ASX: SFR

23 September 2021

Not for release to U.S. wire services or distribution in the United States

Transformational acquisition of the MATSA Mining Complex in Spain and A$1,248 million equity raising

MATSA is a world-class copper asset which immediately transforms Sandfire into a leading diversified global base metals producer, and one of Australia's largest copper focused producers

- Sandfire has entered into a binding sale and purchase agreement with Trafigura and Mubadala Investment Company (the "**Vendors**") to acquire 100% of Minas De Aguas Teñidas ("**MATSA**") for a total consideration of US$1,865 million (A$2,572 million)[1]
- The agreed transaction delivers Sandfire the MATSA mining complex in Spain, which comprises three underground mining operations feeding a world-class 4.7Mtpa central processing facility with state-of-the-art infrastructure producing 100-120ktpa CuEq per annum
- Provides Sandfire exposure to a long-life and first-quartile low-cost operation, with ~12 years mine life based on Resources and significant life extension and exploration potential, and a successful track record of replacing and growing Resources and Reserves
- Transaction immediately transforms Sandfire into one of Australia's largest copper focussed producers with proforma FY22 production of 170-194kt CuEq at a MATSA C1 cost of US$0.4-0.5/lb and DeGrussa C1 cost of US$1.0-1.1/lb[2]
- Consideration of US$1,865M implies an acquisition multiple of 4.8x MATSA's FY21 EBITDA of US$387M[3] - compares favourably to the median EBITDA trading multiple of global peers[4]
- Sandfire to fund the Transaction through a combination of a US$650M (A$897M) syndicated and underwritten debt facility secured by MATSA, an A$1,248M (US$905M) fully underwritten equity raising, A$297M (US$215M) from existing cash reserves and the drawdown of A$200M (US$145M) corporate debt facility
- AustralianSuper, Australia's largest superannuation fund, has committed to subscribe for A$120M of the Placement, and to further sub-underwrite up to A$150M of the Retail Entitlement Offer
- Sandfire intends to retain MATSA's highly experienced in-country management team and supplement with Sandfire's complementary skill set and capabilities, particularly with VMS deposits
- The acquisition of MATSA is expected to be accretive to Sandfire's earnings and cash flow per share in its first full year of ownership (FY23), transforming Sandfire's growth trajectory and providing a cornerstone asset with an anticipated mine life of over 10 years
- MATSA has significant regional upside potential across the highly-prospective Iberian Pyrite Belt, Spain (one of the world's largest concentrations of VMS copper-zinc mineralisation) – providing a strong foundation for Sandfire's future
- The transaction is expected to complete in the March 2022 quarter, with key conditions precedent including Spanish Foreign Direct Investment and Anti-trust Merger approval

[1] Acquisition price of A$2,572 million calculated using an AUD:USD exchange rate of 0.725.
[2] Proforma assumes full year of MATSA production added to Sandfire's guidance for FY22 for illustrative purposes. The Transaction is expected to complete in the March 2022 quarter. C1 costs are net of by-products credits.
[3] Excluding hedging.
[4] Based on FY21 EV/EBITDA trading multiples. Refer to page 25 of the Investor Presentation for further details on peer trading multiples.

Transaction Overview

Sandfire Resources Limited ("**Sandfire**", **the** "**Company**" or **the** "**Group**") (ASX: SFR) is pleased to announce that it has entered into a binding sale and purchase agreement ("**SPA**") with Trafigura and Mubadala Investment Company to acquire 100% of MATSA for a total consideration of US$1,865M (A$2,572M)[5] (the "**Transaction**" or "**Acquisition**").

MATSA is a large, high-quality, low-cost[6], long-life underground copper operation located in the highly regarded Iberian Pyrite Belt of Spain. With proforma FY22 Sandfire group production forecast to be 170-194kt CuEq[7,8], the Transaction transforms Sandfire into one of Australia's largest copper focused producers. Post-acquisition, Sandfire will be a globally relevant copper producer with a diversified production base by jurisdiction and commodity, and outstanding organic growth potential.

The Transaction is expected to complete in the March 2022 quarter, with key conditions precedent including Spanish Foreign Direct Investment and Anti-trust Merger approval, both of which are customary for acquisitions in Spain. Sandfire has agreed to pay a US$300M deposit of which US$100M is paid on signing of the SPA and US$200M to be paid 10 business days thereafter.

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

"Base metal assets which offer this combination of scale, grade, mine life and exploration upside are extremely rare globally. The MATSA acquisition transforms Sandfire into a first quartile copper producer of global scale and allows us to leverage our skill set to deliver on our growth ambitions to create one of the highest quality and most compelling copper exposures on the ASX.

The high-quality debt and equity funding package we have secured ensures that we can fully-fund the acquisition of this Tier-1 asset while retaining balance sheet flexibility to deliver our Motheo Copper Mine in Botswana and maintain a global exploration program."

[5] Subject to completion adjustments.
[6] First quartile, Wood Mackenzie Global Copper Cost Curve (Q3 2021, composite basis)
[7] FY22 based on DeGrussa guidance and MATSA guidance assuming full year of production for illustrative purposes.
[8] CuEq based on realised pricing for actuals and broker consensus forecast pricing, refer to page 7 of the Investor Presentation

MATSA Overview

MATSA is located in Andalusia, Spain and is part of the highly regarded Iberian Pyrite Belt, which has one of the world's largest concentrations of VMS copper-zinc mineralisation's. MATSA is an established copper operation, with first commercial production achieved in 2009 and over US$1.7 billion of capital invested into the project since 2005, including the expansion of the processing facility from 1.5Mtpa to 4.7Mtpa and development of additional underground mining areas, including the Magdalena discovery in 2013.

FY2022 proforma production guidance of 100-120kt CuEq[7,8] at a C1 cash cost of US$0.40-0.50/lb[7].

The MATSA complex comprises the Aguas Teñidas, Magdalena and Sotiel underground mines, and a 4.7Mtpa central processing facility at Aguas Teñidas. Ore Reserves of 36Mt at 1.8% Cu (3.1% CuEq) and Mineral Resources of 122Mt at 1.5% Cu (3.3% CuEq)[9]. MATSA has a strong track record of resource to reserve conversion, plus ~2,450km^2 of highly prospective regional exploration tenure across Spain and Portugal.

MATSA's Ore Reserves support a 6-year reserve life, with visibility on ~12 years from Resources and significant potential for extended mine life from near-term growth opportunities.

Spain is a mining friendly jurisdiction with a well-established and transparent permitting process (all permits are currently in place for MATSA's operating mines). There is world-class infrastructure and logistics in the region, including national roads to port, with reliable access to power and water, and several listed copper producers have existing operations surrounding MATSA.

All three of the existing mines remain open along strike and at depth, with Magdalena discovered by the MATSA team in just 2013. Several potential new mining centres have been identified adjacent to existing operations, with the targets not currently included in the MATSA mine plan or Mineral Resource.

The low operating cost translates to strong margins and free cash flow generation, with the acquisition of MATSA for US$1,865M implying an acquisition multiple of 4.8x MATSA's FY21A EBITDA (US$387M excluding hedging). The acquisition is also expected to be accretive to Sandfire's earnings and cash flow per share in its first full year of ownership (FY23).

As part of the Transaction, Sandfire will retain the life of mine concentrate offtake agreement with Trafigura for 100% of offtake from MATSA. The terms of the offtake agreement have been revised and agreed as part of the Transaction to reflect independent go-forward operations. The offtake relationship with Trafigura provides a long-term marketing partner which builds on Sandfire's already well-established relationship with Trafigura via DeGrussa and potentially Motheo. Trafigura is one of the world's leading independent commodity trading and logistics houses and will facilitate global distribution and access to state-of-the-art port, blending and marketing facilities.

[9] CuEq based on assumed long-term real consensus price assumptions. Refer to the Appendix for Ore Reserve and Mineral Resource disclosure information.

Acquisition funding

The US$1,865M (A$2,572M[10]) cash consideration and associated US$50M (A$69M) transaction costs, acquisition funding of US$1,915M (A$2,641M), will be funded through a combination of:

- A$1,248 million (US$905M[10]) fully underwritten equity raising consisting of;
    - A$120M strategic placement to AustralianSuper ("**Strategic Placement**");
    - A$165M institutional placement ("**Institutional Placement**") (together with the Strategic Placement, the "**Placement**"); and
    - A$963 million 1 for 1 accelerated non-renounceable entitlement offer ("**Entitlement Offer**" and together with the Placement, the "**Offer**" or the "**Equity Raising**").
- US$650 million (A$897M[10]) syndicated and underwritten debt facility secured against MATSA;
- A$200 million (US$145M[10]) corporate debt facility secured against DeGrussa, and
- A$297 million (US$215M[10]) funded through existing cash reserves of A$681M[11].

Sandfire has entered into a binding credit-approved underwritten commitment letter and term sheet with Citi, Macquarie Bank, Natixis and Société Générale to provide the US$650M syndicated and underwritten debt facility. Natixis and Société Générale are existing lenders to MATSA and drawdown is expected to occur on completion of the transaction. The syndicated debt facility fully amortises over its scheduled term (5 years from drawdown) and contains customary provisions including a cash sweep. The facility is expected to be fully repaid within 4 years of drawdown due to forecast strong cashflows from MATSA.

The syndicated debt facility will be fully supported by MATSA cashflows[12], without any required contribution from Degrussa or other Sandfire assets. Security for the facility is limited to MATSA, with no recourse to Sandfire or other Sandfire assets.

Sandfire has also entered into a binding credit-approved commitment letter and term sheet with ANZ to provide a A$200M corporate debt facility. This is a short-term facility for ~12 months, supported by DeGrussa cash flows over its remaining mine life, with recourse to Sandfire.

The syndicated and ANZ debt facilities include a number of conditions precedent to drawdown which are customary for facilities of this nature, including completion of full form documentation.

[10] FX conversion assumes AUD/USD exchange rate of 0.725.
[11] As at 30 June 2021, includes Sandfire's liquid stake in Adriatic Metals, valued at A$100M at the last close price of A$2.89/sh.
[12] MATSA to undertake commodity hedging to support the syndicated debt facility, with 30-40% of copper and zinc concentrates production to be hedged for the first three years.

Equity Raising

As noted above, the Acquisition will be partially funded by the Equity Raising, being the issue of new fully paid ordinary Sandfire shares ("**New Shares"**) to certain eligible investors to raise approximately A$1,248 million at an issue price of A$5.40 per share ("**Offer Price"**). The Equity Raising is fully underwritten and consists of the Placement and the Entitlement Offer.

Sandfire has received an ASX waiver of Listing Rule 7.1 to enable expanded Tranche 1 Placement capacity given both the institutional and retail components of the Entitlement Offer are fully underwritten. Up to approximately 231 million New Shares are to be issued under the Offer representing approximately 129.6% of current issued capital of Sandfire.

The Offer price of A$5.40 per share represents a:

- 13.2% discount to Sandfire's last traded price of A$6.22 per share on 22 September 2021; and
- 6.2% discount to the theoretical ex-rights price (**TERP**) of A$5.76[13] on 22 September 2021.

Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares in Sandfire on issue. Sandfire will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX.

AustralianSuper, Australia's largest superannuation fund, has committed to subscribe for A$120M of the Placement, and to further sub-underwrite up to A$150M of the retail component of the Entitlement Offer ("**Retail Entitlement Offer**"). AustralianSuper has made this commitment after conducting its own due diligence on Sandfire, MATSA and the Transaction. Following completion of the Offer, AustralianSuper is expected to emerge with approximately 5.4 – 12.2% of Sandfire, subject to the level of take-up of the Retail Entitlement Offer.

The material terms of the Underwriting Agreement are included in the Annexure. If the acquisition does not proceed, the Company will need to consider alternative uses or mechanisms to return surplus funds raised under the Offer, including, but not limited to, a return of capital, balance sheet management, working capital and/ or alternative investment opportunities.

Citigroup Global Markets Australia Pty Ltd and Macquarie Capital (Australia) Limited are acting as Joint Lead Managers and Underwriters to the Placement and Entitlement Offer. The Offer is fully underwritten, subject to the terms of an underwriting agreement ("**Underwriting Agreement**").

Entitlement Offer

Under the Entitlement Offer, eligible shareholders are invited to subscribe for one New Share for every one existing share held as at 5.00pm AWST (7.00pm AEST) on 27 September 2021 ("**Record Date**").

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable.

[13] TERP is the theoretical price at which Sandfire shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Sandfire's shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. The TERP also includes New Shares to be issued under the Placement

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the institutional component of Entitlement Offer ("**Institutional Entitlement Offer**"), which will take place today and is expected to raise approximately A$626M. Eligible institutional shareholders can choose to take up all, part or none of their entitlement. Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, will be offered to eligible institutional shareholders who apply for New Shares in excess of their entitlement, as well as certain other eligible institutional investors, through an institutional shortfall bookbuild ("**Institutional Bookbuild**") to be conducted concurrently with the Institutional Entitlement Offer. The Institutional Entitlement Offer is fully underwritten.

Sandfire's shares will not recommence trading on the ASX until the Institutional Entitlement Offer and Institutional Bookbuild are completed.

Retail Entitlement Offer

The Retail Entitlement Offer will be open from 30 September 2021 to 13 October 2021 to eligible retail shareholders with a registered address in Australia or New Zealand as at the Record Date. A Retail Offer Booklet in respect of the Offer is expected to be mailed to eligible retail shareholders on or before 30 September 2021.

Eligible retail shareholders can choose to take up all, part or none of their entitlement.

The Retail Entitlement Offer is fully underwritten, and supported by AustralianSuper who has committed to sub-underwrite up to A$150M.

Indicative Timetable[14]

Event	Date
Announcement of Equity Raising	Thursday, 23 September 2021
Placement and Institutional Entitlement Offer Opens	Thursday, 23 September 2021
Announcement of results of Placement and Institutional Entitlement Offer	Monday, 27 September 2021
Trading halt lifted and shares recommence trading	Monday, 27 September 2021
Entitlement Offer record date	Monday, 27 September 2021
Retail Entitlement Offer opens, and Retail Offer Booklet dispatched	Thursday, 30 September 2021
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 4 October 2021
Allotment and commencement of trading of New Shares under the Placement and Institutional Entitlement Offer	Tuesday, 5 October 2021
Retail Entitlement Offer closes	Wednesday, 13 October 2021
Announcement of results of Retail Entitlement Offer	Monday, 18 October 2021
Settlement of New Shares issued under the Retail Entitlement Offer	Tuesday, 19 October 2021
Allotment of New Shares under the Retail Entitlement Offer	Wednesday, 20 October 2021
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Thursday, 21 October 2021
Announcement of Equity Raising	Thursday, 23 September 2021
Placement and Institutional Entitlement Offer Opens	Thursday, 23 September 2021
Announcement of results of Placement and Institutional Entitlement Offer	Monday, 27 September 2021
Trading halt lifted and shares recommence trading	Monday, 27 September 2021
Entitlement Offer record date	Monday, 27 September 2021

All dates and times are indicative and subject to change.

An Appendix 3B for the New Shares to be issued, Investor Presentation and Cleansing Statement follow this announcement. For those shareholders who have elected to receive documents from the Company via email, they will receive the Entitlement Offer documents and their personal entitlement and acceptance form directly to their nominated email address.

Advisors

Sandfire is advised by Macquarie Capital as financial advisor, Allen & Overy as legal advisor and BurnVoir Corporate Finance as debt advisor in relation to the acquisition. Natixis acted as advisor to the Board.

Gilbert + Tobin is Sandfire's Australian legal advisor in respect of the Equity Raising.

[14] These timings are indicative only and subject to variation. SFR reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. All references are to Australian Standard Time (AEST) In particular, the Company reserves the right to either, generally or in particular cases, extend the closing date of the institutional or retail components of the Entitlement Offer, to accept late applications or to withdraw the Entitlement Offer prior to the issue of the relevant securities without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

Further Information

Further details of the Offer and Transaction are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Offer.

Investor call and webcast

Sandfire's Managing Director (Karl Simich), Chief Financial Officer (Matthew Fitzgerald), Chief Operating Office (Jason Grace) and Head of Investor Relations (Ben Crowley), will host a conference call and webcast today at 9:00am AWST (11:00am AEST). Dial-in details for the call and the webcast link can be found below

Meeting Title:	Sandfire Conference Call
Date:	23 September 2021
Conference ID:	10016879
Dial-in Numbers:	
Australia Toll Free:	1800 265 784
Australia Local Number:	+61 7 3107 6325

To listen in live, please click on the link below and register your details:

https://s1.c-conf.com/diamondpass/10016879-u28rnj.html

Please note it is best to log on at least 5 minutes before 9:00am AWST (11:00am AEST) on 23 September 2021 to ensure you are registered in time for the commencement of the presentation.

