



## **Sustainable copper production for a lower carbon future**

Diggers & Dealers Investor Briefing, Kalgoorlie  
August 2021

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All figures are expressed in Australian dollars unless otherwise stated.

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

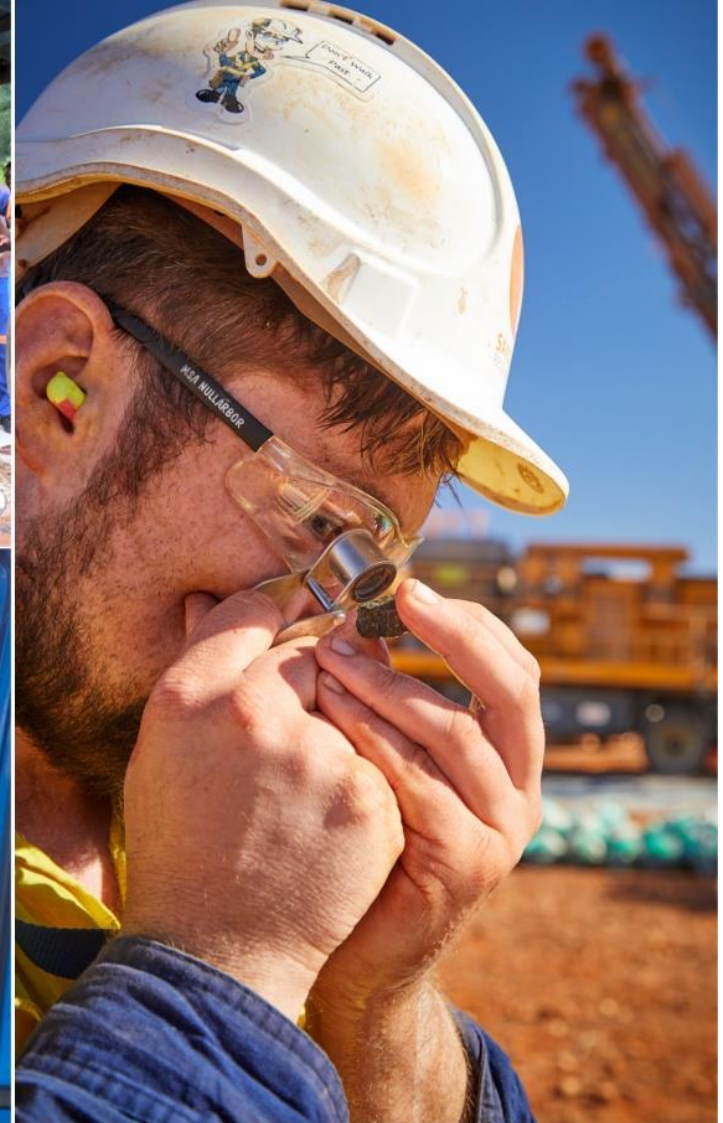
## **Forward-Looking Statements**

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Sandfire. 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. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Sandfire does not undertake any obligation to update or revise any information or any of the forward-looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

The Expansion Case to 5.2Mtpa referred to in this presentation, where it relates to A4 and other prospects, is based on resource drilling, technical and economic assessments. Study work at A4 is currently insufficient to support estimation of Ore Reserves or to provide assurance of an economic Expansion Case for the Motheo Production Hub.

# **Sandfire** A New Era of Growth and Opportunity

- One of the few ASX-listed **pure-play copper producers**
- Transition to a **diversified, international and sustainable mining company** well underway
- Refreshed and expanded **senior leadership team**, strongly aligned to our growth vision
- Debt-free with **\$574m in group cash** at 30 June 2021 (unaudited)
- Construction of new long-life **Motheo Copper Mine** underway – first production Q4 FY2023
- **Strong global pipeline** including permitted Black Butte Copper Project, USA
- Active **Business Development** strategy
- **+\$50M per annum** global exploration budget



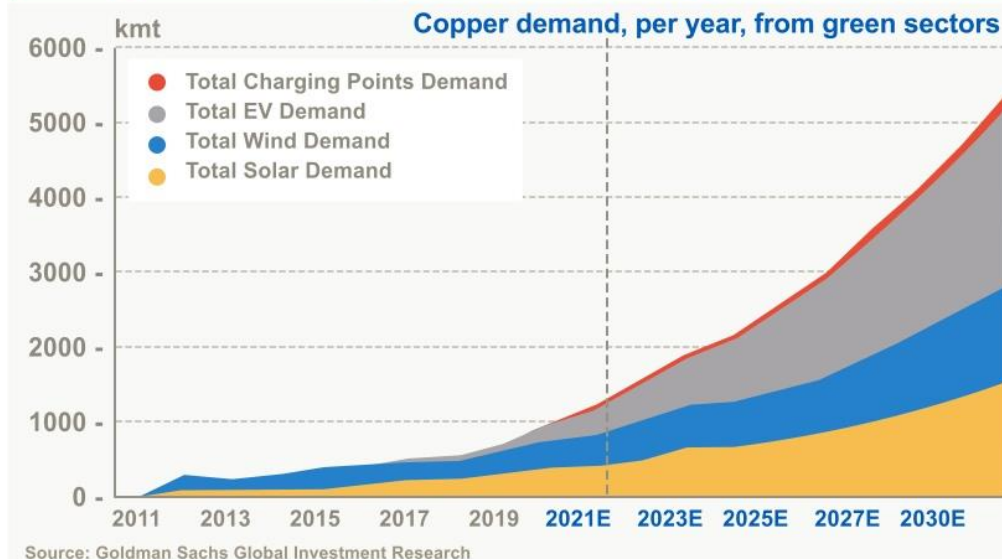


## Copper

Cornerstone of the global economy and a “metal of the future”

- Copper is a **critical metal** for global economic growth
- **Third largest global metal market** behind iron and aluminium: **>22Mt worth over US\$220 billion** consumed annually
- Strong underlying **demand from the construction and industrial sectors**
- Demand for copper from the adoption of new green technologies projected to **surge in the next decade**
- “Green” demand is forecast to increase by **600%** from 1Mt in 2020 (just 3% of the total) to **5.4Mt in 2030** (16% of the total)
- Global **mine supply remains structurally challenged** due to declining discoveries and mine grades

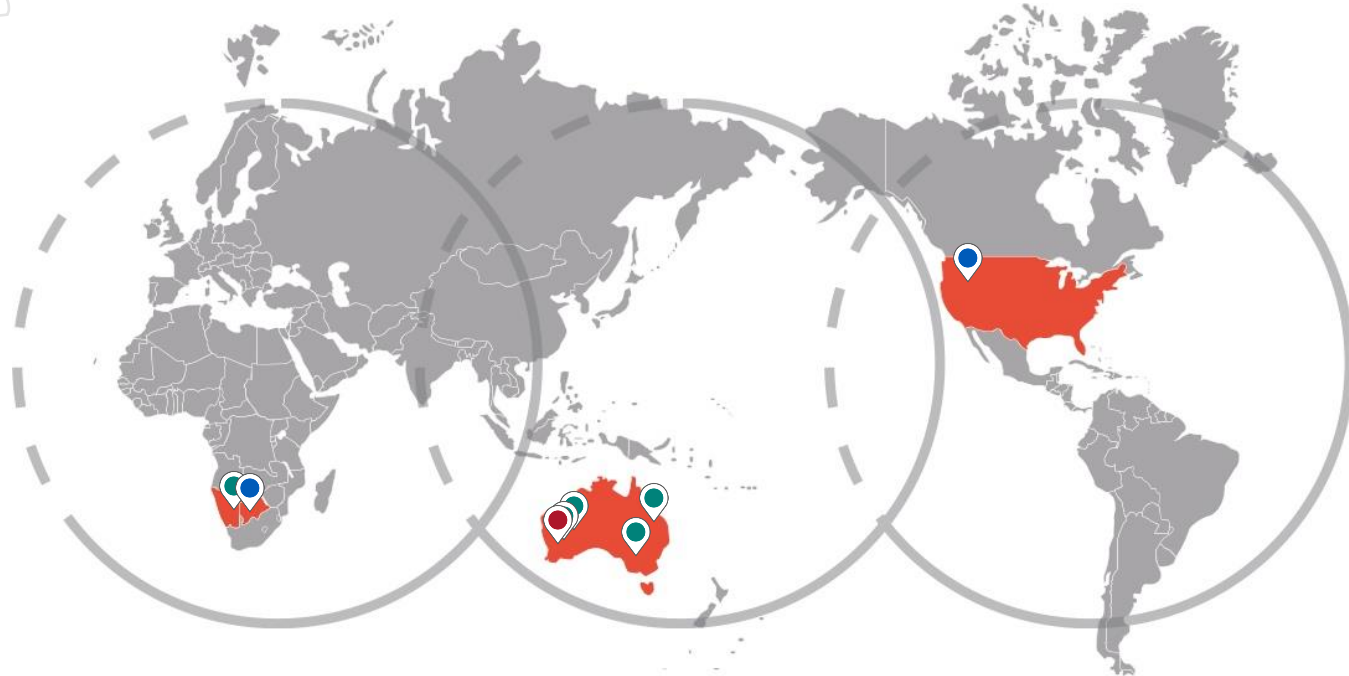
Acceleration in green electrification trends is set to drive strongest decade in copper demand growth post-2000



