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# Retail Entitlement Offer Booklet

A 1 for 1 pro-rata accelerated non-renounceable entitlement offer of Sandfire Resources Limited ACN 105 154 185 (**Sandfire**) ordinary shares (**New Shares**) at an offer price of $5.40 per New Share to raise approximately $963 million (before costs) (**Entitlement Offer**).

This offer closes at 5.00pm (Perth time) on Wednesday, 13 October 2021 (unless otherwise extended).

The Entitlement Offer is fully underwritten by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**Underwriters**).

This Retail Entitlement Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Retail Entitlement Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with the Australian Securities & Investments Commission (**ASIC**). Please consult your stockbroker, accountant or other professional adviser if you have any questions.

***This Retail Entitlement Offer Booklet may not be released to US wire services or distributed in the United States.***

# Important Notices

This Retail Entitlement Offer Booklet is dated Thursday, 30 September 2021. The Retail Entitlement Offer is made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), which allows entitlement offers to be made without a prospectus or other disclosure document.

As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read carefully and understand this Retail Entitlement Offer Booklet and the information about the Company and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of their Retail Entitlement or do nothing in respect of their Entitlement. This Retail Entitlement Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act. The information in this Retail Entitlement Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Entitlement Offer Booklet remains subject to change without notice, and the Company is not responsible for updating this Retail Entitlement Offer Booklet. The Company may in its absolute discretion, but without being under any obligation to do so, update or supplement this Retail Entitlement Offer Booklet. Any further information will be provided subject to the terms and conditions contained in this “Important Notices”. The Company reserves the right to withdraw the Entitlement Offer or vary the timetable for the Entitlement Offer without notice.

Defined terms used in these important notices have the meaning given in this Retail Entitlement Offer Booklet.

**Future performance and forward-looking statements**

This Retail Entitlement Offer Booklet contains certain “forward looking statements” and comments about future matters. Forward looking statements can generally be identified by the use of forward looking words such as “expect”, “anticipate”, “likely”, “intend”, “propose”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance”, and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer and the use of proceeds. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this Retail Entitlement Offer Booklet speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward looking statements contained in this Retail Entitlement Offer Booklet are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Sandfire Resources Limited (ACN 105 154 185), and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the “Key Risks” section of the Investor Presentation included in Section 5.3 of this Retail Entitlement Offer Booklet for a non-exhaustive summary of certain general and Sandfire specific risk factors that may affect Sandfire. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors included in the Investor Presentation included in Section 5.3 of this Retail Entitlement Offer Booklet. Investors should consider the forward-looking statements contained in this Retail Entitlement Offer Booklet in light of those risks and disclosures.

The forward-looking statements are based on information available to Sandfire as at the date of this Retail Entitlement Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), Sandfire undertakes no obligation to supplement, revise or update or otherwise forward-looking statements, regardless of whether new information, future events or results or other factors affect the information contained in this Retail Entitlement Offer Booklet.

**Past performance**

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Sandfire performance including future share price performance.

**Jurisdictions**

This Retail Entitlement Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements, the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand. This Retail Entitlement Offer Booklet and accompanying Entitlement and Acceptance Form may not be distributed outside Australia except as may be permitted under Section 5.15 of this Retail Entitlement Offer Booklet.

This Retail Entitlement Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

**References to “you” and “your Entitlement”**

In this Retail Entitlement Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders (as defined in Section 5.1).

**Times and dates**

Times and dates in this Retail Entitlement Offer Booklet are indicative only and subject to change. All times and dates refer to Perth time. Refer to the “Key Dates” section of this Retail Entitlement Offer Booklet for more details.



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**Currency**

Unless otherwise stated, all dollar values in this Retail Entitlement Offer Booklet are in Australian dollars (A$).

**Trading New Shares**

Sandfire will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Sandfire or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, accountant or other professional adviser.

Refer to Section 1 for more detail.

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# Key dates for the Retail Entitlement Offer

| Event | Date |
|---|---|
| Announcement of the Entitlement Offer | Thursday, 23 September 2021 |
| Record Date for eligibility in the Retail Entitlement Offer (5.00pm, Perth time) | Monday, 27 September 2021 |
| Retail Entitlement Offer Booklet dispatched, Retail Entitlement Offer opens | Thursday, 30 September 2021 |
| Retail Entitlement Offer closes (5.00pm, Perth time) | Wednesday, 13 October 2021 |
| Notification to ASX of results of the Retail Entitlement Offer | Monday, 18 October 2021 |
| Issue of New Shares issued under the Retail Entitlement Offer | Wednesday, 20 October 2021 |
| Trading of New Shares issued under the Retail Entitlement Offer | Thursday, 21 October 2021 |

The timetable above is indicative only and may be subject to change. Sandfire reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular:

- The New Shares issued under the Retail Entitlement Offer are expected to be allotted on Wednesday, 20 October 2021 and commence trading on ASX on a normal settlement basis on Thursday, 21 October 2021.
- The Company's decision on the number of New Shares to be issued to you will be final.

Sandfire reserves the right to extend the closing date of the Entitlement Offer, to accept late Applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

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**30 September 2021**

Dear Shareholder,

**Sandfire Resources Limited – Accelerated Pro-Rata Non-Renounceable Entitlement Offer**

On behalf of the Board, I am pleased to invite you to participate in a fully underwritten 1 for 1 accelerated pro-rata non-renounceable Entitlement Offer of New Shares at an offer price of $5.40 per New Share (**Offer Price**) to raise approximately $963 million (before costs).

On Thursday, 23 September 2021, the Company announced its intention to raise approximately $1.248 billion through a fully underwritten equity raising consisting of an Entitlement Offer (to raise approximately $963 million) and an institutional placement (to raise approximately $285 million) (**Placement**, together with the Entitlement Offer, the **Offer**). The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

The Entitlement Offer is fully underwritten by the Underwriters.

**About MATSA and the Acquisition**

Please refer to the Company's announcement dated 23 September 2021 and the Investor Presentation for further information about MATSA and the Acquisition.

**Capital Raising Rationale and Use of Funds**

The proceeds of the Entitlement Offer will be used for the following purposes*:

- as partial consideration to fund the acquisition of a 100% interest in MATSA.

The Entitlement Offer will provide all Eligible Shareholders with the opportunity to participate and retain exposure to the Company's projects as well as its portfolio of assets and other listed investments.

**The Company reserves the right to change its intentions in relation to the use of funds. Further, if the Acquisition does not proceed, the Company will need to consider alternative uses for the funds, including, balance sheet management, working capital or alternative investment opportunities. If the Company elects to use the proceeds of the Entitlement Offer for an alternative purpose, the return on investment may ultimately be less than if the proceeds had been used for the Acquisition. Also, certain transaction costs in relation to the Acquisition, such as legal and advisory fees, will still be payable by the Company.*

**Entitlement Offer**

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 1 New Share at the Offer Price for every 1 Share held at 5:00pm (Perth time) on the Record Date of 27 September 2021 (**Entitlement**). Approximately 178 million New Shares will be issued under the Entitlement Offer. New Shares will rank equally with Existing Shares in all respects from date of quotation.

The Offer Price of $5.40 per New Share represents a 13.2% discount to Sandfire's last closing price of $6.22 on 22 September 2021 and a 6.2% discount to the theoretical ex-rights price (**TERP**)[1] of $5.78 on 22 September 2021.

The Entitlement Offer to which this Retail Entitlement Offer Booklet relates closes at 5.00pm (Perth time) on 13 October 2021 (unless extended).

This Retail Entitlement Offer Booklet contains important information about the Entitlement Offer, including:

- Key Dates
- Summary of Options Available to You
- Entitlement Offer Details & How to Apply
- Australian Taxation Considerations
- ASX Announcements
- Important Information

[1] TERP is the theoretical price at which the Company's 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 the Company'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.

Accompanying this Retail Entitlement Offer Booklet is your personalised entitlement and acceptance form (**Entitlement and Acceptance Form**). It details your Entitlement and is to be completed in accordance with the instructions provided on the form and the instructions in this Retail Entitlement Offer Booklet under "Entitlement Offer Details & How to Apply".

To participate, you must ensure that you have completed your Application by paying application monies (**Application Monies**) by BPAY® before 5:00pm (Perth time) on 13 October 2021. If you are unable to pay by BPAY® (for example if you are a New Zealand based shareholder without an Australian bank account) or are having difficulty paying by BPAY® please call the Automic information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Perth time) on Monday to Friday, before the Retail Entitlement Offer closes on Wednesday, 13 October 2021.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, cannot be sold and is not otherwise transferable. This means that you will not receive any value for Entitlements you do not take up and your percentage shareholding in the Company will be reduced.

**Underwriting**

Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**Lead Managers**) are appointed severally as the exclusive underwriters, bookrunners and lead managers to the Entitlement Offer. The Company has entered in an underwriting agreement with the Lead Managers in respect of the Entitlement Offer (**Underwriting Agreement**). The Underwriting Agreement is on usual terms and the fees and termination events for the Underwriting Agreement are set out in section 5.8.

**Sub-underwriting**

AustralianSuper has entered into a Commitment and Sub-underwriting Letter with the Lead Managers. AustralianSuper has agreed to sub-underwrite up to $150 million of the Retail Entitlement Offer. AustralianSuper is not sub-underwriting any of the institutional component of the Entitlement Offer. The Commitment and Sub-underwriting Letter is explained in further detail in section 5.8.

**Further information and Application instructions**

Further details of the Entitlement Offer, as well as the risks associated with investing in the Entitlement Offer are set out in this Retail Entitlement Offer Booklet (including in the Investor Presentation and the "Key Risks" section) which you should read carefully and in its entirety.

On behalf of Sandfire, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully

**Mr Karl M Simich**
Managing Director and Chief Executive Officer

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# 1 Summary of Options Available to You

If you are an Eligible Retail Shareholder (as defined in Section 5.1) you may take any of the following steps:

1. take up all of your Entitlement; (see section 2.4.1);
2. take up part of your Entitlement (see section 2.4.2); or
3. do nothing, in which case your Entitlement will lapse, and you will receive no value for those lapsed Entitlements (see section 2.4.3).

Further information is provided below.

# 2 Entitlement Offer Details & How to Apply

## 2.1 Overview of the Retail Entitlement Offer

Eligible Retail Shareholders are being offered the opportunity to purchase 1 New Share for every 1 Existing Share held as at the Record Date of 5.00pm (Perth time) on 27 September 2021, at the Offer Price of $5.40 per New Share to raise approximately $1.248 billion (before costs).

The Entitlement Offer provides Eligible Retail Shareholders (as defined in Section 5.1) with the opportunity to take up all or part of their Entitlement. Entitlements under the Entitlement Offer are non-renounceable.

Based on the number of Shares on issue as at the Record Date of the Entitlement Offer, 178,251,333 New Shares (subject to rounding) will be issued under the Entitlement Offer.

You have a number of decisions to make in respect of your Entitlement. You should read this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer is fully underwritten by the Underwriters.

The Entitlement Offer opens on 30 September 2021 and will close at 5.00pm (Perth time) on 13 October 2021 unless extended or withdrawn.

Further details on the Entitlement Offer are set out below.

## 2.2 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and calculated on the basis of 1 New Share for every 1 Existing Share you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded down to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Entitlement Offer will rank equally in all respects with Existing Shares.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, cannot be sold and is not otherwise transferable. This means that you will not receive any value for Entitlements you do not take up and your percentage shareholding in the Company will be reduced.

See Section 5.1 for information on restrictions on participation.

## 2.3 Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Retail Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an Application for New Shares offered under the Entitlement Offer.

As a result, it is important for you to read carefully and understand the information on Sandfire and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Retail Offer Booklet and other announcements made available on the ASX website relating to Sandfire.

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the "Key Risks" section of the Investor Presentation included in Section 4 of this Retail Offer Booklet.

## 2.4 How Eligible Retail Shareholders Can Accept or Renounce the Entitlement Offer

### 2.4.1 If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, please pay your Application Monies via BPAY® or Electronic Funds Transfer (**EFT**) by no later than 5.00pm (Perth time) on 13 October 2021 by following the instructions set out on the personalised Entitlement and Acceptance Form.

If you have any questions regarding payment of Application Monies please call the Automic information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Perth time) on Monday to Friday, before the Retail Entitlement Offer closes on 13 October 2021.

If you take up and pay for all of your Entitlement, before the close of the Entitlement Offer, it is expected that you will be issued New Shares on 20 October 2021.

Sandfire's decision on the number of New Shares to be issued to you will be final.

Sandfire also reserves the right (in its absolute discretion) to reduce the number of New Shares issued if Sandfire believes an applicant's claim to be overstated or if an applicant or their nominees fail to provide information to substantiate their claims to Sandfire's satisfaction.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Eligible Retail Shareholders who do not take up their rights in full will not receive any value in respect of those rights they do not take up.

If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.

### 2.4.2 If you wish to take up part of your Entitlement

If you wish to take up part of your Entitlement and apply for New Shares, please pay your Application Monies via BPAY® or EFT by no later than 5.00pm (Perth time) on 13 October 2021 by following the instructions set out on the personalised Entitlement and Acceptance Form for the amount of New Shares you wish to apply.

If you have any questions regarding payment of Application Monies please call the Automic information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Perth time) on Monday to Friday, before the Retail Entitlement Offer closes on 13 October 2021.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Eligible Retail Shareholders who do not take up their rights in full will not receive any value in respect of those rights they do not take up.

If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.

### 2.4.3 If you wish to do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements

Your Entitlement is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.

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If you take no action you will not be allocated New Shares and your Entitlement will lapse. Shareholders who do not take up their Entitlements will not receive any payment or value for those Entitlements they do not take up.

Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will have their percentage holding in Sandfire diluted.

## 2.5 Ineligible Shareholders

All Shareholders who are not Eligible Retail Shareholders are ineligible Shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Entitlement Offer.

Sandfire has determined pursuant to ASX Listing Rule 7.7.1 that it would be unreasonable on this occasion to extend the Entitlement Offer to Ineligible Shareholders, having regard to the number of Ineligible Shareholders, the number and value of securities to be offered to Ineligible Shareholders and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in various jurisdictions.

The Company will arrange for the proceeds of sale (if any), net of expenses, to be distributed to Ineligible Shareholders in proportion to their Entitlements at the Record Date.

The Company will not be liable for the failure to sell the New Shares or the failure to sell the New Shares at any particular price.

## 2.6 Payment

You can pay by BPAY® or EFT.

If you have any questions regarding payment of Application Monies please call the Automic information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Perth time) on Monday to Friday, before the Retail Entitlement Offer closes on 13 October 2021.

Cash payments will not be accepted. Receipts for payment will not be issued.

Sandfire will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your Entitlement to New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

**Payment by BPAY® or EFT**

For payment by BPAY® or EFT, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by EFT, please make sure you use the unique reference number on your personalised Entitlement and Acceptance Form. Failure to do so may result in your funds not being allocated to your application and New Shares subsequently not issued.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN or unique reference number specific to that holding. If you do not use the correct CRN or unique reference number specific to that holding your Application will not be recognised as valid.

Please note that should you choose to pay by BPAY® or EFT:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 2.7; and



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- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® or EFT payment is received by the Share Registry by no later than 5.00pm (Perth time) on 13 October 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

## 2.7 Representations by acceptance

By applying for New Shares under the Retail Entitlement Offer (including making a payment by BPAY®), you will be deemed to have represented to Sandfire that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Retail Offer Booklet (including Section 5.1), and Constitution;
- authorise Sandfire to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once Sandfire receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- authorise Sandfire, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge and agree that:
  - the determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Underwriters;
  - each of the Company, the Underwriters, advisors and their respective affiliates, officers, employees, agents and advisers disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;

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- acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;

- acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Sandfire and is given in the context of Sandfire's past and ongoing continuous disclosure announcements to ASX;

- acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation included in Section 4 of this Retail Offer Booklet, and that investments in Sandfire are subject to risk;

- acknowledge that none of Sandfire, the Underwriters, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Sandfire, nor do they guarantee the repayment of capital;

- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;

- authorise Sandfire to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;

- represent and warrant (for the benefit of Sandfire, the Underwriters and their respective related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;

- represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;

- acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, and accordingly, the New Shares may not be offered or sold in the United States except in a transaction exempt, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;

- acknowledge and agree that the information in this Retail Offer Booklet remains subject to change without notice;

- represent and warrant that that you are not in the United States and you are not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Retail Entitlement Offer in respect of that person);

- are subscribing for or purchasing the New Shares outside the United States in an "offshore transaction" as defined and in compliance with Regulation S under the US Securities Act;

- are not engaged in the business of distributing securities;

- you and each person on whose account you are acting have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand (except nominees and custodians may distribute such materials to Institutional Investors in other Permitted Jurisdictions);

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- if in the future you decide to sell or otherwise transfer the New Shares acquired under the Retail Entitlement Offer you will only do so in “regular way” transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;

- are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer;

- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form (i) is resident in Australia or New Zealand or is an Institutional Investor in another Permitted Jurisdiction, and (ii) is not in the United States or elsewhere outside the Permitted Jurisdictions; and

- you make all other representations and warranties set out in this Retail Offer Booklet and the Entitlement and Acceptance Form.

### 2.8 Enquiries

If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

## 3 Australian Taxation Considerations

This section is a general summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Entitlement Offer for certain Eligible Retail Shareholders.

Neither Sandfire nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

The comments in this section deal only with the Australian taxation implications of the Entitlement Offer if you:

- are a resident for Australian income tax purposes; and

- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or

- hold your Shares as revenue assets or trading; or

- acquired the Shares in respect of which the Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme;

- are subject to the Taxation of Financial Arrangement (**TOFA**) provisions contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth); or

- acquired Entitlements otherwise than because you are an Eligible Retail Shareholder.

The comments in this section are necessarily general in nature and are based on the Australian tax legislation and administrative practice in force as at the date of this Retail Offer Booklet. They do not take into account any financial objectives, tax positions, or investment needs of Eligible Retail Shareholders. The comments do not take into account or anticipate changes in Australian tax legislation or future judicial or administrative interpretations of law after this time unless otherwise specified. The comments also do not take into account tax law of any country other than Australia.

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The taxation implications of the Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

## 3.1 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

## 3.2 Take-up of Entitlements

New Shares will be acquired where the Eligible Retail Shareholder takes-up all or part of their Entitlement under the Entitlement Offer. An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss at the time of taking up their Entitlement under the Entitlement Offer. For Australian capital gains tax (**CGT**) purposes, each New Share should:

- be taken to have been acquired on the date the New Share is issued to the Eligible Retail Shareholder; and
- have a cost base (and reduced cost base) that is equal to the Offer Price that is payable for the New Share plus certain non-deductible incidental costs incurred in acquiring, holding and disposing the New Share.

## 3.3 Lapse of Entitlement

If an Eligible Retail Shareholder does not take-up all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration.

There should be no Australian tax implications for an Eligible Retail Shareholder from the lapse of all or some of their Entitlements.

## 3.4 Dividends on New Shares

Any future dividends or other distributions made in respect of New Shares will constitute assessable income of an Eligible Retail Shareholder and will be subject to the same income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

## 3.5 Disposal of New Shares

The disposal of a New Share will be a disposal for CGT purposes.

An Eligible Retail Shareholder should make a capital gain if the capital proceeds on disposal exceed the cost base of the New Share. An Eligible Retail Shareholder should make a capital loss if the capital proceeds are less than the reduced cost base of the New Share.

An Eligible Retail Shareholder that is an individual, complying superannuation entity or trustee and that has held their New Shares for at least 12 months (not including the dates of acquisition and disposal of the New Shares) at the time of disposal should be entitled (subject to meeting other conditions) to apply the CGT discount to reduce the capital gain (after the application of any current year or carry forward capital losses). The CGT discount is 50% for individuals and entities acting as trustees, and 33⅓% for complying superannuation entities.

The CGT discount is not available for companies (unless shares are held by the company in the capacity as trustee).

It is proposed that managed investment trusts (MITs) and attribution managed investment trusts (AMITs) will be prevented from applying the 50% CGT discount at the trust level (but will still be able to distribute such income as a capital gain that can be discounted in the hands of the beneficiary). This proposed change is yet to be enacted and is expected to apply from the income years commencing on or after three months after the date of Royal Assent of the enabling legislation. If a capital loss arises on disposal of the New Shares, the capital loss can only be used to offset capital gains; i.e. the capital loss



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cannot be used to offset amounts contributing to taxable income that are not capital gains. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, provided certain tests are satisfied.

## 3.6 Other Australian taxes

No Australian GST or stamp duty will be payable by Eligible Retail Shareholders in respect of the issue or exercise of the Entitlements or the acquisition of New Shares.

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# 4 ASX Announcements

This Retail Offer Booklet (other than the ASX announcements in this Section 4) is dated 30 September 2021. The ASX announcements are current as at 30 September 2021. This Retail Offer Booklet remains subject to change without notice, however the Company is not responsible for updating this Retail Offer Booklet.

There may be additional ASX announcements that have been made by the Company after 30 September 2021 and throughout the Entitlement Offer Period that may be relevant in your consideration of whether to take part in the Entitlement Offer. Therefore, it is prudent that you check whether any further ASX announcements have been made by the Company before submitting an Application.

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Sandfire

ASX: SFR

23 September 2021

*Not for release to U.S. wire services or distribution in the United States*

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# Transformational acquisition of the MATSA Mining Complex in Spain and A$1,248 million equity raising

**MATSA is a world-class copper asset which immediately transforms Sandfire into a leading diversified global base metals producer, and one of Australia's largest copper focused producers**

- Sandfire has entered into a binding sale and purchase agreement with Trafigura and Mubadala Investment Company (the "**Vendors**") to acquire 100% of Minas De Aguas Teñidas ("**MATSA**") for a total consideration of US$1,865 million (A$2,572 million)[1]
- The agreed transaction delivers Sandfire the MATSA mining complex in Spain, which comprises three underground mining operations feeding a world-class 4.7Mtpa central processing facility with state-of-the-art infrastructure producing 100-120ktpa CuEq per annum
- 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
- Transaction immediately transforms Sandfire into one of Australia's largest copper focussed producers with proforma FY22 production of 170-194kt CuEq at a MATSA C1 cost of US$0.4-0.5/lb and DeGrussa C1 cost of US$1.0-1.1/lb[2]
- Consideration of US$1,865M implies an acquisition multiple of 4.8x MATSA's FY21 EBITDA of US$387M[3] - compares favourably to the median EBITDA trading multiple of global peers[4]
- Sandfire to fund the Transaction through a combination of a US$650M (A$897M) syndicated and underwritten debt facility secured by MATSA, an A$1,248M (US$905M) fully underwritten equity raising, A$297M (US$215M) from existing cash reserves and the drawdown of A$200M (US$145M) corporate debt facility
- AustralianSuper, Australia's largest superannuation fund, has committed to subscribe for A$120M of the Placement, and to further sub-underwrite up to A$150M of the Retail Entitlement Offer
- Sandfire intends to retain MATSA's highly experienced in-country management team and supplement with Sandfire's complementary skill set and capabilities, particularly with VMS deposits
- The acquisition of MATSA is expected to be accretive to Sandfire's earnings and cash flow per share in its first full year of ownership (FY23), transforming Sandfire's growth trajectory and providing a cornerstone asset with an anticipated mine life of over 10 years
- MATSA has significant regional upside potential across the highly-prospective Iberian Pyrite Belt, Spain (one of the world's largest concentrations of VMS copper-zinc mineralisation) – providing a strong foundation for Sandfire's future
- The transaction is expected to complete in the March 2022 quarter, with key conditions precedent including Spanish Foreign Direct Investment and Anti-trust Merger approval

[1] Acquisition price of A$2,572 million calculated using an AUD:USD exchange rate of 0.725.
[2] Proforma assumes full year of MATSA production added to Sandfire's guidance for FY22 for illustrative purposes. The Transaction is expected to complete in the March 2022 quarter. C1 costs are net of by-products credits.
[3] Excluding hedging.
[4] Based on FY21 EV/EBITDA trading multiples. Refer to page 25 of the Investor Presentation for further details on peer trading multiples.

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**Transaction Overview**

Sandfire Resources Limited ("**Sandfire**", **the** "**Company**" or **the** "**Group**") (ASX: SFR) is pleased to announce that it has entered into a binding sale and purchase agreement ("**SPA**") with Trafigura and Mubadala Investment Company to acquire 100% of MATSA for a total consideration of US$1,865M (A$2,572M)[5] (the "**Transaction**" or "**Acquisition**").

MATSA is a large, high-quality, low-cost[6], long-life underground copper operation located in the highly regarded Iberian Pyrite Belt of Spain. With proforma FY22 Sandfire group production forecast to be 170-194kt CuEq[7,8], the Transaction transforms Sandfire into one of Australia's largest copper focused producers. Post-acquisition, Sandfire will be a globally relevant copper producer with a diversified production base by jurisdiction and commodity, and outstanding organic growth potential.

The Transaction is expected to complete in the March 2022 quarter, with key conditions precedent including Spanish Foreign Direct Investment and Anti-trust Merger approval, both of which are customary for acquisitions in Spain. Sandfire has agreed to pay a US$300M deposit of which US$100M is paid on signing of the SPA and US$200M to be paid 10 business days thereafter.

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

> *"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.*
>
> *The high-quality debt and equity funding package we have secured ensures 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 maintain a global exploration program."*

[5] Subject to completion adjustments.
[6] First quartile, Wood Mackenzie Global Copper Cost Curve (Q3 2021, composite basis)
[7] FY22 based on DeGrussa guidance and MATSA guidance assuming full year of production for illustrative purposes.
[8] CuEq based on realised pricing for actuals and broker consensus forecast pricing, refer to page 7 of the Investor Presentation

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**MATSA Overview**

MATSA is located in Andalusia, Spain and is part of the highly regarded Iberian Pyrite Belt, which has one of the world's largest concentrations of VMS copper-zinc mineralisation's. MATSA is an established copper operation, with first commercial production achieved in 2009 and over US$1.7 billion of capital invested into the project since 2005, including the expansion of the processing facility from 1.5Mtpa to 4.7Mtpa and development of additional underground mining areas, including the Magdalena discovery in 2013.

FY2022 proforma production guidance of 100-120kt CuEq[7,8] at a C1 cash cost of US$0.40-0.50/lb[7].

The MATSA complex comprises the Aguas Teñidas, Magdalena and Sotiel underground mines, and a 4.7Mtpa central processing facility at Aguas Teñidas. Ore Reserves of 36Mt at 1.8% Cu (3.1% CuEq) and Mineral Resources of 122Mt at 1.5% Cu (3.3% CuEq)[9]. MATSA has a strong track record of resource to reserve conversion, plus ~2,450km$^2$ of highly prospective regional exploration tenure across Spain and Portugal.

MATSA's Ore Reserves support a 6-year reserve life, with visibility on ~12 years from Resources and significant potential for extended mine life from near-term growth opportunities.

Spain is a mining friendly jurisdiction with a well-established and transparent permitting process (all permits are currently in place for MATSA's operating mines). There is world-class infrastructure and logistics in the region, including national roads to port, with reliable access to power and water, and several listed copper producers have existing operations surrounding MATSA.

All three of the existing mines remain open along strike and at depth, with Magdalena discovered by the MATSA team in just 2013. Several potential new mining centres have been identified adjacent to existing operations, with the targets not currently included in the MATSA mine plan or Mineral Resource.

The low operating cost translates to strong margins and free cash flow generation, with the acquisition of MATSA for US$1,865M implying an acquisition multiple of 4.8x MATSA's FY21A EBITDA (US$387M excluding hedging). The acquisition is also expected to be accretive to Sandfire's earnings and cash flow per share in its first full year of ownership (FY23).

As part of the Transaction, Sandfire will retain the life of mine concentrate offtake agreement with Trafigura for 100% of offtake from MATSA. The terms of the offtake agreement have been revised and agreed as part of the Transaction to reflect independent go-forward operations. The offtake relationship with Trafigura provides a long-term marketing partner which builds on Sandfire's already well-established relationship with Trafigura via DeGrussa and potentially Motheo. Trafigura is one of the world's leading independent commodity trading and logistics houses and will facilitate global distribution and access to state-of-the-art port, blending and marketing facilities.

[9] CuEq based on assumed long-term real consensus price assumptions. Refer to the Appendix for Ore Reserve and Mineral Resource disclosure information.

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**Acquisition funding**

The US$1,865M (A$2,572M[10]) cash consideration and associated US$50M (A$69M) transaction costs, acquisition funding of US$1,915M (A$2,641M), will be funded through a combination of:

- A$1,248 million (US$905M[10]) fully underwritten equity raising consisting of;
    - A$120M strategic placement to AustralianSuper ("**Strategic Placement**");
    - A$165M institutional placement ( "**Institutional Placement**") (together with the Strategic Placement, the "**Placement**"); and
    - A$963 million 1 for 1 accelerated non-renounceable entitlement offer ("**Entitlement Offer**" and together with the Placement, the "**Offer**" or the "**Equity Raising**").
- US$650 million (A$897M[10]) syndicated and underwritten debt facility secured against MATSA;
- A$200 million (US$145M[10]) corporate debt facility secured against DeGrussa, and
- A$297 million (US$215M[10]) funded through existing cash reserves of A$681M[11].

Sandfire has entered into a binding credit-approved underwritten commitment letter and term sheet with Citi, Macquarie Bank, Natixis and Société Générale to provide the US$650M syndicated and underwritten debt facility. Natixis and Société Générale are existing lenders to MATSA and drawdown is expected to occur on completion of the transaction. The syndicated debt facility fully amortises over its scheduled term (5 years from drawdown) and contains customary provisions including a cash sweep. The facility is expected to be fully repaid within 4 years of drawdown due to forecast strong cashflows from MATSA.

The syndicated debt facility will be fully supported by MATSA cashflows[12], without any required contribution from Degrussa or other Sandfire assets. Security for the facility is limited to MATSA, with no recourse to Sandfire or other Sandfire assets.

Sandfire has also entered into a binding credit-approved commitment letter and term sheet with ANZ to provide a A$200M corporate debt facility. This is a short-term facility for ~12 months, supported by DeGrussa cash flows over its remaining mine life, with recourse to Sandfire.

The syndicated and ANZ debt facilities include a number of conditions precedent to drawdown which are customary for facilities of this nature, including completion of full form documentation.

[10] FX conversion assumes AUD/USD exchange rate of 0.725.
[11] As at 30 June 2021, includes Sandfire's liquid stake in Adriatic Metals, valued at A$100M at the last close price of A$2.89/sh.
[12] MATSA to undertake commodity hedging to support the syndicated debt facility, with 30-40% of copper and zinc concentrates production to be hedged for the first three years.

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**Equity Raising**

As noted above, the Acquisition will be partially funded by the Equity Raising, being the issue of new fully paid ordinary Sandfire shares ("**New Shares"**) to certain eligible investors to raise approximately A$1,248 million at an issue price of A$5.40 per share ("**Offer Price"**). The Equity Raising is fully underwritten and consists of the Placement and the Entitlement Offer.

Sandfire has received an ASX waiver of Listing Rule 7.1 to enable expanded Tranche 1 Placement capacity given both the institutional and retail components of the Entitlement Offer are fully underwritten. Up to approximately 231 million New Shares are to be issued under the Offer representing approximately 129.6% of current issued capital of Sandfire.

The Offer price of A$5.40 per share represents 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[13] on 22 September 2021.

Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares in Sandfire on issue. Sandfire will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX.

AustralianSuper, Australia's largest superannuation fund, has committed to subscribe for A$120M of the Placement, and to further sub-underwrite up to A$150M of the retail component of the Entitlement Offer ("**Retail Entitlement Offer**"). AustralianSuper has made this commitment after conducting its own due diligence on Sandfire, MATSA and the Transaction. Following completion of the Offer, AustralianSuper is expected to emerge with approximately 5.4 – 12.2% of Sandfire, subject to the level of take-up of the Retail Entitlement Offer.

The material terms of the Underwriting Agreement are included in the Annexure. If the acquisition does not proceed, the Company will need to consider alternative uses or mechanisms to return surplus funds raised under the Offer, including, but not limited to, a return of capital, balance sheet management, working capital and/ or alternative investment opportunities.

Citigroup Global Markets Australia Pty Ltd and Macquarie Capital (Australia) Limited are acting as Joint Lead Managers and Underwriters to the Placement and Entitlement Offer. The Offer is fully underwritten, subject to the terms of an underwriting agreement ("**Underwriting Agreement**").

**Entitlement Offer**

Under the Entitlement Offer, eligible shareholders are invited to subscribe for one New Share for every one existing share held as at 5.00pm AWST (7.00pm AEST) on 27 September 2021 ("**Record Date**").

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

[13] 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

**Institutional Entitlement Offer**

Eligible institutional shareholders will be invited to participate in the institutional component of Entitlement Offer ("**Institutional Entitlement Offer**"), which will take place today and is expected to raise approximately A$626M. Eligible institutional shareholders can choose to take up all, part or none of their entitlement. Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, will be offered to eligible institutional shareholders who apply for New Shares in excess of their entitlement, as well as certain other eligible institutional investors, through an institutional shortfall bookbuild ("**Institutional Bookbuild**") to be conducted concurrently with the Institutional Entitlement Offer. The Institutional Entitlement Offer is fully underwritten.

Sandfire's shares will not recommence trading on the ASX until the Institutional Entitlement Offer and Institutional Bookbuild are completed.

**Retail Entitlement Offer**

The Retail Entitlement Offer will be open from 30 September 2021 to 13 October 2021 to eligible retail shareholders with a registered address in Australia or New Zealand as at the Record Date. A Retail Offer Booklet in respect of the Offer is expected to be mailed to eligible retail shareholders on or before 30 September 2021.

Eligible retail shareholders can choose to take up all, part or none of their entitlement.

The Retail Entitlement Offer is fully underwritten, and supported by AustralianSuper who has committed to sub-underwrite up to A$150M.

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## Indicative Timetable[14]

| Event | Date |
|---|---|
| Announcement of Equity Raising | Thursday, 23 September 2021 |
| Placement and Institutional Entitlement Offer Opens | Thursday, 23 September 2021 |
| 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 |
| Announcement of Equity Raising | Thursday, 23 September 2021 |
| Placement and Institutional Entitlement Offer Opens | Thursday, 23 September 2021 |
| 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 |

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

An Appendix 3B for the New Shares to be issued, Investor Presentation and Cleansing Statement follow this announcement. 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.

## Advisors

Sandfire is advised by Macquarie Capital as financial advisor, Allen & Overy as legal advisor and BurnVoir Corporate Finance as debt advisor in relation to the acquisition. Natixis acted as advisor to the Board.

Gilbert + Tobin is Sandfire's Australian legal advisor in respect of the Equity Raising.

[14] These timings are indicative only and subject to variation. SFR 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.

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**Further Information**

Further details of the Offer and Transaction are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Offer.

**Investor call and webcast**

Sandfire's Managing Director (Karl Simich), Chief Financial Officer (Matthew Fitzgerald), Chief Operating Office (Jason Grace) and Head of Investor Relations (Ben Crowley), will host a conference call and webcast today at 9:00am AWST (11:00am AEST). Dial-in details for the call and the webcast link can be found below

| | |
|---|---|
| Meeting Title: | Sandfire Conference Call |
| Date: | 23 September 2021 |
| Conference ID: | 10016879 |
| Dial-in Numbers: | |
| Australia Toll Free: | 1800 265 784 |
| Australia Local Number: | +61 7 3107 6325 |

To listen in live, please click on the link below and register your details:

https://s1.c-conf.com/diamondpass/10016879-u28rnj.html

Please note it is best to log on at least 5 minutes before 9:00am AWST (11:00am AEST) on 23 September 2021 to ensure you are registered in time for the commencement of the presentation.

Investors are advised that, in addition to the live webcast, a recording of the presentation will be available on the Sandfire website (www.sandfire.com.au) upon the conclusion of the webcast.

**For further information, please contact:**

Sandfire Resources Ltd
Ben Crowley – Head of Investor Relations
Office: +61 8 6430 3800

**Media Inquiries:**

Read Corporate
Nicholas Read
Mobile: +61 419 929 046

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

## Summary of the Share Purchase Agreement

| | |
|---|---|
| **Overview** | Sandfire has entered into a Sale and Purchase Agreement ("**SPA**") with MIC Global Mining ventures, S.L.U. ("**Mubadala**") and Iberian Holdings S.A ("**Trafigura**")(together, the "**Vendors**"). Under the terms of the SPA, the Vendors has agreed to sell 100% of Minas de Aguas Tenidas S.A. ("**MATSA**") to Sandfire.<br>The total purchase price payable by Sandfire on completion of the Sale and Purchase Agreement is US$1,865 million. The purchase price is subject to net debt and working capital adjustments. |
| **Conditions Precedent** | Completion of the Transaction is subject to Sandfire obtaining approval from the Foreign Investment Authority in relation to Foreign Direct Investment in Spain, and Antitrust Merger Approval.<br>The latest date on which these conditions can be satisfied is 31 March 2022, after which either the Vendors or Sandfire may terminate. |
| **Termination events** | There are a limited number of termination rights under the SPA. Sandfire is entitled to terminate the agreement in the event or circumstance which causes prolonged physical damage or destruction to the asset (after meeting certain specified thresholds). |
| **Escrow deposit** | Sandfire has agreed to pay a US$300 million deposit to an escrow agent. US$100 million will be paid to the Vendors on signing the SPA and US$200 million will be paid within 10 business days.<br>In the event of Sandfire's fails to complete the transaction (excluding due to failure to receive the Foreign Direct Investment Approval or Antitrust Merger Approval or the accepted termination events), Sandfire would forfeit US$100 million to the Vendors. It has also been agreed that Sandfire forfeiting the deposit is not the sole remedy available to the Vendors in these circumstances. |
| **Representation / Warranties** | Representations and warranties are given by the Seller in relation to the Target subject to customary limitations on liability. |

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## Summary of Underwriting Agreement for the Equity Raising

| | |
|---|---|
| **Overview** | Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**Underwriters**) are appointed severally as the exclusive underwriters, bookrunners and lead managers to the Entitlement Offer. The Company has entered in an underwriting agreement with the Underwriters in respect of the Entitlement Offer (**Underwriting Agreement**).<br><br>The Underwriting Agreement is subject to certain terms and conditions which are customary for an Underwriting Agreement of this type, including conditions precedent, representations, warranties and indemnities (in favour of the Underwriters), undertakings in favour of the Underwriters and termination rights. In particular, the Underwriting Agreement contains various representations and warranties by the Company relating to the Company and its business, including information provided to the Underwriters and disclosed to the ASX. The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Underwriters and the ASX within prescribed periods. Time is of the essence in the Underwriting Agreement. Terms capitalised in the following table that are not defined in the Glossary have the meaning given to those terms in the Underwriting Agreement. |
| **Termination events** | An Underwriter may, in certain circumstances, terminate its obligations under the Underwriting Agreement if any of the following termination events (among others) occur by giving written notice to the Company (some of which are subject to a market standard materiality qualifier):<br><br>• (**Available cash balance**) the Company ceases to maintain an available cash balance that will allow it to fund the cash consideration for the Acquisition (in addition to the proceeds of the Offer and drawdowns under the Debt Facilities) as well as ordinary working capital);<br>• (**Acquisition**) The Company decides not to proceed with the Acquisition, withdraws any offer made to the vendors on connection with the Acquisition, the seller exclude The Company from any process in relation to the Acquisition or inform the Company it will not be the acquirer of the asset the subject of the Acquisition;<br>• (**Information Documents**) a material statement contained in the information documents released to ASX in connection with the Offer (**Information Documents**) is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive (including by omission), in a material respect, or any statement about a future matter expressed in the Information Documents becomes false is a false or misleading statement;<br>• (**corrective statement**) an obligation arises on the Company to give ASX a notice in accordance with section 708AA(10) or 708AA(12) of the Corporations Act (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);<br>• (**delisting**) The Company ceases to be admitted to the official list of ASX or the Shares are removed from official quotation or suspended from quotation by ASX for two or more trading days on or from the date after the Institutional Closing Date (excluding a voluntary suspension trading halt contemplated by the Underwriting Agreement);<br>• (**quotation**) approval is refused or not granted to the official quotation of all the Offer Shares on ASX, or if granted, the approval is subsequently withdrawn, qualified;<br>• (**Acquisition Agreement or the Debt Facilities**) either the Acquisition Agreement or either of the Debt Facilities is terminated or rescinded or amended in a material respect without the consent of the Underwriters (not to be unreasonably withheld or delayed), and such amendment would have a material adverse effect on the Company, the Acquisition or the Offer, a material breach occurs under either the Acquisition Agreement or either of the Debt Facilities, or a condition precedent to any party's obligations under either the Acquisition Agreement or either of the Debt Facilities becomes incapable of being satisfied, or a condition precedent of either the Acquisition Agreement or either of the Debt Facilities is waived without the consent of the Underwriters (acting reasonably and in good faith);<br>• (**insolvency**) any member of the Sandfire group suffers an insolvency event, or there is an act or omission which is likely to result in any member of the Sandfire group suffering an insolvency event;<br>• (**unable to issue Offer Shares**) the Company is unable to issue the Offer Shares on the relevant date as required by the timetable, ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a governmental agency;<br>• (**withdrawal**) the Company announces that it withdraws or does not intend to proceed with all or any material part of the Offer;<br>• (**fraud**) a director or officer of the Company is charged with an indictable offence relating to corporate or financial matters, or fraudulent or misleading or deceptive conduct;<br>• (**change in management**) a change in the Chief Executive Officer of the Company is announced or occurs;<br>(**director**) a director or officer of the Company is disqualified from managing a corporation or any regulatory |

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body or governmental agency commences any public action against the director in his or her capacity as a director or officer of the Company or announces that it intends to take any such action;

- (**timetable**) any event specified in the timetable is delayed for 2 or more business days (or/ 1 or more business day at any time in the period up to and including the settlement date of the Institutional Entitlement Offer) without the prior written approval of the Underwriters (such approval not to be unreasonably withheld or delayed);
- (**breach**) the Company is in breach of the Underwriting Agreement or any of its representations or warranties in the Underwriting Agreement is not true or correct when made or taken to be made;
- (**due diligence**) the due diligence report or any information provided by or on behalf of the Company during the due diligence program is misleading or deceptive or likely to mislead or deceive whether by omission or otherwise.(**issue of proceedings**) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction seeking an injunction or other order in relation to the Offer;
- (**regulatory action**) an application is made by ASIC for an order, or ASIC gives notice of an intention to commence an investigation, proceeding or hearing, under Part 9.5 of the Corporations Act or Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth), in each case in relation to the Offer or the Information Documents, and any such application, investigation or hearing becomes public or is not withdrawn within two business days after it is made or commenced (or if made within two business days before the Retail Settlement Date, by the Retail Settlement Date);
- (**hostilities**) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, Germany, Hong Kong, Japan, Spain, the United States, United Kingdom, or the People's Republic of China, or a state of emergency is declared by any of those countries (other than as already declared prior to the date of this agreement or in relation to COVID 19) or a major terrorist act is perpetrated on any of those countries or any diplomatic establishment of any of those countries;
- (**market disruption**):
  - a general moratorium on commercial banking activities in Australia, Germany, Hong Kong, Sweden, Singapore, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - at any time before 2.00pm on the Institutional Closing Date, there occurs any adverse effect on the financial markets in Australia, Germany, Hong Kong, Singapore, Spain, the United States or the United Kingdom, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
  - trading of all securities quoted on ASX, London Stock Exchange, Hong Kong Stock Exchange, Singapore Exchange or New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading, or a Level 3 "market wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only; or
- (**change in law**) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new or materially revised law or any new regulation is made under any law, or a governmental agency adopts a policy, or there is any official public announcement on behalf of the government of the Commonwealth of Australia or any State or Territory of Australia or a governmental agency that such a law or regulation will be introduced or policy adopted (as the case may be).

If an Underwriter terminates its obligations under the Underwriting Agreement, the Underwriter will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement by an Underwriter could have an adverse impact on the amount of proceeds raised under the Offer.
For details of fees payable to the Underwriters, see the Appendix 3B released to ASX on the date of this Presentation.

| | |
|---|---|
| **Moratorium** | The Underwriting Agreement includes a moratorium as agreed to between the parties which provides the Company must not (and must procure that its related bodies corporate do not) allot, issue or sell or agree to allot, issue or sell securities or grant or agree to grant any options in respect of securities of the Company except:<br><br>• the offer or issue of Offer Shares;<br>• as previously announced to ASX;<br>• where the issue, allotment or sale is of an amount of Shares or other securities representing less than 10% of the Company's issued capital;<br>• where the issue or agreement to issue Shares is under the Company's existing non-underwritten dividend reinvestment, bonus share plan or employee incentive schemes (as those terms are defined in the ASX Listing Rules) or other employment or consultant arrangements;<br>• on the conversion of convertible securities currently on issue; or,<br>• with the prior written consent of the Underwriters, not to be unreasonably withheld or delayed,<br><br>for a period of 60 days following Completion. |
| **Summary of AustralianSuper sub-underwrite** | AustralianSuper has agreed to sub-underwrite up to $150 million of the retail component of the Offer (approximately 19% of the Retail Entitlement Offer). AustralianSuper is not sub-underwriting any of the institutional component of the Entitlement Offer. AustralianSuper has entered into a Commitment and Sub-underwriting Letter with the Lead Managers. AustralianSuper will receive a fee of:<br><br>• 1% of (the number of AustralianSuper's sub-underwritten securities multiplied by the fixed price per Share); and<br>• in the event that AustralianSuper has shortfall securities allocated to it, and meets all of its obligations to subscribe for the shortfall securities, subject to the meeting of certain conditions, 0.25% of (the number of shortfall securities (if any) allocated to AustralianSuper multiplied by the fixed price per Share).<br><br>There are no significant events that could lead to the Commitment and Sub-underwriting Letter being terminated, other than termination of the Underwriting Agreement between SFR and the Lead Managers. If AustralianSuper is required to take up its full sub-underwriting allocation, it and its associates would increase their voting power in SFR by 6.9% up to 11.9% on the issue date of the Retail Entitlement Offer." |

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**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.

