



Building a Showcase Underground Copper Mine in Montana, USA

Sandfire Resources America Inc
Corporate Overview
March 1, 2019



Important Information and Disclaimer



Technical Information: Under National Instrument 43-101 Standards of Disclosure for Mineral Projects, the Qualified Person for this presentation is Jerry Zieg, who has reviewed, approved, and verified its contents. Please see the technical report entitled “Updated Technical Report and Preliminary Economic Assessment for the Black Butte Copper Project, Montana” dated July 12, 2013 (the “PEA”), which is available on SEDAR, for more information. *The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.*

Forward-Looking Statements: This presentation by Sandfire Resources America Inc. (the “Company”) includes certain disclosure which constitutes “forward-looking information” or “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and Canadian securities legislation. Forward looking statements are often identified by words such as: expects, plans, anticipates, believes, intends, estimates, projects, assumes, potential, or will, would, may, could or should.

These forward-looking statements include statements regarding plans and intentions with respect to exploration and development of the Black Butte Copper Project, including timelines, anticipated results, the Company’s operations and financial condition in future periods, anticipated completion of feasibility and other studies and their impact on project economics and scope, timing of approvals and permitting and other milestones and sufficiency of funding to complete planned activities. Estimates of mineral resources are also forward-looking statements in that they involve estimates of the mineralization that would be encountered, based on interpretation of drilling results and certain assumptions, if a deposit were developed and mined. Forward looking information relating to the Company’s Black Butte Copper Project also includes the Preliminary Economic Assessment (PEA), including estimates of capital and sustaining costs, anticipated internal rates of return, mine production, estimated recoveries, mine life, estimated payback period and net present values.

In making the forward-looking statements, the Company has applied certain factors and assumptions that the Company believes are reasonable, including those set out in the PEA, that the Company is able to obtain required government or other regulatory approvals and permits and any required financing to complete the Company’s planned activities, that actual costs of planned activities will be consistent with management’s expectations, that the Company is able to procure equipment and supplies in sufficient quantities and on a timely basis, that actual results of exploration activities are consistent with management’s expectations, that the proposed mine plan and recoveries will be achieved, that capital costs and sustaining costs will be as estimated, that the assumptions underlying mineral resources estimates are valid and that no unforeseen accident, fire, ground instability, flooding, labor disruption, equipment failure, metallurgical, environmental or other events that could delay or increase the cost of development will occur.

However, the forward looking statements are subject to numerous risks, uncertainties and other important factors that may cause actual results to differ materially from those expressed or implied in such forward-looking statements, including any of the assumptions and factors set out above or in the PEA proving to be invalid or varied, actual results of the Company’s exploration activities being different than those expected by management, uncertainties involved in the interpretation of drilling results and geological tests and the estimation of mineral resources, that the future price of copper will decline, the need for cooperation of government agencies, native groups and other stakeholders in the development of the Black Butte Copper Project, risks related to mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title, risks of operations such as accidents, equipment breakdowns, fire, ground instability, flooding, labor disruption, equipment failure, adverse metallurgical or environmental events, inadequate insurance or inability to obtain insurance, bad weather, potential litigation, non-compliance with environmental and permit requirements, unanticipated variations in geological structures, grades or recovery rates, unexpected cost increases, fluctuations in metal prices and currency exchange rates, delays in obtaining or inability to obtain required government or other regulatory approvals or permits or required financing, and the inability to procure equipment and supplies in sufficient quantities and on a timely basis. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

This presentation is not, and is not intended to be, an offer to sell or the solicitation of an offer to buy any security of Sandfire Resources America, Inc. (the “Company”) in any jurisdiction. This presentation is not an offering memorandum.

A 21st Century Copper Project – Presentation Outline



▶ Black Butte Copper (BBC) Project Overview

- SRA is building a showcase underground high-grade copper mine on privately owned lands and minerals in Montana.

▶ Environmental Excellence

- SRA embraces its responsibility as a custodian of our environment and as a leader in implementing innovative solutions designed to eliminate any significant environmental impact.

▶ Advanced Permitting

- BBC is nearly through the final phase of permitting with the Montana Department of Environmental Quality; the Draft EIS is now imminent followed by a 45-day comment period. We expect a Record of Decision by mid-2019.

▶ Feasibility Study Underway

- Targeted completion in Q2 of 2019. The 2013 PEA showed a pre-tax NPV(8%) of \$218M assuming a copper price of \$6,725/t.*

▶ Compelling Copper Dynamics

- The supply of copper, a key metal for global economic growth, delivering improved living conditions and implementing 'green' energy solutions, will struggle to meet future demand at current prices.

▶ Engaging Our Communities

- SRA is focused on creating sustainable value for all our stakeholders through extensive outreach programs and by working proactively to engage with support our local community.

▶ Evolving Corporate Mission

- SRA is growing rapidly from an explorer to a developer and producer, while retaining significant upside from future exploration.