# Sandfire Our Growing Global Footprint

## Key Assets

Building a diversified portfolio of high-quality base metal assets in Tier-1 jurisdictions



### Operating Mines

- **DeGrussa Operations, WA**
  - DeGrussa Cu-Au Mine
  - Monty Cu-Au Mine

### Development Pipeline

- **Kalahari, Botswana and Namibia**
  - Motheo Copper Mine
  - Motheo Expansion Project
- **Black Butte Copper Project, USA**

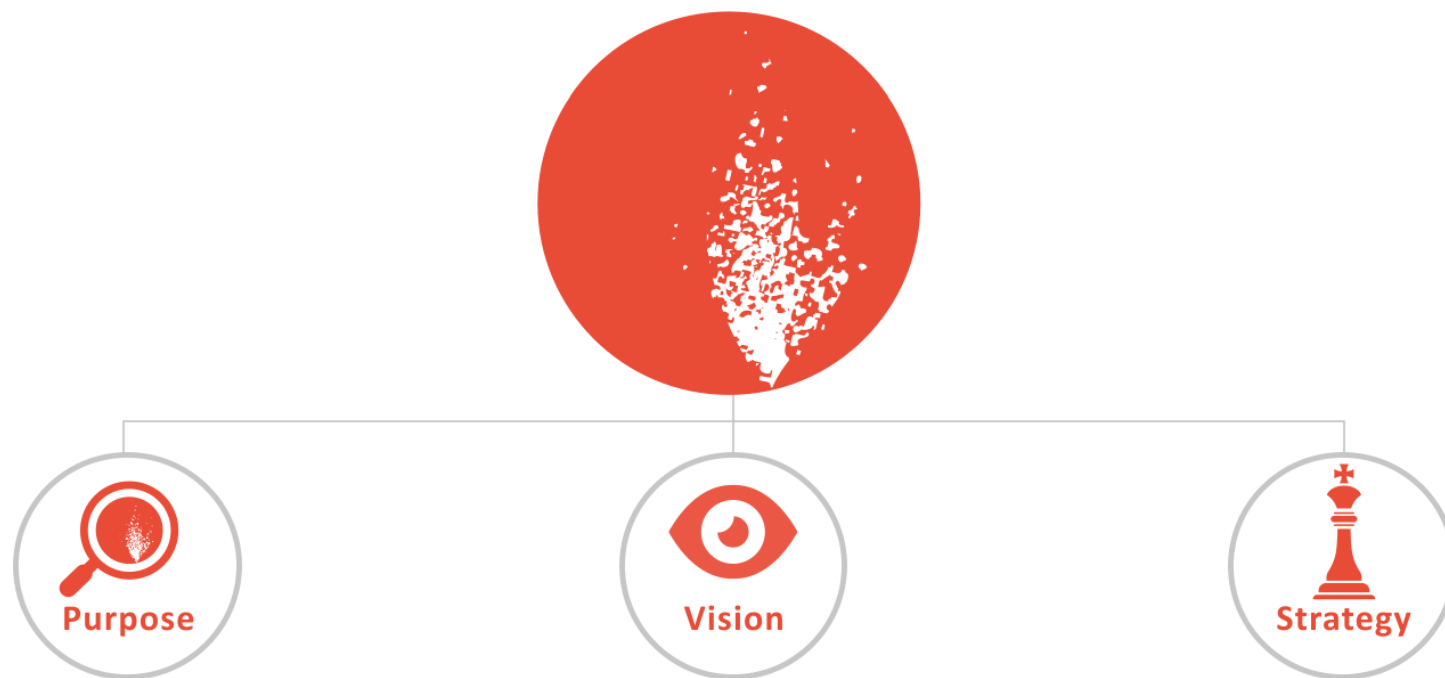
### Exploration Portfolio

- **Doolgunna Province Exploration**
- **Eastern Australia (NSW)**
- **Kalahari Exploration, Botswana and Namibia**



## Sandfire

Strong alignment  
of Purpose, Vision  
and Strategy



### **Creating value through opportunity**

We will continue to create value  
through opportunity for:

- Our shareholders
- Our shareholders
- Our employees
- The communities in which we operate
- Our customers
- Our suppliers and partners
- Innovation across industry

### **To build an international diversified and sustainable mining company**

### **Our strategic imperatives**

- Execute delivery
- Build a sustainable production pipeline
- Accelerate discovery
- Align and empower our people
- Optimise capital strategy and engagement



## Refreshing the Board, including new appointments in FY2021



**Ms Sally Langer**  
Independent NED  
Appointed 1 July 2020  
Northern Star - NED



**Mr John Richards**  
Independent NED  
Appointed 1 Jan 2021  
Northern Star – NED  
Sheffield Resources - NED



**Ms Jenn Morris**  
Independent NED  
Appointed 1 Jan 2021  
Fortescue Metals – NED

## Expanded operational and technical leadership team, with new senior management appointments

- **Dale Burgess, Country Head – Botswana:** Barrick Gold, mining engineer, 30 years of global industry experience - relocating to Botswana.
- **Richard Holmes, Head of Exploration:** Formerly the Head of Exploration and Growth at OZ Minerals Ltd, 25 years of global exploration, project evaluation and mine geology experience in base metals and gold.
- **David Wilson, Head of Business Development and Technical Services:** South 32, VP Planning and Projects, 30 years' global experience in strategy, operations, technical support, and asset optimisation.
- **Ben Crowley, Head of Investor Relations:** Macquarie Group, Associate Director - Equity Research Resources, extensive capital markets knowledge, with 20 years exploration and mine geology experience.

## Complimenting an already highly capable team

- **Rob Scargill, CEO of Sandfire Resources America Inc:** Continues to lead the delivery and execution of the Black Butte Copper Project in Montana, USA.
- **Ian Kerr, Project Director:** Responsible for the development of the Motheo Copper Mine in Botswana.
- **Greg Peden, GM Operations:** Continues to lead our team at the DeGrussa Operations.

## People

An expanded leadership team with the skills and experience to take us forward



## DeGrussa Operations

High-grade, high-  
margin production  
in Australia



CUMULATIVE PRODUCTION TO END OF FY2021

**over 650,000**

TONNES OF CONTAINED COPPER

**380,000**

OUNCES OF CONTAINED GOLD

**\$5.4 billion**

IN CUMULATIVE SALES  
REVENUE (TO END FY2021)\*

**\$2.5 billion**

IN CUMULATIVE OPERATING  
CASH-FLOW TO END OF FY2021\*  
(prior to exploration and evaluation  
expenditure)

