



Sandfire

September 2020 Quarterly Report Presentation

Karl Simich, Managing Director & CEO

28 October 2020

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All figures are expressed in Australian dollars unless otherwise stated.

This presentation should be read in conjunction with the September 2020 Quarterly Report released today.

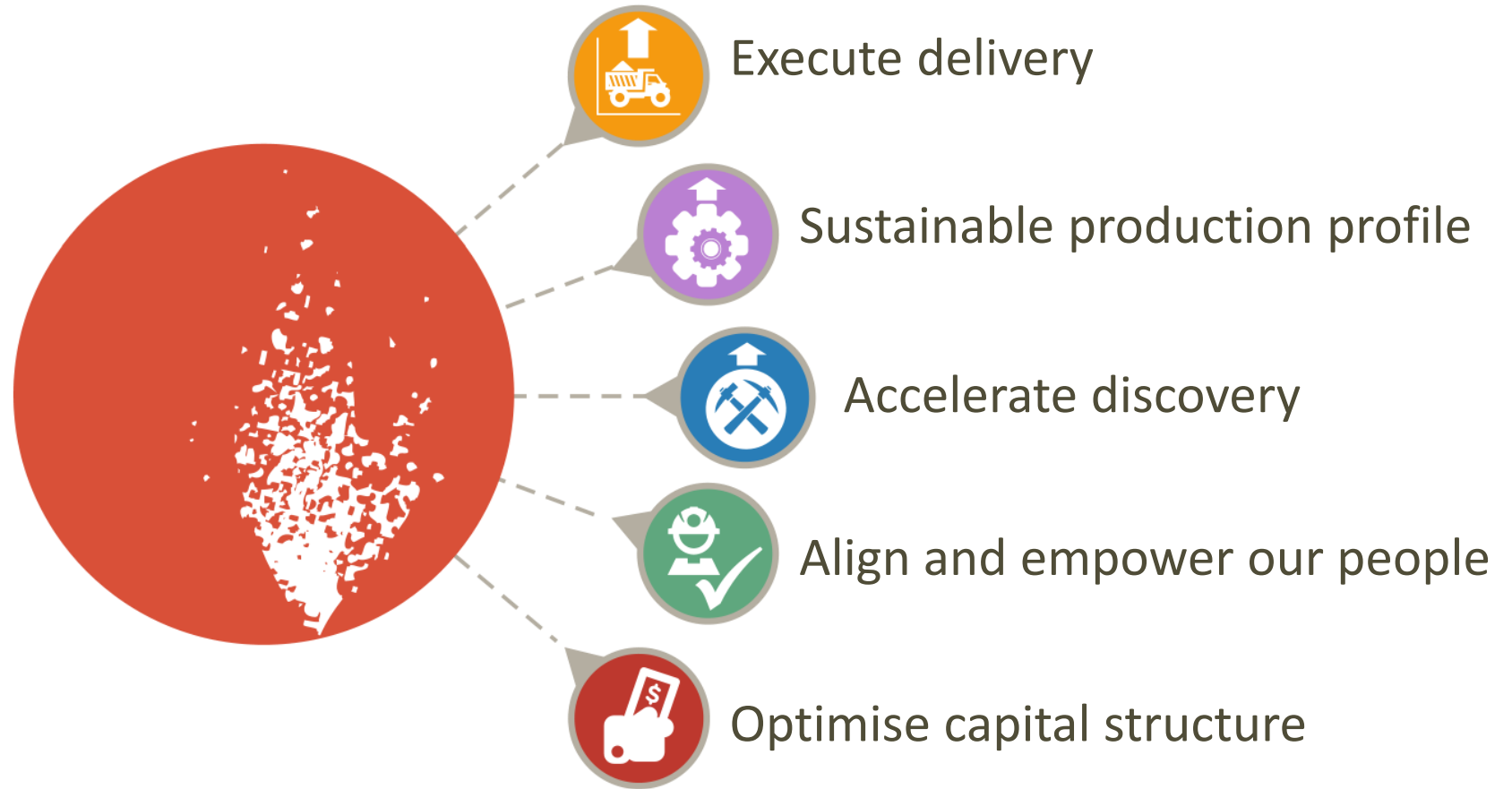
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This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Sandfire. There is continuing uncertainty as to the full 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. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Sandfire does not undertake any obligation to update or revise any information or any of the forward-looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

Our Strategic Growth Plan

Creating
Opportunity



Quarter Highlights

Leading ASX-listed copper company

- **Record quarterly copper production:** September 2020 Quarter 19,400t of contained copper, 11,683oz of contained gold at C1 US\$0.53/lb
- **FY2021 guidance:** positioning for upper end of guidance 67-70kt of contained copper and 36-40koz of contained gold, at lower C1 US\$0.85-\$0.90/lb
- **Old Highway Gold Prospect resource drilling well advanced** – studies continue on transition to gold production at DeGrussa
- **New growth platform in Botswana** – scoping 5.2Mtpa larger-scale Motheo Production Hub; Optimised T3 Copper-Silver Project Feasibility Study due in December 2020 Quarter
- **Dominant 26,650km² ground-holding in Kalahari Copper Belt** – emerging discovery at A4 Dome, 8km from T3, with maiden resource set for December 2020 Quarter
- **Black Butte Copper Project, USA** – Feasibility Study issued with a maiden Ore Reserve for the Johnny Lee Deposit of 8.8Mt at 2.6% Cu for 226,100t of contained copper and updated Inferred Mineral Resource of 8.3Mt at 2.4% Cu for 199,500t of contained copper for the Lowry Deposit, 3km south-east from Johnny Lee
- **Strong \$304.1M cash holding and no debt** at Quarter end (excluding lease liabilities); 4 shipments completed in October 2020

The health and well-being of our people is of paramount importance to us

Safety, health and wellbeing

- Continued focus on employee and contractor health and wellbeing during the COVID-19 global pandemic
- DeGrussa Operations support for RUOK? Day to raise mental health awareness
- Total Recordable Injury Frequency Rate (TRIFR) of 5.5 at Quarter-end (5.8 at June 2020 Quarter-end)

Environment and Community

- Tshukudu nursery project commenced seed collection – an initiative to support local employment, training and progressive rehabilitation



'Blue tree': Sandfire support mental health awareness at DeGrussa.