* 2013 Preliminary Economic Assessment available on SEDAR.com

Black Butte Underground Copper Project



An advanced, high quality copper project in a stable jurisdiction

► Project advantage

- One of the highest copper grade undeveloped projects in the world at 3.4% Cu – LCZ (Lower Copper Zone) has a copper grade of 6.4%*
- Permitting the Johnny Lee Deposit, a Measured and Indicated Undiluted Resource of 11.6 million tonnes at 3.6% Cu, 13.4g/t Ag
- 15-year mine life producing 30,000 tonnes per annum of copper-in-concentrate
- Relatively shallow underground mine accessed by a decline – UCZ (Upper Copper Zone) is 60-200 metres (150 to 600 feet) deep and the LCZ is 300-500 metres (900 to 1500 feet) deep
- Conventional crush-grind-froth flotation operation
- Paste back-fill with remaining tailings dewatered and stored in double-lined cemented tailings facility
- Feasibility study commenced with metallurgical test work underway and study completion expected in mid-2019
- Exploration upside with Lowry deposit (Indicated Undiluted Resource of 4.1 million tonnes @ 2.9% Cu) just 2km (1.2 miles) from the mine entrance

UCZ – Upper Copper Zone of the Johnny Lee deposit

LCZ – Lower Copper Zone of the Johnny Lee deposit

* 2013 Preliminary Economic Assessment available on SEDAR.com



**Total Measured and Indicated
Undiluted Mineral Resource:**

**15.7 million tonnes at 3.4% Cu
and 14g/t Ag**

**for 534,000t of contained copper
and 7,000,000oz of silver***

Black Butte Underground Copper Project



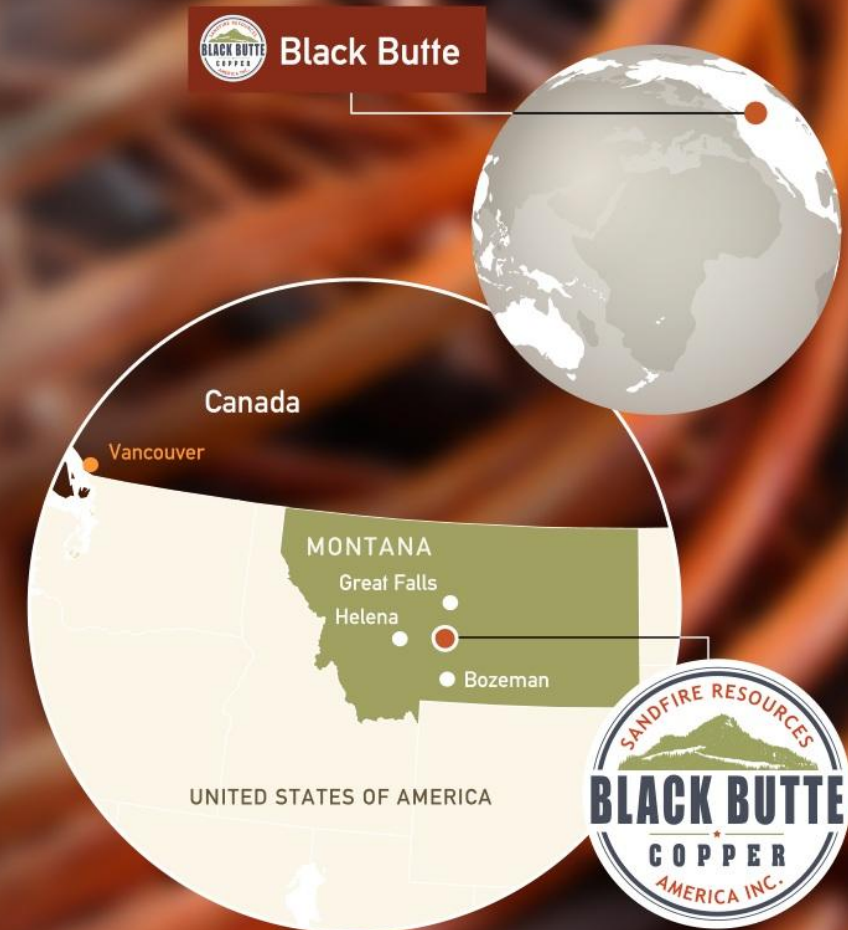
An advanced, high quality copper project in a stable jurisdiction

