



December 2021 Half Year Report Presentation

28 February 2022

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SANDFIRE WEBCAST

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This presentation should be read in conjunction with Sandfire's Half-Year Financial Report for the six months ended 31 December 2021 and accompanying notes, released today, 28 February 2022.

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

Key assumptions

The following assumptions apply to information in this presentation unless otherwise stated.

Currency: unless otherwise stated, all figures are in USD.

Figures, amounts, percentages, estimates, calculations of value and other factors used in this presentation are subject to the effect of rounding.

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Where we operate



Our Strategy



**Execute
Delivery**



**Sustain and Grow
Our Production
Pipeline**



**Accelerate
Discovery**



**Align and Empower
Our People**



**Optimise Capital
Strategy and
Engagement**

Our Values



Honesty



Respect



Collaboration



Accountability



Performance

HY2022

Headline Financial Results

US\$311.8M

Record sales
revenue

US\$161.6M

Group
EBITDA

US\$88.4M

Profit before
net finance
and income
tax expense
(US\$76.4M
D&A)

US\$55.2M

Net profit after
tax attributable
to equity holders

US\$193.1M

Cash flow from
operating
activities
(prior to exploration,
evaluation and tax)

US\$321.4M

**strong cash
holding at 1
February 2022**
including MATSA
holdings

HY2022

Operations Highlights

DeGrussa HY production and costs:

34,621t of contained copper and
16,254oz of contained gold at
C1 US\$1.10/lb of payable copper

- **FY2022 production guidance:**
64-68kt Cu and 30-34koz Au
- **FY2022 C1 cost guidance:**
US\$1.10 - \$1.20/lb

Motheo Copper Mine construction progressing on schedule:

- Construction activities continued to ramp up with over 1,000 personnel on site
- Mining equipment has arrived on site and is being assembled
- Definitive Feasibility Study (DFS) for the 5.2Mtpa Motheo expansion is on track to be completed in the June 2022 Quarter
- Significantly expanded exploration activity both within the Motheo Expansion Project and high priority exploration targets in regional areas

Transformational acquisition of MATSA:

- Completion of the transformational US\$1.865 billion acquisition of the MATSA Mining Complex in Spain (1 February 2022)
- Delivering a world-class mining operation comprising three underground mines feeding a 4.7Mtpa central processing facility
- Operational optimisation and exceptional growth opportunities

