



SANDFIRE
RESOURCES NL

A QUALITY COPPER-GOLD COMPANY
ASX Code:SFR

**March 2016 Quarterly Report
Presentation and Webcast
14 April 2016**

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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.

Agenda

- ▶ Highlights
- ▶ Safety
- ▶ Mining and Processing
- ▶ Sales
- ▶ Operating Costs and Guidance
- ▶ Ore Reserves and Mineral Resources
- ▶ Exploration
- ▶ Summary and Outlook



March 2016 Quarterly Highlights



Production continues to deliver; Monty VMS maiden high-grade Mineral Resource; Maiden C5 Ore Reserve

Production and Operations

- ▶ 16,095t copper and 9,080oz gold produced; C1 US\$1.01/lb
- ▶ Mining at 1.6Mtpa, milling rate reduced to 1.5Mtpa with planned shutdown in late February
- ▶ FY2016 production guidance maintained: upper end of 65-68kt of copper, midpoint of 35-40koz of gold; lower end C1 ~US\$0.95-1.05/lb

Ore Reserves and Mineral Resources

- ▶ Monty drill-out completed: maiden Mineral Resource 1.05Mt at 9.4% Cu, 1.6g/t Au for 99,000t of contained Cu and 55,000oz of contained gold (99% in the Indicated Resource category) (announced 13 April 2016)
- ▶ Maiden C5 Ore Reserve, updated DeGrussa Mine Plan, Ore Reserve and Mineral Resource Statement as at 31 December 2015 (announced 14 April 2016)

Exploration

- ▶ Exploration continuing to test host horizons within 5km long prospective Monty VMS horizon
- ▶ Springfield Joint Venture with Talisman Mining (ASX: TLM): \$7.4M cash calls completed for the March 2016 Quarter (Sandfire 70%, Talisman 30%)

March 2016 Quarterly Highlights



Production continues to deliver; Monty VMS maiden high-grade Mineral Resource; Maiden C5 Ore Reserve

Corporate and Financial

- ▶ DeGrussa Finance Facility balance further reduced to \$70M (\$50M Revolver Facility and \$20M Amortising Facility)
- ▶ Cash and deposits of \$45M (Group)
- ▶ Fully franked \$0.02 per share interim dividend declared and paid
- ▶ Tintina Resources progressing Mine Operating Permit process



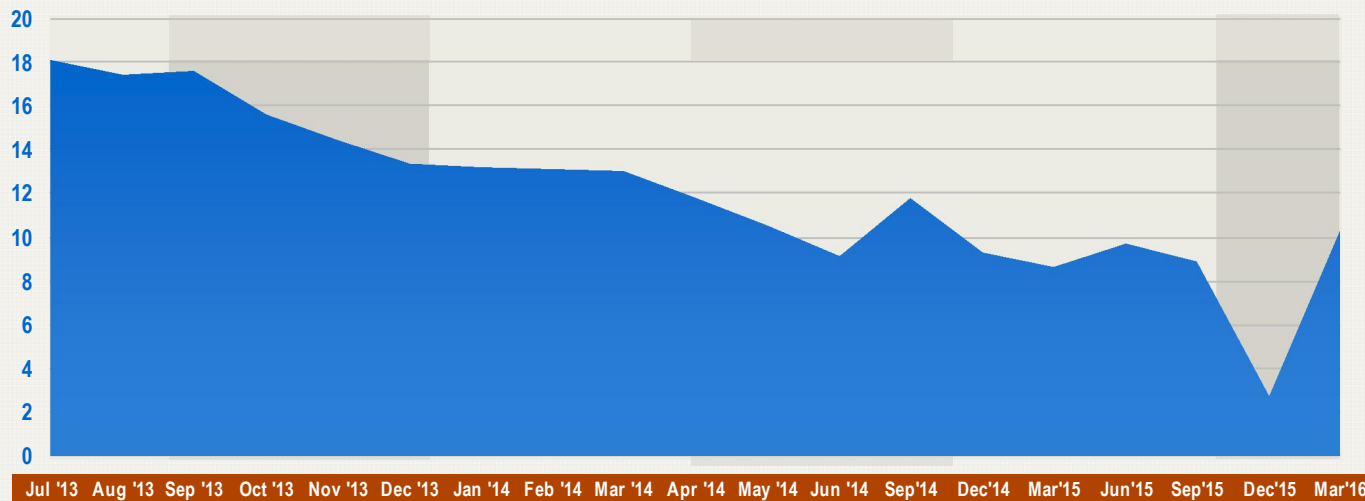
Safety



Continued sound safety performance

- ▶ Total Recordable Injury Frequency Rate (TRIFR) of 10.3 at Quarter-end (vs. 2.7 at December 2015 Quarter-end) - reflects four low risk and low consequence hand and musculoskeletal injuries.
- ▶ Safety systems development and critical control management; ongoing focus being applied to improved safety leadership, culture and controls assurance.

