



## BLACK BUTTE COPPER PROJECT PERMITTING COMPLETE FOLLOWING POSITIVE RECORD OF DECISION

- **Positive Record of Decision (ROD) released by the Montana Department of Environmental Quality (MTDEQ) to grant a Mine Operating Permit (MOP) for the Black Butte Copper Project, located in Montana, USA.**
- **The ROD represents the final permitting milestone required to allow development and underground mining of the Johnny Lee deposit at the Black Butte Copper Project to proceed.**
- **Black Butte Copper Project Feasibility Study (FS) well advanced with all technical aspects now complete. Timing for completion of the FS may be delayed due to the global health crisis caused by the COVID-19 pandemic.**

Sandfire Resources Ltd (ASX: SFR; Sandfire) is pleased to advise that all required permitting is now in place for its 85%-owned Black Butte Copper Project in Montana, USA, with the Montana Department of Environmental Quality (MTDEQ) releasing a positive Record of Decision (ROD) to grant a Mine Operating Permit (MOP).

The grant of the MOP to Sandfire Resources America Inc.'s wholly-owned subsidiary, Tintina Montana Inc. (Tintina), represents the final permitting milestone required to allow development and underground mining of the Johnny Lee deposit at the Black Butte Copper Project to proceed.

Issuance of the ROD now requires the MTDEQ to finalise a financial bond calculation within 40 days. Submission and acceptance of the bond paves the way for the potential commencement of construction at Black Butte subject to the completion of studies and financing considerations.

Tintina concurrently received its preliminary Air Quality Permit and a Montana Pollution Discharge Elimination System (MDPES) permit.

The ROD comes with stipulations consistent with Tintina's planned staged approach to development and environmental protection, including a staged incremental bonding program. The ROD and stipulations can be found on MTDEQ's website at <http://deq.mt.gov/Public/eis>.

The Johnny Lee deposit represents one of the highest copper grade undeveloped projects in the world with a Measured and Indicated Undiluted Resource of 10.9 million tonnes at 2.9% Cu for 311,000 tonnes of contained copper, including a Lower Copper Zone with a copper grade of 6.8%, plus an Inferred Resource of 2.7 million tonnes at 3.0% copper for 80,000 tonnes of contained copper, at a 1.0% Cu cut-off (refer Sandfire ASX Announcement, 30 October 2019).

Black Butte's mine design is for a relatively shallow underground mine to be accessed by a 1,700m decline to access the Upper Copper Zone (60-200m deep) first, followed by additional development to reach the Lower Copper Zone (300-500m deep).

### Feasibility Study

All the technical studies have now been completed for the Black Butte Project Feasibility Study (FS), which commenced in October 2018. Sandfire America released an updated Mineral Resource on 30 October 2019 for use as the foundation for the FS. The timing for completion of the FS may be delayed due to the global health crisis caused by COVID-19.

## Management Comment

Sandfire's Managing Director and CEO, Karl Simich, said the completion of project permitting at Black Butte represents an exciting milestone on the Company's pathway to develop a new, showcase underground copper mine in North America.

"We continue to tick important boxes as part of our long-term strategy to deliver a new, state-of-the-art copper mine at Black Butte, and the receipt of a positive Record of Decision is a major achievement which marks the culmination of many years of patience and hard work," Mr Simich said.

"I would like to take this opportunity to congratulate the team at Sandfire America. This is a wonderful achievement for them and marks the final step in a thorough and appropriately rigorous permitting process.

"This positive outcome is testament both to the vision of the Sandfire America team and the support of the Montana authorities to work collaboratively to design and permit a modern, state-of-the-art new mine development that safeguards and protects our environment, while offering the potential to deliver significant economic benefits to local communities.

"With this final permit now in place, we can move to complete the final elements of the Black Butte Project Feasibility Study and financing considerations. The final timing of that will be advised in due course once we have a clearer insight into the potential impact of the COVID-19 pandemic on our work programs."

**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.