

30 July 2021

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## Sandfire continues its transition into an international, multi-asset base and precious metal producer

Update on strategic growth plan, Board succession and new senior leadership appointments

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### Highlights

- Sandfire continues to deliver against the key targets and strategic initiatives of its Strategic Growth Plan.
- Board succession plan continues to ensure an appropriate blend of skills and experience to oversee Sandfire's growth phase with Sally Langer, Jennifer Morris OAM and John Richards appointed as Independent non-executive Directors during FY2021.
- Non-Executive Director, Paul Hallam, has advised of his intention to retire from the Board effective at the 2021 Annual General Meeting (AGM) in November 2021.
- Senior management structure continues to evolve in line with our expanding global presence, including the recent appointment of an in-country CEO in Botswana, Head of Exploration, Head of Investor Relations and Head of Business Development and Technical Services.

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Sandfire Resources Limited (**Sandfire, the Company or the Group**) is pleased to provide an update on the delivery of its Strategic Growth Plan and Board Succession Plan as well as expanding its senior leadership team to help drive its current growth phase.

The Company's annual strategic and structural review (**Strategic Review**) has refined Sandfire's key growth objectives as it continues on its transition from a single-mine company into an international, multi-asset base and precious metals producer.

The 2021 financial year marked the beginning of an exciting new era for Sandfire. The Company articulated its vision and strategy for its next decade of growth in a wide-ranging presentation in early December last year, underpinned by the five key elements of its Strategic Growth Plan.

The delivery of the Strategic Growth Plan will see Sandfire make the transition from a successful mid-tier mining company based on a single asset in Western Australia into a diversified, multi-asset company with an expanding global footprint including new operations in Botswana and the USA.

The Company has embarked on this new chapter of growth against the backdrop of an exceptional long-term outlook for copper due to its pivotal role in the impending global energy transformation and push towards decarbonising the world economy.

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The key elements of the Strategic Growth Plan, and its alignment with the Company's purpose and vision, is summarised below.



## Operations Update

As announced recently, in Australia, our DeGrussa Operations have delivered strong copper and gold production for the FY2021 with 70,845 tonnes of copper and 39,459 ounces of gold in concentrate, above and at the upper end of guidance bands, respectively. This strong operating result generated revenues of \$813 million from concentrate sales and closing Group cash and equivalents at 30 June 2021 of \$574 million (unaudited).

The strong FY2021 production result was driven by the exceptional performance from our DeGrussa mining and processing teams. Since the discovery and development of the high-grade Monty mine in 2019, Sandfire has operated a strategic mine plan that aims to complete mining at the DeGrussa and Monty mines, as closely as practically possible, at the same time.

The processing team has focused on blending DeGrussa and high grade, but variable, Monty ore, and carefully managing plant throughput and recovery to maximise copper production.

A resource definition drilling program has also been completed at the Old Highway deposit, with the integration of drilling and assay data into the existing geological modelling underway. This work is expected to result in a maiden JORC Mineral Resource Estimate for the Old Highway Gold Project later this year.

Work is continuing on the key elements of a Feasibility Study examining options to produce gold from the Old Highway deposit leveraging off the processing capacity at the nearby DeGrussa processing plant. Sandfire envisages making a decision on whether to progress the project to construction in late CY2021.

## **Development and Growth**

The key recent highlight has been the award of the Mining Licence for the Motheo Copper Project by the Government of Botswana. Grant of the licence has cleared the way for full-scale construction of the project to commence.

In December 2020 Sandfire announced Board approval for the development of the mine, which is expected to form the cornerstone of Sandfire's dominant position in a new long-term copper province in the Kalahari Copper Belt. Construction crews are now mobilising to site to ramp-up development, with Motheo representing one of the few new copper mines in development anywhere in the world.

While the Base Case 3.2Mtpa operation itself delivers impressive economics over an initial 12.5-year life using conservative copper pricing, Sandfire anticipates expanding quickly to a 5.2Mtpa operation.

The recently announced upgraded Mineral Resource for the A4 Deposit will underpin a Feasibility Study targeted for completion in the December 2021 Quarter. A4 represents a key element of our strategy to rapidly expand production at Motheo with the processing facility designed to be quickly scalable to the increased throughput rate.

At the same time, our recent drilling at the A4 Deposit has revealed the potential for exceptionally high grades of up to 16% copper in the Kalahari Copper Belt – an exciting and significant development given that this is just the second of a large number of targets we have tested within our extensive ground position in Botswana and Namibia.

Driven by these encouraging results, our regional exploration across the Kalahari Copper Belt is also moving into top gear, both within the Motheo Expansion Area and further afield, including across our licences in Namibia.

We also expect to receive results from recent exploration drilling at the Black Butte Copper Project in Montana, USA, and have many other significant exploration activities underway – including in the Doolgunna region of Western Australia and in Eastern Australia in the Temora and Cobar regions.

As we move to deliver on our growth strategy, Sandfire is also looking forward to a number of upcoming investment and potential share price catalysts.

