Appendix 4D
Half Year ended 31 December 2023

Results for announcement to the market

Current reporting period: 6 months ended 31 December 2023

Previous corresponding reporting period: 6 months ended 31 December 2022

This page and the following 43 pages comprise the half year end financial information given to the ASX under Listing Rule 4.2A and should be read in conjunction with the Financial Report for the year ended 30 June 2023.

	US$'000	Movement
Revenue from ordinary activities	417,940	down 3%
Loss after tax attributable to members	(53,141)	down 96%
Underlying Earnings	(36,612)	down 88%

Net tangible assets

Net tangible assets per share were US$3.47 as at 31 December 2023 (US$3.63 as at 31 December 2022).

Dividends

No dividends have been declared or paid during or since the end of the half year 31 December 2023.

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

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December 2023 Half Year Financial Results

23 February 2024

Highlights

With a strategic position in two highly prospective copper belts, we are making strong progress toward our goal of being a sustainable mining company and global copper producer of significance. During the December 2023 Half Year (H1 FY24) we:

- Maintained an unrelenting focus on safety and delivered a Total Recordable Injury Frequency (TRIF) of 1.5 at the end of December 2023 (30 June 2023: 1.6).
- Remained on track to increase Group copper equivalent (CuEq) production by more than 50% at our continuing operations over the two years to the end of FY25.
- Retained Group production, cost and capital expenditure guidance for FY24, underpinned by CuEq production of 63.2kt in the period and the continued mitigation of industry-wide cost inflation.
- Achieved commercial production at Motheo, only 45 days after the commencement of commissioning activities, and exceeded the operation's initial nameplate capacity of 3.2Mtpa during the period, producing 16.8kt of copper and 396koz of silver for CuEq production of 17.9kt.
- Commissioned the new ball mill at Motheo in December 2023, the last major milestone in the rapid and low-cost expansion to 5.2Mtpa, and subsequently achieved an average processing rate of 4.3Mtpa throughout January 2024.
- Commenced pre-strip activities for the A4 open pit at Motheo in October 2023, with the mine on track to contribute first ore to the centralised processing hub in the September 2024 Quarter.
- Operated at a record 4.6Mtpa rate in our underground mines at MATSA across H1 FY24, producing 28.6kt of copper and 42.6kt of zinc for CuEq production of 45.3kt.
- Reported a statutory loss after tax of $53.9M and an Underlying loss of $36.6M in the period from Underlying Group EBITDA of $136.5M as the prior $1.9B acquisition of MATSA primarily accounted for depreciation and amortisation of $149.1M and an underlying net finance expense of $32.7M.
- Completed basin scale airborne magnetic surveys in both the Kalahari Copper and Iberian Pyrite belts, and commenced resource definition drilling at Motheo's A1 copper deposit, as part of our multi-year plan to materially increase reserves within close proximity to our strategically positioned processing hubs.
- Reinforced the low carbon credentials of MATSA's metal concentrates by signing an agreement with Endesa for the construction of a dedicated solar facility which will supply ~25% of the operation's electricity requirements progressively from CY25.
- Signed a framework agreement with the Yugunga-Nya that has been designed to map issues and steps to ensure the ongoing protection of cultural heritage at DeGrussa as we undertake our closure and rehabilitation activities.

Financial highlights [(i)]

US$000	H1 FY24	H1 FY23	Change
Statutory financial measures			
Sales revenue	417,940	431,713	(13,773)
Loss before tax and net finance expense	(18,113)	(1,925)	(16,188)
Loss after tax	**(53,886)**	**(28,278)**	**(25,608)**
Loss per share (US cents)[(ii)]	(11.6)	(6.5)	(5.1)
Ordinary dividends per share (US cents)	-	-	-
Other financial measures (non-statutory)			
Underlying Operations EBITDA	165,346	176,026	(10,680)
Underlying Group EBITDA	**136,499**	**138,923**	**(2,424)**
Underlying EBIT	(12,631)	1,108	(13,739)
Underlying Earnings	**(36,612)**	**(19,441)**	**(17,171)**
Basic Underlying loss per share (US cents)[(ii)]	(8.0)	(4.7)	(3.3)

(i) The Group transitioned to internally reporting consolidated financial information on an Underlying Earnings basis during FY23 to better assess business performance. A reconciliation of Underlying Earnings metrics to the statutory financial results in the Consolidated Income Statement is included on page 7 or in Note 3 Segment information to the financial statements.

(ii) Basic earnings per share is calculated as (loss)/profit after tax divided by the weighted average number of shares on issue for the period. Basic Underlying earnings per share is calculated as Underlying Earnings divided by the weighted average number of shares on issue for the period.

This announcement should be read in conjunction with the Sandfire Annual Report for FY23, which was released on 31 August 2023. Readers are also encouraged to review the accompanying December 2023 Half Year Financial Results Presentation as it provides additional context in relation to the Group's performance.

Sandfire

Our Purpose

We mine copper sustainably to energise the future.

Our Strategy

We are strongly placed to support the electrification and decarbonisation of the global economy through our ownership of two modern processing hubs in the highly prospective Iberian Pyrite and Kalahari Copper belts, and targeted development options.

We will unlock significant additional value for our stakeholders by:

- Delivering safe, consistent and predictable performance;
- Further reducing our carbon intensity;
- Materially increasing reserves in the provinces we have chosen for their exploration potential; and
- Demonstrating capital discipline.

Our inclusive culture underpins our success as it enables everyone to be their best, while our simple way of working empowers our teams and defines clear lines of accountability. Sustainability also permeates everything we do and every decision we make, and is illustrated by our commitment to reduce our Scope 1 and Scope 2 carbon emissions by 35% by 2035.

Management Comment

Sandfire's CEO and Managing Director, Mr Brendan Harris, said: *"Our Company is hitting critical milestones as we continue to transform into a global mining company and copper producer of significance, and nothing is more important than the health and well-being of our people. Our unrelenting focus on safety delivered a TRIF of 1.5 at the end of the December 2023 Half Year."*

"We were also pleased to jointly announce the signing of a framework agreement between Sandfire and the Yugunga-Nya at the end of the period. This agreement is an important step toward rebuilding our relationship with the Yugunga-Nya and ensuring the ongoing protection of cultural heritage at our DeGrussa operation. Our decision to retain DeGrussa and rehabilitate the operation means we will maintain an important presence in the region for years to come and we look forward to working with the Yugunga-Nya, Government and our other stakeholders to deliver meaningful, sustainable outcomes for the community."

"Another important milestone was achieved at Motheo with the commissioning of the ball mill in the latter part of the December 2023 Half Year. The rapid and low cost expansion of our crushing, milling and concentration circuit continues to exceed expectations and we are now focused on achieving the expanded facility's 5.2Mtpa nameplate rate on a sustainable basis, before testing its ultimate potential. An average processing rate of 4.3Mtpa throughout January bodes well for the future."

"Operating performance at MATSA is showing a greater level of predictability and consistency with a record mining rate of 4.6Mtpa achieved across the half year. By signing an agreement with Endesa for the construction of a dedicated solar energy facility that will supply around 25% of MATSA's overall electricity requirements progressively from CY25, we have further improved our long-term energy supply mix and reinforced the low carbon credentials of MATSA's metal concentrates."

"By delivering on our intentionally simple strategy and doing the basics well, we expect to return the business to profitability and pay down debt in the coming years. We reported an Underlying loss of $36.6M in the period on Underlying Group EBITDA of $136.5M as our MATSA mining complex in Spain, which was acquired for $1.9B in FY22, primarily accounted for depreciation and amortisation of $149.1M and an underlying net finance expense of $32.7M. While our Underlying loss increased by $17.2M in the period, Underlying Group EBITDA declined by a more modest $2.4M despite the cessation of processing activities at DeGrussa in May 2023 and its $80.8M contribution to Underlying Group EBITDA in the prior corresponding period. This was only possible because the commissioning and ramp-up of our newest mine, Motheo, contributed $49.6M to Underlying Group EBITDA in its first full six-months of operation."

"Looking to the full year, we have maintained production, cost and capital expenditure guidance, and remain well positioned to deliver more than 50% growth in copper equivalent production from continuing operations across the two years to the end of FY25. We have also made significant progress in our efforts to modernise the structure of the Group's debt facilities by securing credit approval for a US$200M corporate revolver facility in early CY24. The establishment of this corporate revolver facility, which will increase the financial flexibility of the Group and significantly reduce our near term repayment profile, remains subject to the finalisation of documentation and satisfaction of conditions which are standard for a facility of this nature, both of which are expected to occur before the end of March 2024. This revolving debt facility is expected to have a maturity date of March 2026 and will be primarily used to repay the remaining $88M balance of MATSA Facility A."

