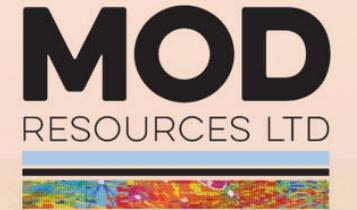




**SANDFIRE RESOURCES NL**

to acquire



**BUILDING A GLOBAL MINING COMPANY**

**Karl Simich, Managing Director and CEO of Sandfire / Julian Hanna, Managing Director of MOD**  
Investor Presentation 25 June 2019

Access this presentation [here](http://www.sandfire.com.au) or <http://www.sandfire.com.au>



SANDFIRE RESOURCES NL - A QUALITY COPPER-GOLD PRODUCER

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MOD confirms that all material assumptions underpinning the production targets and forecast financial information derived from production targets set out in the announcement released by MOD on 28 March 2019 (T3 Feasibility Study Enhances Value), available to view at [www.asx.com.au](http://www.asx.com.au), continue to apply and have not materially changed.

Sandfire confirms that all material assumptions underpinning the production targets derived from production targets set out in the announcements released by Sandfire on 21 June 2019 (DeGrussa Ore Reserve and Mineral Resource Update) and 19 October 2018 (Sandfire 2018 Annual Report), available to view at [www.asx.com.au](http://www.asx.com.au), continue to apply and have not materially changed.

Currency in AUD unless otherwise stated.

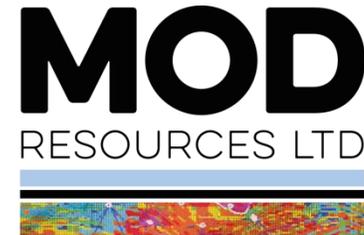
# Sandfire to Acquire MOD Resources



## Strengthening Sandfire's Global Copper Development and Exploration Pipeline



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<b>Value Accretive</b>	T3 project NPV of A\$309m <sup>1</sup> versus acquisition cost of A\$167m <sup>2</sup>
<b>Upside Potential</b>	Highly prospective land-holding on the underexplored Kalahari copper belt – 11,700km <sup>2</sup>
<b>Leverage Strengths</b>	De-risks development by leveraging the strengths of both companies
<b>On Strategy</b>	Meets Sandfire's investment criteria – returns, cost profile, scale, life and upside potential

1. Post-tax NPV (8% discount rate) – refer slide 10. Excludes the potential impact of the Botswana Government exercising its option to acquire a 15% contributing interest in the project at cost at the time the mining license is granted

2. Refer slide 5.

# Contents

<b>1</b>	<b>Transaction Detail</b>
<b>2</b>	<b>Strategic Rationale</b>
<b>3</b>	<b>MOD Metrics</b>
<b>4</b>	<b>Sandfire Pro-Forma</b>
<b>5</b>	<b>MOD Overview</b>
<b>6</b>	<b>Sandfire's Vision for MOD</b>
<b>7</b>	<b>In-Country Operations</b>
<b>8</b>	<b>About Botswana</b>
<b>9</b>	<b>Indicative Timetable</b>





<h3>Overview</h3>	<ul style="list-style-type: none"> <li>Sandfire Resources NL (“<b>Sandfire</b>”) to acquire MOD Resources Limited (“<b>MOD</b>”) via a Scheme of Arrangement (“<b>Scheme</b>”)</li> <li>MOD is a dual ASX and LSE-listed mining company whose flagship asset is the T3 project in Botswana (refer to Section 5 for details)</li> <li>100% consolidation of MOD’s tenement package with MOD to also acquire Metal Tiger Plc’s (“<b>Metal Tiger</b>”) 30% indirect interest in several exploration licences<sup>2</sup></li> </ul>
<h3>Consideration</h3>	<ul style="list-style-type: none"> <li>Implied Scheme Consideration of A\$0.45 per MOD share<sup>3</sup>, valuing the equity of MOD at A\$167 million<sup>4</sup>, with MOD shareholders to elect either: <ul style="list-style-type: none"> <li><b>Scrip</b> Consideration of 0.0664 Sandfire shares for every 1 MOD share held; or</li> <li><b>Cash</b> Consideration of A\$0.45 per share, with the aggregate cash amount capped at A\$41.6 million (“<b>Cash Cap</b>”)<sup>5</sup></li> </ul> </li> <li>If the Cash Cap is exceeded, the remainder of the consideration will be paid in the form of Sandfire shares at a deemed Sandfire share price of A\$6.78 per share<sup>3</sup></li> <li>MOD shareholders to own between 10.4% and 13.3% of Sandfire post-completion (depending on the number of MOD shareholders electing Cash Consideration)</li> <li>The Implied Scheme Consideration, represents a premium of: <ul style="list-style-type: none"> <li>45% to the closing MOD share price of A\$0.310 per share on 24 June 2019</li> <li>45% to the 20-day MOD share VWAP of A\$0.310 per share, up to and including 24 June 2019<sup>6</sup></li> <li>108% to the undisturbed closing MOD share price on 18 January 2019 (confirmation of Sandfire’s indicative and non-binding approach as reported in the media).</li> </ul> </li> <li>CGT scrip-for-scrip rollover relief is expected for Australian shareholders to the extent they receive Sandfire shares<sup>7</sup></li> <li>Sandfire has agreed to extend its dividend record date to no later than 15 November 2019 in order to allow MOD shareholders to participate if the Scheme is complete by this date</li> </ul>
<h3>Board and Major Shareholders Support</h3>	<ul style="list-style-type: none"> <li>The Scheme and the acquisition of Metal Tiger’s 30% interest in Metal Capital Exploration Limited have been unanimously recommended by the MOD Board, who together have provided statements of their present intention to vote in favour of the Scheme and at the EGM in respect of approximately 7.02%<sup>8</sup> of MOD shares, in the absence of a superior proposal and subject to favourable opinion of the independent expert</li> <li>Metal Tiger has agreed to vote in favour of the Scheme in respect of approximately 10.48% of MOD shares currently held and MOD shares that it will hold after the exercise of options prior to the Scheme meeting to a maximum of 19.9% of MOD shares, in the absence of a superior proposal</li> </ul>
<h3>Funding</h3>	<ul style="list-style-type: none"> <li>Cash Consideration and transaction costs to be funded from internal sources</li> </ul>
<h3>Conditions</h3>	<ul style="list-style-type: none"> <li>Remains subject to a number of conditions set out in the Scheme Implementation Deed, including: <ul style="list-style-type: none"> <li>MOD shareholder approval (to both Scheme and acquisition of Metal Tiger’s interest in the exploration joint venture);</li> <li>Regulatory &amp; Court approvals; and</li> <li>Other conditions customary for a transaction of this nature.</li> </ul> </li> </ul>
<h3>Exclusivity</h3>	<ul style="list-style-type: none"> <li>Customary deal protection mechanisms, including “no shop”, “no talk” and “no due diligence”, plus notification and matching rights in the event of competing proposal(s)</li> <li>Break fee may be payable by MOD to Sandfire in certain circumstances</li> </ul>
<h3>Advisors</h3>	<ul style="list-style-type: none"> <li>Sandfire has retained Citi as financial advisor and Gilbert + Tobin as legal advisor</li> <li>MOD has retained Sternship Advisers and BMO Capital Markets as joint financial advisors and DLA Piper as legal advisor</li> </ul>

1. Summary only: Refer to the Scheme Implementation Deed for full details

2. Subject to MOD shareholder approval at an EGM in respect of Chapter 10 of the Listing Rules, item 7 of s.611 of the Corporations Act and the Scheme becoming effective

3. Based on Sandfire’s Volume Weighted Average Price (VWAP) for the 5 trading days up to and including 24 June 2019 (volumes traded on the ASX and Chi-X)

4. Includes unlisted options held by Metal Tiger, unlisted performance rights and shares issued by MOD to Metal Tiger for the acquisition of Metal Tiger’s 30% indirect interest in several exploration licences

5. European Holders will receive Scrip Consideration only

6. Volume weighted average price (VWAP) for the 20 trading days up to and including 24 June 2019 (volumes traded on the ASX and Chi-X)

7. Shareholders should seek tax advice in relation to these matters

8. Prior to dilution on the exercise of options by Metal Tiger, upon which the shares subject to intention statements will represent 6.28%



## MOD is a Compelling Strategic Fit for Sandfire

<b>Value Accretive</b>	<b>Significant value potential</b> from regional exploration underwritten by the value of T3
<b>Belt-Scale Province</b>	<b>Highly prospective</b> , dominant land-holding on the under explored Kalahari copper belt (11,700km <sup>2</sup> )
<b>Near-Term Production</b>	<b>Rapid permitting</b> with construction on first project “T3” starting 2020, <b>production 2021</b> <sup>1</sup>
<b>Long Life</b>	T3 mine life from existing reserves of <b>&gt;11 years</b> <sup>1</sup>
<b>Low Cost / Low Capital</b>	<b>Second quartile AISC</b> . <sup>2</sup> Simple open pit mining. <b>Low capital intensity</b> <sup>3</sup> vs peers
<b>Attractive Jurisdiction</b>	Botswana is a stable, <b>mining friendly jurisdiction</b> <sup>4</sup> with a supportive government
<b>Platform to Deliver</b>	<b>MOD's experience and team in Africa</b> + Sandfire's development expertise, best-practice operations and balance sheet

