



SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR

18 April 2019

ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

**LODGEMENT OF MARCH 2019 QUARTERLY REPORT, QUARTERLY UPDATE PRESENTATION
AND INVESTOR CONFERENCE CALL AND WEBCAST**

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

1. March 2019 Quarterly Activities Report
2. March 2019 Quarterly Update Powerpoint Presentation

In addition, a teleconference and live webcast on the March 2019 Quarterly Report will be held for the investment community at 10.00am (AWST) / 12.00pm (AEST) today.

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

Live date: Thursday, 18 April 2019

Access this webcast at: <http://webcasting.brrmedia.com/broadcast/5ca1887d7b79d12cecb786b>
<http://www.sandfire.com.au>

Yours sincerely,

Matthew Fitzgerald

**Chief Financial Officer
and Company Secretary**



MARCH 2019 QUARTERLY REPORT

Positive Quarter further boosts FY19 production guidance, as delivery of first stoping ore from new Monty mine marks start of production ramp-up

Highlights

Production & Operations

Contained metal production	September 2018 Quarter	December 2018 Quarter	March 2019 Quarter	FY2019 Guidance
Copper (t)	17,924	16,888	16,062	66,000 – 68,000
Gold (oz)	11,141	10,427	10,921	40,000 – 42,000
C1 cost (US\$/lb)	0.89	0.85	0.92	~0.90

- Continued strong mine production and milling rates maintained for the Quarter.
- First stoping ore delivered from the Monty Copper-Gold Mine, with Monty delivering 38,519t grading 3.74% Cu for the Quarter. Grade from Monty is scheduled to increase strongly from the June Quarter.
- FY2019 guidance strengthened: 66-68kt Cu and 40-42koz Au; C1 ~US\$0.90.

Development Projects

- Draft Environmental Impact Statement (EIS) for the Black Butte Copper Project in Montana, USA, released by the Montana Department of Environmental Quality. This triggers the start of public comment period, after which a Record of Decision (ROD) and Mine Operating Permit could be issued.
- Black Butte Copper Project Feasibility Study progressing well, with work underway on updated Mineral Resource, mine design and maiden Ore Reserve. Feasibility Study targeted for completion mid-2019.

Exploration

- Multi-pronged exploration programs continuing across Sandfire's Greater Doolgunna Project (6,674km²) with extensive Aircore, Reverse Circulation and diamond drill programs advancing over the Morck Well and Enterprise Projects, supported by down-hole and surface electro magnetics (EM) surveys.
- Drilling was completed in the Quarter on porphyry targets at Rain Hill, within the 100%-owned Temora Project in New South Wales.

Corporate

- Earn-in and Joint Venture agreement signed with White Rock Minerals Ltd (ASX: WRM) over the high-grade zinc VMS Red Mountain Project in Alaska, with Sandfire having the right to earn up to 70% project interest.
- Sandfire announced a net profit after income tax of \$48.3 million for the six months to 31 December 2018 on total revenue of \$272.3 million. An interim fully-franked dividend of 7.0cps was paid on 19 March 2019.
- Group cash on hand as at 31 March 2019: \$194.2 million (unaudited).

1.0 SAFETY PERFORMANCE

The Total Recordable Injury Frequency Rate (TRIFR) for the Sandfire Group at the end of March was 7.1 (December Quarter: 7.3). Recordable injuries include those that result in any days away from work (Lost Time Injuries), those where an employee or contractor cannot perform all or any part of their normal shift (Restricted Duty Injuries), as well as any injury that requires services that only a medical practitioner can provide (Medical Treatment Injuries).

Safety system developments continue to focus on the prevention of incidents and principal hazard management, with the continued roll-out of new software to assist in managing and improving the safety culture and the management of risk for both employees and contractors.

2.0 OPERATIONS OVERVIEW

Copper production for the Quarter was 16,062 tonnes (December Quarter: 16,888 tonnes). C1 cash operating costs for the Quarter were US\$0.92/lb (December Quarter: US\$0.85/lb).

Mine production for the Quarter was 434,518 tonnes with production sourced from all lenses at DeGrussa (395,999t @ 4.26% Cu) and, for the first time, included stoping ore from the satellite Monty Copper-Gold Mine (38,519t @ 3.74% Cu).

A total of 413,688 tonnes of ore grading 4.21% Cu was milled for the Quarter, with copper recovery averaging 92%.

3.0 MINING & PRODUCTION

3.1 Overview

March 2019 Quarter – Production Statistics		Tonnes	Grade (% Cu)	Grade (g/t Au)	Contained Copper (t)	Contained Gold (oz)
Concentrator	Mined – DeGrussa	395,999	4.26	1.75	16,859	22,261
	Mined – Monty	38,519	3.74	0.35	1,442	435
	Mined – Total	434,518	4.21	1.62	18,301	22,696
	Milled	413,688	4.21	1.73	17,421	23,045
	Production	65,977	24.34	5.15	16,062	10,921

Note: Mining and production statistics are rounded to the nearest 0.1% Cu grade and 0.1 g/t Au grade. Errors may occur due to rounding. Production statistics are subject to change following reconciliation and finalisation subsequent to the end of the Quarter.

3.2 Underground Mining

During the Quarter, production was sourced from all lenses at DeGrussa with the mine remaining in balance between production and back-fill.

First stoping ore was also delivered from the Monty satellite mine during the March Quarter, with the initial stopes producing lower grade ore (as guided) at 3.74% Cu. Grade from Monty is scheduled to rise into and from the June Quarter as the mine plan moves into higher grade stopes.

3.3 Processing

Mill throughput for the March Quarter was marginally above target driven by higher mill availability and utilisation. Strong copper recovery was achieved for the ore profile presented during the Quarter with continued improvements achieved in blending strategies.

3.4 Solar Farm

The solar farm has been actively producing into the DeGrussa electrical network, providing on average 18.7% of the overall power usage for the March Quarter.

3.5 Guidance – FY2019

Targeted copper production for FY2019 has been further strengthened, with copper production expected to be in the guidance range of 66,000-68,000 tonnes of contained copper metal and gold production in the guidance range of 40,000-42,000 ounces of contained gold. Guidance for headline C1 cash operating costs has been lowered to ~US\$0.90/lb.