▶ Doing it right from the beginning

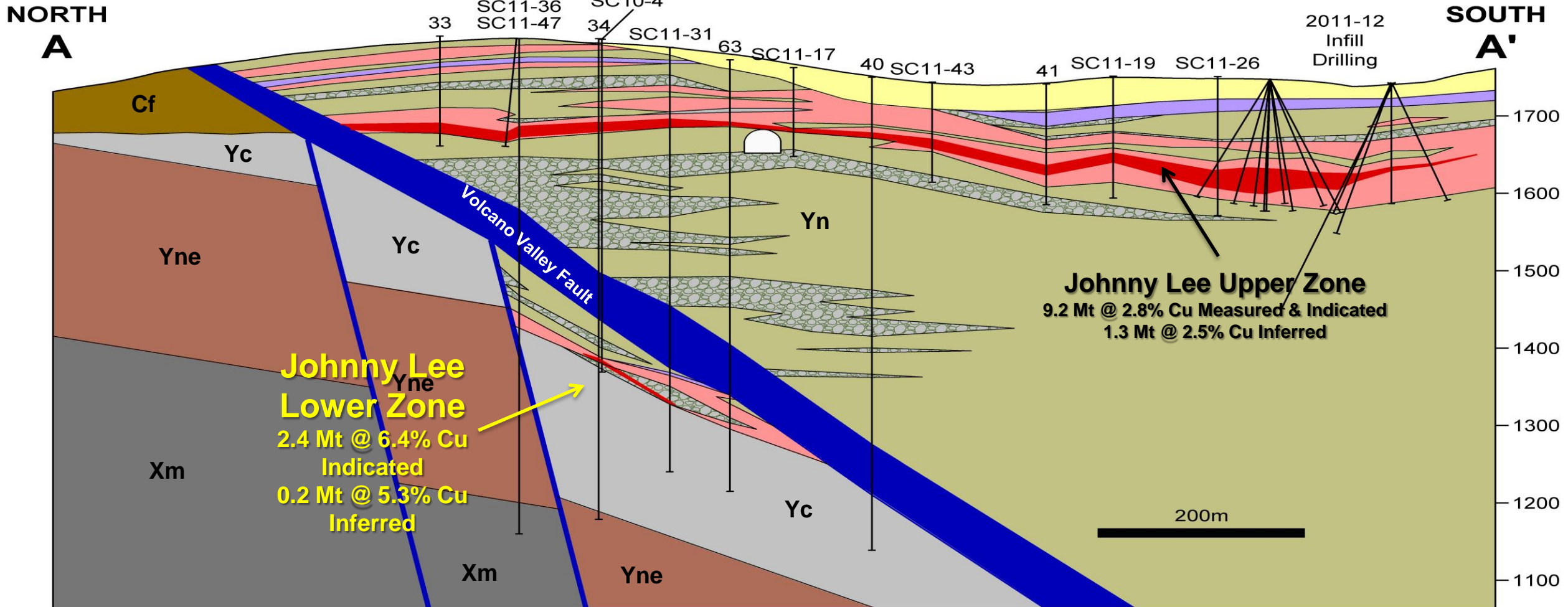
- Design minimizes environmental impact, protects all water resources, and comfortably meet Montana's strong 'non-degradation' water standards
- Project has a very small surface footprint which will be fully returned to its pre-mining agricultural use after operations
- Engaging the community and other stakeholders to maintain a social license

▶ Location advantage

- 27km (17 miles) north of the city of White Sulphur Springs in central Montana
- White Sulphur Springs community is very supportive and the city is an ideal base for the mine's workforce
- Existing sealed road from White Sulphur Springs to site
- Accessible rail-heads located nearby at Townsend and Livingston with direct access to smelters/ports via rail
- Fergus Electric is surveying a 60km (37 mile) power transmission route
- Local community and mine site have high speed internet via fiber optic in place