Investors are advised that, in addition to the live webcast, a recording of the presentation will be available on the Sandfire website (www.sandfire.com.au) upon the conclusion of the webcast.

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 the Board of Directors of Sandfire.

Summary of the Share Purchase Agreement

Overview	Sandfire has entered into a Sale and Purchase Agreement ("**SPA**") with MIC Global Mining ventures, S.L.U. ("**Mubadala**") and Iberian Holdings S.A ("**Trafigura**")(together, the "**Vendors**"). Under the terms of the SPA, the Vendors has agreed to sell 100% of Minas de Aguas Tenidas S.A. ("**MATSA**") to Sandfire. The total purchase price payable by Sandfire on completion of the Sale and Purchase Agreement is US$1,865 million. The purchase price is subject to net debt and working capital adjustments.
Conditions Precedent	Completion of the Transaction is subject to Sandfire obtaining approval from the Foreign Investment Authority in relation to Foreign Direct Investment in Spain, and Antitrust Merger Approval. The latest date on which these conditions can be satisfied is 31 March 2022, after which either the Vendors or Sandfire may terminate.
Termination events	There are a limited number of termination rights under the SPA. Sandfire is entitled to terminate the agreement in the event or circumstance which causes prolonged physical damage or destruction to the asset (after meeting certain specified thresholds).
Escrow deposit	Sandfire has agreed to pay a US$300 million deposit to an escrow agent. US$100 million will be paid to the Vendors on signing the SPA and US$200 million will be paid within 10 business days. In the event of Sandfire's fails to complete the transaction (excluding due to failure to receive the Foreign Direct Investment Approval or Antitrust Merger Approval or the accepted termination events), Sandfire would forfeit US$100 million to the Vendors. It has also been agreed that Sandfire forfeiting the deposit is not the sole remedy available to the Vendors in these circumstances.
Representation / Warranties	Representations and warranties are given by the Seller in relation to the Target subject to customary limitations on liability.

Summary of Underwriting Agreement for the Equity Raising

Overview	Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**Underwriters**) are appointed severally as the exclusive underwriters, bookrunners and lead managers to the Entitlement Offer. The Company has entered in an underwriting agreement with the Underwriters in respect of the Entitlement Offer (**Underwriting Agreement**). The Underwriting Agreement is subject to certain terms and conditions which are customary for an Underwriting Agreement of this type, including conditions precedent, representations, warranties and indemnities (in favour of the Underwriters), undertakings in favour of the Underwriters and termination rights. In particular, the Underwriting Agreement contains various representations and warranties by the Company relating to the Company and its business, including information provided to the Underwriters and disclosed to the ASX. The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Underwriters and the ASX within prescribed periods. Time is of the essence in the Underwriting Agreement. Terms capitalised in the following table that are not defined in the Glossary have the meaning given to those terms in the Underwriting Agreement.
Termination events	An Underwriter may, in certain circumstances, terminate its obligations under the Underwriting Agreement if any of the following termination events (among others) occur by giving written notice to the Company (some of which are subject to a market standard materiality qualifier): • (**Available cash balance**) the Company ceases to maintain an available cash balance that will allow it to fund the cash consideration for the Acquisition (in addition to the proceeds of the Offer and drawdowns under the Debt Facilities) as well as ordinary working capital); • (**Acquisition**) The Company decides not to proceed with the Acquisition, withdraws any offer made to the vendors on connection with the Acquisition, the seller exclude The Company from any process in relation to the Acquisition or inform the Company it will not be the acquirer of the asset the subject of the Acquisition; • (**Information Documents**) a material statement contained in the information documents released to ASX in connection with the Offer (**Information Documents**) is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive (including by omission), in a material respect, or any statement about a future matter expressed in the Information Documents becomes false is a false or misleading statement; • (**corrective statement**) an obligation arises on the Company to give ASX a notice in accordance with section 708AA(10) or 708AA(12) of the Corporations Act (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84); • (**delisting**) The Company ceases to be admitted to the official list of ASX or the Shares are removed from official quotation or suspended from quotation by ASX for two or more trading days on or from the date after the Institutional Closing Date (excluding a voluntary suspension trading halt contemplated by the Underwriting Agreement); • (**quotation**) approval is refused or not granted to the official quotation of all the Offer Shares on ASX, or if granted, the approval is subsequently withdrawn, qualified; • (**Acquisition Agreement or the Debt Facilities**) either the Acquisition Agreement or either of the Debt Facilities is terminated or rescinded or amended in a material respect without the consent of the Underwriters (not to be unreasonably withheld or delayed), and such amendment would have a material adverse effect on the Company, the Acquisition or the Offer, a material breach occurs under either the Acquisition Agreement or either of the Debt Facilities, or a condition precedent to any party's obligations under either the Acquisition Agreement or either of the Debt Facilities becomes incapable of being satisfied, or a condition precedent of either the Acquisition Agreement or either of the Debt Facilities is waived without the consent of the Underwriters (acting reasonably and in good faith); • (**insolvency**) any member of the Sandfire group suffers an insolvency event, or there is an act or omission which is likely to result in any member of the Sandfire group suffering an insolvency event; • (**unable to issue Offer Shares**) the Company is unable to issue the Offer Shares on the relevant date as required by the timetable, ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a governmental agency; • (**withdrawal**) the Company announces that it withdraws or does not intend to proceed with all or any material part of the Offer; • (**fraud**) a director or officer of the Company is charged with an indictable offence relating to corporate or financial matters, or fraudulent or misleading or deceptive conduct; • (**change in management**) a change in the Chief Executive Officer of the Company is announced or occurs; (**director**) a director or officer of the Company is disqualified from managing a corporation or any regulatory

body or governmental agency commences any public action against the director in his or her capacity as a director or officer of the Company or announces that it intends to take any such action;

- (**timetable**) any event specified in the timetable is delayed for 2 or more business days (or/ 1 or more business day at any time in the period up to and including the settlement date of the Institutional Entitlement Offer) without the prior written approval of the Underwriters (such approval not to be unreasonably withheld or delayed);
- (**breach**) the Company is in breach of the Underwriting Agreement or any of its representations or warranties in the Underwriting Agreement is not true or correct when made or taken to be made;
- (**due diligence**) the due diligence report or any information provided by or on behalf of the Company during the due diligence program is misleading or deceptive or likely to mislead or deceive whether by omission or otherwise.(**issue of proceedings**) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction seeking an injunction or other order in relation to the Offer;
- (**regulatory action**) an application is made by ASIC for an order, or ASIC gives notice of an intention to commence an investigation, proceeding or hearing, under Part 9.5 of the Corporations Act or Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth), in each case in relation to the Offer or the Information Documents, and any such application, investigation or hearing becomes public or is not withdrawn within two business days after it is made or commenced (or if made within two business days before the Retail Settlement Date, by the Retail Settlement Date);
- (**hostilities**) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, Germany, Hong Kong, Japan, Spain, the United States, United Kingdom, or the People's Republic of China, or a state of emergency is declared by any of those countries (other than as already declared prior to the date of this agreement or in relation to COVID 19) or a major terrorist act is perpetrated on any of those countries or any diplomatic establishment of any of those countries;
- (**market disruption**):
  - a general moratorium on commercial banking activities in Australia, Germany, Hong Kong, Sweden, Singapore, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - at any time before 2.00pm on the Institutional Closing Date, there occurs any adverse effect on the financial markets in Australia, Germany, Hong Kong, Singapore, Spain, the United States or the United Kingdom, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
  - trading of all securities quoted on ASX, London Stock Exchange, Hong Kong Stock Exchange, Singapore Exchange or New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading, or a Level 3 "market wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only; or
- (**change in law**) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new or materially revised law or any new regulation is made under any law, or a governmental agency adopts a policy, or there is any official public announcement on behalf of the government of the Commonwealth of Australia or any State or Territory of Australia or a governmental agency that such a law or regulation will be introduced or policy adopted (as the case may be).

If an Underwriter terminates its obligations under the Underwriting Agreement, the Underwriter will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement by an Underwriter could have an adverse impact on the amount of proceeds raised under the Offer.
For details of fees payable to the Underwriters, see the Appendix 3B released to ASX on the date of this Presentation.

Moratorium	The Underwriting Agreement includes a moratorium as agreed to between the parties which provides the Company must not (and must procure that its related bodies corporate do not) allot, issue or sell or agree to allot, issue or sell securities or grant or agree to grant any options in respect of securities of the Company except: • the offer or issue of Offer Shares; • as previously announced to ASX; • where the issue, allotment or sale is of an amount of Shares or other securities representing less than 10% of the Company's issued capital; • where the issue or agreement to issue Shares is under the Company's existing non-underwritten dividend reinvestment, bonus share plan or employee incentive schemes (as those terms are defined in the ASX Listing Rules) or other employment or consultant arrangements; • on the conversion of convertible securities currently on issue; or, • with the prior written consent of the Underwriters, not to be unreasonably withheld or delayed, for a period of 60 days following Completion.
Summary of AustralianSuper sub-underwrite	AustralianSuper has agreed to sub-underwrite up to $150 million of the retail component of the Offer (approximately 19% of the Retail Entitlement Offer). AustralianSuper is not sub-underwriting any of the institutional component of the Entitlement Offer. AustralianSuper has entered into a Commitment and Sub-underwriting Letter with the Lead Managers. AustralianSuper will receive a fee of: • 1% of (the number of AustralianSuper's sub-underwritten securities multiplied by the fixed price per Share); and • in the event that AustralianSuper has shortfall securities allocated to it, and meets all of its obligations to subscribe for the shortfall securities, subject to the meeting of certain conditions, 0.25% of (the number of shortfall securities (if any) allocated to AustralianSuper multiplied by the fixed price per Share). There are no significant events that could lead to the Commitment and Sub-underwriting Letter being terminated, other than termination of the Underwriting Agreement between SFR and the Lead Managers. If AustralianSuper is required to take up its full sub-underwriting allocation, it and its associates would increase their voting power in SFR by 6.9% up to 11.9% on the issue date of the Retail Entitlement Offer."

IMPORTANT NOTICE AND DISCLAIMER

Not for release to US wire services or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released or distributed to US wire services in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The Company does not intend to register any portion of the Offer under the US Securities Act or to conduct a public offering in the United States. The release, publication or distribution of this announcement (including in electronic copy) outside Australia may be restricted by law. If you come into possession of this announcement, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

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. No representation, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement.

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.

General

In addition, this announcement is subject to the same "Important Information and Disclaimer" that appears on slides 2 to 6 of the Investor Presentation with any necessary contextual changes.

Mineral Resources Estimates

MATSA MINERAL RESOURCES[1], [2]
As at 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Cu[3] (kt)	Zn[3] (kt)	Pb[3] (kt)	Ag[3] (koz)
Aguas Teñidas									
Measured	31.9	1.4%	2.8%	0.8%	38.5	433	900	253	39,443
Indicated	9.9	1.4%	3.2%	0.9%	41.7	139	314	91	13,258
Inferred	4.9	2.1%	6.6%	2.1%	84.5	101	325	101	13,338
Total Measured, Indicated & Inferred[4]	46.7	1.4%	3.3%	1.0%	44.0	673	1,539	444	66,039
Magdalena									
Measured	8.9	3.5%	5.6%	1.5%	75.0	306	500	134	21,336
Indicated	14.0	2.3%	1.7%	0.5%	29.0	319	238	70	13,084
Inferred	5.0	2.2%	1.6%	0.4%	27.8	111	81	22	4,489
Total Measured, Indicated & Inferred [4]	27.9	2.6%	2.9%	0.8%	43.4	736	818	227	38,939
Sotiel									
Measured	21.6	1.0%	3.7%	1.6%	43.2	222	792	339	29,955
Indicated	9.6	1.2%	2.9%	1.3%	42.6	117	277	121	13,109
Inferred	16.0	0.8%	3.5%	1.6%	43.9	134	557	252	26,622
Total Measured, Indicated & Inferred [4]	47.2	1.0%	3.4%	1.5%	43.3	472	1,626	717	65,686
MATSA Consolidated									
Measured	62.3	1.5%	3.5%	1.2%	45.3	960	2,192	726	90,763
Indicated	33.5	1.7%	2.5%	0.8%	36.7	575	828	282	39,451
Inferred	25.9	1.3%	3.7%	1.4%	48.6	346	963	375	40,449
Grand Total Measured, Indicated & Inferred [4]	121.8	1.5%	3.3%	1.1%	43.6	1,881	3,984	1,383	170,663

1. Mineral Resources are inclusive of Ore Reserves and are reported on a 100% consolidated basis.
2. Mineral Resources are based on long-term real prices of US$8,450/t Cu, US$3,000/t Zn, US$2,450/t Pb, US$21.3/oz Ag.
3. Original statements did not present metal content, these have been derived for consolidated table only.
4. Consolidated Resources include polymetallic, cupriferous, and stockwork.
5. Mineral Resources have an effective date of 31 December 2019
6. Mineral Resources are reported as in situ and undiluted.
7. Tonnages are reported in metric units, grades in percent (%). Parts per million (ppm) or grams per tonne (g/t), and the contained metal in metric units. Tonnages, grades, and contained metal totals are rounded appropriately.
8. Rounding, as required by reporting guidelines, may result in apparent summation differences between tonnes, grade and contained metal content. Where these occur, SRK does not consider these to be material.

MATSA ORE RESERVES[1], [2]
As at 31 July 2020

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Cu[3] (kt)	Zn[3] (kt)	Pb[3] (kt)	Ag[3] (koz)
Aguas Teñidas									
Proved	9.7	1.3%	2.7%	0.8%	34.7	130	261	73	10,440
Probable	4.8	1.3%	2.9%	0.8%	36.8	64	140	39	5,500
Total[4]	14.5	1.3%	2.8%	0.8%	35.4	194	401	112	15,940
Magdalena									
Proved	6..7	2.4%	3.3%	0.9%	46.4	158	222	61	9,597
Probable	11.4	2.1%	2.0%	0.6%	30.7	244	227	64	10,899
Total[4]	18.1	2.3%	2.5%	0.7%	36.8	402	449	125	20,496
Sotiel									
Proved	2.3	1.5%	2.2%	0.9%	38.0	34	50	21	2,663
Probable	1.1	1.3%	2.6%	1.1%	39.2	15	29	12	1,377
Total[4]	3.4	1.5%	2.3%	1.0%	38.4	49	79	33	4,041
MATSA Consolidated									
Proved	18.6	1.7%	2.9%	0.8%	39.2	322	534	154	22,698
Probable	17.3	1.9%	2.3%	0.7%	33.0	324	397	114	17,776
Grand Total[4]	35.9	1.8%	2.6%	0.8%	36.4	646	931	269	40,473

1. Ore Reserves are reported on a 100% consolidated basis.
2. Ore Reserves are based on long-term real prices of US$6,800/t Cu, US$2,400/t Zn, US$2,000/t Pb, US$17.0/oz Ag.
3. Original statements did not present metal content, these have been derived for consolidated table only.
4. Consolidated Ore Reserves include polymetallic and cupriferous.
5. Ore Reserves are reported above their relevant NSR breakeven prices.
6. Mining, processing, and administrative costs were estimated based on actual costs.
7. The NSR cut-off values applied for the Reserve estimate included Aguas Teñidas (USD 40.90/t), Magdalena (USD 40.49/t) and Sotiel (USD 49.09/t).

APPENDIX 1 - MINERAL RESOURCE AND ORE RESERVES

BACKGROUND

SRK Consulting (UK) Limited ("SRK") was requested by Minas de Aguas Teñidas S.A. ("MATSA", hereinafter also referred to as the "Vendor") to consent to the disclosure of historical Mineral Resource and Ore Reserve statements with effective dates of 31 December 2019 and 31 July 2020, respectively (the "2020 Statements") for the "Mineral Assets" of MATSA comprising three underground mines (Magdalena Mine, Aguas Teñidas Mine and Sotiel Mine), processing facilities and associated infrastructure located in southern Spain and to re-report the 2020 Statements in accordance with the terms and definitions of the JORC Code defined below.