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## Mineral Resources Estimates

**MATSA MINERAL RESOURCES[1], [2]**
*As at 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) | Cu[3] (kt) | Zn[3] (kt) | Pb[3] (kt) | Ag[3] (koz) |
|---|---|---|---|---|---|---|---|---|---|
| **Aguas Teñidas** | | | | | | | | | |
| **Measured** | **31.9** | **1.4%** | **2.8%** | **0.8%** | **38.5** | **433** | **900** | **253** | **39,443** |
| **Indicated** | **9.9** | **1.4%** | **3.2%** | **0.9%** | **41.7** | **139** | **314** | **91** | **13,258** |
| **Inferred** | **4.9** | **2.1%** | **6.6%** | **2.1%** | **84.5** | **101** | **325** | **101** | **13,338** |
| **Total Measured, Indicated & Inferred[4]** | **46.7** | **1.4%** | **3.3%** | **1.0%** | **44.0** | **673** | **1,539** | **444** | **66,039** |
| **Magdalena** | | | | | | | | | |
| **Measured** | **8.9** | **3.5%** | **5.6%** | **1.5%** | **75.0** | **306** | **500** | **134** | **21,336** |
| **Indicated** | **14.0** | **2.3%** | **1.7%** | **0.5%** | **29.0** | **319** | **238** | **70** | **13,084** |
| **Inferred** | **5.0** | **2.2%** | **1.6%** | **0.4%** | **27.8** | **111** | **81** | **22** | **4,489** |
| **Total Measured, Indicated & Inferred [4]** | **27.9** | **2.6%** | **2.9%** | **0.8%** | **43.4** | **736** | **818** | **227** | **38,939** |
| **Sotiel** | | | | | | | | | |
| Measured | 21.6 | 1.0% | 3.7% | 1.6% | 43.2 | 222 | 792 | 339 | 29,955 |
| Indicated | 9.6 | 1.2% | 2.9% | 1.3% | 42.6 | 117 | 277 | 121 | 13,109 |
| Inferred | 16.0 | 0.8% | 3.5% | 1.6% | 43.9 | 134 | 557 | 252 | 26,622 |
| **Total Measured, Indicated & Inferred [4]** | **47.2** | **1.0%** | **3.4%** | **1.5%** | **43.3** | **472** | **1,626** | **717** | **65,686** |
| **MATSA Consolidated** | | | | | | | | | |
| **Measured** | **62.3** | **1.5%** | **3.5%** | **1.2%** | **45.3** | **960** | **2,192** | **726** | **90,763** |
| **Indicated** | **33.5** | **1.7%** | **2.5%** | **0.8%** | **36.7** | **575** | **828** | **282** | **39,451** |
| **Inferred** | **25.9** | **1.3%** | **3.7%** | **1.4%** | **48.6** | **346** | **963** | **375** | **40,449** |
| **Grand Total Measured, Indicated & Inferred [4]** | **121.8** | **1.5%** | **3.3%** | **1.1%** | **43.6** | **1,881** | **3,984** | **1,383** | **170,663** |

*1. Mineral Resources are inclusive of Ore Reserves and are reported on a 100% consolidated basis.*
*2. Mineral Resources are based on long-term real prices of US$8,450/t Cu, US$3,000/t Zn, US$2,450/t Pb, US$21.3/oz Ag.*
*3. Original statements did not present metal content, these have been derived for consolidated table only.*
*4. Consolidated Resources include polymetallic, cupriferous, and stockwork.*
*5. Mineral Resources have an effective date of 31 December 2019*
*6. Mineral Resources are reported as in situ and undiluted.*
*7. Tonnages are reported in metric units, grades in percent (%). Parts per million (ppm) or grams per tonne (g/t), and the contained metal in metric units. Tonnages, grades, and contained metal totals are rounded appropriately.*
*8. Rounding, as required by reporting guidelines, may result in apparent summation differences between tonnes, grade and contained metal content. Where these occur, SRK does not consider these to be material.*

**MATSA ORE RESERVES[1], [2]**
*As at 31 July 2020*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) | Cu[3] (kt) | Zn[3] (kt) | Pb[3] (kt) | Ag[3] (koz) |
|---|---|---|---|---|---|---|---|---|---|
| **Aguas Teñidas** | | | | | | | | | |
| **Proved** | **9.7** | **1.3%** | **2.7%** | **0.8%** | **34.7** | **130** | **261** | **73** | **10,440** |
| **Probable** | **4.8** | **1.3%** | **2.9%** | **0.8%** | **36.8** | **64** | **140** | **39** | **5,500** |
| **Total[4]** | **14.5** | **1.3%** | **2.8%** | **0.8%** | **35.4** | **194** | **401** | **112** | **15,940** |
| **Magdalena** | | | | | | | | | |
| **Proved** | **6..7** | **2.4%** | **3.3%** | **0.9%** | **46.4** | **158** | **222** | **61** | **9,597** |
| **Probable** | **11.4** | **2.1%** | **2.0%** | **0.6%** | **30.7** | **244** | **227** | **64** | **10,899** |
| **Total[4]** | **18.1** | **2.3%** | **2.5%** | **0.7%** | **36.8** | **402** | **449** | **125** | **20,496** |
| **Sotiel** | | | | | | | | | |
| **Proved** | **2.3** | **1.5%** | **2.2%** | **0.9%** | **38.0** | **34** | **50** | **21** | **2,663** |
| **Probable** | **1.1** | **1.3%** | **2.6%** | **1.1%** | **39.2** | **15** | **29** | **12** | **1,377** |
| **Total[4]** | **3.4** | **1.5%** | **2.3%** | **1.0%** | **38.4** | **49** | **79** | **33** | **4,041** |
| **MATSA Consolidated** | | | | | | | | | |
| **Proved** | **18.6** | **1.7%** | **2.9%** | **0.8%** | **39.2** | **322** | **534** | **154** | **22,698** |
| **Probable** | **17.3** | **1.9%** | **2.3%** | **0.7%** | **33.0** | **324** | **397** | **114** | **17,776** |
| **Grand Total[4]** | **35.9** | **1.8%** | **2.6%** | **0.8%** | **36.4** | **646** | **931** | **269** | **40,473** |

*1. Ore Reserves are reported on a 100% consolidated basis.*
*2. Ore Reserves are based on long-term real prices of US$6,800/t Cu, US$2,400/t Zn, US$2,000/t Pb, US$17.0/oz Ag.*
*3. Original statements did not present metal content, these have been derived for consolidated table only.*
*4. Consolidated Ore Reserves include polymetallic and cupriferous.*
*5. Ore Reserves are reported above their relevant NSR breakeven prices.*
*6. Mining, processing, and administrative costs were estimated based on actual costs.*
*7. The NSR cut-off values applied for the Reserve estimate included Aguas Teñidas (USD 40.90/t), Magdalena (USD 40.49/t) and Sotiel (USD 49.09/t).*

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## APPENDIX 1 - MINERAL RESOURCE AND ORE RESERVES

## BACKGROUND

SRK Consulting (UK) Limited ("SRK") was requested by Minas de Aguas Teñidas S.A. ("MATSA", hereinafter also referred to as the "Vendor") to consent to the disclosure of historical Mineral Resource and Ore Reserve statements with effective dates of 31 December 2019 and 31 July 2020, respectively (the "2020 Statements") for the "Mineral Assets" of MATSA comprising three underground mines (Magdalena Mine, Aguas Teñidas Mine and Sotiel Mine), processing facilities and associated infrastructure located in southern Spain and to re-report the 2020 Statements in accordance with the terms and definitions of the JORC Code defined below.

Furthermore, SRK has been informed that the consent from SRK is required in connection with the proposed acquisition (the "Acquisition") of the Mineral Assets from MATSA by Sandfire Resources Limited ("Sandfire" and the "Acquirer") a mining and exploration public company listed on the Australian Securities Exchange ("ASX") and trading under symbol SFR. The details of the Acquisition, associated considerations and conditions precedent are incorporated into a Sales and Purchase Agreement between the Vendor the Acquirer and related parties. The salient aspects of which are summarised in this ASX Announcement date 23 September 2021. Furthermore, SRK has been also requested to author Appendix 1 of this Press Release and to incorporate additional technical disclosure in accordance with the suggested headings referenced in Table 1 of Appendix 5A (JORC Code)

SRK has been informed that this Press Release and restating of the is required in accordance with Sandfire's obligation in respect of the "ASX Listing Rules" specifically LR 5.9 relating to "Requirements applicable to reports of Ore Reserves for material mining projects" and as appropriate LR 5.6.

In providing this consent to reference the historical 2020 Statements, SRK further notes that this is done for information purposes only and on a no reliance basis. Accordingly, any and all related parties in respect of the Acquisition cannot place any reliance on SRK save for the validity of reporting the Mineral Resources and Ore Reserves in accordance with the terms and definitions of the JORC Code as of the Effective Dates of the 2020 Statements being 31 December 2019 and 31 July 2020 for the Mineral Resources and Ore Reserves respectively. For the avoidance of doubt, SRK has neither been commissioned nor mandated by Sandfire to update its opinion in respect of the 2020 Statements, the Mineral Assets or to support or advise on the Acquisition process or the technical basis underpinning the financial consideration as outlined in the Sale and Purchase Agreements.

For the avoidance of doubt, the Mineral Resources and Ore Reserve statements (the "2020 Statements") are reported with effective dates (the "Effective Dates") of 31 December 2019 for Mineral Resources and 31 July 2020 respectively for Ore Reserves. As such the 2020 Statements in being historical estimates are not current within the meaning of the ASX Listing Rules and the JORC Code. To this extent, SRK clarifies that it has not undertaken any further technical work, due diligence or other analysis subsequent to the Effective Dates herein. Accordingly, SRK cannot confirm nor validate whether any material changes relating to depletion or additional technical, legal or financial assumptions have occurred during the interim period and if reassessed as of the Effective Date of this Press Release would either negatively or positively impact the 2020 Statements as reported herein. Given this context the 2020 Statements are only valid as of the Effective Dates and are not deemed to be current or confirmed as valid as of the Effective Date of this Press Release. Notwithstanding the aforementioned, please note that SRK has recently been commissioned by MATSA to prepare updated Mineral Resources and preliminary updates as at 31 December 2020 are available. Save for depletion, these however are not materially different. Furthermore, at the date of publication of the Press Release no update for further depletion or accompanying life of mine planning processes have been undertaken to inform or amend the historical 2020 Statements as reproduced herein.

The 2020 Statements reported at the Effective Dates of 31 December 2019 for Mineral Resources and 31 July 2020 for Ore Reserves are reproduced from an unpublished "Technical Report" authored by SRK during H2 2020 (the "H2 2020 Technical Report") which supports the reporting of Mineral Resources and Mineral Reserves in accordance with the guidelines and terminology provided in the 2014 "CIM Definition Standards on Mineral Resources and Reserves" produced by the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM Definition Standards"). The CIM Definition Standards is an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee ("CRIRSCO").

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), 2012 edition, as produced by the Australasian Joint Ore Reserves Committee ("the JORC Committee") is,

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like the CIM Definition Standards, an internationally recognised reporting code as defined by CRIRSCO. Whilst some terminology used differs between the two codes, there are no material differences which would result in a different Mineral Resource and Mineral Reserve statement overall. Mineral Resources under the CIM Definition Standards would translate to the same categories under the JORC Code, and Proven Mineral Reserves under the CIM Definition Standards would translate directly to Proved Ore or Mineral Reserves under the JORC Code, with Probable Mineral Reserves translating to Probable Ore or Mineral Reserves.

In re-reporting the historical estimates in accordance with the terms and definitions of the JORC Code, SRK confirms that the 2020 Statements remain valid only as of the Effective Dates and not at the effective date of this Press Release. For information, please note that SRK has recently been commissioned by MATSA to prepare updated Mineral Resources which is presently underway but not at the date of publication of the Press Release sufficiently advanced to inform or amend the historical 2020 Statements as reproduced herein.

The Competent Person who has reviewed the historical Mineral Resources as reported in the 2020 Statements is Mr Guy Dishaw, P.Geo, who is a full-time employee of and Principal Consultant (Resource Geology) at SRK. Mr Dishaw is a Professional Geoscientist (P. Geo.) registered with the Association of Professional Engineers and Geologists of Saskatchewan, a 'Recognised Overseas Professional Organisation' ("ROPO") included in a list promulgated by the Australian Stock Exchange ("ASX") from time to time. Mr Dishaw has over 20 years' experience in the mining and metals industry and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code.

The Competent Person who has reviewed the historical Ore Reserves as reported in the 2020 Statements and the Life of Mine Plan ("LoMP") is Mr Chris Bray, BEng, MAusIMM (CP), who is a full-time employee of and Principal Consultant (Mining) at SRK. He is a Member of and Chartered Professional in the Australasian Institute of Mining and Metallurgy, a ROPO. Mr Bray is a Mining Engineer with over 20 years' experience in the mining and metals industry, including operational experience in underground base metal and polymetallic mines, and as such qualifies as a Competent Person as defined in the JORC Code. He has also been involved in the reporting of Ore Reserves on various properties internationally for over 10 years.

## MINERAL RESOURCES

The Mineral Resource statements as presented in the 2020 NI 43-101 were stated as at 31 December 2019, and were presented on a deposit level per operating mine. The various statements as presented are:

Aguas Teñidas Mine:

- Aguas Teñidas (Table 2),
- Western Extension (Table 3),
- Calanesa (Table 4),
- Castillejito (Table 5);

Magdalena Mine:

- Masa 1 (Table 6),
- Masa 2 (including Masa 2 Gold) (Table 7); and

Sotiel Mine:

- Sotiel (Table 8),
- Sotiel East (Table 9),
- Migollas (Table 10),
- Calabazar (Table 11),
- Elvira (Table 12).

The overall total Mineral Resource Statement for MATSA, in accordance with the JORC Code, as at 31 December 2019 is summarised in Table 1.

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*Table 1: Total MATSA Mineral Resources (Aguas Teñidas Mine, Magdalena Mine, Sotiel Mine) as of 31 December 2019*

| Material Type | Classification | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| All | Measured | 62.3 | 1.5 | 3.5 | 1.2 | 45.3 |
| All | Indicated | 33.5 | 1.7 | 2.5 | 0.8 | 36.7 |
| **All** | **Measured + Indicated** | **95.8** | **1.6** | **3.2** | **1.1** | **42.3** |
| All | Inferred | 25.9 | 1.3 | 3.7 | 1.5 | 48.6 |

*Table 2: Aguas Teñidas deposit, Aguas Teñidas Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 7.7 | 1.0 | 6.0 | 1.6 | 63.0 |
| **Indicated** | 0.7 | 0.8 | 6.9 | 1.7 | 55.3 |
| **Measured + Indicated** | 8.4 | 1.0 | 6.1 | 1.6 | 62.4 |
| **Inferred** | - | - | - | - | - |
| **Cupriferous** | | | | | |
| **Measured** | 5.5 | 1.9 | 0.7 | 0.2 | 29.5 |
| **Indicated** | 0.2 | 2.2 | 0.9 | 0.2 | 28.0 |
| **Measured + Indicated** | 5.6 | 1.9 | 0.7 | 0.2 | 29.5 |
| **Inferred** | 0.1 | 2.7 | 0.1 | 0.1 | 26.0 |
| **Stockwork** | | | | | |
| **Measured** | 6.6 | 1.2 | 0.1 | 0.0 | 4.0 |
| **Indicated** | 1.3 | 0.9 | 0.1 | 0.0 | 5.2 |
| **Measured + Indicated** | 7.9 | 1.1 | 0.1 | 0.0 | 4.2 |
| **Inferred** | 0.1 | 1.1 | 0.2 | 0.0 | 9.2 |
| **Total** | | | | | |
| **Measured** | 19.8 | 1.3 | 2.6 | 0.7 | 34.0 |
| **Indicated** | 2.2 | 1.0 | 2.4 | 0.6 | 23.6 |
| **Measured + Indicated** | 22.0 | 1.3 | 2.6 | 0.7 | 32.9 |
| **Inferred** | 0.2 | 1.9 | 0.1 | 0.1 | 17.6 |

*Table 3: Western Extension deposit, Aguas Teñidas Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 3.1 | 1.8 | 6.1 | 1.7 | 65.0 |
| **Indicated** | 2.2 | 1.7 | 6.7 | 2.0 | 76.6 |
| **Measured + Indicated** | 5.3 | 1.8 | 6.3 | 1.8 | 69.9 |
| **Inferred** | 2.7 | 1.5 | 9.5 | 3.4 | 118.4 |
| **Cupriferous** | | | | | |
| **Measured** | 3.0 | 2.1 | 0.9 | 0.3 | 38.8 |
| **Indicated** | 1.1 | 2.4 | 1.1 | 0.3 | 36.9 |
| **Measured + Indicated** | 4.1 | 2.2 | 1.0 | 0.3 | 38.3 |
| **Inferred** | 0.2 | 2.9 | 1.1 | 0.3 | 31.6 |
| **Stockwork** | | | | | |
| **Measured** | 0.6 | 1.0 | 0.2 | 0.1 | 7.1 |
| **Indicated** | 1.3 | 1.8 | 0.1 | 0.0 | 4.7 |
| **Measured + Indicated** | 1.9 | 1.5 | 0.1 | 0.0 | 5.4 |
| **Inferred** | 0.0 | 1.0 | 1.3 | 0.5 | 26.9 |
| **Total** | | | | | |
| **Measured** | 6.7 | 1.8 | 3.2 | 0.9 | 47.9 |
| **Indicated** | 4.7 | 1.9 | 3.4 | 1.0 | 46.8 |
| **Measured + Indicated** | 11.3 | 1.9 | 3.3 | 1.0 | 47.4 |
| **Inferred** | 2.9 | 1.6 | 8.9 | 3.2 | 112.5 |

*Table 4: Calanesa deposit, Aguas Teñidas Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 0.6 | 1.3 | 8.0 | 1.5 | 75.2 |
| **Indicated** | 0.7 | 1.4 | 5.4 | 0.8 | 50.2 |
| **Measured + Indicated** | 1.3 | 1.3 | 6.6 | 1.1 | 61.8 |
| **Inferred** | 1.3 | 3.3 | 4.7 | 0.6 | 55.7 |
| **Cupriferous** | | | | | |
| **Measured** | 0.0 | 1.4 | 2.2 | 0.4 | 31.0 |
| **Indicated** | 0.2 | 1.3 | 2.1 | 0.4 | 33.3 |
| **Measured + Indicated** | 0.2 | 1.3 | 2.1 | 0.4 | 32.9 |
| **Inferred** | 0.4 | 1.8 | 1.8 | 0.4 | 29.8 |
| **Total** | | | | | |
| **Measured** | 0.6 | 1.3 | 7.8 | 1.4 | 73.1 |
| **Indicated** | 0.8 | 1.4 | 4.8 | 0.7 | 47.2 |
| **Measured + Indicated** | 1.5 | 1.3 | 6.1 | 1.0 | 58.2 |
| **Inferred** | 1.6 | 3.0 | 4.0 | 0.5 | 49.8 |

*Table 5: Castillejito deposit, Aguas Teñidas Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 2.9 | 0.8 | 3.3 | 1.2 | 45.9 |
| **Indicated** | 1.5 | 0.7 | 3.2 | 1.3 | 51.4 |
| **Measured + Indicated** | 4.4 | 0.7 | 3.3 | 1.2 | 47.7 |
| **Inferred** | 0.1 | 0.9 | 2.8 | 1.1 | 42.4 |
| **Cupriferous** | | | | | |
| **Measured** | 1.9 | 1.2 | 1.8 | 0.6 | 29.3 |
| **Indicated** | 0.7 | 1.0 | 1.9 | 0.8 | 38.6 |
| **Measured + Indicated** | 2.6 | 1.1 | 1.8 | 0.6 | 31.8 |
| **Inferred** | 0.1 | 1.1 | 1.4 | 0.7 | 40.5 |
| **Total** | | | | | |
| **Measured** | 4.8 | 0.9 | 2.7 | 0.9 | 39.2 |
| **Indicated** | 2.2 | 0.8 | 2.8 | 1.1 | 47.3 |
| **Measured + Indicated** | 7.0 | 0.9 | 2.7 | 1.0 | 41.7 |
| **Inferred** | 0.2 | 1.0 | 1.8 | 0.8 | 41.0 |

*Table 6: Magdalena Masa 1 deposit, Magdalena Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 1.0 | 2.9 | 8.2 | 1.8 | 94.4 |
| **Indicated** | 0.0 | 1.3 | 10.2 | 2.8 | 143.4 |
| **Measured + Indicated** | 1.0 | 2.8 | 8.3 | 1.8 | 96.6 |
| **Inferred** | - | - | - | - | - |
| **Cupriferous** | | | | | |
| **Measured** | 0.7 | 3.7 | 0.8 | 0.2 | 26.7 |
| **Indicated** | 0.1 | 2.5 | 0.1 | 0.1 | 9.5 |
| **Measured + Indicated** | 0.8 | 3.6 | 0.8 | 0.2 | 25.3 |
| **Inferred** | - | - | - | - | - |
| **Total** | | | | | |
| **Measured** | 1.7 | 3.2 | 5.0 | 1.1 | 64.7 |
| **Indicated** | 0.1 | 2.0 | 4.3 | 1.2 | 65.4 |
| **Measured + Indicated** | 1.8 | 3.1 | 5.0 | 1.1 | 64.8 |
| **Inferred** | - | - | - | - | - |

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*Table 7: Magdalena Masa 2 deposit, Magdalena Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 4.3 | 3.9 | 9.2 | 2.5 | 114.1 |
| **Indicated** | 3.7 | 2.6 | 5.0 | 1.4 | 64.4 |
| **Measured + Indicated** | 7.9 | 3.3 | 7.2 | 2.0 | 91.2 |
| **Inferred** | 1.0 | 2.3 | 7.5 | 1.9 | 79.9 |
| **Cupriferous** | | | | | |
| **Measured** | 2.5 | 3.3 | 0.8 | 0.2 | 23.6 |
| **Indicated** | 10.0 | 2.2 | 0.5 | 0.2 | 16.0 |
| **Measured + Indicated** | 12.5 | 2.4 | 0.6 | 0.2 | 17.5 |
| **Inferred** | 4.0 | 2.2 | 0.2 | 0.1 | 15.1 |
| **Stockwork** | | | | | |
| **Measured** | 0.4 | 1.2 | 1.4 | 0.5 | 25.3 |
| **Indicated** | 0.3 | 1.2 | 0.8 | 0.3 | 20.4 |
| **Measured +Indicated** | 0.7 | 1.2 | 1.1 | 0.5 | 23.3 |
| **Inferred** | 0.1 | 1.0 | 0.3 | 0.2 | 7.8 |
| **Total** | | | | | |
| **Measured** | 7.2 | 3.5 | 5.8 | 1.6 | 77.4 |
| **Indicated** | 13.9 | 2.3 | 1.7 | 0.5 | 28.8 |
| **Measured + Indicated** | 21.1 | 2.7 | 3.1 | 0.9 | 45.3 |
| **Inferred** | 5.0 | 2.2 | 1.6 | 0.5 | 27.7 |

*Table 8: Sotiel deposit, Sotiel Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 4.7 | 0.5 | 5.1 | 2.1 | 43.1 |
| **Indicated** | 0.8 | 0.6 | 4.8 | 2.0 | 42.8 |
| **Measured + Indicated** | 5.6 | 0.5 | 5.0 | 2.1 | 43.1 |
| **Inferred** | - | - | - | - | - |
| **Cupriferous** | | | | | |
| **Measured** | 0.6 | 1.6 | 1.6 | 0.5 | 21.4 |
| **Indicated** | 0.2 | 1.7 | 1.7 | 0.5 | 20.4 |
| **Measured + Indicated** | 0.7 | 1.7 | 1.6 | 0.5 | 21.2 |
| **Inferred** | - | - | - | - | - |
| **Total** | | | | | |
| **Measured** | 5.3 | 0.6 | 4.7 | 1.9 | 40.8 |
| **Indicated** | 1.0 | 0.7 | 4.3 | 1.8 | 39.4 |
| **Measured + Indicated** | 6.3 | 0.7 | 4.6 | 1.9 | 40.6 |
| **Inferred** | - | - | - | - | - |

*Table 9: Sotiel East deposit, Sotiel Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 7.8 | 0.6 | 4.7 | 2.1 | 46.4 |
| **Indicated** | 1.4 | 0.6 | 5.0 | 2.2 | 43.7 |
| **Measured + Indicated** | 9.2 | 0.6 | 4.8 | 2.1 | 46.0 |
| **Inferred** | 0.1 | 1.0 | 5.1 | 2.1 | 45.4 |
| **Cupriferous** | | | | | |
| **Measured** | 0.9 | 1.7 | 1.3 | 0.5 | 30.1 |
| **Indicated** | 0.5 | 2.0 | 1.2 | 0.5 | 34.3 |
| **Measured + Indicated** | 1.4 | 1.8 | 1.3 | 0.5 | 31.6 |
| **Inferred** | 0.1 | 1.6 | 1.6 | 0.9 | 28.1 |
| **Total** | | | | | |
| **Measured** | 8.7 | 0.8 | 4.4 | 1.9 | 44.8 |
| **Indicated** | 1.9 | 1.0 | 4.0 | 1.7 | 41.3 |
| **Measured + Indicated** | 10.6 | 0.8 | 4.3 | 1.9 | 44.1 |
| **Inferred** | 0.2 | 1.3 | 3.0 | 1.4 | 35.3 |

*Table 10: Migollas deposit, Sotiel Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 1.2 | 1.0 | 3.6 | 1.6 | 54.0 |
| **Indicated** | 1.8 | 0.9 | 4.4 | 1.8 | 53.3 |
| **Measured + Indicated** | 3.0 | 1.0 | 4.0 | 1.7 | 53.6 |
| **Inferred** | 13.8 | 0.7 | 3.7 | 1.7 | 45.1 |
| **Cupriferous** | | | | | |
| **Measured** | 2.7 | 2.0 | 1.0 | 0.5 | 39.3 |
| **Indicated** | 2.7 | 1.9 | 0.8 | 0.4 | 37.9 |
| **Measured + Indicated** | 5.4 | 1.9 | 0.9 | 0.5 | 38.6 |
| **Inferred** | 2.1 | 1.4 | 1.8 | 1.0 | 36.9 |
| **Total** | | | | | |
| **Measured** | 3.9 | 1.7 | 1.8 | 0.8 | 43.8 |
| **Indicated** | 4.5 | 1.5 | 2.2 | 1.0 | 44.1 |
| **Measured + Indicated** | 8.4 | 1.6 | 2.0 | 0.9 | 43.9 |
| **Inferred** | 15.8 | 0.8 | 3.5 | 1.6 | 44.0 |

*Table 11: Calabazar deposit, Sotiel Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 0.8 | 0.6 | 4.9 | 2.3 | 56.1 |
| **Indicated** | 1.1 | 0.7 | 4.4 | 2.2 | 56.3 |
| **Measured + Indicated** | 1.9 | 0.6 | 4.6 | 2.2 | 56.2 |
| **Inferred** | - | - | - | - | - |
| **Cupriferous** | | | | | |
| **Measured** | 1.1 | 1.8 | 1.3 | 0.7 | 41.3 |
| **Indicated** | 0.8 | 1.4 | 0.8 | 0.4 | 30.1 |
| **Measured + Indicated** | 1.9 | 1.6 | 1.1 | 0.6 | 36.3 |
| **Inferred** | - | - | - | - | - |
| **Total** | | | | | |
| **Measured** | 1.9 | 1.3 | 2.9 | 1.4 | 47.8 |
| **Indicated** | 1.9 | 1.0 | 2.8 | 1.4 | 44.6 |
| **Measured + Indicated** | 3.8 | 1.1 | 2.8 | 1.4 | 46.2 |
| **Inferred** | - | - | - | - | - |

*Table 12: Elvira deposit, Sotiel Mine Mineral Resources as of 31 December 2019*

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|
| **Polymetallic** | | | | | |
| **Measured** | 0.8 | 0.5 | 4.4 | 1.5 | 46.5 |
| **Indicated** | 0.1 | 0.5 | 4.0 | 1.4 | 41.0 |
| **Measured + Indicated** | 1.0 | 0.5 | 4.3 | 1.5 | 45.7 |
| **Inferred** | - | - | - | - | - |
| **Cupriferous** | | | | | |
| **Measured** | 1.0 | 2.8 | 0.6 | 0.2 | 27.6 |
| **Indicated** | 0.2 | 2.8 | 0.2 | 0.1 | 25.3 |
| **Measured + Indicated** | 1.2 | 2.8 | 0.5 | 0.2 | 27.2 |
| **Inferred** | - | - | - | - | - |
| **Total** | | | | | |
| **Measured** | 1.8 | 1.8 | 2.3 | 0.8 | 36.1 |
| **Indicated** | 0.4 | 1.9 | 1.7 | 0.6 | 31.3 |
| **Measured + Indicated** | 2.2 | 1.8 | 2.2 | 0.8 | 35.3 |
| **Inferred** | - | - | - | - | - |

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## Geology and Geological Interpretation

The MATSA deposits are located in the Iberian Pyrite Belt ("IPB"). which is arguably the largest and most important VMS metallogenic province in the world. The IPB comprises Upper Devonian to Upper Carboniferous volcano-sedimentary sequences and occurs in the provinces of Huelva and Seville in Spain as well as south Portugal, forming an arch that is approximately 240 km in strike length and 35 km wide.

The IPB is affected by numerous deformation events, including the San Telmo anticline on which the Aguas Teñidas and Magdalena mines occur on the northern limb and Sotiel mine occurs on the southern limb. The mineralisation consists of massive to semi-massive sulphide bodies, primarily composed of pyrite, with lower quantities (generally less than 10%) of Cu, Pb, and Zn bearing sulphides. The deposits at Aguas Teñidas and Magdalena mines also have stockwork sulphide zones in the footwall that can be quite extensive and are characterised by primarily pyrite and chalcopyrite mineralisation.

The MATSA geologists maintain a detailed series of interpreted geological sections that are used to construct 3D models (wireframes) to support the mineral resource estimates and mine planning. MATSA geology staff also maintain underground geological maps that are used to locally adjust the models. The interpreted geological sections are based primarily on the occurrence of logged massive or semi-massive (SM) sulphides in diamond drillholes and underground exposures, or stockwork (SW) for the cupriferous stockwork zones, where applicable. Some of the interpreted mineralisation wireframes have been subsequently updated by SRK Consulting ("SRK") to better represent the continuity of the mineralisation by including additional intersections.

Estimation domain analysis was completed by SRK to identify the potential presence of multiple populations of Zn, Cu, and Au within the SM wireframes for each deposit. In cases where multiple populations of Zn, Cu, and Au grades were identified, SRK applied thresholds to define high Zn, high Cu, and high Au subdomains, when considered appropriate. The sub-domains were only modelled if they were continuous over multiple drill sections in 3D space.

## Drilling Techniques

All drilling conducted at the three mines and the surrounding areas to date has been diamond drilling (from both surface and underground collar locations). The drilling has been carried out by external third-party contractors both for surface and underground programs. The drilling has been conducted using various drilling machines and is usually undertaken using wireline double tube tools. Coring sizes vary with surface drillholes progressing from PQ to HQ, and then NQ, depending on the target depth of the drillhole. Underground exploration drillholes start in HQ and can be reduced to NQ size depending on the target depth of the drillhole. The underground infill drillholes are all NQ in diameter and are not typically reduced in size. Drilling is undertaken using 3 m core runs and core recovery in the mineralised horizons is rarely less than 95%.

The drilling undertaken by MATSA conforms to industry best practices and the resultant sampling pattern is sufficiently dense to interpret the geometry, boundaries, and different styles of the sulphide mineralisation at the three mines with a high level of confidence within well drilled areas. Historical holes are generally surrounded by a majority of more recent MATSA drillholes (post 2004) which largely confirm the location of mineralisation which indirectly suggests that the location accuracy of the historical holes is reasonable. Historical drillholes comprise less than 20% of all drillholes at the Project and where these exist, the mineralisation location is confirmed by surrounding MATSA drillholes.

## Sampling and Sub-sampling Techniques

Drill core intersections, with logged presence of sulphides and adjacent waste zones, are marked for sampling and cut into two equal halves. One half of the core is selected for sample preparation and assay analysis, whilst the other is retained as a reference sample.

In general, samples are taken in 2 m lengths. Samples are stored and dried and then crushed using a jaw crusher. The samples are then run through a cone crusher which reduces 90% of the particles to less than 2 mm in size. Finally, samples are homogenised and spilt using an automatic riffle splitter resulting in a 500 g sample (the sample must be at least 400 g in weight and no more than 800 g).

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### Sample Analysis Method

Samples are assayed using ICP-OES, with aqua regia digest at the Internal MATSA laboratory. Samples are also fire-assayed for Au.

QAQC samples including blanks, certified reference material ("CRM"), and duplicates are inserted by MATSA staff into the sample stream prior to these being sent to the laboratory for assay analysis. Coarse blanks and twin duplicates are inserted at the laboratory at the start of the sample preparation process. External duplicate samples are collected at the final stage of sample preparation and sent to the umpire laboratory (ALS Laboratories, Ireland ISO/IEC 17025). The results for the MATSA QAQC samples and external duplicates show a high degree of repeatability and a high degree of correlation between the original and duplicate samples.

### Estimation Methodology

SRK has completed the Mineral Resource estimates for the Aguas Teñidas, Magdalena, and Sotiel mines and has validated these estimates using various techniques, including visual and statistical methods.

Grade continuity was assessed for all elements using experimental variograms. Downhole variograms were used to model the nugget variance, which represents variability at very close distances. Directional variograms, were used to model grade continuities for larger distances. A 4 m composite length was chosen. SRK chose to treat short composites of less than 2 m in length by merging them with the previous composite, where these shorter intervals are typically created at domain boundaries. Grade capping was applied to composites rather than to original samples. SRK chose grade capping levels based on population breaks indicated in both the log histograms and log probability plots.

All grades and density values were interpolated into the model using Ordinary Kriging ("OK") in the mineralised domains other than certain zones at Sotiel which were interpolated using Inverse Distance Weighting ("IDW"), due to the low sample support (<90 samples) and their relative spacing. The IDW estimated grades and densities were estimated using a single search pass, whilst the OK grades and density values were estimated using three successive search passes. Hard boundary conditions have been employed during interpolation of grades into the block model for all metals in all domains.

### Mineral Resource Classification Criteria

Block model tonnage and grade estimates for the deposits have been largely classified according to drillhole spacing given that the modelled areas are generally well informed.

MATSA has been employing these distances to drillhole criteria for several years and find that these reconcile appropriately (based on Resource classification) to observations and results from mining. SRK has reviewed these distances, with respect to geological and Cu and Zn continuity, and consider these appropriate.

### Cut-off Grade

MATSA has used reasonable mining and processing assumptions to develop reporting cut-off net-smelter return ('NSR') values for each mine in order evaluate the proportions of the block model that could "reasonably be expected" to be mined.

The Mineral Resource Reporting Cut-off for in-situ mineralization is mine specific:

- Aguas Teñidas =40.9 USD/tonne
- Magdalena =40.5 USD/tonne
- Sotiel =49.1 USD/tonne

### Mining and Metallurgical Assumptions

Surveys of the current mined areas of development and stopes, with an effective date of 31 December 2019, were used to code the block model and these areas were assigned a 'depleted' status (not reported). A 5 m buffer zone has been applied to designate non-recoverable material around depleted areas.

.At the MATSA sites, two separate process streams are used to produce copper and zinc concentrates. The polymetallic mineralisation stream processes polymetallic massive sulphide material, whereas the copper mineralisation stream processes material stemming from cupriferous massive sulphides as well as copper stockworks and each of specific metal recovery profiles.

MATSA has characterized run of mine material based on metal grade zonation (indicative of mineralogy), so that the appropriate process is applied to optimize value. Mineralisation is characterized as follows:

- Polymetallic: Zn >= 2.5%;
- Cupriferous: Cu >= 0.5% and Zn < 2.5%; and
- Stockwork: Cu >= 0.4%

## ORE RESERVES

The H2 2020 Technical Report reported the Ore Reserves for the MATSA mines as at 31 July 2020, as presented in Table 2-13.

*Table 13: Statement of Ore Reserves for the MATSA mines 31 July 2020*

| Mine<br>Ore Type | Classification | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| **Aguas Teñidas** | | | | | | |
| Copper Ore | Proven | 3.1 | 1.5 | 0.3 | 0.1 | 13.4 |
| | Probable | 1.2 | 1.6 | 0.3 | 0.1 | 14.6 |
| **Total** | **P+P** | **4.3** | **1.5** | **0.3** | **0.1** | **13.7** |
| Polymetallic | Proven | 6.6 | 1.3 | 3.8 | 1.1 | 44.5 |
| | Probable | 3.6 | 1.3 | 3.8 | 1.1 | 44.5 |
| **Total** | **P+P** | **10.2** | **1.3** | **3.8** | **1.1** | **44.5** |
| **Total** | **Proven** | **9.7** | **1.3** | **2.7** | **0.8** | **34.7** |
| | **Probable** | **4.8** | **1.3** | **2.9** | **0.8** | **36.8** |
| **Total** | **P+P** | **14.5** | **1.3** | **2.8** | **0.8** | **35.4** |
| **Magdalena** | | | | | | |
| Copper Ore | Proven | 1.5 | 2.0 | 0.4 | 0.1 | 12.6 |
| | Probable | 6.5 | 1.9 | 0.4 | 0.1 | 12.2 |
| **Total** | **P+P** | **8.0** | **2.0** | **0.4** | **0.1** | **12.6** |
| Polymetallic | Proven | 5.2 | 2.5 | 4.2 | 1.1 | 56.1 |
| | Probable | 4.9 | 2.5 | 4.1 | 1.1 | 55.4 |
| **Total** | **P+P** | **10.1** | **2.5** | **4.2** | **1.1** | **56.1** |
| **Total** | **Proven** | **6.7** | **2.4** | **3.3** | **0.9** | **46.4** |
| | **Probable** | **11.4** | **2.1** | **2.0** | **0.6** | **30.7** |
| **Total** | **P+P** | **18.1** | **2.3** | **2.5** | **0.7** | **36.8** |
| **Sotiel** | | | | | | |
| Copper Ore | Proven | 1.0 | 2.2 | 0.6 | 0.2 | 28.9 |
| | Probable | 0.4 | 2.3 | 0.6 | 0.2 | 28.2 |
| **Total** | **P+P** | **1.4** | **2.2** | **0.6** | **0.2** | **28.7** |
| Polymetallic | Proven | 1.2 | 0.9 | 3.6 | 1.5 | 45.7 |
| | Probable | 0.8 | 0.8 | 3.6 | 1.5 | 44.6 |
| **Total** | **P+P** | **2.0** | **0.9** | **3.6** | **1.5** | **45.3** |
| **Total** | **Proven** | 2.3 | 1.5 | 2.2 | 0.9 | 38.0 |
| | **Probable** | 1.1 | 1.3 | 2.6 | 1.1 | 39.2 |
| **Total** | **P+P** | **3.4** | **1.5** | **2.3** | **1.0** | **38.4** |
| **MATSA Consolidated** | | | | | | |
| Copper Ore | Proven | 5.6 | 1.8 | 0.4 | 0.1 | 16.0 |
| | Probable | 8.1 | 1.9 | 0.4 | 0.1 | 13.3 |
| **Total** | **P+P** | **13.7** | **1.9** | **0.4** | **0.1** | **14.6** |
| Polymetallic | Proven | 13.0 | 1.7 | 3.9 | 1.1 | 49.2 |
| | Probable | 9.2 | 1.9 | 4.0 | 1.1 | 50.3 |
| **Total** | **P+P** | **22.2** | **1.8** | **4.0** | **1.1** | **49.8** |
| **Total** | **Proven** | **18.6** | **1.7** | **2.9** | **0.8** | **39.2** |
| | **Probable** | **17.3** | **1.9** | **2.3** | **0.7** | **33.0** |
| **Grand Total** | **P+P** | **35.9** | **1.8** | **2.6** | **0.8** | **36.4** |

Notes: Estimates have been rounded to the nearest: 100kt; 0.1% Cu, Zn, Pb grade; and 0.1g/t Ag grade. Differences may occur due to rounding

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The reported Ore Reserves for the Aguas Teñidas, Magdalena and Sotiel operations are based on the 11 block models which formed the basis of the Mineral Resource estimates. Whilst various Mineral Resource statements are presented per deposit for each operation, the Ore Reserve statements are presented at an operational level, not further split per deposit.

The effective date of the Mineral Resource statement is 31 December 2019, with the effective date of the Ore Reserve being 31 July 2020. Ore Reserves incorporated depletion by MATSA up to 31 July 2020, as compared to the 31 December 2019 Mineral Resource estimate. The Mineral Resources are presented on an inclusive basis, meaning including any Measured or Indicated classified material that has been considered for conversion to Ore Reserves.

The mines have been operation for some years now, and the mine plan has been developed to a level sufficient for the statement of Ore Reserves, using appropriate modifying factors and proving that they are economically viable.

An NSR cut-off value approach is applied for each stope or development block, with each value calculated according to the ore type, metal grades, metallurgical recoveries, realisation costs, forecast metal prices and the payability of each metal according to the agreed smelter terms. For the Ore Reserve estimate, SRK used the incremental cut-off, as most of the mining areas of the mines had most of the development already in place and it was assumed that the development cost had been already paid for by the mined out stopes.

The primary underground mining method approach at the three mines is sub-level long-hole open stoping ("LHOS") with transverse and longitudinal orientation depending on the orebody thickness. The mined stopes at Aguas Teñidas and Magdalena are backfilled with paste fill. The Sotiel mine currently uses unconsolidated development waste as backfill with plans to trial cemented rock fill ("CRF"). MATSA has plans to use a Drift and Fill ("D&F) mining method in a small zone of Aguas Teñidas around and above previously mined out stopes.

The Ore Reserve for MATSA has been estimated using accepted industry practices for underground mines including stope optimisation analysis (Deswik), mine design, mine scheduling and the development of a cash flow model incorporating the Company's technical and economic projections for the mine for the duration of the Life of Mine Plan ("LoMP").

The MATSA ores are complex, fine grained ores with extremely high levels of gangue pyrite present. Numerous metallurgical testwork programmes have been undertaken to understand the metallurgical complexity of the orebodies and to develop optimal processing scenarios. These programmes have been undertaken both before the project's commencement, and since, with the on-site laboratory being very active in testing and optimising the plant's operating parameters in response to changing ore feed characteristics.

Ore is processed at a central facility. The facility consists of two crushing lines and three processing lines, which are contained within two plants (operational since 2008 and 2011 respectively). Ore is classified either as Copper or Polymetallic.

At the effective date of the Ore Reserve statement, 31 July 2020, MATSA has the necessary mining rights and surface ownership for the three mining sites and plant operations.

Required environmental and water permits appear to be in place at the effective date of the Ore Reserve statement, although the Cortagena City Council disputes the presence of municipal permits for works being carried out close to Valdelamusa. MATSA appears to be in broad compliance with permit conditions.

Management of the three operations from an environmental and social perspective appears reasonably good, and there is a clear focus on maximising resource efficiencies particularly across water, waste, GHG emissions and energy.

The MATSA operations are located in a west European country, Spain, which has well-established, well-regulated civil engineering and construction industry standards. The operations themselves have been active for a number of years and as such the infrastructure required to facilitate mining and processing operations are in place and fit for current purposes. No expansion or production rate increases are proposed.

The current practice of holding large volumes of water on the TSF to supply the plant is not in accordance with best practice and could create the circumstances where there is an elevated phreatic surface in the external embankments of the TSF (which can increase likelihood of embankment failure). However, it is noted that the

volumes of excess water stored on the pond have been reduced markedly since 2018, which has significantly reduced this risk. This situation needs to be closely monitored and maintained going forward.

Operating costs have been derived by MATSA in three mining and a processing cost model, based on the physical activities taking place. No royalties are understood to be payable.

Long term commodity prices used in the economic viability test are as follows, which are deemed acceptable by SRK when comparing to consensus market forecasts as available to SRK at the effective date of the Ore Reserve statement: copper US$6,800/t, lead US$2,000/t, zinc US$2,400/t and silver US$17.0/oz.

Copper is the main contributor to overall NSR making up for approximately 66% over the Mineral Reserve life of mine, followed by a zinc contribution of approximately 25%. silver (7%) and lead (2%) make up the remainder of the total NSR. NSR per tonne of material processed is approximately USD110/t over the Mineral Reserve life.

No market study has been supplied for review, which is deemed acceptable considering the operation is currently in production and contracts are in place for the sale of copper (standard and polymetallic), lead and zinc concentrates.

SRK undertook an assessment of the economic viability of the Ore Reserves to support the statement of Ore Reserves. SRK notes that the economic model as prepared by MATSA is driven by a mine plan which includes Measured, Indicated and Inferred Mineral Resources (plus other), and no life of mine plan exists solely based on Ore Reserves. As taking out Inferred and other material as deemed appropriate by SRK, on an annual basis would hugely distort the economic viability of the remaining production and present an unrealistic plan, SRK has applied a simplified approach, in simply keeping throughput at the consistent rate as per the MATSA plan, but limiting the life to the tonnage as incorporated in the Ore Reserve. As the economic analysis results a positive annual cashflow, and has been tested with a range of sensitivities, SRK is comfortable to state the Ore Reserves as being economically viable.

MATSA uses numerous channels to communicate with stakeholders such as local communities, employees, contractors, suppliers, investors and the media. These channels include information sessions, newsletters, website, email and social media platforms. The company also reportedly holds regular meetings with stakeholders to maintain a continuous dialogue and open days are held monthly for members of the local community, as well as residents of Huelva and Seville provinces, to promote transparency between the company and its neighbours.

Ore Reserves derived from material in the Measured Mineral Resource category have been classed as Proved, whilst Ore Reserves derived from material in the Indicated Mineral Resource category are classed as Probable Ore Reserves. No Measured Mineral Resources have been converted to the Probable Ore Reserve category.

The Ore Reserve for MATSA has been estimated using accepted industry practices for underground mines, including stope optimisation analysis (Deswik), mine design, mine scheduling and the development of a cash flow model incorporating the Company's technical and economic projections for the mine for the duration of the Life of Mine Plan. The Ore Reserve includes appropriate unplanned dilution and mining recovery factors.