DeGrussa

Strong
foundations in
Western Australia



DeGrussa Operations, WA

- DeGrussa Copper-Gold Mine
- Monty Copper-Gold Mine

Exploration

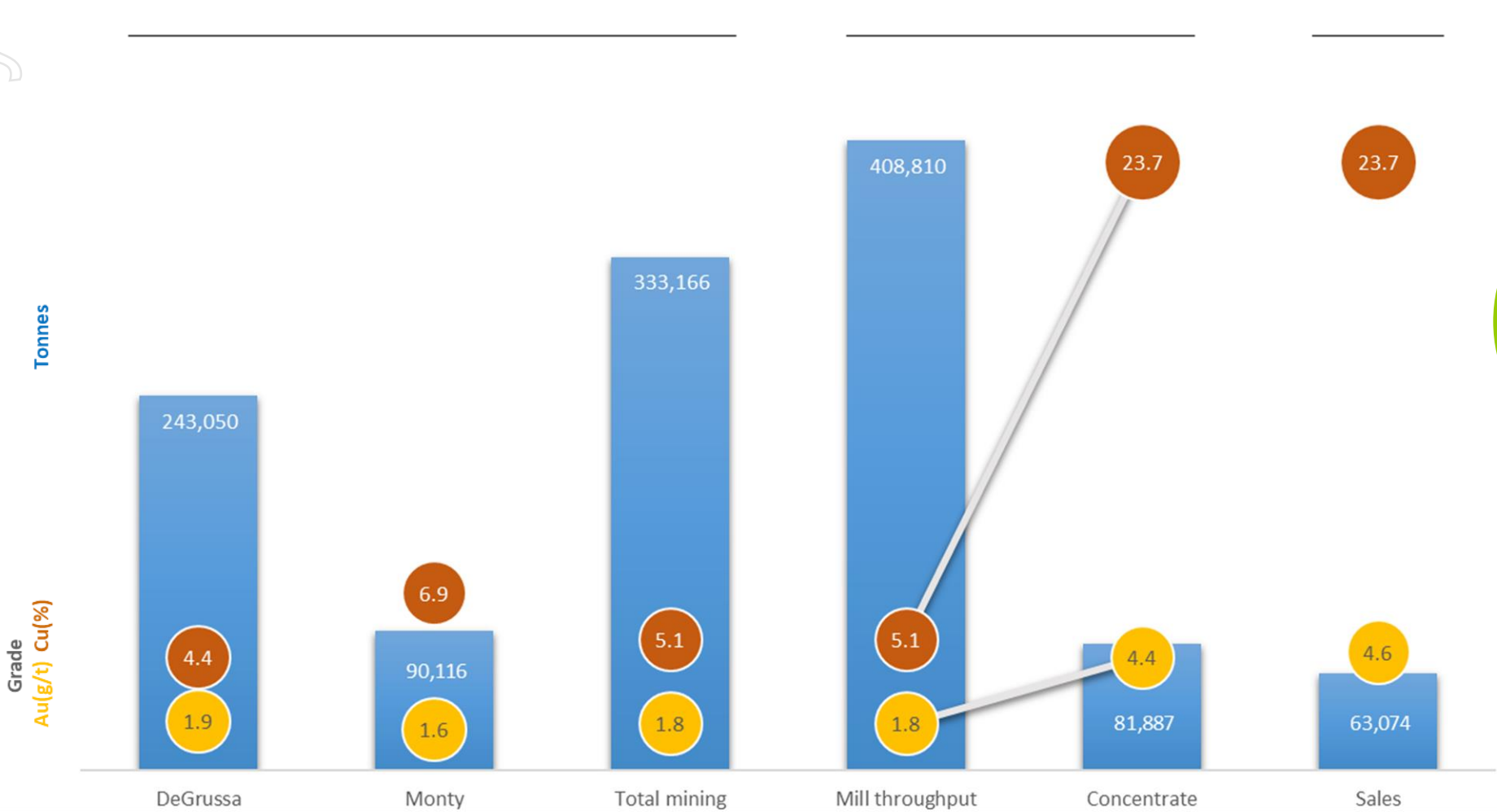
- Greater Doolgunna Province, WA
- East Coast Portfolio (NSW, Qld)