Important Information and Disclaimer

Forward-Looking Statements

Certain statements made during or in connection with this report 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 conditions as well as the 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.

Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Mr Richard Holmes who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Holmes 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 Holmes consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

ASX Releases Referred to in this Report:

'Release of joint media statement by Sandfire and Yagunga-Nya' released to the ASX on 22 December 2023.

'Motheo Copper Mine – 5.2Mtpa Expansion Update' released to the ASX on 21 December 2023.

'Disturbance of artefact scatter at DeGrussa' released to the ASX on 30 November 2023.

'Sandfire September 2023 Quarterly Report' released to the ASX on 26 October 2023.

'FY23 Financial Results' released to the ASX on 31 August 2023.

'MATSA Mineral Resource and Ore Reserve Update' released to the ASX on 31 August 2023.

'MATSA Exploration Update' released to the ASX on 31 August 2023.

'Sandfire Secures Mining Licence Extension – Motheo' released to the ASX on 22 August 2023.

'Sandfire June 2023 Quarterly Report' released to the Australian Securities Exchange (ASX) on 27 July 2023.

'Motheo Copper Project Expansion DFS' released to the ASX on 30 August 2022.

'Maiden Ore Reserve for A4 Deposit and PFS confirms 5.2 Mtpa Motheo Copper Project' released to the ASX on 22 September 2021.

Financial and Operational Review

Sandfire adopts a combination of International Financial Reporting Standards (IFRS) and non-IFRS financial measures to assess performance. Underlying earnings measures, Operations EBITDA, Group EBITDA, cash flows from operating activities excluding exploration evaluation and tax, and net debt, are used to assist internal and external stakeholders to better understand the financial performance of the Group and its operations.

Underlying earnings measures provide insight into Sandfire's core business performance by excluding the effects of events that are not part of the Group's usual business activities, but should not be indicative of, or a substitute for, profit/(loss) after tax as a measure of actual operating performance or as a substitute to cash flow as a measure of liquidity. Underlying earnings measures are used internally by the Chief Operating Decision Makers, being the executive management team and Board of Directors, to assist with decisions regarding operational performance and the allocation of resources including making investment decisions. Sandfire's Underlying financial results are outlined and reconciled to Statutory earnings measures in the Segment Note to the financial statements.

The following Underlying Earnings Adjustments are applied each period to calculate Underlying Earnings:

- Foreign exchange rate (gains)/losses on restatement of monetary items;
- Impairment losses/(reversals);
- (Gains)/losses on contingent consideration and other investments measured at fair value through profit or loss;
- Expenses from organisational restructures;
- Tax effect of Earnings Adjustments; and
- Other significant items.

Financial performance summary[(i)]

	H1 FY24 $000	H1 FY23 $000	Change $000
Statutory financial measures			
Sales revenue	417,940	431,713	(13,773)
Loss before net finance expense and income tax expense	(18,113)	(1,925)	(16,188)
Loss after tax	(53,886)	(28,278)	(25,608)
Cash flows from operating activities	109,961	(6,805)	116,766
Cash and cash equivalents	105,386	263,690	(158,304)
Basic loss per share (US cents) [(ii)]	(11.6)	(6.5)	(5.1)
Other financial measures			
Underlying Operations EBITDA	165,346	176,026	(10,680)
Underlying Operations EBITDA margin	40%	41%	(1%)
Underlying Group EBITDA	136,499	138,923	(2,424)
Underlying Group EBITDA margin	33%	32%	1%
Underlying EBIT	(12,631)	1,108	(13,739)
Underlying Earnings	(36,612)	(19,441)	(17,171)
Cash Earnings [(iii)]	40,648	30,671	9,977
Cash flows from operating activities excluding exploration & evaluation and tax	123,655	68,240	55,415
Net debt [(iv)]	(475,614)	(378,310)	(97,304)
Basic Underlying loss per share (US cents) [(ii)]	(8.0)	(4.7)	(3.3)
Ordinary shares on issue (million)	457	457	0

(i) The Group transitioned to internally reporting consolidated financial information on an Underlying Earnings basis during FY23 to better assess business performance. A reconciliation of Underlying Earnings metrics to the statutory financial results in the Consolidated Income Statement is included on page 7, page 12 or in Note 3 Segment information to the financial statements.

(ii) Basic earnings per share is calculated as loss after tax divided by the weighted average number of shares on issue for the period. Basic Underlying Earnings per share is calculated as Underlying Earnings divided by the weighted average number of shares on issue for the period.

(iii) Cash Earnings is an additional measure used to assess performance and is incorporated in the Group's Long Term Incentive Plans. Cash earnings is Underlying Group EBITDA, add back Underlying exploration and evaluation expenses, less interest and net income tax payments, and sustaining capital expenditure. A reconciliation of Underlying Group EBITDA to Cash earnings is included in Note 3 Segment information to the financial statements.

(iv) Net debt excludes capitalised transaction costs, leases, revolving short-term working capital facilities and accrued interest.

Underlying earnings reconciliation

The Group's statutory loss after tax increased by $25.6M to a loss of $53.9M in H1 FY24, while Underlying Group EBITDA declined by a more modest $2.4M to $136.5M despite the cessation of processing activities at DeGrussa in May 2023 and its $80.8M contribution to Underlying Group EBITDA in the prior corresponding period. The commissioning and ramp-up of the Motheo Copper Operations during H1 FY24 increased Underlying Group EBITDA by $60.4M, while MATSA contributed an additional $15.8M (or $107.4M) to Underlying Group EBITDA during the period.

Loss before interest and tax to Underlying Group EBITDA Reconciliation

	H1 FY24 $000	H1 FY23 $000
Sales Revenue	417,940	431,713
Loss before net finance expense and income tax expense	**(18,113)**	**(1,925)**
Adjustments to derive Underlying EBIT		
Organisational restructuring expenses [(i)]	2,492	-
Impairment losses/(reversals) [(ii)]	2,751	2,237
Other significant items [(iii)]	239	796
Total adjustments to derive Underlying EBIT	**5,482**	**3,033**
Underlying EBIT	**(12,631)**	**1,108**
Depreciation and amortisation	149,130	137,815
Underlying Group EBITDA	**136,499**	**138,923**

(i) Comprises Australian exploration redundancy expense following a shift in exploration focus towards the Kalahari Copper Belt and Iberian Pyrite Belt and corporate restructuring expenses.

(ii) Includes impairment of Spanish ($0.8M), Namibian ($0.8M) and Australian ($1.2M) exploration and evaluation asset acquisition costs for tenements relinquished during the period. Refer to Note 8 Exploration and evaluation assets.

(iii) Other significant items include a one-time adjustment to provisions for employee entitlements ($1.0M), a modification gain of $1.5M in relation to the expansion of the Motheo Finance Facility and other non-recurring costs ($0.7M). Other significant items in H1 FY23 include specific DeGrussa wind down expenses ($1.9M) and gains arising on the disposal of property, plant and equipment assets at DeGrussa ($1.1M).

Loss after tax to Underlying Earnings Reconciliation

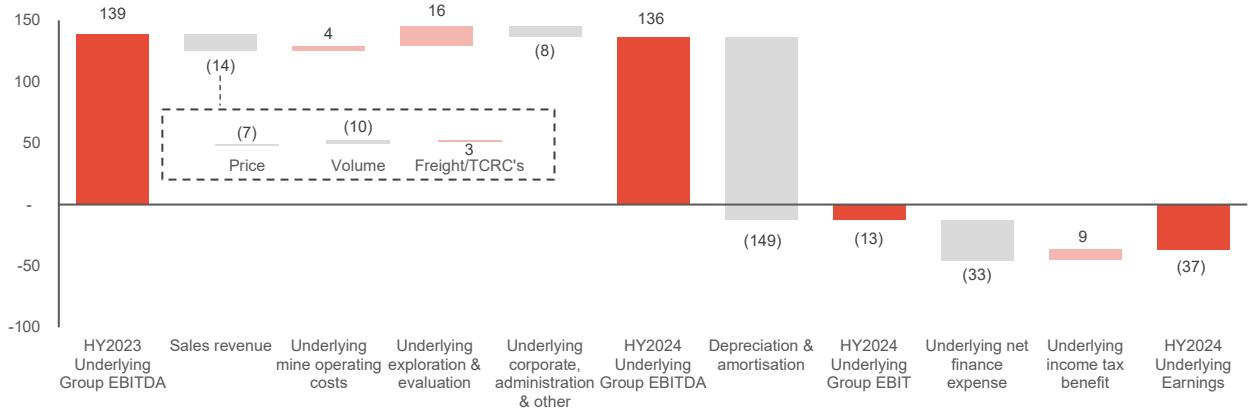
	H1 FY24 $000	H1 FY23 $000
Loss after tax	**(53,886)**	**(28,278)**
Total adjustments to derive Underlying EBIT	5,482	3,033
Foreign exchange rate losses on restatement of monetary items	6,441	5,734
Tax effect of adjustments to underlying EBIT	(804)	(239)
Tax effect of adjustments to net finance expense	(780)	309
Other significant items [(i)]	6,935	-
Underlying Earnings	**(36,612)**	**(19,441)**

(i) Other significant items include an expense of $6.9M in relation to the derecognition of deferred tax assets at DeGrussa.