4.0 SALES AND MARKETING

4.1 Copper Concentrate Shipments

A total of 72,762 dry metric tonnes of concentrate containing 17,521 tonnes of copper (16,766 tonnes payable) and 10,106 ounces of gold (9,368 ounces payable) was sold during the March Quarter. Seven shipments were completed from Port Hedland and Geraldton in the Quarter.

Concentrate stocks at the end of the Quarter were 16,000 tonnes, containing around 4,000 tonnes of copper.

5.0 DEVELOPMENT PROJECTS

5.1 DeGrussa Oxide Copper Project

The bulk of the column test work planned for the DeGrussa Oxide Copper Project has been completed with the last of the columns for determining the overall kinetics to be completed in the next few months.

The ore sorting pilot testing is complete and laboratory testing to determine the initial acid demand have been completed so that suitable bottle roll tests can commence.

5.2 Black Butte Copper Project, USA (Sandfire: 86%)

Sandfire holds an 86% interest, via North American-listed company Sandfire Resources America Inc. (formerly Tintina Resources Inc.) (TSX-V: SFR) in the premier, high-grade Black Butte Copper Project, located in central Montana in the United States. The project is being permitted by Tintina Montana Inc. (Tintina), a 100%-owned subsidiary of Sandfire Resources America Inc. and is located close to existing road, power and rail infrastructure, with the ability to access a residential workforce located nearby. Located on private ranch land, the Black Butte 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 15.7Mt grading 3.4% Cu, 0.1% Co and 14g/t Ag for 533,600t of contained copper and Inferred Resources totalling 2.3Mt grading 2.8% Cu, 0.09% Co and 14g/t Ag for 63,500t 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. This makes Black Butte one of the top-10 undeveloped copper projects worldwide by grade.

The PEA confirmed that the Black Butte 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.

Permitting Progress

The Draft Environmental Impact Statement (EIS) for the Black Butte Copper Project was released by the Montana Department of Environmental Quality (MT DEQ) during the March Quarter.

The Draft EIS will be open for public comment for a 60-day period commencing March 11, 2019 and completing May 10, 2019. A link to the Draft EIS is available from the Sandfire Resources America Inc. website, www.sandfireamerica.com.

Following the Draft EIS public comment period, the MT DEQ will respond to comments and issue a final EIS. The MT DEQ can then issue a Record of Decision (ROD) and Mine Operating Permit (MOP) for the Black Butte Copper Project, potentially as early as the third Quarter of 2019.

Feasibility Study (FS)

Initial work on the Black Butte Feasibility Study commenced in October 2018 and is progressing well with completion targeted for around mid-2019. The feasibility team includes Denver-based GR Engineering Services Limited as the lead consultant, with SRK Consulting overseeing the Mineral Resource preparation and Mining Plus conducting mine design and Mineral Reserve preparation.

A 24-hole drill program was completed during the Quarter to gather further geotechnical and hydrogeological data to support the FS and increase the level of geological confidence in the projected initial mining zones. Design work is also continuing for start-up construction of the decline portal pad and contact water pond upon receipt of a MOP from the MT DEQ.

For further details refer to the market releases of Sandfire Resources America Inc., available on the company website www.sandfireamerica.com.

6.0 EXPLORATION

6.1 Overview

Sandfire continues to progress a tightly focused, multi-disciplinary exploration campaign across the Greater Doolgunna Project (see Figure 1) to test for extensions to the known cluster of volcanogenic massive sulphide (VMS) deposits at DeGrussa and Monty, 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 activities during the March Quarter included:

- Continuation of the Reverse Circulation (RC) and Aircore (AC) drilling program through the Morck Well Project, part of the Auris Minerals Ltd farm-in, to aid geological interpretation and provide quality geochemical coverage of the interpreted Karalundi Formation, which hosts the DeGrussa and Monty copper-gold deposits.
- RC drilling at the Enterprise Project to test the depth to the Karalundi Formation through the overlying quartzites and shales of the Mount Leake Formation.
- In-fill AC drilling at the Enterprise Project targeting the Doolgunna Formation-Karalundi Formation contact.
- Regional AC drilling at the Ned's Creek Project targeting local potentially mineralised structures, as well as the base of paleo-channel gravels which have the potential to carry upstream geochemical anomalies.
- Down-hole Electro Magnetics (DHEM) surveying of a number of recently-completed drill holes.
- Continued gravity surveying to cover the Karalundi Formation throughout the wider Doolgunna area.