DeGrussa Operations | September 2020 Quarter Production

MINING

PROCESSING

SALES

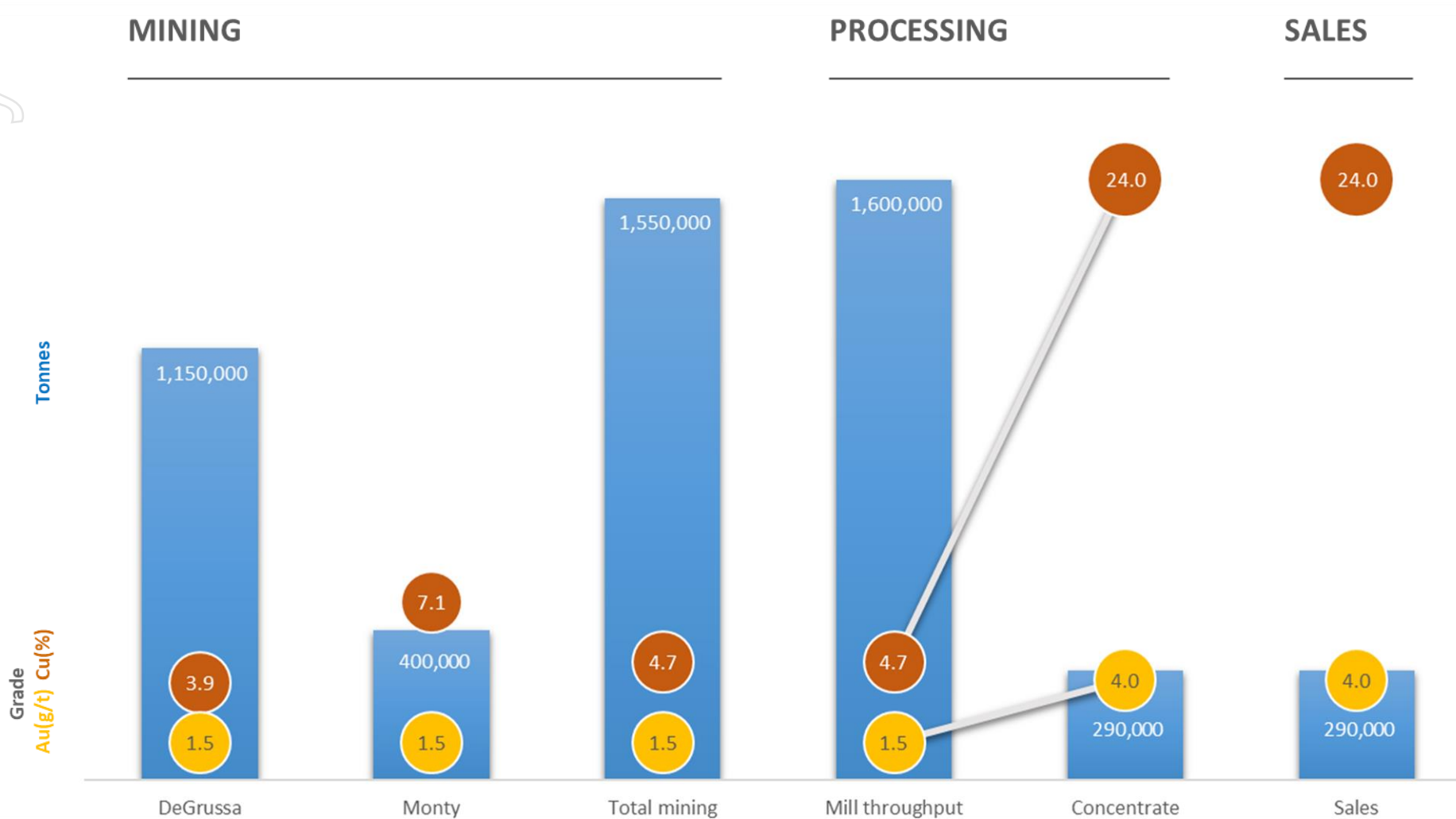


93.7% Cu recovery

Record quarterly copper production:
19,400t Cu
11,683oz Au contained

50.1% Au recovery

DeGrussa Operations | FY2021 Production Guidance



Upper end of guidance band:
67-70,000t Cu
36-40,000oz Au
 contained

92% Cu recovery

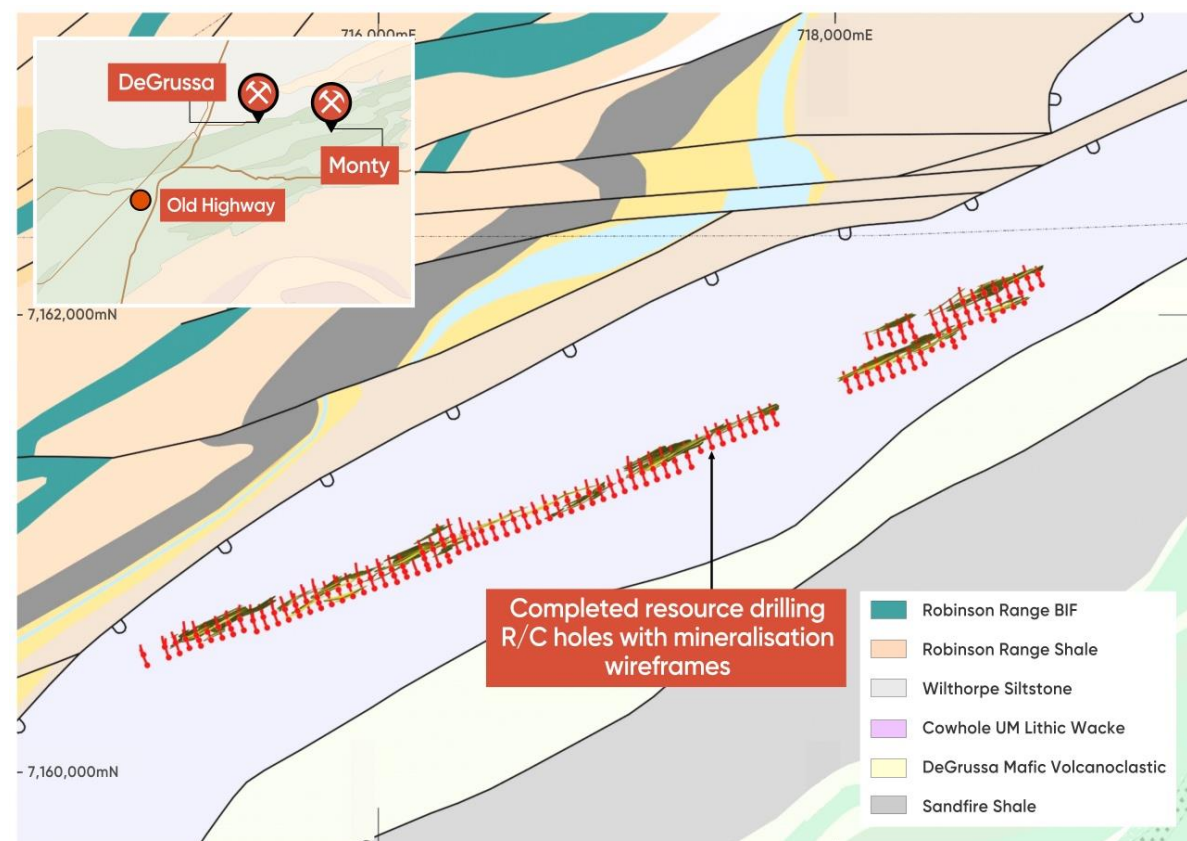
49% Au recovery

DeGrussa Operations | September 2020 Quarter Costs

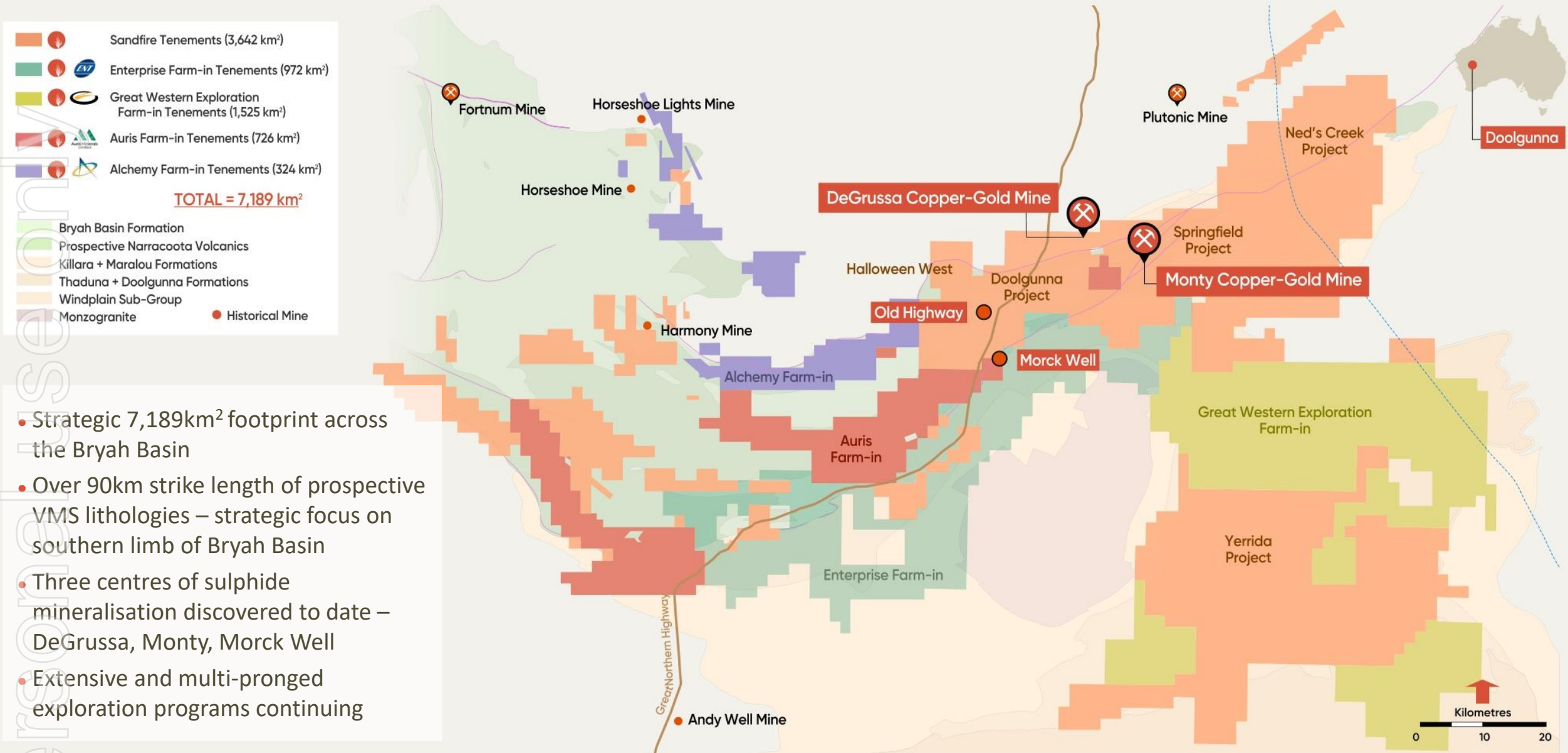
Unit operating costs	Q1 FY2021 (US\$/lb)	Commentary
Mining	0.51	<ul style="list-style-type: none"> Record quarterly copper production, driving lower C1 unit costs Upper end of copper and gold production guidance driving lower expected FY2021 C1 costs to US\$0.85-\$0.90/lb Q1 FY2021 DeGrussa mine development \$9M Q1 FY2021 Monty mine development \$3M
Processing	0.25	
Business services	0.12	
Transport	0.21	
Treatment and refining	0.15	
C1 cost (pre by-product credit)	1.23	
By-product credit	(0.71)	
C1 cost	0.53	
Royalties	0.19	
Production cost	0.72	
Depreciation and amortisation	0.69	
Total production cost	1.41	

DeGrussa | Gold Transition Strategy

- Transition to gold production at DeGrussa with potential development of Old Highway Gold Prospect:
 - Synergies with the DeGrussa Tailings Gold Retreatment Project studies
