



## SANDFIRE ENTERS FARM-IN OVER ENDEAVOR BASE METAL MINE AND EXPLORATION PACKAGE – COBAR, NSW

### Highlights

- Farm-in gives Sandfire the right to earn up to 51% by spending \$10m and 75% by spending \$20m, or acquire 100% for a payment of \$30m.
- Package includes the Endeavor underground base metal mine (currently on care and maintenance), infrastructure and 1.2Mtpa processing plant, plus a highly prospective tenement package in the world-class Cobar Basin.
- Sandfire will undertake exploration within the surrounding tenements, with the farm-in representing a complementary strategic addition to its East Coast Base Metals Strategy, which already includes an extensive position in the Lachlan Fold Belt of NSW.

Sandfire Resources Ltd (ASX: SFR; **Sandfire** or **the Company**) advises that it has entered into a Farm-in Agreement (**Farm-in**) with CBH Resources Ltd (**CBH**) giving it the right to earn up to a 100% interest in the Endeavor base metal mine and surrounding exploration tenements (**the Tenements**), located near Cobar in NSW.

Under the Farm-in, Sandfire can at its election either:

1. earn up to a 75% interest in the Tenements by undertaking expenditure activities; or
2. acquire a 100% interest in the Tenements by paying CBH \$30 million.

Stage 1, with an initial minimum expenditure commitment of \$3 million within 18 months, allows Sandfire to undertake exploration works and evaluate the Tenements with no obligations to continue, or be responsible or liable for care and maintenance or rehabilitation costs.

Stage 2, upon a further \$7 million spend, gives Sandfire the option to enter into a joint venture and earn a joint venture interest of 51% interest in the Tenements. During Stage 2, Sandfire will contribute costs for care and maintenance.

Stage 3 allows Sandfire to increase its interest from 51% to 75% by spending an additional \$10 million (**Second Earning Period**). During Stage 3, Sandfire will be responsible for at least 75% of the care and maintenance expenses.

The Cobar Basin in NSW is one of the world's most prolific base metal districts and hosts numerous world-class mines. The Endeavor base metal mine was in near-continuous operation since 1982 and has extensive underground and surface infrastructure including a 1.2Mtpa processing facility and tailings storage facility. The mine was placed on care and maintenance in 2019.

Sandfire will bring its technical exploration and geological expertise to bear at the project, with a focus on exploration within the surrounding tenement package aimed at making new discoveries which could leverage off the existing infrastructure.

The Farm-in represents a complementary strategic addition to Sandfire's East Coast base metal exploration initiative, which already includes a large ground position in the Lachlan Fold Belt and Cobar Basin in NSW and an extensive portfolio in the Mt Isa region in Queensland.

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## **Management Comment**

Sandfire's Managing Director and CEO, Karl Simich, said: "The Farm-in arrangement with CBH Resources provides Sandfire with a low-cost entry to an advanced exploration opportunity in one of the world's most prolific base metal belts in NSW.

"The presence of extensive infrastructure provides added strategic impetus in the event of exploration success within this under-explored belt."

**ENDS**

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

### **Forward-Looking Statements**

Certain statements made during or in connection with this announcement 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 conditions 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.

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