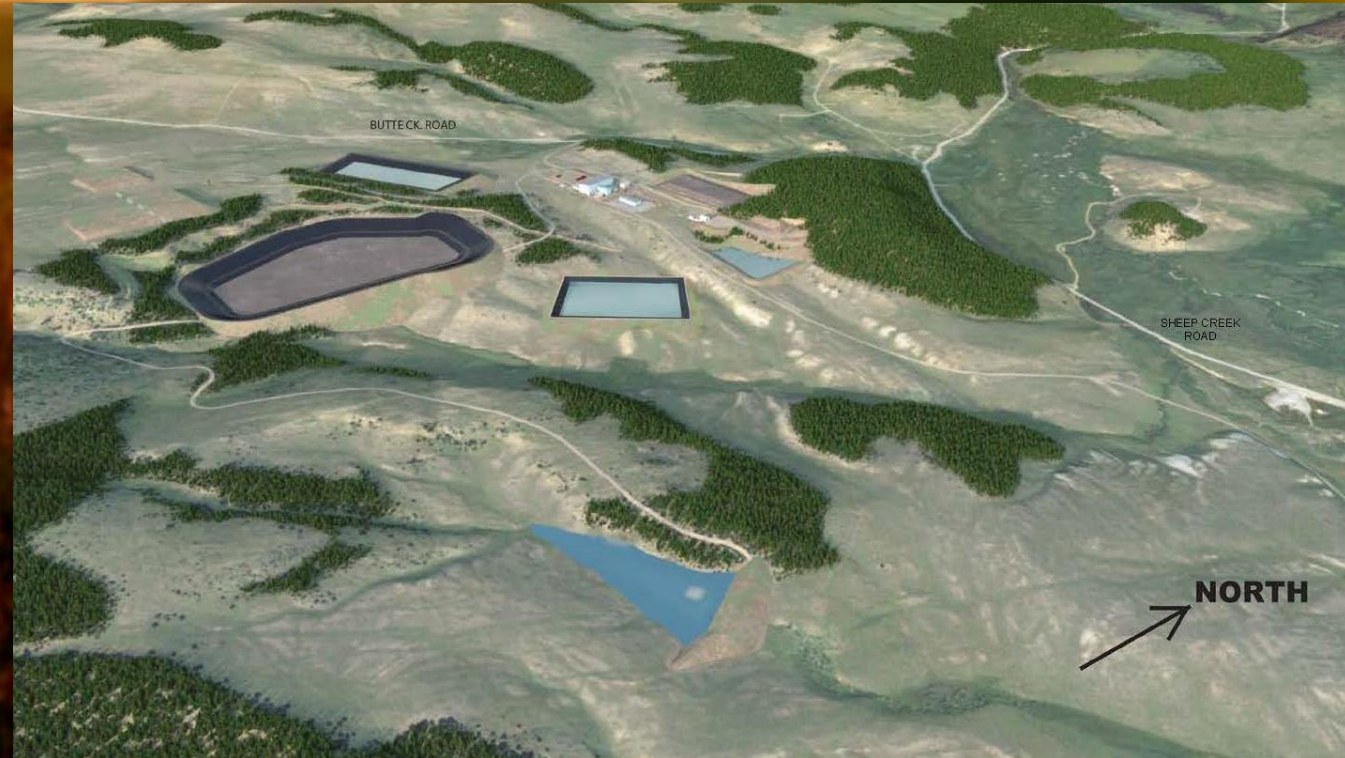


Johnny Lee Deposit Cross Section



▶ Going Above and Beyond

- Cemented Tailings Facility – it will be the first large scale cemented tailings storage facility.
 - *Results in dry, hard mass of cemented tailings encapsulated in a double layer of 100-mil liner and buried more than 1.5 metres (5 feet) underground.*
- Paste Backfill of tailings for entire deposit.
- Reverse Osmosis water treatment engineered to meet or exceed Montana’s non-degradation water discharge standards. No perpetual water treatment needed beyond reclamation.
- Vent fans placed underground to limit noise.
- No waste rock piles left on surface – all waste rock stored in Cemented Tailings Facility or returned underground.
- 100% return to current agricultural uses.
- Concentrate transport in sealed containers.



- ▶ The project leases mining rights on privately owned ranch land and the Montana Department of Environmental Quality (DEQ) administers all permitting except wetlands – one wetlands 404 permit was required and has been issued by the U.S. Army Corp of Engineers (Federal government)
- ▶ Mine Operating Permit Application (MOP) deemed “complete and compliant” by the Montana DEQ in August of 2017:
 - The MOP is a 450-page document with 7,000 pages of technical appendices;
 - Following the complete and compliant notice, the Montana DEQ has engaged an independent group to prepare an Environmental Impact Statement (EIS).
- ▶ The draft EIS is expected to be available for public comment in Q1 2019:
 - The public comment period will also consider the Water Quality and Air Quality draft permits.
- ▶ Subject to any issues raised during the public comment period, we expect a Record of Decision mid-2019:
 - The Record of Decision will provide the Company with all the approvals and permits needed to allow mine construction to commence.

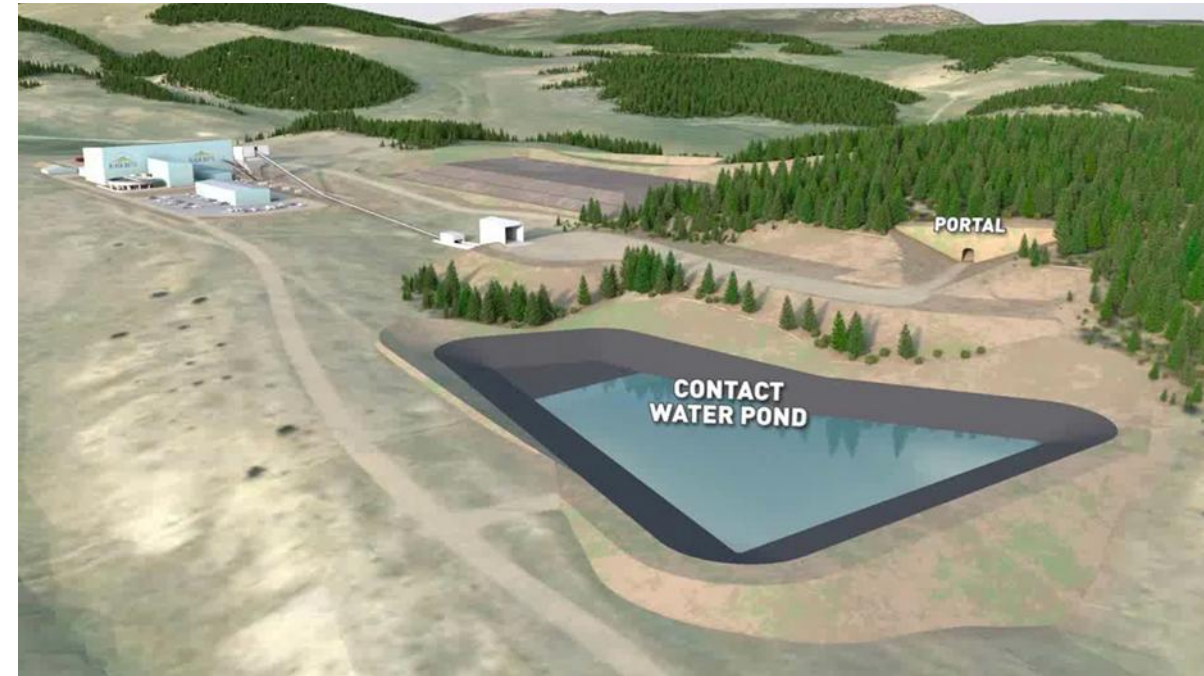
Though the conditions being placed on the project are some of the strictest in the world, we are confident that we can meet all of the requirements and we can demonstrate that responsible mining and environmental management are not mutually exclusive.