TRIFR



Mining Overview



Production rates on target

Underground production and mine development

- ▶ Total ore production for the Quarter of 396,211 tonnes grading 4.3% Cu
- ▶ Production rates continue at ~1.6Mtpa
- ▶ Mine remains in balance between production and back-fill
- ▶ Conductor 4 and 5 Decline development proceeding on schedule, with all development advance occurring in good ground conditions
- ▶ Three stopes mined to date from Conductor 4 with stope performance as expected
- ▶ First Conductor 5 stope to be mined in the June 2016 Quarter



Ore drive in the Conductor 5 deposit, January 2016

Processing



Processing rates on target

Mill throughput

- ▶ 374,955 tonnes milled at average head feed grade of 4.7% Cu
- ▶ Milling rates continue to match enhanced capabilities of the milling circuit
- ▶ Planned 8-day shutdown completed

Recovery

- ▶ Quarterly copper recovery of 91.7%; Gold recovery 38.0%
- ▶ Recent mill regrind optimisation work to further lift recoveries

Concentrate & metal production

- ▶ 66,024 tonnes of concentrate produced
- ▶ 16,095 tonnes of contained copper produced



Sales



Copper & Gold Sales

- ▶ Quarterly sales of 20,423 tonnes of contained copper and 11,352 ounces of contained gold
- ▶ Quarter end concentrate holding (~6,000t) reduced from high levels at end of December 2015 Quarter



Unit Operating Costs



C1 and total production costs

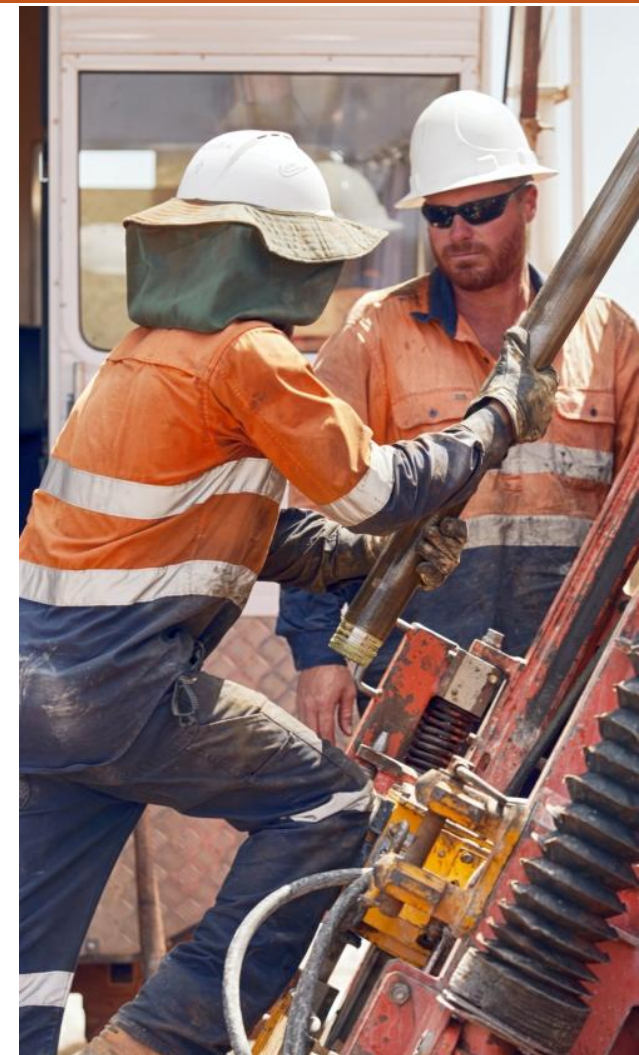
Unit costs – DeGrussa Mine	Q3 FY2016 (US\$/lb)	Commentary
Mining (net of development)	0.33	
Processing	0.42	Solid quarterly copper production maintaining low C1 cost levels
Business services	0.12	
Transport, treatment and refining	0.44	
C1 cost (pre-by product credit)	1.31	Planned processing plant shutdown in February limited quarterly production and increased processing costs by ~\$4M
By-product credit (gold and silver)	(0.30)	
C1 cost	1.01	USD C1 has previously been assisted by AUD currency weakness (~USD0.70), AUD has recently risen to ~USD0.77
Royalties	0.11	
Production cost	1.12	Mine development \$16.4M for the quarter (FY2016 mine development guidance ~\$70M)
Depreciation and amortisation	0.47	
Total production cost	1.59	