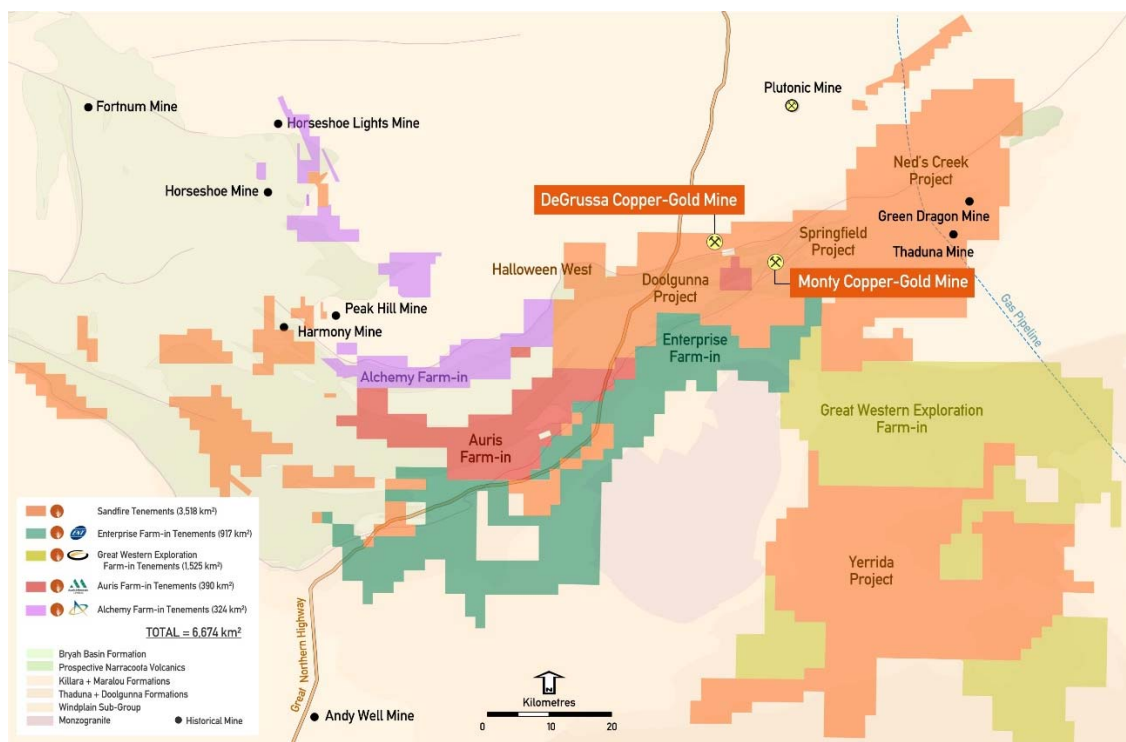


Figure 1: Sandfire's tenement holding in the Greater Doolgunna region.

The aggregate metres drilled on Sandfire's wholly-owned and JV tenements during the March Quarter are summarised below.

Project	AC/RAB Drilling (m)	RC Drilling (m)	UG Diamond Drilling (m)	Surface Diamond Drilling (m)	Total Drilling (m)
Doolgunna (SFR 100%)	499	-	-	7	506
Ned's Creek (SFR 100%)	9,649	-	-	-	9,649
Springfield (SFR 100%)	-	-	22,078	-	22,078
Enterprise JV (Earn-in)	40,655	4,061	-	-	44,716
Auris JV (Earn-in)	6,287	4,391	-	591	11,269
TOTAL March 2019 Quarter	57,090	8,452	22,078	598	88,218

6.2 Greater Doolgunna Project

The Greater Doolgunna Project, which includes 100% Sandfire tenure, Joint Venture and Farm in projects, covers an aggregate contiguous exploration area of 6,674km² (Figure 1). This includes over 90km of strike extent in host VMS lithologies. Much of this stratigraphy is obscured beneath transported cover and requires systematic drilling to test the bedrock geochemistry and identify prospective areas.

6.2.1 Morck Well Project

Sandfire entered into a farm-in agreement with Auris Minerals Ltd (ASX: AUR) and Fe Ltd (ASX: FEL) in relation to their Morck Well JV Project (Auris 80%: Fe 20%) located 22km south-west from DeGrussa and Auris' 100% owned Doolgunna Project, in February 2018. Sandfire can earn up to a 70% interest in five exploration tenements in the eastern portion of the Bryah Basin.

Extensive programs of AC and RC drilling continued at the Morck Well Project during the Quarter, as well as a single diamond hole.

Diamond hole MWDD0004 was designed to test further deep intersections of the interpreted host sedimentary horizon, with accompanying anomalous geochemistry results from aircore assays. Drilling intersected a mixed package of stacked peperitic basalts, exhalative and chlorite altered sediments, and dolerites of the Karalundi Formation. No significant sulphide mineralisation has been observed in this hole.

Regional AC drilling comprised a first pass 400x100m pattern over the Karalundi Formation within the Cuba project area, as well as an initial 400x100m pattern within the Morck Well South prospect area, with the aim of providing high quality geochemistry and assisting with detailed geological interpretation and target generation. A total of 134 holes were completed for a total advance of 6,287m (see Figure 2 below).

