



FY2022 Financial Results and Motheo Expansion DFS Presentation

30 August 2022

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SANDFIRE WEBCAST



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This presentation should be read in conjunction with the Company's other ASX announcements released today, titled 'FY2022 Financial Results' and 'Motheo Copper Project Expansion DFS'. The Company's ASX announcements are available on our website at www.sandfire.com.au.

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

Key assumptions

The following assumptions apply to information in this presentation unless otherwise stated.

Currency: unless otherwise stated, all figures are in USD.

Figures, amounts, percentages, estimates, calculations of value and other factors used in this presentation are subject to the effect of rounding.

Forward-Looking Statements

This presentation may include 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 also continuing uncertainty as to the full impact of the COVID-19 pandemic on Sandfire's business, the Australian economy, share markets and the economies in which Sandfire conducts business.

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Our Strategy



**Execute
Delivery**



**Sustain and Grow
Our Production
Pipeline**



**Accelerate
Discovery**



**Align and Empower
Our People**



**Optimise Capital
Strategy and
Engagement**

Our Values



Honesty



Respect



Collaboration



Accountability



Performance

Where we operate

Scale

One of the largest copper-focused miners on the ASX

Future-facing

Producing copper, a critical metal for a low-carbon future

Growth

Pivoting to new long-life mines in Spain, Botswana and USA

Exploration

Four world-class mineral provinces



FY2022

Headline Financial Results

In US\$

\$922.7M

Record sales
revenue

\$447.3M

Group
EBITDA

\$190.6M

Profit before
net finance
and income
tax expense
(\$256.7M D&A)

\$111.4M

Net profit after
tax attributable
to equity holders

\$439.5M

Cash flow from
operating
activities

(prior to exploration, evaluation
and tax)

**\$463.1M cash
holding**

Net debt \$324.7M

(excluding capitalised transaction
costs)

FY2022

Operations Highlights

Production and costs:

98,367t of contained copper

38,907t of contained zinc at

C1 US\$1.27/lb of payable copper

Combined MATSA (4.7Mtpa) and Motheo (5.2Mtpa DFS) indicative operating scale¹:

~110-120ktpa of contained copper

~80-100ktpa of contained zinc

1 - Combined operating scale based on MATSA FY2023 Copper Guidance 60-65ktpa, MATSA Guidance and indicative 3-year outlook for Zinc mid-point 78-83ktpa moving to ~100ktpa in FY2025 and Motheo DFS indicative production profile based on the outcomes of the 5.2Mtpa Expansion Case DFS presented here and in today's ASX release titled 'Motheo Copper Project Expansion DFS'.



Motheo Copper Mine development progressing on schedule:

- Construction activities well advanced with 752-person permanent village complete and over 9,200m³ of process plant structural concrete poured
- First concentrate expected in the June Quarter of FY2023

Definitive Feasibility Study (DFS) for the **5.2Mtpa Motheo expansion delivered**

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

Acquisition of MATSA:

- Completion of the transformational US\$1.865B acquisition of the MATSA Copper Operations in Spain
- Delivering a world-class mining operation comprising three underground mines feeding a 4.7Mtpa processing facility
- Operational optimisation and exceptional growth opportunities

FY2022

MATSA Acquisition Completed

In US\$

Transaction

Acquisition completed 1 February 2022 utilising:

- \$905M equity raising
- \$650M project debt facility
- \$145M Corporate Facility
- Cash holdings

Financing Facility:

- \$650M drawn
- High quality international banking group
- Repayment profile:
 - FY2023: \$198M (\$118M end Sept 2022)
 - FY2024: \$170M
 - FY2025: \$119M
 - FY2026: \$96M
 - FY2027: \$67M

Hedging put in place:

- 3-year copper and zinc hedging program completed
- 73,878t of copper forwards at US\$9,242/t or US\$4.19/lb
- 84,094t of zinc forwards at US\$2,882/t or US\$1.31/lb

FY2022

Group Production

Q4 FY2022
Production:

34,974t Copper

22,880t Zinc

2,201t Lead

9,075oz Gold

0.8Moz Silver

Contained metal

FY2022
Production:

98,367t Copper

38,907t Zinc

4,102t Lead

32,285oz Gold

1.5Moz Silver

Contained metal

FY2022
Guidance:

92-95kt Copper

~38kt Zinc

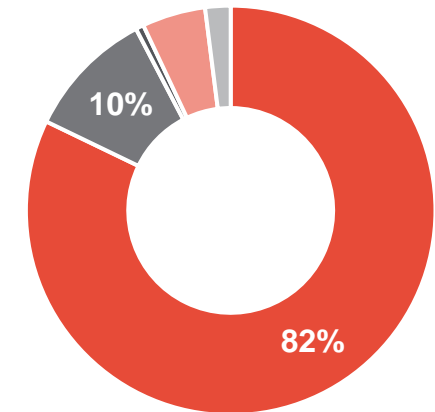
~3kt Lead

30-34koz Gold

~1.4Moz Silver

Contained metal

Copper Dominant Revenue Stream



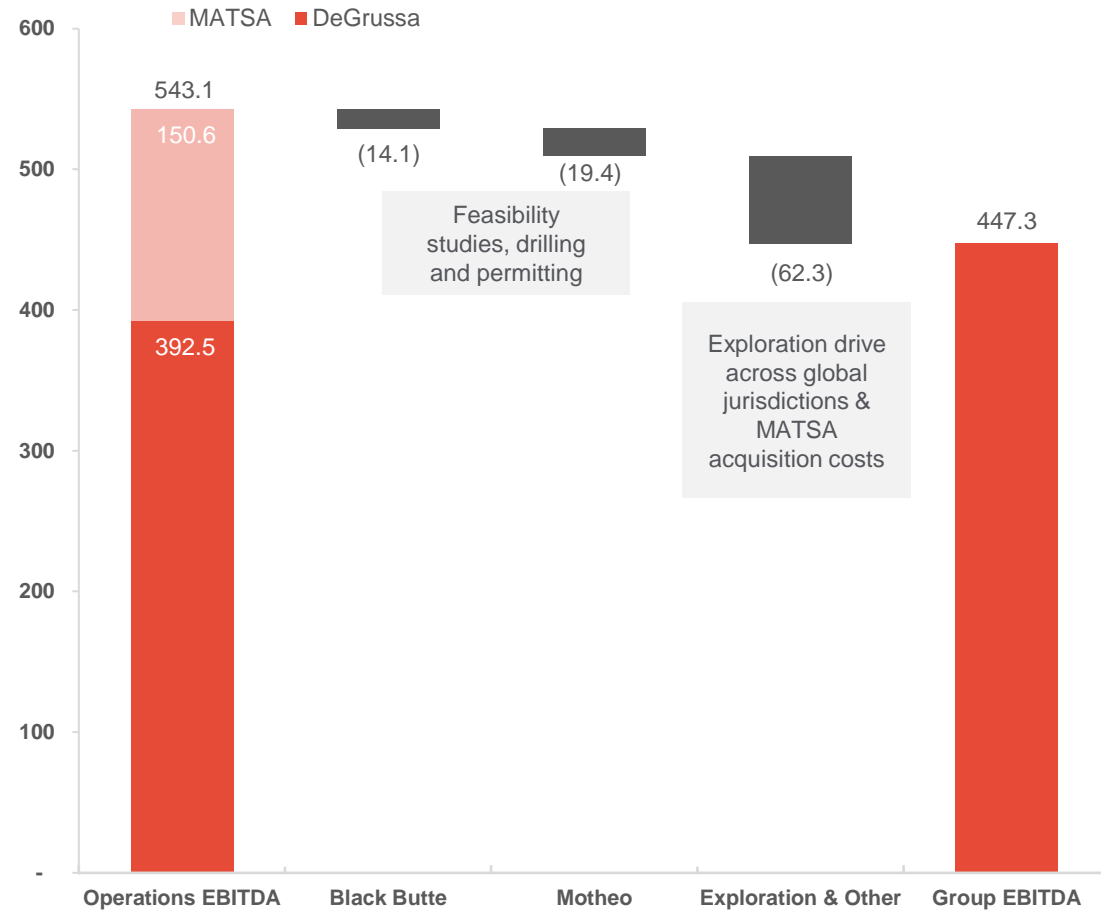
Value of Payable Metal Sold – FY2022

■ Copper ■ Zinc ■ Lead ■ Gold ■ Silver

FY2022

Segment EBITDA Contribution

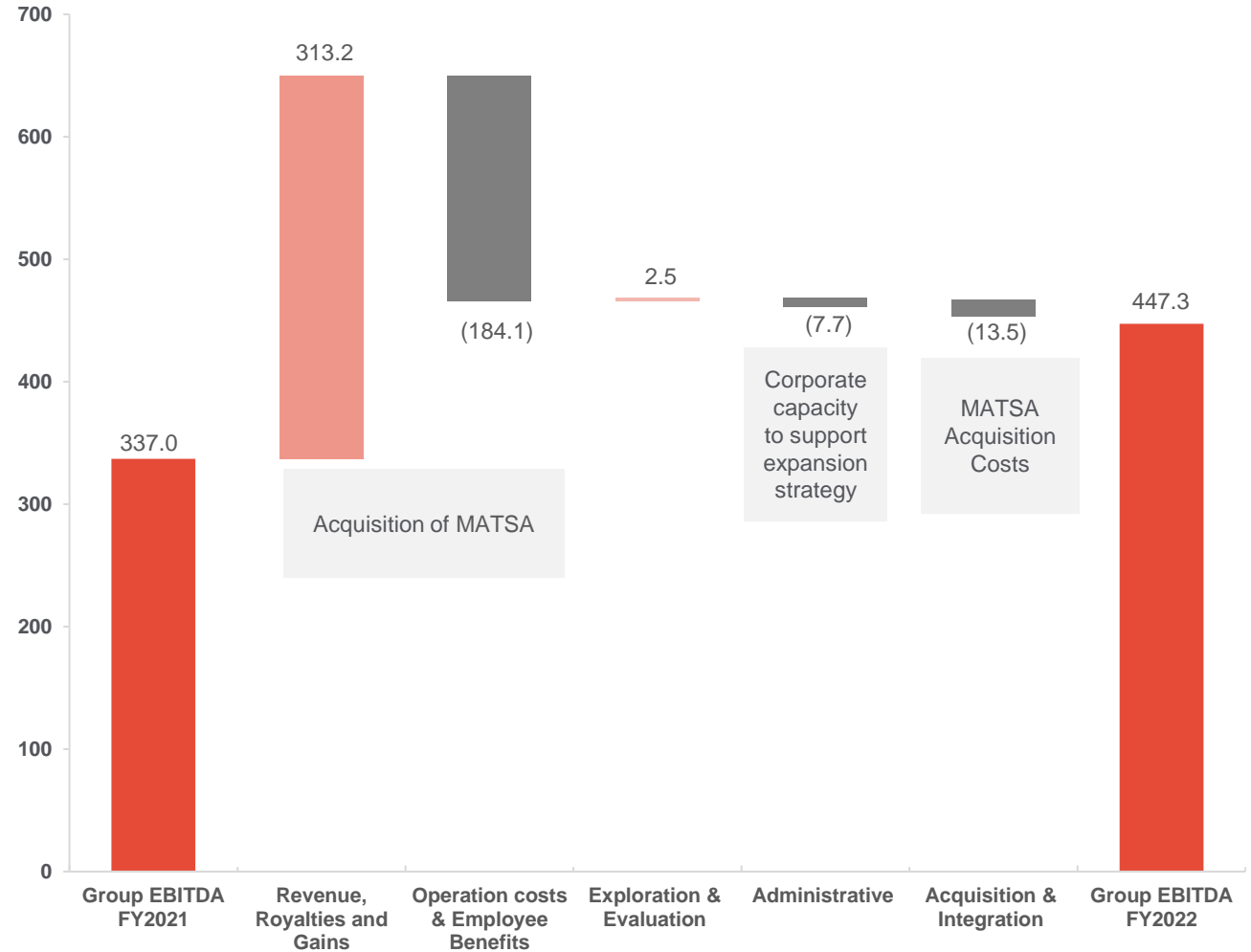
In US\$M



FY2022

Group EBITDA Comparison

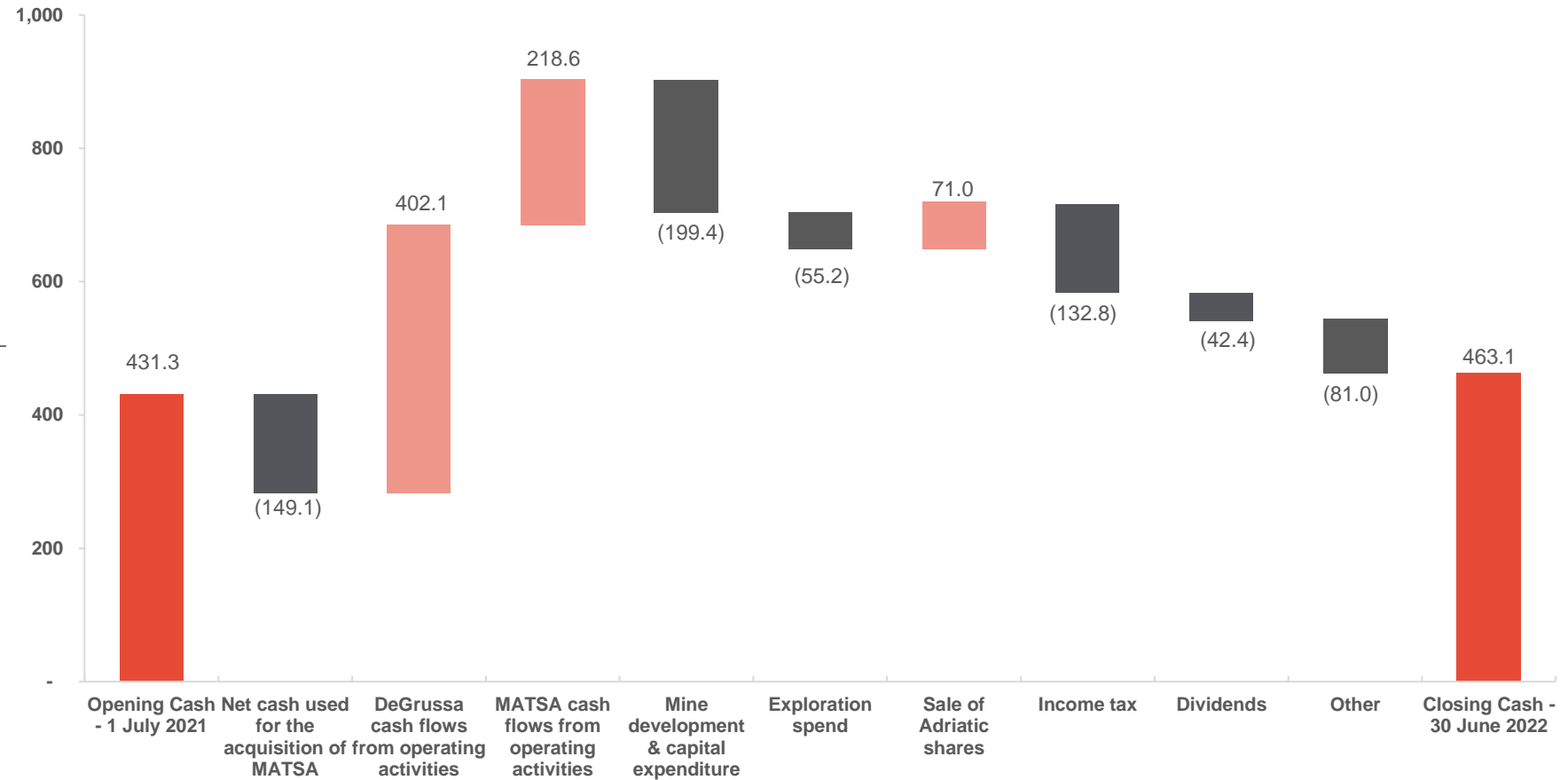
In US\$M



FY2022

Cash Flow Waterfall

In US\$M



1. DeGrussa and MATSA cash flows from operating activities exclude exploration and income tax.
2. Net cash used for the acquisition of MATSA includes total acquisition costs of \$1,865.0M net of MATSA cash acquired of \$50.0M, offset by equity raise proceeds (\$905.0M), ANZ debt drawdown (\$145.5M), MATSA debt drawdown (\$650.0M) and acquisition related transaction costs (\$34.5M).
3. Mine development and capital expenditure: Motheo Copper Project (\$131.2M), MATSA (\$36.3M), DeGrussa (\$29.7M) and Black Butte (\$2.1M).
4. Exploration spend: Motheo Copper Project (\$18.6M), MATSA (\$1.1M), DeGrussa (\$23.2M) and Black Butte (\$12.3M).

FY2022

Dividends

Dividends paused

- Focus on period of transformative growth and balance sheet transition
- US\$42.4M dividends paid out during FY2022 (FY2021 Final and FY2022 Interim dividend payments)

Capital management focus

- New project finance facilities and cash contributions to support current 3.2Mtpa development and further expansion to 5.2Mtpa at the Motheo Copper Project
- Acquisition debt repayment profile at MATSA (aggressive balance sheet deleveraging with debt reduction of US\$198M scheduled during FY2023 and further into FY2024)
- DeGrussa closure, working capital clearance and FY2022 taxation payments of ~US\$70M
- Corporate debt facility repayment fully funded for scheduled September 2022 bullet repayment
- Capital position to support Ore Reserve growth, exploration and development programs

FY2023

Debt facilities and hedging

MATSA Facility

- US\$650M
- FY2023 repayments:
 - September 2022 - US\$118M
 - January 2023 - US\$80M