DeGrussa



DeGrussa Operations

- DeGrussa Copper-Gold Mine
- Monty Copper-Gold Mine



Exploration

- Doolgunna VMS Province
- Old Highway Gold Project

HY2022

DeGrussa Physicals



HY C1:
US\$1.10/lb
Cu payable



HY Production:
34,621t Cu,
16,254oz Au
contained



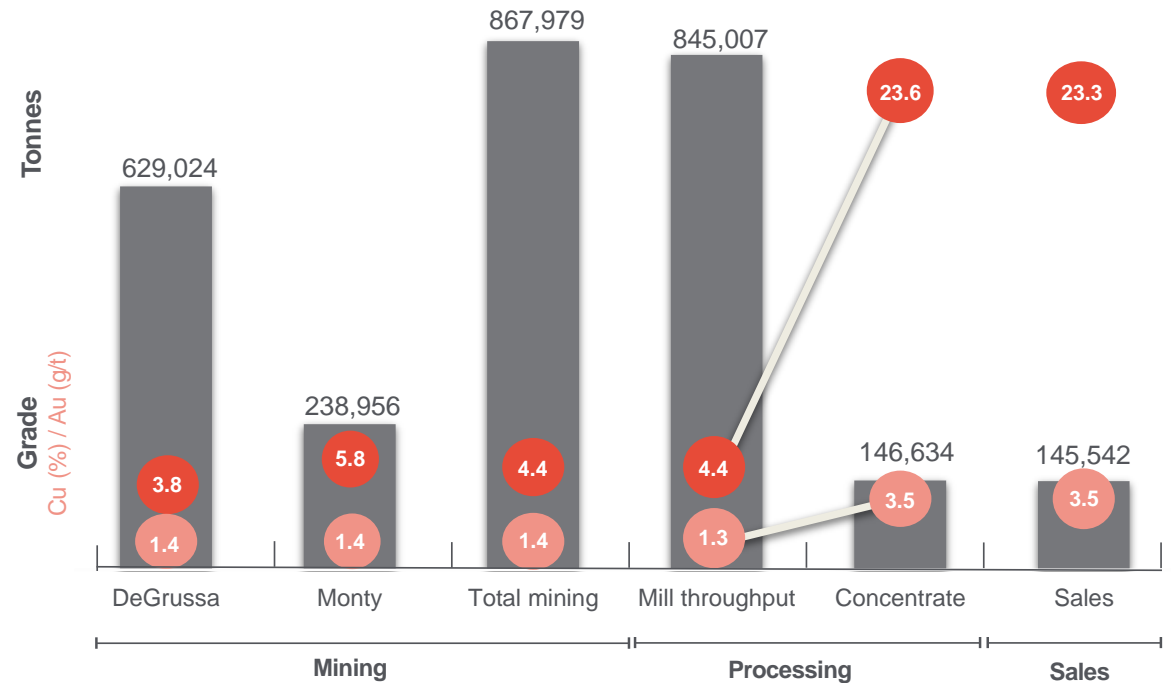
HY Sales:
32,422t Cu
14,462oz
payable

FY Guidance:
US\$1.10-
1.20/lb

FY Guidance:
64-68,000t Cu,
30-34,000oz Au
contained



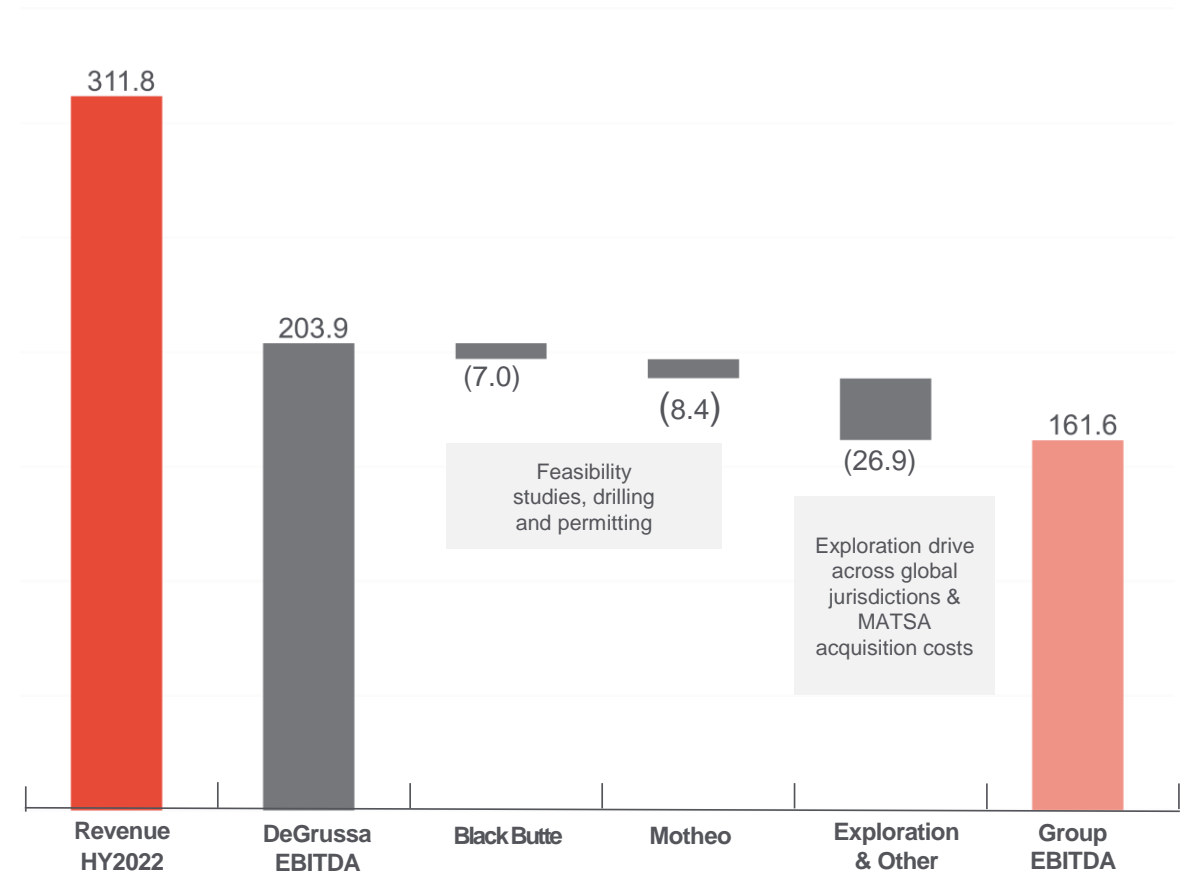
Creating Value through Opportunity



HY2022

Segment EBITDA Contribution

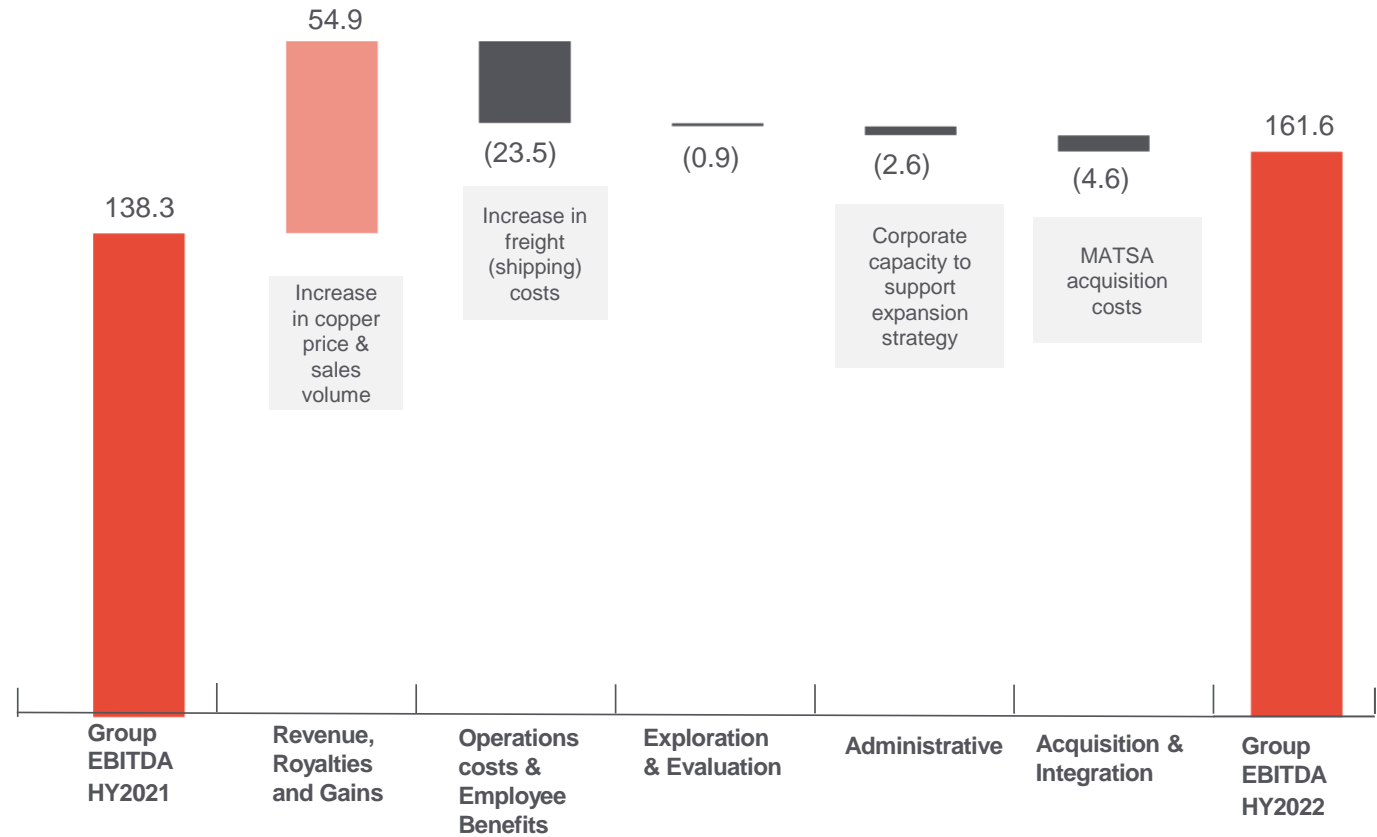
In US\$M



HY2022

Group EBITDA Comparison

In US\$M



HY2022

Financial Position