**\$213 million**

(\$1.29 PER SHARE)  
IN CUMULATIVE  
DIVIDENDS TO SHAREHOLDERS

**\$700 million**

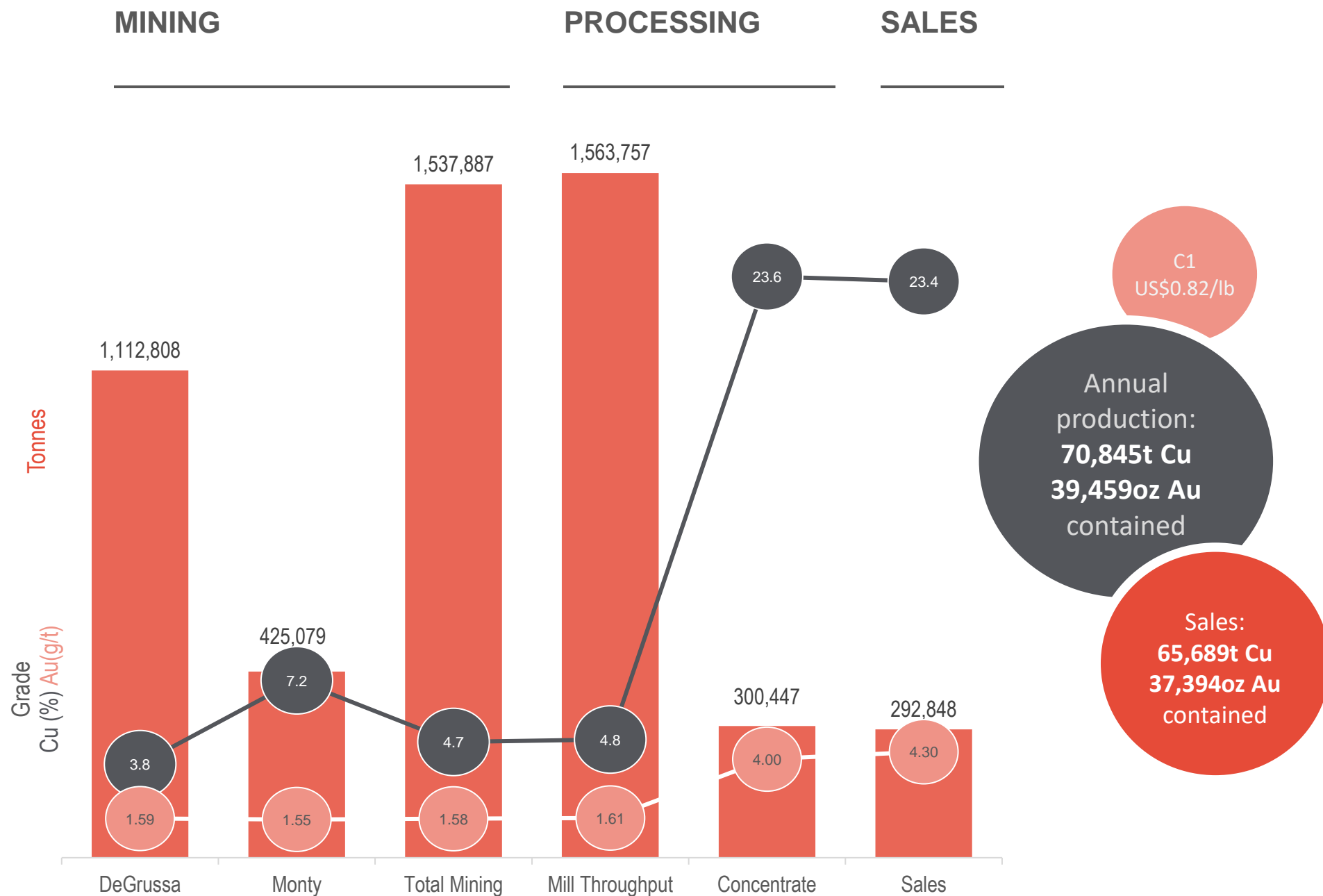
IN CUMULATIVE NET PROFIT  
AFTER TAX  
(attributable to members)