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## APPENDIX 2; JORC 2012 CODE – TABLE 1

## SECTION 1 SAMPLING TECHNIQUES AND DATA

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling Techniques* | • *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.* | • The drilling undertaken by MATSA conforms to industry best practices and the resultant sampling pattern is sufficiently dense to interpret the geometry, boundaries, and different styles of the sulphide mineralisation at the three mines with a high level of confidence within well drilled areas.<br>• The procedure used to acquire drilling information in historic programs (prior to 2004) is not documented or recorded.<br>• Historical holes are generally surrounded by a majority of more recent MATSA drillholes (post 2004) which largely confirm the location of mineralisation which indirectly suggests that the location accuracy of the historical holes is reasonable.<br>• Historical drillholes comprise less than 20% of all drillholes at the Project and where these exist, the mineralisation location is confirmed by surrounding MATSA drillholes. SRK did not verify this information as the records and cores are not available. |
| *Drilling techniques* | • *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).* | • All drilling conducted at the three mines and the surrounding areas to date has been diamond drilling ("DDH") – from both surface and underground collar locations.<br>• Total surface DDH = 1,121 (529,127 m)<br>• Total underground DDH = 4,619 (500,564 m)<br>• MATSA does not currently drill orientated core.<br>• The drilling has been carried out by external third-party contractors both for surface and underground programs.<br>• The diamond drilling has been conducted using various drilling machines and is usually undertaken using wireline double tube tools.<br>• Coring sizes vary with surface drillholes progressing from PQ, to HQ, and then NQ, depending on the target depth of the drillhole.<br>• The underground exploration drillholes start in HQ and can be reduced to NQ size depending on the target depth of the drillhole.<br>• The underground infill drillholes are all NQ in diameter and are not typically reduced in size, as these are typically short in length. If any possible issues associated with faults and geological structures are encountered, these can be reduced. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • Almost all massive sulphide mineralisation is drilled using HQ or NQ diameters.<br>• Since MATSA acquired the Aguas Teñidas Mine (post 2004), it has drilled 264 surface, and 2,540 underground diamond drillholes totaling 105,228 and 300,528 m, respectively.<br>• MATSA has drilled 379 surface and 781 underground diamond drillholes at Magdalena, totaling 221,675 and 92,595 m, respectively, since the discovery of mineralisation in 2013.<br>• Since acquiring Sotiel, MATSA has drilled 206 surface and 351 underground diamond drillholes totaling 95,569 and 35,034 m, respectively. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Drilling is undertaken using 3 m core runs, it is then placed by hand into an open V-rail, before transferring it into numbered core boxes.<br>• Core and core blocks are placed in core boxes by the drilling crews. A geologist inspects all surface and underground production drill cores.<br>• Most drill cores from the three mines are stored in the core processing area, adjacent to the core shed at the Aguas Teñidas mine.<br>• The core boxes are secured during transit to reduce any potential movement and loss.<br>• The cored intervals are measured against the drillers recorded measurements and then the core recovery is determined by MATSA geologists.<br>• The core recovery in the mineralised horizons is rarely less than 95% for all drilling contractors.<br>• Historical drillholes (drilled prior to 2004) do not have core recovery records. These holes are generally surrounded by the majority of MATSA drilling and are not expected to have encountered different core recovery conditions. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • All drill core is sent to the drill shed for photography, core recovery calculations, geological and geotechnical logging, and sampling.<br>• The core logging is qualitative in nature whereas the sampling and results this gives is quantitative in nature.<br>• The MATSA logging includes lithological coding as well as assigning an overall geological unit.<br>• The lithological coding system used at the three mines records 68 individual rocks types.<br>• These individual rock types are grouped into an overall geological unit code, or main rock type. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled* | • For all intersections with logged presence of sulphides and adjacent waste zones, cores are marked for sampling and cut into two equal halves.<br>• The core is placed in a v-rail prior to being placed in the core cutting machine, the core is then cut.<br>• One half of the core is selected for sample preparation and assay analysis, whilst the other is retained as a reference sample.<br>• In general, samples are taken in 2 m lengths, though this varied depending on the logged lithology and mineralisation in the surrounding core.<br>• Each sample is stored in a metal tray on a rack and dried at 105°C for at least two hours. Depending on the type of samples and their degree of humidity, the drying time may vary, at least until the appearance of the sample is dry.<br>• The entire dried sample is first crushed using a jaw crusher. The jaw crusher has a retaining guard to prevent the loss of chips.<br>• The jaw crusher is opened (including retaining guard) between samples and cleaned with wire brush and compressed air.<br>• The sample is then run through a cone crusher which reduces 90% of the particles to less than 2 mm in size.<br>• The cone crusher is cleaned between samples using a wire brush and compressed air.<br>• Following this, each sample is then placed on a large plastic sheet and rolled (mixed) 20 times to homogenise the sample.<br>• The plastic sheet is suitably large to retain all the sample without being spilled.<br>• After the sample is homogenised it is spilt using an automatic riffle splitter resulting in a 500 g sample, the sample must be at least 400 g in weight and no more than 800 g, this minimum weight restriction is determined by |

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| Criteria | JORC Code explanation | Commentary |
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| | | the grinding capacity of the mill.<br>• The other half of the spilt is kept for reference purposes.<br>• A coarse duplicate split is taken prior to amalgamation of the reject samples if designated by the MATSA geologists.<br>• The riffle splitter is cleaned with compressed air between each sample.<br>• The 500 g sample is milled using a ring mill for seven minutes resulting in the sample particles passing through a 75 µm sieve.<br>• For low SG samples, it may be necessary to grind the sample in two parts and then re-combine and homogenise the pulps.<br>• If a build-up of sample occurs in the ring mill it is cleaned by grinding coarse sand for a 2 to 4-minute duration, otherwise the ring mill is cleansed using compressed air, paper, and a paint brush.<br>• The pulverised sample is then placed on a large plastic sheet and it is mixed (rolled) 20 times to homogenise the sample.<br>• The pulp sampel is then dip sampled to obtain a 150 g sub sample<br>• Any external check samples, which require pulp material are also taken during this process (external umpire and MATSA reference samples).<br>• This 150 g sample is then placed in a small plastic or paper bag with the sample number printed on it.<br>• The remainder of pulp is transferred back into the sample bag from which the 500 g was originally stored along with the various stages of material produced during the sample preparation stage |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | • Samples are assayed using ICP-OES, with aqua regia digest at the Internal MATSA laboratory.<br>• Samples are also fire-assayed for Au.<br>• The QAQC samples (blanks, certified reference material (“CRM”), and duplicates) are inserted by MATSA staff into the sample stream prior to these being sent to the laboratory for assay analysis. Coarse blanks and twin duplicates are inserted at the laboratory at the start of the sample preparation process.<br>• Blank samples used by MATSA comprise silica material and have been included in the sample stream for Aguas Teñidas since 2009. In reviewing the blanks analysis data, SRK has applied a 5X detection limit threshold, specific for each element. Samples which plot above this threshold are determined as failed samples which according to MATSA is typically due to contamination or a mix up of samples (incorrect labelling). The results of the blank analysis demonstrate that the sample preparation process employed at MATSA limit contamination to a reasonable level.<br>• Fine blank samples used by MATSA comprise pulped (homogenised) silica material, these have been included in the sample stream for Magdalena and |

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| Criteria | JORC Code explanation | Commentary |
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| | | Aguas Teñidas since 2016, and for the other deposits since 2017. The results of the fine blank analysis are within reasonable limits, with little evidence for sample contamination between the ICP samples.<br>• Twin duplicate samples used by MATSA are quarter core field duplicate samples which have been included in the sample stream at Aguas Teñidas and Magdalena since 2016, and at the other deposits since 2017. As expected, these duplicate results show a wider range of variation than the other duplicate types inserted into the sample stream by MATSA but still show reasonably good repeatability as well as good correlation between the original and duplicate sample. The twin duplicates report correlation coefficients typically more than 0.85 (most above 0.9).<br>• Coarse duplicate samples used by MATSA are collected after the second split following crushing. The results for the coarse duplicates show a high degree of repeatability and a very high degree correlation between the original and duplicate sample, with a correlation coefficient typically more than 0.97.<br>• Internal pulp duplicates sample used by MATSA are collected at the final stage of sample preparation. The results for the pulp duplicates show a high degree of repeatability and a high degree of correlation between the original and duplicate sample, with a correlation coefficient typically more than 0.98.<br>• External duplicate samples are collected at the final stage of sample preparation and sent to the umpire laboratory (ALS Laboratories, Ireland ISO/IEC 17025). The results for the external duplicates show a high degree of repeatability and a high degree of correlation between the original and duplicate samples, with a correlation coefficient typically more than 0.97.<br>• MATSA has used 34 different CRM across all the deposits since production at the Aguas Teñidas mine recommenced in 2008. The CRM are used to monitor Cu, Zn, Pb, Ag, and Au grades. All CRM used have been created in- house by MATSA and were sent for round robin laboratory analysis, at ALS Vancouver, ALS Loughrea, SGS Peru, SGS Canada, ALS Perth, and ALS Brisbane. Overall, the grade ranges of the CRM are representative of the different mineralisation types (cupriferous and polymetallic) and grades as demonstrated in the drillhole statistics, although SRK recommends the Au CRM is changed to 0.2 ppm/5 ppm/10 ppm to better reflect the mineralisation. From the CRM analysis, occasional outliers can be seen; however, most of the data is within 2 standard deviations for all elements.<br>• SRK considers that the QAQC results for each of the deposits to demonstrate acceptable levels of accuracy and precision at the |

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| Criteria | JORC Code explanation | Commentary |
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| | | laboratories. SRK therefore has confidence that the associated assays are of sufficient quality to be used in the subsequent Mineral Resource estimate. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • MATSA employs ALS (previously OMAC Laboratories Ltd) and ALS Chemex (Global) as its external reference laboratories used to undertake check (umpire) assay analysis.<br>• It should be noted that for the Sotiel Mine almost no historical laboratory verification information is available<br>• The historical Aguas Teñidas core was assayed for the current MATSA suite of element in most cases (when the mine was active), typically by ICP and XRF (NB: SRK has not been supplied with any documentation in relation to this). |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control* | • The surface collar locations are surveyed using GPS total station which has a reported accuracy of less than 10 cm in the X, Y, and Z.<br>• The underground collars are surveyed using a total station method which has an accuracy of less than 10 cm in the X, Y, and Z.<br>• The procedure used to survey historic drillhole collars (drilled prior to 2004) is not documented or recorded.<br>• SRK verified select Elvira and Calanesa surface diamond drillhole collars using a handheld GPS and found no major discrepancies when these were compared against the database. Prior to the estimation processes, SRK also verified the underground drillhole collars against the underground development and found no major issues. Therefore, the drill collar location data can be accepted with confidence for the purposes of resource estimation.<br>• MATSA typically uses a REFLEX Flexi-It multi-shot tool for all its downhole surveys, with the measurements taken every 25 m. The REFLEX tool is a magnetic tool and the survey azimuth is aligned to mine grid north.<br>• Prior to MATSA acquiring the Sotiel and Aguas Teñidas mines, the downhole surveys were typically taken at 50 m intervals using a single or multishot camera. SRK notes that the instruments used for these surveys |

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| Criteria | JORC Code explanation | Commentary |
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| | | were not recorded in the master database.<br>• Historical holes are generally surrounded by a majority of MATSA drillholes which largely confirm the location of mineralisation which indirectly suggests that the location accuracy of the historical holes is reasonable.<br>• A local mining grid is used at the three mines. Aguas Teñidas and Magdalena mine use the same local grid. Conversion to this grid is undertaken from WGS84 co-ordinates and is achieved by adding 1,002.968 m to the elevation (z) values (to avoid negative numbers in the underground development) and then a translation is applied to the X and Y coordinates by adding 0.006 m to the X and 0.196 m to Y coordinate respectively.<br>• Sotiel mine grid is calculated by applying a translation (from the Pozo Isidro co-ordinate system) of 689,597.452 to the X and 4,164,133.734 to the Y co- ordinates, after which a translation is then applied to all three coordinates, with 2,000 m added to X, 5,000 m added to the Y, and 1,000 m added to the Z coordinates. Finally, a rotation of 24.7° is applied to align the strike of the orebodies to an east-west direction. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Drilling undertaken by MATSA conforms to industry best practices and the resultant sampling pattern is sufficiently dense to interpret the geometry, boundaries, and different styles of the sulphide mineralisation at the three mines with a high level of confidence within well drilled areas. Confidence in the geological interpretation decreases in areas of reduced sample coverage and is reflected in the classification of mineral resources. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Drill holes are generally orientated in a manner to achieve reasonable intersection angles with the mineralisation, while optimising collar locations/drilling stations.<br>• It is SRK's view that the drilling orientations are appropriate to model the geology and mineralisation based on the current geological interpretation. |
| *Sample security* | • *The measures taken to ensure sample security.* | • The core shed, sample preparation facilities and laboratory are all confined within secure boundaries, with controlled access points, where only authorised mine personal are allowed entry. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • SRK has completed several visits to the Project, including:<br>  • Guy Dishaw (QP for the Mineral Resource) site visit between 4 and 8 March 2018. Included visits to mineralisation exposures and stoping areas in the Aguas Teñidas and Magdalena mines.<br>  • Guy Dishaw (QP for the Mineral Resource) and James Williams site visit between 8 and 9 May 2019. Included Mineral Resource data technical review and visit to mineralisation exposures and stoping areas in the Sotiel mine. |

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| Criteria | JORC Code explanation | Commentary |
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| | | • The site visits allowed SRK to review exploration procedures, define geological modelling procedures, examine drill core, inspect the site, interview project personnel, and collect relevant information across all three mines. |

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## SECTION 2 REPORTING OF EXPLORATION RESULTS

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The MATSA mining permits cover 53.3 $km^2$ across all three mines.<br>• MATSA currently holds 55 mining permits which cover all three mines and has the rights to exploit the Aguas Teñidas and Magdalena mines in the municipality of Almonaster la Real and the Sotiel mine in the municipality of Calañas, both of which are in the province of Huelva.<br>• MATSA is also in the process of registering an additional mining permit related to a fourth project called Mina Concepcion located to the east of Magdalena, although this does not form part of this study.<br>• The Company also has exploitation and exploration permits which cover more than 1,100 $km^2$ in the IPB and 160 km2 in the Spanish region of Extremadura.<br>• The Aguas Teñidas, Magdalena, and Sotiel mines are covered by 33, 21, and a single (which encompasses two smaller mining permits) mining permits, respectively. The Aguas Teñidas mining permits were renewed in 2012 for a 30-year period and are due to expire on 31 August 2042. The Magdalena mining permits were issued in 2013 and are due to expire on 15 January 2043, except for the Magdalena Masa 2 permit which is due to expire on 07 July 2046. The Sotiel mining permit was renewed in 2015 and is due to expire on 19 January 2045. |

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| Criteria | JORC Code explanation | Commentary |
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| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • The Aguas Teñidas deposit was initially discovered via a joint venture agreement between Billiton Espanola SA ("Billiton") and Promotora de Recursos Naturales ("PRN") companies. Billiton owned the Aguas Teñidas deposit licenses until 1991 when they were acquired by Placer Dome Inc ("Placer Dome").<br>• The Aguas Teñidas licenses were then acquired by Navan Resources PLC (Navan) in 1995. Navan acquired the first mining permit in 1995 and began the mining the deposit in 1997. It should be noted that in 1999 the area surrounding the Castillejito mine was being explored by RioMin.<br>• In 2005, the Aguas Teñidas Mine was acquired by Iberian Minerals Corp (parent Company of MATSA) with commercial production restarting in 2009.<br>• The Magdalena deposit was discovered in 2013 by MATSA and in July 2015 commercial production commenced.<br>• The Sotiel group of mines and the associated licenses were previously owned by Minas de Almagrera SA, who undertook a feasibility study in 1977 with regards to reopening the historic mine (previous ownership is not known). Exploitation began in 1983 but the mine subsequently closed in 2001. The Iberian Minerals Corp (parent of MATSA) acquired 100% of the mining rights in 2005. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The Project is in the IPB which is arguably the largest and most important VMS metallogenic province in the world. The IPB comprises Upper Devonian to Upper Carboniferous volcano-sedimentary sequences and occurs in the provinces of Huelva and Seville in Spain as well as south Portugal, forming an arch that is approximately 240 km in strike length and 35 km wide.<br>• The IPB is affected by numerous deformation events, including the San Telmo anticline on which the Aguas Teñidas and Magdalena mines occur on the northern limb and Sotiel mine occurs on the southern limb.<br>• The mineralisation consists of massive to semi-massive sulphide bodies, primarily composed of pyrite, with lower quantities (generally less than 10%) of Cu, Pb, and Zn bearing sulphides.<br>• The deposits at Aguas Teñidas and Magdalena mines also have stockwork sulphide zones in the footwall that can be quite extensive and are characterised by primarily pyrite and chalcopyrite mineralisation.<br>• The deposits which comprise the Project have been categorised as Kuroko type VMS deposits based on their mineralogy, geological setting, and geometry/size. |

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| Criteria | JORC Code explanation | Commentary |
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| *Drill hole information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  • *easting and northing of the drill hole collar*<br>  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  • *dip and azimuth of the hole*<br>  • *down hole length and interception depth*<br>  • *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • No exploration results have been reported. |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • No exploration results have been reported. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').* | • No exploration results have been reported. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views* | • No exploration results have been reported. |
| *Balanced reporting* | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results* | • No exploration results have been reported. |

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| Criteria | JORC Code explanation | Commentary |
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| *Other substantive exploration data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of data treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • No exploration results have been reported. |
| *Further work* | • *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • No exploration results have been reported. |

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## SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Database integrity* | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | • SRK completed a phase of data validation on the digital sample data supplied by the Company, and previous owners of the mines, from their Geobank (Micromine) database which included the following:<br>  • search for sample overlaps, duplicate or absent samples;<br>  • checks for anomalous assay results;<br>  • checks for incorrect or irregular survey results; and<br>  • search for non-sampled drillhole intervals within the mineralised zones. |
| *Site visits* | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • SRK has completed several visits to the Project, including:<br>  • Guy Dishaw (QP for the Mineral Resource) site visit between 4 and 8 March 2018. Included visits to mineralisation exposures and stoping areas in the Aguas Teñidas and Magdalena mines.<br>  • Guy Dishaw (QP for the Mineral Resource) site to conduct Leapfrog training between 09 and 13 July 2018.<br>  • Guy Dishaw (QP for the Mineral Resource) and James Williams site visit between 8 and 9 May 2019. Included Mineral Resource data technical review and visit to mineralisation exposures and stoping areas in the Sotiel mine.<br>• SRK notes that the 2020 QP site visit was unable to be undertaken due to the Covid-19 pandemic; however, this is not deemed material to the report as there has been no major changes in the geological interpretation or methods that MATSA employs to capture its data. |
| *Geological interpretation* | • *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | • The MATSA geologists maintain a detailed series of interpreted geological sections in Datamine software that are used to construct 3D models to support the mineral resource estimates and mine planning. MATSA geology staff also maintain underground geological maps that are used to locally adjust the models.<br>• The Magdalena, Masa 1, and Masa 2 (including Masa 2 Gold Masa 2 Gold Norte), Aguas Teñidas, Western Extension, Calanesa, and Castillejito deposits have been interpreted by MATSA geologists on cross-sections, spaced between 10 and 20 m apart, based primarily on the occurrence of logged massive or semi-massive (SM) sulphides in diamond drillholes and underground exposures, or stockwork (SW) for the cupriferous stockwork zones. In addition to lithological differences, a broad threshold of 0.1% Cu was used to define the stockwork.<br>• Estimation domain analysis completed by SRK identified that within the SM |

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| Criteria | JORC Code explanation | Commentary |
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| | | wireframes ('Sulfuro Massivo' or Massive Sulphide) for Aguas Teñidas, Western Extension, and Calanesa deposits, there exist multiple populations of Zn grades. SRK applied a 7% Zn and a 0.7% Zn cut-off to define a high Zn and moderate Zn sub-domain respectively for the Aguas Teñidas and Western Extension deposits. A 6.5% Zn cut-off was used to define a high Zn sub-domain at Calanesa. The remaining volume of the SM model was coded as low Zn (above 0.7%).<br>• The SW ('Stockwork') at Western Extension for Cu displays two populations, SRK applied a 0.2% Cu cut-off to define a high Cu and low Cu sub-domain, respectively.<br>• SRK has not delineated a high- or low-grade SW for the Aguas Teñidas deposit as there is no evidence for separate populations of Cu. No sub-domaining of the Castillejito models was necessary, and the model is split simply into north (202 and 203) and south (201 and 204) lenses based on orientation of the fold limbs.<br>• Estimation domain analysis completed by SRK has identified that within the SM wireframes for the Masa 1, Masa 2 and Masa 2 Gold deposits, there exist multiple populations of Zn grades, while this is not the case for Cu, not including Masa 2 Gold Norte. SRK consequently applied a 5% Zn and a 0.2% Zn cut-off to define a high Zn and moderate Zn sub-domains, respectively. The remaining volume of the SM model was coded as a low-grade Zn sub- domain (below 0.2%).<br>• Sub-domaining of the SW and Masa 2 Gold Norte domains was not deemed necessary based on the statistical analysis and low sample support and therefore no separate Zn sub populations were identified by SRK. The sub- domains have good spatial continuity between drillholes in 3D space.<br>• The Sotiel, Sotiel East, Migollas, Calabazar, and Elvira deposits have been interpreted by MATSA geologists on cross-sections, based primarily on the occurrence of logged massive or semi-massive sulphides in diamond drillholes and underground exposures, where applicable. The cross-section interpretations are triangulated in Datamine software to produce volumes denoted as SM by the MATSA geologists. As part of this study, SRK has adjusted the Elvira and Calabazar SM wireframes in Leapfrog Geo to better represent the continuity of the mineralisation by including additional intersections.<br>• Estimation domain analysis completed by SRK has identified multiple populations (Zn, Cu, and Au) within the SM wireframes for each deposit, apart from Sotiel East. At the Migollas deposit, there exist multiple populations of Zn, Cu, and Au grades. SRK consequently applied a 2% |

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| Criteria | JORC Code explanation | Commentary |
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| | | Zn, a 2% Cu, and a 1 g/t Au threshold to define high Zn, high Cu, and high Au sub- domains, respectively. It should be noted that SRK has only sub-domained three of the SM lenses at Sotiel, and four SM lenses at Sotiel East. The Elvira deposit has been sub-domained using a 2% Zn and 1% Cu cut-off threshold to define a high and low Zn domain and a high Cu domain respectively. SRK has also defined a small zone of internal waste logged as massive sulphide at Calabazar. The sub-domains are only modelled where continuous over multiple drill sections in 3D space. The Migollas deposit is the only deposit within the Sotiel mine where Au grades were incorporated in the sub domaining.<br>• The sub-domains are defined using indicator interpolants at the cut-offs described in the above section. The trend of the massive sulphide model is used to guide the trend of the sub-domain interpolants. The sub-domains are continuous over multiple drill sections in 3D space, where sub-domain volumes are not traceable between multiple drillholes, these volumes are excluded from the sub-domain.<br>• SRK conducted contact analyses between the mineralised domains to assess the boundary conditions. These observations support hard and, in some cases, soft boundary conditions, depending on the individual metal or domain considered, for estimation; hard boundary conditions have been employed during interpolation of grades into the block model for all metals in all domains. In cases where soft boundary conditions were implied the domains have sufficient sample support and SRK does not consider this would introduce any bias. |
| *Dimensions* | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource* | • The Aguas Teñidas mine comprises the Aguas Teñidas, Western Extension, Calanesa, and Castillejito deposits. The Western Extension deposit is an extension of the Aguas Teñidas deposit. Combined, they have been defined by drilling over a 2,700 m along strike and 500 m down-dip. The Aguas Teñidas and Western Extension massive sulphide deposits thickness pinches to the south and thickens to the north (up to 110 m wide), resulting in a wedge-like geometry between a footwall rhyodacitic unit and a hanging wall volcano-sedimentary unit. The Calanesa mineralisation shares the same footwall stratigraphy as the Aguas Teñidas and Western Extension deposits and is interpreted to be an up-dip extension of the Western Extension mineralisation. The deposit has been defined by drilling for approximately 900 m along strike and 450 m down-dip. The Castillejito deposit is located 750 m north-east of the Aguas Teñidas deposit. The mineralisation is deformed by an antiform recumbent fold and has been defined by drilling over an 800 m strike length<br>• The Magdalena mine comprises the Masa 1 and Masa 2 (including Masa |

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| Criteria | JORC Code explanation | Commentary |
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| | | 2 Gold and Masa 2 Gold Norte) deposits which occur within and generally parallel to, a volcano-sedimentary complex where the hanging wall is typically composed of rhyolite and the footwall composed of dacite. The immediate contacts between the massive sulphides and the volcano-sedimentary units are generally sheared, and the geometry of the mineralisation has been affected by these shears. The Masa 1 deposit has been defined by drilling over a 460 m strike and 130 m dip extent. The Masa 1 deposit is located at the base of the hanging wall units, whilst the Masa 2 deposit is at a low angle to the stratigraphy within the footwall units. The Masa 2 deposit has defined by drilling over a strike extent of 1,630 m and a down dip extent of 620 m. The Masa 2 gold deposit (a faulted extension of the Masa 2 deposit) is the most easterly known mineralisation with the Magdalena mine and has been defined by drilling over 530 m in strike length and a down dip extent of approximately 270 m, whilst the Masa 2 Gold Norte has a 135 m strike extent and 175 m down dip extent.<br>• The Sotiel mine comprises (from west to east) the Calabazar, Sotiel, Sotiel East, Migollas, and Elvira deposits, each of which are separated by northeast-southwest trending faults. The local mine geology is comprised primarily of mixed volcano-sedimentary sequences and alternating beds of shales, slates, tuffs and phyllites, as well as interbedded sandstones and quartzites. The Calabazar deposit comprised multiple massive sulphide layers within volcanic tuff and shales and has been defined by drilling over a strike length of approximately 290 m and dip length of 700 m. The Sotiel deposit is comprised of three sulphide lenses which are separated by shales, and have been defined over a strike length of 450 m and down-dip extent of 460 m. The Sotiel East deposit comprises six sulphide lenses, separated by horizontal to sub-horizontal shales, and have been defined by drilling over a strike length of around 400 m and dip extent of approximately 400 m. The Migollas deposit is divided into two zones, based on the sulphide mineralogy, where the west of the deposit is characterised by generally higher copper content whereas the east of the deposit is characterised by relatively higher zinc and lead content. The deposit has been defined by drilling over a strike length of around 1,100 m and dip length of 520 m. The Elvira deposit occurs closest to surface, of the Sotiel mine deposits, due to thrust faulting. It has been defined by drilling for more than 400 m in strike length and has a maximum down dip extent of 500 m |

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| Criteria | JORC Code explanation | Commentary |
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| *Estimation and modelling techniques* | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*<br>• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>• *The assumptions made regarding recovery of by-products.*<br>• *Estimation of deleterious elements or other non-grade variables of economic significance (e.g., sulphur for acid mine drainage characterisation).*<br>• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>• *Any assumptions behind modelling of selective mining units.*<br>• *Any assumptions about correlation between variables.*<br>• *Description of how the geological interpretation was used to control the resource estimates.*<br>• *Discussion of basis for using or not using grade cutting or capping.*<br>• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | • Leapfrog Geo was used to review and define the relevant estimation domains, prepare assay data for geostatistical analysis, Datamine Studio RM was used to construct the block model, and estimate metal grades. Supervisor software was used to analyse grade continuity and validate the estimates where applicable. Maptek Vulcan was used to tabulate Mineral Resources for reporting the Mineral Resource Statement.<br>• Statistical analysis and estimation of the following elements (both main mineralisation, by-product mineralisation and deleterious elements) was completed; Cu, Zn, Pb, Ag, As, Au, Bi, Fe, Hg, S and Sb.<br>• A 4 m composite length was chosen. SRK chose to treat short composites of less than 2 m in length by merging them with the previous composite, where these shorter intervals are typically created at domain boundaries.<br>• Capping was applied to composites rather than to original samples. SRK chose grade capping levels based on population breaks indicated in both the log histograms and log probability plots. In some cases, there are no high-grade outliers in a domain, and in these cases no capping is implemented.<br>• Sub-domains are defined using indicator interpolants at the cut-offs described in the 'Geological Interpretation' section of this table.<br>• Grade continuity was assessed for all elements using experimental variograms. Downhole variograms were used to model the nugget variance, which represents variability at very close distances. Directional variograms, were used to model grade continuities for larger distances. The experimental variograms generally suggest strong anisotropy between the directional variograms, in the order of 2:1, up to 5:1.<br>• Due to some domains having a relatively low number of samples, the modelling of a robust variogram can be difficult, therefore SRK has combined domains that have a similar orientation to one another and occupy a similar spatial location, such as domain 301 and 302 in the western extension. SRK has also combined domains for the variography analysis where similar grade distributions are observed. For Magdalena and Sotiel mines, SRK has modelled the variograms for SG where sufficient sample support occurs (typically more than 80-90 samples). For the Aguas Teñidas mine (and all associated deposits), SRK has applied the Fe variogram for the estimation of the SG due to the strong correlation observed between the two components and direct relationship between pyrite content and SG.<br>• Sensitivity of the estimates to the block dimensions within the modelled domains were tested using kriging neighborhood analysis ("KNA"). The block sizes selected were generally based on drill spacing but also to |

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| | | provide a good representation of the mineralised geometry, as well as an acceptable level of smoothing of the estimates. 10 m x 5 m x 5 m (2 m x 1 m x 0.5 m sub) for all deposits aside from Magdalena at 15 m x 10 m x 10 m (2.5 m x 1 m x 0.5 m sub) and Castillejito at 20 m x 10 m x 10 m (2.0 m x 1 m x 0.5 m sub)<br>• Hard (wireframed) boundary conditions were employed in the estimation.<br>• Only composites from within individual mineralisation model domains were used to estimate blocks within those domains.<br>• Sub-block grades were assigned the grade of the parent block.<br>• A discretization level of 5 m x 5 m x 2 m was set for all estimates within the parent blocks within the estimation domains.<br>• All grades and density values were interpolated into the model using Ordinary Kriging ("OK") in the mineralised domains other than certain zones at Sotiel which were interpolate using Inverse Distance Weighting ("IDW"), due to the low sample support (<90 samples) and their relative spacing. The IDW estimated grades and densities were estimated using a single search pass, whilst the OK grades and density values were estimated using three successive search passes. At Sotiel, there are a higher proportion of historic drillholes which are not analysed for the entire suite of elements. In these domains, grades were estimated based on correlation with other elements.<br>• Any unestimated blocks (grades) at Sotiel from the single pass IDW estimate were calculated using a regression formula. Regarding the Hg and Bi grades, which were estimated using the regression formula, any grades calculated below the 5 and 50 ppm minimum detection limits were fixed to these values. Blocks with no estimated densities or Au values (single search pass) were assigned the average values for each specific domain. Where the sample support was noted as being below 10, these were assigned the average values of adjacent domains which have similar grade profiles.<br>• The selection of the search radii and rotations of search ellipsoids was guided by the grade continuity analysis and the general geometry of the mineralised domains. Due to the variable orientation of the mineralised lenses, SRK applied dynamic anisotropy to those domains where appropriate.<br>• The block grades were estimated using three successive search passes. The first pass considered a relatively small search ellipsoid designed for areas defined by infill grade control drilling. The second pass considered a larger ellipsoid, increasing the first pass by a factor of 2, which was designed to estimate areas defined by underground exploration drilling and |

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| | | areas between mining horizons. The final pass (if required) was designed to estimate all remaining blocks, typically at the extents of the model defined only by exploration drillholes from surface, the ellipsoid increasing the first pass by a factor of up to 10.<br>• The block models were validated by completing the following checks:<br>  • local validation using visual inspections on sections and plans, viewing composites versus block grades;<br>  • global validation by comparison of composite grade statistics versus block grade statistics; and<br>  • local validation by comparison of average composite grades with average block grades along different directions (swath plots).<br>• SRK has produced waterfall charts for all three mines (inclusive of all deposits and material types) denoting changes in the tonnages between 31 December 2018 and 31 December 2019 for Measured and Indicated material. The charts denote how this 31 December 2019 Mineral Resource has been modified by mining, changes in classification, changes to how the 'non-recoverable' resources (affected) have been determined and changes to reporting cut-offs applied. |
| *Moisture* | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnages are estimated on a dry basis. |
| *Cut-off parameters* | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • MATSA has used reasonable mining and processing assumptions to develop reporting cut-off net-smelter return ('NSR') values for each mine in order evaluate the proportions of the block model that could "reasonably be expected" to be mined.<br>• Processing Recovery Assumptions<br>  • Recovery is specific to the ore feed type and varies depending on the feed grade<br>  • Polymetallic Feed: Cu=65-85%, Zn=66-87%, Pb=25-50%<br>  • Cupriferous Feed: Cu=50-93%<br>  • Stockwork Fee: Cu=66-80%<br>• Operating Cost Assumptions (Mining Cost)<br>  • Mining cost is specific to the particular mine<br>  • Aguas Teñidas =25.3 USD/t rock<br>  • Magdalena =24.8 USD/t rock<br>  • Sotiel =31.8 USD/t rock<br>• Operating Cost Assumptions (Payable Metal)<br>  • Cu Payable=96.5%<br>  • Zn Payable=85%<br>  • Pb Payable=95%<br>• The Mineral Resource Reporting Cut-off for in-situ mineralization is mine |

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| | | specific:<br>• Aguas Teñidas =40.9 USD/tonne<br>• Magdalena =40.5 USD/tonne<br>• Sotiel =49.1 USD/tonne<br>• The Metal prices for Mineral Resource reporting for the 31 December 2019 statements are based on MATSA's consensus market forecast report (long term) which SRK reviewed and consider appropriate:<br>• Cu = 8,450 USD/tonne<br>• Zn = 3,000 USD/tonne<br>• Pb = 2,450 USD/tonne<br>• Ag = 21.25 USD/oz<br>• Au = 1,750 USD/oz<br>• For Mineral Resources, SRK has considered historical depletion but has not considered future losses or applied an extraction or dilution factor.<br>• Based on certain mining constraints at each mine MATSA has defined areas as being sterilised and in such cases the material is termed as 'non-recoverable' (and is not reported in the statements). |
| *Mining factors or assumptions* | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | • Surveys of the current mined areas ("asbuilts") of development and stopes have been provided by MATSA, with an effective date of 31 December 2019. The block model has been coded by wireframes of these surveys and assigned to 'depleted' (not reported).<br>• At Aguas Teñidas a 5 m buffer zone around the asbuilt stopes was assigned as 'non-recoverable', as MATSA does not anticipate being able to recover this material due to either blasting or survey issues in particular stopes. In addition to this, volumes between or around stopes, or the edges of the deposit where the wireframes become less than 5 m wide (considered too thin to mine using current methods) were also excluded from the Mineral Resource assessment.<br>• 5 m buffer zones also applied at Magdalena and Sotiel to designate non-recoverable material. |

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| Criteria | JORC Code explanation | Commentary |
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| *Metallurgical factors or assumptions* | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made* | • At the MATSA sites, two separate process streams are used to produce copper and zinc concentrates. The polymetallic mineralisation stream processes polymetallic massive sulphide material, whereas the copper mineralisation stream processes material stemming from cupriferous massive sulphides as well as copper stockworks and each of specific metal recovery profiles.<br>• MATSA has characterized run of mine material based on metal grade zonation (indicative of mineralogy), so that the appropriate process is applied to optimize value. Mineralisation is characterized as follows:<br>  • Polymetallic: Zn >= 2.5%;<br>  • Cupriferous: Cu >= 0.5% and Zn < 2.5%; and<br>  • Stockwork: Cu >= 0.4%. |
| *Environmental factors or assumptions* | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made* | • With the reopening of the mine in 2013, the Company has undertaken the recovery of old waste dumps (environmental rehabilitation) in areas degraded by historical mining activity. These dumps may be used to fill the Sotiel mine stopes in the future |
| *Bulk density* | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • Density measurements have been taken for all main rock types intersected in each drillhole.<br>• This was completed by weighing a piece of core in air and then determining the core volume by displacement of water.<br>• MATSA geologists typically select intact drill core which are between 5 or 10 cm in length for density analysis.<br>• The weight of the dry sample is initially determined using bench mounted electronic scales, before being submerged in water to determine the submerged weight.<br>• The following equation has then been applied by MATSA to determine the dry density: Density = weight (in air) / [weight (in air) – weight (in water)]<br>• MATSA does not coat drill core with wax as pore space (vugs/fractures) are not typically an issue according to MATSA. SRK's review of core at site, as well as select core photos, support this assumption.<br>• There is a strong correlation between specific gravity and S and Fe, as would be expected with massive sulphide mineralisation. |

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<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Classification</td><td><ul><li>The basis for the classification of the Mineral Resources into varying confidence categories.</li><li>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li><li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li></ul></td><td><ul><li>Block model tonnage and grade estimates for the deposits have been largely classified according to drillhole spacing given that the modelled areas are generally well informed.</li><li>MATSA has been employing these distances to drillhole criteria for several years and find that these reconcile appropriately (based on Resource classification) to observations and results from mining. SRK has reviewed these distances, with respect to geological and Cu and Zn continuity, and consider these appropriate.</li><li>SRK does note, however, that new zones with potentially differing character, should be considered individually before applying the same criteria.</li><li>SRK used these guidelines, along with consideration of data quality, geological continuity and complexity, and estimation quality to define wireframes to outline contiguous zones of blocks with similar levels of confidence.</li></ul>
<table>
<tr><th rowspan="2">Class</th><th colspan="4">Distance to Drillhole (m)</th></tr>
<tr><th>Aguas Teñidas Western Extension, and Calanesa</th><th>Castillejito</th><th>Magdalena Masa 1, Masa 2, and Masa 2 Gold</th><th>Sotiel, Sotiel East, Migollas, Elvira, and Calabazar</th></tr>
<tr><td>Measured</td><td><=20 m</td><td><=20 m</td><td><=25 m</td><td><=40 m</td></tr>
<tr><td>Indicated</td><td>>20 m and <= 40 m</td><td><=40 m</td><td>>25 m and <= 50 m</td><td>>40 m and <= 80 m</td></tr>
<tr><td>Inferred</td><td>>40 m</td><td>>40 m and <= 80 m</td><td>>50 m</td><td>>80 m</td></tr>
</table></td></tr>
<tr><td>Audits or reviews</td><td><ul><li>The results of any audits or reviews of Mineral Resource estimates.</li></ul></td><td><ul><li>No audits or reviews have been completed.</li></ul></td></tr>
<tr><td>Discussion of relative accuracy/ confidence</td><td><ul><li>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</li><li>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</li><li>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li></ul></td><td><ul><li>SRK has completed the Mineral Resource estimates for the Aguas Teñidas, Magdalena, and Sotiel mines and has validated these estimates using various techniques, including visual and statistical methods.</li><li>MATSA keeps detailed stope reconciliation data which demonstrate that although there may be significant stope by stope variations from the Mineral Resource estimates, when considered over yearly periods, grade control records indicate that actual tonnages and grade (Cu, Zn, and Pb) are within 10% or less from those predicted.</li></ul></td></tr>
</table>

## SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

| Criteria | JORC Code explanation | Commentary |
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| *Mineral Resource estimate for conversion to Mineral Reserves* | • *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.*<br>• *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.* | • The reported Ore Reserves for the Aguas Teñidas, Magdalena and Sotiel operations are based on the 11 block models which formed the basis of the Mineral Resource estimates. Whilst various Mineral Resource statements are presented per deposit for each operation, the Ore Reserve statements are presented at an operational level, not further split per deposit.<br>• SRK notes that the effective date of the Mineral Resource statement is 31 December 2019, with the effective date of the Ore Reserve being 31 July 2020. Ore Reserves incorporated depletion by MATSA up to 31 July 2020, as compared to the 31 December 2019 Mineral Resource estimate. The Mineral Resources are presented on an inclusive basis, meaning including any Measured or Indicated classified material that has been considered for conversion to Ore Reserves. |
| *Site visits* | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • The Competent Person for Ore Reserves is Mr Chris Bray, who was not able to visit the sites due to the COVID-19 pandemic.<br>• A regionally based SRK mining engineer (Nuno Castanho) visited site as part of the mining plan review. |
| *Study status* | • *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.*<br>• *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.* | • The mines have been operation for some years now, and the mine plan has been developed to a level sufficient for the statement of Ore Reserves, using appropriate modifying factors and proving that they are economically viable. |
| *Cut-off parameters* | • *The basis of the cut-off grade(s) or quality parameters applied* | • An NSR cut-off value approach is applied for each stope or development block, with each value calculated according to the ore type, metal grades, metallurgical recoveries, realisation costs, forecast metal prices and the payability of each metal according to the agreed smelter terms. MATSA has estimated the NSR values for individual blocks into the resource block models for each mine. Parameters applied are as follows: |

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| Criteria | JORC Code explanation | Commentary |
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| | Units | Cu (Copper Ore) | Cu (Stockwork Ore) | Cu (Poly Ore) | Zn (Poly Ore) | Pb (Poly Ore) |
|---|---|---|---|---|---|---|
| Recovery | % | 90 | 81 | 73 | 79 | 33 |
| Conc Grade (Cu) | % | 23 | 23 | 21 | 48 | 26 |
| Ag Recovery | % | 40 | 40 | - | - | - |
| Payability | % | 96.5 | 96.5 | 96.5 | 85 | 95 |
| Deduction | % | 1 | 1 | 1 | 8 | 3 |
| Ag Payability | % | 100 | 100 | 100 | 70 | 95 |
| Ag Deduction | g/t | 30 | 30 | 30 | 93 | 50 |
| T/C | USD/t conc. | 80 | 80 | 103 | 230 | 120 |
| R/C | c/lb | 0.08 | 0.08 | 0.103 | - | - |
| R/C (Ag) | c/oz | 0.35 | 0.35 | 0.35 | 0.35 | 0.60 |
| Penalty** | USD/t conc. | 21.46 | 21.46 | 21.46 | 7.07 | 0.38 |
| Transport Costs | USD/t conc. | 9.24 | - | 9.24 | 0 | 0 |
| Other Costs | USD/t conc. | 25 | 25 | 25 | 22 | 28 |

- SRK conducted a review of MATSA's NSR methodology and block model macros, and concluded that it is adequate for the geological setting and the type of mining operation. SRK ran a comparison between the block model coded with its own coefficients and the block model coded with MATSA's macro, and observed that the differences were acceptable for the assessment of Ore Reserves and justifiable with the slight differences between the two approaches.
- For the Ore Reserve estimate, SRK used the incremental cut-off, as most of the mining areas of the mines had most of the development already in place and it was assumed that the development cost had been already paid for by the mined out stopes. For the areas which had not been accessed by development works yet, the full cut-off was considered. The incremental cut- off NSR values are calculated to be as follows: Aguas Teñidas USD40.90/t, Magdalena USD40.49/t and Sotiel USD49.09/t. Details are as follows:

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|

| | Units | Aguas Teñidas | | Magdalena | | Sotiel | |
|---|---|---|---|---|---|---|---|
| | | Full Cut-Off | Incrementral Cut-Off | Full Cut-Off | Incrementral Cut-Off | Full Cut-Off | Incrementral Cut-Off |
| **Mining** | | | | | | | |
| Horizontal Dev | EUR/t | 6.76 | 0.00 | 5.41 | 0.00 | 9.86 | 0.00 |
| Vertical Dev | EUR/t | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Scoop Maint. | EUR/t | 1.41 | 1.41 | 0.69 | 0.69 | 0.00 | 0.00 |
| Electrical Energy | EUR/t | 2.47 | 1.23 | 1.59 | 1.59 | 1.72 | 1.38 |
| Geological Support | EUR/t | 0.89 | 0.00 | 0.34 | 0.00 | 0.78 | 0.00 |
| Open Stoping | EUR/t | 6.35 | 5.34 | 3.60 | 3.02 | 7.06 | 6.35 |
| Rehabilitation | EUR/t | 1.04 | 0.00 | 0.13 | 0.00 | 0.00 | 0.00 |
| Backfill | EUR/t | 2.36 | 1.77 | 2.64 | 2.64 | 0.59 | 0.59 |
| Services | EUR/t | 8.34 | 1.67 | 3.61 | 2.70 | 7.09 | 5.32 |
| Haulage | EUR/t | 4.47 | 4.47 | 4.89 | 4.89 | 7.20 | 7.20 |
| **Total** | **EUR/t** | **34.08** | **15.88** | **22.90** | **15.53** | **34.30** | **20.84** |
| **Processing** | | | | | | | |
| Process Operation | EUR/t | 8.46 | 8.46 | 8.46 | 8.46 | 11.66 | 11.66 |
| Process Maintenance | EUR/t | 3.81 | 3.81 | 3.81 | 3.81 | 3.81 | 3.81 |
| **Total** | **EUR/t** | **12.27** | **12.27** | **12.27** | **12.27** | **15.47** | **15.47** |
| **G&A** | | | | | | | |
| General Services | EUR/t | 2.21 | 2.21 | 2.21 | 2.21 | 0.88 | 0.88 |
| Administration | EUR/t | 3.72 | 3.72 | 3.72 | 3.72 | 3.72 | 3.72 |
| **Total** | **EUR/t** | **5.94** | **5.94** | **5.94** | **5.94** | **4.60** | **4.60** |
| **Total** | | | | | | | |
| | **EUR/t** | **52.28** | **34.08** | **41.10** | **33.74** | **54.37** | **40.90** |
| | **USD/t** | **62.74** | **40.90** | **49.32** | **40.49** | **65.24** | **49.09** |

| | | |
|---|---|---|
| *Mining Factors or assumptions* | • *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).*<br>• *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.*<br>• *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.*<br>• *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).*<br>• *The mining dilution factors used.*<br>• *The mining recovery factors used.*<br>• *Any minimum mining widths used.*<br>• *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* | • The primary underground mining method approach at the three mines is sub-level long-hole open stoping (“LHOS”) with transverse and longitudinal orientation depending on the orebody thickness. The mined stopes at Aguas Teñidas and Magdalena are backfilled with paste fill. The Sotiel mine currently uses unconsolidated development waste as backfill with plans to trial cemented rock fill (“CRF”). MATSA has plans to use a Drift and Fill (“D&F) mining method in a small zone of Aguas Teñidas around and above previously mined out stopes.<br>• The Ore Reserve for MATSA has been estimated using accepted industry practices for underground mines including stope optimisation analysis (Deswik), mine design, mine scheduling and the development of a cash flow model incorporating the Company’s technical and economic projections for the mine for the duration of the Life of Mine Plan (“LoMP”).<br>• The Ore Reserve includes unplanned dilution factors which are applied as constant values for the individual mines, with two zone exceptions in Magdalena (Masa 2 West and Masa Gold) and incorporates mining |

