

- ▶ Net debt-free
- ▶ Growing free cash flow
- ▶ Strong organic growth pipeline



SANDFIRE
RESOURCES NL

A QUALITY COPPER-GOLD PRODUCER

28 November 2016
Annual General Meeting

Opportunity Redefined



Forward-Looking Statements and Competent Person's Statement

Forward-Looking Statements

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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 – Ore Reserves

The information in this report that relates to Ore Reserves 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 NL 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 – 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.



Value Creation



Operations, Corporate
and Financial



Exploration



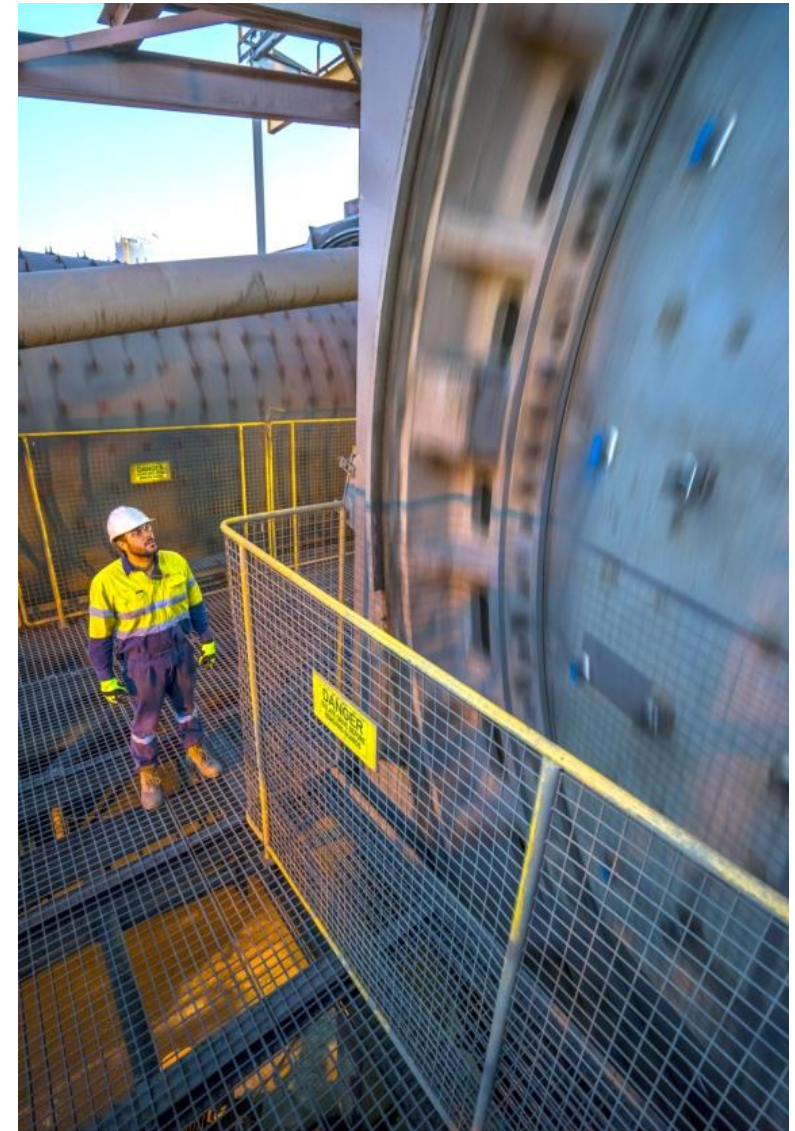
Business Development



Sustainability



- ▶ Fourth successive year of consistent, safe and profitable production
- ▶ **Record full-year production for FY2016 of 68,202t Cu, 37,612oz Au, C1 US\$0.95/lb**
- ▶ Strong performance from both the underground mine and processing plant
- ▶ Annual net profit after tax of \$46.4M on revenue of \$497.2M
- ▶ Annual fully-franked dividend payout of 11.0cps
- ▶ Outstanding balance of finance facility reduced to \$50M
- ▶ **FY2017 outlook: 65-68kt Cu, 35-40koz Au at C1 of US\$0.95-1.05/lb**





- ✓ **Milling** rates maintained at **1.6Mtpa** and recoveries **targeted at ~92% (LOM)**
- ✓ **Decline** development completed to **LOM design**: mine development now focused on level development
- ✓ **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

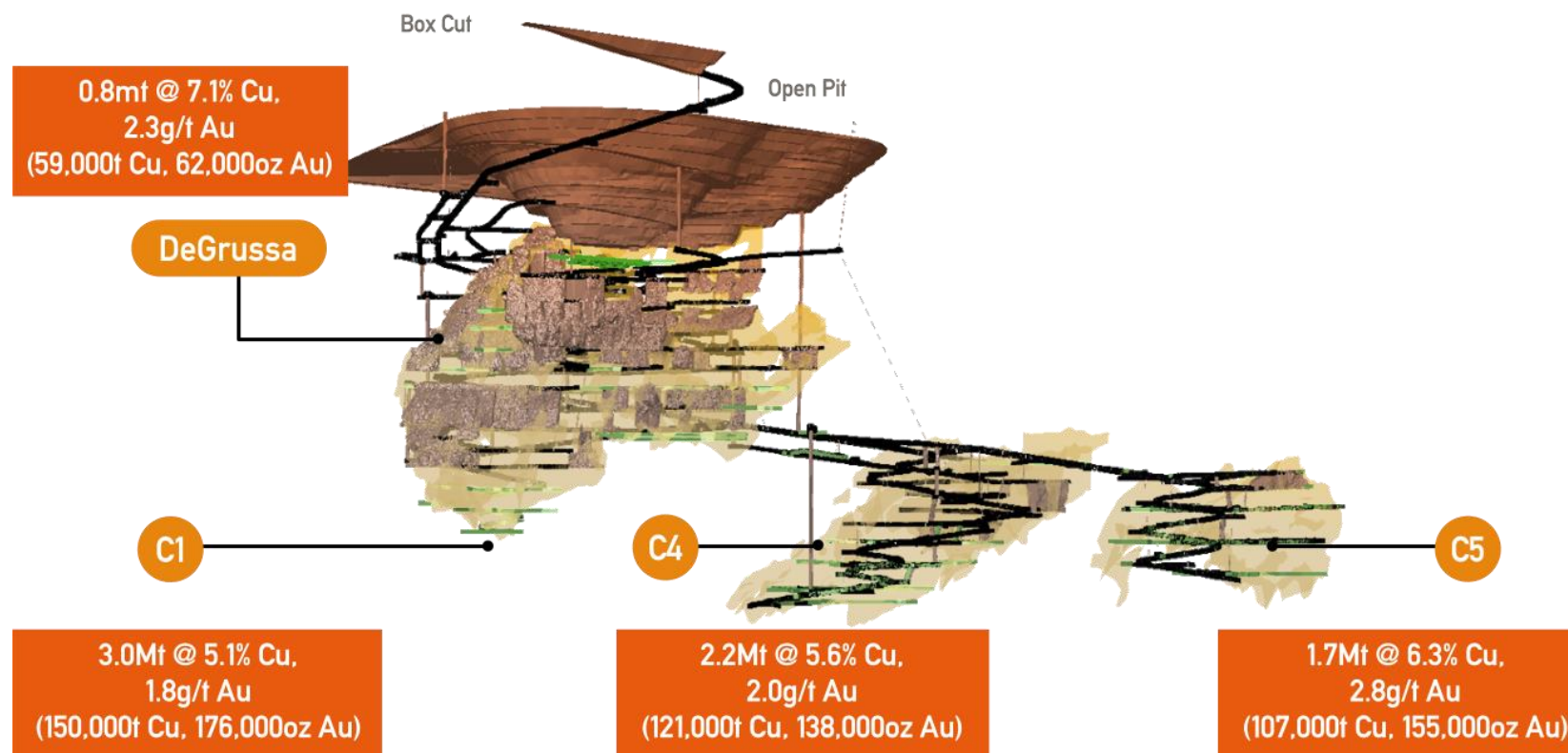
267,063t Cu
151,570oz Au

The amount of metal-in-concentrate produced at DeGrussa over the past four financial years

