



SANDFIRE RESOURCES NL

A QUALITY COPPER-GOLD COMPANY ASX Code- SFR



June 2015 Full Year Results Webcast – 20 August 2015

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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.

JORC Compliance Statement

- The DeGrussa VHMS (volcanic-hosted massive sulphide) copper-gold deposit is located 900 kilometres north of Perth and 150 kilometres north of Meekatharra in the Peak Hill Mineral Field. The system is hosted within a sequence of metasediments and mafic intrusions situated in the Bryah Basin that have been metamorphosed and structurally disrupted.
- The sulphide mineralisation consists of massive sulphide and semi-massive sulphide mineralisation. Primary sulphide minerals present are pyrite, chalcopyrite, pyrrhotite and sphalerite, together with magnetite. The sulphide mineralisation is interpreted to be derived from volcanic activity. The deposit shares characteristics with numerous VHMS deposits worldwide. Sandfire Resources are currently exploring the defined prospective sequence in its 100% held tenements and within the Talisman Mining earn in and joint Venture agreement.



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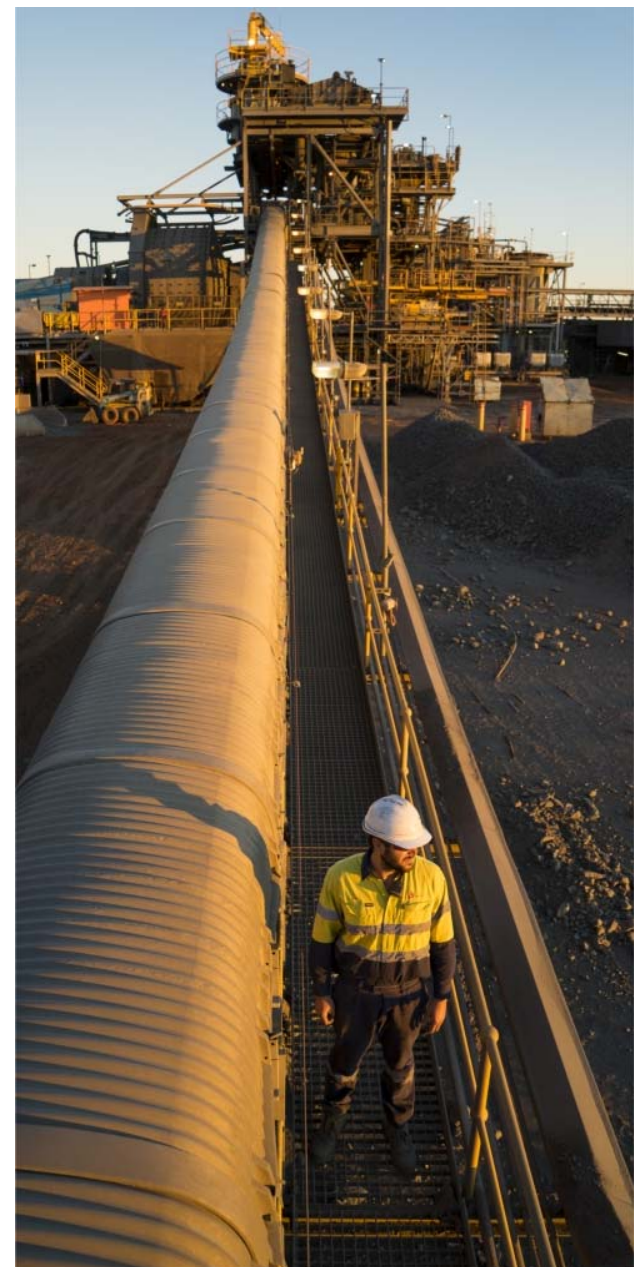
Operating Results – FY2015