Furthermore, SRK has been informed that the consent from SRK is required in connection with the proposed acquisition (the "Acquisition") of the Mineral Assets from MATSA by Sandfire Resources Limited ("Sandfire" and the "Acquirer") a mining and exploration public company listed on the Australian Securities Exchange ("ASX") and trading under symbol SFR. The details of the Acquisition, associated considerations and conditions precedent are incorporated into a Sales and Purchase Agreement between the Vendor the Acquirer and related parties. The salient aspects of which are summarised in this ASX Announcement date 23 September 2021. Furthermore, SRK has been also requested to author Appendix 1 of this Press Release and to incorporate additional technical disclosure in accordance with the suggested headings referenced in Table 1 of Appendix 5A (JORC Code)

SRK has been informed that this Press Release and restating of the is required in accordance with Sandfire's obligation in respect of the "ASX Listing Rules" specifically LR 5.9 relating to "Requirements applicable to reports of Ore Reserves for material mining projects" and as appropriate LR 5.6.

In providing this consent to reference the historical 2020 Statements, SRK further notes that this is done for information purposes only and on a no reliance basis. Accordingly, any and all related parties in respect of the Acquisition cannot place any reliance on SRK save for the validity of reporting the Mineral Resources and Ore Reserves in accordance with the terms and definitions of the JORC Code as of the Effective Dates of the 2020 Statements being 31 December 2019 and 31 July 2020 for the Mineral Resources and Ore Reserves respectively. For the avoidance of doubt, SRK has neither been commissioned nor mandated by Sandfire to update its opinion in respect of the 2020 Statements, the Mineral Assets or to support or advise on the Acquisition process or the technical basis underpinning the financial consideration as outlined in the Sale and Purchase Agreements.

For the avoidance of doubt, the Mineral Resources and Ore Reserve statements (the "2020 Statements") are reported with effective dates (the "Effective Dates") of 31 December 2019 for Mineral Resources and 31 July 2020 respectively for Ore Reserves. As such the 2020 Statements in being historical estimates are not current within the meaning of the ASX Listing Rules and the JORC Code. To this extent, SRK clarifies that it has not undertaken any further technical work, due diligence or other analysis subsequent to the Effective Dates herein. Accordingly, SRK cannot confirm nor validate whether any material changes relating to depletion or additional technical, legal or financial assumptions have occurred during the interim period and if reassessed as of the Effective Date of this Press Release would either negatively or positively impact the 2020 Statements as reported herein. Given this context the 2020 Statements are only valid as of the Effective Dates and are not deemed to be current or confirmed as valid as of the Effective Date of this Press Release. Notwithstanding the aforementioned, please note that SRK has recently been commissioned by MATSA to prepare updated Mineral Resources and preliminary updates as at 31 December 2020 are available. Save for depletion, these however are not materially different. Furthermore, at the date of publication of the Press Release no update for further depletion or accompanying life of mine planning processes have been undertaken to inform or amend the historical 2020 Statements as reproduced herein.

The 2020 Statements reported at the Effective Dates of 31 December 2019 for Mineral Resources and 31 July 2020 for Ore Reserves are reproduced from an unpublished "Technical Report" authored by SRK during H2 2020 (the "H2 2020 Technical Report") which supports the reporting of Mineral Resources and Mineral Reserves in accordance with the guidelines and terminology provided in the 2014 "CIM Definition Standards on Mineral Resources and Reserves" produced by the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM Definition Standards"). The CIM Definition Standards is an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee ("CRIRSCO").

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), 2012 edition, as produced by the Australasian Joint Ore Reserves Committee ("the JORC Committee") is,

like the CIM Definition Standards, an internationally recognised reporting code as defined by CRIRSCO. Whilst some terminology used differs between the two codes, there are no material differences which would result in a different Mineral Resource and Mineral Reserve statement overall. Mineral Resources under the CIM Definition Standards would translate to the same categories under the JORC Code, and Proven Mineral Reserves under the CIM Definition Standards would translate directly to Proved Ore or Mineral Reserves under the JORC Code, with Probable Mineral Reserves translating to Probable Ore or Mineral Reserves.

In re-reporting the historical estimates in accordance with the terms and definitions of the JORC Code, SRK confirms that the 2020 Statements remain valid only as of the Effective Dates and not at the effective date of this Press Release. For information, please note that SRK has recently been commissioned by MATSA to prepare updated Mineral Resources which is presently underway but not at the date of publication of the Press Release sufficiently advanced to inform or amend the historical 2020 Statements as reproduced herein.

The Competent Person who has reviewed the historical Mineral Resources as reported in the 2020 Statements is Mr Guy Dishaw, P.Geo, who is a full-time employee of and Principal Consultant (Resource Geology) at SRK. Mr Dishaw is a Professional Geoscientist (P. Geo.) registered with the Association of Professional Engineers and Geologists of Saskatchewan, a 'Recognised Overseas Professional Organisation' ("ROPO") included in a list promulgated by the Australian Stock Exchange ("ASX") from time to time. Mr Dishaw has over 20 years' experience in the mining and metals industry and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code.

The Competent Person who has reviewed the historical Ore Reserves as reported in the 2020 Statements and the Life of Mine Plan ("LoMP") is Mr Chris Bray, BEng, MAusIMM (CP), who is a full-time employee of and Principal Consultant (Mining) at SRK. He is a Member of and Chartered Professional in the Australasian Institute of Mining and Metallurgy, a ROPO. Mr Bray is a Mining Engineer with over 20 years' experience in the mining and metals industry, including operational experience in underground base metal and polymetallic mines, and as such qualifies as a Competent Person as defined in the JORC Code. He has also been involved in the reporting of Ore Reserves on various properties internationally for over 10 years.

MINERAL RESOURCES

The Mineral Resource statements as presented in the 2020 NI 43-101 were stated as at 31 December 2019, and were presented on a deposit level per operating mine. The various statements as presented are:

Aguas Teñidas Mine:
- Aguas Teñidas (Table 2),
- Western Extension (Table 3),
- Calanesa (Table 4),
- Castillejito (Table 5);

Magdalena Mine:
- Masa 1 (Table 6),
- Masa 2 (including Masa 2 Gold) (Table 7); and

Sotiel Mine:
- Sotiel (Table 8),
- Sotiel East (Table 9),
- Migollas (Table 10),
- Calabazar (Table 11),
- Elvira (Table 12).

The overall total Mineral Resource Statement for MATSA, in accordance with the JORC Code, as at 31 December 2019 is summarised in Table 1.

Table 1: Total MATSA Mineral Resources (Aguas Teñidas Mine, Magdalena Mine, Sotiel Mine) as of 31 December 2019

Material Type	Classification	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
All	Measured	62.3	1.5	3.5	1.2	45.3
All	Indicated	33.5	1.7	2.5	0.8	36.7
All	**Measured + Indicated**	**95.8**	**1.6**	**3.2**	**1.1**	**42.3**
All	Inferred	25.9	1.3	3.7	1.5	48.6

Table 2: Aguas Teñidas deposit, Aguas Teñidas Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	7.7	1.0	6.0	1.6	63.0
Indicated	0.7	0.8	6.9	1.7	55.3
Measured + Indicated	8.4	1.0	6.1	1.6	62.4
Inferred	-	-	-	-	-
Cupriferous					
Measured	5.5	1.9	0.7	0.2	29.5
Indicated	0.2	2.2	0.9	0.2	28.0
Measured + Indicated	5.6	1.9	0.7	0.2	29.5
Inferred	0.1	2.7	0.1	0.1	26.0
Stockwork					
Measured	6.6	1.2	0.1	0.0	4.0
Indicated	1.3	0.9	0.1	0.0	5.2
Measured + Indicated	7.9	1.1	0.1	0.0	4.2
Inferred	0.1	1.1	0.2	0.0	9.2
Total					
Measured	19.8	1.3	2.6	0.7	34.0
Indicated	2.2	1.0	2.4	0.6	23.6
Measured + Indicated	22.0	1.3	2.6	0.7	32.9
Inferred	0.2	1.9	0.1	0.1	17.6

Table 3: Western Extension deposit, Aguas Teñidas Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	3.1	1.8	6.1	1.7	65.0
Indicated	2.2	1.7	6.7	2.0	76.6
Measured + Indicated	5.3	1.8	6.3	1.8	69.9
Inferred	2.7	1.5	9.5	3.4	118.4
Cupriferous					
Measured	3.0	2.1	0.9	0.3	38.8
Indicated	1.1	2.4	1.1	0.3	36.9
Measured + Indicated	4.1	2.2	1.0	0.3	38.3
Inferred	0.2	2.9	1.1	0.3	31.6
Stockwork					
Measured	0.6	1.0	0.2	0.1	7.1
Indicated	1.3	1.8	0.1	0.0	4.7
Measured + Indicated	1.9	1.5	0.1	0.0	5.4
Inferred	0.0	1.0	1.3	0.5	26.9
Total					
Measured	6.7	1.8	3.2	0.9	47.9
Indicated	4.7	1.9	3.4	1.0	46.8
Measured + Indicated	11.3	1.9	3.3	1.0	47.4
Inferred	2.9	1.6	8.9	3.2	112.5

Table 4: Calanesa deposit, Aguas Teñidas Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	0.6	1.3	8.0	1.5	75.2
Indicated	0.7	1.4	5.4	0.8	50.2
Measured + Indicated	1.3	1.3	6.6	1.1	61.8
Inferred	1.3	3.3	4.7	0.6	55.7
Cupriferous					
Measured	0.0	1.4	2.2	0.4	31.0
Indicated	0.2	1.3	2.1	0.4	33.3
Measured + Indicated	0.2	1.3	2.1	0.4	32.9
Inferred	0.4	1.8	1.8	0.4	29.8
Total					
Measured	0.6	1.3	7.8	1.4	73.1
Indicated	0.8	1.4	4.8	0.7	47.2
Measured + Indicated	1.5	1.3	6.1	1.0	58.2
Inferred	1.6	3.0	4.0	0.5	49.8

Table 5: Castillejito deposit, Aguas Teñidas Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	2.9	0.8	3.3	1.2	45.9
Indicated	1.5	0.7	3.2	1.3	51.4
Measured + Indicated	4.4	0.7	3.3	1.2	47.7
Inferred	0.1	0.9	2.8	1.1	42.4
Cupriferous					
Measured	1.9	1.2	1.8	0.6	29.3
Indicated	0.7	1.0	1.9	0.8	38.6
Measured + Indicated	2.6	1.1	1.8	0.6	31.8
Inferred	0.1	1.1	1.4	0.7	40.5
Total					
Measured	4.8	0.9	2.7	0.9	39.2
Indicated	2.2	0.8	2.8	1.1	47.3
Measured + Indicated	7.0	0.9	2.7	1.0	41.7
Inferred	0.2	1.0	1.8	0.8	41.0

Table 6: Magdalena Masa 1 deposit, Magdalena Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	1.0	2.9	8.2	1.8	94.4
Indicated	0.0	1.3	10.2	2.8	143.4
Measured + Indicated	1.0	2.8	8.3	1.8	96.6
Inferred	-	-	-	-	-
Cupriferous					
Measured	0.7	3.7	0.8	0.2	26.7
Indicated	0.1	2.5	0.1	0.1	9.5
Measured + Indicated	0.8	3.6	0.8	0.2	25.3
Inferred	-	-	-	-	-
Total					
Measured	1.7	3.2	5.0	1.1	64.7
Indicated	0.1	2.0	4.3	1.2	65.4
Measured + Indicated	1.8	3.1	5.0	1.1	64.8
Inferred	-	-	-	-	-

Table 7: Magdalena Masa 2 deposit, Magdalena Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	4.3	3.9	9.2	2.5	114.1
Indicated	3.7	2.6	5.0	1.4	64.4
Measured + Indicated	7.9	3.3	7.2	2.0	91.2
Inferred	1.0	2.3	7.5	1.9	79.9
Cupriferous					
Measured	2.5	3.3	0.8	0.2	23.6
Indicated	10.0	2.2	0.5	0.2	16.0
Measured + Indicated	12.5	2.4	0.6	0.2	17.5
Inferred	4.0	2.2	0.2	0.1	15.1
Stockwork					
Measured	0.4	1.2	1.4	0.5	25.3
Indicated	0.3	1.2	0.8	0.3	20.4
Measured +Indicated	0.7	1.2	1.1	0.5	23.3
Inferred	0.1	1.0	0.3	0.2	7.8
Total					
Measured	7.2	3.5	5.8	1.6	77.4
Indicated	13.9	2.3	1.7	0.5	28.8
Measured + Indicated	21.1	2.7	3.1	0.9	45.3
Inferred	5.0	2.2	1.6	0.5	27.7

Table 8: Sotiel deposit, Sotiel Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	4.7	0.5	5.1	2.1	43.1
Indicated	0.8	0.6	4.8	2.0	42.8
Measured + Indicated	5.6	0.5	5.0	2.1	43.1
Inferred	-	-	-	-	-
Cupriferous					
Measured	0.6	1.6	1.6	0.5	21.4
Indicated	0.2	1.7	1.7	0.5	20.4
Measured + Indicated	0.7	1.7	1.6	0.5	21.2
Inferred	-	-	-	-	-
Total					
Measured	5.3	0.6	4.7	1.9	40.8
Indicated	1.0	0.7	4.3	1.8	39.4
Measured + Indicated	6.3	0.7	4.6	1.9	40.6
Inferred	-	-	-	-	-

Table 9: Sotiel East deposit, Sotiel Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	7.8	0.6	4.7	2.1	46.4
Indicated	1.4	0.6	5.0	2.2	43.7
Measured + Indicated	9.2	0.6	4.8	2.1	46.0
Inferred	0.1	1.0	5.1	2.1	45.4
Cupriferous					
Measured	0.9	1.7	1.3	0.5	30.1
Indicated	0.5	2.0	1.2	0.5	34.3
Measured + Indicated	1.4	1.8	1.3	0.5	31.6
Inferred	0.1	1.6	1.6	0.9	28.1
Total					
Measured	8.7	0.8	4.4	1.9	44.8
Indicated	1.9	1.0	4.0	1.7	41.3
Measured + Indicated	10.6	0.8	4.3	1.9	44.1
Inferred	0.2	1.3	3.0	1.4	35.3

Table 10: Migollas deposit, Sotiel Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	1.2	1.0	3.6	1.6	54.0
Indicated	1.8	0.9	4.4	1.8	53.3
Measured + Indicated	3.0	1.0	4.0	1.7	53.6
Inferred	13.8	0.7	3.7	1.7	45.1
Cupriferous					
Measured	2.7	2.0	1.0	0.5	39.3
Indicated	2.7	1.9	0.8	0.4	37.9
Measured + Indicated	5.4	1.9	0.9	0.5	38.6
Inferred	2.1	1.4	1.8	1.0	36.9
Total					
Measured	3.9	1.7	1.8	0.8	43.8
Indicated	4.5	1.5	2.2	1.0	44.1
Measured + Indicated	8.4	1.6	2.0	0.9	43.9
Inferred	15.8	0.8	3.5	1.6	44.0

Table 11: Calabazar deposit, Sotiel Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	0.8	0.6	4.9	2.3	56.1
Indicated	1.1	0.7	4.4	2.2	56.3
Measured + Indicated	1.9	0.6	4.6	2.2	56.2
Inferred	-	-	-	-	-
Cupriferous					
Measured	1.1	1.8	1.3	0.7	41.3
Indicated	0.8	1.4	0.8	0.4	30.1
Measured + Indicated	1.9	1.6	1.1	0.6	36.3
Inferred	-	-	-	-	-
Total					
Measured	1.9	1.3	2.9	1.4	47.8
Indicated	1.9	1.0	2.8	1.4	44.6
Measured + Indicated	3.8	1.1	2.8	1.4	46.2
Inferred	-	-	-	-	-

Table 12: Elvira deposit, Sotiel Mine Mineral Resources as of 31 December 2019

	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Polymetallic					
Measured	0.8	0.5	4.4	1.5	46.5
Indicated	0.1	0.5	4.0	1.4	41.0
Measured + Indicated	1.0	0.5	4.3	1.5	45.7
Inferred	-	-	-	-	-
Cupriferous					
Measured	1.0	2.8	0.6	0.2	27.6
Indicated	0.2	2.8	0.2	0.1	25.3
Measured + Indicated	1.2	2.8	0.5	0.2	27.2
Inferred	-	-	-	-	-
Total					
Measured	1.8	1.8	2.3	0.8	36.1
Indicated	0.4	1.9	1.7	0.6	31.3
Measured + Indicated	2.2	1.8	2.2	0.8	35.3
Inferred	-	-	-	-	-

Geology and Geological Interpretation

The MATSA deposits are located in the Iberian Pyrite Belt ("IPB"). which is arguably the largest and most important VMS metallogenic province in the world. The IPB comprises Upper Devonian to Upper Carboniferous volcano-sedimentary sequences and occurs in the provinces of Huelva and Seville in Spain as well as south Portugal, forming an arch that is approximately 240 km in strike length and 35 km wide.