Corporate Facility

- US\$138M (AU\$200M)
- Bullet repayment September 2022

Motheo Facility pending

- Project Finance Facility credit approvals received and nearing final documentation
- US\$140M T3 Project Finance Facility based on T3 3.2Mtpa base case development
- Consideration of 5.2Mtpa Expansion Case and inclusion of mining A4 Deposit, including target US\$40-60M Motheo A4 development and working capital facility around mid-calendar year 2023

Hedge Book

- Copper – FY2023: 32,180t at US\$9,424/t (~15% above current spot price and 43% of mid-point of payable production guidance band)
- Zinc – FY2023: 29,664t at US\$3,056/t; 44% of mid-point of payable production guidance band)

Motheo Copper Project



Motheo Copper Mine

- 5.2Mtpa Processing Facility
- T3 Open Pit Development
- A4 Open Pit Development



Exploration

- Motheo Expansion Project
- Kalahari Copper Belt tenure

Motheo Copper Project

Building a world-class copper mine

Development of the Motheo Copper Mine (3.2Mtpa):

- Proceeding on time with first production scheduled from the June Quarter of FY2023
- Construction activities are well advanced with over 1,700 personnel on site, over 9,200m³ of process plant structural concrete poured and 950t of structural steel erected to date

5.2Mtpa Motheo Expansion Case DFS:

Positive DFS confirms strong business case for development of the A4 Deposit as part of an expanded **5.2Mtpa Motheo Production Hub**

Outstanding project economics including a pre-tax NPV_{7%} of **US\$548M** and IRR of 29%

Sandfire intends to fund the development of the Motheo Copper Mine through a combination of cash and project debt:

- Selection of syndicate of international banks for the debt facility complete and credit committee approvals received
- Facility based on 3.2Mtpa development, with integration of the 5.2Mtpa Motheo Expansion Case DFS expected following grant of the A4 Deposit Mining Licence

5.2Mtpa Motheo Expansion

Expansion Case DFS

Combined Total Ore Reserve for both the A4 Deposit and T3 Deposit:

- **49.6Mt at 1.0% Cu and 14g/t Ag for 474kt of contained copper and 21.3Moz of contained silver¹**

1 - Refer to the Company's ASX announcements titled, 'A4 Ore Reserve and Motheo Expansion PFS' dated 22 September 2022, and 'Sandfire Approves Development of new Long-life Copper Mine' dated 1 December 2020 for details.

DFS shows outstanding project economics from an expanded 5.2Mtpa processing operation, mining both the T3 and A4 Deposits:

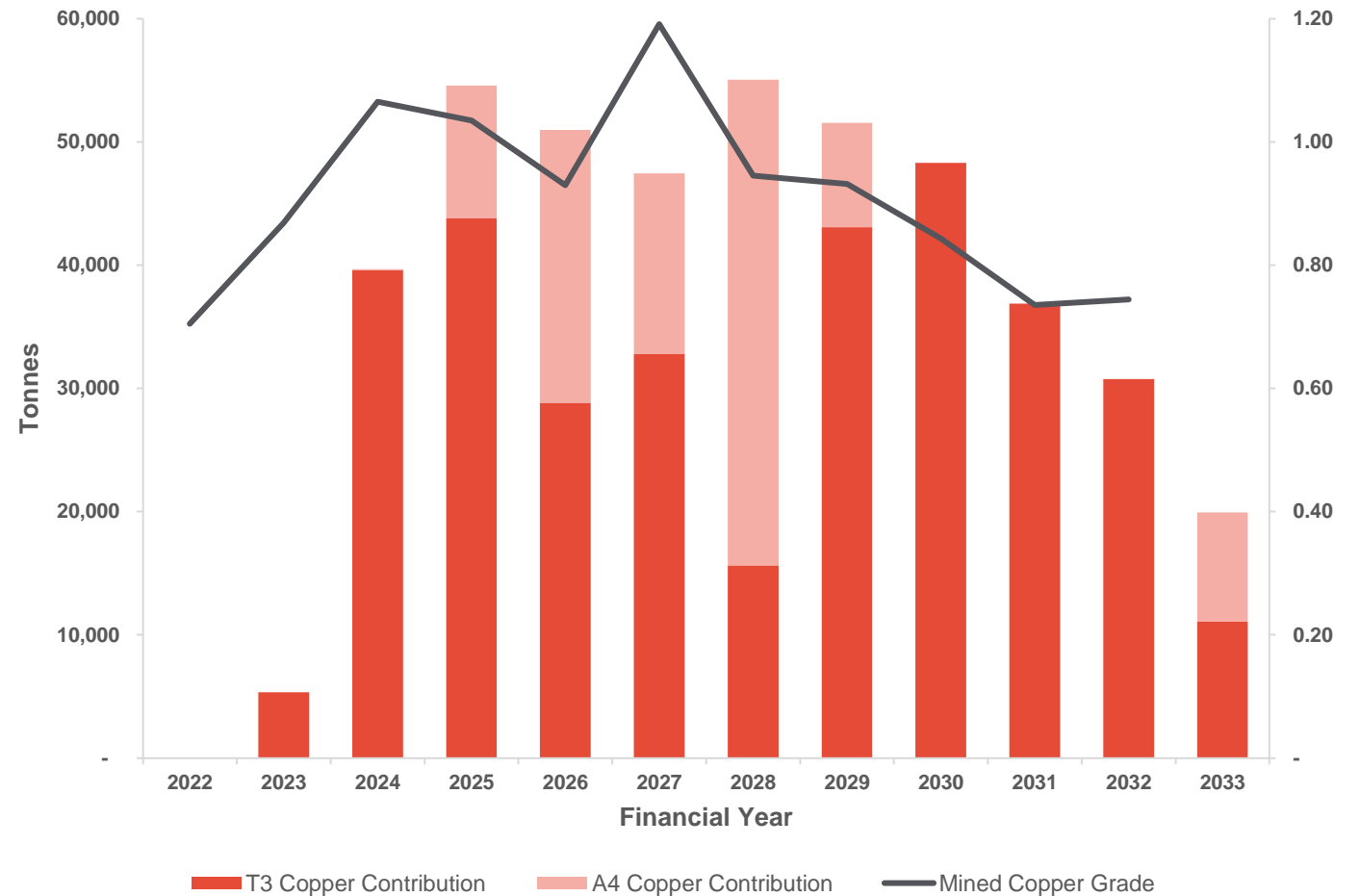
- Pre-tax NPV_{7%} of **US\$548M** and IRR of 29%
- 10-year mine life, **peak production of 55ktpa**
- **440kt Cu and 18.4Moz Ag LOM production**
- LOM all-in sustaining costs of **US\$1.79/lb**

