



ASX/Media Release

20 November 2014

RESPONSE TO MARKET SPECULATION CONDUCTOR 4/5 DECLINE UPDATE

Sandfire Resources NL (ASX: SFR – “Sandfire” or “the Company”) has become aware of market speculation in relation to increased water flows into the Conductor 4/5 Decline at its DeGrussa Copper Mine.

These inflows have occurred at the location of underground drill holes completed as part of a long-term water management program for the underground mine. Dewatering capacity has been increased to match the level of water inflows. Activities have also commenced to seal the drill holes and reduce water inflow to enable development activities to recommence.

Development of the Conductor 4/5 Decline has been temporarily suspended and is expected to recommence around the end of the December 2014 Quarter.

The Conductor 4/5 Decline is being developed to provide access to the Conductor 4 and Conductor 5 deposits, which are not scheduled to contribute to mine production until FY2016 onwards.

All underground ore feed is currently sourced from the DeGrussa and Conductor 1 deposits and the DeGrussa Concentrator is continuing to process run-of-mine (ROM) stockpiles. Mining activities in the Conductor 1 and DeGrussa orebodies have been temporarily put on hold, until early December 2014, as a precautionary measure.

Sandfire does not expect to change previously announced production guidance for FY2015.

ENDS

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