



DRAFT OPERATING PERMIT RECEIVED FOR BLACK BUTTE COPPER PROJECT AS EIS PROCESS COMMENCES

Highlights

- **Draft Operating Permit received for the 78%-owned Black Butte Copper Project in central Montana, USA, formally concluding the “Completeness & Compliance” review.**
- **This key milestone marks the beginning of the comprehensive Environmental Impact Statement (“EIS”), which is expected to take ~1 year to complete and will result in a final Record of Decision, allowing project construction to begin.**
- **In addition to this key permitting milestone, the Montana Public Service Commission has approved an agreement for the provision of power to the Black Butte Project which will see important new power transmission infrastructure constructed in the region.**
- **The Black Butte Copper Project continues to receive strong support from local businesses and communities in Montana.**
- **Sandfire has confirmed that it will support a 5-for-9 rights issue being undertaken by Tintina Resources (TSX-V: TAU) to raise up to C\$10.8M (A\$11M) to fund ongoing permitting and pre-development activities.**

Sandfire Resources NL (ASX: SFR; “Sandfire”) is pleased to advise that its 78%-owned North American subsidiary, Tintina Resources (TSX-V: TAU; “Tintina”), has received a draft operating permit for the **Black Butte Copper Project** in central Montana, USA, marking another important step in its continued progress towards development.

The draft operating permit, which has been received from the Montana Department of Environmental Quality (**MT DEQ**) Hard Rock Mining Bureau, formally concludes the “Completeness & Compliance” review and marks the commencement of the Environmental Impact Statement (“EIS”), the final stage of permitting.

Black Butte, which is one of the world’s premier high-grade undeveloped copper projects, is a key part of Sandfire’s longer-term strategic growth pipeline.

Tintina received formal notification from the MT DEQ that the project is now considered to be “Complete and Compliant” in accordance with all State rules and regulations relating to the operating plan, which has been developed to a very high level of detail for the proposed underground mine and surface processing facilities.

The MT DEQ is now finalising the selection of an independent third-party contractor to prepare a comprehensive EIS, which will include all procedural and substantive elements of the Montana Environmental Policy Act. The EIS is expected to take approximately one year to complete.

Once completed, the EIS will result in a Final Record of Decision (**ROD**), allowing construction and development of the underground mine to commence on private ranch land in Meagher County.

In addition to the draft operating permit, the Montana Public Service Commission has approved an agreement between Fergus Electric Cooperative and NorthWestern Energy to provide power to the Black Butte Copper project.

Fergus Electric will construct a new 100-kV transmission line and sub-station, which will draw from an existing NorthWestern transmission facility. Under the terms of the agreement, Tintina will be responsible for the total cost of construction of the new power transmission line.

Sandfire to Support C\$10.8M Rights Offer

Sandfire is also pleased to confirm that it will subscribe for its full 78% entitlement in the recently announced 5-for-9 rights issue being undertaken by Tintina at C\$0.06 per share. The rights issue, if fully subscribed, will raise gross proceeds of C\$10.8 million (A\$11.0 million).

The proceeds of the rights issue will be used to advance permitting and pre-development activities at the Black Butte Copper Project.

Management Comment

Sandfire's Managing Director and CEO, Karl Simich, said the receipt of the draft operating permit was another pleasing milestone which reflected the exceptional quality of the vast body of technical work which had gone into the development and operating plan for the Black Butte Copper Project.

"We are very pleased to have achieved this milestone, which marks the culmination of a vast amount of work and effort by the Tintina team," he said. "This reflects our commitment to steadily work through all of the required permitting processes to ensure that this is a world-class, state-of-the-art underground mine development that sets the highest standards in terms of environmental management.

"We are looking forward to the start of the EIS process, during which we will continue to engage with the community to demonstrate our commitment to environmental stewardship, which remains at the heart of everything we do. The studies we have completed show clearly that this project can operate in a way that protects the environment, while at the same time providing significant economic opportunities.

"In this regard, I am pleased to note the receipt of approval from the Montana Public Service Commission for a power supply agreement that will see important power transmission infrastructure constructed in the region. This is a good example of the sort of positive local economic contribution which this project can make, with the new power transmission line representing a significant infrastructure upgrade to the community of White Sulphur Springs."

About the Black Butte Project

Located on private land near Helena in the State of Montana, the Black Butte Copper Project comprises 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**.

A Preliminary Economic Assessment (PEA) completed in 2013 confirmed that the 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 based on total mill throughput of 11.8 million tonnes at an average head grade of 3.1% Cu.

The proposed underground mine is designed to provide economic opportunity to Central Montana while protecting the Smith River Watershed.

A summary of the Mine Operating Permit Application can be found at the project website www.tintinaresources.com in the transparency library along with a 3D animation of the planned project showing what the site will look like during mining operations and after full site reclamation.

The proposed underground mine, located 15 miles north of the community of White Sulphur Springs, is designed to provide economic opportunity to Central Montana while fully protecting the Smith River Watershed by employing the following key innovations:

- All designed openings and entry points to the underground mine are located well above the water table;
- Surface irrigation rights have been leased for in-stream flow to ensure there is no change to the water levels in Sheep Creek;
- A reverse osmosis water treatment plant will treat water on-site from construction through reclamation, and will return clean water back to the same ground water system through a buried infiltration system. The water treatment plant will remain active as long as needed to ensure all water involved in the operation meets Montana's strict non-degradation water standards through reclamation and closure;
- The mining plan involves filling all underground mined areas in the copper deposit with paste back-fill ensuring that only a small percentage of the underground mine is open at any given time and that no large open spaces are left underground;
- Mill tailings that are not returned underground (~55%) have cement added and will be placed into a double-lined facility. This innovative use of existing mine technology eliminates windblown dust and prevents acid runoff. Any un-milled rock brought to surface will also be stored here. During reclamation, the cemented tailings facility will be sealed with another liner, covered with several feet of cover and original top soil and returned to grazing; and
- The reclamation plan returns the entire site to agricultural use with no treatment of water in perpetuity necessary.

ENDS

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