



FY2021 Financial Results Presentation

31 August 2021

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All figures are expressed in Australian dollars unless otherwise stated.

This presentation should be read in conjunction with Sandfire's FY2021 Financial Report and accompanying notes, released today, 31 August 2021.

This presentation is authorised for market release by Sandfire's Managing Director and CEO, Mr Karl Simich.

Forward-Looking Statements

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Sandfire. 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. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Sandfire does not undertake any obligation to update or revise any information or any of the forward-looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

The Expansion Case to 5.2Mtpa referred to in this presentation, where it relates to A4 and other prospects, is based on resource drilling, technical and economic assessments. Study work at A4 is currently insufficient to support estimation of Ore Reserves or to provide assurance of an economic Expansion Case for the Motheo Production Hub.

Strategy

Creating value
through
opportunity



Highlights

FY2021

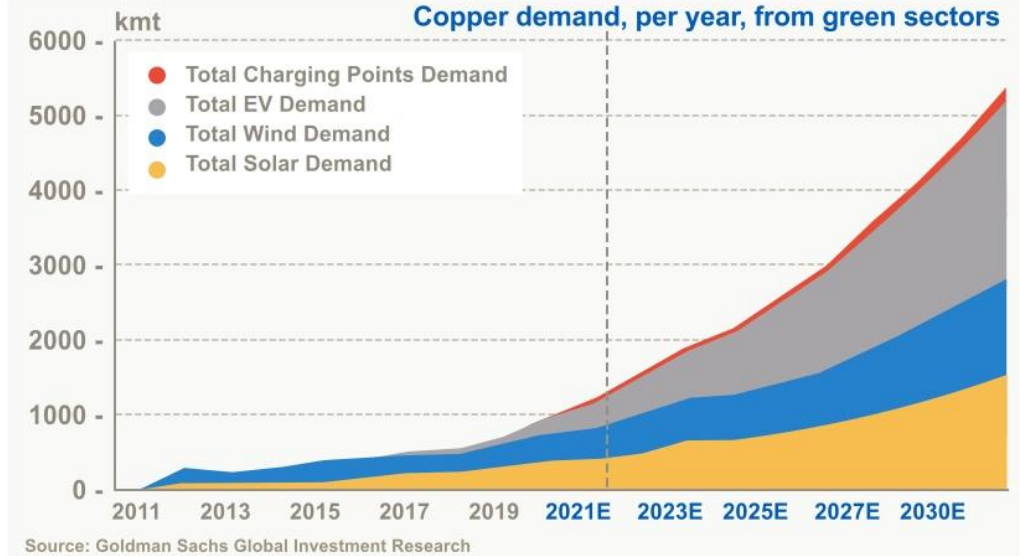
- **DeGrussa copper production:** 70,845t of contained copper and 39,459oz of contained gold at C1 US\$0.82/lb; strong safety performance:
 - **FY2022 guidance:** 64-68kt of contained copper and 30-34koz of contained gold, at C1 US\$1.00-\$1.10/lb
 - **Old Highway Gold Prospect resource drilling completed** – studies continue on transition to gold production at DeGrussa leveraging existing infrastructure
- **5.2Mtpa Motheo Production Hub** concept supported by A4 Mineral Resource Estimate update (MRE):
 - Mining Licence received and construction commenced of initial **3.2Mtpa operation at T3**, with **12.5-year mine life** at **~30ktpa Cu** and **1.2Mozpa Ag**
 - Updated A4 MRE **34% increase in contained copper to 134kt Cu**, 93% in higher confidence Indicated category with strong conversion to reserve expected. Supports concept of expanded 5.2Mtpa processing plant, to be confirmed by ongoing studies.
 - **Exceptional exploration upside** within dominant ground-holding in Botswana and Namibia, high priority targets in Motheo Expansion Project to be drilled in FY2022.
- **Black Butte Copper Project, USA** – Feasibility Study; maiden Ore Reserve for the Johnny Lee Deposit; updated Inferred Mineral Resource for the Lowry Deposit; new near-mine exploration programs underway
- **Strong \$573.7M cash holding and no debt** at 30 June 2021 (excluding lease liabilities)

Copper

Cornerstone of the global economy and a “metal of the future”