\*FY21 Revenue and Cash Flow is unaudited



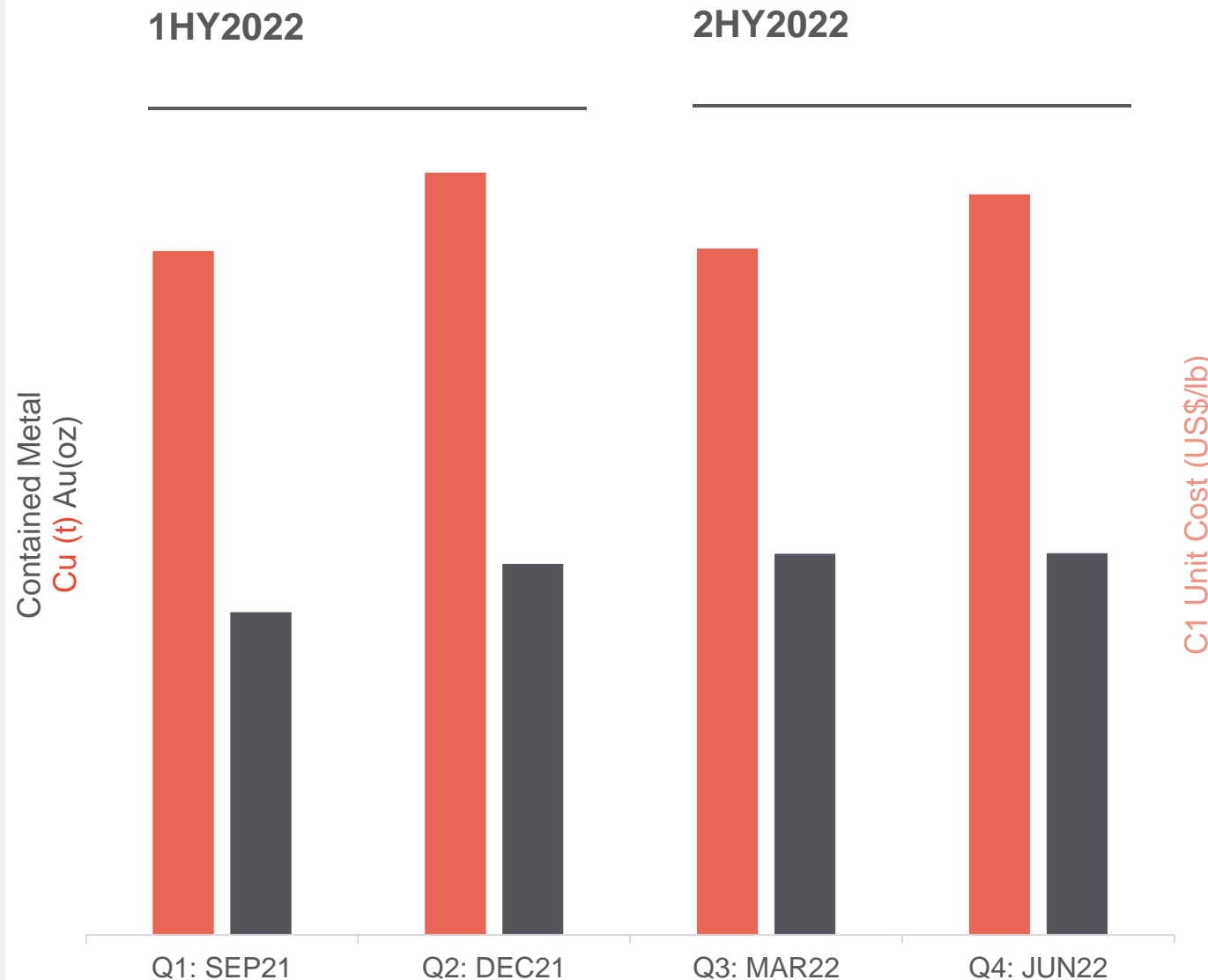
**FY2021**

Full Year  
Physicals

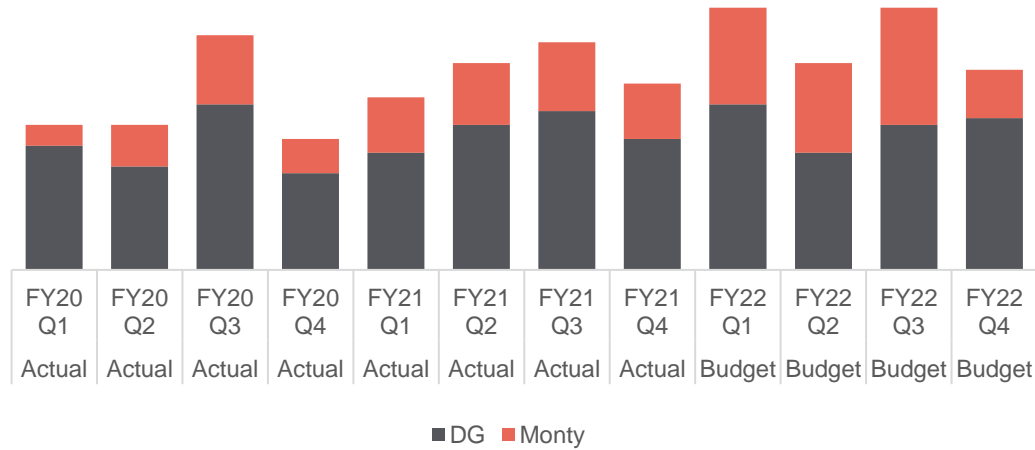


## FY2022

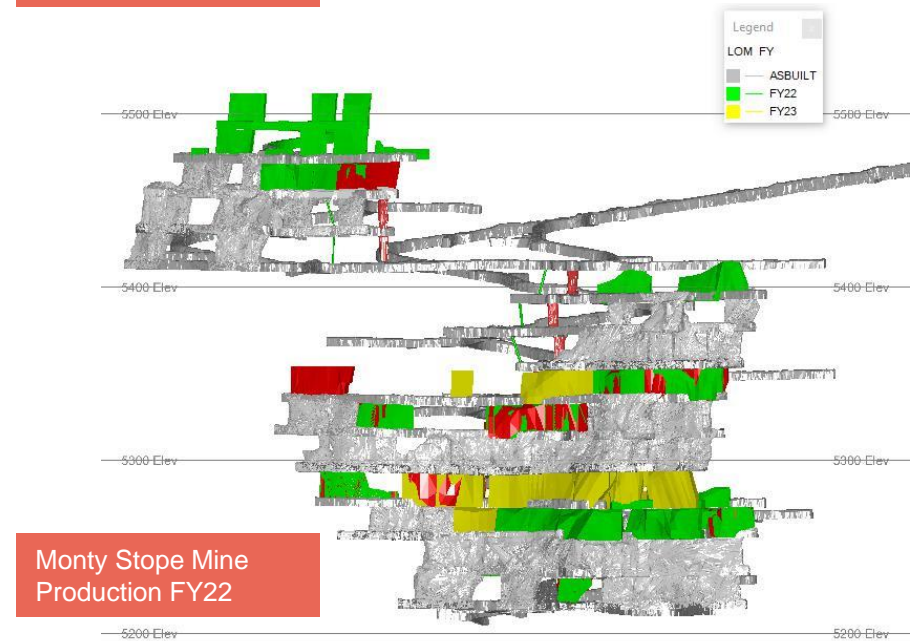
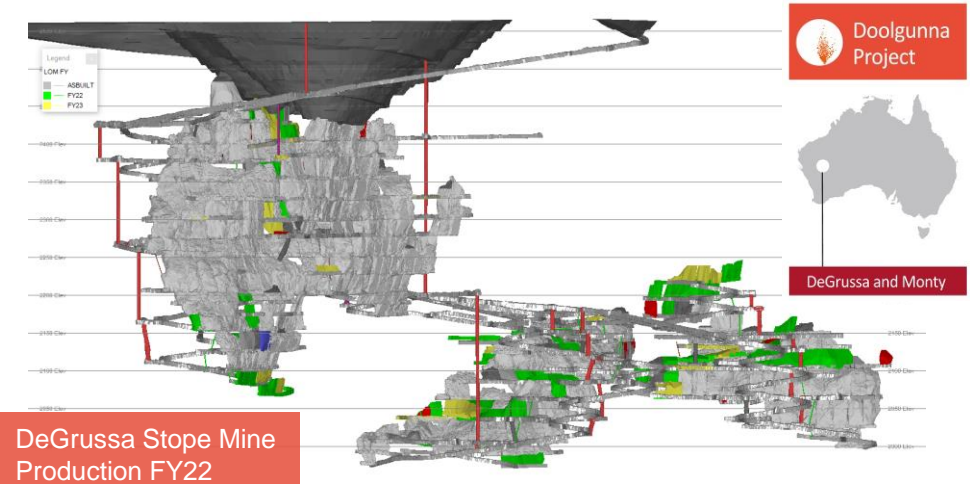
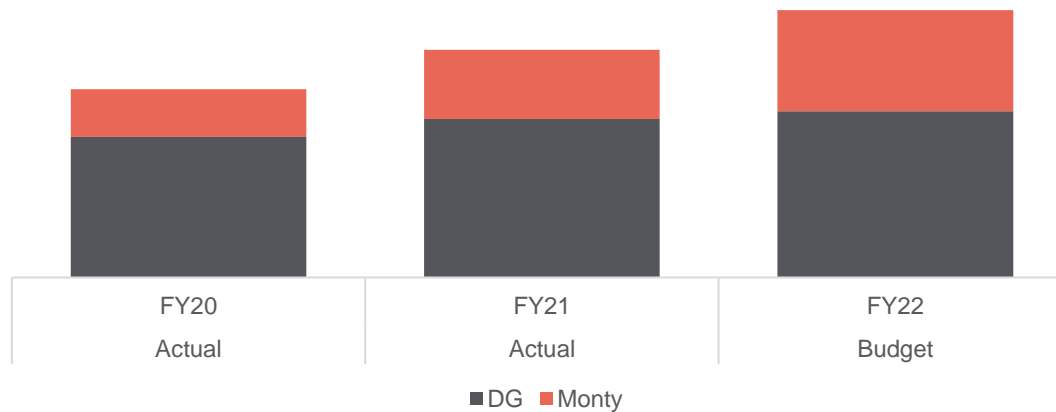
### Production and operating cost guidance