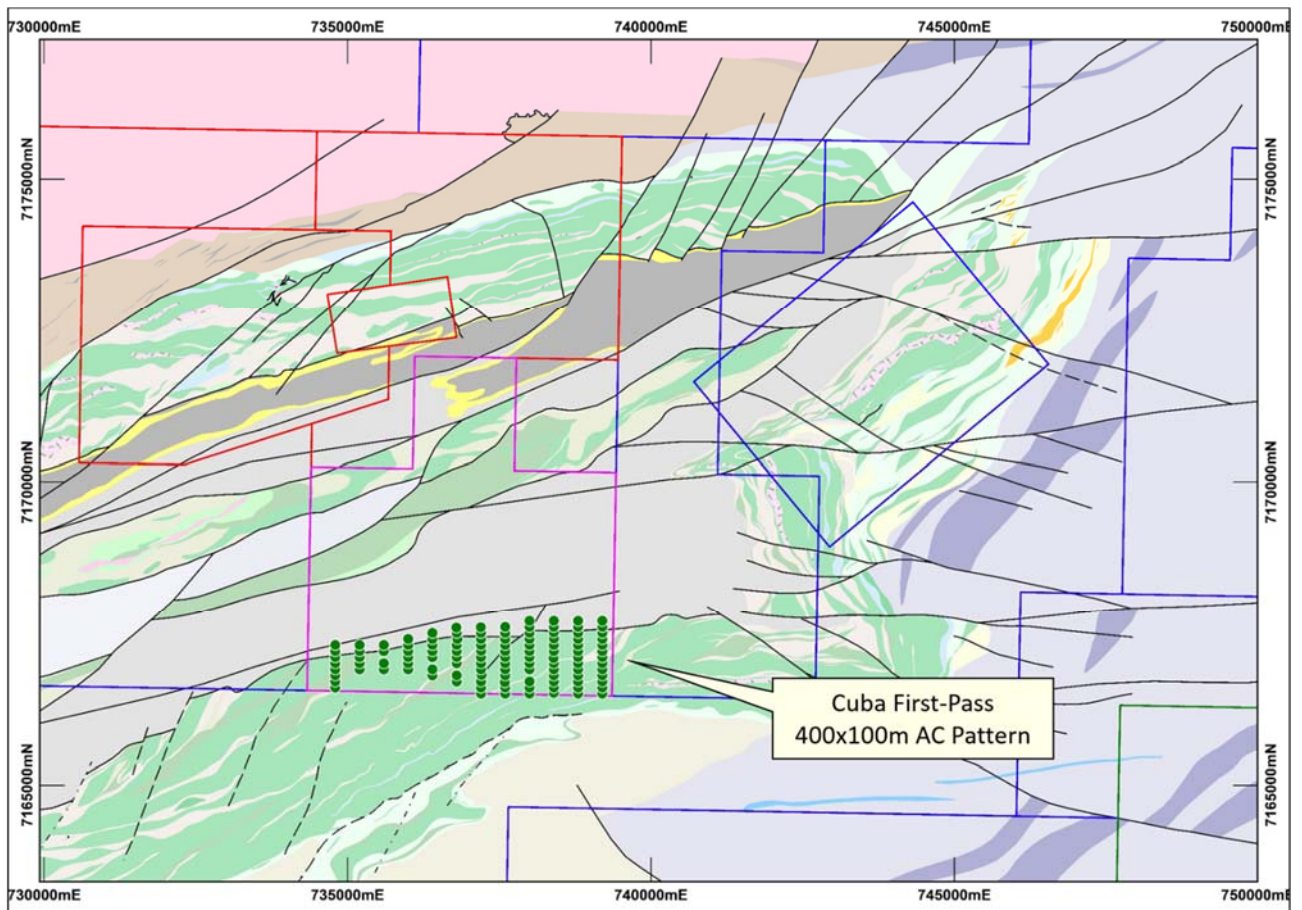


Figure 2: AC Drilling conducted within the Cuba tenement of the Morck Well Project during the March Quarter.

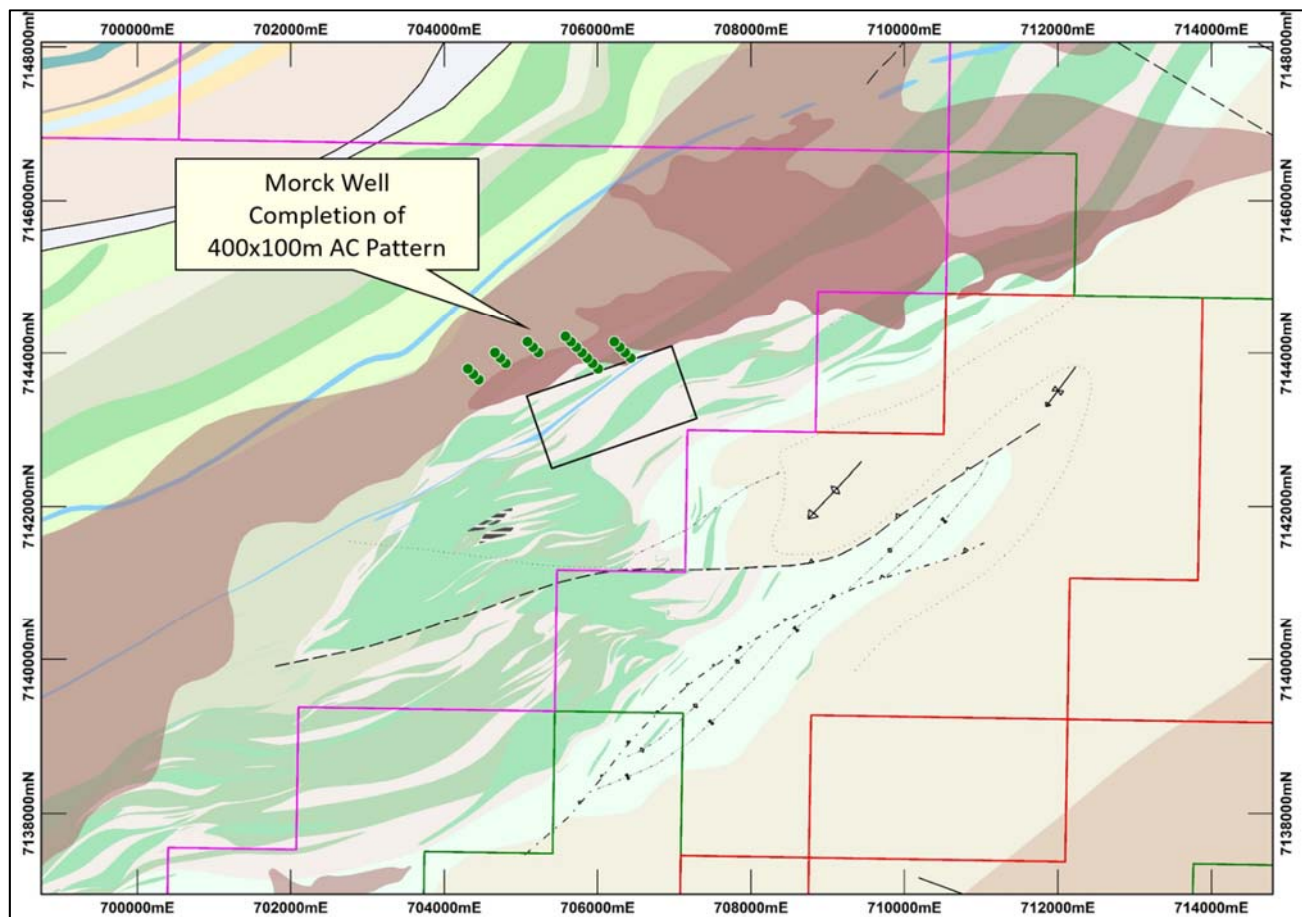


Figure 3: AC Drilling conducted within the Morck Well Project during the March Quarter.

Exploration RC drilling was targeted at a continuation of the Morck Well host sediment horizon and significant geology and geochemistry intersected in previous AC drilling. Deep RC drilling is ongoing and will continue to test deep intersections of potential host sedimentary horizons heading southwest along the interpreted host horizon. These drill holes are designed to test downhole anomalous aircore assays within prospective stratigraphy. The drill holes will provide deep DHEM platforms as well as assist in increasing accuracy of the geological interpretation (some holes are planned to have diamond drill tails to reach the target depth).

In addition to the drilling, a large Moving Loop Electromagnetic (MLEM) survey is continuing, with the aim of testing the prospective Karalundi Formation throughout the Morck Well Project. The goal of the programme is to identify any potential bedrock conductors similar to those previously identified at the Homestead and Vulcan West Prospects.

The continuation of mixed exhalative and interpreted shallow intrusive to extrusive mafic igneous rocks intersected in RC and Diamond drilling further confirm the prospectivity of the Morck Well Project area. Drilling intersected host sediment horizons in positions approximate to the modelled interpretation, providing higher confidence to planning and results going forward.