Karl Simich – Chief Executive Officer

FY2015 in Review

Strong and consistent production; processing enhancements; strong outlook

- **FY2015 production:** 67,154t copper and 37,386oz gold; C1 US\$1.09/lb
- **Mining and mill throughput:** 1.5Mt for the year with rates increased to 1.6Mtpa by year-end; mine development proceeding as planned on C4 and C5
- **Processing plant** optimisation programs delivering results:
 - **Copper recoveries increased by 2%** as a result of flotation improvements and installation of column cell (copper recovery guidance increased to 92% for FY2016)
 - **Milling throughput increased** following Primary Screen and Pebble Crusher improvements
- **Maiden C4 Ore Reserve and mine life extension to mid-2021:** C5 Ore Reserve expected in March 2016 Quarter
- **10.6MW DeGrussa Solar Power Project** to reduce costs and CO₂ emissions
- **FY2016 production guidance:** 65-68,000t copper, 35-40,000oz gold; C1 cash cost US\$0.95-1.05/lb



FY2015 in Review

New VMS discovery at DeGrussa; business development; debt restructured

- **Discovery of significant zone of high-grade copper-gold mineralisation** – at Monty, 10km east of DeGrussa within the Talisman Mining (ASX: TLM) farm-in: drilling continuing
- **Secured 36% stake in Tintina Resources (TSX-V: TAU)** – developing the high-quality Black Butte Copper Project, central Montana, USA
- **Restructure of DeGrussa Finance Facilities** – \$85M revolver facility and \$35M amortising facility at year-end; term extended to December 2017





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Financial Results – FY2015

Matthew Fitzgerald – Chief Financial Officer

Headline Financial Results for the Full Year Ended 30 June 2015

Sandfire maintains strong operational and financial performance



- Sales revenue of **\$548.6M**
- Strong cash flow from operating activities of **\$224.0M** (**\$250.1M** prior to payments for exploration and evaluation expenses)
- DeGrussa Mine segment earnings before net finance and income tax of **\$165.3M**
- Profit before net finance expense and income tax of **\$119.7M**
- Profit before income tax of **\$104.8M**
- Net profit after tax **\$69.0M**
- Earnings per share of **44.18cps (basic and diluted)**
- Cash at 30 June 2015 of **\$107.2M**; finance facility balance reduced to \$120.0M

Headline Financial Results for the Full Year Ended 30 June 2015

Sandfire maintains dividend payments



- Final dividend of **10.0cps (fully franked)**
- Maintaining dividend stream – \$20.4M FY2015 (Interim and Final)
- Dividend payout ratio increased to 30%

Dividend	FY2015	FY2014
Interim dividend (cps)	3.0 (unfranked)	-
Final Dividend (cps)	10.0 (fully franked)	10.0 (unfranked)
Total (cps)	13.0 (10.0 franked)	10.0 (unfranked)
Earnings per share (cps, diluted)	44.18	50.15
Payout ratio	30%	20%

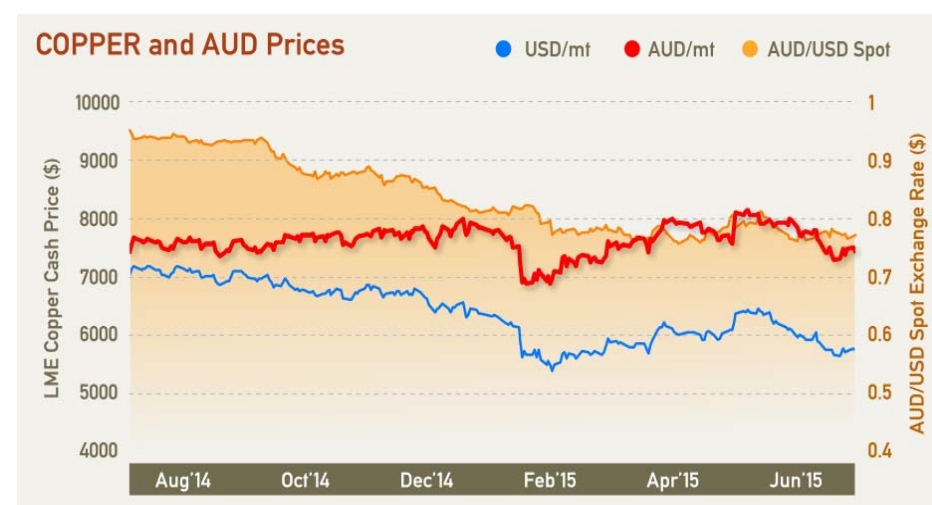
- Balancing shareholder returns (dividends, capital growth, business development and exploration) with operational cash flow requirements (mine development and capital expenditure)

