



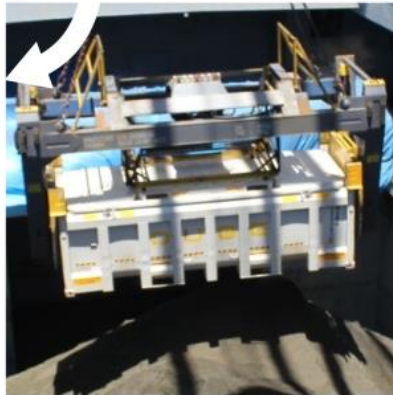
SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR

EXPLORATION



DEVELOPMENT



OPERATIONS

SUSTAINABILITY



Value Creation, Growth and Innovation Across our Business

Sydney Mining Club, 1 September 2016 – Karl Simich, Managing Director and CEO



Forward-Looking Statements

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Competent Person's Statement – Ore Reserves and Mine Plan

The information in this report that relates to Ore Reserves and Mine Plan is based on information compiled by Mr. Neil Hastings who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Hastings 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 Hastings consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement – Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Ekow Taylor who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Taylor is a permanent employee of Sandfire Resources and has sufficient experience that is relevant to the style of mineralization 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 Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement – Exploration Results

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. While Sandfire is confident that it will report additional JORC compliant resources for the DeGrussa Project, 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.

Sandfire – Creating Value, Driving Growth & Embracing Innovation

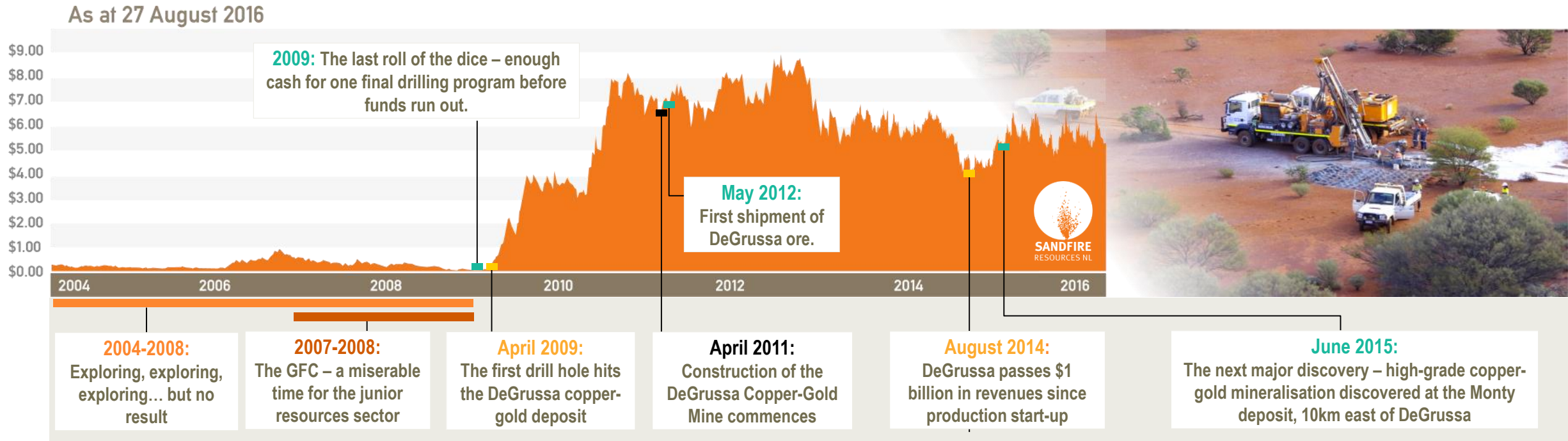
- ▶ Leading mid-tier Australian copper-gold producer
- ▶ Operator of Western Australia's largest copper mine:
 - Total production of +270,000t of copper and +150,000oz of gold (project to date)
 - Total revenues to date exceeding A\$2.0 billion (4 years)
 - Long-term employment for 450 staff and contractors
 - Generating substantial State royalties, direct and indirect taxes
- ▶ Substantial commitment to organic growth through exploration:
 - ~A\$30M global exploration budget
- ▶ Expanding global footprint via joint ventures, partnerships and investments in Australia and overseas
- ▶ Strong commitment to innovation, excellence and sustainable development – aiming to lead by example and drive change and improvement in the Australian mining industry



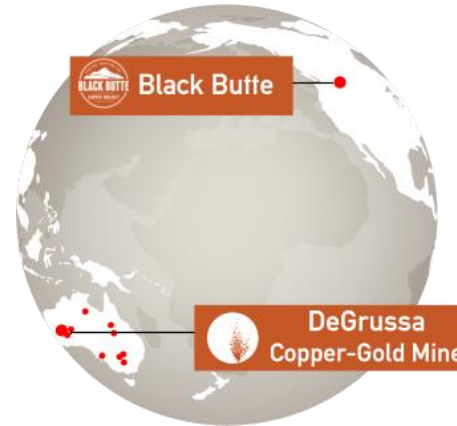


Value Creation

Sandfire – the Story So Far



- ▶ Flexibility and innovation is often a key to survival for junior companies
- ▶ An innovative cornerstone investment by global steel major POSCO in 2008 helped Sandfire survive the Global Financial Crisis
- ▶ The Company maintained a strong commitment to exploration – even in the depths of the GFC
- ▶ It was a drill program targeting oxide gold in early 2009 which led to the discovery of the high-grade DeGrussa copper-gold deposit



- ▶ Consistent mid-tier mining performer
- ▶ High-grade, high quality portfolio in Australia and USA
- ▶ Consistent, low-cost production
- ▶ +270,000t of copper, 150,000oz of gold produced to date
- ▶ Over \$2 billion in revenues delivered to date
- ▶ Record copper production achieved in FY2016: above guidance
- ▶ Net cash positive after reducing debt to \$50M at 30 June 2016
- ▶ Growing free cash-flow as underground mine development tails off

Market Capitalisation

~\$865M at \$5.50

ASX Stock
Market Index

S&P
200

Issued Capital

157.7m
Shares

Dividends

11c
FY16

Cash and
Deposits

\$66m
30 June 2016

Debt

\$50m
at 30 June 2016

Share Price

\$5.50
July 2016

**Record year in FY2016 provides
the foundations for a new
growth chapter**



- ▶ DeGrussa Copper-Gold Operations in Western Australia
- ▶ Outstanding new high-grade Mineral Resource at Monty – Feasibility Study underway on proposed new satellite mine
- ▶ Exceptional exploration upside in world-class VMS province
- ▶ Extensive East Coast Australian base metal exploration initiative
- ▶ Strong balance sheet to fund organic growth
- ▶ Emerging international growth pipeline



Our vision is to be a significant mid-tier miner operating in the upper quartile of global performance benchmarks



DEGRUSSA SOLAR PROJECT

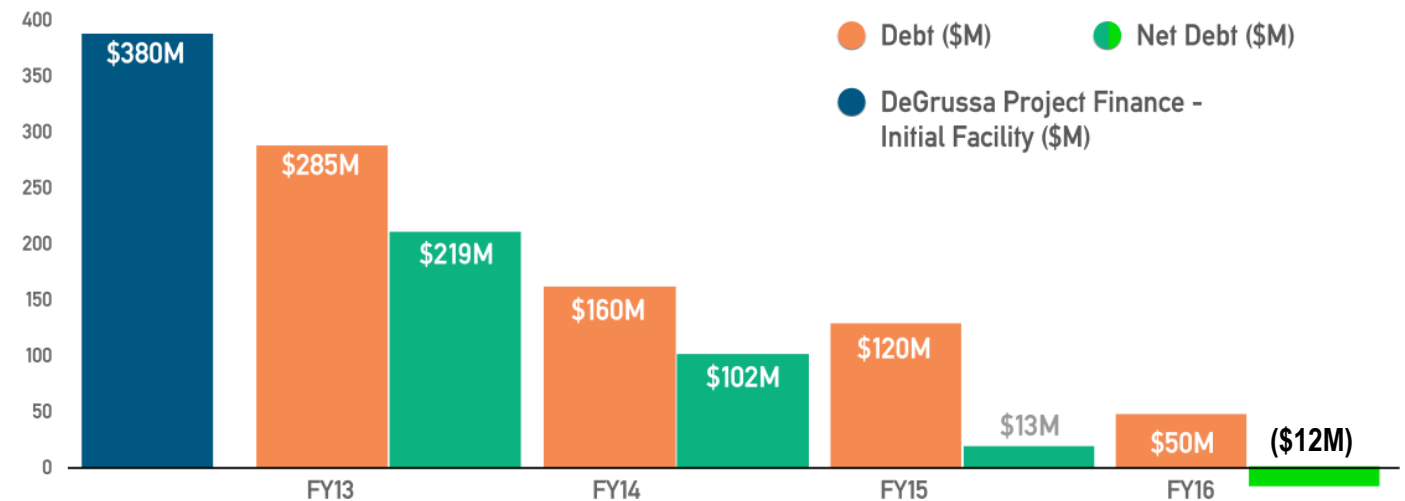
Strong Financial Performance, Disciplined Capital Management