 - Initial phase of resource definition drilling designed to test the extent of gold mineralisation hosted in quartz veining associated with shearing in sediments
- Resource drilling programme:
 - Stages 1 & 2 (50m x 50m pattern) completed in August 2020:
 - 180 RC holes for 27,880m
 - 4 structural NQ DDHs for 1,753m
 - 3 metallurgical PQ DDHs for 670m
 - Stage 3 (nominally 25m x 25m pattern) in progress
- Maiden Inferred Mineral Resource to be completed in December 2020 Quarter, with scoping studies to follow



Doolgunna | World-Class VMS Exploration Project



- Strategic 7,189km² footprint across the Bryah Basin
- Over 90km strike length of prospective VMS lithologies – strategic focus on southern limb of Bryah Basin
- Three centres of sulphide mineralisation discovered to date – DeGrussa, Monty, Morck Well
- Extensive and multi-pronged exploration programs continuing

Doolgunna

Multi-Pronged Exploration Strategy

- Doolgunna exploration strategy:
 - Accelerate discovery to extend DeGrussa Operations mine life
 - Focus on Mineral System Element Processes for deep targeting
 - 22 favourable structural corridors identified in the Sandfire managed tenure
 - Basin-scale geodynamics review underway
 - Rolling out new geophysical technology to allow deeper targeting
 - Continue first-pass exploration in prospective areas of the Bryah Basin never previously explored for copper