Note: Dividends are presented in the year of their respective earnings, which may differ from the financial year declared and/or paid

June 2015 Full Year Presentation – Headline Income

Income Statement Review – Key Results

(\$'000)	June 2015	June 2014
Sales revenue	548,610	525,713
Profit before net finance and income tax	119,658	127,108
Net finance expense	(14,876)	(15,160)
Profit before income tax	104,782	111,948
Income tax expense	(35,827)	(33,790)
Net profit for the year	68,955	78,158

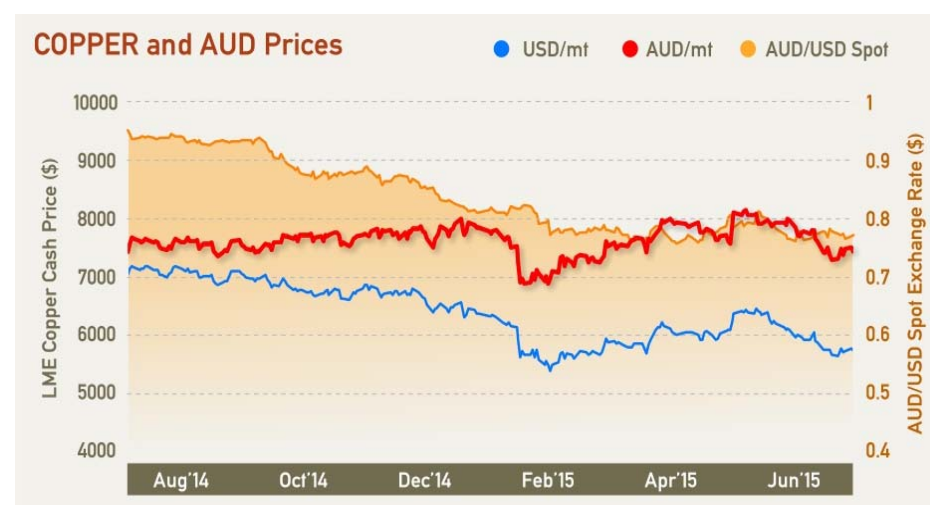


- Increased revenue from copper and gold production – increased metal sold, declining USD copper price (down 19%) offset by lower AUD (also down 19%)
- Mine operations and employee costs reduced by 6%
- Post mine gate costs increased 11% with increased sales quantities and concentrate market conditions (TC/RC)
- Provisional income tax payments for \$5,229,000 commenced in the second half of FY2015; \$13,128,000 remaining income tax payable

June 2015 Full Year Presentation – Headline Income

Income Statement Review – Key Results

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- QP realised and unrealised price adjustments, hedge gains - \$12,269,000
- Water ingress expense (Q2 FY2015) – \$8,081,000
- Equity accounted investments and associated financial assets - \$14,951,000
 - Equity share of net losses \$4,560,000
 - Impairment of investment carrying value \$4,943,000
 - Valuation movement on share warrants \$5,448,000

June 2015 Full Year Presentation

Balance Sheet Review



(\$'000)	June 2015	June 2014
ASSETS		
Cash and cash equivalents	107,154	57,590
Trade and other receivables	9,813	14,531
Inventories	30,951	36,501
Other current assets	1,931	2,005
Total current assets	149,849	110,627
Receivables	179	174
Inventories	11,698	11,698
Mine properties	202,588	194,894
Property, plant and equipment	216,293	227,022
Investments - equity method	7,644	3,829
Other financial assets	1,254	2,310
Exploration and evaluation assets	5,233	3,148
Total non-current assets	444,889	443,075
TOTAL ASSETS	594,738	553,702

- Cash – approaching zero net debt
- Inventories – Port and site concentrates, ore stockpiles and stores
- Mine properties – Underground development continues
- Property, plant and equipment – Plant improvement projects and sustaining capital
- Investments and other financial assets – Tintina Resources Inc and WCB Resources Ltd shares and warrants

