



BLACK BUTTE COPPER PROJECT ACHIEVES KEY PERMITTING MILESTONES

- **Two Montana Government agencies issue important components of the overall permitting process for the Black Butte Copper Project, located in Montana, USA.**
- **Release of Environmental Impact Statement (EIS) and issue of a Preliminary Determination (PD) in relation to irrigation water rights are key steps towards receiving a Record of Decision (ROD) for the Mine Operating Permit (MOP).**
- **Black Butte Copper Project Feasibility Study (FS) well advanced with all technical aspects now completed. The FS will be finalised following the ROD to inform a decision to mine.**
- **Sandfire Resources Ltd provides a US\$2M loan facility to Sandfire Resources America Inc. to cover anticipated expenditures through to ROD and completion of the Feasibility Study.**

Sandfire Resources Ltd (ASX: SFR) is pleased to advise that its 85%-owned Black Butte Copper Project in Montana, USA, has achieved two key permitting milestones after two Montana Government agencies each issued important components of the overall permitting process.

The two key permitting milestones represent key steps to the Company receiving a Record of Decision (ROD) for its Mine Operating Permit (MOP).

First is the release of Final Environmental Impact Statement (EIS) by the Montana Department of Environmental Quality (MTDEQ). The MTDEQ commenced the EIS in September 2017 and released a Draft EIS in March 2019.

Issuance of the Final EIS signals that the MTDEQ, and its independent third-party environmental consultants, have completed all environmental reviews related to the Black Butte Copper Project and all issues raised during the public comment period have been responded to.

Second, the Department of Natural Resources & Conservation (MTDNRC) has issued a Preliminary Determination (PD) in response to the water right owners' application to modify their irrigation water rights to include leasing water for mitigation for the Black Butte Copper Project. The proposed water right modification maintains water balance in the Sheep Creek drainage area.

The PD will also address Sandfire America's request for a groundwater permit and a high flow water right to capture spring run-off and store in a reservoir, which will provide water to replenish stream flows year-round. The issuance of the PD triggers a comment period for other water rights holders prior to a Final Determination.

The achievement of these key milestones requires the MTDEQ to release a ROD, whether positive or negative, for Black Butte Copper's MOP after a minimum of 15 days. Issuance of a positive ROD would require the MTDEQ to finalise a bond calculation within 40 days.

In a press release, MTDEQ Director Shaun McGrath stated: "The Final EIS represents a thorough evaluation of the potential impacts of this proposed project. Our review was informed not only by the DEQ scientists working on the project, but also by the thousands of comments submitted throughout the process. It was truly an extensive effort and we appreciate the public's interest and participation."

Feasibility Study

All the technical studies have now been completed for the Black Butte Copper Project Feasibility Study (FS), which commenced in October 2018. Sandfire America released an updated Mineral Resource in October of 2019 for use as the foundation for the FS.

GR Engineering Services, SRK Consulting and others are now completing documentation of the technical sections. Once the ROD is published, the Company can ensure that the designs and financial modelling in the FS are consistent with the permit requirements and to inform a decision to mine.

Financing

Sandfire Resources Ltd has agreed to provide a US\$2 million unsecured loan to Sandfire Resources America Inc. to cover anticipated expenditures through the ROD and completion of the FS. This is in addition to the US\$3 million previously advanced. Once the FS is completed, the Board of Sandfire Resources America Inc. will consider its mid-term and long-term financing requirements in line with the outcome of the FS and decision to mine.

Management Comment

Sandfire Resources Ltd Managing Director and CEO, Karl Simich, said the achievement of these two key permitting milestones marked another integral step towards a development decision for a showcase underground copper mine in Montana.

“We are delighted to have achieved these milestones, which represent the culmination of a robust and lengthy permitting process, and I would like to congratulate the team for their dedication, hard work and relentless focus. This is the result of more than four years of diligent effort, assisted by the team of Montana-based environmental and other consultants.

“The EIS clearly shows our ability to build a modern underground mine that can be developed and operated while fully protecting the environment and water resources.”

ENDS

For further information contact:

Sandfire Resources Ltd
Karl Simich – Managing Director/CEO
Office: +61 8 6430 3800

Read Corporate
Nicholas Read
Mobile: +61 419 929 046

Forward-Looking Statements

Certain statements made in this announcement contain or comprise 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 announcement 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 announcement 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.