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## SANDFIRE COMPLETES RESTRUCTURE OF DEGRUSSA PROJECT FINANCE FACILITY

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- **Restructure of outstanding \$125M DeGrussa Project Finance Facility** completed into a separate **\$85M Revolver Facility** and **\$40M Amortising Facility**.
  - **\$85M Revolver Facility will provide increased flexibility** to repay and redraw as required.
  - **Extended facility term to December 2017** is better aligned with the recently extended mine life at DeGrussa (to mid-2021).
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Further to its announcement of 31 March 2015, Sandfire Resources NL (ASX: **SFR**; "Sandfire") is pleased to advise that it has reached agreement with its financier, ANZ Banking Corporation ("ANZ"), to restructure the DeGrussa Project Finance Facility.

The restructured facility provides increased flexibility and better aligns the facility term to the operating cash flows to be generated by DeGrussa over the recently extended mine life. The DeGrussa Mine Plan now extends until mid-2021 (see ASX Announcement – 28 January 2015).

The revised structure includes two facilities, namely:

- an \$85 million Revolver Facility, initially fully-drawn, which can be paid down or redrawn as required and which must be fully repaid by 31 December 2017; and
- a \$40 million Amortising Facility with fixed repayments of \$5 million per quarter for six quarters (commencing on 30 June 2015), followed by \$2 million per quarter for five quarters (ending 31 December 2017).

The previous repayment schedule required full repayment by December 2015.

The new facilities are subject to usual financing terms, covenants and pricing.

Sandfire has also reduced its existing working capital facility with ANZ from \$50 million to \$25 million. This facility can be drawn-down against the value of saleable copper concentrate inventories held by the Company at the mine and ports and remains undrawn.

### Management Comment

Sandfire's Managing Director, Mr Karl Simich, said the Company had decided to take advantage of the strong Australian Dollar copper price environment and the continuing robust operating and financial performance of the DeGrussa Copper Mine to implement a more flexible long-term debt structure.



“After rapidly reducing our debt over the past two-and-a-half years – with a total of \$255 million now repaid against the original \$380 million – we have reached agreement to restructure our facility arrangements with ANZ in a way that gives us better access to project cash flows in the short and medium term.” he said.

“The repayment structure of the Amortising Facility ensures that we continue to steadily reduce our overall debt position over the next two and a half years while the \$85 million Revolver Facility gives us the flexibility to either pay down our debt or redraw against this facility should we so desire in the future.

“This gives us a flexible and balanced debt structure that better aligns with the six-year mine life at DeGrussa following the recent resource, reserve and mine plan update, while allowing us greater freedom to deploy cash across our business in the short term,” Mr Simich continued.

“With the DeGrussa operation continuing to perform strongly from a production and cost perspective, the project benefiting from a strong Australian Dollar copper price, and the Company’s gearing now reduced, this represented an opportune time to restructure and reposition our financing arrangements for the future,” he said.

## ENDS

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### Forward-Looking Statements

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