



28 July 2022

ASX Limited  
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Sandfire Resources Ltd (**Sandfire** or **the Company**) is pleased to attach the following items for immediate release to the market:

1. June 2022 Quarterly Report;
2. MATSA Copper Operations Ore Reserve Update; and
3. June 2022 Quarterly Report Presentation.

In addition, a teleconference and live webcast on the Company's June 2022 Quarterly Report will be held for the investment community at 10.00am (AWST) / 12.00pm (AEST) today.

The June 2022 Quarterly Report and accompanying slide presentation will be available via the ASX Company Announcements Platform (ASX Code: SFR) and Sandfire's website at [www.sandfire.com.au](http://www.sandfire.com.au).

A live webcast of the teleconference and synchronised slide presentation will also be available by [clicking here](#).

Yours sincerely

**Matthew Fitzgerald**  
Chief Financial Officer  
and Company Secretary

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## June 2022 Quarterly Report

Strong quarter sees Sandfire exceed annual production guidance as growth strategy continues to advance with MATSA optimisation and Motheo construction progressing on schedule.

Contained metal production and costs	Sep 2021 Quarter	Dec 2021 Quarter	Mar 2022 Quarter	Jun 2022 Quarter	Total FY 2022 <sup>1</sup>
Total Copper (t)	15,946	18,675	28,774	34,974	98,367
Total Zinc (t)	-	-	16,027	22,880	38,907
Total Lead (t)	-	-	1,901	2,201	4,102
Total Gold (oz)	7,515	8,739	6,956	9,075	32,285
Total Silver (Moz)	-	-	0.6	0.8	1.5
C1 cost (US\$/lb Cu)	1.13	1.07	1.17	1.57	1.27

### Notes:

<sup>1</sup> MATSA production and costs are for the period from 1 February 2022 to 30 June 2022, reflecting the period of Sandfire's operational control.

## Highlights

- Group FY2022 production exceeded guidance: 98,367t Cu, 38,907t Zn, 4,102 Pb, 32,285oz Au and 1.5Moz Ag. C1 unit costs at US\$1.27/lb Cu payable reflect global inflationary cost pressures.
- Strong 5-month contribution from the MATSA Copper Operations in Spain, with FY2022 production exceeding guidance: 30,628t Cu, 38,907t Zn, 4,102t Pb and 1.2Moz Ag.
- Strong quarterly mining and processing performance at the DeGrussa Operations despite industry labour shortages and COVID-19 impacts, underpinning FY2022 production of 67,740t Cu, 32,285oz Au and 0.3Moz Ag. C1 unit costs US\$1.25/lb Cu payable.
- FY2022 sales revenue of US\$922.7 million (unaudited) and Group EBITDA of US\$448.0 million (unaudited), with operations generating strong cash-flows.
- Construction of the 3.2Mtpa Motheo Copper Mine in Botswana progressing on schedule for first production guided from the June 2023 Quarter. Capital cost guidance increased by ~10% (US\$29.5 million) due mainly to increases in diesel, labour, consumables and other mining costs.
- Motheo Expansion Definitive Feasibility Study (DFS) nearing completion, outlining a growth pathway to 5.2Mtpa. DFS due for release in the September 2022 Quarter.
- Updated Measured, Indicated and Inferred Mineral Resource Estimate (MRE) completed for the MATSA Copper Operations: 147.2Mt at 1.4% Cu, 3.0% Zn, 1.0% Pb and 39.6g/t Ag, containing an estimated 2.1Mt of copper, 4.4Mt of zinc, 1.5Mt of lead and 187.6Moz of silver.
- Updated Ore Reserve released today underpinning Life-of-Mine planning.
- Strong cash holding at Quarter-end of US\$463.1 million and net debt of US\$324.7 million (excluding capitalised transaction costs).

## Management Overview

Sandfire's Managing Director and CEO, Karl Simich, said: 'We are delighted to report on an outstanding June Quarter, which caps a transformational year for Sandfire and positions our business for long-term growth.

'Thanks to a strong quarter at MATSA, which exceeded guidance in terms of metal production, and another consistent quarter from our DeGrussa Operations in Australia, we were able to exceed our published guidance with an impressive quarterly production performance of 34,974 tonnes of copper and 22,880 tonnes of zinc plus by-product lead, gold and silver.