- ▶ Consistent financial performance despite subdued commodity price environment
- ▶ Revenues to date of more than \$2 billion
- ▶ ~\$1 billion to date in operating cash flows
- ▶ Repaid \$330M or 87% of our original \$380M debt facility
- ▶ Net cash positive at 30 June 2016
- ▶ \$53M dividends to date
- ▶ Substantial ~\$30M p.a. exploration budget
- ▶ No equity raisings since 2010
- ▶ Strong capital management: issued capital has only increased by 5% from 149.4M shares in 2011 to 157.7M shares currently

FINANCIAL OVERVIEW:	FY 2013	FY 2014	FY 2015	FY2016
Revenue	\$507.3M	\$525.7M	\$548.6M	\$497.2M
Operating Cash-flow*	\$272.4M	\$249.5M	\$250.1M	\$166.5M
Net Profit After Tax	\$88.0M	\$78.2M	\$69.0M	\$46.4M
Earnings Per Share (basic)	57.48c	50.22c	44.18c	30.54c
Cash and Deposits	\$77M	\$58M	\$107M	\$66M
Debt	\$285M	\$160M	\$120M	\$50M
Dividends	N/A	10c (final, unfranked)	13c (10c franked)	11c (100% franked)

*Prior to exploration expenditure

RAPIDLY REDUCING DEBT:



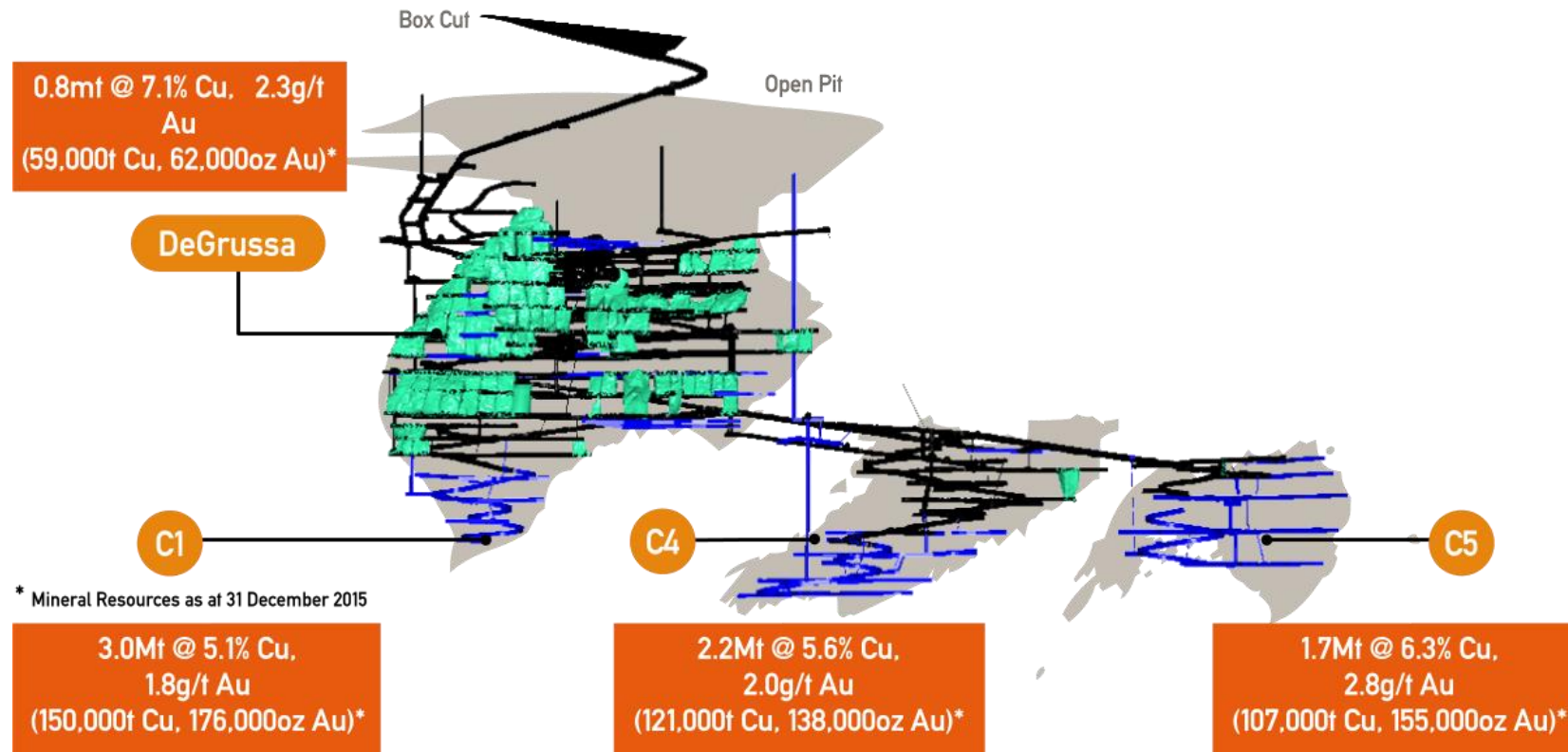
DeGrussa Mine (Western Australia) – Consistent, Reliable, Low-Cost

- ✓ **Four** successive years of **consistent, safe and profitable production**
- ✓ **Milling rates increased to 1.6Mtpa and recoveries targeted at ~92% (LOM)**
- ✓ **Underground development exceeded 37km** with **production now being sourced from all mineralised lenses**
- ✓ **Record full-year production** for FY2016 of 68,202t Cu, 37,612oz Au, C1 US\$0.95/lb
- ✓ **Strong, consistent outlook:** FY2017 guidance 65-68,000t Cu, 35-40,000oz Au, C1 US\$0.95-1.05/lb
- ✓ **Updated Mine Plan, Mineral Resource and Ore Reserve:** cements mine life to FY2021 (excluding Monty)



Our cornerstone asset: a high-grade, high margin Australian copper-gold mine

Robust Underground Mine – All Lenses Now On Stream



DeGrussa Underground Mine	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Mine Plan	8.1	4.4	1.7	357,000	443,000
Ore Reserve	8.0	4.4	1.7	353,000	441,000
Mineral Resource	7.8	5.7	2.1	443,000	536,000

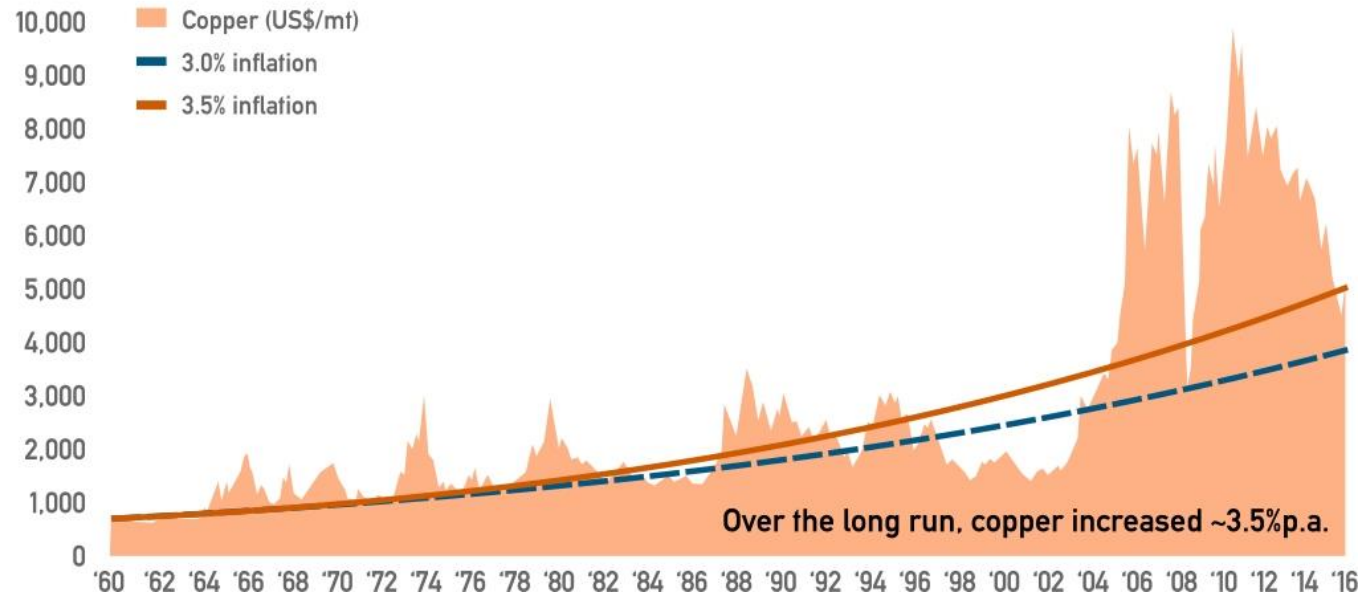
As at 31 December 2015. Includes underground stockpiles.

