



DEGRUSSA COPPER MINE SOLAR POWER INITIATIVE

Sandfire Resources NL (ASX: SFR – “Sandfire” or “the Company”) is pleased to announce that it has signed an agreement with juwi Renewable Energy Pty Ltd (“juwi”) to construct a 10.6MW solar power station at its DeGrussa Copper Mine in Western Australia (**Agreement**). The Agreement is subject to various conditions including final funding which the parties expect will be satisfied by 1 May 2015.

The innovative \$40 million project, which will involve construction of the largest integrated off-grid solar array in Australia, has the potential to establish DeGrussa as an industry leader in the use of renewable power for mining and processing operations. Funding is being coordinated by juwi, which will own and operate the facility. Sandfire’s cash contribution to the project will be less than \$1 million.

The proposed solar power station will utilise a 10.6MW solar array comprising 34,080 solar photovoltaic panels that track the sun and a 6MW battery. It will be constructed on 20 hectares of land near the site of the current underground mine and 1.5Mtpa Concentrator. When constructed, it will be one of the largest integrated off-grid solar power systems to be used in the mining industry anywhere in the world.

The solar power station will be fully integrated with the existing 20MW diesel-fired power station at DeGrussa, which is owned and operated by Kalgoorlie Power Systems (a subsidiary of Pacific Energy, ASX: PEA) under an agreement with KPS. This agreement will be structured to maximise the consumption of lower cost solar power and therefore reduce reliance on diesel. KPS has provided great support and cooperation for the project.

This integrated system will be designed such that the diesel power station continues to provide base-load power to the DeGrussa mine with sufficient minimum load to ensure it can respond quickly to meet the power requirements of the process plant and underground mine. The project is expected to achieve savings in the consumption of diesel fuel and will deliver a significant environmental benefit for the DeGrussa Copper Mine, reducing its CO₂ emissions by an estimated 12,000 tonnes per year.

The DeGrussa Solar Power Project remains subject to achievement of financial close and meeting conditions precedent by 1 May 2015, with the partners aiming to commence construction during Q2 of calendar year (CY) 2015 with the objective of completing the project by the end of 2015 and commissioning in Q1 of CY 2016.

Sandfire’s Managing Director, Mr Karl Simich, said the Company had been working on the solar power initiative since 2013, with the project representing an attractive opportunity to participate in a low-risk renewable energy initiative with a minimal capital requirement.

“The scale of this project will be an Australian and world first – a unique combination of an off-grid, high capacity solar power array which will be fully integrated with an existing diesel power station,” he said.

“It is a very manageable project which, importantly, will not impact on the efficiency or safety of our existing operations, while allowing Sandfire to make a solid contribution to the broader challenge of reducing CO₂ emissions and potentially reducing our operating costs in the long run,” Mr Simich continued. “It has the capacity to significantly reduce our medium and long-term power costs, especially with further extensions of the mine life of the DeGrussa Project.”

“We are pleased to have this opportunity to work with juwi, a world-leader in renewable energy, to advance the use of solar power in the mining industry. We are also confident that this project will help to promote the use of renewable energy in the resource industry, and potentially streamline and improve the technology to make a bigger contribution to powering mine sites in the future,” Mr Simich said.

“This project is entirely consistent with our ongoing efforts to optimise and enhance our operations at DeGrussa and reduce costs wherever possible,” he added. “We are continuing to explore other options to reduce our energy costs, including using alternatives such as Compressed Natural Gas for gas-fired power generation.”

Andrew Drager, Managing Director of juwi Australia, said: “We are excited to work with Sandfire Resources and KPS to supply low-cost renewable energy to the DeGrussa Mine from what is expected to be the world’s largest off-grid solar power system. The system is at the forefront of transforming the remote power generation sector and the resource industry into one with a sustainable future.

“juwi will finance, build and operate the 10.6MW solar + 6MW battery facility allowing Sandfire to remain focused on their core business of developing and operating high-quality resource assets,” Mr Drager said. “The solar PV system will provide the majority of daytime electricity to substantially reduce the mine’s dependence on imported diesel. We look forward to implementing this world-class renewable energy system for a world-class mining company.”

About juwi

The juwi Group is one of the world’s leading renewable energy companies specialising in the Engineering, Procurement and Construction (“EPC”) of utility-scale projects. With approximately 1,000 employees worldwide, juwi has been involved in the development, design, construction and operation of more than 1,500 solar PV projects and the installation of more than 800 wind turbines with a cumulated capacity of over 3,200MW.

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