This will be the first NEW mine approved in Montana in a generation

Feasibility Study and Operations



- ▶ The Feasibility Study will use the MOP as an environmental framework to design a clean, safe modern mine and processing plant. Design criteria include:
 - Mine entrances and processing plant positioned to protect the integrity of Sheep Creek and wetlands
 - Underground mining with a portal access and minimal surface infrastructure (i.e. underground primary fans)
 - Drift-and-fill mining method employing cemented paste fill to eliminate subsidence
 - Conventional crush-grind-froth flotation processing circuit
 - Sealed containers for transporting concentrate to smelters, removing dust generation points in transit
 - Mine water used for process water then treated in a reverse osmosis (RO) plant prior to being released in underground infiltration galleries in a non-degraded state
 - All surface facilities removed and land rehabilitated for pre-mining use at mine closure – Cemented Tailings Facility to be sealed in double-lining and rehabilitated; no perpetual water treatment required
- 2013 Preliminary Economic Assessment available on SEDAR.com



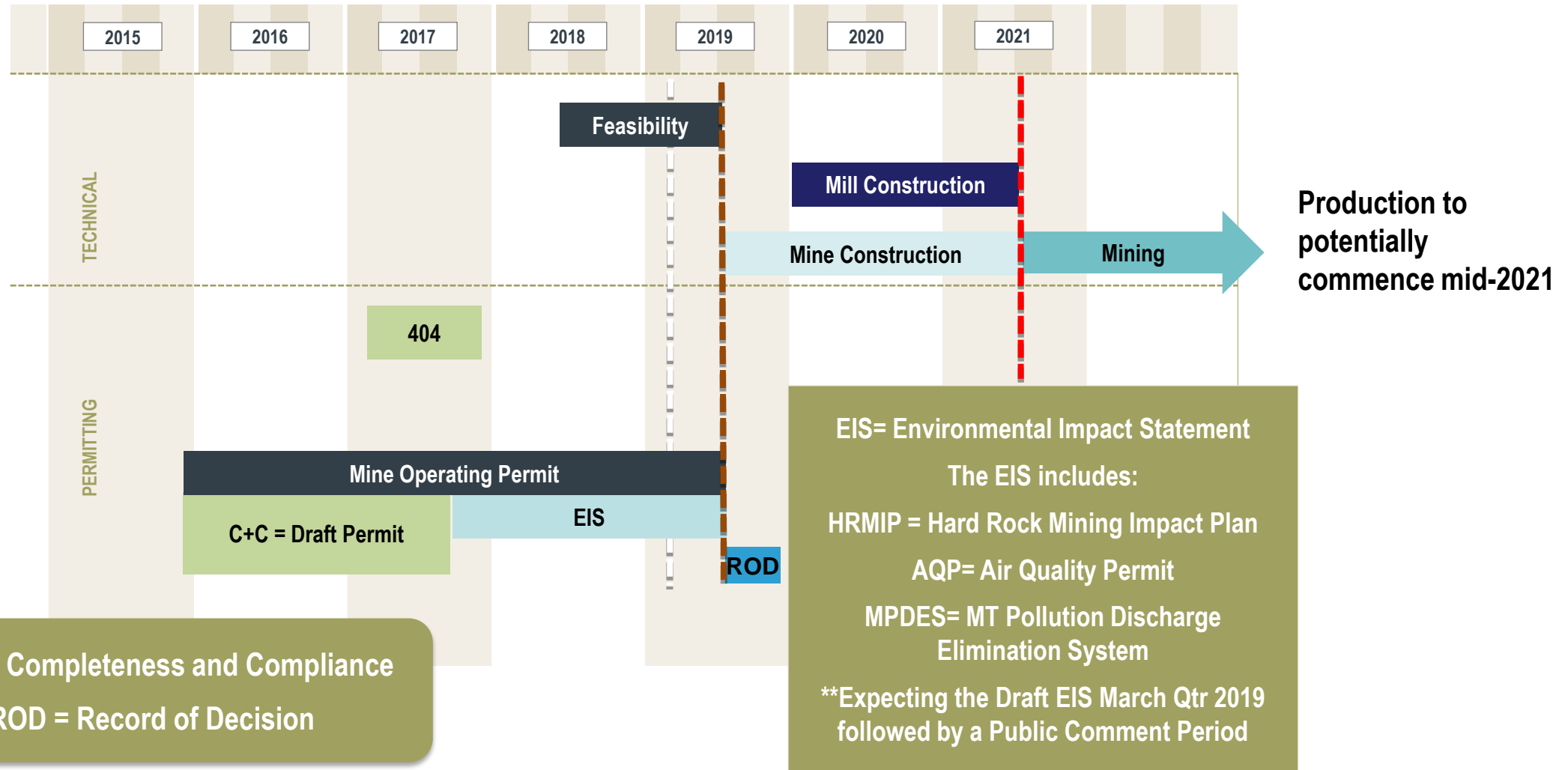
2013 PEA NI 43-101 Numbers

Mining rate: *1.2 million tonnes per year @ 3.11% copper*
Avg. production: *33,000 tonnes Cu in concentrate per year*
Workforce: *~240 people*
Construction timetable: *18-24 months*