Earnings analysis

Underlying Earnings decreased by $17.2M to a loss of $36.6M in H1 FY24. The following key components influenced Underlying Group financial performance in H1 FY24, relative to H1 FY23.

Reconciliation of movements in Underlying Group financial performance (H1 FY24 v H1 FY23, $M)[(i)]



(i) Underlying mine operating costs includes Underlying mine operations costs that reflect an allocation of statutory employee benefits expense, freight expenses, royalties expense, and changes in inventories of finished goods and work in progress. Refer to the Segment note (Note 3) to the financial statements for further detail.

(ii) Depreciation & amortisation, Underlying net finance expense and Underlying income tax benefit are actual H1 FY24 results, not year-on-year variances.

Sales revenue

Total Group sales revenue decreased by 3% in H1 FY24 primarily as a result of a lower average realised zinc price and lower copper concentrate sales (by 4%) that reflected the cessation of processing operations at DeGrussa in FY23 and loading of the final concentrate shipment in July 2023. These impacts were largely mitigated by the ramp up of copper concentrate sales at Motheo and a higher average realised copper price.

	H1 FY24	H1 FY23
MATSA		
Payable copper sales (t)	26,328	25,019
Copper price achieved (US$/t)	8,431	8,332
Payable zinc sales (t)	34,445	32,813
Zinc price achieved (US$/t)	2,541	2,987
MATSA Sales revenue ($000) [(i)]	**266,031**	**258,051**
Motheo		
Payable copper sales (t)	15,235	-
Copper price achieved (US$/t)	8,218	-
Motheo Sales revenue ($000) [(ii)]	**124,008**	**-**
DeGrussa		
Payable copper sales (t)	2,795	20,986
Copper price achieved (US$/t)	8,437	7,819
DeGrussa Sales revenue ($000) [(iii)]	**27,901**	**173,662**
Total Group		
Payable copper sales (t)	44,358	46,005
Copper price achieved (US$/t)	8,358	8,098
Payable zinc sales (t)	34,445	32,813
Zinc price achieved (US$/t)	2,541	2,987
Total Group sales revenue ($000)	**417,940**	**431,713**

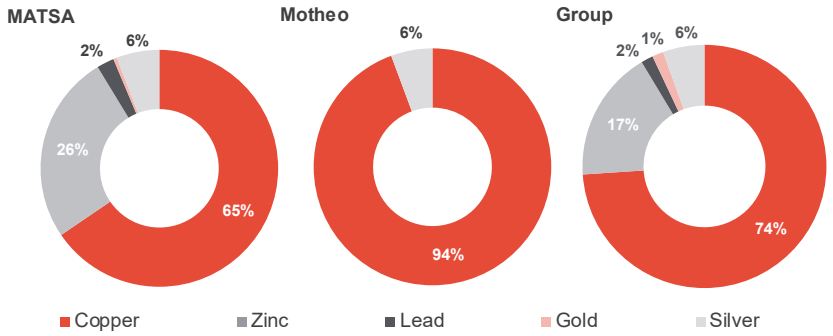
(i) MATSA Sales revenue presented above includes other by-product sales revenue of $29.4M (H1 FY23: $25.4M) and is net of TCRC's of $54.3M (H1 FY23: $42.6M) and freight costs of $18.6M (H1 FY23: $31.3M).

(ii) Motheo Sales revenue presented above includes other by-product sales revenue of $6.4M (H1 FY23: nil) and is net of TCRC's of $7.6M.

(iii) DeGrussa Sales revenue presented above includes other by-product sales revenue of $5.9M (H1 FY23: $21.9M) and is net of TCRC's of $1.6M (H1 FY23: $12.3M).

Copper was the dominant revenue stream in H1 FY24 generating 74% of total Group revenue, whilst zinc contributed 17% and silver, gold and lead contributed the remaining 9%.

Commodity revenue mix (H1 FY24, % of payable metal by value)



Hedging

The financial performance and operating cash margin of the Group is exposed to fluctuations in the market price of the commodities we produce. The Group has active copper and zinc hedges in place to assist in managing this risk.

MATSA hedging at 31 December 2023 comprised 41,098 tonnes of copper production hedged under committed swaps at an average price of $8,681/t ($3.94/lb) with a tenor out to January 2026. In addition, MATSA had 27,976 tonnes of zinc production hedged at an average price of $2,572/t ($1.17/lb) with a tenor out to January 2025. The end of period mark-to-market loss on the MATSA hedge book was $0.4M.

Our newest mine, Motheo, executed Quotational Period (QP) hedging on payable copper sold during the half year to mitigate working capital fluctuations associated with price volatility. At 31 December 2023 this comprised 5,008 tonnes of copper hedged at an average price of $8,241/t ($3.74/lb) with a short-term maturity. The end of period mark-to-market loss on the Motheo hedge book was $1.5M.

Mine operating costs

Underlying operating costs for H1 FY24 and H1 FY23 that exclude Earnings Adjustment items are set out in the table below. The Earnings Adjustment items are outlined in the Segment note (Note 3) to the financial statements.

	H1 FY24 $000	H1 FY23 $000
MATSA		
Underlying mine operating costs (i)	158,215	165,202
Depreciation and amortisation expense	120,803	123,266
Total MATSA Underlying operating costs	**279,018**	**288,468**
Motheo		
Underlying mine operating costs (i)	70,238	-
Depreciation and amortisation expense	27,543	529
Total Motheo Underlying operating costs	**97,781**	**529**
DeGrussa		
Underlying mine operating costs (i)	25,756	92,889
Depreciation and amortisation expense	54	11,774
Total DeGrussa Underlying operating costs	**25,810**	**104,663**
Other		
Depreciation and amortisation expense	730	2,246
Total Other	**730**	**2,246**
Total Group		
Underlying mine operating costs (i)	254,209	258,091
Depreciation and amortisation expense	149,130	137,815
Total Group Underlying operating costs	**403,339**	**395,906**

(i) Underlying mine operating costs reflect an allocation of statutory employee benefits expense, freight expense, royalties expense, and changes in inventories of finished goods and work in progress. Refer to Note 3 Segment information to the financial statements for further detail. This differs from Underlying Mine Operating costs and Underlying mine operating costs per tonne of ore processed disclosed in the Quarterly Report (MATSA: $165.3M and $72 per tonne of ore processed, Motheo: $65.2M and $39 per tonne of ore processed), which excluded changes in finished goods inventories.

Despite industry-wide cost inflation, Group Underlying mine operating costs (excluding depreciation and amortisation) decreased by $3.9M in H1 FY24 as lower costs at MATSA ($7.0M) and the prior cessation of mining and processing operations at DeGrussa were largely offset by the inaugural recognition of Underlying mine operating costs at Motheo ($70.2M) as our newest mine achieved commercial production in July 2023.

MATSA's Underlying mine operating costs of $72 per tonne of ore processed in H1 FY24 were 6% lower than the $77 per tonne recorded in H1 FY23 despite an adverse movement in foreign exchange rates, which increased costs by approximately $12.7M. This reduction reflected the continued optimisation of the use of consumables and a softening in the European energy market that led to a circa 45% reduction in power costs from H1 FY23 as MATSA benefitted from the long-term power agreements it previously secured with Endesa Energia.

Prior to the achievement of commercial production at Motheo in July 2023, all costs for the project were capitalised. With this in mind, Motheo reported an Underlying mine operating cost of $39 per tonne of ore processed in its first six months of commercial production as the operation ramped-up to its interim nameplate capacity of 3.2Mtpa. A further 837kt of low-grade ore was stockpiled during H1 FY24, as planned, and this is reflected on the balance sheet as low grade inventory with costs allocated on the basis of contained metal for a cumulative carrying value of $18.8M at 31 December 2023 (FY23: $6.6M).

Production ceased at DeGrussa in May 2023 and the operation was transitioned to care and maintenance in June 2023. Underlying mine operating costs for DeGrussa in H1 FY24 therefore reflect completion of the final concentrate shipment during the period ($22.4M), and care and maintenance activities ($3.4M).