'This propelled us to a very strong FY2022 production performance of 98,367 tonnes of copper and 38,907 tonnes of zinc, plus by-product lead, gold and silver, underpinning unaudited sales revenue of US\$922.7 million and Group EBITDA of US\$448.0 million for the year – with copper accounting for 82% of the total value of payable metal sold.

'This should provide investors with a clear insight into the strong cashflow generating capability of our expanded global business, with the MATSA operations generating an EBITDA margin of 51% for FY2022 – a very strong result by any measure.

'The strong margins and cashflows were achieved despite increasing costs. This is a global trend which reflects the impact of rising fuel and energy costs across all the jurisdictions where we operate, as well as significant labour shortages and the impact of COVID-19 in Western Australia. As a result, Group C1 unit costs came in slightly above guidance at US\$1.27/lb of payable copper, which we think is still a very creditable result.

'Operationally, we were very pleased with MATSA's performance during the Quarter, as well as the strong progress with our operational integration, optimisation and excellence programs.

'Elevated energy costs in Spain remain a challenge and were reflected in C1 unit costs for MATSA of US\$1.81/lb for the quarter and US\$1.45/lb for FY2022. We are progressing a number of responses to this situation, including the planned construction of new solar farms, engaging with electricity suppliers for new contracts and investigation of other pricing structures.

'We are continuing to drive forward with a number of optimisation programs at MATSA, and the publication of our first-ever Mineral Resource during the quarter has established a strong foundation for the growth and optimisation of this asset over the coming years. This also paved the way for the completion of the MATSA Ore Reserve, announced separately today, which reinforces the quality and scale of the Project and underpins our life-of-mine planning.

'In the meantime, we are continuing to focus on other key value-drivers, including an extensive exploration program which began to ramp-up during the quarter, targeting both immediate extensions of existing deposits and new discoveries in the surrounding region.

'At the DeGrussa Operations in Western Australia, our team delivered another quarter of safe production despite the challenges of COVID-19 and ongoing cost pressures, with the operation continuing to generate strong margins and make a strong contribution to our Group production.

'This will continue for another four months, with mining expected to be completed in September 2022 and processing to wind up in October. We have developed a detailed care and maintenance and mine closure plan and have implemented high-quality retention and engagement programs with our staff and contractors, to ensure a smooth and seamless transition. We are also in parallel continuing

to investigate the potential extension of operations through processing of existing stockpiles and mineralised waste on site using the existing plant.

‘We also continued to make excellent progress during the June Quarter with our key growth project, the Motheo Copper Mine in Botswana. Construction activities are well advanced, with over 1,700 personnel currently on site and over 7,000m<sup>3</sup> of concrete poured to date.

‘Pleasingly, we have been able to keep the project schedule on track despite the global labour and supply challenges, with first production from the 3.2Mtpa base case project on track for the June 2023 Quarter. We have guided to an upwards revision in the project’s capital costs, mainly due to increased fuel and mining costs.

‘In terms of capital management, the strong cashflows generated during the quarter saw us finish the year with cash holdings of US\$463.1 million and net debt of US\$324.7 million. We remain well placed to make the first repayment due under the MATSA facility of US\$118 million at the end of September, together with repayment of our ~US\$138M (A\$200 million) ANZ corporate facility in Australia.

‘This puts us in a strong position to continue to execute our growth strategy and maintain our strong commitment to global exploration across the world-class mineral provinces where we have dominant strategic positions.

‘Commodity prices experienced significant headwinds towards the end of the quarter, with both copper and zinc prices moving significantly lower. While delivering production into lower commodity markets in the near term will have an impact on our business, we remain extremely positive on the longer-term demand outlook for the metals we produce.

‘A report on the copper market released by S&P Global in July forecast that copper demand will grow from 25 million tonnes currently to about 50 million tonnes by 2035, driven mainly by its role as an essential ingredient in the electrification of the global transportation fleet. The report goes on to say that a chronic gap between worldwide copper supply and demand will begin to emerge by the middle of this decade, if the world is to achieve its Net-Zero emissions objective by 2050.

‘With high-quality copper producing assets in Tier-1 jurisdictions, and a growing production profile in the medium term, Sandfire remains extremely well placed to help meet this rising demand.’

## **1 Execute Delivery**

### **1.1 Safety**

The Total Recordable Injury Frequency Rate (TRIFR) for the Group at the end of the June Quarter was 3.8 (March 2022 Quarter: 5.1). Recordable injuries include those that result in any days away from work (Lost Time Injuries), those where an employee or contractor cannot perform all or any part of their normal shift (Restricted Duty Injuries), as well as any injury that requires services that only a medical practitioner can provide (Medical Treatment Injuries).