PRODUCTION OVERVIEW – Key Figures

		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 (guidance)
Production	Copper (Cu)	64,017t	67,690t	67,154t	68,202t	65-68kt
	Gold (Au)	42,679oz	33,893oz	37,386oz	37,612oz	35-40koz
C1 Cash Operating Costs (US\$/lb)		1.24	1.18	1.09	0.95	0.95-1.05

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
- ▶ Production now sourced from all four lenses (DeGrussa, C1, C4, C5)
- ▶ Blending of ore feed allows process optimisation
- ▶ 40km of mine development completed
- ▶ C4 and C5 declines completed to LOM

Strong Financial Performance, Disciplined Capital Management

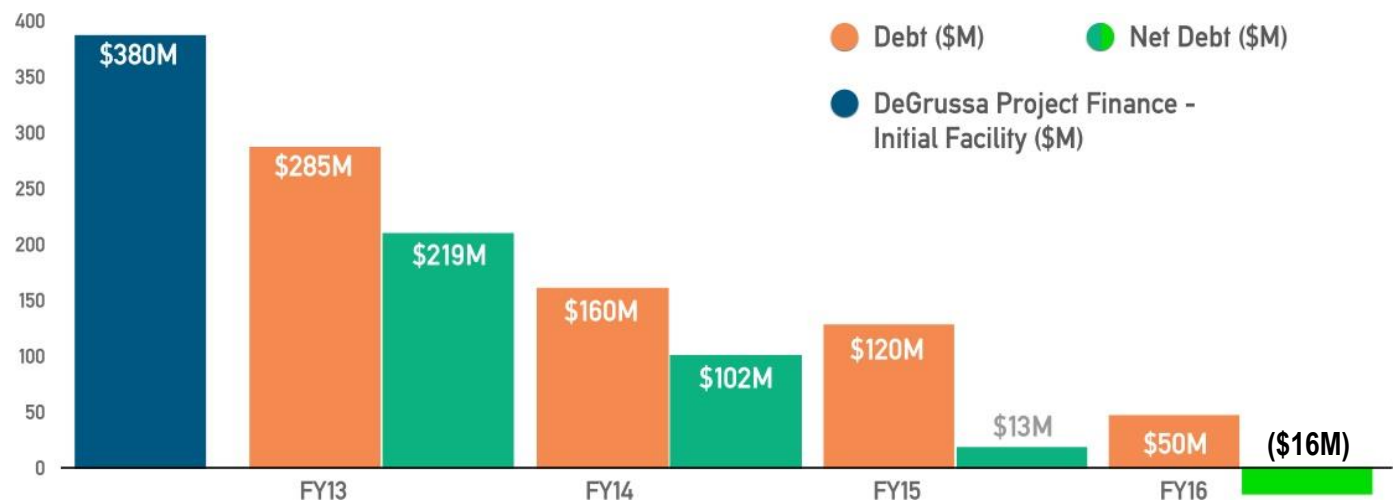


- ▶ Consistent financial performance despite subdued commodity price environment
- ▶ Revenues to date of more than \$2 billion
- ▶ ~\$1 billion to date in operating cash flows
- ▶ Repaid \$330M or 87% of our original \$380M debt facility
- ▶ Net cash positive at 30 June 2016
- ▶ \$53M dividends to date
- ▶ 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:



2016 – Increasing Value in a Challenging Environment



SANDFIRE RESOURCES NL (ASX:SFR)



Market Capitalisation

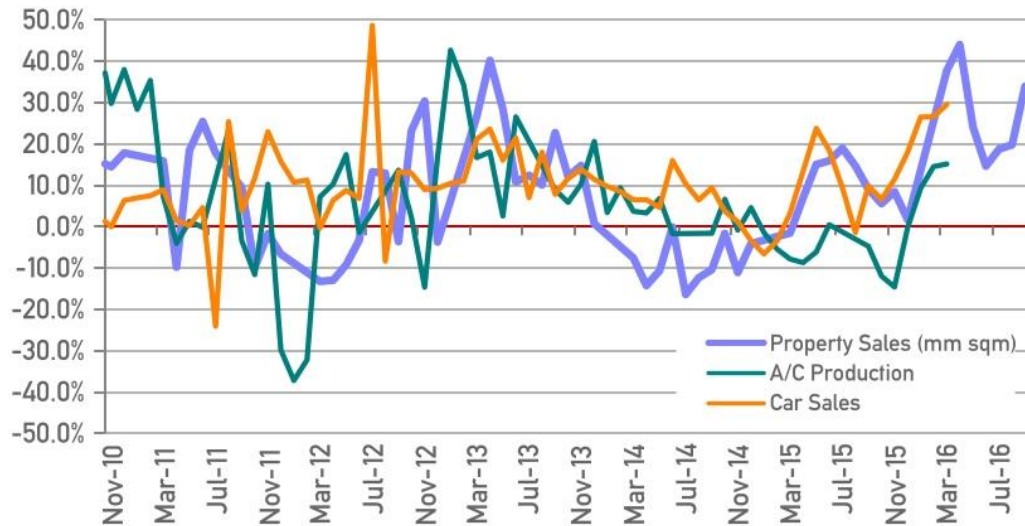
~\$970M at \$6.15

ASX Stock Market Index	Issued Capital	Dividends
S&P 200	157.7M Shares	11c FY16
Cash and Deposits	Debt	Share Price
\$54.4M 30 Sep 2016	\$50.0M 30 Sep 2016	\$6.15 25 Nov 2016

The Emerging Opportunity in Copper



China fit-out demand following property sales...

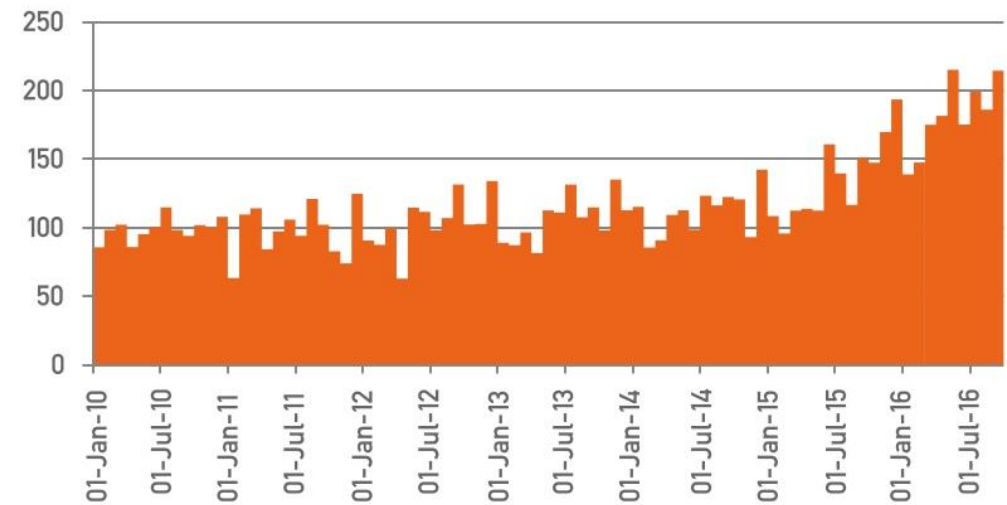


Source: China NBS, Bloomberg.

Chinese demand has remained strong and is picking up....

- ▶ Several investment banks now predicting that copper may be the next commodity to stage a price recovery
- ▶ UBS estimates that there has been an ongoing improvement in China's real demand for copper driven by grid and property investment
- ▶ The strength of China's property market is now flowing into fit-out demand, which should be sustained into 2017

The Peru supply surge is behind us...



Source: Bloomberg. Peru's copper exports, kt/mth.

....as the supply surge abates and is absorbed....

