



20 January 2022

ASX Limited
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**Lodgement of December 2021 Quarterly Report and Presentation
Investor Conference Call and Webcast Details**

I am pleased to attach the following items for immediate release to the market:

1. December 2021 Quarterly Report; and
2. December 2021 Quarterly Report Presentation.

In addition, a teleconference and live webcast on the December 2021 Quarterly Report will be held for the investment community at 10.00am (AWST) / 1.00pm (AEST) today.

The December Quarterly Report and accompanying slide presentation will be available via the ASX Company Announcements Platform (ASX Code: SFR) and Sandfire's website at www.sandfire.com.au.

A live webcast of the teleconference and synchronised slide presentation will also be available by [clicking here](#).

Yours sincerely

Matthew Fitzgerald
Chief Financial Officer
and Company Secretary

20 January 2022

December 2021 Quarterly Report

Highlights

DEGRUSSA OPERATIONS (AUSTRALIA)

Contained metal production	September 2021 Quarter	December 2021 Quarter	December 2021 Half Year	FY 2022 Guidance
Copper (t)	15,946	18,675	34,621	64 – 68,000
Gold (oz)	7,515	8,739	16,254	30 – 34,000
C1 cost (US\$/lb)	1.13	1.07	1.10	1.10 – 1.20

- FY2022 production guidance maintained: **64-68kt Cu** and **30-34koz Au**.
- FY2022 C1 cost guidance increased to: **~US\$1.10-\$1.20/lb**, driven by higher power and diesel prices resulting in increased mining, transport and shipping costs.
- Maiden Mineral Resource estimate completed for the Old Highway Gold Deposit, located approximately 20km WSW of Sandfire's DeGrussa Copper-Gold Mine in Western Australia:
 - Indicated Mineral Resource of 2.8Mt @ 2.5g/t Au for 223,000oz of contained gold.
- Studies underway to evaluate potential development options including producing gold through modification of the existing DeGrussa processing infrastructure.
- Sandfire continues to maintain appropriate protocols to minimise the transmission of COVID-19, with no significant disruption to the Company's operations to date.

MATSA (SPAIN)

- Applications to the Foreign Investment Authority and Competition Authority in Spain in relation to Sandfire's US\$1,865M acquisition of MATSA were approved by the relevant Spanish Government authorities in late December 2021.
- The two approvals satisfy the outstanding conditions precedent to the Sale and Purchase Agreement (SPA), meaning that the transaction is now unconditional and will proceed toward completion on or around 31 January 2022.
- Key integration activities are well advanced to ensure an orderly and efficient transition of the MATSA Operations into Sandfire's global business.

KALAHARI (BOTSWANA, NAMIBIA)

- Construction activities continued to ramp up at the Motheo Copper Mine with 750 personnel on site. Over 1,000m³ of structural concrete was placed during the Quarter, structural steel deliveries commenced, and mining equipment has arrived on site and is being assembled.
- Definitive Feasibility Study (DFS) for the 5.2Mtpa Motheo expansion is on track to be completed in Q4 of FY2022.

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- Significantly expanded exploration activity both within the Motheo Expansion Project and high priority exploration targets in regional areas.

BLACK BUTTE (USA)

- Lowry Deposit Resource drilling, to support Lowry pre-feasibility work in 2022 is ongoing with 4,000 meters completed. Two additional drills have been added to the program to accelerate completion.

CORPORATE AND FINANCIAL

- Final US\$200M deposit for MATSA acquisition paid into escrow pending completion, following payment of the initial US\$100M on signing, which has also been transferred into escrow by the vendors.
- Execution of documentation for the US\$650M MATSA Syndicated and Underwritten Debt Facility approved by the Sandfire Board, with the A\$200M Corporate Debt Facility with ANZ also executed and drawn down.
- A\$1,248M equity raising finalised following completion of the accelerated non-renounceable entitlements offer in October 2021.
- DeGrussa Operations copper and gold hedging program initiated.
- Sale of Sandfire's 16% investment in Adriatic Metals Plc (ASX: ADT) for gross proceeds of A\$97M.
- Group cash on hand at 31 December 2021 of \$1,654M (US\$1,202M) (unaudited).
- Sandfire included in the benchmark S&P ASX-200 index effective from 30 November 2021.

1 MANAGEMENT OVERVIEW

Sandfire Managing Director and CEO, Karl Simich, said: "Sandfire has hit the ground running in 2022 following an excellent December Quarter for the Group. Our US\$1,865 million acquisition of MATSA has progressed rapidly towards completion, the ramp-up of construction activities gathered momentum at our new Motheo Copper Mine in Botswana, pre-development and optimisation activities advanced at Black Butte in the USA, and our global exploration effort continued in multiple locations around the globe.

"All of this was underpinned by another outstanding operational, cost and financial performance by our DeGrussa Operations in Western Australia, notwithstanding the impact of increasing diesel and power costs and the general environment of cost inflation being experienced in the resource sector.

"The imminent completion of the MATSA acquisition will mark a momentous occasion for Sandfire and all of our stakeholders. We received the final regulatory approvals from the relevant Spanish authorities in late December 2021, which means that all conditions precedent for this landmark acquisition have now been satisfied. The transaction is now unconditional and will proceed toward completion on or around 31 January 2022.

"Since first announcing the acquisition in September 2021, the Sandfire and MATSA teams have been working tirelessly to ensure an orderly and efficient integration of the MATSA operations into

our business, and I am really looking forward to seeing this process step up a gear as we take ownership of MATSA in the coming days.

“With the acquisition of MATSA, Sandfire immediately becomes one of the largest copper-focused base metal producers on the ASX, with high-quality operations in Spain and Australia and an impressive growth pipeline and exploration portfolio that will drive our growth for decades to come.”

“Operationally, DeGrussa enjoyed a strong December Quarter with copper and gold production in line with guidance and we remain on track to achieve our FY2022 production guidance. We have increased our C1 cost guidance, principally due to high diesel prices and increased shipping costs, which have been prevalent around the world in recent months.