Tshukudu

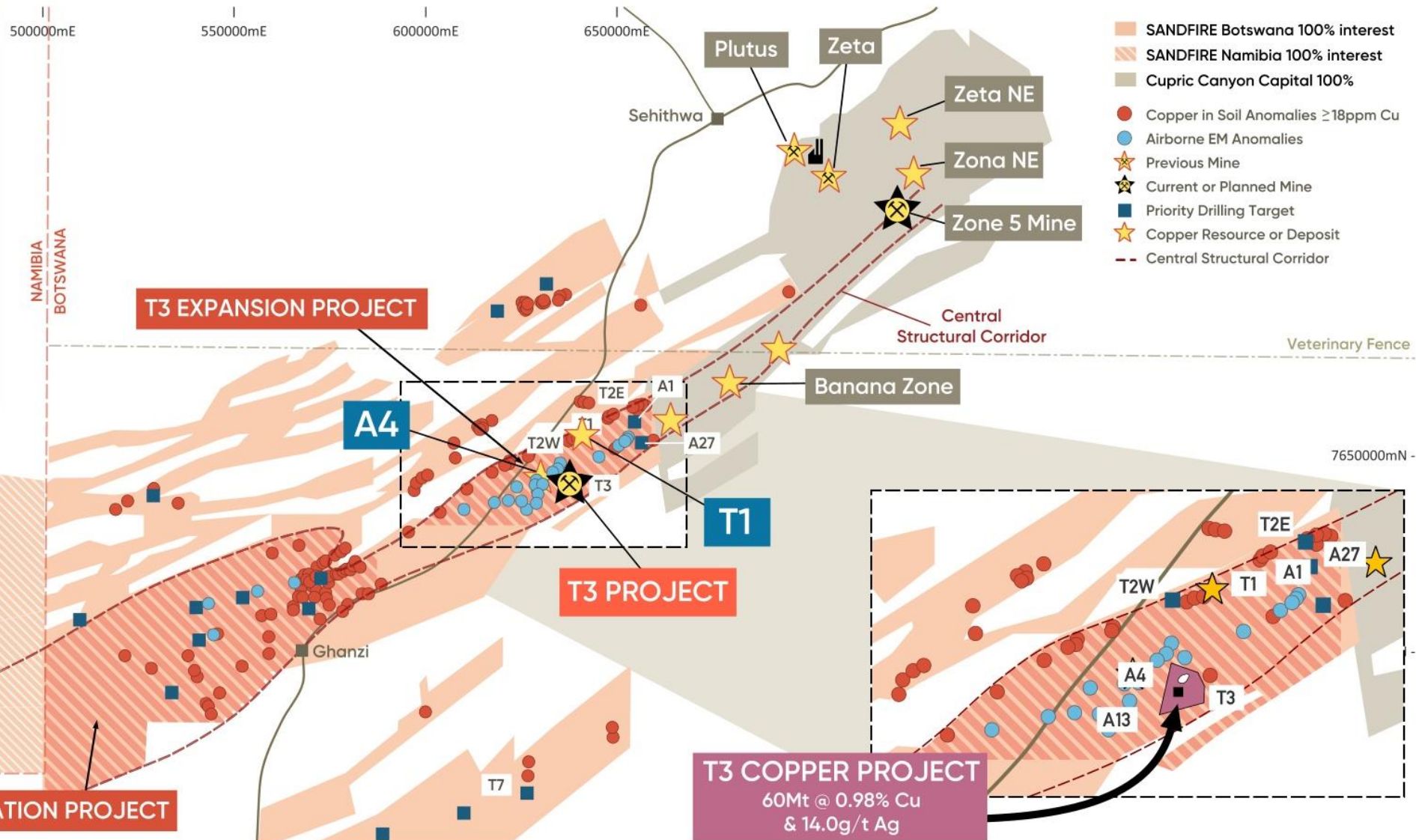
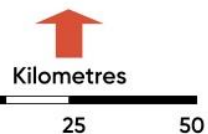
Expanding
horizons in
Botswana



Tshukudu, Botswana

- T3 Copper-Silver Project
- A4, T1 Expansion Projects
- 26,650km² exploration portfolio (Botswana and Namibia)

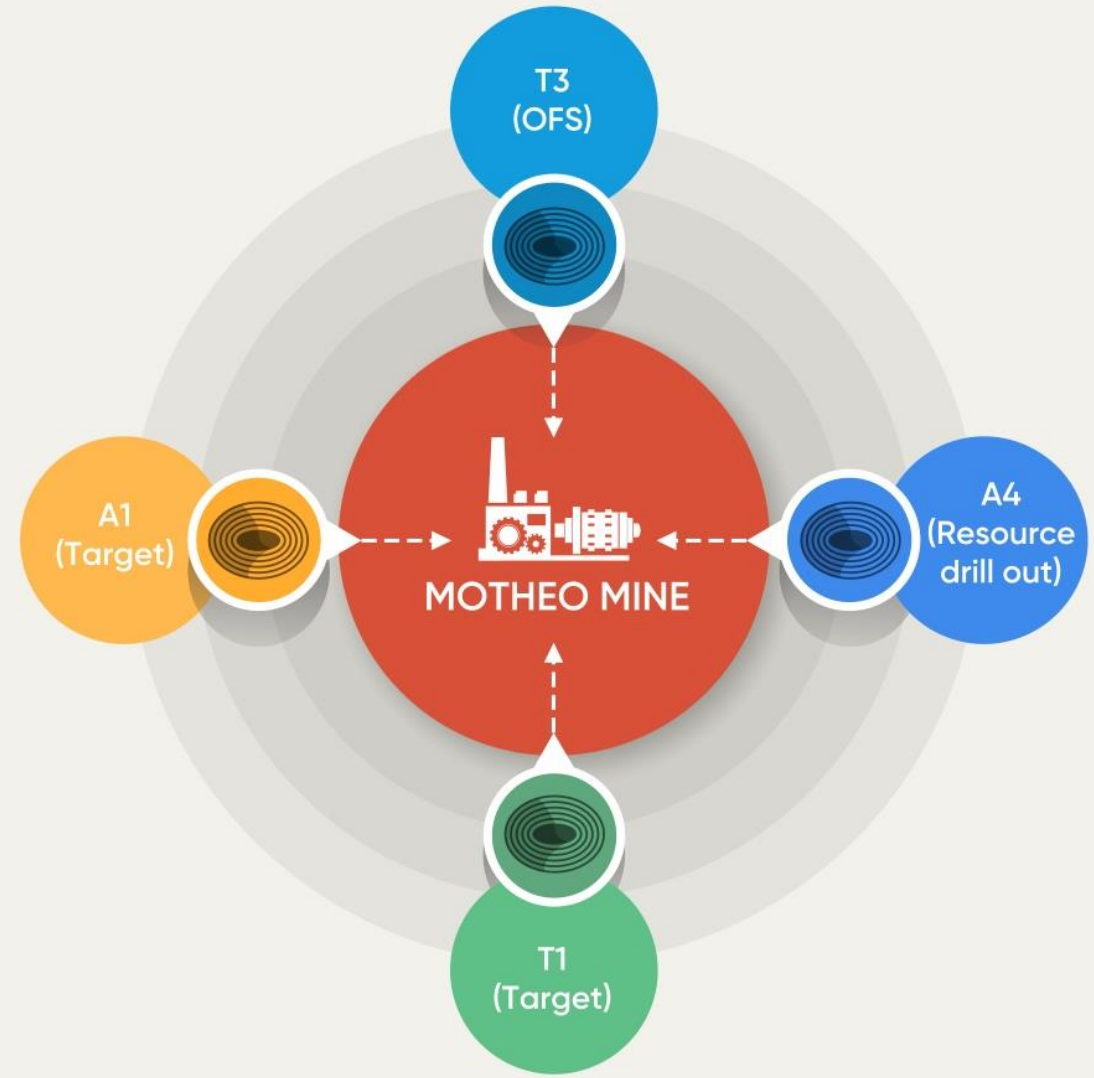
Tshukudu | Overview



Motheo Production Hub

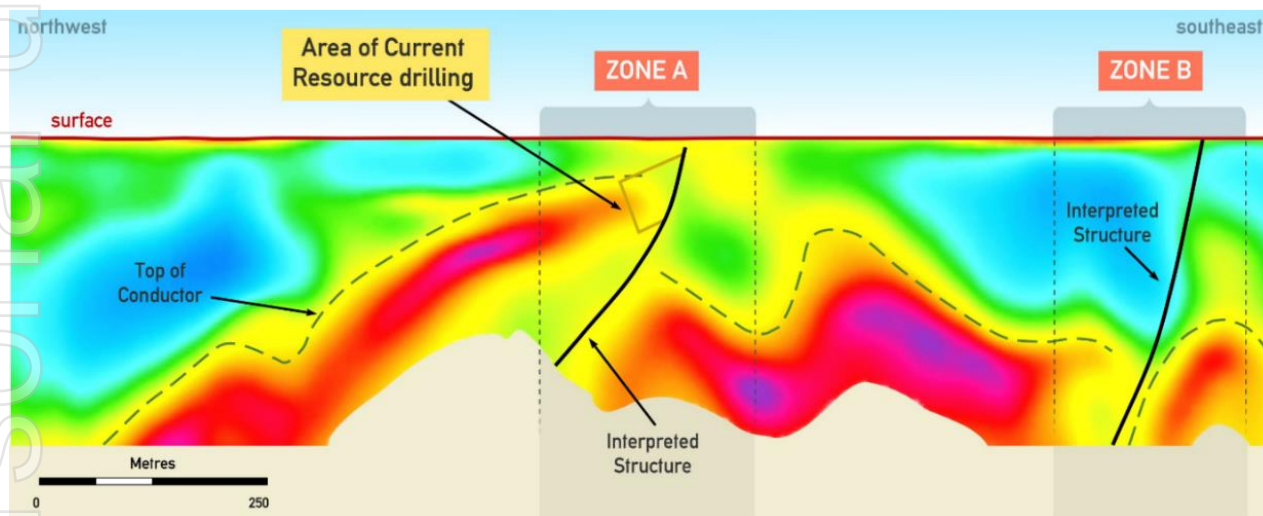
5.2 Mtpa expansion case

- Optimised Feasibility Study (OFS) for T3, now nearing completion:
 - 3.2Mtpa base case for OFS (T3 Pit)
- In parallel with the OFS, Sandfire is evaluating an emerging Motheo Production Hub concept within the T3 Expansion Project area
- Operating scale scenarios:
 - 5.2Mtpa expansion case (adding A4 Dome)
 - Significant potential to extend mine life
 - Drill targets include A1, T1, T2W & T2E, A27 and A13 within ~30km radius of proposed mine



Tshukudu | A4 Resource Drilling Program

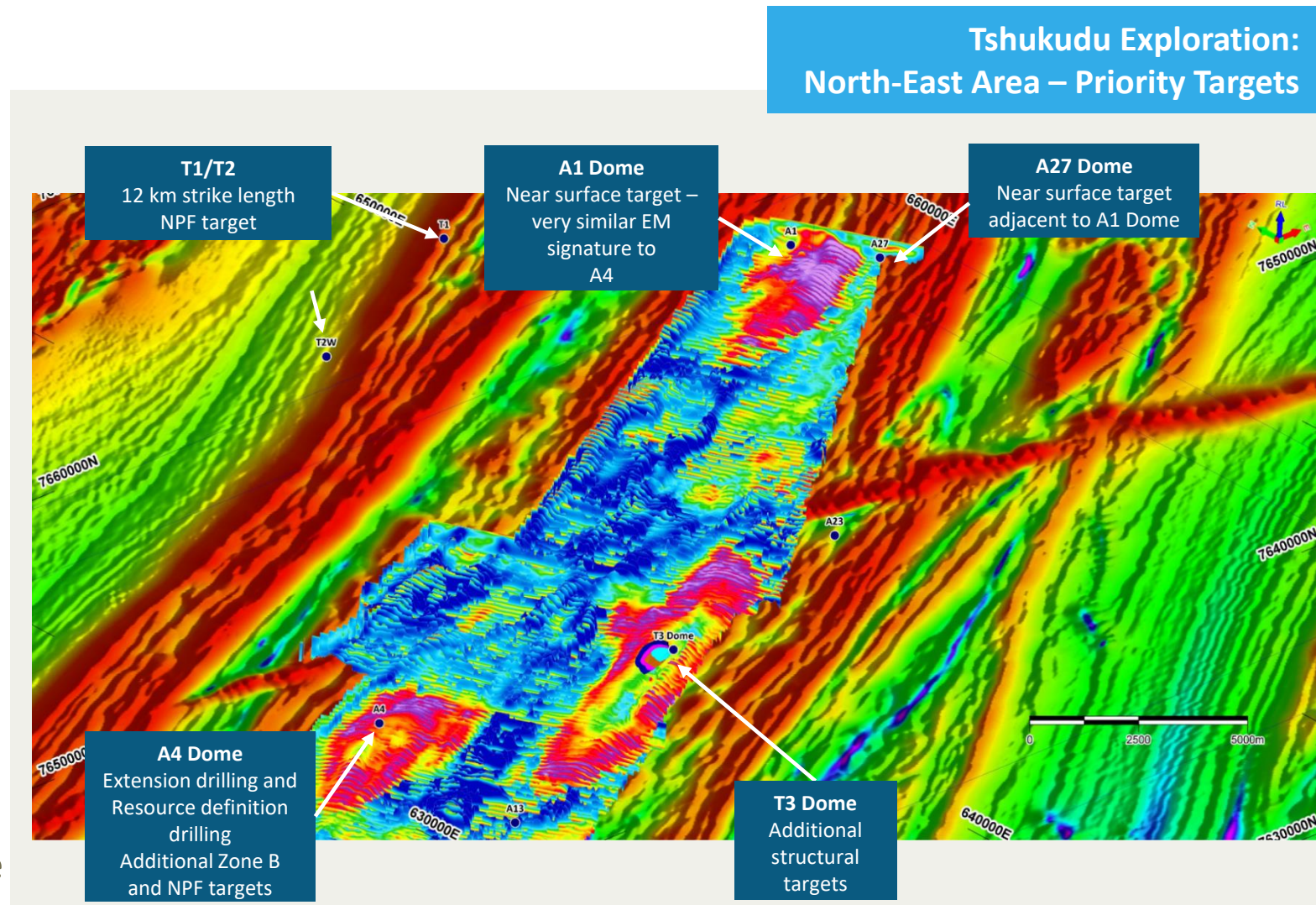
- Discovery progressing towards maiden Mineral Resource:
 - 6 diamond rigs at A4 with high-grade vein-hosted copper intersected in many holes at shallow depth
- Resource drilling programme:
 - Phase 1 (50m x 50m pattern) completed September
 - Phase 2 (25m x 25m) commenced September
 - Mineral Resource estimate to be completed by the end of the December 2020 Quarter with studies to follow