Corporate and administration expense

An $8.4M increase in Underlying corporate and administration costs in H1 FY24 reflects the accrual of short-term incentive payments across the first six-months of FY24, noting there was no equivalent expense recognised in H1 FY23, and the reallocation of corporate and functional support costs that were previously charged to DeGrussa ($5.5M).

Depreciation and amortisation expense

The Group's depreciation and amortisation expense of $149.1M in H1 FY24 (H1 FY23: $137.8M) included $120.8M for MATSA (H1 FY23: $123.3M) and $27.5M for Motheo (H1 FY23: $0.5M). At MATSA, this comprised $78.9M for the amortisation of mine properties and $41.9M for the depreciation of property plant and equipment, for a combined $2.5M reduction in this non-cash expense when compared with the prior corresponding period. The achievement of commercial production at Motheo on 1 July 2023 led to an initial $14.7M expense for the amortisation of mine properties during the period and a $12.8M expense for the depreciation of property, plant and equipment. The recognition of depreciation and amortisation at Motheo was partially offset by a $11.7M reduction in depreciation and amortisation expense at DeGrussa as the mining and processing assets were fully depreciated and amortised in H1 FY23 as the operation moved toward closure.

Property, plant and equipment is being depreciated on a straight-line basis over the lower of the expected life of mine or useful life of the asset, while mine properties are being amortised on a units of metal extracted basis over the life of mine. The amortisation base for underground mine properties at MATSA includes a component of expected future development costs in addition to the carrying value of the associated assets. At MATSA, the life of mine is determined based on MATSA's current reserve plus a component of converted resource, whilst at Motheo the life of mine is reflective of the current reserve. Any future mine life extensions at either of MATSA or Motheo may result in a lower rate of depreciation and amortisation.

Exploration and evaluation expense

Our Group Underlying exploration and evaluation expense decreased by $15.9M in H1 FY24 as we sought to sharpen our focus on the Kalahari Copper and Iberian Pyrite belts. Our level of exploration activity is expected to increase in H2 FY24 as we test high grade extensions at Johnny Lee (Black Butte) and undertake targeted drilling programs in the Iberian Pyrite and Kalahari Copper belts.

Underlying exploration and evaluation expenses presented in the table below include an allocation of statutory employee benefits expense. Refer to Segment note (Note 3) to the financial statements for further detail.

	H1 FY24 $000	H1 FY23 $000
Australia and international	1,291	5,125
Global Exploration and business development support	1,394	2,789
Black Butte	2,094	4,120
Motheo	3,875	10,893
MATSA	1,461	3,072
Total Underlying exploration & evaluation expenses	**10,115**	**25,999**

Net finance expense

Our Underlying net finance expense excludes Earnings Adjustment items impacting finance costs as described in the Segment note (Note 3) to the financial statements.

Our Underlying net finance expense of $32.7M in H1 FY24 (H1 FY23: $26.4M) included the first recognition of interest associated with the Motheo Finance Facility (H1 FY24: $7.2M, H1 FY23: nil) as interest in prior periods was capitalised as the operation had not achieved commercial production.

Income Tax

Our Underlying income tax benefit excludes Earnings Adjustment items impacting income tax as described in the Segment note (Note 3) to the financial statements. A reconciliation of the Group's statutory income tax benefit to pre-tax loss is included in the Income tax expense note (Note 6) to the financial statements.

The Group's Underlying income tax benefit of $8.7M in H1 FY24 (H1 FY23: $5.9M) was primarily a function of the Group's Underlying net loss before tax of $45.3M (H1 FY23: $25.3M), albeit this outcome was impacted by the cessation of operations at DeGrussa and the increasing inability to recognise tax losses in relation to corporate costs.

Capital expenditure

We continued to invest in MATSA's three underground mines and centralised processing hub during H1 FY24, and the ongoing development of Motheo with the commissioning of the new ball mill in December 2023 representing the last major milestone in the rapid and low-cost expansion of the operation to 5.2Mtpa.

	H1 FY24 $000	H1 FY23 $000
Operations		
Mine development & deferred waste stripping	51,571	39,473
Sustaining & strategic	27,607	11,222
Total operations capital expenditure	**79,178**	**50,695**
Projects under construction & development		
Motheo development capital – T3 & 3.2Mtpa	6,481	113,109
Motheo development capital – A4 & 5.2Mtpa expansion	13,638	2,670
Total projects under construction & development	**20,119**	**115,779**
Total capital expenditure	**99,297**	**166,474**

Total capital expenditure decreased by $67.2M to $99.3M in H1 FY24 as construction of the initial 3.2Mtpa, first phase development of Motheo was largely completed before the end of FY23. Mine development expenditure in the period included $40.7M (H1 FY23: $37.4M) at MATSA as we sought to progressively open additional mining fronts and provide increased flexibility in our underground mines. The $16.4M increase in sustaining and strategic capital expenditure primarily reflected the ongoing expansion of our tailings storage facility (TSF) at Motheo and a rise in investment in mine ventilation and paste fill infrastructure in the underground mines at MATSA.

Balance sheet, capital management and dividends

The table below summarises the cash, debt and net assets of the Group at 31 December, 2023.

	31 Dec 2023 $000	30 June 2023 $000
Cash and cash equivalents	**105,386**	**141,939**
Current debt [(i)]	(60,640)	(86,265)
Non-current debt [(i)]	(520,360)	(485,735)
Total debt	**(581,000)**	**(572,000)**
Net debt [(i)]	**(475,614)**	**(430,061)**
Net assets	1,668,136	1,734,547

(i) Debt represents principal outstanding on secured bank loans at period-end. Debt and Net debt exclude capitalised transaction costs, leases, and revolving short-term working capital facilities.

Our balance sheet continued to evolve during H1 FY24 as we invested in the rapid and low-cost expansion of Motheo, established finish goods inventory across the supply chain of our newest operation and completed the last concentrate sale at DeGrussa. This left the Group with a cash balance of $105.4M and net debt of $475.6M at the end of the period, including $401.0M owing under the MATSA Finance Facility and $180.0M owing under the Motheo Finance Facility.

The reduction in the MATSA Finance Facility reflected repayments totalling $31.0M during the period while the Group drew a further $40.0M from the Motheo Project Finance Facility. The Motheo facility, which maintains its tenor to June 2029, was 'upsized' to $200.0M in September 2023 with the final $20.0M expected to be drawn across H2 FY24.

As at 31 December 2023, the Group's balance sheet was geared at a leverage ratio of 0.3 (30 June 2023: 0.3). Further details of the Group's debt facilities are included in the Interest-bearing liabilities note (Note 11) to the financial statements.

Subsequent to the end of the period, we made significant progress in our efforts to modernise the Group's debt structure by securing credit approval for a US$200.0M Corporate Revolver Facility. The establishment of this corporate facility, which will increase the financial flexibility of the Group and significantly reduce our near term repayment profile, remains subject to the finalisation of documentation and satisfaction of conditions which are standard for a facility of this nature, both of which are anticipated to occur before the end of March 2024. This revolving debt facility is expected to have a maturity date of March 2026 and will be primarily used to repay the remaining US$88.0M balance of MATSA Facility A.

In a prudent approach to capital management, no interim dividend has been declared in respect of H1 FY24 as we are prioritising underground development and ventilation at MATSA, to establish the foundations for more predictable and consistent performance, and are still in the early stages of ramping-up the development of the A4 open-pit mine at Motheo.

Cash flow statement

The Group generated cash flow from operating activities of $110.0M in H1 FY24 (H1 FY23: $6.8M outflow), net of $10.0M (H1 FY23: $17.7M) in exploration expenditure and $3.7M (H1 FY23: $57.4M) in tax payments. Cash flow from operating activities, excluding exploration and evaluation expenditure and tax, was $123.7M (H1 FY23: $68.2M).

MATSA generated cash flows from operating activities, excluding exploration and evaluation expenditure and tax, of $112.8M in H1 FY24, an increase of $81.6M from the prior period largely reflecting adverse quotational period pricing impacts on sales finalised in H1 FY23 and a $14.2M increase in Underlying Operations EBITDA. Separately, Motheo generated cash flows from operating activities, excluding exploration and evaluation expenditure and tax, of $22.0M in H1 FY24, although this was partially offset by a $50.4M reduction in cash flows from operating activities at DeGrussa following the completion of the final concentrate shipment during the period and the transition of the operation to care and maintenance.