“We are also working extremely hard to prepare the business for the scheduled re-opening of the Western Australian borders on 5 February 2022, ensuring we have updated protocols in place to maintain business and operational continuity.

“The December Quarter also saw positive progress on other fronts, with the delivery of a maiden Mineral Resource Estimate for the Old Highway Gold Deposit, 20km from the DeGrussa Mine. This will underpin ongoing studies for the potential development of a future gold operation leveraging DeGrussa’s existing processing infrastructure.

“At the new Motheo Copper Mine in Botswana, our construction teams are rapidly gearing up and we now have 750 people on site. Key recent milestones included the award of a number of major contracts and the mobilisation of AMS to site. Our in-country Botswana team continues to do a wonderful job managing the ramp-up of construction while keeping our workforce and contractors safe, with strong protocols in place to manage the transmission of COVID-19 following the recent emergence of the Omicron variant.

“At Black Butte, we continue to work on optimisation and pre-development programs while managing the ongoing legal challenges.

“Sandfire’s inclusion in the benchmark S&P ASX-200 index towards the end of the Quarter marked a fitting culmination to what was a transformational year for our business in 2021 and will put Sandfire on the radars of a much wider range of global investors.

“With the MATSA transaction about to complete and our Australian operations continuing to perform strongly, Sandfire is in an exceptional position to capitalise on the strong outlook for copper over the next few years. Copper, with its unique characteristics, is a vital ingredient in the global energy transition and demand from the renewable energy industry is widely expected to become the key driver of growth of the copper market over the next 4 to 5 years.”

2 COVID-19 BUSINESS RESPONSE

The health and wellbeing of our people, contractors and stakeholders is of paramount importance to us, with the Company continuing to maintain strict protocols across our operations to minimise the potential transmission of COVID-19.

The Company’s head office and DeGrussa Operations continued to operate without interruption with Western Australia remaining largely COVID-free during the Quarter. Sandfire has continued to update its existing protocols and monitor advice from the health authorities to prepare for the proposed opening of the WA border on 5 February 2022.

Sandfire’s operations in Botswana and Montana, USA, have continued to update COVID-19 protocols to safeguard the health of employees, contractors, and local communities.

3 SAFETY PERFORMANCE

The Total Recordable Injury Frequency Rate (TRIFR) for the Group at the end of the December Quarter was 6.9 (September 2021 Quarter: 5.6). Recordable injuries include those that result in any days away from work (Lost Time Injuries), those where an employee or contractor cannot perform all or any part of their normal shift (Restricted Duty Injuries), as well as any injury that requires services that only a medical practitioner can provide (Medical Treatment Injuries).

Safety system developments continue to focus on the prevention of incidents and principal hazard management, with programs to assist in managing and continually improving the safety culture and the management of risk for both employees and contractors.

4 DEGRUSSA OPERATIONS, WESTERN AUSTRALIA

4.1 Overview

DeGrussa Operations Production Statistics		Units	Q2 FY22	Q1 FY22	FY22 Guidance
DeGrussa U/G	Mined	Tonnes	325,922	303,102	
	Copper Grade	%	4.40	3.16	
	Gold Grade	g/t	1.57	1.17	
Monty U/G	Mined	Tonnes	122,906	116,050	
	Copper Grade	%	5.55	6.05	
	Gold Grade	g/t	1.35	1.49	
Total	Mined	Tonnes	448,828	419,152	
	Copper Grade	%	4.71	3.96	
	Gold Grade	g/t	1.51	1.26	
Concentrator	Milled	Tonnes	439,959	405,048	
	Copper Grade	%	4.49	4.24	
	Gold Grade	g/t	1.35	1.34	
Concentrate produced	Concentrate		79,157	67,477	
	Contained Copper	Tonnes	18,675	15,946	64 to 68,000
	Contained Gold		8,739	7,515	30 to 34,000
Concentrate sold	Concentrate		73,522	72,021	
	Contained Copper	Tonnes	17,074	16,872	
	Contained Gold		7,467	8,694	
Operating cost	C1 cost	US\$/lb	1.07	1.13	1.10 to 1.20

Note: Mining and production statistics are rounded to the nearest 0.1% Cu grade and 0.1 g/t Au grade. Errors may occur due to rounding. Production statistics are subject to change following reconciliation and finalisation subsequent to the end of the Quarter.

4.2 Underground Mining

During the Quarter, production was sourced from the DeGrussa and Monty Mines with both mines remaining in balance between production and back-fill. Mine production rates from both mines were in line with the mine plan.

This combined performance resulted in a total of 448,828 tonnes mined for the Quarter.

4.3 Processing

Processed ore tonnes of 439,959 for the Quarter continued to be in line with plan and was supported by high plant utilisation late in the Quarter. Mill throughput rates remained on target with strong copper recovery of 94.5%.

4.4 Operating Costs

C1 operating costs of US\$1.07/lb Cu were above budget for the Quarter. Driven by higher diesel and power prices, and higher shipping and demurrage charges currently being experienced in global markets, we have increased our C1 operating cost guidance for FY2022 to ~US\$1.10 - \$1.20/lb.

FY22 Operating costs US\$/lb	Q2 FY22	Q1 FY22	FY22 Guidance
Mining	0.47	0.53	
Processing	0.29	0.32	
Business services	0.12	0.13	
Transport Costs	0.40	0.39	
Treatment and refining	0.19	0.16	
C1 cost (pre by-product credit)	1.47	1.53	
By-product credit	(0.40)	(0.40)	
C1 cost	1.07	1.13	1.10 to 1.20
Royalties	0.25	0.22	
Production cost	1.32	1.35	
Depreciation and amortisation	0.96	1.07	
Total production cost	2.28	2.42	

Note: Operating cost are rounded to the nearest US\$0.01. Errors may occur due to rounding. Production statistics are subject to change following reconciliation and finalisation subsequent to the end of the Quarter.

Refer to Sandfire's December 2021 Quarterly Report Presentation (released today, 20 January 2022) for further detail and guidance on operating parameters, unit costs and capital expenditure for FY2022.