- ▶ The ~4.5% increase in supply in 2016 has mostly come from major expansions in Peru, which are now nearing full ramp-up
- ▶ Supply growth is now forecast at just 0.3% y/y in 2017
- ▶ Lack of investment in supply is likely to be a key price driver in 2017



Operations, Corporate
and Financial



Exploration and Growth
Pipeline



Business Development

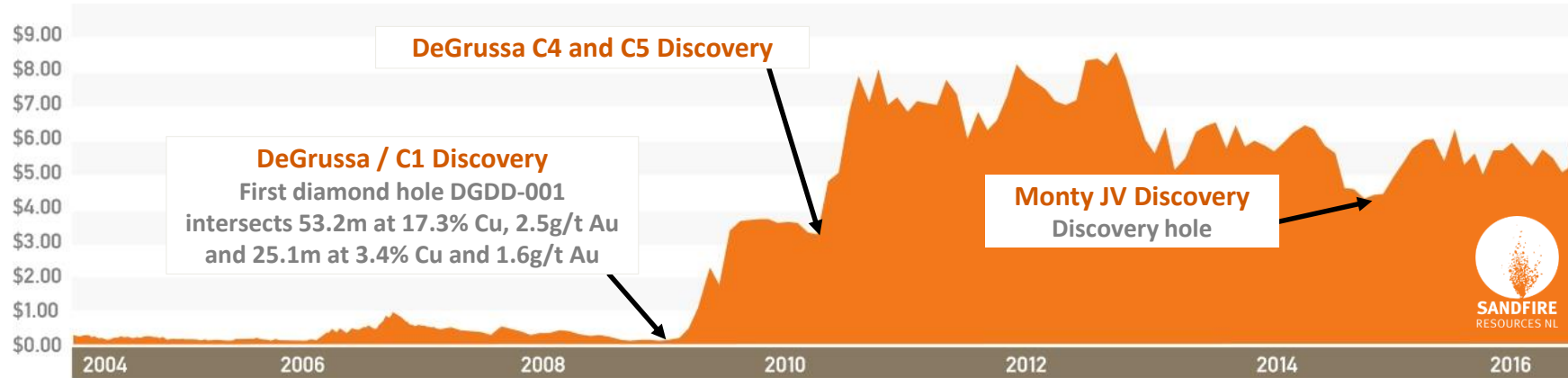


Sustainability

An Outstanding Track Record of Growth through Exploration



As at 23 November 2016:

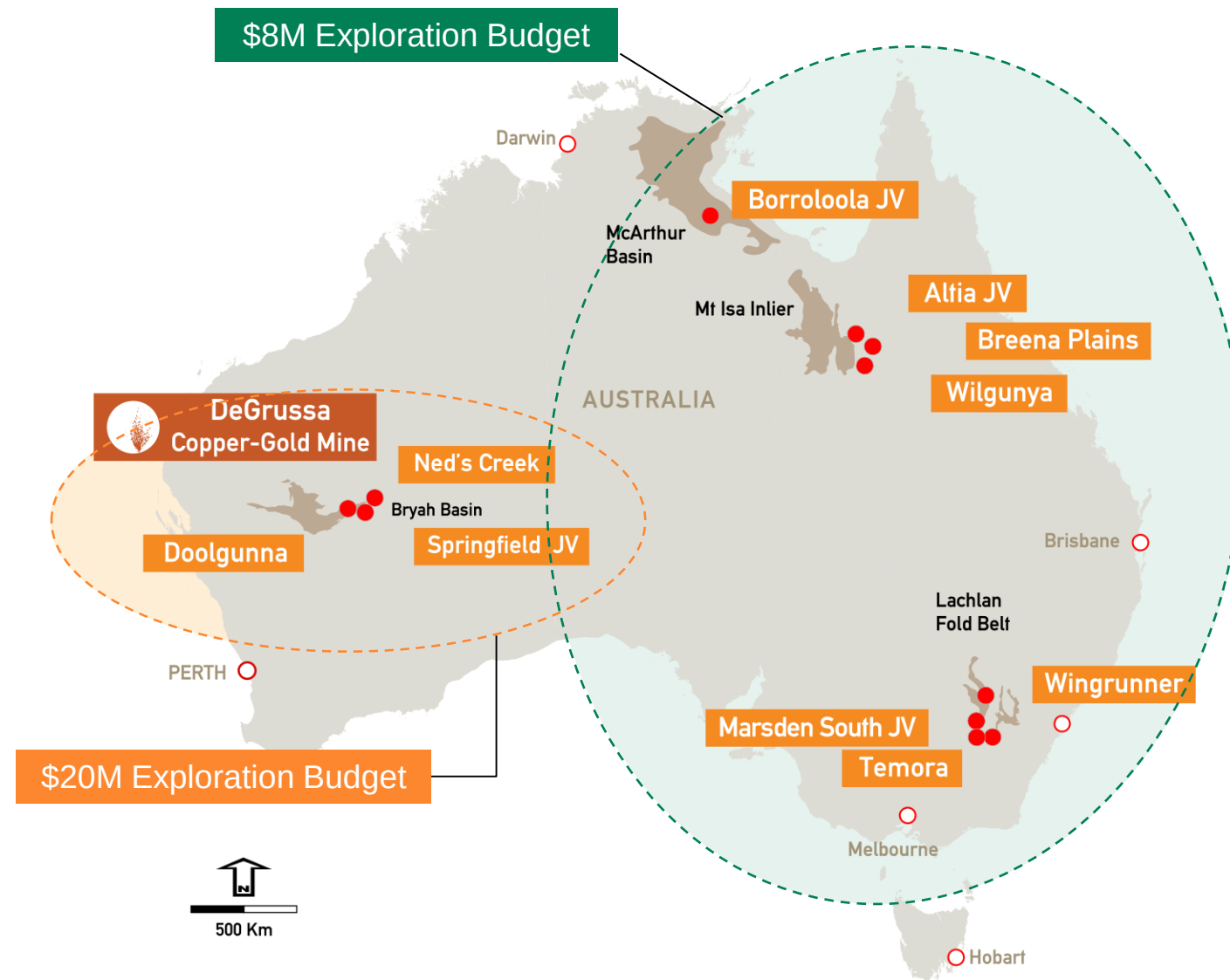


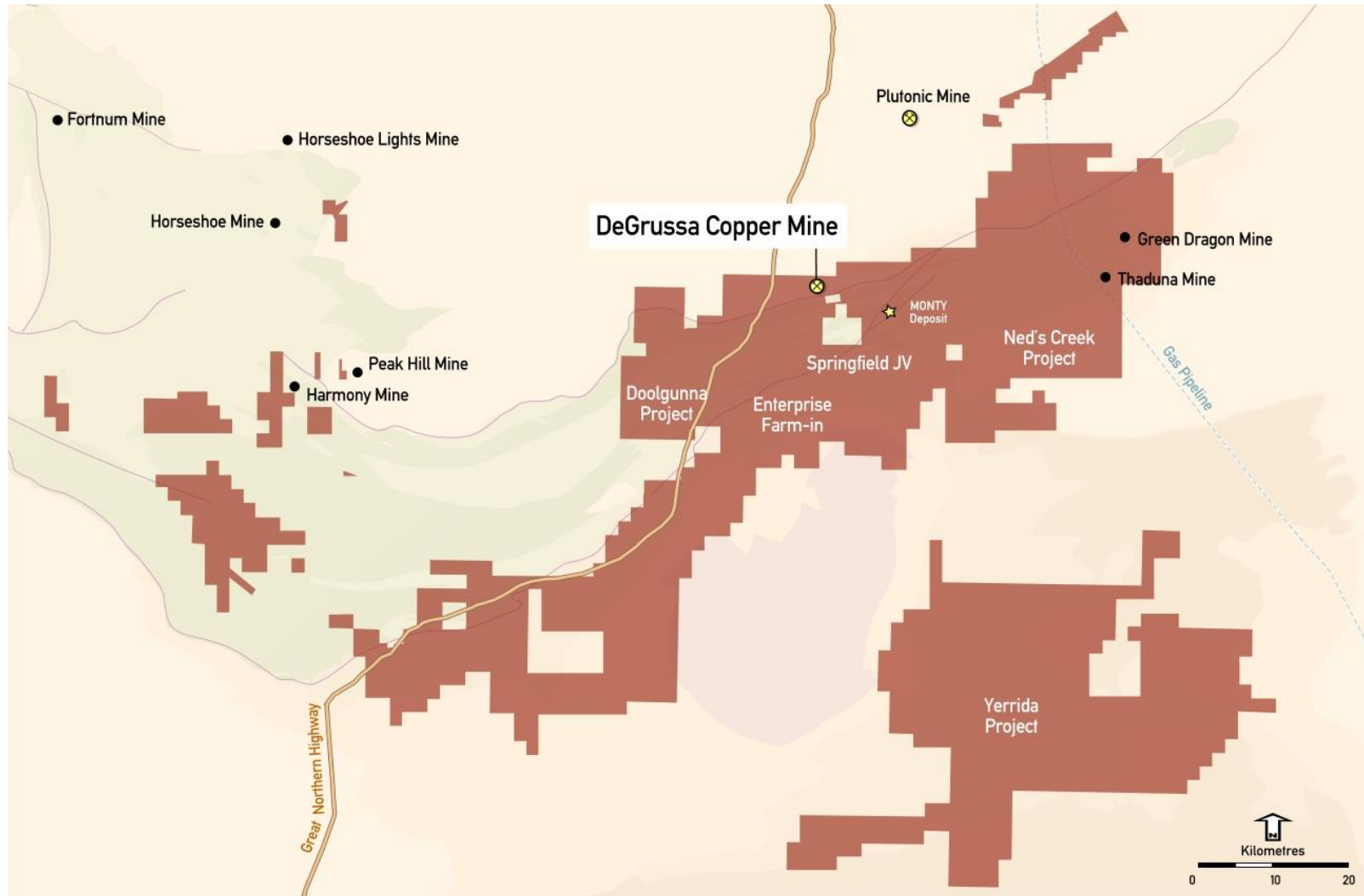
Five high-grade, high-value VMS lenses discovered to date

