



SANDFIRE SIGNS BINDING AGREEMENT TO ACQUIRE TALISMAN'S 30% INTEREST IN THE SPRINGFIELD JOINT VENTURES, WA

Transaction will consolidate 100% ownership of the high-grade Monty Copper-Gold-Mine

Further to its ASX announcement of 8 June 2018, Sandfire Resources NL (ASX: SFR; **Sandfire**) is pleased to announce that it has signed a binding conditional Sale and Purchase Agreement with Talisman Mining Limited (ASX: TLM; **Talisman**) to acquire Talisman's 30% interest in the Springfield Exploration and Mining Joint Ventures in the Doolgunna region of WA (**Transaction**).

The purchase price comprises \$72.3 million for Talisman's subsidiary, Talisman A Pty Ltd, on a debt-free and cash-free basis and an ongoing 1% Net Smelter Return (NSR) royalty payable to Talisman on any future discoveries at the Springfield Joint Ventures (**NSR Royalty**). Sandfire will also be required to pay stamp duty in relation to the Transaction and has also incurred other transaction costs.

Through its acquisition of Talisman A, Sandfire will also assume the existing 2.25% gross revenue royalty held by Taurus Mining Finance Fund payable on 30% of the copper and gold produced from the Monty deposit area, capped at 29,700t of copper and 16,500oz of gold from the Monty deposit area (based on a 30% revenue share).

Consolidation of 100% ownership of the Monty copper-gold mine and surrounding exploration tenure strengthens Sandfire's exploration and development pipeline in the Bryah Basin. The Springfield Joint Ventures include the Monty copper-gold deposit, currently being developed as a new satellite underground mine to feed Sandfire's nearby DeGrussa Copper-Gold Mine (the Springfield Mining Joint Venture) and the surrounding exploration tenements (the Springfield Exploration Joint Venture). The package also includes Talisman's interest in the Halloween West Project (see Figure 1).

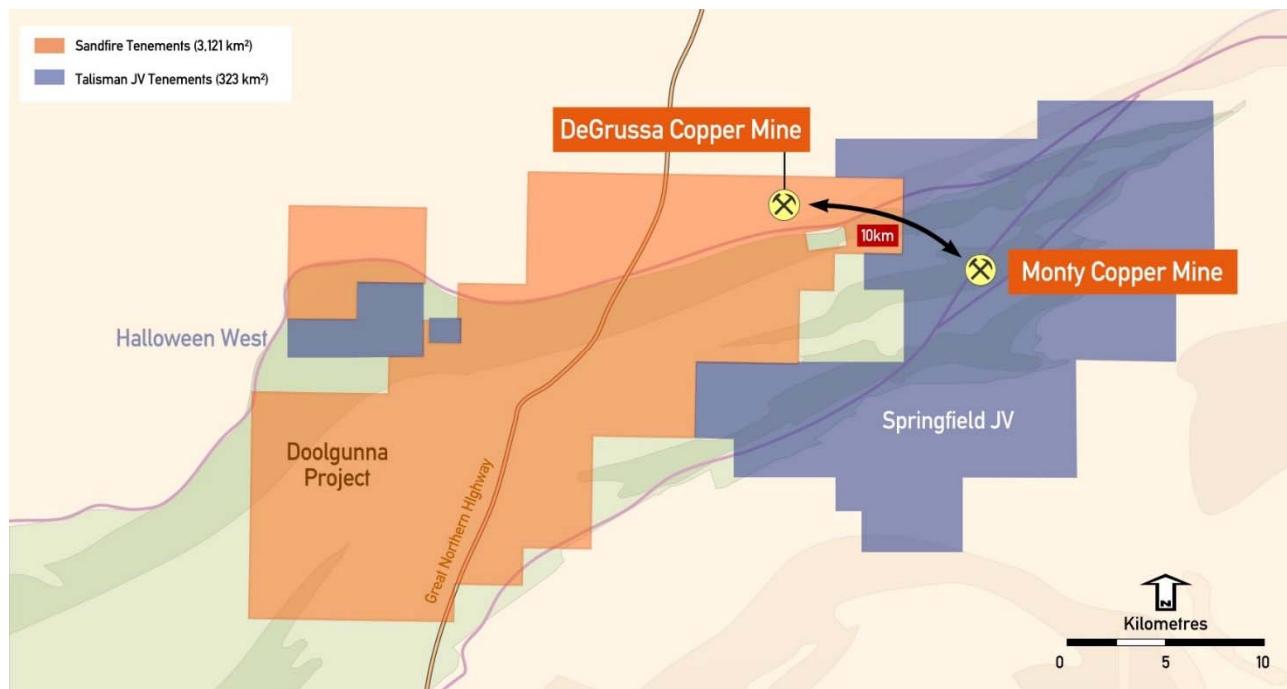


Figure 1: Location Plan showing the Springfield Joint Venture and Halloween West tenements relative to Sandfire's 100%-owned Doolgunna Project.