4.5 Old Highway Gold Deposit Mineral Resource Estimate

A maiden Mineral Resource Estimate (MRE) has been completed for the Old Highway Gold Deposit, located 20km west-south-west of the DeGrussa Copper-Gold Mine.

The Indicated Mineral Resource comprises **2.8 million tonnes grading 2.5g/t gold for 223,000 ounces** of contained gold.

Full details of the Old Highway Mineral Resource Estimate were provided in the Company's ASX Announcement dated 15 December 2021.

Table 1: December 2021 Indicated Mineral Resource Estimate for Old Highway Gold Deposit

Area	Resource Category	Cut-off grade (g/t Au)	Tonnes (Mt)	Au (g/t)	Au (koz)
Non-Central Area (Open Pit)	Indicated	0.6	2.3	1.5	113
Central Area (Open Pit)	Indicated	0.6	0.1	2.9	7
Central Area (Underground)	Indicated	2.0	0.3	9.5	102
Grand Total	Indicated		2.8	2.5	223

Note: Tonnes and grade have been rounded to one decimal figure, ounces have been rounded to nearest thousandth. Columns may not total exactly due to rounding differences.

Sandfire has completed a number of study elements to support the completion of the MRE and assess potential development options for the Old Highway Gold Deposit, including:

- Open pit and underground design work including geotechnical and hydrology studies.
- Metallurgical testwork including variability work on the different ore lithologies. The ore is free milling with overall very high gold recoveries exceeding 90% at moderate grind size of 106 microns and low reagent consumptions.
- Preliminary design and costing for the addition of a gold recovery plant to the existing DeGrussa copper concentrator. This would involve the addition of gravity, CIL and gold recovery circuits.
- All baseline environmental work at Old Highway has been completed and documentation for the various approvals is in progress.
- Ore haulage options for the transport of ore from Old Highway to DeGrussa have been investigated and preliminary costs for the options established.
- Various CIL tailings storage options including use of the existing DeGrussa TSF and in-pit deposition into the DeGrussa pit have been investigated.
- Mining Leases M52/1080 and M52/1081 have been granted for the Old Highway project area.

5 MATSA, SPAIN

5.1 MATSA Integration

Sandfire's applications to the Foreign Investment Authority and Competition Authority in Spain in relation to the US\$1,865 million acquisition of MATSA were approved by the relevant Spanish Government authorities on 29 December 2021.

The two approvals satisfy the outstanding conditions precedent to the Sale and Purchase Agreement (SPA), meaning that the transaction is now unconditional and will proceed toward completion on or around 31 January 2022.

The transformational acquisition, which was announced on 23 September 2021, delivers Sandfire 100% ownership of the MATSA operations, located in the world-class Iberian Pyrite Belt in the Huelva Province of Andalusia in south-western Spain.

MATSA is a substantial polymetallic mining complex comprising three underground mines and a 4.7Mtpa central processing facility with cutting-edge technology and infrastructure. MATSA's extensive Resource base underpins a 12-year mine life, with significant growth potential.

6 KALAHARI, BOTSWANA

6.1 Motheo Copper Mine Development

Project implementation progressed well during the Quarter in both onsite and offsite activities. The project is proceeding on budget and on schedule and has now exceeded 500,000 manhours LTI free.

The Omicron COVID-19 variant currently present in Botswana has not impacted on the project schedule to date. Pre-testing for all personnel prior to remobilisation to site in early January, combined with a work team isolation strategy has been implemented to manage the potential impacts on site. A total of 20 positive tests were recorded from the pre-testing during the January remobilisation and all cases were successfully isolated off-site.

The following significant contracts were awarded during the Quarter.

- Structural Steel Fabrication
- Platework Fabrication
- Tailings Storage Facility Earthworks and Liner Installation
- Grade Control Drilling
- Process Plant Buildings
- Tailings HDPE Liner Supply
- Construction Transport and Logistics
- Permanent Accommodation Facility Catering Services
- Mining Contract
- 4.5 MW Ball Mill Supply (for 5.2Mtpa Motheo Expansion)

Site activities ramped up at Motheo throughout the December Quarter, with significant progress made across many work fronts. Manning numbers on site exceeded 750 late in the Quarter.

Bulk Earthworks on the process plant area is well advanced and the civil contractor mobilised and poured over 1,000m³ of concrete for the SAG Mill base, primary crusher base, reclaim tunnel base and commenced thickener foundations.



Figure 1. Primary Crusher Vault



Figure 2. Reclaim Chamber Base



Figure 3. SAG Mill Foundation

The permanent accommodation facility (750 rooms) construction contractor mobilised to site during November and commenced site work in December. Initial camp occupation (Stage 1) is planned for late in the March 2022 Quarter.



Figure 4. 750 Person Camp Accommodation Buildings



Figure 5. Junior Accommodation Block



Figure 6. TSF liner deliveries commenced



Figure 7. Grade Control Drilling at the Pit in progress

AMS are now established on site and have commenced assembly of the initial mining equipment. The following primary equipment are currently on-site:

- 1 x Hitachi 2600 Excavator (components)
- 4 x CAT 785 Dump Trucks (components)
- 2 x CAT D10T Dozers (fully assembled)
- 1 x CAT 992 Wheel Loader (fully assembled)
- 1 x CAT 18M Grader (fully assembled)

Equipment expected during January 2022:

- 1 x Hitachi 2600 Excavator
- 2 x CAT 777 Dump Trucks
- 4 x CAT 785 Dump Trucks
- 2 CAT D10T Dozers



Figure 8. CAT 785 Dump Truck on Assembly Pad

Mechanical and Electrical Equipment fabrication is now well advanced with deliveries to site to commence in the March 2022 Quarter. All forecast equipment delivery dates are well ahead of required dates on site.



Figure 9. Concentrate Thickener trial assembly in South Africa

Sandfire intends to fund the development of the Motheo Copper Mine through a combination of cash and project debt. Credit committee approved offers for debt financing of the US\$160 million for the Base Case 3.2Mtpa development have now been received from the Company's shortlist of potential international lenders. Selection of syndicate banks and finalisation of terms will be completed during the March 2022 Quarter.