Refer ASX Announcement "DeGrussa Mine Plan, Mineral Resource and Ore Reserve Update", 14 April 2016

- ▶ Mining rate set to continue at 1.6Mtpa
- ▶ First Conductor 5 stope mined in June 2016 Quarter
- ▶ Production now being sourced from all four lenses (DeGrussa, C1, C4, C5)
- ▶ Blending of mine ore feeds allows process optimisation
- ▶ 37km of mine development completed to date

Opportunity in the Copper Market – Supply & Demand Rebalancing

During GFC copper prices declined ~65% peak to trough



Source: Shaw & Partners, FactSet, World Bank

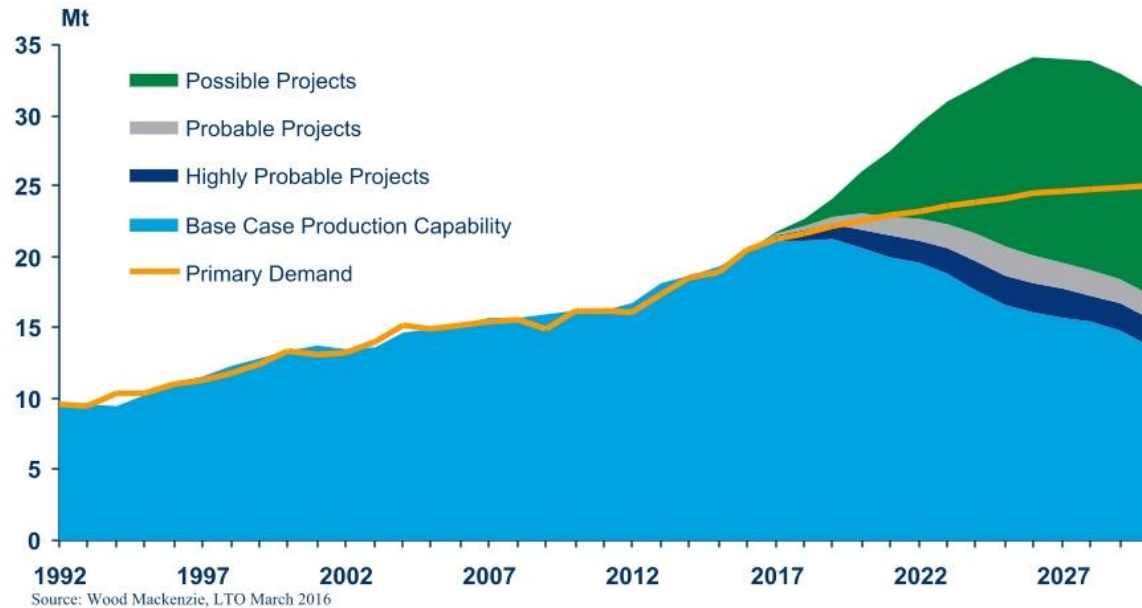
World Copper Demand and Supply (million tonnes)					Consensus Forecasts	
World	2011	2012	2013	2014	2015	2016
Supply	19.6	20.1	21.1	22.5	22.9	23.5
Demand	19.7	20.4	21.3	21.9	22.7	23.4
Balance	-0.1	-0.3	-0.3	0.6	0.2	0.1

Source: Consensus Economics, Historical Estimates and Forecasts from Survey of December 2015

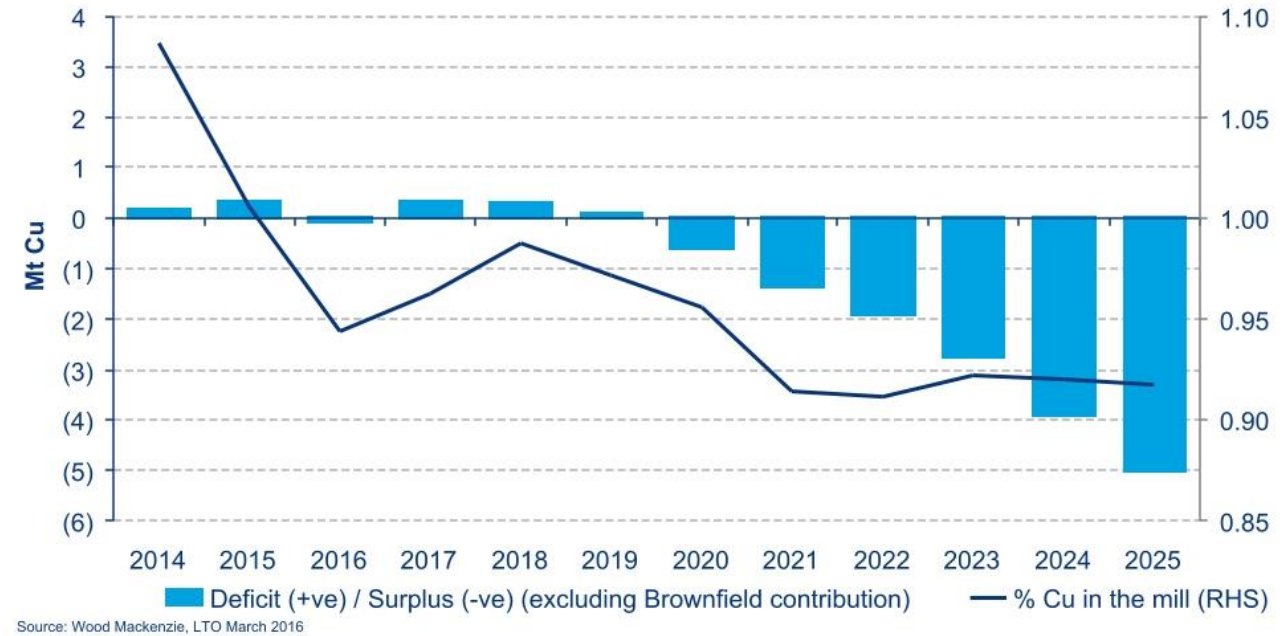
- ▶ ~50% reduction in copper prices since 2011 – similar in magnitude to GFC
- ▶ Global supply has exceeded demand in recent years
- ▶ As a result, capital spending by major producers has been slashed to \$41 billion from \$104 billion in 2013
- ▶ Major projects are facing delays, and the current slight oversupply could easily turn into a deficit – which could emerge as early as 2018, pushing prices back up
- ▶ Medium-to-long term incentive price for new copper projects to be developed is significantly higher than the spot price

The Opportunity – Copper Market

Future copper demand expected to remain strong

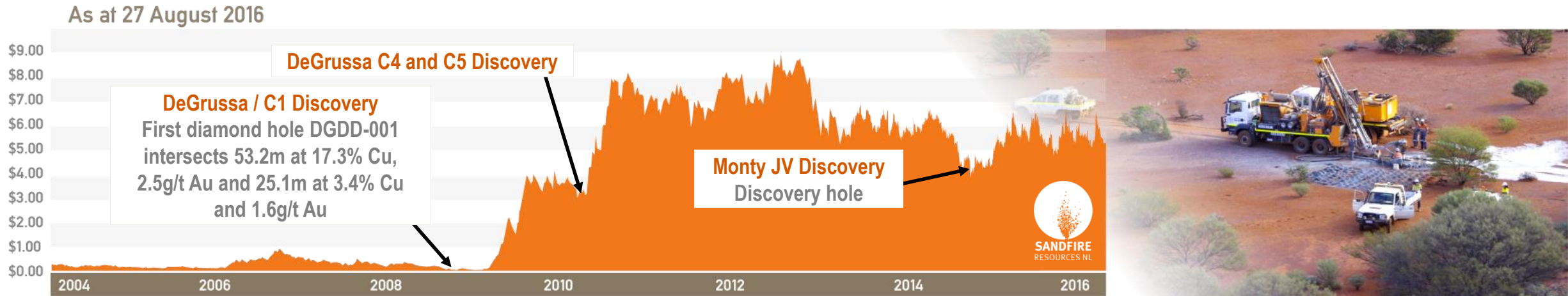


Resource depletion, declining grade profiles, margin pressure = deficit...