The IPB is affected by numerous deformation events, including the San Telmo anticline on which the Aguas Teñidas and Magdalena mines occur on the northern limb and Sotiel mine occurs on the southern limb. The mineralisation consists of massive to semi-massive sulphide bodies, primarily composed of pyrite, with lower quantities (generally less than 10%) of Cu, Pb, and Zn bearing sulphides. The deposits at Aguas Teñidas and Magdalena mines also have stockwork sulphide zones in the footwall that can be quite extensive and are characterised by primarily pyrite and chalcopyrite mineralisation.

The MATSA geologists maintain a detailed series of interpreted geological sections that are used to construct 3D models (wireframes) to support the mineral resource estimates and mine planning. MATSA geology staff also maintain underground geological maps that are used to locally adjust the models. The interpreted geological sections are based primarily on the occurrence of logged massive or semi-massive (SM) sulphides in diamond drillholes and underground exposures, or stockwork (SW) for the cupriferous stockwork zones, where applicable. Some of the interpreted mineralisation wireframes have been subsequently updated by SRK Consulting ("SRK") to better represent the continuity of the mineralisation by including additional intersections.

Estimation domain analysis was completed by SRK to identify the potential presence of multiple populations of Zn, Cu, and Au within the SM wireframes for each deposit. In cases where multiple populations of Zn, Cu, and Au grades were identified, SRK applied thresholds to define high Zn, high Cu, and high Au subdomains, when considered appropriate. The sub-domains were only modelled if they were continuous over multiple drill sections in 3D space.

Drilling Techniques

All drilling conducted at the three mines and the surrounding areas to date has been diamond drilling (from both surface and underground collar locations). The drilling has been carried out by external third-party contractors both for surface and underground programs. The drilling has been conducted using various drilling machines and is usually undertaken using wireline double tube tools. Coring sizes vary with surface drillholes progressing from PQ to HQ, and then NQ, depending on the target depth of the drillhole. Underground exploration drillholes start in HQ and can be reduced to NQ size depending on the target depth of the drillhole. The underground infill drillholes are all NQ in diameter and are not typically reduced in size. Drilling is undertaken using 3 m core runs and core recovery in the mineralised horizons is rarely less than 95%.

The drilling undertaken by MATSA conforms to industry best practices and the resultant sampling pattern is sufficiently dense to interpret the geometry, boundaries, and different styles of the sulphide mineralisation at the three mines with a high level of confidence within well drilled areas. Historical holes are generally surrounded by a majority of more recent MATSA drillholes (post 2004) which largely confirm the location of mineralisation which indirectly suggests that the location accuracy of the historical holes is reasonable. Historical drillholes comprise less than 20% of all drillholes at the Project and where these exist, the mineralisation location is confirmed by surrounding MATSA drillholes.

Sampling and Sub-sampling Techniques

Drill core intersections, with logged presence of sulphides and adjacent waste zones, are marked for sampling and cut into two equal halves. One half of the core is selected for sample preparation and assay analysis, whilst the other is retained as a reference sample.

In general, samples are taken in 2 m lengths. Samples are stored and dried and then crushed using a jaw crusher. The samples are then run through a cone crusher which reduces 90% of the particles to less than 2 mm in size. Finally, samples are homogenised and spilt using an automatic riffle splitter resulting in a 500 g sample (the sample must be at least 400 g in weight and no more than 800 g).

Sample Analysis Method

Samples are assayed using ICP-OES, with aqua regia digest at the Internal MATSA laboratory. Samples are also fire-assayed for Au.

QAQC samples including blanks, certified reference material ("CRM"), and duplicates are inserted by MATSA staff into the sample stream prior to these being sent to the laboratory for assay analysis. Coarse blanks and twin duplicates are inserted at the laboratory at the start of the sample preparation process. External duplicate samples are collected at the final stage of sample preparation and sent to the umpire laboratory (ALS Laboratories, Ireland ISO/IEC 17025). The results for the MATSA QAQC samples and external duplicates show a high degree of repeatability and a high degree of correlation between the original and duplicate samples.

Estimation Methodology

SRK has completed the Mineral Resource estimates for the Aguas Teñidas, Magdalena, and Sotiel mines and has validated these estimates using various techniques, including visual and statistical methods.

Grade continuity was assessed for all elements using experimental variograms. Downhole variograms were used to model the nugget variance, which represents variability at very close distances. Directional variograms, were used to model grade continuities for larger distances. A 4 m composite length was chosen. SRK chose to treat short composites of less than 2 m in length by merging them with the previous composite, where these shorter intervals are typically created at domain boundaries. Grade capping was applied to composites rather than to original samples. SRK chose grade capping levels based on population breaks indicated in both the log histograms and log probability plots.

All grades and density values were interpolated into the model using Ordinary Kriging ("OK") in the mineralised domains other than certain zones at Sotiel which were interpolated using Inverse Distance Weighting ("IDW"), due to the low sample support (<90 samples) and their relative spacing. The IDW estimated grades and densities were estimated using a single search pass, whilst the OK grades and density values were estimated using three successive search passes. Hard boundary conditions have been employed during interpolation of grades into the block model for all metals in all domains.

Mineral Resource Classification Criteria

Block model tonnage and grade estimates for the deposits have been largely classified according to drillhole spacing given that the modelled areas are generally well informed.

MATSA has been employing these distances to drillhole criteria for several years and find that these reconcile appropriately (based on Resource classification) to observations and results from mining. SRK has reviewed these distances, with respect to geological and Cu and Zn continuity, and consider these appropriate.

Cut-off Grade

MATSA has used reasonable mining and processing assumptions to develop reporting cut-off net-smelter return ('NSR') values for each mine in order evaluate the proportions of the block model that could "reasonably be expected" to be mined.

The Mineral Resource Reporting Cut-off for in-situ mineralization is mine specific:

- Aguas Teñidas =40.9 USD/tonne
- Magdalena =40.5 USD/tonne
- Sotiel =49.1 USD/tonne

Mining and Metallurgical Assumptions

Surveys of the current mined areas of development and stopes, with an effective date of 31 December 2019, were used to code the block model and these areas were assigned a 'depleted' status (not reported). A 5 m buffer zone has been applied to designate non-recoverable material around depleted areas.

.At the MATSA sites, two separate process streams are used to produce copper and zinc concentrates. The polymetallic mineralisation stream processes polymetallic massive sulphide material, whereas the copper mineralisation stream processes material stemming from cupriferous massive sulphides as well as copper stockworks and each of specific metal recovery profiles.

MATSA has characterized run of mine material based on metal grade zonation (indicative of mineralogy), so that the appropriate process is applied to optimize value. Mineralisation is characterized as follows:

- Polymetallic: Zn >= 2.5%;
- Cupriferous: Cu >= 0.5% and Zn < 2.5%; and
- Stockwork: Cu >= 0.4%

ORE RESERVES

The H2 2020 Technical Report reported the Ore Reserves for the MATSA mines as at 31 July 2020, as presented in Table 2-13.

Table 13: Statement of Ore Reserves for the MATSA mines 31 July 2020

Mine Ore Type	Classification	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)
Aguas Teñidas						
Copper Ore	Proven	3.1	1.5	0.3	0.1	13.4
	Probable	1.2	1.6	0.3	0.1	14.6
Total	**P+P**	**4.3**	**1.5**	**0.3**	**0.1**	**13.7**
Polymetallic	Proven	6.6	1.3	3.8	1.1	44.5
	Probable	3.6	1.3	3.8	1.1	44.5
Total	**P+P**	**10.2**	**1.3**	**3.8**	**1.1**	**44.5**
Total	**Proven**	**9.7**	**1.3**	**2.7**	**0.8**	**34.7**
	Probable	**4.8**	**1.3**	**2.9**	**0.8**	**36.8**
Total	**P+P**	**14.5**	**1.3**	**2.8**	**0.8**	**35.4**
Magdalena						
Copper Ore	Proven	1.5	2.0	0.4	0.1	12.6
	Probable	6.5	1.9	0.4	0.1	12.2
Total	**P+P**	**8.0**	**2.0**	**0.4**	**0.1**	**12.6**
Polymetallic	Proven	5.2	2.5	4.2	1.1	56.1
	Probable	4.9	2.5	4.1	1.1	55.4
Total	**P+P**	**10.1**	**2.5**	**4.2**	**1.1**	**56.1**
Total	**Proven**	**6.7**	**2.4**	**3.3**	**0.9**	**46.4**
	Probable	**11.4**	**2.1**	**2.0**	**0.6**	**30.7**
Total	**P+P**	**18.1**	**2.3**	**2.5**	**0.7**	**36.8**
Sotiel						
Copper Ore	Proven	1.0	2.2	0.6	0.2	28.9
	Probable	0.4	2.3	0.6	0.2	28.2
Total	**P+P**	**1.4**	**2.2**	**0.6**	**0.2**	**28.7**
Polymetallic	Proven	1.2	0.9	3.6	1.5	45.7
	Probable	0.8	0.8	3.6	1.5	44.6
Total	**P+P**	**2.0**	**0.9**	**3.6**	**1.5**	**45.3**
Total	**Proven**	2.3	1.5	2.2	0.9	38.0
	Probable	1.1	1.3	2.6	1.1	39.2
Total	**P+P**	**3.4**	**1.5**	**2.3**	**1.0**	**38.4**
MATSA Consolidated						
Copper Ore	Proven	5.6	1.8	0.4	0.1	16.0
	Probable	8.1	1.9	0.4	0.1	13.3
Total	**P+P**	**13.7**	**1.9**	**0.4**	**0.1**	**14.6**
Polymetallic	Proven	13.0	1.7	3.9	1.1	49.2
	Probable	9.2	1.9	4.0	1.1	50.3
Total	**P+P**	**22.2**	**1.8**	**4.0**	**1.1**	**49.8**
Total	**Proven**	**18.6**	**1.7**	**2.9**	**0.8**	**39.2**
	Probable	**17.3**	**1.9**	**2.3**	**0.7**	**33.0**
Grand Total	**P+P**	**35.9**	**1.8**	**2.6**	**0.8**	**36.4**

Notes: Estimates have been rounded to the nearest: 100kt; 0.1% Cu, Zn, Pb grade; and 0.1g/t Ag grade. Differences may occur due to rounding

The reported Ore Reserves for the Aguas Teñidas, Magdalena and Sotiel operations are based on the 11 block models which formed the basis of the Mineral Resource estimates. Whilst various Mineral Resource statements are presented per deposit for each operation, the Ore Reserve statements are presented at an operational level, not further split per deposit.

The effective date of the Mineral Resource statement is 31 December 2019, with the effective date of the Ore Reserve being 31 July 2020. Ore Reserves incorporated depletion by MATSA up to 31 July 2020, as compared to the 31 December 2019 Mineral Resource estimate. The Mineral Resources are presented on an inclusive basis, meaning including any Measured or Indicated classified material that has been considered for conversion to Ore Reserves.

The mines have been operation for some years now, and the mine plan has been developed to a level sufficient for the statement of Ore Reserves, using appropriate modifying factors and proving that they are economically viable.

An NSR cut-off value approach is applied for each stope or development block, with each value calculated according to the ore type, metal grades, metallurgical recoveries, realisation costs, forecast metal prices and the payability of each metal according to the agreed smelter terms. For the Ore Reserve estimate, SRK used the incremental cut-off, as most of the mining areas of the mines had most of the development already in place and it was assumed that the development cost had been already paid for by the mined out stopes.

The primary underground mining method approach at the three mines is sub-level long-hole open stoping (“LHOS”) with transverse and longitudinal orientation depending on the orebody thickness. The mined stopes at Aguas Teñidas and Magdalena are backfilled with paste fill. The Sotiel mine currently uses unconsolidated development waste as backfill with plans to trial cemented rock fill (“CRF”). MATSA has plans to use a Drift and Fill (“D&F) mining method in a small zone of Aguas Teñidas around and above previously mined out stopes.

The Ore Reserve for MATSA has been estimated using accepted industry practices for underground mines including stope optimisation analysis (Deswik), mine design, mine scheduling and the development of a cash flow model incorporating the Company’s technical and economic projections for the mine for the duration of the Life of Mine Plan (“LoMP”).

The MATSA ores are complex, fine grained ores with extremely high levels of gangue pyrite present. Numerous metallurgical testwork programmes have been undertaken to understand the metallurgical complexity of the orebodies and to develop optimal processing scenarios. These programmes have been undertaken both before the project’s commencement, and since, with the on-site laboratory being very active in testing and optimising the plant’s operating parameters in response to changing ore feed characteristics.

Ore is processed at a central facility. The facility consists of two crushing lines and three processing lines, which are contained within two plants (operational since 2008 and 2011 respectively). Ore is classified either as Copper or Polymetallic.

At the effective date of the Ore Reserve statement, 31 July 2020, MATSA has the necessary mining rights and surface ownership for the three mining sites and plant operations.

Required environmental and water permits appear to be in place at the effective date of the Ore Reserve statement, although the Cortagena City Council disputes the presence of municipal permits for works being carried out close to Valdelamusa. MATSA appears to be in broad compliance with permit conditions.

Management of the three operations from an environmental and social perspective appears reasonably good, and there is a clear focus on maximising resource efficiencies particularly across water, waste, GHG emissions and energy.

The MATSA operations are located in a west European country, Spain, which has well-established, well-regulated civil engineering and construction industry standards. The operations themselves have been active for a number of years and as such the infrastructure required to facilitate mining and processing operations are in place and fit for current purposes. No expansion or production rate increases are proposed.

The current practice of holding large volumes of water on the TSF to supply the plant is not in accordance with best practice and could create the circumstances where there is an elevated phreatic surface in the external embankments of the TSF (which can increase likelihood of embankment failure). However, it is noted that the

volumes of excess water stored on the pond have been reduced markedly since 2018, which has significantly reduced this risk. This situation needs to be closely monitored and maintained going forward.

Operating costs have been derived by MATSA in three mining and a processing cost model, based on the physical activities taking place. No royalties are understood to be payable.

Long term commodity prices used in the economic viability test are as follows, which are deemed acceptable by SRK when comparing to consensus market forecasts as available to SRK at the effective date of the Ore Reserve statement: copper US$6,800/t, lead US$2,000/t, zinc US$2,400/t and silver US$17.0/oz.

Copper is the main contributor to overall NSR making up for approximately 66% over the Mineral Reserve life of mine, followed by a zinc contribution of approximately 25%. silver (7%) and lead (2%) make up the remainder of the total NSR. NSR per tonne of material processed is approximately USD110/t over the Mineral Reserve life.

No market study has been supplied for review, which is deemed acceptable considering the operation is currently in production and contracts are in place for the sale of copper (standard and polymetallic), lead and zinc concentrates.

SRK undertook an assessment of the economic viability of the Ore Reserves to support the statement of Ore Reserves. SRK notes that the economic model as prepared by MATSA is driven by a mine plan which includes Measured, Indicated and Inferred Mineral Resources (plus other), and no life of mine plan exists solely based on Ore Reserves. As taking out Inferred and other material as deemed appropriate by SRK, on an annual basis would hugely distort the economic viability of the remaining production and present an unrealistic plan, SRK has applied a simplified approach, in simply keeping throughput at the consistent rate as per the MATSA plan, but limiting the life to the tonnage as incorporated in the Ore Reserve. As the economic analysis results a positive annual cashflow, and has been tested with a range of sensitivities, SRK is comfortable to state the Ore Reserves as being economically viable.

MATSA uses numerous channels to communicate with stakeholders such as local communities, employees, contractors, suppliers, investors and the media. These channels include information sessions, newsletters, website, email and social media platforms. The company also reportedly holds regular meetings with stakeholders to maintain a continuous dialogue and open days are held monthly for members of the local community, as well as residents of Huelva and Seville provinces, to promote transparency between the company and its neighbours.