- ▶ 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



- ▶ 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
- ▶ An accomplished geoscientific team:
 - Cutting-edge technologies
 - Innovative thinking and creative approach
 - Access to world-class consulting expertise

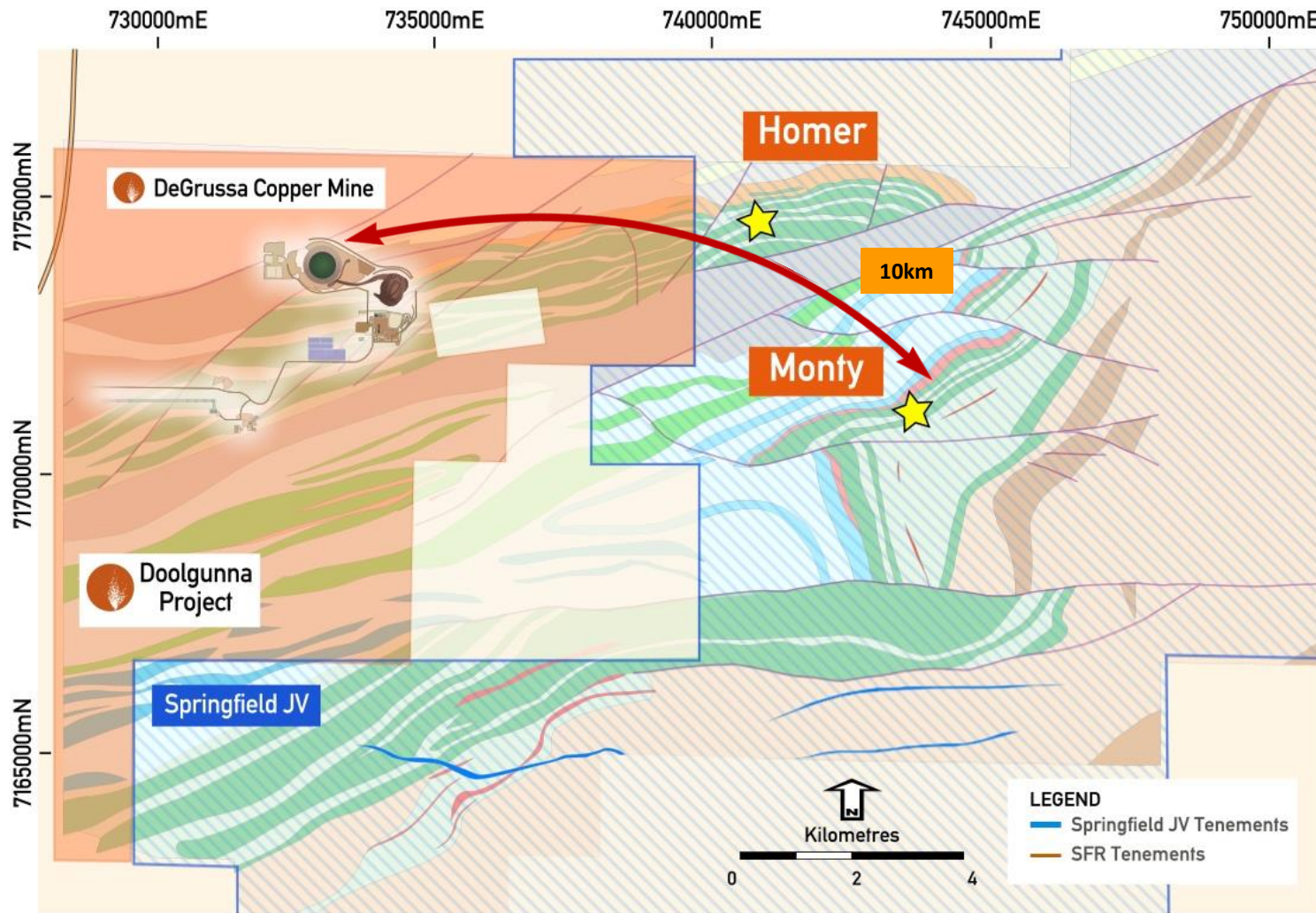




- ▶ Greater Doolgunna region: 4,180km² including 65km strike length of prospective VMS lithologies
- ▶ Recent farm-in deal with Enterprise Metals (ASX: ENT) to earn up to 75% interest in tenements to the south
- ▶ New ground acquisitions and joint ventures

- ▶ A dominant 4,180 square kilometre exploration footprint in a world-class VMS province