June 2015 Full Year Presentation

Balance Sheet Review



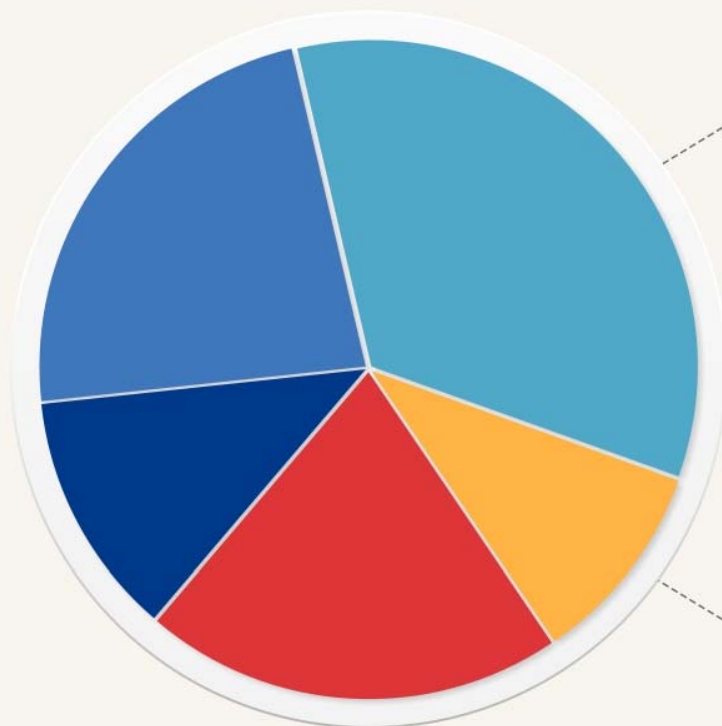
(\$'000)	June 2015	June 2014
LIABILITIES		
Trade and other payables	39,115	45,359
Interest bearing liabilities	20,493	75,979
Income tax payable	13,128	-
Provisions	3,220	2,672
Total current liabilities	75,956	124,010
Trade and other payables	294	763
Interest bearing liabilities	99,536	84,616
Provisions	22,860	21,654
Deferred tax liabilities	48,314	30,851
Total non-current liabilities	171,004	137,884
TOTAL LIABILITIES	246,960	261,894
NET ASSETS	347,778	291,808

- Finance facility – \$40M repaid during FY2015, \$120M remaining (\$20M current, \$100M non current including \$85M revolving facility)
- Deferred tax liability – a result of taxable income lagging accounting profit

June 2015 Full Year Presentation

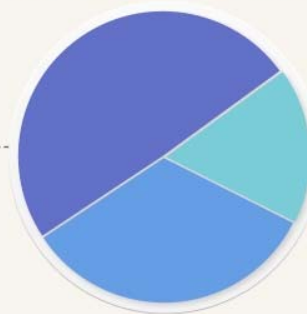
Cash Flow and Dividends

USES OF CASH GENERATION:



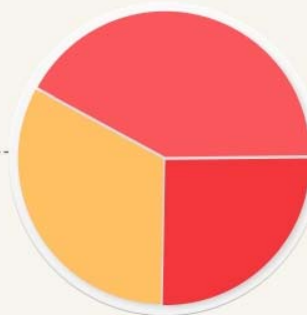
- Finance Facility Repayment & Interest Costs - \$46.8M
- Mine Development - \$69.3M
- Dividends (FY2015 Interim and Final) - \$20.4M
- Exploration & Evaluation Activities - \$42.1M
- Property, Plant and Equipment - \$24.5M

DEBT AND CAPITAL REQUIREMENTS:



- Finance Facility Repayment & Interest Costs - \$46.8M
- Mine Development - \$69.3M
- Property, Plant & Equipment - \$24.5M

DIRECT AND INDIRECT SHAREHOLDER RETURN:



- Exploration & Evaluation Activities - \$26.2M
- Tintina Resources - \$15.9M
- Dividends (FY2015 Interim and Final) - \$20.4M