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<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td><ul><li>The infrastructure requirements of the selected mining methods.</li></ul></td><td>recovery factors which are applied as constant values for the individual mines as follows:
<table>
<tr><th>Mine</th><th>Mine Dilution</th><th>Mining Recovery</th></tr>
<tr><td>Aguas Teñidas</td><td>12%</td><td>85%</td></tr>
<tr><td>Magdalena</td><td>12%[1)]</td><td>84%</td></tr>
<tr><td>Sotiel</td><td>11%</td><td>90%</td></tr>
</table>
1) Exception to Masa 2 West (6%) and Masa Gold (20%)
<ul><li>Any mineralisation which occurs below the designated Net Smelter Return (“NSR”) cut off value or is classified as an Inferred Mineral Resource within the individual underground designs is not considered as Ore Reserves.</li><li>The Ore Reserve estimate was based on the 2020 LoMP as provided by MATSA. SRK conducted a site visit to MATSA’s mining operations from 28 to 30 of July 2020 and reviewed the mine plan and related assumptions for the three mines. From this review, a series of adjustments were made to allow the reporting of Ore Reserves. These adjustments focused mainly on the removal of Inferred material from the LoMP, removal of sub-economical stopes or areas and some material reductions to reflect minor design issues observed in each mine plan. SRK has only reviewed the LoMP and not undertaken mine planning or re-estimated the Reserve from first principles.</li><li>In addition to this, SRK discussed with MATSA the proposed approach for the minor D&F mining at the Aguas Teñidas mine with agreement that further work needs to be completed in order to increase the confidence in the mining sequence and backfill strategy. To better reflect this in the reserves, it was agreed to apply a reduction factor of 50% to the recovery of these tonnes and which can be seen as provisional pillars being assumed to be left until further work is completed and greater confidence in the recovery is achieved.</li></ul></td></tr>
<tr><td>Metallurgical factors or assumptions</td><td><ul><li>The metallurgical process proposed and the appropriateness of that process to the style of mineralization.</li><li>Whether the metallurgical process is well-tested technology or novel in nature.</li><li>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</li><li>Any assumptions or allowances made for deleterious elements.</li></ul></td><td><ul><li>The MATSA ores are complex, fine grained ores with extremely high levels of gangue pyrite present. Numerous metallurgical testwork programmes have been undertaken to understand the metallurgical complexity of the orebodies and to develop optimal processing scenarios. These programmes have been undertaken both before the project’s commencement, and since, with the on-site laboratory being very active in testing and optimising the plant’s operating parameters in response to changing ore feed characteristics.</li></ul></td></tr>
</table>

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.*<br>• *For minerals that are defined by a specification, has the Ore Reserve estimation been based on the appropriate mineralogy to meet the specifications?* | • Based on the testwork conducted, the following concentrate qualities are indicated:<br>  • Copper ore:<br>  • Copper concentrate grade in the low 20s%, recoveries in the order of 90%; and<br>  • Polymetallic ore:<br>  • Copper concentrate grade in the low 20s%, recoveries in the order of 80%,<br>  • Lead concentrate grade in the mid-30s%, recoveries in the order of 60%,<br>  • Zinc concentrate grade of the order of 50%, recoveries in the order of 80%.<br>• Ore is processed at a central facility. The facility consists of two crushing lines and three processing lines, which are contained within two plants (operational since 2008 and 2011 respectively). Ore is classified either as Copper or Polymetallic.<br>• The current ore classification criteria was developed in 2017 as an update from the previous criteria established in 2011. The criteria was based on a review of the preceding 2 years' worth of operating data, and determined that ore could be delineated as Copper ore according to the following parameters: %Cu/%Zn >1.7; and %Zn <2.5.<br>• The analysis indicated that these parameters would produce a Copper concentrate at acceptable recoveries and with Zn and Pb contents below the specified maximum allowable penalty limits of 3.7% Zn and 3.5% Pb. |
| *Environmental* | • *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.* | • MATSA has the necessary mining rights and surface ownership for the three mining sites and plant operations.<br>• Required environmental and water permits appear to be in place, although the Cortagena City Council disputes the presence of municipal permits for works being carried out close to Valdelamusa. MATSA appears to be in broad compliance with permit conditions.<br>• The Company appears to have completed the necessary studies to identify environmental and social factors relevant to the operation, with the potential exception of geochemical characterisation of mining waste.<br>• Management of the three operations from an environmental and social perspective appears reasonably good, and there is a clear focus on maximising resource efficiencies particularly across water, waste, GHG emissions and energy.<br>• The operation does not appear to adversely affect sensitive areas. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • Limited environmental and social impact monitoring, and analysis of trends in monitoring data, is a weakness that limits opportunities for continuous improvement (though is compliant with permit requirements). |
| *Infrastructure* | • *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.* | • The MATSA operations are located in a west European country, Spain, which has well-established, well-regulated civil engineering and construction industry standards. The operations themselves have been active for a number of years and as such the infrastructure required to facilitate mining and processing operations are in place and fit for current purposes. No expansion or production rate increases are proposed.<br>• The power generation mix in Spain is such that current cost of power should be maintained. In terms of wider access to markets, the mines are located very close to Huelva, which is a busy port and has the facilities for blending and exporting concentrates.<br>• The TSF has undertaken a major transition since 2016 to increase capacity, which involved switching to the upstream raise method. This method inherently involves more risk, as the stability of future raises relies inherently on the undrained strength of the stored tailings as opposed to the embankment fill materials. Whilst the stability analysis which underpins the current upstream raise design appears to be robust, it is noted that additional data has been obtained on the in-situ properties of the tailings through a number of Cone Penetration Testing ("CPTu") campaigns since the design was originally executed. In addition to 5 CPTu probes which were completed to support the design change in 2017, an additional 12 CPTu have been completed (during 2018- 2019) to confirm tailings consolidation properties, porewater pressure regime, phreatic surface and tailings strength parameters. Whilst the original stability analysis completely by Golder is adequate, it should be further verified by additional undrained strength analysis which use the data obtained from subsequent CPTu investigations. This data can be used to confirm the minimum Factor of Safety ("FOS") is obtained around as built embankments. The design of future raises can also be verified and adapted (if it is deemed necessary).<br>• The current practice of holding large volumes of water on the TSF to supply the plant is not in accordance with best practice and could create the circumstances where there is an elevated phreatic surface in the external embankments of the TSF (which can increase likelihood of embankment failure). However, it is noted that the volumes of excess water stored on the pond have been reduced markedly since 2018, which has significantly reduced this risk. This situation needs to be closely monitored and maintained going forward. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • There appears to be a robust system of monitoring and controls in place to mitigate the potential risks associated with a facility of this Class. |
| *Costs* | • *The derivation of, or assumptions made, regarding projected capital costs in the study.*<br>• *The methodology used to estimate operating costs.*<br>• *Allowances made for the content of deleterious elements.*<br>• *The source of exchange rates used in the study.*<br>• *Derivation of transportation charges.*<br>• *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.*<br>• *The allowances made for royalties payable, both Government and private.* | • Operating costs and capital expenditures presented relate to the 2020 mining plan with effective date of 31 July 2020.<br>• Operating costs have been derived by MATSA in three mining and a processing cost model, based on the physical activities taking place. A summary of the derived unit costs (historical vs plan up to 2024 inclusive) is presented below. SRK notes some drops in unit costs during the last 5 months of 2020 ("5M 2020"), and an apparent redistribution of costs between treatment and maintenance costs from actuals to forecasts, but overall the numbers look reasonable. No royalties are understood to be payable. |

| Parameter | Units | LoM | 7M 2020 Actual | 5M 2020 Plan | 2021 Plan | 2022 Plan | 2024 Plan |
|---|---|---|---|---|---|---|---|
| Mine | (USD/$t_{mined}$) | 34.56 | 31.2 | 32.6 | 32.9 | 31.6 | 32.2 |
| Aguas Teñidas | (USD/$t_{mined}$) | 10.02 | 6.9 | 4.4 | 7.4 | 10.7 | 9.7 |
| Magdalena | (USD/$t_{mined}$) | 34.97 | 33.6 | 36.3 | 35.1 | 31.7 | 29.8 |
| Sotiel | (USD/$t_{mined}$) | 149.77 | 113.9 | 302.3 | 191.5 | 135.5 | 138.5 |
| Treatment Plant | (USD/$t_{feed}$) | 5.00 | 8.9 | 4.3 | 4.4 | 4.9 | 4.9 |
| Maintenance Plant | (USD/$t_{feed}$) | 11.88 | 4.1 | 10.1 | 10.7 | 11.5 | 11.6 |
| Water & Project | (USD/$t_{feed}$) | 2.54 | 2.0 | 2.2 | 2.3 | 2.4 | 2.5 |
| Administrative | (USD/$t_{feed}$) | 4.95 | 4.3 | 4.2 | 4.5 | 4.7 | 4.8 |
| Other (Matsa Lab) | (USD/$t_{feed}$) | 1.41 | 1.3 | 2.2 | 1.2 | 1.3 | 1.3 |
| **Total** | **(USD/$t_{feed}$)** | **60.34** | **52.8** | **54.8** | **56.4** | **57.7** | **56.9** |

- SRK notes that the total mine development and mine equipment capital expenditure in the economic model exceed the mine by mine breakdown as provided in the underlying mine cost models. For 2020 capital for Sotiel and Magdalena is presented separately, but thereafter only on a consolidated basis.
- Closure costs have been consolidated over a shorter time frame, due to the shorter life of the Ore Reserves case compared to MATSA's full life of mine plan (which includes additional material).

| Criteria | JORC Code explanation | Commentary |
|---|---|---|

| Capital Expenditure | Units | Total | 5M 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Infill Drilling | (USDM) | 69.9 | 4.4 | 9.2 | 10.0 | 9.0 | 8.2 |
| Mine development/ infrastructure | (USDM) | 336.6 | 15.8 | 45.9 | 53.7 | 49.9 | 46.8 |
| Mine equipment | (USDM) | 38.4 | - | 10.5 | 4.5 | 5.0 | 4.2 |
| Projects/Spare parts plant | (USDM) | 20.2 | 1.0 | 3.0 | 4.0 | 2.7 | 2.3 |
| Admin/General Infrastructure | (USDM) | 181.0 | - | 27.2 | 24.4 | 21.1 | 23.2 |
| Other | (USDM) | 1.1 | 1.1 | - | - | - | - |
| Tailings | (USDM) | 1.8 | - | - | - | 0.3 | - |
| Sotiel | (USDM) | 5.4 | 5.4 | - | - | - | - |
| Magdalena | (USDM) | 12.1 | 12.1 | - | - | - | - |
| Exploration | (USDM) | 0.8 | 0.8 | - | - | - | - |
| Mine Closure | (USDM) | 31.9 | - | - | 0.3 | - | - |
| **Total** | **(USDM)** | **699.1** | **40.6** | **95.8** | **96.9** | **88.0** | **84.9** |

| Capital Expenditure | Units | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|
| Infill Drilling | (USDM) | 7.8 | 7.4 | 7.1 | 6.7 | - | - |
| Mine development/ Infrastructure | (USDM) | 46.9 | 35.0 | 26.1 | 16.4 | - | - |
| Mine equipment | (USDM) | 3.2 | 4.8 | 2.3 | 3.9 | - | - |
| Projects/Spare parts plant | (USDM) | 2.1 | 1.9 | 1.7 | 1.5 | - | - |
| Admin/General Infrastructure | (USDM) | 22.8 | 20.8 | 23.7 | 17.7 | - | - |
| Other | (USDM) | - | - | - | - | - | - |
| Tailings | (USDM) | 0.2 | - | - | 1.3 | - | - |
| Sotiel | (USDM) | - | - | - | - | - | - |
| Magdalena | (USDM) | - | - | - | - | - | - |
| Exploration | (USDM) | - | - | - | - | - | - |
| Mine Closure | (USDM) | 0.9 | 0.9 | 0.9 | 2.4 | 12.3 | 14.2 |
| **Total** | **(USDM)** | **83.9** | **70.9** | **61.8** | **50.0** | **12.3** | **14.2** |

| | | |
|---|---|---|
| *Revenue Factors* | • *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.*<br>• *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.* | • The smelter terms as supplied by MATSA in the economic assessment of the LoMP are as follows: |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|

| Parameter | | Units | 2018 | 2019 | H1 2020 | LoM |
|---|---|---|---|---|---|---|
| Cu con (poly) | | | | | | |
| Payability | | | | | | |
| | Cu | (%) | 95.1% | - | 95.2% | 95.3% |
| | Ag | (%) | 83.4% | - | 82.6% | 82.8% |
| TC | | (USD/dmt) | 115.1 | - | 85.0 | 99.5 |
| RC | | | | | | |
| | Cu | (USD/lb) | 0.12 | - | 0.08 | 0.08 |
| | Ag | (USD/oz) | 0.35 | - | 0.35 | 0.35 |
| Penalties | | (USD/dmt) | 35.6 | - | 25.8 | 16.7 |
| Pb con | | | | | | |
| Payability | | | | | | |
| | Pb | (%) | 88.9% | 88.1% | 88.1% | 88.5% |
| | Ag | (%) | 87.8% | 88.5% | 89.6% | 89.6% |
| TC | | (USD/dmt) | 113.0 | 98.0 | 150.2 | 122.3 |
| RC | | | | | | |
| | Ag | (USD/oz) | 0.85 | 0.60 | 0.92 | 0.62 |
| Penalties | | (USD/dmt) | 2.0 | 2.3 | 1.7 | 0.8 |
| Zn con | | | | | | |
| Payability | | | | | | |
| | Zn | (%) | - | - | - | 83.3% |
| | Ag | (%) | - | - | - | 23.3% |
| TC | | (USD/dmt) | - | - | - | 235.4 |
| Penalties | | (USD/dmt) | - | - | - | 8.9 |
| Cu con (Cu) | | | | | | |
| Payability | | | | | | |
| | Cu | (%) | 95.6% | 95.5% | 95.4% | 95.4% |
| | Ag | (%) | 76.7% | 71.8% | 75.3% | 75.8% |
| TC | | (USD/dmt) | 85.8 | 80.9 | 61.2 | 77.1 |
| RC | | | | | | |
| | Cu | (USD/lb) | 0.09 | 0.08 | 0.06 | 0.06 |
| | Ag | (USD/oz) | 0.35 | 0.35 | 0.35 | 0.35 |
| Penalties | | (USD/dmt) | 21.3 | 14.4 | 19.8 | 15.8 |

- Commodity prices used in the economic viability test are as follows (with the long term price the basis for the Ore Reserve), which are deemed acceptable by SRK when comparing to consensus market forecasts as

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | available to SRK:<br><br>Commodity Prices / Units / 5M 2020 / 2021 / 2022 / 2023 / >=2024<br>Cu (USD/t) 6,480 6,600 6,600 6,600 6,800<br>Pb (USD/t) 1,870 1,900 2,000 2,000 2,000<br>Zn (USD/t) 2,100 2,200 2,300 2,300 2,400<br>Ag (USD/oz) 22.4 25.0 20.0 20.0 17.0<br><br>• Copper is the main contributor to overall NSR making up for approximately 66% over the Ore Reserve life of mine, followed by a zinc contribution of approximately 25%. Silver (7%) and lead (2%) make up the remainder of the total NSR. NSR per tonne of material processed is approximately USD110/t over the Ore Reserve life. |
| *Market assessment* | • *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.*<br>• *A customer and competitor analysis along with the identification of likely market windows for the product.*<br>• *Price and volume forecasts and the basis for these forecasts.*<br>• *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.* | • No market study has been supplied for review, which is deemed acceptable considering the operation is currently in production and contracts are in place for the sale of copper (standard and polymetallic), lead and zinc concentrates. However, assumptions made in the economic assessment differ somewhat. |
| *Economic* | • *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.*<br>• *NPV ranges and sensitivity to variations in the significant assumptions and inputs.* | • SRK has undertaken an assessment of the economic viability of the Ore Reserves in order to support the statement of Ore Reserves. SRK notes that the economic model as prepared by MATSA is driven by a mine plan which includes Measured, Indicated and Inferred Mineral Resources (plus other), and no life of mine plan exists solely based on Ore Reserves. As taking out Inferred and other material as deemed appropriate by SRK, on an annual basis would hugely distort the economic viability of the remaining production and present an unrealistic plan, SRK has applied a simplified approach, in simply keeping throughput at the consistent rate as per the MATSA plan, but limiting the life to the tonnage as incorporated in the Ore Reserve. There is a disconnect in the economic model between tonnages mined and when processed, which further complicates a more sophisticated approach. SRK acknowledges this is an over-simplification, but accepts doing so for the purpose of this exercise. SRK notes that there is a small discrepancy in grades by doing so, but as the below does not serve as a technical valuation of the property, but is solely completed for purposes of Ore Reserve reporting, this is deemed acceptable.<br>• As the economic analysis results a positive annual cashflow, and has |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|

been tested with a range of sensitivities, SRK is comfortable to state the Ore Reserves as being economically viable. Results of the cashflow analysis are as follows:

| Parameter | Units | Total | 5M 2020 | 2021 | 2022 | 2023 | 2024 | 2025-2030 |
|---|---|---|---|---|---|---|---|---|
| NSR | | | | | | | | |
| Cu | (USDM) | 2,716.4 | 130.0 | 380.6 | 378.9 | 408.8 | 355.5 | 1,062.6 |
| Pb | (USDM) | 80.8 | 1.5 | 6.2 | 7.8 | 13.0 | 14.0 | 38.3 |
| Zn | (USDM) | 1,008.4 | 44.3 | 126.0 | 130.7 | 150.0 | 152.0 | 405.5 |
| Ag | (USDM) | 284.0 | 15.4 | 45.1 | 37.0 | 52.4 | 40.0 | 94.1 |
| **Total NSR** | **(USDM)** | **4,089.7** | **191.2** | **557.9** | **554.4** | **624.2** | **561.5** | **1,600.5** |
| | (USD/t feed) | 113.9 | 102.9 | 121.5 | 118.9 | 137.3 | 119.8 | 102.9 |
| **Operating Costs** | | | | | | | | |
| Mine | (USDM) | 1,240.8 | 59.2 | 152.4 | 153.4 | 144.8 | 150.2 | 580.8 |
| Treatment Plant | (USDM) | 179.7 | 7.9 | 20.0 | 22.8 | 22.3 | 22.1 | 84.7 |
| Maintenance Plant | (USDM) | 426.6 | 18.8 | 49.3 | 53.8 | 52.6 | 52.1 | 200.1 |
| Water & Project | (USDM) | 91.1 | 4.1 | 10.7 | 11.1 | 11.2 | 10.9 | 43.1 |
| Administrative | (USDM) | 177.7 | 7.8 | 20.9 | 21.8 | 21.8 | 21.2 | 84.2 |
| Other (Matsa Lab) | (USDM) | 50.6 | 4.1 | 5.6 | 6.0 | 6.0 | 5.8 | 23.1 |
| **Total** | **(USDM)** | **2,166.5** | **101.8** | **258.9** | **268.9** | **258.7** | **262.2** | **1,016.0** |
| | (USD/t feed) | 60.3 | 54.8 | 56.4 | 57.7 | 56.9 | 56.0 | 65.3 |
| **EBITDA and Tax** | | | | | | | | |
| EBITDA | (USDM) | 1,923.1 | 89.4 | 299.0 | 285.5 | 365.5 | 299.3 | 584.5 |
| Tax | (USDM) | 245.3 | 10.6 | 52.8 | 43.5 | 63.8 | 42.2 | 32.4 |
| **Capital Expenditure** | | | | | | | | |
| Total Capital | (USDM) | 699.1 | 40.6 | 95.8 | 96.9 | 88.0 | 84.9 | 293.1 |
| **Results** | | | | | | | | |
| **Net Free Cashflow** | **(USDM)** | **978.7** | **38.3** | **150.4** | **145.1** | **213.7** | **172.3** | **259.0** |

- SRK recommends that MATSA runs a second scenario in their economic model, based on a production schedule which is solely driven by material classed as Ore Reserves. This will provide further comfort in the viability of the Ore Reserves on a standalone basis and enable proper reporting of economics for the Ore Reserve.

| | | |
|---|---|---|
| *Social* | • *The status of agreements with key stakeholders and matters leading to social licence to operate.* | • MATSA uses numerous channels to communicate with stakeholders such as local communities, employees, contractors, suppliers, investors and the media. These channels include information sessions, newsletters, |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | website, email and social media platforms. The company also reportedly holds regular meetings with stakeholders to maintain a continuous dialogue and open days are held monthly for members of the local community, as well as residents of Huelva and Seville provinces, to promote transparency between the company and its neighbors.<br>• MATSA did not provide SRK with a stakeholder engagement plan or stakeholder meeting records as part of this review. SRK recommends that, if not already prepared, MATSA:<br>  • formalises its stakeholder engagement plan, documenting a stakeholder identification and analysis process and the strategy for communicating and sharing information with different stakeholder groups; and<br>  • implements a system for systematically recording stakeholder interactions. This is important to demonstrate appropriate engagement is being undertaken and the company is recording and responding to stakeholder comments or grievances.<br>• From the information reviewed, SRK notes that MATSA does not disclose site-specific environmental or social data on a regular basis, other than through annual corporate reports such as the Corporate Dossier (2018 version available on the website) and the Non-Financial Information Report (2019 version shared with SRK). The sharing of site-specific data, such as environmental monitoring data, would further strengthen transparency and trust with surrounding community stakeholders.<br>• A documented grievance mechanism was also not shared with SRK, although there is an email address for complaints and suggestions available to stakeholders. Three complaints from 2018 were recorded in the non-conformance register. It is not clear how these, and other, complaints are captured, tracked, investigated, responded to and reported. |
| *Other* | • *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:*<br>• *Any identified material naturally occurring risks.*<br>• *The status of material legal agreements and marketing arrangements.*<br>• *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.* | • No other factors that would impact on the statements of Ore Reserves have been identified. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Classification* | • *The basis for the classification of the Ore Reserves into varying confidence categories.*<br>• *Whether the result appropriately reflects the Competent Person's view of the deposit.*<br>• *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).* | • Ore Reserves derived from material in the Measured Mineral Resource category have been classed as Proved, whilst Ore Reserves derived from material in the Indicated Mineral Resource category are classed as Probable Ore Reserves.<br>• The Ore Reserve classification appropriately reflects the CP's understanding of the deposit.<br>• No Measured Mineral Resources have been converted to the Probable Ore Reserve category. |
| *Audits or reviews* | • *The results of any audits or reviews of Ore Reserve estimates.* | • SRK understands that no Ore Reserves estimates have been declared by independent parties historically.<br>• SRK reviewed MATSA's mining plans and used those as the basis for the Ore Reserve estimate |
| *Discussion of relative accuracy/ confidence* | • *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.*<br>• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>• *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.*<br>• *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • The Ore Reserve for MATSA has been estimated using accepted industry practices for underground mines, including stope optimisation analysis (Deswik), mine design, mine scheduling and the development of a cash flow model incorporating the Company's technical and economic projections for the mine for the duration of the Life of Mine Plan.<br>• SRK recognises that the LoMPs from the individual mines of Aguas Teñidas, Magdalena and Sotiel include material classified as Inferred Resources, which was removed from the assessment of Reserves. SRK has identified a number of minor design corrections and communicated these to MATSA to address in future updates to the mine plan and Reserve estimate.<br>• The Ore Reserve includes appropriate unplanned dilution and mining recovery factors.<br>• The metal price assumptions used in the economic test are subject to market forces and inherently present an area of uncertainty out of the Company's control. |

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Sandfire

# Acquisition of the MATSA mining complex in Spain

US$1,865M acquisition transforms Sandfire into a leading global copper mining company with an exceptional growth pipeline

23 September 2021





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The following notice and disclaimer applies to this investor presentation (**Presentation**) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation.

By accepting this Presentation you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it. This Presentation is dated 23 September 2021 and has been prepared by Sandfire Resources Limited (ABN 55 105 154 185) (**SFR** or the **Company –** where relevant, this includes the Grou**p**). This Presentation has been prepared in connection with SFR's:

(a) proposed acquisition of a 100% interest in Minas de Aguas Teñidas S.A. (**MATSA**) which is owned 50% by Mubadala Investment Company (**Mubadala**) and 50% by Trafigura Pte Ltd (**Trafigura**), (together the **Vendors**)(**Transaction**)**;** and

(b) proposed fully underwritten* A$1.248B offer of new fully paid ordinary shares **(New Shares)** in SFR, comprising:

(i) a placement of New Shares to institutional and sophisticated investors **(Placement)** under section 708A of the Corporations Act 2001 (Cth) **(Corporations Act)** and a standard ASX "supersize" waiver; and

(ii) a pro rata 1 for 1 accelerated non renounceable entitlement offer to certain eligible shareholders of SFR **(Entitlement Offer).**

**The Entitlement Offer is being made to:**

(a) eligible institutional shareholders of SFR **(Institutional Entitlement Offer);** and

(b) eligible retail shareholders of SFR **(Retail Entitlement Offer),**

under section 708AA of the Corporations Act as modified by the Australian Securities and Investments Commission Corporations (Non Traditional Rights Issues) Instrument 2016/84.

The Placement and the Entitlement Offer together form the **Offer**. The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. Please refer to the section of this Presentation headed "International Offer Restrictions" for more information.

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Any decision to purchase New Shares in the Retail Entitlement Offer must be made on the basis of the information to be contained in a separate offer booklet to be prepared for eligible shareholders in Australia and New Zealand and any other identified permitted jurisdictions (**Offer Booklet**), and made available following its lodgement with ASX. Any eligible shareholder in those jurisdictions who wishes to participate in the Retail Entitlement Offer should consider the Offer Booklet in deciding to apply under that Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Offer Booklet and the entitlement and acceptance form.

**Not investment advice**

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**Investment risk**

There are a number of risks specific to the proposed acquisition, the Offer, MATSA, SFR and of a general nature which may affect the future operating and financial performance of SFR and the value of an investment in SFR including and not limited to the Company's ability to obtain approvals, economic conditions, stock market fluctuations, commodity demand and price movements, access to infrastructure, regulatory risks, operational risks, reliance on key personnel, native title and title risks, foreign currency fluctuations and development, construction and commissioning risk. Any production guidance in this Presentation is subject to risks specific to SFR and of a general nature which may affect the future operating and financial performance of SFR.

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of SFR. SFR does not guarantee any particular rate of return or the performance of the Company. Investors should have regard to the risk factors outlined in this Presentation under the caption "Key Risks" when making their investment decision.

**Financial data**

All dollar values are in Australian dollars (A$ or AUD) unless otherwise stated. The information contained in this Presentation may not necessarily be in statutory format. Amounts, totals and change percentages are calculated on whole numbers and not the rounded amounts presented. This Presentation includes certain historical financial information extracted from the SFR's audited consolidated financial statements for the full year ended 30 June 2021 (collectively, the **Historical Financial Information**). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards (**AAS**) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Historical Financial Information and pro forma historical financial information (to reflect the Transaction and the Offer) provided in this Presentation is for illustrative purposes only and is not represented as being indicative of SFR 's views on its future financial condition and/or performance.

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SFR believes this non IFRS financial information provides, and these non GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of SFR. This non IFRS financial information and these non GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Recipients of this presentation are cautioned, therefore, not to place undue reliance on any non IFRS financial information or non GAAP financial measures and ratios included in this presentation. Such financial information is unaudited and does not purport to be in compliance with Article 3-05 of Regulation S-X under the U.S. Securities Act.

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**Forward-looking statements and forecasts (cont.)**

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All information in this presentation relating to MATSA, including in relation to historical production, historical costs, and other historic financial information has been sourced from the Vendors. SFR has conducted due diligence in relation to MATSA, the MATSA mine complex and the Transaction, but has not independently verified all such information and, to the maximum extent permitted by law, makes no representation or warranty, expressed or implied, as to the fairness, accuracy, correctness, completeness or adequacy of any information relating to those. Nothing in this Presentation can be relied on as implying that there has been no change to any information relating to MATSA or the MATSA mine complex since the date of this Presentation, or as a representation as to future matters in relation to the MATSA mine complex. The Vendors have not prepared this Presentation, do not make any statement contained in it and has not caused or authorised its release. The Vendors expressly disclaim any liability in connection with this presentation, and any statement contained in it, to the maximum extent permitted by law.

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Determination of eligibility of investors for the purposes of all or any part of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of SFR and the Underwriters. To the maximum extent permitted by law, SFR, the Underwriters and their respective Limited Parties expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion or otherwise.

In connection with the Offer, one or more investors may elect to acquire an economic interest in the New Shares (Economic Interest), instead of subscribing for or acquiring the legal or beneficial interest in those securities. The Underwriters (or their respective affiliates and related bodies corporate) may, for their own respective accounts, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire securities in SFR in connection with the writing of those derivative transactions in the Offer and/or the secondary market. As a result of those transactions, the Underwriters (or their respective affiliates and related bodies corporate) may be allocated, subscribe for or acquire securities of SFR in the Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in SFR acquired by the Underwriters or their affiliates and related bodies corporate in connection with its ordinary course sales and trading, principal investing and other activities, result in the Underwriters or their affiliates disclosing a substantial holding and earning fee.

The Underwriters (and/or their respective affiliates and related bodies corporate) may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in their capacity as Underwriters to the Offer.

**JORC Code**

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators ; or (ii) Subpart 1300 of Regulation S-K, which governs disclosures of mineral reserves in the United States for registration statements filed with the SEC.

On October 31, 2018, the U.S. Securities and Exchange Commission (SEC) adopted amendments to its disclosure rules to modernise the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Securities and Exchange Act of 1934 (US Exchange Act). Under the new SEC amendments, the disclosure requirements for mining registrants included in Industry Guide 7 under the US Securities Act have been rescinded and replaced with disclosure requirements in subpart 1300 of Regulation S-K. As a result, the SEC's standards for mining property disclosures are now more closely aligned to JORC requirements. For example, the SEC now recognises estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding standards under the JORC Code. However, despite these similarities, SEC standards are still not identical to the JORC Code. Accordingly, investors are cautioned that there can be no assurance that the reserves and resources reported by the Issuer under the JORC Code would be the same had it prepared its reserve or resource estimates under the new SEC standards.

Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws.





# Sandfire Important Information and Disclaimer (cont.)

**SFR ore reserve and mineral resource estimates**

The information in this presentation that relates to SFR's Mineral Resources or Ore Reserves is extracted from SFR's ASX releases and is available at https://www.sandfire.com.au/site/Business/group-mineral-resources-ore-reserves or www.asx.com.au. SFR confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

**MATSA ore reserve and mineral resource estimates**

The estimates in relation to the MATSA Mineral Resources and Ore Reserves estimates are reported in accordance with the JORC Code and estimated (or based on documentation prepared) by a Competent Person as defined by the JORC Code. SFR confirms that nothing has come to its attention that causes SFR to question the accuracy or reliability of the Mineral Resources and Ore Reserve estimates. The MATSA Ore Reserves are stated as at 31 July 2020 and Mineral Resources are stated as at 31 December 2019, therefore depletion should be considered to 30 August 2021. Refer to the accompanying announcement on 23 September 2021 for further warning statements.

**Key assumptions**

The following assumptions apply to information in this presentation unless otherwise stated.

- **Financial data:** unless otherwise stated, historical data is presented as at 30 June 2021 or for the 12-month period to 30 June 2021. Forecast is provided for the 12-month period to 30 June 2022.
- **Currency:** unless otherwise stated, all figures are in AUD.
- **Pro forma financial data:** FY21A pro forma figures are illustrative only given Sandfire acquisition of economic ownership is not expected to occur until the March 2022 quarter. FY22 pro forma figures for MATSA assume full ownership for FY22.
- **Copper equivalent data**: Copper equivalent values are calculated based by Sandfire on realised pricing for historical actual data and consensus for forecasts; Consensus pricing assumes long-term real prices of US$3.43/lb Cu, US$1.05/lb Zn, US$0.86/lb Pb, US$7.00/lb Ni, US$20.6/lb Co, US$9.0/lb Mo, US$1,402/oz Au, US$20.3/oz Ag.
- Throughout this presentation a number of assumptions have been made for forecasts or other financial data including:
  - **Foreign exchange:** AUDUSD of 0.725
  - **Pricing:** Sandfire last close price of A$6.22/sh

Figures, amounts, percentages, estimates, calculations of value and other factors used in this presentation are subject to the effect of rounding.



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Sandfire


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| 2 | Strategic Rationale |
| 3 | Transaction Financing |
| 4 | MATSA Overview |
| 5 | Sandfire Pro Forma Summary |
| 6 | Sandfire: A New Global Leader in Copper |


## Appendix


| | |
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| A | MATSA Overview |
| B | Sandfire Overview |
| C | JORC Reserves and Resources |
| D | Key Risks |
| E | International Offer Restrictions |

Sotiel mine

Aguas Teñidas processing plant



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# 1 EXECUTIVE SUMMARY

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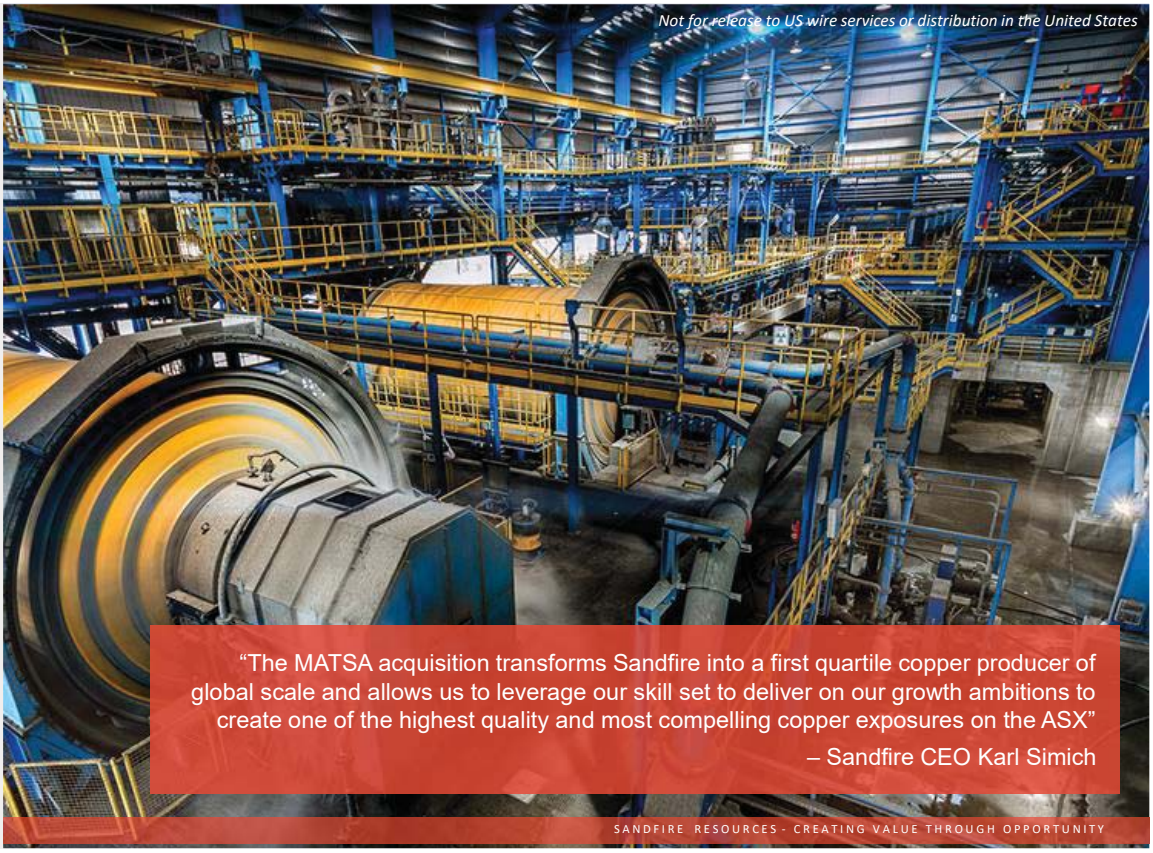

"The MATSA acquisition transforms Sandfire into a first quartile copper producer of global scale and allows us to leverage our skill set to deliver on our growth ambitions to create one of the highest quality and most compelling copper exposures on the ASX"

– Sandfire CEO Karl Simich

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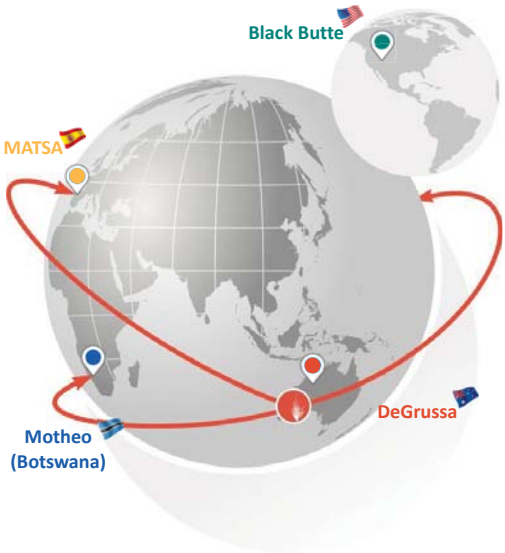
# Sandfire Executive Summary – A Transformational Acquisition

- Sandfire to acquire the **Minas de Aguas Teñidas S.A. ("MATSA") mining complex** from Mubadala Investment Company and Trafigura for US$1,865M (A$2,572M)[1]
- A rare **cornerstone asset** which immediately transforms Sandfire into a **leading diversified global base metals producer**:
  - **World-class polymetallic mine with ~100-120ktpa CuEq production** (FY22 pro forma guidance[2][3]) with first-quartile cost position, generating robust cash-flows – **located in the highly regarded Iberian Pyrite Belt, Spain**
  - Positions Sandfire as one of the **ASX's largest copper focused producers**, with FY22 pro forma production target of 170-194kt CuEq and an exceptional global development pipeline[2][3]
- **MATSA is a long-life asset** with outstanding organic growth potential:
  - **Tier-1 asset** with three underground mines and a modern 4.7Mtpa processing plant (>US$1.7B capital invested since 2005), 6-year reserve and ~**12-year resource life** (large 122Mt Resource base)
  - **Operational improvements plan** targeting 5Mtpa processing capacity through debottlenecking
  - Historically high Resource to Reserve conversion and **significant exploration potential** to unlock in the ~2,450km$^2$ portfolio of mineral rights in exploration (in Spain and Portugal)
- Highly-skilled and experienced **in-country MATSA management team**:
  - On strategy "**plug-and-play acquisition**" with ability to leverage Sandfire's mining, processing and exploration expertise as well as its strong ESG credentials – **all permits in place for operating mines**
- **Acquisition fully-funded** through a combination of cash, debt and equity with balance sheet flexibility maintained for Sandfire's Motheo development in Botswana




Notes: (1) Based on an AUD/USD exchange rate of 0.725; (2) Based on DeGrussa guidance and MATSA guidance assuming full year of production for illustration purposes – Sandfire is expected to complete the acquisition in the March 2022 quarter; (3) Based on realised pricing for actuals and broker consensus forecast pricing detailed on page 6.





# Sandfire Transaction Overview

| | |
|---|---|
| **Consideration** | • Sandfire Resources Limited ("**SFR**") to acquire a 100% interest in Minas de Aguas Teñidas S.A. ("**MATSA**") from joint venture owners Mubadala Investment Company (50%) and Trafigura (50%) (the "**Vendors**") ("**Transaction**") for US$1,865M (A$2,572M)[1] via an executed Sale and Purchase Agreement ("**SPA**") |
| **Transaction funding** | • A$1,248M (US$905M[1]) fully underwritten equity raising consisting of:<br>– A$120M strategic placement to AustralianSuper ("**Strategic Placement**"),<br>– A$165M institutional placement ( "**Institutional Placement"**) (together with the Strategic Placement, the "**Placement**"); and,<br>– A$963M fully underwritten 1 for 1 accelerated non-renounceable entitlement offer ("**Entitlement Offer**") (and together with the Placement, the "**Offer**" or the "**Equity Raising**")<br>• Binding equity commitment from AustralianSuper for A$120M via the strategic placement, with a further commitment to sub-underwrite A$150M of the Retail Entitlement Offer ("**Retail Entitlement Offer**") – cornerstone commitment made following thorough due diligence on the asset<br>• Binding credit-approved underwritten commitment letter and term sheet agreed for a US$650M (A$897M) debt facility with a syndicate of banks, including Citi, Macquarie, Natixis and Société Générale ("**Syndicated and Underwritten Debt Facility**") to partially fund the acquisition – security is limited to MATSA, with no recourse to Sandfire<br>• Binding credit approved term sheet agreed for a A$200M (US$145M) facility with existing lender ANZ (currently undrawn) – secured by DeGrussa<br>• Balance of US$215M (~A$297M) funded through cash on hand of A$681M[2] (A$384M cash on hand remaining post acquisition[2]) |
| **Timetable** | • Completion expected to occur in the March 2022 quarter |
| **Key conditions precedent to completion** | • Key conditions precedent include:<br>– Spanish Foreign Direct Investment Approval (expected to take 3-6 months); and<br>– Anti-trust merger control approval<br>• In the event the Transaction does not complete, the MATSA bank debt facilities will be terminated and not drawn, and Sandfire will consider alternative uses or mechanisms to return surplus capital from the Equity Raising |
| **Deposit** | • Sandfire has agreed to pay a US$300M deposit of which US$100M is paid on signing of the SPA and US$200M to be paid 10 business days thereafter |
| **Advisors** | • Macquarie Capital (Australia) Limited ("Macquarie") is acting as Financial Advisor<br>• BurnVoir Corporate Finance is acting as Debt Advisor<br>• Allen & Overy ("A&O") has been appointed as Legal Advisor |

Notes: (1) Based on an AUD/USD exchange rate of 0.725; (2) Unaudited cash balance of A$581M as at 31 August 2021, plus Sandfire's liquid stake in Adriatic Metals, valued at A$100M at the last close price of A$2.89/sh.

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# Sandfire On-Strategy Acquisition – A Rare Tier-1 Asset of Scale

## matsa
Minas de Aguas Teñidas

### Scale & Life
Significant production scale (**100-120kt CuEq** FY22F[1]) with **visibility on ~12 years** of production[2] plus **significant life extension potential**

### Commodity
Copper is a target commodity for SFR that is **critical to energy transition** and a decarbonised future with a **strong growth outlook**

### Quality
High quality and robust asset with a **first quartile copper cost curve position**[3], strong margins and **significant cash flow generation potential**

### Upside
Strong track record of **resource to reserve conversion** and **resource replacement** plus **~2,450km²** of regional exploration tenure

### Jurisdiction
Located in the **prolific Iberian Pyrite Belt** mining province, with high quality **infrastructure**, existing proven **logistics** and a highly skilled **workforce**

### Value
**Portfolio enhancing** acquisition – creates a **potential for re-rating over time** towards larger global peers

Notes: (1) FY22 pro forma metrics are for illustrative purposes only, based on guidance and assume a full year of production, whereas Sandfire is likely to complete the acquisition in March quarter 2022; (2) ~12 years of production based on a mining inventory derived from Mineral Resources (6 years based on Ore Reserves); (3) Per Wood Mackenzie estimates, based on 2021 cash costs per pound of payable metal (by-product basis).

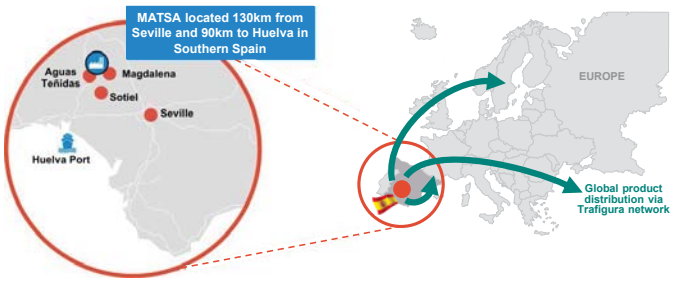




# Sandfire Overview of the MATSA Mining Operation

## MATSA comprises three significant underground mining operations and a world-class central processing facility with state-of-the-art infrastructure producing >100ktpa CuEq per annum

| | |
|---|---|
| Asset | • Minas de Aguas Teñidas S.A. (**MATSA**) |
| Location | • Iberian Pyrite Belt, Spain – 130km from Seville |
| History | • Discovered in 1980s and restart of production in 2009[1]<br>• >US$1.7bn of capital invested since 2005, including the expansion of the processing facility from 1.7Mtpa to 4.7Mtpa (capacity) |
| Mining | • Three underground mining operations using a combination of longitudinal and transverse long-hole open stoping |
| Processing | • World-class central processing facility with 4.7Mtpa capacity |
| Products | • Polymetallic ore: Cu, Zn, Pb concentrate (Ag by-product)<br>• Cupriferous ore: Cu concentrate |
| Mine life | • ~12-year Resource life (*6 years mine life from Ore Reserves*) |
| Ore Reserves[2][3] | • 36Mt @ 3.1% CuEq for 1.1Mt CuEq |
| Mineral Resources[2][3] | • 122Mt @ 3.2% CuEq for 3.9Mt CuEq |




| | FY21A | FY22F[5] |
|---|---|---|
| Production | 104kt CuEq[3] | 100-120kt CuEq[3] |
| C1 costs (net)[4] | US$0.56/lb | US$0.40-0.50/lb |
| Throughput | 4.2Mtpa | 4.5Mtpa moving to 4.7Mtpa |

*Magdalena mine*

*Aguas Teñidas processing plant*

Notes: (1) This is the first-time commercial production was achieved by MATSA. Historical mining activity has occurred at Aguas Teñidas and Sotiel; (2) Refer to Appendix C for details on Mineral Resources (as at 31 December 2019) and Ore Reserves (as at 31 July 2020); (3) CuEq based on realised pricing for actuals and broker consensus forecast pricing, consisting of long-term real prices detailed on page 6; (4) FY21A and FY22F Gross C1 costs of US$3.08/lb and US$2.9-3.0/lb respectively; (4) FY22 pro forma metrics are for illustrative purposes only, based on guidance and assume a full year of production. Sandfire is likely to complete the acquisition in March quarter 2022.