Investing activities in H1 FY24 totalling $100.4M (H1 FY23: $134.4M) included $37.0M for Motheo mine development (H1 FY23: $113.7M), $14.2M for Motheo sustaining capital expenditure (H1 FY23: $0.7M), $40.7M for MATSA mine development (H1 FY23: $34.6M), and $10.3M for MATSA strategic and sustaining capital expenditure (H1 FY23: $9.8M). The reduction in investing cash outflows primarily reflects the substantial completion of the initial 3.2Mtpa Motheo operation in the prior financial year.

Cash outflows from financing activities in H1 FY24 of $47.0M (H1 FY23: $47.1M) included debt facility principal, interest and facility fee payments of $64.4M, and the repayment of short-term revolving credit facilities of $13.3M, which were partially offset by the $40.0M drawdown of the Motheo Finance Facility.

Operations analysis

The Underlying performance of each of the Group operating segments that include Earnings Adjustment items is summarised in the table below. The Earnings Adjustment items are outlined in the Segment note (Note 3) to the financial statements.

	Sales revenue		Underlying Operations EBITDA		Underlying EBIT	
$000	**H1 FY24**	**H1 FY23**	**H1 FY24**	**H1 FY23**	**H1 FY24**	**H1 FY23**
MATSA	266,031	258,051	109,283	95,071	(13,416)	(31,719)
Motheo	124,008	-	53,764	168	22,056	(11,339)
DeGrussa	27,901	173,662	2,229	80,787	1,862	69,013
Black Butte	-	-	-	-	(2,815)	(4,316)
Group and unallocated	-	-	-	-	(20,318)	(20,531)
Total	**417,940**	**431,713**	**165,346**	**176,026**	**(12,631)**	**1,108**

Underlying Operations EBITDA declined by a modest $10.7M in H1 FY24 to $165.3M, despite the cessation of processing activities at DeGrussa which contributed $80.8M to Underlying Operations EBITDA in the prior corresponding period. The commissioning and ramp-up of the Motheo Copper Mine during H1 FY24 increased Underlying Operations EBITDA by $53.6M, while MATSA contributed an additional $14.2M (or $109.3M) during the period.

Further detail on our operational performance in H1 FY24 is included on pages 14 to 20.

MATSA

Location: Huelva Province, Iberian Pyrite Belt, Spain

Sandfire share: 100 per cent

Product: Copper, Zinc and Lead concentrates (containing a silver by-product).

Mining method: Three underground mines using a combination of longitudinal and transverse open stoping.

Processing method: Central processing facility with installed capacity of 4.7Mtpa using conventional crushing, grinding and flotation processes.

The MATSA Copper Operations are located in the Huelva Province of south-western Spain in the northern portion of the highly prospective Iberian Pyrite Belt. MATSA is a substantial polymetallic mining operation comprising a central processing facility that sources ore from three underground mines, Aguas Teñidas and Magdalena in Almonaster la Real, and Sotiel in Calañas. The processing facility produces copper, zinc and lead mineral concentrates (containing a silver by-product) that are shipped from the port of Huelva.

Performance summary	H1 FY24	H1 FY23
Mining – total ore (t)	2,300,199	2,178,210
Processing – total ore milled (t)	2,291,640	2,130,602
Ore – Cupriferous	747,040	700,128
Cu grade %	1.5	1.6
Ore – Poly	1,544,600	1,430,474
Cu grade %	1.7	1.7
Zn grade %	3.6	3.8
Concentrate – total (t)	252,025	234,217
Contained Metal Production:		
Copper (t)	28,650	26,435
Zinc (t)	42,603	39,290
Lead (t)	4,201	4,398
Silver (Moz)	1.3	1.2
Copper Equivalent production (CuEq) (t)	45,336	42,059

	H1 FY24	H1 FY23
Cu payable metal sold (t)	26,328	25,019
Cu price achieved ($/t)	8,431	8,332
Zn payable metal sold (t)	34,445	32,813
Zn price achieved ($/t)	2,541	2,987
Sales revenue ($000)	266,031	258,051
Underlying mine operating costs ($/t processed) (i)	72	77
Gross Operating cost ($/lb)	3.37	3.67
By-product credits ($/lb)	(1.37)	(1.64)
Net C1 Operating costs ($/lb)	1.99	2.03
Underlying Operations EBITDA ($000)	109,283	95,071
Underlying Operations EBITDA Margin (%)	41%	37%
Underlying EBIT ($000)	(13,416)	(31,719)
Net assets ($000)	1,233,457	1,271,533
Capital expenditure		
- Mine Development ($000)	40,682	37,398
- Sustaining & Strategic ($000)	18,442	11,222

(i) Includes mining, processing, general & administration and concentrate haulage, excludes changes in finished goods inventories.

Safety

The Total Recordable Injury Frequency (TRIF) for the MATSA Copper Operations at the end of H1 FY24 was 2.5 (30 June 2023: 2.6).

Production

Our three underground mines at MATSA continued to perform largely according to plan during the period as we achieved a record 4.6Mtpa production rate across H1 FY24. Aguas Teñidas ore output remained relatively steady during the period while Magdalena continued to demonstrate a greater level of consistency and predictability, delivering more than 1Mt of ore during H1 FY24. Conversely, production at Sotiel was marginally below target as oversize material temporarily reduced productivity in a key production stope in the December 2023 Quarter.

In parallel with the overall increase in mine output, MATSA's ore processing rate increased by 8% in H1 FY24 for an annualised throughput rate of 4.6Mt. While processed copper and zinc grades were largely unchanged from the prior period, this higher rate of throughput and a broader increase in metal recoveries delivered 28.6kt of contained copper and 42.6kt of contained zinc for an 8% increase in CuEq production to 45.3kt.

A number of programs designed to further improve the Net Smelter Return (NSR) from our various ore types, including a focus on dilution and recoveries, and an increase in Run-of-Mine (RoM) stocks, will continue to be prioritised before we ultimately seek to increase the throughput rate of our centralised processing facility toward 4.7Mtpa.

Financial performance

MATSA's Underlying Operations EBITDA margin increased from 37% to 41% in H1 FY24 with higher metal production and a slight increase in the realised price of copper to $8,431/t, notwithstanding a near 15% reduction in the realised price of zinc to $2,541/t.

Whilst Underlying mine operating costs remained relatively stable at $158.2M in H1 FY24 (H1 FY23: $165.2M), the 6% reduction in MATSA's Underlying mine operating (unit) cost to $72 per tonne of ore processed defied an adverse movement in foreign exchange rates as the operation benefitted from the aforementioned increase in recoveries, broader economies of scale and a near 45% reduction in power costs following a general softening in the European energy market. More broadly, MATSA's implied C1 Operating unit cost decreased by 2.0% to $1.99/lb (H1 FY23: $2.03/lb) as the overall reduction in operating costs was partially offset by lower by-product credits.

Given historic volatility in spot European energy markets, it is important to note that our long-term power agreements with Endesa Energia substantially reduce MATSA's exposure to spot electricity prices in the future.

Capital expenditure

MATSA's mine development expenditure increased modestly to $40.7M in H1 FY24 (H1 FY23: $37.4M) as we sought to progressively open additional mining fronts and provide greater flexibility in our underground mines. A further $18.4M (H1 FY23: $11.2M) was invested in sustaining and strategic capital projects during the period as we increased our rate of underground drilling, and developed additional ventilation and paste fill infrastructure.

Motheo

Location: Ghanzi District, Kalahari Copper Belt, Botswana

Sandfire share: 100 per cent

Product: Copper concentrate (containing a silver by-product).

Mining method: Open pit mining using conventional truck and shovel.

Processing method: Initial 3.2Mtpa conventional crushing, grinding and flotation circuit with the expansion to 5.2Mtpa substantially complete following the successful commissioning of the new ball mill in December 2023.

Motheo is our new, long-life asset located in the central portion of the Kalahari Copper Belt in Botswana. The Motheo operations are centred on the development and mining of the T3 and A4 Open Pit mines and were officially opened in August 2023. With a central processing facility, Motheo produces high-quality copper concentrate (containing a silver by-product) that is transported by truck to Walvis Bay, Namibia, for shipping to smelters around the world. The operation is supported by our community office in the nearby town of Ghanzi, which is the focal point for managing human resources and community relations in the Ghanzi District.

