



Black Butte Copper Progress Update

White Sulphur Springs, Montana- July 25, 2018 -Sandfire Resources America Inc. (“Sandfire America” or the “Company”) is pleased to provide the following update on activities at the Black Butte Copper underground project in Montana.

Metallurgical Drilling and Test Work

The 2018 Spring drilling program focused on recovering mineralized core for further metallurgical test work. 16 large-diameter (114 mm diameter) diamond drill holes dispersed throughout the Upper Copper Zone (“UCZ”) of the Johnny Lee deposit provided representative samples for metallurgical testing. These holes also delivered further clarification of the geology within the UCZ.

A total of 2,011 kilograms of mineralized core has been prepared for metallurgical testing at Base Metallurgical Laboratories (“BML”) in Kamloops, British Columbia. BML are world-wide recognized experts in base metal froth flotation recovery testing. The results of this test work will support the design of the proposed process flow sheet for the processing plant which is an integral component of the Bankable Feasibility Study, and will allow modelling of recoverable copper within the mineralized zones to optimize scheduling.

Two additional diamond drill holes pierced the Lower Copper Zone (“LCZ”) of the Johnny Lee deposit and improved knowledge of this zone.

An additional three diamond drill holes were completed outside the known mineralized zones to investigate areas of planned future facilities.

See Table 1. below for results from drill intersections through the UCZ and LCZ and associated drill hole locations on [Maps 1 and 2](#).

Table 1. Black Butte Copper 2018 Spring Drilling Program Intersections of the Johnny Lee Deposit

Hole ID	From (m)	To (m)	Length (m)	Cu	Co	Ag g/t		
SC18-207	63.24	70.64	7.40	2.21%	0.14%	14.3	UCZ	
SC18-209	83.48	89.66	6.18	1.52%	0.07%	7.7	UCZ	
and	102.29	109.60	7.31	4.38%	0.13%	8.0	UCZ	
SC18-211	118.24	147.42	29.18	2.23%	0.08%	14.2	UCZ	
SC18-212	121.22	135.16	13.94	1.94%	0.08%	14.6	UCZ	
SC18-213	132.73	139.00	6.27	1.57%	0.08%	18.3	UCZ	
and	142.88	146.75	3.87	1.83%	0.04%	16.5	UCZ	
SC18-214	156.70	160.29	3.59	2.50%	0.11%	23.2	UCZ	
SC18-215	56.50	58.77	5.99	2.74%	0.08%	11.4	UCZ	
SC18-216							UCZ	Abandoned
SC18-217	119.70	132.13	12.43	3.26%	0.19%	12.4	UCZ	
SC18-218	49.17	56.93	7.76	0.98%	0.11%	26.5	UCZ	Intercept compromised by poor core recovery
SC18-219	74.03	85.05	11.02	2.34%	0.14%	8.6	UCZ	
SC18-220	121.58	126.80	5.22	2.29%	0.13%	21.3	UCZ	
SC18-221	101.35	109.79	8.44	1.96%	0.07%	7.3	UCZ	
SC18-222	90.40	103.74	13.34	1.95%	0.05%	19.1	UCZ	
SC18-224	119.48	131.98	12.50	2.78%	0.11%	11.1	UCZ	
SC18-225	No significant mineralization intercepted						UCZ	
SC18-226	55.70	66.10	10.40	2.07%	0.10%	17.7	UCZ	
SC18-223	424.02	425.67	1.65	12.10%	0.05%	13.1	LCZ	
SC18-227	422.06	423.68	1.62	9.42%	0.13%	20.2	LCZ	

*UCZ intercept calculations included a minimum of 3.0 metres above 1.5 % cutoff grade, with maximum of 5.0 metres internal waste.

*LCZ intercept calculations included a minimum of 1.5 metres above 1.5 % cutoff grade, with maximum of 1.5 metres internal waste.

Drilling in the Upper Copper Zone was conducted sampling PQ-sized core. Drilling in the Lower Copper Zone was conducted collecting HQ3-sized core. Drill holes were oriented with dips varying between vertical (-90) to -55 degrees in relatively flat-lying to slightly dipping mineral zones. Intercepts may be slightly longer than true thickness.

All Upper Copper Zone (UCZ) mineralized zones were sampled whole and delivered to Base Metallurgical Labs (BML) in Kamloops BC for processing. BML crushed the entire sample to 85% passing 2mm then split off 1kg, which was ground to 85% passing 75 micron and delivered to ALS Global Labs in Vancouver BC. ALS Global wet-sieved the split to insure grinding passed specifications and then assayed for gold by fire assay with AA finish. Base metals were analyzed using a 4-acid digestion and ICP-AES analysis. Various other trace and major elements were also analyzed utilizing ICP and XRF procedures. Sandfire America utilized a QA/QC protocol which included inserting Certified Reference Materials (CRM) on a minimum of 1 CRM in 20 samples insertion rate. ALS Global included assays of duplicates, standards, and blanks for QA/QC purposes.

All Lower Copper Zone samples were taken from ½ splits of the HQ3 core and shipped directly to ALS Global Lab in Reno NV. The samples were crushed to 85% passing 2mm size, split down and then ground to 85% passing 75 micron size. These pulps were then assayed utilizing same processes and procedures as described above for the UCZ samples. The same QA/QC procedures were utilized as well.

ALS Global labs are accredited to ISO/IEC 170205:2017 methods for North America

Bankable Feasibility Study (“BFS”)

Preparations are well advanced for the Black Butte Copper underground project BFS. In addition to the metallurgical work discussed above, the Company has contracted SRK Consulting to complete a review of the structural geology of the property, utilizing historic data and new stratigraphic modeling completed by the in-house geological team. Combined with the existing resource modelling, this work will provide the basis for the initial underground design work.

Other packets of work for the BFS are being prepared for issuance for tender with a target completion date of the June Quarter 2019.

Permitting Progress

Preparation of the Environmental Impact Study (“EIS”) under the watchful eye of the Montana Department of Environmental Quality (“DEQ”) is progressing. A draft EIS may be available for public comment in the fall of 2018.

The draft air permit was issued by the DEQ in June and will be incorporated into the EIS. In May, the Company received notification from DEQ that its MPDES (Montana Pollutant Discharge Elimination System) water quality permit application has no further deficiencies.

Corporate Activities

In June, the Company completed a simplification restructuring removing two unnecessary subsidiaries and, in the process, released US\$1.15 million of restricted funds. Following the simplification, the Company now has one wholly owned subsidiary, Tintina Montana Inc, which in turn wholly owns the Black Butte Copper underground project.

Management is currently considering a Rights Issue to fund ongoing permitting costs, the BFS and future drilling activities.

Interim CEO and VP of Project Development Rob Scargill stated, “The Company is pleased to see the Black Butte Copper underground project progressing in such a consistently positive direction. We look forward to reaching the construction phase of this project and implementing our vision, which is consistent with our community’s stewardship council’s vision, of a project that has a net positive effect economically, socially, and environmentally.”

QUALIFIED PERSON

Jerry Zieg, Vice President of Exploration for the Company, is a Qualified Person for the purposes of NI 43-101 and has reviewed, verified, and approved the data disclosed and information of a scientific or technical nature contained in this news release.

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CAUTIONARY NOTE

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