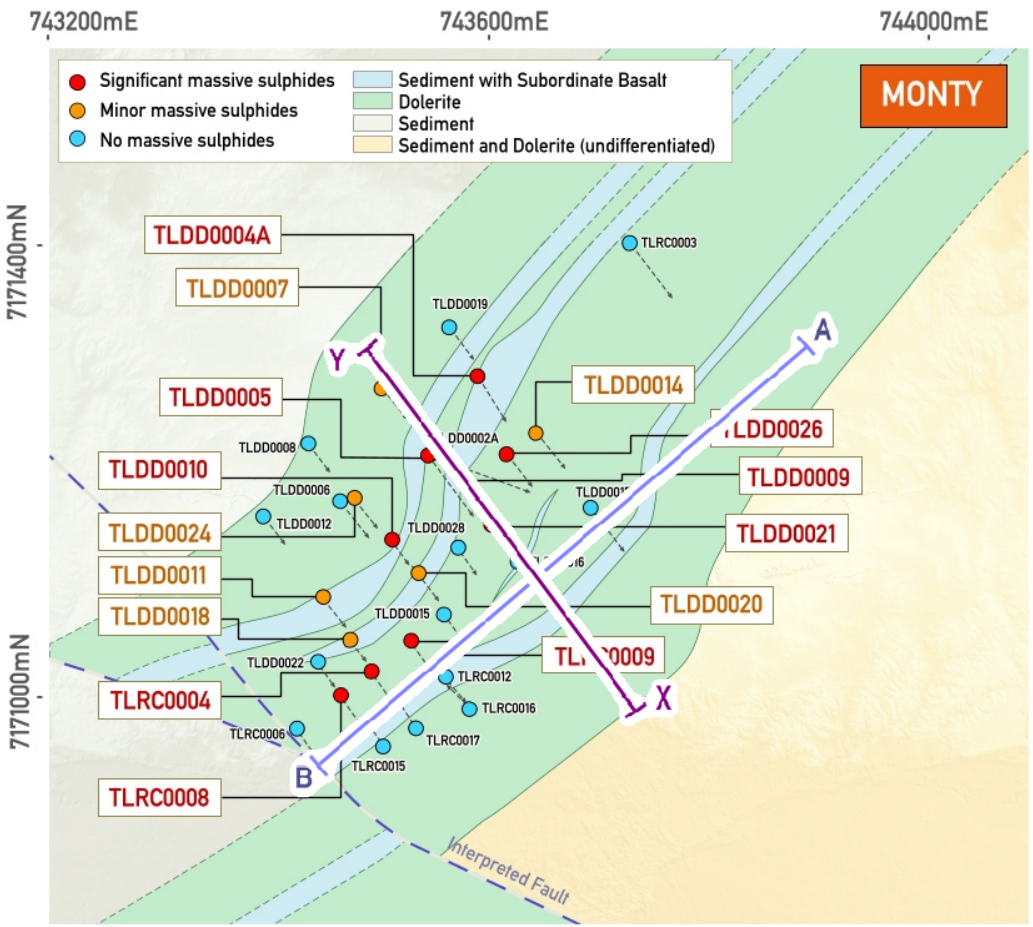
Mine development $19M for the quarter (FY2016 mine development guidance $77M)

Exploration Overview

Drilling focused on emerging VMS discovery at Monty; other priority targets to be tested