6.2 5.2Mtpa Motheo Expansion Case DFS

The DFS work programs are well advanced with open pit geotechnical reporting, groundwater bore drilling and pump testing and metallurgical testwork and reporting completed. Open pit design and production scheduling is well advanced, as is design and estimation of the required process plant upgrades.

A project brief was submitted to the Department of Environmental Affairs (DEA) during the Quarter which confirmed that a full ESIA is required for the 5.2Mtpa Expansion Project. Preparation of the ESIA has already commenced with many of the environmental and social baseline studies already completed. The ESIA is scheduled to be submitted to DEA in the June 2022 Quarter.

The order, for the only long-lead process plant equipment required for the plant expansion, a 4.5MW Ball Mill, was placed late in the Quarter with expected delivery in Q2 FY2023.

The DFS remains on schedule for completion in the June 2022 Quarter.

6.3 Kalahari Exploration

Following the transfer in September 2021 of 11 highly prospective licences acquired by Sandfire along the Kalahari Copper Belt, the Company now has access to 41 licences with a total area of approximately 21,100km² in Botswana and 9 licences in Namibia with an area of approximately 5,400km² (see Figure 10).

This is the largest holding in the under-explored Kalahari Copper Belt. There is minimal previous drilling on numerous targets identified by Sandfire outside the Motheo Expansion Project.

Sandfire significantly expanded its exploration activity both within the Motheo Expansion Project area and on high priority exploration targets in regional areas. The drilling fleet was increased to 10 drill rigs by the end of the Quarter and the exploration staff and support functions in-country were also expanded.

While COVID-19 remains prevalent in Botswana, the Sandfire exploration team and numerous supporting contractors reported minimal positive cases or interruptions during the Quarter. This was largely due to the rigorous testing and social distancing protocols maintained on site.

The expanded exploration program underway in the Kalahari Copper Belt is focused on:

- High-grade satellite discoveries within the Motheo Expansion Project area with potential to increase the scale of the Motheo production; and
- Delineating additional Mineral Resources with the potential to extend mine life; and targeting regional discoveries to unlock the copper belt's wider potential.

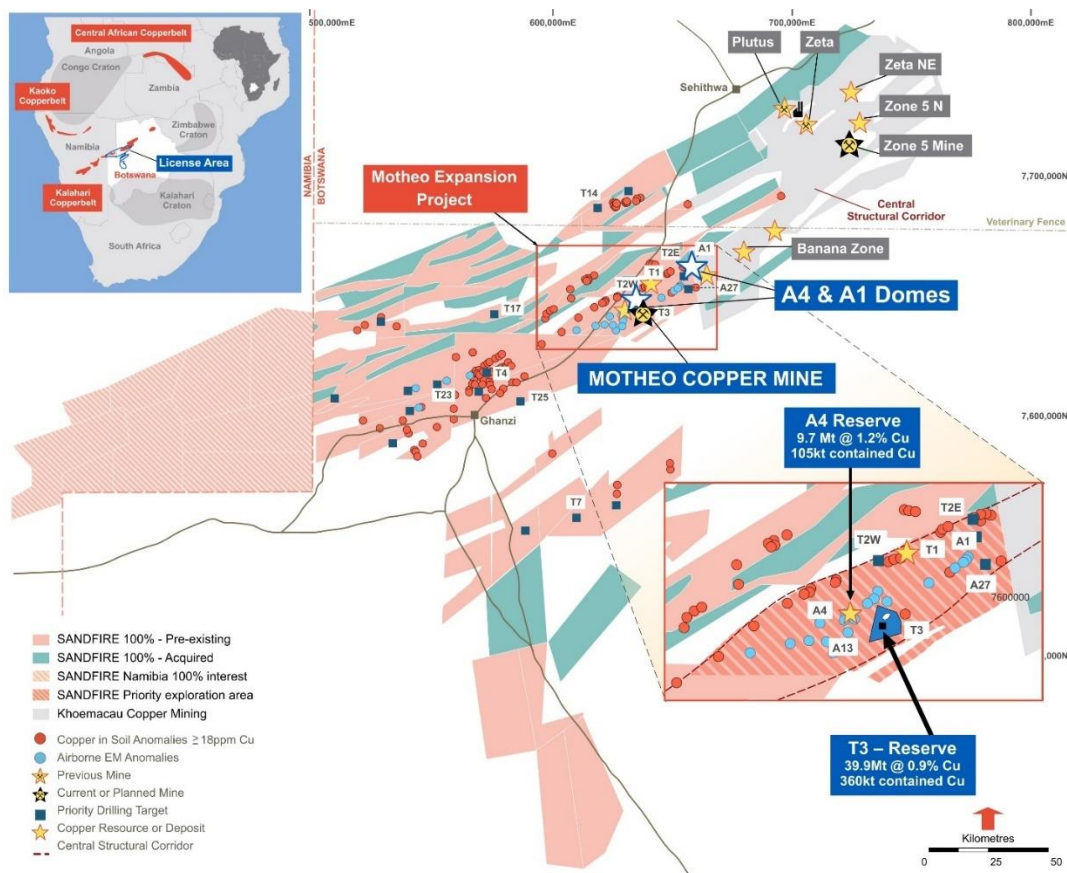


Figure 10. Regional Location Plan of the Kalahari Copper Belt with the Company's extensive licence holdings in Botswana and Namibia (as at 31 December) showing the Motheo Copper Mine, including the T3 Open Pit, A4 Deposit, multiple exploration targets, the neighbouring Khoemacau Copper Mining licences and deposits (source: Khoemacau's website www.khoemacau.com).

6.3.1 Motheo Expansion Project

Exploration continued on the ~1,000km² Motheo Expansion Project, within a 30km radius of the Motheo Copper Mine. The geological and structural understanding of this area progressed significantly during 2021 and the potential for new discoveries is considered to be high.