- ▶ Medium to long-term demand outlook remains very strong, supported by burgeoning Asian Middle Class and supplementary demand profile supported by services consumption and “green energy storage” applications
- ▶ Long-term supply side remains challenged, with declining grades and margin pressures on major producers likely to result in a growing deficit over the next decade
- ▶ Demand growth will continue as China transitions to consumer-driven economy

An Outstanding Track Record of Growth through Exploration

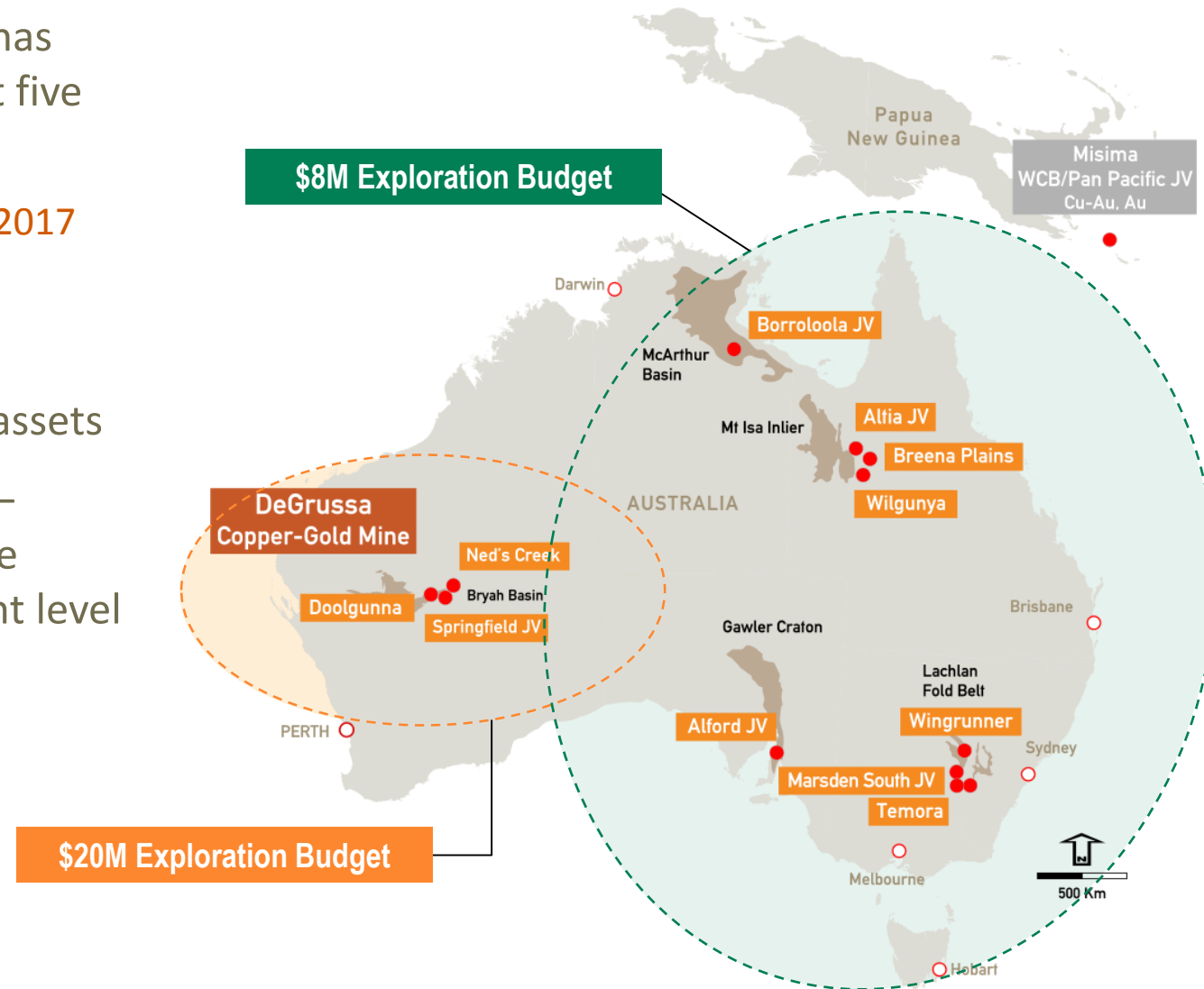


Five high-grade, high-value VMS lenses discovered to date

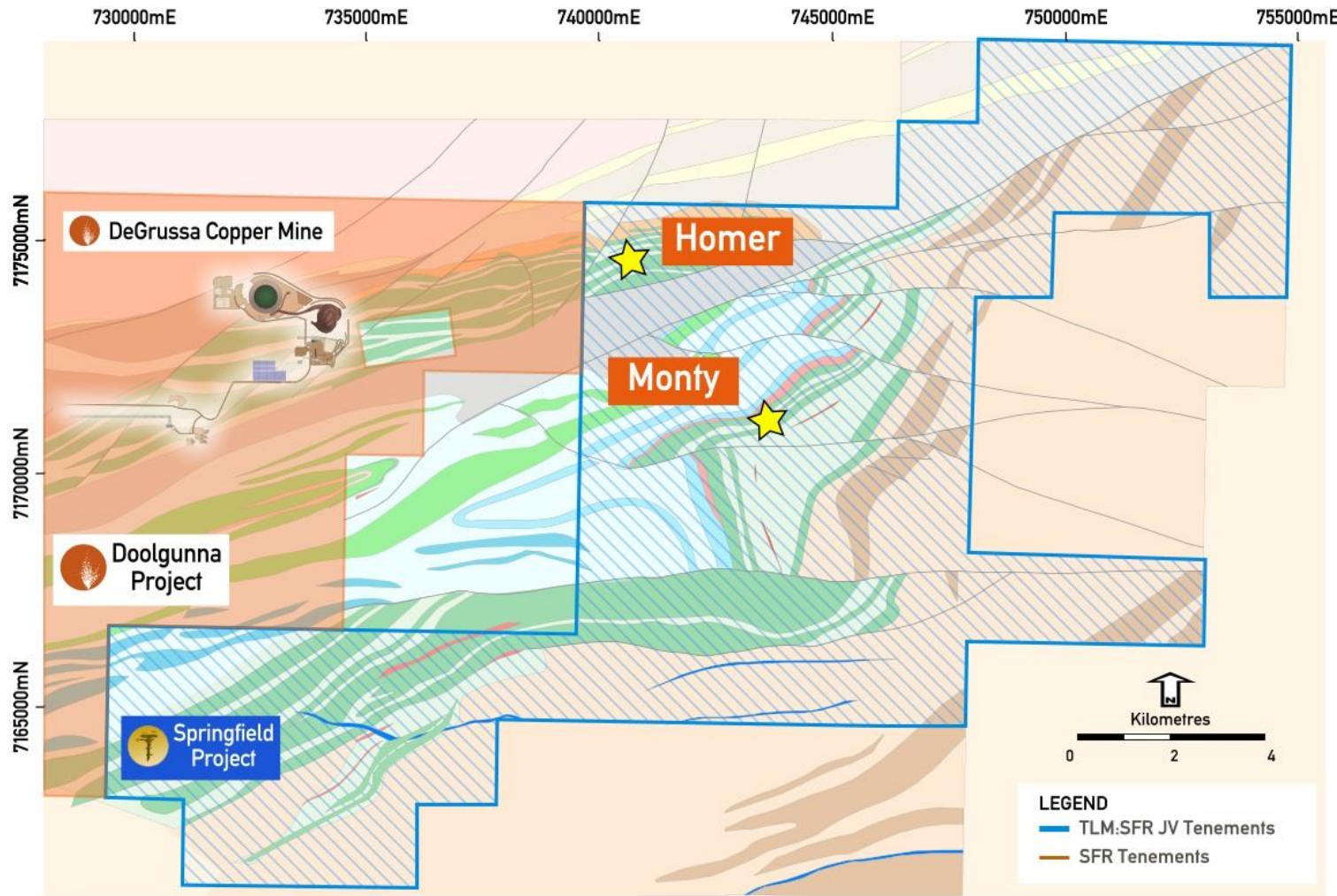
- ▶ DeGrussa discovery: a game-changer which drove Sandfire's share price from ~6c to ~\$8
- ▶ Underpinned creation of significant ~\$1 billion mid-tier copper producer
- ▶ Sparked a pegging rush and renewed interest in junior exploration sector post-GFC – established a new VMS copper-gold province in Western Australia
- ▶ New ultra-high-grade VMS discovery at Monty (Jun 15): provided price support amidst volatile and challenging market conditions
- ▶ Organically-driven growth strategy continues to deliver

Exploration – It's in our DNA

- ▶ Underpinned by strong ongoing cash-flows, Sandfire has invested up to \$30M a year in exploration for the past five years:
 - \$20M at DeGrussa-Doolgunna (Western Australia) – FY2017
 - \$8M on our exploration initiative on Australia's Eastern Seaboard – FY2017
- ▶ Focusing on belts with the potential to deliver Tier-1 assets
- ▶ Considered, diligent and technically driven approach – recognising that deposits like DeGrussa and Monty are blind, deep and difficult to find – requiring a significant level of innovation and belief
- ▶ An accomplished geoscientific team:
 - Cutting-edge technologies
 - Innovative thinking and creative approach
 - Access to world-class consulting expertise



