

Sandfire Update Acquisition of MATSA Mining Complex

Metal Tiger plc (AIM: MTR, ASX: MTR), the AIM and ASX listed investor in natural resource opportunities, is pleased to provide an update in relation to its investment in Sandfire Resources Limited ("Sandfire"). Sandfire has today announced the acquisition of the MATSA Mining Complex in Spain and an A\$1,248 million equity raising. Metal Tiger is currently interested in 6,143,357 Sandfire shares representing approximately 3.4% of Sandfire's issued share capital. As announced on 08 December 2020, 2,842,667 of the Sandfire shares held by the Company are subject to an equity derivative financing arrangement with a global investment bank.

Metal Tiger will update shareholders in due course about its intentions with regard to its rights under the equity offer and is currently exploring several options.

Highlights:

- 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).
- 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.
- Consideration of US\$1,865M implies an acquisition multiple of 4.8x MATSA's FY21 EBITDA of US\$387M - compares favourably to the median EBITDA trading multiple of global peers.
- 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.
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A link to Sandfire's announcements can be found below:

Transformational Acquisition of the MATSA Mining Complex:

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02425128-6A1051678?access_token=83ff96335c2d45a094df02a206a39ff4

Acquisition of the MATSA Mining Complex Presentation:

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02425130-6A1051681?access_token=83ff96335c2d45a094df02a206a39ff4

This ASX release was authorised on behalf of the Metal Tiger Board by: David Michael McNeilly, Chief Executive Officer.