1. MOD T3 Feasibility Study Announcement 28 March 2019

2. Based on LOM average AISC of US\$1.56/lb Cu per the MOD T3 Feasibility Study Announcement 28 March 2019 and the 2019 AISC cost curve (by-product basis) per S&P Global Market Intelligence. See slide 15

3. Wood Mackenzie Global Copper Mine Supply Summary (Q1 2019), T3 per MOD T3 Feasibility Study Announcement 28 March 2019. See slide 15

4. Fraser Institute Annual Survey of Mining Companies 2018 Ranking: #12 on Policy Perception, #1 in Africa for Investment Attractiveness, #32 in Global Investment Attractiveness

## 2 Complementary Strengths



“A combination of SFR and MOD leverages both companies’ strengths to tap the full potential of T3 and future discoveries” – Sandfire MD Karl Simich



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### BALANCE SHEET

Sandfire brings financial capacity to fund development and explore the Kalahari copper belt

### DEVELOPMENT EXPERIENCE

Sandfire developed DeGrussa on time and on budget in just over 3 years from discovery hole to first production

### OPERATIONAL EXCELLENCE

Consistent delivery on guidance and class leading safety, environmental and sustainability practices

### SALES AND MARKETING EXPERIENCE

Profitability maximisation through marketing IP and relationships

### PROSPECTIVE LANDHOLDING

11,700km<sup>2</sup> on the underexplored Kalahari copper belt<sup>1</sup>, significant intersections outside of T3, proven techniques for new discoveries

### AFRICAN EXPERIENCE

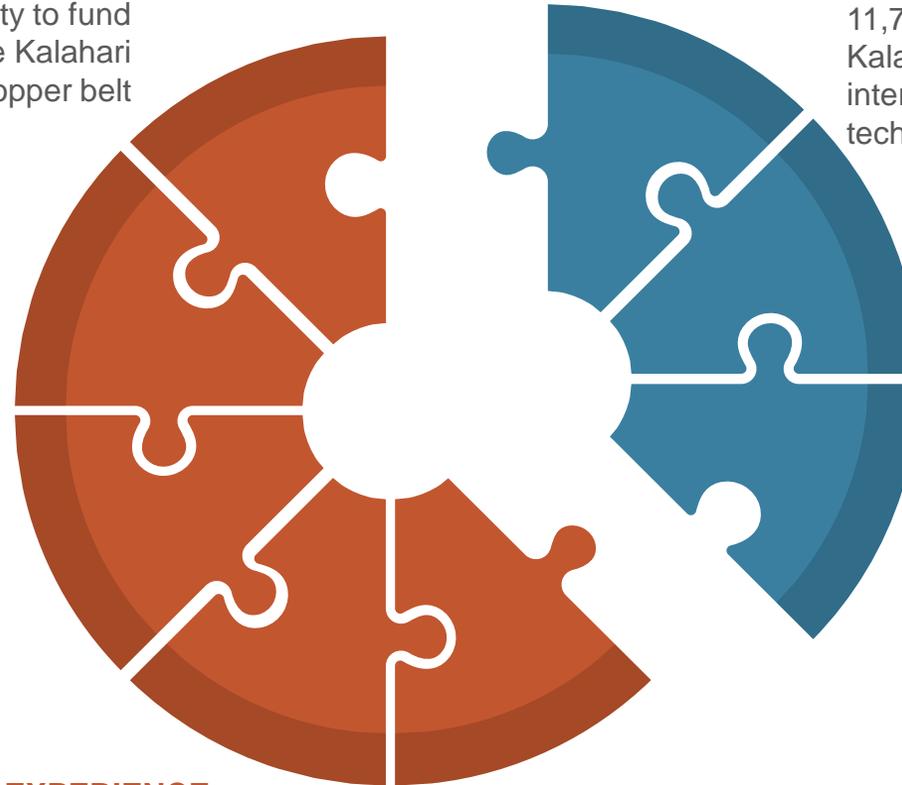
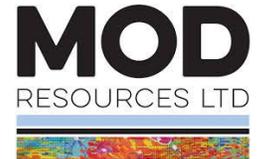
High quality team with significant in-country experience and relationships. Operating companies well established (Tshukudu Metals and Tshukudu Exploration)

### NEAR TERM PRODUCTION FROM T3

High quality copper concentrate production from the T3 project expected in 2021<sup>2</sup>, only five years since discovery

### SYSTEMS INFRASTRUCTURE

Systems, technology and IP across exploration, safety, mining and procurement



1. MOD Presentation 4 February 2019, Page 8  
2. MOD T3 Feasibility Study Announcement 28 March 2019

## 2 Benefits For MOD Shareholders



“The MOD Board considers the implementation of a Scheme with Sandfire to reflect a compelling value proposition for MOD shareholders” – MOD MD Julian Hanna



### Attractive Premium

- 45% to the closing price of A\$0.310 per share on 24 June 2019
- 45% to the 20-day VWAP of A\$0.310 per share, up to and including 24 June 2019<sup>1</sup>
- 108% to the undisturbed closing price on 18 January 2019<sup>2</sup>



### Development and Funding Certainty

- Certainty regarding development of T3 due to Sandfire’s development experience and financial capability
- Financial capacity to fund exploration across MOD’s extensive land package and future developments



### Strong Portfolio

- Gain exposure to Sandfire’s producing assets – the high-grade DeGrussa and Monty mines
- Gain exposure to Sandfire’s global portfolio of exploration and early stage investments
- Retain exposure to MOD’s assets and future upside associated with T3 and exploration



### Sandfire Platform

- Well-established systems infrastructure and IP across exploration, safety, mining and procurement
- Proven operational excellence and innovative marketing IP and relationships



### Cash / Liquidity

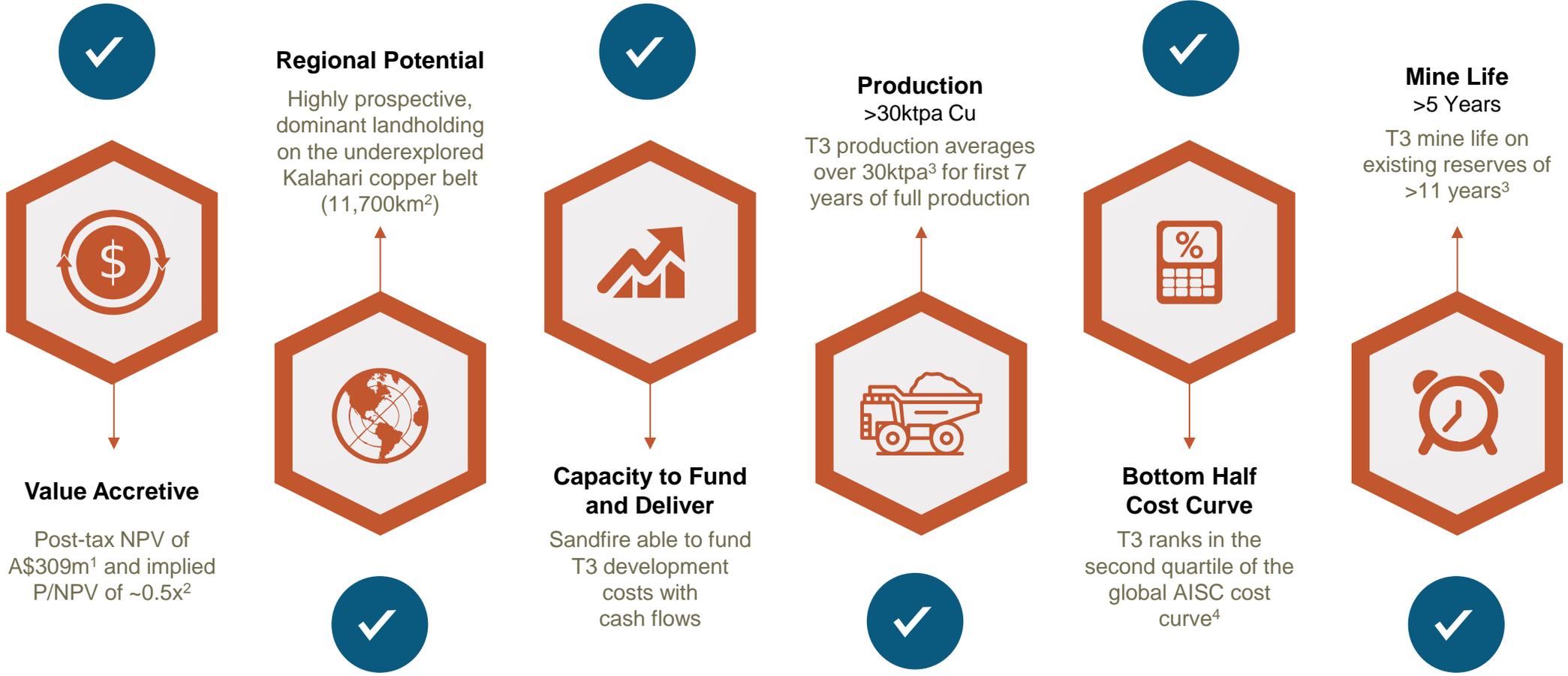
- Ability to elect Cash Consideration under the Scheme (subject to Cash Cap)<sup>3</sup>
- Access to increased trading liquidity and enhanced capital markets profile
- Access to near-term cash flow from future dividends paid by Sandfire

