



December 2020 Half Year Financial Results Presentation

25 February 2021

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All figures are expressed in Australian dollars unless otherwise stated. USD/AUD currency conversion 0.70 unless otherwise stated.

This presentation should be read in conjunction with Sandfire's December 2020 Half-Year Financial Report and accompanying notes, released today, 25 February 2021.

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

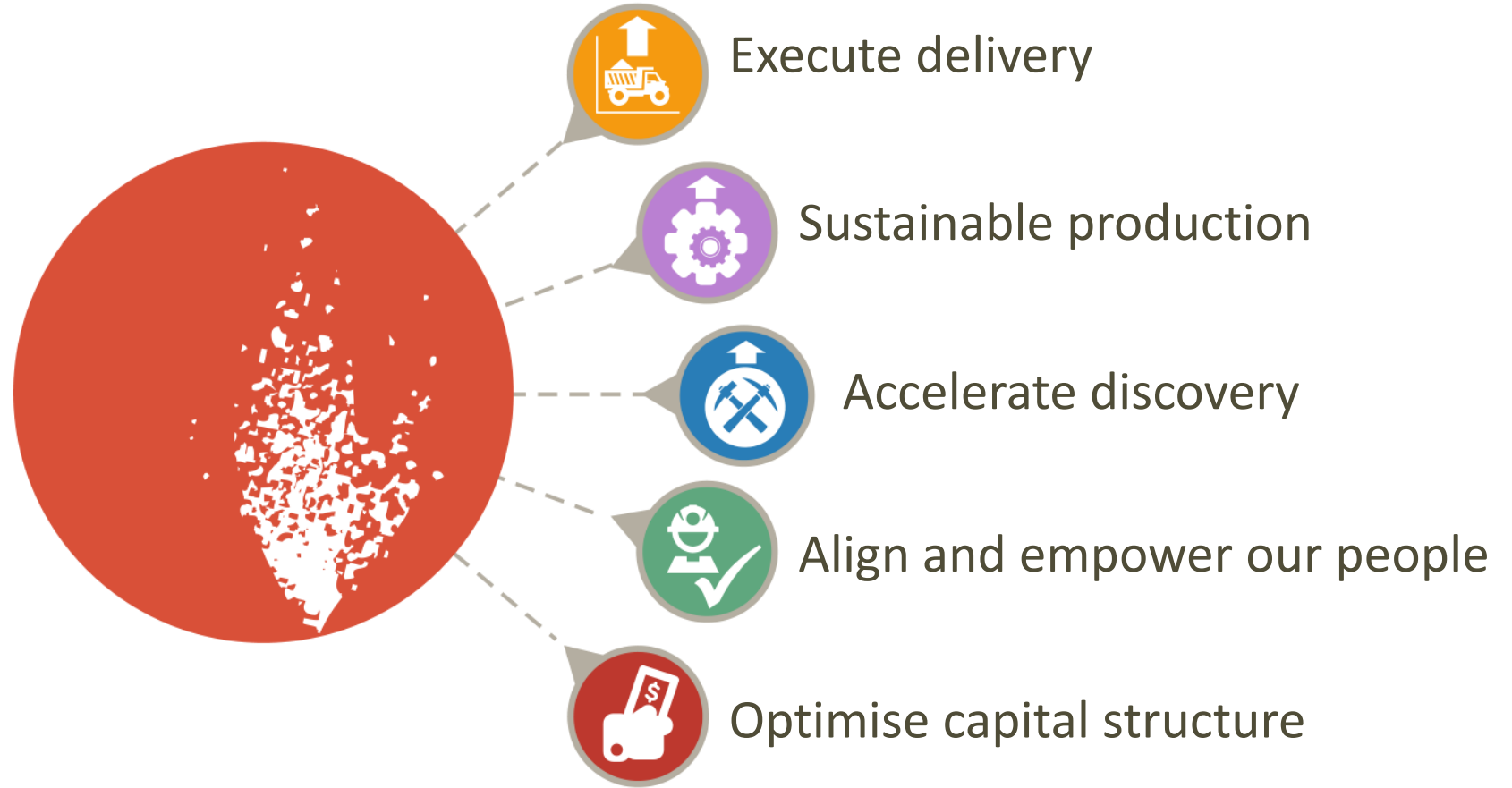
Forward-Looking Statements

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Sandfire. There is continuing uncertainty as to the full impact of COVID-19 on Sandfire's business, the Australian economy, share markets and the economies in which Sandfire conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on Sandfire's business or the price of Sandfire securities. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Sandfire does not undertake any obligation to update or revise any information or any of the forward-looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

