

27 September 2021

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## Successful institutional entitlement offer and placement

Sandfire Resources Limited ("**Sandfire**" or the "**Company**") (ASX:SFR) is pleased to advise that it has successfully closed its placement to institutional investors ("**Placement**") and the institutional component ("**Institutional Entitlement Offer**") of its 1 for 1 pro-rata accelerated non-renounceable entitlement offer ("**Entitlement Offer**") of new fully paid ordinary Sandfire shares ("**New Shares**"), as announced on 23 September 2021.

The Placement will raise approximately A\$285M and the Institutional Entitlement Offer will raise approximately A\$641M (subject to reconciliations) at an offer price of A\$5.40 per share ("**Offer Price**"), representing a:

- 13.2% discount to Sandfire's last traded price of A\$6.22 per share on 22 September 2021; and
- 6.2% discount to the theoretical ex-rights price ("**TERP**") of A\$5.76<sup>1</sup> on 22 September 2021.

The Institutional Entitlement Offer and Placement received strong support from eligible institutional shareholders and new investors. The Placement includes a A\$120M strategic placement to AustralianSuper, Australia's largest superannuation fund. Under the Placement and Institutional Entitlement Offer, all eligible shareholders who bid received an allocation of at least their pro-rata entitlement, or their full bid amount if they bid less than their pro-rata entitlement.<sup>2</sup>

Approximately 171 million New Shares subscribed for under the Placement and Institutional Entitlement Offer are expected to be settled on Monday, 4 October 2021 and be allotted and commence trading on Tuesday, 5 October 2021. Upon issue, the New Shares will rank equally with existing shares.

As previously announced, the retail component of the Entitlement Offer ("**Retail Entitlement Offer**") has been fully underwritten and will raise approximately A\$322M. In conjunction with the Placement and Institutional Entitlement Offer, the combined proceeds of the equity raising are expected to total A\$1,248M.

The equity raising forms part of a broader financing package which includes a US\$650M (A\$897M) syndicated and underwritten debt facility secured by MATSA, a A\$200M (US\$145M) drawdown of a corporate debt facility secured against DeGrussa and A\$297M (US\$215M) from existing cash reserves used for the acquisition of 100% of Minas de Aguas Teñidas ("**MATSA**") for total consideration of US\$1,865M (A\$2,572M).<sup>3</sup>

<sup>1</sup> TERP is the theoretical price at which Sandfire shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Sandfire's shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. The TERP also includes New Shares to be issued under the Placement

<sup>2</sup> For this purpose, an eligible institutional shareholder's 'pro rata' share of New Shares was estimated by reference to SFR's beneficial register on 23 September 2021 and in respect of the Entitlement Offer is subject to ongoing reconciliation. While SFR has used its best efforts in this regard, SFR and the Joint Lead Managers disclaim any duty or liability (including for negligence) in respect of the determination of a shareholder's 'pro rata' share of New Shares under the Placement or Entitlement Offer.

<sup>3</sup> Calculated using an AUD:USD exchange rate of 0.725 representing approximate spot price.

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Sandfire has fixed currency exchange rates for, and intends to hold the proceeds of, the equity raising (~US\$905M) and contribution from existing cash reserves (~US\$215M) in US Dollars until completion of the acquisition of MATSA.

The agreed transaction delivers Sandfire the MATSA Mining Complex in Spain, which comprises three underground mining operations and a world-class 4.7Mtpa central processing facility with state-of-the-art infrastructure producing 100-120ktpa CuEq per annum. This provides Sandfire exposure to a long-life and first-quartile low-cost operation, with 12 years mine life based on Resources and significant life extension and exploration potential, and a successful track record of replacing and growing Resources and Reserves. As previously announced, the MATSA transaction is expected to complete in the March 2022 quarter once the small number of conditions precedent (including Foreign Investment Authority approval in relation to Foreign Direct Investment in Spain) are satisfied.

Trading in Sandfire shares is expected to resume on the ASX from market open today (Monday, 27 September 2021).