Building a strong financial position for growth

US\$1,201.7M Cash and equivalents

US\$1,908.7M Total assets

US\$1,549.9M Net Assets

Group cash holdings and deposits

- Equity raising funds held for MATSA acquisition
- Financial investments US\$71M sold (Adriatic)
- US\$300M deposits paid for MATSA acquisition
- US\$24M pre-payment for January 2022 shipment
- A\$56M FY2021 tax paid in December 2021

US\$145.1M Corporate Facility drawn

Previously debt free balance sheet (excluding lease liabilities) has positioned Sandfire for financing flexibility in project acquisition (MATSA) and project development (Motheo).

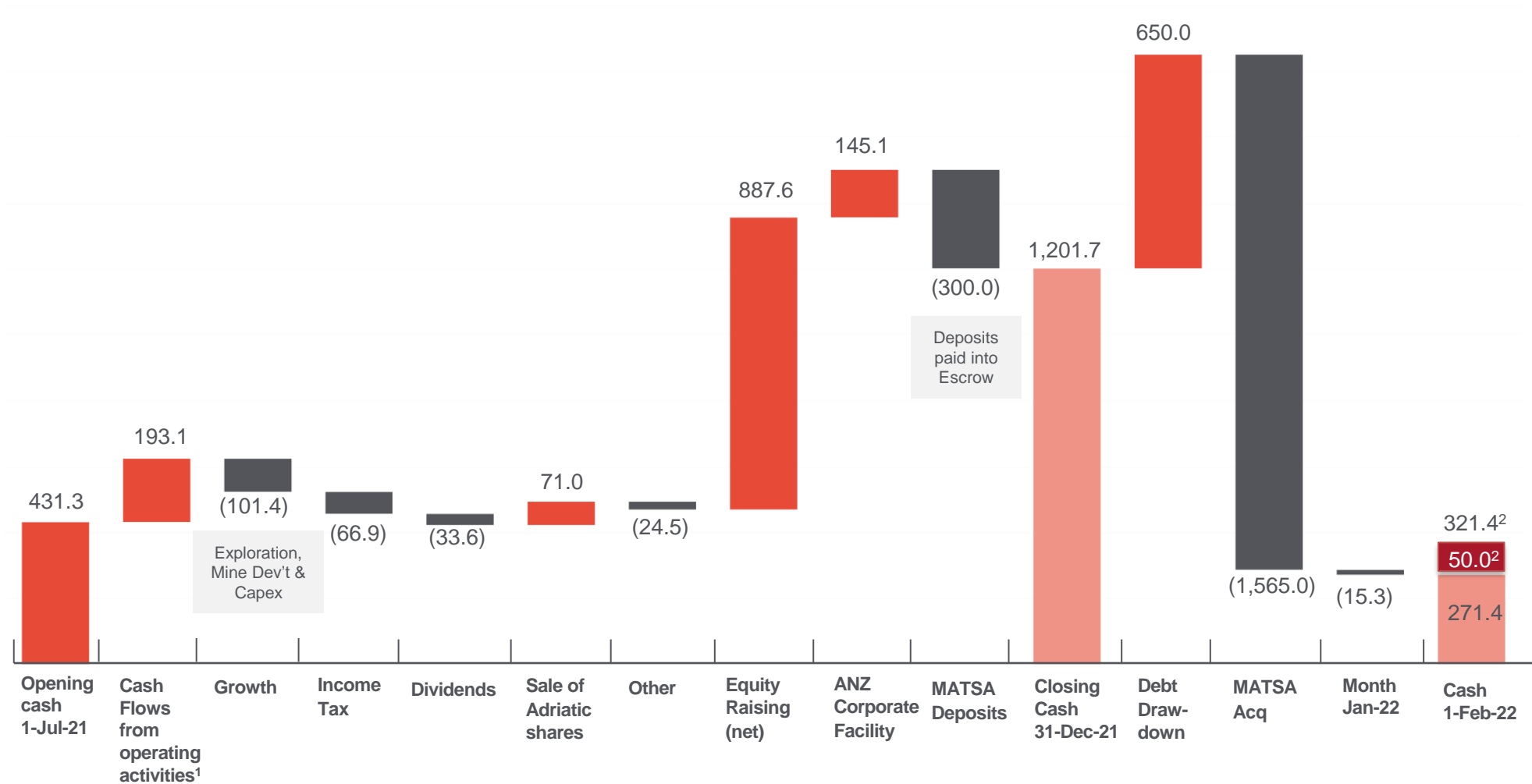
Post-balance date financing:

- US\$650M MATSA acquisition facility drawn

HY2022

Cash Flow Waterfall

In US\$M



Note:

1 Excludes payments for Exploration & Income Tax

2 Total Group cash of \$321.4M includes SFR cash of \$271.4M at 1 February plus MATSA cash acquired on acquisition of \$50.0M

HY2022

Dividends

**Continued returns to
shareholders**

AU 3cps

Interim dividend

AU 3cps

- Fully franked
 - Record date 16 March 2022
 - Payment date 30 March 2022
-

Optimised capital structure

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

MATSA



MATSA Mining Operations

- Aguas Teñidas Mine
- Magdalena Mine
- Sotiel Mine
- 4.7Mtpa processing plant



Exploration

- Iberian Pyrite Belt tenure

FY2022

MATSA Acquisition Completed

Transaction:

Acquisition completed 1 February 2022 utilising:

- US\$905M equity raising
- US\$650M project debt facility
- US\$145M Corporate Facility
- Cash holdings

Financing Facility:

- US\$650M drawn and facility syndication
- High quality international banking group
- Repayment profile:
 - FY2023: \$198M (\$118M end Sept 2022)
 - FY2024: \$170M
 - FY2025: \$119M
 - FY2026: \$96M
 - FY2027: \$67M

Hedging in place:

- 3-year copper and zinc hedging program completed
- 73,878t of copper forwards at US\$9,242/t or US\$4.19/lb
- 84,094t of zinc forwards at US\$2,882/t or US\$1.31/lb

FY2022

MATSA Optimisation

Operational Integration:

Sandfire **integration team** on site:

- Operational excellence practices
- Alignment of policies and standards
- Reporting systems and global governance

Near-term key projects:

- Confirm near term operational plans
- Review and update of Mineral Resource
- Ore Reserve statement
- Long term mine plan
- Plant readiness and recovery
- Product optimisation

Optimise and Implement 5-year Plan:

- Safety improvement – driving culture and accountability
- Focus on key drivers of value
- Lift mine productivity and develop plan to grow throughput to 4.7Mtpa and beyond
- Mineral Resource to Ore Reserve conversion to extend the mine life of existing mines and enhance operational planning
- Near mine Mineral Resource extensions at existing mines
- Evaluate and commence a regional exploration campaign to underpin future expansions of throughput and mine life

Establish a base for a multi-decade operations:

- Group-wide strategy and values rollout
- Operating excellence focus
- Align and empower MATSA employees and contractors
- Accelerating exploration to pursue highly prospective opportunities through a centralised global structure