Development Pipeline – Monty Deposit



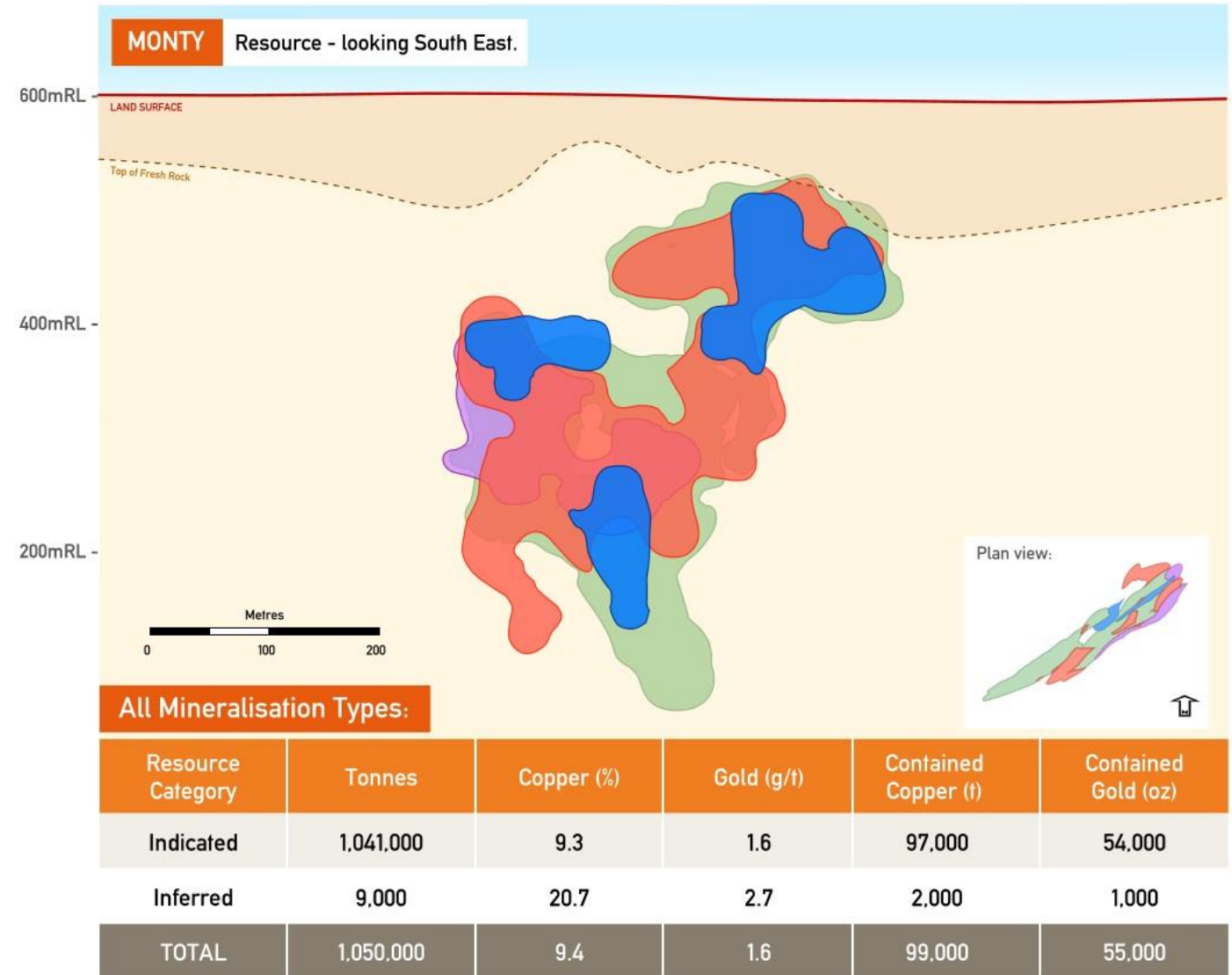
* Refer ASX Announcement “DeGrussa Mine Plan, Mineral Resource and Ore Reserve Update”, 14 April 2016

- ▶ Sandfire is Manager of the Springfield JV – interests Sandfire 70% / Talisman 30%
- ▶ Ultra-high grade VMS deposit discovered mid-2015
- ▶ 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