Drilling focussed on the large A4 Dome to follow-up a high-grade vein hosted copper-silver intersection in hole MO-A4-207D, announced on 7 September 2021, 1.2km south-west of the A4 Mineral Resource. MO-A4-207D intersected 45m @ 2.20% Cu and 42.6g/t Ag from 441.2m down hole depth. Two diamond drill rigs are testing the potential of the structure which hosts copper in MO-A4-207D with encouraging visible vein hosted mineralisation intersected east of MO-A4-207D and below the A4 Mineral Resource. Assays are awaited from this drilling program which is ongoing.

Progress was also made during the Quarter to gain access to drill the A1 and T2 East targets located 30km east along strike from A4 Dome. Previous widely spaced drilling along the 10-15km A1 target intersected encouraging vein hosted and disseminated copper mineralisation which shows similarities to A4. Drilling is expected to commence in the March 2022 Quarter.

6.3.2 Regional Kalahari Exploration

Significant progress has been made in interpreting the geological and structural setting of the wider Kalahari Copper Belt with several extensive and compelling target areas identified for drilling west, north and south of the Motheo Expansion Project.

Drilling was stepped up during the Quarter with diamond and RC drilling testing three regional scale target areas along the belt. Assay results are awaited from all these programs which are ongoing.

Regional drilling focussed on three exploration target areas during the Quarter.

- T4-T23 structural zone ~80km south-west of Motheo. Four drill rigs following up widespread disseminated and local vein hosted copper along a major structural zone.
- T5, T14 and T45 targets ~60km north of the Motheo. Up to two drill rigs testing the interpreted northern margin of the copper belt.
- T7 ~50km south of the town of Ghanzi. Three drill rigs testing the regional scale T7 structural zone interpreted from magnetic and AEM data along the southern margin of the copper belt.

In addition, a trial helicopter-borne magnetic and gravity survey was completed over the northern Okwa magnetic complex which forms part of the basement south of the copper belt. Ground based and down-hole geophysical surveys were conducted on other regional targets to guide future drilling.

7 BLACK BUTTE COPPER PROJECT, MONTANA, USA

Sandfire holds an 87% interest, via North American-listed company Sandfire Resources America Inc. (TSX-V: SFR), in the high-grade Black Butte Copper Project, located in central Montana in the United States.

7.1 Exploration Program

Sandfire America is conducting a 14,000m resource definition core drilling program at the Lowry Deposit, located 1,500m east of the fully-permitted Johnny Lee Deposit (see Figure 11). A Mineral Reserve and associated Technical Report for the Johnny Lee Deposit was lodged in December 2020. The drilling program will support a Lowry Prefeasibility technical report to be completed in 2022. The Lowry Deposit currently has a reported Inferred Mineral Resource of 8.3 million tonnes at 2.4% Cu. The Lowry Deposit is not covered by the current Mine Operating Permit and will need to undergo a thorough environmental permitting process and a full Feasibility Study before any decision to proceed with development.

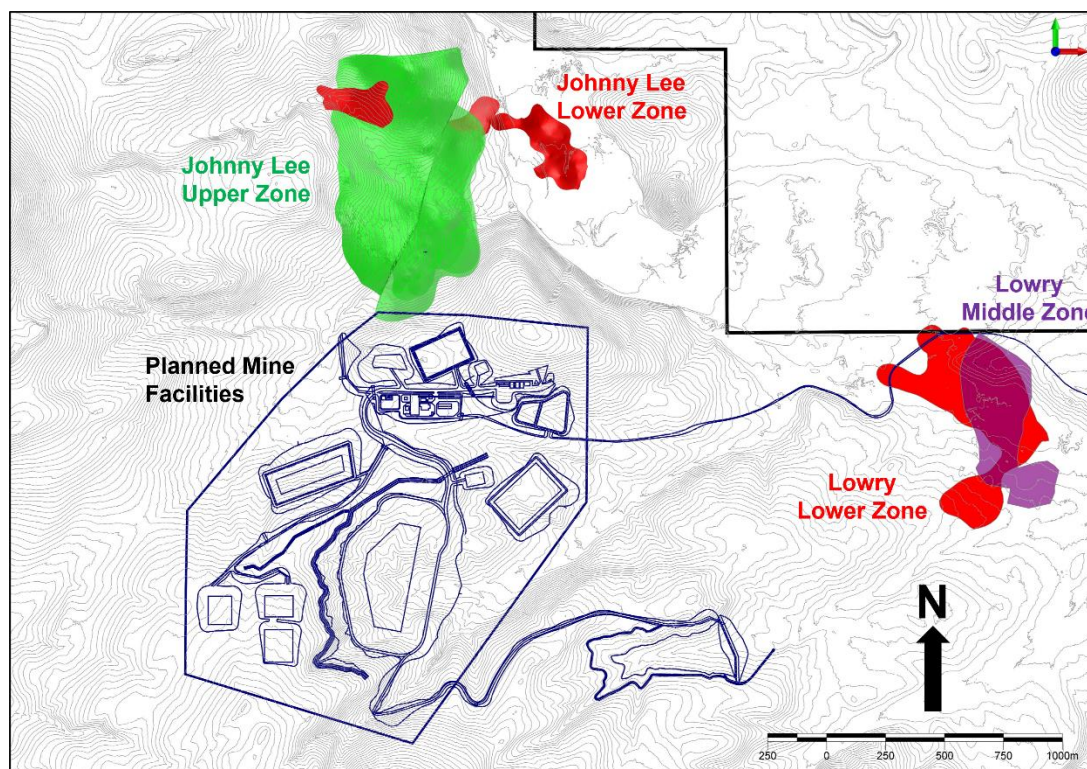


Figure 11. Black Butte site layout showing the location of the Lowry zone relative to the fully-permitted Johnny Lee zone.

The program has commenced but progress has been slower than planned due to drilling contractor availability and delays due to both supply chain issues and labour shortages related to the ongoing COVID-19 pandemic. As of December, three drill rigs had completed just over 4,000m of core drilling. In December, Sandfire America was able to secure two additional rigs which will both be operational in the coming weeks. No assay results from the program have been received to date.