Ore Reserves derived from material in the Measured Mineral Resource category have been classed as Proved, whilst Ore Reserves derived from material in the Indicated Mineral Resource category are classed as Probable Ore Reserves. No Measured Mineral Resources have been converted to the Probable Ore Reserve category.

The Ore Reserve for MATSA has been estimated using accepted industry practices for underground mines, including stope optimisation analysis (Deswik), mine design, mine scheduling and the development of a cash flow model incorporating the Company's technical and economic projections for the mine for the duration of the Life of Mine Plan. The Ore Reserve includes appropriate unplanned dilution and mining recovery factors.

APPENDIX 2; JORC 2012 CODE – TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling Techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• The drilling undertaken by MATSA conforms to industry best practices and the resultant sampling pattern is sufficiently dense to interpret the geometry, boundaries, and different styles of the sulphide mineralisation at the three mines with a high level of confidence within well drilled areas. • The procedure used to acquire drilling information in historic programs (prior to 2004) is not documented or recorded. • Historical holes are generally surrounded by a majority of more recent MATSA drillholes (post 2004) which largely confirm the location of mineralisation which indirectly suggests that the location accuracy of the historical holes is reasonable. • Historical drillholes comprise less than 20% of all drillholes at the Project and where these exist, the mineralisation location is confirmed by surrounding MATSA drillholes. SRK did not verify this information as the records and cores are not available.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• All drilling conducted at the three mines and the surrounding areas to date has been diamond drilling ("DDH") – from both surface and underground collar locations. • Total surface DDH = 1,121 (529,127 m) • Total underground DDH = 4,619 (500,564 m) • MATSA does not currently drill orientated core. • The drilling has been carried out by external third-party contractors both for surface and underground programs. • The diamond drilling has been conducted using various drilling machines and is usually undertaken using wireline double tube tools. • Coring sizes vary with surface drillholes progressing from PQ, to HQ, and then NQ, depending on the target depth of the drillhole. • The underground exploration drillholes start in HQ and can be reduced to NQ size depending on the target depth of the drillhole. • The underground infill drillholes are all NQ in diameter and are not typically reduced in size, as these are typically short in length. If any possible issues associated with faults and geological structures are encountered, these can be reduced.

Criteria	JORC Code explanation	Commentary
		• Almost all massive sulphide mineralisation is drilled using HQ or NQ diameters. • Since MATSA acquired the Aguas Teñidas Mine (post 2004), it has drilled 264 surface, and 2,540 underground diamond drillholes totaling 105,228 and 300,528 m, respectively. • MATSA has drilled 379 surface and 781 underground diamond drillholes at Magdalena, totaling 221,675 and 92,595 m, respectively, since the discovery of mineralisation in 2013. • Since acquiring Sotiel, MATSA has drilled 206 surface and 351 underground diamond drillholes totaling 95,569 and 35,034 m, respectively.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drilling is undertaken using 3 m core runs, it is then placed by hand into an open V-rail, before transferring it into numbered core boxes. • Core and core blocks are placed in core boxes by the drilling crews. A geologist inspects all surface and underground production drill cores. • Most drill cores from the three mines are stored in the core processing area, adjacent to the core shed at the Aguas Teñidas mine. • The core boxes are secured during transit to reduce any potential movement and loss. • The cored intervals are measured against the drillers recorded measurements and then the core recovery is determined by MATSA geologists. • The core recovery in the mineralised horizons is rarely less than 95% for all drilling contractors. • Historical drillholes (drilled prior to 2004) do not have core recovery records. These holes are generally surrounded by the majority of MATSA drilling and are not expected to have encountered different core recovery conditions.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill core is sent to the drill shed for photography, core recovery calculations, geological and geotechnical logging, and sampling. • The core logging is qualitative in nature whereas the sampling and results this gives is quantitative in nature. • The MATSA logging includes lithological coding as well as assigning an overall geological unit. • The lithological coding system used at the three mines records 68 individual rocks types. • These individual rock types are grouped into an overall geological unit code, or main rock type.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled*	• For all intersections with logged presence of sulphides and adjacent waste zones, cores are marked for sampling and cut into two equal halves. • The core is placed in a v-rail prior to being placed in the core cutting machine, the core is then cut. • One half of the core is selected for sample preparation and assay analysis, whilst the other is retained as a reference sample. • In general, samples are taken in 2 m lengths, though this varied depending on the logged lithology and mineralisation in the surrounding core. • Each sample is stored in a metal tray on a rack and dried at 105°C for at least two hours. Depending on the type of samples and their degree of humidity, the drying time may vary, at least until the appearance of the sample is dry. • The entire dried sample is first crushed using a jaw crusher. The jaw crusher has a retaining guard to prevent the loss of chips. • The jaw crusher is opened (including retaining guard) between samples and cleaned with wire brush and compressed air. • The sample is then run through a cone crusher which reduces 90% of the particles to less than 2 mm in size. • The cone crusher is cleaned between samples using a wire brush and compressed air. • Following this, each sample is then placed on a large plastic sheet and rolled (mixed) 20 times to homogenise the sample. • The plastic sheet is suitably large to retain all the sample without being spilled. • After the sample is homogenised it is spilt using an automatic riffle splitter resulting in a 500 g sample, the sample must be at least 400 g in weight and no more than 800 g, this minimum weight restriction is determined by

Criteria	JORC Code explanation	Commentary
		the grinding capacity of the mill. • The other half of the spilt is kept for reference purposes. • A coarse duplicate split is taken prior to amalgamation of the reject samples if designated by the MATSA geologists. • The riffle splitter is cleaned with compressed air between each sample. • The 500 g sample is milled using a ring mill for seven minutes resulting in the sample particles passing through a 75 µm sieve. • For low SG samples, it may be necessary to grind the sample in two parts and then re-combine and homogenise the pulps. • If a build-up of sample occurs in the ring mill it is cleaned by grinding coarse sand for a 2 to 4-minute duration, otherwise the ring mill is cleansed using compressed air, paper, and a paint brush. • The pulverised sample is then placed on a large plastic sheet and it is mixed (rolled) 20 times to homogenise the sample. • The pulp sampel is then dip sampled to obtain a 150 g sub sample • Any external check samples, which require pulp material are also taken during this process (external umpire and MATSA reference samples). • This 150 g sample is then placed in a small plastic or paper bag with the sample number printed on it. • The remainder of pulp is transferred back into the sample bag from which the 500 g was originally stored along with the various stages of material produced during the sample preparation stage
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Samples are assayed using ICP-OES, with aqua regia digest at the Internal MATSA laboratory. • Samples are also fire-assayed for Au. • The QAQC samples (blanks, certified reference material (“CRM”), and duplicates) are inserted by MATSA staff into the sample stream prior to these being sent to the laboratory for assay analysis. Coarse blanks and twin duplicates are inserted at the laboratory at the start of the sample preparation process. • Blank samples used by MATSA comprise silica material and have been included in the sample stream for Aguas Teñidas since 2009. In reviewing the blanks analysis data, SRK has applied a 5X detection limit threshold, specific for each element. Samples which plot above this threshold are determined as failed samples which according to MATSA is typically due to contamination or a mix up of samples (incorrect labelling). The results of the blank analysis demonstrate that the sample preparation process employed at MATSA limit contamination to a reasonable level. • Fine blank samples used by MATSA comprise pulped (homogenised) silica material, these have been included in the sample stream for Magdalena and

Criteria	JORC Code explanation	Commentary
		Aguas Teñidas since 2016, and for the other deposits since 2017. The results of the fine blank analysis are within reasonable limits, with little evidence for sample contamination between the ICP samples. • Twin duplicate samples used by MATSA are quarter core field duplicate samples which have been included in the sample stream at Aguas Teñidas and Magdalena since 2016, and at the other deposits since 2017. As expected, these duplicate results show a wider range of variation than the other duplicate types inserted into the sample stream by MATSA but still show reasonably good repeatability as well as good correlation between the original and duplicate sample. The twin duplicates report correlation coefficients typically more than 0.85 (most above 0.9). • Coarse duplicate samples used by MATSA are collected after the second split following crushing. The results for the coarse duplicates show a high degree of repeatability and a very high degree correlation between the original and duplicate sample, with a correlation coefficient typically more than 0.97. • Internal pulp duplicates sample used by MATSA are collected at the final stage of sample preparation. The results for the pulp duplicates show a high degree of repeatability and a high degree of correlation between the original and duplicate sample, with a correlation coefficient typically more than 0.98. • External duplicate samples are collected at the final stage of sample preparation and sent to the umpire laboratory (ALS Laboratories, Ireland ISO/IEC 17025). The results for the external duplicates show a high degree of repeatability and a high degree of correlation between the original and duplicate samples, with a correlation coefficient typically more than 0.97. • MATSA has used 34 different CRM across all the deposits since production at the Aguas Teñidas mine recommenced in 2008. The CRM are used to monitor Cu, Zn, Pb, Ag, and Au grades. All CRM used have been created in- house by MATSA and were sent for round robin laboratory analysis, at ALS Vancouver, ALS Loughrea, SGS Peru, SGS Canada, ALS Perth, and ALS Brisbane. Overall, the grade ranges of the CRM are representative of the different mineralisation types (cupriferous and polymetallic) and grades as demonstrated in the drillhole statistics, although SRK recommends the Au CRM is changed to 0.2 ppm/5 ppm/10 ppm to better reflect the mineralisation. From the CRM analysis, occasional outliers can be seen; however, most of the data is within 2 standard deviations for all elements. • SRK considers that the QAQC results for each of the deposits to demonstrate acceptable levels of accuracy and precision at the

Criteria	JORC Code explanation	Commentary
		laboratories. SRK therefore has confidence that the associated assays are of sufficient quality to be used in the subsequent Mineral Resource estimate.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• MATSA employs ALS (previously OMAC Laboratories Ltd) and ALS Chemex (Global) as its external reference laboratories used to undertake check (umpire) assay analysis. • It should be noted that for the Sotiel Mine almost no historical laboratory verification information is available • The historical Aguas Teñidas core was assayed for the current MATSA suite of element in most cases (when the mine was active), typically by ICP and XRF (NB: SRK has not been supplied with any documentation in relation to this).
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control*	• The surface collar locations are surveyed using GPS total station which has a reported accuracy of less than 10 cm in the X, Y, and Z. • The underground collars are surveyed using a total station method which has an accuracy of less than 10 cm in the X, Y, and Z. • The procedure used to survey historic drillhole collars (drilled prior to 2004) is not documented or recorded. • SRK verified select Elvira and Calanesa surface diamond drillhole collars using a handheld GPS and found no major discrepancies when these were compared against the database. Prior to the estimation processes, SRK also verified the underground drillhole collars against the underground development and found no major issues. Therefore, the drill collar location data can be accepted with confidence for the purposes of resource estimation. • MATSA typically uses a REFLEX Flexi-It multi-shot tool for all its downhole surveys, with the measurements taken every 25 m. The REFLEX tool is a magnetic tool and the survey azimuth is aligned to mine grid north. • Prior to MATSA acquiring the Sotiel and Aguas Teñidas mines, the downhole surveys were typically taken at 50 m intervals using a single or multishot camera. SRK notes that the instruments used for these surveys

Criteria	JORC Code explanation	Commentary
		were not recorded in the master database. • Historical holes are generally surrounded by a majority of MATSA drillholes which largely confirm the location of mineralisation which indirectly suggests that the location accuracy of the historical holes is reasonable. • A local mining grid is used at the three mines. Aguas Teñidas and Magdalena mine use the same local grid. Conversion to this grid is undertaken from WGS84 co-ordinates and is achieved by adding 1,002.968 m to the elevation (z) values (to avoid negative numbers in the underground development) and then a translation is applied to the X and Y coordinates by adding 0.006 m to the X and 0.196 m to Y coordinate respectively. • Sotiel mine grid is calculated by applying a translation (from the Pozo Isidro co-ordinate system) of 689,597.452 to the X and 4,164,133.734 to the Y co- ordinates, after which a translation is then applied to all three coordinates, with 2,000 m added to X, 5,000 m added to the Y, and 1,000 m added to the Z coordinates. Finally, a rotation of 24.7° is applied to align the strike of the orebodies to an east-west direction.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling undertaken by MATSA conforms to industry best practices and the resultant sampling pattern is sufficiently dense to interpret the geometry, boundaries, and different styles of the sulphide mineralisation at the three mines with a high level of confidence within well drilled areas. Confidence in the geological interpretation decreases in areas of reduced sample coverage and is reflected in the classification of mineral resources.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes are generally orientated in a manner to achieve reasonable intersection angles with the mineralisation, while optimising collar locations/drilling stations. • It is SRK's view that the drilling orientations are appropriate to model the geology and mineralisation based on the current geological interpretation.
Sample security	• *The measures taken to ensure sample security.*	• The core shed, sample preparation facilities and laboratory are all confined within secure boundaries, with controlled access points, where only authorised mine personal are allowed entry.

Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• SRK has completed several visits to the Project, including:
		  • Guy Dishaw (QP for the Mineral Resource) site visit between 4 and 8 March 2018. Included visits to mineralisation exposures and stoping areas in the Aguas Teñidas and Magdalena mines.
		  • Guy Dishaw (QP for the Mineral Resource) and James Williams site visit between 8 and 9 May 2019. Included Mineral Resource data technical review and visit to mineralisation exposures and stoping areas in the Sotiel mine.

Criteria	JORC Code explanation	Commentary
		• The site visits allowed SRK to review exploration procedures, define geological modelling procedures, examine drill core, inspect the site, interview project personnel, and collect relevant information across all three mines.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The MATSA mining permits cover 53.3 km^2 across all three mines. • MATSA currently holds 55 mining permits which cover all three mines and has the rights to exploit the Aguas Teñidas and Magdalena mines in the municipality of Almonaster la Real and the Sotiel mine in the municipality of Calañas, both of which are in the province of Huelva. • MATSA is also in the process of registering an additional mining permit related to a fourth project called Mina Concepcion located to the east of Magdalena, although this does not form part of this study. • The Company also has exploitation and exploration permits which cover more than 1,100 km^2 in the IPB and 160 km2 in the Spanish region of Extremadura. • The Aguas Teñidas, Magdalena, and Sotiel mines are covered by 33, 21, and a single (which encompasses two smaller mining permits) mining permits, respectively. The Aguas Teñidas mining permits were renewed in 2012 for a 30-year period and are due to expire on 31 August 2042. The Magdalena mining permits were issued in 2013 and are due to expire on 15 January 2043, except for the Magdalena Masa 2 permit which is due to expire on 07 July 2046. The Sotiel mining permit was renewed in 2015 and is due to expire on 19 January 2045.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Aguas Teñidas deposit was initially discovered via a joint venture agreement between Billiton Espanola SA ("Billiton") and Promotora de Recursos Naturales ("PRN") companies. Billiton owned the Aguas Teñidas deposit licenses until 1991 when they were acquired by Placer Dome Inc ("Placer Dome"). • The Aguas Teñidas licenses were then acquired by Navan Resources PLC (Navan) in 1995. Navan acquired the first mining permit in 1995 and began the mining the deposit in 1997. It should be noted that in 1999 the area surrounding the Castillejito mine was being explored by RioMin. • In 2005, the Aguas Teñidas Mine was acquired by Iberian Minerals Corp (parent Company of MATSA) with commercial production restarting in 2009. • The Magdalena deposit was discovered in 2013 by MATSA and in July 2015 commercial production commenced. • The Sotiel group of mines and the associated licenses were previously owned by Minas de Almagrera SA, who undertook a feasibility study in 1977 with regards to reopening the historic mine (previous ownership is not known). Exploitation began in 1983 but the mine subsequently closed in 2001. The Iberian Minerals Corp (parent of MATSA) acquired 100% of the mining rights in 2005.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Project is in the IPB which is arguably the largest and most important VMS metallogenic province in the world. The IPB comprises Upper Devonian to Upper Carboniferous volcano-sedimentary sequences and occurs in the provinces of Huelva and Seville in Spain as well as south Portugal, forming an arch that is approximately 240 km in strike length and 35 km wide. • The IPB is affected by numerous deformation events, including the San Telmo anticline on which the Aguas Teñidas and Magdalena mines occur on the northern limb and Sotiel mine occurs on the southern limb. • The mineralisation consists of massive to semi-massive sulphide bodies, primarily composed of pyrite, with lower quantities (generally less than 10%) of Cu, Pb, and Zn bearing sulphides. • The deposits at Aguas Teñidas and Magdalena mines also have stockwork sulphide zones in the footwall that can be quite extensive and are characterised by primarily pyrite and chalcopyrite mineralisation. • The deposits which comprise the Project have been categorised as Kuroko type VMS deposits based on their mineralogy, geological setting, and geometry/size.