FY2022

MATSA Production Guidance

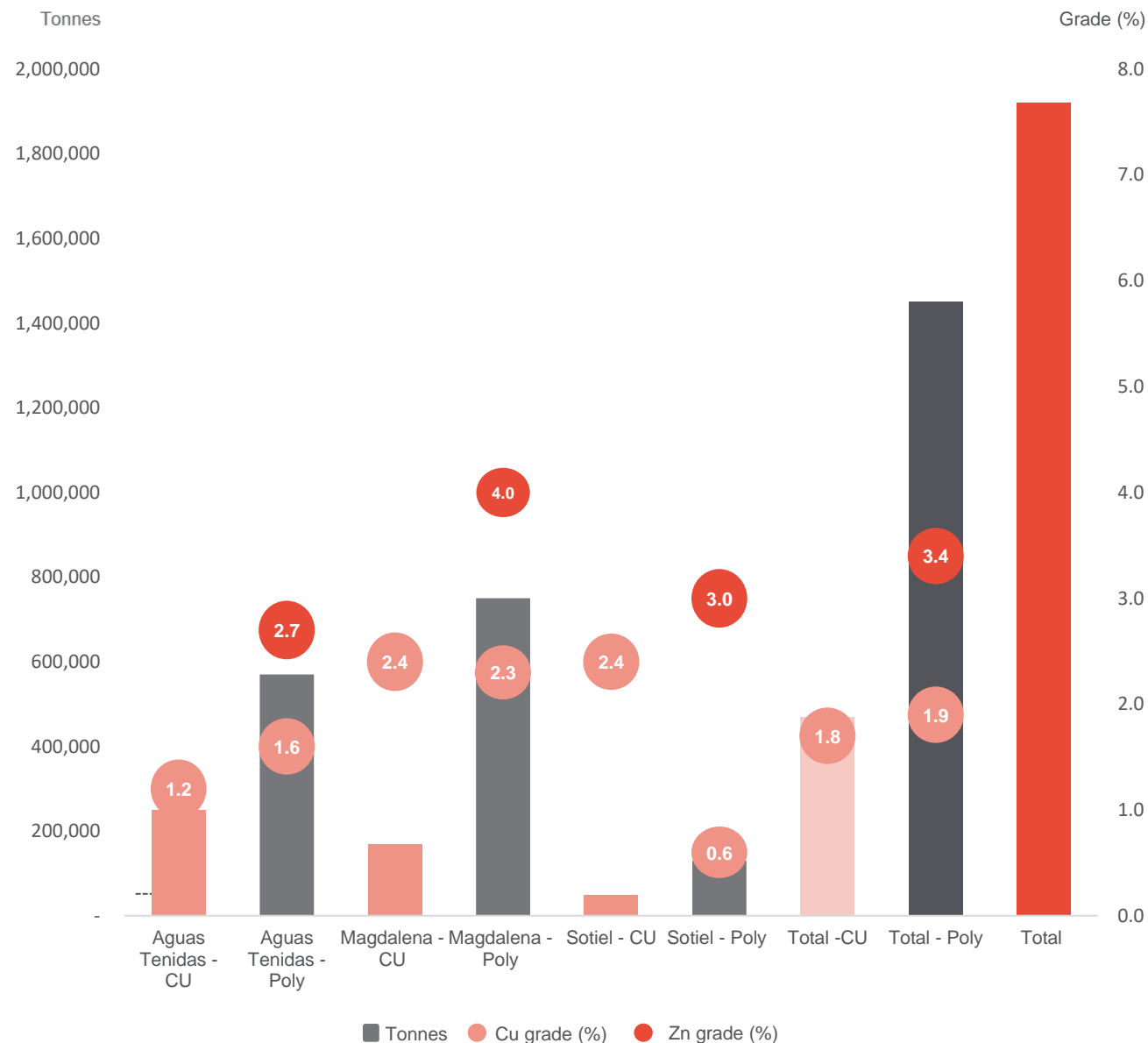
5 months to June 2022



Production:
~26,000t Cu~95%
~37,000t Zn~83%
~1,000t Pb~88%
~820koz Ag~66%
containedpayable%



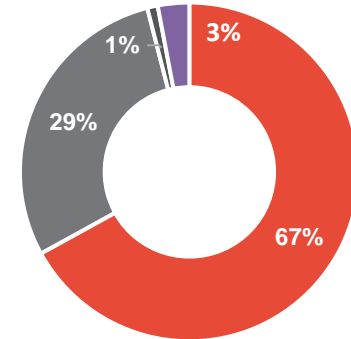
Capital expenditure:
~US\$33M Mine
development
~US\$15M Sustaining



FY2022

MATSA Base Metal Concentrates Guidance

5 months to June 2022



Revenue Split FY22G (5 months)

■ Copper ■ Zinc ■ Lead ■ Silver

Concentrate	Recovery (%)	Tonnes	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Cu concentrate (Cupriferous)	88	30 - 35,000	23	-	-	70
Cu concentrate (Polymetallic)	72	90 - 95,000	21	-	-	125
Zn concentrate	76	75 - 80,000	-	47	-	120
Pb concentrate	-	~5,000	-	-	25	450
Total		200 - 220,000				

