14 September 2023

Sandfire completes project finance facility uplift to support 5.2Mtpa Motheo expansion

Highlights

- Motheo Finance Facility[1] uplift from US$140M to US$200M executed, to support the rapid and low-cost expansion in processing capacity to 5.2Mtpa and development of the higher grade A4 Open Pit.
- With the initial 3.2Mtpa Motheo project achieving commercial production in early July 2023, the Motheo operations are on track to meet our copper equivalent (CuEq) production guidance of 42kt[2,3] in FY2024, before growing to more than 50kt[2,3] in FY2025.
- Perenti Limited's (ASX:PRN) surface mining business in Africa, African Mining Services (AMS), will commence A4 pre-production and development work in late September 2023 and waste pre-stripping in October 2023[4].
- First shipment of copper concentrate loaded, comprising approximately 15,000 dry metric tonnes (dmt) of copper concentrate, grading 30% copper and ~200g/t silver.

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Sandfire Resources Limited (**Sandfire**, or the **Company**) is pleased to advise that it has executed documentation for the planned US$60 million uplift in the Motheo Finance Facility to US$200M to underpin the 5.2Mtpa Motheo expansion. The uplifted Motheo Finance Facility maintains its overall 7-year tenure, to June 2029, with usual conditions precedent to be satisfied ahead of the first drawdown in the coming weeks. The expanded syndicate includes Nedbank, Société Générale, Natixis CIB and ING.

Motheo successfully produced first copper concentrate in May 2023 taking just 45 days to reach commercial production, which was declared effective 1 July 2023. The expansion project will see processing capacity increase from the initial rate of 3.2Mtpa to 5.2Mtpa by the end of the December Quarter of FY2024, as the project's design and procurement activities are significantly advanced.

The expansion project will be funded by the US$60M increase in the Motheo Finance Facility and cash flows generated by the initial 3.2Mtpa development.

Perenti Limited's surface mining business in Africa, AMS, which is the mining contractor for the T3 open pit, is scheduled to commence A4 pre-production and development work in late September 2023 and waste pre-stripping in October 2023[4]. With the higher grade A4 Open Pit coming on-line, the expanded Motheo mining complex will comprise two open cut mines and a 5.2Mtpa central processing facility. CuEq production for FY2024 is expected to reach approximately 42kt, including approximately 39kt of contained copper at an initial C1 unit cost of around US$1.81/lb Cu (after silver by-product credits)[2,3].

Management Comment

Sandfire's CEO and Managing Director, Mr Brendan Harris, said: "The uplift of the Motheo Finance Facility highlights the confidence that our international banking syndicate has in the Motheo operations, and we appreciate their support.

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"In parallel, our first shipment of copper concentrate signals the commencement of cash flow generation and earnings at Motheo. As indicated in our recent results materials, we expect to build concentrate stocks through the value chain over the course of this financial year as we ramp up operations, with around 34kt of payable copper sales anticipated[6]. This places Motheo in a strong position to support its 5.2Mtpa expansion project, which will see production and sales increase to more than 50kt of copper in FY2025.

"We see an enormous potential to create value for our stakeholders from our strategic position in the highly prospective Kalahari Copper Belt. This year we will test an open extension of the high grade A4 Deposit and undertake a medium density drilling program of the newly discovered A1 mineralised zone with the objective of identifying a maiden mineral resource. We will also test numerous other targets within economic distance of the Motheo processing facility."

This announcement is authorised for release by Sandfire's CEO and Managing Director, Brendan Harris.

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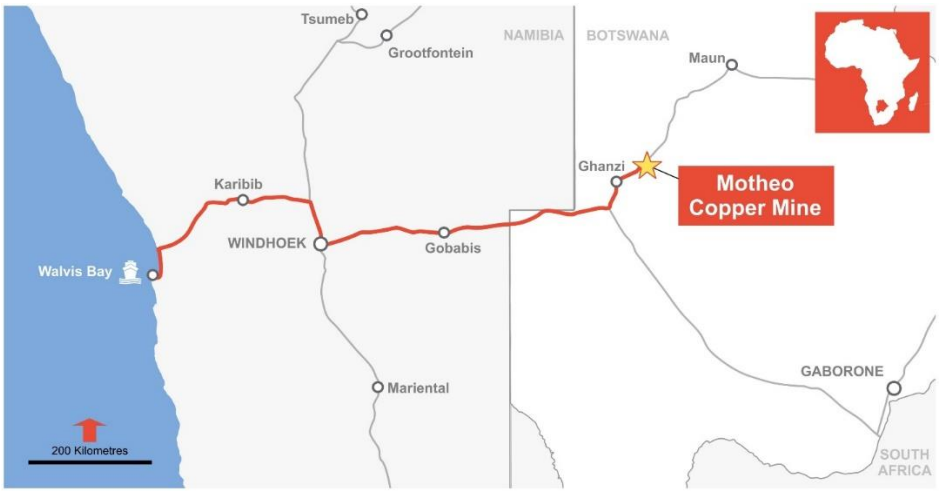
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Figure 1 - Motheo Copper Mine Location



Figure 2: Road transport route from the Motheo Copper Mine to the Port of Walvis Bay in Namibia



Notes to the announcement:

1. The Motheo Finance Facility agreements have been executed in line with usual terms for a facility of this nature, including cash sweep mechanisms. The syndicated facility is supported by the cash-flow and security of Motheo with no recourse to parent company Sandfire Resources Ltd other than via a 5.2Mtpa project construction overrun guarantee (capped at US$50M and releasing on achievement of project completion). The facilities are secured by the Motheo

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operations' project assets with Natixis and ING joining Nedbank and Société Générale for the uplifted facilities and associated security arrangements. Documentation to uplift the Motheo Finance Facility was endorsed by the Sandfire Resources Ltd Board for execution following authorisation by the Group's wholly owned subsidiaries. Sandfire expects to record a statutory non-cash financing charge in its FY2024 financial results relating to the execution of the uplifted Motheo Finance Facility agreements, which will be excluded from reported Underlying Earnings.

2. Copper Equivalent (CuEq): unless otherwise stated, CuEq is calculated based on JUN23 average market price in USD. Source: WM/Reuters; Assumptions: Cu US$8,386/t, Zn US$2,368/t, Pb US$2,118/t, Au US$1,943/oz, Ag US$23/oz.
3. Refer to Sandfire's ASX announcement titled, 'FY2023 Financial Results Presentation' and related announcements, released 31 August 2023, for details.
4. Refer to Perenti's ASX announcement titled, 'Perenti awarded US$235 million contract expansion at Motheo' released 7 September 2023, for details.
5. FY2024 guidance for Motheo is 39kt of contained copper production in concentrate, representing 37kt of payable copper. With the expected build-up of copper concentrate through the value chain during the first year of operations, sales volumes are expected to be approximately 34kt of payable copper.

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.

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.

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