Safety system developments continue to focus on the prevention of incidents and principal hazard management, with programs to assist in managing and continually improving the safety culture and the management of risk for both employees and contractors. Integration activities at MATSA have focused on safety culture and performance and this will continue on an ongoing basis.

We continue to focus on our employee and contractor health and well-being to minimise the potential transmission of COVID-19. Despite an increase in cases in Western Australia towards the end of the quarter, there has been limited impact on our operations and construction activities to date.

## 1.2 MATSA Copper Operations, Spain

### 1.2.1 Acquisition and integration update

Key integration and optimisation activities continued during the June Quarter following the completion of the acquisition of the MATSA on 1 February 2022. The Sandfire integration team on site has been focused on several key projects during the quarter including:

- Operations improvement initiatives
- Review and update of the Mineral Resource and Ore Reserve (see further below)
- Long-term mine planning
- Plant readiness and recovery
- Product optimisation.

With a focus on key value drivers, Sandfire is working towards an optimised 5-year plan for MATSA underpinned by a safety improvement plan, a program to improve mine productivity and expand throughput beyond 4.7Mtpa, near mine mineral resource extensions at existing mines, as well as an expansive exploration program (see the Accelerate Discovery section below).

### 1.2.2 Operations overview

MATSA Copper Operations			Mar 2022	Jun 2022	FY2022	FY2022
Production Statistics <sup>1, 4</sup>		Units	Quarter <sup>2</sup>	Quarter	Total	Guidance <sup>3</sup>
Mining	Total Ore	Tonnes	752,212	1,128,724	1,880,936	
	Ore – Cupriferous	Tonnes	210,231	298,568	508,799	
	Grade – Cupriferous	Cu%	2.1	2.4	2.3	
	Ore - Poly	Tonnes	541,981	830,156	1,372,137	
	Grade – Poly	Cu%	2.3	1.9	2.0	
	Grade – Poly	Zn%	4.3	3.6	3.9	
Concentrator	Total Milled	Tonnes	742,664	1,148,654	1,891,319	
	Ore – Cupriferous	Tonnes	253,916	275,496	529,412	
	Grade – Cupriferous	Cu%	2.0	2.3	2.2	
	Ore - Poly	Tonnes	488,748	873,158	1,361,907	
	Grade – Poly	Cu%	2.3	2.0	2.1	
	Grade – Poly	Zn%	4.4	3.7	3.9	
Concentrate Produced	Concentrate	Tonnes	102,569	145,693	248,263	
	Contained Copper	Tonnes	12,536	18,093	30,628	~27kt
	Contained Zinc	Tonnes	16,027	22,880	38,907	~38kt
	Contained Lead	Tonnes	1,901	2,201	4,102	~3kt
	Contained Silver	Ounces	~0.6Moz	~0.7Moz	~1.2Moz	~1.1Moz
Operating cost	C1 unit cost	US\$/lb	0.94	1.81	1.45	~0.98

#### Notes:

<sup>1</sup> Refer to Sandfire's June 2022 Quarterly Report Presentation for further details relating to mining, processing, sales, costs and capital expenditure, released today, 28 July 2022.

<sup>2</sup> Quarterly production and costs are for the period from 1 February 2022 to 31 March 2022, reflecting the period of Sandfire's operational control.

<sup>3</sup> FY2022 production and costs are for the period from 1 February 2022 to 30 June 2022, reflecting the period of Sandfire's operational control.

<sup>4</sup> Mining and production statistics are rounded to the nearest 0.1% Cu and Zn grade. Errors may occur due to rounding. Production statistics are subject to change following reconciliation and finalisation subsequent to the end of the quarter.

### 1.2.3 Mining

Since acquisition, MATSA has delivered a significant improvement in mine production with performance in the June Quarter achieving an annualised rate of over 4.5Mtpa across all three mines. The improved performance is primarily due to improved short-term planning approaches and optimisation of stope designs. During the Quarter, this improvement was partially offset by lower loader availability at Aguas Tenidas and backfilling rates at Magdalena.