Quarterly Stope Turnover



Annual Stope Turnover



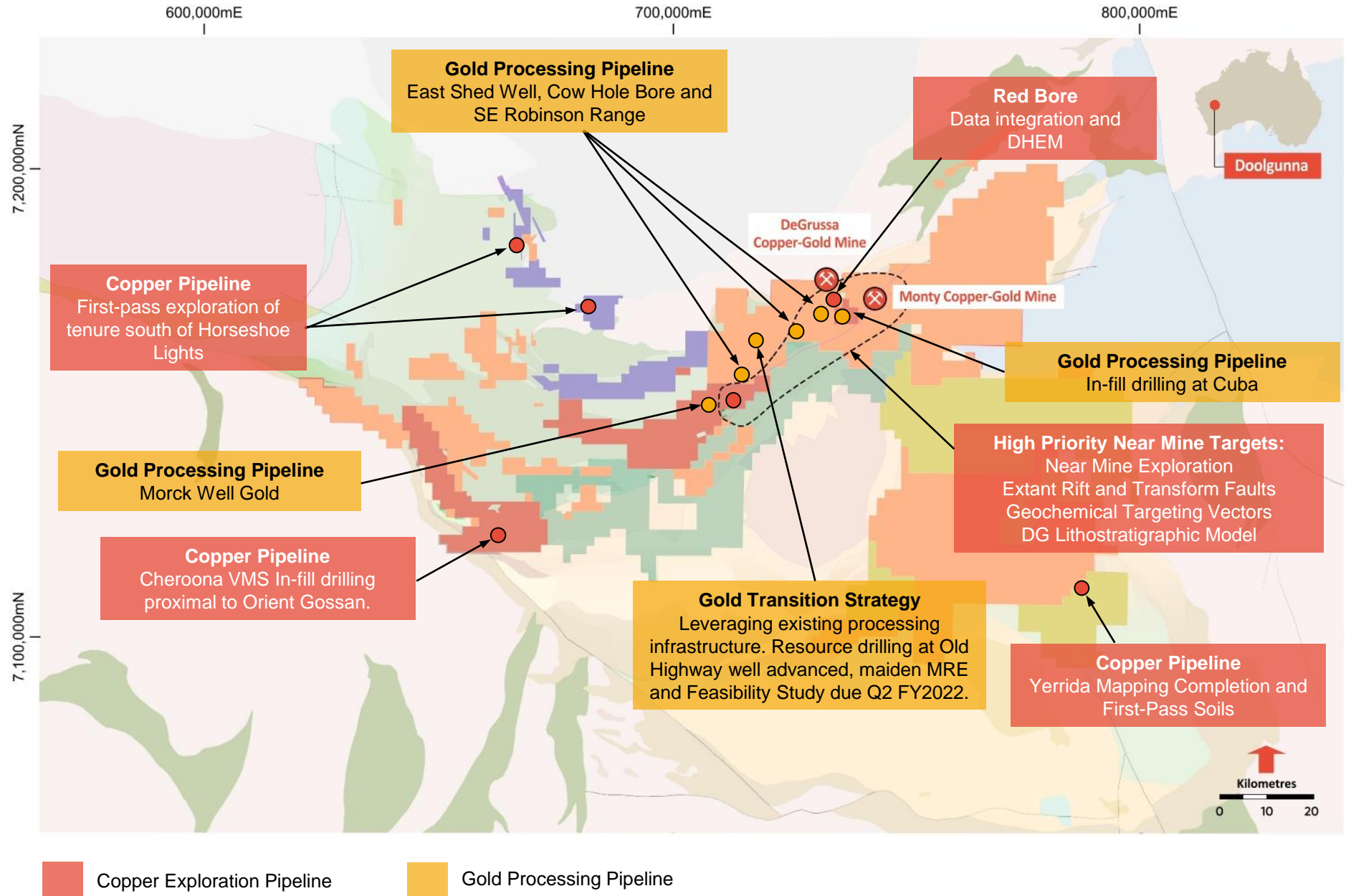


# Doolgunna

Dual-track exploration strategy

\$16 million

EXPLORATION BUDGET FOR FY2022

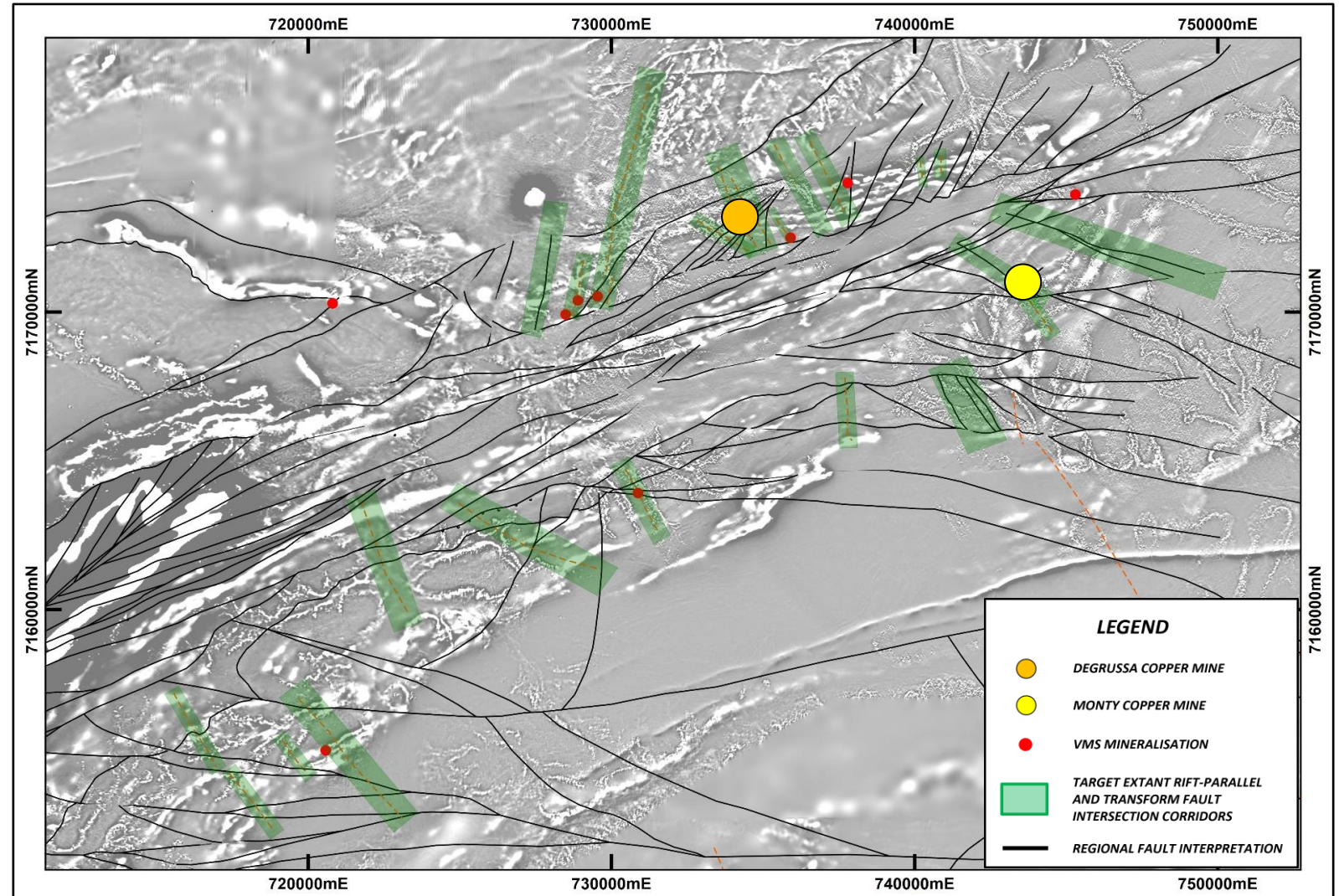


The Doolgunna region has undergone ~10 years of systematic exploration collecting high quality data.

The top ~500m has been effectively and comprehensively explored with success coming at the Monty discovery.

Significant opportunity occurs at depths of +500m, however a different approach to exploration is required.

- Refine structural and lithological model through collection of further geophysical data eg seismic, MT
- Data driven predictive modelling
- Drill the targets





Remaining resource definition drilling programs to commence in Q1:

## Central Deeps (Q1 – Q3):

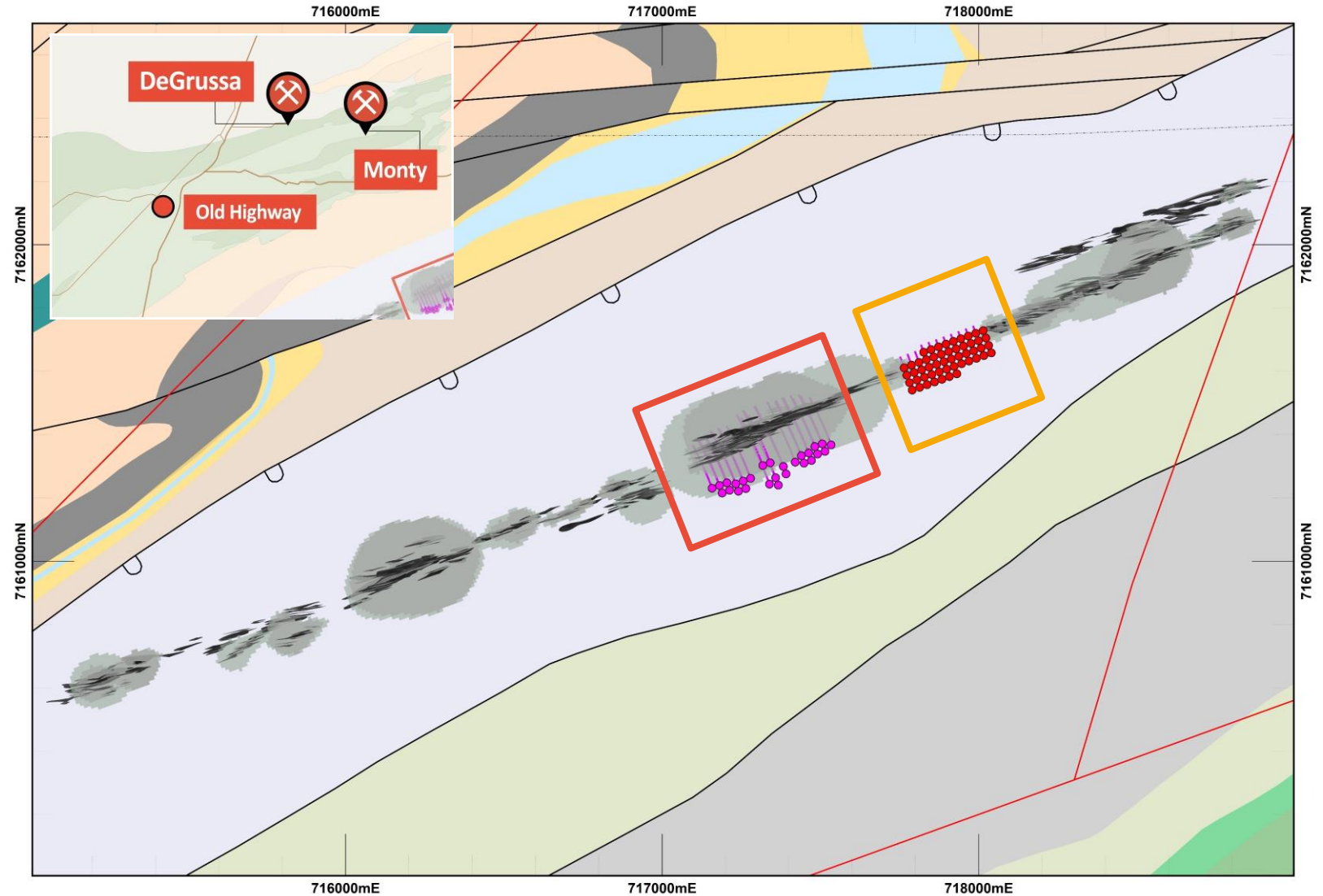
- 25m x 25m diamond drill pattern planned for extension drilling of Old Highway Deeps
- Multiple high-grade intercepts showing good continuity of mineralisation at depth



## Central-East Links (Q1 – Q2):

- 25m x 25m RC pattern planned over the area within the strike of the current resource