Doolgunna Exploration Overview



Monty resource drill-out completed; maiden resource delivered; exploration continuing

- Monty resource drill-out finalised with 82 diamond drill-holes completed since discovery in June 2015
- Sandfire is Manager of the Springfield JV – interests Sandfire 70%/Talisman 30%
- Maiden JORC 2012 compliant Mineral Resource estimate:
 - Total Indicated and Inferred Mineral Resource of 1.05Mt grading 9.4% Cu and 1.6g/t Au for 99,000 tonnes of contained copper, 55,000 ounces of contained gold
 - Includes a high-grade massive sulphide resource of 763,000t grading 12.1% Cu and 2.1g/t Au for 92,000 tonnes of contained copper and 52,000 ounces of contained gold
 - 99% of the Mineral Resource is reported in the Indicated Resource category, available for later conversion to Ore Reserves
- First VMS deposit to be delineated outside of DeGrussa mining complex
- Confirms the potential for the overall Doolgunna VMS field to host multiple centres of mineralisation
- High level studies underway to investigate optimal pathway to production, including assessment of the utilisation of the DeGrussa plant and infrastructure

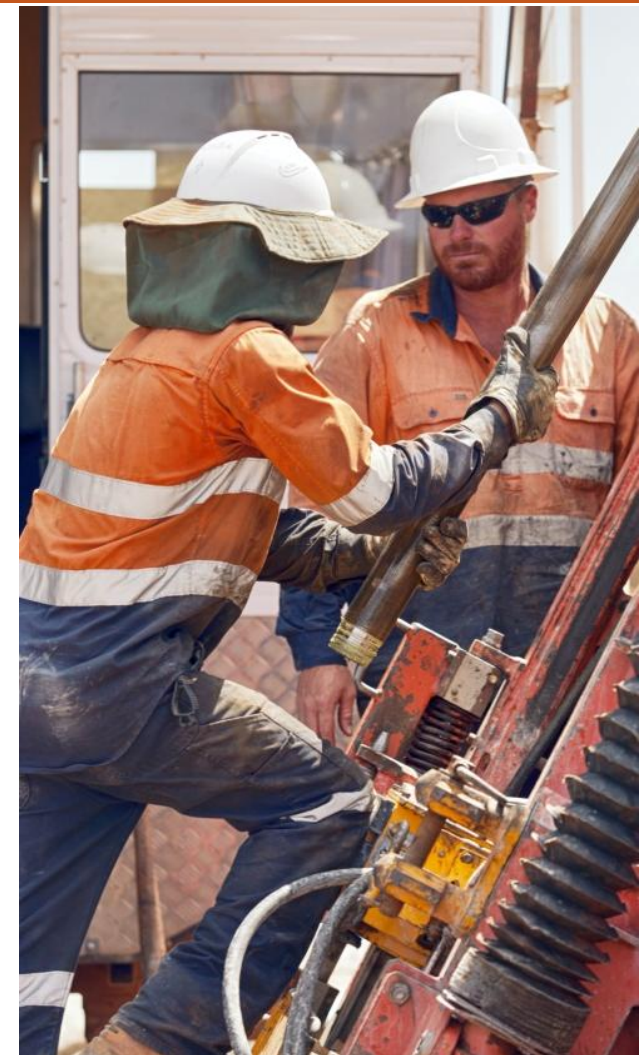


Doolgunna Exploration Overview



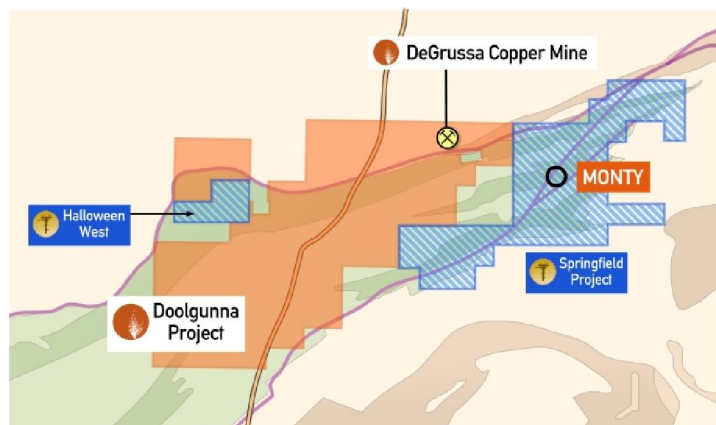
Monty resource drill-out completed; maiden resource delivered; exploration continuing