Sandfire's Managing Director and CEO, Karl Simich, said,

*"The Institutional Entitlement Offer and Placement was very well received and forms an important part of the high-quality funding package we have secured to ensure that we can fully-fund the acquisition of this Tier-1 asset, while retaining balance sheet flexibility to deliver our Motheo Copper Mine in Botswana and our ongoing global exploration program."*

*Base metal assets which offer this combination of scale, grade, mine life and exploration upside are extremely rare globally. The MATSA acquisition transforms Sandfire into a first quartile copper producer of global scale and allows us to leverage our skill set to deliver on our growth ambitions to create one of the highest quality and most compelling copper exposures on the ASX.*

*Eligible retail investors will have the opportunity to participate in the Retail Entitlement Offer which opens on Thursday, 30 September 2021."*

### **Retail Entitlement Offer**

The Retail Entitlement Offer is expected to open on Thursday, 30 September 2021 and close at 5.00pm AWST (8.00pm AEST) on Wednesday, 13 October 2021. A retail offer booklet ("**Booklet**") accompanied by a personalised entitlement and acceptance form will be sent to eligible shareholders on or around 30 September 2021. Eligible shareholders<sup>4</sup> who are registered as holders of shares at 5.00pm AWST (7.00pm AEST) on 27 September 2021 ("**Record Date**") and with a registered address in Australia, New Zealand and any permitted jurisdiction nominated by the Joint Lead Managers and agreed by the Company ("**Permitted Jurisdictions**") will have the opportunity to subscribe for 1 share for every 1 existing share held on the Record Date at an offer price of A\$5.40 per new ordinary share, being the same offer price as the Institutional Entitlement Offer and Placement.

Please note that shareholders with a registered address outside of the Permitted Jurisdictions on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Offer Booklet.

The Retail Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferable.

<sup>4</sup> Retail shareholders that are in the United States or that are "U.S persons" (as defined in Regulation S under the U.S. Securities Act of 1933) ("U.S. Persons") or acting for the account or benefit of U.S. Persons are not entitled to participate in the Retail Entitlement Offer.

## Indicative Timetable<sup>5</sup>

Event	Date
Announcement of results of Placement and Institutional Entitlement Offer	Monday, 27 September 2021
Trading halt lifted and shares recommence trading	Monday, 27 September 2021
Entitlement Offer record date	Monday, 27 September 2021
Retail Entitlement Offer opens, and Retail Offer Booklet dispatched	Thursday, 30 September 2021
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 4 October 2021
Allotment and commencement of trading of New Shares under the Placement and Institutional Entitlement Offer	Tuesday, 5 October 2021
Retail Entitlement Offer closes	Wednesday, 13 October 2021
Announcement of results of Retail Entitlement Offer	Monday, 18 October 2021
Settlement of New Shares issued under the Retail Entitlement Offer	Tuesday, 19 October 2021
Allotment of New Shares under the Retail Entitlement Offer	Wednesday, 20 October 2021
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Thursday, 21 October 2021

*All dates and times are indicative and subject to change.*

For those shareholders who have elected to receive documents from the Company via email, they will receive the Entitlement Offer documents and their personal entitlement and acceptance form directly to their nominated email address. As a consequence, those shareholders will not be sent a hard copy of the documents by mail.

## Further Information

Further details of the Offer and MATSA acquisition are set out in the Investor Presentation released to the ASX on Thursday, 23 September 2021. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Offer.

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***This announcement is authorised for release by the Board of Directors of Sandfire.***

## IMPORTANT NOTICE AND DISCLAIMER

### Not for release to US wire services or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released or distributed to US wire services in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The Company does not intend to register any portion of the Offer under the US Securities Act or to conduct a

<sup>5</sup> These timings are indicative only and subject to variation. Sandfire reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. All references are to Australian Standard Time (AEST). In particular, the Company reserves the right to either, generally or in particular cases, extend the closing date of the institutional or retail components of the Entitlement Offer, to accept late applications or to withdraw the Entitlement Offer prior to the issue of the relevant securities without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

public offering in the United States. The release, publication or distribution of this announcement (including in electronic copy) outside Australia may be restricted by law. If you come into possession of this announcement, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

### **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. No representation, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement.

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.

### **General**

In addition, this announcement is subject to the same "Important Information and Disclaimer" that appears on slides 2 to 6 of the Investor Presentation with any necessary contextual changes.