**\$7 million**

RES DEV AND STUDY  
BUDGET FOR FY2022



-  Central-East Links Drilling
-  Central Deeps



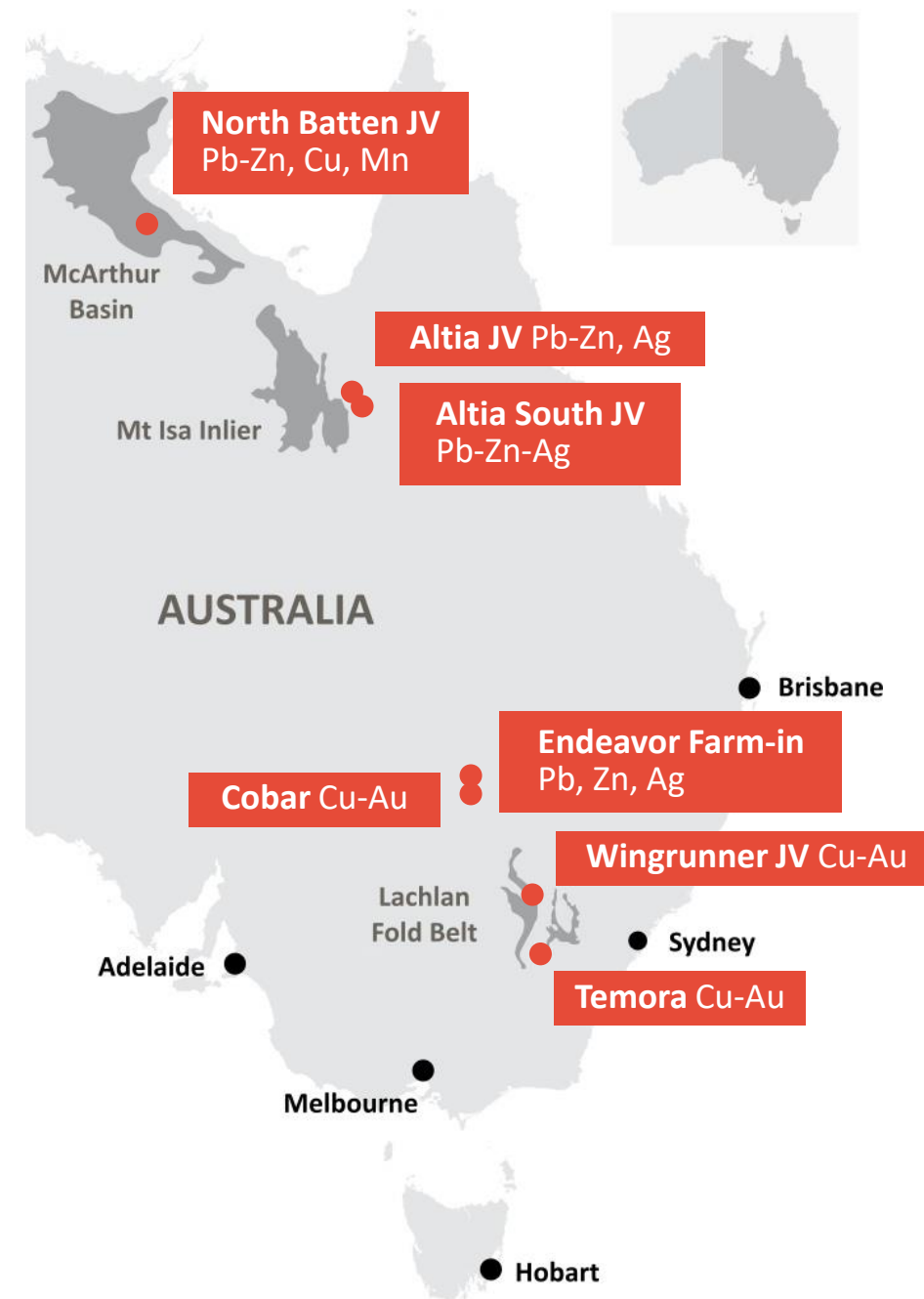
## Australia Eastern States

### Exploration Projects

**\$14 million**

EXPLORATION BUDGET  
FOR FY2022

- **Endeavor South** orebody extension diamond drilling (Q1 – Q2). Drill testing of new EM targets.
- **Endeavor Regional** diamond, RC and AC drilling and ground based geophysics (Q1 – Q4). Multiple Geochemical and geophysical anomalies.
- **Cobar** regional exploration pipeline (Q1 – Q4). Airborne magnetics, ground geophysics and Diamond and AC drilling on geophysical, structural and geochemical targets.
- **Fields** - Gidginbung trend (Q2 – Q3). Testing extensions to know low sulphidation mineralisation and conceptual porphyry targets with 3D geochemical modelling Diamond and AC drilling as well as IP surveys.





## Kalahari

Motheo Copper Mine opens an exciting new growth horizon



## Initial Feasibility

ESTIMATES (DECEMBER 2020)