Feasibility Study Team



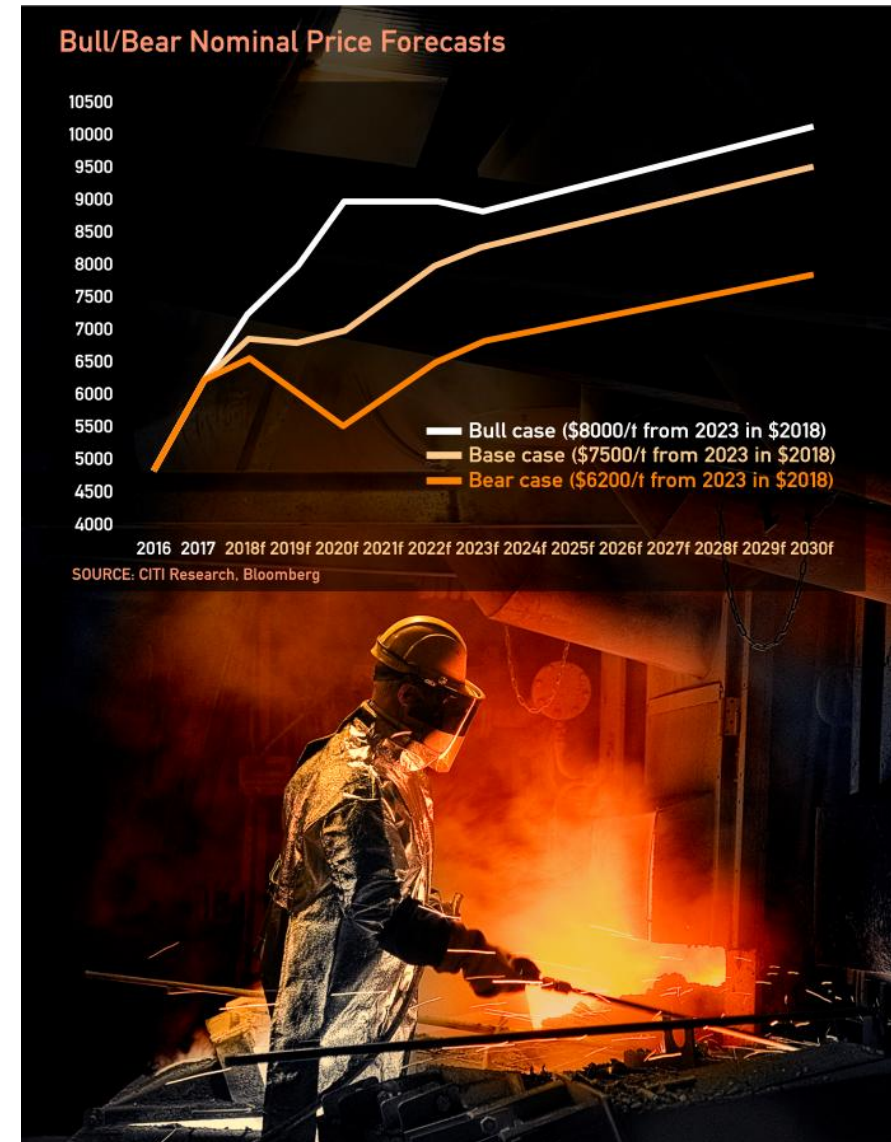
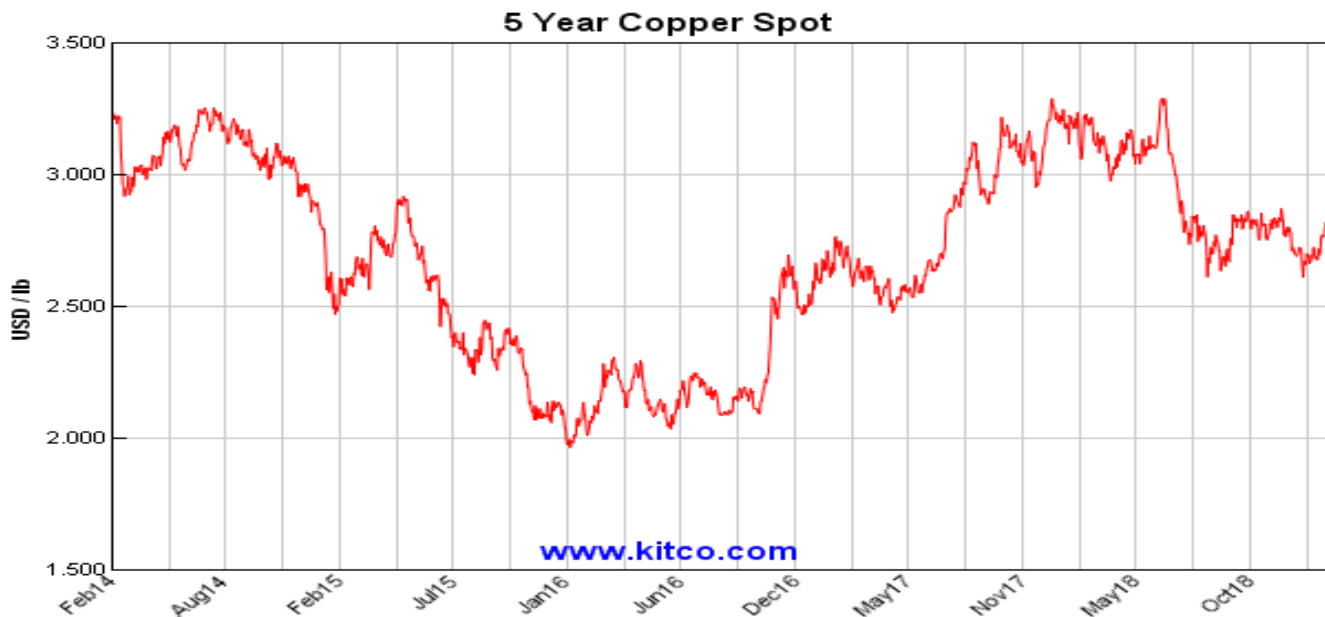
Estimated Project Timeline