Criteria	JORC Code explanation	Commentary

Drill hole information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• No exploration results have been reported.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No exploration results have been reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• No exploration results have been reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views*	• No exploration results have been reported.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results*	• No exploration results have been reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of data treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No exploration results have been reported.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• No exploration results have been reported.

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

Criteria	JORC Code explanation	Commentary

Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*
	• *Data validation procedures used.*
		• SRK completed a phase of data validation on the digital sample data supplied by the Company, and previous owners of the mines, from their Geobank (Micromine) database which included the following:
		  • search for sample overlaps, duplicate or absent samples;
		  • checks for anomalous assay results;
		  • checks for incorrect or irregular survey results; and
		  • search for non-sampled drillhole intervals within the mineralised zones.

Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*
	• *If no site visits have been undertaken indicate why this is the case.*
		• SRK has completed several visits to the Project, including:
		  • Guy Dishaw (QP for the Mineral Resource) site visit between 4 and 8 March 2018. Included visits to mineralisation exposures and stoping areas in the Aguas Teñidas and Magdalena mines.
		  • Guy Dishaw (QP for the Mineral Resource) site to conduct Leapfrog training between 09 and 13 July 2018.
		  • Guy Dishaw (QP for the Mineral Resource) and James Williams site visit between 8 and 9 May 2019. Included Mineral Resource data technical review and visit to mineralisation exposures and stoping areas in the Sotiel mine.
		• SRK notes that the 2020 QP site visit was unable to be undertaken due to the Covid-19 pandemic; however, this is not deemed material to the report as there has been no major changes in the geological interpretation or methods that MATSA employs to capture its data.

Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The MATSA geologists maintain a detailed series of interpreted geological sections in Datamine software that are used to construct 3D models to support the mineral resource estimates and mine planning. MATSA geology staff also maintain underground geological maps that are used to locally adjust the models. • The Magdalena, Masa 1, and Masa 2 (including Masa 2 Gold Masa 2 Gold Norte), Aguas Teñidas, Western Extension, Calanesa, and Castillejito deposits have been interpreted by MATSA geologists on cross-sections, spaced between 10 and 20 m apart, based primarily on the occurrence of logged massive or semi-massive (SM) sulphides in diamond drillholes and underground exposures, or stockwork (SW) for the cupriferous stockwork zones. In addition to lithological differences, a broad threshold of 0.1% Cu was used to define the stockwork. • Estimation domain analysis completed by SRK identified that within the SM

Criteria	JORC Code explanation	Commentary
		wireframes ('Sulfuro Massivo' or Massive Sulphide) for Aguas Teñidas, Western Extension, and Calanesa deposits, there exist multiple populations of Zn grades. SRK applied a 7% Zn and a 0.7% Zn cut-off to define a high Zn and moderate Zn sub-domain respectively for the Aguas Teñidas and Western Extension deposits. A 6.5% Zn cut-off was used to define a high Zn sub-domain at Calanesa. The remaining volume of the SM model was coded as low Zn (above 0.7%). • The SW ('Stockwork') at Western Extension for Cu displays two populations, SRK applied a 0.2% Cu cut-off to define a high Cu and low Cu sub-domain, respectively. • SRK has not delineated a high- or low-grade SW for the Aguas Teñidas deposit as there is no evidence for separate populations of Cu. No sub-domaining of the Castillejito models was necessary, and the model is split simply into north (202 and 203) and south (201 and 204) lenses based on orientation of the fold limbs. • Estimation domain analysis completed by SRK has identified that within the SM wireframes for the Masa 1, Masa 2 and Masa 2 Gold deposits, there exist multiple populations of Zn grades, while this is not the case for Cu, not including Masa 2 Gold Norte. SRK consequently applied a 5% Zn and a 0.2% Zn cut-off to define a high Zn and moderate Zn sub-domains, respectively. The remaining volume of the SM model was coded as a low-grade Zn sub- domain (below 0.2%). • Sub-domaining of the SW and Masa 2 Gold Norte domains was not deemed necessary based on the statistical analysis and low sample support and therefore no separate Zn sub populations were identified by SRK. The sub- domains have good spatial continuity between drillholes in 3D space. • The Sotiel, Sotiel East, Migollas, Calabazar, and Elvira deposits have been interpreted by MATSA geologists on cross-sections, based primarily on the occurrence of logged massive or semi-massive sulphides in diamond drillholes and underground exposures, where applicable. The cross-section interpretations are triangulated in Datamine software to produce volumes denoted as SM by the MATSA geologists. As part of this study, SRK has adjusted the Elvira and Calabazar SM wireframes in Leapfrog Geo to better represent the continuity of the mineralisation by including additional intersections. • Estimation domain analysis completed by SRK has identified multiple populations (Zn, Cu, and Au) within the SM wireframes for each deposit, apart from Sotiel East. At the Migollas deposit, there exist multiple populations of Zn, Cu, and Au grades. SRK consequently applied a 2%

Criteria	JORC Code explanation	Commentary
		Zn, a 2% Cu, and a 1 g/t Au threshold to define high Zn, high Cu, and high Au sub- domains, respectively. It should be noted that SRK has only sub-domained three of the SM lenses at Sotiel, and four SM lenses at Sotiel East. The Elvira deposit has been sub-domained using a 2% Zn and 1% Cu cut-off threshold to define a high and low Zn domain and a high Cu domain respectively. SRK has also defined a small zone of internal waste logged as massive sulphide at Calabazar. The sub-domains are only modelled where continuous over multiple drill sections in 3D space. The Migollas deposit is the only deposit within the Sotiel mine where Au grades were incorporated in the sub domaining. • The sub-domains are defined using indicator interpolants at the cut-offs described in the above section. The trend of the massive sulphide model is used to guide the trend of the sub-domain interpolants. The sub-domains are continuous over multiple drill sections in 3D space, where sub-domain volumes are not traceable between multiple drillholes, these volumes are excluded from the sub-domain. • SRK conducted contact analyses between the mineralised domains to assess the boundary conditions. These observations support hard and, in some cases, soft boundary conditions, depending on the individual metal or domain considered, for estimation; hard boundary conditions have been employed during interpolation of grades into the block model for all metals in all domains. In cases where soft boundary conditions were implied the domains have sufficient sample support and SRK does not consider this would introduce any bias.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource*	• The Aguas Teñidas mine comprises the Aguas Teñidas, Western Extension, Calanesa, and Castillejito deposits. The Western Extension deposit is an extension of the Aguas Teñidas deposit. Combined, they have been defined by drilling over a 2,700 m along strike and 500 m down-dip. The Aguas Teñidas and Western Extension massive sulphide deposits thickness pinches to the south and thickens to the north (up to 110 m wide), resulting in a wedge-like geometry between a footwall rhyodacitic unit and a hanging wall volcano-sedimentary unit. The Calanesa mineralisation shares the same footwall stratigraphy as the Aguas Teñidas and Western Extension deposits and is interpreted to be an up-dip extension of the Western Extension mineralisation. The deposit has been defined by drilling for approximately 900 m along strike and 450 m down-dip. The Castillejito deposit is located 750 m north-east of the Aguas Teñidas deposit. The mineralisation is deformed by an antiform recumbent fold and has been defined by drilling over an 800 m strike length • The Magdalena mine comprises the Masa 1 and Masa 2 (including Masa

Criteria	JORC Code explanation	Commentary
		2 Gold and Masa 2 Gold Norte) deposits which occur within and generally parallel to, a volcano-sedimentary complex where the hanging wall is typically composed of rhyolite and the footwall composed of dacite. The immediate contacts between the massive sulphides and the volcano-sedimentary units are generally sheared, and the geometry of the mineralisation has been affected by these shears. The Masa 1 deposit has been defined by drilling over a 460 m strike and 130 m dip extent. The Masa 1 deposit is located at the base of the hanging wall units, whilst the Masa 2 deposit is at a low angle to the stratigraphy within the footwall units. The Masa 2 deposit has defined by drilling over a strike extent of 1,630 m and a down dip extent of 620 m. The Masa 2 gold deposit (a faulted extension of the Masa 2 deposit) is the most easterly known mineralisation with the Magdalena mine and has been defined by drilling over 530 m in strike length and a down dip extent of approximately 270 m, whilst the Masa 2 Gold Norte has a 135 m strike extent and 175 m down dip extent. • The Sotiel mine comprises (from west to east) the Calabazar, Sotiel, Sotiel East, Migollas, and Elvira deposits, each of which are separated by northeast-southwest trending faults. The local mine geology is comprised primarily of mixed volcano-sedimentary sequences and alternating beds of shales, slates, tuffs and phyllites, as well as interbedded sandstones and quartzites. The Calabazar deposit comprised multiple massive sulphide layers within volcanic tuff and shales and has been defined by drilling over a strike length of approximately 290 m and dip length of 700 m. The Sotiel deposit is comprised of three sulphide lenses which are separated by shales, and have been defined over a strike length of 450 m and down-dip extent of 460 m. The Sotiel East deposit comprises six sulphide lenses, separated by horizontal to sub-horizontal shales, and have been defined by drilling over a strike length of around 400 m and dip extent of approximately 400 m. The Migollas deposit is divided into two zones, based on the sulphide mineralogy, where the west of the deposit is characterised by generally higher copper content whereas the east of the deposit is characterised by relatively higher zinc and lead content. The deposit has been defined by drilling over a strike length of around 1,100 m and dip length of 520 m. The Elvira deposit occurs closest to surface, of the Sotiel mine deposits, due to thrust faulting. It has been defined by drilling for more than 400 m in strike length and has a maximum down dip extent of 500 m

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g., sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Leapfrog Geo was used to review and define the relevant estimation domains, prepare assay data for geostatistical analysis, Datamine Studio RM was used to construct the block model, and estimate metal grades. Supervisor software was used to analyse grade continuity and validate the estimates where applicable. Maptek Vulcan was used to tabulate Mineral Resources for reporting the Mineral Resource Statement. • Statistical analysis and estimation of the following elements (both main mineralisation, by-product mineralisation and deleterious elements) was completed; Cu, Zn, Pb, Ag, As, Au, Bi, Fe, Hg, S and Sb. • A 4 m composite length was chosen. SRK chose to treat short composites of less than 2 m in length by merging them with the previous composite, where these shorter intervals are typically created at domain boundaries. • Capping was applied to composites rather than to original samples. SRK chose grade capping levels based on population breaks indicated in both the log histograms and log probability plots. In some cases, there are no high-grade outliers in a domain, and in these cases no capping is implemented. • Sub-domains are defined using indicator interpolants at the cut-offs described in the 'Geological Interpretation' section of this table. • Grade continuity was assessed for all elements using experimental variograms. Downhole variograms were used to model the nugget variance, which represents variability at very close distances. Directional variograms, were used to model grade continuities for larger distances. The experimental variograms generally suggest strong anisotropy between the directional variograms, in the order of 2:1, up to 5:1. • Due to some domains having a relatively low number of samples, the modelling of a robust variogram can be difficult, therefore SRK has combined domains that have a similar orientation to one another and occupy a similar spatial location, such as domain 301 and 302 in the western extension. SRK has also combined domains for the variography analysis where similar grade distributions are observed. For Magdalena and Sotiel mines, SRK has modelled the variograms for SG where sufficient sample support occurs (typically more than 80-90 samples). For the Aguas Teñidas mine (and all associated deposits), SRK has applied the Fe variogram for the estimation of the SG due to the strong correlation observed between the two components and direct relationship between pyrite content and SG. • Sensitivity of the estimates to the block dimensions within the modelled domains were tested using kriging neighborhood analysis ("KNA"). The block sizes selected were generally based on drill spacing but also to

Criteria	JORC Code explanation	Commentary
		provide a good representation of the mineralised geometry, as well as an acceptable level of smoothing of the estimates. 10 m x 5 m x 5 m (2 m x 1 m x 0.5 m sub) for all deposits aside from Magdalena at 15 m x 10 m x 10 m (2.5 m x 1 m x 0.5 m sub) and Castillejito at 20 m x 10 m x 10 m (2.0 m x 1 m x 0.5 m sub) • Hard (wireframed) boundary conditions were employed in the estimation. • Only composites from within individual mineralisation model domains were used to estimate blocks within those domains. • Sub-block grades were assigned the grade of the parent block. • A discretization level of 5 m x 5 m x 2 m was set for all estimates within the parent blocks within the estimation domains. • All grades and density values were interpolated into the model using Ordinary Kriging ("OK") in the mineralised domains other than certain zones at Sotiel which were interpolate using Inverse Distance Weighting ("IDW"), due to the low sample support (<90 samples) and their relative spacing. The IDW estimated grades and densities were estimated using a single search pass, whilst the OK grades and density values were estimated using three successive search passes. At Sotiel, there are a higher proportion of historic drillholes which are not analysed for the entire suite of elements. In these domains, grades were estimated based on correlation with other elements. • Any unestimated blocks (grades) at Sotiel from the single pass IDW estimate were calculated using a regression formula. Regarding the Hg and Bi grades, which were estimated using the regression formula, any grades calculated below the 5 and 50 ppm minimum detection limits were fixed to these values. Blocks with no estimated densities or Au values (single search pass) were assigned the average values for each specific domain. Where the sample support was noted as being below 10, these were assigned the average values of adjacent domains which have similar grade profiles. • The selection of the search radii and rotations of search ellipsoids was guided by the grade continuity analysis and the general geometry of the mineralised domains. Due to the variable orientation of the mineralised lenses, SRK applied dynamic anisotropy to those domains where appropriate. • The block grades were estimated using three successive search passes. The first pass considered a relatively small search ellipsoid designed for areas defined by infill grade control drilling. The second pass considered a larger ellipsoid, increasing the first pass by a factor of 2, which was designed to estimate areas defined by underground exploration drilling and

Criteria	JORC Code explanation	Commentary

		areas between mining horizons. The final pass (if required) was designed to estimate all remaining blocks, typically at the extents of the model defined only by exploration drillholes from surface, the ellipsoid increasing the first pass by a factor of up to 10.
		• The block models were validated by completing the following checks:
		  • local validation using visual inspections on sections and plans, viewing composites versus block grades;
		  • global validation by comparison of composite grade statistics versus block grade statistics; and
		  • local validation by comparison of average composite grades with average block grades along different directions (swath plots).
		• SRK has produced waterfall charts for all three mines (inclusive of all deposits and material types) denoting changes in the tonnages between 31 December 2018 and 31 December 2019 for Measured and Indicated material. The charts denote how this 31 December 2019 Mineral Resource has been modified by mining, changes in classification, changes to how the 'non-recoverable' resources (affected) have been determined and changes to reporting cut-offs applied.

Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.

Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• MATSA has used reasonable mining and processing assumptions to develop reporting cut-off net-smelter return ('NSR') values for each mine in order evaluate the proportions of the block model that could "reasonably be expected" to be mined.
		• Processing Recovery Assumptions
		  • Recovery is specific to the ore feed type and varies depending on the feed grade
		  • Polymetallic Feed: Cu=65-85%, Zn=66-87%, Pb=25-50%
		  • Cupriferous Feed: Cu=50-93%
		  • Stockwork Fee: Cu=66-80%
		• Operating Cost Assumptions (Mining Cost)
		  • Mining cost is specific to the particular mine
		  • Aguas Teñidas =25.3 USD/t rock
		  • Magdalena =24.8 USD/t rock
		  • Sotiel =31.8 USD/t rock
		• Operating Cost Assumptions (Payable Metal)
		  • Cu Payable=96.5%
		  • Zn Payable=85%
		  • Pb Payable=95%
		• The Mineral Resource Reporting Cut-off for in-situ mineralization is mine

Criteria	JORC Code explanation	Commentary
		specific: • Aguas Teñidas =40.9 USD/tonne • Magdalena =40.5 USD/tonne • Sotiel =49.1 USD/tonne • The Metal prices for Mineral Resource reporting for the 31 December 2019 statements are based on MATSA's consensus market forecast report (long term) which SRK reviewed and consider appropriate: • Cu = 8,450 USD/tonne • Zn = 3,000 USD/tonne • Pb = 2,450 USD/tonne • Ag = 21.25 USD/oz • Au = 1,750 USD/oz • For Mineral Resources, SRK has considered historical depletion but has not considered future losses or applied an extraction or dilution factor. • Based on certain mining constraints at each mine MATSA has defined areas as being sterilised and in such cases the material is termed as 'non-recoverable' (and is not reported in the statements).
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Surveys of the current mined areas ("asbuilts") of development and stopes have been provided by MATSA, with an effective date of 31 December 2019. The block model has been coded by wireframes of these surveys and assigned to 'depleted' (not reported). • At Aguas Teñidas a 5 m buffer zone around the asbuilt stopes was assigned as 'non-recoverable', as MATSA does not anticipate being able to recover this material due to either blasting or survey issues in particular stopes. In addition to this, volumes between or around stopes, or the edges of the deposit where the wireframes become less than 5 m wide (considered too thin to mine using current methods) were also excluded from the Mineral Resource assessment. • 5 m buffer zones also applied at Magdalena and Sotiel to designate non-recoverable material.