Total development capital for the Motheo Copper Project expansion case estimated at **US\$397.4 million**, incorporating development costs for the A4 Open Pit and 5.2Mtpa plant expansion of US\$47.9 million

Subject to contract award timing, site construction activities for the process plant expansion scheduled to commence in the **March Quarter of FY2023** with increased plant throughput at 5.2Mtpa expected to commence in the **March Quarter of FY2024**

5.2Mtpa Motheo Expansion

Copper production ramping up to peak ~55ktpa



5.2Mtpa Motheo Expansion

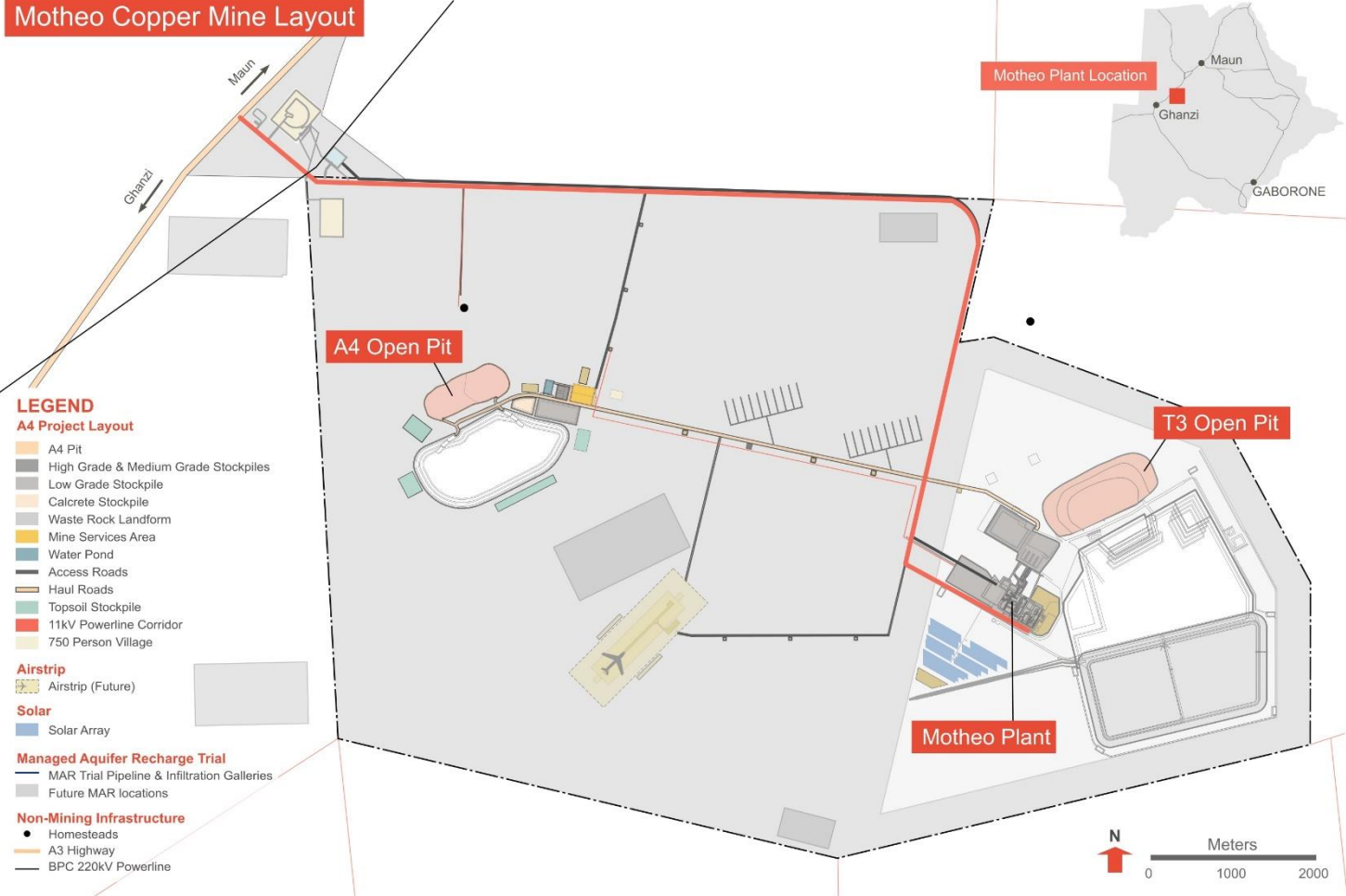
Expansion Case DFS Key Outcomes

Key Drivers	Unit	5.2Mtpa DFS
Physicals		
Life of Mine (processing)	Years	10.0
Waste : Ore (inc. pre-strip)		6.2
Cu grade	%	0.94
Ag grade	g/t	13.1
Cu recovery	%	92.9
Ag recovery	%	86.4
Cu in concentrate	kt	440
Ag in concentrate	Moz	18.4