Geological interpretation is an ongoing process and is being updated and reviewed regularly with the completion of new drilling and return of assays. A significant number of assays are still pending for the Morck Well South prospect area as at the end of the Quarter.

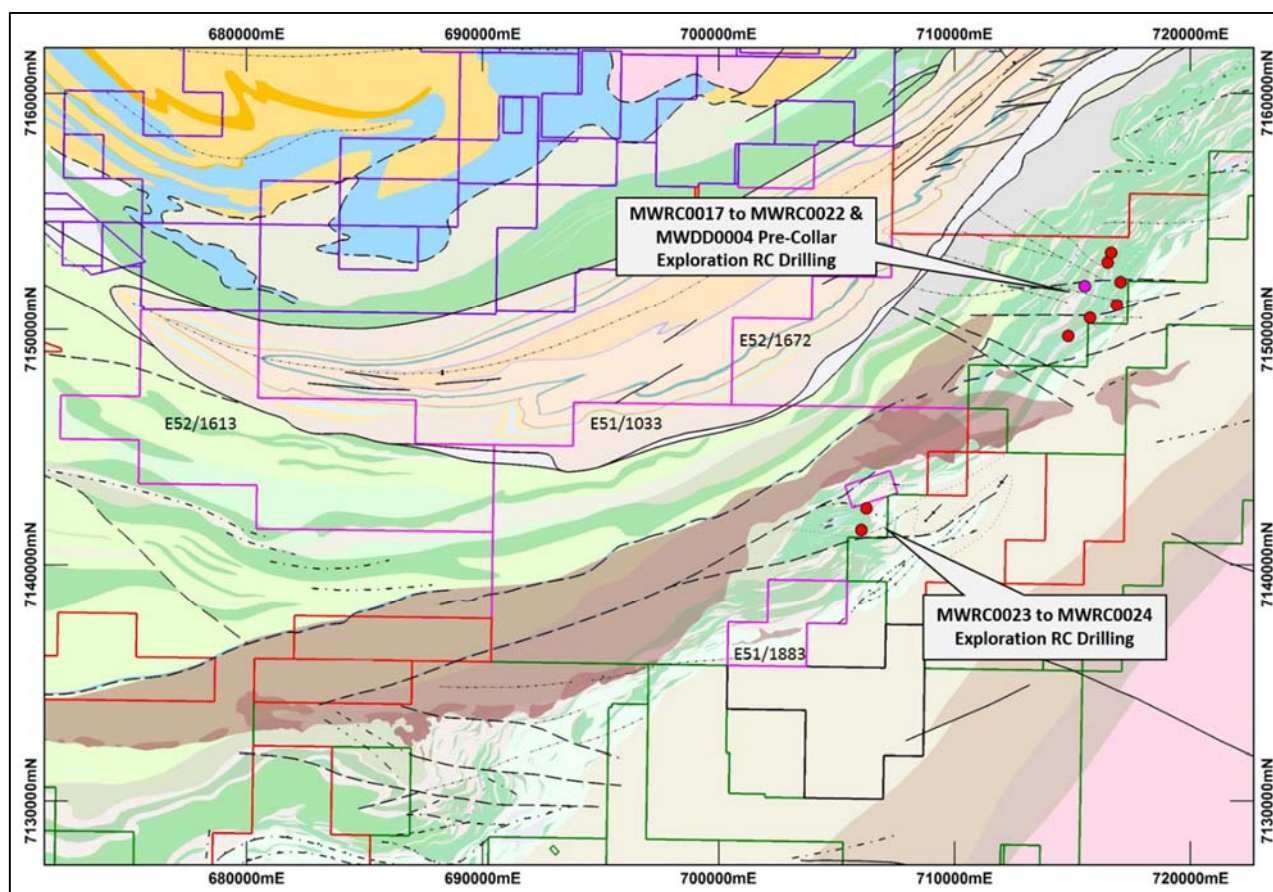


Figure 4: RC Drilling conducted at the Morck Well Project during the March Quarter.

6.2.2 Enterprise Project

Sandfire entered into a Farm-in Agreement with Enterprise Metals Ltd (ASX: ENT) in October 2016 to earn up to a 75% interest in Enterprise's Doolgunna Project, which adjoins Sandfire's Doolgunna tenements to the south. The Enterprise tenements cover over 60km of strike along the southern boundary of the Bryah Basin and the northern part of the Yerrida Basin. The southern Bryah Basin contains the Narracoota/Karalundi Formations which host the DeGrussa and Monty copper-gold deposits. The Company considers that the Enterprise tenements offer the potential for new copper-gold discoveries.

21 RC exploration drill holes were completed for a total advance of 4,061m during the March Quarter.

RC drilling at the Mount Leake prospect was designed to test the depth to the Karalundi Formation through the overlying quartzites and shales of the Mount Leake Formation. While most drill holes intersected the underlying Karalundi Formation, some were unable to reach this depth due to groundwater and ground conditions. The contact between the Doolgunna and Karalundi Formations was successfully delineated with the infill drill programme. Drill data will be used to improve the geological interpretation through the Mount Leake Prospect.

RC drilling was also conducted to test the White Well and Ruby Well prospects.

Drilling at the Ruby Well prospect has identified a series of Karalundi Formation sedimentary and mafic units stratigraphically below the Narracoota Formation volcanics and sedimentary rocks. These sedimentary and mafic units consist of siltstones, minor exhalites and basalts which are prospective in hosting VMS style deposits. The Doolgunna Formation and Karalundi Formation contact is abrupt and easily identifiable by drilling, which assists in targeting the Karalundi Formation.

RC drilling in the White Well area has confirmed the presence of exhalative and chemogenic sedimentary rocks of the Karalundi Formation, and has continued to expand on stratigraphic understanding of the area. No significant mineralisation was discovered in RC drilling, however assays will be analysed upon return.