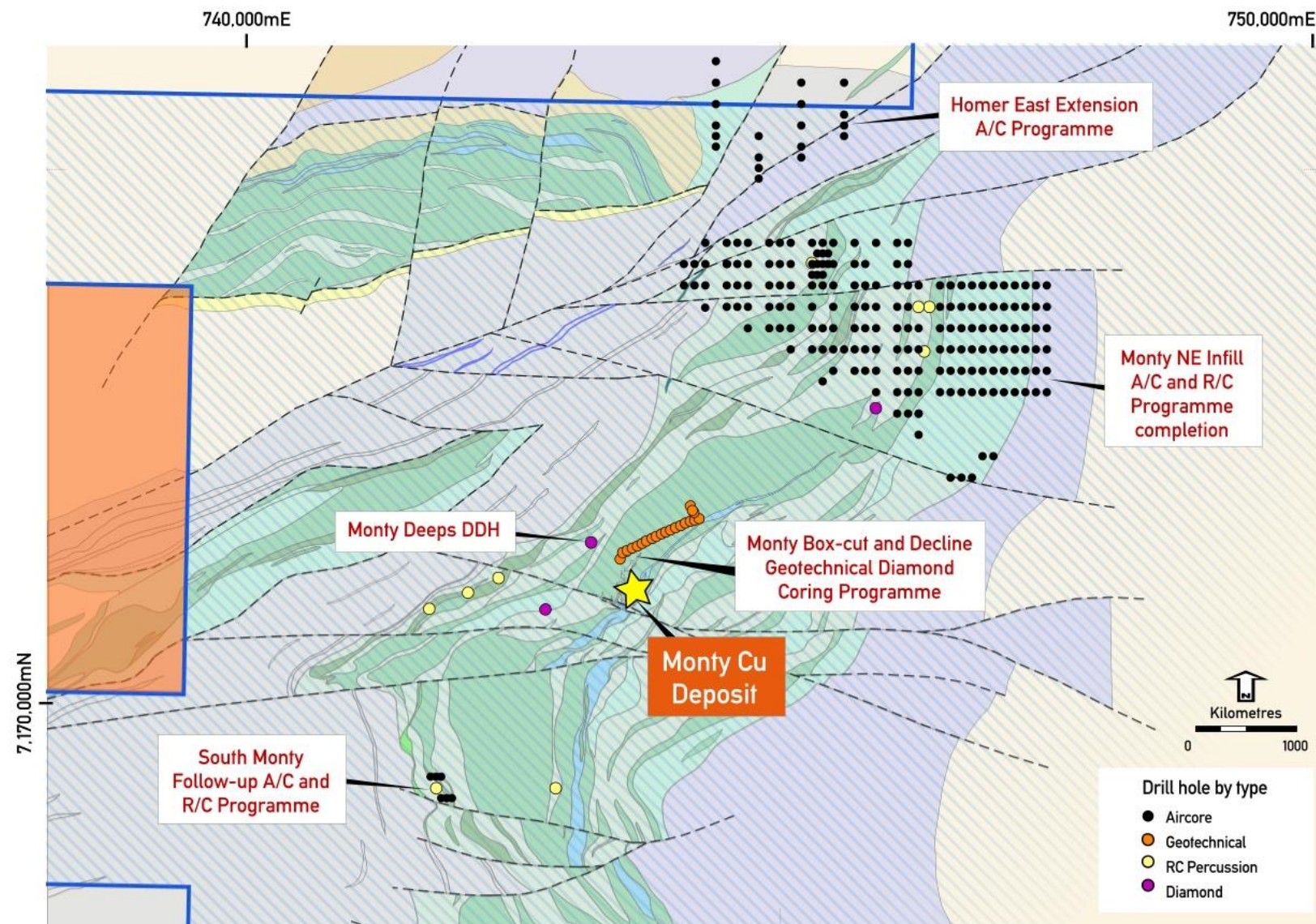
Development Pipeline – Monty Deposit



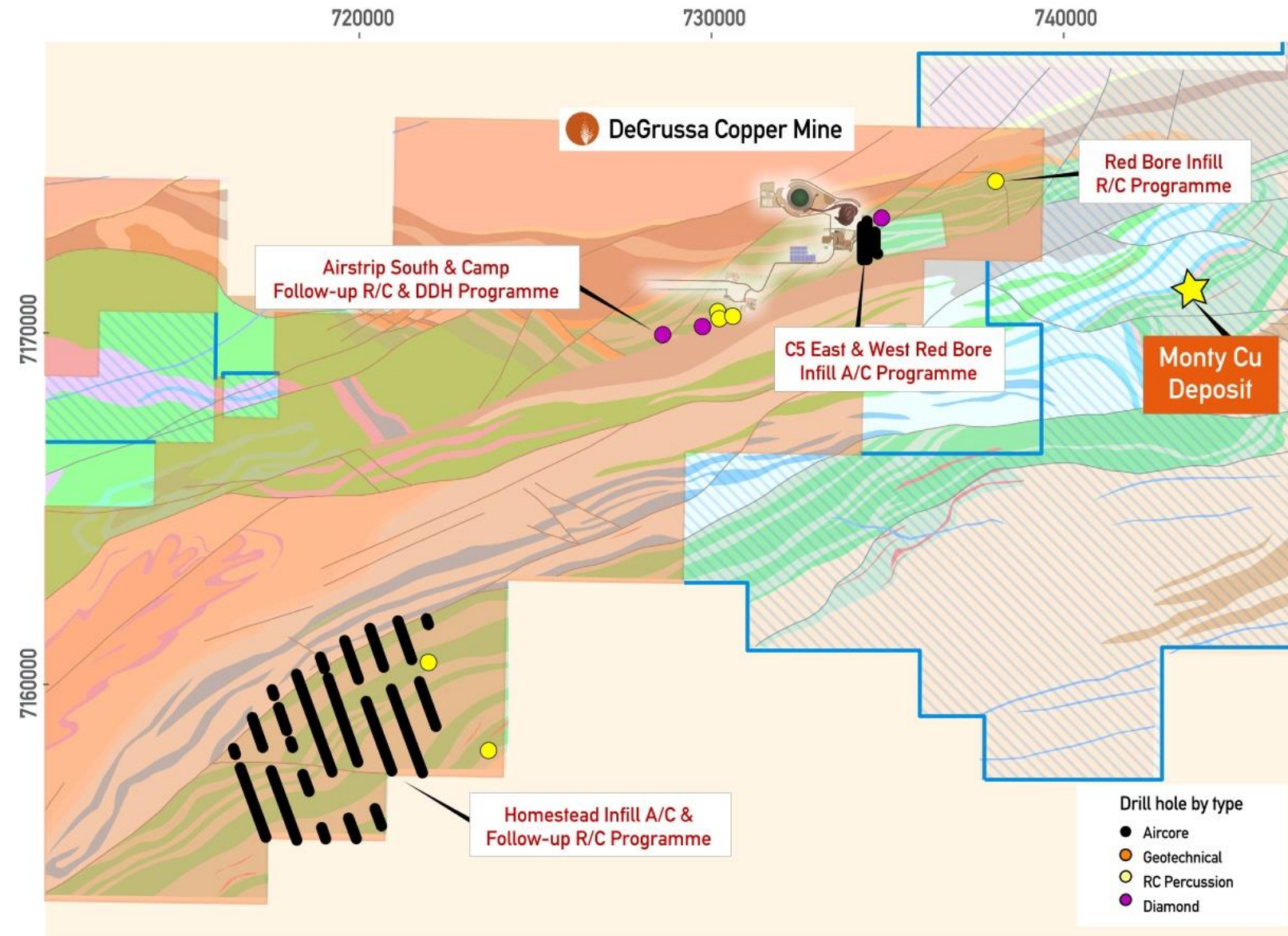
- ▶ 16.42km² Mining Lease Application lodged
- ▶ High-level studies completed
- ▶ Preferred box-cut location selected
- ▶ Feasibility Study well advanced – \$3.9M (100%) budget:
 - ▶ Metallurgical testwork for comminution and flotation
 - ▶ Geotechnical and structural geology studies well advanced
 - ▶ Mine design engineering commenced
 - ▶ Proposed haul road route under investigation
 - ▶ DeGrussa and Monty integration
- ▶ Base case to model DeGrussa and Monty at total of 1.6Mtpa mining rate



Maiden Monty Mineral Resource



- ▶ Monty box-cut and decline geotechnical drilling
- ▶ Diamond drilling to test the areas down-dip and down-plunge of Monty, including Monty Deeps
- ▶ Systematic aircore and RC drilling, including at Monty NE, South Monty, Southern Volcanics, Homer East
- ▶ DHEM surveys of all RC and diamond drill-holes
- ▶ Orientation Induced Polarisation (IP) geophysical survey over Monty deposit
- ▶ Structural model development



- ▶ Ongoing diamond drilling in near-mine environment focused on C5 East prospect – lithologies and alteration consistent with proximity to VHMS mineralisation
- ▶ Diamond and RC drilling to test geochemical anomalies in Airstrip South, Camp and Homestead prospects
- ▶ Updated geological model through Homestead and Red Bore prospect in progress

Australian Regional Exploration Projects



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



EXPLORATION:

Northern Territory

- ▶ Active drilling by JV partners in Borroloola tenements

EXPLORATION:

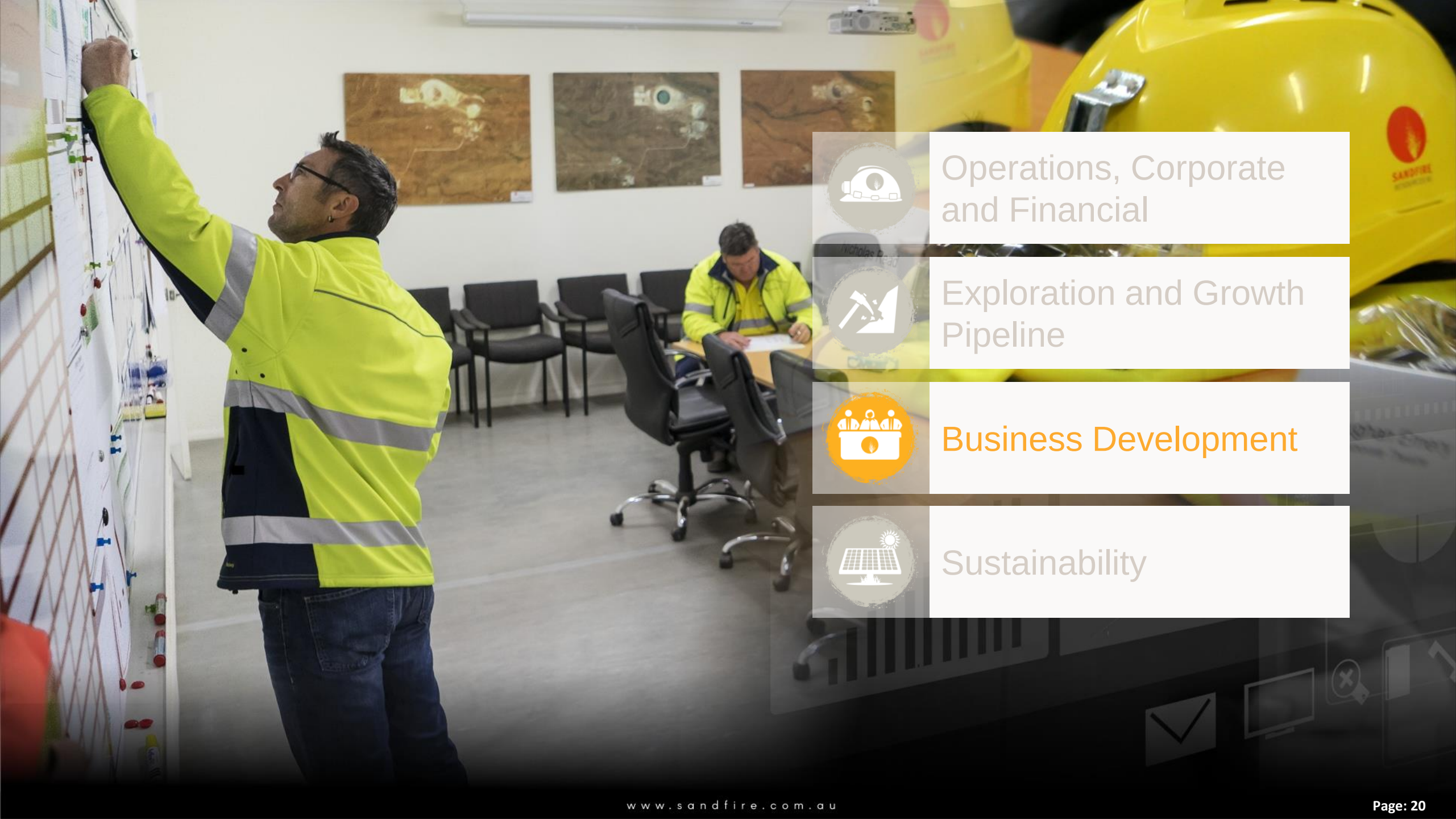
Queensland Base Metals

- ▶ 2,400km² in Mt Isa-Cloncurry province
- ▶ 100km strike length with potential for Broken Hill/Cannington-style and IOCG mineralisation
- ▶ Key targets include 100% owned Breena Plains, Cannington West and Black Rock projects

EXPLORATION:

NSW Base Metals

- ▶ 2,100km² in Lachlan Fold Belt
- ▶ Outstanding potential for porphyry mineralisation
- ▶ Drill programme at high priority 100% owned Temora Project
- ▶ Number of priority gold and base metal targets



Operations, Corporate
and Financial



Exploration and Growth
Pipeline



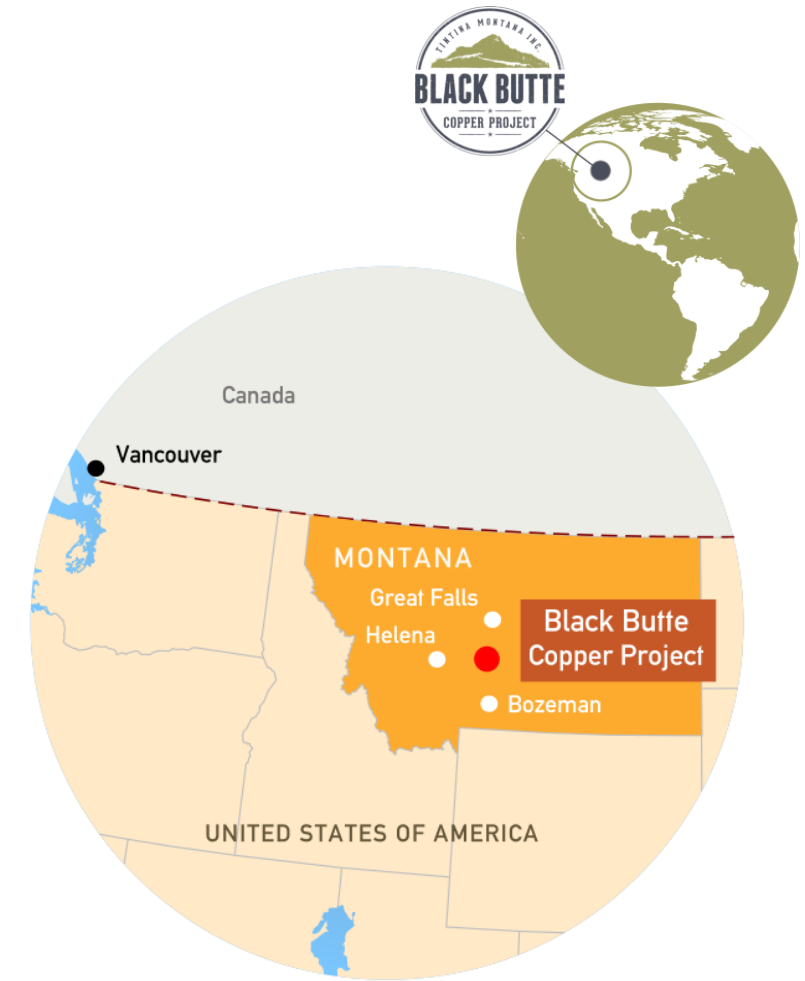
Business Development



Sustainability



- ▶ 61% stake in copper development company Tintina Resources (TSX-V: TAU) – ~\$24M 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)





Operations, Corporate
and Financial



Exploration and Growth
Pipeline



Business Development

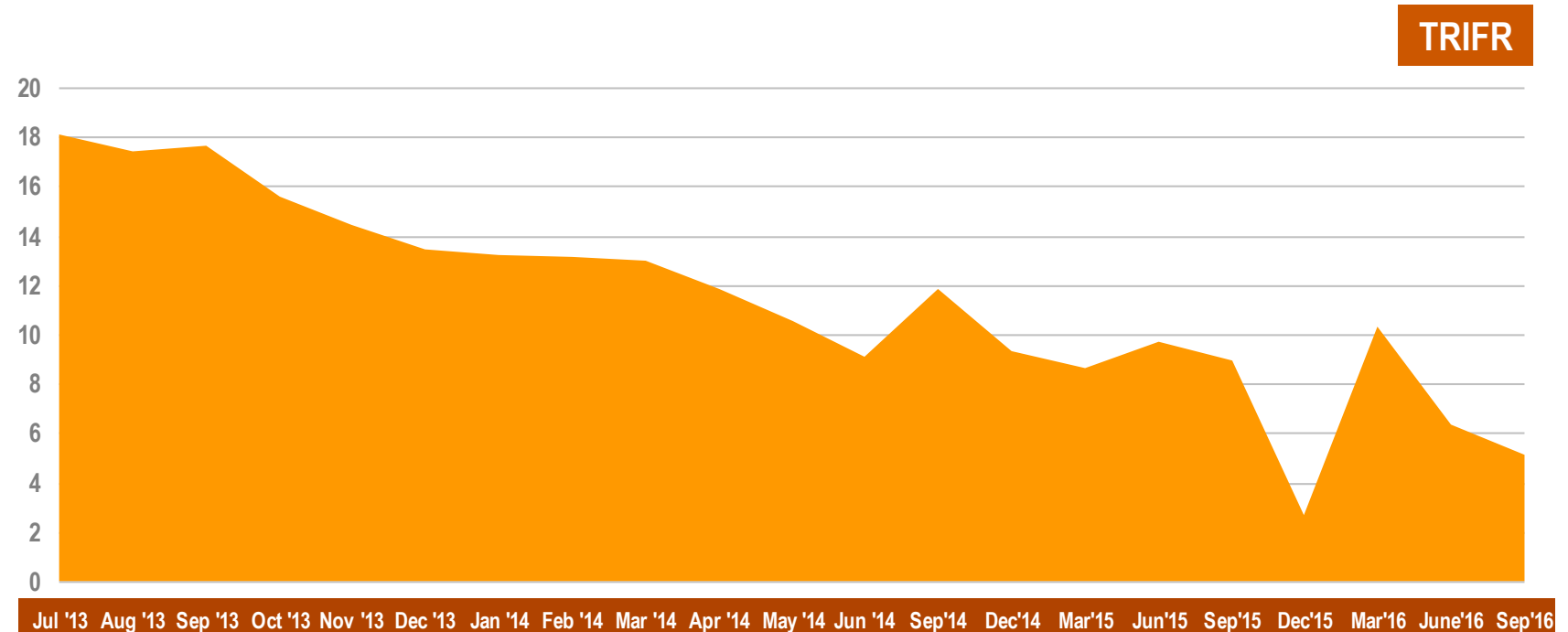


Sustainability



Improved safety performance

- ▶ Increased focus on risk management and assurance processes implemented
- ▶ Board oversight and governance enhanced
- ▶ Ongoing initiatives have included further development of safety systems, improved safety leadership and enhancement of safety culture





ABOUT THIS REPORT

This is Sandfire Resources NL's (Sandfire or the Company) second Sustainability Report, prepared for our stakeholders in accordance with the Global Reporting Initiative G4 framework 'core' option. The report period spans our financial year from 1 July 2015 until 30 June 2016 ('FY2016') and covers our DeGrussa Copper Mine (DeGrussa) in Western Australia and exploration activities in Australia. In November 2015 Sandfire increased its ownership in North American copper company Tintina Resources Inc. (TSX-V: TAU) to 57 per cent. We plan to report on this emerging operation in the future. Please see our website and accompanying Annual Report for more information about our Company activities.

All dollar figures reported are in Australian currency, unless otherwise stated.
There are no material re-statements of 2015 report data or content.
We welcome your feedback on our report. To provide feedback please visit www.sandfire.com.au/feedback.
For further information on sustainability at Sandfire, please email sustainability@sandfire.com.au or contact +61 (08) 6430 3800.