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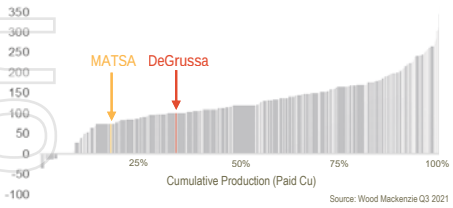
# Sandfire MATSA – A world-Class Foundation for Sandfire's Future

## Significant regional upside potential across the Iberian Pyrite Belt (one of the world's largest concentrations of VMS[1] copper-zinc mineralisation) – a strong foundation for Sandfire's future

### Tier 1 Global Copper Cost Curve Position

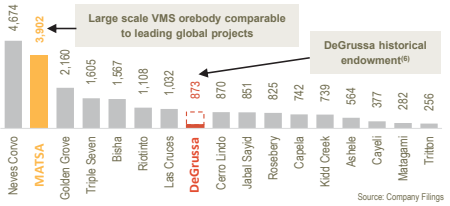
Global Copper 2021 C1 Cost per Wood Mackenzie (USc/lb Cu) [2]




Source: Wood Mackenzie Q3 2021

### Large Scale Contained Resource Base

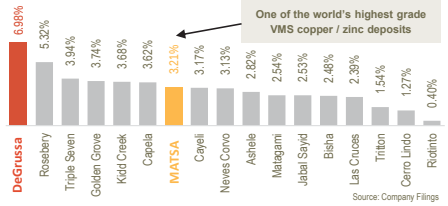
Global VMS Deposit Mineral Resources (kt CuEq) [3,4,5]




Source: Company Filings

### High Grade

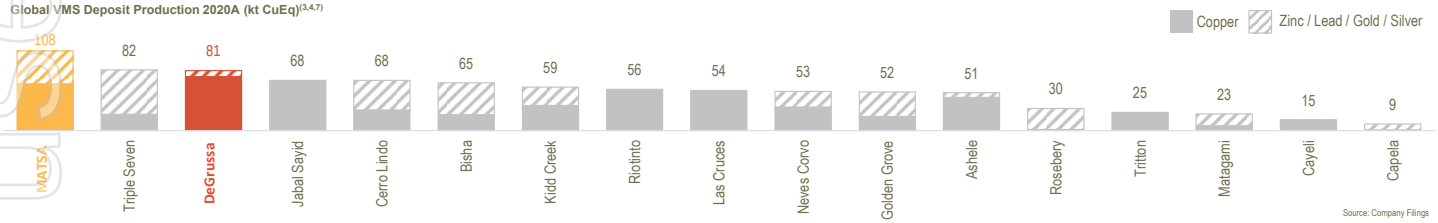
Global VMS Deposit Mineral Resource Grade (% CuEq) [3,4,5]




Source: Company Filings

### Globally Significant Production

Global VMS Deposit Production 2020A (kt CuEq)[3,4,7]




Source: Company Filings

Notes: (1) Volcanogenic Massive Sulphide; (2) Wood Mackenzie Global Copper Cost Curve (Q3 2021, composite basis); (3) Selected VMS copper-zinc deposits based on geological classification per S&P Capital IQ, with mid to large scale operating mines held by companies subject to public reporting presented; (4) CuEq based on realised pricing for actuals and broker consensus forecast pricing, consisting of long-term real prices detailed on page 6; (5) Mineral Resources based on latest available company disclosure and applicable reporting standards in individual jurisdictions (e.g. JORC (2012) or NI 43-101); (6) Dotted line reflects historical DeGrussa (and Monty) production; (7) Actual production for the 12 months ending 31 December 2020 presented based on respective company filings for each asset.

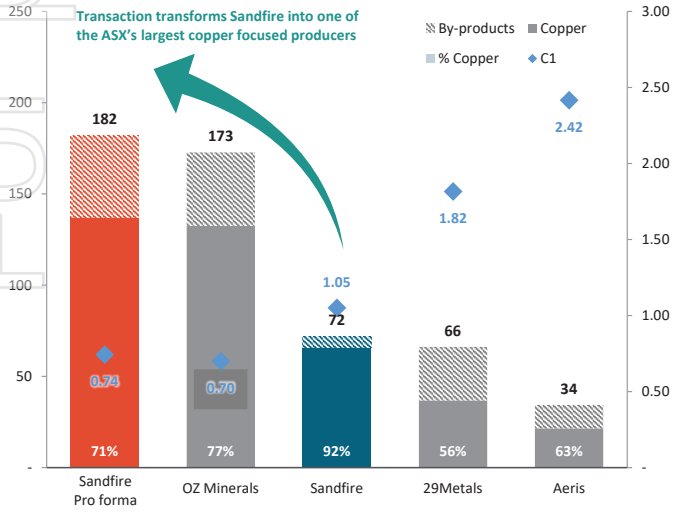




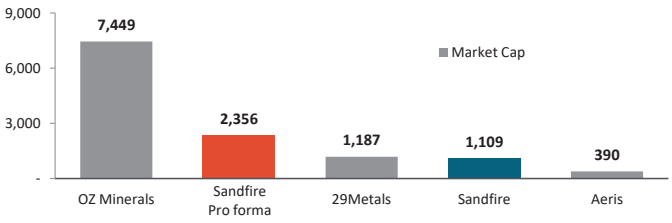
# Sandfire Creates one of the Largest Copper Producers on the ASX

## Positions Sandfire to achieve its long term sustainable production target of 150-200ktpa CuEq

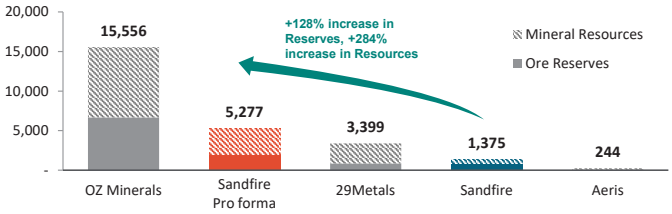
### FY22F production (LHS, kt CuEq) and C1 (RHS, US$/lb)[1,2,3,4]




### Market capitalisation (A$M)[5,6]




### Mineral Resources and Ore Reserves (Mt CuEq)[1]




Notes: Sourced from Company Announcements (1) CuEq based on realised pricing for actuals and broker consensus forecast pricing, consisting of long-term real prices detailed on page 6; (2) Mid-point of FY22 guidance for Sandfire (170-194kt CuEq production at a MATSA C1 cost of US$0.4-0.5/lb and DeGrussa C1 guidance US$1.0-1.1/lb – full year weighted average of US$0.72-0.77/lb) and Aeris, mid-point of CY21 guidance for OZ Minerals and 29Metals; (3) Copper C1 shown for Aeris, converted to US$ based on Investor Presentation's defined AUD/USD exchange rate of 0.725; (4) Based on DeGrussa guidance and MATSA guidance assuming full year of production for illustration purposes – Sandfire is expected to complete the acquisition in the March 2022 quarter; (5) Market capitalisation as at 22 September 2021; (6) Sandfire pro forma capitalisation detailed on page 31.

# Sandfire A Global and Diversified Copper Player

**Sustainable production target of 150 – 200ktpa CuEq at C1 ~US$1.0/lb**

## MATSA, Spain (100%)

FY22F CuEq Production: 110kt[1][7]

- 12+ years
- Producing
- US$0.45/lb[1]
- 3,902kt[2]
- 4.7Mtpa
- 2,450km²

Cu Zn Pb Ag

- Concepión & Poderosa
- Exploration

## Kalahari, Botswana (100%)

Peak Cu Production: 60ktpa[3]

- 10.5+ years
- Construction
- US$1.31/lb[4]
- 666kt[2]
- 5.2Mtpa
- 26,650km²

Cu Ag

- A4 Dome Project
- Motheo Expansion
- Kalahari Copper Belt

## DeGrussa, Australia (100%)

FY22 Guidance CuEq Production: 72kt[1][7]

- >1 year[6]
- Producing
- US$1.05/lb[1]
- 196kt[2]
- 1.6Mtpa
- 7,189km²

Cu Au

- Old Highway
- Doolgunna Exploration
- Australia Regional

## Black Butte, USA (87%)

LOM Avg Cu Production: 23kt[7][8]

- 8+ years
- Feasibility
- US$1.51/lb[8]
- 502kt[2]
- 1.2Mtpa

Cu Ag Co

- Lowry
- Exploration

Notes: (1) Based on DeGrussa guidance and MATSA guidance assuming full year of production for illustration purposes – Sandfire is expected to complete the acquisition in the March 2022 quarter; (2) Refer to Appendix C for further information on Reserve and Resources, all shown on an attributable basis; (3) LOM average of 55ktpa. Production includes T3 and A4; (4) C1 cash costs in the first 10 years of operations; (5) 5.2Mtpa supported by A4 Ore Reserve Estimate (Refer to ASX Release 22 September 2021); (6) Excludes potential mine life extensions from Golden Highway development or exploration success; (7) CuEq based on realised pricing for actuals and broker consensus forecast pricing, consisting of long-term real prices detailed on page 6; (8) USA and Botswana Development Projects Update (ASX Release 28 October 2020).





# Sandfire Key Transaction Milestones

| Event | Date[1] |
|---|---|
| Signing of the SPA and announcement of the acquisition of 100% of MATSA | Thursday, 23 September 2021 |
| Launch of equity raising | Thursday, 23 September 2021 |
| Engagement with regulatory authorities with regards to Foreign Direct Investment Approval | Expected to be as soon as possible after signing |
| Completion of the placement and institutional entitlement offer component of the equity raising | Monday, 4 October 2021 |
| Completion of the retail entitlement offer component of the equity raising | Tuesday, 19 October 2021 |
| Targeted transaction completion | March 2022 quarter |

Notes: (1) These timings are indicative only and subject to variation. SFR 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.



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Sandfire

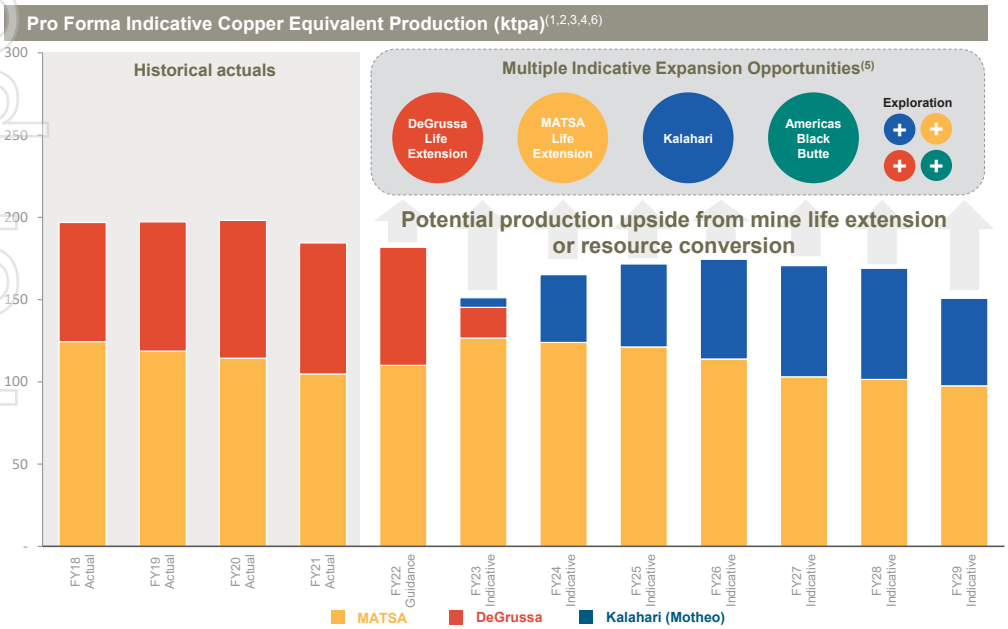
2

# STRATEGIC RATIONALE

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

## Sandfire Significant Producing Asset Adds >10Yrs Life

Scale & Life




- **Cornerstone asset** with minimum mine life of ~12 years supported by Mineral Resources
- **MATSA acquisition achieves Sandfire's Sustained medium-term portfolio production target of >150kt contained CuEq pa**
- Underpins the business to continue to **pursue other compelling developments** e.g. Motheo and Black Butte
- **Diversifies the production base** with copper, gold, zinc, silver and lead production, and diversified by jurisdiction across APAC, EMEA and the Americas

Notes: (1) CuEq based on realised pricing for actuals and broker consensus forecast pricing, consisting of long-term real prices detailed on page 6. The MATSA production targets is underpinned by approximately 20% Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised; (2) FY22 based on DeGrussa guidance and MATSA guidance assuming full year of production – The Transaction is expected to complete in the March 2022 quarter; (3) Production on a contained metal basis; (4) Sandfire production profile is indicative only and there is no assurance that production will be sustained over time; (5) Arrows represent production aspirations only, and are not based on current resources or mine plans; (6) Kalahari includes a component of production from A4; the Sandfire board has not approved a formal decision to mine, nor has a mining license yet been awarded.

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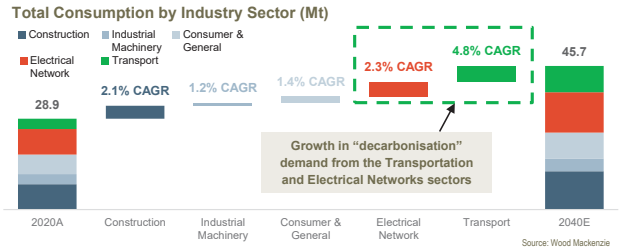
# Sandfire Copper is Key to a Decarbonised Future

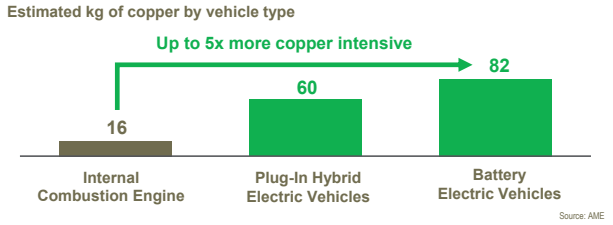
Commodity

- MATSA provides increased leverage to **long term production of copper, at scale** – a cornerstone commodity of the global economy and a **"metal of the future"**
- **Strong underlying demand** from construction and industrial sectors plus **significant growth from the adoption of new green technologies** over the next decade
- **Global decarbonisation** initiatives (renewable power, EVs and grid infrastructure) are **highly copper intensive**
- **Global mine supply remains structurally challenged** due to declining discoveries and mine grades
- **Strong ESG credentials** from MATSA's copper production, with world class environmental management practices and a range of community engagement programs
- Due to anticipated demand and supply constrains, **Sandfire expect persistent, strong and higher copper pricing environment in the future**

**Global Copper Demand Growth to 2040**




**Copper Intensity of Electric Vehicles**





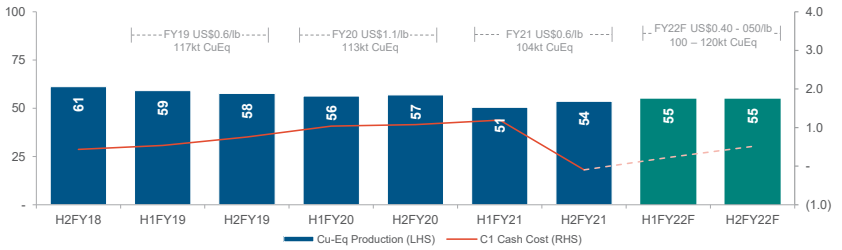



# Sandfire MATSA is a Robust Asset with Strong Cashflows

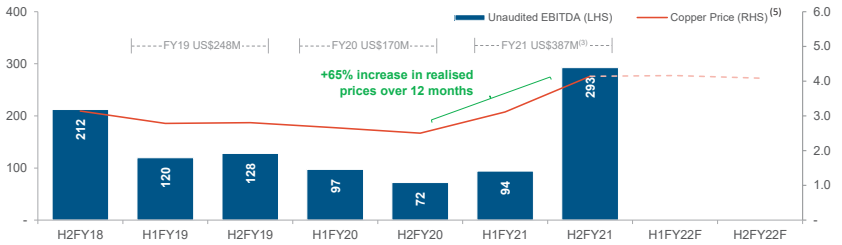
Quality

- **High quality cornerstone asset** for Sandfire with demonstrated ability to generate sustainable cash flows
- **First quartile copper cost curve position** with significant by-product credits
- Low operating costs translate to **strong margins** and **strong free cash flow generation**
- FY20 and H1FY21 operations impacted by disruptions due to COVID and a 5-day suspension in CY20 as a result of a nearby forest fire
  - Performance highlights the significant leverage to improved copper price outlook
  - FY21 cost position also benefited from increased by-product revenue from Zn, Pb and Ag
- Acquisition of MATSA for US$1,865 million implies an acquisition multiple of 4.8x MATSA's FY21A unaudited EBITDA (US$387M excluding impact of hedging)

**MATSA Production (kt CuEq) and C1 Cash Cost (US$/lb)[1,2,3]**




**MATSA Unaudited EBITDA (US$M)[4] and Realised Copper Prices (US$/lb)**




Notes: (1) Net of by-product credits; (2) CuEq based on realised pricing for actuals and broker consensus forecast pricing, consisting of long-term real prices detailed on page 6; (3) Refer to page 35 for further details on costs; (4) Unaudited MATSA management accounts, excludes gains/losses from hedging; (5) Consensus forecasts.

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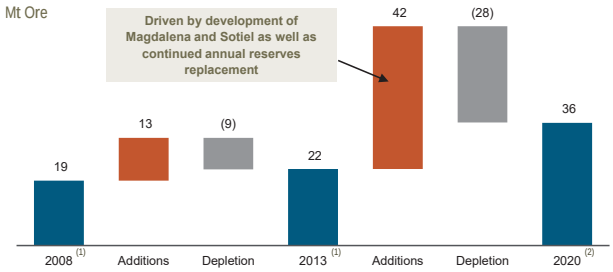
# Sandfire MATSA Upside Potential – Existing Operations

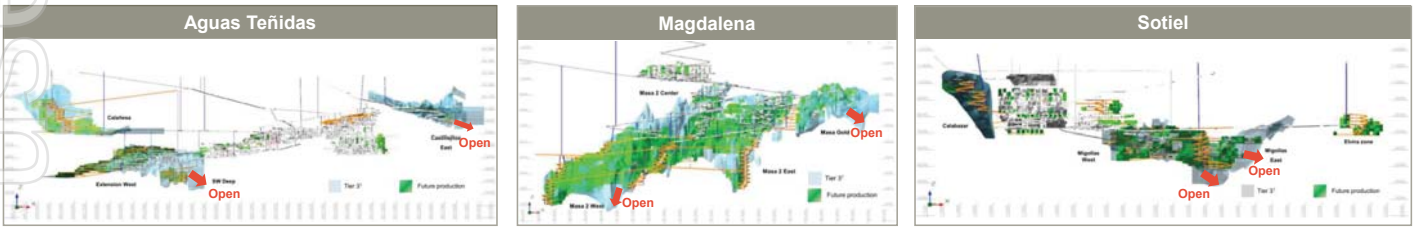
Upside

- All existing operations remain **open along strike and at depth**
- **Magdalena discovered by the MATSA team in 2013**
- **Significant exploration upside** from step-out drilling to extend orebodies
- In-fill drilling to target **upgrades to classification of the large-scale resource base of 122Mt**
- **Track record** of reserves replacement to **extend the life of operations**
- Large portfolio of growth opportunities and significant discoveries already made to date despite **only ~US$7Mpa(3) invested in exploration since 2006(4)**
- Sandfire's 5-year operational plan for MATSA is focused on realising value from the upside potential at existing operations (see page 25)

**MATSA Strong Track Record of Reserves Replacement**




**Orebodies of Existing MATSA Operations**




Notes: (1) MATSA internal historical estimates; (2) Reserves as of July 2020, refer to Appendix C for further information; (3) US$100m invested since 2006; (4) Unaudited management estimates, as at December 2020.





# Sandfire MATSA Upside Potential – Regional

Upside

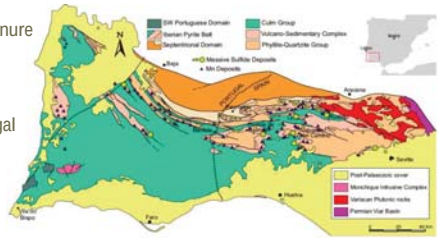
- **Significant regional upside potential** across one of the world's largest concentrations of VMS copper-zinc mineralisation
- Approximately **2,450km² of regional exploration tenure held** across the Iberian Pyrite Belt, which has been mined for more than 2,500 years
- **Experienced in-country exploration team** with a **track record of success** (e.g. Magdalena discovery 2013)
- **Potential new mining centres identified** at Poderosa and Concepión (close proximity to Magdalena) with several other advanced stage targets being progressed
- **Regional joint venture opportunities** across Spain and Portugal (including neighbouring mines and deposits) including a joint venture established with junior miner, Avrupa Minerals, in Portugal
- **Significant upside in a belt that is under-explored** by comparison to other well-known VMS belts – will benefit from modern, state-of-the-art exploration tools and techniques, and is perfectly aligned to SFR's VMS exploration capability

**~2,450km² of Exploration Tenure Across the Iberian Pyrite Belt(1)**

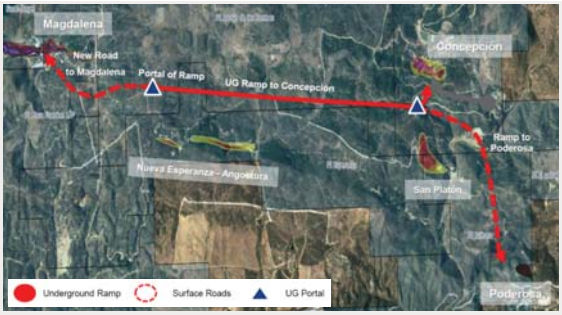
Regional Exploration Tenure

~1,332km² Spain

~1,108km² Portugal



**Potential New Mining Centre – Poderosa and Concepión**




Notes: (1) Almodóvar et al (2019).

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# Sandfire MATSA is in a World-Class Mining Province

Jurisdiction

- Established and transparent permitting process – **all permits currently in place for MATSA's operating mines**[1]
- **World-class infrastructure and logistics**, with reliable access to power and water and **only 90km trucking distance to world class port** at Huelva
- **Several listed copper producers with existing operations in the region** (Lundin Mining, First Quantum, Southern Copper)
- **Supportive local community and highly skilled workforce** (80% of staff employed from local towns in Huelva province) and an **experienced in-country management team**
- **Andalusia is a key mining district in Spain**, with several operating mines in the region accounting for 40% of mining production in Spain by value[2]
- **Attractive fiscal regime** with a 25% corporate tax rate and no mineral royalties payable

## Overview of Current Mining Projects in Spain

## Transport from MATSA to Port of Huelva

Notes: (1) Permits are in place for MATSA's existing operating mines and infrastructure; (2) Ministerio para la Transición Ecológica y el Reta Demográfica, Statista 2019.





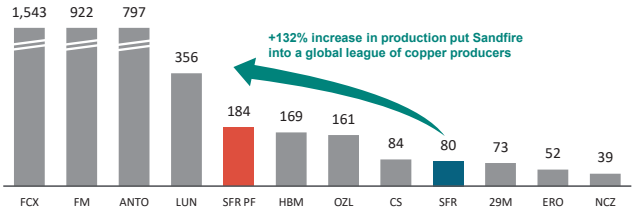
# Sandfire Transformational Transaction with Re-rate Potential

Value

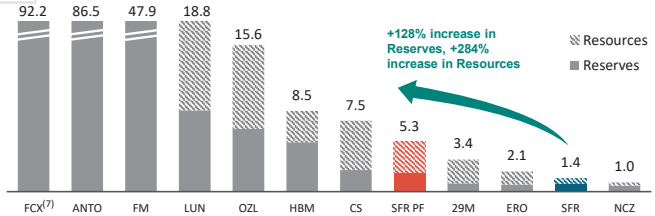
**Portfolio enhancing acquisition of a high-quality asset which positions Sandfire against global peers and provides a platform for a potential re-rate towards the larger peers**

## Global peers market capitalisation (A$bn)[1][9]

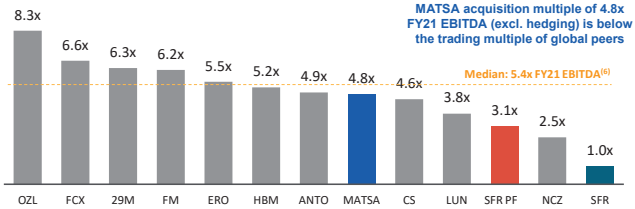
## Global peers FY21A production (CuEq kt)[2][4][9]




## Mineral Resources and Ore Reserves (Mt CuEq)[2][3][9]




## Global peers EV / FY2021 EBITDA trading multiples (x)[1][5][3][8][9]




Source: Company Announcements. Notes: PF = Pro forma; ANTO = Antofagasta plc; CS = Capstone Mining Corp.; ERO = Ero Copper Corp; FM = First Quantum Minerals Ltd.; FCX = Freeport-McMoran, Inc.; HBM = Hudbay Minerals Inc.; LUN = Lundin Mining Corporation; NCZ = New Century Resources Limited. OZL = OZ Minerals Limited; 29M = 29 Metals Ltd. Pro forma figures for FY21A illustrative only given acquisition of economic ownership is expected to occur in the March quarter of 2022; (1) Market capitalisation as at 22 September 2021 for ASX and 21 September 2021 for Global peers, Sandfire pro forma capitalisation detailed on page 31; (2) CuEq assumes long-term real prices detailed on page 6; (3) Refer to Appendix C for details on Mineral Resources and Ore Reserves; (4) Reported actual performance based on 12-months to 30 June 2021; (5) EBITDA based on broker consensus or actual reported EBITDA to 30 June 2021 where available, plus unaudited MATSA management accounts (excl. gains/losses from hedging) used for pro forma multiple; (6) Median includes peers only (i.e. excludes Sandfire, pro forma and MATSA); (7) FCX Mineral Resource defined as Milling & Leaching ore; (8) Peer EV inclusive of liquid investments. Includes Sandfire's liquid stake in Adriatic Metals, valued at A$100M at the last close price of A$2.89/sh; (9) Sandfire peer set includes select ASX and international (LSE, NYSE or TSX) base metals producers

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# Sandfire Sandfire's Vision for Realising MATSA upside

MATSA is a high quality operation with significant optimisation and life extension potential – the combination of the highly capable MATSA and Sandfire teams is well positioned to realise these opportunities and continue to grow MATSA as Sandfire's cornerstone asset

| Stage | Phase 1 (Day 1 – 1 Year) | Phase 2 (2 - 5 Years) | Phase 3 (5+ Years) |
|---|---|---|---|
| Objectives | **Finalise the Transaction**<br>(expected to take 3 – 6 months for FDI & anti-trust approvals)<br>**Operational integration**<br>(alignment of policies, standards, reporting and operating practices)<br>**Optimise & implement 5-year plan**<br>– Safety improvement – culture and accountability<br>– Focus on key drivers of value – maximise NSR early<br>– Lift mine productivity and develop plan to grow mill throughput to >5.0Mtpa<br>– Resource to Reserve conversion to extend the mine life of existing mines<br>– Near mine resource extensions at the three existing mines, beyond the current resource base<br>– Commence a regional exploration campaign to underpin future expansions of throughput and mine life | **Maximise existing processing hub**<br>– Implement long-term plan to upgrade the central processing plant to 5Mtpa target (with minimal additional capital investment required)<br>– Install an ore handling system at Magdalena to increase production rate and reduce operating costs<br>– Promote advanced exploration targets at Concepción, Poderosa, San Platón & Esperanza<br>**Evaluate expansion beyond 5Mtpa**<br>– Potential development of a 1-2Mtpa processing facility at the old Almagrera Plant site (previously processed Sotiel and Aguas Teñidas ore until 2002) or addition of a 3rd crushing train at Aguas Teñidas plant<br>– Potential for 100% of ore supply sourced from Sotiel to be processed at standalone facility (Almagrera)<br>– Ongoing near-mine exploration to support production<br>**Continued regional exploration**<br>– Regional exploration to unlock opportunities across MATSA's extensive 1,108km$^2$ of Portuguese tenements – a highly prospective and, under-explored region | **Iberian Pyrite Belt opportunities**<br>– Significant high-quality region with opportunities for further development/ partnerships in the region<br>– MATSA is engaging in and has identified opportunities with neighbouring mines and deposits on the Pyrite Belt<br>**Portugal hub**<br>– Outside of the near-mine opportunities, regional exploration success may enable the development of a new processing hub in Portugal<br>– MATSA has identified multiple targets for VMS deposits in Portugal |
| Outcomes | Integration and sustain annual production of 100-120ktpa CuEq | Pathway to >120ktpa CuEq | Additional regional hubs |



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Sandfire

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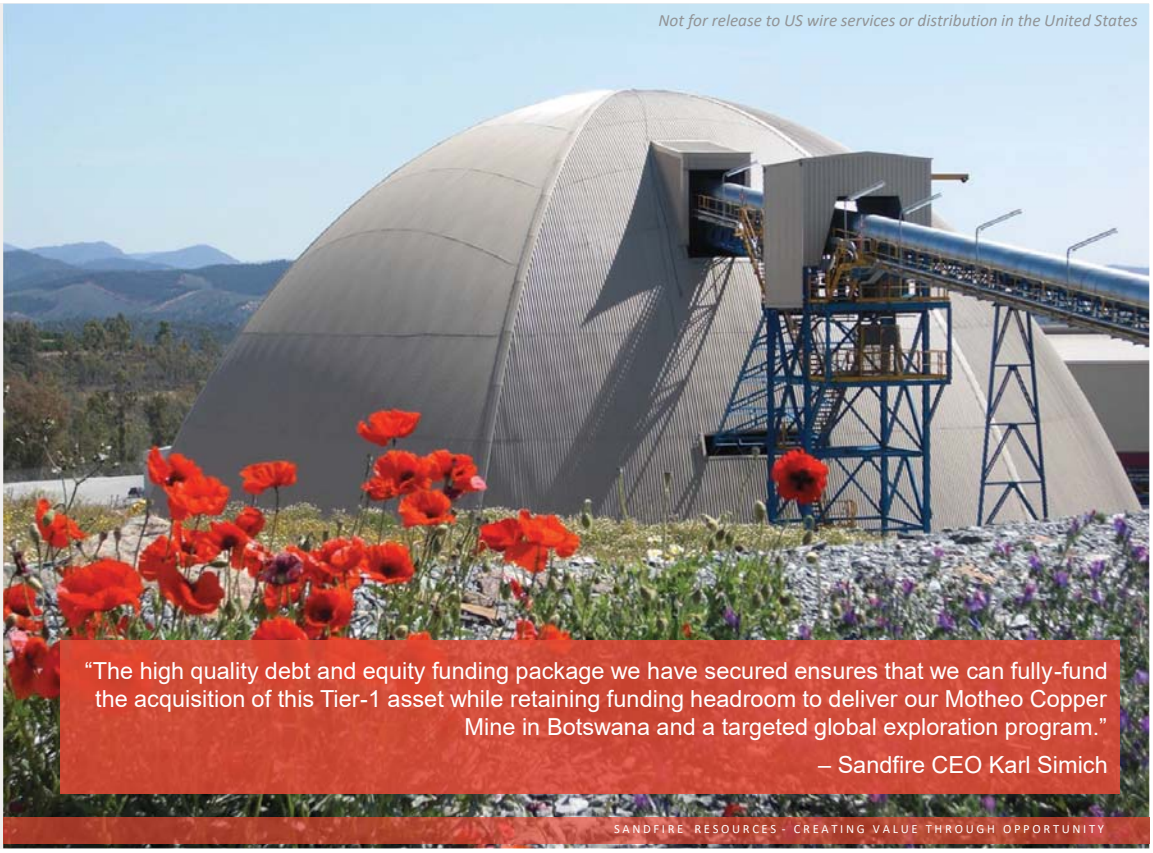
## TRANSACTION FINANCING



"The high quality debt and equity funding package we have secured ensures that we can fully-fund the acquisition of this Tier-1 asset while retaining funding headroom to deliver our Motheo Copper Mine in Botswana and a targeted global exploration program."

– Sandfire CEO Karl Simich

# Sandfire Acquisition Financing – Sources & Uses

| Sources of Funds[1] | A$M | US$M |
|---|---|---|
| Fully underwritten equity raising[3] | 1,248 | 905 |
| Equity: Strategic Placement to AustralianSuper | 120 | 87 |
| Equity: Institutional Placement | 165 | 120 |
| Equity: Institutional Entitlement Offer | 626 | 454 |
| Equity: Retail Entitlement Offer | 337 | 244 |
| Debt: Syndicated and Underwritten Debt Facility | 897 | 650 |
| Debt: ANZ Facility | 200 | 145 |
| Cash | 297 | 215 |
| **Total Sources** | 2,641 | 1,915 |

| Uses of Funds[1] | A$M | US$M |
|---|---|---|
| Purchase Consideration[2] | 2,572 | 1,865 |
| Transaction Costs | 69 | 50 |
| | | |
| | | |
| | | |
| | | |
| | | |
| **Total Uses** | 2,641 | 1,915 |

Notes: In the event the Transaction does not complete, bank debt facilities will be terminated and not drawn, and Sandfire will consider ways to return surplus capital from the Equity Raising. (1) Purchase consideration and other FX conversion assumes AUD/USD exchange rate of 0.725; (2) Purchase Price is subject to an adjustment mechanism at completion; (3) Equity proceeds will be converted to US$ at settlement to alleviate any foreign exchange risk up to transaction completion.



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# Sandfire Equity Raising Details

| | |
|---|---|
| **Offer Size and Structure** | • 1,248M (US$905M[1]) fully underwritten equity raising consisting of:<br>– A$120M strategic placement to AustralianSuper ("**Strategic Placement**"),<br>– A$165M institutional placement ( "**Institutional Placement"**) (together with the Strategic Placement, the "**Placement**"); and,<br>– A$963M fully underwritten 1 for 1 accelerated non-renounceable entitlement offer ("**Entitlement Offer**") (together, the "**Offer**" or the "**Equity Raising**")<br>  ◦ Eligible shareholders will be invited to subscribe for one new SFR share ("**New Shares**") for every 1 existing SFR shares held as at 7:00pm 27 September 2021 ("**Entitlement Offer Record Date**")<br>  ◦ The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable<br>• Approximately 231M New Shares to be issued under the Offer representing approximately 129.6% of current issued capital |
| **Offer Price** | • The Placement and Entitlement Offer will be conducted at A$5.40 per New Share ("**Offer Price**")<br>– 13.2% discount to the last closing price of A$6.22 on 22 September 2021; and<br>– 6.2% discount to the Theoretical Ex-Rights Price ("**TERP**")[2] of A$5.76 per share based on the last closing price on 22 September 2021 |
| **Use of Proceeds** | • The proceeds will be used to fund the Transaction in conjunction with new debt and existing cash |
| **Institutional Entitlement Offer** | • Institutional Entitlement Offer and Placement to be conducted from 23 September 2021 to 24 September 2021[4]<br>• Institutional entitlements not taken up and those of ineligible institutional shareholders will be sold at the Offer Price |
| **Retail Entitlement Offer** | • Retail Entitlement Offer to open on 30 September 2021 and close at 7:00pm on 13 October 2021[4]<br>• Only eligible shareholders with a registered address in Australia or New Zealand as at the Record Date of 27 September 2021 may participate in the Retail Entitlement Offer |
| **AustralianSuper Cornerstone** | • A$120M Binding equity commitment received from AustralianSuper to subscribe to the strategic placement<br>• AustralianSuper has also committed to sub-underwrite the Retail Entitlement Offer for up to A$150M |
| **Ranking** | • New Shares will rank equally with existing SFR shares on issue |
| **Underwriting** | • The Placement and Entitlement Offer is fully underwritten by the Joint Lead Managers |
| **Advisors** | • Gilbert + Tobin has been appointed as legal advisor for the equity raising |

Notes: In the event the Transaction does not complete, bank debt facilities will be terminated and not drawn, and Sandfire will consider ways to return surplus capital from the Equity Raising. (1) Purchase consideration and other FX conversion assumes AUD/USD exchange rate of 0.725; (2) The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which SFR shares should trade after the ex-date for the Entitlement Offer. TERP is calculated by reference to SFR's closing share price of A$6.22 per share, being the last trading day prior to the announcement of the Entitlement Offer of A$5.40 per share. TERP is a theoretical calculation only and the actual price at which SFR shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP includes shares to be issued under the Placement; (3) Calculated on the number of shares on issue prior to the offer plus the number of Entitlement Offer shares underwritten by the Joint Lead Managers; (4) These timings are indicative only and subject to variation. SFR 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 Eastern Standard Time (AEST).

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# Sandfire Equity Raising Timetable

| Event | Date |
|---|---|
| Announcement of Equity Raising | **Thursday, 23 September 2021** |
| Placement and Institutional Entitlement Offer Opens | **Thursday, 23 September 2021** |
| 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** |

Notes: These timings are indicative only and subject to variation. SFR 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).





# Sandfire Acquisition Debt Funding

## Acquisition Debt Funding

**New Underwritten Syndicated Debt Facility[2]**

- Binding credit-approved underwritten commitment letter and term sheet agreed for US$650M (A$897M)[1] debt facility with a syndicate of lenders, comprising Citi, Macquarie, Natixis and Société Générale ("Syndicated and Underwritten Debt Facility") to partially fund the acquisition
- Strong support from both current lenders to MATSA (Natixis and Société Générale) and new lenders (Citi and Macquarie)
- 5-year facility with customary provisions including a cash sweep. Debt is expected to be fully repaid within 4 years due to forecast strong cashflow generation from MATSA
- Debt will be fully supported by MATSA cashflows, excluding any contribution from DeGrussa or other SFR assets. Security limited to Minas de Agua Teñidas S.A, with no recourse to SFR
- MATSA to undertake commodity hedging to support the Syndicated and Underwritten Debt Facility, with 30-40% of copper and zinc concentrates production to be hedged for the first three years

**ANZ Debt Facility[2]**

- Binding credit-approved commitment letter and term sheet from ANZ for a A$200M (US$145M[1]) corporate debt facility
- The facility has an incrementally growing minimum cash requirement ahead of bullet payment in September 2022
- ANZ facility is conservatively sized based on DeGrussa cashflows, excluding any contribution from new assets

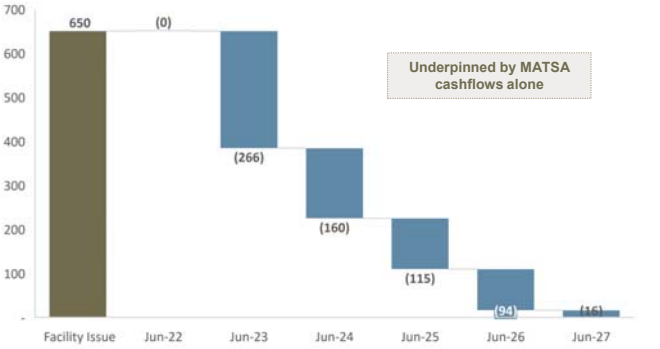
## Other Future Debt

**Motheo Debt Facility**

- Indicative debt sizing of circa US$160M (A$221M[1]) for the base case T3 development, with Sandfire in discussions for potential upsizing to fund the A4 development
- Debt will be used to partly fund construction of Motheo Project, and fully supported by the Motheo Project

## Syndicated Debt Amortisation Profile (US$m)

**New Syndicated and Underwritten Debt Facility (scheduled repayments only, without cash sweep)**




Notes: (1) FX conversion assumes AUD/USD exchange rate of 0.725;
(2) Drawdown subject to market-standard conditions precedent for the debt, which includes completion of full form facility documentation.

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# Sandfire Well-Capitalised Post Transaction

| | | SFR Standalone | Transaction Adjustments | SFR Pro Forma |
|---|---|---|---|---|
| Share Price[1] | A$/sh | 6.22 | 5.40 | 5.76 |
| (x) Shares Outstanding | M | 178 | 231 | 409 |
| **Market Capitalisation (indicative)** | **A$M** | 1,109 | 1,248 | 2,356 |
| (-) Cash (as at 31 August 2021)[2][4] | **A$M** | 681 | (297) | 384 |
| (+) Debt (as at 31 August 2021)[3][4] | **A$M** | - | 1,097 | 1,097 |
| **Enterprise Value (indicative)** | **A$M** | 428 | 2,641 | 3,069 |
| *Net Cash / (Debt)* | **A$M** | 681 | (1,394) | (713) |
| *Gearing (Net Debt / Enterprise Value)* | % | -% | 53% | 23% |

- Strong balance sheet post Acquisition, with pro forma net debt at completion of A$713M[3], gearing of ~23% and A$384M[2] cash on hand
- Balance sheet flexibility maintained to fund Motheo with a combination of existing cash and new project level debt
- Strong forecast cashflows from MATSA to deleverage the balance sheet
  - New Syndicated Facility has a scheduled maturity of 5 years
  - The facility forecast to be fully repaid within 4 years under agreed "bank case" assumptions
- Portfolio hedging strategy being considered for DeGrussa cash flows

Notes: (1) SFR Standalone Share Price as at 22 September 2021, Offer Price and TERP. Theoretical ex-rights price ("TERP") includes shares issued under the Entitlement Offer and includes shares issued under the Placement. TERP is a theoretical calculation only and the actual price at which Sandfire shares trades immediately following the ex-date for the Entitlement Offer may differ from TERP. The TERP has been calculated by reference to Sandfire's closing price of A$6.22/sh on 22 September 2021; (2) Includes Sandfire's liquid stake in Adriatic Metals, valued at A$100M at the last close price of A$2.89/sh; (3) FX conversion assumes AUD/USD exchange rate of 0.725; (4) Unaudited balance as at 31 August 2021.



Sandfire

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## MATSA OVERVIEW

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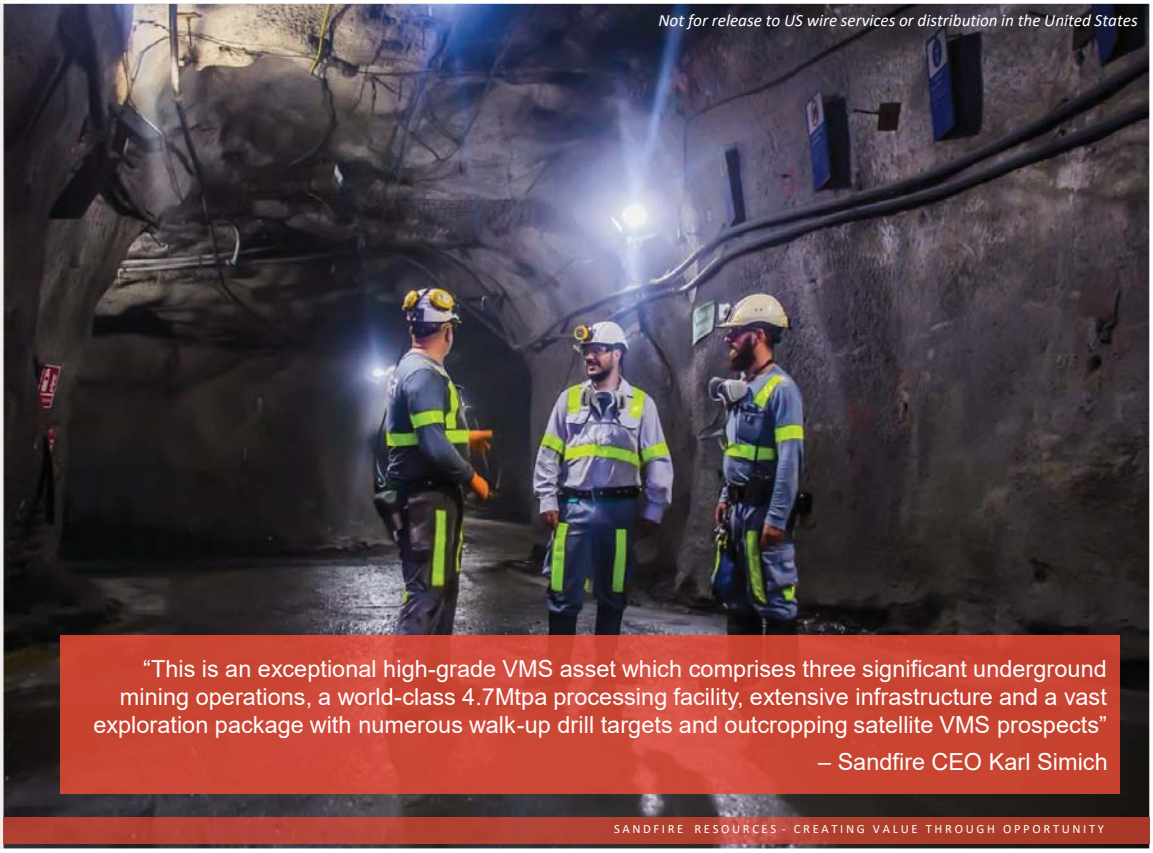

"This is an exceptional high-grade VMS asset which comprises three significant underground mining operations, a world-class 4.7Mtpa processing facility, extensive infrastructure and a vast exploration package with numerous walk-up drill targets and outcropping satellite VMS prospects"

– Sandfire CEO Karl Simich

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# Sandfire MATSA: 3 Mines + Processing Facility

| Aguas Teñidas Mine | |
|---|---|
| Commercial production | 2009 |
| Mining rate (FY21A) | 1.7Mtpa |
| FY21A production[1][4] | 32kt CuEq |
| UG max current depth | 800m |
| Reserves[2][3][4] | 14.5Mt @ 2.7% CuEq |
| Resources[2][3][4] | 46.7Mt @ 3.1% CuEq |

| Magdalena Mine | |
|---|---|
| Commercial production | 2015 |
| Mining rate (FY21A) | 2.0Mtpa |
| FY21A production[1][4] | 97kt CuEq |
| UG max current depth | 680m |
| Reserves[2][3][4] | 18.1Mt @ 3.5% CuEq |
| Resources[2][3][4] | 27.9Mt @ 4.1% CuEq |

| Sotiel Mine | |
|---|---|
| Commercial production | 2014 |
| Mining rate (FY21A) | 0.4Mtpa |
| FY21A production[1][4] | 11kt CuEq |
| UG max current depth | 400m |
| Reserves[2][3][4] | 3.4Mt @ 2.7% CuEq |
| Resources[2][3][4] | 47.2Mt @ 2.8% CuEq |

| Central Processing Facility | |
|---|---|
| Throughput | 4.7Mtpa (capacity) |
| Recovery (FY21A) | 75% Cu, 71% Zn, 27% Pb, 48% Ag |
| Product | Polymetallic ore: Cu, Zn, Pb con. Cupriferous ore: Cu con. |
| Utilisation | ~94 - 96% availability |
| Processing lines | 3 |

**MATSA Mining Complex:**

- **104ktpa CuEq** — Production FY21A[3][4]
- **4.2Mtpa** — Throughput FY21A
- **1.1Mt CuEq** — Reserves @ 3.1% CuEq[1][2]
- **3.9Mt CuEq** — Resources @ 3.2% CuEq[1][2]

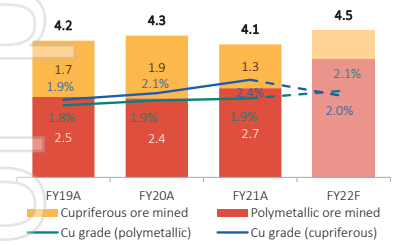
Notes: (1) Production by deposit calculated as ore mined multiplied by head grade (total contained sum of 140kt CuEq) relative to contained production of 104ktpa CuEq for FY21A post-processing and loss from recoveries (ore milled multiplied by grade and recovery); (2) Refer to Appendix C for details on Mineral Resources and Ore Reserves; (3) CuEq assumes long-term real prices detailed on page 6, with realised pricing used for actuals; (4) Pro forma figures for FY21A illustrative only given acquisition of economic ownership is expected to occur in the March quarter of 2022.



