25 February 2016

Mr Sebastian Bednarczyk
Adviser, Issuers (Perth)
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Sebastian,

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2015 AND APPENDIX 4D

I am pleased to attach the following items for immediate release to the market:

1. ASX release on the Company's financial results for the 6 months ended 31 December 2015.
2. December 2015 Half Year Report and Appendix 4D.
3. December 2015 Half Year Report Presentation and Operations Update.
4. Appendix 3A.1 Notification of Dividend / distribution.

In addition, Sandfire's Managing Director and CEO, Karl Simich, is hosting an investor teleconference and live webcast on the December 2015 half year financial results at **10.00am (AWST) / 1.00pm (AEST)**, Thursday 25 February 2016.

The webcast and synchronised slide presentation is available through the Company's website or through BRR Media.

Live date:	Thursday, 25 February 2016
Access this website at:	http://webcasting.brrmedia.com/broadcast/56ba66a3c23d9659538e20af http://www.sandfire.com.au

Yours sincerely,

Matthew Fitzgerald
Chief Financial Officer
and Joint Company Secretary

For further information contact:
Sandfire Resources NL
Karl Simich – Managing Director/CEO
Office: +61 8 6430 3800

Read Corporate
Mobile: +61 419 929 046 (Nicholas Read)
Mobile: +61 421 619 084 (Paul Armstrong)

ASX Release **25 February 2016**

APPENDIX 4D
Half year ended 31 December 2015

Results for Announcement to the Market	$'000	Up/Down	Movement
Revenue from ordinary activities	228,322	Down	13%
Net profit for the period	15,674	Down	49%
Net profit for the period attributable to members	16,106	Down	47%

Dividend information	Amount per share	Franked amount per share
Interim dividend per share (cents per share)	2.0	2.0
Conduit foreign income (CFI) component	Nil	
Interim dividend dates		
Record date for determining entitlements to the interim dividend	10 March 2016	
Payment date for the interim dividend	24 March 2016	

Net tangible assets	2015	2014
Net tangible assets per ordinary security	$2.25	$1.99

Entity over which control has been gained during the period	
Name of the entity	Tintina Resources Inc
Date	18 November 2015

Additional Appendix 4D disclosure requirements can be found in the Director's Report and the 31 December 2015 financial statements and accompanying notes.

This information should be read in conjunction with Sandfire's reviewed Half-year Financial Report which is enclosed.

For further information contact:

Sandfire Resources NL
Matthew Fitzgerald – CFO and Joint Company Secretary
Office: +61 8 6430 3800

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Half-Year Financial Report

For the six months ended 31 December 2015

ASX Code: SFR

CONTENTS

CORPORATE INFORMATION

ABN 55 105 154 185

Directors

Derek La Ferla	*Independent Non-Executive Chairman*
Karl Simich	*Managing Director and Chief Executive Officer*
Paul Hallam	*Independent Non-Executive Director*
W John Evans	*Non-Executive Director*
Robert Scott	*Independent Non-Executive Director*
Maree Arnason	*Independent Non-Executive Director*

Management and Company Secretary

Mike Spreadborough	*Chief Operating Officer*
Matthew Fitzgerald	*Chief Financial Officer and Joint Company Secretary*
Robert Klug	*Chief Commercial Officer and Joint Company Secretary*

Registered Office and Principal Place of Business

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Security Transfer Registrars Pty Ltd
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Applecross WA 6153
Tel: +61 8 9315 2333
Fax: +61 8 9315 2233
Email: registrar@securitytransfer.com.au

Auditors

Ernst & Young
Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

Home Exchange

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
Perth WA 6000

ASX Code

Ordinary fully paid shares: SFR

Competent Person's Statement – Exploration Results

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 mineralization 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.

Forward-Looking Statements

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration operations, project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Sandfire believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of Sandfire, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. Sandfire undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly you should not place undue reliance on any forward looking statement.

The directors present their report together with the consolidated financial report of the consolidated entity (referred to as the Group) consisting of the parent entity, Sandfire Resources NL (the Company or Sandfire), and the entities it controlled, for the six months ended 31 December 2015 and the independent auditor's review report thereon.

1 Directors

The directors of the Company in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Name	Period of Directorship
Mr Derek La Ferla *Independent Non-Executive Chairman*	Appointed 17 May 2010
Mr Karl M Simich *Managing Director and Chief Executive Officer*	Appointed Director 27 September 2007 Managing Director and Chief Executive Officer since 1 July 2009
Mr W John Evans *Non-Executive Director*	Appointed Executive Technical Director 2 October 2007 Non-Executive Director since 1 January 2013
Mr Robert N Scott *Independent Non-Executive Director*	Appointed 30 July 2010
Mr Paul Hallam *Independent Non-Executive Director*	Appointed 21 May 2013
Ms Maree Arnason *Independent Non-Executive Director*	Appointed 18 December 2015

2 Dividends

Since the end of the financial period, the Board of Directors has resolved to pay a fully franked dividend of 2 cents per share, to be paid on 24 March 2016. The record date for entitlement to this dividend is 10 March 2016. The financial impact of this dividend amounting to $3,137,000 has not been recognised in the Financial Statements for the half year ended 31 December 2015 and will be recognised in subsequent Financial Statements.

The details in relation to dividends announced or paid since 1 July 2014, other than as above, are set out below.

Record date	Date of payment	Amount per share (cents)	Franked amount per share (cents)	Total dividends $000
10 September 2015	24 September 2015	10	10	15,685
12 March 2015	26 March 2015	3	-	4,679
12 September 2014	10 October 2014	10	-	15,564

3 Review and results of operations

3.1 Project review, strategies and future prospects

DEGRUSSA COPPER-GOLD PROJECT, Western Australia (100%)

The DeGrussa Copper Project is located within Sandfire's 100%-owned Doolgunna Project, a 400 square kilometre tenement package in WA's Bryah Basin mineral province, approximately 900km north-east of Perth. The Project is located within an established mining district, approximately 150km north of the regional mining hub of Meekatharra and includes the DeGrussa Copper Mine. Including 100%-owned ground and tenements held in joint venture, Sandfire controls a total contiguous exploration portfolio covering a total area of 1,600 square kilometres, including a 65km strike length of prospective VMS horizon.

DeGrussa Copper Mine

Overview

Copper production for the 6 months to 31 December 2015 was 34,280 tonnes and gold production was 17,305 ounces (2014: 31,413 tonnes of copper and 17,737 ounces of gold). A summary of copper and gold production and sales for the period is provided below:

Production Statistics		Tonnes	Grade (% Cu)	Grade (g/t Au)	Contained Copper (t)	Contained Gold (oz)
Concentrator	Mined	792,209	4.7	1.7	37,405	42,014
	Milled	791,670	4.8	1.6	37,577	41,777
	Production	**139,063**	**24.7**	**3.9**	**34,280**	**17,305**
	Copper and gold sales	124,556	24.5	3.6	30,454	14,467

Note: Mining, production and sales statistics are rounded to the nearest 0.1% Cu grade and 0.1 g/t Au grade.

3 Review and results of operations

3.1 Project review, strategies and future prospects (continued)

Underground Mining

Total ore production from the underground mine was 792,209 tonnes of ore grading 4.7% Cu.

This reflects an annualised production rate from the underground mine of approximately 1.6Mtpa. The strong performance confirms the new mine production target of 1.6Mtpa and reflects a continued focus on reliable stope design and excavation, as well as mining fleet productivity.

The mined copper grade for the reporting period was higher than planned as a result of positive reconciliations from a number of stopes mined during the period, minor adjustments to the mine schedule and improved drill and blast practices.

The increased mine production performance reflects an overall 7% increase in future annualised mine production with the same mine personnel and mining fleet. Opportunities to further enhance mine production will continue to be explored.

The mine remains in balance between production and back-fill. Given the maturity of production in the C1 and DeGrussa lenses together with C4 now online, opportunities to replace paste back-fill in some stopes with mine waste continue to be identified, thereby reducing overall waste haulage to the surface and allowing a focus on ore haulage.

Total underground development reached 32.8km by the end of the reporting period. The focus of mine development was on the development of the Conductor 4 and 5 declines. The development of the Conductor 1 decline will recommence as required for the extraction of the lower Conductor 1 ore.

During the period, the Conductor 4 decline development advanced 265 metres and the Conductor 5 decline development advanced 264 metres, with all development advance occurring in good ground conditions. The Conductor 4 decline intersected first development ore early in October 2015, allowing stoping to commence. Development within the Conductor 5 lens commenced in January 2016, which will allow Conductor 5 stope production to be brought forward to Q4 FY2016.

A Life-of-Mine update is expected to be released in Q4 FY2016 following completion of diamond drilling in Conductor 5 and subsequent Mineral Resource and Ore Reserve modelling.

Processing

Key metrics for the DeGrussa Concentrator for the 6 month period ended 31 December 2015 included:

- 791,670 tonnes milled at an average head feed grade of 4.7% Cu;
- Overall copper recovery of 91.2%;
- Concentrate production of 139,063 tonnes; and
- Metal production of 34,280 tonnes of contained copper and 17,305 ounces of contained gold.

Mill throughput was maintained at an annualised rate of 1.6Mtpa for most of the reporting period notwithstanding interruptions for planned maintenance including an 8-day shutdown during September. Mill throughput operating rates continue to demonstrate that the capacity of the process plant is close to 1.7Mtpa.

Copper recovery for the reporting period averaged 91.2%, reflecting the positive impact of the processing plant enhancement projects implemented during the 2015 financial year.

Following the successful commissioning of the major enhancement projects completed during FY2015, Sandfire is continuing to investigate opportunities for further improvements in copper recovery. These include examining additional flotation capacity, further improvements in grind optimisation and operating tactic optimisation.

Production Guidance

Copper production for FY2016 is expected to be at the upper end of the range 65,000-68,000 tonnes of contained copper metal and lower end of gold production in the range 35,000-40,000 ounces. Headline C1 cash operating costs are expected to be at the lower end of the range US$0.95-1.05/lb.

Sales & Marketing

Copper Concentrate

A total of 125,216 tonnes of plant concentrate containing 30,454 tonnes of contained copper was sold during the period. Gold sales totalled 14,467 ounces. Shipments were completed from both Port Hedland and Geraldton.

3 Review and results of operations

3.1 Project review, strategies and future prospects (continued)

Infrastructure

DeGrussa Solar Power Project

During the period construction commenced on a 10.6MW solar power station at DeGrussa. Formal approval for the project, which will be the largest integrated off-grid solar and battery storage facility in Australia, followed the establishment of an extensive international consortium to finance, develop, operate and own the facility.

The DeGrussa Solar Photovoltaic (PV) System is expected to set new benchmarks for the use of renewable power for mining and processing operations, establishing DeGrussa as a potential world-leading reference site for the use of renewables to reduce operating costs and improve environmental performance.

The $40 million project will consist of 34,080 solar PV panels covering a total area of over 20 hectares at a site located immediately adjacent to the DeGrussa underground mine and processing plant. The system has been designed with the diesel-fired power station continuing to provide base-load power to the DeGrussa mine with sufficient minimum load to ensure it can respond quickly to meet the power requirements of the process plant and underground mine.

Sandfire signed a final Power Purchase Agreement (PPA) with Neoen, the leading French renewable energy company. Neoen has contracted juwi Renewable Energy Pty Ltd (juwi) to develop and operate the project. Diversified infrastructure and survey solutions company OTOC Limited (ASX: OTC) was awarded the procurement and installation contract for the project via a joint venture with juwi.

The Clean Energy Finance Corporation (CEFC) has committed up to $15 million in finance towards the project, while the Australian Renewable Energy Agency (ARENA) is providing $20.9 million of funding with Neoen contributing most of the balance. Sandfire's cash contribution to the project will be less than $1 million.

Construction activities at the DeGrussa mine site commenced in July 2015 with installation of the first solar photovoltaic (PV) panels commencing in December 2015. By the end of the reporting period, over 15,000 panels had been installed representing around 50 per cent of the total installation, with the overall construction program on track for delivery of first electricity from the facility in late Q1 of CY 2016.

Feasibility Studies

Oxide Copper Feasibility Study

The Sandfire Oxide Copper Project at DeGrussa has been extensively tested and a Scoping Study undertaken on the basis of a traditional sulphuric acid heap leach combined with a solvent extraction circuit with a strong electrolyte fed to an electro-winning circuit to produce 99.99-99.999% copper cathode.

The investigation of Continuous Vat Leaching (CVL) technology as an alternative to heap leaching and glycine as a potential alternative to a sulphuric acid environment continued during the period. A second round of benchtop testing was completed using new samples collected from site stockpiles to confirm the consistency of the results.

Assay results from this testing have confirmed the potential of this process to provide high recovery of leachable copper. A high level study is underway to understand the economics of this innovative process assuming full commercialisation. It is expected that the next step in the development of this process flowsheet will be the completion of pilot plant testing to allow confirmation of project economics prior to consideration of a full-scale plant.

Doolgunna Exploration

Overview

During the period, Sandfire continued to progress a tightly focused, multi-disciplined exploration campaign to test for extensions to the known cluster of VMS deposits at DeGrussa and to unlock the broader potential of the Doolgunna region for additional VMS and structurally-hosted copper deposits. Key components of the Company's exploration activity at Doolgunna during the period included:

- Additional diamond and RC drilling at the high-grade Monty VMS copper-gold discovery, part of the farm-in with Talisman Mining Ltd (Talisman), which significantly enhanced the Company's understanding of the nature and controls of the mineralisation;
- Commencement of a resource in-fill drilling program at Monty in November 2015 to establish a maiden JORC Mineral Resource estimate;
- Continued underground resource definition drilling of the Conductor 5 deposit to allow conversion of the existing Inferred Resource to Indicated and Measured status; and
- RC and diamond drilling at the Thaduna Copper Project with the aim of targeting gaps in drill coverage over the main orebody between known mineralised intercepts and to test drill methods in order to maintain RC resource definition holes and diamond pre-collars at the proposed trajectory.

3 Review and results of operations

3.1 Project review, strategies and future prospects (continued)

Near-Mine Extensional Exploration

A total of 2,190m of drilling (nine holes) was completed during the period to upgrade the Conductor 5 orebody from an Inferred to Indicated Mineral Resource status, as well as testing the eastern extents of the currently modelled C5 deposit.

Two underground diamond drill holes were completed to test an area south-east of the C5 orebody where DHEM from historical surface drilling was reviewed and a discrete off-hole DHEM anomaly was modelled. Both holes intersected intervals of clast-replacement chalcopyrite and pyrite associated with chlorite alteration coincident with the position of the modelled DHEM plate.

Underground DHEM surveying was completed on both holes, however, local modelling of this data has been constrained by a local stratigraphic conductor (black shale) and by the proximity to the C5 orebody. Two historical surface diamond drill holes in the vicinity will be DHEM surveyed to assist in modelling this area.

DeGrussa Regional Exploration

Springfield Joint Venture

During the period Sandfire reached the $15 million expenditure threshold (project-to-date), which marks the end of its sole-funding stage at Springfield and commencement of the Joint Venture with Talisman. The Talisman Projects comprise the Springfield, Halloween and Halloween West Projects, which abut Sandfire's DeGrussa-Doolgunna tenements and contain extensions of the lithological sequence which hosts the DeGrussa VMS deposits.

Exploration expenditure at the Talisman Projects is now jointly funded by Sandfire and Talisman on a 70:30 basis. The unincorporated Springfield Joint Venture has been formed with Sandfire being the Manager in accordance with the Farm-In and Joint Venture Agreement entered into on 20 December 2013.

Sandfire and Talisman are in negotiations to replace the existing Farm-In and Joint Venture Agreement with a more detailed agreement. The existing agreement is legally binding and governs the relationship between the parties until a more detailed agreement is reached.

Exploration Results

During the period, Sandfire reported further encouraging results from ongoing drilling being undertaken at the Monty copper-gold discovery, located 10km east of DeGrussa on the Springfield Project.

This work has resulted in the delineation of two mineralised horizons to date – an upper horizon and a lower horizon, with the Lower Zone including a zone of high-grade massive sulphides containing bornite mineralisation. Some of the more significant intersections reported to date from the Monty discovery include:

Lower Zone

- 16.5m @ 18.9% Cu, 2.1g/t Au from 409.5m (TLDD0004A);
- 9.2m @ 11.8% Cu, 2.9g/t Au from 417.0m (TLDD0005);
- 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);
- 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);
- 8.0m @ 13.3% Cu and 1.8g/t Au from 286.2m down-hole (TLDD0021);
- 5.0m @ 9.8% Cu and 2.9g/t Au from 334.7m (TLDD0040);
- 20.8m @ 14.9% Cu and 1.3g/t Au from 372.7m down-hole (TLDD0042);
- 11.3m @ 6.7% Cu and 2.9g/t Au from 392.2m down-hole (TLDD0043); and
- 13.9m @ 7.2% Cu and 2.3g/t Au from 332.7m (TLDD0046).

Upper 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); and
- 12.0m at 5.7% Cu and 1.8g/t Au from 133m down-hole (TLRC009).

Bornite Zone

- 21.6m @ 34.4% Cu and 0.4g/t Au from 339.4m down-hole (TLDD0026);
- 25.8m @ 24.1% Cu and 0.5g/t Au from 299.0m down-hole including 14.9m @ 36.7% Cu and 0.4g/t Au from 309m (TLDD0061); and
- 9.6m @ 14.1% Cu and 1.5g/t Au from 292.3m (TLDD0036).

The recent drilling results continue to substantiate initial interpretations of the orientation, grade and extent of the mineralisation at Monty that were based on the initial wide-spaced exploration holes.

3 Review and results of operations

3.1 Project review, strategies and future prospects (continued)

Diamond drilling continued at Monty with drilling increasing to four rigs on double shift during November 2015. Drilling will continue on a targeted 40m x 40m pattern with the results to be used to calculate a maiden Mineral Resource estimate for Monty around the end of the first quarter of CY 2016.

Exploration drilling at Springfield outside of Monty, including within the immediate 5km long Monty VMS Trend, is also continuing, subject to the RC rig being released from drilling pre-collars for the Mineral Resource definition program.

<u>*Homer Prospect*</u>

Drilling of the Homer trend at Springfield, located approximately 4km east of the DeGrussa Copper Mine, commenced towards the end of the reporting period with an initial RC drill hole to test for the stratigraphic horizon along strike from previous drilling (TLDD0001 and TLDD0003). These drill-holes intersected haematitic exhalite with jasper clasts, which is interpreted to be the C5 target horizon.

Drill hole TLDD0068 was located 3.4km and 2.8km ENE of drill-holes TLDD0001 and TLDD0003 respectively, and was targeted at a base and trace metal geochemical anomaly identified from earlier drilling by Talisman. No base metal sulphides were observed and assays are awaited.

Australian Exploration

Sandfire has a number of exploration joint ventures around Australia including the Borroloola Project; Altia Project; Breena Plains Project; Temora and Currumburrama Project; Wingrunner and Wilga Hill Project; and the Alford Project. Details of these projects can be found on Company's website www.sandfire.com.au and the Company's *Sandfire December 2015 Quarterly Report* ASX announcement, released on 28 January 2016.

International Exploration

WCB Resources – Misima Copper Project, PNG

Sandfire holds a 38.38% interest in WCB Resources Ltd ("WCB"; TSX-V: WCB), a Toronto-listed copper-gold explorer, which it acquired by subscribing for shares in a A$5.9M private share placement. WCB is earning a 70% interest in the Misima Island exploration lease through a joint venture with Pan Pacific Copper ("PPC"), an integrated copper mining and smelting company that is jointly owned by JX Nippon Mining & Metals Corporation and Mitsui Mining & Smelting Company Ltd. The Misima Project is located within a porphyry belt which contains four of the world's richest primary grade copper and gold porphyries including Grasberg (4.9 billion tonnes @ 0.8% Cu and 0.7g/t Au), Ok Tedi (1.7 billion tonnes @ 0.7% Cu and 0.6g/t Au), Golpu (1 billion tonnes at 0.9% Cu and 0.6g/t Au) and Panguna (1.4 billion tonnes @ 0.5% Cu and 0.6g/t Au)[1].

Further details can be found in WCB's News Releases, which are available at the WCB Resources website, www.wcbresources.com.

Tintina Resources – Black Butte Project, USA

Sandfire holds a 57% interest in Vancouver-based copper development company, Tintina Resources (TSX-V: TAU). Tintina's key asset is a 100% interest in the premier, high-grade Black Butte Copper Project, located near Helena in the State of Montana in the United States. The project is located close to existing road, power and rail infrastructure, with the ability to access a residential workforce located nearby and competitive sources of materials and power.

Located on private ranch land in central Montana, the Black Butte Project copper resource consists of three flat-lying sedimentary hosted copper deposits which have been extensively drilled by Tintina (over 53,000m of diamond drilling).

An Updated Technical Report and Preliminary Economic Assessment (PEA) completed by Tintina in July 2013 was based on reported NI 43-101 Measured and Indicated Resources totalling 15.7 million tonnes grading 3.4% Cu, 0.1% Co and 14g/t Ag for 533,600 tonnes of contained copper and Inferred Resources totalling 2.3 million tonnes grading 2.8% Cu, 0.09% Co and 14g/t Ag for 63,500 tonnes of contained copper (calculated using a 1.6% copper cut-off grade) for the Johnny Lee Upper Zone and Lowry deposits, and a 1.5% Cu cut-off for the Johnny Lee Lower Zone).

The PEA confirmed that the deposit has the potential to underpin a robust underground mining operation with forecast life-of-mine production of ~30,000tpa of copper-in-concentrate over a mine life of ~11 years, based on total mill throughput of 11.8 million tonnes at an average head grade of 3.1% Cu.

Tintina submitted a Mine Operating Permit application for the Johnny Lee copper deposit to the Montana Department of Environmental Quality during the reporting period. The application is a comprehensive document detailing the development plan for this high grade project while safeguarding the environment.

[1] Production + Resources, Intierra 2014

3 Review and results of operations

3.1 Project review, strategies and future prospects (continued)

The MOP application will be vetted through a process of Completeness and Compliance with the Montana DEQ until the department deems the application complete and ready for an independent third party Environmental Impact Study. Full details can be found in the Tintina announcements, which are available at Tintina's website, www.tintinaresources.com.

3.2 Review of financial results

6 months ended 31 December 2015	DeGrussa Copper Mine $ million	Other[A] $ million	Group $ million
Sales revenue	228.3	-	228.3
Profit (loss) before net finance and income tax	50.7	(24.7)	26.0
Profit before income tax			23.0
Net profit			15.7
Basic and diluted earnings per share			10.0 cents

A Includes the Exploration & Evaluation segment and Other Activities as detailed in Note 5 to the consolidated financial statements.

The DeGrussa Copper Mine contributed profit before net finance and income tax of $50.7 million (2014: $68.1 million) from underground mining and concentrator operations. Other includes the Exploration and Evaluation segment and the Group's corporate expenses that cannot be directly attributed to the Group's operating segments, and contributed a loss before net finance and income tax of $24.7 million (2014: loss of $17.8 million).

Dividends of $15.7 million were paid during the period in respect of the 2015 financial year. On 24 February 2016 the directors of the Company announced a dividend on ordinary shares in respect of the six month period ended 31 December 2015. The total of the dividend is $3,137,000 and represents a fully franked dividend of 2 cents per share. The dividend has not been provided for in the financial report for the six month period ended 31 December 2015.

Sales revenue

DeGrussa Copper Mine	31 Dec 2015 $ million
Revenue from sales of copper in concentrate	206.0
Revenue from sales of gold in concentrate	20.5
Revenue from sales of silver in concentrate	1.8
	228.3

Copper sales for the period totalled 30,454 tonnes (contained copper production: 34,280 tonnes) and gold sales totalled 14,467 ounces (contained gold production: 17,305 ounces). Copper represents approximately 90% of revenue derived from the DeGrussa Mine at current metals prices. A total of 12 shipments were completed from Port Headland and Geraldton during the period.

The base metals market commonly works on Quotational Periods (QP) for the final pricing of metal content shipped to smelters for treatment and refining. The Group's QP settlements are usually completed within a range of 1 to 4 months following the month of shipment, at which time the market price of metal content is derived and the value of final sales becomes fixed. Price adjustment gains and losses are recorded at the conclusion of the QP and disclosed separately in the Consolidated Income Statement.

Operations costs

DeGrussa Copper Mine	31 Dec 2015 $ million	31 Dec 2014 $ million
Mine operations costs	57.6	56.6
Employee benefit expenses	19.5	17.0
Freight, treatment and refining expenses	43.7	40.9
Changes in inventories of finished goods and work in progress	(13.4)	(10.6)
	107.4	**103.9**

Operating costs are predominantly driven by the physical quantity of ore moved in mining and processing operations, irrespective of variations in the copper content of that ore. Mine operations costs, which include costs incurred in underground mining and plant operations on site, have increased marginally in dollar terms however have reduced in unit terms with an overall increase in mine and plant throughput to 1.6mtpa.

3 Principal activities, operating and financial review (continued)

3.2 Review of financial results (continued)

Freight, treatment and refining expenses have increased by 7% from the prior period as a result of prevailing concentrate smelting market conditions, which has seen treatment and refining expenses increase.

Employee benefit expenses have increased by 15% from the prior period as a result of: an increase in employee incentive payments driven by higher production rates; an increase in employee numbers; and an increase in the Company's long service leave provision.

The Group has provided cost guidance for the 2016 Financial Year in the range US$0.95-1.05 per pound of payable copper production (after gold and silver credits).

Royalties

Royalties are levied at 5.0% for copper sold as concentrate and 2.5% for gold, plus native title payments. As DeGrussa's production value is heavily weighted towards copper production, the combined royalty rate approximates the 5% level (net of allowable deductions).

Exploration and evaluation

Significant exploration and evaluation activities continued in and around the DeGrussa Copper Mine with the objective of discovering further ore bodies and lenses to establish a copper-gold VMS camp. For the period ended 31 December 2015 the Group's Exploration and Evaluation segment contributed a loss before net financing expense and income tax of $18.9 million (2014: $14.3 million). In accordance with the Group's accounting policy, exploration and evaluation expenditure is expensed as incurred.

Exploration and evaluation expenditure comprises expenditure on the Group's projects, including:

- Near-mine and Doolgunna regional exploration, which include a number of joint venture earn-in arrangements, most significantly the Springfield Joint Venture with Talisman Mining Ltd;
- Other Australian exploration projects;
- Expenditure arising on the consolidation of the Group's controlled entities, including the Group's investment in Tintina Resources Inc; and
- Losses arising on the Group's equity accounted investments, including the Group's investment in WCB Resources Ltd.

Depreciation and amortisation

	WDV December 2015 $ million	WDV June 2015 $ million	Depreciation and amortisation during the period $ million
Mine Development	221.4	202.6	26.9
Property, plant and equipment	211.4	216.3	17.2
Total depreciation and amortisation			**44.9**

Income tax expense

Income tax expense of $7.3 million for the period is based on the corporate tax rate of 30% on taxable income of the Group, adjusted for differences in tax and accounting treatments. Cash tax payments during the period amounted to $5.5 million. As at 31 December 2015, the Group has an $8.8 million current tax payable due in late February 2016 with respect to the financial year ended 30 June 2015.

Financial Position

Net assets of the Group increased by $5.4 million to $353.2 million during the reporting period.

Cash balance

Group cash on hand was $51.2 million as at 31 December 2015 (the Company $43.1 million), including $6.3 million held in a Debt Service Reserve Account (DSRA) to cover the March 2016 scheduled facility repayment plus interest costs.

Trade and other receivables

Trade and other receivables include remaining funds from the sale of concentrate subject to provisional pricing and quotational periods at the time of sale.

3 Principal activities, operating and financial review (continued)

3.2 Review of financial results (continued)

Inventories

Finished goods inventories (plant concentrate) have increased by $13.4 million since 30 June 2015 due to a planned December 2015 sale completing shipment in early January 2016. Ore stockpiles and consumables are within with normal operating ranges.

Mine properties

Further investment of $35.1 million has been made in underground mine development to establish decline and development access to the sulphide ore bodies ahead of stoping activities.

Property, plant and equipment

Property, plant and equipment at cost increased by $7.5 million to $308.2 million at the end of the period.

Investments – WCB Resources Ltd

The Group accounts for its investment in WCB Resources Ltd (WCB: TSX.V: WCB) using the equity method of accounting. For the period, the Group has recognised $306,000 (2014: $1,102,000) in equity accounted losses after income tax.

Investments – Tintina Resources Inc

On 18 November 2015, the Group increased its stake in North American copper development company Tintina Resources Inc ("Tintina"; TSX-V: TAU) to 57% from 36%, by acquiring a further 21% interest. The additional shareholding, comprising 47,244,095 shares, was acquired by Sandfire in an off-market transaction at an average price of C$0.0831 per share, for total consideration of C$3,926,000 ($4,160,000).

In accordance with AASB 10 it was determined that the Group obtained control of Tintina on the date of acquisition and the Group has therefore applied the acquisition method of accounting (see note 6). The assets, liabilities, income and expenses of Tintina are included in the consolidated financial statements as at and for the period ended 31 December 2015, from the date the Group gained control, being 18 November 2015.

Tintina contributed $1,009,000 (2014: $nil) in losses to the Group's result for the six month period ended 31 December 2015. $577,000 (2014: $nil) of these losses are attributable to the members of the parent entity.

The Group's investment in Tintina was previously accounted for using the equity method of accounting. The Group recognised $1,132,000 (2014: $688,000) in equity accounted losses after income tax during the period.

Refer to note 6 to the consolidated financial statements for details.

Current and deferred tax liabilities

Taxable profit on operations during the period has exceeded the carried forward balance of tax losses and tax credits resulting in the Group booking a current income tax liability of $10.7 million at period end. In addition the Group has booked a net deferred tax liability position at balance date which predominantly relates to the differing tax depreciation and amortisation rates of mining assets and equipment compared to accounting rates.

Interest bearing liabilities – finance facilities

The Group's financing arrangements are provided under a secured loan facility with ANZ and are secured by a fixed and floating charge over the Group's assets, including the DeGrussa Project and the broader Doolgunna Project, and a mining mortgage over the Project tenements.

The DeGrussa Project Loan Facility includes two facilities: an $85.0 million Revolver Facility, initially fully-drawn, which can be paid or redrawn as required and which must be fully repaid by 31 December 2017; and a $40.0 million Amortising Facility with fixed repayments of $5.0 million per quarter for six quarters (commenced on 30 June 2015), followed by $2.0 million per quarter for five quarters (ending 31 December 2017).

The balance of the Group's finance facility as at 31 December 2015 was $75 million, following payment of $10 million against the Amortising Facility ($25 million at balance date) and $35 million against the Revolver Facility ($50 million at balance date).

Cash Flows

Operating activities

Net cash inflow from operating activities was $47.6 million for the period. Net cash flow from operating activities prior to exploration and evaluation activities was $66.2 million for the period.

3 Principal activities, operating and financial review (continued)

3.2 Review of financial results (continued)

Investing activities

Net cash outflow from investing activities was $39.9 million for the period. This included payments for property, plant and equipment purchases ($8.8 million); payments for mine development ($35.1 million); and net cash inflow from the Group's investment into Tintina Resources Inc ($3.7 million).

Financing activities

Net cash outflow from financing activities of $63.6 million for the period includes finance facility repayments ($45.0 million); payment of interest and other costs of finance ($1.8 million); and dividend payments ($15.9 million).

3.3 Corporate

Investment in Tintina Resources Inc

On 18 November 2015, the Group increased its stake in North American copper development company Tintina Resources Inc ("Tintina"; TSX-V: TAU) to 57% from 36%, by acquiring a further 21% interest. The additional shareholding, comprising 47,244,095 shares, was acquired by Sandfire in an off-market transaction at an average price of C$0.0831 per share, for total consideration of C$3,926,000 ($4,160,000).

Sandfire is Tintina's largest shareholder (57%). Other strategic shareholders include Electrum Strategic Metals LLC (~16%).

Refer to note 6 to the consolidated financial statements for details.

Board and management

The Company announced the appointment of Ms Maree Arnason as independent non-executive director on 18 December 2015.

4 Significant events after the balance date

Dividends

On 24 February 2016 the directors of the Company announced a dividend on ordinary shares in respect of the six month period ended 31 December 2015. The total amount of the dividend is $3,137,000, which represents a fully franked dividend of 2 cents per share. The dividend has not been provided for in the half-year financial report for the six month period ended 31 December 2015.

Acquisition of Aeris' Temora and Currumburrama Exploration Projects

The Company executed an agreement with Aeris Resources Ltd (Aeris; previously Straits Resources Ltd) on 6 October 2015 to acquire Aeris' Temora and Currumburrama Exploration Projects located in New South Wales, including all of Aeris' legal and beneficial interest in EL6845, EL5864 and EL5792 including the rights and benefits which Aeris is entitled to under heritage agreements and native title contracts, and all mining information which is relevant to the Tenements.

Under the terms of the Agreement, which settled on 4 January 2016, Sandfire issued Aeris 470,240 ordinary fully paid shares as consideration for the acquisition of the Tenements.

5 Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (unless otherwise noted) under the option available to the Company under ASIC Class Order 98/0100. The entity is a Company to which the class order applies.

6 Auditor independence declaration

We have obtained the following independence declaration from our auditors, Ernst & Young.

Building a better working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's independence declaration to the Directors of Sandfire Resources NL

As lead auditor for the review of Sandfire Resources NL for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sandfire Resources NL and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

P Teale
Partner
24 February 2016

PT:JH:SANDFIRE:015

Signed in accordance with a resolution of the directors:

Derek La Ferla
Non-Executive Chairman

Karl Simich
Managing Director and Chief Executive Officer

Dated at West Perth this 24th day of February 2016.

CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Note	31 Dec 2015 $000	31 Dec 2014 $000
Sales revenue	5	228,322	261,772
Realised and unrealised price adjustment losses		(16,392)	(11,157)
Other income		501	4,311
Changes in inventories of finished goods and work in progress		13,440	(10,602)
Mine operations costs		(57,593)	(56,570)
Employee benefit expenses		(26,369)	(21,614)
Freight, treatment and refining expenses		(43,746)	(40,860)
Royalties expense		(9,631)	(12,220)
Exploration and evaluation expenses		(14,613)	(9,025)
Depreciation and amortisation expenses		(44,923)	(42,052)
Water ingress expenses		-	(7,683)
Share of net loss of equity accounted investments	9	(1,438)	(1,706)
Impairment expense	9	(1,171)	-
Reversal of impairment	6,9	2,045	-
Administrative expenses		(2,465)	(2,315)
Profit before net finance expense and income tax		**25,967**	**50,279**
Finance income		1,047	2,622
Finance expense		(4,051)	(8,029)
Net finance expense		(3,004)	(5,407)
Profit before income tax		**22,963**	**44,872**
Income tax expense	7	(7,289)	(14,309)
Net profit for the period		**15,674**	**30,563**
Attributable to:			
Equity holders of the parent		16,106	30,563
Non-controlling interests		(432)	-
		15,674	**30,563**
Earnings per share (EPS):			
Basic and diluted EPS attributable to ordinary equity holders of the parent (cents)		10.0	19.6

The consolidated interim income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	31 Dec 2015 $000	31 Dec 2014 $000
Net profit for the financial period	**15,674**	**30,563**
Other comprehensive income		
Items that may be reclassified to profit or loss in subsequent periods:		
Foreign currency translation differences – net of income taxes	(1,482)	1,264
Change in fair value of investments in equity securities – net of income tax	-	118
Other comprehensive income for the period, net of tax	(1,482)	1,382
Total comprehensive income for the period, net of tax	**14,192**	**31,945**
Attributable to:		
Equity holders of the parent	14,430	**31,945**
Non-controlling interests	(238)	**-**
	14,192	**23,189**

The consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Interim Balance Sheet
As at 31 December 2015

	Note	31 Dec 2015 $000	30 Jun 2015 $000
ASSETS			
Cash and cash equivalents	8	51,194	107,154
Trade and other receivables		12,233	9,813
Inventories		46,448	30,951
Other current assets		2,502	1,931
Total current assets		112,377	149,849
Receivables		157	179
Inventories		11,698	11,698
Mine properties		221,389	202,588
Property, plant and equipment		211,441	216,293
Investments accounted for using the equity method	9	768	7,644
Other financial assets		157	1,254
Exploration and evaluation assets		5,301	5,233
Total non-current assets		450,911	444,889
TOTAL ASSETS		**563,288**	**594,738**
LIABILITIES			
Trade and other payables		38,768	39,115
Interest bearing liabilities	10	17,367	20,493
Income tax payable		10,773	13,128
Provisions		3,341	3,220
Total current liabilities		70,249	75,956
Trade and other payables		171	294
Interest bearing liabilities	10	58,253	99,536
Provisions		28,987	22,860
Deferred tax liabilities		52,449	48,314
Total non-current liabilities		139,860	171,004
TOTAL LIABILITIES		**210,109**	**246,960**
NET ASSETS		**353,179**	**347,778**
EQUITY			
Issued capital		225,520	225,520
Reserves		5,505	7,580
Retained profits		115,099	114,678
Equity attributable to equity holders of the parent		346,124	347,778
Non-Controlling interest		7,055	-
TOTAL EQUITY		**353,179**	**347,778**

The consolidated interim balance sheet should be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Changes in Equity
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Note	Issued capital $000	Share based payments reserve $000	Foreign currency translation reserve $000	Available for sale reserve $000	Warrants reserve $000	Retained profits $000	Total $000	Non-controlling interest $000	Total equity $000
For the six months ended 31 Dec 2015										
At 1 Jul 2015		**225,520**	**5,801**	**1,779**	**-**	**-**	**114,678**	**347,778**	**-**	**347,778**
Profit for the period		-	-	-	-	-	16,106	16,106	(432)	15,674
Other comprehensive income		-	-	(1,676)	-	-	-	(1,676)	194	(1,482)
Total comprehensive income for the period		-	-	(1,676)	-	-	16,106	14,430	(238)	14,192
Transactions with owners in their capacity as owners:										
Share based payments recognised		-	385	-	-	-	-	385	-	385
Warrants reserve		-	-	-	-	(784)	-	(784)	-	(784)
Dividends	11	-	-	-	-	-	(15,685)	(15,685)	-	(15,685)
Acquisition of subsidiary	6	-	-	-	-	-	-	-	7,293	7,293
At 31 Dec 2015		**225,520**	**6,186**	**103**	**-**	**(784)**	**115,099**	**346,124**	**7,055**	**353,179**

	Note	Issued capital $000	Share based payments reserve $000	Foreign currency translation reserve $000	Available for sale reserve $000	Warrants reserve $000	Retained profits $000	Total $000	Non-controlling interest $000	Total equity $000
For the six months ended 31 Dec 2014										
At 1 Jul 2014		**219,391**	**8,109**	**-**	**-**	**-**	**64,308**	**291,808**	**-**	**291,808**
Profit for the period		-	-	-	-	-	30,563	30,563	-	30,563
Other comprehensive income		-	-	1,264	118	-	-	1,382	-	1,382
Total comprehensive income for the period		-	-	1,264	118	-	30,563	31,945	-	31,945
Transactions with owners in their capacity as owners										
Exercise of options		1,445	-	-	-	-	-	1,445	-	1,445
Share issue costs net of income tax		(6)	-	-	-	-	-	(6)	-	(6)
Transfer from share-based payments reserve on exercise of options		252	(252)	-	-	-	-	-	-	-
Expiry of options		-	(1,591)	-	-	-	1,591	-	-	-
Dividends	11	-	-	-	-	-	(15,564)	(15,564)	-	(15,564)
At 31 Dec 2014		**221,082**	**6,266**	**1,264**	**118**	**-**	**80,898**	**309,628**	**-**	**309,628**

The consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR SIX MONTHS ENDED 31 DECEMBER 2015

	Note	31 Dec 2015 $000	31 Dec 2014 $000
Cash flows from operating activities			
Cash receipts		217,473	259,614
Cash paid to suppliers and employees		(146,585)	(147,644)
Income tax paid		(5,509)	-
Payments for exploration and evaluation		(18,552)	(12,509)
Interest received		800	874
Net cash inflow from operating activities		**47,627**	**100,335**
Cash flows from investing activities			
Payments for exploration and evaluation assets		(68)	-
Proceeds from sale of property, plant and equipment		403	13
Payments for property, plant and equipment		(8,780)	(17,168)
Payments for mine properties		(35,137)	(31,169)
Acquisition of subsidiary, net of cash acquired		3,696	-
Payments for investments		-	(15,931)
Refund of security deposits and bonds		22	35
Net cash outflow from investing activities		**(39,864)**	**(64,220)**
Cash flows from financing activities			
Proceeds from the conversion of options to shares		-	1,445
Share issue costs		-	(8)
Repayment of borrowings		(45,000)	(30,000)
Repayment of finance lease liabilities		(971)	(546)
Interest and other costs of finance paid		(1,810)	(3,839)
Cash dividend paid to equity holders		(15,851)	(14,997)
Net cash outflow from financing activities		**(63,632)**	**(47,945)**
Net decrease in cash and cash equivalents		**(55,869)**	**(11,830)**
Net foreign exchange differences		(91)	-
Cash and cash equivalents at the beginning of the period		107,154	57,590
Cash and cash equivalents at the end of the period	8	**51,194**	**45,760**

The consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

1 Corporate information

Sandfire Resources NL (the Company or Sandfire) is a for profit company domiciled and incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX). The nature of the operations and principal activities of the Company are described in the directors' report. The interim consolidated financial statements of Sandfire and its subsidiaries (the Group) for the six months ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 24 February 2016.

2 Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The interim consolidated financial statements for the six months ended 31 December 2015 are condensed general purpose financial statements and have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2015. The annual report of the Group as at and for the year ended 30 June 2015 is available on request from the Company's registered office or at www.sandfire.com.au.

The Group's interim consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Accounting policies, accounting standards and interpretations

The accounting policies applied by the Group in the preparation of the interim consolidated financial statements are consistent with those applied by the Group in the preparation of the annual consolidated financial statements for the year ended 30 June 2015, except for the adoption of new and amended standards and interpretations as of 1 July 2015.

Certain comparative amounts have been reclassified to conform to the current year's presentation. The Group has reclassified $2,464,000 in realised metal adjustment losses to sales revenue for the comparative period ended 31 December 2014 to better reflect the nature of the expense. This has resulted in sales revenue reducing to $261,772,000 from $264,236,000 and resulted in a realised and unrealised price adjustment loss of $11,157,000 from a loss of $13,621,000.

New standards, interpretations and amendments thereof, adopted by the Group

From 1 July 2015 the Group has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2015. The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the Group.

Early adoption of standards

The Group did not early adopt any accounting standards, interpretations or amendments, issued and available for early adoption, during the half-year.

3 Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2015.

4 Information about subsidiaries

The interim consolidated financial statements of the Group include:

Name	Note	Country of incorporation	% equity interest	
			31 Dec 2015	31 Dec 2014
Tintina Resources Inc	6	Canada	57.19	35.96
Sandfire BC Holdings (Australia) Pty Ltd	(i)	Australia	100.00	100.00
Sandfire BC Holdings Inc	(ii)	Canada	100.00	100.00
SFR Copper & Gold Peru S.A.		Peru	100.00	100.00

(i) The wholly owned subsidiary was formed and incorporated by the Company on 21 August 2014.

(ii) The wholly owned subsidiary was formed and incorporated by the Company on 28 August 2014.

4 Information about subsidiaries (continued)

Associates

The Group has a 38.28% interest in WCB Resources Ltd (31 Dec 2014: 38.38%). Refer to note 9 for details.

5 Segment information

The Group has two operating segments as follows:

- The DeGrussa Copper Mine, a copper-gold mine located in the Bryah Basin mineral province of Western Australia, approximately 900 kilometres north-east of Perth and 150 kilometres north of Meekatharra. The DeGrussa Copper Mine generates revenue from the sale of copper-gold products to customers in Asia; and
- Exploration and evaluation, which includes exploration and evaluation of the mineral tenements in Australia and overseas, including exploring for potential repeats of the DeGrussa Volcanogenic Massive Sulphide (VMS) mineralised system at the Doolgunna Project and the Group's investment in Tintina Resources Inc (Tintina) and WCB Resources Ltd (WCB).

Other activities include the Group's corporate office, which includes all corporate expenses that cannot be directly attributed to the operation of the Group's operating segments.

Segment information that is evaluated by key management personnel is prepared in conformity with the accounting policies adopted for preparing the financial statements of the Group.

	DeGrussa Mine $000	Exploration & evaluation $000	Other activities $000	Group $000
Income statement for the six months ended 31 Dec 2015				
Sales revenue	228,322	-	-	228,322
Realised and unrealised price adjustment loss	(16,392)	-	-	(16,392)
Other income	-	501	-	501
Changes in inventories of finished goods and work in progress	13,440	-	-	13,440
Mine operations costs	(57,593)	-	-	(57,593)
Employee benefit expenses	(19,485)	(4,072)	(2,812)	(26,369)
Freight, treatment and refining expenses	(43,746)	-	-	(43,746)
Royalties expense	(9,631)	-	-	(9,631)
Exploration and evaluation expenses	-	(14,613)	-	(14,613)
Depreciation and amortisation expenses	(44,712)	(102)	(109)	(44,923)
Share of net loss of equity accounted investments	-	(1,438)	-	(1,438)
Impairment expense	-	(1,171)	-	(1,171)
Reversal of impairment	-	2,045	-	2,045
Administrative expenses	-	-	(2,465)	(2,465)
Profit (loss) before net finance and income tax	**50,203**	**(18,850)**	**(5,386)**	**25,967**
Finance income				1,047
Finance expense				(4,051)
Profit before income tax				**22,963**
Income tax expense				(7,289)
Net profit for the period				**15,674**

5 Segment information (continued)

	DeGrussa Mine $000	Exploration & evaluation $000	Other activities $000	Group $000
Income statement for the six months ended 31 Dec 2014				
Sales revenue	261,772	-	-	261,772
Realised and unrealised price adjustment loss	(11,157)	-	-	(11,157)
Other income	4,311	-	-	4,311
Changes in inventories of finished goods and work in progress	(10,602)	-	-	(10,602)
Mine operations costs	(56,570)	-	-	(56,570)
Employee benefit expenses	(17,033)	(3,484)	(1,097)	(21,614)
Freight, treatment and refining expenses	(40,860)	-	-	(40,860)
Royalties expense	(12,220)	-	-	(12,220)
Exploration and evaluation expenses	-	(9,025)	-	(9,025)
Depreciation and amortisation expenses	(41,836)	(97)	(119)	(42,052)
Water ingress expenses	(7,683)	-	-	(7,683)
Share of net loss of equity accounted investments	-	(1,706)	-	(1,706)
Administrative expenses	-	-	(2,315)	(2,315)
Profit (loss) before net finance and income tax	**68,122**	**(14,312)**	**(3,531)**	**50,279**
Finance income				2,622
Finance expense				(8,029)
Profit before income tax				**44,872**
Income tax expense				(14,309)
Net profit for the period				**30,563**

Adjustments and eliminations

Finance income, finance costs and taxes are not allocated to individual segments as they are managed on a Group basis.

Segment assets

The Group does not separately disclose assets for its operating segments, as a majority of Group assets are attributable to the DeGrussa Copper Mine segment and the Group does not consider assets attributable to the exploration and other activities segments to be material.

Information about geographical areas and products

The Group's sales revenue arises from sales to customers in Asia. For the 6 month period ended 31 December 2015, a majority of the product was sent to China for processing (92%), and a portion was sent to Philippines (8%). During the six month period ended 31 December 2014, a majority of the product was sent to China for processing (88%); a portion was sent to Japan (8%); and Indonesia (4%). The revenue information is based on the location of the customer's operations.

Three customers (2014: four customers) individually accounted for more than ten percent of total revenue during the period. Sales revenue from these major customers ranged from 17% to 26% (2014: 11% - 40%) of total revenue, contributing approximately 67% of total revenue (2014: 83%).

As at 31 December 2015 and 30 June 2015, no material assets or liabilities were located outside Australia.

6 Business combinations

Acquisition of additional interest in Tintina Resources Inc

On 18 November 2015, the Group increased its stake in North American copper development company Tintina Resources Inc ("Tintina"; TSX-V: TAU) to 57% from 36%, by acquiring a further 21% interest. The additional shareholding, comprising 47,244,095 shares, was acquired by Sandfire in an off-market transaction at an average price of C$0.0831 per share, for total consideration of C$3,926,000 ($4,160,000).

In accordance with AASB 10 the Group determined that it obtained control of Tintina on the date of acquisition and the Group has applied the acquisition method of accounting. The assets, liabilities, income and expenses of Tintina are included in the consolidated financial statements as at and for the period ended 31 December 2015, from the date the Group gained control, being 18 November 2015. The Group's investment in Tintina was previously accounted for using the equity method of accounting (see note 9).

Acquisition date fair value of equity interest

The fair value of the existing equity interest at the date of acquisition was assessed to be $6,125,000. An amount of $2,045,000 was recognised in the financial statements, being the difference between the carrying value and the fair value of the existing investment at the date of gaining control. This amount is recognised within the reversal of impairment line in the consolidated statement of profit or loss.

An amount of $501,000 was also recycled from the FCTR on disposal of the equity accounted investment. This is recognised within the finance income line in the consolidated statement of profit or loss.

Assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities of Tintina as at the date of acquisition were:

in $000	**Provisional Fair value recognised on acquisition**
Assets	
Cash and cash equivalents	7,856
Trade and other receivables	44
Other current assets	128
Total current assets	**8,028**
Mine properties	10,364
Property, plant and equipment	14
Total non-current assets	**10,378**
Total assets	**18,406**
Liabilities	
Trade and other payables	828
Total liabilities	**828**
Total identifiable net assets at fair value	**17,578**
Non-controlling interest measured at fair value	(7,293)
Fair value of previously held equity interest	(6,125)
Purchase consideration transferred	**4,160**

The fair values of the identifiable assets and liabilities of Tintina as at the date of acquisition are based on a provisional assessment, due to the close proximity of the acquisition date to the reporting date.

The Group has elected to measure the non-controlling interests in the acquiree at fair value using Tintina's share price as a primary input.

The acquired business contributed net losses to the consolidated group of $576,000 from 18 November 2015 to 31 December 2015. If the transaction had occurred on 1 July 2015, the consolidated profit for the six months ending 31 December 2015 would have been $12,617,000. This amount has been calculated using the subsidiary's results for the period 1 July 2015 to 18 November 2015.

7 Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The major components of income tax expense in the consolidated interim income statement are:

	31 Dec 2015 $000	31 Dec 2014 $000
Income taxes		
Current income tax expense	5,876	12,496
Deferred income tax expense related to origination and reversal of temporary differences	1,551	2,083
Under (over) provision in prior periods	(138)	(270)
Income tax expense	**7,289**	**14,309**
Income tax expense (benefit) recognised in other comprehensive income	-	-
Total income tax	**7,289**	**14,309**

8 Cash and cash equivalents

	Note	31 Dec 2015 $000	30 Jun 2015 $000
Cash at bank and on hand		44,894	100,154
Debt service reserve account	(i)	6,300	7,000
		51,194	107,154

(i) Under the terms and conditions of the Group's DeGrussa Project Loan Facility (see Note 10), the Group must maintain a cash debt service reserve amount equal to or greater than the next quarter's scheduled amortisation payment and projected interest payment and as such this cash is restricted.

9 Investments accounted for using the equity method

	Note	31 Dec 2015 $000	30 Jun 2015 $000
Group's carrying investment value - Tintina Resources Inc	(i)	-	5,267
Group's carrying investment value - WCB Resources Ltd	(ii)	768	2,377
		768	7,644

(i) Tintina Resources Inc

On 18 November 2015, the Group increased its stake in North American copper development company Tintina Resources Inc ("Tintina"; TSX-V: TAU) to 57% from 36%, by acquiring a further 21% interest.

The additional shareholding, comprising 47,244,095 shares, was acquired by Sandfire in an off-market transaction at an average price of C$0.0831 per share, for total consideration of C$3,926,000 ($4,160,000).

In accordance with AASB 10 it was determined that the Group obtained control of Tintina on the date of acquisition and the Group has therefore applied the acquisition method of accounting (see note 6). The Group's investment in Tintina was previously accounted for using the equity method of accounting.

Reconciliation of the carrying amount of the equity accounted Tintina investment is set out below.

	Note	$000
As at 1 July 2015		5,267
Group's share of losses after income tax		(1,132)
Group's share of other comprehensive income – currency translation differences		(55)
As at 18 November 2015		**4,080**
Reversal of impairment	6	2,045
Fair value of previously held equity investment		6,125
Derecognition of previously held equity investment on gaining control		(6,125)
As at 31 December 2015		-

9 Investments accounted for using the equity method (continued)

(ii) WCB Resources Inc

The Group performed its impairment test as at 31 December 2015 to determine whether there is objective evidence that the investment in WCB is impaired. The Group considers the relationship between the investment's market capitalisation and its carrying amount, among other factors, when reviewing for indicators of impairment. As a result, the Group has recognised an impairment loss of $1,152,000 with respect to its investment in WCB, representing the difference between the Group's carrying amount of the investment and the recoverable amount, calculated as the fair value less costs of disposal. The fair value of WCB has been categorised to level 2 of the Group's fair value hierarchy, as detailed in note 12, and has been estimated using the closing share price of WCB at 31 December 2015. The share price of WCB as at 31 December 2015 was C$0.035 per share.

10 Interest bearing liabilities

	31 Dec 2015 $000	30 Jun 2015 $000
Current interest bearing loans and borrowings		
Obligations under finance leases and hire purchase contracts	431	740
DeGrussa Project Loan Facility	17,000	20,000
Capitalised finance establishment costs (net of amortisation) offset against Loan Facility	(64)	(247)
Total current interest bearing loans and borrowings	17,367	20,493
Non-current interest bearing loans and borrowings		
Obligations under finance leases and hire purchase contracts	471	771
DeGrussa Project Loan Facility	58,000	100,000
Capitalised finance establishment costs (net of amortisation) offset against Loan Facility	(218)	(1,235)
Total non-current interest bearing loans and borrowings	58,253	99,536
The Group has access to the following facilities:		
DeGrussa Project Loan Facility	110,000	120,000
Working Capital Facility	25,000	25,000
Bond Facility	100	100
	135,100	145,100
Facilities utilised at reporting date:		
DeGrussa Project Loan Facility	75,000	120,000
Working Capital Facility	-	-
Bond Facility	28	28
	75,028	120,028
Facilities not utilised at reporting date:		
DeGrussa Project Loan Facility	35,000	-
Working Capital Facility	25,000	25,000
Bond Facility	72	72
	60,072	25,072

Finance facilities

The Group's financing arrangements are provided under a secured loan facility with ANZ and are secured by a fixed and floating charge over the Group's assets, including the DeGrussa Project and the broader Doolgunna Project, and a mining mortgage over the Project tenements.