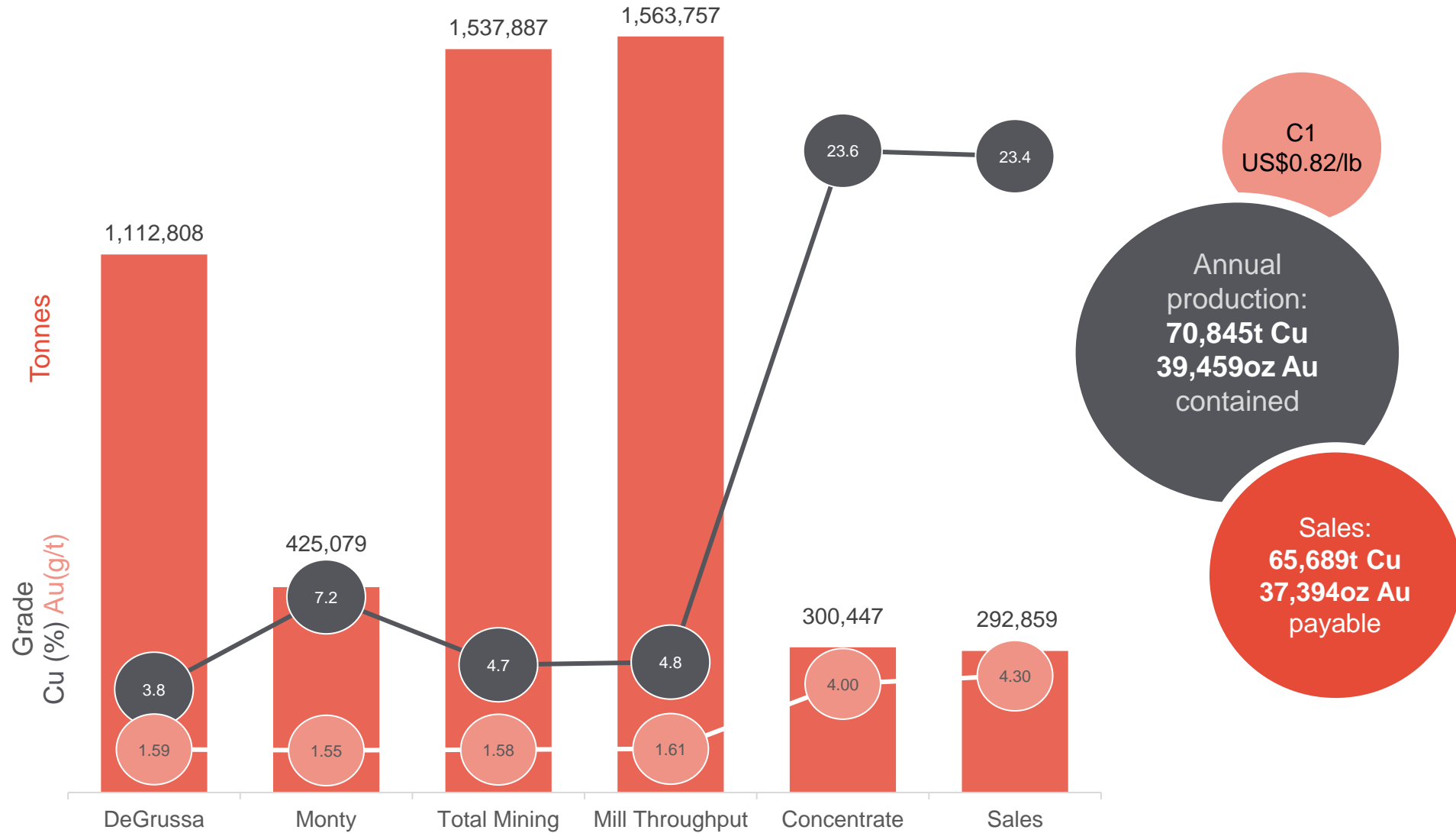
- Copper is a **critical metal** for global economic growth
- **Third largest global metal market** behind iron and aluminium: **>22Mt worth over US\$220 billion** consumed annually
- Strong underlying **demand from the construction and industrial sectors**
- Demand for copper from the adoption of new green technologies projected to **surge in the next decade**
- “Green” demand is forecast to increase by **600%** from 1Mt in 2020 (just 3% of the total) to **5.4Mt in 2030** (16% of the total)
- Global mine supply remains **structurally challenged** due to declining discoveries and mine grades

Acceleration in green electrification trends is set to drive strongest decade in copper demand growth post-2000



FY2021

Full Year Physicals



DeGrussa Operations

FY2021
Headline Financial
Results

\$813.0M

Record
sales revenue

\$573.7M

Cash and equivalents
(\$282.6M increase)