1. Volume weighted average price (VWAP) for the 20 trading days up to and including 24 June 2019 (volumes traded on the ASX and Chi-X)

2. Confirmation of Sandfire’s preliminary, indicative and non-binding approach as reported in the media

3. European Holders will receive Scrip Consideration only

# 2 Sandfire's Strategic Acquisition Criteria



1. Post-tax NPV (8% discount rate) – refer slide 10. Excludes the potential impact of the Botswana Government exercising its option to acquire a 15% contributing interest in the project at cost at the time the mining license is granted  
 2. Based on implied value of consideration of A\$167m and Post-Tax NPV of T3 of A\$309m  
 3. MOD T3 Feasibility Study Announcement 28 March 2019  
 4. Based on LOM average AISC of US\$1.56/lb Cu per the MOD T3 Feasibility Study Announcement 28 March 2019 and the 2019 AISC cost curve (by-product basis) per S&P Global Market Intelligence. See slide 15



### Belt Scale Province Dominant Landholding in Botswana

**~11,700 km<sup>2</sup><sup>1</sup>**

### Near-Term Production

First Production **2021<sup>2</sup>**  
LOM Production **28ktpa<sup>3</sup>**

### Long Life Project

Life Of Mine **>11yrs<sup>2</sup>**  
Contained Reserve **343kt<sup>2</sup>**

### Low Cost / Low Capital

C1 Costs **US\$1.35/lb<sup>4</sup>**  
T3 Capital **A\$260m<sup>5</sup>**

### Botswana Investment Attractiveness<sup>6</sup>

Global Rank **#32**  
Africa Rank **#1**

### Compelling Value Proposition

NPV Post-Tax **A\$309m<sup>8</sup>**  
P/NPV **~0.54x<sup>7</sup>**

**“T3 is a robust asset which Sandfire will work on optimising from day 1” – Sandfire MD Karl Simich**

1. MOD Presentation 4 February 2019, page 8

2. MOD T3 Feasibility Study Announcement 28 March 2019

3. Averages over 30ktpa for first 7 years of full production, per MOD T3 Feasibility Study Announcement 28 March 2019

4. Life of mine average, US dollars per pound of copper produced (net of silver by-product credits), per MOD T3 Feasibility Study Announcement 28 March 2019

5. US\$182m Development Capital per MOD T3 Feasibility Study Announcement 28 March 2019, with a foreign exchange rate of 0.70 US dollars per Australian dollar applied

6. Fraser Institute Annual Survey of Mining Companies 2018, “Investment Attractiveness Index”

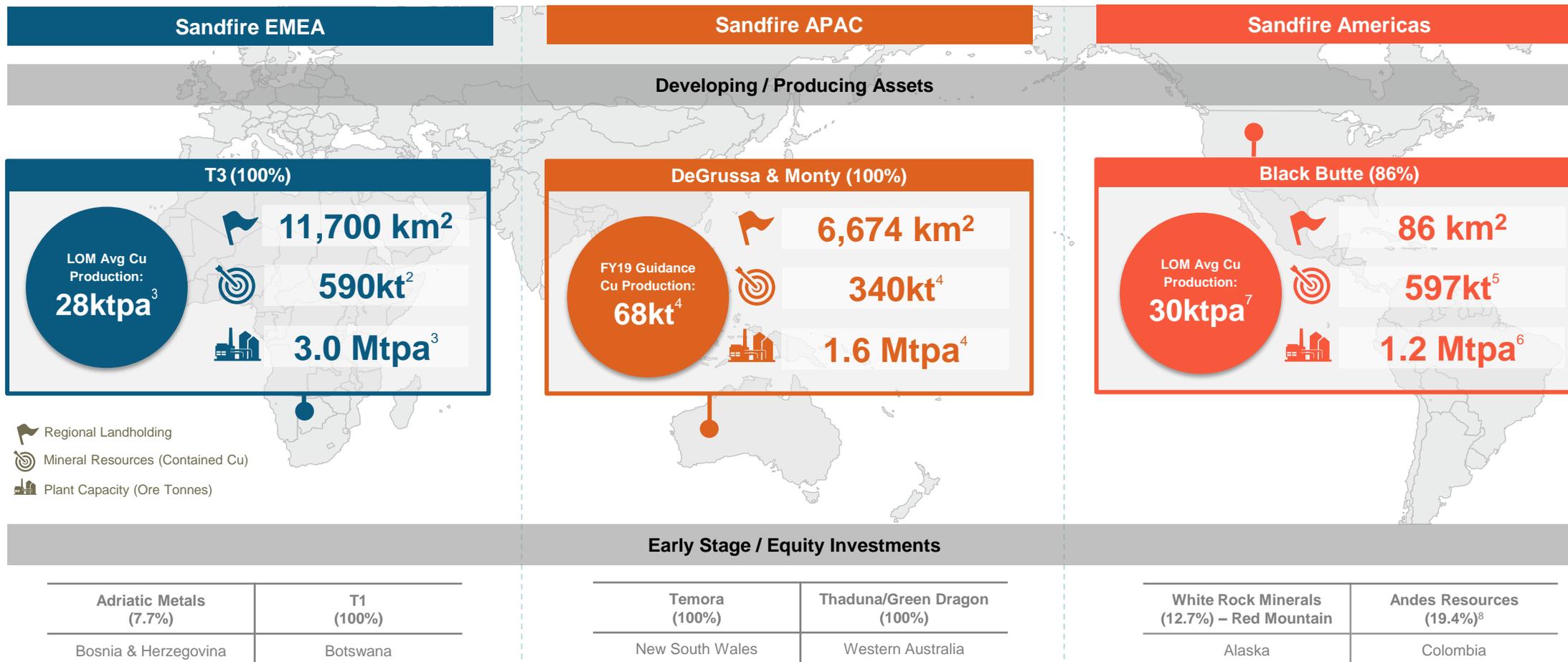
7. Based on post-tax NPV of A\$309m and an implied equity value A\$167m

8. Based on Pre-Tax NPV of US\$368m (8% real discount rate) per MOD T3 Feasibility Study Announcement 28 March 2019 and:

- a foreign exchange rate of 0.70 US dollars per Australian dollar;
- MOD’s assumptions regarding the calculation of tax payable per Botswana’s corporate tax rate of 22-55% (determined by a profitability ratio calculated as taxable income as a percentage of gross income);
- excludes the potential impact of the Botswana Government exercising its option to acquire a 15% contributing interest in the project at cost at the time the mining licence is granted;
- derived from probable ore reserves only; and
- estimated ore reserves underpinning the production target have been prepared by competent persons in accordance with the JORC Code (2012)



## The MOD Acquisition Adds the EMEA<sup>1</sup> Region to Sandfire's Global Portfolio



1. EMEA stands for Europe, Middle East and Africa

2. MOD 2018 Annual Report (ASX Release 28 March 2019)

3. MOD T3 Feasibility Study Announcement 28 March 2019

4. DeGrussa Ore Reserve and Mineral Resource Update (Sandfire ASX Release 21 June 2019)

5. Sandfire Mineral Resources and Ore Reserves per 2018 Annual Report (ASX Release 19 October 2018) – as at 31 December 2016, shown on a 100% basis