Performance summary	H1 FY24	H1 FY23
Ore Mined (bcm)	887,100	25,650
Waste Mined (bcm)	5,643,306	6,629,856
Strip Ratio	6:1	-
Combined LOM Strip Ratio	6:1	-
Mining – RoM ore (t)	1,627,166	5,883
Cu grade %	1.1	1.3
Ag grade g/t	10.3	12.7
Mining – LG stockpiles (t)	847,057	55,239
Cu grade %	0.5	0.7
Ag grade g/t	3.9	5.2
Processing – total ore milled (t)	1,652,949	-
Cu grade %	1.1	-
Ag grade g/t	9.1	-
Concentrate – total (t)	56,614	-
Contained Metal Production:		
Copper (t)	16,785	-
Silver (koz)	396	-
Copper Equivalent production (CuEq) (t)	17,889	-

	H1 FY24	H1 FY23
Cu payable metal sold (t)	15,235	-
Cu price achieved ($/t)	8,218	-
Ag payable metal sold (koz)	319	-
Ag price achieved ($/oz)	23	-
Sales revenue ($000)	124,008	-
Mine Operating costs ($/t processed) (i)	39	-
Gross Operating cost ($/lb)	1.90	-
By-product credits ($/lb)	(0.22)	-
Net C1 Operating costs ($/lb)	1.68	-
Underlying Operations EBITDA ($000)	53,764	168
Underlying Operations EBITDA Margin (%)	43%	-
Underlying EBIT ($000)	22,056	(11,339)
Net assets ($000)	380,364	352,833
Capital expenditure		
- Deferred Waste Stripping ($000)	10,889	-
- Sustaining & Strategic ($000)	9,165	-
- Construction & Development ($000)	20,119	115,779

(i) Includes mining, processing, general & administration, transport (including shipping) and royalties, excludes changes in finished goods inventories.

Safety

The TRIF for the Motheo operations at the end of H1 FY24 was 0.5 (30 June 2023: 0.7).

Motheo 3.2Mtpa project commissioning and commercial production

Our newest mine, Motheo, achieved commercial production on 1 July 2023, only 45 days after the commencement of commissioning activities. The strong results delivered across the period reinforce our belief that Motheo's strategically positioned processing hub will generate strong investment returns for shareholders and make a significant contribution to the local community for years to come.

Motheo 5.2Mtpa expansion

The Botswana Department of Mines approved the Company's submission for an extension to the Motheo Mining Licence in August 2023. This approval was the final major permitting milestone for the 5.2Mtpa Expansion Project and followed the Botswana Government's approval of the Environmental and Social Impact Assessment (ESIA) in May 2023.

The rapid and low-cost expansion of Motheo increases processing capacity from the initial 3.2Mtpa rate, with the ramp-up to the expanded 5.2Mtpa rate expected to be achieved on a sustainable basis in the March 2024 Quarter.

In parallel, development of the A4 open-pit mine, located approximately 8km from our centralised processing facility, expands Motheo's mining footprint that currently encompasses the T3 open-pit. During the period, a $235M mining contract was awarded to African Mining Services (AMS) to enable the development of A4 and pre-strip activities have commenced. The mine is expected to contribute first ore in the September 2024 Quarter, as planned. The overall project remains on schedule and the $397M budget is unchanged.

Production

Mining activity in H1 FY24 remained broadly aligned to our prior feasibility study plan as we continued to develop and process higher grade RoM ore stocks to maximise margins and returns. A total of 1,627kt of RoM ore was mined during the period, with 847kt of low grade ore stockpiled for processing when the best economic outcome can be achieved. The average grade of RoM ore of 1.1% copper and 10.3g/t silver continued to reconcile well with our orebody model.

Stage 1 of the T3 mine plan has now advanced to be around 100m below the original surface and the main part of the orebody is exposed. This will allow us to provide the necessary ore feed from Stage 1 at a lower mining rate and thereby creates the flexibility to further progress Stage 2 of the T3 open pit, which we commenced during the December 2023 Quarter.

The ramp-up of our crushing, milling and concentration circuit continued to exceed expectations as it achieved an average annualised throughput rate of 3.5Mt in the December 2023 Quarter (against its interim nameplate capacity of 3.2Mtpa). To support this rate of growth, two mobile concentrate filters were commissioned and this temporary solution immediately removed filtration as a constraint. The average processing rate of 4.3Mtpa achieved throughout January 2024 bodes well for the future, while a permanent filtration solution is scheduled to be commissioned in the September 2024 Quarter.

Financial performance

The impressive ramp-up in performance during H1 FY24 enabled our newest mine to generate an Underlying Operations EBITDA margin of 43% and Underlying Operations EBITDA of $53.8M in its first full six-months of operation. This was achieved with good cost control as Motheo's Underlying mine operating (unit) cost for H1 FY24 of $39 per tonne of ore processed and implied C1 Operating unit cost of $1.68/lb were marginally better than expected. A further 837kt of low-grade ore was stockpiled during H1 FY24, as planned, and this is reflected on the balance sheet as low grade inventory with costs allocated on the basis of contained metal for a cumulative carrying value of $18.8M at 31 December 2023 (FY23: $6.6M).

Capital expenditure

Capital expenditure for Motheo's current operations totalled $20.1M in H1 FY24 (H1 FY23: Nil) and included mine development and deferred waste stripping of $10.9M (H1 FY23: Nil), and sustaining capital expenditure of $9.2M primarily related to the Tailings Storage Facility (TSF) Phase 2 project.

Our investment in projects under construction and development decreased by $95.7M in H1 FY24 to $20.1M as development of the mine's initial 3.2Mtpa capacity was largely completed in FY23. In this regard, $13.6M was invested in the 5.2Mtpa expansion project, with commissioning of the new ball mill successfully completed in late December 2023.

DeGrussa

Location: Western Australia, Australia

Sandfire share: 100 per cent

Status: Closure and rehabilitation

The DeGrussa operations are located 900km north-east of Perth in Western Australia and, prior to their decommissioning, included the high-grade DeGrussa and Monty Copper-Gold Mines. Underground mining operations at DeGrussa delivered sulphide ore to a 1.6Mtpa processing facility that produced copper concentrate (containing a gold and silver by-product). Mining ceased in October 2022 and processing ceased in late May 2023 after a period of stockpile processing, with the final concentrate shipment completed in H1 FY24.

Having considered various alternatives, it was determined that our retention of DeGrussa will provide the best outcome for all stakeholders, and we remain focused on working with them to deliver sustainable, positive outcomes for the local community as we complete our closure and rehabilitation activities over the coming years. Having made this decision, we also commenced a multi-faceted process in the latter part of the period to divest discrete assets within the DeGrussa operation.

Black Butte

Location: Montana, USA

Sandfire share: 87 per cent, via Canadian listed company Sandfire Resources America Inc. (TSX-V: SFR) (Sandfire America)

Located in central Montana in the United States, Black Butte is a high-grade, undeveloped copper project. The planned mine development will utilise best-practice technology and modern mining techniques to develop a wholly underground mine with minimal surface footprint and environmental impact. This design and the broader project is expected to provide a significant economic opportunity for central Montana while fully protecting the local watershed.

The project is located on private ranch land in Meagher County, close to existing road, power, and rail infrastructure, and has the ability to access a residential workforce and competitive sources of materials and power.

Safety

The TRIF for Black Butte at the end of H1 FY24 was 0.0 (30 June 2023: 4.7)

Project permitting

Project permitting for mining of the Johnny Lee Deposit at Black Butte was completed in April 2020, with the Montana Department of Environmental Quality (MT DEQ) releasing the Final Environmental Impact Statement (EIS) on 13 March 2020 and issuing a positive Record of Decision to grant a Mine Operating Permit (MOP) on 9 April 2020. The MT DEQ issued the final permit on 17 August 2020 and Sandfire initiated Phase I construction.

A legal challenge was filed to the MT DEQ Record of Decision on 4 June 2020 in the 14th Judicial Court in Meagher County, Montana, against the MT DEQ and Sandfire America's wholly owned subsidiary, Tintina Montana Inc. An April 8, 2022, Montana district court ruling found in favour of the plaintiffs which stopped further construction. Sandfire America and the MT DEQ appealed the ruling to the Montana Supreme Court and Oral Arguments were heard on 21 June 2023. A decision on the case is pending with the outcome set to inform the next steps for the project.

Studies

Mining studies for underground access and mining of the Lowry Deposit (located approximately 2km from the Johnny Lee Deposit) commenced during FY23. The Lowry Deposit could become a significant addition to the Black Butte underground mining complex and has the potential to create additional value. Integration of the Lowry Deposit and additional drilling that is currently being undertaken at Johnny Lee to test high grade extensions of the resource will inform future development options and the mine plan.

Further details can be found on the Sandfire America Resources Inc. website at www.sandfireamerica.com.

Financial performance

Exploration and evaluation expenditure incurred at Black Butte during H1 FY24 of $2.1M (H1 FY23: $4.1M) has been immediately expensed.