- Exploration continuing as a priority along highly prospective 5km long Monty VMS corridor:
 - Systematic aircore drilling to accurately delineate the interpreted VMS horizon along the prospective host horizon
 - Reverse Circulation drilling within the interpreted VMS horizon along strike from Monty to inform the interpretation of the host stratigraphy
 - Diamond drilling to test the areas down-dip and down-plunge of the Monty deposit;
 - DHEM surveys of all RC and diamond drill-holes as part of this new phase of exploration following completion of the resource definition drill-out
 - Development of a structural geology model to provide additional context regarding the location and geological setting of Monty
- Exploration advancing at other prospects within Greater Doolgunna area:
 - Homer Corridor ~4 km east of DeGrussa (Springfield JV)
 - Homestead Prospect ~12km south west of DeGrussa (Sandfire 100%)
 - Southern Volcanics (Springfield JV)

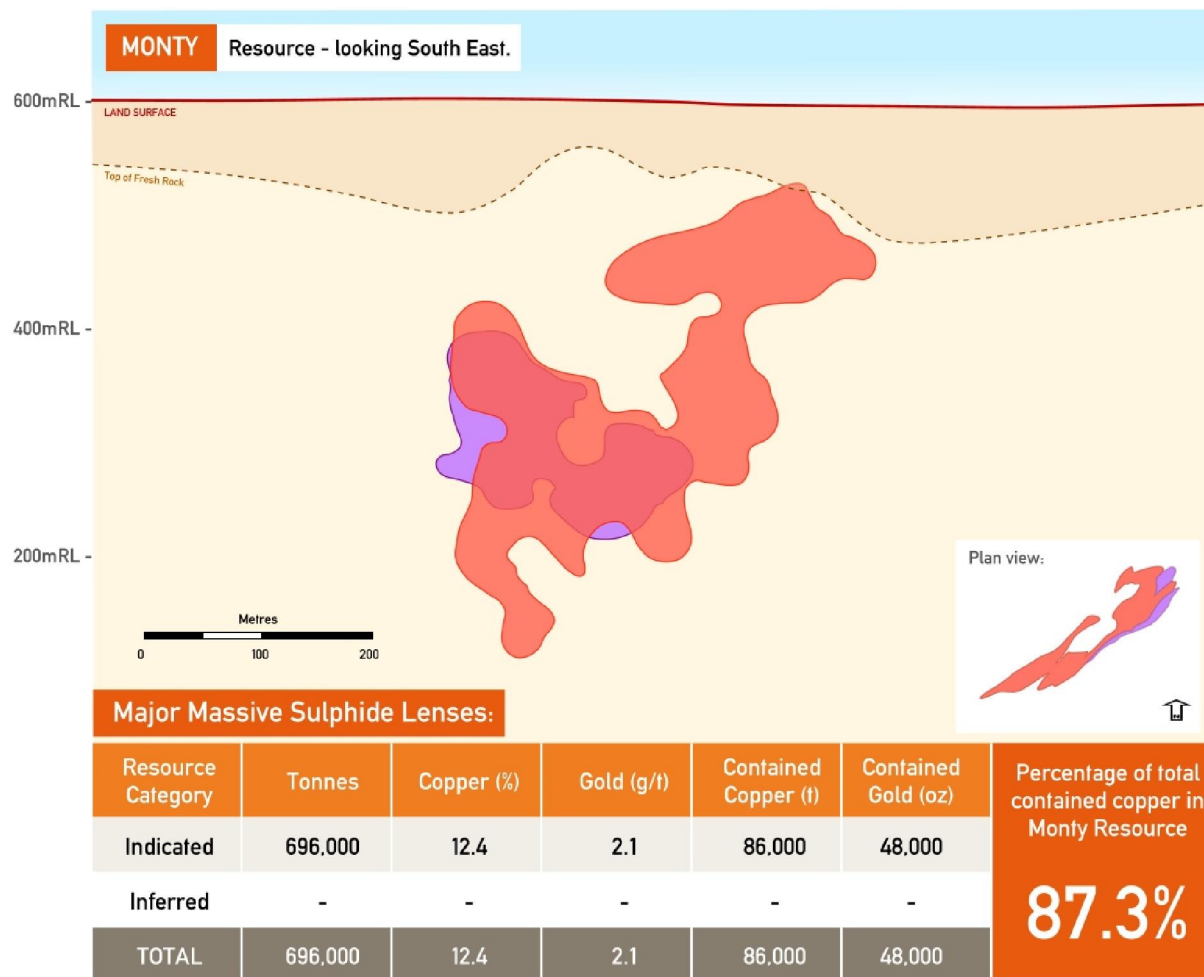


Monty Mineral Resource (Springfield JV)

Maiden Monty Mineral Resource

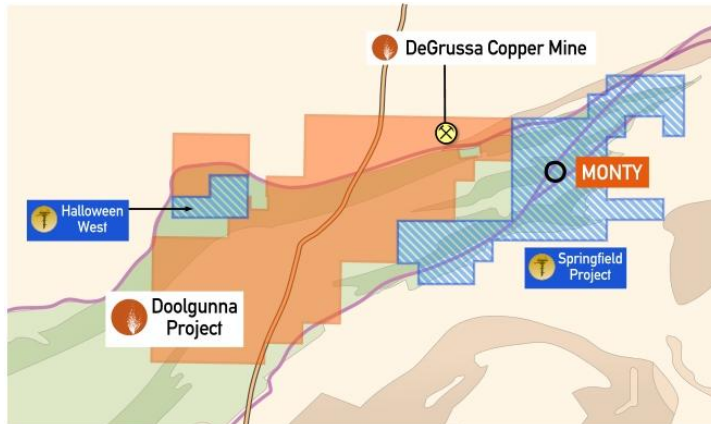


- Two major massive sulphide lenses host 87% of the overall contained metal
- Lowermost MS lens contains appreciable quantities of bornite – further drilling to be considered to determine potential DSO opportunity