OUR PERFORMANCE



HIGHLIGHTS

Millionth tonne of concentrate (wet) trucked from the DeGrussa Copper Mine to port

HIGH-GRADE Monty copper discovery **Cu**

NET CASH POSITIVE AT JUNE 30 2016 **\$70.0M** debt reduction

TRIFR 7.1 25% from 2015

PAYMENT TO SUPPLIERS \$316.8M inc GST

PAYMENT TO EMPLOYEES \$35.8M

TAXES & ROYALTIES \$51.0M

Signed 2 strategic community investment agreements with local communities

New skills and experience on the board

10.6MW solar power project commission March 2016

Full power capacity May 2016

Minimal impact aircore drilling introduced

REVENUE **\$51.4M** (9%) for the year to **\$497.2M**

NET PROFIT **\$21.0M** (30%) for the year to **\$48.0M**

Continuous safety journey **DON'T WALK PAST**

24% female representation Gender diversity plan initiated

Increase Indigenous employment and participation

1 of 10,699 CONTAINERS of copper concentrate spilled on a public road. We continue to focus on our safety and environmental impacts

Due to greater mining depth and the nature of ore being milled

1,617,719 GJ of energy 14% increase from 2015

86,649 tonnes of CO₂ 13% increase from 2015 in the atmosphere

Work continues on planning for DeGrussa post mining rehabilitation



On site management team at commencement of solar installing (l-r) Tadhg O'Scannail - Sandfire, Peter Cook - OJDC, Norbert Borchert - Juwi, Laurent Lafforgue - Neoen

Our community's acceptance and approval of our collaboration with stakeholders is essential. Open dialogue with our stakeholders to access and SLO. Our stakeholders are those who are business.

Spend in Regional Areas of Western Australia
8% of the total spend in Western Australia was in regional areas

Region	Percentage
Midwest	4%
Pilbara	2%
Southwest	2%
Wheatbelt	1%
Goldfields	1%
Peel	2%

Stakeholder Engagement Framework

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graph TD
    A[Stakeholder Identification] --> B[Stakeholder Assessment]
    B --> C[Stakeholder Engagement]
    C --> D[Stakeholder Consultation]
    D --> E[Stakeholder Collaboration]
    E --> F[Stakeholder Partnership]
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Risk Management & Internal Control System

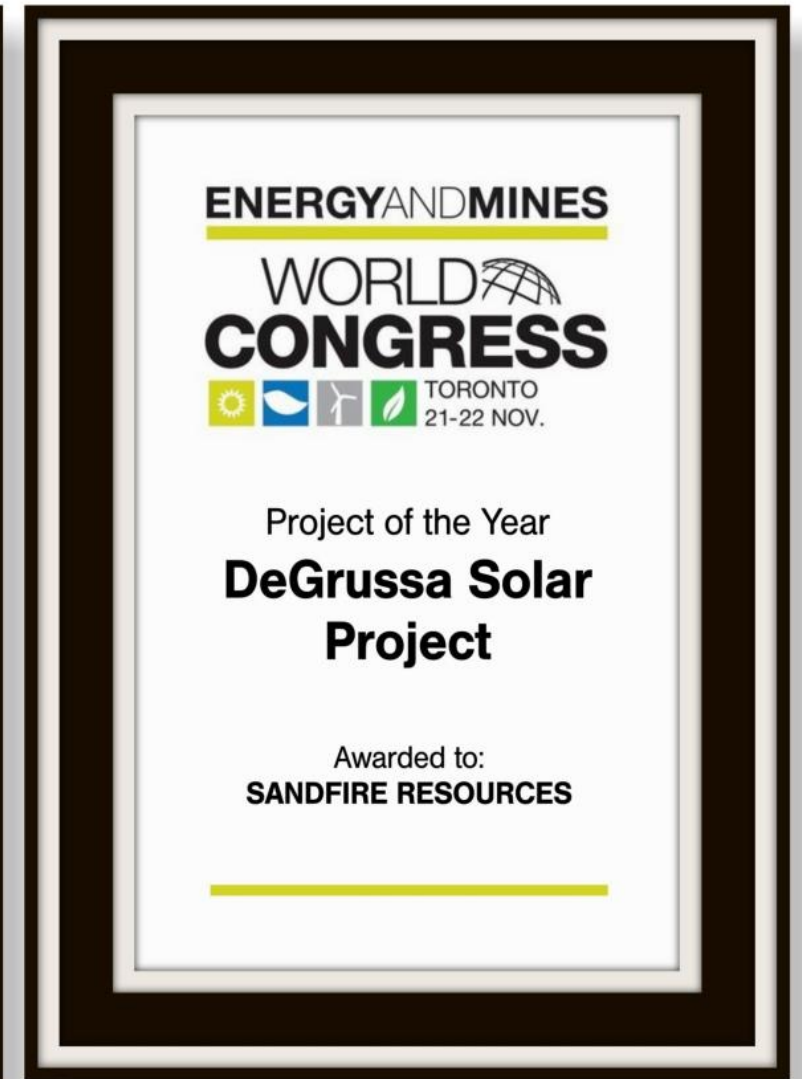
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graph TD
    A[Risk Management & Internal Control System] --> B[Strategic Risk Management]
    B --> C[Operational Risk Management]
    C --> D[Financial Risk Management]
    D --> E[Reputational Risk Management]
    E --> F[Compliance Risk Management]
```


The DeGrussa Solar Power Project – Fully Operational



- ▶ 10.6MW solar power farm at DeGrussa now fully operational
- ▶ 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



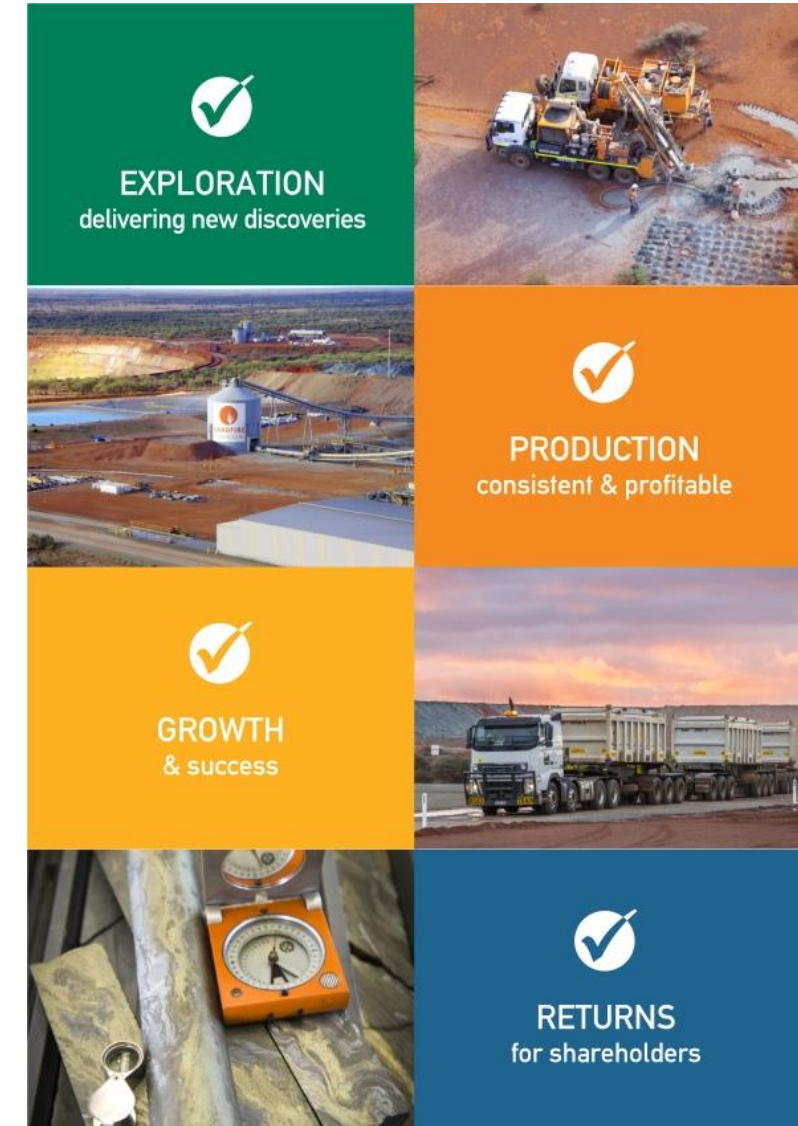


Summary – Positioned for Growth and Success



- ▶ **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 chapter of growth.





SANDFIRE
RESOURCES NL

A QUALITY COPPER-GOLD PRODUCER

28 November 2016
Annual General Meeting
Opportunity Redefined

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