



SANDFIRE
RESOURCES NL

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**December 2018
Quarterly Report
Presentation and
Webcast
30 January 2019**

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DeGrussa and Monty Mineral Resource

The information in this report that relates to the DeGrussa and Monty Mineral Resource is based on information compiled by Mr Callum Browne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne is a permanent employee of Sandfire Resources NL and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserve. Mr Browne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DeGrussa and Monty Ore Reserve

The information in this report that relates to the DeGrussa and Monty Ore Reserve is based on information compiled by Mr Neil Hastings who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hastings is a permanent employee of Sandfire Resources NL and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hastings consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Black Butte Mineral Resource

The information in this report that relates to Black Butte Mineral Resource is based on information compiled by Mr Michael J. Lechner who is a Registered Member of SME, a CPG with AIPG, a RPG in Arizona, and a P. Geo. In British Columbia. Mr Lechner is an independent consultant and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Lechner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statements



Exploration Results Doolgunna

The information in this presentation 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 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 continuing exploration programs aimed at reporting additional JORC compliant resources for the Greater Doolgunna Project, there has been insufficient exploration to define mineral resources in addition to the current JORC compliant Mineral Resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.



Agenda



Highlights

Safety

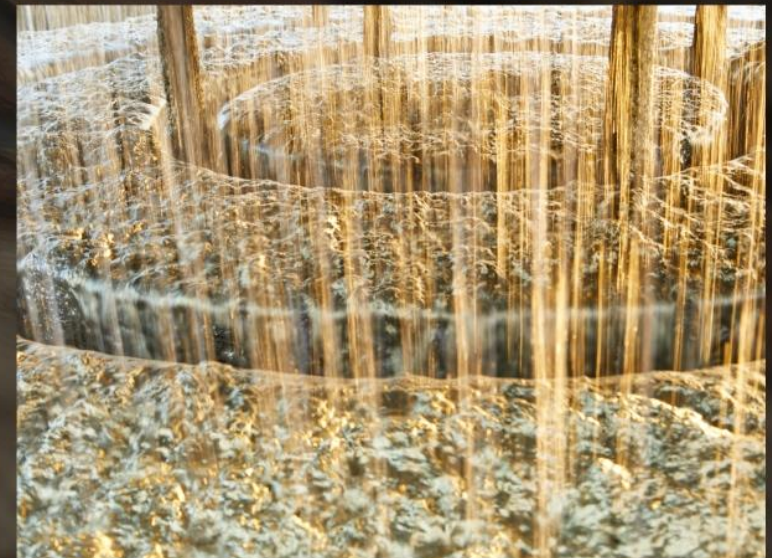
Operations

Guidance & costs

Development

Exploration

Summary





Production and Operations

- ▶ December 2018 Quarter: 16,888t of contained copper and 10,427oz of contained gold produced; C1 US\$0.85/lb
- ▶ 1H FY2019: 34,813t of contained copper and 21,567oz of contained gold produced; C1 US\$0.87/lb
- ▶ FY2019 guidance maintained: upper end of both 63-67kt of contained copper and 37-40koz of contained gold; C1 costs lowered to ~US\$0.90-0.95/lb

Development

- ▶ First Monty Copper-Gold Mine development ore mined; Talisman Mining Ltd's 30% JV interest acquisition completed
- ▶ Black Butte permitting final stage (EIS) continues, draft EIS expected March 2019 quarter; SFR ownership increased to 86% following participation in the Sandfire Resources America Inc. rights issue