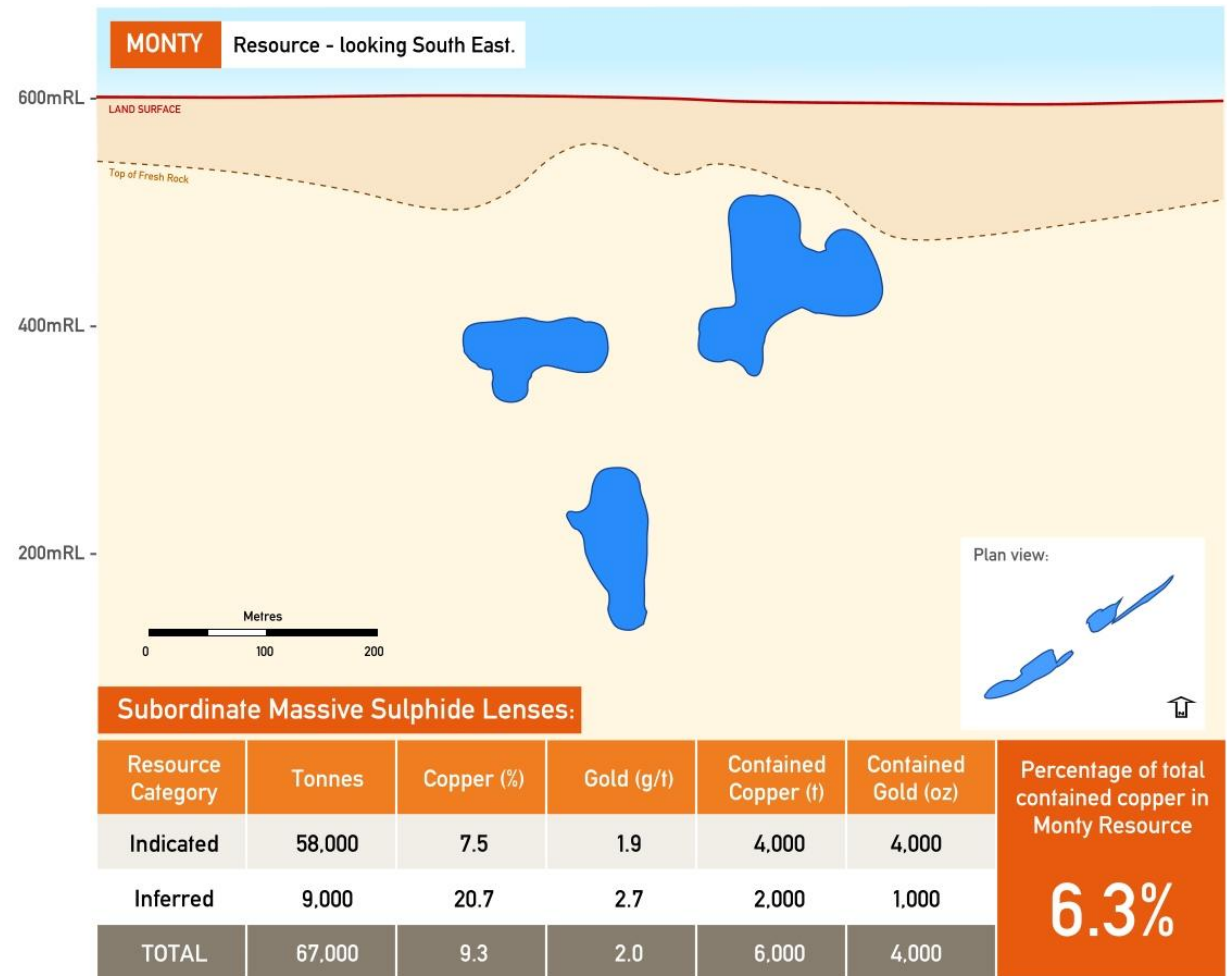


Monty Mineral Resource (Springfield JV)

Monty Mineral Resource delivered

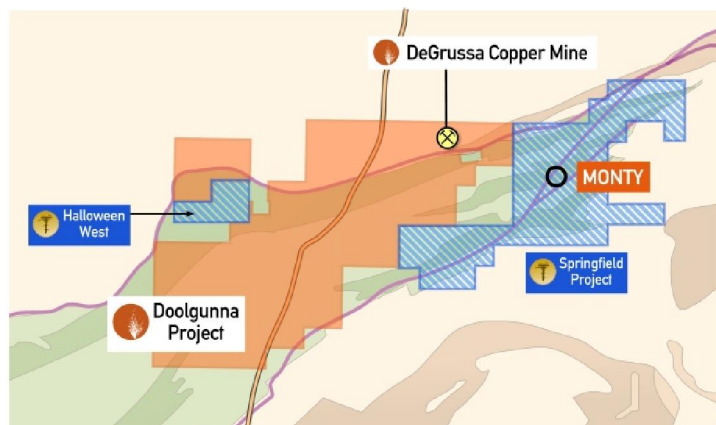


- Five subordinate massive sulphide lenses also carry high grades – 9.3%Cu and 2.0g/tAu

