



SANDFIRE
RESOURCES

ASX Code- SFR



FY2020 Financial Results Presentation

27 August 2020

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This presentation should be read in conjunction with the June 2020 Financial Report released today.

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

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STRATEGIC GROWTH PLAN – CREATING OPPORTUNITY





FY2020 HEADLINE RESULTS

\$656.8M

Sales revenue from
copper and gold

Record production

72,238t Cu & 42,263oz Au
C1 US\$0.72/lb

\$315.3M

Group
EBITDA

\$165.1M

Acquisition of Tshukudu
Project, Botswana

\$74.1M

Net profit after tax
attributable to equity holders
(\$201.4M D&A and \$23.6M non-cash impairment)

Positive ROD

Black Butte Copper
Project Montana, USA

FY2020 OPERATING RESULTS

DeGrussa Operation

- Record annual production and cost performance
 - FY2020: 72,238t Cu and 42,263oz Au at C1 US\$0.72/lb
 - FY2021 Guidance: 67-70,000t Cu and 36-40,000oz Au at C1 US\$0.90-0.95/lb
- Accelerating discovery to extend mine life
- Old Highway drilling and combined tailings recovery studies advancing

Tshukudu Project

- Optimisation of T3 Copper-Silver Project Feasibility Study continues; scoping larger scale Motheo production hub concept
- Promising results continue at A4 Dome; resource drilling well advanced with further exploration target drilling commenced

Black Butte Copper Project

- Environmental Impact Statement and positive Record of Decision
- Pre-construction earthworks commenced
- Feasibility Study progressing to finalisation





FY2020 FINANCIAL RESULTS

Sales revenue

- Record annual DeGrussa revenue of \$656.8M from copper, gold and silver in concentrate

Operations costs

- Unit costs reduced by US\$0.11/lb (13%) on increased production
- DeGrussa costs increased by \$12.8M (6%) driven by full year of Monty Mine production and reduced DeGrussa Mine mining schedule, offset by lower energy costs