Copper – Despite the Recent Pullback... It's Not All Over



- ▶ Recent sell-off driven by escalating trade frictions between US and China
- ▶ Current price of ~US\$2.80/lb not sufficient to incentivize new supply to meet demand over the coming decade
- ▶ Citi estimates that prices need to rise to ~US\$3.40/lb given longer term market fundamentals
- ▶ Medium and long term outlook underpinned by continued strong global economic growth and supply constraints



Source: Citi, July 2018 Copper Book

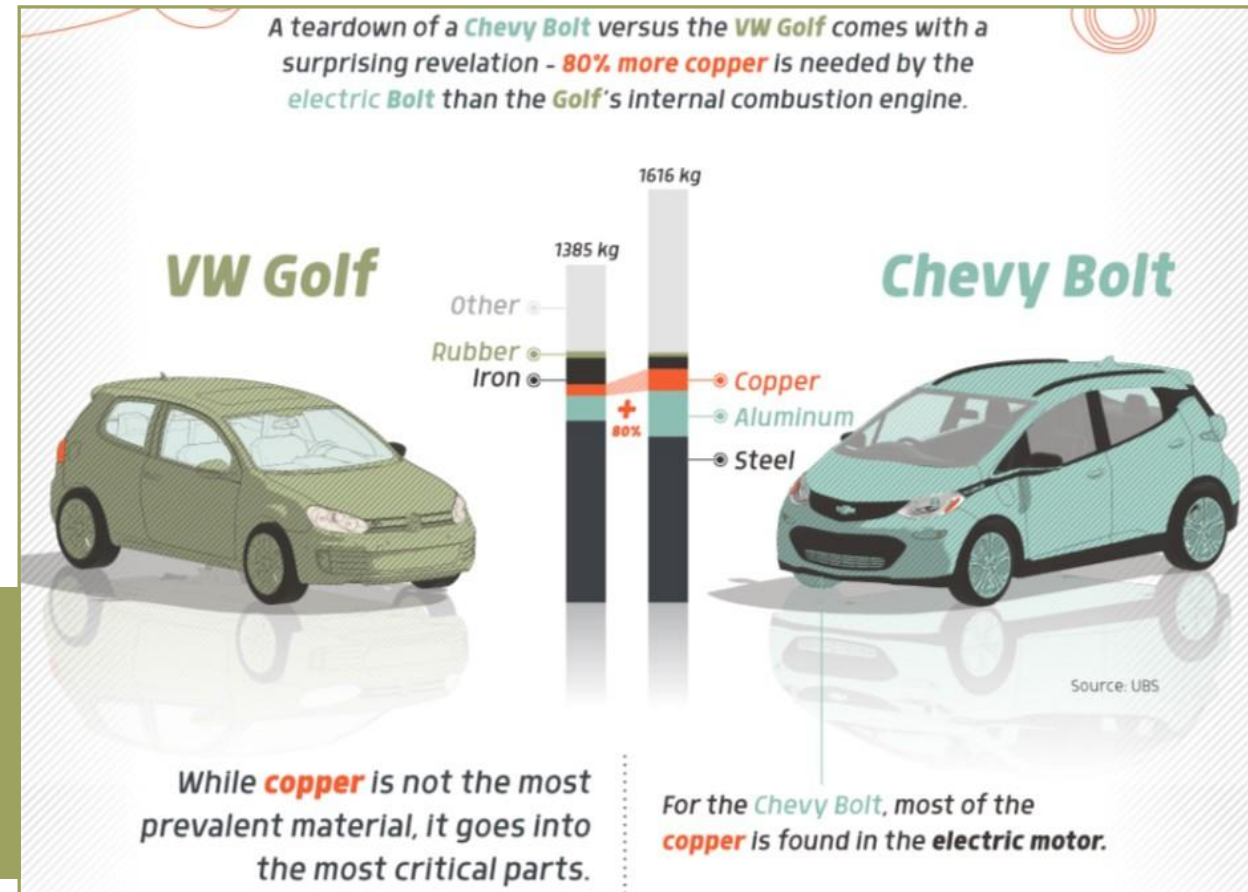
Copper – The Original Green Metal



- ▶ Copper.org estimate that by 2027 copper demand stemming from electric vehicles is expected to increase by 1.7 million tonnes annually or 55 Black Buttes

“Prepare for a decade of Dr. Copper on steroids. Copper’s reputation for acting as a barometer of global growth is set to continue, and indeed improve, given a lack of supply growth...” Citi, Copper Book, 17 July 2018

- ▶ Each megawatt of wind power capacity uses an average of 3.6 tonnes of copper. ExxonMobil estimate that 3,500 TWh of delivered electricity will come from wind energy by 2040.



Engaging Our Communities Positively and Proactively



- ▶ Going Above and Beyond to Earn and Maintain our Social License
- ▶ Meagher County Stewardship Council created during permitting to ensure a net positive to the area socially, environmentally and economically through a neutral 3rd party, One Montana
- ▶ Building a new outreach model which includes hosting monthly tours, giving presentations upon request, active social media outreach, volunteering in the community and sponsoring local events





- ▶ Sandfire Resources America Inc. wholly owns Tintina Montana Inc., which holds all the rights/agreements for the Black Butte underground copper project
- ▶ Sandfire is listed on the TSX Venture Exchange under the ticker SFR – the stock is also traded on the OTC market in the US under the ticker SRAFF
 - Prior to 2018 Rights Issue:
 - 817.8 million shares on issue.
 - 12.0 million options and 40.0 million warrants.
 - 85.66% owned by Sandfire Resources NL. (ASX:SFR).
 - 2018 Rights Issue raised C\$18.9 million (US\$14.5 million) at C\$0.06 per share and closed in October, 2018 – funds to be used to finalize permitting, and complete the Feasibility Study including further definition drilling
 - Cash at December 31, 2018 of C\$13.7 million (US\$10.4 million)
