



FIRST CONTRACT FOR MONTY COPPER-GOLD MINE AWARDED TO YAGAHONG ALLIANCE

\$8.2 million contract for civils and earthworks awarded to leading Indigenous alliance

Highlights

- **Civils and earthworks contract for the new \$90 million Monty Copper-Gold Mine awarded to Yagahong Alliance Pty Ltd, a joint venture between Central Earthmoving Company Pty Ltd, the leading Geraldton-based civil contractor and the Yugunga-Nya People.**
- **This is the second major contract which Sandfire has awarded to the Yagahong Alliance and represents another strong endorsement of its positive relationship with the Yugunga-Nya People, who are the traditional owners of the project area.**
- **The contract, which is valued at \$8.2M, includes:**
 - 14km haul road from Monty to DeGrussa
 - Local access roads
 - Stockpile and laydown area pads
 - Box-cut for underground access
 - Infrastructure earthworks and drainage
- **The award of the contract reflects Sandfire's strong commitment to increasing Aboriginal engagement at the DeGrussa Copper-Gold Mine and to providing employment and economic opportunities in the Midwest region.**
- **Development of the box-cut for the underground portal at the Monty Copper-Gold Mine is expected to commence in Q2 FY 2018, with other upcoming key milestones expected to include:**
 - Award of underground mining contract
 - Award of power supply contract
 - Remaining statutory approvals

Sandfire Resources NL (ASX: SFR; "Sandfire") is pleased to announce, on behalf of the Springfield Joint Venture (Sandfire: 70%; Talisman Mining (ASX: TLM): 30%), the award of the first major contract for the development of the new Monty Copper-Gold Mine in Western Australia.

The contract, which has an estimated value of \$8.2 million, has been awarded to the Yagahong Alliance, a joint venture between the Geraldton-based earthmoving and civil contracting company Central Earthmoving and the Yugunga-Nya People, the traditional owners of the project area.

A positive Feasibility Study was recently completed on the Monty Project, confirming its suitability to be developed as a satellite source of high-grade feed to supplement existing copper production at Sandfire's 100%-owned DeGrussa Copper-Gold Mine, located 10km away.

The earthmoving and civils contract, which was awarded following a competitive tender process, encompasses the development of a 14km long haul road from Monty to the DeGrussa Copper-Gold Mine, local access roads, stockpile and laydown area pads, the cutting of a box-cut for underground

access and additional infrastructure works and drainage. Initial site works under the contract will commence immediately.

The Yagahong Alliance already provides a number of site-based earthmoving and contracting services for Sandfire under a contract which it secured in July 2015. The Yugunga-Nya People and Central Earthmoving formed the Yagahong Alliance to tender for earthmoving and mining services opportunities with the aim of employing Aboriginal people in the Midwest region.

The success of the Yagahong Alliance has been recognised by the Civil Contractors Federation who awarded Centrals the WA 2016 Aboriginal Engagement Award and by other Traditional Owner representative bodies, who have sought to replicate the JV model in their country.

Cutting of the decline portal for the new underground mine is expected to commence in the December quarter of this year and underground development will take approximately one year before first ore is accessed.

Sandfire's Managing Director & CEO, Mr Karl Simich, said the award of the first major contract for the Monty Project to the Yagahong Alliance was a great opportunity to extend the strong working relationship between Sandfire and the Yugunga-Nya People through the Yagahong Alliance.

"We are glad to be able to continue to support the alliance between Centrals and Yugunga-Nya and in the process continue our Aboriginal engagement across the mining operation while also generating employment and opportunities for communities in the Midwest region," he said.

"We look forward to commencing the development of what will be the first new copper mine in the Bryah Basin since the development of DeGrussa six years ago," he added.

"We are excited to be a part of this alliance between the Yugunga-Nya People and Central Earthmoving and hope it plays a part in increasing opportunities for the local Meekatharra community," Mr Simich said.

Craig Paterson, the Managing Director of Centrals and a director of the Yagahong Alliance said Yagahong highly values the strong supportive relationship that it has developed with Sandfire, while Ron Shay, a director of Yagahong and an elder of the Yugunga-Nya people said "the awarding of the Monty Project civil works to Yagahong is a big thing for the Yugunga-Nya People. Especially as it will provide training and employment opportunities for our mob and it enables the Yagahong business to keep growing strongly."

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