



SANDFIRE RESOURCES NL

ASX Code: SFR



A Premier Australian Copper Producer

September 2014 Quarterly Report Presentation

Webcast – Karl Simich, Managing Director & CEO

16 October 2014



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Competent Person's Statement

- 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 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. 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

September 2014 Quarterly Report Presentation



- Highlights
- Safety
- Mining
- Processing
- Sales
- Operating Costs
- Guidance
- Exploration
- Summary



September 2014 Quarterly Highlights

Production ahead of guidance



Production and Operations

- **September 2014 Quarter: 16,064t copper and 8,678oz gold produced**
- C1 cash operating cost of **US\$1.24/lb**
- Consistent underground mining and milling rates
- Development of **C1 and C4/5 declines on schedule**: good ground conditions
- **FY2015 production and cost guidance maintained: 65-70,000t of copper, 35-40,000oz of gold at C1 cash operating costs in the range of US\$1.15-1.25/lb**

Exploration

- Resource definition drilling completed to upgrade **Central and Eastern portions of C4 resource** to Indicated status; **resource definition drilling now underway at C5**
- Initial diamond hole completed at the **Springfield Project (Talisman JV)** to test EM conductor ~5km east of DeGrussa
- Metallurgical drilling completed at **Thaduna Project (Ventnor JV)** to advance DeGrussa Oxide Copper Project
- Deep diamond drilling commenced at **Misima porphyry copper-gold project**

Corporate and Financial

- **Facility balance reduced to \$150M** at 30 September 2014 with **cash reserves of \$88M**
- **\$15.6M of FY2014 final dividend payments** commenced on 10 October 2014



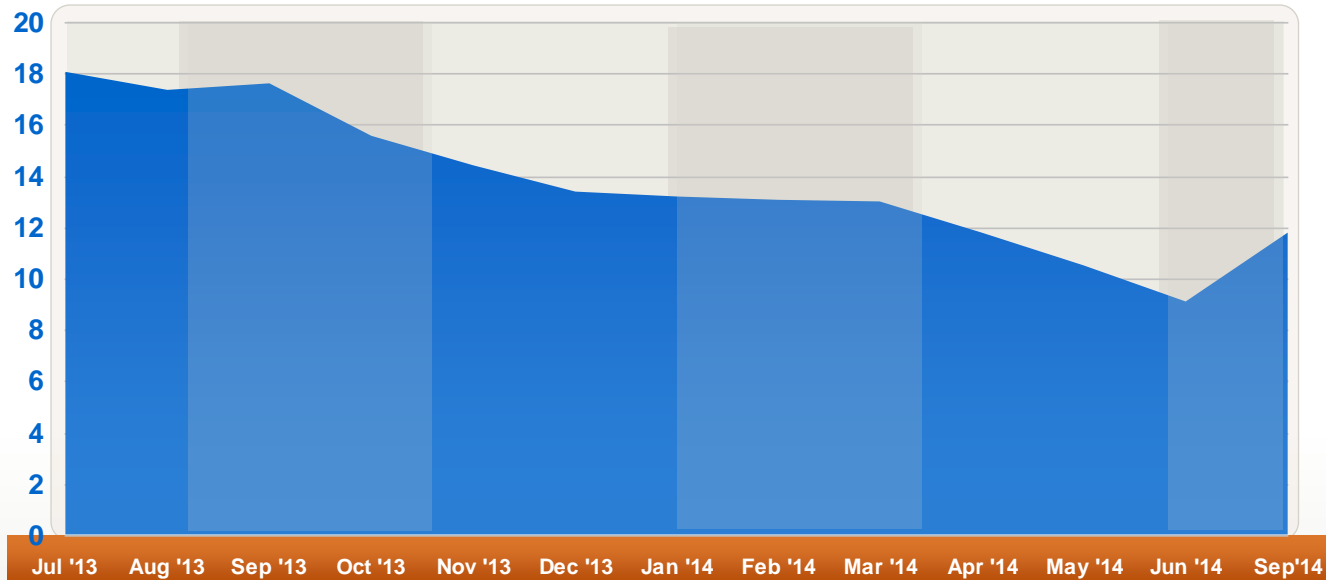
Safety

Continued sound safety performance



- Total Recordable Injury Frequency Rate (TRIFR) of 11.8 at Quarter-end (vs. 9.1 at June Quarter-end)
- Result of increase of strain and sprain type injuries
- Management has instigated a series of initiatives to address

TRIFR





UNDERGROUND

- **New underground mining contractor commenced 1 July 2014** – Byrnecut Australia Pty Ltd
- Underground mining rate of **1.5Mtpa** from mid-way through the Quarter – **311,644t** of underground sulphide ore mined for the Quarter
- Mine remains in **balance between production and back-fill**: paste-plant performance on target
- **C4/5 Decline development** on schedule with good ground conditions





MILL THROUGHPUT

- **364,360t milled** at average head feed grade of 4.9% Cu
- Maintenance included change-out of SAG mill liner and bearing change-out, pump lifters
- Process improvement projects progressing on schedule – installation of pebble crusher, column flotation cell, new classification screen arrangement for the SAG milling system



RECOVERY

- **Copper recovery of 89.4%**; Gold recovery 42.0%
- Copper recoveries expected to increase to +90% in 2H FY2015 following installation of the pebble crusher



CONCENTRATE & METAL PRODUCTION

- **67,760t** of concentrate produced
- **16,064t** of contained copper produced: ahead of guidance





- **Quarterly sales** of 15,402 tonnes of payable copper and 8,592 ounces of gold
- Port Hedland and Geraldton Ports both operating well
- **~16,000 tonnes concentrate holding** at site and at port at Quarter-end