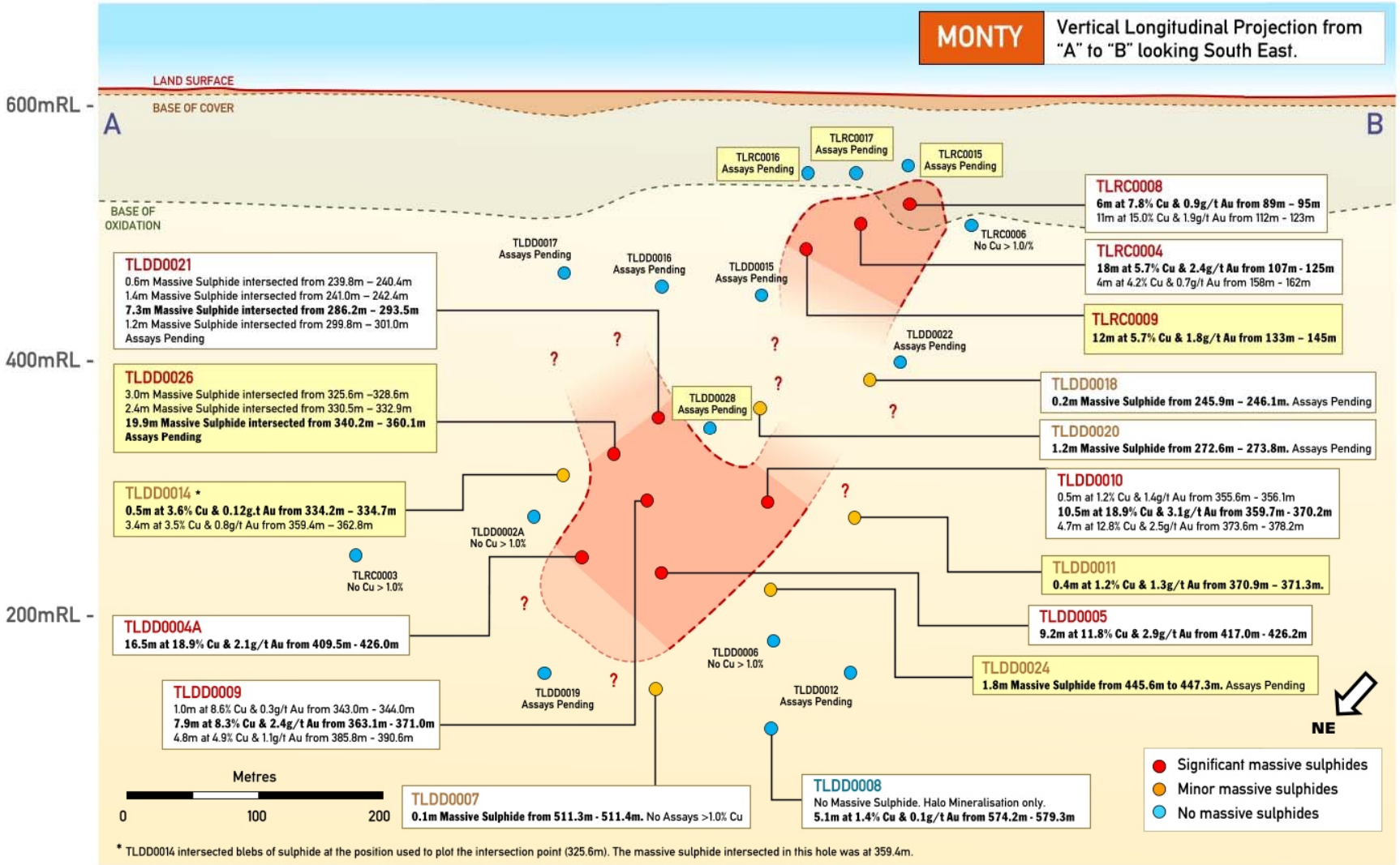
- Main focus of Doolgunna exploration is ongoing diamond/RC drilling at high-grade Monty discovery, ~10km east of DeGrussa on the Talisman farm-in
- Significant new high-grade massive sulphide intercepts returned with drilling successfully defining two mineralised zones – *initial geological interpretations completed*
- Significant thick intersection of bornite-bearing massive sulphides intersected in recent drilling
- Drill sites prepared at priority Homer exploration prospect, ~5km east of DeGrussa, with initial phase of drilling planned in the December Quarter
- Underground resource definition drilling continuing at C5 deposit to convert Inferred Resources to Indicated and Measured status