Exploration

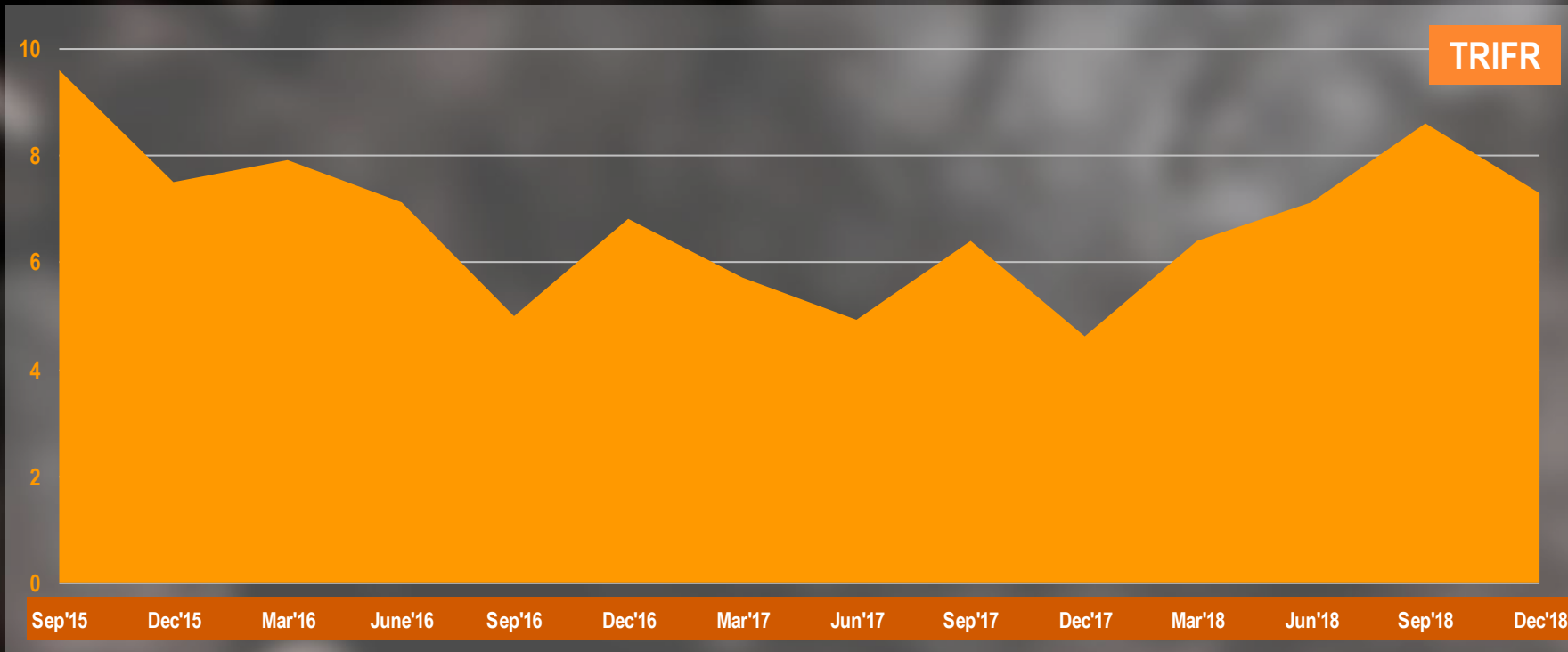
- ▶ Multi-pronged exploration programs continuing across Sandfire's Greater Doolgunna Project (Sandfire's exploration tenure, including Joint Venture and Farm-in arrangements, 6,588km²)

Corporate and Financial

- ▶ Cash and deposits \$164.7M (Sandfire); \$179.0M (Group)



- ▶ Total Recordable Injury Frequency Rate (TRIFR) of 7.3 at Quarter-end (vs. 8.6 at September 2018 Quarter-end)
- ▶ Principal hazard management – key theme to improve safety culture
- ▶ Focus continues to be applied to improving safety leadership, culture and assurance of critical controls





Underground production

- ▶ Total DG ore production for the Quarter of 392,115t grading 4.67% Cu
- ▶ DG Mine remains in balance between production and back-fill
- ▶ First Monty development ore mined as planned
 - Stopping ore scheduled from March 2019 Quarter





Mill throughput

- ▶ Quarter: 402,488 tonnes milled at average feed grade of 4.57% Cu

Recovery

- ▶ Copper recovery of 91.7%; Gold recovery 42.3%

Concentrate & metal production

- ▶ 69,805 tonnes of concentrate produced
- ▶ 16,888 tonnes of contained copper produced
- ▶ 10,427 ounces of contained gold produced