FY2022

MATSA Unit Cost Guidance

5 months to June 2022



Indicative
copper - C1
margin:
~US\$3.40/lb
Cu payable

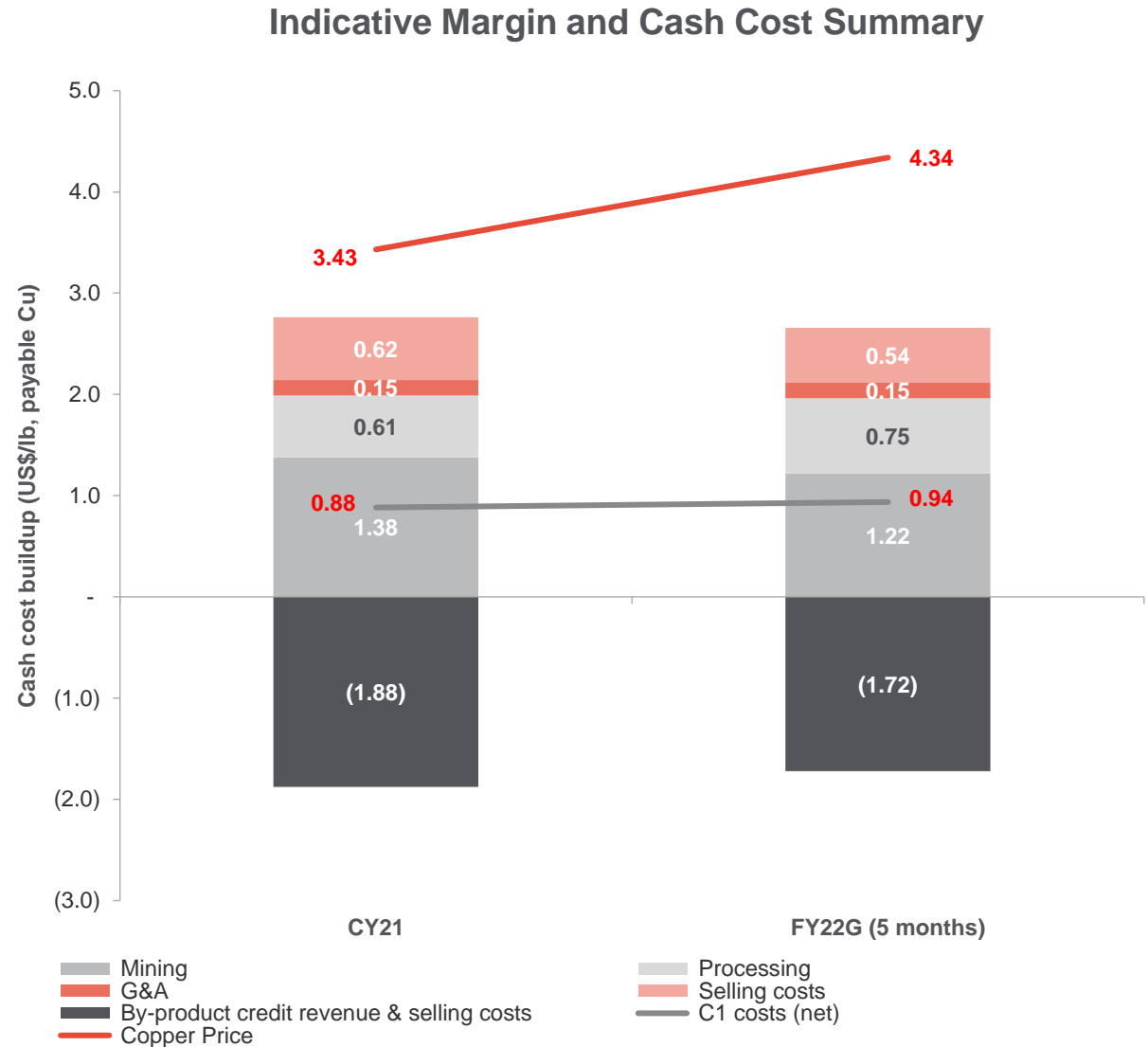
C1 unit costs:
~US\$0.94/lb
Cu payable



Production:
~26,000t Cu~95%
~37,000t Zn~83%
~1,000t Pb~88%
~820koz Ag~66%
contained payable%



Increased margins with
higher base metal prices
offset in part by higher
energy costs and global
inflation pressures
**Optimisation programs
to enhance operating
performance**



FY22G: By-product credit revenue based on weighted average of spot pricing and hedged production volumes – US\$1.58/lb Zn, US\$1.04/lb Pb and US\$22.0/oz Ag

FY2022

Group Guidance

DeGrussa 12 months + MATSA 5 months to June 2022



1H C1 unit costs:
US\$1.10/lb Cu payable

2H C1 unit costs:
US\$1.05-1.15/lb Cu payable



Production:
90-95,000t Cu
~37,000t Zn
~1,000t Pb
30-34,000oz Au
~820koz Ag contained



Capital expenditure:
~US\$80M Mine development
~US\$145M Motheo
~US\$17M Sustaining



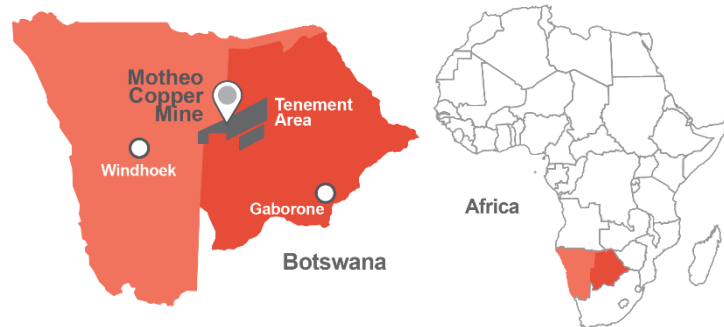
Exploration, evaluation and studies:
~US\$55M



MATSA acquisition costs:
~US\$17M
MATSA D+A guidance to follow completion of purchase price allocation accounting process

Motheo

Namibia



Motheo Copper Mine

- T3 Deposit Open Pit Development
- A4 Deposit Expansion Project



Exploration

- Motheo Expansion Project
- Kalahari Copper Belt tenure

Motheo Copper Mine

Summary

Development of Sandfire's Motheo Copper Mine in Botswana is proceeding on schedule and on budget