6. Tintina Resources Inc Updated Technical Report and Preliminary Economic Assessment (July 2013)

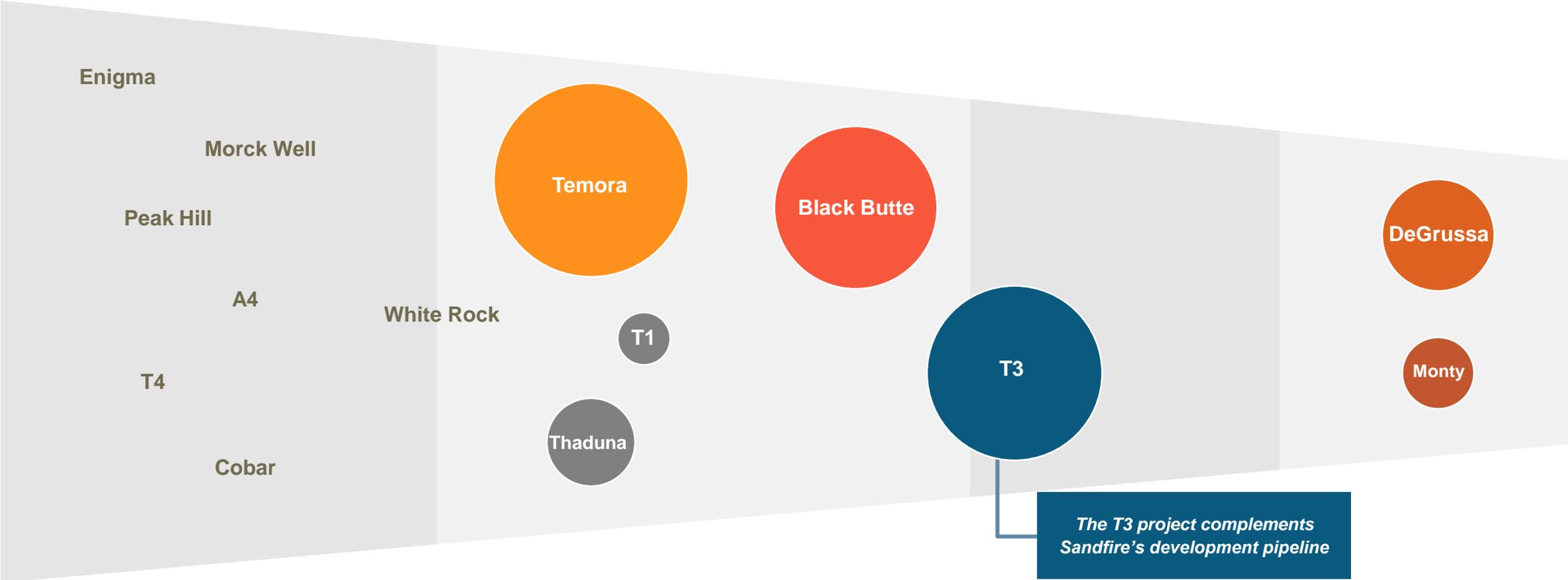
7. Sandfire 2018 Annual Report (ASX Release 19 October 2018)

8. On 17 May 2019, Andes Resources Limited and Metminco Limited agreed binding terms for a merger. The transaction is currently un consummated

# 4 Pro-Forma Project Pipeline



## T3 Adds a Near-Term Development Project to Sandfire's Growth Pipeline



*The T3 project complements Sandfire's development pipeline*

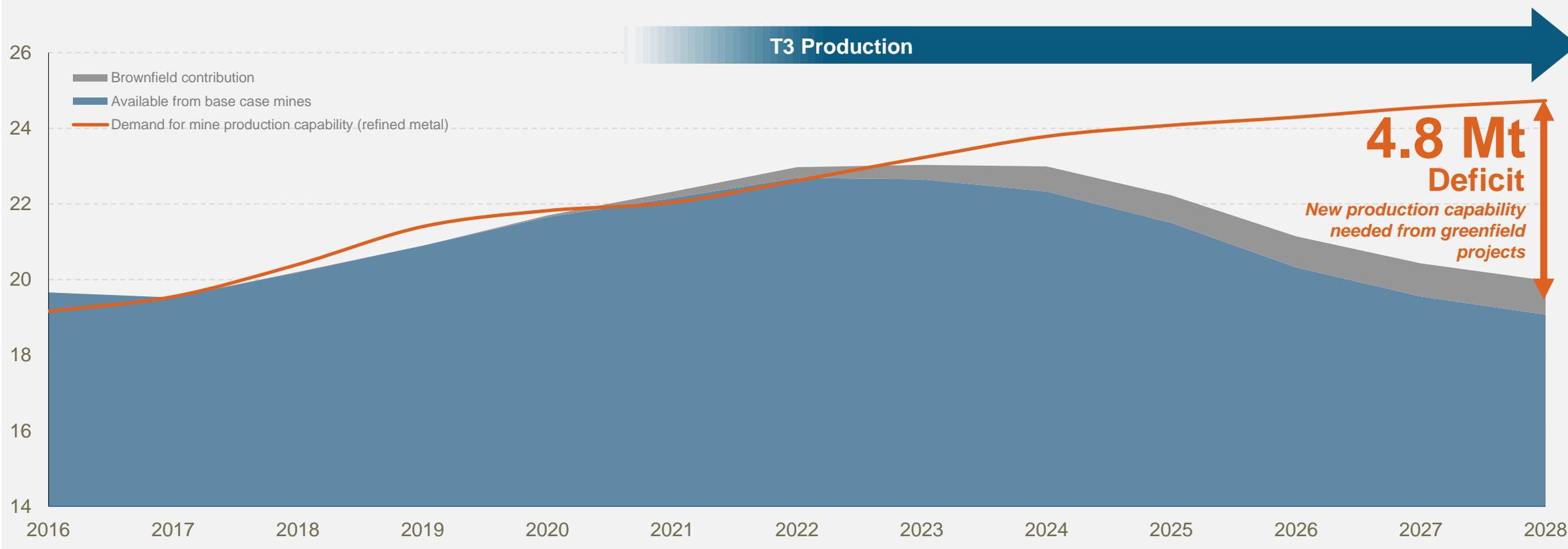
1. Attributable basis

Bubble Size = Contained Cu Resources<sup>1</sup>



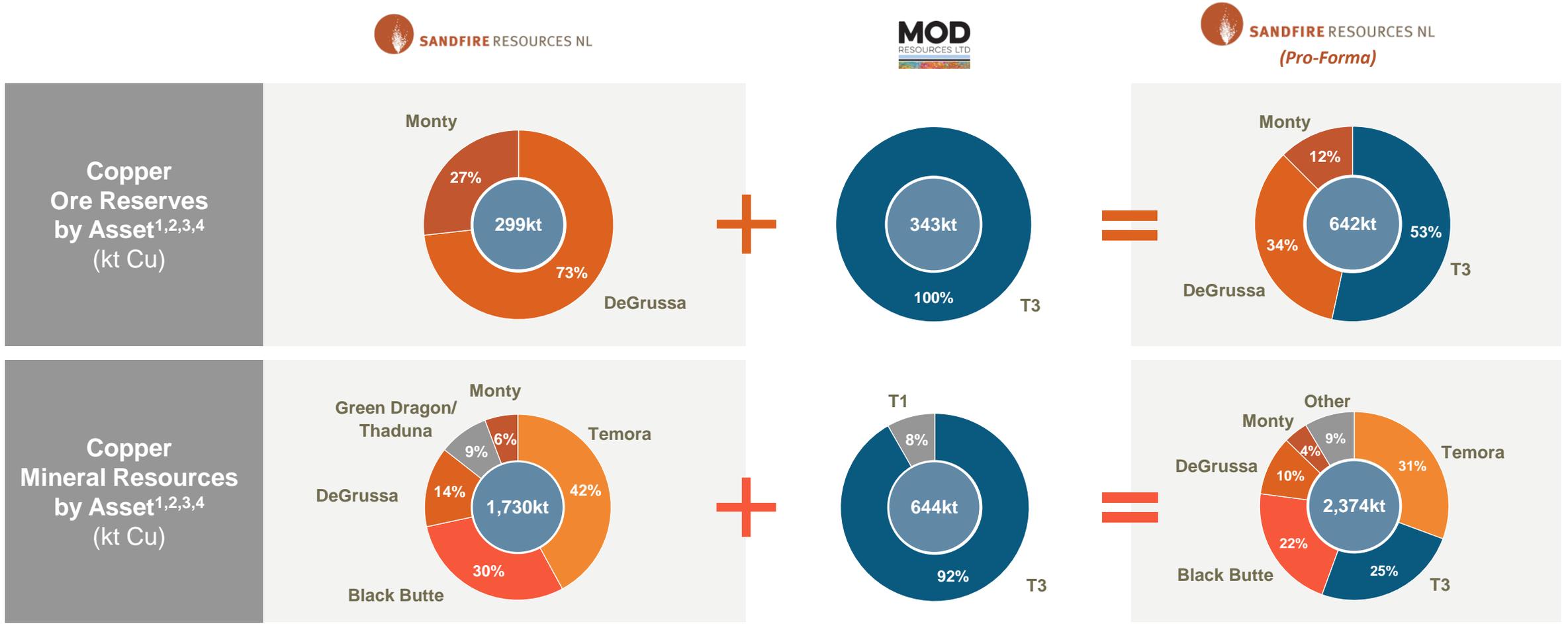
## T3 Production From 2021 to Benefit From the Forecast Copper Supply Deficit

### Copper Production Capability and the Future Supply Gap<sup>1</sup> (Mt Cu)



1. Source data for chart taken from Wood Mackenzie Global Copper Mine Supply Summary (Q1 2019 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