Quarterly Unit Operating Costs

C1 and total production costs



Unit costs – DeGrussa Mine	Q1 FY2015 (US\$/lb)	Commentary
Mining (net of development)	0.51	Unit costs are higher during 1H FY2015 in line with lower head grade and copper production.
Processing	0.41	
Business services	0.16	
Transport, treatment and refining	0.53	
C1 cost (pre-by product credit)	1.61	Unit costs in 2H FY2015 are expected to be at the lower end of our US\$1.15-1.25/lb full year guidance
By-product credit (gold and silver)	(0.37)	
C1 cost	1.24	Continued AUD weakness (93c for the quarter, currently ~88c) would assist lower USD C1 for the remainder of the year
Royalties	0.17	
Production cost	1.41	
Depreciation and amortisation	0.60	
Total production cost	2.01	

Exploration Summary

Near-mine exploration delivering results; major regional exploration programs continuing under recently-concluded JVs

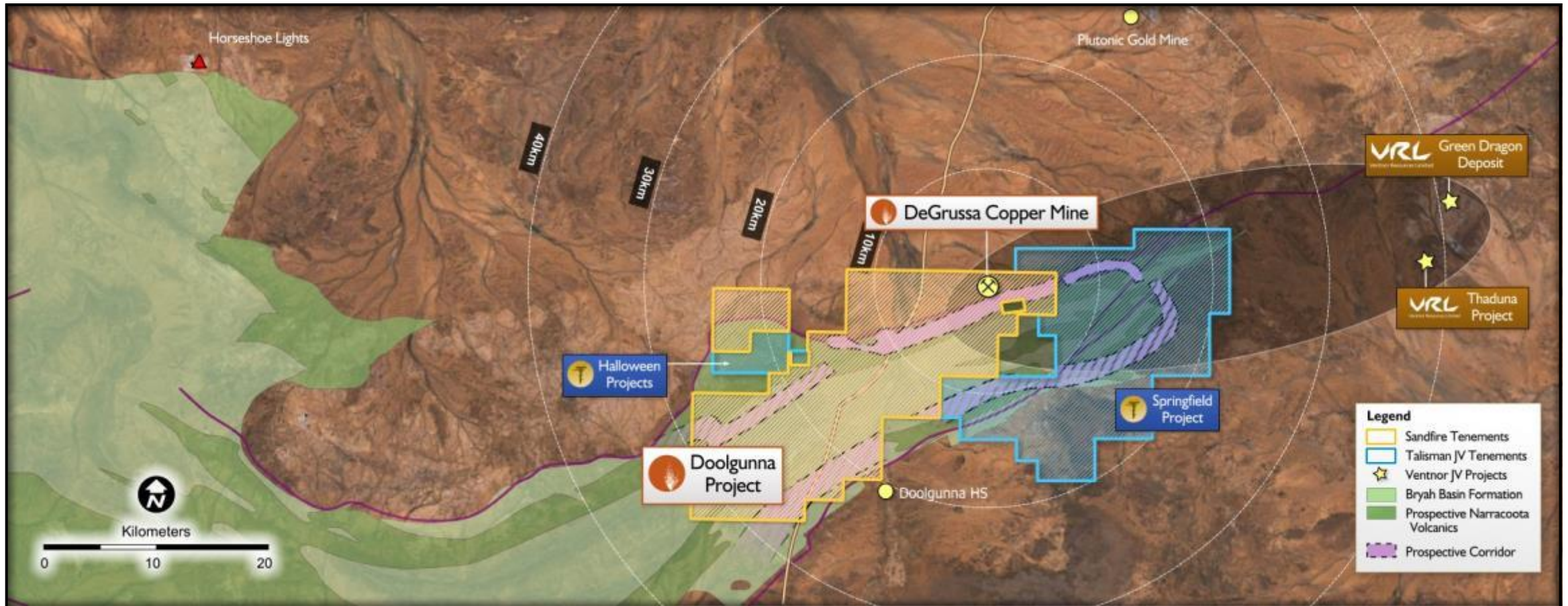


- Resource definition drilling completed to upgrade Central and Eastern portions of the C4 orebody from Inferred to Indicated Resource status
- C5 resource definition drilling now underway
- Initial diamond hole completed; high-powered DHEM and FLEM surveys commenced and extensive aircore drilling underway over key areas of the Springfield Project (Talisman JV)
- Metallurgical drilling completed at the Thaduna Copper Project (Ventnor JV)
- Drilling commenced at Misima Project (WCB Resources)



Sandfire – Dominant Position in an Emerging VMS Province

Consolidating a strong position in Western Australia's emerging Bryah Basin VMS copper-gold province



- Only operating base metals processing plant in the region (1.5Mtpa DeGrussa Concentrator)
- Outstanding organic growth potential – extensive 65km strike length of prospective VMS horizon
- Recently expanded strategic footprint via Talisman and Ventnor Joint Ventures

Summary and Outlook

Solid production quarter; strong outlook for the remainder of FY2015



- Solid quarterly production and cost performance:
 - 16,064t copper, 8,678oz gold production at C1 cost of US\$1.24/lb
 - Plant optimisation projects to be completed in the December Quarter
- Operating cash flow:
 - \$10M repayment reduces finance facility to \$150M
 - \$16M dividend payment commenced in October 2014
 - Ongoing exploration commitment
- Consistent outlook for FY2015:
 - FY2015 guidance: 65-70kt Cu, 35-40koz gold at C1 US\$1.15-1.25/lb
- Pleasing progress under new exploration JV's
- Tier-1 porphyry copper-gold opportunity – drilling commenced

A premier Australian copper producer





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