Geochemical soil sampling from the property during the summer field season has been integrated into historical data and reinterpreted. The program continues to provide results which will help focus exploration drill targeting into areas with significant geochemical signatures indicating possible copper and/or zinc mineralisation.

7.2 Legal Update

On July 16, 2021, District Court Judge Bidegary heard oral arguments for summary judgement from plaintiffs and defendants regarding a legal complaint filed on June 4, 2020 by the plaintiffs claiming to represent the environmental community. The suit was filed jointly against the Montana Department of Environmental Quality (MT DEQ) and Tintina Montana Inc. (a wholly owned subsidiary of Sandfire Resources America Inc.).

Additional intervenors in the suit supporting the MT DEQ and Tintina Montana Inc, include Meagher County, Broadwater County, and the Montana Department of Justice. A decision on the case is pending and may take several months.

To date, the legal challenge has not resulted in any interference with development activities and construction continues. While Sandfire does not believe that the legal challenge has any merit, it does have the potential to delay the development timeline.

The same plaintiffs filed an objection in April 2020 in response to the Montana Department of Natural Resources and Conservation issuance of a 'Preliminary Determination to Grant' for water right modifications requested for the Project. A Final Determination from the Water Rights Hearing Examiner is expected during 2022. The objection needs to be resolved before mine operations can commence.

8 AUSTRALIAN EXPLORATION

8.1 Doolgunna Province Exploration, Western Australia

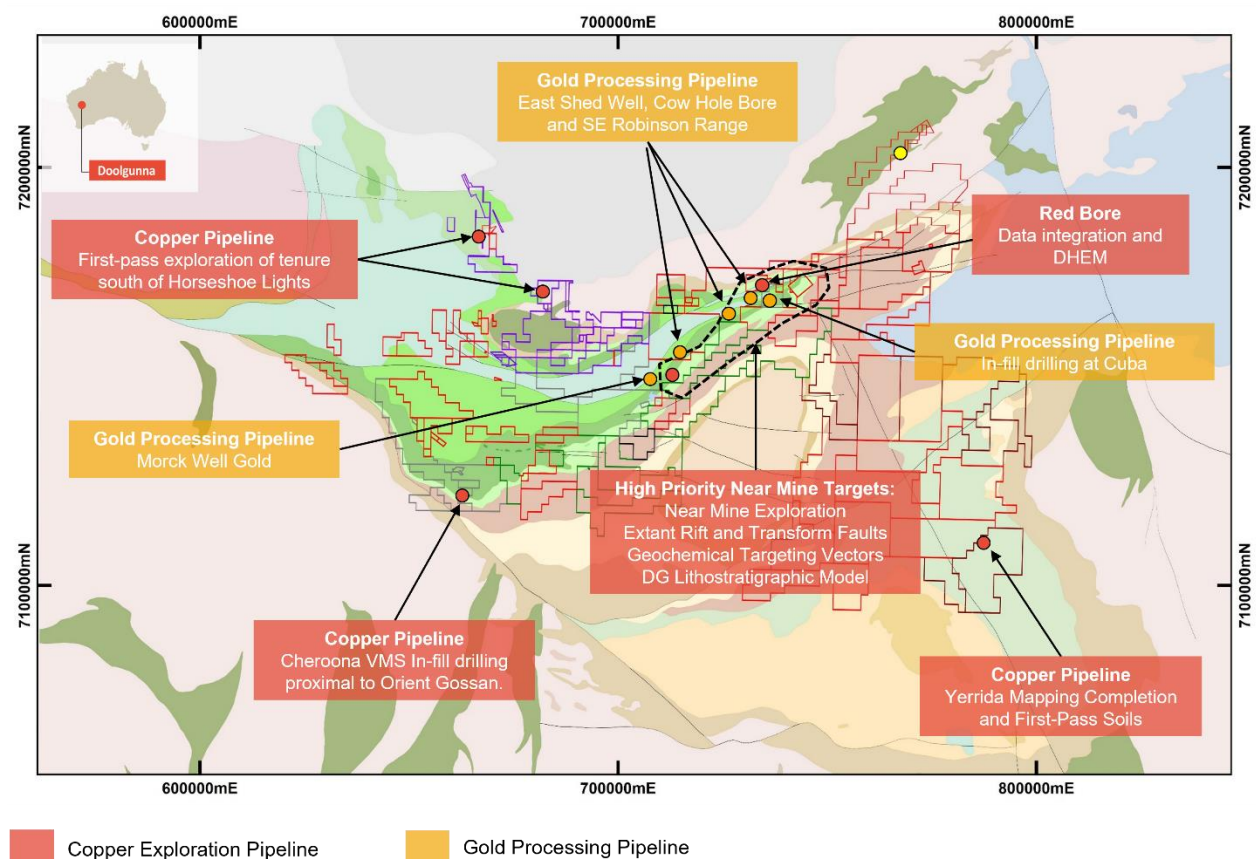


Figure 12. Sandfire's tenement holding in the Doolgunna-Bryah Basin region.

Sandfire continues to progress a dual track exploration programme across the Doolgunna Province (see Figure 12). The Copper Exploration Pipeline targets potential extensions to the DeGrussa and Monty VMS systems and other VMS hosted copper mineralisation. The Gold Processing Pipeline is targeting gold mineralisation that could support the development of a gold processing train at the DeGrussa processing plant. Key components of the Company's exploration activities during the Quarter are listed below.

- Peak Hill Project - 244 AC holes were drilled for a total of 13,893m at the Peak Hill North Prospect. These holes were designed as an initial 800x100m pattern to provide high quality litho-geochemical data as well as key geological information to delineate the stratigraphy at Peak Hill North.
- Morck Well Project - 15 AC holes were completed for a total of 1,420m. These holes were designed as a 400x100m infill pattern to provide high quality litho-geochemical data as well

as key geological information to delineate the upper Narracoota stratigraphy, known to be a host to VMS-style mineralisation.