Springfield Project – Talisman Joint Venture

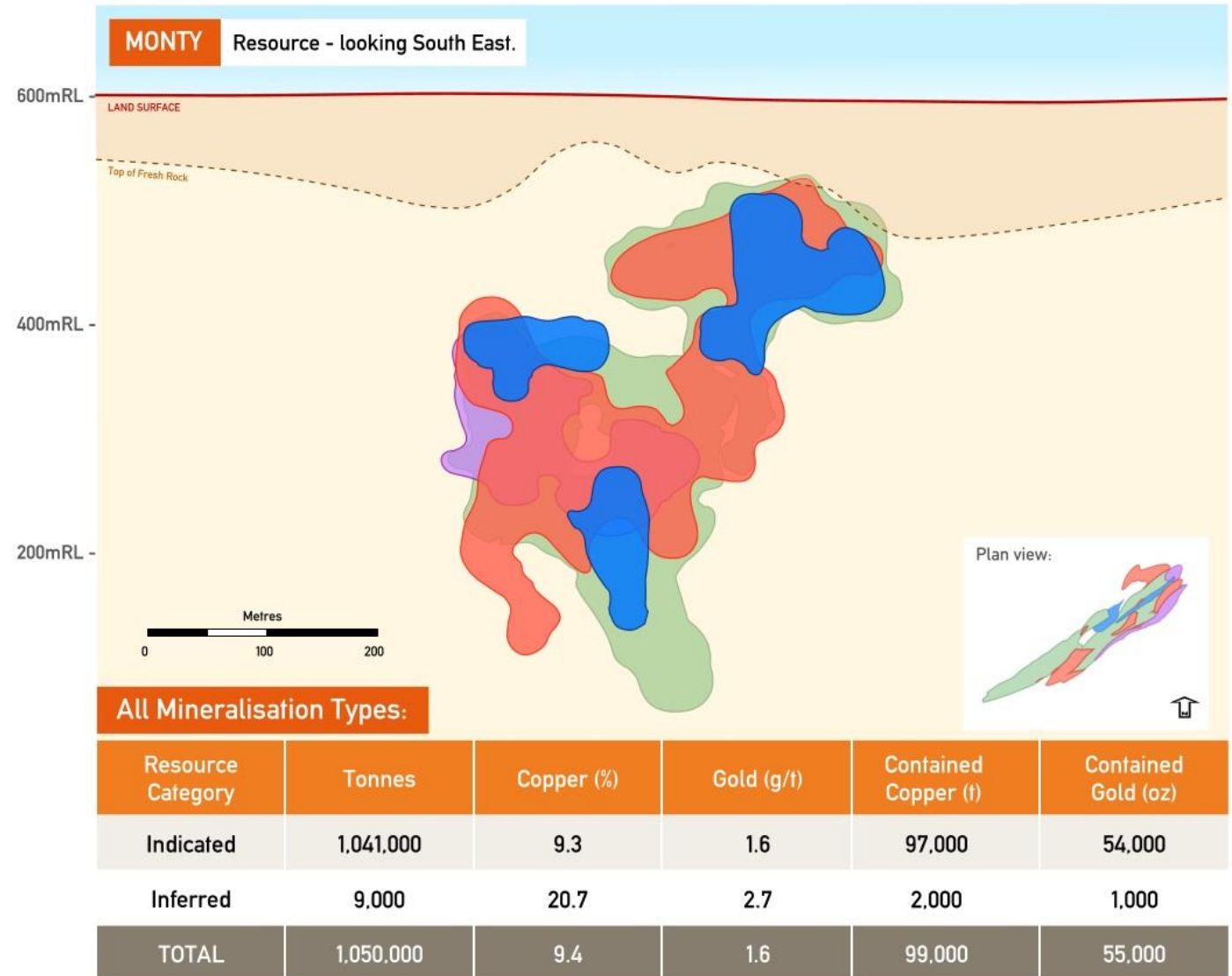


- ▶ 70% interest held in joint venture with Talisman Mining (ASX: TLM) – 30%
- ▶ Two key areas of exploration focus
- ▶ **Monty** – 10km east of DeGrussa
 - Significant new high-grade discovery – first discovery outside of DeGrussa
 - Opens up highly prospective +5km VMS horizon along strike – exploration continuing
 - Maiden high-grade resource completed in April 2016: 99,000t Cu, 55,000oz Au
 - Major aircore and RC drilling programs underway to test interpreted 5km long horizon
- ▶ **Homer** – 4km east of DeGrussa:
 - Package of sediments containing exhalative material
 - Analogous to host sequence seen at DeGrussa
 - Exploration programs continuing

Monty – A Potential New High Grade Satellite Mine

Resource

- ▶ Maiden JORC 2012 Indicated and Inferred Mineral Resource estimate – 1.05Mt at 9.4% Cu, 1.6g/t Au:
 - 99,000t of copper, 55,000oz gold
 - 99% Indicated category, available for conversion to Ore Reserves
- ▶ One of the highest grade VMS deposits discovered anywhere in the world in the past three decades
- ▶ Confirms the potential for the overall Doolgunna VMS field to host multiple centres of mineralisation



Maiden Monty Mineral Resource

Monty – A Potential New High Grade Satellite Mine

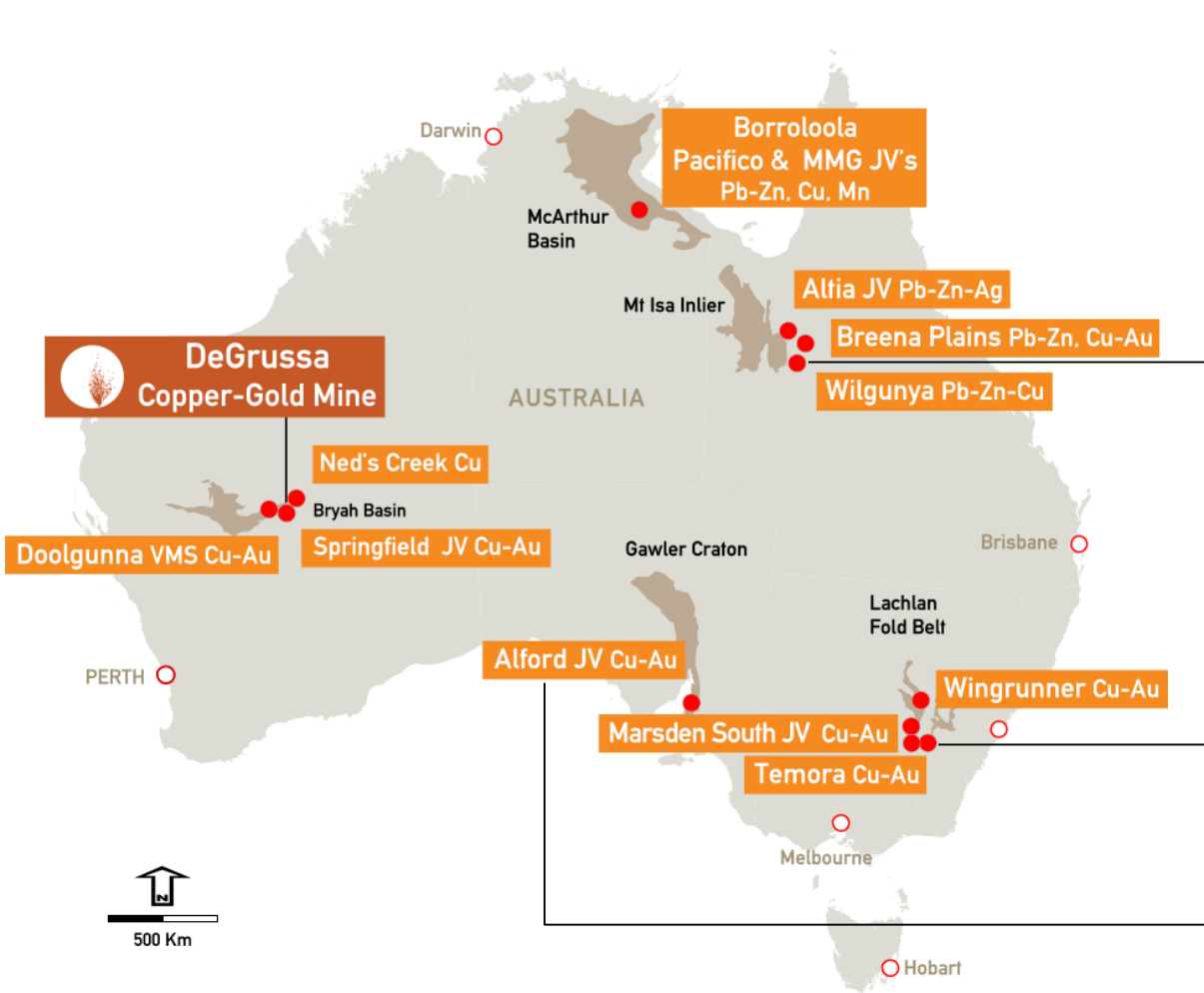
Development

- ▶ 16.42km² Mining Lease Application lodged
- ▶ High-level studies completed
- ▶ Preferred box-cut location selected
- ▶ Feasibility Study underway with \$3.9M budget (100%) – expected completion Q1 CY2017:
 - Metallurgical testwork
 - Geotechnical and structural geology
 - Mine design engineering
 - Proposed haul road route
 - Infrastructure utilisation
- ▶ Lowermost massive sulphide lens contains localised, high grade bornite