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

Strategy

Creating value
through
opportunity



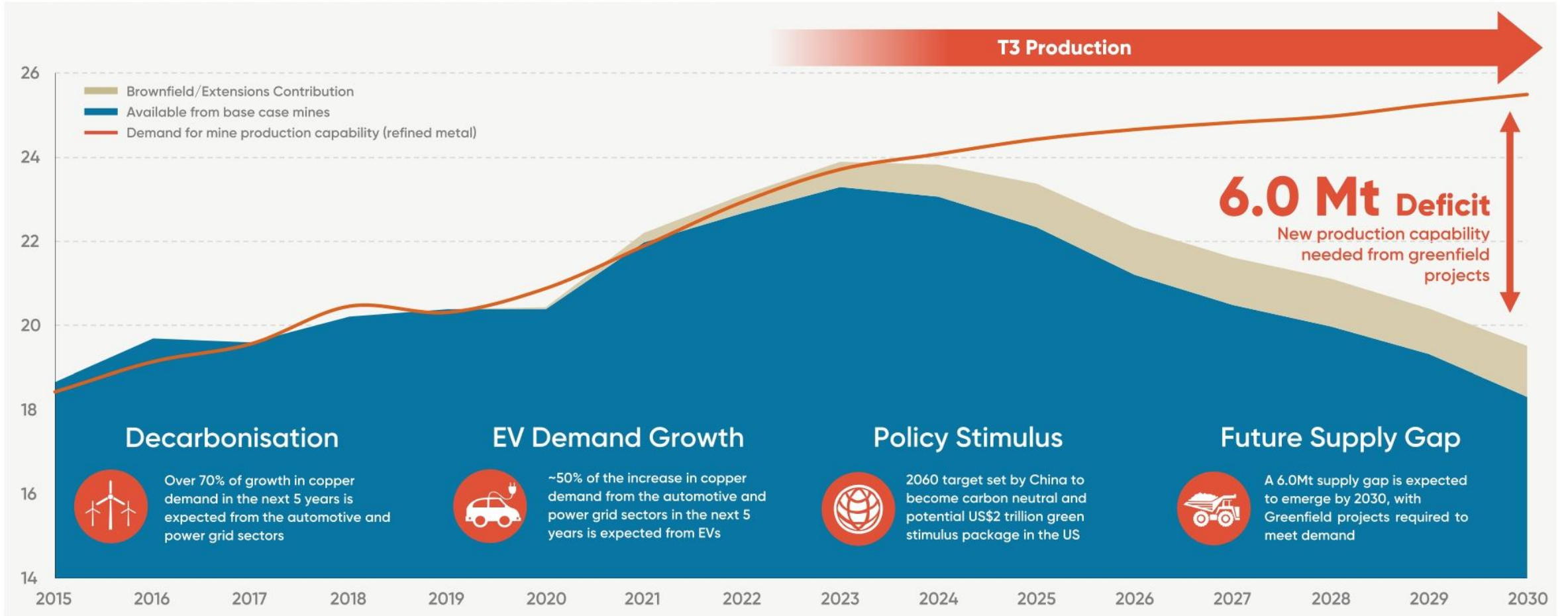
Highlights

1HFY2021

- **DeGrussa copper production:** 35,790t of contained copper and 21,343oz of contained gold at C1 US\$0.72/lb; pleasing safety performance:
 - **FY2021 guidance:** positioning for upper end of guidance 67-70kt of contained copper and 36-40koz of contained gold, at C1 US\$0.85-\$0.90/lb
 - **Old Highway Gold Prospect resource drilling well advanced** – studies continue on transition to gold production at DeGrussa leveraging existing infrastructure
- **5.2Mtpa Motheo Copper-Silver Production Hub** concept emerging:
 - Board approval for initial **3.2Mtpa operation at T3**, development commenced Q3FY2021 with **12.5-year mine life** at **~30ktpa Cu and 1.2Mozpa Ag**
 - Maiden **100kt Cu Inferred Mineral Resource** for A4 deposit with strong growth potential highlighted by post-resource **high-grade intercepts of up to 16% Cu**
 - **Exceptional exploration upside** within dominant 26,650km² ground-holding in Botswana and Namibia
- **Black Butte Copper Project, USA** – Enhancements to Feasibility Study underway; maiden Ore Reserve for the Johnny Lee Deposit; updated Inferred Mineral Resource for the Lowry Deposit; new near-mine exploration programs underway
- **Strong \$335.8M cash holding and no debt** at 31 December 2020 (excluding lease liabilities)