Mined grades for the June Quarter were above plan at Aguas Tenidas and Magdalena, primarily due to:

- Positive Cu grade reconciliation from the Aguas Tenidas Stockwork ore zone which made up approximately 80% of Cupriferous ore mined ore from Aguas Tenidas during this period.
- Improvement in stope design, blasting and management has delivered a reduction in dilution at both Aguas Tenidas and Magdalena.
- Changes to the mine sequence at Magdalena due to optimisation of the short term mine plan.

### 1.2.4 Processing

Processing for the June Quarter slightly exceeded mine production rates and achieved an annualised processing rate very close to 4.6Mtpa. This performance was supported by plant throughput and utilisation rates in line with target. Copper, Zinc Metal production exceeded target and guidance due to higher than forecast mined grades from Aguas Tenidas and Magdalena.

### 1.2.5 Operating Costs

Cost inflation and rising energy costs in Europe are undeniable challenges but MATSA continues to generate solid EBITDA cash-flow margins. Spiked energy costs and global inflationary pressures have seen labour, cement, spares and services costs increase and mining, processing and transport have seen the largest increases. The weakening of the Euro against the US dollar has assisted US dollar reported operating costs.

### 1.2.6 Updated Mineral Resource Estimate

Sandfire reported an updated Measured, Indicated and Inferred Mineral Resource Estimate (MRE) for the MATSA Copper Operations totalling **147.2Mt at 1.4% Cu, 3.0% Zn, 1.0% Pb and 39.6g/t Ag** containing an estimated **2.1Mt of copper, 4.4Mt of zinc, 1.5Mt of lead and 187.6Moz of silver**.

The updated MRE, reported as at 31 December 2021, represents Sandfire's first MRE for MATSA since ownership. The resource estimation was completed employing industry best practice and robust NSR methodology utilising independent and highly regarded GeoEstima consultants, with support from Sandfire's technical expertise at MATSA and corporate technical services.

The strong outcome confirms MATSA's geological potential as assessed by Sandfire during its due diligence process for the project acquisition, delivering a robust and high-quality MRE that will provide a strong platform for future life-of-mine planning.

Importantly, approximately 74% of the updated MRE is classified in the higher confidence Measured and Indicated (M&I) Resource categories.

When compared with the previous MRE reported as at 31 December 2019, the updated December 2021 MRE delivers a 21% increase in contained tonnes, an 11% increase in contained copper and a 10% increase in contained zinc. This is a strong result that more than replaces mining depletion over the intervening two-year period.

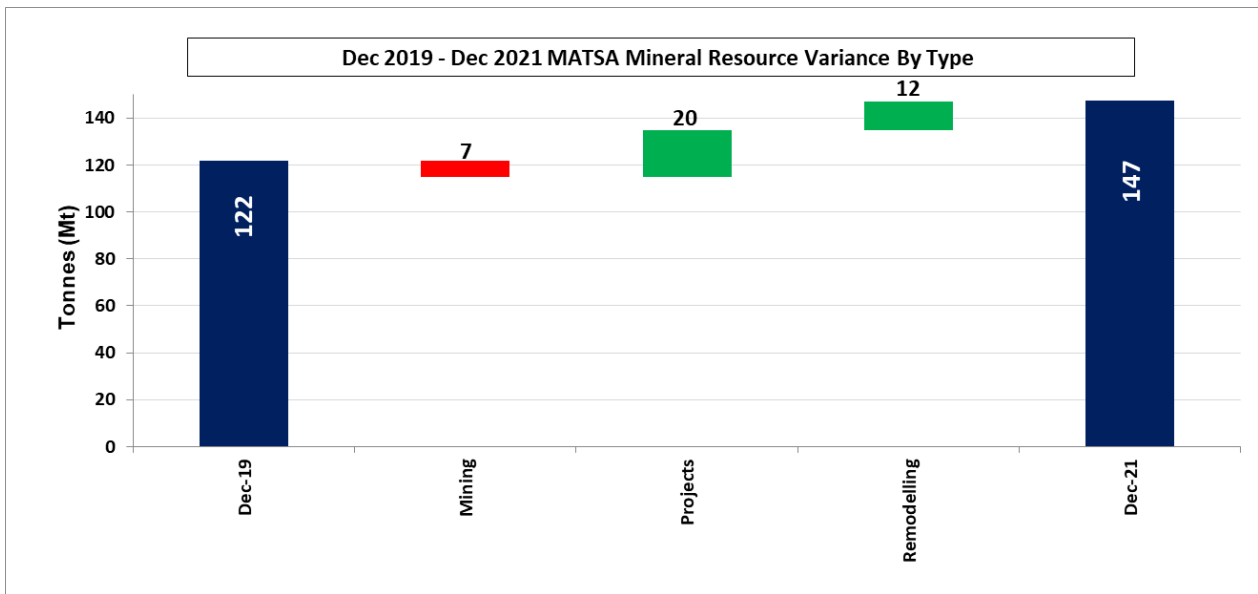


Figure 1: MATSA Mineral Resource variances since the previous estimate as at 31 December 2019.