Monty – new high-grade VMS copper-gold discovery

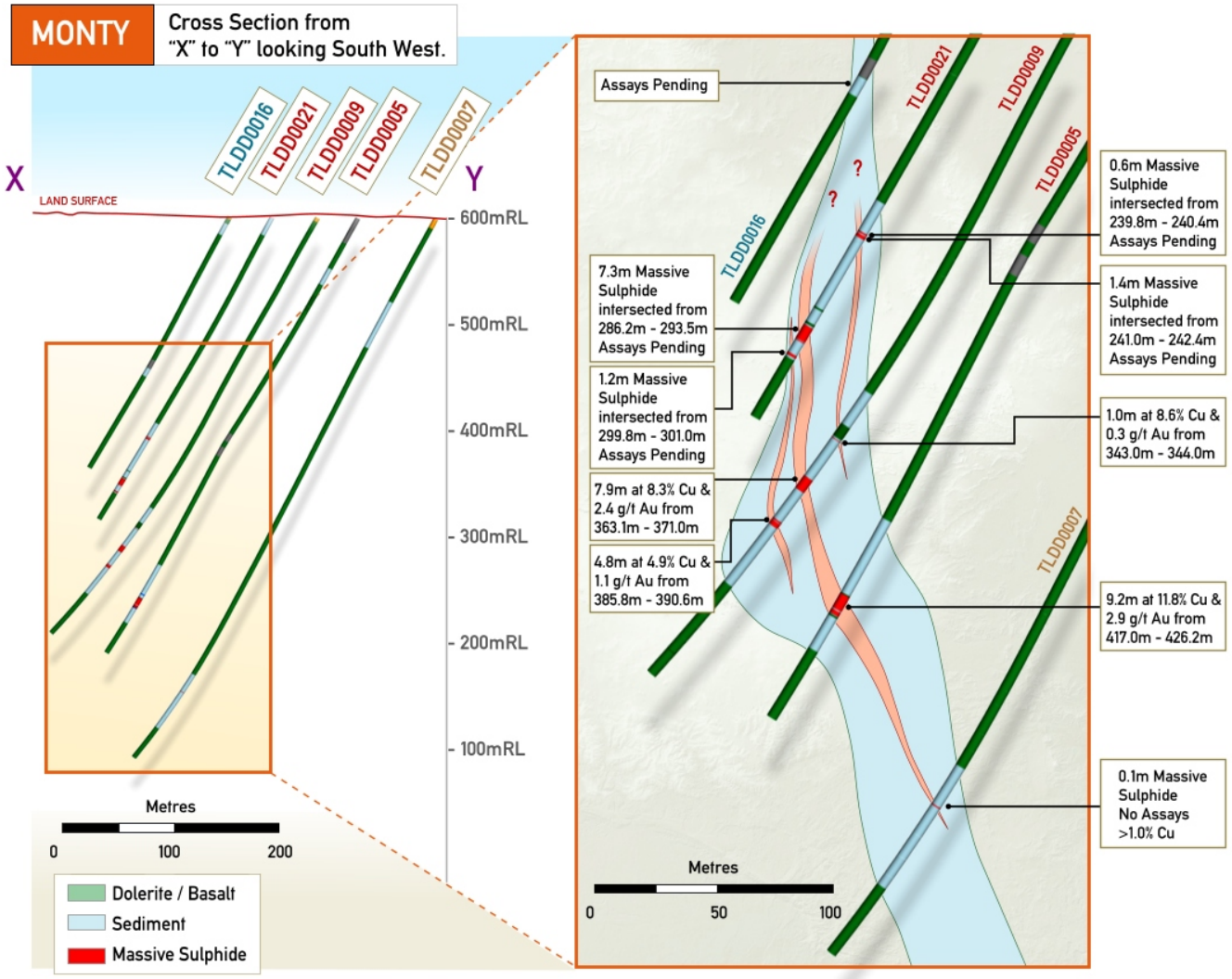


- 5,998m of diamond drilling and 6,960m of RC drilling completed to date
- Two mineralised zones defined to date, with significant intersections including (not true width):
  - 16.5m @ 18.9% Cu, 2.1g/t Au from 409.5m (TLDD0004A) – *lower zone*
  - 9.2m @ 11.8% Cu, 2.9g/t Au from 417.0m (TLDD0005) – *lower zone*
  - 7.9m @ 8.3% Cu, 2.4g/t Au from 363.1m and 4.8m @ 4.9% Cu and 1.1g/t Au from 385.8m (TLDD0009) – lower zone
  - 10.5m @ 18.9% Cu, 3.1g/t Au from 359.7m and 4.7m @ 12.8% Cu, 2.5g/t Au from 373.6m (TLDD0010) – *lower zone*
  - 18.0m at 5.7% Cu, 2.4g/t Au from 107m and 4.0m grading 4.2% Cu, 0.7g/t Au from 158.0m (TLRC0004) – *upper zone*

Monty – Vertical Longitudinal Projection



Monty – Cross Section Projection



Summary & Outlook

Strong quarter and outlook; robust balance sheet; growth through exploration and discovery success

- Q1FY2015 production and cost performance:
  - 16,638t copper, 7,885oz gold production at C1 cost of US$0.97/lb
- Operating cash flow:
  - Ongoing commitment to exploration, growth and shareholder returns
  - Finance facility balance reduced by $40M
- Outlook for FY2016:
  - FY2016 guidance maintained: 65-68kt Cu, 35-40koz gold at C1 US$0.95-1.05/lb
- Outstanding exploration results continue from Talisman farm-in ground: significant new high-grade copper-gold discovery at Monty, ~10km from DeGrussa, with additional priority prospects being drilled
- Active exploration underway along 5km long prospective VMS horizon around Monty
- Emerging Bryah Basin VMS district – aggregate contiguous exploration area of 1,700km^2

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