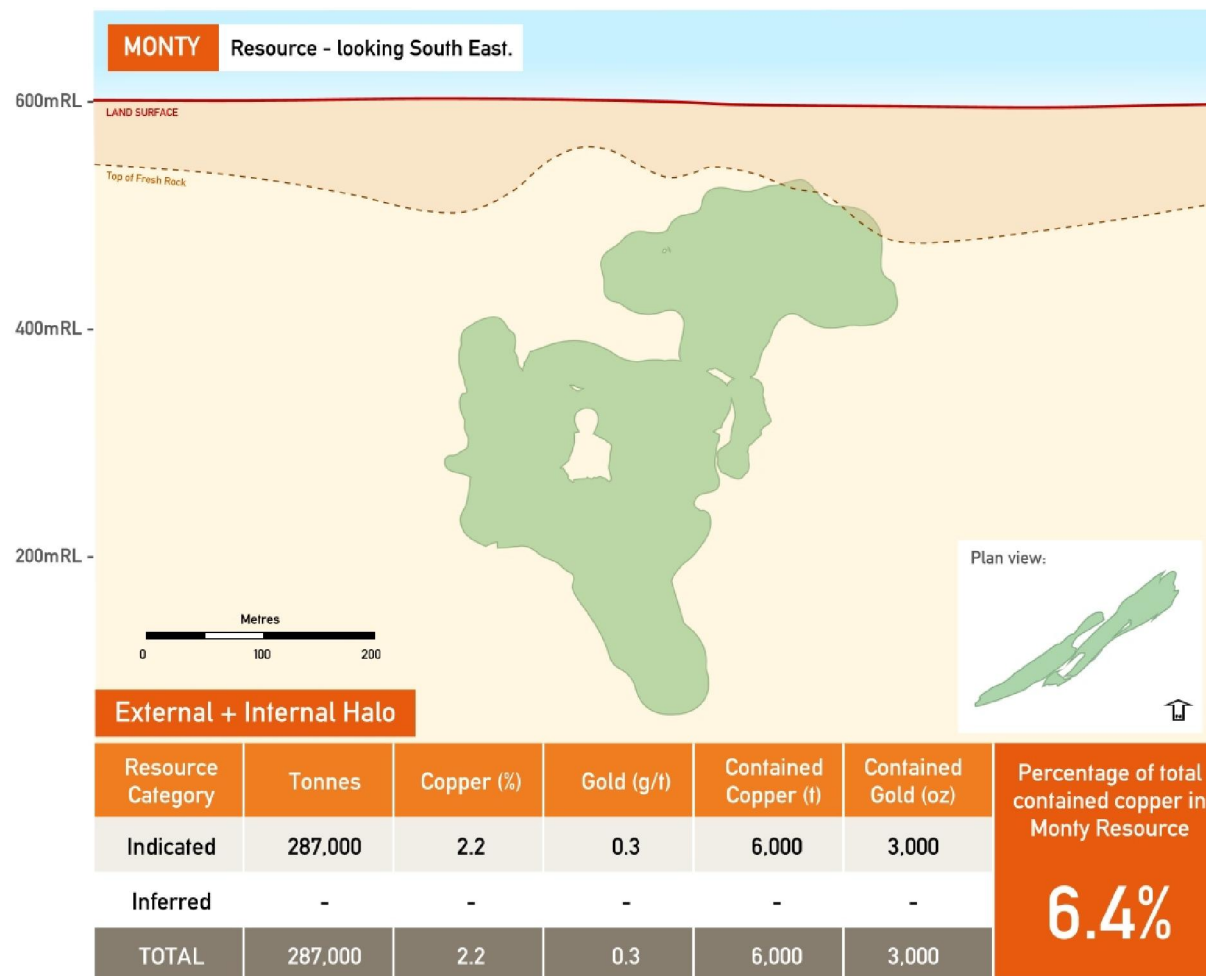


Monty Mineral Resource (Springfield JV)

Monty Mineral Resource delivered

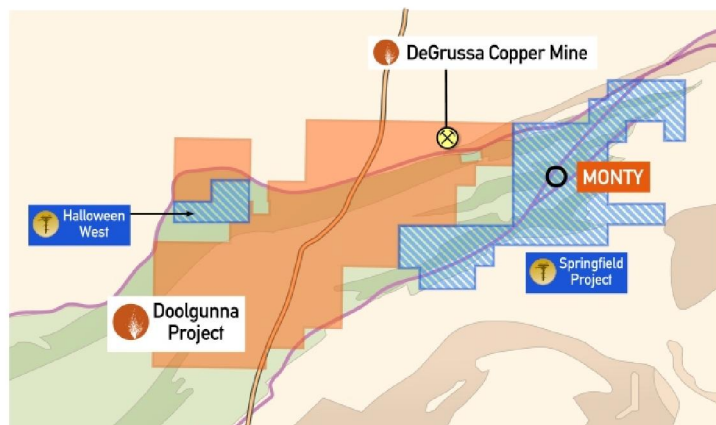


- Two major massive sulphide lenses contain internal zones of halo mineralisation
- External halo mineralisation, surrounding the MS lenses, is developed in certain locations