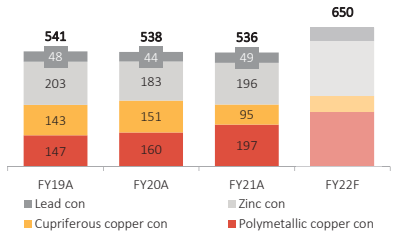


# Sandfire MATSA Historical and Forecast Performance

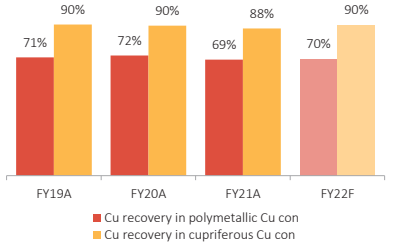
## Ore Mined (Mt) and Grade (%)[1]



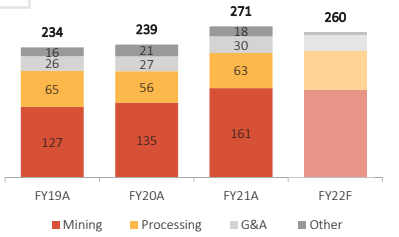

## Concentrate Production (kt)[1][5]



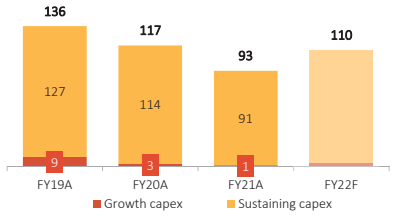

## Recoveries (%)[1]



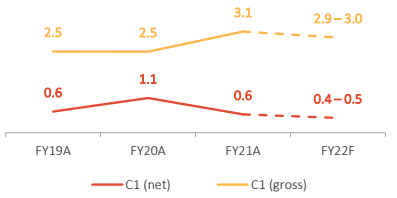

## Operating Expenses (US$M)[1][2]




## Capital Expenditure (US$M)[1]




## C1 Cash Costs (US$/lb)[1][3][4]




Notes: (1) Pro forma figures are illustrative only given acquisition of economic ownership is expected to occur in the March quarter of 2022; (2) Other costs inclusive of insurance costs, offtake interest costs and gain / loss on FX; (3) See slide 36 for further details; (4) FY22 Based on mid-point of guidance; (5) Refer to processing schematic diagram on page 35 for further information.

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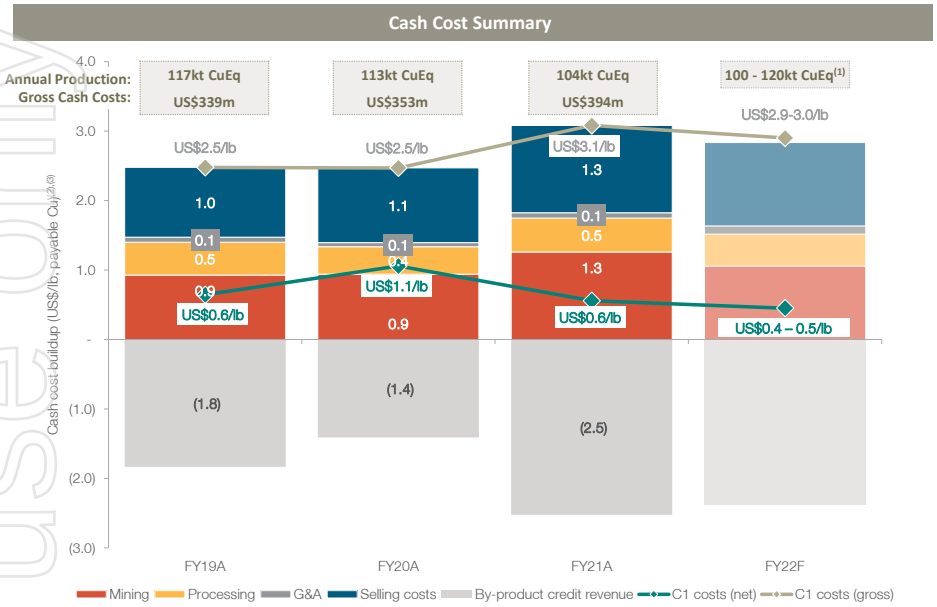
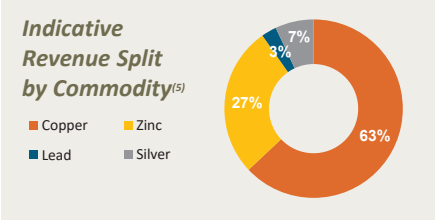
# Sandfire MATSA Unit Cash Cost Overview




- Decrease in C1 cost from US$0.56/lb FY21A to forecast US$0.4 – 0.5/lb Cu FY22F(1)
  - By-product credit revenue based on consensus prices of US$1.2/lb Zn, US$0.9/lb Pb and US$23.7/oz Ag
  - Higher unit mining costs in FY21A driven by geotechnical conditions
- MATSA is a first cost quartile operation with FY22 C1 cost guidance of US$0.40-0.50/lb(1), which is well below current spot prices of c.US$4.1/lb(4)
- Sandfire has identified several opportunities for productivity improvements and cost reductions which have not been factored into these forecasts




Notes: (1) Pro forma figures are illustrative only given acquisition of economic ownership is expected to occur in the March quarter of 2022; (2) G&A defined as general services costs (admin costs excluded) and direct C1 G&A costs of ~60% of total for FY22; (3) By-product cost calculated as C1 costs (net of by-product revenue) / Cu payable production; (4). LME Copper as at 22 September 2021; (5) Based on FY21A revenue split.



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# Sandfire MATSA Infrastructure

| | |
|---|---|
| **Processing Plant(1)** | • A Central Processing Facility located at Aguas Teñidas treats ore from all three mine sites (throughput capacity 4.7Mtpa)<br>• The processing complex consists of two processing plants which contains two crushing lines and three processing lines<br>• The processing lines have been designed to process both cupriferous and polymetallic ores |
| **Power Supply** | • Connected to the Spanish National Grid at Calañas substation<br>• Total current capacity of 41MW<br>• Solar Project is also being explored to install solar power at the mine |
| **Water Supply** | • All mines within the Odiel River catchment<br>• Water supply sourced from Olivargas and San Miguel dam<br>• Water treatment plant used on site for water recycling |
| **Tailings Management** | • The Aguas Teñidas Tailings Management Facility ("TMF") was commissioned during 2009<br>• Approximately 44% of tailings produced at the processing plant is sent to the TMF with the balance sent to the paste backfill plants<br>• There is a comprehensive monitoring program in place for the TMF |

**Focused culture on innovation with state-of-the-art technology implemented**

Centralised control room with digital technology and advanced emergency response hub

Virtual real time communications with management to the frontline

Mine teleremote technology with 9 x loaders and 5 x drills with equipped capability

Plant automation with automated SAG mill control, reagent dosing and samples for met accounting

(1) Refer to processing schematic diagram on page 53 for further information.

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# Sandfire Offtake Agreement with Trafigura

- Life of mine concentrate offtake agreement with Trafigura for 100% of offtake – terms have been revised to reflect independent go-forward operations
- Long-term marketing partner for MATSA which builds on Sandfire's already established relationship with Trafigura via DeGrussa
- MATSA sells four products to Trafigura:
  - Cu cupriferous concentrate
  - Cu polymetallic concentrate
  - Zn concentrate
  - Pb concentrate
- Offtake arrangement leverages local and port and blending facilities at Huelva, via Impala Terminal, which is ~90km from MATSA via national road

## Trafigura overview

Trafigura is one of the world's leading independent commodity trading and logistics houses

Global network supported by offices in 48 countries which connects producers and consumers worldwide

The Group delivered US$6.8bn gross profit with a combined volume of commodities traded of 365Mt in FY20[1]

TRAFIGURA

## Indicative destination of concentrate[2]

*All sales of mineral ore concentrates were made to Trafigura in 2020, whose main markets are Asia and Europe*

**Offtake Agreement also provides MATSA access to:**

- Local large scale blending facilities
- State-of-the-art port access at Huelva
- Global marketing network

Notes: (1) Trafigura, 2020 Annual Report; (2) Based on 2020 product distributions, MATSA Sustainability Report 2020, p15.





# Sandfire Experienced Board & Senior Management

## MATSA team have significant in-country expertise and history with the operation

| Senior Manager | Biography |
|---|---|
| **Audra Walsh**<br>**CEO**<br>*+5 years at MATSA* | • Holds a BS of Mine Engineering, registered member of SME and a professional engineer in the state of New York<br>• Professional engineer with over 25 years of experience in the mining industry; joined MATSA in 2016<br>• Former CEO of Sierra Metals, Minera SA, and was Senior Management within Barrick and Newmont |
| **Antonio Gámiz Álvarez**<br>**Operations Director**<br>*+12 years at MATSA* | • Holds a Bachelor and MSc degree in Chemical Engineering<br>• Over 26 years of experience in the mining sector<br>• Previously plant manager in Mexico for diverse operations for National and Canadian Companies |
| **Christopher Campbell**<br>**Mining Director** | • Holds a Bachelor degree in Mining Engineering<br>• Over 20 years of experience in the mining operations<br>• Previously Mine Manager for Freeport McMoRan and New Gold operations in Canada and Indonesia |
| **Paula Chaves Iborra**<br>**Legal & Industrial Relations Director**<br>*+12 years at MATSA* | • Holds a degree in Law and an Executive MBA<br>• Over 17 years of experience as a lawyer and more than 12 years at MATSA<br>• Previous positions held as a lawyer and in labour relations |
| **Jaime Macías Pérez**<br>**Health, Safety & Environment Director**<br>*+2 years at MATSA* | • Holds a Bachelor of Industrial Civil Engineering and an MBA<br>• Professional engineer with over 25 years of experience in the mining industry; joined MATSA in 2019<br>• Previous positions with Goldcorp and Agnico Eagle |

| Senior Manager | Biography |
|---|---|
| **Enrique Gallar Romero**<br>**CFO** | • Holds a bachelor Business Administration and an MBA<br>• Over 30 years of experience in finance; majority working for large global conglomerates with Spanish operations<br>• Joined MATSA as CFO in 2021; formerly CFO of Bentler Group and Kloeckner&Co |
| **Juan Manuel Pons Pérez**<br>**Geology & Exploration Director**<br>*+14 years at MATSA* | • Holds a degree in Geological Sciences and a Master in Implementation of Quality & Environment Systems and Master in Environmental Engineering<br>• Professional Geologist with over 30 years of experience in the mining sector, specifically in the Iberian pyrite belt<br>• Previous positions held at Boliden and Navan |
| **Nuria Fresco García**<br>**HR Director**<br>*+1 year at MATSA* | • Holds degree in Law and Master in Human Resources Management and Labour Relations<br>• Over 20 years of experience in HR; joined MATSA in 2020<br>• Previous positions as internal corporate HR Manager for projects in Europe, America, Asia and Australia |
| **Pedro Hernández-Vaquero**<br>**Director Facultavia & Projects**<br>*+2 years at MATSA* | • Holds a Bachelor in Mining Engineering and a Master in preventions of occupational hazards<br>• Professional engineer with more than 15 years of experience; joined MATSA in 2019<br>• The nominated director for regulatory compliance in Spain |

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# SANDFIRE PRO FORMA SUMMARY

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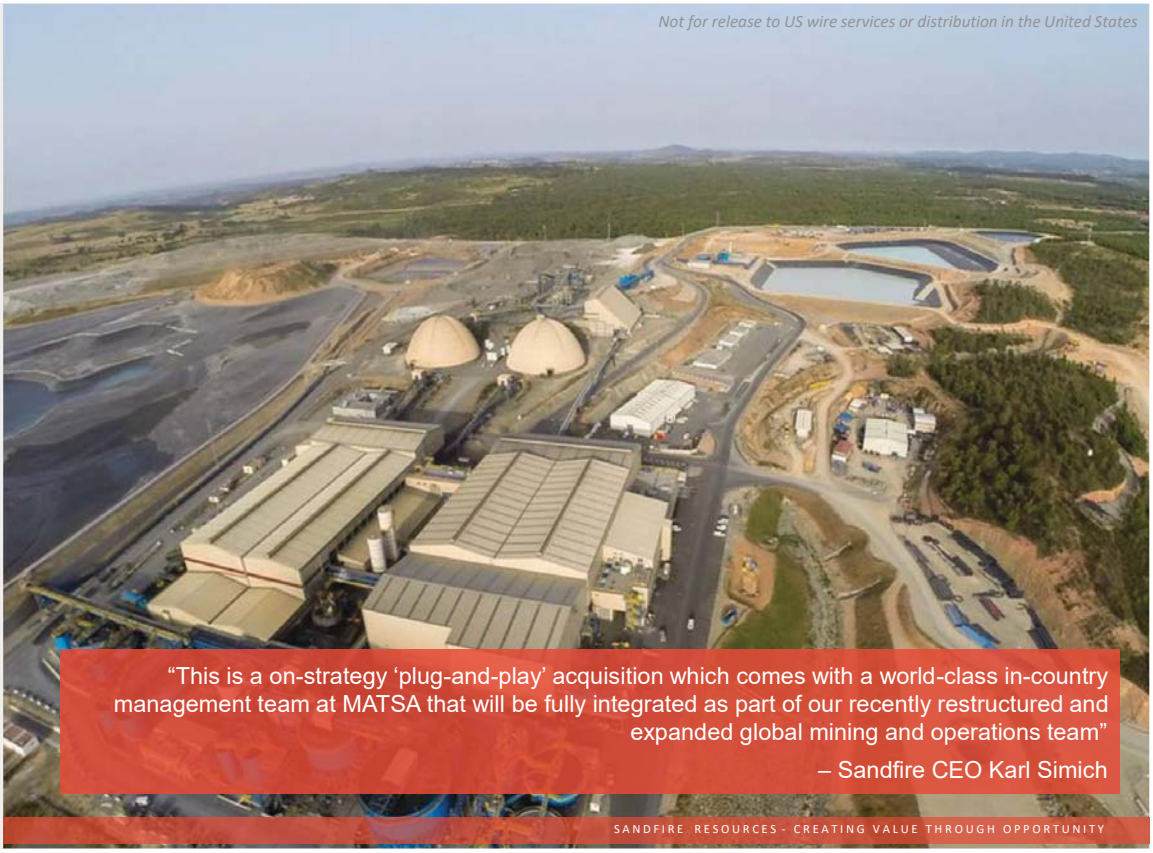

"This is a on-strategy 'plug-and-play' acquisition which comes with a world-class in-country management team at MATSA that will be fully integrated as part of our recently restructured and expanded global mining and operations team"

– Sandfire CEO Karl Simich



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## Sandfire A Strong Track Record of Discovery, Development and Delivery

2009 | 2011 | 2013 | 2015 | 2017 | 2019 | 2021

**AUSTRALIA**

- DeGrussa Discovery
- $380m development approved
- Project commissioning
- High-grade Monty discovery, solar farm construction
- Project debt repaid, Monty development
- First ore from Monty

**NORTH AMERICA**

- Sandfire acquires initial interest in Black Butte Project
- Permitting process for Black Butte advances
- Positive ROD for Black Butte, DFS and Maiden Ore Reserve
- Site works commence and near-mine exploration

**BOTSWANA**

- Acquisition of MOD Resources
- Final Investment Decision for Motheo mine development
- Motheo development commences

**SPAIN**

- Transformational acquisition of MATSA

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# Sandfire Organisational Structure

## High quality in-country management team operating under a decentralised structure, reporting to Head Office

### Board of Directors

**Derek La Ferla**
Non-Executive Chairman

**Karl Simich**
Managing Director & CEO

**Paul Hallam**
Non-Executive Director

**Sally Langer**
Non-Executive Director

**Jenn Morris OAM**
Non-Executive Director

**John Richards**
Non-Executive Director

**Dr Roric Smith**
Non-Executive Director

### Core Executive Team

**Jason Grace**
Chief Operating Officer

**Karl Simich**
Managing Director, CEO & Founder

**Matt Fitzgerald**
Chief Financial Officer

### Decentralised In-Country Management Structure

**Audra Walsh**
Spain Country Head

**Dale Burgess**
Botswana Country Head

**Rob Scargill**
CEO of Sandfire Resources America

**Greg Peden**
DeGrussa GM Operations

### Other Sandfire Senior Management

**Victoria Twiss**
Head of Legal & Procurement and General Counsel

**Julian Hanna**
Director EMEA Growth & External Affairs

**David Wilson**
Head of Business Development and Technical Services

**Ian Kerr**
Motheo Project Director

**Samantha Masters**
Head of HSEC

**Richard Holmes**
Head of Exploration

**Ben Crowley**
Head of Investor Relations





# Sandfire Aligned Commitment to ESG

## Sandfire and MATSA values are aligned to safeguarding people and contributing to sustainable development

**Alignment of values is a gating threshold for any Sandfire investment – MATSA's commitment to HSE underpinned the decision to acquire MATSA**

**MATSA has established a detailed sustainability framework with underlying values aligned to Sandfire**

**Both Sandfire and MATSA are strongly aligned on contributing to sustainable development**

**Sandfire will continue to strengthen MATSA's existing focus on safety improvement**

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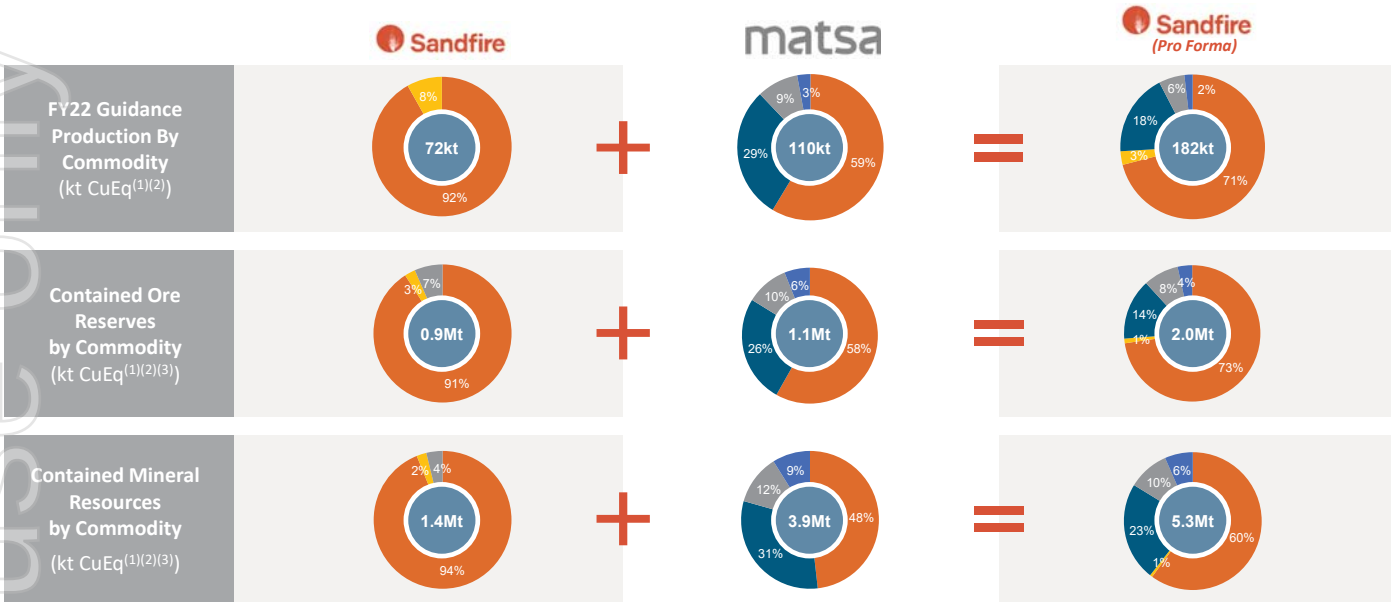
# Sandfire Diversified Product Mix Post Transaction



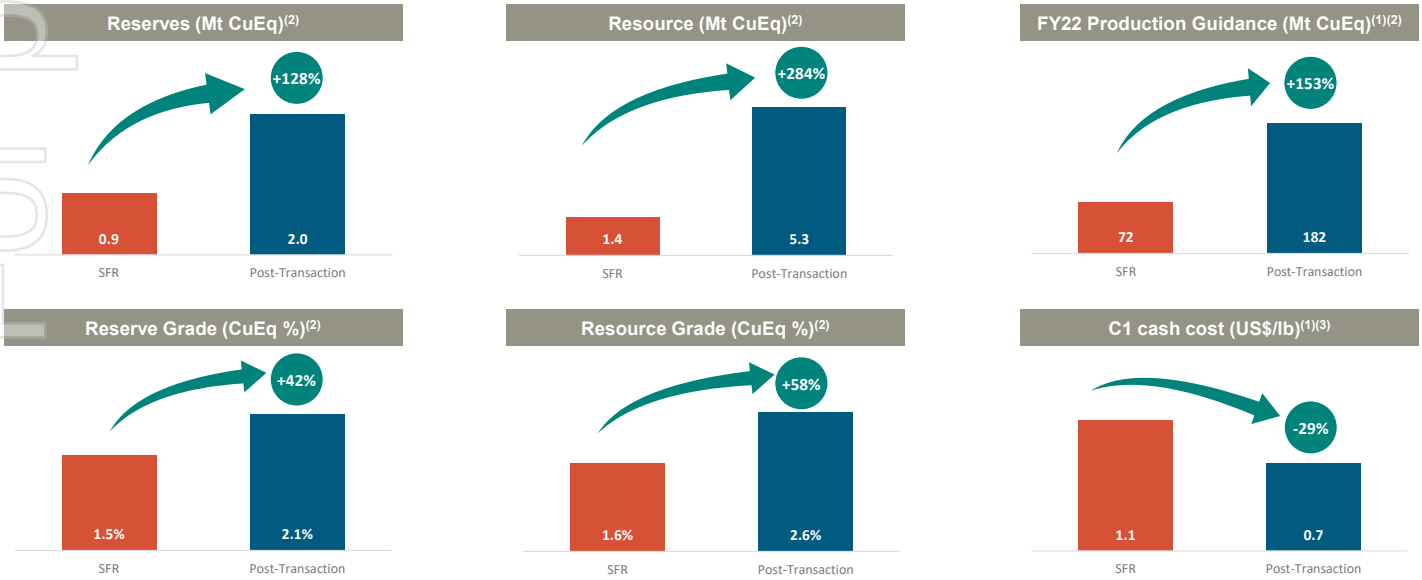

Notes: (1) CuEq based on realised pricing for actuals and broker consensus forecast pricing, consisting of long-term real prices detailed on page 6; (2) Based on mid-point of DeGrussa guidance and MATSA guidance assuming full year of production for illustration purposes – Sandfire is expected to complete the acquisition in the March 2022 quarter; (3) Refer to Appendix C for details on Mineral Resources and Ore Reserves.





# Sandfire Pro Forma Transaction Impact on Sandfire

The acquisition of MATSA is expected to be accretive to Sandfire's Reserves, Resources, production, and CuEq grades, whilst also reduce C1 cash costs




Notes: (1) Post-transaction based on mid-point of DeGrussa guidance and MATSA guidance assuming full year of production for illustration purposes – Sandfire is expected to complete the acquisition in the March 2022 quarter; (2) CuEq based on realised pricing for actuals and broker consensus forecast pricing, consisting of long-term real prices detailed on page 6; (3) C1 cash cost position net of by-product credits.

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# SANDFIRE: A NEW GLOBAL LEADER IN COPPER

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## Sandfire MATSA - an Exceptional Platform for Growth

**1 A rare cornerstone copper asset**

- **Long-life, world-class, large-scale 4.7Mtpa copper mining complex in the Iberian Pyrite Belt** of south-west Spain
- Production of 104kt CuEq[4] in FY21 at C1 US$0.56/lb[1], rising to **100-120kt CuEq at C1 US$0.40-0.50/lb in FY22**[1]
- **~12 years of Resources (122Mt @ 3.2% CuEq)**[2] and 6-year reserve life (36Mt at 3.1% CuEq) and

**2 Transformational acquisition**

- Robust asset with **strong cash-flows immediately transforms Sandfire** into one of the ASX's largest copper focussed producers, with forecast pro forma FY22 production of 170-194kt CuEq and exceptional organic growth potential[3][4]
- **Positions Sandfire favourably against leading global peers with outstanding potential for further re-rating** due to enhanced scale, liquidity and market relevance

**3 On-strategy 'plug-and-play' opportunity**

- **MATSA has a highly experienced in-country management team** with a proven track record, led by CEO Audra Walsh, a former senior Barrick and Newmont executive
- Excellent strategic fit aligned to Sandfire's capability and skillset, particularly in volcanogenic massive sulphide deposits
- **All permits in place for MATSA's operating mines** – established and transparent permitting process

**4 Enhances existing growth pipeline**

- **Enhances Sandfire's existing growth pipeline, providing an accelerated pathway to achieve the company's strategic production target of 150-200ktpa CuEq**
- Acquisition funded through a combination of cash, debt and equity with balance sheet flexibility retained for current Motheo development in Botswana

**5 Leverage to 'forward facing' metals thematic**

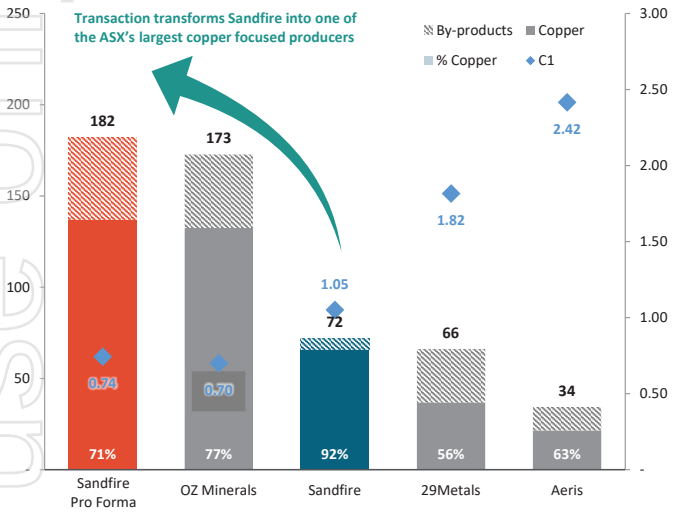
- **Transforms Sandfire into a leading global producer of "future-facing" metals** with strong leverage to the accelerating decarbonisation of the world economy

Notes: (1) C1 cash cost position net of by-product credits; (2) Refer to Appendix C for details on Mineral Resources and Ore Reserves; (3) Based on DeGrussa guidance and MATSA guidance assuming full year of production for illustration purposes – Sandfire is expected to complete the acquisition in the March 2022 quarter; (4) Based on realised pricing for actuals and broker consensus forecast pricing.

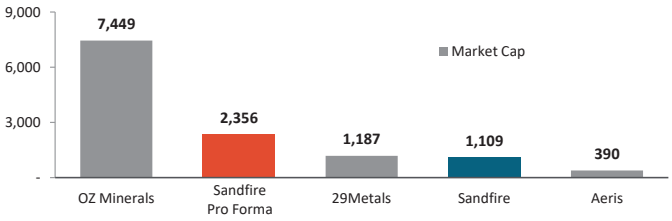
# Sandfire Creates one of the Largest Copper Producers on the ASX

## Positions Sandfire to achieve its long term sustainable production target of 150-200ktpa CuEq

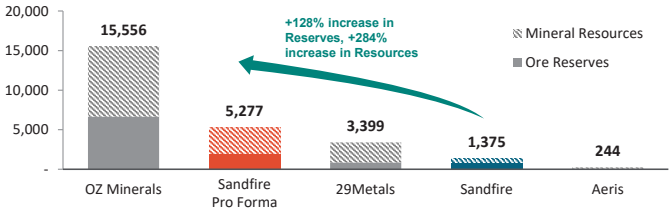
### FY22F production (LHS, kt CuEq) and C1 (RHS, US$/lb)[1][2][3][4]




### Market capitalisation (A$M)[5][6]




### Mineral Resources and Ore Reserves (Mt CuEq)[1]




Notes: Sourced from Company Announcements (1) CuEq based on realised pricing for actuals and broker consensus forecast pricing, consisting of long-term real prices detailed on page 6; (2) Mid-point of FY22 guidance for Sandfire (170-194kt CuEq production at a MATSA C1 cost of US$0.4-0.5/lb and DeGrussa C1 guidance US$1.0-1.1/lb – full year weighted average of US$0.72-0.77/lb) and Aeris, mid-point of CY21 guidance for OZ Minerals and 29Metals; (3) Copper C1 shown for Aeris, converted to US$ based on Investor Presentation's defined AUD/USD exchange rate of 0.725; (4) Based on DeGrussa guidance and MATSA guidance assuming full year of production for illustration purposes – Sandfire is expected to complete the acquisition in the March 2022 quarter; (5) Market capitalisation as at 22 September 2021; (6) Sandfire pro forma capitalisation detailed on page 31.



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A

# MATSA OVERVIEW

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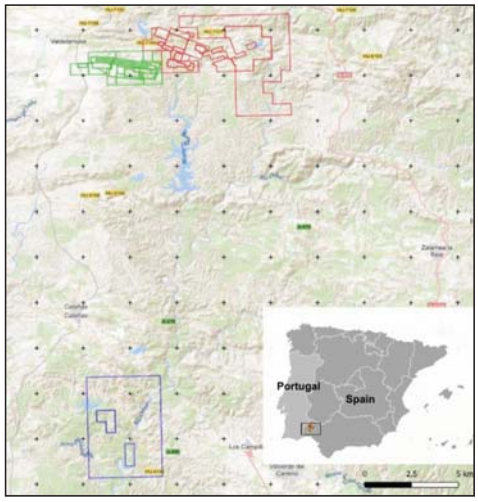
# Sandfire MATSA Overview

## Asset Overview (100% basis)

| | |
|---|---|
| Location | Southern Spain (close to major towns, Huelva 85km and Seville 130km) |
| Mine Type | Three underground mining operations using a combination of longitudinal and traverse long-hole open stoping |
| Property | 43 exploitation concessions covering 53.3km$^2$ |
| Plant Capacity | 4.7Mtpa throughput capacity via central processing facility (treats both cupriferous and polymetallic ore) |
| Operating life | Visibility on ~12 years of production from resources (6-year Reserve life), plus significant potential for extended mine life from near-term growth opportunities |

| | | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) | CuEq (%) | CuEq (kt) |
|---|---|---|---|---|---|---|---|---|
| Mineral Resources (31 December 2019)[1][2] | Aguas Teñidas | 46.7 | 1.4% | 3.3% | 1.0% | 44.0 | 3.1% | 1,432 |
| | Magdalena | 27.9 | 2.6% | 0.8% | 0.8% | 43.4 | 4.1% | 1,147 |
| | Sotiel | 47.2 | 1.0% | 3.4% | 1.5% | 43.3 | 2.8% | 1,325 |
| | **Total** | **121.8** | **1.5%** | **3.3%** | **1.1%** | **43.6** | **3.2%** | **3,902** |
| | | **Tonnes (Mt)** | **Cu (%)** | **Zn (%)** | **Pb (%)** | **Ag (g/t)** | **CuEq (%)** | **CuEq (kt)** |
| Ore Reserves (30 December 2019)[1][2] | Aguas Teñidas | 14.5 | 1.3% | 2.8% | 0.8% | 35.4 | 2.7% | 384 |
| | Magdalena | 18.1 | 2.3% | 2.5% | 0.7% | 36.8 | 3.5% | 634 |
| | Sotiel | 3.4 | 1.5% | 2.3% | 1.0% | 38.4 | 2.7% | 93 |
| | **Total** | **35.9** | **1.8%** | **2.6%** | **0.8%** | **36.4** | **3.1%** | **1,113** |

## MATSA Mining Licences (covers 53.3km$^2$)




Aguas Teñidas licence | Magdalena licence | Sotiel licence

Notes: (1) Refer to Appendix C for details on Mineral Resources and Ore Reserves; (2) CuEq assumes long-term real prices detailed on page 6.





# Sandfire History of MATSA

## Established producing mining complex with a proven operating history that has transitioned into a stable optimisation phase with >US$1.7bn of capital invested since 2005[1]

Exploration interest in the Iberian Pyrite Belt was renewed in the area following the Neves Corvo discovery in 1977 – the Aguas Teñidas discovery was made shortly after

**Aguas Teñidas discovery** – 1980s

**Production restart** – 2008
Restart of Aguas Teñidas (original mining by Billiton in 1980s and was shutdown in 2001 due to low metal prices) and construction of processing plant with 2.2Mtpa capacity

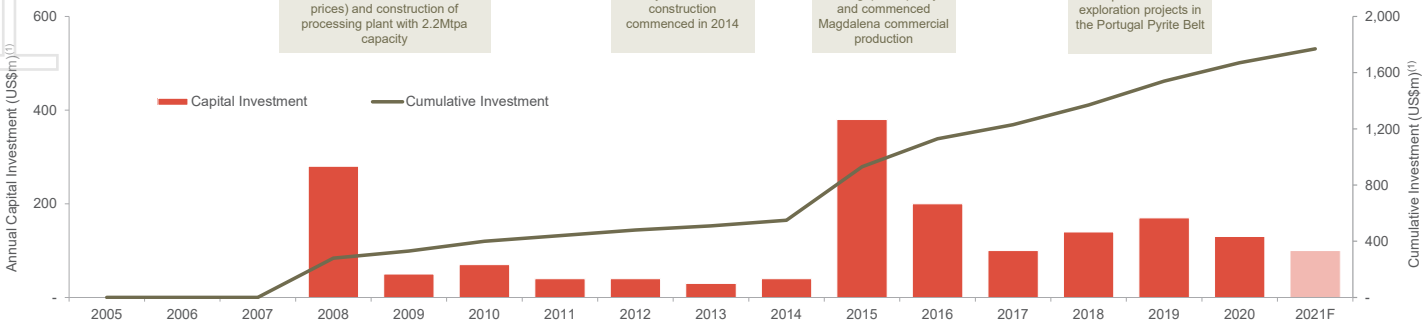
**Magdalena discovery** – 2013
Magdalena discovery following a VTEM survey in late 2011 – construction commenced in 2014

**Plant expansion** – 2015
Plant expansion from 2.2Mtpa to 4.4Mtpa throughput capacity and commenced Magdalena commercial production

**JV opportunities** – 2019
Formation of JV between MATSA and Avrupa Minerals for exploration projects in the Portugal Pyrite Belt

Entered a period of project optimisation

**Sandfire acquisition** – 2021




Notes: (1): Unaudited management estimates, as at December 2020.

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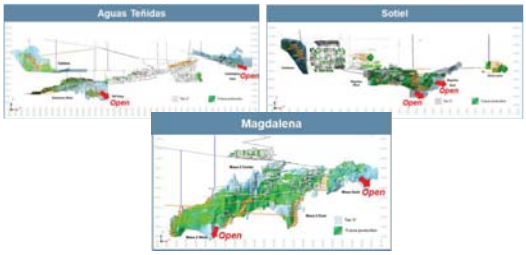
# Sandfire MATSA Mine Life Extension Potential

## Significant mine life extension potential at existing ore bodies and highly prospective near-mine exploration targets

| | Local Targets | Regional Targets |
|---|---|---|
| **Focus** | Reserve replenishment and upgrade resource classification and expansions | Several high-priority targets identified, with a longer list of early stage conceptual targets |
| **Key targets** | Existing mines (Aguas Teñidas, Magdalena, Sotiel) | Regional targets (Poderosa and Concepción which are in proximity to the processing plant allowing for shared infrastructure ) plus other regional targets |
| **2021/2022 program** | 86,900m of infill drilling and step-out drilling will be performed at the three mines | 27,400m drilling advanced priority targets + 22,000m of drilling greenfield targets in Spain planning drilling in 2021/2022 |
| **Illustrative targets** |  | |





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# Sandfire MATSA's Exploration Programme has Proven Success

## Combined teams, expertise and modern techniques will significantly enhance exploration success

### Established exploration approach

**Approach**

- Clear and disciplined approach
- Experienced and dedicated exploration team
- Reinvigorated focus on exploration

**Team / Technology**

- Dedicated brownfield and greenfield exploration team
- Use of modern tools and facilities
- Integrated process with traditional geoscience interpretations and machine learning processes
- Greenfield exploration includes geological mapping, geochemical exploration and regional VTEM(2) mapping alongside resource drilling

**Exploration area**

- MATSA has mineral rights in exploration extending over ~2,450km² in the Iberian Pyrite Belt, comprising:
  - 1,332km² fully controlled in Spain
  - 993km² fully controlled in Portugal(1)
  - 114.5km² in JV with Avrupa Minerals in Portugal

### Exploration success: Magdalena discovery

- **Opportunity identified:** VTEM(2) maps showed an anomaly, which was the basis for first exploratory holes in 2013
- **Intensive drilling:** 200km over 2014-15, drill holes guided by resistivity geophysical surveys
- **First production:** 2015

### Exploration success: Sotiel expansion

- **Opportunity identified:** old mine with historical development
- **Intensive drilling:** 134km of drilling expanded Sotiel mineral resources 15x, from 3Mt in 2013 to 47Mt in 2020
- **First production:** 2014

### Target areas for the next discovery

- **Current targets:** Poderosa, Concepción, regional targets and machine learning generated targets (~50 high priority targets identified)
- **Drilling:** 27,400m drilling advanced priority targets
- Other active discussions around potential JV opportunities in the region and development of Avrupa JV in Portugal

Notes: (1) Plus another 467km² is in the permitting process; (2) Versatile time domain electromagnetic.

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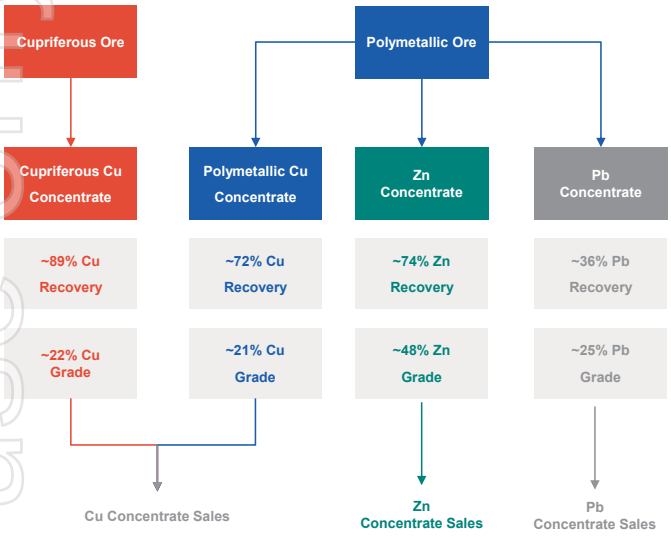
# Sandfire Processing, Transport and Logistics

**Indicative Concentrate Production Profile[1]**




- Processing occurs through the three line 4.7Mtpa processing facility at Aguas Teñidas which treats ore separately as follows:
  - Line 1: treats cupriferous ore dominantly
  - Line 2: treats Sotiel polymetallic ore dominantly
  - Line 3: treats Aguas Teñidas and Magdalena blend

  Flexibility in circuit lines to be altered to reach desired production of cupriferous and polymetallic blends
- A small portion of cupriferous and polymetallic concentrates are blended on-site
- Concentrate is trucked via national road to Port of Huelva Impala Terminal using a local concentrator
  - Impala Terminal is a best-in-class facility with storage, blending and export facilities on site
  - The terminal has a capacity of up to 240kt and a footprint of circa 45,000m$^2$

*Impala Terminal, Huelva*

*Impala Terminal, Huelva*

Notes: (1) Based on FY22F figures.





# Sandfire Established Mining Jurisdiction in Spain

**Established local infrastructure and supportive government regime**

**Key Regulatory Bodies**

GOBIERNO DE ESPAÑA — MINISTERIO PARA LA TRANSICIÓN ECOLÓGICA Y EL RETO DEMOGRÁFICO — SECRETARÍA DE ESTADO DE ENERGÍA — DIRECCIÓN GENERAL DE POLÍTICA ENERGÉTICA Y MINAS

Ministry for the Ecological Transition and of the Demographic Challenge

Directorate General on Energy Policy and Mines

## Spanish investment attributes

- MATSA located in the Andalusia region
- One of the most significant metalliferous mining centres in Europe, and home to operations belonging to several of the world's largest mining company's
- Mining friendly jurisdiction with pro-mining administrative
- Well established infrastructure and port capacity
- Long-history of in country mining expertise and highly skilled workforce
- Supportive region of mining project development and exploration
- Well defined regulatory regime for environmental reviews
- Established approval and permitting process

## Tax and repatriation

- Investment incentives to encourage exploration and development
- No mineral royalties payable
- Corporate Spanish tax rate of 25%

## MATSA permitting

- All key permits in place and held by MATSA
- Process managed by the Regional Government of Andalusia (Junta de Andalucia)

Source: S&P Metals and Mining mapping.