AVERAGE ANNUAL PRODUCTION OF

**~30,000**

TONNES OF CONTAINED COPPER

**1.2M**

OUNCES OF CONTAINED SILVER

**US\$2.45  
billion**

IN LIFE-OF-MINE REVENUE

**US\$664  
million**

IN PRE-TAX FREE CASH-FLOW

**\$1.76/lb**

AISC IN FIRST 10 YEARS OF  
OPERATIONS

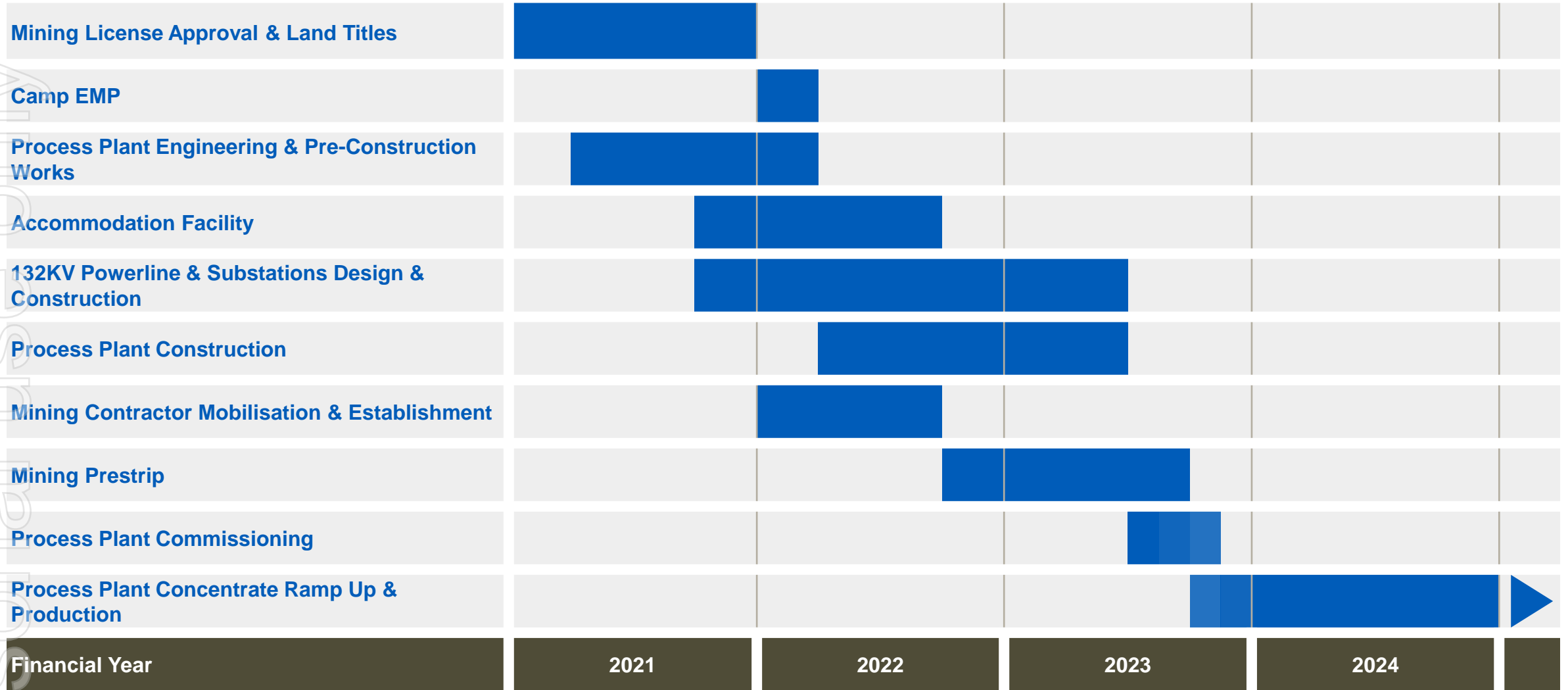
**US\$259 million**

CAPITAL COST INCLUDING  
CONTINGENCY

**Q4 FY2023**

FIRST CONCENTRATE PRODUCTION

# Sandfire Motheo Development Timeline





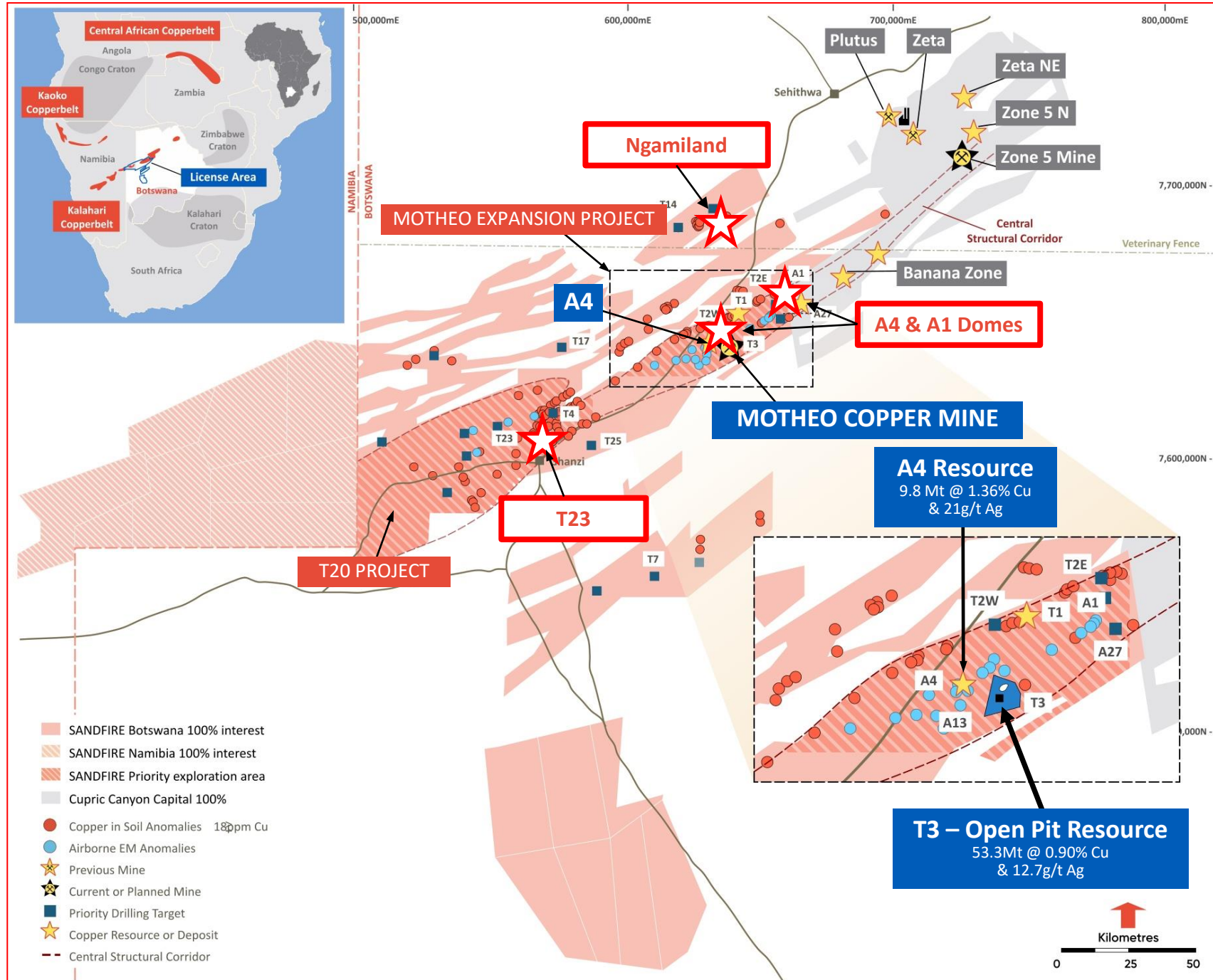


## Kalahari Copper Belt

Priority exploration targets for FY22

**\$23 million**

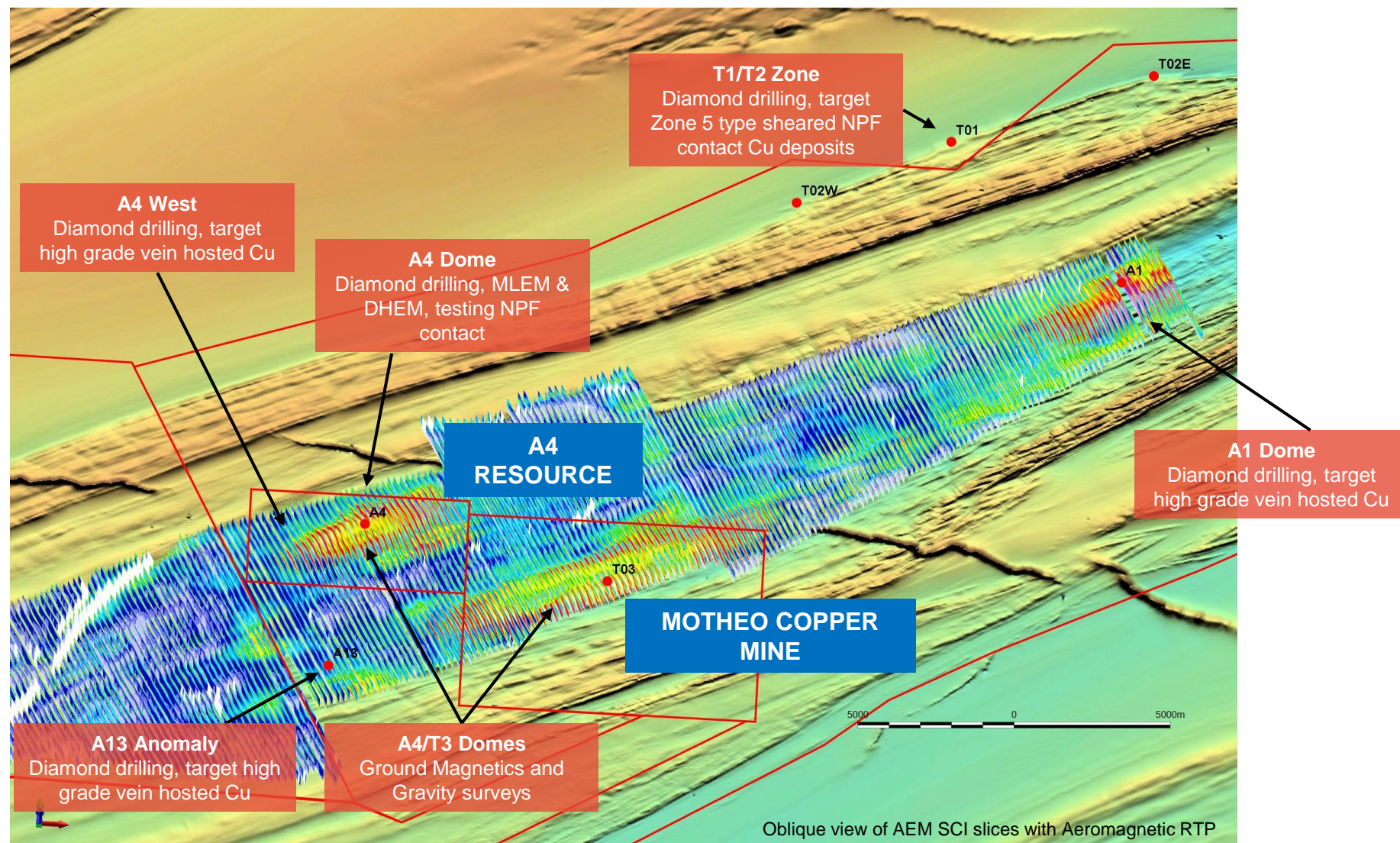
EXPLORATION BUDGET  
FOR FY2022



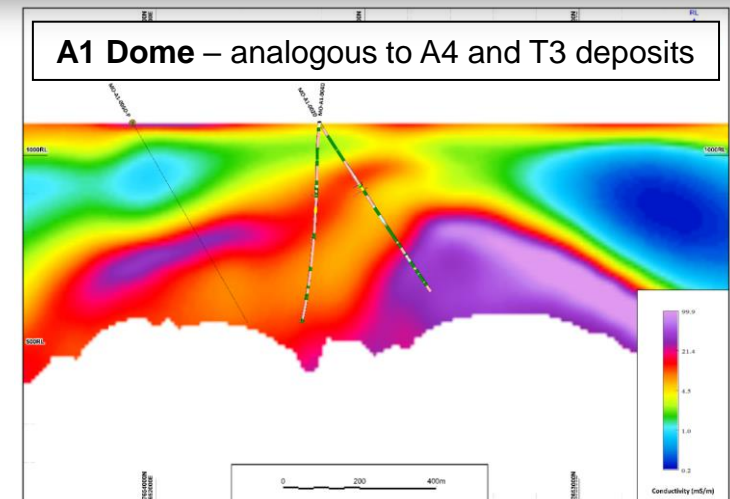
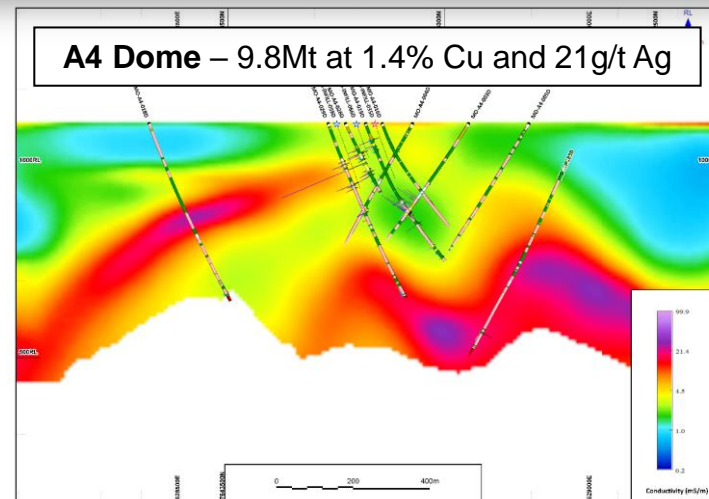
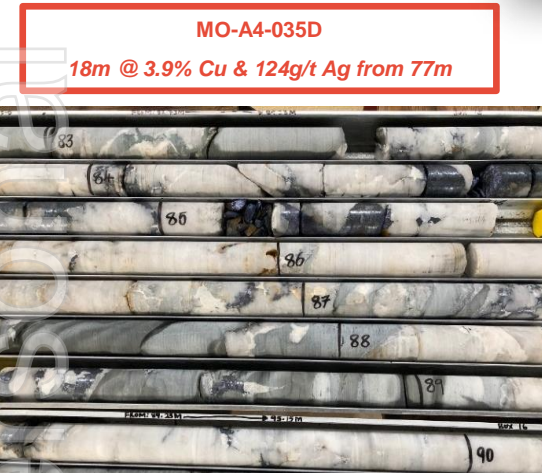
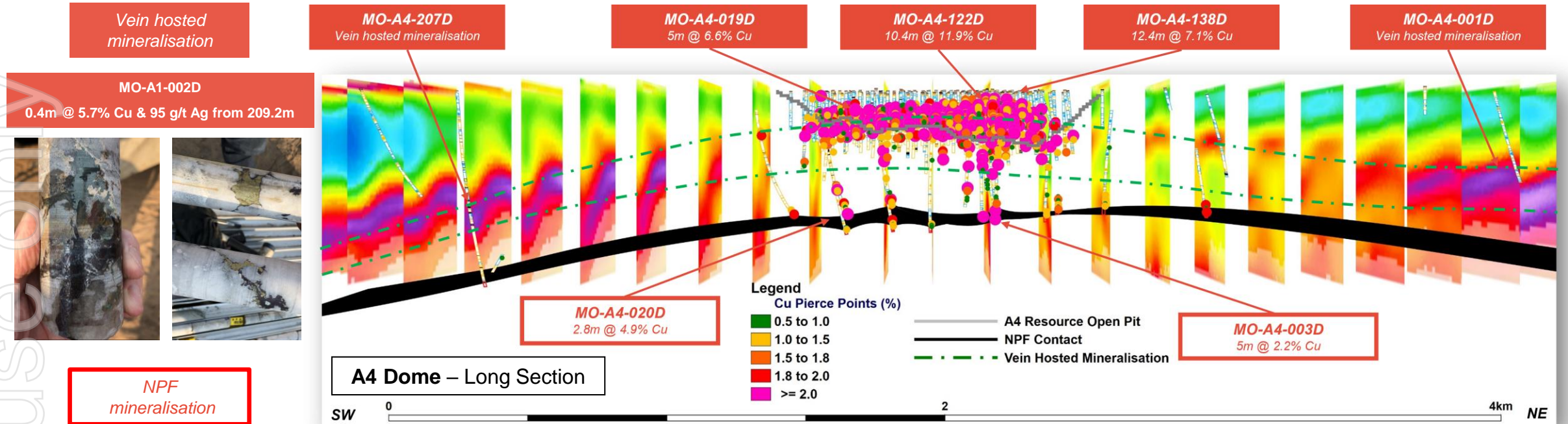


# Sandfire Motheo Production Hub – Expansion targets

- **Vein-hosted mineralisation** within the A4 Mineral Resource has delivered some outstanding intersections including a standout **35.7m at 7.1% Cu and 116g/t A4**.
- There is **potential for further high-grade vein-hosted mineralisation** along the A4 Dome and in other targets within the Motheo Expansion Project
- Ngwako Pan Formation (**NPF**) contact mineralisation is more typical of **sediment-hosted copper** deposits globally and hosts the **Zone 5** underground mine in the eastern part of the Kalahari Copper Belt









## Black Butte

Near-term  
development  
potential

### Initial Feasibility

ESTIMATES (OCTOBER 2020)

AVERAGE ANNUAL PRODUCTION OF

**23,000**

TONNES OF CONTAINED COPPER METAL

**8 YEAR**

MINE LIFE BASED ON 1.2MTPA  
PRODUCTION RATE

FORECAST LOM PRODUCTION  
OF

**189,500**

TONNES OF CONTAINED  
COPPER METAL

**A\$740 million**

IN PRE-TAX NET CASHFLOW

**US\$275 million**

CAPITAL COST INCLUDING  
CONTINGENCY



# Sandfire AMER | Black Butte Copper Project, USA






- Advanced, high-quality underground copper project in Tier-1 location
- 87% stake in the Black Butte Copper Project via interest in Sandfire Resources America Inc.
- One of the top-10 undeveloped copper projects worldwide by grade (Measured, Indicated and Inferred Resources of 391,000t of contained copper at ~3%)<sup>1</sup>
- Johnny Lee deposit fully-permitted with early project works complete
- Enhancement of Feasibility Study being progressed
- Exploration program underway within the Mining Lease targeting potential extensions and other near-mine opportunities
- Highly encouraging drilling results from the Lowry deposit demonstrates potential upside
- Continuing to respond to and deal with legal challenges
- Aiming to advance towards a project development decision

<sup>1</sup> Refer Sandfire ASX Announcement, dated 30 October 2019. Excludes the Lowry Resource.





## Key takeaways

- 
**Global vision** – our transformation into a diversified, international and sustainable mining company is underway
- 
**Strong growth platform** – DeGrussa cash-flows, debt-free balance sheet and \$574m in group cash
- 
**New production hub** – construction of Motheo Copper Mine in Botswana underway
- 