 - 2018 share price range \$C0.06-0.11

DIRECTORS

Matt Fitzgerald – Chairman

- ▶ *Finance Background*
- ▶ *Perth, Australia*

Rob Scargill – CEO

- ▶ *Mining Engineer*
- ▶ *White Sulphur Springs, Montana*

Alan Joscelyn

- ▶ *Legal Background*
- ▶ *Helena, Montana*

Chris Hedrich

- ▶ *Finance Background*
- ▶ *White Sulphur Springs, Montana*

Bruce Hooper

- ▶ *Geology Background*
- ▶ *Perth, Australia*

Sandfire Resources NL (ASX: SFR) – A Strategic Investor



Consistent mid-tier performer

- **+6 years of consistent, safe operations**
- **+400kt Cu and +230koz Au produced to date**
- **Over A\$3.2 billion in revenue to end-FY18**

Consistent, low-cost production base

- **FY2018 production: 64,918t Cu, 39,273oz Au – record low C1 US\$0.93/lb**
- **Group cash: A\$179M at 31 December 2018; no debt**
- **FY2019 guidance: 63-67kt Cu, 37-40koz Au; C1 US\$1.00-1.05/lb**

Strong organic growth pipeline

- **New 100%-owned Monty UG mine on stream Q2 FY2019**
- **86%-owned Black Butte Copper Project, USA**
- **Major exploration push continuing at Doolgunna (A\$20M annual budget)**

Vision to become a diversified base metal miner

- **Rising high-grade production profile from FY2020**
- **Expanding international growth pipeline – USA, Australia**
- **Recent strategic investments in Alaska and Bosnia-Herzegovina**
- **Strong in-house team targeting global business development opportunities**

Black Butte Copper – Cutting Edge



▶ Innovation at its Best

- Building a showcase underground copper mine in Montana with state-of-the-art technology

▶ Environmental Excellence

- Embracing accountability and being responsible custodians of our environment

▶ Advanced Permitting

- Completing the final phase of permitting with the Draft EIS imminent

▶ Feasibility Study Underway

- Scheduled for completion in Q2 2019 – the 2013 PEA showed a pre-tax NPV(8%) of \$218M assuming a copper price of \$6,725/t

▶ Copper remains dynamic

- Copper is a metal for modern life where supply is going to struggle to meet demand at current prices

▶ Engaging Our Communities

- Creating a new model for sustainable value for all our stakeholders



Sandfire Resources America Inc.
Transitioning from innovative explorer/permittor to first-class developer/producer



THANK YOU!

Contact Details: Sandfire Resources America Inc. / Black Butte Copper

17 E Main St., White Sulphur Springs, MT 59645

Office: 406.547.3466