



## BLACK BUTTE COPPER PROJECT UPDATE

Sandfire Resources Ltd (ASX: SFR; **Sandfire** or **the Company**) refers to the attached update provided by its 85%-owned subsidiary, Sandfire Resources America Inc., regarding permitting, project bonding and preparations for the proposed commencement of surface earthworks at the Black Butte Underground Copper Project in Montana, USA.

The release of a positive Record of Decision (ROD) to grant a Mine Operating Permit by the Montana Department of Environmental Quality (MT DEQ) in April this year marked the completion of an exhaustive four and a half year technical assessment and permitting process (see the Company's ASX announcement, dated 14 April 2020) by the MT DEQ.

The Company notes the legal challenge to the ROD lodged by groups who oppose resource development in Montana. As noted in the attached release, Sandfire Resources America Inc. will review the challenge and will seek to work with the MT DEQ to defend this litigation vigorously.

Sandfire is committed to advancing the Black Butte Project through to Feasibility Study, to be followed by a decision to mine and financing considerations. This work will be progressed in parallel with the preliminary earthworks and bonding activities outlined in the attached release.

"The Sandfire America team has done a wonderful and professional job in securing the grant of the first hard rock mining permit in Montana for several decades," said Sandfire's Managing Director and CEO, Karl Simich.

"This follows a highly detailed and comprehensive evaluation process to design and permit a modern, state-of-the-art new mine that safeguards and protects our environment, while offering the potential to deliver significant economic and social benefits to the people of Montana."

**ENDS**

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

**Forward-Looking Statements**

Certain statements made during or in connection with this announcement 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.

## **Black Butte Copper Project Update**

**White Sulphur Springs, Montana – June 5, 2020 – Sandfire Resources America Inc.** (“Sandfire America” or the “Company” **TSX.V: SFR and OTCQB: SRAFF**) provides the following update on its Black Butte Copper underground mining project in Montana, USA.

### **Stage One Bonding Level Issued**

The Company is pleased to announce that on May 19, 2020, the Montana Department of Environmental Quality (MT DEQ) issued a Phase I bonding number establishing a bond of \$4.65 million for the Black Butte Copper Project. The Company must secure this bond before commencing surface construction at the mine site.

The initial bond increment covers only Phase 1 surface construction of the mine site. A second bond increment must be calculated by the DEQ to cover Phase 2 development which includes further underground development, mill construction, and any activities involving beneficial water use.

### **Commencement of Stage One Surface Earthworks**

The Company is currently finalizing a construction contract for the commencement of surface earthworks which are scheduled to commence this summer after the Company secures the Phase I bond amount.

Commenting on the achievement of this milestone, Sandfire America’s CEO and VP of Project Development, Rob Scargill, said: “We are proud to be part of the economic engine which will help us recover from the impacts and hardships we have all felt from the COVID-19 pandemic. Strength in the natural resources sector will help drive recovery across the economy, creating employment and opportunities for the people of Montana.

“This sets a clear path toward completing the Black Butte Feasibility Study and, subject to progressing project funding and making a positive Final Investment Decision, building a showcase mine that will combine local input and expertise with state-of-the-art technology.”

Sandfire America Senior Vice President, Jerry Zieg, stated, “We’re very pleased and look forward to being part of the solution to Montana’s economic revival by providing new jobs and new opportunities. Together with our stakeholders and community we have achieved a permit that protects our waterways and the environment which we all

cherish and look forward to providing an important economic driver for our community and for Montana in these challenging times.

### **Legal Challenge**

A legal challenge to the MT DEQ's Record of Decision was lodged in the 14<sup>th</sup> Judicial Court in Meagher County, Montana against the MT DEQ and Tintina Montana Inc., a wholly owned subsidiary by Sandfire America, by a number of groups who oppose resource development in Montana on June 4, 2020. The Company will review the challenge and will seek to work with the MT DEQ to defend this litigation vigorously.

Rob Scargill said, "We are disappointed that this litigation has been filed. No major natural resource project in Montana seems to go unchallenged despite our strict regulations and processes enshrined in Montana law. Montana DEQ, under Governor Bullock, did an extremely thorough job of evaluating and reviewing the permit application during the past four and a half years, adopting changes to even further strengthen the permit, making it, in the words of the Montana DEQ, "the most protective permit the department has ever issued". The Montana DEQ conclusively and independently found that all environmental issues have been addressed and that this permit can be granted knowing that the environment which we all value and care for is protected."

#### **QUALIFIED PERSON**

Jerry Zieg, Vice President of Exploration for the Company, is a Qualified Person for the purposes of NI 43-101 and has reviewed, verified, and approved the data disclosed and information of a scientific or technical nature contained in this news release.

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#### **CAUTIONARY NOTE**

*Cautionary Note Regarding Forward-Looking Statements: Certain disclosures in this document constitute "forward looking information" within the meaning of Canadian securities legislation, including statements regarding the Company's plans for advancing the Black Butte Copper Project including commencement of contracted surface work and expected outcomes. In making these forward-looking statements, the Company has applied certain factors and assumptions that the Company believes are reasonable, including that the Company will receive required regulatory approvals, that the Company will continue to be able to access sufficient funding to execute its plans, that the Company's exploration and development activities on the Black Butte Copper Project will not be materially affected by actions of environmental activists or other special interest groups, and that the results of exploration and development activities are consistent with management's expectations, and assumptions regarding the impact of the global health and financial crisis caused by COVID-19 on the Company. However, the forward-looking statements in this document are subject to numerous risks, uncertainties and other factors, including factors relating to the Company's operation as a mineral exploration and development company and the Black Butte Copper Project, that may cause future results to differ materially from those expressed or implied in such*

*forward-looking statements, including that results of exploration and development activities will not be consistent with management's expectations, delays in obtaining or inability to obtain required government or other regulatory approvals or financing, interference with the Company's exploration or development activities by environmental activists or other special interest groups, the risk that the Company will be materially and adversely impacted by the global health and financial crisis caused by COVID-19, failure of plant, equipment or processes to operate as anticipated, the risk of accidents, labor disputes, inclement or hazardous weather conditions, unusual or unexpected geological conditions, ground control problems, earthquakes, flooding and all of the other risks generally associated with the development of mining facilities. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*