Depreciation, amortisation and non-cash impairment

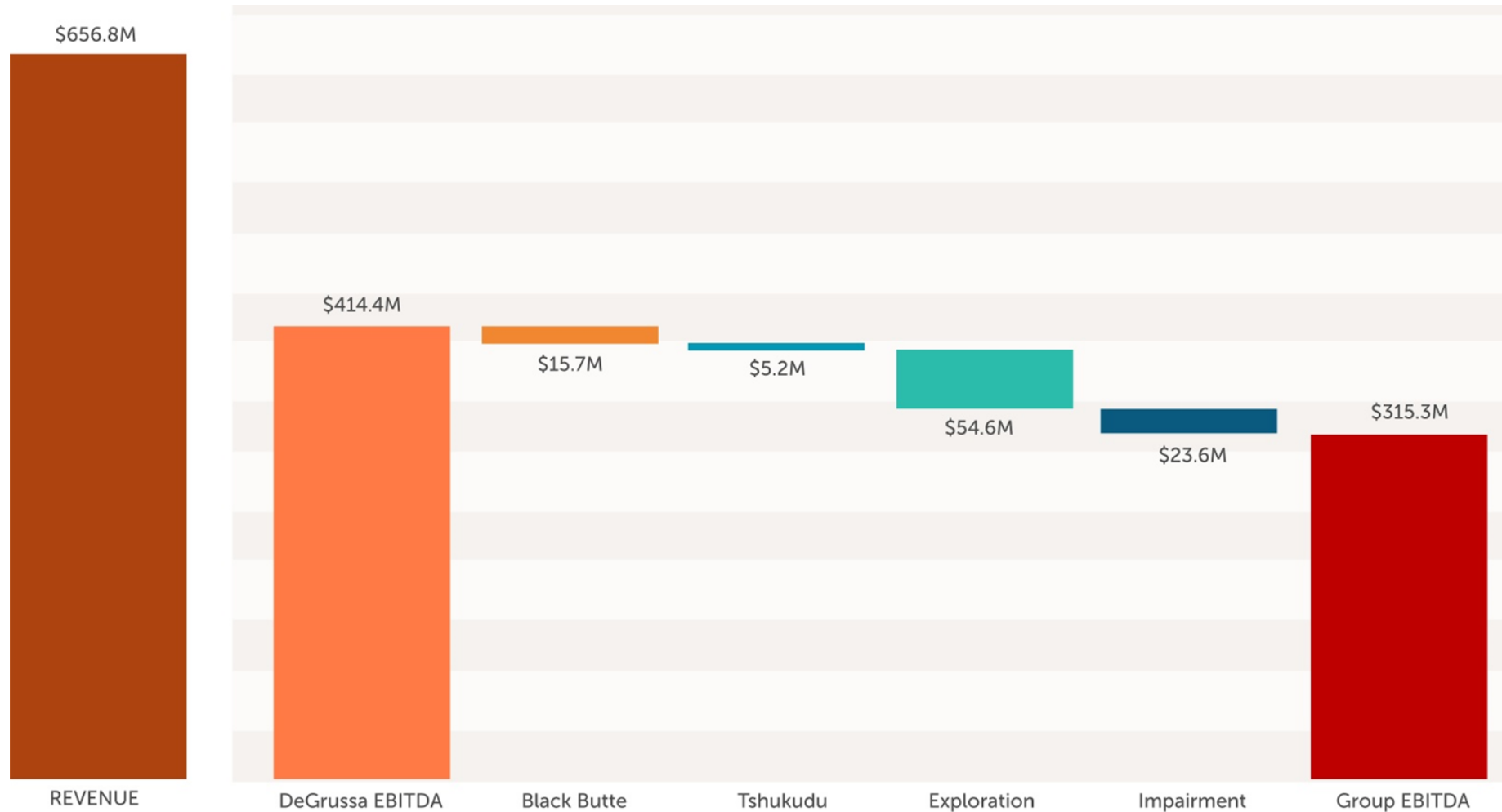
- D&A increased to \$201.4M on higher mining tonnes from the Monty Mine, including amortisation of the 30% project acquisition
- Non-cash impairment charge of \$23.6M recognised for oxide copper stockpiles and regional resources; with focus on combined Old Highway gold resource drilling and DeGrussa tailings retreatment studies