## **Governance and Board Succession**

The Board commenced an orderly and measured succession process in 2020 to ensure it has the right balance of attributes, skills, experience and diversity necessary for the Board to effectively govern Sandfire's growth phase.

The process commenced in July 2020 with the appointment of experienced human resources and accounting executive Sally Langer as an Independent Non-Executive Director. The Company further announced the appointments of highly regarded Independent Non-Executive Directors Jennifer Morris OAM and John Richards, effective from 1 January 2021.

Non-Executive Director Paul Hallam has advised that he intends to retire from the Sandfire Board effective at the upcoming Annual General Meeting of Shareholders in November 2021. Mr Hallam has professionally and diligently served on the Board for over eight years and during that time fulfilled the role of Chair of the Remuneration and Nomination Committee through the highly successful operation of the DeGrussa Copper-Gold Mine as well as the acquisition of Sandfire's interests in the Black Butte Copper Project in Montana, USA, and Motheo project in Botswana.

The Board succession process has also increased the level of gender diversity on the Board, with two out of seven current sitting directors being female, and two out of six being female once Mr Hallam retires at the AGM. Sandfire continues to support the Australian Institute of Company Director's (AICD) Board diversity initiatives and will continue to evolve its Board in alignment with company needs and diversity best practice.

The Board has the following Board Committees:

- Audit Committee;
- Risk Committee; and
- People and Performance Committee.

In line with the annual Strategic Review, from 1 September 2021, Sally Langer will Chair the Audit Committee, John Richards will Chair the Risk Committee and Jennifer Morris will chair the People and Performance Committee.

The Company also has an Exploration and Discovery Working Group to consider the acquisition, management, approach and resourcing of Sandfire's various exploration interests across its operating regions. The Board has engaged Non-Executive Director Dr Roric Smith to participate in the functioning and review meetings of this working group.

### **ESG Strategy**

Sandfire's sustainability strategy supports the Company's purpose of 'Creating value through opportunity' and helps to facilitate the achievement of its Strategic Growth Plan. We have articulated six long-term ESG priorities in how we operate to ensure that we continue to build strong, lasting relationships with our stakeholders, deliver on our commitments, develop resources responsibly and drive innovation in our people and industry.

Our sustainability objectives and targets align with the revised strategy and facilitate our global expansion. The strategy and targets have been developed with input from the business and form a key component of our remuneration strategy to further align our management team to our sustainability strategy.

The Board has been able to oversee the significant growth in our ESG capabilities throughout FY2021 and we look forward to sharing the key updates within our Sustainability Report later in the year.

### **Key management appointments**

The Company has recently appointed Dale Burgess as Country Head – Botswana. Dale will shortly relocate to Botswana where he will be responsible for driving Sandfire's business strategy in-country and ensuring the delivery of operations at the Motheo Copper Mine, to help drive the growth strategy.

Dale is a mining engineer with over 30 years of global industry experience, and he brings extensive operational, technical, leadership and management experience and a proven track record in optimising and expanding operations across a range of jurisdictions. He has held senior management positions with Barrick Gold in the Dominican Republic and PNG, Bersa Gold in Vietnam and at the Great Australian Copper Mine with CopperChem Limited.

Richard Holmes, our new Head of Exploration has also recently joined the Company. Formerly the Head of Exploration at OZ Minerals Limited, Richard will be responsible for the overall strategic oversight and management of our various exploration programs outside of Botswana and Namibia.

David Wilson, Head of Business Development and Technical Services, joins the Company from South 32 Limited where he was VP Planning and Projects and leads our internationally focused business development team and in house technical services team. He is a Chemical Engineer with 30 years' global experience in strategy, operations, technical support, projects, and asset optimisation.

Ben Crowley, who was until recently a senior Resources Analyst with Macquarie Group for over 8 years, recently joined Sandfire in the role of Head of Investor Relations. Ben has extensive capital markets knowledge and expertise and will play an important role in driving our investor engagement moving forward.

At a subsidiary and asset level:

- Rob Scargill, CEO of Sandfire Resources America Inc. (Sandfire ownership 87%), continues to lead the delivery and execution of the Black Butte Copper Project in Montana, USA following its positive Record of Decision on permitting and legal challenge;
- Ian Kerr, Project Director, is responsible for the optimisation and development of the Company's Motheo Copper Mine in Botswana;
- Julian Hanna, a highly experienced global geologist, leads our Botswana and Namibian exploration push across the Kalahari Copper Belt; and
- Greg Peden, GM Operations, continues to lead our operations team at DeGrussa.

## ENDS

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**This announcement is authorised for release by Sandfire's Chairman, Derek La Ferla and Managing Director and CEO, Karl Simich.**

### Forward-Looking Statements

Certain statements made during or in connection with this release contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration and 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.

There is continuing uncertainty as to the full impact of COVID-19 on Sandfire's business, the Australian economy, share markets and the economies in which Sandfire conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on Sandfire's business or the price of Sandfire securities.

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 these forward-looking statements 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 forward-looking statements 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.