Exploration

Exploration remains a key component of Sandfire's strategy and is focused on both near-mine and regional opportunities as we seek to leverage our strategic position in the highly prospective Iberian Pyrite and Kalahari Copper belts, and materially increase the mine life of our modern processing hubs.

Iberian Pyrite Belt, Spain and Portugal

Sandfire's circa 3,200km^2 of exploration tenure, granted and under application across the Iberian Pyrite Belt, offers substantial long-term exploration upside and organic growth potential.

Spain

Having successfully confirmed the open-ended nature of known mineralisation at San Pedro (Aguas Teñidas) and Olivo (Magdalena) across the course of FY23, and the broader prospectivity of the region, our team turned its attention to the development of a multi-year plan that is being designed to materially increase our reserves at MATSA over the coming years.

Limited surface exploration was undertaken at MATSA beyond near mine activity during the period with a single hole completed at each of our Fandango and Preciosa targets. This seasonal break in drilling enabled the geological team to focus on the interpretation of our large-scale Airborne Gravity Gradiometry (AGG) survey that was recently undertaken and the integration of this data with our 'belt scale' 3D basin model.

We also completed geophysical analysis of the prior 1200m hole that was drilled approximately 500m down plunge of the Magdalena resource to test the lateral extent of this higher grade resource that remains open to the west. This process confirmed the presence of two geophysical anomalies, namely Anomaly A which is down plunge of Masa 2 and Anomaly B which is north-west of the western edge of Masa 2. Drilling is planned to test these anomalies across the remainder of FY24.

Portugal

Sandfire's joint venture partner in Portugal, TSX-listed Avrupa Minerals Limited, continued to advance its understanding of the Sesmarias massive sulphide target within the Alvalade Project Joint Venture during the period. Four diamond drillholes were completed with further encouraging results being incorporated into the geological model. An Induced Polarisation (IP) survey was also completed over the Sesmarias target which successfully mapped known mineralisation and generated several new targets.

Kalahari Copper Belt, Botswana

The Kalahari Copper Belt is one of the world's most exciting, emerging copper producing regions and our significant landholding, which extends over most of the central and western portions of the belt, provides substantial exploration upside.

Resource definition drilling commenced at the A1 prospect, located 20km ENE of the Motheo processing plant, during the September 2023 Quarter with an initial 28 hole program completed for ~6,000m of drilling on a nominal 100m x 100m pattern. Our analysis of the information generated by this program highlighted the open extent of the identified mineralisation and a subsequent seven hole program, designed to test additional near surface potential and an identified SW extension, is expected to be completed in the March 2024 Quarter. Drilling programs are also being planned to test the extent of the A4 orebody, which remains open in all directions, while a new footwall target has been identified at T3 and will be drill tested in due course.

Three regional targets were also tested during the period with around 1,500m of drilling completed. While no significant mineralisation was encountered, geological information has been incorporated into our new 3D basin model. Our understanding of the depositional environment and structural controls that influence economic mineralisation continues to grow and will be further enhanced by the recent completion of an Airborne Gravity Gradiometry (AGG) survey over the Ghanzi-Ngamiland block, which is host to all the known copper deposits in the Kalahari Copper Belt. A separate AGG survey was also completed over the Okwa block, a large igneous intrusive complex which lies to the South of the Kalahari Copper Belt. The Company's Namibian exploration tenure was relinquished during the period.

Outlook

Information on likely developments in Sandfire's business strategy, prospects and operations for future financial years that could result in unreasonable prejudice to the Group (for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage) has not been included in this report. The categories of information omitted include forward-looking estimates and projections prepared for internal management purposes, information regarding Sandfire's operations and projects, which are developing and susceptible to change, and information relating to commercial contracts.

Within this context, we have maintained production, cost and capital expenditure guidance for FY24, and remain well positioned to deliver more than 50% growth in copper equivalent production from continuing operations across the two years to the end of FY25.

Production

FY24 Guidance (December-23 YTD)	MATSA	Motheo	Corporate & Other	Group [i]
Production				
Ore processed (Mt)	4.5 (2.3)	4.1 (1.7)		8.6 (3.9)
Copper (kt contained)	58 (28.6)	39 (16.8)		97 (45.4)
Zinc (kt contained)	88 (42.6)	- (-)		88 (42.6)
Lead (kt contained)	10 (4.2)	- (-)		10 (4.2)
Silver (Moz contained)	2.6 (1.3)	1.2 (0.4)		3.8 (1.7)
Copper Equivalent [ii] (kt contained)	93 (45.3)	42 (17.9)		135 (63.2)
Operating Cost				
Underlying Mine Operating Cost (US$M) [iii]	352 (165)	169 (65)		521 (231)
Underlying Mine Operating Costs (US$/t) Processed [iii]	78 (72)	41 (39)		
Implied C1 Cost (US$/lb)	1.93 (1.99)	1.81 (1.68)		
D&A (US$M)	235 (121)	45 (28)		280 (149)
Corporate G&A (US$M)			37 (20)	37 (20)
Underlying Exploration & Evaluation (US$M) [iv]	9 (1)	8 (4)	15 (5)	32 (10)
Capital Expenditure (US$M)				
Operations				
Mine Development & Deferred Waste Stripping	91 (41)	58 (11)		149 (52)
Sustaining & Strategic	26 (18)	33 (9)		59 (28)
Total Operations	117 (59)	91 (20)		208 (79)
Projects Under Construction & Development				
Motheo Development Capital – T3 & 3.2Mtpa		12 (6)		12 (6)
Motheo Development Capital – A4 and 5.2Mtpa		35 (14)		35 (14)
Total Projects Under Construction & Development	- (-)	47 (20)		47 (20)
Total Capital Expenditure	117 (59)	138 (40)		255 (99)

(i) Continuing operations (excluding DeGrussa).

(ii) 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, Ag US$23/oz.

(iii) MATSA: Includes costs related to mining, processing, general and administration and transport, and excludes shipping costs which are offset against sales revenue for statutory reporting purposes. Motheo: Includes costs related to mining, processing, general and administration, transport (including shipping) and royalties. Underlying mine operating costs displayed above exclude changes in finished goods inventories.

(iv) Includes exploration outside the mine halo and does not include infill and resource drilling.

Directors Report

The Directors present their report together with the financial report of the consolidated entity (referred to as the Group) consisting of the parent entity, Sandfire Resources Limited (the Company or Sandfire), and the entities it controlled, for the six months ended 31 December 2023 and the independent auditor's review report thereon.

The Directors of the Company, both during and since the end of the period, are set out below:

Name	Period of Directorship
Mr John Richards *Independent Non-Executive Director* *Independent Non-Executive Chair*	Appointed 1 January 2021 Chair since 30 April 2022
Mr Brendan Harris *Managing Director and Chief Executive Officer*	Appointed 3 April 2023
Ms Sally Langer *Independent Non-Executive Director*	Appointed 1 July 2020
Ms Jennifer Morris OAM *Independent Non-Executive Director*	Appointed 1 January 2021
Mr Robert Edwards *Independent Non-Executive Director*	Appointed 8 July 2022
Ms Sally Martin *Independent Non-Executive Director*	Appointed 8 July 2022
Mr Paul Harvey *Independent Non-Executive Director*	Appointed 12 September 2023

Principal activities

The principal activities of the Group during the six months ended 31 December 2023 included:

- The production and sale of copper, zinc and lead concentrates, containing silver by-products, from the Group's 100% owned MATSA Copper Operations in Spain;
- The production and sale of copper concentrates, containing silver by-products, from the Group's 100% owned Motheo Operations in Botswana;
- Closure and rehabilitation activities at the Group's 100% owned DeGrussa Copper Operations in Western Australia, following the cessation of processing activities in May 2023 and completion of the final concentrate shipment;
- Evaluation of Sandfire Resources America Inc.'s high-grade Black Butte Copper Project in Montana, United States; and
- Exploration, evaluation and the development of mineral tenements and projects in numerous locations including Botswana, Spain, Portugal and Chile.

Review and results of operations

A review of the operations of the consolidated entity during the period and of the results of those operations is contained on pages 6 to 20.

Significant events after the balance date

Subsequent to 31 December 2023, we have made significant progress in our efforts to modernise the structure of the Group's debt facilities by securing credit approval for a US$200M corporate revolver facility in early H2 FY24. The establishment of this corporate revolver, which will increase the financial flexibility of the Group and significantly reduce our near term repayment profile, remains subject to the finalisation of documentation and satisfaction of conditions which are standard for a facility of this nature, both of which are expected to occur before the end of March 2024. This revolving debt facility is expected to have a maturity date of March 2026 and will be primarily used to repay the remaining $88M balance of MATSA Facility A.