The updated MRE also includes initial Inferred Mineral Resources for the satellite Concepción, Poderosa and Castillo-Buitrón deposits totalling 19.8Mt at 1.2% Cu and 1.6% Zn. All three deposits are located close to the existing 4.7Mtpa processing plant.

Full details of the updated MATSA Mineral Resource Estimate are provided in the Company's ASX Announcement, dated 30 June 2022, titled '147Mt Mineral Resource sets strong foundation for optimisation and long-term growth at MATSA'.

Further, and subsequent to quarter end, the Company released an updated Ore Reserve for the MATSA Copper Operations. Refer to the ASX Release titled, '37Mt Ore Reserve cements foundation for long-term growth at Sandfire's MATSA Copper Operations', dated 28 July 2022 for details.



## 1.3 DeGrussa Operations, Western Australia

### 1.3.1 Overview

DeGrussa Operations Production Statistics <sup>1, 2</sup>		Units	Sep 2022 Quarter	Dec 2021 Quarter	Mar 2022 Quarter	Jun 2022 Quarter	FY2022 Total	FY2022 Guidance
Mining	Total Ore	Tonnes	419,152	448,828	382,809	442,164	1,692,952	
	Copper Grade	%	4.0	4.7	4.0	4.2	4.2	
	Gold Grade	g/t	1.3	1.5	1.3	1.5	1.4	
Concentrator	Milled	Tonnes	405,048	439,959	393,806	441,929	1,680,742	
	Copper Grade	%	4.2	4.5	4.4	4.1	4.3	
	Gold Grade	g/t	1.3	1.3	1.3	1.4	1.3	
<b>Concentrate produced</b>	<b>Concentrate</b>	<b>Tonnes</b>	<b>67,477</b>	<b>79,157</b>	<b>69,021</b>	<b>71,986</b>	<b>287,641</b>	
	<b>Contained Copper</b>	<b>Tonnes</b>	<b>15,946</b>	<b>18,675</b>	<b>16,238</b>	<b>16,880</b>	<b>67,740</b>	<b>65–68kt</b>
	<b>Contained Gold</b>	<b>Ounces</b>	<b>7,515</b>	<b>8,739</b>	<b>6,956</b>	<b>9,075</b>	<b>32,285</b>	<b>30–34koz</b>
	<b>Contained Silver</b>	<b>Ounces</b>	<b>67koz</b>	<b>83koz</b>	<b>69koz</b>	<b>79koz</b>	<b>297koz</b>	<b>~0.3Moz</b>
<b>Operating cost</b>	<b>C1 unit cost</b>	<b>US\$/lb</b>	<b>1.13</b>	<b>1.07</b>	<b>1.24</b>	<b>1.25</b>	<b>1.18</b>	<b>~1.24</b>

#### Notes:

<sup>1</sup> Refer to Sandfire's June 2022 Quarterly Report Presentation for further details relating to mining, processing, sales, costs and capital expenditure, released today, 28 July 2022.

<sup>2</sup> Mining and production statistics are rounded to the nearest 0.1% Cu grade and 0.1 g/t Au grade. Errors may occur due to rounding. Production statistics are subject to change following reconciliation and finalisation subsequent to the end of the quarter.

### 1.3.2 Mining

Despite the challenges associated with a tight labour market in Western Australia and increased levels of absenteeism associated with COVID-19, mining operations continued to be in line with the mine plan throughout the June Quarter.

During this time, production was sourced from the DeGrussa and Monty Mines with both mines remaining in balance between production and back-fill. Ore production continued from the C1, C1E, C4 and C5 orebodies at DeGrussa with underground planning and scheduling focused on matching extraction sequencing with equipment and personnel availability to provide continued compliance to the mine plan.

With life-of-mine development at the Monty Mine being completed during the March Quarter, operations during the June Quarter focused primarily on production ore extraction along with minor ongoing backfilling activities.