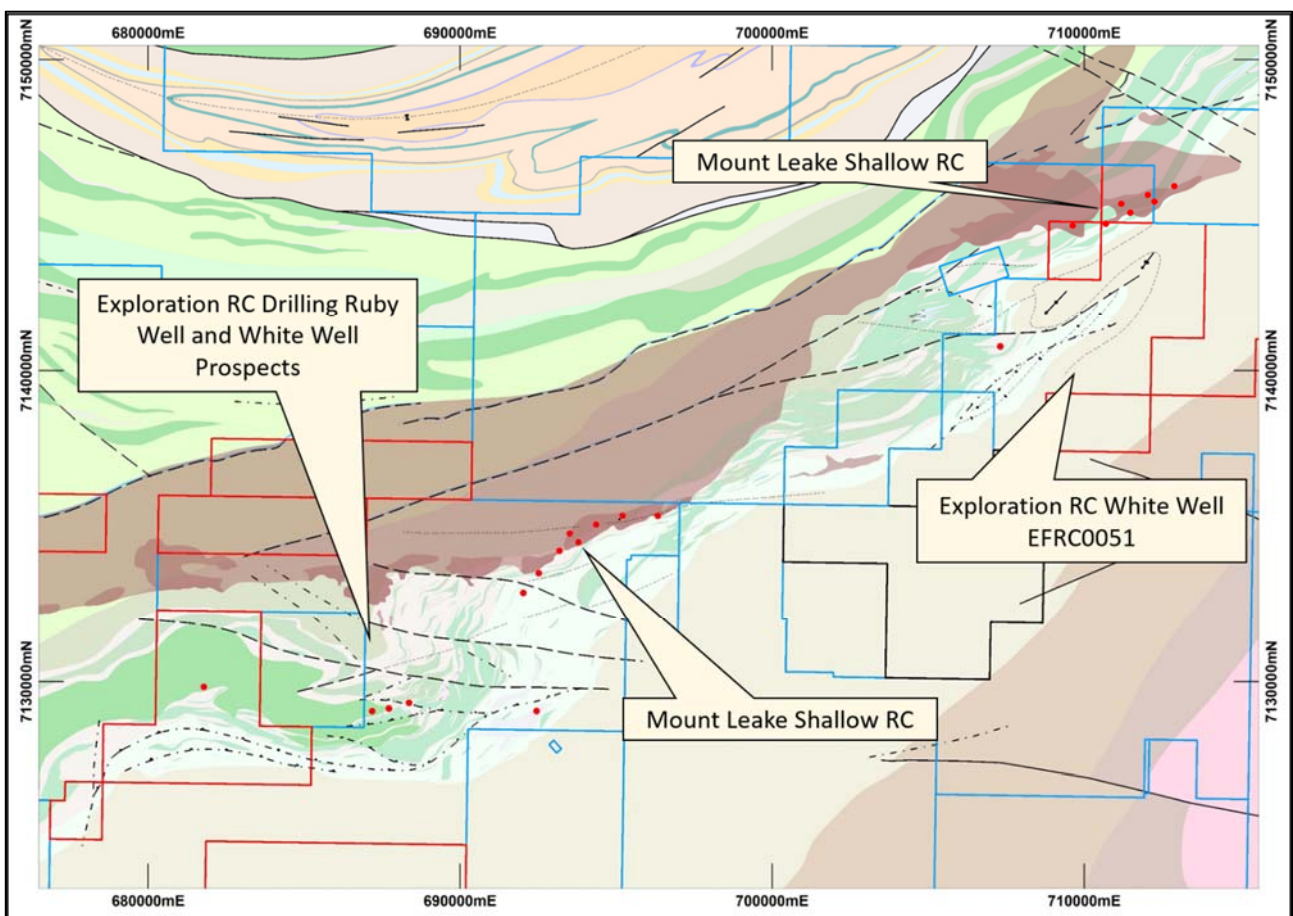


Figure 5: RC drilling completed at the Enterprise Project during the March Quarter.

AC drilling during the March Quarter comprised 667 holes for 40,655m. This included completion of an in-fill drilling programme targeting the Doolgunna Formation and Karalundi Formation contact, and to infill small patches where initial aircore pattern drilling was incomplete. First pass 400x100m drilling of interpreted Karalundi Formation commenced in the Ruby Well Prospect area.