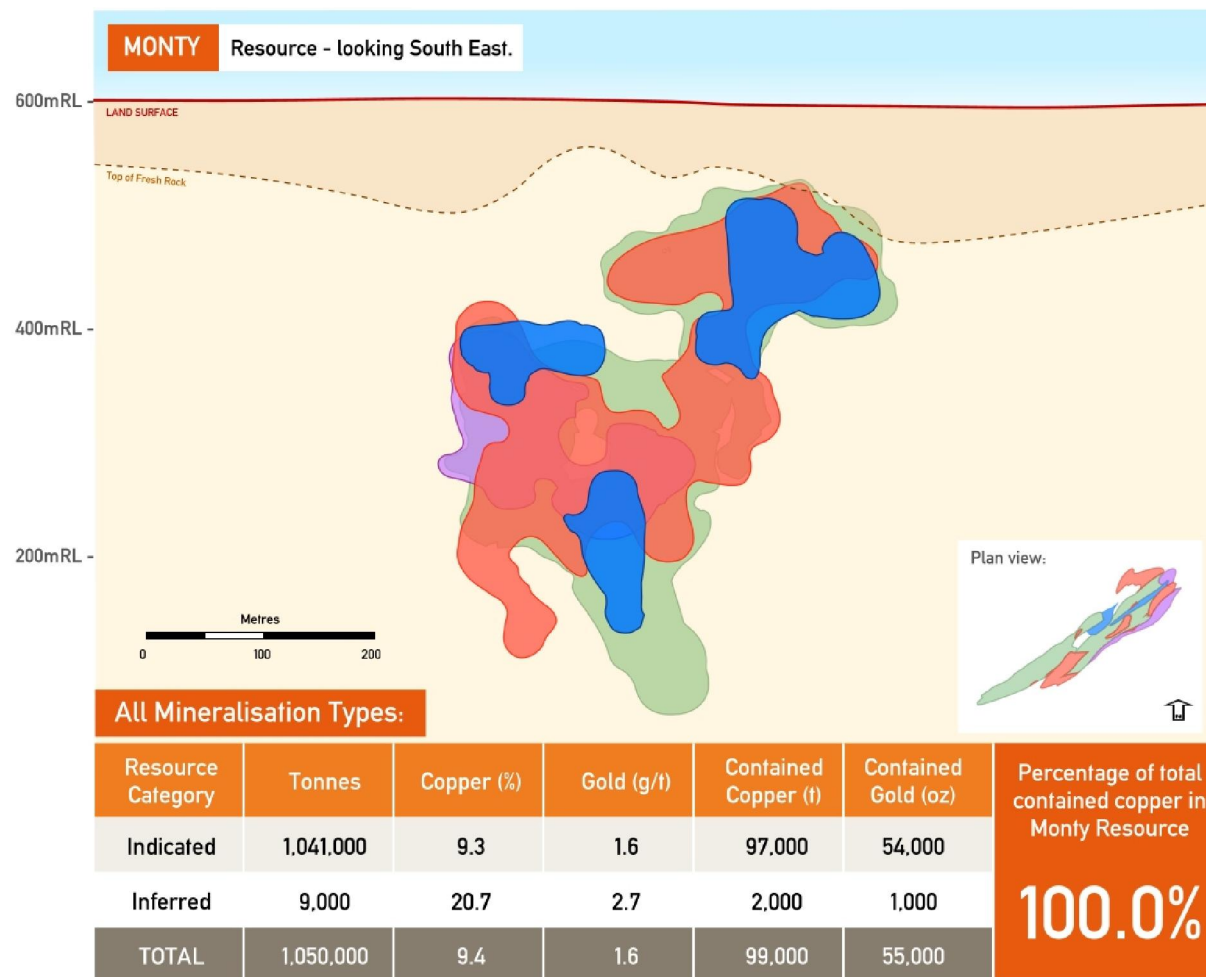


Monty Mineral Resource (Springfield JV)

Project development studies



- High-level studies underway to identify primary value-drivers and determine optimal development pathways, including:
 - Metallurgical testwork
 - Geotechnical/geo-hydrological drilling
 - Mining studies
 - Regulatory approvals
 - Infrastructure studies



DeGrussa Mine Plan, Mineral Resource and Ore Reserve



Maiden C5 Ore Reserve delivered

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	440,000
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



Summary & Outlook



Strong quarter and outlook; robust balance sheet; growth through exploration and discovery success

- FY2016 YTD production and cost performance:
 - 50,375t copper, 26,385oz gold production at C1 cost of US\$1.00/lb
 - FY2016 guidance maintained: upper end 65-68kt Cu, midpoint 35-40koz gold, at lower end C1 US\$0.95-1.05/lb
- Maiden Monty Mineral Resource delivered
 - Total Indicated and Inferred Mineral Resource of 1.05Mt grading 9.4% Cu and 1.6g/t Au for 99,000 tonnes of contained copper, 55,000 ounces of contained gold
- Maiden high grade C5 Ore Reserve delivered
- Updated DeGrussa Mine Plan, Mineral Resource and Ore Reserve delivered
- Active exploration underway along 5km long prospective VMS horizon around Monty
- Emerging Bryah Basin VMS district – aggregate contiguous exploration area of 1,600km²





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