- **First production scheduled** from the June 2023 Quarter

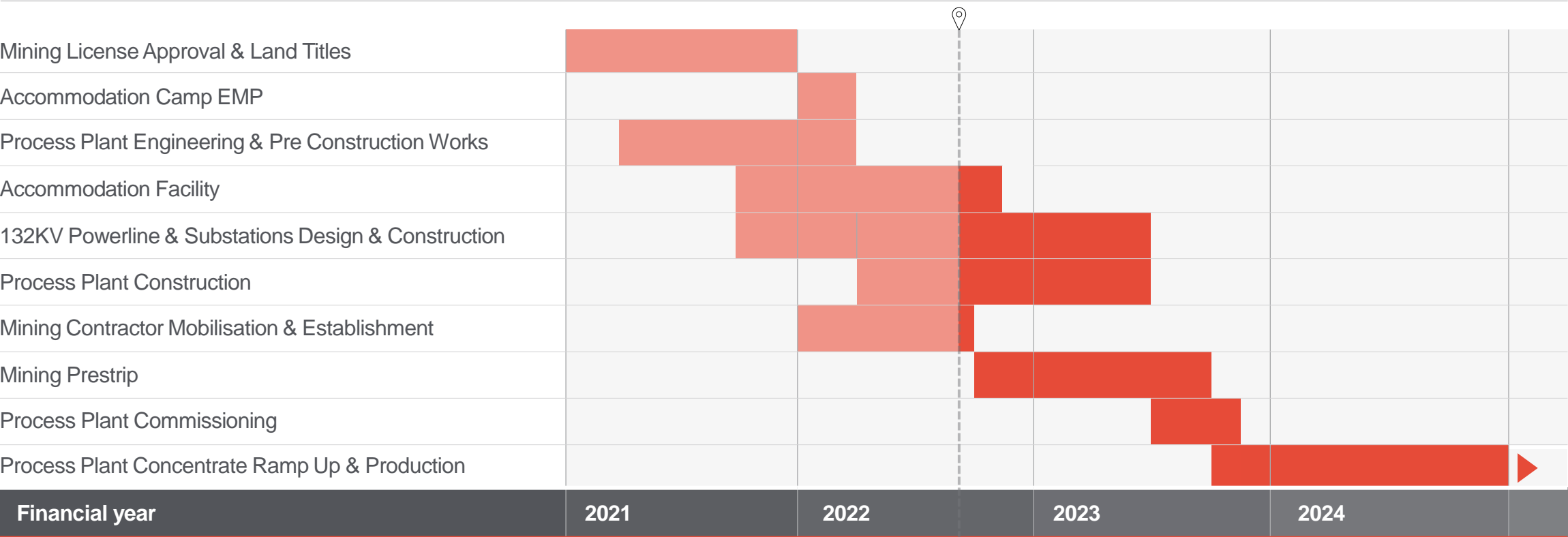
Sandfire intends to fund the **development of the Motheo Copper Mine** through a combination of cash and project debt

- Credit committee approved debt financing of US\$160 million for the Base Case 3.2Mtpa development has now been received from the Company's shortlist of potential international lenders
- Selection of syndicate banks and finalisation of terms will be completed in the coming weeks

5.2Mtpa Motheo Expansion Case DFS remains on schedule for completion in the June 2022 Quarter

- Construction activities are continuing to ramp up with over 1,000 personnel on site and over 1,500m³ of concrete poured to date
- Please refer to Sandfire's Motheo Copper Mine pictorial update released to the ASX on 14 February 2022 to view the progress being made on the ground by our team in Botswana

