

1 February 2022

---

## Sandfire completes acquisition of MATSA

---

### Highlights

- Sandfire's US\$1,865M acquisition of the MATSA Mining Complex in Spain, as announced on 23 September 2021, has completed with effect from 1 February 2022.
- This significant milestone follows the receipt of key approvals for the transaction from the relevant Spanish Government authorities, including approval by the Foreign Direct Investment and Competition Authority in late December 2021.
- The consideration was funded through a combination of existing cash reserves, the A\$1,248M equity raising completed last year and the proceeds of the US\$650M MATSA Syndicated Debt Facility and A\$200M Corporate Debt Facility, both of which are fully drawn.
- Key integration activities are well progressed to ensure an orderly and efficient transition of the MATSA Operations into Sandfire's global business.
- Following completion, Sandfire retains a strong working capital position to fund its ongoing operations with post-acquisition cash reserves, excluding acquired MATSA cash, of A\$384M (US\$271M) at 1 February 2022.
- The landmark transaction immediately transforms Sandfire into one of the largest copper-focused producers on the ASX.
- The MATSA Operations will form the cornerstone of Sandfire's business over the next decade and beyond, marking the beginning of an exciting new era for the Company.

---

Sandfire Resources Limited (**Sandfire, the Company or the Group**) is pleased to advise that it has completed the US\$1,865 million acquisition of 100% of the MATSA Mining Complex in south-western Spain.

The formal completion of the transaction follows satisfaction of the outstanding conditions precedent, including Foreign Investment Authority approval in relation to Foreign Direct Investment in Spain and Competition Authority approval in late December 2021.

With the successful completion of the transaction, Sandfire will exercise operational control and economic ownership at MATSA effective from 1 February 2022.

The transformational acquisition, which was announced on 23 September 2021, delivers Sandfire 100% ownership of MATSA, located in the world-class Iberian Pyrite Belt in the Huelva Province of Andalusia in south-western Spain.

MATSA is a substantial polymetallic mining complex comprising three underground mines and a 4.7Mtpa central processing facility, with cutting-edge technology and infrastructure and an extensive resource base with significant growth potential.

The surrounding exploration package, comprising a 2,450km<sup>2</sup> portfolio of mineral rights in exploration in Spain and neighbouring Portugal, offers substantial long-term exploration upside and organic growth potential.

---

#### Sandfire Resources Ltd

Level 2, 10 Kings Park Road  
West Perth WA 6005

PO Box 1495  
West Perth WA 6872

T: +61 8 6430 3800  
F: +61 8 6430 3849

ABN 55 105 154 185  
[www.sandfire.com.au](http://www.sandfire.com.au)

Sandfire will provide updated production and cost guidance for the remainder of FY22 in the coming weeks following operational control and production plan reviews.

### Acquisition Funding

The sources of funds for the MATSA acquisition are set out below.

Sources of funding for acquisition	
US\$1,070M	Existing cash reserves (following A\$1,248M equity raising completed last year)
US\$650M	MATSA Syndicated Debt Facility
US\$145M	Corporate Debt Facility
<b>US\$1,865M</b>	<b>Total Headline Price</b>

The details and terms of the US\$650M MATSA Syndicated Debt Facility and associated MATSA hedging and A\$200M (US\$145M) Corporate Debt Facility with ANZ and associated DeGrussa hedging were provided in the ASX announcement dated 27 October 2021.

Prior to completion of the acquisition, the MATSA hedges were entered into by a wholly-owned subsidiary of Sandfire in Spain and were partly secured against cash held in that subsidiary. With completion of the acquisition, the MATSA hedges will be transferred to MATSA and secured against MATSA and its cash-flows, excluding any contribution from the Group's DeGrussa Operations or other Group assets. Further details of the MATSA hedging program are provided in the table below.