Criteria	JORC Code explanation	Commentary

Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made*	• At the MATSA sites, two separate process streams are used to produce copper and zinc concentrates. The polymetallic mineralisation stream processes polymetallic massive sulphide material, whereas the copper mineralisation stream processes material stemming from cupriferous massive sulphides as well as copper stockworks and each of specific metal recovery profiles.
		• MATSA has characterized run of mine material based on metal grade zonation (indicative of mineralogy), so that the appropriate process is applied to optimize value. Mineralisation is characterized as follows:
		  ◦ Polymetallic: Zn >= 2.5%;
		  ◦ Cupriferous: Cu >= 0.5% and Zn < 2.5%; and
		  ◦ Stockwork: Cu >= 0.4%.

Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made*	• With the reopening of the mine in 2013, the Company has undertaken the recovery of old waste dumps (environmental rehabilitation) in areas degraded by historical mining activity. These dumps may be used to fill the Sotiel mine stopes in the future
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Density measurements have been taken for all main rock types intersected in each drillhole. • This was completed by weighing a piece of core in air and then determining the core volume by displacement of water. • MATSA geologists typically select intact drill core which are between 5 or 10 cm in length for density analysis. • The weight of the dry sample is initially determined using bench mounted electronic scales, before being submerged in water to determine the submerged weight. • The following equation has then been applied by MATSA to determine the dry density: Density = weight (in air) / [weight (in air) – weight (in water)] • MATSA does not coat drill core with wax as pore space (vugs/fractures) are not typically an issue according to MATSA. SRK's review of core at site, as well as select core photos, support this assumption. • There is a strong correlation between specific gravity and S and Fe, as would be expected with massive sulphide mineralisation.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Classification</td><td>• The basis for the classification of the Mineral Resources into varying confidence categories.
• Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).
• Whether the result appropriately reflects the Competent Person's view of the deposit.</td><td>• Block model tonnage and grade estimates for the deposits have been largely classified according to drillhole spacing given that the modelled areas are generally well informed.
• MATSA has been employing these distances to drillhole criteria for several years and find that these reconcile appropriately (based on Resource classification) to observations and results from mining. SRK has reviewed these distances, with respect to geological and Cu and Zn continuity, and consider these appropriate.
• SRK does note, however, that new zones with potentially differing character, should be considered individually before applying the same criteria.
• SRK used these guidelines, along with consideration of data quality, geological continuity and complexity, and estimation quality to define wireframes to outline contiguous zones of blocks with similar levels of confidence.
<table>
<tr><th rowspan="2">Class</th><th colspan="4">Distance to Drillhole (m)</th></tr>
<tr><th>Aguas Teñidas Western Extension, and Calanesa</th><th>Castillejito</th><th>Magdalena Masa 1, Masa 2, and Masa 2 Gold</th><th>Sotiel, Sotiel East, Migollas, Elvira, and Calabazar</th></tr>
<tr><td>Measured</td><td><=20 m</td><td><=20 m</td><td><=25 m</td><td><=40 m</td></tr>
<tr><td>Indicated</td><td>>20 m and <= 40 m</td><td><=40 m</td><td>>25 m and <= 50 m</td><td>>40 m and <= 80 m</td></tr>
<tr><td>Inferred</td><td>>40 m</td><td>>40 m and <= 80 m</td><td>>50 m</td><td>>80 m</td></tr>
</table></td></tr>
<tr><td>Audits or reviews</td><td>• The results of any audits or reviews of Mineral Resource estimates.</td><td>• No audits or reviews have been completed.</td></tr>
<tr><td>Discussion of relative accuracy/ confidence</td><td>• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.
• The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.
• These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</td><td>• SRK has completed the Mineral Resource estimates for the Aguas Teñidas, Magdalena, and Sotiel mines and has validated these estimates using various techniques, including visual and statistical methods.
• MATSA keeps detailed stope reconciliation data which demonstrate that although there may be significant stope by stope variations from the Mineral Resource estimates, when considered over yearly periods, grade control records indicate that actual tonnages and grade (Cu, Zn, and Pb) are within 10% or less from those predicted.</td></tr>
</table>

SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Mineral Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The reported Ore Reserves for the Aguas Teñidas, Magdalena and Sotiel operations are based on the 11 block models which formed the basis of the Mineral Resource estimates. Whilst various Mineral Resource statements are presented per deposit for each operation, the Ore Reserve statements are presented at an operational level, not further split per deposit. • SRK notes that the effective date of the Mineral Resource statement is 31 December 2019, with the effective date of the Ore Reserve being 31 July 2020. Ore Reserves incorporated depletion by MATSA up to 31 July 2020, as compared to the 31 December 2019 Mineral Resource estimate. The Mineral Resources are presented on an inclusive basis, meaning including any Measured or Indicated classified material that has been considered for conversion to Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person for Ore Reserves is Mr Chris Bray, who was not able to visit the sites due to the COVID-19 pandemic. • A regionally based SRK mining engineer (Nuno Castanho) visited site as part of the mining plan review.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• The mines have been operation for some years now, and the mine plan has been developed to a level sufficient for the statement of Ore Reserves, using appropriate modifying factors and proving that they are economically viable.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied*	• An NSR cut-off value approach is applied for each stope or development block, with each value calculated according to the ore type, metal grades, metallurgical recoveries, realisation costs, forecast metal prices and the payability of each metal according to the agreed smelter terms. MATSA has estimated the NSR values for individual blocks into the resource block models for each mine. Parameters applied are as follows:

Criteria	JORC Code explanation	Commentary

	Units	Cu (Copper Ore)	Cu (Stockwork Ore)	Cu (Poly Ore)	Zn (Poly Ore)	Pb (Poly Ore)
Recovery	%	90	81	73	79	33
Conc Grade (Cu)	%	23	23	21	48	26
Ag Recovery	%	40	40	-	-	-
Payability	%	96.5	96.5	96.5	85	95
Deduction	%	1	1	1	8	3
Ag Payability	%	100	100	100	70	95
Ag Deduction	g/t	30	30	30	93	50
T/C	USD/t conc.	80	80	103	230	120
R/C	c/lb	0.08	0.08	0.103	-	-
R/C (Ag)	c/oz	0.35	0.35	0.35	0.35	0.60
Penalty**	USD/t conc.	21.46	21.46	21.46	7.07	0.38
Transport Costs	USD/t conc.	9.24	-	9.24	0	0
Other Costs	USD/t conc.	25	25	25	22	28

- SRK conducted a review of MATSA's NSR methodology and block model macros, and concluded that it is adequate for the geological setting and the type of mining operation. SRK ran a comparison between the block model coded with its own coefficients and the block model coded with MATSA's macro, and observed that the differences were acceptable for the assessment of Ore Reserves and justifiable with the slight differences between the two approaches.
- For the Ore Reserve estimate, SRK used the incremental cut-off, as most of the mining areas of the mines had most of the development already in place and it was assumed that the development cost had been already paid for by the mined out stopes. For the areas which had not been accessed by development works yet, the full cut-off was considered. The incremental cut- off NSR values are calculated to be as follows: Aguas Teñidas USD40.90/t, Magdalena USD40.49/t and Sotiel USD49.09/t. Details are as follows:

Criteria	JORC Code explanation	Commentary

	Units	Aguas Teñidas		Magdalena		Sotiel	
		Full Cut-Off	Incrementral Cut-Off	Full Cut-Off	Incrementral Cut-Off	Full Cut-Off	Incrementral Cut-Off
Mining							
Horizontal Dev	EUR/t	6.76	0.00	5.41	0.00	9.86	0.00
Vertical Dev	EUR/t	0.00	0.00	0.00	0.00	0.00	0.00
Scoop Maint.	EUR/t	1.41	1.41	0.69	0.69	0.00	0.00
Electrical Energy	EUR/t	2.47	1.23	1.59	1.59	1.72	1.38
Geological Support	EUR/t	0.89	0.00	0.34	0.00	0.78	0.00
Open Stoping	EUR/t	6.35	5.34	3.60	3.02	7.06	6.35
Rehabilitation	EUR/t	1.04	0.00	0.13	0.00	0.00	0.00
Backfill	EUR/t	2.36	1.77	2.64	2.64	0.59	0.59
Services	EUR/t	8.34	1.67	3.61	2.70	7.09	5.32
Haulage	EUR/t	4.47	4.47	4.89	4.89	7.20	7.20
Total	**EUR/t**	**34.08**	**15.88**	**22.90**	**15.53**	**34.30**	**20.84**
Processing							
Process Operation	EUR/t	8.46	8.46	8.46	8.46	11.66	11.66
Process Maintenance	EUR/t	3.81	3.81	3.81	3.81	3.81	3.81
Total	**EUR/t**	**12.27**	**12.27**	**12.27**	**12.27**	**15.47**	**15.47**
G&A							
General Services	EUR/t	2.21	2.21	2.21	2.21	0.88	0.88
Administration	EUR/t	3.72	3.72	3.72	3.72	3.72	3.72
Total	**EUR/t**	**5.94**	**5.94**	**5.94**	**5.94**	**4.60**	**4.60**
Total							
	EUR/t	**52.28**	**34.08**	**41.10**	**33.74**	**54.37**	**40.90**
	USD/t	**62.74**	**40.90**	**49.32**	**40.49**	**65.24**	**49.09**

Mining Factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.*	• The primary underground mining method approach at the three mines is sub-level long-hole open stoping (“LHOS”) with transverse and longitudinal orientation depending on the orebody thickness. The mined stopes at Aguas Teñidas and Magdalena are backfilled with paste fill. The Sotiel mine currently uses unconsolidated development waste as backfill with plans to trial cemented rock fill (“CRF”). MATSA has plans to use a Drift and Fill (“D&F) mining method in a small zone of Aguas Teñidas around and above previously mined out stopes. • The Ore Reserve for MATSA has been estimated using accepted industry practices for underground mines including stope optimisation analysis (Deswik), mine design, mine scheduling and the development of a cash flow model incorporating the Company’s technical and economic projections for the mine for the duration of the Life of Mine Plan (“LoMP”). • The Ore Reserve includes unplanned dilution factors which are applied as constant values for the individual mines, with two zone exceptions in Magdalena (Masa 2 West and Masa Gold) and incorporates mining

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>• The infrastructure requirements of the selected mining methods.</td><td>recovery factors which are applied as constant values for the individual mines as follows:
<table><tr><th>Mine</th><th>Mine Dilution</th><th>Mining Recovery</th></tr><tr><td>Aguas Teñidas</td><td>12%</td><td>85%</td></tr><tr><td>Magdalena</td><td>12%[1)]</td><td>84%</td></tr><tr><td>Sotiel</td><td>11%</td><td>90%</td></tr></table>1) Exception to Masa 2 West (6%) and Masa Gold (20%)
• Any mineralisation which occurs below the designated Net Smelter Return (“NSR”) cut off value or is classified as an Inferred Mineral Resource within the individual underground designs is not considered as Ore Reserves.
• The Ore Reserve estimate was based on the 2020 LoMP as provided by MATSA. SRK conducted a site visit to MATSA’s mining operations from 28 to 30 of July 2020 and reviewed the mine plan and related assumptions for the three mines. From this review, a series of adjustments were made to allow the reporting of Ore Reserves. These adjustments focused mainly on the removal of Inferred material from the LoMP, removal of sub-economical stopes or areas and some material reductions to reflect minor design issues observed in each mine plan. SRK has only reviewed the LoMP and not undertaken mine planning or re-estimated the Reserve from first principles.
• In addition to this, SRK discussed with MATSA the proposed approach for the minor D&F mining at the Aguas Teñidas mine with agreement that further work needs to be completed in order to increase the confidence in the mining sequence and backfill strategy. To better reflect this in the reserves, it was agreed to apply a reduction factor of 50% to the recovery of these tonnes and which can be seen as provisional pillars being assumed to be left until further work is completed and greater confidence in the recovery is achieved.</td></tr>
<tr><td>Metallurgical factors or assumptions</td><td>• The metallurgical process proposed and the appropriateness of that process to the style of mineralization.
• Whether the metallurgical process is well-tested technology or novel in nature.
• The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.
• Any assumptions or allowances made for deleterious elements.</td><td>• The MATSA ores are complex, fine grained ores with extremely high levels of gangue pyrite present. Numerous metallurgical testwork programmes have been undertaken to understand the metallurgical complexity of the orebodies and to develop optimal processing scenarios. These programmes have been undertaken both before the project’s commencement, and since, with the on-site laboratory being very active in testing and optimising the plant’s operating parameters in response to changing ore feed characteristics.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary

	• *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.*
	• *For minerals that are defined by a specification, has the Ore Reserve estimation been based on the appropriate mineralogy to meet the specifications?*
		• Based on the testwork conducted, the following concentrate qualities are indicated:
		  • Copper ore:
		  • Copper concentrate grade in the low 20s%, recoveries in the order of 90%; and
		  • Polymetallic ore:
		  • Copper concentrate grade in the low 20s%, recoveries in the order of 80%,
		  • Lead concentrate grade in the mid-30s%, recoveries in the order of 60%,
		  • Zinc concentrate grade of the order of 50%, recoveries in the order of 80%.
		• Ore is processed at a central facility. The facility consists of two crushing lines and three processing lines, which are contained within two plants (operational since 2008 and 2011 respectively). Ore is classified either as Copper or Polymetallic.
		• The current ore classification criteria was developed in 2017 as an update from the previous criteria established in 2011. The criteria was based on a review of the preceding 2 years' worth of operating data, and determined that ore could be delineated as Copper ore according to the following parameters: %Cu/%Zn >1.7; and %Zn <2.5.
		• The analysis indicated that these parameters would produce a Copper concentrate at acceptable recoveries and with Zn and Pb contents below the specified maximum allowable penalty limits of 3.7% Zn and 3.5% Pb.

Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• MATSA has the necessary mining rights and surface ownership for the three mining sites and plant operations. • Required environmental and water permits appear to be in place, although the Cortagena City Council disputes the presence of municipal permits for works being carried out close to Valdelamusa. MATSA appears to be in broad compliance with permit conditions. • The Company appears to have completed the necessary studies to identify environmental and social factors relevant to the operation, with the potential exception of geochemical characterisation of mining waste. • Management of the three operations from an environmental and social perspective appears reasonably good, and there is a clear focus on maximising resource efficiencies particularly across water, waste, GHG emissions and energy. • The operation does not appear to adversely affect sensitive areas.