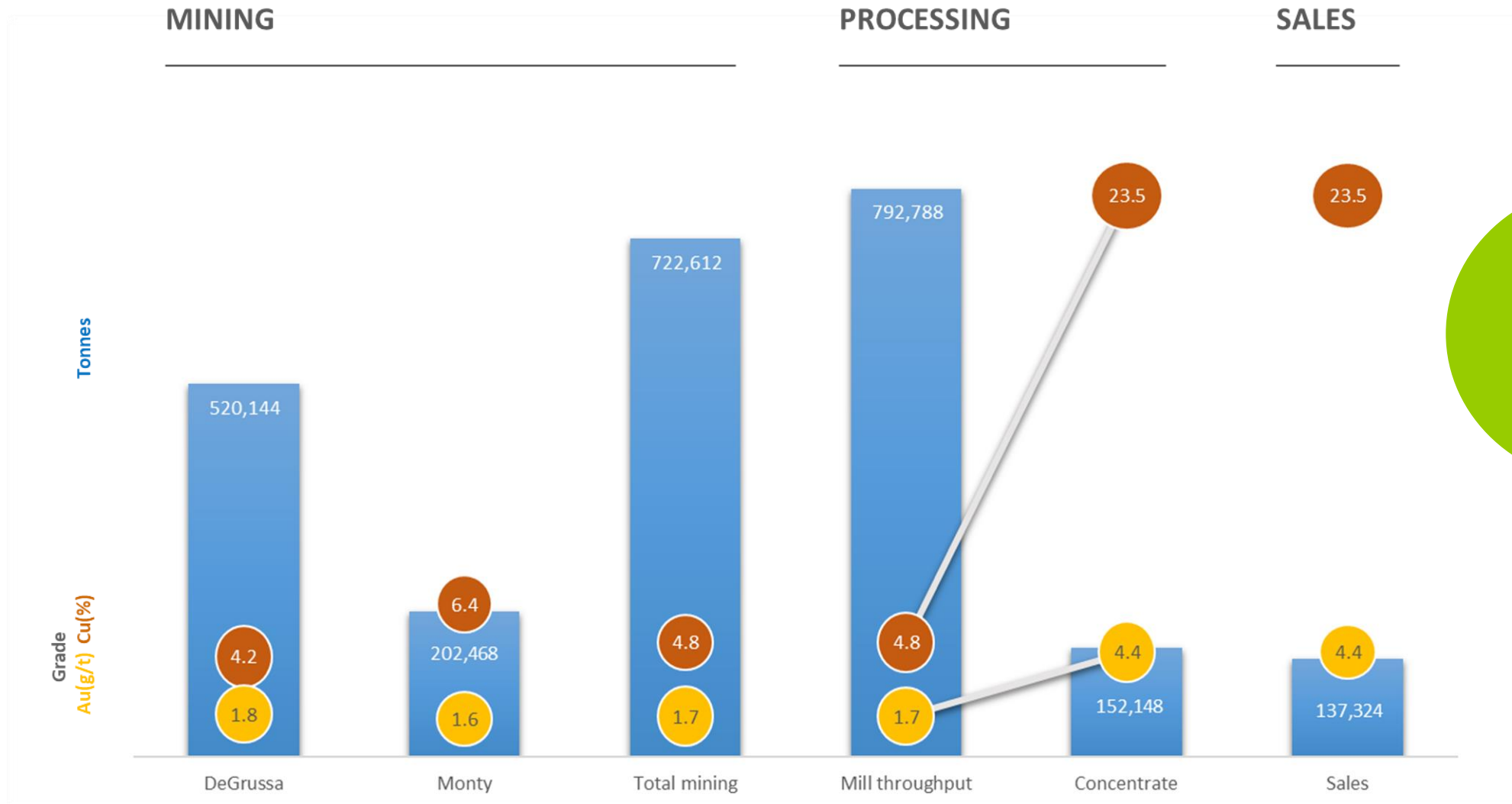


Copper Production Capability and the Future Supply Gap (Mt Cu)



Source: Citi Research; Wood Mackenzie. Source data for chart taken from Wood Mackenzie Global Copper Mine Supply Summary (Q3 2020 Update), assumes that 70% of production from brownfield projects currently categorized as "Probable" will proceed, also includes an allowance for brownfield mine life extensions equivalent to 20% of forecast closures

DeGrussa Operations | FY2021 YTD Production



93.4% Cu recovery

Copper production: **35,790t Cu**
21,343oz Au contained

48.4% Au recovery



DeGrussa Operations

1HFY2021
Headline Financial
Results

\$355.6M

Record
sales revenue

\$335.8M

Cash and equivalents
(\$44.6M increase)

\$192.1M

Group
EBITDA

\$137.8M

Cash flow from
operating activities
(\$28.7M increase)