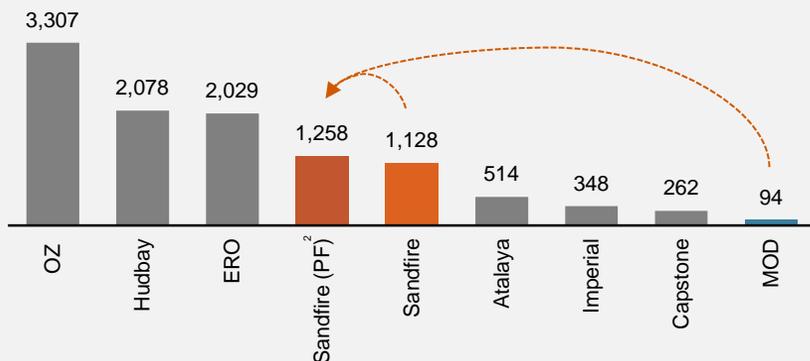
# 4 Pro-Forma Reserves and Resources



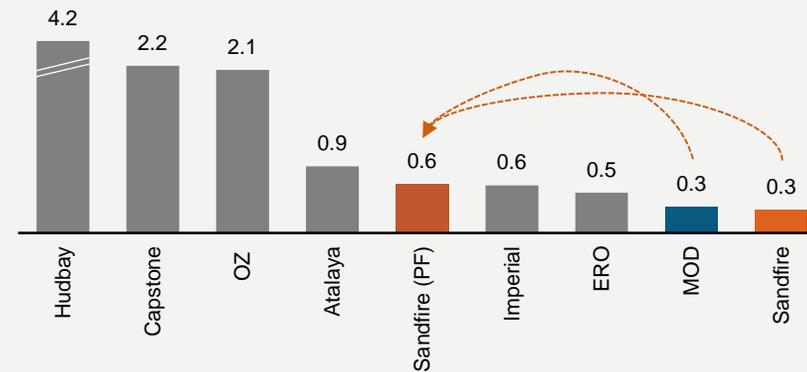
1. DeGrussa Ore Reserve and Mineral Resource Update (Sandfire ASX Release 21 June 2019)  
 2. Sandfire Mineral Resources and Ore Reserves per 2018 Annual Report (ASX Release of 19 October 2018)  
 3. MOD Mineral Resources and Ore Reserves per 2018 Annual Report (ASX Release of 28 March 2019) and MOD Announcement 25 March 2019, Page 2  
 4. Excludes the potential impact of the Botswana Government exercising its option to acquire a 15% contributing interest in the project at cost at the time the mining licence is granted



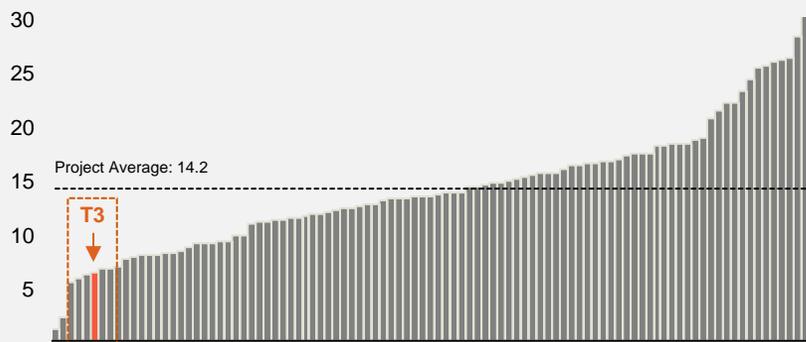
## Market Capitalisation<sup>1</sup> (A\$m)



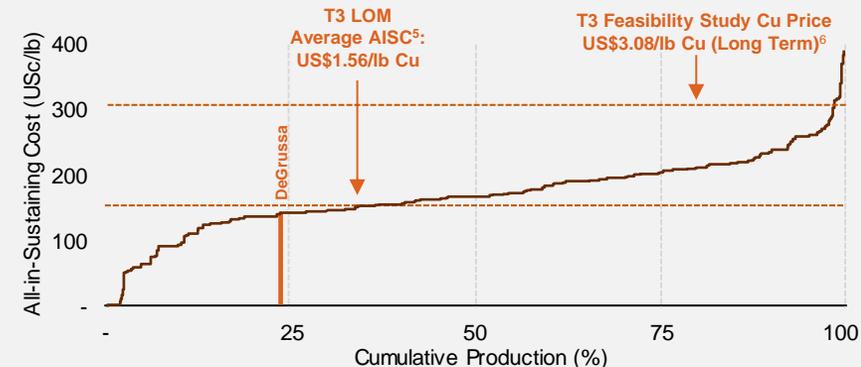
## Copper Reserves<sup>3</sup> (contained Cu, Mt)



## Upfront Capital Intensity<sup>7</sup> (US\$'000/tpa CuEq)



## Cost Curve Positioning<sup>4</sup> (2019, AISC)



1. FactSet, as at close of trading on 24 June 2019 (ASX-listed companies) and 21 June 2019 (Non-ASX listed companies)

2. Sandfire Pro-Forma (PF) – calculation assumes 25% of the total consideration is paid in cash

3. Per respective latest available company disclosure, in accordance with the professional standards for public reporting of mineralisation in their jurisdiction (JORC, NI 43-101 and CIM standards)

4. S&P Global Market Intelligence, All-in Sustaining Costs (AISC) calculated as total minesite costs, transport, offsite, smelting, refining, royalties, production taxes, corporate overhead allocations, reclamation, capitalised exploration and sustaining capital costs, net of by-product credits, per pound of copper production

5. MOD T3 Feasibility Study Announcement 28 March 2019, calculated as C1 costs (mining, power, processing, site administration, logistics and treatment and refining charges) plus silver by-product credits, royalties and sustaining capital per pound of copper produced

5. (cont.) For the purposes of comparison we have highlighted T3's LOM average AISC as opposed to a 2019 AISC

6. MOD T3 Feasibility Study Announcement 28 March 2019 (2021: US\$3.11/lb, 2022: US\$3.16/lb, 2023: US\$3.11/lb, LT: US\$3.08/lb)

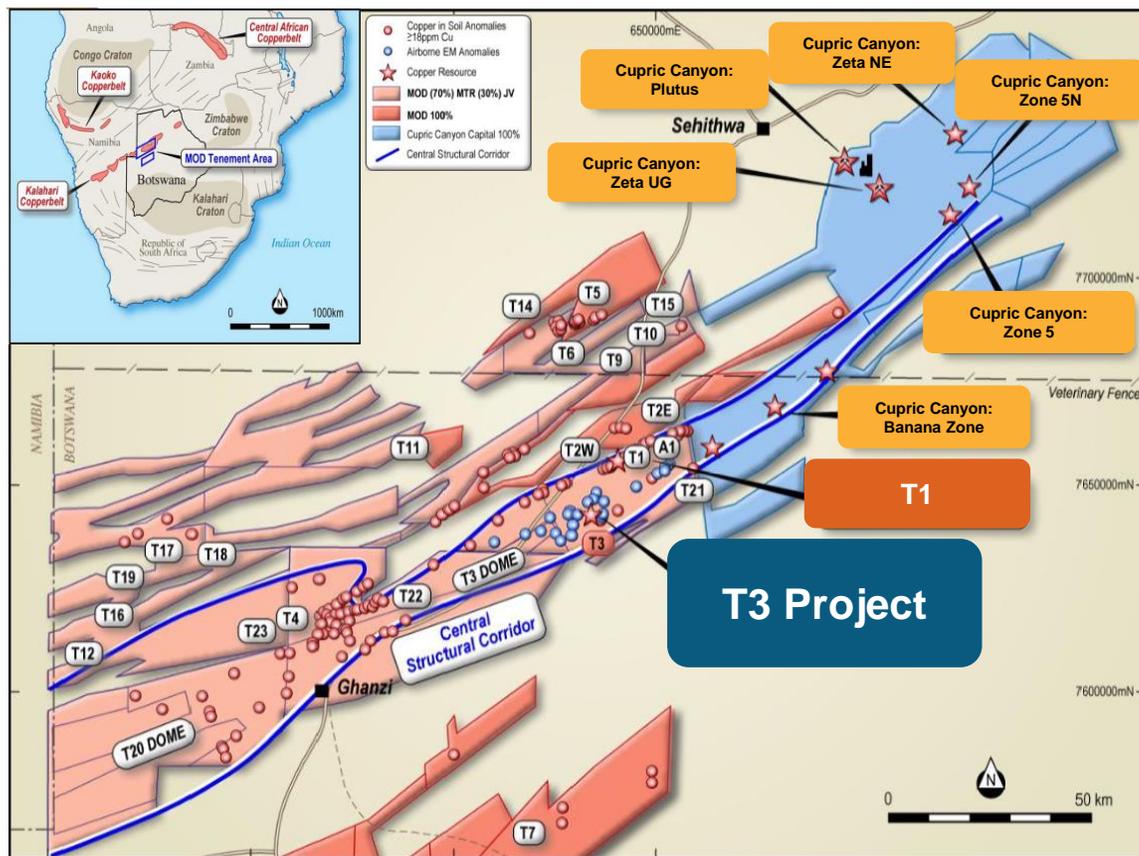
7. Source data for chart taken from Wood Mackenzie Global Copper Mine Supply Summary (Q1 2019)