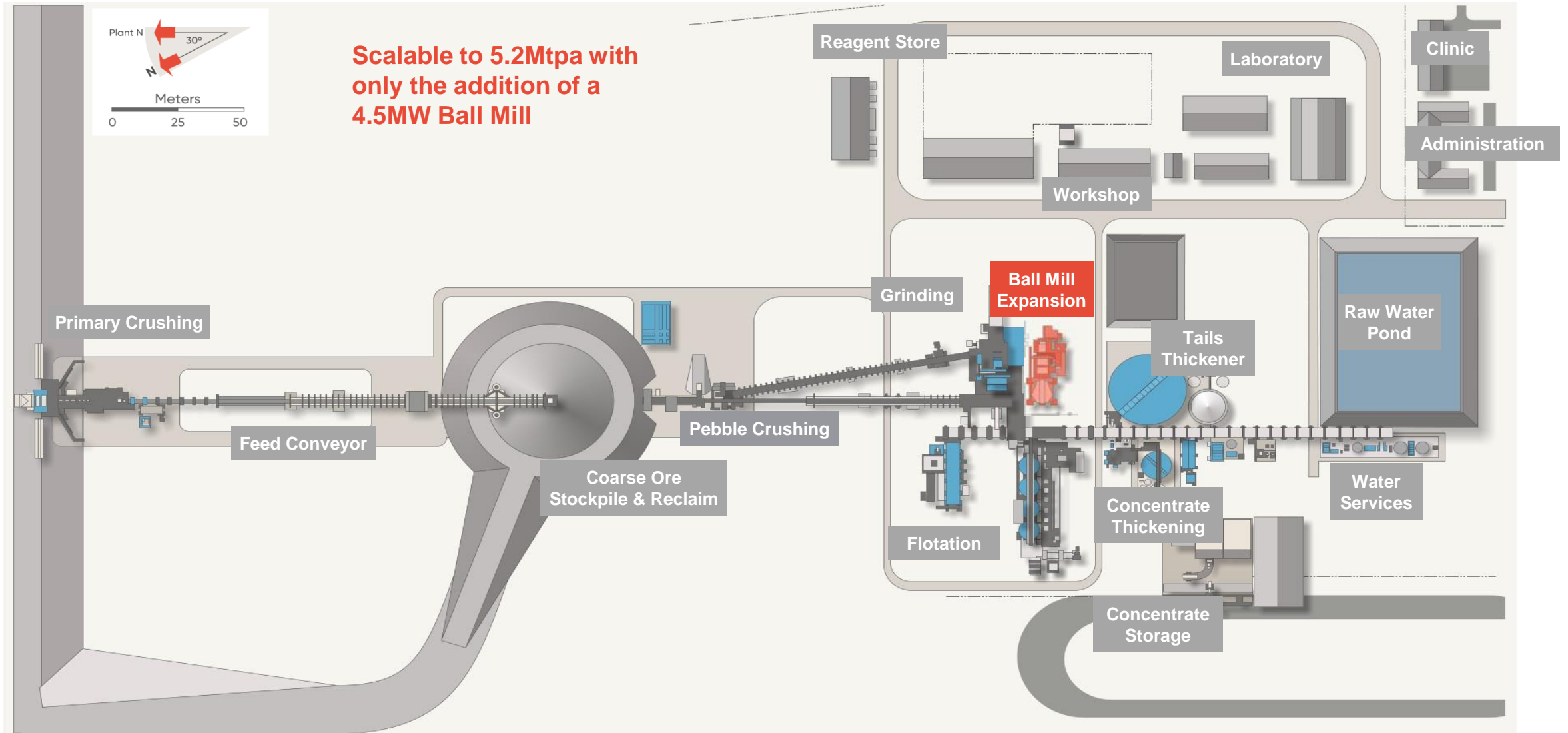
Key Drivers	Unit	5.2Mtpa DFS
Economic		
Cu price (LOM average) ¹	US\$/lb	3.57
Ag price (LOM average)	US\$/oz	20.00
LOM Revenue	US\$'B	3.7
Capex: Development & Pre-strip	US\$'M	397
Capex: LOM	US\$'M	499
Net cash flow (pre-tax)	US\$'M	1,071
NPV (pre-tax, real, 7.0%)	US\$'M	548
NPV (post-tax, real, 7.0%)	US\$'M	339
IRR (pre-tax, real)	%	29.0
Capital payback (from 1 st production)	Years	3.3
C1: LOM	US\$/lb	1.47
AISC: LOM	US\$/lb	1.79

¹ Financial outcomes from the 5.2Mtpa PFS released on 22 September 2021 have been updated using an assumed copper price of US\$3.57/lb (compared with US\$3.49/lb used in the 22 September 2021 ASX announcement), reflecting long-term consensus forecasts, and bringing them in-line with the assumptions used in the Expansion Case 5.2Mtpa DFS reported in this announcement.