A4 Dome: (MO-A4-035D) 18m @ 5.2% Cu & 124g/t Ag from 77m down-hole, or 18m @ 3.9% Cu & 124g/t Ag (top-cut to 15% Cu) – announced 17 April 2020

Tshukudu | Expanded Near-Mine Exploration Program

- Expanded exploration underway to:
 - Target high-grade satellite discoveries with potential to support the emerging Motheo Production Hub
 - Delineate additional resources with the potential to extend mine life
 - Target major new regional discoveries to unlock the belt's broader potential
- Initial focus within the ~1,000km² T3 Expansion Project Area
 - Resource drilling focused on the A4 deposit, 8km west of T3
 - A4 identified by AEM and drilled initially by MOD Resources in 2018
 - Immediate success by Sandfire with significant shallow zone of copper mineralisation identified at the A4 Dome
 - On completion of A4 Resource drilling, plan is to focus on A1 Dome



Black Butte

Montana, USA



Black Butte Copper Project, Montana, USA (85%)

Black Butte Copper Project

Maiden Johnny
Lee Deposit Ore
Reserve and
updated Lowry
Deposit Mineral
Resource

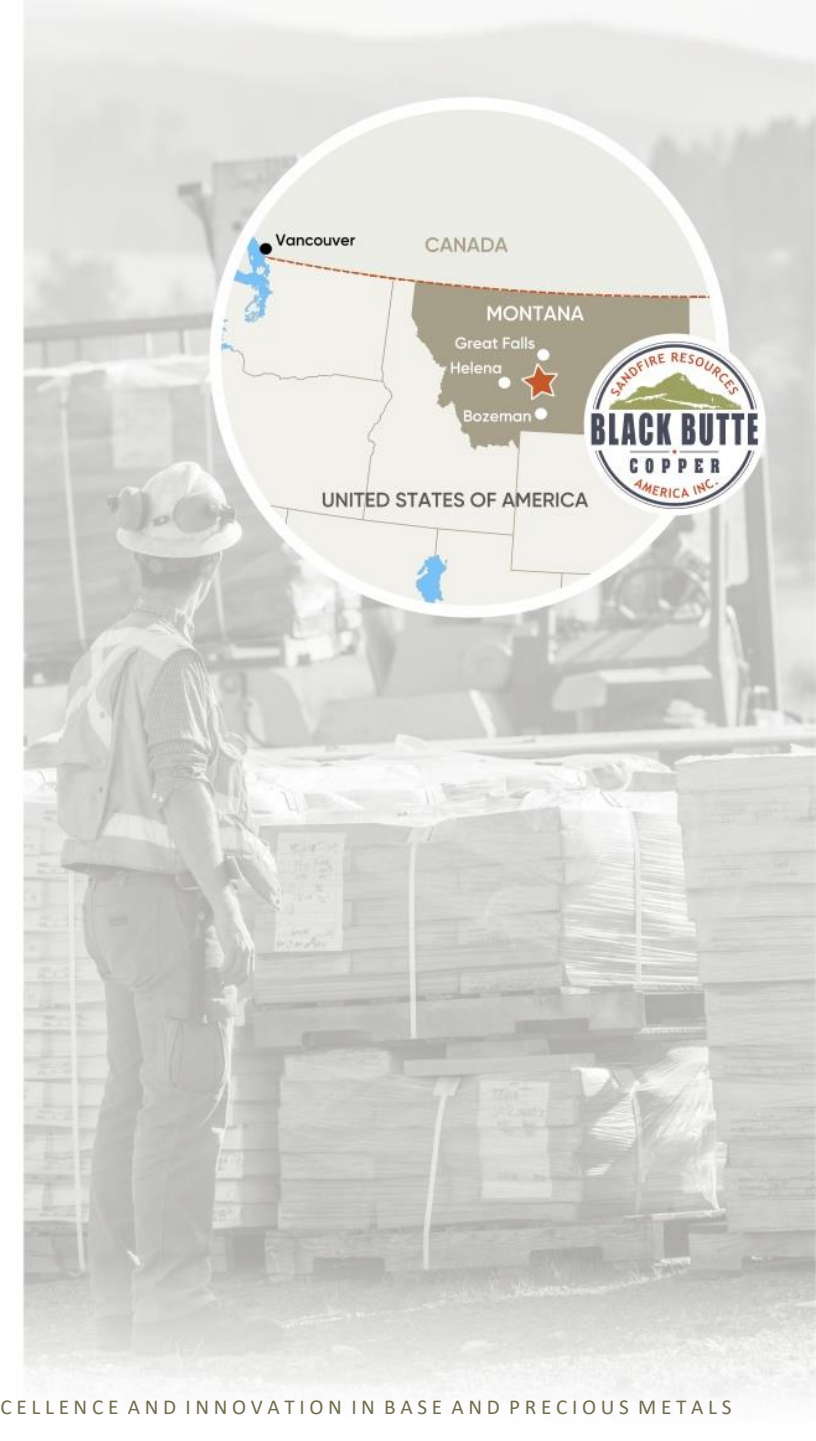
Advanced, high-grade copper project:

Ore Reserve – Johnny Lee (100%)	Mt	Cu Grade (%)	Contained Cu (kt)
Proved	2.0	3.0	61
Probable	6.8	2.4	165
Total	8.8	2.6	226

Mineral Resource – Johnny Lee (100%)	Mt	Cu Grade (%)	Contained Cu (kt)
Measured & Indicated	10.9	2.9	311
Inferred Resource	2.7	3.0	80
Total	13.6	2.9	391

Mineral Resource – Lowry (100%)	Mt	Cu Grade (%)	Contained Cu (kt)
Inferred Resource	8.3	2.4	199
Total	8.3	2.4	199

Refer to Sandfire's ASX Announcement, dated 28 October 2020, titled 'USA and Botswana Development Projects Update' for details.