Signed in accordance with a resolution of the Directors.

John Richards
Non-Executive Chair

Brendan Harris
Managing Director and Chief Executive Officer

West Perth, 22 February 2024

Deloitte.

Deloitte Touche Tohmatsu
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The Directors
Sandfire Resources Limited
Level 2, 10 Kings Park Road
West Perth WA 6005

22 February 2024

Dear Directors

Auditor's Independence Declaration to Sandfire Resources Limited and its controlled entities

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Sandfire Resources Limited.

As lead audit partner for the review of the financial statements of Sandfire Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

Half Year Financial Report

For the six months ended 31 December 2023

ASX Code: SFR

Corporate Information

ABN 55 105 154 185

Directors

John Richards	*Independent Non-Executive Chair*
Brendan Harris	*Managing Director and Chief Executive Officer*
Sally Langer	*Independent Non-Executive Director*
Jennifer Morris OAM	*Independent Non-Executive Director*
Robert Edwards	*Independent Non-Executive Director*
Sally Martin	*Independent Non-Executive Director*
Paul Harvey	*Independent Non-Executive Director*

Company Secretary

Sophie Raven

Registered Office and Principal Place of Business

Level 2, 10 Kings Park Road
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Tel: +61 8 6430 3800
Email: admin@sandfire.com.au
Web: www.sandfire.com.au

Share Registry

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Perth WA 6000
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Fax: +61 2 8583 3040
Email: hello@automicgroup.com.au

Auditors

Deloitte Touche Tohmatsu
Tower 2, Brookfield Place
123 St George's Terrace
Perth, Western Australia 6000

Home Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code

Sandfire Resources Limited shares are listed on the Australian Stock Exchange (ASX).

Ordinary fully paid shares: SFR

Consolidated Income Statement

for the six months ended 31 December 2023

	Note	31 Dec 2023 $000	31 Dec 2022 $000
Sales revenue	4	417,940	431,713
Other gains		3,124	3,491
Changes in inventories of finished goods and work in progress		(6,657)	(5,639)
Mine operations costs		(182,640)	(179,305)
Employee benefit expenses		(56,074)	(50,995)
Freight expenses		(19,963)	(28,382)
Royalties expense		(7,366)	(8,420)
Exploration and evaluation expenses		(9,355)	(20,006)
Impairment expense	8	(2,751)	(2,237)
Administrative expenses		(5,241)	(4,330)
Depreciation and amortisation expenses		(149,130)	(137,815)
Loss before net finance expense and income tax expense		**(18,113)**	**(1,925)**
Finance income	5	1,616	1,709
Finance expense	5	(37,709)	(27,261)
Net finance expense		(36,093)	(25,552)
Loss before income tax expense		**(54,206)**	**(27,477)**
Income tax benefit / (expense)	6	320	(801)
Net loss for the period		**(53,886)**	**(28,278)**
Attributable to:			
Equity holders of the parent		(53,141)	(27,082)
Non-controlling interests		(745)	(1,196)
		(53,886)	**(28,278)**
Earnings per share (EPS):			
Basic loss per share attributable to ordinary equity holders of the parent (cents)		(11.6)	(6.5)
Diluted loss per share attributable to ordinary equity holders of the parent (cents)		(11.6)	(6.5)

The consolidated income statement should be read in conjunction with the accompanying notes. Refer to Note 2 Basis of Preparation in relation to reclassifications made to the prior period Consolidated Income Statement.

Consolidated Statement of Comprehensive Income

for the six months ended 31 December 2023

	31 Dec 2023 $000	31 Dec 2022 $000
Net loss for the financial period	**(53,886)**	**(28,278)**
Other comprehensive income		
Items to be reclassified to profit or loss in subsequent periods:		
Net foreign exchange differences on translation of foreign operations, net of tax	3,912	123
Loss on derivatives designated as cash flow hedges	(19,207)	(21,376)
Items not to be reclassified to profit or loss in subsequent periods:		
Change in fair value of equity investments carried at fair value through other comprehensive income, net of tax	(604)	(1,554)
Other comprehensive loss for the period, net of tax	(15,899)	(22,807)
Total comprehensive loss for the period, net of tax	**(69,785)**	**(51,085)**
Attributable to:		
Equity holders of the parent	(68,962)	(49,891)
Non-controlling interests	(823)	(1,194)
	(69,785)	**(51,085)**

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

as at 31 December 2023

	Note	31 Dec 2023 $000	30 Jun 2023 $000
ASSETS			
Cash and cash equivalents		105,386	141,939
Trade and other receivables		79,632	78,368
Inventories	10	62,659	62,532
Derivative financial asset	12	2,367	12,989
Income tax receivable		4,094	-
Other current assets		8,971	7,136
Total current assets		**263,109**	**302,964**
Financial investments	7	3,096	4,860
Exploration and evaluation assets	8	57,161	59,348
Property, plant and equipment	9	2,597,419	2,649,078
Inventories	10	-	6,608
Derivative financial asset	12	5,730	27,656
Deferred tax asset		2,709	15,244
Other non-current assets		8,064	8,631
Total non-current assets		**2,674,179**	**2,771,425**
TOTAL ASSETS		**2,937,288**	**3,074,389**
LIABILITIES			
Trade and other payables		144,139	177,987
Derivative financial liabilities	12	1,774	1,051
Interest bearing liabilities	11	59,123	72,409
Lease liabilities		10,644	15,981
Income tax payable		4,205	2,045
Provisions		7,667	12,962
Total current liabilities		**227,552**	**282,435**
Derivative financial liabilities	12	8,140	41
Interest bearing liabilities	11	498,972	497,850
Lease liabilities		9,581	10,352
Provisions		87,592	85,111
Deferred tax liabilities		437,315	464,053
Total non-current liabilities		**1,041,600**	**1,057,407**
TOTAL LIABILITIES		**1,269,152**	**1,339,842**
NET ASSETS		**1,668,136**	**1,734,547**
EQUITY			
Issued capital		1,322,702	1,322,308
Reserves		2,044	(7,889)
Retained profits		345,933	421,848
Equity attributable to equity holders of the parent		**1,670,679**	**1,736,267**
Non-controlling interest		(2,543)	(1,720)
TOTAL EQUITY		**1,668,136**	**1,734,547**

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the six months ended 31 December 2023

	Issued capital $000	Foreign currency translation reserve $000	Hedging reserve $000	Other reserves[(i)] $000	Retained profits $000	Total $000	Non-controlling interests $000	Total equity $000
At 1 July 2023	**1,322,308**	**(75,345)**	**15,166**	**52,290**	**421,848**	**1,736,267**	**(1,720)**	**1,734,547**
Loss for the period	-	-	-	-	(53,141)	(53,141)	(745)	(53,886)
Other comprehensive income	-	3,912	(19,207)	(526)	-	(15,821)	(78)	(15,899)
Total comprehensive income for the period	**-**	**3,912**	**(19,207)**	**(526)**	**(53,141)**	**(68,962)**	**(823)**	**(69,785)**
Transactions with owners in their capacity as owners:								
Share based payments	394	-	-	2,980	-	3,374	-	3,374
Transfers to reserves	-	-	-	22,774	(22,774)	-	-	-
At 31 December 2023	**1,322,702**	**(71,433)**	**(4,041)**	**77,518**	**345,933**	**1,670,679**	**(2,543)**	**1,668,136**

	Issued capital $000	Foreign currency translation reserve $000	Hedging reserve $000	Other reserves[(i)] $000	Retained profits $000	Total $000	Non-controlling interests $000	Total equity $000
At 1 July 2022	**1,189,309**	**(83,831)**	**39,117**	**31,894**	**488,506**	**1,664,995**	**443**	**1,665,438**
Loss for the period	-	-	-	-	(27,082)	(27,082)	(1,196)	(28,278)
Other comprehensive income	-	123	(21,376)	(1,556)	-	(22,809)	2	(22,807)
Total comprehensive income for the period	**-**	**123**	**(21,376)**	**(1,556)**	**(27,082)**	**(49,891)**	**(1,194)**	**(51,085)**
Transactions with owners in their capacity as owners:								
Share based payments	889	-	-	350	-	1,239	-	1,239
Issue of shares	134,895	-	-	-	-	134,895	-	134,895
Share issue costs	(2,599)	-	-	-	-	(2,599)	-	(2,599)
Share issue in controlled entity	-	-	-	(264)	-	(264)	-	(264)
Transfer to reserves	-	-	-	47,360	(47,360)	-	-	-
At 31 December 2022	**1,322,494**	**(83,708)**	**17,741**	**77,784**	**414,064**	**1,748,375**	**(751)**	**1,747,624**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

(i) