



SANDFIRE
RESOURCES NL

ASX Code: SFR

A QUALITY COPPER-GOLD PRODUCER

June 2018 Full Year Results Presentation – 30 August 2018

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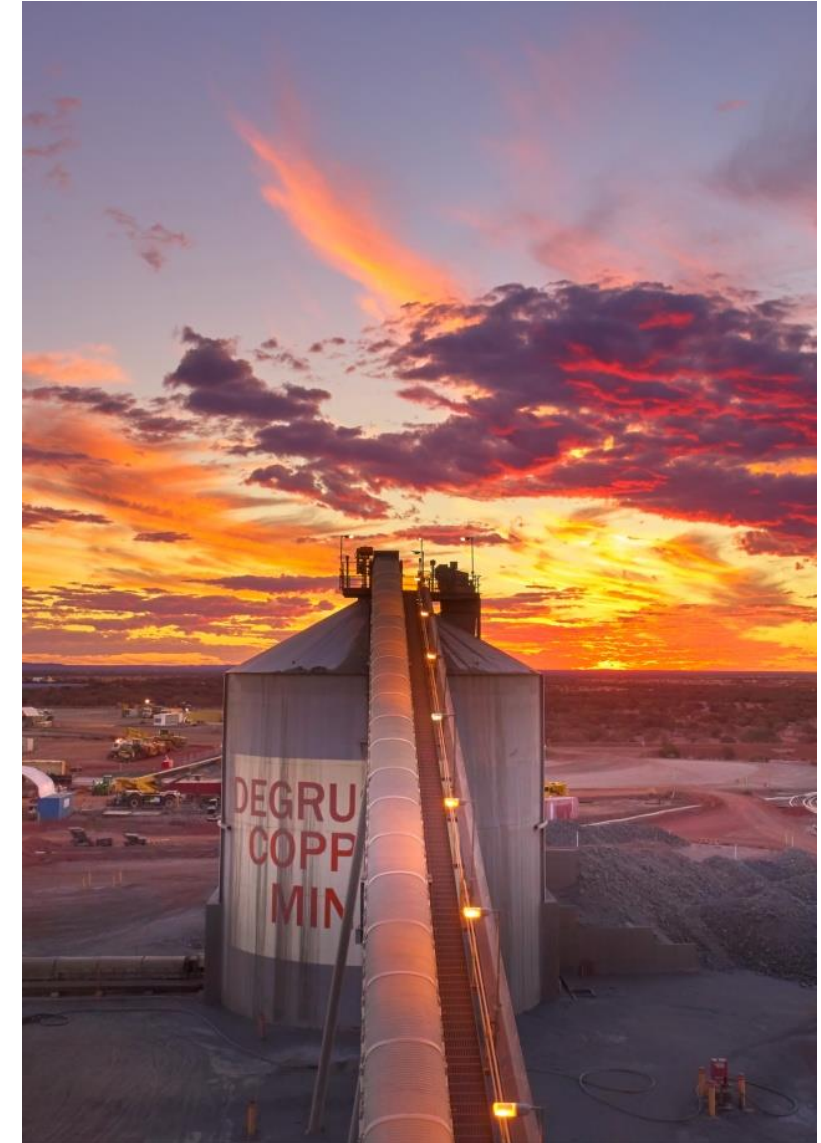
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Operating Results – FY2018

Karl Simich – Chief Executive Officer



- ▶ **FY2018 production:** 64,918t copper and 39,273oz gold; C1 US\$0.93/lb
- ▶ **FY2019 production guidance:** 63-67kt of contained copper, 37-40koz of contained gold; C1 costs ~US\$1.00-1.05/lb
- ▶ **Safety TRIFR:** 7.1 (June 2018) vs. 5.0 (June 2017)
- ▶ **Monty Copper-Gold Project** (Springfield JV) decline development progressing; agreement finalised to acquire Talisman Mining Ltd's 30% JV interest
- ▶ **Final permitting stage (EIS) for the Black Butte Copper Project, central Montana, USA (TSX-V: SFR):** 78%-owned Sandfire Resources America Inc. developing the high-quality Black Butte Copper Project
- ▶ **Multi-pronged exploration programs** at Doolgunna, Enterprise Farm-In and Springfield JV; Massive sulphides intersected at Auris farm-in





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Financial Results – FY2018

Matthew Fitzgerald – Chief Financial Officer



Sandfire maintains strong operational and financial performance

- ▶ Record sales revenue and price adjustment gains of **\$606.7M**
- ▶ Strong cash flow from operating activities of **\$245.0M** (**\$284.6M** prior to payments for exploration and evaluation expenses)
- ▶ DeGrussa Mine segment earnings before net finance and income tax expense of **\$226.3M**
- ▶ Profit before net finance and income tax expense of **\$173.8M**
- ▶ Profit before income tax expense of **\$175.5M**
- ▶ Net profit after tax **\$120.8M**
- ▶ Net profit after tax attributable to members **\$123.0M**
- ▶ Earnings per share of **77.85cps** (basic and diluted)
- ▶ Cash at 30 June 2018 of **\$243.4M**



Sandfire increases dividend payments

- ▶ Maintaining dividend stream from profitable operations and increased copper price
- ▶ **Final dividend for FY2018 of 19cps (fully-franked)**, following 8cps fully-franked interim dividend
- ▶ Continuing to balance shareholder returns and growth (dividends, business development and exploration) with operational cash flow requirements (DeGrussa and Monty mine development and capital expenditure)