### 1.3.3 Processing

Processing for the June Quarter continued to be in line with plan and was supported by high plant utilisation. Mill throughput rates slightly exceeded target and optimised blending of the different ore types from contributing mining areas continued, resulting in good copper recovery of 93% for the quarter.

### 1.3.4 Operating Costs

C1 unit operating costs were US\$1.25 per pound for the June Quarter, above guidance due to inflationary pressures in the sector and broader economy and impacted by reduced capitalised mine development impacting overheads attributed to mine operating costs.



## **2 Sustain and Grow Our Production Pipeline**

### **2.1 Motheo Copper Mine Development, Botswana**

#### **2.1.1 Mine Construction**

Development at Motheo is proceeding on schedule, with first production expected in the June 2023 Quarter. The Company has guided to an upwards (9.5%) revision in the project's capital costs, due mainly to increased fuel and mining costs, and will provide further detail on this as part of the Definitive Feasibility Study on the 5.2Mtpa Expansion, which is due for completion shortly.

Construction activities are continuing with over 1,700 personnel currently on site, over 7,000m<sup>3</sup> of concrete poured and 550 tonnes of structural steel erected to date.

Some of the key recent developments include:

- Completion of all 752 rooms in the Motheo Mine Village
- Award of the Electrical and Instrumentation installation contract (final process plant contract)
- Erection and back-fill of the primary crusher lower retaining wall
- Completion of Reclaim tunnel and SAG Mill concrete foundations
- Completion of Mine Administration Office and Clinic buildings
- Tailings Storage Facility Bulk fill for walls 50% complete and basin lining commenced
- Majority of the process plant equipment including the SAG Mill components all delivered to site during the June Quarter
- Structural, Mechanical and Piping (SMP) Contractor mobilised and approximately 10% complete during the quarter.

Sandfire intends to fund the development of the Motheo Copper Mine through a combination of cash and project debt. The selection of banks is complete with documentation well advanced and final credit approval processes pending.

#### **2.1.2 Expansion Project Definitive Feasibility Study**

The DFS remains on schedule for completion in the September 2022 Quarter with work programs nearing completion. Open pit design and production scheduling has been completed, along with design and estimation of the required process plant upgrades. Estimates for infrastructure requirements are also complete and documentation is currently being finalised.

The "Scoping and Terms of Reference" updated submission to the Botswana Department of Environmental Affairs (DEA) is imminent following receipt of detailed feedback from the DEA requiring minor changes to the submission. The Environmental-Social Impact Assessment (ESIA) is scheduled to be submitted to DEA in the September 2022 Quarter.

Drilling of the A4 Deposit dewatering bores is approximately 30% complete and fabrication of the only long-lead delivery plant equipment required for the plant expansion, a 4.5MW Ball Mill, is well advanced with delivery on schedule for the December 2022 Quarter.

### **2.2 Black Butte Copper Project, Montana, USA**

Early in the June Quarter, Sandfire's 87%-owned subsidiary, Sandfire Resources America Inc. (Sandfire America), announced the results of the state District Court Legal Challenge related to its Mine Operating Permit (MOP).

The District Court Judge has granted the plaintiffs' motion for a summary judgement stating that the Montana Department of Environmental Quality (MT DEQ) violated the Montana Metal Mines Reclamation Act and Montana Environmental Policy Act in its analysis of the project.

As part of this ruling, both parties had 45 days to propose remedial measures to the Judge, and on the 1st of July 2022, both parties filed a joint motion recommending a stipulated order for remedies. Subsequently, the District Court Judge issued an order aligned with the joint motion and that will allow Phase I Construction of the Black Butte Copper Project to be completed under the existing Permit.

Sandfire America is working on strategies to complete additional test work, analysis and reporting for additional authorisations from the MT DEQ with the objective of moving the project past Phase 1 of the Permit.

## **2.3 DeGrussa Operations, Western Australia**

### **2.3.1 Processing Extension Study**

During the June Quarter, work continued to evaluate the viability of treating oxide stockpiles, heavily transitional stockpiles and mineralised waste stockpiles at the end of the current DeGrussa Operations mine life.

This new study is based on utilising the existing DeGrussa flotation plant with minimal circuit changes, adopting a simplistic approach to treat whole stockpiles with oxide reagents. The processing plant would operate for up to 12 months, treating 1.29Mt of ore at an average grade of 1.75% Cu.

Study work completed during the quarter included the collection of additional samples for rheology testing to confirm the pumpability of the oxide material, thickening and filtration testwork and a more detailed economic assessment and sensitivity analysis.