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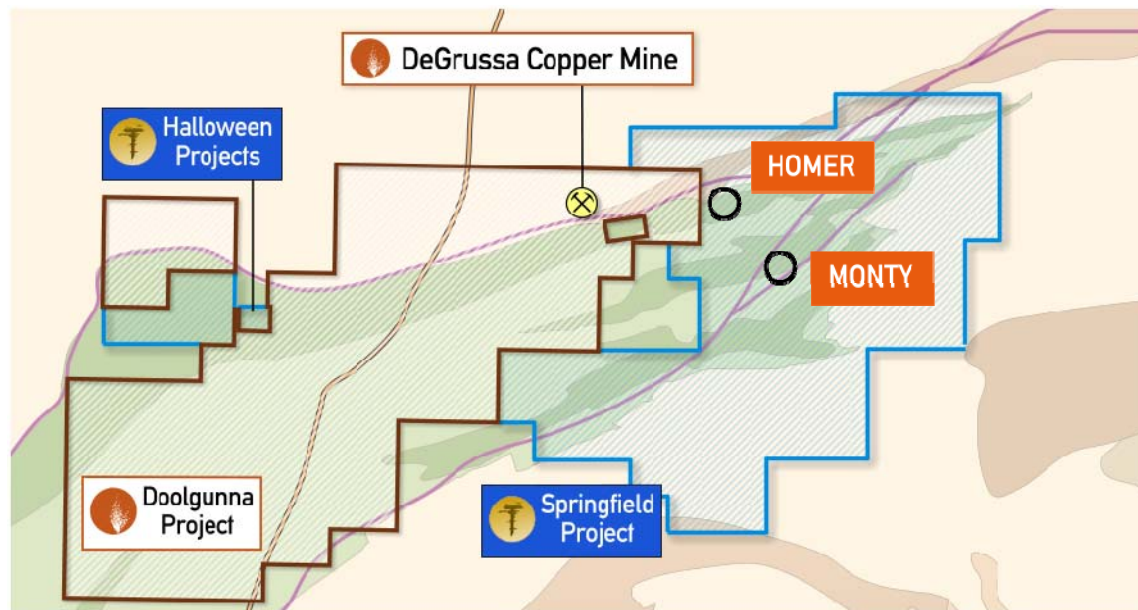


Exploration Update

Shannan Bamforth – General Manager Exploration

Emerging VMS District – Talisman Farm-In

Recent exploration success highlights potential for multiple centres of mineralisation



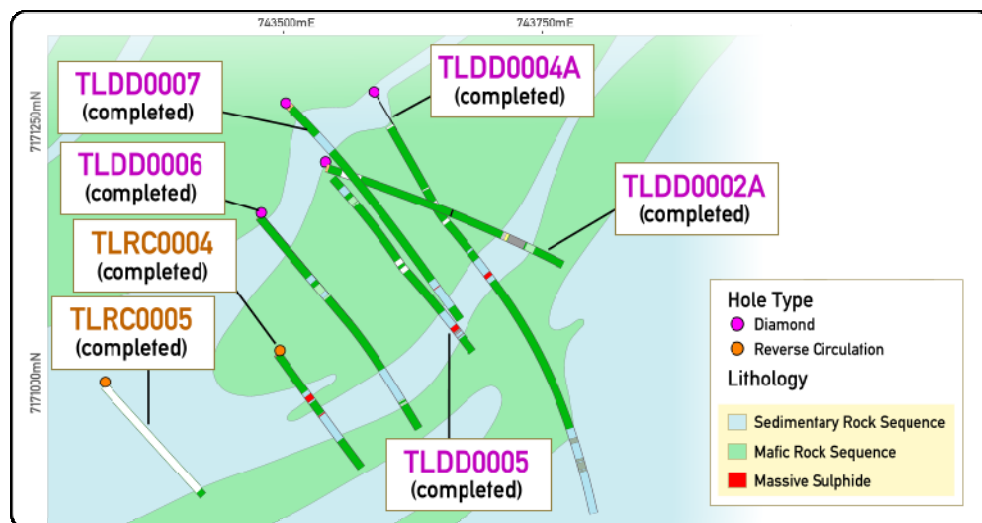
- Sandfire earning 70% interest via \$15M farm-in with Talisman Mining (ASX: TLM): \$5M spent
- Two emerging areas of exploration focus
- **Monty** – 10km south-east of DeGrussa
 - Significant new high-grade discovery – first discovery outside of DeGrussa
 - Growing footprint of sulphide mineralisation
 - Opens up highly prospective +5km long parallel VMS trend
 - Drilling continuing
- **Homer** – 4km east of DeGrussa
 - Thick package of exhalative VMS sequence identified within DeGrussa Mine Corridor
 - Similarities to host sequence seen at DeGrussa
 - Follow-up drilling planned