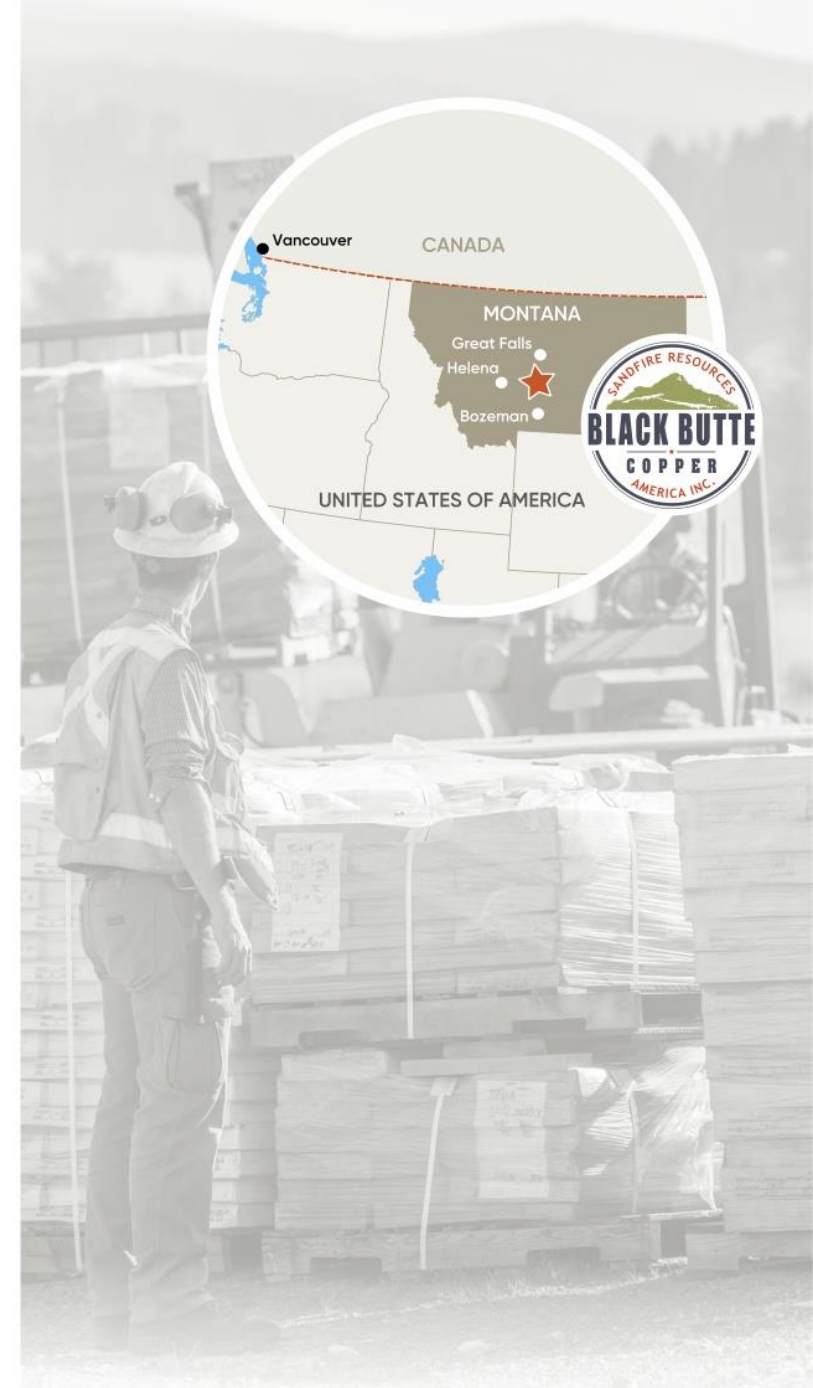


Black Butte Copper Project

Key Johnny Lee Feasibility Study results

- Maiden Ore Reserve of 8.8Mt at 2.6% Cu for 226,100t of contained copper
- Underpins an 8-year mine life at 1.2 million tonnes per annum
- Forecast LOM production totaling 805,000 dry metric tonnes of copper concentrate containing 189,500t of copper metal
- Average annual production of ~23,000t of copper metal at a C1 unit cost of US\$1.51/lb
- Generates US\$1.3 billion in gross sales and US\$518 million in pre-tax net cashflow during operations
- Pre-tax NPV_{5%} of US\$124.9 million (IRR=17%) and a post-tax NPV_{5%} of US\$77.6 million (IRR=13%)
- Construction capital cost of US\$274.7 million

Refer to Sandfire's ASX Announcement, dated 28 October 2020, titled 'USA and Botswana Development Projects Update' for details.



Summary

Building a global, diversified and sustainable mining company

- ✔ **Record production continues** into Q1 FY2021 at DeGrussa
- ✔ **Growing pipeline** of quality global copper development assets
- ✔ **Project development studies** being delivered
- ✔ **Committed** to organic growth via exploration
- ✔ **Strong** balance sheet, no debt
- ✔ **Gearing up for the future** with a focused international team

Sandfire has begun its transformation from a single-mine company operating in Australia into a diversified and sustainable mining company



Johnny Lee and Lowry Mineral Resource

The information in this announcement that relates to the Johnny Lee and Lowry Mineral Resources is based on information compiled by Mr Erik Ronald (M. Eng., P.Geo, RM-SME, Principal Resource Geology Consultant, SRK). Mr Ronald 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 Resource and Ore Reserve. Mr Ronald consents to the inclusion of the matters based on his information in the form and context in which it appears.

Johnny Lee Ore Reserve

The information in this announcement that relates to the Johnny Lee Ore Reserve is based on information compiled by Mr Brad Evans (MAusIMM, CP(Mining)). Mr Evans 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 Resource and Ore Reserve. Mr Evans consents to the inclusion of the matters based on his information in the form and context in which it appears.

Exploration Results – Tshukudu Project

The information in this presentation that relates to Exploration Results is based on information compiled by Mr Julian Hanna who is a Member of AusIMM. 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 the presentation 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 and Resource Targets is only conceptual in nature. While Sandfire is continuing exploration programs aimed at reporting additional JORC compliant Mineral Resources, 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.



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