\$449.8M

Group
EBITDA

\$471.1M

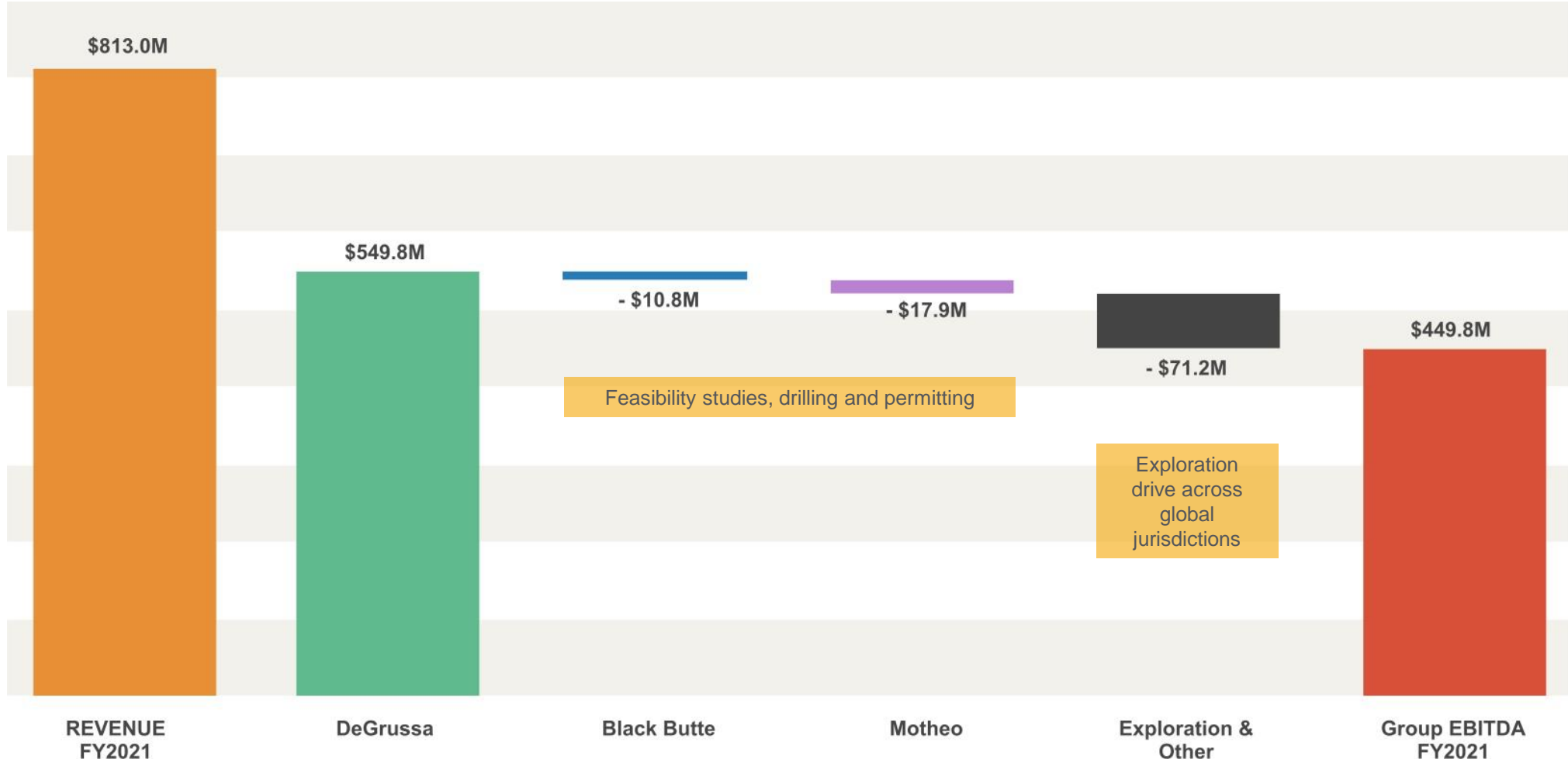
Cash flow from
operating activities
(\$197.5M increase)