Monty – new high-grade VMS copper-gold discovery

Recent exploration success highlights potential for multiple mineralisation centres

- **Three significant high-grade copper-gold intercepts** to date with drilling continuing:
 - TLDD0004A - **16.5m grading 18.9% Cu and 2.1g/t Au** from 409.5m down-hole
(true width unknown at this time, top of intercept is 365m below surface)
 - TLDD0005 - **9.2m grading 11.8% Cu and 2.9g/t Au** from 417.0m down-hole
(true width unknown at this time, top of intercept is 370m below surface)
 - TLRC0004 - **18.0m grading 5.7% Cu and 2.4g/t Au** from 108m down-hole and **4.0 metres grading 4.2% Cu and 0.7g/t Au**
(true width unknown at this time, top of intercepts 90m and 140m respectively below surface)



Next steps:

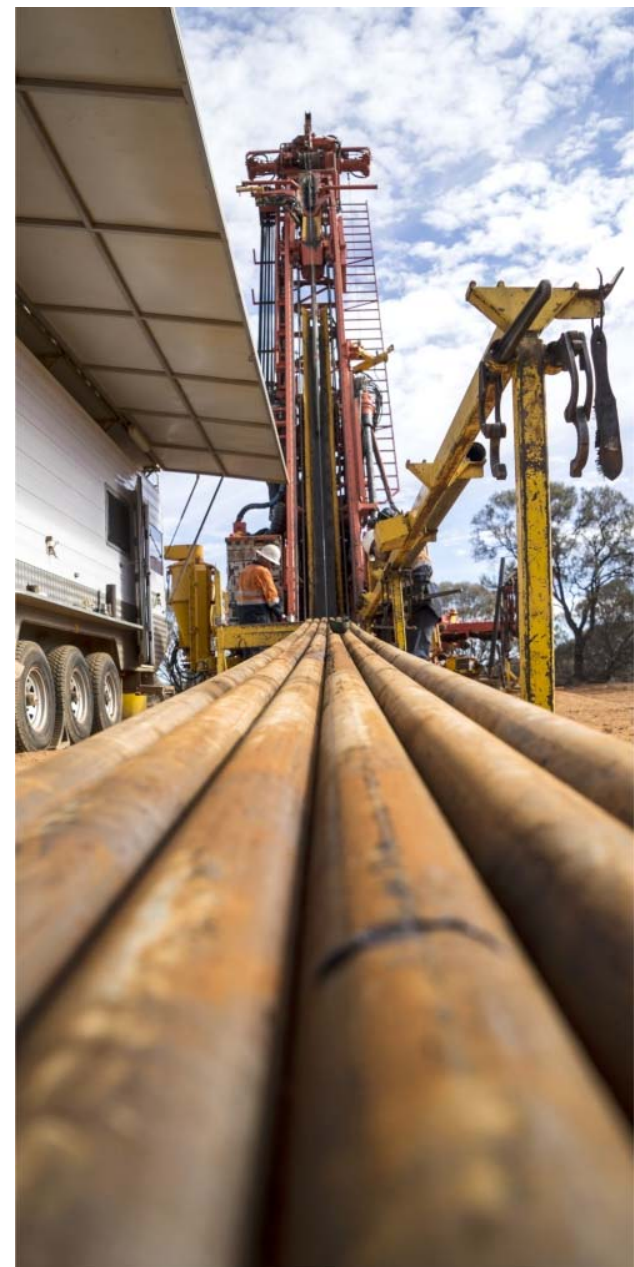
- Further diamond drilling up-dip and down-dip to test potential for extensions to mineralisation
- Ongoing DHEM surveys to guide drilling
- Diamond and RC drilling along strike to test the entire 5km long prospective sequence
- Two rigs operating with potential for further drilling capacity to be added