As previously advised, Sandfire will fund the acquisition from existing cash reserves on hand of \$243 million (unaudited group cash as at 30 June 2018).

With the satisfaction of all of the other conditions outlined in Sandfire's ASX release of 8 June 2018, completion of the Transaction is now subject only to approval by a simple majority of Talisman's shareholders at an Extraordinary General Meeting to be held approximately 6-8 weeks from the date of this announcement.

As set out in Talisman's corresponding market announcement, the Board of Talisman unanimously recommends that Talisman shareholders vote in favour of the Transaction and the Talisman directors also intend to vote, or procure the voting of, any Talisman shares respectively held or controlled by them at the relevant time in favour of the Talisman shareholder resolution to approve the Transaction.

In that same announcement, Talisman also notes that:

"Talisman has been informed by Mr Kerry Harmanis that, based on the terms of the Proposed Transaction as set out in [Talisman's announcement dated 8 August 2018] announcement, he intends to vote, or procure the voting of, any shares in Talisman held or controlled by him (or his associates) at the relevant time in favour of that shareholder resolution to approve the Proposed Transaction."

Sandfire CEO Karl Simich said, "We are pleased to be progressing this transaction to consolidate our interests in the Monty Project and surrounding tenement interests. While copper prices have come down in recent weeks we remain committed to this acquisition and its value for shareholders of Sandfire and Talisman, and strongly believe in the building future strength in the copper market."

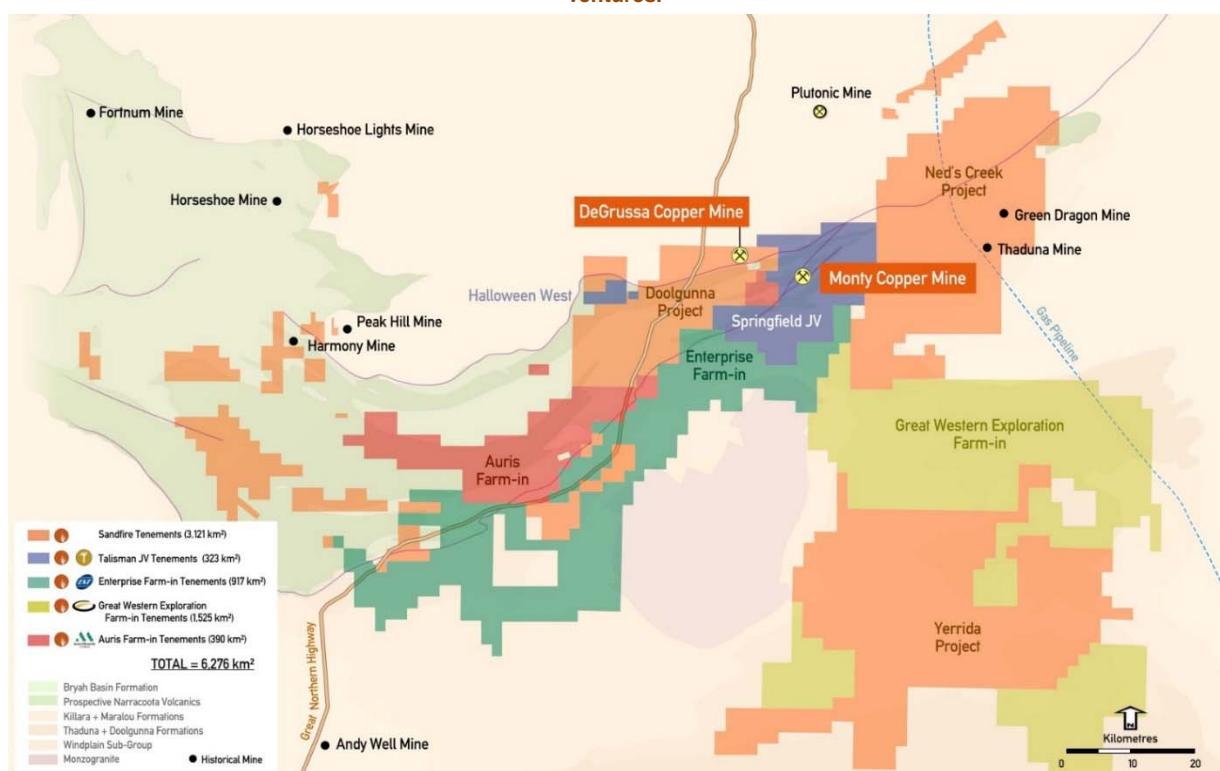
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Figure 2: Regional Location Plan showing Sandfire's holdings across the Greater Doolgunna Project, including farm-in joint ventures.



Forward-Looking Statements

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration operations, project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Sandfire believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of Sandfire, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. Sandfire undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly you should not place undue reliance on any forward looking statement.