The final step in this study is to undertake full scale plant trials in the September 2022 Quarter. The first plant trial, scheduled for July will focus on mineralised waste and heavily transitional stockpiles with the second, scheduled for August, to cover oxide stockpile processing.

## **3 Accelerate Discovery**

Exploration remains a key focus for Sandfire as we maintain a systematic, multi-pronged exploration program across our large landholdings globally.

### **3.1 MATSA Exploration, Spain**

Exploration continued to test near-mine and greenfield targets with four drill rigs completing a total of 21 holes. Five holes were completed at the San Platon Deposit and were designed to test the down-dip and western boundary of the known mineralisation. Low tenor copper and zinc mineralisation was intersected in all holes with occasional intercepts of narrow massive sulphides.

Drilling at the Enjambre Deposit (five holes) returned a narrow intersection of copper mineralisation with most holes returning disseminated pyrite. Several electro-magnetic (EM) anomalies were detected at Enjambre during a recent survey and will be followed up with drilling in the September 2022 Quarter.

Drilling at the Cueva de la Mora, Angelita East and Concepcion prospects failed to intersect any mineralisation.

### **3.2 Portugal Exploration**

Three holes were completed during the quarter on the Ermidas permit testing residual gravity anomalies combined with favourable stratigraphy and anomalous copper geochemistry. The drill-holes failed to intersect any significant mineralisation and down-hole EM did not identify any off-hole conductors.

### **3.3 Kalahari Copper Belt, Botswana and Namibia**

Drilling continued at A1, a prospect located 19km north-east of the Motheo Copper Mine with a single diamond drill rig and a total of eight holes completed by the end of the June Quarter. Six 1.4km long Induced Polarisation (IP) surveys lines were completed at A1 which have delineated two anomalous chargeable zones that extend across the survey area, which are the focus of drilling.

Belt-wide exploration continued, with two diamond holes completed during the quarter at T23, following historical drill results that intersected wide zones of low tenor, disseminated chalcocite and occasional sub-economic bornite in veins. Both holes have confirmed the presence of similar mineralisation that remains open in all directions and remains under-explored. No significant assays were returned in the quarter and drilling continues.

Exploration continued at the Tshane/Okwa Magnetic Complex, which lies on the north-western margin of the Kaapvaal Craton, approximately 100km south of Ghanzi. Eight reverse circulation (RC) holes and one diamond hole have been drilled, and no significant sulphide mineralisation has been intersected to date, but the area is interpreted to remain prospective for Ni-Cu mineralisation.

### **3.4 Doolgunna Province, Western Australia**

The deep drilling program at DeGrussa continued during the quarter with the completion of two deep diamond holes. A 1,370m deep hole was completed at the Airstrip South prospect designed to test a west-plunging copper anomaly and the down-dip extent of the DeGrussa Member, 6km south-west of the DeGrussa Mine. The hole intersected minor chalcopyrite mineralisation and assays are still pending.

A 1,043m deep hole at the Talisman Project was designed to test for mineralisation below a supergene enrichment zone and to test the down-dip extent of discrete intervals of massive pyrrhotite mineralisation intersected in previous drilling. The hole intersected 3m of disseminated and semi-massive chalcopyrite mineralisation from 715.5m.

Results were received for the DHEM survey at the Homestead prospect and no anomalous response was identified. Subsequent to the end of the Quarter, Sandfire withdrew from the Cheroona and Cashman earn-in agreements with Auris Minerals Limited

Historical data compilation, reconnaissance mapping, surface sampling and basin analysis were undertaken for the Yerrida Basin, where Sandfire has 2,000km<sup>2</sup> of 100%-owned tenure along with 1,000km<sup>2</sup> of joint venture tenure with Great Western Exploration. The Yerrida basin is prospective for VMS and sediment-hosted base-metal deposits and will be a focus of activity during FY2023.

### **3.5 Eastern Australia, New South Wales**

Air-core (AC) and diamond drilling was completed across three prospects at the Temora Project. At Fields, AC drilling identified several gold targets warranting further investigation, while diamond drilling intersected low tenor epithermal gold and silver mineralisation along strike of the main lode.

A ground EM survey across the MagH1 prospect showed a weak chargeability response which was tested by a single diamond drill-hole, with assays pending. Initial diamond drill testing at the Showgrounds Prospect has identified the presence of a gold-copper porphyry system.