Summary of MATSA hedge positions (as at 1 Feb 2022)				
Financial Year	SOLD (tonnes Cu)	Copper price (USD/t)	Copper price (USD/lb)	
2022	11,850	9,523	4.32	
2023	27,180	9,363	4.25	
2024	23,184	9,125	4.14	
2025	11,664	8,906	4.04	
<b>Total copper</b>	<b>73,878</b>	<b>9,242</b>	<b>4.19</b>	
Financial Year	SOLD (tonnes Zn)	Zinc price (USD/t)	Zinc price (USD/lb)	
2022	12,420	3,217	1.46	
2023	29,664	3,056	1.39	
2024	27,000	2,750	1.25	
2025	15,010	2,498	1.13	
<b>Total zinc</b>	<b>84,094</b>	<b>2,882</b>	<b>1.31</b>	

Following settlement of the transaction, Sandfire retains cash reserves, excluding acquired MATSA cash, of A\$384M (US\$271M). This ensures it has a robust balance sheet and a strong working capital position to fund its ongoing operations in Spain, Australia and Botswana.

### MATSA Integration

Key integration activities are well advanced with the objective of ensuring an orderly and efficient transition of the MATSA Operations into Sandfire's global business at completion.

During the period of integration, Sandfire will focus on minimising business disruption at the MATSA Operations, working with its high-quality management and operational teams to ensure continuity of existing operations while maintaining a shared commitment to the highest standards of safety, responsibility and sustainability.

### **Change of reporting currency**

Sandfire will change its reporting currency from Australian dollars to US dollars, commencing with reporting of the 31 December 2021 half-year financial result.

Following the acquisition of MATSA, the functional currency of Sandfire's major ongoing operations will be denominated in US dollars. A change in the Group's reporting currency will reduce the volatility of financial performance caused by fluctuations in foreign exchange rates.

The change means that financial information in the Company's quarterly reports commencing from the quarter to 31 March 2022, as well as its interim and annual financial reports, will be presented in US dollars.

For comparative purposes, restated historical information will be included in the interim and annual financial reports.

### **Management Comment**

Karl Simich, Sandfire's Managing Director and CEO, said:

*"This is a historic day for Sandfire. On behalf of our Board and senior leadership team, I am absolutely delighted to announce the completion of our acquisition of the MATSA Mining Complex and to welcome the MATSA team into Sandfire.*

*"Today marks the beginning of an exciting new era for Sandfire, with our business expanding to an organisation with a workforce of around 3,800 direct employees and contractors around the globe. This is an incredibly exciting moment for everyone involved with our business, and I would like to take this opportunity to thank everyone who has worked so hard to bring this transaction to a conclusion.*

*"Our vision for Sandfire is to become an international diversified and sustainable mining company, and the completion of this transaction represents a major step closer to realising this aspiration.*

*"With the acquisition of MATSA, Sandfire immediately becomes one of the largest copper-focused producers on the ASX, with high-quality operations in Spain and Australia and an impressive growth pipeline and exploration portfolio that we believe will continue to drive our growth for many years to come.*

*"Our values, principles and skills in copper mining and exploration have been instrumental to our success – and we will continue to apply these as we take this next major step.*

*"I am looking forward to spending time on site at the MATSA Operations over the next few weeks to help lead the integration process. As part of this, I have given a commitment to the MATSA team to provide certainty, stability and security while minimising business disruption during this period of integration.*

*"While this marks the completion of the transaction, it represents just the start of our journey with MATSA. In the days, weeks and months ahead, we will all be working incredibly hard to integrate MATSA into Sandfire to create a single unified team who will be working hard to strengthen the future of the operation and unlock the enormous exploration potential of our large landholding in Spain and Portugal."*

*"With a larger team, broader expertise and greater capability and strength across our business, we are all looking forward to the vast opportunities that this new chapter will deliver for all of our key stakeholders."*

**ENDS**

**For further information, please contact:**  
Sandfire Resources Ltd  
Ben Crowley – Head of Investor Relations  
Office: +61 8 6430 3800

**Media Inquiries:**  
Read Corporate  
Nicholas Read  
Mobile: +61 419 929 046

**This announcement is authorised for release by Sandfire’s 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.