- ▶ December 2018 Quarter: Sales of 83,480 tonnes of concentrate (dry) containing 20,047 tonnes of copper (19,203 tonnes payable) and 13,345 ounces of gold (12,426 ounces payable)
- ▶ 1H FY2019: Sales of 136,183 tonnes of concentrate (dry) containing 32,715 tonnes of copper (31,329 tonnes payable) and 20,721 ounces of gold (19,263 ounces payable)
- ▶ 8 shipments completed for the quarter, 13 for the 1H FY2019
- ▶ For the 1H FY2019 financial results, and beyond, total revenue will be presented on the Income Statement net of treatment and refining charges and QP gains/losses (preliminary subject to audit review):

	1H FY2019 \$M
Value of metal payable sold	303.5
Treatment and refining charges	(19.7)
Realised and unrealised price adjustment loss	(11.6)
Total revenue	272.3

Operations – Unit Operating Costs

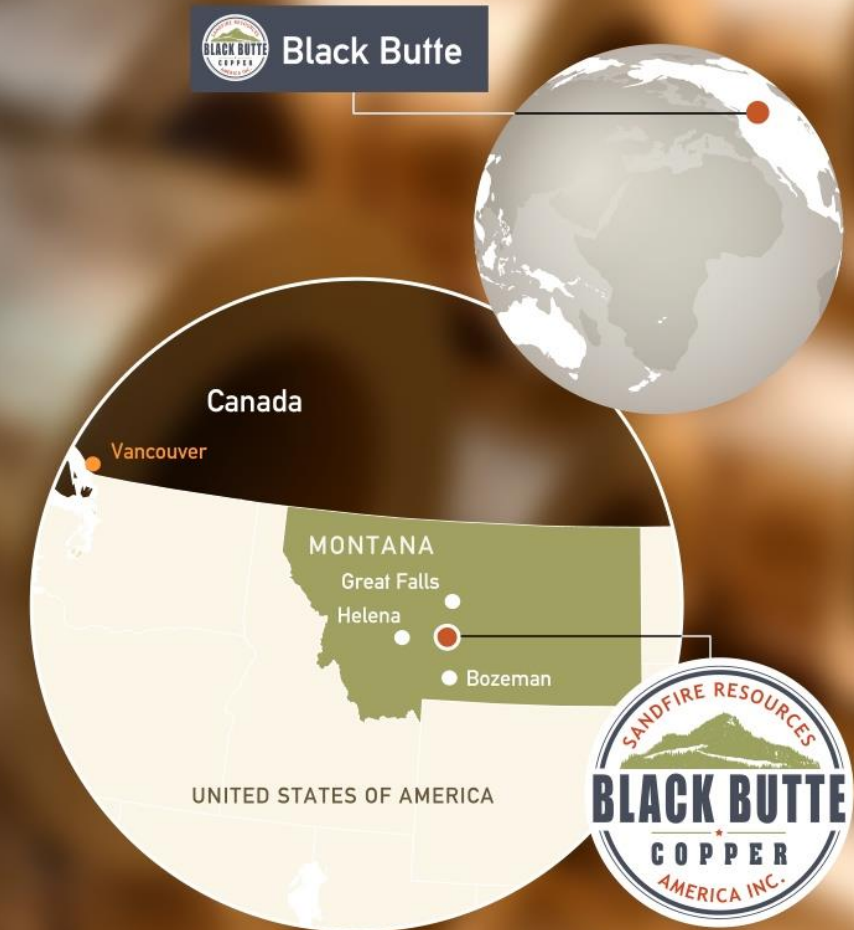


Unit costs – DeGrussa Mine	Q2 - FY2019 (US\$/lb)	1H - FY2019 (US\$/lb)	Commentary
Mining (net of development)	0.41	0.40	C1 costs being assisted by: <ul style="list-style-type: none"> - Strong copper and gold production - Reduced FX rate - Increasing gold price - Lower diesel price
Processing	0.30	0.29	
Business services	0.12	0.11	
Transport, treatment and refining	0.42	0.45	
C1 cost (pre by-product credit)	1.26	1.25	Remainder of FY2019 C1 unit costs expected to be impacted by: <ul style="list-style-type: none"> - Monty mining costs commencing in Q2FY2019 with below LOM head grade - Reducing DeGrussa mining scale for total 1.6Mtpa target plant throughput inclusive of Monty
By-product credit (gold and silver)	(0.41)	(0.38)	
C1 cost	0.85	0.87	
Royalties	0.14	0.14	
Production cost	0.99	1.01	DeGrussa Mine development \$7M for the Quarter Monty capital \$13M for the Quarter Sustaining and strategic capital expenditure \$2M Tax payments \$51M for 1HFY2019
Depreciation and amortisation	0.71	0.70	
Total production cost	1.70	1.71	

Development and Growth – Black Butte Copper Project, USA



- ▶ 86% stake in Black Butte Copper Project, central Montana (via stake in Sandfire Resources America Inc.)
- ▶ Advanced, high quality copper project in stable jurisdiction:
 - Mineral Resource: 18Mt at 3.3% Cu, 14g/t Ag, 0.10% Co for 597,000t of copper, 7,980,000oz of silver and 18,000t of cobalt (JORC)*
- ▶ Environmental Impact Statement (EIS) progressing as final stage of state permitting process
- ▶ Draft EIS expected in the March 2019 Quarter
- ▶ Feasibility Study commenced with key contractors and consultants engaged
 - Geotech and metallurgical drilling
 - Mine planning
 - Processing plant and paste design
 - Site facilities and infrastructure