Australian Regional Exploration Projects

Targeting world-class discoveries in Australia's premier exploration provinces



EXPLORATION:

Queensland Base Metals

- ▶ 2,400km² in Mt Isa-Cloncurry province
- ▶ 100km strike length with outstanding potential for Broken Hill/Cannington-style and IOCG mineralisation
- ▶ Key targets include Breena Plains, Altia and Black Rock – exploration ongoing

EXPLORATION:

NSW Base Metals

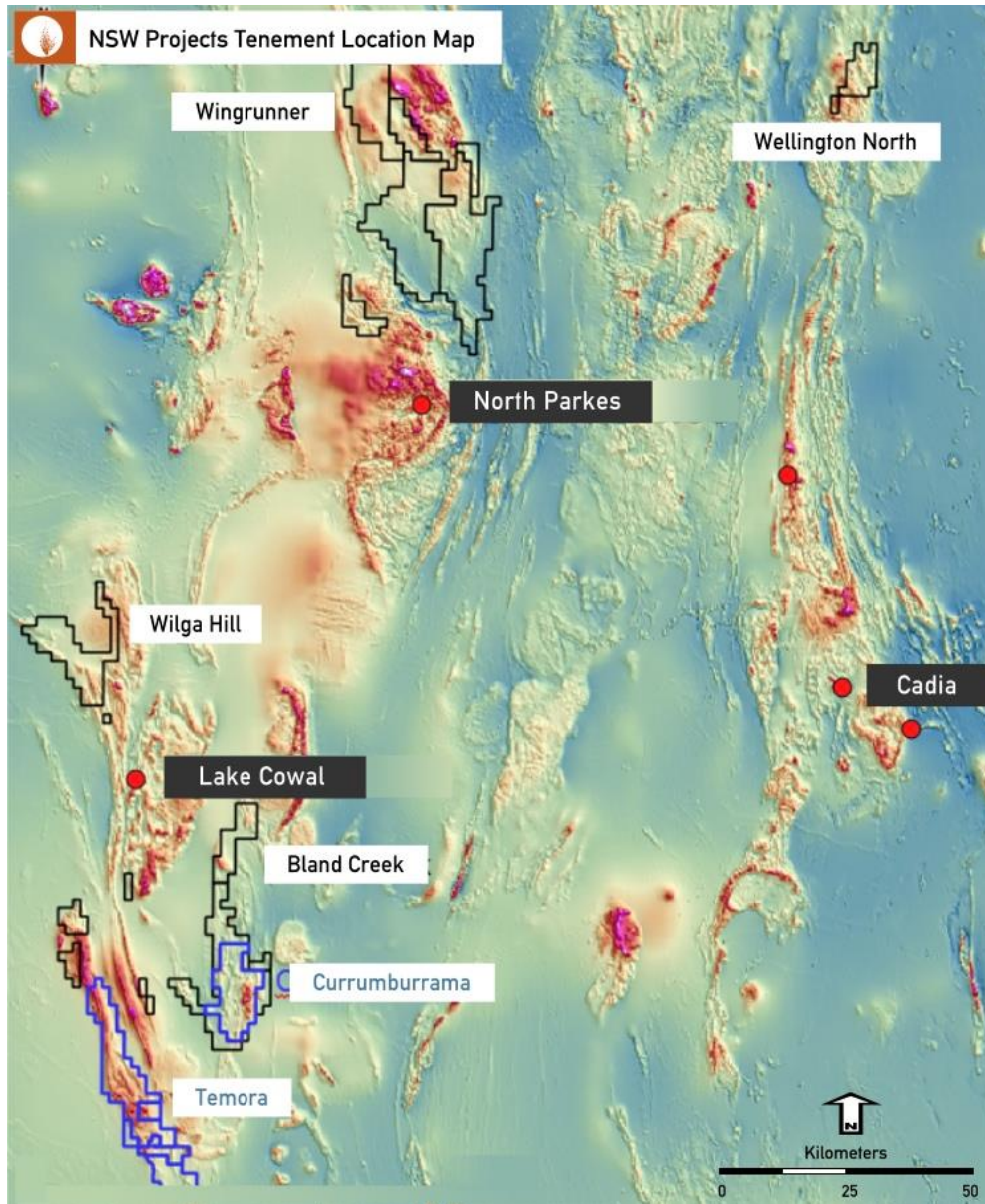
- ▶ 2,100km² in Lachlan Fold Belt
- ▶ Outstanding potential for porphyry mineralisation
- ▶ Multiple targets at Wingrunner and Marsden South
- ▶ Initial round of drilling completed in 2015, follow-up being planned
- ▶ Portfolio recently expanded with Temora Project acquisition

EXPLORATION:

South Australian IOCG Project

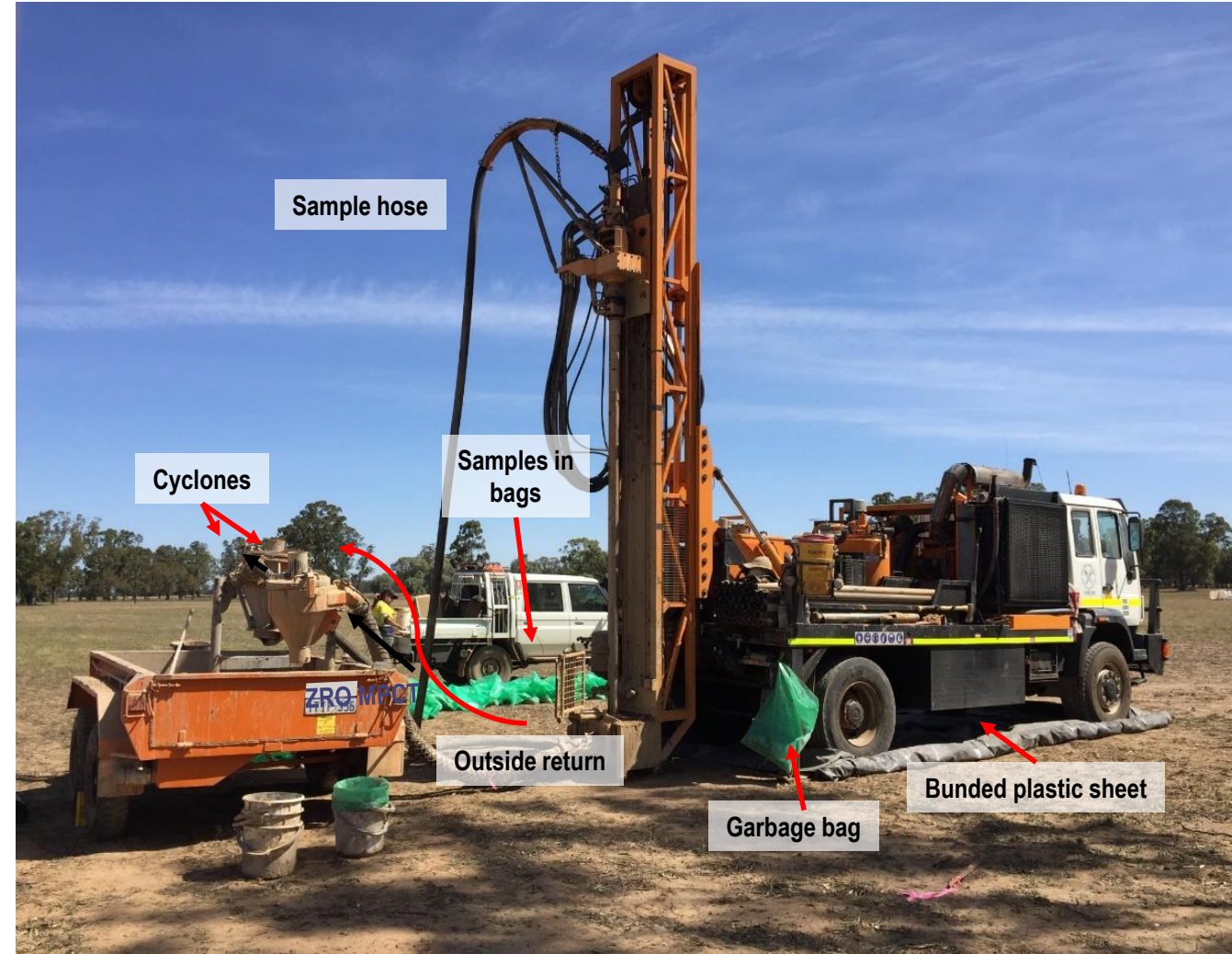
- ▶ 640km² in Gawler Craton
- ▶ Potential for IOCG copper-gold discoveries