FY2020 FINANCIAL RESULTS

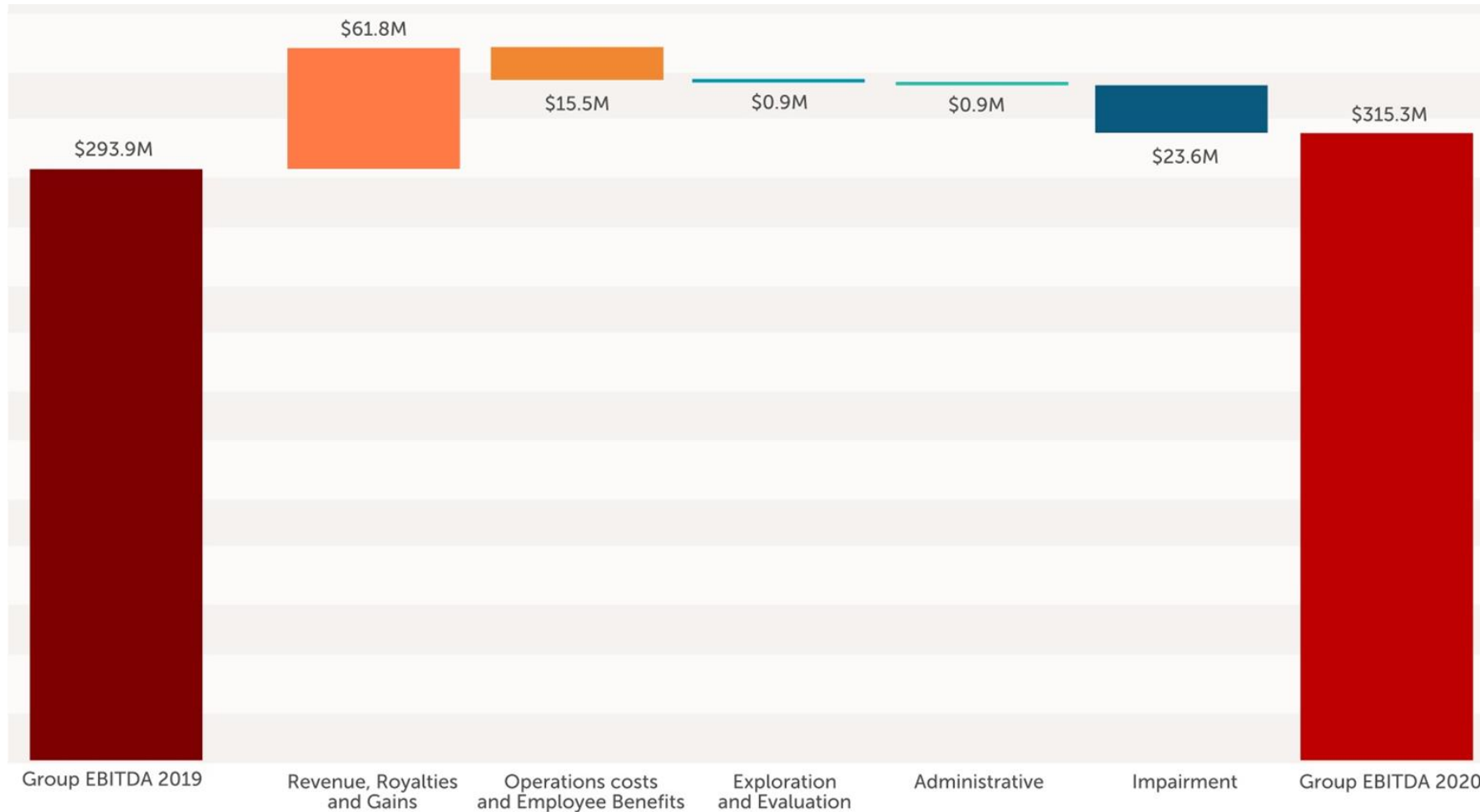
Group Segment Contribution to EBITDA





FY2020 FINANCIAL RESULTS

Group EBITDA – FY2020 v FY2019



FY2020 FINANCIAL POSITION

Maintaining strong financial position for growth

- Group cash holding at year end increased to \$291.1M
- Combined cash and other current assets increased by \$81.6M; \$22.4M increase in the fair value of investments
- Debt free balance sheet (excluding lease liabilities) positions for financing flexibility in project development
- Lease liabilities recognised under new accounting standard, resulting in increased PP&E assets
- Increase in provisions driven by rehabilitation, restoration and dismantling as well as employee long service leave benefits





FY2020 DIVIDENDS

Continued returns to shareholders

- Maintaining dividend stream from profitable DeGrussa Operations
- Final dividend for FY2020:
 - 14.0cps
 - Fully franked
 - Record date 15 September 2020
 - Payment date 29 September 2020
- Optimised capital structure to drive future dividend payments in conjunction with:
 - Project investment decisions
 - Funding mix
 - Project development timing