- Note that T3 has been added to the Wood Mackenzie data set for the purposes of comparison
- T3 capital intensity calculated as US\$6,500/tpa (US\$182m development capital divided by LOM average production of 28ktpa Cu, per MOD T3 Feasibility Study Announcement 28 March 2019)
- Note that Wood Mackenzie data used for comparison purposes is on a copper equivalent production basis (CuEq), per Wood Mackenzie calculations



## Underexplored Belt Scale Opportunity Across the Kalahari Copper Belt

### Significant Landholding (~11,700km<sup>2</sup>)<sup>1</sup>



1. MOD Presentation 4 February 2019, Page 8  
 2. MOD Presentation 7 September 2017, Page 4  
 3. MOD Presentation 4 February 2019, Page 19  
 4. MOD Announcement 6 August 2018, Page 1  
 5. MOD Announcement 25 March 2015, Page 1 (Total Resources, 1.0% Cu cut-off)

### Prospective Region

- Sedimentary-style copper deposits<sup>2</sup>
- Similarities to Zambia<sup>2</sup>
- Mineralisation hosted in domes

### Near Mine Targets

- T3 Expansion Project (950km<sup>2</sup> area surrounding T3)<sup>3</sup>
- Intercepts include 52m @ 1.5 % Cu (A4)<sup>4</sup>
- Includes T1 Resource (2.7Mt @ 2 % Cu)<sup>5</sup>

### Regional Exploration

- T20 Exploration Project (~3,350km<sup>2</sup> area west of T3)<sup>3</sup>
- Intercepts include 2m @ 6.1% Cu at T4<sup>6</sup>
- Copper also intersected at T23<sup>7</sup>

### Nearby Projects

- Cupric Canyon's Khoemacau east of T3
- Funding secured for Zone 5 development<sup>8</sup>
- Zone 5 mineral resource of 91.7Mt @ 2.1% Cu<sup>8</sup>

### Metal Tiger JV

- Metal Tiger's 30% interest in JV to be acquired by MOD<sup>9</sup>
- Covers 18 licences over 7,455km<sup>2</sup><sup>1</sup>

6. MOD Announcement 1 April 2016, Page 1  
 7. MOD Announcement 10 December 2018

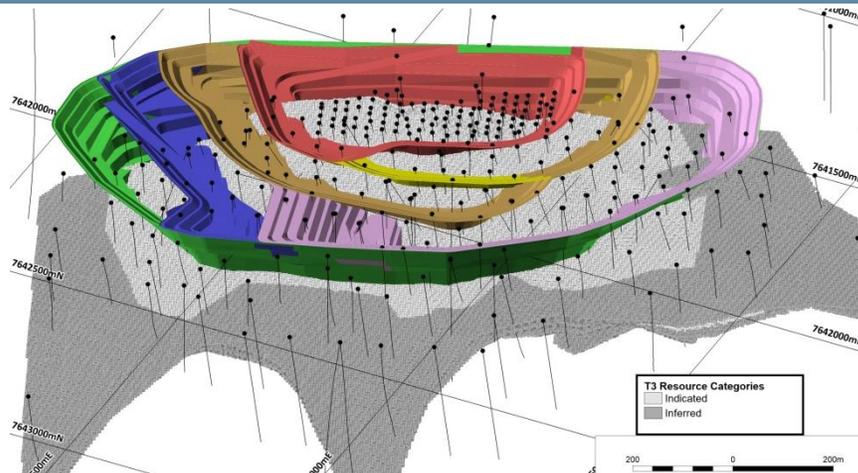
8. Mineral Resource reported in accordance with the JORC Code (2012), per Cupric Canyon Media Release 25 February 2019, Page 1  
 9. Subject to MOD shareholder approval and the Scheme becoming effective

## Open Pit Copper Development Project With >11 Year Life

### T3 March 2019 Feasibility Study

Ore Tonnes Mined	34.4Mt
Average Grade (Cu)	1.0%
Copper in Concentrate	318.4kt
Concentrate Grade (Cu)	30.4%
Recovery (Cu)	92.9%
Strip Ratio	5.7:1
Production (LOM Average)	28ktpa Cu <sup>2</sup>
C1 Costs / AISC (LOM Average)	US\$1.35/lb <sup>3</sup> / US\$1.56/lb <sup>3</sup>
Plant Capacity	3.0 Mtpa
Mine Life (Processing)	11.5 years
Development Capital	US\$182m

### Single Open Pit Mine Plan (6 Stage)



1. MOD T3 Feasibility Study Announcement on 28 March 2019  
 2. Copper in concentrate  
 3. Per pound of copper produced, net of silver by-product credits

### Mine Plan

- 6 stage single open pit mine plan
- Designed to partly defer CAPEX

### Mining Method

- Conventional load & haul / drill & blast
- Local mining contractor to be used

### Metallurgy

- Chalcopyrite, bornite and chalcocite
- Sulphide, with shallow oxidation

### Processing

- 3.0Mtpa Crusher, SAG and Ball Mill
- Conventional Flotation Circuit
- High quality concentrate (LOM average 30.4% Cu)

### Infrastructure

- Grid power scheduled for Q1 2020
- Close proximity to Ghanzi highway
- TSF HDPE lined<sup>4</sup> (34.4Mt, 68% solids)

### Permitting

- Landowner/access agreements in place
- Mining Licence expected H2 2019

4. Tailings Storage Facility with High-Density Polyethylene geomembrane lining

# 5 T3 Project Overview (continued)

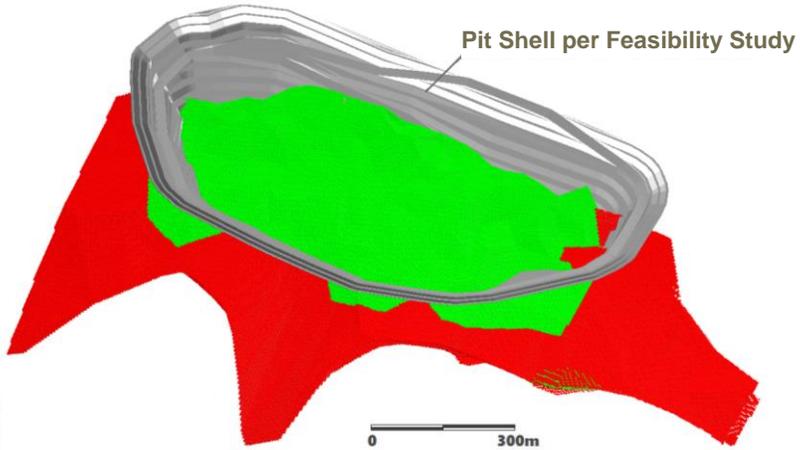
## T3 Reserves & Resources

Ore Reserves <sup>1</sup>	Tonnes (Mt)	Copper		Silver	
		(%)	Kt	(g/t)	Moz
Proven	-	-	-	-	-
Probable	34.4	1.0	342.7	13.2	14.6
<b>Total</b>	<b>34.4</b>	<b>1.0</b>	<b>342.7</b>	<b>13.2</b>	<b>14.6</b>