DeGrussa Project Loan Facility

The facility, which was designed to underpin the Group's construction and development of its DeGrussa Copper Mine in Western Australia, was restructured during the financial year ended 30 June 2015. The restructured facility includes two facilities: an $85 million Revolver Facility, initially fully-drawn, which can be paid or redrawn as required and which must be fully repaid by 31 December 2017; and a $40 million Amortising Facility with fixed repayments of $5 million per quarter for six quarters (commenced on 30 June 2015), followed by $2 million per quarter for five quarters (ending 31 December 2017). The previous repayment schedule required full repayment of the facility by 31 December 2015.

10 Interest bearing liabilities (continued)

Working Capital Facility

As part of the restructure to the DeGrussa Project Loan Facility, the Company also reduced its existing working capital facility with ANZ from $50 million to $25 million. The facility, which can be drawn down up to the value of saleable copper concentrate inventories held by the Company at the mine and ports, is designed to reduce the potential cash flow impact of timing of concentrate shipments and cash receipts. The facility was undrawn at the date of this report.

Bond Facility

The bond facility is drawn in the form of bank guarantees to the relevant State Government Department for environmental restoration and property managers for security deposits and does not involve the provision of funds.

	Note	31 Dec 2015 $000	31 Dec 2014 $000
11 Dividends paid and proposed			
Cash dividends to the equity holders of the parent:			
Final dividend for 2015: 10 cents per share (2014: 10 cents per share)		15,685	15,564
Dividends on ordinary shares proposed (not recognised as a liability as at 31 December)			
First dividend for 2016: 2 cents per share (2015: 3 cents per share)	(i)	3,137	4,679

(i) Since the end of the financial period, the Board of Directors has resolved to pay an unfranked dividend of 2 cents per share, to be paid on 24 March 2016. The record date for entitlement to this dividend is 10 March 2016. The financial impact of this dividend amounting to $3,137,000 has not been recognised in these interim consolidated financial statements and will be recognised in subsequent financial statements.

12 Financial assets and liabilities

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets comprise trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also holds unquoted equity securities in the form of warrants and available-for-sale investments.

Risk management activities

The Group's activities expose it to a variety of financial risks such as:

- Market risk consisting of interest rate risk, foreign currency exchange risk, commodity price risk and equity price risk;
- Credit risk; and
- Liquidity risk.

The risk management activities of the Group are consistent with those of the previous financial year unless otherwise stated.

Carrying amounts and fair values

The carrying amount of all financial assets and all financial liabilities, except for the Group's secured bank loan, recognised in the balance sheet approximates their fair value. The fair value of the Group's secured bank loan is represented by the face value of the liability, prior to capitalised finance establishment costs (see note 10 for details).

12 Financial assets and liabilities (continued)

The following table shows the fair values of financial assets and financial liabilities, other than cash and cash equivalents, including their levels in the fair value measurement hierarchy as at 31 December 2015.

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value					
Available for sale investments – listed investments		157	-	-	157
Trade receivables	(i)	-	4,088	-	4,088
Other financial assets – unquoted equity securities	(ii)	-	-	-	-
		157	4,088	-	4,245
Financial liabilities measured at fair value					
Trade payables	(i)	-	3,124	-	3,124

(i) Trade receivables/payables includes the embedded derivative for concentrate sale contracts that are still subject to price adjustments where the final consideration to be received/paid will be determined based on prevailing London Metals Exchange (LME) metal prices at the final settlement date. The embedded derivative for sales that are still subject to price adjustments at balance date is fair valued by estimating the final settlement price using the LME forward metals prices at balance date. The receivable/payable represents the present value of expected proceeds to be received/expected funds to be paid, determined using the prevailing forward metal prices at reporting date.

(ii) Unquoted equity securities relate to the fair value of the Group's warrants held as part of the investment in WCB Resources Inc (WCB) and Tintina Resources Inc (Tintina). The fair value of the warrants held in WCB as at 31 December 2015 was $nil (30 June 2015: $241,000). The fair value of the warrants held in Tintina were transferred to the warrants reserve on the date the Group gained control of Tintina, being 18 November 2015.

The fair value of the financial instruments as at 30 June 2015 are summarised in the table below:

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value					
AFS quoted equity shares		175	-	-	175
Trade receivables	(i)	-	6,359	-	6,359
Unquoted equity securities	(ii)	-	-	1,079	1,079
		175	6,359	1,079	7,613
Financial liabilities measured at fair value					
Trade payables	(i)	-	1,861	-	1,861

Reconciliation of recurring fair value measurements within Level 3 of the fair value hierarchy

	Note	$'000
As at 1 July 2015		**1,079**
Re-measurement recognised in other comprehensive income during the period		(54)
Net unrealised loss recognised in the income statement during the period	(i)	(241)
Reclassification to equity warrants reserve on obtaining control	(ii)	(784)
As at 31 December 2015		**-**

(i) The unrealised loss recognised during the period is disclosed and included as part of finance expenses.

(ii) The fair value of the warrants held in Tintina as at 18 November 2015 was $784,000 (30 June 2015: $838,000). In line with the Group's accounting policies, the fair value of the Tintina warrants were transferred to the warrants reserve on the date the Group gained control of Tintina.

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements, during the period ended 31 December 2015 or the comparative period ended 30 June 2015.

12 Financial assets and liabilities (continued)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Valuation techniques of unquoted equity securities

The fair value of the Group's unquoted equity securities, represented by the warrants held by the Group as part of the investment in WCB Resources Inc, are valued at each reporting date using the Black-Scholes option valuation methodology. The Black-Scholes option valuation methodology requires management to make certain assumptions about the model inputs, including risk-free rate; expected volatility; expected life; and dividend yield.

The following table describes the significant unobservable inputs to the valuation and the impact a change in the share price volatility has on the fair value of the warrants.

As at 31 December 2015:

	Valuation technique	**Significant unobservable input**	**Percentage applied**	**Sensitivity of the input to fair value**
Other financial assets – unquoted equity securities	Black-Scholes Option Pricing Model	Volatility	90%	10% increase (decrease) in the volatility would not result in a material increase (decrease) in fair value

As at 30 June 2015:

	Valuation technique	**Significant unobservable input**	**Percentage applied**	**Sensitivity of the input to fair value**
Other financial assets – unquoted equity securities	Black-Scholes Option Pricing Model	Volatility	90%	10% increase (decrease) in the volatility would result in increase (decrease) in fair value by $357,000

13 Events subsequent to reporting date

Dividends

On 24 February 2016 the directors of the Company announced a dividend on ordinary shares in respect of the six month period ended 31 December 2015. The total amount of the dividend is $3,137,000, which represents a fully franked dividend of 2 cents per share. The dividend has not been provided for in the half-year financial report for the six month period ended 31 December 2015.

Acquisition of Aeris' Temora and Currumburrama Exploration Projects

The Company executed an agreement with Aeris Resources Ltd (Aeris; previously Straits Resources Ltd) on 6 October 2015 to acquire Aeris' Temora and Currumburrama Exploration Projects located in New South Wales, including all of Aeris' legal and beneficial interest in EL6845, EL5864 and EL5792 including the rights and benefits which Aeris is entitled to under heritage agreements and native title contracts, and all mining information which is relevant to the Tenements.

Under the terms of the Agreement, which settled on 4 January 2016, Sandfire issued Aeris 470,240 ordinary fully paid shares as consideration for the acquisition of the Tenements.

In accordance with a resolution of the directors of Sandfire Resources NL, I state that:

In the opinion of the directors:

(a) The financial statements and notes of Sandfire Resources NL for the half-year ended 31 December 2015 are in accordance with the *Corporations Act 2001,* including:

   (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

   (ii) Complying with AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Derek La Ferla	**Karl Simich**
Non-Executive Chairman	*Managing Director and Chief Executive Officer*

Dated at West Perth this 24th day of February 2016.

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Independent review report to the members of Sandfire Resources NL

Report on the financial report

We have reviewed the accompanying half-year financial report of Sandfire Resources NL, which comprises the consolidated interim balance sheet as at 31 December 2015, the consolidated interim income statement, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at half-year and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sandfire Resources NL and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sandfire Resources NL is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Ernst Young

Ernst & Young

P Teale
Partner
24 February 2016

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