

14 July 2021

Sandfire exceeds FY2021 Guidance as Strong Annual Copper Production Drives Record Revenue

Highlights

- FY2021 preliminary production, cost and sales performance:
 - 70,845 tonnes of contained copper – above guidance range 67-70,000 tonnes;
 - 39,459 ounces of contained gold – at upper end of guidance range 36-40,000 ounces;
 - C1 unit operating costs of US\$0.81/lb – lower end of guidance range US\$0.80-\$0.85/lb.
- Total sales revenue of \$813 million (unaudited).
- \$574 million in Group cash holdings at 30 June 2021 (unaudited).

Sandfire Resources Ltd (**Sandfire or the Company**) is pleased to advise that it has exceeded annual copper production guidance for the 12 months to 30 June 2021, producing **70,845 tonnes of contained copper and 39,459 ounces of contained gold** at a C1 unit operating cost of **US\$0.81 per pound** of payable copper.

This follows a strong performance for the June 2021 Quarter with production of 18,252 tonnes of contained copper and 9,016 ounces of contained gold at a C1 unit operating cost of US\$0.92 per pound of payable copper.

These production metrics reflect another strong and consistent performance by the DeGrussa Operations in Western Australia, with copper production above the upper end of previously announced production guidance for FY2021 of 67-70,000 tonnes of copper, gold at the upper end of guidance of 36-40,000 ounces of gold, and C1 costs at the lower end of guidance of US\$0.80-\$0.85/lb.

The Company has also completed another strong year of copper concentrate sales, including two record shipments with cargo values exceeding \$50 million. Supported by a buoyant copper price, this underpinned total sales revenue for FY2021 of \$813 million including \$45 million of Quotational Period (QP) Gains. Highlighting the ongoing strong demand conditions, Sandfire received pre-payment for a shipment which departed in early July. Inclusive of this \$33 million pre-payment, total Group cash holdings at the end of the reporting period were \$574 million (unaudited).

Further details and commentary on production performance, unit operating costs and sales for the June 2021 Quarter and FY2021 will be provided in the June 2021 Quarterly Report (scheduled for release on Thursday 29 July 2021).

Sandfire's Managing Director, Mr Karl Simich, said the outstanding result demonstrated both the quality of the DeGrussa Operation and the continued strength in the copper price, which reflected exceptional long-term demand fundamentals as the world continues to pursue an unprecedented decarbonisation push.

"DeGrussa is a wonderful asset, which has delivered safe, consistent and profitable production across nearly 10 years of operations. The 2021 Financial Year has maintained this enviable record,

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with copper production exceeding guidance at 70,845 tonnes and our C1 unit costs remaining exceptionally low at US\$0.81 per pound.”

“The low C1 cost allowed us to take full advantage of the very strong copper price which persisted throughout much of the year, helping to drive a 24 per cent increase in sales revenue over the past 12 months to a record \$813 million. This reflects very strong global demand for copper as the world increasingly transitions to electric vehicles and other green energy initiatives, all of which require substantial amounts of copper.

“Importantly, our ability to harvest significant cash from the DeGrussa Operations has put Sandfire in an outstanding position for the future, giving us significant flexibility and optionality in terms of financing our future growth initiatives,” Mr Simich continued.

“The most important of these in the short term is our exciting new Motheo Copper Mine in Botswana, where we secured the all-important Mining Licence award last week. This clears the way for full-scale construction to ramp up and ensures that we can maintain our development timeline of delivering first copper production in early 2023.

“We are also progressing an expansive exploration program across the Kalahari Copper Belt, the Doolgunna Region of WA, the Lachlan Fold Belt in NSW and our Black Butte Copper Project in Montana, USA. We are also continuing to actively assess business development and growth opportunities in the ‘green metals’ sector globally.”

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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 release 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.

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