\$171.6M

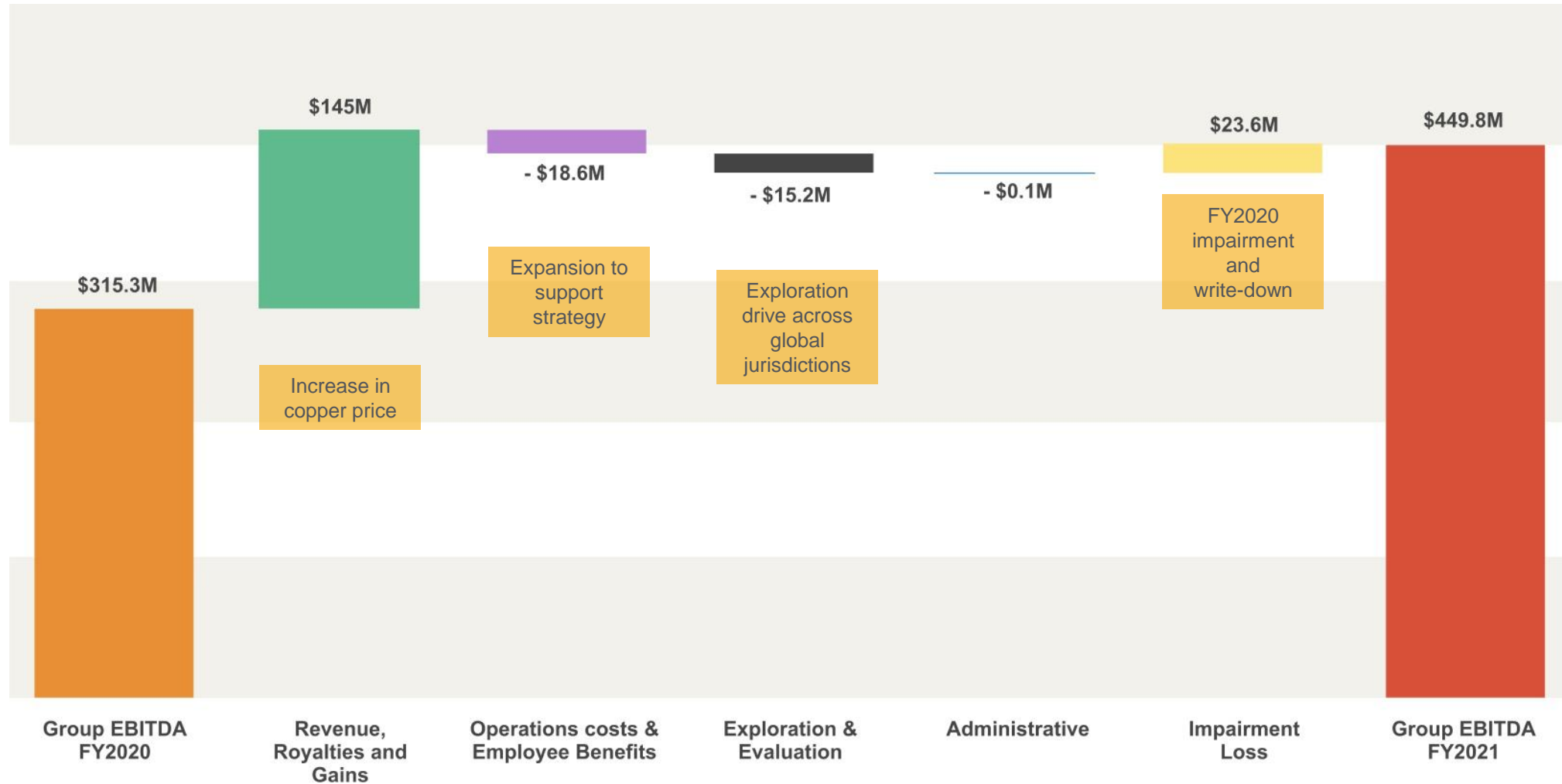
Net profit after tax
attributable to equity holders
(\$179.8M D&A)

34cps

Fully-franked Dividend
for FY2021
(EPS 96.3cps)



Sandfire FY2021 | Group EBITDA



Financial Position

FY2021

- **Building a strong financial position for growth**
 - Group cash holding increased to \$573.7M
 - Financial investments \$86.7M
 - \$32.5m pre-payment for July 2021 shipment
 - \$57.0M FY2021 income tax payable in December 2021 (\$6M paid in July 2021)
 - Debt free balance sheet (excluding lease liabilities) positions for financing flexibility in project development

\$573.7M

Cash and equivalents

(\$282.6M increase)

\$1,157.9M

Total assets

(\$263.9M increase)

\$910.6M

Net assets

(\$160.4M increase)

Dividends

FY2021

- **Continued returns to shareholders**
 - Record 26cps final dividend
 - Fully franked
 - Record date 7 September 2021
 - Payment date 22 September 2021
 - Full-year dividend of 34cps, an 80% increase from FY2020
 - 35% payout of Net profit after tax
 - 5.2% dividend yield

Optimised capital structure to drive dividend payments in conjunction with:

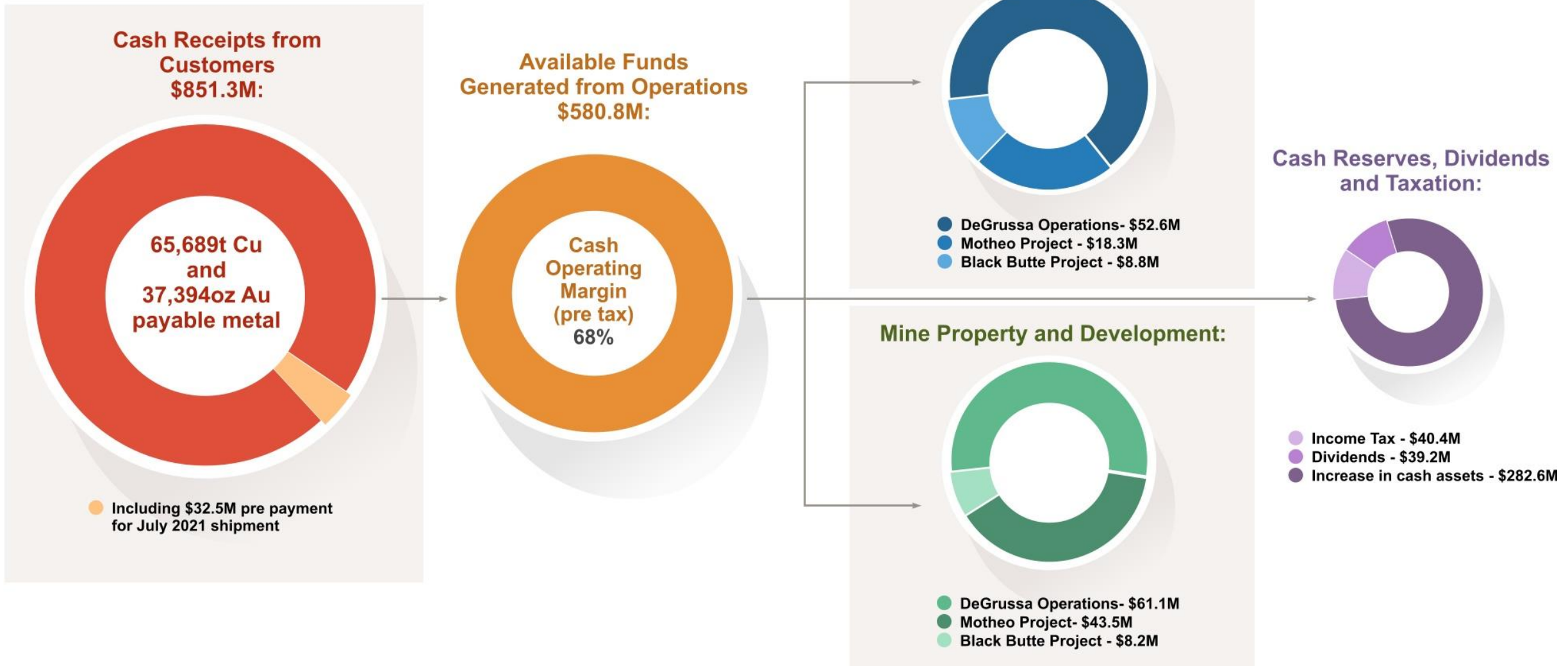
- Project development
- Funding mix
- Exploration and expansion capital expenditure

26cps

Fully-franked
Final Dividend
(EPS 96.3cps)

34cps

Fully-franked Dividend
for FY2021
(8cps Interim)



Key takeaways

- ✔ **Global vision** – our transformation into a diversified, international and sustainable mining company is underway
- ✔ **Strong growth platform** – DeGrussa cash-flows, debt-free balance sheet and \$574m in group cash
- ✔ **New production hub** – construction of Motheo Copper Mine in Botswana underway
- ✔ **Strong pipeline** – high-quality development opportunities and a global exploration portfolio in Tier-1 jurisdictions
- ✔ **Refreshed and focused** – an international exploration, development and mining operations team strongly aligned with our growth objectives



T3 Ore Reserve

The information in this report that relates to Open Pit Ore Reserves, is based on information compiled by Mr Jake Fitzsimons who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Fitzsimons is employed by Orelogy Consulting Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fitzsimons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DeGrussa and Monty Ore Reserve

The information in this report that relates to Ore Reserves is based on information compiled by Mr Neil Hastings who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hastings is a permanent employee of Sandfire and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hastings consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DeGrussa, Monty, T3 and A4 Mineral Resource

The information in this report that relates to Mineral Resources is based on information compiled by Mr Callum Browne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne was a permanent employee of Sandfire and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Browne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.








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