No significant work was undertaken at the Cobar Project with preparations underway for the upcoming drilling programs across the Cobar Basin.

### **3.6 Black Butte Copper Project, Montana, USA**

In the United States, Sandfire America has been conducting a resource definition drilling program at the Lowry Deposit, located 1,500m east of the Johnny Lee Deposit, to support a pre-feasibility technical report for Lowry.

## **4 Align and Empower Our People**

### **4.1 Board Succession**

Subsequent to the end of the June Quarter, Sandfire was pleased to announce the appointment of highly experienced international business leaders Sally Martin and Rob Edwards to its Board as Independent Non-Executive Directors, effective from 8 July 2022.

The new appointments are consistent with the Board Succession process that commenced in July 2020, which is designed to ensure the Board has the right balance of attributes, skills, experience and diversity to oversee the Company's next era of growth.

After advising his intention to retire from the Board at the Company's 2021 Annual General Meeting, Non-Executive Director and previous Chair of the Company, **Derek La Ferla**, has retired from the Board effective 8 July 2022.

### **4.2 Key Management Appointments**

Sandfire announced further senior executive management appointments, designed to ensure the Company is appropriately structured and resourced for its next growth phase.

Richard Holmes, previously Head of Exploration, has been promoted to Executive – Growth, a role in which he will be responsible for the overall strategic oversight and management of the Company's various global business development opportunities and organic exploration programs.

Scott Browne joins Sandfire as Executive – People and Performance with a focus on continuing to drive and enhance Sandfire's culture and the engagement and high performance of its employees and contractors. Scott joins the Group from Rio Tinto, where he most recently held the position of Vice President People for Rio Tinto's Iron Ore business.

## **5 Optimise Capital Strategy and Engagement**

### **5.1 Cash position and debt facilities**

Group cash on hand at 30 June 2022 totalled US\$463 million (unaudited). Through the acquisition of MATSA, Sandfire's balance sheet increased in leverage to deliver the growth strategy of the Group with a US\$650 million project financing facility and a A\$200 million (~US\$138 million) Corporate Facility.

Development of the Motheo Copper Mine in Botswana is also planned to leverage the value of that project with a targeted project facility financing. The selection of banks is complete with documentation well advanced and final credit approval processes pending.

Sandfire's DeGrussa-backed ~US\$138 million (A\$200 million) Corporate Facility is due to be repaid in September 2022 along with the first scheduled US\$118 million repayment for MATSA project financing, which will see the first significant reduction in debt for the Group. The first repayments, with further six monthly facility repayments scheduled, are scheduled to rapidly reduce the overall leverage of the Group, assisted by MATSA's low ongoing sustaining capital expenditure requirements outside of underground development.

## 5.2 Investor call and webcast

A teleconference on the June Quarterly results will be held for the investment community on **Thursday 28th July 2022** commencing at **10.00am (AWST) / 12.00pm (AEST)**.

### Participant Access Link:

To participate in the live Teleconference, investors and media are invited to click on the link below to register: <https://s1.c-conf.com/diamondpass/10022904-Outc45t.html>

A live webcast of the Teleconference and synchronised slide presentation will be available via the BRR Media service, via the link below:

[https://webcast1.boardroom.media/watch\\_broadcast.php?id=62abe0aba2a84](https://webcast1.boardroom.media/watch_broadcast.php?id=62abe0aba2a84)

Please note that it is recommended that you log on at least five minutes before the scheduled commencement time.

The June 2022 Quarterly Report and slide presentation will be available via the ASX Company Announcements Platform (ASX code: SFR) and at Sandfire's website [www.sandfire.com.au](http://www.sandfire.com.au).

**- ENDS -**

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**This announcement is authorised for release by Sandfire's Managing Director and CEO, Karl Simich.**

### Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. While Sandfire is continuing exploration programs aimed at reporting additional JORC compliant resources for the Company's Projects, there has been insufficient exploration to define mineral resources in addition to the current JORC compliant Mineral Resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.

### 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 also continuing uncertainty as to the full impact of the COVID-19 pandemic 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.

**ASX releases referred to in this announcement:**

37Mt Ore Reserve cements foundation for long-term growth at Sandfire's MATSA Copper Operations – Sandfire Resources Ltd (28 July 2021).

147Mt Mineral Resource sets strong foundation for optimisation and long-term growth at MATSA – Sandfire Resources Ltd (30 June 2021).