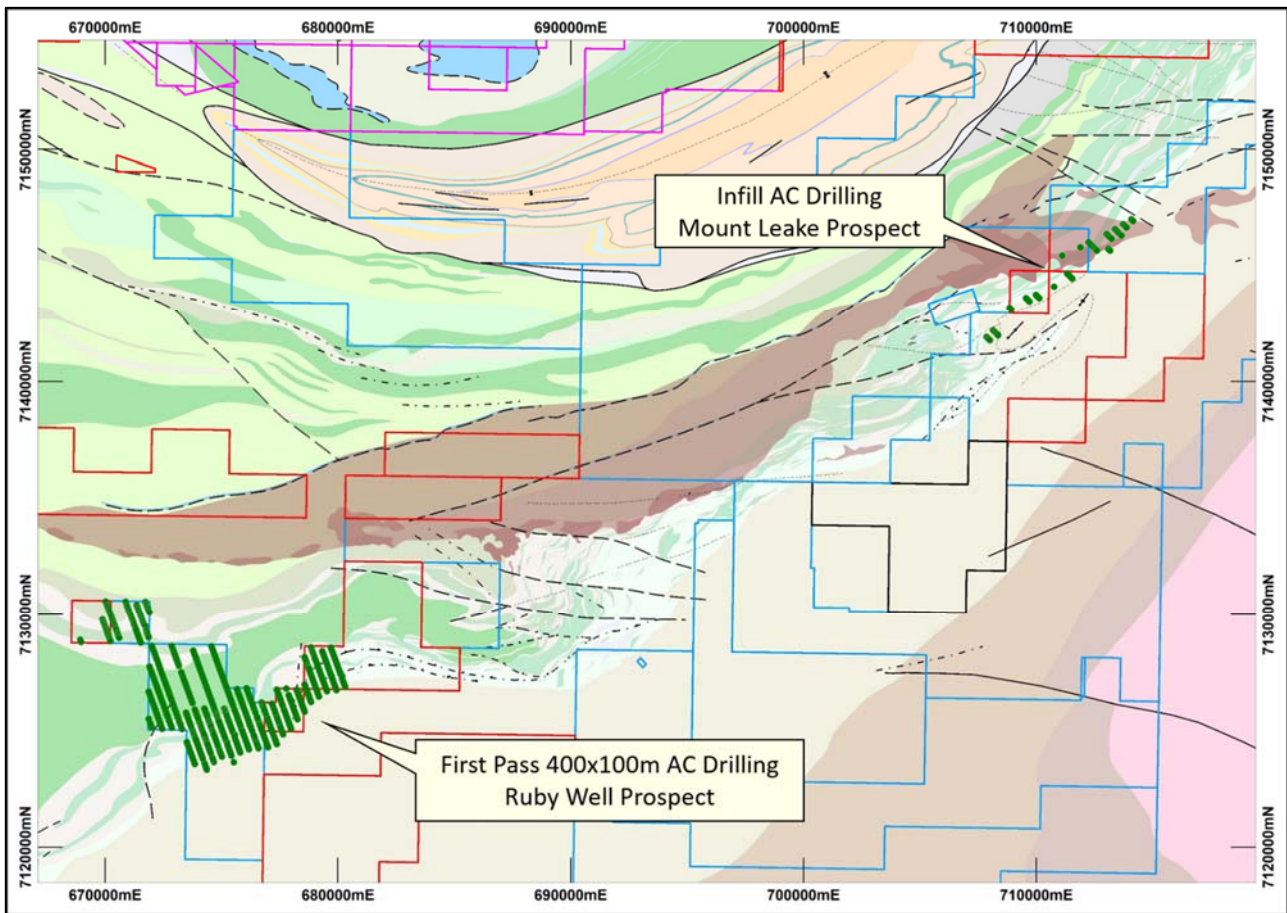


Figure 6: AC drilling completed at the Enterprise Project during the March Quarter.

6.2.3 Doolgunna Project – 100% Sandfire

Exploration at the Doolgunna Project comprised nine AC holes at the Homestead Prospect for a total advance of 499m. The program was designed to infill small areas within the prospective Karalundi Formation that had been missed in initial first pass AC drilling.

6.2.4 Ned's Creek Project (including Thaduna)

The Ned's Creek Project comprises over 900km² of prospective geology and surrounds the historical Thaduna Project, which is located 40km east of DeGrussa and represents the largest copper resource in the Doolgunna-Bryah Basin Region outside of Sandfire's DeGrussa-Doolgunna Project.

Regional AC drilling was completed at the Ned's Creek Project during the reporting period, comprising 133 AC holes for a total advance of 9,649m. Drilling was completed over a mixed 200x50m and 400x50m pattern, targeting local potentially mineralised structures. Additional drill holes were spread across the area, targeting the base of paleo-channel gravels which have the potential to carry upstream geochemical anomalies.

AC drilling at the Limestone Bore and Copper Mine Road prospects confirmed the presence of variably mineralised local structures in the targeted areas, however accompanying mineralisation is inconsistent and sporadic. This has decreased confidence in the potential for further large mineralised systems at Ned's Creek.

Follow-up work to close out remaining strike orientations of local mineralised structures has been planned. These will be small programs completed in the second half of the year.

6.2.5 Yerrida North Project

Sandfire entered into a Farm-in Agreement with Great Western Exploration Ltd (ASX: GTE) in April 2017 to earn up to an initial 70% interest in GTE's Northern Yerrida tenements, located 25km south of the DeGrussa mining operation. Sandfire has the right to farm into 11 of GTE's Exploration Licenses in the Northern Yerrida basin, Western Australia, covering a total area of 1,560km².

A programme of detailed geological mapping, lithogeochemistry and rock chip sampling focussed on the outcropping Killara volcanics, will commence late in the June Quarter.

6.2.6 Peak Hill Project

At the Peak Hill Project, Sandfire is exploring and earning an interest in the whole and part tenements that cover the base metal prospective area of the Bryah Basin Project. Under the terms of the agreement, Sandfire can earn up to 80% in Alchemy Resources Limited's (ASX: ALY) interests (excluding iron ore rights) through Earn-In Expenditure. The Peak Hill Project area contains more than 60km of strike extent of the Narracoota – Karalundi volcano-sedimentary sequence that is prospective for discovery of VMS-style copper-gold deposits.

All work permits and indigenous heritage surveys for first pass AC drilling, and significant meterage of follow-up RC and diamond drilling, have been completed and approved for the Peak Hill Project area. Two AC drill rigs will commence systematic geochemical and lithological sampling over the project area in the June Quarter. Detailed ground gravity and MLEM surveys will be undertaken concurrent with drilling to further assist stratigraphic interpretation and aid follow-up RC drill targeting. A new temporary camp has also been established to support these exploration activities.

7.0 AUSTRALIAN EXPLORATION

Sandfire has a number of exploration interests and joint ventures around Australia exploring for base and precious metals. The exploration programs are focused on prospective terranes with the potential for discovery of a significant new deposit that can be developed.



Figure 7: Sandfire's Australia Projects.

7.1 New South Wales Projects

A number of 100%-owned project areas are held in the Lachlan Fold Belt of New South Wales which are prospective for porphyry copper-gold mineralisation as found at Northparkes (China Moly), Cadia (Newcrest) and Cowal (Evolution). Applications for 100% owned tenements have been made in the Cobar basin and a farm-in agreement entered into on the Coomeratta project with Sandfire having the right to earn an 80% interest.

Drilling during the March Quarter tested a number of porphyry copper-gold prospects in the Temora belt. Targets included complex magnetic highs and lows in a large alteration systems within the Rain Hill intrusive complex. No significant intercepts were encountered and geochemical results are pending.

Drilling programs are planned to commence in the June Quarter on targets in the western Cobar basin to test geochemical and geophysical targets at the Coomeratta project.

7.2 Northern Territory – Borroloola Project

The Borroloola Project is located north of the McArthur River Mine (Xstrata), and is prospective for base metals and sedimentary manganese. Sandfire has signed farm-out agreements to advance the Borroloola Project. The Borroloola West JV covering the western portion is under an agreement with Pacifico Minerals Ltd, which has now earned a 51% interest in the Project and Sandfire is a contributing 49% JV partner.

During the March Quarter MMG Exploration Pty Ltd have fully withdrawn from the Batten Trough Joint Venture covering the eastern portion of the Borroloola Project tenements. The project has returned to Sandfire's 100% ownership.