NSW – A Significant Focus for East Coast Exploration

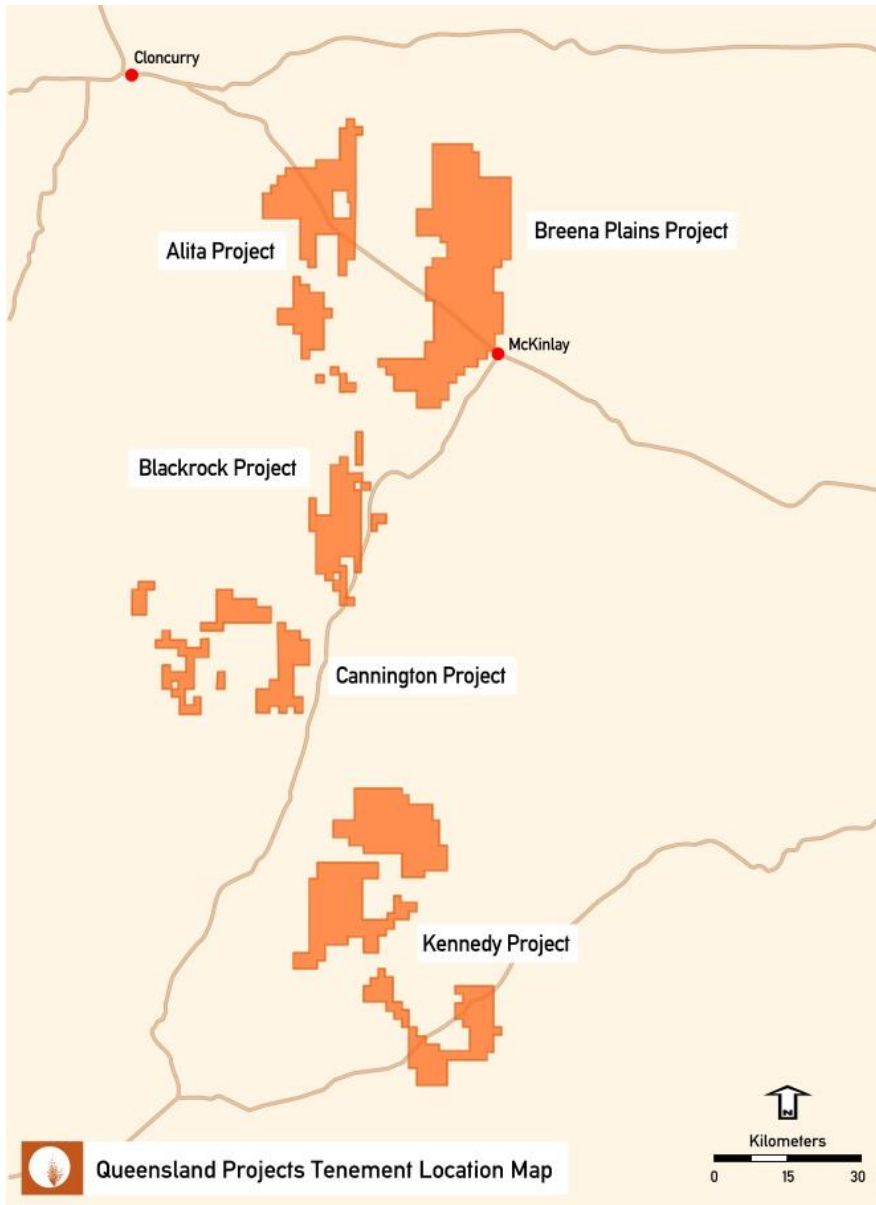


- ▶ Significant land-holding in Lachlan Fold Belt
- ▶ Acquisition of Temora Project recently completed
- ▶ Focus has been to develop a holistic targeting exercise by integrating different generations of data covering a known mineralised belt with historical mining
- ▶ Field work in recent field seasons has generated some outstanding organic greenfields targets
- ▶ These include the Wingrunner Project, north of Northparkes – now drill-ready following extensive geophysics and geochemistry
- ▶ Planning to commence drilling later this year, subject to access
- ▶ **Continuing to build strong relationships with key stakeholders to ensure that Sandfire is seen as a trusted partner in exploring on their land**

- ▶ System for Aircore drilling with almost zero environmental impact – developed by Sandfire in partnership with drilling company Bostech
- ▶ No digging sumps or clearing of pads
- ▶ Trailer system collects everything coming out of the drill hole, including the outside return which is normally allowed to blow off across the ground
- ▶ All samples collected in plastic bags then placed in plastic bales – eliminate spills
- ▶ All samples and waste removed from site and disposed of at licensed facility
- ▶ No drilling during rain or cropping season



Queensland – Seeking World-Class Discoveries Below Thick Cover



- ▶ Fertile geological scenarios (e.g. Isa Belt) which are prospective for Tier-1 deposits – numerous targets for Broken Hill Type (BHT) and IOCG deposits
- ▶ Many areas have deep cover – may have dissuaded previous explorers but presents us with a great opportunity
- ▶ Some of the ground was previously held by majors which drilled a handful of deep (+1,400m) diamond holes, highlighting the opportunity
- ▶ Limited exploration conducted outside of these areas
- ▶ New aeromagnetic data has provided the opportunity to dramatically refine historical geological understanding and hone in on “hot” areas:
- ▶ Major airborne magnetic survey currently underway (~50% complete) down to 50m line spacing – has already identified some quality targets
- ▶ Soil sampling and drilling continuing to convert these into discoveries

Investment in Tintina Resources – Black Butte Copper Project

- ▶ 57% stake in copper development company Tintina Resources (TSX-V: TAU) – ~\$20M invested to date
- ▶ Developing the Black Butte Copper Project, central Montana, USA
- ▶ Advanced, high quality copper project in stable jurisdiction:
 - NI 43-101 Measured and Indicated Resources of 15.7Mt grading 3.4% Cu for 533,600t of contained copper
 - NI 43-101 Inferred Resources of 2.3Mt grading 2.8% Cu for 63,500t of contained copper
- ▶ One of the top-10 undeveloped copper projects worldwide by grade
- ▶ Outstanding near-mine and district-wide exploration potential
- ▶ Development studies underway
- ▶ Application for Mine Operating Permit (MOP) for Johnny Lee copper deposit lodged with Montana Department of Environmental Quality (DEQ)



The DeGrussa Solar Power Project – Fully Operational



- ▶ Construction of 10.6MW solar power station at DeGrussa recently completed
- ▶ Fully integrated with existing 19MW diesel-fired power station
- ▶ \$40M project financed, developed and operated by international consortium
- ▶ Establishes DeGrussa as potential world-leading reference site for use of renewables
- ▶ One of the largest integrated off-grid solar power systems in the global mining industry
- ▶ Expected reduction in CO₂ emissions by 12,000 tonnes per year