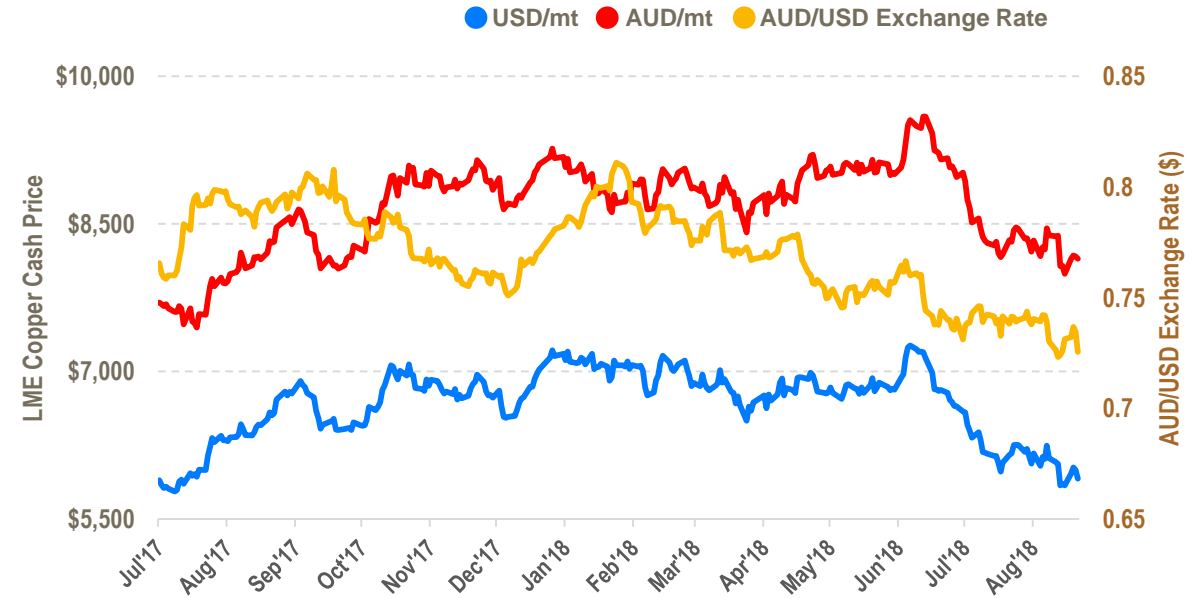
June 2018 Full Year Presentation – Headline Income



Income Statement Review – Key Results

(\$'000)	June 2018	June 2017
Sales revenue and price gains	606,712	532,548
Profit before net finance and income tax expense	173,541	114,172
Net finance income (expense)	1,776	(3,768)
Profit before income tax expense	175,541	110,404
Income tax expense	(54,788)	(35,388)
Net profit for the year	120,753	75,016
Net profit for the year – equity holders	123,024	77,510

COPPER and AUD Prices



- ▶ Revenue increase of \$74.2M for the year, an increase of 14% driven by strong copper markets, which also contributed to positive net QP price adjustments of \$10.5M over the year
- ▶ DeGrussa Mine Segment contributed \$226.3M to the Group profit before net finance and income tax expense, an increase of \$67.8M
- ▶ All other activities contributed a loss of \$52.6M before net finance and income tax expense, which includes the Exploration and Evaluation Segment (loss of \$39.1M)



Balance Sheet Review

(\$'000)	June 2018	June 2017
ASSETS		
Cash and cash equivalents	243,367	126,743
Trade and other receivables	13,773	15,970
Inventories	33,961	26,473
Other current assets	2,680	3,006
Total current assets	293,781	172,192
Inventories	11,698	11,698
Exploration and evaluation assets	24,410	21,852
Property, plant and equipment	330,619	369,016
Financial assets and other	10,390	1,151
Total non-current assets	377,117	403,717
TOTAL ASSETS	670,898	575,909

- Cash of \$243.4M – Increased \$116.7M from strong operating cash flows, post tax and dividend payments
- Property, plant and equipment – Includes \$30.3M invested in the development of the new Monty Copper-Gold Mine



Balance Sheet Review

(\$'000)	June 2018	June 2017
LIABILITIES		
Trade and other payables	39,898	35,478
Interest bearing liabilities	1,611	1,567
Income tax payable	31,203	20,460
Provisions	4,255	3,352
Total current liabilities	76,967	60,857
Trade and other payables	-	97
Interest bearing liabilities	239	210
Provisions	29,467	24,534
Deferred tax liabilities	32,174	48,361
Total non-current liabilities	61,880	73,202
TOTAL LIABILITIES	138,847	134,059
NET ASSETS	532,051	441,850

- ▶ Income tax payable - \$31.2M payable as a result of the higher FY2018 profit
- ▶ Bank Debt – the Group repaid the principal debt facility in 2017 and remains debt free
- ▶ Deferred tax liability – a result of taxable income lagging accounting profit, reversing



Continued strong outlook for FY2019 and beyond

- ▶ **Consistent, low-cost copper-gold production**
 - FY2018 performance: 64,918t Cu, 39,273oz Au at C1 US\$0.93/lb
 - FY2019 guidance: 63-67kt Cu, 37-40koz Au at C1 US\$1.00-1.05/lb
- ▶ **Monty Copper-Gold Project** development (Springfield JV) progressing; on track to intersect first development ore in late Q2 FY2019
- ▶ Multi-pronged exploration programs across 6,588km²
 - Doolgunna, Springfield JV, Enterprise JV
- ▶ **Cash flow** funding growth and shareholder returns
 - Increased dividend stream for shareholders
 - Committed and focused exploration to further extend mine life
 - 78% interest in high-grade USA Black Butte Copper Project development
- ▶ **Emerging** international and domestic growth pipeline



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