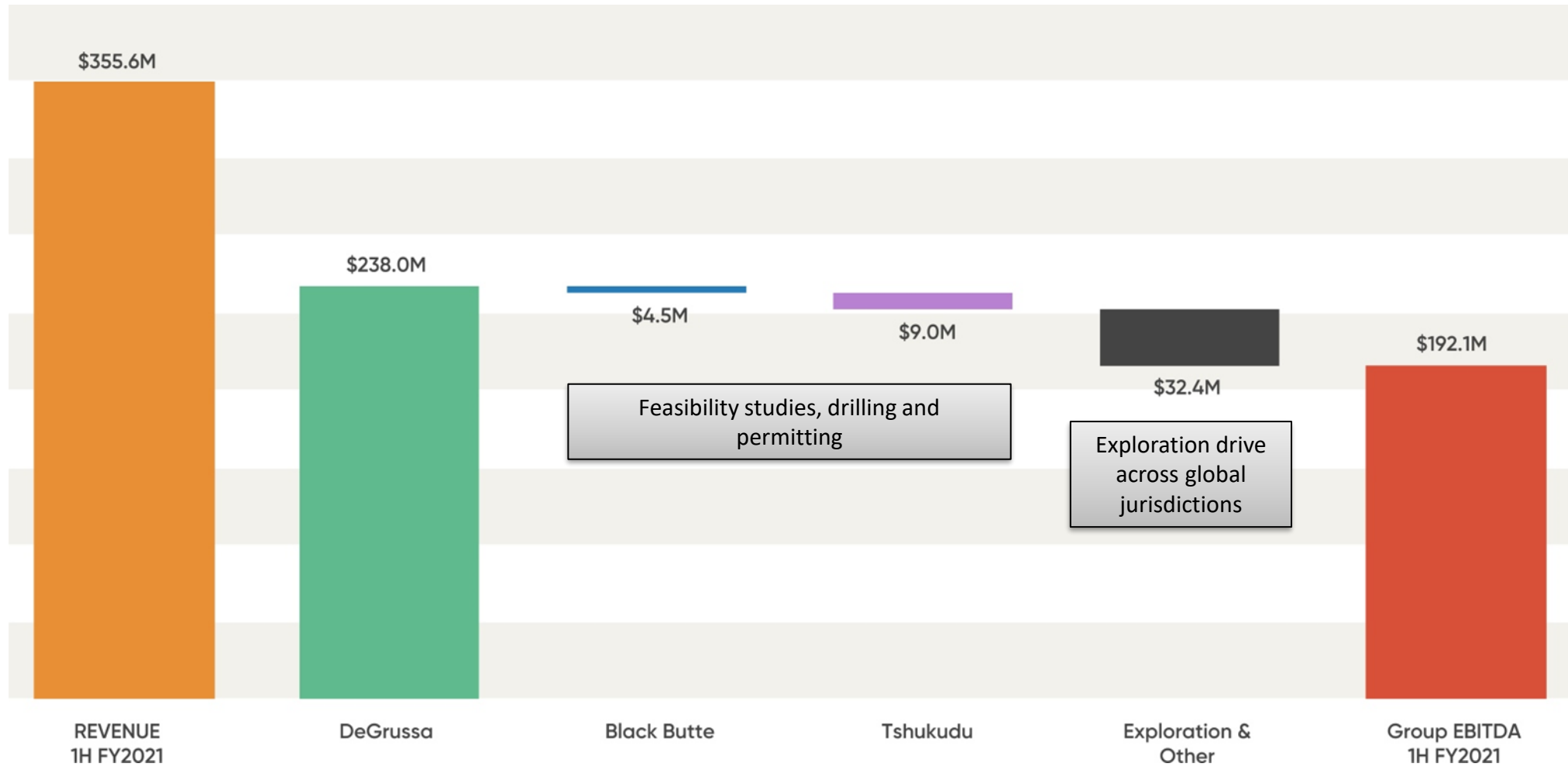
\$60.1M

Net profit after tax
attributable to equity holders
(\$87.1M D&A)