Motheo Copper Mine Proposed Mine Layout



Motheo Copper Mine | Processing Facility



Motheo Copper Mine

5.2Mtpa Construction & Development Capital

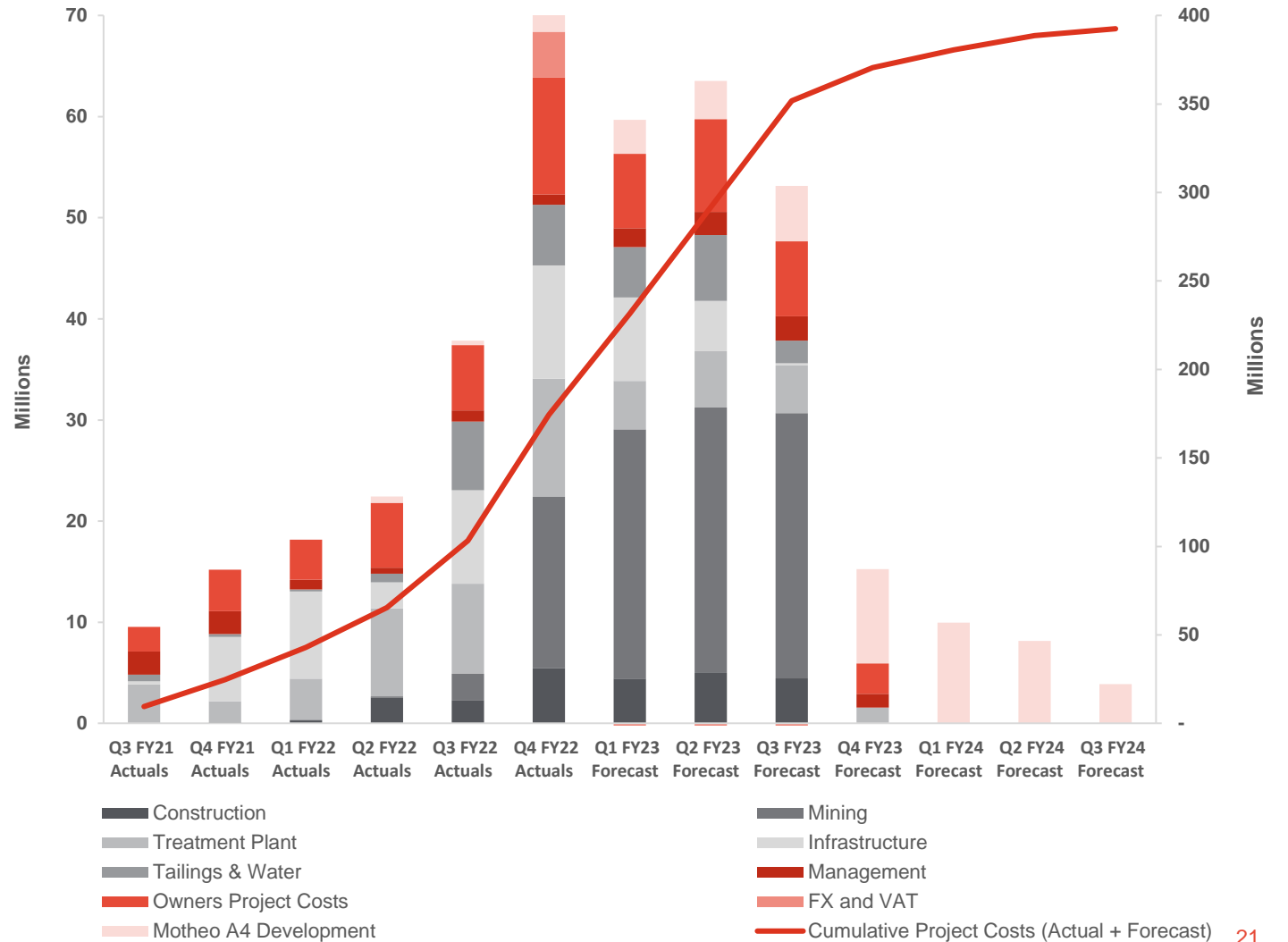
In US\$

Development capital estimated at **\$397.4M**
(displayed in graph)

- Motheo (3.2Mtpa and T3) \$325.5M
- Motheo (5.2Mtpa expansion and A4) \$71.9M

At 31 July 2022, \$185.4M invested

LOM capital estimated at **\$499M**

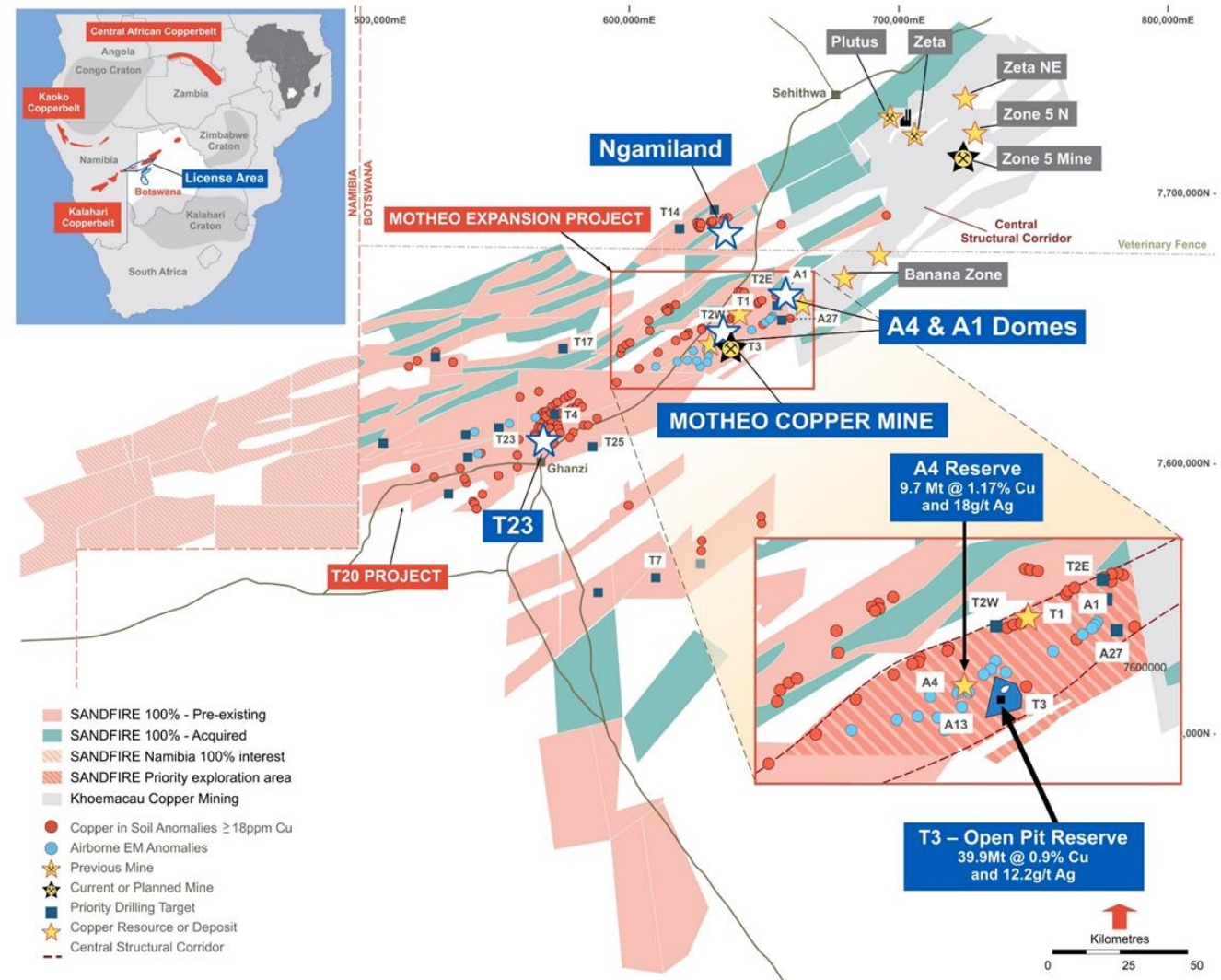


Motheo Exploration

Dominant position in an emerging belt

Land holding more than 26,000km² of the Kalahari Copper Belt

- Under-explored and globally significant copper terrane
- Only 643 holes drilled in 15 years of regional exploration
- Regional geophysical data collection to enable a holistic basin scale approach to targeting
- Collaborative relationships with academia and industry counterparts to increase geological understanding



