

ASX/Media Release

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SANDFIRE FARMS IN TO THADUNA/GREEN DRAGON PROJECT THROUGH JOINT VENTURE WITH VENTNOR

REGIONAL GROWTH STEP FOR SANDFIRE BEYOND DEGRUSSA-DOOLGUNNA PROJECT

Sandfire Resources NL (ASX: **SFR**; "Sandfire") is pleased to announce that it has reached agreement to secure up to an 80% interest in the Thaduna/Green Dragon Copper Project (**Project**), located 40km east of its 100%-owned DeGrussa Copper Mine in WA, through a farm-in and joint venture with Ventnor Resources Limited (ASX: **VRX**) and its wholly-owned subsidiary Delgare Pty Ltd (**Joint Venture**).

The agreement will enable the Joint Venture to explore, evaluate and potentially develop the largest copper resource in the Doolgunna-Bryah Basin Region outside of Sandfire's flagship DeGrussa-Doolgunna Project, providing an attractive future organic growth opportunity in the region.

The farm-in and joint venture is structured through a staged earn-in over four years, with an up-front payment of \$3 million by Sandfire to acquire an immediate 35% interest in the Project and the option to increase to 80% in two stages by sole funding a further \$6 million on exploration and studies.

As manager of the Joint Venture during the sole funding stage, Sandfire will bring its operational, geological and technical expertise to the Joint Venture, as well as the logistical and strategic advantages of having an operating 1.5Mtpa treatment facility and infrastructure located just 40km away.

Ventnor has completed over 50,000m of drilling at the Project since April 2011, underpinning a JORC Compliant Indicated and Inferred Resource of 7.9 million tonnes grading 1.8% Cu and 3.7g/t Ag for 142,000 tonnes of contained copper and 945,000oz of contained silver. The resource comprises oxide, secondary sulphide and deeper sulphide mineralisation. The Project was mined historically until 1971.

Ventnor's drilling has returned sulphide intersections at depth, indicating the potential to extend the mineralisation and increase the higher grade sulphide component. A Scoping Study completed by Ventnor in February 2013 outlined a potential production profile of 15,000tpa of copper over an anticipated mine life of 10 years.

Sandfire believes that there may be an opportunity, subject to further evaluation and technical studies, to process both the sulphide and oxide material contained within the resource.

The sulphide material is potentially amenable for processing through the existing DeGrussa Concentrator and the oxide material will be considered for processing as part of, or in conjunction with, the DeGrussa Oxide Copper Project which the Company is currently reviewing.

The Company is currently undertaking a Feasibility Study on the DeGrussa Oxide Copper Project targeting 6,000-7,000tpa of copper cathode for 5 years. This study, including detailed technical and engineering work on a heap leach and solvent extraction and electro-winning (SX-EW) plant, is advancing.



Key Joint Venture Terms

Under the agreement, with Ventnor and its wholly-owned subsidiary Delgare Pty Ltd, Sandfire will acquire an immediate 35% interest in the Project and immediately form a joint venture with Delgare by paying \$3 million cash directly to Ventnor to enable it to meet its short-term funding requirements.

Under the terms of the joint venture, Sandfire can earn up to a further 45% (total of 80%) interest in the Project in two stages within a four-year period, namely:

- a 16% interest for a total of 51% by sole funding up to \$3 million of expenditure within two years; and
- a further 29% interest for a total of 80% by sole funding a further \$3 million of expenditure within four years.

While sole funding, Sandfire will manage the Joint Venture and keep the tenements in good standing, conduct all exploration activities and undertake all required rehabilitation activities.

The agreement is subject to a number of conditions precedent including approval by the shareholders of Ventnor.

Management Comment

Sandfire's Managing Director, Mr Karl Simich, said he was pleased to be able to work cooperatively with other companies operating in the Doolgunna Region.

"We are pleased to have reached agreement with Ventnor to acquire a significant interest in the Thaduna/Green Dragon Project, which is the largest single copper resource in the Bryah Basin outside of our own DeGrussa Project," Mr Simich said.

"The joint venture is structured to give us an option to move to 80% through a staged earn-in process, which will enable us to fully evaluate and test the resources and exploration potential before making a commitment to commence a Feasibility Study and move to development.

"This represents a low-risk option on a potentially attractive future organic growth project in the Doolgunna region which could provide incremental ore feed to the DeGrussa Mill, while at the same time giving us exposure to an attractive ground package with significant exploration potential. We look forward to working with the team at Ventnor to progress the Thaduna/Green Dragon Project and potentially unlock the value of this resource."

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Forward-Looking Statements

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