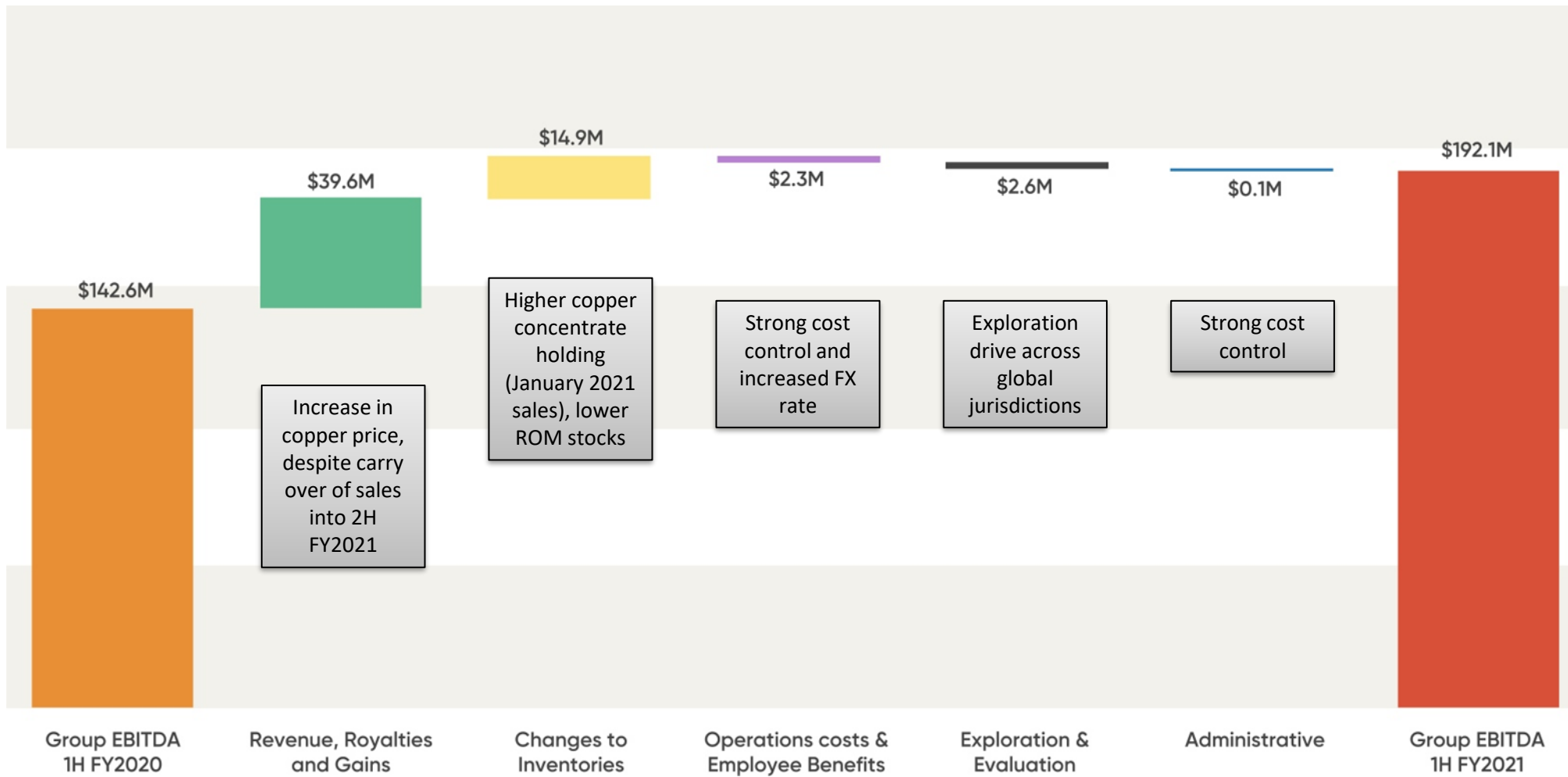
8cps

Fully-franked Interim
Dividend
(EPS 34.1cps)

1HFY2021 | Group Segment Contribution to EBITDA



1HFY2021 | Group EBITDA – 1HFY2020 to 1HFY2021



Financial Position

1HFY2021

- **Maintaining strong financial position for growth**
 - Group cash holding increased to \$335.8M
 - Increased inventory with 4 shipments completed in January 2021
 - Financial investments \$81.9M
 - Current tax receivable \$23.8M (received January 2021) and payable \$21.8M (expect Q4 CY2021)
 - Debt free balance sheet (excluding lease liabilities) positions for financing flexibility in project development

\$335.8M

Cash and equivalents

(\$44.6M increase)

\$972.6M

Total assets

(\$78.5M increase)

\$806.1M

Net assets

(\$55.8M increase)