14cps

Final dividend

5cps

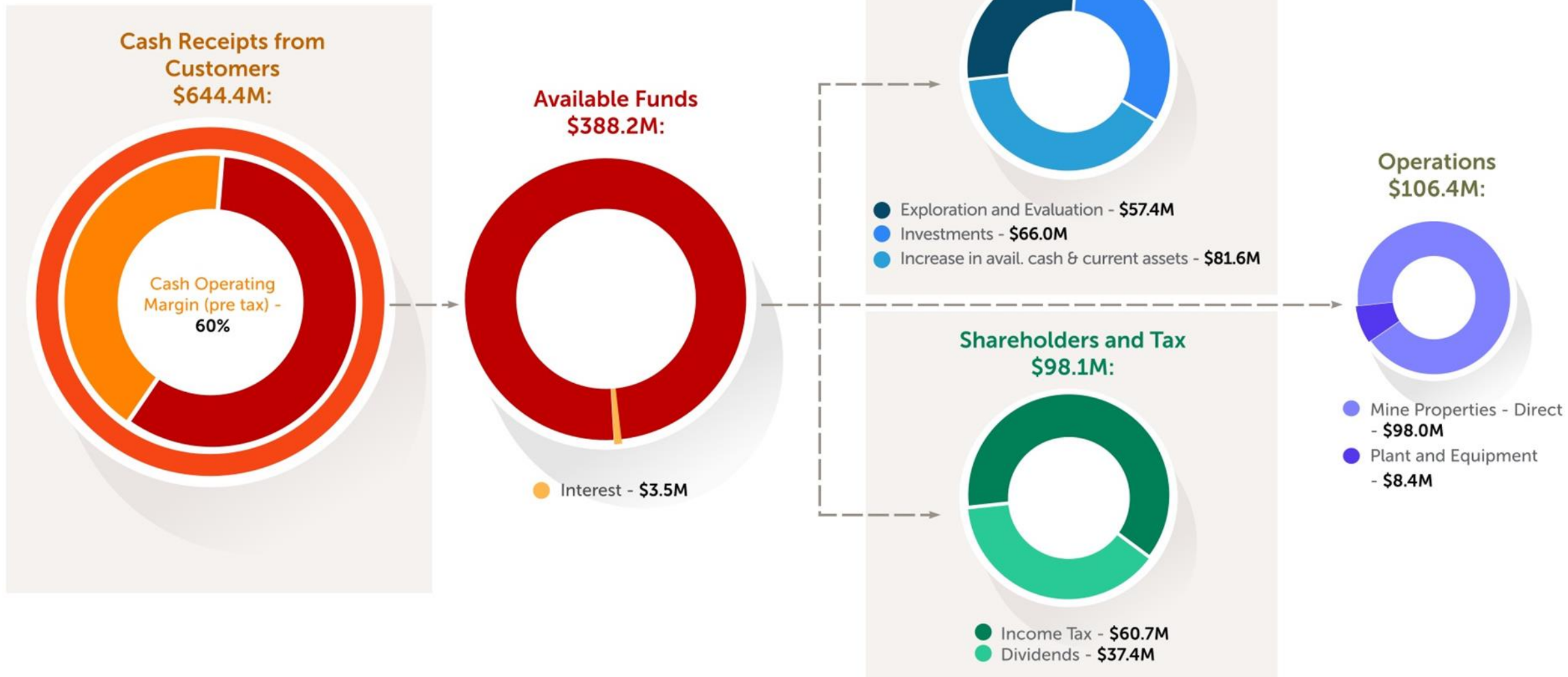
Interim dividend

19cps

FY2020 Dividends

FY2020 CASH GENERATION AND INVESTMENT

DeGrussa Operation cash flows funding growth



SUMMARY & OUTLOOK

- **Record DeGrussa Operations FY2020** production and cost performance; continued strong performance and outlook into FY2021
- **Growing cash holding and debt free balance sheet** provides flexibility in project development
- **Optimisation of T3 Copper-Silver Project** Feasibility Study continuing
- **Scoping Motheo production hub** concept including A4 and further exploration targets
- **Final EIS and positive ROD issued for Black Butte Copper Project;** Feasibility Study progressing to completion
- **Active exploration continues** across the Kalahari Copper Belt in Botswana and targeting the next VMS discovery across the emerging Bryah Basin VMS district in Western Australia








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