7.3 Queensland Projects

A number of projects are held in the eastern succession of the Mount Isa region south and east of Cloncurry in northwest Queensland which are prospective for Broken Hill type (BHT) lead-zinc-silver deposits such as the Cannington deposit (South 32) and the Ernest Henry iron oxide-copper-gold (IOCG) deposits (Xstrata). A Joint Venture is held over the Altia project with Minotaur Exploration Ltd (ASX: MEP) with a 60% interest held.

Reporting has been completed on the 2018 field program during the March Quarter with proposals being evaluated for the next field season.

8.0 CORPORATE

8.1 Joint Venture with White Rock Minerals Limited

During the Quarter Sandfire entered into an Earn-In and Joint Venture Option Agreement with White Rock Minerals Limited (ASX: WRM). This Agreement relates to the parties' previously announced proposed joint venture for the exploration and development of the Red Mountain Project.

Sandfire's Joint Venture funding obligations under the Agreement are structured across four stages and include an option to spend a minimum of \$20 million over four years to earn 51%, with a minimum contribution of \$6 million in 2019. The key terms of the Joint Venture are set out below.

Joint Venture Structure

The Joint Venture will be incorporated and operated through a USA organised limited liability company ("LLC"). A wholly owned subsidiary of Sandfire will initially hold a 15% membership interest in the LLC and a wholly owned subsidiary of White Rock will hold the remaining 85% membership interest. The Manager of the LLC will be appointed by WRM during the first year of the Option period and thereafter by Sandfire.

Key Terms of the Joint Venture

Sandfire's Joint Venture funding obligations under the Agreement are structured across four stages:

Stage 1 – Initial Contribution

Under the terms of the Agreement, Sandfire is granted an option to acquire (through its subsidiary) a 51% interest in the LLC (Option), in consideration for providing funding to the LLC totalling US\$14.4 million (approx. A\$20 million) over four years (Initial Contribution), with a minimum contribution by Sandfire of US\$4.32 million (approx. A\$6 million) in Year One (Minimum Contribution). The Option expires on the fourth anniversary of the date of the Agreement.

Sandfire may withdraw from the Joint Venture at any time before the expiry of the Option period on four months' notice, provided it has funded the Minimum Contribution and complied with other obligations in the Agreement. If Sandfire gives a notice of withdrawal after 29 February 2020, it must contribute US\$2.16 million (A\$3M) (in addition to the Minimum Contribution) prior to withdrawing from the Joint Venture. If Sandfire does not exercise the Option, it will forfeit its interest in the LLC.

After funding the Initial Contribution, Sandfire may elect to exercise its Option to acquire a 51% membership interest in the LLC.

Stage 2 – Pre-Feasibility Study

In order to complete Stage 2, the Manager is required to deliver a pre-feasibility study for the Red Mountain Project and Sandfire must contribute an additional US\$7.2 million (approx. A\$10 million) in funds to the LLC over a two-year period. Subject to Sandfire funding and completing Stage 2 it will earn an additional 19% in the LLC, bringing its total membership interest to 70%.

Stage 3 – Definitive Feasibility Study

Stage 3 commences upon Sandfire completing Stage 2 and continues until the Manager delivers a definitive feasibility study (DFS). During Stage 3, WRM may elect to contribute its percentage share (i.e. 30%) of expenditure. If WRM elects not to contribute, Sandfire is required to sole fund Stage 3 expenditure and will earn an additional 10% interest in the LLC (bringing its total interest to 80%).

Stage 4 – Development

Stage 4 commences upon the approval of the DFS and continues through development to commencement of commercial production. During Stage 4, WRM may elect to contribute its percentage share of expenditure (based on its percentage interest in the LLC at that time). If WRM does not elect to contribute, Sandfire will be required to sole fund Stage 4 expenditure for an additional 10% interest in the LLC (bringing its total interest to 90%, assuming WRM did not contribute during Stage 3) and WRM must repay 10% of the total development expenditure to Sandfire from 65% of its share of the project cash flow. Alternatively, the parties may cooperate in seeking project financing for the Stage 4 expenditure.

The Agreement includes customary covenants, warranties and indemnities given by both parties, as well as customary provisions relating to (among other things) the management of the LLC, the granting of security over each party's interests, dilution of interests, force majeure, winding up of the LLC and consequences of default by a party.

8.2 Interim Dividend

On 18 February 2019, Sandfire announced its half-year financial results for the six months to 31 December 2018, including a net profit after income tax of \$48.3 million on total revenue of \$272.3 million.

The Company declared an interim fully franked dividend of 7 cents per share, which was paid on 19 March 2019.

8.3 Cash position

Company cash on hand as at 31 March 2019 totalled \$183.5 million (unaudited). Group cash on hand as at 31 March 2019 totalled \$194.2 million (unaudited).

8.4 Finance Facility

ANZ continues to hold security via a fixed and floating charge over the Company's assets. Aside from minor borrowings under a bonding facility there is no other debt drawn under financing facilities and no amounts available to be drawn.

8.5 Investor Call and Webcast

A teleconference on the Quarterly results will be held for the investment community on Thursday 18th April 2019 commencing at 10.00am (AWST) / 12.00pm (AEST). Investors, brokers, analysts and media can join the teleconference by dialling the following numbers:



Within Australia (Toll Free):	1 800 558 698
Alternate Australia Toll Free:	1 800 809 971
International:	+61-2 9007 3187

Conference ID:	744632
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The March Quarterly Report and an accompanying slide presentation will be available via the ASX Company Announcements Platform (ASX code: SFR) as well as at Sandfire's website at www.sandfire.com.au.

A live webcast of the teleconference and synchronised slide presentation will also be available via the BRR Media service website at <https://webcasting.boardroom.media/broadcast/5ca1887d7b79d12cecb786b>.

ENDS

For further information, please contact:

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Nicholas Read – Read Corporate:

Mobile: +61 419 929 046 (Nicholas Read)

Exploration Results Doolgunna

The information in this report that relates to Exploration Results at Doolgunna 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 Company's Projects, 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

This report may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Sandfire's current expectations, estimates and assumptions about the industry in which Sandfire operates, and beliefs and assumptions regarding Sandfire's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Sandfire. 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. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this release. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement.

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.