- Bryah Project - 30 AC holes were drilled for a total of 3,155m at the Old Mile Well Prospect. These holes were designed to test for extensions of prospective Karalundi stratigraphy in the western region of the Bryah Basin and to follow up a MLEM plate. Drilling intersected graphitic shales and no further work is warranted.
- Enterprise Project – 3 RC holes were completed for a total of 760m. The holes were designed to test for the extension of prospective Karalundi stratigraphy beneath the Mt. Leake Formation.
- Yerrida Project - 327 soils & Lag samples were collected during the Quarter. The lag samples are part of a 1km x 1km grid pattern aimed at providing a wide-scale, first-pass overview of regolith geochemistry overlying the historically unexplored Killara Volcanics of the Yerrida Basin. The soil samples are infill of a 10km long copper / gold lag anomaly and will provide targets for a MLEM program, which is expected to commence early in 2022.

8.1.1 Old Highway Gold Project

Following the delivery of the Old Highway Mineral Resource Estimate (see Figure 13), drilling is continuing with a ~9,100m (24-hole) diamond drill program commenced, focused on extending the high-grade mineralisation in the central section of the deposit – an area known as ‘Central Deeps’ – which remains open along strike and down dip. The deepest holes from this program will test ~200m below the currently defined extent of the mineralisation.

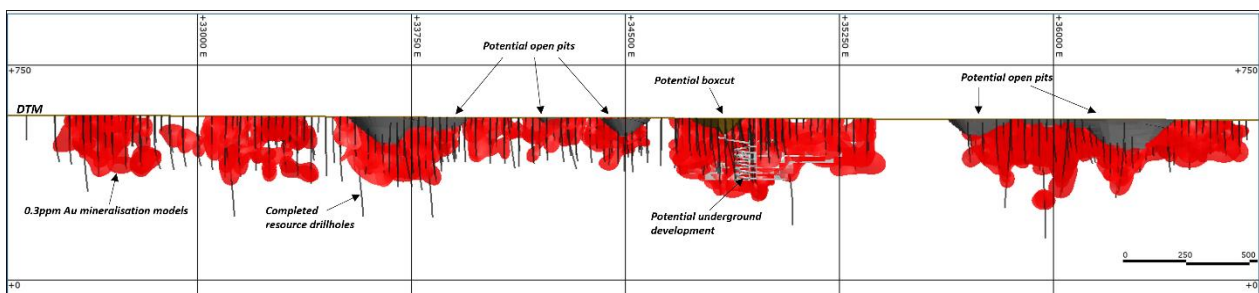


Figure 13. Old Highway Deposit long section showing completed drilling, 0.3g/t Au mineralisation models, proposed open pit and underground development (Local grid).

Eight holes (~3,200m) of this program (see Figure 14) have been completed to date, the majority of which have intersected quartz veins in the expected position down-dip of the known mineralisation. Assay results for these holes are awaited.

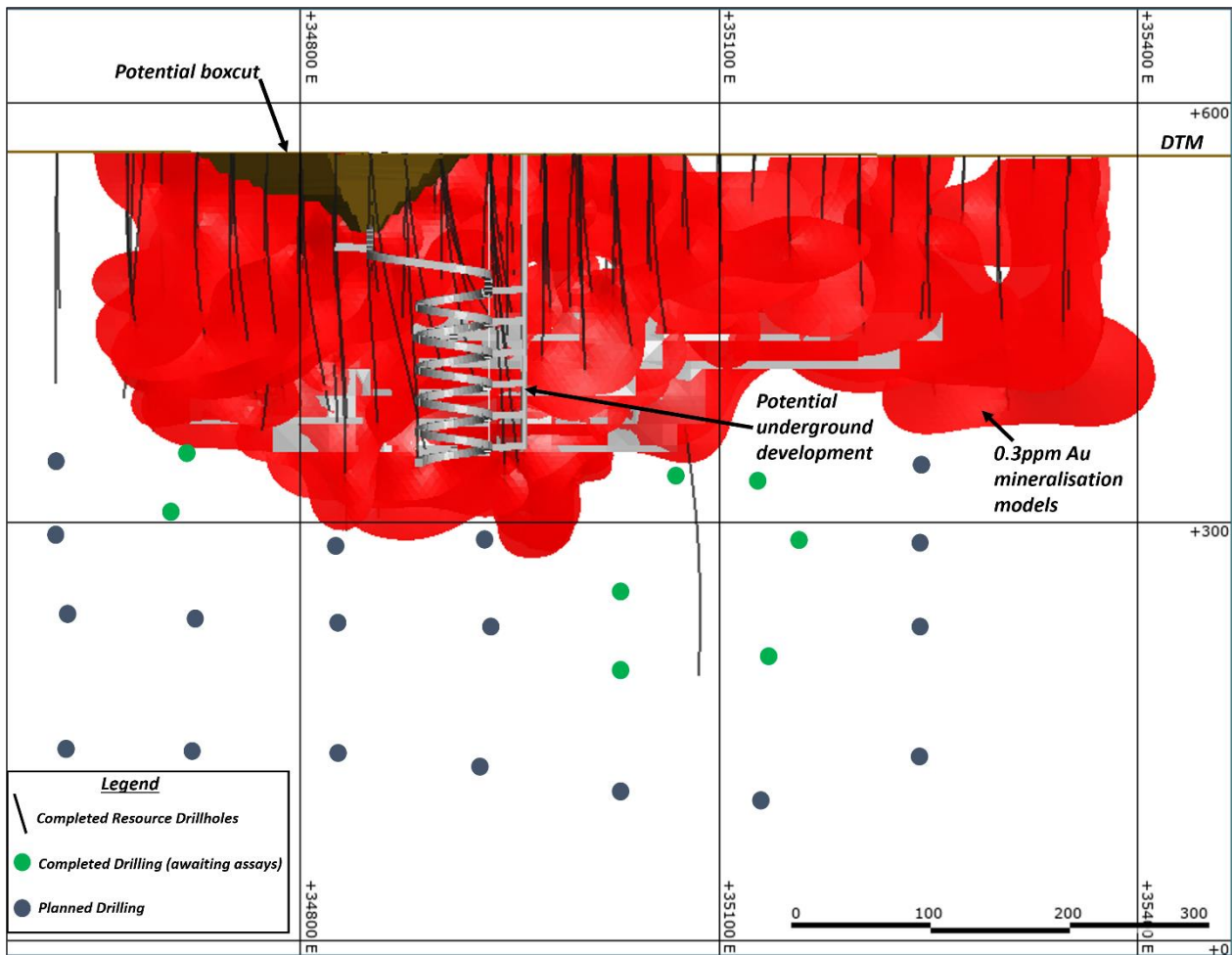


Figure 14. Old Highway Deposit Central Deeps long section showing completed and planned drilling, 0.3g/t Au mineralisation models, proposed open pit and underground development (Local grid).