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# Sandfire MATSA Community Engagement Program

## History of supporting the local community and commitment to social responsibility

- MATSA has a very strong relationship with its local community
- 80% of the workforce are drawn from the area around MATSA in Huelva Province
- Besides employment, MATSA is committed to supporting and collaborating with local communities, implementing different programmes during the year to promote community well-being
- A range of programmes aim to drive economic, social, educational, cultural and heritage development
- In 2020, MATSA donated over €100,000 to local communities
- Management reviews allocation of community expenditure on a regular basis

## Key initiatives

### MATSA employees

- ✓ Regular on-site training
- ✓ Career development opportunities and management of MATSA talents
- ✓ Programmes for promoting cultural diversity, inclusion and social equality
- ✓ Employee satisfaction survey

### Local community

- ✓ Promoting local employment
- ✓ Local and regional development
- ✓ Community programmes e.g. "Ethno-botanical guide" and "Emprende"
- ✓ Social contributions
  - Education of youth
  - Support for disadvantaged groups
  - Promoting safe healthy lifestyles

## Select community initiatives

Open doors day programme

Talks and scholarships programme

Mining educational materials for schools

Etho-botanical guide



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# Sandfire MATSA Commitment to Leading Safety Practices

## Commitment from Sandfire and MATSA to ongoing programs to improve safety systems and culture in response to recent fatalities

### Health and Safety Practices

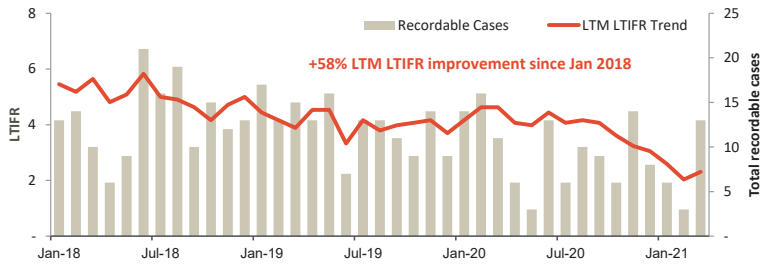
- Through consultation with industry leading strategic partners, developed and implemented health and safety practices
- Continuous focus on improvement initiatives and enhancement of the safety culture, with results highlighted by +58% decrease in LTM LTIFR since January 2018
- In order to reinforce good safety practices on site, safety awareness-raising campaigns are carried out regularly for all employees
- Safety practices supported by well established reporting procedures for risks, improvements and near-miss accidents
- Three reported fatalities in 2020/2021 are being actively addressed by management with several ongoing initiatives to improve compliance with safety policies

### Proactive COVID responses

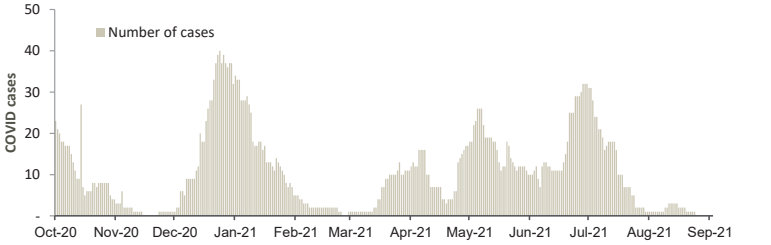
- Capable of working remotely if required
- Disinfection kits and nebulisation devices made available in common areas
- Strong recommendation for workers and contractors to take preventative measures to reduce transmission
- New schedule to limit contact between workers
- **Spain is ~74% vaccinated**(2) and now operating as life is almost back to normal, business as usual with COVID - MATSA are running vaccinations programs on site

Notes: (1) Includes MATSA employees and contractors; (2) Reuters as at 22 September 2021

**Lost Time Incident Frequency Rate (LTIFR)**




**MATSA Active COVID cases daily monitoring (as at September 2021)(1)**



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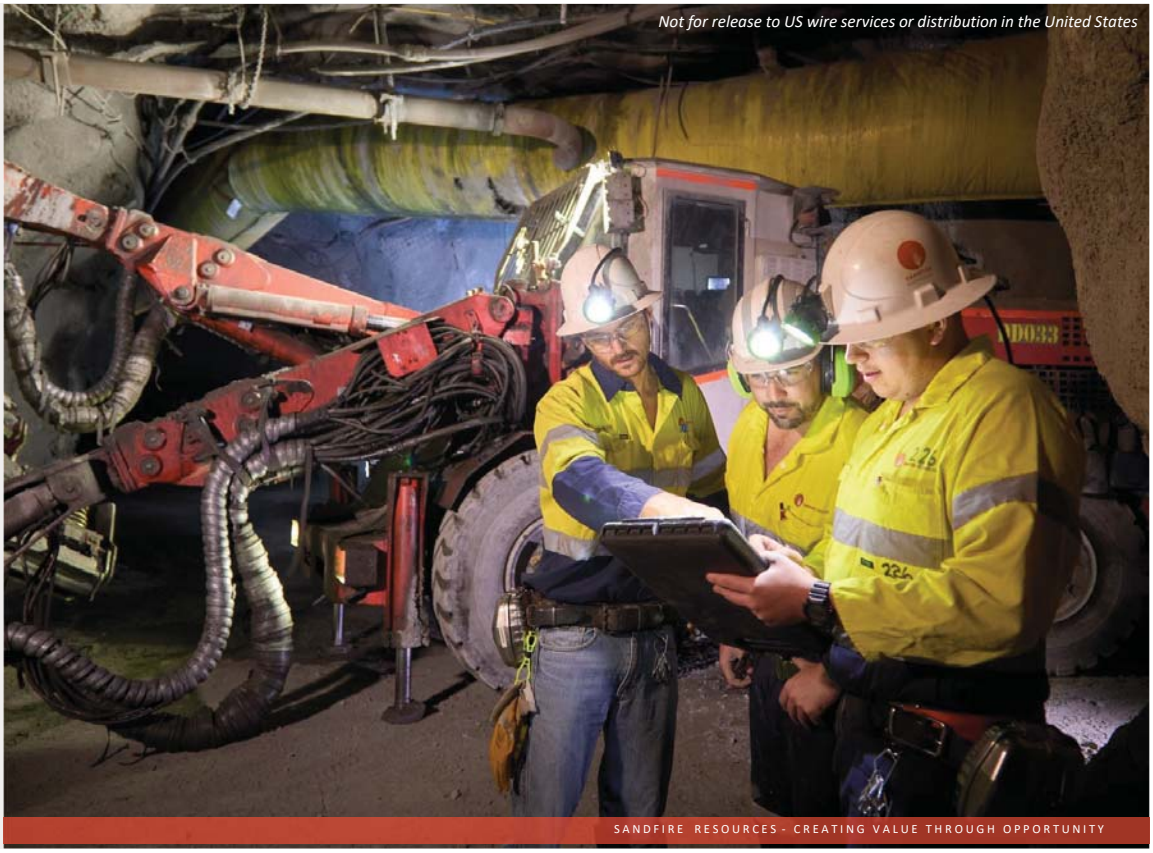
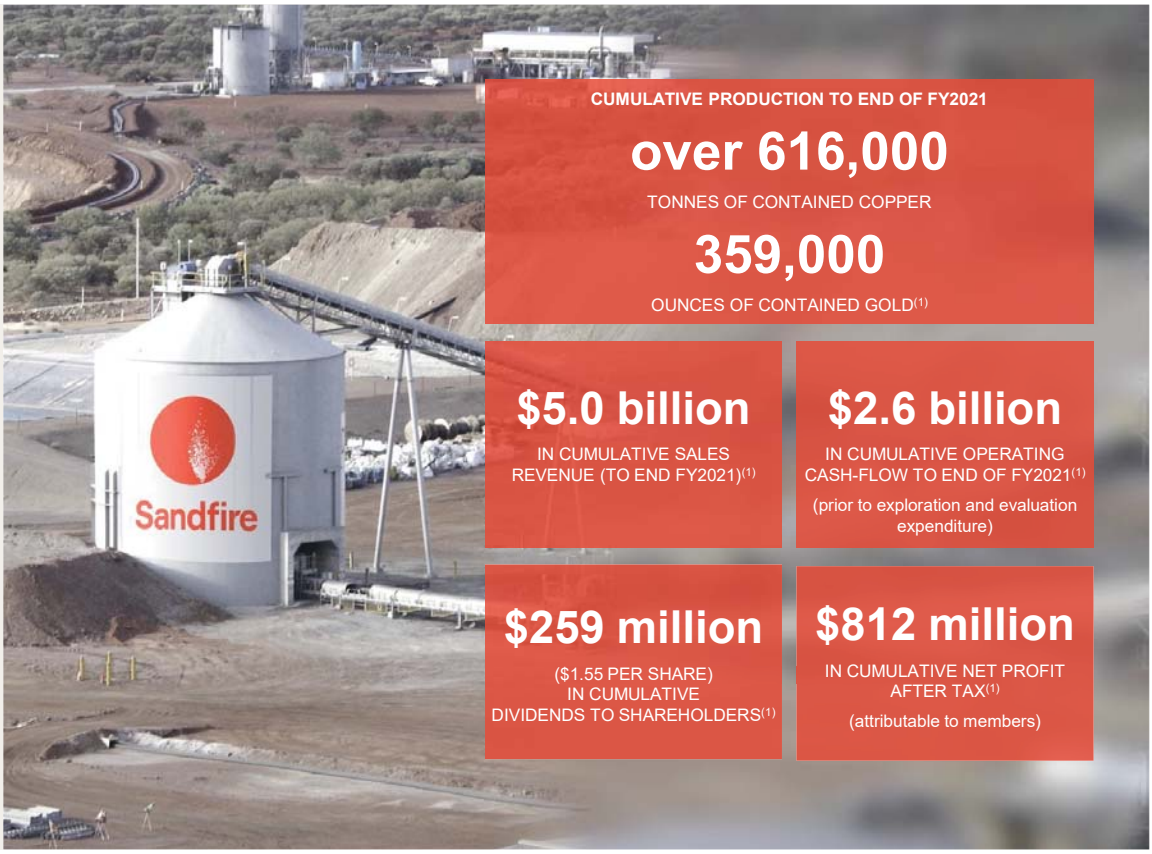
# SANDFIRE OVERVIEW




Sandfire

# DeGrussa Operations

High-grade, high-margin production in Australia




CUMULATIVE PRODUCTION TO END OF FY2021

**over 616,000**

TONNES OF CONTAINED COPPER

**359,000**

OUNCES OF CONTAINED GOLD[1]

**$5.0 billion**

IN CUMULATIVE SALES REVENUE (TO END FY2021)[1]

**$2.6 billion**

IN CUMULATIVE OPERATING CASH-FLOW TO END OF FY2021[1]

(prior to exploration and evaluation expenditure)

**$259 million**

($1.55 PER SHARE) IN CUMULATIVE DIVIDENDS TO SHAREHOLDERS[1]

**$812 million**

IN CUMULATIVE NET PROFIT AFTER TAX[1]

(attributable to members)

Note: (1) Sourced from FY21 audited financial statements

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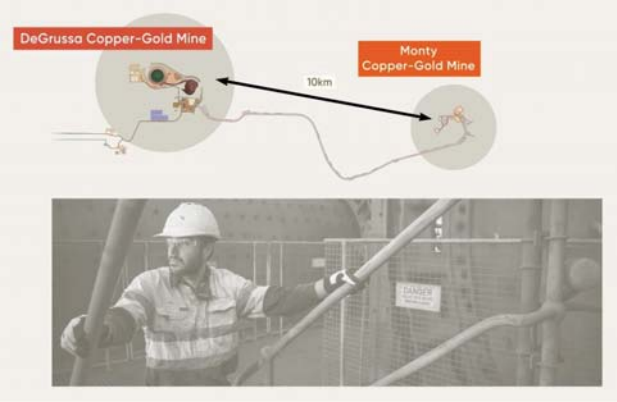
# Sandfire DeGrussa Project Overview

## DeGrussa is Sandfire's flagship asset, a world-class copper-gold producing underground mining operation in Western Australia

- The DeGrussa operations are located 900km north-east of Perth and includes both the DeGrussa and Monty Copper-Gold Mines, as well as an on-site 1.5Mtpa concentrator
- Production from the high-grade Monty satellite underground mine (discovered in 2015) commenced in 2019, with ore trucked 14km by road to DeGrussa
- FY2022 guidance of 64-68kt Cu, 30-33koz Au and C1 costs of US$1.00-1.10/lb
- Sandfire also has a 100% interest in the Thaduna/Green Dragon copper exploration project, located 40km east of DeGrussa, potentially providing a future ore feed for the processing plant once DeGrussa and Monty reserves are depleted




**PRODUCTION OVERVIEW – Key Figures**

| Production | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Copper (Cu) | 64,017t | 67,690t | 67,154t | 68,202t | 67,088t | 64,918t | 69,394t | 72,238t | 70,845t | 64-68,000kt |
| Gold (Au) | 42,679oz | 33,893oz | 37,386oz | 37,612oz | 38,623oz | 39,273oz | 44,455oz | 42,263oz | 39,459koz | 30-33,000koz |
| C1 Cost (US$/lb) | 1.24 | 1.18 | 1.09 | 0.95 | 0.93 | 0.93 | 0.83 | 0.72 | 0.81 | 1.00-1.10 |





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## Kalahari

Motheo Copper Mine opens an exciting new growth horizon

*Consensus pricing of US$3.49/lb Cu

### Expansion PFS

ESTIMATES (SEPTEMBER 2021)

PEAK PRODUCTION OF **60,000** TONNES OF CONTAINED COPPER

**US$3.6 billion*** IN LIFE-OF-MINE REVENUE

**US$1.24 billion*** IN PRE-TAX FREE CASH-FLOW

**$1.32/lb** C1 CASH COST IN FIRST 10 YEARS OF OPERATIONS

**US$366 million** CAPITAL COST INCLUDING CONTINGENCY

**Q4 FY2023** FIRST CONCENTRATE PRODUCTION (Base Case)

**Q1 FY2025** FIRST CONCENTRATE PRODUCTION (Expansion)

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# Sandfire Kalahari Overview – Near-term Development Project

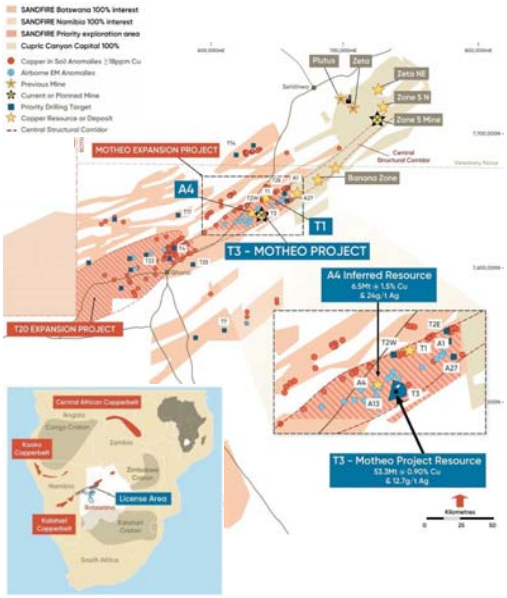
## Asset Overview (100% basis)

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Ownership** | 100% Sandfire | | | | | | | | |
| **Location** | 80km north-east of Ghanzi in Botswana's Kalahari Copper Belt, the #1 rated Mining Jurisdiction in Africa[3] | | | | | | | | |
| **Mine Type** | Four-stage open pit, with satellite deposits to underpin mine-life and throughput expansions | | | | | | | | |
| **Property** | Sandfire's 100%-owned licence holdings in the Kalahari Copper Belt cover 26,645km$^2$ | | | | | | | | |
| **Plant Capacity** | Throughput of 5.2Mtpa | | | | | | | | |
| **Production** | **LOM average:** 55ktpa and peak of 60ktpa Cu, | | | | | | | | |
| **Operating costs** | **LOM average:** C1 unit cost of US$1.32/lb | | | | | | | | |
| **Operating life** | Initial 10.5-year mine life at 5.2Mtpa base case<br>Targeting first production in Q3 FY2023, with production from expanded development commencing in Q1 FY2025 | | | | | | | | |
| **Development capex** | US$366m | | | | | | | | |
| **Mineral Resources[1][2]** | | **Tonnes (Mt)** | **Cu (%)** | **Zn (%)** | **Pb (%)** | **Au (g/t)** | **Ag (g/t)** | **CuEq (%)** | **CuEq (kt)** |
| | T3 | 53.3 | 0.9% | n/a | n/a | n/a | 7.7 | 1.0% | 514 |
| | A4 | 9.8 | 1.4% | n/a | n/a | n/a | 21.6 | 1.5% | 152 |
| | **Total** | **63.1** | **1.0%** | **n/a** | **n/a** | **n/a** | **9.8** | **1.1%** | **666** |
| **Ore Reserves[1][2]** | | **Tonnes (Mt)** | **Cu (%)** | **Zn (%)** | **Pb (%)** | **Au (g/t)** | **Ag (g/t)** | **CuEq (%)** | **CuEq (kt)** |
| | T3 | 39.9 | 0.9% | n/a | n/a | n/a | 12.6 | 1.0% | 402 |
| | A4 | 9.7 | 1.2% | n/a | n/a | n/a | 18.0 | 1.3% | 129 |
| | **Total** | **49.6** | **1.0%** | **n/a** | **n/a** | **n/a** | **13.1** | **1.1%** | **531** |

Notes: (1) Refer to Appendix C for details on Mineral Resources and Ore Reserves; (2) CuEq assumes long-term real prices detailed on page 6. (3) Fraser Institute Annual Survey.



## Motheo position in the Kalahari Copper Belt



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## Black Butte

Near-term development potential

### Initial Feasibility

ESTIMATES (OCTOBER 2020)

**AVERAGE ANNUAL PRODUCTION OF**

**23,000**

TONNES OF CONTAINED COPPER METAL

**8 YEAR**

MINE LIFE BASED ON 1.2MTPA PRODUCTION RATE

**FORECAST LOM PRODUCTION OF**

**189,500**

TONNES OF CONTAINED COPPER METAL

**A$740 million***

IN PRE-TAX NET CASHFLOW

**US$275 million**

CAPITAL COST INCLUDING CONTINGENCY

***Definitive feasibility study assumes a copper price of US$3.16/lb Cu, versus Sandfire broker consensus pricing of US$3.43/lb Cu**

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# Sandfire Black Butte project overview

- Advanced, high-quality underground copper project in Tier-1 location
- 87% stake in the Black Butte Copper Project via interest in Sandfire Resources America Inc.
- One of the top-10 undeveloped copper projects worldwide by grade (Measured, Indicated and Inferred Resources of 391,000t of contained copper at ~3%)[1]
- Johnny Lee deposit fully-permitted with early project works complete
- Enhancement of Feasibility Study being progressed
- Exploration program underway within the Mining Lease targeting potential extensions and other near-mine opportunities
- Highly encouraging drilling results from the Lowry deposit demonstrates potential upside
- Continuing to respond to and deal with legal challenges
- Aiming to advance towards a project development decision

Note: (1) Refer Sandfire ASX Announcement, dated 30 October 2019. Excludes the Lowry Resource.





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## JORC RESERVES AND RESOURCES

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# Sandfire MATSA Reserves & Resources

## Ore Reserves (as at 31 July 2020)[1]

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) | Cu (kt) | Zn (kt) | Pb (kt) | Ag (koz) | CuEq[5] (kt) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Aguas Teñidas** | | | | | | | | | | |
| Proved | 9.7 | 1.3% | 2.7% | 0.8% | 34.7 | 126 | 262 | 78 | 10,469 | 254 |
| Probable | 4.8 | 1.3% | 2.9% | 0.8% | 36.8 | 62 | 139 | 38 | 5,494 | 129 |
| **Total[3]** | **14.5** | **1.3%** | **2.8%** | **0.8%** | **35.4** | **189** | **406** | **116** | **15,965** | **384** |
| **Magdalena** | | | | | | | | | | |
| Proved | 6.7 | 2.4% | 3.3% | 0.9% | 46.4 | 158 | 222 | 61 | 9,597 | 267 |
| Probable | 11.4 | 2.1% | 2.0% | 0.6% | 30.7 | 244 | 227 | 64 | 10,899 | 359 |
| **Total[3]** | **18.1** | **2.3%** | **2.5%** | **0.7%** | **36.8** | **408** | **453** | **126** | **20,677** | **634** |
| **Sotiel** | | | | | | | | | | |
| Proved | 2.3 | 1.5% | 2.2% | 0.9% | 38.0 | 34 | 50 | 21 | 2,663 | 62 |
| Probable | 1.1 | 1.3% | 2.6% | 1.1% | 39.2 | 15 | 29 | 12 | 1,377 | 31 |
| **Total[3]** | **3.4** | **1.5%** | **2.3%** | **1.0%** | **38.4** | **49** | **79** | **34** | **4,042** | **93** |
| **MATSA Consolidated** | | | | | | | | | | |
| Proved | 18.6 | 1.7% | 2.9% | 0.8% | 39.2 | 322 | 534 | 154 | 22,698 | 584 |
| Probable | 17.3 | 1.9% | 2.3% | 0.7% | 33.0 | 324 | 397 | 114 | 17,775 | 522 |
| **Total[3]** | **35.9** | **1.8%** | **2.6%** | **0.8%** | **36.4** | **650** | **934** | **273** | **40,652** | **1,113** |

## Mineral Resources (as at 31 December 2019)[1][2]

| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Ag (g/t) | Cu (kt) | Zn (kt) | Pb (kt) | Ag (koz) | CuEq[5] (kt) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Aguas Teñidas** | | | | | | | | | | |
| Measured | 31.9 | 1.4% | 2.8% | 0.8% | 38.5 | 433 | 900 | 253 | 39,443 | 877 |
| Indicated | 9.9 | 1.4% | 3.2% | 0.9% | 41.7 | 139 | 314 | 91 | 13,258 | 293 |
| Inferred | 4.9 | 2.1% | 6.6% | 2.1% | 84.5 | 101 | 325 | 101 | 13,338 | 261 |
| **Total[4]** | **46.7** | **1.4%** | **3.3%** | **1.0%** | **44.0** | **673** | **1,539** | **444** | **66,039** | **1,432** |
| **Magdalena** | | | | | | | | | | |
| Measured | 8.9 | 3.5% | 5.6% | 1.5% | 75.0 | 306 | 500 | 134 | 21,336 | 550 |
| Indicated | 14.0 | 2.3% | 0.5% | 0.5% | 29.0 | 319 | 238 | 70 | 13,084 | 444 |
| Inferred | 5.0 | 2.2% | 0.4% | 0.4% | 27.8 | 111 | 81 | 22 | 4,489 | 153 |
| **Total[4]** | **27.9** | **2.6%** | **0.8%** | **0.8%** | **43.4** | **736** | **818** | **227** | **38,939** | **1,147** |
| **Sotiel** | | | | | | | | | | |
| Measured | 21.6 | 1.0% | 3.7% | 1.6% | 43.2 | 222 | 792 | 339 | 29,955 | 629 |
| Indicated | 9.6 | 1.2% | 2.9% | 1.3% | 42.6 | 117 | 277 | 121 | 13,109 | 267 |
| Inferred | 16.0 | 0.8% | 3.5% | 1.6% | 43.9 | 134 | 557 | 252 | 26,622 | 439 |
| **Total[4]** | **47.2** | **1.0%** | **3.4%** | **1.5%** | **43.3** | **472** | **1,626** | **717** | **65,686** | **1,325** |
| **MATSA Consolidated** | | | | | | | | | | |
| Measured | 62.3 | 1.5% | 3.5% | 1.2% | 45.3 | 960 | 2,192 | 726 | 90,763 | 2,055 |
| Indicated | 33.5 | 1.7% | 2.5% | 0.8% | 36.7 | 575 | 828 | 282 | 39,451 | 1,004 |
| Inferred | 25.9 | 1.3% | 3.7% | 1.4% | 48.6 | 346 | 963 | 375 | 40,449 | 843 |
| **Total[4]** | **121.8** | **1.5%** | **3.3%** | **1.1%** | **43.6** | **1,881** | **3,984** | **1,383** | **170,663** | **3,902** |

Notes:
(1) Based on SRK JORC Mineral Resource and Ore Reserve Statements, refer to the ASX Announcement for full disclosure statements;
(2) Mineral Resources inclusive of Ore Reserves and are reported on a 100% consolidated basis;
(3) Consolidated Reserves include polymetallic and cupriferous;
(4) Consolidated Resources include polymetallic, cupriferous, and stockwork;
(5) Sandfire CuEq assumes long-term real prices. Refer to details on page 6.





# Sandfire Existing Sandfire Reserves & Resources (cont.)

## Ore Reserves

| | Tonnes (Mt) | Cu (%) | Au (g/t) | Ag (g/t) | Cu (kt) | Au (koz) | Ag (koz) | CuEq[1] (kt) |
|---|---|---|---|---|---|---|---|---|
| **DeGrussa & Monty** (as at 31 December 2020) | | | | | | | | |
| Proved | 2.0 | 5.2% | 1.6 | - | 103 | 98 | - | 121 |
| Probable | 0.6 | 3.0% | 1.0 | - | 18 | 19 | - | 22 |
| **Total[1]** | **2.6** | **4.6%** | **1.5** | **-** | **120** | **118** | **-** | **142** |
| **Black Butte – Johnny Lee** (As at 19 October 2020) | | | | | | | | |
| Proved | 1.7 | 3.0% | - | - | 53 | - | - | 53 |
| Probable | 5.9 | 2.4% | - | - | 144 | - | - | 144 |
| **Total[1]** | **7.7** | **2.6%** | **-** | **-** | **197** | **-** | **-** | **197** |
| **T3 Motheo** (as at November 2020) | | | | | | | | |
| Proved | - | -% | - | - | - | - | - | - |
| Probable | 39.9 | 0.9% | - | 12.6 | 360 | - | 15,600 | 402 |
| **Total[1]** | **39.9** | **0.9%** | **-** | **12.6** | **360** | **-** | **15,600** | **402** |
| **A4 Motheo** (As at September 2020) | | | | | | | | |
| Proved | - | -% | - | - | - | - | - | - |
| Probable | 9.7 | 1.2% | - | 18.0 | 114 | - | 5,700 | 129 |
| **Total[1]** | **9.7** | **1.2%** | **-** | **18.0** | **114** | **-** | **5,700** | **129** |
| **Sandfire Consolidated** | | | | | | | | |
| Proved | 3.7 | 4.2% | 0.8 | - | 156 | 98 | - | 174 |
| Probable | 56.1 | 1.1% | 0.0 | 12.2 | 636 | 19 | 21,300 | 696 |
| **Grand Total[1]** | **59.9** | **1.3%** | **0.1** | **11.4** | **791** | **118** | **21,300** | **870** |

## Mineral Resources

| | Tonnes (Mt) | Cu (%) | Au (g/t) | Ag (g/t) | Cu (kt) | Au (koz) | Ag (koz) | CuEq[1] (kt) |
|---|---|---|---|---|---|---|---|---|
| **DeGrussa & Monty** (as at 31 December 2020) | | | | | | | | |
| Measured | 2.1 | 6.9% | 2.3 | - | 145 | 150 | - | 173 |
| Indicated | 0.5 | 2.6% | 0.8 | - | 13 | 13 | - | 15 |
| Inferred | 0.2 | 2.5% | 1.0 | - | 5 | 6 | - | 6 |
| **Total[1]** | **2.8** | **5.9%** | **2.0** | **-** | **164** | **170** | **-** | **196** |
| **Black Butte – Johnny Lee** (as at 15 October 2019) | | | | | | | | |
| Measured | 1.7 | 3.5% | - | - | 60 | - | - | 60 |
| Indicated | 7.7 | 2.7% | - | - | 211 | - | - | 211 |
| Inferred | 2.3 | 3.0% | - | - | 70 | - | - | 70 |
| **Total[1]** | **11.8** | **2.9%** | **-** | **-** | **340** | **-** | **-** | **340** |
| **Black Butte – Lowry** (as at 15 October 2019) | | | | | | | | |
| Measured | - | -% | - | - | - | - | - | - |
| Indicated | - | -% | - | - | - | - | - | - |
| Inferred | 7.2 | 2.4% | - | - | 174 | - | - | 174 |
| **Total[1]** | **7.2** | **2.4%** | **-** | **-** | **174** | **-** | **-** | **174** |
| **T3 Motheo** (As at 15 September 2020) | | | | | | | | |
| Measured | - | -% | - | - | - | - | - | - |
| Indicated | 48.8 | 0.9% | - | 12.9 | 446 | - | 19,600 | 499 |
| Inferred | 4.5 | 0.8% | - | 15.0 | 34 | - | 2,100 | 40 |
| **Total[1]** | **53.3** | **0.9%** | **-** | **7.7** | **480** | **-** | **12,700** | **514** |
| **A4 Motheo** (As at 31 December 2020) | | | | | | | | |
| Measured | - | -% | - | - | - | - | - | - |
| Indicated | 9 | 1.4% | - | 22.0 | 124 | - | 6,200 | 141 |
| Inferred | 0.9 | 1.0% | - | 15.0 | 9 | - | 400 | 10 |
| **Total[1]** | **9.8** | **1.4%** | **-** | **21.0** | **134** | **-** | **6,600** | **152** |
| **Sandfire Consolidated** | | | | | | | | |
| Measured | 3.8 | 5.3% | 1.3 | - | 205 | 150 | - | 233 |
| Indicated | 65.9 | 1.2% | 0.0 | 12.6 | 794 | 13 | 25,800 | 865 |
| Inferred | 15.2 | 1.9% | 0.0 | 5.3 | 291 | 6 | 2,500 | 299 |
| **Grand Total[1]** | **85.0** | **1.5%** | **0.1** | **7.3** | **1,292** | **170** | **19,300** | **1,375** |

Notes: (1) CuEq assumes long-term real prices detailed on page 6.

# Sandfire Sandfire Pro forma - Reserves & Resources (cont.)

| Ore Reserves | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Au (g/t) | Ag (g/t) | Cu (kt) | Zn (kt) | Pb (kt) | Au (koz) | Ag (koz) | CuEq[1] (kt) |
| **Sandfire** | | | | | | | | | | | | |
| Proved | 3.7 | 4.2% | -% | -% | 0.8 | - | 156 | - | - | 98 | - | 174 |
| Probable | 56.1 | 1.1% | -% | -% | 0.0 | 12.2 | 636 | - | - | 19 | 21,300 | 696 |
| **Total[1]** | **59.9** | **1.3%** | **-%** | **-%** | **0.1** | **11.4** | **791** | **-** | **-** | **118** | **21,300** | **870** |
| **MATSA[2]** | | | | | | | | | | | | |
| Proved | 13.7 | 1.8% | 0.4% | 0.1% | - | 14.4 | 249 | 50 | 19 | - | 6,354 | 286 |
| Probable | 22.3 | 1.8% | 4.0% | 1.1% | - | 49.6 | 397 | 880 | 251 | - | 35,487 | 824 |
| **Total[1]** | **35.9** | **1.8%** | **2.6%** | **0.8%** | **-** | **36.2** | **646** | **930** | **270** | **-** | **41,841** | **1,110** |
| **Sandfire Pro forma Consolidated** | | | | | | | | | | | | |
| Proved | 17.4 | 2.3% | 0.3% | 0.1% | 0.2 | 11.7 | 405 | 50 | 19 | 98 | 6,354 | 460 |
| Probable | 78.4 | 1.3% | 1.1% | 0.3% | 0.0 | 23.3 | 1,033 | 880 | 251 | 19 | 56,787 | 1,520 |
| **Grand Total[1]** | **95.8** | **1.5%** | **1.0%** | **0.3%** | **0.0** | **21.2** | **1,437** | **930** | **270** | **118** | **63,141** | **1,980** |

Notes: (1) CuEq assumes long-term real prices detailed on page 6; (2) Based on SRK JORC Mineral Resource and Ore Reserve Statements, refer to the ASX Announcement for full disclosure statements.



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# Sandfire Sandfire Pro forma - JORC Reserves & Resources (cont.)

| Mineral Resources | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tonnes (Mt) | Cu (%) | Zn (%) | Pb (%) | Au (g/t) | Ag (g/t) | Cu (kt) | Zn (kt) | Pb (kt) | Au (koz) | Ag (koz) | CuEq[1] (kt) |
| **Sandfire** | | | | | | | | | | | | |
| Measured | 3.8 | 5.3% | -% | -% | 1.3 | - | 205 | - | - | 150 | - | 233 |
| Indicated | 65.9 | 1.2% | -% | -% | 0.0 | 12.6 | 794 | - | - | 13 | 25,800 | 865 |
| Inferred | 15.2 | 1.9% | -% | -% | 0.0 | 5.3 | 291 | - | - | 6 | 2,500 | 299 |
| **Total[1]** | **85.0** | **1.5%** | **-%** | **-%** | **0.1** | **7.3** | **1,292** | **-** | **-** | **170** | **19,300** | **1,375** |
| **MATSA[2]** | | | | | | | | | | | | |
| Measured | 62.3 | 1.5% | 3.5% | 1.2% | - | 45.3 | 960 | 2,192 | 726 | - | 90,763 | 2,055 |
| Indicated | 33.5 | 1.7% | 2.5% | 0.8% | - | 36.7 | 575 | 828 | 282 | - | 39,451 | 1,004 |
| Inferred | 25.9 | 1.3% | 3.7% | 1.4% | - | 48.6 | 346 | 963 | 375 | - | 40,449 | 843 |
| **Total[1]** | **121.8** | **1.5%** | **3.3%** | **1.1%** | **-** | **43.6** | **1,881** | **3,984** | **1,383** | **-** | **170,663** | **3,902** |
| **Sandfire Pro forma Consolidated** | | | | | | | | | | | | |
| Measured | 66.1 | 1.8% | 3.3% | 1.1% | 0.1 | 44.1 | 1,165 | 2,192 | 726 | 150 | 90,763 | 2,288 |
| Indicated | 99.4 | 1.4% | 0.8% | 0.3% | 0.0 | 21.1 | 1,369 | 828 | 282 | 13 | 65,251 | 1,870 |
| Inferred | 41.1 | 1.6% | 2.3% | 0.9% | 0.0 | 33.6 | 637 | 963 | 375 | 6 | 42,949 | 1,142 |
| **Grand Total[1]** | **206.8** | **1.5%** | **1.9%** | **0.7%** | **0.0** | **29.5** | **3,173** | **3,984** | **1,383** | **170** | **189,963** | **5,277** |

Notes: (1) CuEq assumes long-term real prices detailed on page 6; (2) Based on SRK JORC Mineral Resource and Ore Reserve Statements, refer to the ASX Announcement for full disclosure statements.

# Sandfire Competent Person's Statements

**Competent Person's Statement**

**MATSA Mineral Resources**

The Competent Person who has reviewed the Mineral Resources is Mr Guy Dishaw, P.Geo, who is a full-time employee of and Principal Consultant (Resource Geology) at SRK. Mr Dishaw is a Professional Geoscientist (P. Geo.) registered with the Association of Professional Engineers and Geologists of Saskatchewan, a 'Recognised Overseas Professional Organisation' ("ROPO") included in a list promulgated by the Australian Stock Exchange ("ASX") from time to time. Mr Dishaw has over 20 years' experience in the mining and metals industry and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code.

**MATSA Mineral Reserves**

The Competent Person who has reviewed the Mineral Reserves and the LoMP is Mr Chris Bray, BEng, MAusIMM (CP), who is a full time employee of and Principal Consultant (Mining) at SRK. He is a Member of and Chartered Professional in the Australasian Institute of Mining and Metallurgy, a ROPO. Mr Bray is a Mining Engineer with 20 years' experience in the mining and metals industry, including operational experience in underground base metal and polymetallic mines, and as such qualifies as a Competent Person as defined in the JORC Code. He has also been involved in the reporting of Mineral Reserves on various properties internationally for over 10 years.

**A4 Ore Reserve**

The information in this release that relates to Open Pit Ore Reserves, is based on information compiled by Mr Jake Fitzsimons who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Fitzsimons is employed by Orelogy Consulting Pty Ltd 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 Fitzsimons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Refer to ASX Announcement, dated 22 September 2021, titled 'A4 Ore Reserve and Motheo Expansion PFS'.

**T3 Ore Reserve**

The information in this release that relates to Open Pit Ore Reserves, is based on information compiled by Mr Jake Fitzsimons who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Fitzsimons is employed by Orelogy Consulting Pty Ltd 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 Fitzsimons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Refer to ASX Announcement, dated 1 December 2020, titled 'T3 (Motheo) Copper-Silver Project, Ore Reserve and Mineral Resource Estimate'.

**T3 and A4 Mineral Resource**

The information in this release that relates to T3 Mineral Resources is based on information compiled by Mr Callum Browne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne was 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 Browne consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to the A4 Mineral Resource is based on and fairly represents information and supporting documentation prepared by Mr Mark Zammit who is a Member of the Australian Institute of Geoscientists. Mr Zammit is a full time employee of Cube Consulting Pty Ltd. Mr Zammit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Zammit consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.





# Sandfire Competent Person's Statements

**Motheo Expansion Case**

The 5.2Mtpa Expansion Case where it relates to A4 and other prospects, is based on the T3 Mineral Resource Estimate and Ore Reserve, the 3.2Mtpa Definitive Feasibility Study completed in December 2020, A4 Mineral Resource Estimate and Ore Reserve and the 5.2Mtpa Pre-Feasibility Study. Refer to "A4 Ore Reserve and Motheo Expansion PFS" announcement on 22 September 2021 for further information.

**DeGrussa and Monty Ore Reserve**

The information in this presentation that relates to Ore Reserves is based on information compiled by Mr Neil Hastings who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hastings 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 Hastings consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears. Refer ASX announcement, dated 17 June 2021, titled 'Degrussa Copper-Gold Mine and Monty Copper-Gold Mine Underground Ore Reserve and Mineral Resource Estimate'.

**Johnny Lee Ore Reserve**

The information in this presentation 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. Refer to ASX announcement, dated 28 October 2020, titled 'Black Butte Copper Project, Ore Reserve and Mineral Resource Estimate'.

**DeGrussa, Monty, Motheo and A4 Mineral Resource**

The information in this presentation that relates to Mineral Resources is based on information compiled by Mr Callum Browne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne 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 Browne consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

**Johnny Lee and Lowry Mineral Resource**

The information in this presentation 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. Refer to ASX announcement, dated 28 October 2020, titled 'Black Butte Copper Project, Ore Reserve and Mineral Resource Estimate'

**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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# KEY RISKS

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## Sandfire Key Risks

### Acquisition Risks

#### Completion risks

Completion under the agreement to acquire 100% interest in Minas de Aguas Teñidas S.A. which holds the Minas de Aguas Teñidas (**MATSA**) mine (**Transaction**) (**the Acquisition Agreement**) is conditional on (i) Spanish, competition notification, and clearance; and (ii) approval from the relevant foreign investment authority in relation to foreign direct investment, both prior to 31 March 2022. If these conditions precedent are not satisfied, and there is no extension, the Acquisition Agreement may be terminated, and the Transaction will not proceed. Failure to complete the Transaction could have a material adverse effect on the Company and its share price.

Further, if the Transaction does not proceed, the Company will need to consider alternative uses for the funds, including, but not limited to, a return of capital, balance sheet management, working capital and/ or alternative investment opportunities. If the Company elects to use the proceeds of the Offer for an alternative purpose, the return on investment may ultimately be less than if the proceeds had been used for the Transaction. Sandfire has agreed to pay a US$300 million deposit to an escrow agent. US$100 million will be paid to the Vendors on signing the SPA and US$200 million will be paid 10 business days later. In the event of Sandfire's fails to complete the transaction (excluding due to failure to receive the FDI or antitrust merger approval or the accepted termination events), Sandfire would forfeit US$100 million to the Vendors. It has also been agreed that Sandfire forfeiting the deposit is not the sole remedy available to the Vendors in these circumstances.

#### Due diligence risks and reliance on information provided

The Company undertook due diligence investigations in respect of the Transaction. While the Company considers that this review was adequate in the circumstances, the information reviewed was largely provided by the Vendors (or on the Vendors behalf). Consequently, the Company has not been able to verify the accuracy, reliability or completeness of all of the information which was provided to it against independent data. There is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Transaction have been identified or appropriately dealt with, therefore there is a risk that unforeseen issues and risks may arise which may also have a material adverse impact on the Company. While certain contractual representations and warranties are included in the Acquisition Agreement, contractual remedies may be limited or not ultimately available.

In addition, the Company has prepared (and made assumptions in the preparation of) the financial and other information relating to the Transaction included in this presentation in reliance on information provided by the Vendors. If any of the information relied on by the Company proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of the Company may be materially different to the financial position and performance reflected in this Presentation.

#### Equity funding risk

The Company intends to partially fund the Transaction by an underwritten placement and an underwritten accelerated pro-rata non-renounceable entitlement offer of fully paid ordinary shares in the Company. The Company has entered into the Underwriting Agreement with the Underwriters who have agreed to fully underwrite the Offer, subject to certain terms and conditions. If certain conditions are not satisfied or certain events occur, the Underwriters may terminate the Underwriting Agreement (see the announcement released with this presentation). Given the structure of the Offer, in which the Placement and Institutional Entitlement Offer settle before the Retail Entitlement Offer, there is a risk that the Underwriting Agreement may terminate before or after the Placement and Institutional Entitlement Offer have settled.

The Company's obligation to complete the Transaction is not conditional on funding, so if the Underwriting Agreement is terminated, the Company would not be entitled to terminate the agreement in respect of the Transaction and, depending on the amount raised under the Offer, could need to seek alternative funding in a very short timeframe, the availability and terms of which are uncertain and may be less favourable to the Company. If alternative funding was not available, the Company would not be able to complete the Transaction. The underwriting obligations of the Underwriters are subject to customary terms and conditions, including termination rights for the Underwriters in specific circumstances.

#### Debt funding risk

SFR has entered into new acquisition debt facilities pursuant to which financiers have agreed to provide debt financing for the Transaction on customary terms and conditions subject to entry into full form debt financing documents. If certain events occur (such as failure to negotiate, execute and deliver a facility agreement or a party breaching an applicable law or regulation), the financiers may terminate the debt financing agreement. The conditions precedent to drawdown of the debt financing are customary for acquisition financing of this nature and include that no conditions precedent under the Acquisition Documents have been waived without financier consent. The events of default that apply to the financing are also customary for an acquisition facility of this nature and include non-payment of amount payable on due date, breach of financial covenants, misrepresentations, unlawfulness, material adverse change, insolvency, etc.

Termination of the debt financing agreement would have an adverse impact on SFR's sources of funding for the Transaction. The Company's obligation to complete the Transaction is not conditional on funding so if the debt financing does not proceed, the Company would not be entitled to terminate the Acquisition Agreement in respect of the Transaction and would need to seek alternative funding in a very short timeframe, the availability and terms of which are uncertain and may be less favourable to the Company. If alternative funding was not available, the Company would not be able to complete the Transaction, and if all conditions precedent of the Transaction are satisfied and waived, then Sandfire would forfeit to the Vendors the first US$100M deposit that the SPA requires is placed into escrow shortly following entry into the Transaction Documents. It has been agreed that Sandfire forfeiting the deposit is not the sole remedy available to the Vendors in these circumstances.

Further, if the Transaction occurs, SFR's debt levels will increase. The use of debt financing to partially fund the Transaction means that SFR will be more exposed to risks associated with gearing and higher leverage ratios. In addition, SFR will be more exposed to general risks relating to any refinancing of its debt facilities. It may be difficult for SFR to refinance all or some of these debt facilities and an inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect the financial performance of SFR. There is also a risk that institutional shareholders do not agree with the increase in SFR's debt levels and may seek to reduce their shareholding, which may result in a fall in SFR's share price. SFR is required to seek consents from the holders of several financial leases; to the extent these are not obtained, SFR will need to pay those leases out at completion of the Acquisition.

# Sandfire Key Risks (cont.)

**Acquisition assumptions may not be achieved**

The Company has undertaken financial, tax, legal, commercial and technical analysis on the Transaction in order to determine its bid price in the competitive sale process by the Vendors and determining whether or not to proceed with the Transaction. SFR notes that despite its analysis and best estimate assumptions, the conclusions drawn may not be accurate or realised. To the extent that the actual results achieved upon successful completion of the Transaction are different to those indicated by the Company's analysis, there is a risk that the performance of the Company following the Transaction may be different (including in a materially adverse way) from what is reflected in this Presentation. In addition, there is a risk that the Company may be unable to realise the strategies, operational objectives and benefits set out in this Presentation (in whole or in part) or that they will not materialise, or will not materialise to the extent that the Company anticipates. This may occur for several reasons, including loss of key personnel, expert capability or employee productivity, failure to attract new employees and failure to derive the expected benefits of its strategic growth initiatives. Any failure to meet these strategies, operational objectives and benefits could have an adverse effect on the Company's operational or financial performance, and the return on its investment in the MATSA mine complex.

**Future earnings risk**

The Company has undertaken financial and commercial analysis of the MATSA mine complex in order to determine its attractiveness to the Company and whether to acquire it. To the extent that the MATSA mine complex does not perform as anticipated there is a risk that the profitability and future earnings of the Company may differ (including in a materially adverse way) from the assessment mentioned in the Presentation. There is also a sole customer risk associated with the existing Life of Mine offtake arrangements.

**Acquisition accounting**

Following completion of the Transaction, and acquisition of the 100% interest in the MATSA mine complex, the Company will complete a formal fair value assessment of the assets that represent its 100% interest in the MATSA mine complex. The assessment is required to be undertaken within 12 months period after completion of the Transaction. The outcome of this assessment could give rise to potentially materially different values.

**Impact of transaction on existing MATSA mine complex arrangements**

Some of the MATSA mine complex's services contracts or other commercial arrangements may contain restriction on assignment clauses or similar/other provisions that may be triggered by the Transaction. If the relevant counterparties do not provide the necessary consents or require the Company to enter into a separate deed of assignment and assumption, or if they are able to terminate for convenience, this may have an adverse impact on the Company's operating performance and in turn, the Company's operational or financial performance. For example, if the termination of the applicable arrangements, the suspension of services or supplies under them, or contractual damages or other payments being required of the Vendors.

Similarly, there can be no assurance that there will be no unintended loss of the Vendors operations personnel, including key personnel, leading up to and following the Transaction. If key operations personnel or a significant number of other personnel leave, this could have a material adverse effect on the performance of the Company following completion of the Transaction.

There is a general risk associated with execution of a large transaction and future investment decisions.

**Risk of default / counterparty risks**

In the event of default by the Vendors as sellers under the Acquisition Agreement, the Company may have certain remedies, such as a right to recover damages for breach. However, the obligations of the Vendors under the Acquistion Agreement are unsecured obligations, which means that, in the unlikely event that the Vendors were to become insolvent, then the Company's rights to enforce those obligations would be those of an unsecured creditor. In addition, if the Transaction completes, the Company may become directly or indirectly liable for liabilities that have been incurred by the Vendors, and in respect of which the warranties and indemnities in favour of the Company under the Acquisition Agreement are not ultimately adequate (in terms of compensating the Company for the financial or other impacts of such liabilities). Such liabilities may have an adverse effect on the Company's operational or financial performance.

**Offer Risks**

**Potential for dilution and control risk**

Upon completion of the Offer, the number of Shares in the Company will increase from 178.3M to up to approximately 409.3. This equates to approximately 129.6% of all the issued Shares in the Company immediately following completion of the Offer. This means that to the extent Shareholders do not participate in the Offer their holdings are likely to be diluted by approximately 56% following completion of the Offer.

**ASX quotation**

A decision by ASX to grant Official Quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares now offered for subscription. There is no guarantee that ASX will allow trading of New Shares before the Retail Entitlement Offer closes.

**Company Risks**

**Share market conditions**

There are risks associated with any investment in securities. Publicly listed securities and, in particular, securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. General factors that may affect the market price of shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.





# Sandfire Key Risks (cont.)

**Share market conditions (cont.)**

These factors may materially affect the market price of the Company's Shares, regardless of the Company's performance. The past performance of the Company is not necessarily an indication as to the future performance of the Company.

There can be no guarantee that there will continue to be an active market for the Company's Shares or that the price of the Company's Shares will increase. Neither the Company nor the Company's Board warrants the future performance of the Company or any return on an investment in the Company.

**Dividends**

The Company does not have an official dividend policy however it has a history of paying dividends. The payment of dividends (if any) by the Company is determined by the Company Board from time to time at its discretion and is dependent upon factors including the profitability and cash flow of the Company's business at the relevant time. Any dividends paid by the Company in the future will be subject to similar considerations. The Company operates in a cyclical sector, in which financial characteristics (such as commodity prices, foreign exchange rates and energy costs) vary and as a result will have an impact on profit and cash flow generation. This may result in variations in the capability of the Company to make dividend payments to shareholders through varying business cycles.

**Commodity price volatility**

The Company's revenues and cash flows are derived from the sale of copper, silver and gold. The financial performance of the Company will be exposed to fluctuations in the prices of these commodities.

Commodity prices may be influenced by numerous factors and events which are beyond the control of the Company, including supply and demand fundamentals, currency exchange rates, interest rates, general economic, political and regulatory conditions, speculative activities and other factors. These factors may have a positive or negative effect on the Company's product development and production plans and activities, together with the ability to fund those plans and activities. If the prices of precious metals and other minerals drop significantly, the economic prospects of the Company's operating mines and projects could be significantly reduced or rendered uneconomic. There is no assurance that even if commercial quantities of ore are discovered, a profitable market may exist for the sale of the same.

The Company does not have a policy in place to actively take steps to hedge its currency or commodity risks but may from time to time enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings, in order to reduce the exposure to fluctuations in copper price during the Quotational period (QP). The hedges are generally in the form of QP hedging via copper swaps to either fix the price of sales at the time of shipment or to reduce the length of the QP, therefore reducing the short and medium term exposure to the market price of metal for completed or imminent shipments. The Company will still be exposed to spot prices for the remainder of its anticipated future production of these and other commodities. Further, there is a potential impact of differential metal prices arising from the move to a lower carbon environment. The Company cannot provide any assurance as to the prices that the Company will achieve for its commodities in the future, or that there will always be a market for products.

**Foreign exchange rates**

There is risk attached to the fact that the purchase price is payable in a different currency to that raised under the Offer.

The Company is an Australian business that reports in Australian dollars. However, the Company's revenue is derived from the sale of commodities that are typically priced in US dollars, and whilst the majority of its costs as they relate to the DeGrussa and Monty operations are usually denominated in Australian dollars, the Company has exposure on the cost side to US dollars through its global portfolio which includes the Black Butte project in Montana USA and has additional currency exposure including the Botswanan Pula and South African Rand through the Motheo project based in Botswana. Therefore, the Company will be exposed to movements in foreign exchange rates (in particular, the US dollar-to-Australian dollar and Botswanan Pula-to-Australian dollar exchange rate), the impact of which cannot be predicted reliably. From time to time, the Company considers the presentation currency it uses.

The Company may from time to time put in place certain derivative financial instruments in an attempt to mitigate some of its exposure to foreign exchange rates, including forward contracts and the purchase of Australian dollar call options. However, the Company will still be exposed to foreign exchange risk in relation to currency that has not been hedged.

**Bribery and corrupt practices**

The Company's operations are governed by, and involve interaction with, many levels of government in Australia, the United States of America and Botswana, and potentially Spain. The Company is subject to various anticorruption laws and regulations which prohibit a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage.

The Company maintains anti-bribery policies, anti-corruption training programmes, codes of conduct, procedures and other safeguards designed to prevent the occurrence of fraud, bribery and corruption. Botswana has the second highest ranking of any sub-Saharan African country in the Transparency International Corruption Perceptions Index for 2020. However, wherever the Company operates it always needs to be aware of the potential risk of fraud, bribery and corruption. Instances of fraud, bribery and corruption, and violations of laws and regulations could have a material adverse effect on the Company's reputation, business, results of operations, financial condition and the price of shares of the Company.

The Company has and will engage a number of consultants and contractors in Botswana in connection with its business operations and, although the Company believes its consultancy agreements are entered into on arm's length commercial terms and seeks appropriate comfort from consultants and contractors, as well as requiring its consultants and contractors to adhere to the highest standards in line with the Company's policies, there is a risk that agents or other persons or representatives acting on behalf of the Company may engage in corrupt activities without the knowledge of the Company.



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# Sandfire Key Risks (cont)

**Operational uncertainty**

As with any mining company the Company's assets and mining operations will be subject to uncertainty with respect to (among other things): ore tonnes, mine grade, ground conditions, metallurgical recovery or unanticipated metallurgical issues (which may affect extraction costs), infill resource drilling, mill performance, the level of experience of the workforce, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, storms, floods, bushfires or other natural disasters. The occurrence of any of these circumstances could result in the Company not realising its operational or development plans, or plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Company's financial and operational performance.

The speculative nature of resource exploration and development as mining activities will deplete the reserves and resources of the Company, the ability to continually find or replace reserves and resources is important for the ongoing stability of the Company's operations.

Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

Current activities that may impact on future Mineral Resources include the Grade Control Drilling of the Monty ore body. Infill grade control drilling from underground at reduced spacing provides more accurate information on the geology and mineralisation than provided from surface exploration spaced drilling. This will change the ore body geometry, mineralisation distribution that will inform future Mineral Resource estimates and potentially either confirm or significantly increase or decrease the contained metal in the Mineral Resource and Ore Reserve.

Performance data on the processed grade and metallurgical performance of the mineralisation versus the model is also considered in the Mineral Resource estimation process.

The success of the Company depends on successful exploration and definition of reserves, design and construction of efficient processing facilities, competent operation and management, proficient financial management, access to required development capital (to the extent not able to be funded from cash flow), movement in the price of commodities, securing and maintaining title to the Company's pre-existing exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Failure in any of these areas will adversely impact the profitability and financial position of the Company. For example, MATSA has a tailings dam which is subject to standard ongoing monitoring; further, there is required permitting and other matters to close out when considering additional capacity beyond that expected for 2026.

The Company has provided production guidance. While the Company considers that this guidance is reasonable, actual future production may vary from the guidance for various reasons, many of which cannot be foreseen and are beyond the control of the Company. These factors may cause the production guidance not to be achieved or to be achieved later than expected, or to be achieved at a higher cost than anticipated.

Further as the Company depletes the Monty and DeGrussa Projects and the respective mine plans ramp down, there is increased risk of the assumptions around remaining production guidance, mine closure and rehabilitation costs changing as circumstances evolve.

There is additional risk concerning the operations of MATSA, including relating to production and export.

**Country risk**

The Transaction necessarily involves risks associated with expansion into Spain and Portugal markets, including the impact of COVID-19 (discussed below).

Investors should note that developing countries could be subject to rapid change and that the information set out in this document may become outdated relatively quickly. Moreover, financial turmoil in developing countries tends to adversely affect prices in equity markets of other developing countries as investors move their money to more stable, developed markets.

Exploration and development activities may require protracted negotiations with host governments, local governments and communities, local competent authorities, national mining companies and third parties and may be subject to economic, social and political considerations outside of the Company's control, such as the risks of expropriation, nationalisation, renegotiation, forced interruption, suspension of operations, curtailment of sales, forced change or nullification of existing contracts or royalty rates, unenforceability of contractual rights, changing taxation policies or interpretations, adverse changes to laws (whether of general application or otherwise) or the interpretation or enforcement thereof, foreign exchange restrictions, inflation, changing political conditions, the death or incapacitation of political leaders, local currency devaluation, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Any of the factors detailed above or similar factors could have a material adverse effect on the business, results of operations or financial condition of the Company. If disputes arise in connection with operations in developing countries the Company may be subject to the exclusive jurisdiction of foreign courts or foreign arbitration tribunals or may not be successful in subjecting foreign persons, especially foreign ministries and national companies, to the legal jurisdiction of Australia or England and Wales.

The Company cannot guarantee that there will not be regulations imposed on any individual or. Such measures, which would be beyond the Company control, could have a material adverse effect on the Company's business, reputation, results of operations, financial condition and the price of shares of the Company.





# Sandfire Key Risks (cont.)

**Financing risks and capital requirements**

The Company's capital requirements will depend on a number of factors. Whilst the Company has sufficient funding (based on existing estimates of funding requirements) in relation to its existing operations further financing may be required in the future for all or any of the Company's exploration, development, expansion or ongoing activities.

In the ordinary course of operations and development, the Company will be required to issue financial assurances, particularly insurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

**Infrastructure, transportation and remoteness of operations**

The commodities currently produced and expected to be produced by the Company are and will be required to be transported to customers internationally and in some cases, will require transportation through a neighbouring country. Each stage of the transportation process poses risks, including the initial remoteness of the Company's projects, fuel costs, unexpected delays and accidents could materially impact upon the Company's financial position.

Further, there are risks associated with the availability of adequate trucking, rail and port facilities and the process for obtaining approvals to access these facilities (including the timing and conditions on which access may be granted) or cross state or country borders. If the Company is not able to access the required infrastructure within a certain time period or at a reasonable cost, this could adversely affect the Company's operations and financial performance.

The price of sea freight, smelting and refining charges are market driven and can vary throughout the life of each project. These will also impact on the overall profitability of the Company.

**Fluctuations in the price and availability of energy and other resources**

Fluctuations in the price and availability of resources required for the operations of the Company, including materials required for operations, water and energy resources such as grid power, diesel, gas and other fossil fuels may materially impact the operations and financial position of the Company. In particular, the Motheo Project is expected to utilise the availability of grid power, the infrastructure for which is currently under construction by the Botswana Power Corporation. Any delay to completion of this infrastructure or interruption to supply once operational will require the Company to rely on self-generated power which may impact the profitability of the Company.

**Legal and regulatory risks**

There can be no assurance that title to any property interest acquired by the Company or any of its subsidiaries is secured. Although the Company has taken reasonable precautions to ensure that legal title to their properties is properly documented, there can be no assurance that their property interests may not be challenged or impugned. Such property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

In the jurisdictions in which the Company operates, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands; accordingly, title holders of mining concessions in such jurisdictions must agree with surface land owners on compensation in respect of mining activities conducted on such land.

The *Native Title Act 1993* (Cth) (**NTA**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. Native title may impact the Company's operations and future plans. Native title is not generally extinguished by the grant of exploration and mining tenements, as they are not generally considered to be grants of exclusive possession. However, a valid exploration or mining tenement prevails over native title to the extent of any inconsistency for the duration of the title.

There may be areas in relation to tenements which the Company has an existing interest in, or will acquire an interest in the future, over which common law Native Title rights exist, or may be found to exist, which may preclude or delay exploration, development or production activities.

There may be areas in relation to tenements which the Company has an existing interest in, or will acquire an interest in the future, over which common law Native Title rights exist, or may be found to exist, which may preclude or delay exploration, development or production activities.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining and exploration operations.

The definition of an asset according to the International Financial Reporting Standards is "a resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity". Therefore, if an entity does not have a valid legal tenure to an asset, the definition of an asset is not met, and therefore, the value of the asset in the hands of the entity is deemed to be zero.

**Regulatory requirements including exploration and mining permits and licences**

The Company's operations are subject to various Federal, State and local laws in the countries in which it operates including Botswana, the United States of America, Australia and potentially Spain. These laws include those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health.

Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. The Company will be required to obtain government permits to commence or expand operations, which can be a costly and time-consuming process that can be cross jurisdictional and may involve public hearings and costly undertakings.



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# Key Risks (cont.)

**Regulatory requirements including exploration and mining permits and licences (cont.)**

No assurance can be given that the Company will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Company may be curtailed or prohibited from continuing or proceeding with production and exploration.

The Company may be subject to legal challenges on the validity of any approvals, licences and permits that may delay or be prohibited from continuing or proceeding with production and exploration. These challenges can be costly and time consuming processes.

**Renewal of mining authorisations**

The Company cannot guarantee that all or any licences or permits in which it has interests will be renewed. Such renewals are at the discretion of relevant government bodies and ministries in the jurisdiction, and often depends on the Company being successful in obtaining other required statutory approvals for its proposed activities. There is no assurance that such renewals or grants will be granted, nor that they will be granted without different or further conditions attached.

**Environment, rehabilitation and restoration**

The operations and activities of the Company are subject to the environmental laws and regulations of Australia, Botswana and the United States of America and the other jurisdictions in which the Company may conduct business. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Water management is a key element to manage during the construction phase of Motheo. The Company will attempt to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations, but there remains residual risk, particularly in relation to acquired projects. For further information on SFR's management of its environmental risks please refer to SFR's latest Annual Report and Financial Reports. This will extend post acquisition to environmental incidents in relation to MATSA, or findings in relation to previous incidents. Forest fires may impact the Company's operations. Forest fires have previously caused a five day shut down of the operations in 2020, and hence there is some risk of a similar event occurring in future. The Company will work to minimise this risk where possible.

Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact the Company's costs and operational efficiency.

The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

**Export and import regulations**

The import and export policies of any jurisdiction in which the Company operates or sells product to may change in the future. As the revenues of the Company depend upon the process of exporting commodities, the profitability and financial position of the Company may be adversely affected by any such adverse import and export regulations. These include formal and informal import and export bans.

**Government Ownership Entitlements affecting Mineral Concessions**

Pursuant to the *Botswana Mineral and Mines Act*, the Botswana Government has the option to acquire up to a maximum 15% interest in a proposed mine for which a mining licence is issued. The acquisition price is a pro rata share of the total expenditure incurred by the mining company that is directly attributable to the acquisition of the licence, including relevant prospecting expenditure. The Botswana Government also needs to pay its pro rata share of the deemed development cost if they take up their entitlement. At the time of this presentation, the Government of Botswana has not notified the Company of its intention regarding the acquisition of an ownership stake. The potential exercise of the option by the Botswana Government is likely to dilute the value of the Motheo Project attributable to the Company, as the fair market value of the interest is expected to be higher than the historical expenditure.

**COVID-19**

The outbreak of the coronavirus disease (COVID-19) has had a material effect on global economic markets and the global economic outlook remains uncertain. This has and may continue to have a significant impact on capital markets, supply chains, international travel and trade. In particular, the risk of developing the Tshukudu Project in Botswana is heightened during COVID-19 due to the potential suspension / scaling back of operations, the potential disruption to exploration activities, the potential inability to source supplies and the potential restrictions on travel. Any further governmental measures taken in response to COVID-19 may adversely impact the Company's activities and are likely to be beyond the control of the Company. The Board continues to monitor the impact of COVID-19 closely and have considered the impact of COVID-19 on the Company's strategy. The situation is continually evolving and the consequences are uncertain. For further information on SFR's approach to COVID-19, please refer to SFR's previous public announcements.





# Key Risks (cont.)

**Accounting**

The Company makes estimates and assumptions about its business and revenues concerning the future.

These estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and include:

- trade receivables;
- impairment of assets;
- reserve estimates;
- rehabilitation and restoration costs;
- income tax and recognition of deferred tax assets; and
- fair value measurement.

Any changes in accounting judgements or estimates may have an adverse impact on the Company. There are no current plans for any material changes to judgements or estimates.

**Insurance**

The Company will endeavour to maintain insurance for the Company within ranges of coverage in accordance with industry practice. However, in certain circumstances, this insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company's operating and financial performance and financial position.

Insurance of risks associated with minerals exploration and production (including accidents, pollution and other hazards) is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover to a level of coverage which is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for its needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

**Wars, terrorism and natural disasters**

Events such as acts of terrorism, civil disturbance or protest, war, political intervention and natural activities such as earthquakes, floods, fires and adverse weather conditions may adversely impact the Company by affecting the market for commodities, the operations of the Company or its suppliers, service providers or customers, or the transport or other infrastructure relating to the operations of the Company. This is increased post Transaction given the MATSA location in Spain and the history of terrorism activity in Southern Europe.

**Key personnel and labour**

A number of key personnel are important to attaining the business goals of the Company. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Company to conduct its business and, accordingly, affect the financial performance of the Company and the price of the Company Shares. In relation to MATSA, there is a labour risk associated with the status of negotiations of the relevant Collective Bargaining Agreement, which have been impacted by COVID-19, and the CEO has the ability to terminate their contract as a result of the Transaction. The Company intends to negotiate retention, but has confidence in the deep management experience of the MATSA and Sandfire teams' ability to cover any perceived gap.

Recruiting and retaining qualified personnel are important to the success of the Company. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons can be strong, depending on market conditions.

Any disputes with employees (through personal injuries, industrial matters or otherwise) change in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact the Company.

Mining and exploration companies rely on external contractors or service providers for many of their activities, and as such the failure of any current to proposed contractors, subcontractors or other service providers to perform their contractual obligations may negatively impact the business of the Company.



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# Sandfire Key Risks (cont)

**Community Relations and Social Licence to Operate**

The Company's relationship with the communities in which it operates is important to ensure the future success of its existing operations and the construction and development of its projects. While the Company believes its relationships with the communities in which it operates are strong, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations (NGOs), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or its operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates.

**Litigation**

As at the date of this Presentation, the Company is not aware of any material disputes or litigation being undertaken that have not been disclosed to the market or in the public domain. However, there could be a potential risk of litigation in relation to operations of the MATSA mine and related facilities, including potential civil and criminal proceedings arising out of occupational safety and health and employment practices, hazard prevention, industrial hygiene, immigration, workplace injury and/or fatalities and hazards as a result of such operations. As disclosed, there is litigation on foot regarding the permitting for Black Butte. This may adversely affect the Company's ability to carry out operations or result in concessions that may incur additional costs or be unacceptable to the Company. It is possible that the Company may be involved in other disputes and litigation in the course of its current and future operations. There is a risk that any material or costly dispute or litigation and compensation or damages could materially adversely impact the financial position or performance of the Company.

The Company completed an internal investigation into a water inrush event in relation to DeGrussa in February 2020. As is standard practice, findings are being reviewed by the Department of Mines, Industry Regulation and Safety.

**Health, safety and hazardous materials**

The potentially hazardous nature of exploration and mining means that health and safety regulations impact the activities of the Company, particularly in respect of acquired projects failing to meet appropriate standards. Any injuries or accidents that occur on a site of operations of the Company could result in legal claims, potential delays or stoppages and other actions that could adversely affect the Company.

The Company notes that the risk of safety incidents in inherently greater during the construction phase of projects. The Company notes there have been historic safety incidents, including fatalities at MATSA.

**Risks related to acquisitions and future growth initiatives**

The Company regularly identifies and assesses potential opportunities for acquisitions and growth initiatives where it considers the opportunities may create shareholder value. The Company will continue to identify and assess such opportunities. However, while the Company intends to undertake appropriate due diligence to properly assess any such opportunities, benefits expected from investments, acquisitions or growth opportunities may take longer than expected to be achieved, or not be achieved at all, which may have a material adverse impact on the value of the Company.

**Other risks**

Additional risks and uncertainties not currently known to the Company may also have a material adverse effect on the business of the Company. The information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting the Company.

**Global economic conditions**

The Company's funding position, financial performance and ability to execute its strategy is impacted by a variety of general global economic, political, social and business conditions. In addition to commodity prices and currency fluctuations, factors that have the potential to impact the Company's business include inflation, interest rates and other general economic factors. Deterioration in any of these conditions could have an adverse impact on the Company.

Domestic and global conditions may affect the value of the Company Shares. General worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, prices of the Company's products, variations in the operating costs and development and sustaining capital expenditure which the Company will require in the future will all impact the value of the shares, some outside of the control of the Company.

**Tax risks**

Future changes in tax laws in Australia and other jurisdictions in which the Company has activities and investment interests, including changes in interpretation or application of existing laws by the courts or taxation authorities, may affect taxation treatment of the Company securities or the holding or disposal of those securities. The tax consequences for individual investors in the Company will depend on the individual tax profile and circumstances of the investor and all investors should obtain independent taxation advice with respect to their personal position.

Pursuant to the *Income Tax (Amendment) Act 2018*, a new transfer pricing regime came into effect on 1 July 2019 in Botswana.

**Offtake Agreements and Throughput Agreement**

The Company is renegotiating Amended and Restate Offtake agreements for Lead, Zinc and Copper with Trafigura based on pre-existing arrangements in place between MATSA and Trafigura. The offtake agreements are life of mine and bind all sales from the MATSA mine to Trafigura.



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Sandfire

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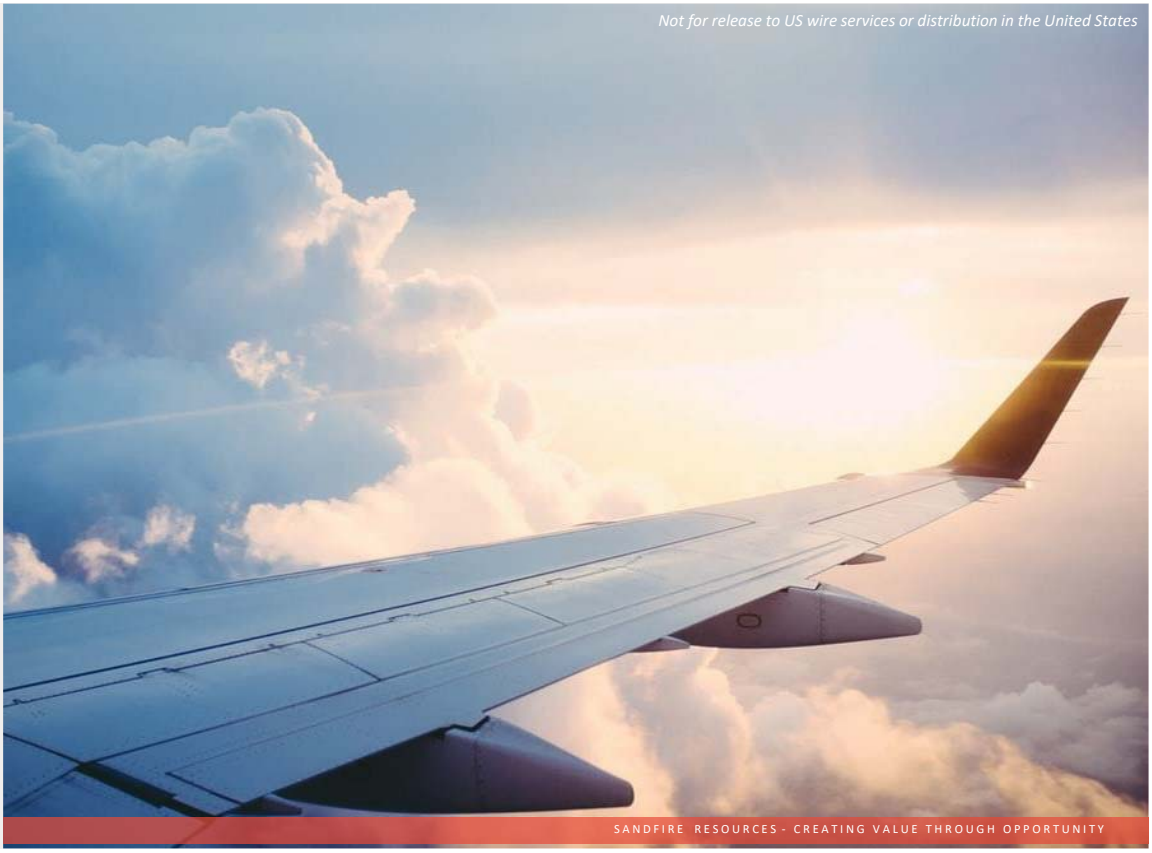
# INTERNATIONAL OFFER RESTRICTIONS



SANDFIRE RESOURCES - CREATING VALUE THROUGH OPPORTUNITY

# Sandfire International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

**Canada (British Columbia, Ontario and Quebec provinces)**

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission*. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal advisor.

*Certain Canadian income tax considerations*. Prospective purchasers of the New Shares should consult their own tax advisor with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

*Language of documents in Canada*. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

**Cayman Islands**

The Company is not licensed to conduct investment business in the Cayman Islands by the Cayman Islands Monetary Authority and this document does not constitute an offer of securities to the public in the Cayman Islands. No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or from within the Cayman Islands.





# Sandfire International Offer Restrictions (cont.)

**European Union**

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

**Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

**Japan**

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

**New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



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# Sandfire International Offer Restrictions (cont.)

**Norway**

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

**Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

**South Africa**

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act 2008 and may not be distributed to the public in South Africa. This document has not been registered with nor approved by the South African Companies and Intellectual Property Commission.

Any offer of New Shares in South Africa will be made by way of a private placement to, and capable of acceptance only by, investors who fall within one of the specified categories listed in section 96(1)(a) of the South African Companies Act.

An entity or person resident in South Africa may not implement participation in the offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

**Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).



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# Sandfire International Offer Restrictions (cont.)

**United Arab Emirates**

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

**United Kingdom**

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

**United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

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Sandfire

ASX Release

ASX:SFR

27 September 2021

*Not for release to U.S. wire services or distribution in the United States*

# 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[1] 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.[2]

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).[3]

1 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

2 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.

3 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[4] 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.

4 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.

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## Indicative Timetable[5]

| 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.

**For further information, please contact:**

Sandfire Resources Ltd
Ben Crowley – Head of Investor Relations
Office: +61 8 6430 3800

**Media Inquiries:**

Read Corporate
Nicholas Read
Mobile: +61 419 929 046

***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

5 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.

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# 5 Important information

This Retail Offer Booklet (including the ASX announcements in Section 4) and enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by Sandfire.

This Information is dated 30 September 2021. This Information remains subject to change without notice and Sandfire is not responsible for updating this Information.

There may be additional announcements made by Sandfire after the date of this Retail Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Sandfire (by visiting the ASX website at www.asx.com.au) before submitting your Application to take up your Entitlement.

No party other than Sandfire has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

**This Information is important and requires your immediate attention.**

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the "Key Risks" section of the Investor Presentation included in Section 4 of this Retail Offer Booklet, any of which could affect the operating and financial performance of Sandfire or the value of an investment in Sandfire .

You should consult your stockbroker, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

To the maximum extent permitted by law, the Company and its related bodies corporate, directors, officers, employees and agents disclaim and do not assume any obligation or undertaking to release any updates or revisions to the information in this Retail Offer Booklet to reflect any change in expectation or assumptions, and disclaim all responsibility and liability for any loss arising from use or reliance on this Retail Offer Booklet or its content (including, without limitation, liability for fault or negligence).

## 5.1 Eligible Retail Shareholders

This information contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Existing Shares as at the Record Date;
- have a registered address on the Share Registry in Australia and New Zealand, is an Institutional Investor in another Permitted Jurisdiction, or are a person that the Company has determined in its discretion is an Eligible Retail Shareholder;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds Shares for the account or benefit of such persons in the United States);
- the Company determines in its absolute discretion did not receive an invitation or an offer to participate in (other than as a nominee, trustee or custodian, in each case in respect of other underlying holdings), or were otherwise ineligible to participate under, the Institutional Entitlement Offer; and

  are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without a prospectus or other disclosure document or any lodgement, filing, registration or qualification.

Shareholders who are not Eligible Retail Shareholders are Ineligible Shareholders.

Sandfire reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Shareholder.



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Applying for New Shares under the Retail Entitlement Offer (including making a payment by BPAY®), you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Sandfire has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Sandfire may (in its absolute discretion) extend the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia and New Zealand in accordance with applicable law.

## 5.2 Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares are set out in the Constitution, a copy of which is available at www.sandfire.com.au.

## 5.3 Risks

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Sandfire. You should refer to the “Key Risks” Section of the Investor Presentation released to ASX on 23 September 2021 and also included in Section 4 of this Retail Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

## 5.4 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

## 5.5 No Entitlements trading

Entitlements are non-renounceable and so they cannot be traded on ASX or any other exchange, nor can they be privately transferred.

## 5.6 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded down to the nearest whole number of New Shares.

## 5.7 Capital structure

After the issue of New Shares under the Entitlement Offer, the capital structure of Sandfire is expected to be as follows (subject to rounding of fractional Entitlements):

| | |
|---|---|
| Shares currently on issue | 178,251,333 |
| Maximum number of New Shares to be issued under the Entitlement Offer | 178,251,333 |
| Maximum number of New Shares to be issued under the Placement | 52,802,728 |
| **Total Shares on issue on completion of the Entitlement Offer** | 409,305,394 |

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## 5.8 Underwriting of the Entitlement Offer

Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**Lead Managers**) are appointed severally as the exclusive underwriters, bookrunners and lead managers to the Entitlement Offer. The Company has entered in an underwriting agreement with the Lead Managers in respect of the Entitlement Offer (**Underwriting Agreement**).

The Underwriting Agreement is subject to certain terms and conditions which are customary for an Underwriting Agreement of this type, including conditions precedent, representations, warranties and indemnities (in favour of the Joint Lead Managers), undertakings in favour of the Joint Lead Managers and termination rights. In particular, the Underwriting Agreement contains various representations and warranties by the Company relating to the Company and its business, including information provided to the Joint Lead Managers and disclosed to the ASX. The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Joint Lead Managers and the ASX within prescribed periods. Time is of the essence in the Underwriting Agreement. Terms capitalised in the following table that are not defined in the Glossary have the meaning given to those terms in the Underwriting Agreement.

| Termination Events |
|---|
| An Underwriter may, in certain circumstances, terminate its obligations under the Underwriting Agreement if any of the following termination events (among others) occur by giving written notice to the Company (some of which are subject to a market standard materiality qualifier):<br>• (**Available cash balance**) the Company ceases to maintain an available cash balance that will allow it to fund the cash consideration for the Acquisition (in addition to the proceeds of the Entitlement Offer and drawdowns under the Debt Facilities) as well as ordinary working capital);<br>• (**Acquisition**) The Company decides not to proceed with the Acquisition, withdraws any offer made to the vendors on connection with the Acquisition, the seller exclude The Company from any process in relation to the Acquisition or inform the Company it will not be the acquirer of the asset the subject of the Acquisition;<br>• (**Information Documents**) a material statement contained in the information documents released to ASX in connection with the Entitlement Offer (**Information Documents**) is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive (including by omission), in a material respect, or any statement about a future matter expressed in the Information Documents becomes false is a false or misleading statement;<br>• (**corrective statement**) an obligation arises on the Company to give ASX a notice in accordance with section 708AA(10) or 708AA(12) of the Corporations Act (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);<br>• (**delisting**) The Company ceases to be admitted to the official list of ASX or the Shares are removed from official quotation or suspended from quotation by ASX for two or more trading days on or from the date after the Institutional Closing Date (excluding a voluntary suspension trading halt contemplated by the Underwriting Agreement);<br>• (**quotation**) approval is refused or not granted to the official quotation of all the Offer Shares on ASX, or if granted, the approval is subsequently withdrawn, qualified;<br>• (**Acquisition Agreement or the Debt Facilities**) either the Acquisition Agreement or either of the Debt Facilities is terminated or rescinded or amended in a material respect without the consent of the Underwriters (not to be unreasonably withheld or delayed), and such amendment would have a material adverse effect on the Company, the Acquisition or the Entitlement Offer, a material breach occurs under either the Acquisition Agreement or either of the Debt Facilities, or a condition precedent to any party's obligations under either the Acquisition Agreement or either of the Debt Facilities becomes incapable of being satisfied, or a condition precedent of either the Acquisition Agreement or either of the Debt Facilities is waived without the consent of the Underwriters (acting reasonably and in good faith); |

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- (**insolvency**) any member of the Sandfire group suffers an insolvency event, or there is an act or omission which is likely to result in any member of the Sandfire group suffering an insolvency event;
- (**unable to issue Offer Shares**) the Company is unable to issue the Offer Shares on the relevant date as required by the timetable, ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a governmental agency;
- (**withdrawal**) the Company announces that it withdraws or does not intend to proceed with all or any material part of the Entitlement Offer;
- (**fraud**) a director or officer of the Company is charged with an indictable offence relating to corporate or financial matters, or fraudulent or misleading or deceptive conduct;
- (**change in management**) a change in the Chief Executive Officer of the Company is announced or occurs;(**director**) a director or officer of the Company is disqualified from managing a corporation or any regulatory body or governmental agency commences any public action against the director in his or her capacity as a director or officer of the Company or announces that it intends to take any such action;
- (**timetable**) any event specified in the timetable is delayed for 2 or more business days (or/ 1 or more business day at any time in the period up to and including the settlement date of the Institutional Entitlement Offer) without the prior written approval of the Underwriters (such approval not to be unreasonably withheld or delayed);
- (**breach**) the Company is in breach of the Underwriting Agreement or any of its representations or warranties in the Underwriting Agreement is not true or correct when made or taken to be made;
- (**due diligence**) the due diligence report or any information provided by or on behalf of the Company during the due diligence program is misleading or deceptive or likely to mislead or deceive whether by omission or otherwise.(**issue of proceedings**) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction seeking an injunction or other order in relation to the Entitlement Offer;
- (**regulatory action**) an application is made by ASIC for an order, or ASIC gives notice of an intention to commence an investigation, proceeding or hearing, under Part 9.5 of the Corporations Act or Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth), in each case in relation to the Entitlement Offer or the Information Documents, and any such application, investigation or hearing becomes public or is not withdrawn within two business days after it is made or commenced (or if made within two business days before the Retail Settlement Date, by the Retail Settlement Date);
- (**hostilities**) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, Germany, Hong Kong, Japan, Spain, the United States, United Kingdom, or the People's Republic of China, or a state of emergency is declared by any of those countries (other than as already declared prior to the date of this agreement or in relation to COVID 19) or a major terrorist act is perpetrated on any of those countries or any diplomatic establishment of any of those countries;
- (**market disruption**):
  - a general moratorium on commercial banking activities in Australia, Germany, Hong Kong, Sweden, Singapore, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - at any time before 2.00pm on the Institutional Closing Date, there occurs any adverse effect on the financial markets in Australia, Germany, Hong Kong, Singapore, Spain, the United States or the United Kingdom, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
  - trading of all securities quoted on ASX, London Stock Exchange, Hong Kong Stock Exchange, Singapore Exchange or New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading, or a Level 3 "market wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only; or

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- (**change in law**) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new or materially revised law or any new regulation is made under any law, or a governmental agency adopts a policy, or there is any official public announcement on behalf of the government of the Commonwealth of Australia or any State or Territory of Australia or a governmental agency that such a law or regulation will be introduced or policy adopted (as the case may be).

If an Underwriter terminates its obligations under the Underwriting Agreement, the Underwriter will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement by an Underwriter could have an adverse impact on the amount of proceeds raised under the Entitlement Offer.

For details of fees payable to the Underwriters, see the Appendix 3B released to ASX on the date of this Presentation.

**Moratorium**

The Underwriting Agreement includes a moratorium as agreed to between the parties which provides the Company must not (and must procure that its related bodies corporate do not) allot, issue or sell or agree to allot, issue or sell securities or grant or agree to grant any options in respect of securities of the Company except:

- the offer or issue of Offer Shares;
- as previously announced to ASX;
- where the issue, allotment or sale is of an amount of Shares or other securities representing less than 10% of the Company's issued capital;
- where the issue or agreement to issue Shares is under the Company's existing non-underwritten dividend reinvestment, bonus share plan or employee incentive schemes (as those terms are defined in the ASX Listing Rules) or other employment or consultant arrangements;
- on the conversion of convertible securities currently on issue; or,
- with the prior written consent of the Underwriters, not to be unreasonably withheld or delayed,

for a period of 60 days following Completion.

AustralianSuper has agreed to sub-underwrite up to $150 million of the retail component of the Entitlement Offer (approximately 16% of the Entitlement Offer). AustralianSuper is not sub-underwriting any of the institutional component of the Entitlement Offer. AustralianSuper has entered into a Commitment and Sub-underwriting Letter with the Lead Managers. AustralianSuper will receive a market based fee payable by the Lead Managers in respect of its sub-underwriting commitment and allocation for the Retail Entitlement Offer.

There are no significant events that could lead to the Commitment and Sub-underwriting Letter being terminated, other than termination of the Underwriting Agreement between SFR and the Lead Managers. If AustralianSuper is required to take up its full sub-underwriting allocation, it and its associates would increase their voting power in SFR by 6.9% up to 12.2% on the issue date of the Retail Entitlement Offer.

## 5.9 Potential dilution of Shareholders who do not take up Entitlements

You should note that if you do not participate in the Entitlement Offer, your holdings may be diluted by 50%.

## 5.10 Notice to nominees and custodians

If Sandfire believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.



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Sandfire is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether the distribution of any documents relating to the Entitlement Offer (including this Retail Offer Booklet) or the indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on ASX or otherwise, complies with applicable foreign laws.

Nominees and custodians may not distribute any part of this Retail Offer Booklet in the United States and may not permit any person in the United States or elsewhere outside Australia or New Zealand to participate in the Entitlement Offer, except that nominees and custodians may permit Institutional Investors in other Permitted Jurisdictions to participate in the Entitlement Offer.

The Company is not required to determine whether or not any registered Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

Persons in the United States and persons acting for the account or benefit of a person in the United States will not be able to take up or exercise Entitlements to purchase New Shares.

## 5.11 Not investment advice

This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It also is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Sandfire is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible Application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Sandfire's other periodic statements and continuous disclosure announcements lodged with ASX, which are available on the ASX website.

The New Shares offered under this Entitlement Offer should be considered speculative. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

## 5.12 Quotation and trading

Sandfire has applied to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Sandfire will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Entitlement Offer will commence on 21 October 2021.

## 5.13 Continuous disclosure

Sandfire is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Sandfire is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, Sandfire has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from the ASX and can be accessed at www.asx.com.au.



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Some documents are required to be lodged with ASIC in relation to Sandfire. These documents may be obtained from, or inspected at, an ASIC office.

## 5.14 Information availability

You can obtain a copy of this Retail Offer Booklet during the Entitlement Offer on Sandfire's Entitlement Offer website at www.sandfire.com.au.

A replacement Entitlement and Acceptance Form can also be requested by calling the Share Registry.

If you access the electronic version of this Retail Offer Booklet, you should ensure that you download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the Sandfire Entitlement Offer website will not include an Entitlement and Acceptance Form.

## 5.15 Foreign jurisdictions

This document does not constitute an offer of Entitlements or New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

**New Zealand**

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. The offer of New Shares is non-renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## 5.16 Governing law

This Information, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Western Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

## 5.17 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Sandfire, or its related bodies corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Sandfire, nor any other person, warrants or guarantees the future performance of Sandfire or any return on any investment made pursuant to this Information or its content.

## 5.18 Withdrawal of the Entitlement Offer

Sandfire reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Sandfire will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Sandfire will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Sandfire.

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## 5.19 Privacy

As a Shareholder, Sandfire and the Share Registry have already collected certain personal information from you. If you apply for New Shares, Sandfire and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Sandfire and the Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your Application for New Shares, the Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handing of mail, or as otherwise under the Privacy Act 1988 (Cth).

If you do not provide us with your personal information we may not be able to process your Application. In most cases you can gain access to your personal information held by (or on behalf of) Sandfire or the Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Sandfire through the Share Registry as follows:

Automic Group Limited
Level 2, 267 St Georges Terrace
Perth WA 6000
Tel: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9:00am and 5:00pm (AWST).

## 5.20 Further information

This ASX release was authorised by the Board.

For further information contact:

| Investors | Media | Automic Share Registry |
|---|---|---|
| Sandfire Resources Ltd<br>Ben Crowley – Head of Investor Relations<br>Office: +61 8 6430 3800 | Read Corporate<br>Nicholas Read<br>Mobile: +61 419 929 046 | 1300 288 664 (within Australia)<br>+61 2 9698 5414 (outside Australia) |

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| | |
|---|---|
| **$ or dollars** | Australian dollars |
| **Acquisition** | has the meaning given to it in the section titled “Letter from the Managing Director” in this Retail Offer Booklet |
| **Acquisition Agreement** | As defined in the Underwriting Agreement |
| **Application** | an application to subscribe for New Shares under the Entitlement Offer |
| **Application Monies** | monies received from applicants in respect of their Applications |
| **ASIC** | Australian Securities and Investments Commission |
| **ASX** | ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange |
| **ASX Listing Rules** | the official listing rules of ASX, as amended or replaced from time to time and as waived in respect of the Company by ASX |
| **AustralianSuper** | The Trustee for AustralianSuper (ABN 65 714 394 898) |
| **Board** | the board of Company directors |
| **Completion** | As defined in the Underwriting Agreement |
| **CGT** | capital gains tax |
| **Chief Executive Officer** | As defined in the Underwriting Agreement |
| **Commissioner** | Commissioner of Taxation |
| **Commitment and Sub-underwriting Letter** | the commitment and sub-underwriting letter between AustralianSuper and the Lead Managers dated 6 September 2021 |
| **Constitution** | Company’s constitution |
| **Corporations Act** | *Corporations Act 2001* (Cth) |
| **Eligible Retail Shareholder** | has the meaning given in Section 5.1 |
| **Entitlement** | the entitlement to subscribe for 1 New Share for every 1 Existing Share held on the Record Date by Eligible Shareholders |
| **Entitlement and Acceptance Form** | the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made |
| **Entitlement Offer** | the offer of approximately 178 million New Shares to Eligible Shareholders in the proportion of 1 New Share for every 1 Existing Shares held on the Record Date by Eligible Shareholders, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer |
| **Entitlement Offer Period** | the period commencing on the opening date of the Entitlement Offer, as specified in the 'Key Dates for the Entitlement Offer', and ending on the Retail Closing Date |
| **Existing Share** | a Share on issue before the Record Date |



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| **GST** | Australian Goods and Services Tax (currently 10%) |
| **Ineligible Shareholder** | Has the meaning given in section 2.5 |
| **Information** | Has the meaning given in section 1 |
| **Institutional Entitlement Offer** | the institutional component of the Entitlement Offer |
| **Institutional Investor** | Means an institutional or professional investor (and any person for whom it is acting) in the Permitted Jurisdictions outside Australia and New Zealand, and in particular, if such investor is in:<br>• **Canada (British Columbia, Ontario and Quebec provinces only)**, it (and any such person) is an "accredited investor" (as defined in National Instrument 45-106 – Prospectus Exemptions) and a “permitted client” (as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations);<br>• **Cayman Island,** it (and any such person) acknowledges that any communications received in relation to the Retail Entitlement Offer occurred from outside the Cayman Islands;<br>• **European Union (excluding Austria),** it (and any such person) is a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);<br>• **Hong Kong,** it (and any such person) is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;<br>• **Japan,** it (and any such person) is a Qualified Institutional Investor, as defined under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, "FIEL");<br>• **Norway,** it (and any such person) is a "professional client" as defined in Norwegian Securities Trading Act of 29 June 2007 no. 75;<br>• **Singapore,** it (and any such person) is an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act of Singapore ("SFA"));<br>• **South Africa,** it (and any such person) is included in the categories of persons pertaining to "offers that are not offers to the public" as contained in section 96(1) of the South African Companies Act and, as such, it is not a person in respect of which the prospectus requirements of the South African Companies Act apply;<br>• **Switzerland,** it (and any such person) is a "professional client" within the meaning of article 4(3) of the Swiss Financial Services Act ("FinSA") or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA;<br>• **United Arab Emirates (excluding financial zones),** it (and any such person) is a “qualified investor” (as defined in the Securities and Commodities Authority Board of Directors' Chairman Decision No. 37 RM of 2019, as amended); or<br>• **United Kingdom,** it (and any such person) is (i) a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing Section 86(7) of the UK Financial Services and Markets Act 2000; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, |

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| | unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended. |
| **Investor Presentation** | the presentation released to ASX on 23 September 2021 in connection with the Entitlement Offer, a copy of which is set out in section 4 |
| **Lead Managers** | Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) |
| **Macquarie** | Macquarie Capital (Australia) Limited (ABN 79 123 199 548) |
| **New Shares** | the Shares offered under the Entitlement Offer |
| **Offer** | means the Placement and the Entitlement Offer |
| **Retail Entitlement Offer Booklet / Retail Offer Booklet** | this booklet dated 30 September 2021 , including (for the avoidance of doubt) the ASX Announcements and Investor Presentation set out in Section 4 |
| **Offer Price** | $5.40 per New Share |
| **Offer Shares** | As defined in the Underwriting Agreement |
| **Permitted Jurisdiction** | Means each of Australia, Canada (British Columbia, Ontario and Quebec provinces only), Cayman Islands, European Union (excluding Austria), Hong Kong, Japan, New Zealand, Norway, Singapore, South Africa, Switzerland, United Arab Emirates (excluding financial zones) and the United Kingdom |
| **Placement** | Means the placement of 52,802,728 Shares to institutional investors to raise approximately $285 million, as announced on 23 September 2021 |
| **Record Date** | the time and date for determining which Shareholders are entitled to an Entitlement under the Retail Entitlement Offer, being 5.00pm (Perth time) on 27 September 2021 |
| **Retail Closing Date** | 5.00pm (Perth time) on 13 October 2021 (unless extended). This is the final date that Eligible Retail Shareholders can take up some or all of their Entitlement |
| **Retail Entitlement Offer** | the offer of New Shares to Eligible Retail Shareholders as part of the Entitlement Offer |
| **Sandfire or the Company** | Sandfire Resources Limited (ACN 105 154 185) |
| **Share** | a fully paid ordinary Company share |
| **Shareholder** | the registered holder of an Existing Share |
| **Share Registry** | means the Company's share registry, being Automic Group Limited Level 2, 267 St Georges Terrace Perth WA 6000 |
| **Underwriters** | Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) |
| **Underwriting Agreement** | Amended and Restated Underwriting Agreement dated 23 September 2021 between Sandfire Resources Limited, Citigroup |

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| | Global Markets Australia Pty Limited and Macquarie Capital (Australia) Limited |
| **US Securities Act** | US Securities Act of 1933, as amended |

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## Sandfire Resources Limited

ACN 105 154 185

Level 2, 10 Kings Park Road
West Perth, Western Australia 6005

www.sandfire.com.au

admin@sandfire.com.au

Tel: +61 8 6430 3800
Fax: +61 8 6430 3849

Derek La Ferla
Independent Non-Executive Chairman

Karl Simich
Managing Director and Chief Executive Officer

Paul Hallam
Independent Non-Executive Director

Sally Langer
Independent Non-Executive Director

Roric Smith
Independent Non-Executive Director

Jennifer Morris
Independent Non-Executive Director

John Richards
Independent Non-Executive Director

Matthew Fitzgerald
Chief Financial Officer & Company Secretary

## Share Registry

Automic Group Limited
Level 2, 267 St Georges Terrace
Perth WA 6000

## Underwriters

Citigroup Global Markets Australia Pty Limited
AFS Licence 240992
Citigroup Centre, 2 Park Street Sydney NSW 2000

Macquarie Capital (Australia) Limited
AFS Licence 314416
Level 4, 50 Martin Place, Sydney NSW 2000

## Legal Advisers

Gilbert + Tobin
Level 16 Brookfield Place Tower 2
123 St Georges Terrace
Perth WA 6000

## Auditor

Ernst & Young
Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

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Sandfire

SANDFIRE RESOURCES LIMITED | ACN 105 154 185

All Registry Communication to:
AUTOMIC
GPO Box 5193, Sydney NSW 2001
1300 288 664 (within Australia)
+61 2 9698 5414 (international)
corporate.actions@automicgroup.com.au
www.automicgroup.com.au

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Holder Number:
**[HolderNumber]**

Shares held as at the Record Date at 5.00pm (AWST) on 27 September 2021
**[CumBalance]**

# ENTITLEMENT AND ACCEPTANCE FORM

## RETAIL ENTITLEMENT OFFER CLOSES 5.00PM (AWST) ON 13 OCTOBER 2021 (WHICH MAY CHANGE WITHOUT NOTICE)

As an Eligible Shareholder you are entitled to be issued the New Shares in Sandfire Resources Limited (**New Shares**) below for the amount payable. **Your entitlement is to 1 New Share for every 1 Share held at the Record Date at an issue price of $5.40 per New Share.** The Retail Entitlement Offer Booklet dated 30 September 2021 contains information about investing in the New Shares and you should carefully read the Retail Entitlement Offer Booklet before applying for New Shares. This Entitlement and Acceptance Form should be read in conjunction with the Retail Entitlement Offer Booklet. If you do not understand the information provided in the Retail Entitlement Offer Booklet or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance Form, capitalised terms have the same meaning as defined in the Retail Entitlement Offer Booklet.

**You do not need to return this form if you have made payment via BPAY® or EFT.**

## 1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

| | Payment Amount A$ ($5.40 per New Share) | Number of New Shares Applied |
|---|---|---|
| ☐ **Full Entitlement** | [EntPayable] | [Entitlement] |
| ☐ **Partial Entitlement** | ☐☐☐ , ☐☐☐ , ☐☐☐ , ☐☐ | ☐☐☐☐☐☐☐☐☐☐☐☐☐☐ |

## 2 MAKE YOUR PAYMENT BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

| **Total Payment A$** | ☐☐☐ , ☐☐☐ , ☐☐☐ , ☐☐ |
|---|---|

### Option A – BPAY®

**Biller Code:** TBC

**Ref No:** [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

**Note:** You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment for your share subscription electronically.

### Option B – Electronic Funds Transfer (EFT)

**The unique reference number which has been assigned to your Application is: [HolderId]-3458-SFR**

Funds are to be deposited in AUD currency directly to following bank account:

**Account name:** Automic Pty Ltd
**Account BSB:** TBC
**Account number:** TBC
**Swift Code:** WPACAU2S

**IMPORTANT: You must quote your unique reference number as your payment reference/ description when processing your EFT payment**. Failure to do so may result in your funds not being allocated to your application and New shares subsequently not issued.

**Note:** You do not need to return this form if you have made payment via EFT. Your unique reference number will process your payment for your share subscription electronically.

**Payment under the Retail Entitlement Offer can only be made by BPAY® or EFT.**

## 3 PROVIDE YOUR CONTACT DETAILS & ELECT TO BE AN E-SHAREHOLDER

**Return to our Share Registry by email to hello@automicgroup.com.au**

Telephone Number
( )

Contact Name (PLEASE PRINT)

Email Address

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## INSTRUCTIONS FOR COMPLETION OF THIS FORM

The Retail Entitlement Offer is being made to all Shareholders with a registered address in Australia or New Zealand, who are registered as the holder of Shares at 5.00pm (AWST) on the Record Date (**Eligible Shareholders**).

**ACCEPTANCE OF RETAIL ENTITLEMENT OFFER**

By making a BPAY or EFT payment:

- you represent and warrant that you have read and understood the Retail Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of the Company.

**1 Acceptance of Full or Partial Entitlement for New Shares**

Select the value of New Shares you wish to accept under the Retail Entitlement Offer.

If you wish to accept for New Shares less than your full entitlement, select the number of New Shares you wish to accept, which must be less than your full Entitlement, which is set out overleaf. No fractional Share will be allotted, therefore if the dollar amount paid divided by the issue price ($5.40) is a fraction of a New Share, the New Shares allotted will be rounded down.

**2 Payment**

**Payment by BPAY:** You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. **To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form.** Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight).

**You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such New Shares for which you have paid.**

**Payment by EFT:** You can make a payment via Electronic Funds Transfer "EFT". Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time and any associated fees with processing a funds transfer.

**Please ensure you use your unique reference number located on the reverse page.** This will ensure your payment is processed correctly to your application electronically.

**You do not need to return this form if you have made payment via EFT. Your unique reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such New Shares for which you have paid.**

Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight) and it is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time. **The Company and the Share Registry accept no responsibility for incorrect, delayed or misdelivered Entitlement and Acceptance Forms or payments.**

**3 Contact Details**

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm AWST. We may use this email* or number to contact you regarding your acceptance of the New Shares, if necessary.

*By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)

**If you require further information about the Retail Entitlement Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 9:00am and 5:00pm (AWST).**

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