Criteria	JORC Code explanation	Commentary
		• Limited environmental and social impact monitoring, and analysis of trends in monitoring data, is a weakness that limits opportunities for continuous improvement (though is compliant with permit requirements).
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• The MATSA operations are located in a west European country, Spain, which has well-established, well-regulated civil engineering and construction industry standards. The operations themselves have been active for a number of years and as such the infrastructure required to facilitate mining and processing operations are in place and fit for current purposes. No expansion or production rate increases are proposed. • The power generation mix in Spain is such that current cost of power should be maintained. In terms of wider access to markets, the mines are located very close to Huelva, which is a busy port and has the facilities for blending and exporting concentrates. • The TSF has undertaken a major transition since 2016 to increase capacity, which involved switching to the upstream raise method. This method inherently involves more risk, as the stability of future raises relies inherently on the undrained strength of the stored tailings as opposed to the embankment fill materials. Whilst the stability analysis which underpins the current upstream raise design appears to be robust, it is noted that additional data has been obtained on the in-situ properties of the tailings through a number of Cone Penetration Testing (“CPTu”) campaigns since the design was originally executed. In addition to 5 CPTu probes which were completed to support the design change in 2017, an additional 12 CPTu have been completed (during 2018- 2019) to confirm tailings consolidation properties, porewater pressure regime, phreatic surface and tailings strength parameters. Whilst the original stability analysis completely by Golder is adequate, it should be further verified by additional undrained strength analysis which use the data obtained from subsequent CPTu investigations. This data can be used to confirm the minimum Factor of Safety (“FOS”) is obtained around as built embankments. The design of future raises can also be verified and adapted (if it is deemed necessary). • The current practice of holding large volumes of water on the TSF to supply the plant is not in accordance with best practice and could create the circumstances where there is an elevated phreatic surface in the external embankments of the TSF (which can increase likelihood of embankment failure). However, it is noted that the volumes of excess water stored on the pond have been reduced markedly since 2018, which has significantly reduced this risk. This situation needs to be closely monitored and maintained going forward.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>• There appears to be a robust system of monitoring and controls in place to mitigate the potential risks associated with a facility of this Class.</td></tr>
<tr><td>Costs</td><td>• The derivation of, or assumptions made, regarding projected capital costs in the study.
• The methodology used to estimate operating costs.
• Allowances made for the content of deleterious elements.
• The source of exchange rates used in the study.
• Derivation of transportation charges.
• The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.
• The allowances made for royalties payable, both Government and private.</td><td>• Operating costs and capital expenditures presented relate to the 2020 mining plan with effective date of 31 July 2020.
• Operating costs have been derived by MATSA in three mining and a processing cost model, based on the physical activities taking place. A summary of the derived unit costs (historical vs plan up to 2024 inclusive) is presented below. SRK notes some drops in unit costs during the last 5 months of 2020 (“5M 2020”), and an apparent redistribution of costs between treatment and maintenance costs from actuals to forecasts, but overall the numbers look reasonable. No royalties are understood to be payable.
<table>
<tr><th>Parameter</th><th>Units</th><th>LoM</th><th>7M 2020 Actual</th><th>5M 2020 Plan</th><th>2021 Plan</th><th>2022 Plan</th><th>2024 Plan</th></tr>
<tr><td>Mine</td><td>(USD/t_{mined})</td><td>34.56</td><td>31.2</td><td>32.6</td><td>32.9</td><td>31.6</td><td>32.2</td></tr>
<tr><td>Aguas Teñidas</td><td>(USD/t_{mined})</td><td>10.02</td><td>6.9</td><td>4.4</td><td>7.4</td><td>10.7</td><td>9.7</td></tr>
<tr><td>Magdalena</td><td>(USD/t_{mined})</td><td>34.97</td><td>33.6</td><td>36.3</td><td>35.1</td><td>31.7</td><td>29.8</td></tr>
<tr><td>Sotiel</td><td>(USD/t_{mined})</td><td>149.77</td><td>113.9</td><td>302.3</td><td>191.5</td><td>135.5</td><td>138.5</td></tr>
<tr><td>Treatment Plant</td><td>(USD/t_{feed})</td><td>5.00</td><td>8.9</td><td>4.3</td><td>4.4</td><td>4.9</td><td>4.9</td></tr>
<tr><td>Maintenance Plant</td><td>(USD/t_{feed})</td><td>11.88</td><td>4.1</td><td>10.1</td><td>10.7</td><td>11.5</td><td>11.6</td></tr>
<tr><td>Water & Project</td><td>(USD/t_{feed})</td><td>2.54</td><td>2.0</td><td>2.2</td><td>2.3</td><td>2.4</td><td>2.5</td></tr>
<tr><td>Administrative</td><td>(USD/t_{feed})</td><td>4.95</td><td>4.3</td><td>4.2</td><td>4.5</td><td>4.7</td><td>4.8</td></tr>
<tr><td>Other (Matsa Lab)</td><td>(USD/t_{feed})</td><td>1.41</td><td>1.3</td><td>2.2</td><td>1.2</td><td>1.3</td><td>1.3</td></tr>
<tr><td>Total</td><td>(USD/t_{feed})</td><td>60.34</td><td>52.8</td><td>54.8</td><td>56.4</td><td>57.7</td><td>56.9</td></tr>
</table>
• SRK notes that the total mine development and mine equipment capital expenditure in the economic model exceed the mine by mine breakdown as provided in the underlying mine cost models. For 2020 capital for Sotiel and Magdalena is presented separately, but thereafter only on a consolidated basis.
• Closure costs have been consolidated over a shorter time frame, due to the shorter life of the Ore Reserves case compared to MATSA’s full life of mine plan (which includes additional material).</td></tr>
</table>

Criteria	JORC Code explanation	Commentary

Capital Expenditure	Units	Total	5M 2020	2021	2022	2023	2024
Infill Drilling	(USDM)	69.9	4.4	9.2	10.0	9.0	8.2
Mine development/ infrastructure	(USDM)	336.6	15.8	45.9	53.7	49.9	46.8
Mine equipment	(USDM)	38.4	-	10.5	4.5	5.0	4.2
Projects/Spare parts plant	(USDM)	20.2	1.0	3.0	4.0	2.7	2.3
Admin/General Infrastructure	(USDM)	181.0	-	27.2	24.4	21.1	23.2
Other	(USDM)	1.1	1.1	-	-	-	-
Tailings	(USDM)	1.8	-	-	-	0.3	-
Sotiel	(USDM)	5.4	5.4	-	-	-	-
Magdalena	(USDM)	12.1	12.1	-	-	-	-
Exploration	(USDM)	0.8	0.8	-	-	-	-
Mine Closure	(USDM)	31.9	-	-	0.3	-	-
Total	**(USDM)**	**699.1**	**40.6**	**95.8**	**96.9**	**88.0**	**84.9**

Capital Expenditure	Units	2025	2026	2027	2028	2029	2030
Infill Drilling	(USDM)	7.8	7.4	7.1	6.7	-	-
Mine development/ Infrastructure	(USDM)	46.9	35.0	26.1	16.4	-	-
Mine equipment	(USDM)	3.2	4.8	2.3	3.9	-	-
Projects/Spare parts plant	(USDM)	2.1	1.9	1.7	1.5	-	-
Admin/General Infrastructure	(USDM)	22.8	20.8	23.7	17.7	-	-
Other	(USDM)	-	-	-	-	-	-
Tailings	(USDM)	0.2	-	-	1.3	-	-
Sotiel	(USDM)	-	-	-	-	-	-
Magdalena	(USDM)	-	-	-	-	-	-
Exploration	(USDM)	-	-	-	-	-	-
Mine Closure	(USDM)	0.9	0.9	0.9	2.4	12.3	14.2
Total	**(USDM)**	**83.9**	**70.9**	**61.8**	**50.0**	**12.3**	**14.2**

Revenue Factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• The smelter terms as supplied by MATSA in the economic assessment of the LoMP are as follows:

Criteria	JORC Code explanation	Commentary

Parameter		Units	2018	2019	H1 2020	LoM
Cu con (poly)						
Payability						
	Cu	(%)	95.1%	-	95.2%	95.3%
	Ag	(%)	83.4%	-	82.6%	82.8%
TC		(USD/dmt)	115.1	-	85.0	99.5
RC						
	Cu	(USD/lb)	0.12	-	0.08	0.08
	Ag	(USD/oz)	0.35	-	0.35	0.35
Penalties		(USD/dmt)	35.6	-	25.8	16.7
Pb con						
Payability						
	Pb	(%)	88.9%	88.1%	88.1%	88.5%
	Ag	(%)	87.8%	88.5%	89.6%	89.6%
TC		(USD/dmt)	113.0	98.0	150.2	122.3
RC						
	Ag	(USD/oz)	0.85	0.60	0.92	0.62
Penalties		(USD/dmt)	2.0	2.3	1.7	0.8
Zn con						
Payability						
	Zn	(%)	-	-	-	83.3%
	Ag	(%)	-	-	-	23.3%
TC		(USD/dmt)	-	-	-	235.4
Penalties		(USD/dmt)	-	-	-	8.9
Cu con (Cu)						
Payability						
	Cu	(%)	95.6%	95.5%	95.4%	95.4%
	Ag	(%)	76.7%	71.8%	75.3%	75.8%
TC		(USD/dmt)	85.8	80.9	61.2	77.1
RC						
	Cu	(USD/lb)	0.09	0.08	0.06	0.06
	Ag	(USD/oz)	0.35	0.35	0.35	0.35
Penalties		(USD/dmt)	21.3	14.4	19.8	15.8

- Commodity prices used in the economic viability test are as follows (with the long term price the basis for the Ore Reserve), which are deemed acceptable by SRK when comparing to consensus market forecasts as

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>available to SRK:
<table>
<tr><th>Commodity Prices</th><th>Units</th><th>5M 2020</th><th>2021</th><th>2022</th><th>2023</th><th>>=2024</th></tr>
<tr><td>Cu</td><td>(USD/t)</td><td>6,480</td><td>6,600</td><td>6,600</td><td>6,600</td><td>6,800</td></tr>
<tr><td>Pb</td><td>(USD/t)</td><td>1,870</td><td>1,900</td><td>2,000</td><td>2,000</td><td>2,000</td></tr>
<tr><td>Zn</td><td>(USD/t)</td><td>2,100</td><td>2,200</td><td>2,300</td><td>2,300</td><td>2,400</td></tr>
<tr><td>Ag</td><td>(USD/oz)</td><td>22.4</td><td>25.0</td><td>20.0</td><td>20.0</td><td>17.0</td></tr>
</table>
Copper is the main contributor to overall NSR making up for approximately 66% over the Ore Reserve life of mine, followed by a zinc contribution of approximately 25%. Silver (7%) and lead (2%) make up the remainder of the total NSR. NSR per tonne of material processed is approximately USD110/t over the Ore Reserve life.</td></tr>
<tr><td>Market assessment</td><td>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.
A customer and competitor analysis along with the identification of likely market windows for the product.
Price and volume forecasts and the basis for these forecasts.
For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</td><td>No market study has been supplied for review, which is deemed acceptable considering the operation is currently in production and contracts are in place for the sale of copper (standard and polymetallic), lead and zinc concentrates. However, assumptions made in the economic assessment differ somewhat.</td></tr>
<tr><td>Economic</td><td>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.
NPV ranges and sensitivity to variations in the significant assumptions and inputs.</td><td>SRK has undertaken an assessment of the economic viability of the Ore Reserves in order to support the statement of Ore Reserves. SRK notes that the economic model as prepared by MATSA is driven by a mine plan which includes Measured, Indicated and Inferred Mineral Resources (plus other), and no life of mine plan exists solely based on Ore Reserves. As taking out Inferred and other material as deemed appropriate by SRK, on an annual basis would hugely distort the economic viability of the remaining production and present an unrealistic plan, SRK has applied a simplified approach, in simply keeping throughput at the consistent rate as per the MATSA plan, but limiting the life to the tonnage as incorporated in the Ore Reserve. There is a disconnect in the economic model between tonnages mined and when processed, which further complicates a more sophisticated approach. SRK acknowledges this is an over-simplification, but accepts doing so for the purpose of this exercise. SRK notes that there is a small discrepancy in grades by doing so, but as the below does not serve as a technical valuation of the property, but is solely completed for purposes of Ore Reserve reporting, this is deemed acceptable.
As the economic analysis results a positive annual cashflow, and has</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		been tested with a range of sensitivities, SRK is comfortable to state the Ore Reserves as being economically viable. Results of the cashflow analysis are as follows:

Parameter	Units	Total	5M 2020	2021	2022	2023	2024	2025-2030
NSR								
Cu	(USDM)	2,716.4	130.0	380.6	378.9	408.8	355.5	1,062.6
Pb	(USDM)	80.8	1.5	6.2	7.8	13.0	14.0	38.3
Zn	(USDM)	1,008.4	44.3	126.0	130.7	150.0	152.0	405.5
Ag	(USDM)	284.0	15.4	45.1	37.0	52.4	40.0	94.1
Total NSR	**(USDM)**	**4,089.7**	**191.2**	**557.9**	**554.4**	**624.2**	**561.5**	**1,600.5**
	(USD/t feed)	113.9	102.9	121.5	118.9	137.3	119.8	102.9
Operating Costs								
Mine	(USDM)	1,240.8	59.2	152.4	153.4	144.8	150.2	580.8
Treatment Plant	(USDM)	179.7	7.9	20.0	22.8	22.3	22.1	84.7
Maintenance Plant	(USDM)	426.6	18.8	49.3	53.8	52.6	52.1	200.1
Water & Project	(USDM)	91.1	4.1	10.7	11.1	11.2	10.9	43.1
Administrative	(USDM)	177.7	7.8	20.9	21.8	21.8	21.2	84.2
Other (Matsa Lab)	(USDM)	50.6	4.1	5.6	6.0	6.0	5.8	23.1
Total	**(USDM)**	**2,166.5**	**101.8**	**258.9**	**268.9**	**258.7**	**262.2**	**1,016.0**
	(USD/t feed)	60.3	54.8	56.4	57.7	56.9	56.0	65.3
EBITDA and Tax								
EBITDA	(USDM)	1,923.1	89.4	299.0	285.5	365.5	299.3	584.5
Tax	(USDM)	245.3	10.6	52.8	43.5	63.8	42.2	32.4
Capital Expenditure								
Total Capital	(USDM)	699.1	40.6	95.8	96.9	88.0	84.9	293.1
Results								
Net Free Cashflow	**(USDM)**	**978.7**	**38.3**	**150.4**	**145.1**	**213.7**	**172.3**	**259.0**

- SRK recommends that MATSA runs a second scenario in their economic model, based on a production schedule which is solely driven by material classed as Ore Reserves. This will provide further comfort in the viability of the Ore Reserves on a standalone basis and enable proper reporting of economics for the Ore Reserve.

Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• MATSA uses numerous channels to communicate with stakeholders such as local communities, employees, contractors, suppliers, investors and the media. These channels include information sessions, newsletters,

Criteria	JORC Code explanation	Commentary

		website, email and social media platforms. The company also reportedly holds regular meetings with stakeholders to maintain a continuous dialogue and open days are held monthly for members of the local community, as well as residents of Huelva and Seville provinces, to promote transparency between the company and its neighbors.
		• MATSA did not provide SRK with a stakeholder engagement plan or stakeholder meeting records as part of this review. SRK recommends that, if not already prepared, MATSA:
		  • formalises its stakeholder engagement plan, documenting a stakeholder identification and analysis process and the strategy for communicating and sharing information with different stakeholder groups; and
		  • implements a system for systematically recording stakeholder interactions. This is important to demonstrate appropriate engagement is being undertaken and the company is recording and responding to stakeholder comments or grievances.
		• From the information reviewed, SRK notes that MATSA does not disclose site-specific environmental or social data on a regular basis, other than through annual corporate reports such as the Corporate Dossier (2018 version available on the website) and the Non-Financial Information Report (2019 version shared with SRK). The sharing of site-specific data, such as environmental monitoring data, would further strengthen transparency and trust with surrounding community stakeholders.
		• A documented grievance mechanism was also not shared with SRK, although there is an email address for complaints and suggestions available to stakeholders. Three complaints from 2018 were recorded in the non-conformance register. It is not clear how these, and other, complaints are captured, tracked, investigated, responded to and reported.

Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• No other factors that would impact on the statements of Ore Reserves have been identified.

Criteria	JORC Code explanation	Commentary
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• Ore Reserves derived from material in the Measured Mineral Resource category have been classed as Proved, whilst Ore Reserves derived from material in the Indicated Mineral Resource category are classed as Probable Ore Reserves. • The Ore Reserve classification appropriately reflects the CP's understanding of the deposit. • No Measured Mineral Resources have been converted to the Probable Ore Reserve category.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• SRK understands that no Ore Reserves estimates have been declared by independent parties historically. • SRK reviewed MATSA's mining plans and used those as the basis for the Ore Reserve estimate
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Ore Reserve for MATSA has been estimated using accepted industry practices for underground mines, including stope optimisation analysis (Deswik), mine design, mine scheduling and the development of a cash flow model incorporating the Company's technical and economic projections for the mine for the duration of the Life of Mine Plan. • SRK recognises that the LoMPs from the individual mines of Aguas Teñidas, Magdalena and Sotiel include material classified as Inferred Resources, which was removed from the assessment of Reserves. SRK has identified a number of minor design corrections and communicated these to MATSA to address in future updates to the mine plan and Reserve estimate. • The Ore Reserve includes appropriate unplanned dilution and mining recovery factors. • The metal price assumptions used in the economic test are subject to market forces and inherently present an area of uncertainty out of the Company's control.