**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



### **T3 Ore Reserve**

The information in this report that relates to Open Pit Ore Reserves, is based on information compiled by Mr Jake Fitzsimons who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Fitzsimons is employed by Orelogy Consulting Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fitzsimons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **DeGrussa and Monty Ore Reserve**

The information in this report that relates to Ore Reserves is based on information compiled by Mr Neil Hastings who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hastings is a permanent employee of Sandfire and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hastings consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Johnny Lee Ore Reserve**

The information in this announcement that relates to the Johnny Lee Ore Reserve is based on information compiled by Mr Brad Evans (MAusIMM, CP(Mining)). Mr Evans has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserve. Mr Evans consents to the inclusion of the matters based on his information in the form and context in which it appears.

### **DeGrussa, Monty, T3 and A4 Mineral Resource**

The information in this report that relates to Mineral Resources is based on information compiled by Mr Callum Browne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne is a permanent employee of Sandfire and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Browne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



### **Johnny Lee and Lowry Mineral Resource**

The information in this announcement that relates to the Johnny Lee and Lowry Mineral Resources is based on information compiled by Mr Erik Ronald (M. Eng., P.Geo, RM-SME, Principal Resource Geology Consultant, SRK). Mr Ronald has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserve. Mr Ronald consents to the inclusion of the matters based on his information in the form and context in which it appears.

### **Exploration Results – Tshukudu**

The information in this report that relates to Exploration Results at the Tshukudu Exploration Project, Botswana is based on information compiled by Mr Julian Hanna who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hanna is a permanent employee of Sandfire and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hanna consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Exploration Results – Doolgunna**






The information in this report that relates to Exploration Results at Doolgunna is based on information compiled by Mr Ian O'Grady who is a Member of the Australian Institute of Geoscientists. Mr O'Grady is a permanent employee of Sandfire and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr O'Grady consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Exploration and Resource Targets**

Any discussion in relation to the potential quantity and grade of Exploration and Resource Targets is only conceptual in nature. While Sandfire is continuing exploration programs aimed at reporting additional JORC compliant Mineral Resources, 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.



## Contact Details

-  Level 2, 10 Kings Park Road, West Perth WA 6005 Australia
-  PO BOX 1495, WEST PERTH WA 6872 AUSTRALIA
-  +61 8 6430 3800
-  +61 8 6430 3849
-  [www.sandfire.com.au](http://www.sandfire.com.au)