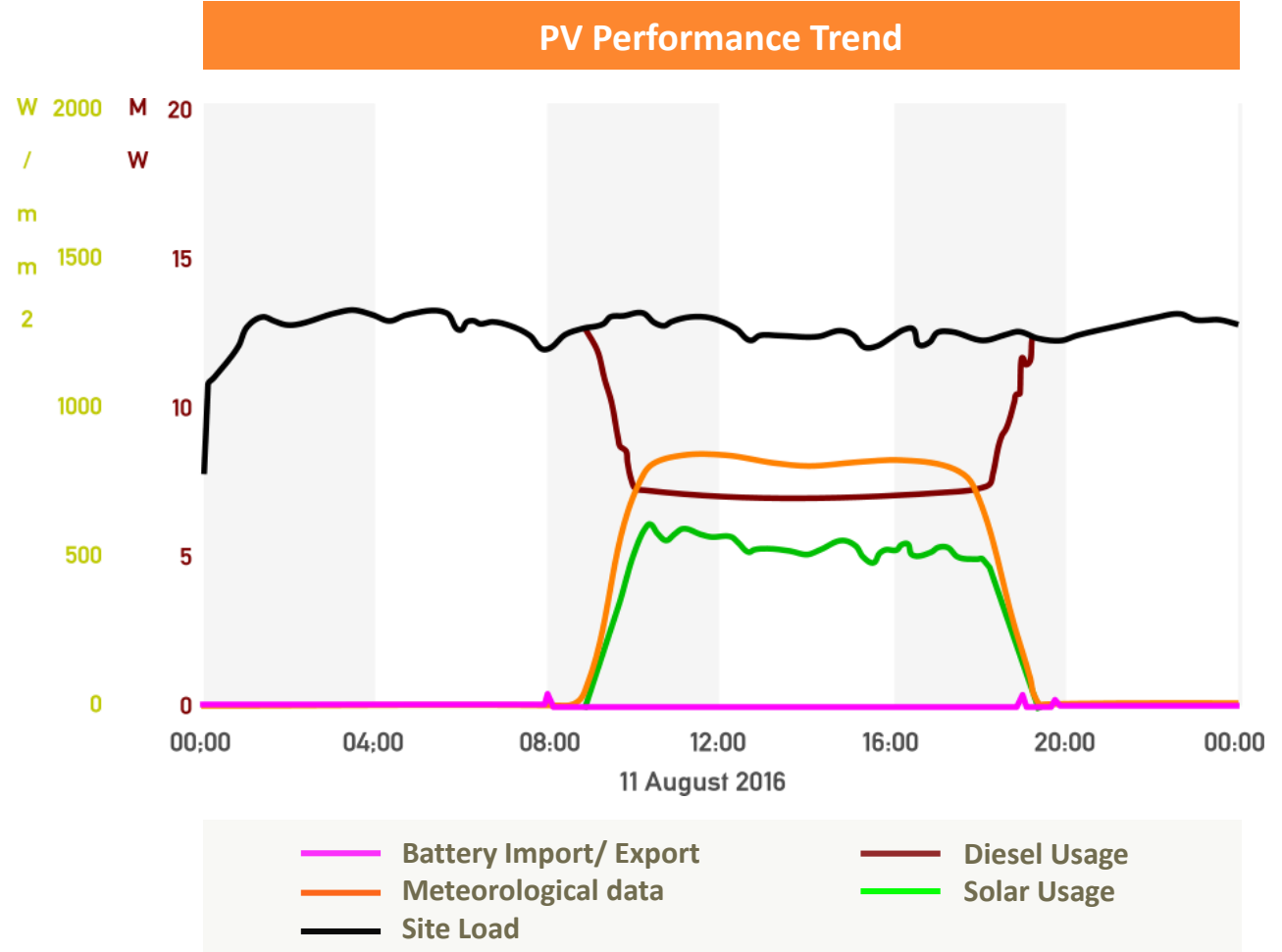


The DeGrussa Solar Power Project – Current Status

- ▶ Commissioning commenced mid-March – power generation successfully ramped up to full capacity in May 2016

- ☀ Solar PV Panels **34,080**
- ☀ Mounting system **Single-axis tracking**
- ☀ Storage system **Lithium-ion**
- ☀ PV Area **20 Acres**
- ☀ Solar production **~21 GWh p.a.**
- ☀ Diesel savings **~5 Million litres p.a.**
(~20% of total)
- ☀ CO₂ savings **~12,000 tonnes p.a.**

- ☀ Participants



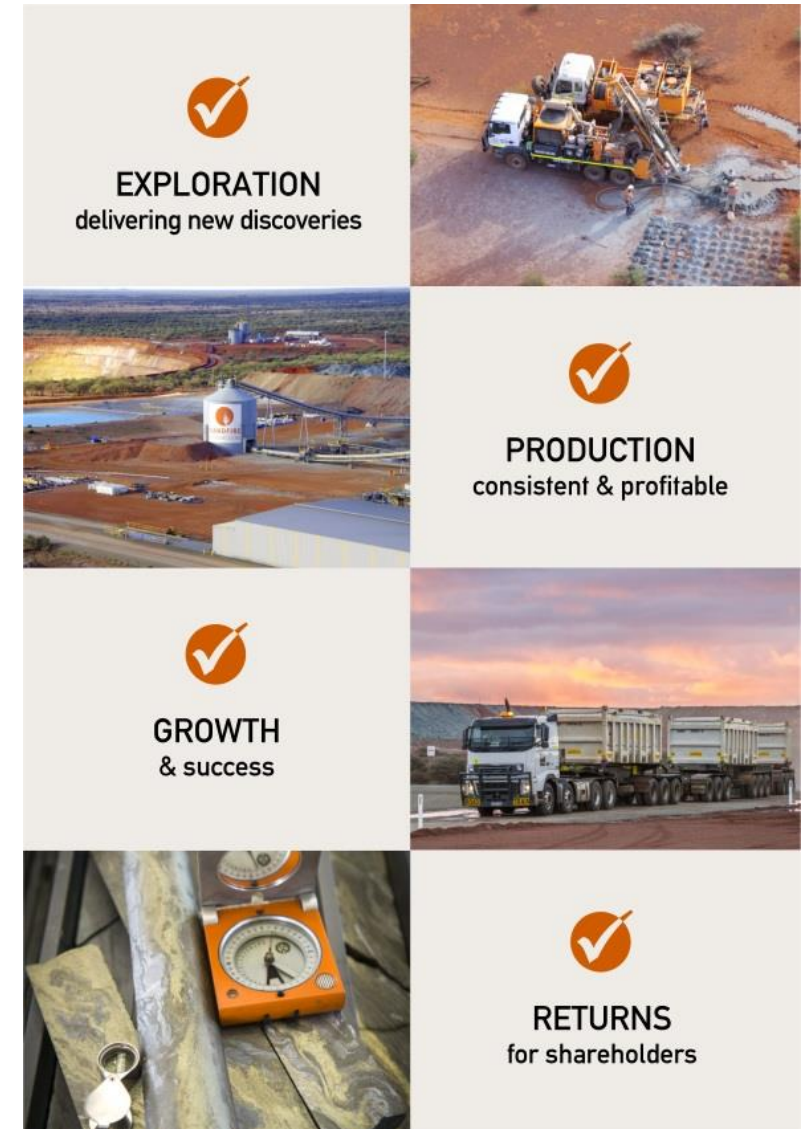
The DeGrussa Solar Power Project



Summary – Positioned for Growth and Success

- ▶ **Consistent** low-cost production
- ▶ **Strong** balance sheet – net cash position
- ▶ **Growing** free cash-flows
- ▶ **Committed** to organic growth via exploration
- ▶ **Unlocking** the potential at Doolgunna
- ▶ **Developing** a growth pipeline for the future

Sandfire is a high-margin, low-cost Australian copper-gold producer, ideally positioned for its next exciting chapter of growth.





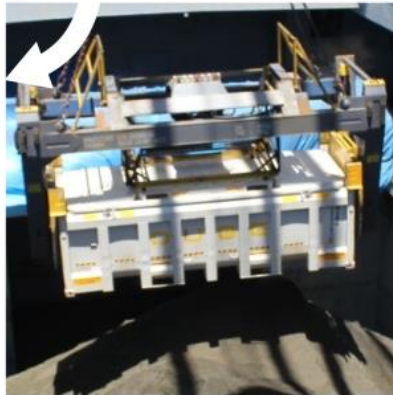
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Sydney Mining Club, 1 September 2016 – Karl Simich, Managing Director and CEO



Mineral Resource, Ore Reserve and Mine Plan



Table 1 – December 2015 Comparison of the Underground Mine Plan, Mineral Resource and Ore Reserve

DeGrussa Underground Mine	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Mine Plan	8.1	4.4	1.7	357,000	443,000
Ore Reserve	8.0	4.4	1.7	353,000	441,000
Mineral Resource	7.8	5.7	2.1	443,000	536,000

DeGrussa Underground Mine by Orebody	Tonnes (Mt)	Stockpiles (Mt)	DG (Mt)	C1 (Mt)	C4 (Mt)	C5 (Mt)
Mine Plan	8.1	0.1	0.9	3.1	2.2	1.8
Ore Reserve	8.0	0.1	0.9	3.0	2.2	1.8
Mineral Resource	7.8	0.1	0.9	3.0	2.1	1.7

Table 2 – December 2015 Mineral Resource

DeGrussa Mineral Resource	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Underground Mine	7.8	5.7	2.1	443,000	536,000
Stockpiles (Open Cut)	2.9	1.2	1.0	35,000	89,000
December 2015 – Total	10.7	4.5	1.8	478,000	625,000

Table 3 – December 2015 Ore Reserve

DeGrussa Mine Ore Reserve	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Underground Mine	8.0	4.4	1.7	353,000	441,000
Stockpiles (Open Cut)	2.8	1.2	1.0	35,000	84,000
December 2015 – Total	10.8	3.6	1.5	388,000	525,000

Refer ASX Announcement “DeGrussa Mine Plan, Mineral Resource and Ore Reserve Update”, 14 April 2016