Summary and Outlook

Continued strong outlook for FY2016 and beyond

- **Consistent, low-cost copper-gold production**
 - FY2015 performance: 67,154t Cu, 37,386oz gold at C1 US\$1.09/lb
 - FY2016 guidance: 65-68,000t Cu, 35-40,000oz Au at C1 US\$0.95-1.05/lb
- New chapter of **discovery success and growth** at DeGrussa
 - High-grade Monty VMS discovery re-rates district exploration potential
- **Strong cash flow** funding growth and shareholder returns
 - Continued dividend stream for shareholders
 - Committed exploration to further extend mine life
 - Cornerstone position acquired in high-grade USA copper project
- **Emerging** international and domestic growth pipeline

A premier Australian copper-gold company





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Monty Drilling – Additional Information

Table 1 – Drill-hole Information Summary, Springfield Project
Details and coordinates of drill collars are provided below:

Hole ID	Depth	Dip	Azimuth	Grid_ID	East	North	RL	Lease ID	Hole Status
TLDD0002A	463	-61°	110°	MGA94_50	743544	7171211	602	E52/2282	Complete
TLDD0004A	817	-60°	148°	MGA94_50	743588	7171281	601	E52/2282	Complete
TLDD0005	478	-62°	139°	MGA94_50	743544	7171211	602	E52/2282	Complete
TLDD0006	554	-62°	138°	MGA94_50	743479	7171160	602	E52/2282	Complete
TLRC0004	306	-62°	143°	MGA94_50	743497	7171025	605	E52/2282	Complete
TLDD0007	589	-62°	138°	MGA94_50	743504	7171271	602	E52/2282	Complete

Table 2 – Significant Drill-hole Assay Intersections, Springfield Project
Details of all relevant intersections are provided below:

Hole ID	From	To	Downhole Width	Intersection		
				Cu (%)	Au (g/t)	Zn (%)
TLDD0004A	409.5	426.0	16.5	18.9	2.1	1.5
TLDD0005	417.0	426.2	9.2	11.8	2.9	2.3
TLRC0004(1)	107.0	125.0	18.0	5.7	2.4	3.2
TLRC0004(2)	158.0	162.0	4.0	4.2	0.7	0.1





Mineral Resource, Ore Reserve and Mine Plan

Maiden C4 Ore Reserve and Mineral Resource addition extended mine life to mid-2021

- Previously announced increases to high-grade Underground Mineral Resource incorporated into DeGrussa Mine Plan, extending mine life to mid-2021
- Maiden Ore Reserve reported for C4 deposit – 2Mt grading 4.5% Cu and 1.5g/t Au
- DeGrussa Ore Reserve updated based on mining depletion to 31 December 2014 to 10.6Mt grading 3.5% Cu and 1.3g/t Au for 376,000t of contained copper and 456,000oz of contained gold

Table 1 – December 2014 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	9.6	4.4	1.6	424,000	484,000
Mineral Resource	9.5	5.7	2.0	546,000	616,000
Ore Reserve	7.8	4.4	1.5	343,000	368,000

DeGrussa Underground Mine by orebody	Tonnes (Mt)	DG (Mt)	C1 (Mt)	C4 (Mt)	C5 (Mt)
Mine Plan	9.6	1.1	4.7	2.2	1.5
Mineral Resource	9.5	1.0	4.7	2.4	1.4
Ore Reserve	7.8	1.1	4.6	2.0	-

Table 2 – December 2014 Ore Reserve

DeGrussa Mine Ore Reserve, net of depletion	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Underground Mine	7.8	4.4	1.5	343,000	368,000
Stockpiles (Total)	2.9	1.2	1.0	35,000	89,000
December 2014 – Total	10.6	3.5	1.3	376,000	456,000