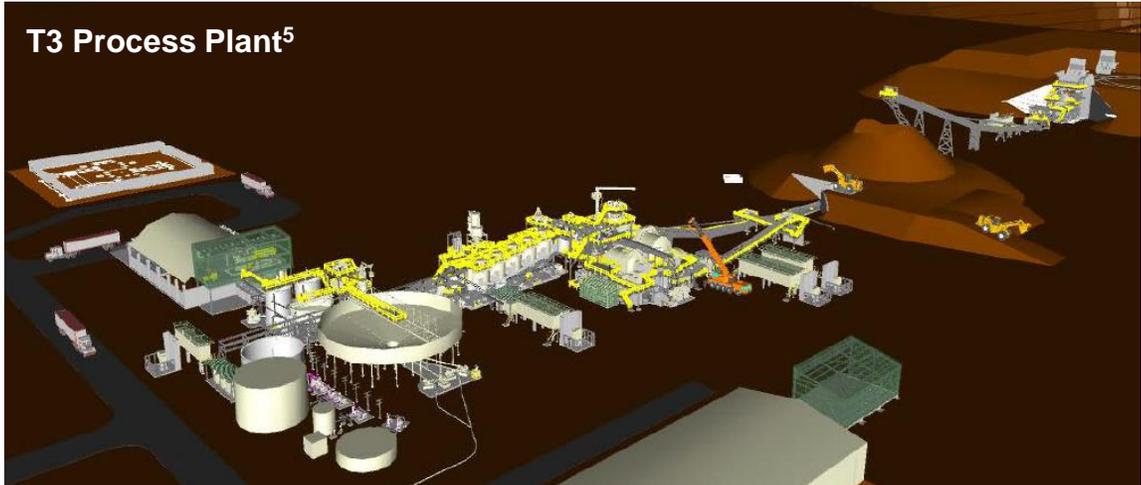
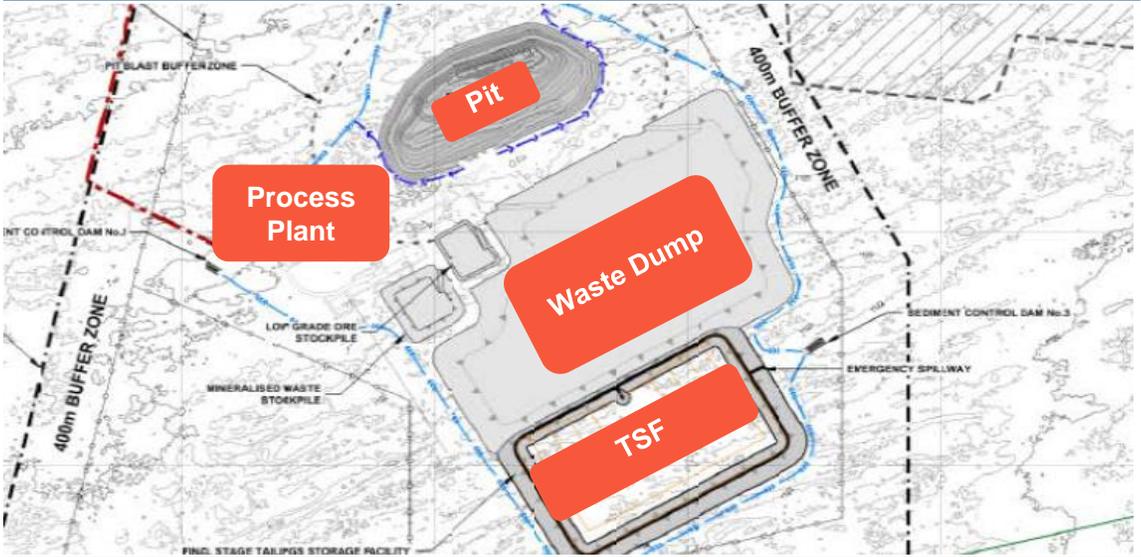
  

Mineral Resource <sup>2</sup>	Tonnes (Mt)	Copper		Silver	
		(%)	Kt	(g/t)	Moz
Indicated	36.6	1.1	417.0	16.0	18.6
Inferred	23.5	0.7	173.3	11.0	8.3
<b>Total<sup>3</sup></b>	<b>60.2</b>	<b>1.0</b>	<b>590.4</b>	<b>14.0</b>	<b>26.9</b>

## T3 Resource Classification



## T3 Site Layout<sup>4</sup>



1. MOD Announcement 25 March 2019, Page 2  
 2. MOD Announcement 16 July 2018 (Inclusive of ore reserves, 0.4% Cu cut-off)

3. Numbers may not add due to rounding  
 4. MOD T3 Feasibility Study Announcement on 28 March 2019, Page 28

5. MOD T3 Feasibility Study Announcement on 28 March 2019, Page 23

# 5 Mythbusting the Boseto Comparison

## T3 Orebody is Lower Strip, Shallower, Wider and Protected from Oxidation

	T3	Boseto	
<b>Government Relations</b>	✓	✓	<ul style="list-style-type: none"> <li>Botswana's Government and local community has a long history of supporting mining operations and development in the region</li> </ul>
<b>Understanding of Geology</b>	✓	✗	<ul style="list-style-type: none"> <li>T3 studies have learnt from the Boseto case study and geology is well understood</li> </ul>
<b>Shallow Oxidation</b>	✓	✗	<ul style="list-style-type: none"> <li>Deep oxidation caused recovery challenges for Boseto</li> <li>T3 oxidation is shallow due to extensive surface calcrete cover<sup>1</sup></li> </ul>
<b>Lower Strip Ratio</b>	✓	✗	<ul style="list-style-type: none"> <li>T3 has a lower LOM strip ratio of 5.7:1<sup>2</sup>, compared to 11.5:1 for Boseto<sup>3</sup></li> </ul>
<b>Lower Power Costs</b>	✓	✗	<ul style="list-style-type: none"> <li>T3 has the benefit of grid power that is scheduled to be available Q1 2020<sup>4</sup></li> </ul>
<b>Shallow &amp; Wide Orebody with Calcrete Cover</b>	✓	✗	<p><b>T3 Open Pit Cross Section<sup>5</sup></b></p>

1.MOD Presentation 24 August 2017, Page 10  
 2.MOD T3 Feasibility Study Announcement on 28 March 2019, Page 4

3.Boseto Bankable Feasibility Study released by Discovery Metals Limited on 1 September 2010  
 4.MOD T3 Feasibility Study Announcement on 28 March 2019, Page 26

5.MOD T3 Feasibility Study Announcement on 28 March 2019, Page 12



## Optimisation & Construction of T3

- Optimise T3 as the first cornerstone regional asset
- Develop with expansion capability in mind for future developments
- Remove capital constraints in the Feasibility Study to maximise returns
- Explore underground potential



## Unlock the Belt-Scale Opportunity

- Increase and accelerate exploration spend to unlock the potential of the highly prospective province
- Bring additional exploration experience to bear on the underexplored and highly prospective tenement package
- Begin with a focus on several promising intercepts and anomalies identified by MOD (including A4, A1 and T23 projects)



## Community Centric Focus to Development

- Exploration and development activities continuing through in-country companies Tshukudu Metals and Tshukudu Exploration
- Maintain MOD's excellent community and Government relationships
- Apply high standards in safety, environmental management, sustainability, governance and transparency

**“We see a combination with Sandfire as a mutually beneficial partnership which creates value for both MOD and Sandfire shareholders.” – MOD MD Julian Hanna**

# 6 MOD's Experience Retained



## Perth-Based Team



**Julian Hanna**  
(Managing Director)

- Managing Director of MOD since 2013
- Former Managing Director of Western Areas (12 years)
- Qualified geologist with over 35 years experience



**Steve McGhee**  
(Technical Director)

- Metallurgist with over 30 years' experience
- Background operations, engineering and project development in various commodities
- Director of Perth-based Independent Metallurgical Operations



**Jeff Bowen**  
(Project Development Manager)

- Metallurgist with over 20 years' experience
- 10 years' operational experience in gold and base metals across Botswana, Uganda, Australia, New Zealand
- 11 years' EPCM/EPC experience with Ausenco/Sedgman
- Appointed as study manager for the T3 Feasibility Study

## In-Country Team



**Gaba Chinyepi**  
(Executive Country Manager)

- In-country representative of MOD since 2011 and Executive Country Manager since 2018
- Qualified geologist with 19 years' experience across mining, academia and exploration



**Ketsile Molokomme**  
(Community Relations Manager)

- Leads MOD's community relations team that reports to a committee of employees and community members
- Initiated and supported a number of projects designed to bring long term benefits to the people in Ghanzi District and ensure that Tshukudu Metals' activities are aligned with local communities and farmers



**Kebalemogile Tau**  
(Exploration General Manager)

- Qualified exploration & mining geologist
- Former experience with African Copper and Tati Nickel

“The MOD and Tshukudu team is excited to work together with the Sandfire team on development of T3 and exploration of the region.” – MOD MD Julian Hanna



## Building on Strong Local Relationships

- MOD has generated strong stakeholder engagement and local support
- In-country management and operations to be retained with Tshukudu Metals and Tshukudu Exploration as in-country operating entities
- Community-centric approach to be maintained with open and transparent communications

## Commitment to Local Workforce

- Africa based local services to be used for mining operations
- Sandfire will maintain MOD's firm commitment to training and local employment

## Focus on Sustainability

- Sandfire is part of a global community and has an impressive track record of sustainability reporting
- Sandfire will maintain its focus on achieving high standards in safety, environmental management, productivity, governance and transparency – delivering positive outcomes for the local community and stakeholders

## Sandfire's Values



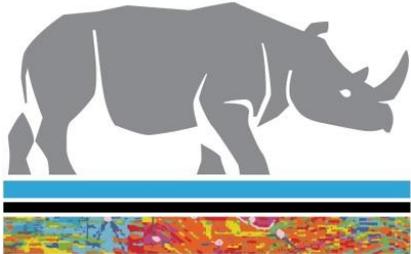
“We will prioritise building strong local relationships and a sustainable business whilst applying Sandfire’s leading ESG practices.” – Sandfire MD Karl Simich