Dividends

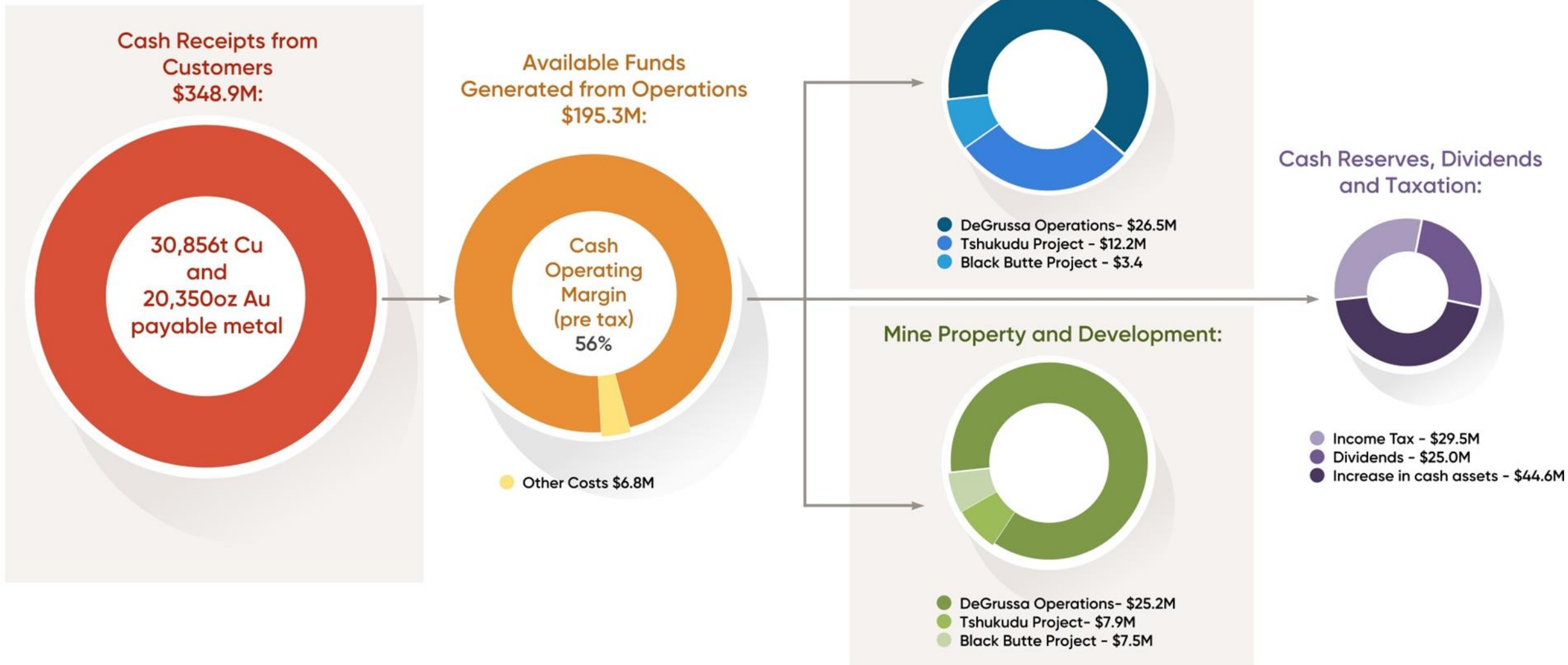
1HFY2021

- **Continued returns to shareholders**
 - Maintaining dividend stream from profitable DeGrussa Operations
 - **8.0cps** interim dividend for FY2021:
 - Fully franked
 - Record date 3 March 2021
 - Payment date 17 March 2021
- **Optimised capital structure to drive dividend payments in conjunction with:**
 - Project development
 - Funding mix
 - Exploration and expansion capital expenditure

8cps

Fully-franked Interim
Dividend
(EPS 34.1cps)

1HFY2021 | Cash Generation and Investment



Summary and Outlook

- ✔ **Strong foundations** – high-margin production and cash-flow, strong debt-free balance sheet
- ✔ **New long-life production hub** being developed in Botswana with development of T3 (Motheo) commenced in Q3 FY2021
- ✔ **Highly prospective global exploration portfolio** to drive organic growth
- ✔ **A capable and focused** international exploration, development and mining operations team
- ✔ **A strong platform** for long-term value-creation in a rising copper market

Sandfire is well on the path to completing its transformation from a single-mine company operating in Australia into a diversified and sustainable mining company



T3 Ore Reserve

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

DeGrussa and Monty Ore Reserve

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

DeGrussa, Monty, T3 and A4 Mineral Resource






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



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Contact Details

 Level 2, 10 Kings Park Road, West Perth WA 6005 Australia
 PO BOX 1495, WEST PERTH WA 6872 AUSTRALIA
 +61 8 6430 3800  +61 8 6430 3849  www.sandfire.com.au