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

Doolgunna Exploration Overview



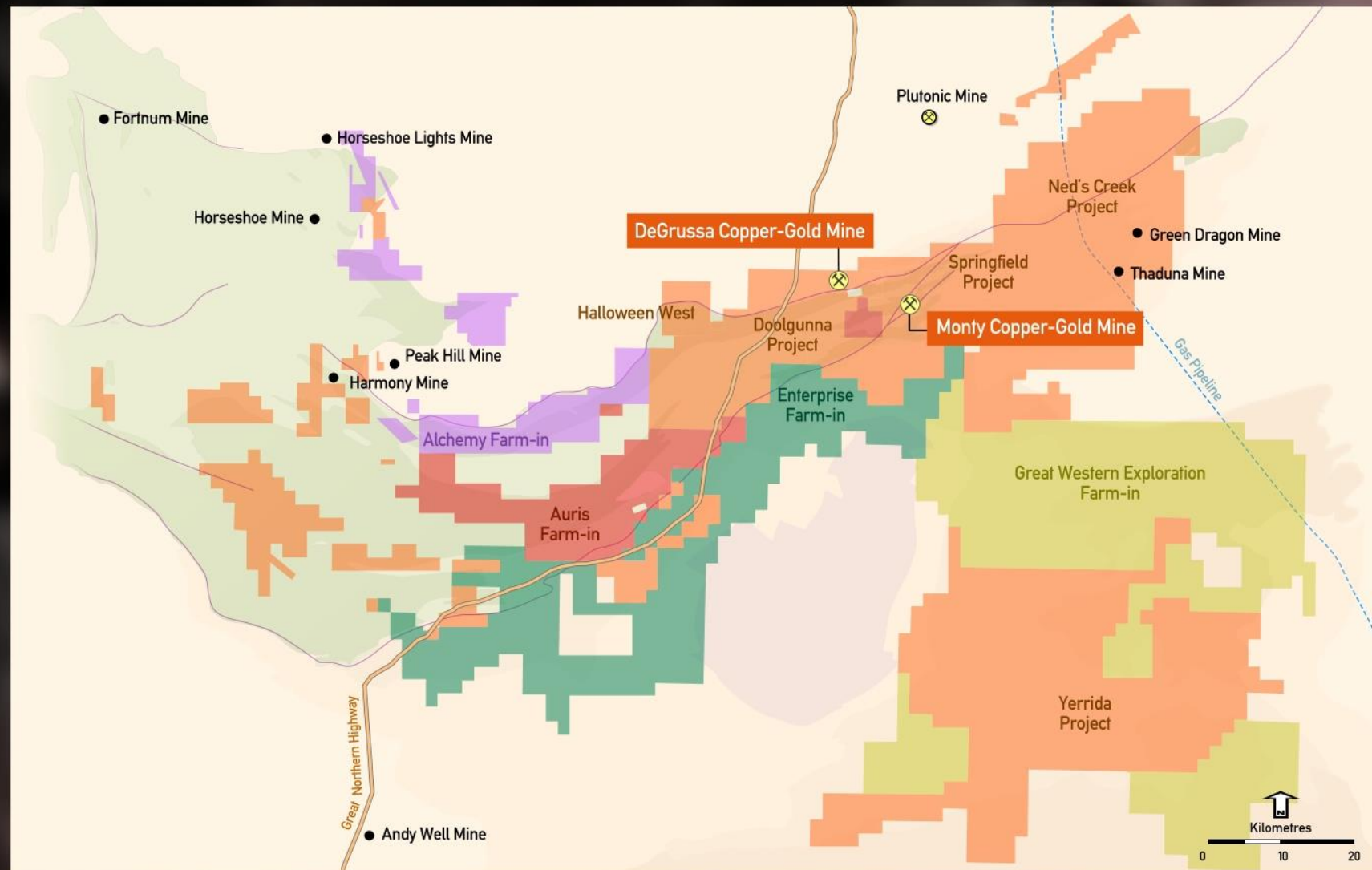
- ▶ Exploration continuing as a priority along highly prospective VMS corridor that hosts the DeGrussa and Monty deposits.
 - Continuation of major AC drilling program through the Morck Well Project to aid geological interpretation and provide quality geochemical coverage.
 - RC drilling at Morck Well Project to test stratigraphy along strike from where visible copper mineralisation was intersected.
 - RC and Diamond drilling within the Ned's Creek Project to test geophysical conductors identified through the inversion of VTEM data and fault systems along strike from Green Dragon for structurally-hosted copper mineralisation.
 - RC drilling at Enigma to aid in the definition of the supergene copper mineralisation defined by Sipa Resources Ltd and provide samples for metallurgical testwork.
 - Diamond drilling at Springfield to test a subtle DHEM anomaly.



Doolgunna Exploration Overview



- Exploration advancing at multiple prospects within Greater Doolgunna area



- 47,041m AC/RAB drilling
- 3,850m RC drilling
- 2,898m surface DD drilling
- Total Tenure – 6,588km²

	Sandfire Tenements (3,444 km ²)
	Enterprise Farm-in Tenements (917 km ²)
	Great Western Exploration Farm-in Tenements (1,525 km ²)
	Auris Farm-in Tenements (390 km ²)
	Alchemy Farm-in Tenements (312 km ²)
TOTAL = 6,588 km²	

	Bryah Basin Formation
	Prospective Narracoota Volcanics
	Killara + Maralou Formations
	Thaduna + Doolgunna Formations
	Windplain Sub-Group
	Monzogranite
	Historical Mine



► Production and cost performance

- 1H FY2019: 34,813t of contained copper and 21,567oz of contained gold produced; C1 US\$0.87/lb
- FY2019 guidance maintained: upper end of both 63-67kt of contained copper and 37-40koz of contained gold; C1 costs lowered to ~US\$0.90-0.95/lb
- Monty first development ore mined; first high grade stoping ore scheduled for March 2019 Quarter

► Progressing permitting for 86%-owned Black Butte Copper Project, USA

► Active exploration underway targeting the next VMS discovery across the emerging Bryah Basin VMS district – aggregate contiguous exploration area of 6,588km²





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