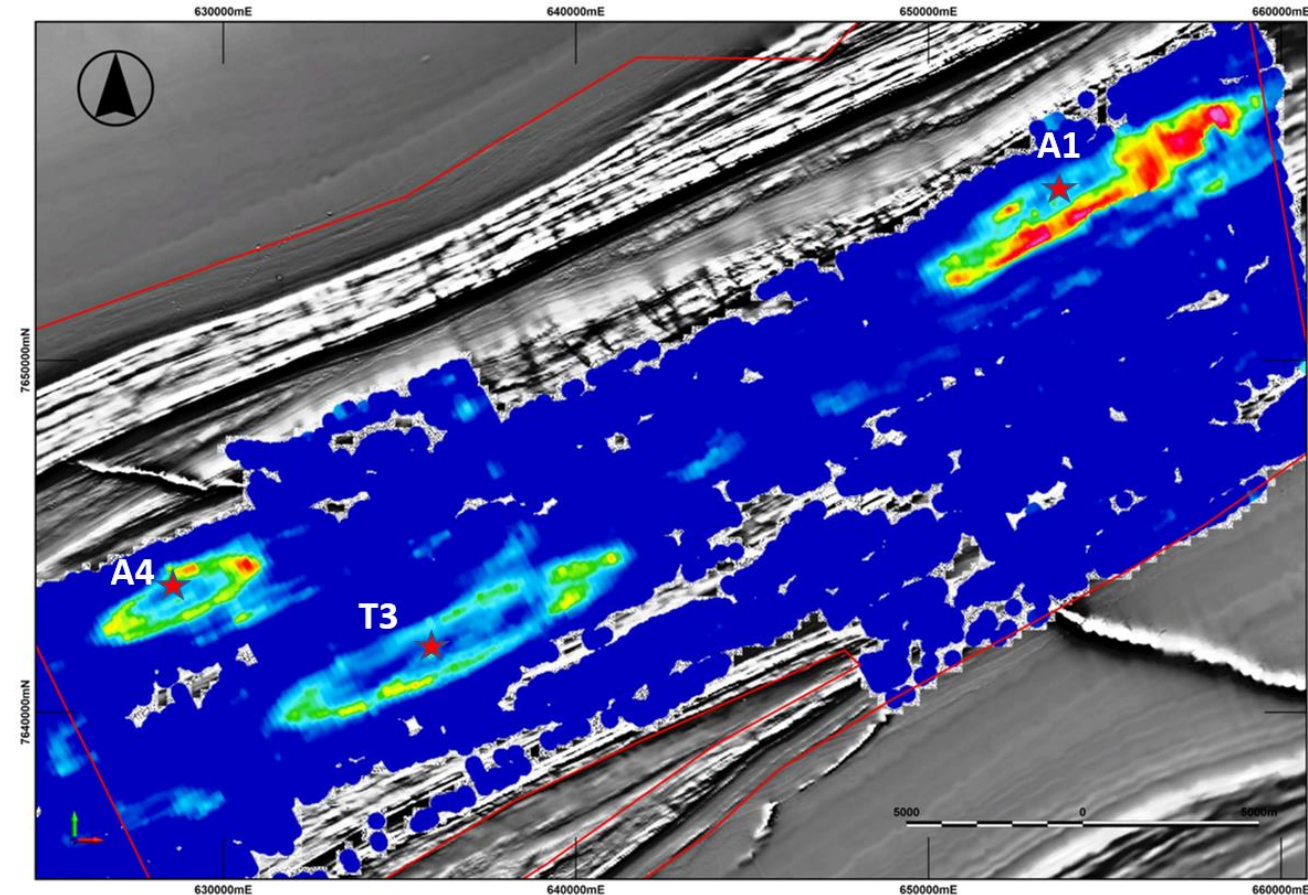
Motheo Exploration

A1 Dome

The next highly prospective exploration target

- 19km from the Motheo Processing Facility
- Similar structural and lithological setting to the T3 and A4 domes
- More than 9km strike length of the prospective lower D'Kar formation identified through drilling and geophysical surveys
- MOD Resources¹ completed 6 holes, targeting the deeper NPF contact and returned:
 - 7m @ 0.9% Cu and 14g/t Ag (MO-A1-002D from 190m)
 - 19m @ 0.8% Cu and 6g/t Ag (MO-A1-003D from 660m)
 - 130m @ 0.5% Cu and 3.5g/t Ag (MO-A1-005D from 590m)
 - 52m @ 0.6% Cu and 4.6g/t Ag (MO-A1-006D from 624m)

¹ Refer to MOD Resources Ltd ASX Announcement, titled 'A1 Dome Delivers Significant Copper in Initial Drilling', dated 15 November 2018.



Regional AEM data which highlights the relative conductivity of the lower D'Kar Formation

Summary



Key Takeaways



Strong growth platform

Copper-dominant mining operations in Spain and Australia generating strong operating cash-flows



Global vision

Our transformation into a diversified, international and sustainable mining company



New Production Hubs

Construction of the Motheo Copper Mine in Botswana progressing with 5.2Mtpa case confirmed



Strong Pipeline

High quality development opportunities and a global exploration portfolio in Tier-1 jurisdictions

Global exploration push



Refreshed and focused

An international exploration, development and mining operations team strongly aligned with our growth objectives

A Global Miner

poised for a new era
of growth

Scale

One of the largest copper-focused miners on the ASX

Future-facing

Producing copper, a critical metal for a low-carbon future

Growth

Pivoting to new long-life mines in Spain, Botswana and USA

Exploration

Four world-class mineral provinces



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