8.2 Eastern Australian Exploration, New South Wales

8.2.1 Cobar Project

Poor weather conditions and the ongoing COVID-19 situation considerably hampered operations during the Quarter, with no significant field work undertaken.

8.2.2 Endeavor Joint Venture, Cobar District

Diamond drilling was undertaken at the Kiri prospect with 2 drillholes completed for ~1,160m. No significant mineralisation was identified, and no further work is required.

A ground magnetic survey was completed at the Endeavour mine and will assist with the targeting of Elura type mineralised ore bodies at depth.

8.2.3 Temora Project, Macquarie Arc

Preparations are ongoing for the upcoming field season with a significant focus on land access negotiations and stakeholder engagement. Drilling and ground based geophysical programs are expected to commence early in 2022.

9 CORPORATE AND FINANCIAL

9.1 Acquisition of MATSA

Sandfire's applications to the Foreign Investment Authority and Competition Authority in Spain in relation to the acquisition of MATSA were approved by the relevant Spanish Government authorities on 29 December 2021. The transaction is now unconditional and will proceed toward completion on or around 31 January 2022.

Acquisition deposit payments

The second and final deposit of US\$200 million was paid into the escrow account during the Quarter. This follows payment of the initial deposit of US\$100 million to the vendors on signing of the Sale and Purchase Agreement (SPA), which has also been transferred into the escrow account by the vendors pending settlement of the acquisition.

Acquisition debt funding and hedging programs

The details and terms of the US\$650 million Syndicated and Underwritten Debt Facility and associated MATSA hedging and US\$200 million Corporate Debt Facility with ANZ and associated DeGrussa hedging were provided in the ASX announcement dated 27 October 2021.

9.2 Sale of investment in Adriatic Metals Plc

Sandfire sold an aggregate of 34,600,780 CHESS depositary interests (CDIs) representing ordinary shares in the capital of Adriatic Metals Plc (ASX: ADT), representing approximately 16 percent of Adriatic's existing issued ordinary share capital, at a price of \$2.80 per Secondary Placing Share. The sale realised aggregate gross proceeds of \$97 million.

Following settlement of the Secondary Placing, which took place on 18 October 2021, Sandfire has no remaining interest in Adriatic's issued share capital.

9.3 Annual General Meeting

The Annual General Meeting of the Company's shareholders was held on 26 November 2021, with all resolutions passed by poll.

9.4 Cash position

Group cash on hand at 31 December 2021 totalled \$1,654 million (US\$1,202 million) (unaudited).

9.5 Investor Call and Webcast

A teleconference on the Quarterly results will be held for the investment community on **Thursday 20th January 2022** commencing at **10.00am (AWST) / 1.00pm (AEDT)**.

Participant Access Link:

To participate in the live Teleconference, investors and media are invited to click on the link below to register:

<https://s1.c-conf.com/diamondpass/10018811-w73u4j.html>

A live webcast of the Teleconference and synchronised slide presentation will be available via the BRR Media service, via the link below:

https://webcast1.boardroom.media/watch_broadcast.php?id=61dbd5824712d

Please note that it is recommended that you log on at least five minutes before the scheduled commencement time.

The December 2021 Quarterly Report and slide presentation will be available via the ASX Company Announcements Platform (ASX code: SFR) and at Sandfire's website www.sandfire.com.au.

ENDS

For further information, please contact:

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

This Quarterly Report should be read in conjunction with the December 2021 Quarterly Report Presentation released today, 20 January 2022.

T3 and A4 Ore Reserves

The information in this release that relates to the T3 and A4 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 this release of the matters based on his information in the form and context in which it appears.

T3 and A4 Mineral Resource

The information in this release that relates to the T3 Mineral Resource is based on information compiled by Mr Callum Browne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne was 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 this release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to the A4 Mineral Resource is based on and fairly represents information and supporting documentation prepared by Mr Mark Zammit who is a Member of the Australian Institute of Geoscientists. Mr Zammit is a full time employee of Cube Consulting Pty Ltd. Mr Zammit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Zammit consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.

Motheo Expansion Case

The Expansion Case to 5.2Mtpa referred to in this release, where it relates to A4 and other prospects, is based on the T3 Mineral Resource Estimate and Ore Reserve, the 3.2Mtpa Definitive Feasibility Study completed in December 2020, A4 Mineral Resource Estimate and Ore Reserve and the 5.2Mtpa Pre-Feasibility Study. The 5.2Mtpa Pre-Feasibility Study has been completed to an overall level of accuracy of $\pm 15-25\%$ and is based on material assumptions outlined in the Company's ASX Announcement titled 'Maiden Ore Reserve for A4 Deposit and PFS confirms 5.2Mtpa Motheo Copper Project', dated 22 September 2021.

Exploration Results – Kalahari Exploration

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

Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. While Sandfire is continuing exploration programs aimed at reporting additional JORC compliant resources for the Company's Projects, there has been insufficient exploration to define mineral resources in addition to the current JORC compliant Mineral Resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.

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. 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.

ASX releases referred to in this announcement:

Maiden Ore Reserve for A4 Deposit and PFS confirms 5.2Mtpa Motheo Copper Project – Sandfire Resources Ltd (22 September 2021).

Sandfire delivers 34% increase in contained copper at satellite A4 Copper-Silver Deposit at Motheo – Sandfire Resources Ltd (21 July 2021).

Sandfire approves development of new long-life copper mine in Botswana - Sandfire Resources Ltd (1 December 2020).