# 7 In-Country Operations and Community Engagement



## In Country Operating Companies

**TSHUKUDU**  
METALS



**TSHUKUDU**  
EXPLORATION



## Community Engagement

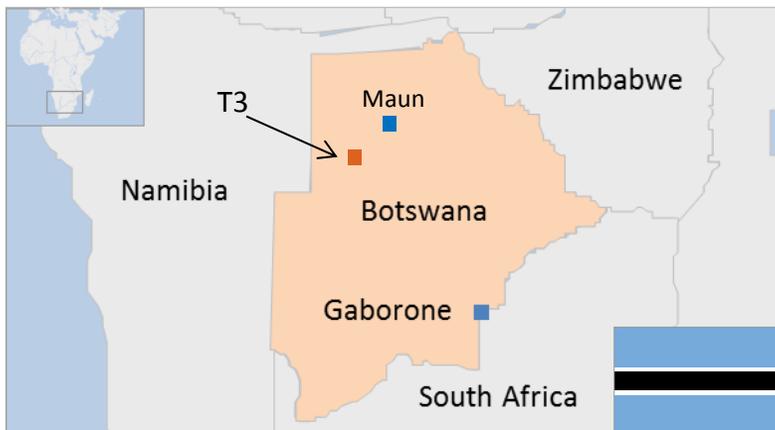
- Ghanzi based Senior Community Relations Manager
- Strong ongoing stakeholder engagement and support
- Firm commitment to training and employment
- Firm commitment to in-country procurement and services
- Supporting local businesses and community initiatives





## Botswana is a World-Class, Stable and Attractive Mining Jurisdiction

### Country Snapshot



**Population (2017)<sup>1</sup>** ~2.3 million

**GDP (2017)<sup>1</sup>** US\$17.4b

**Capital** Gaborone

**Key Commodities<sup>2</sup>** Diamonds, Copper, Coal

**Currency** Pula



### Attractive Mining Investment Jurisdiction

- #1 in Africa, #32 in the world for investment attractiveness<sup>3</sup> above NSW, VIC, TAS<sup>3</sup>
- Politically stable democracy<sup>2</sup>
- Sound economic growth since independence in 1966<sup>2</sup>
- Well-developed infrastructure<sup>2</sup>
- ~72% of merchandise exports are mining related<sup>4</sup>



### Clear and Stable Mining Policy

- #12 mining policy perception index<sup>5</sup>
- Transparent, rapid permitting and approvals process<sup>6</sup>
- History of permitting and supporting mining projects
- Mines & Minerals Act in place since 1999<sup>7</sup>
- 25 year term for a Mining Licence<sup>7</sup>



### Well Understood Fiscal Terms

- Corporate Tax Rate of 22-55% – determined by profitability<sup>8</sup>
- Copper royalty of 3% (payable on gross revenue at mine gate)<sup>7</sup>
- Silver royalty of 5% (payable on gross revenue at mine gate)<sup>7</sup>
- Dividend withholding tax of 7.5%<sup>8</sup>
- Government has the option to acquire up to a 15% contributing interest in the project at cost at the time the Mining Licence is granted<sup>7</sup>
- ~40% of government revenue is mining related<sup>4</sup>

1.The World Bank, "World Development Indicators Database"

2.KPMG, "Botswana Country Mining Guide" (2017)

3.Fraser Institute Annual Survey of Mining Companies 2018, "Investment Attractiveness Index"

4.African Development Bank, "Botswana's Mineral Revenues, Expenditure and Savings Policy", Pg. 8 (2005-14)

5.Fraser Institute Annual Survey of Mining Companies 2018, "Policy Perception Index"

6.MOD T3 Feasibility Study Announcement on 28 March 2019, Page 9

7."Mines and Minerals Act, 1999", Government Gazette (17 September 1999)

8.EY, Botswana Mining and Metals Tax Guide (March 2014)

## 9 Indicative Timetable



Event	Indicative Date
First Court Hearing	Late August
Scheme Meeting	Early October
Second Court Hearing	Mid October
Effective Date	Mid October
Record Date	Mid October
Targeted Implementation Date	Late October



## DeGrussa and Monty 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 Resources NL 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.

## 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 Resources NL 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.

## Black Butte Mineral Resource

The information in this report that relates to Black Butte Mineral Resource is based on information compiled by Mr Michael J. Lechner who is a Registered Member of SME, a CPG with AIPG, a RPG in Arizona, and a P. Geo. In British Columbia. Mr Lechner is an independent consultant 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 Lechner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Thaduna and Green Dragon Mineral Resource

The information in this report that relates to the Thaduna and Green Dragon Mineral Resource is based on information compiled by Mr Ekow Taylor who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Taylor was a permanent employee of Sandfire Resources NL at the time of Mineral Resource compilation 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 Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## **T3 Mineral Resource**

The information in this news release that relates to Mineral Resource estimates (excluding prior estimates) is based on and fairly represents information and supporting documentation compiled by Dr Matthew Cobb; an employee of CSA Global Pty Ltd. Dr Cobb is a member of both The Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Dr Cobb has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr Cobb consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

The information in this announcement that relates to Geological Data and the T3 Mineral Resource described in this release is reviewed and approved by Mr Bradley Ackroyd, BSc (Hons), Manager Mine Geology for MOD Resources Ltd. Mr Ackroyd is a registered member of the Australian Institute of Geoscientists and has reviewed the technical information in this report. Mr Ackroyd has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity, which it is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ackroyd consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

## **T1 Mineral Resource**

The Competent Person responsible for the geological interpretation, Mineral Resource estimation and classification of the T1 Mahumo Copper/Silver Project is Mr A.I. Pretorius, who is a full-time employee of Sphynx Consulting CC and registered with SACNASP (400060/91). Mr Pretorius has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Pretorius consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

## T3 Ore Reserve

The information in this announcement that relates to Geological Data and the T3 Mineral Resource described in this release is reviewed and approved by Mr Bradley Ackroyd, BSc (Hons), Manager Mine Geology for MOD Resources Ltd. Mr Ackroyd is a registered member of the Australian Institute of Geoscientists and has reviewed the technical information in this report. Mr Ackroyd has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity, which it is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ackroyd consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The information in this announcement that relates to the Mine Planning aspects of the T3 Copper Project, specifically the mining cost and productivity inputs, the development of the mining ore loss and dilution parameters, the optimisation of the mineral resource model, pit and dump designs and the production schedule, supporting the Ore Reserve defined in this announcement, is based on information reviewed by or compiled by Mr Carl Murray, Principal Consultant for SRK Consulting (Australasia) Pty Ltd. Mr Murray is a Fellow member of the Australasian Institute of Mining and Metallurgy and has reviewed the technical information in this announcement that is based on the above defined areas of responsibility. Mr Murray has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Murray consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Metallurgy for the T3 Mineral Resource described in this release is reviewed and approved by Mr Peter Hayward, Diploma of Metallurgy, Senior Metallurgist for Sedgman Pty Ltd. Mr Hayward is a Fellow of the Australian Institute of Mining and Metallurgy and has reviewed the technical information in this report. Mr Hayward has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity, which it is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hayward consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The information in this announcement that relates to Geotechnical Modelling of the T3 Mineral Resource described in this release is reviewed and approved by Mr Neil Marshall, CEng, MSc, BSc (Hons), Principal Geotechnical Engineer and Corporate Consultant of SRK (UK) Ltd. Mr Marshall is a registered member of the Institute of Mining, Metallurgy and Materials (IOM3) and a Chartered Engineer and has reviewed the technical information in this report. Mr Marshall has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity, which it is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Marshall consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

## T3 Ore Reserve (continued)

The information in this announcement that relates to geochemistry, civils (waste stockpiles and the TSF) and the T3 Mineral Resource described in this release is reviewed and approved by Mr David Morgan, BSc Civil Engineering, MSc Irrigation Engineering, Managing Director for Knight Piésold. Mr Morgan is a registered member of the Australasian Institute of Mining and Metallurgy (Australasia, 202216) and has reviewed the technical information in this report. Mr Morgan has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity, which it is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Morgan consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The Social content in this announcement that relates to the Draft Environmental and Social Impact Assessment has been reviewed and approved by Ms Louanne Munz, Community Consultant for MOD Resources Ltd. A current member of AusIMM, Ms Munz is a community practitioner with over 30 years in the resources sector, specialising in business processes that recognise and satisfy corporate social responsibility and comply with IFC Performance Standards on Social Sustainability. Ms Munz qualifies as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The information in this announcement that relates to the Draft Environmental and Social Impact Assessment and the Conceptual Mine Closure Plan, excluding of the social components, described in this release is reviewed and approved by Ms Catherine Galli, BSc Agric (Hort), CenvP, GAICD, Principal Environmental Consultant of Rescology Environmental Consulting (Australia). Ms Catherine Galli is a registered member of the Australasian Institute of Mining and Metallurgy (AUSIMM), a certified Environmental Practitioner (CenvP) and member of the Environmental Institute of Australia and New Zealand (EIANZ). Ms Galli has sufficient experience in environmental impact assessment, environmental management, ecology and mine closure planning relevant to the project, which is to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Galli consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The information in this announcement that relates to the financial modelling (and inputs) as described in this release is reviewed and approved by Mr Jeffery Bowen, BSc (Hons), Manager Project Development for MOD Resources Ltd. Mr Bowen is a registered member of the Australian Institute of Mining and Metallurgy and has reviewed the technical information in this report. Mr Bowen has over 20 years industry experience in both operations and project development activities, with sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bowen consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

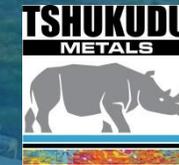


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