Motheo Copper Mine | Development Timeline



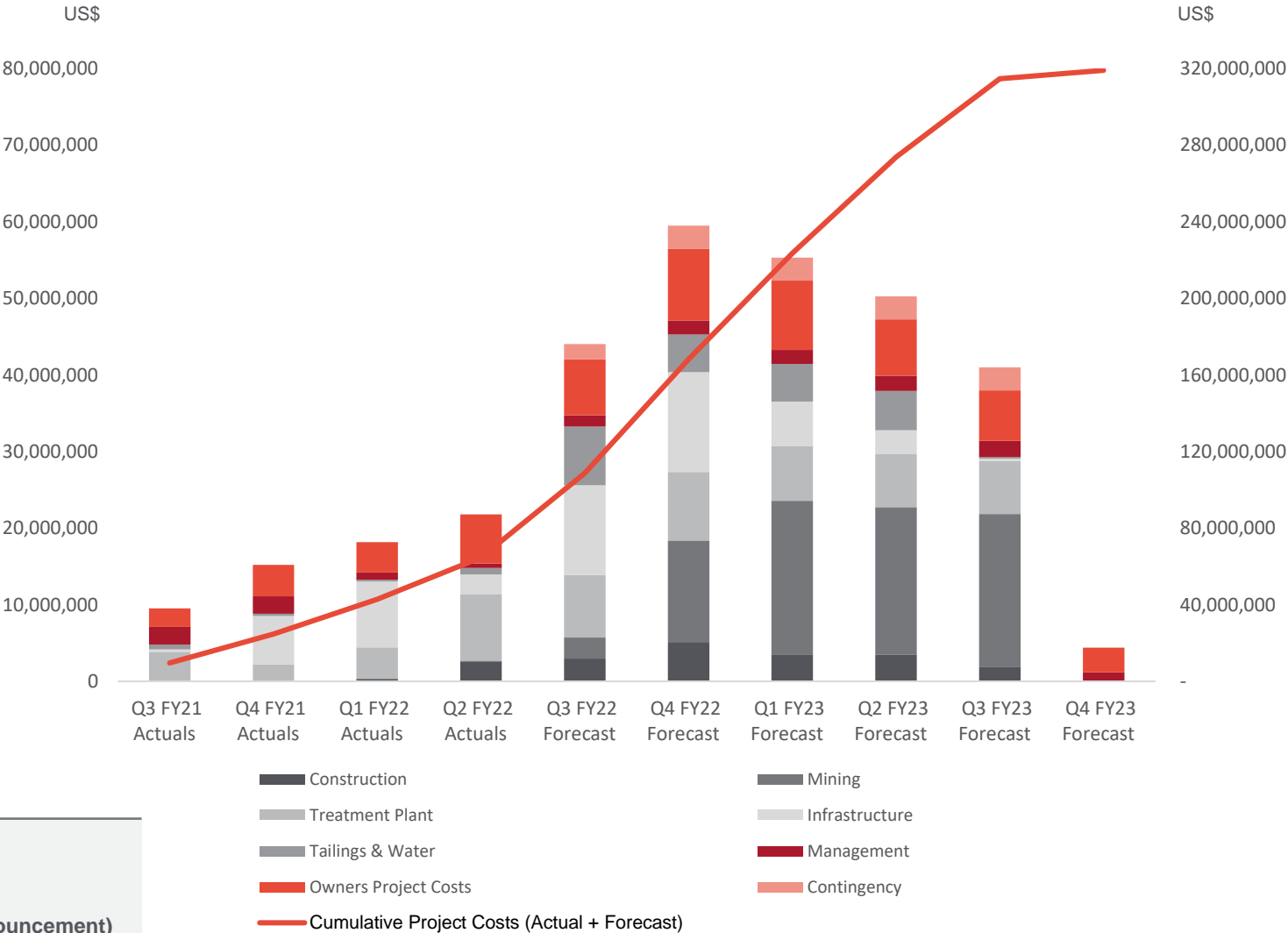
Motheo Copper Mine

Mine Construction & Development Capital

In US\$M

Notes

Motheo T3 Project	319.2M (graph above)
Motheo A4 Preliminary Budget (DFS)	46.9M
Total Estimated Costs	366.1M (as per 22 Sept 2021 announcement)



Key Takeaways



Strong growth platform

Cash flow generating base metal operations in Australia and Spain



Global vision

Our transformation into a diversified, international and sustainable mining company is underway



New Production Hubs

Construction of Motheo Copper Mine in Botswana

Completion of MATSA Mining Complex in Spain



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

A Global Miner

poised for a new era of growth

Scale

One of the largest copper-focused miners on the ASX

Future-facing

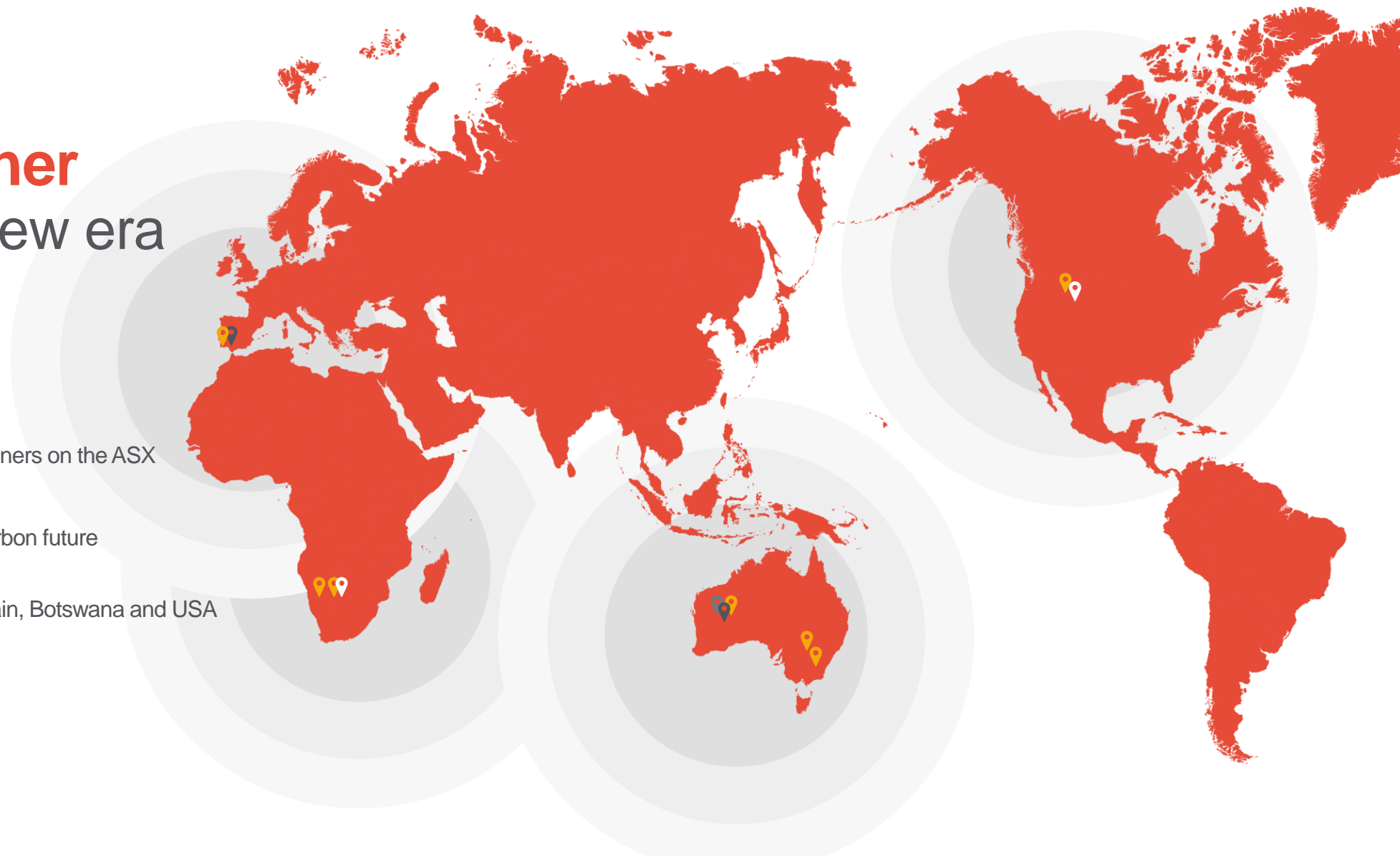
Producing critical metals for a low-carbon future

Growth

Pivoting to new long-life mines in Spain, Botswana and USA

Exploration

Four world-class mineral provinces



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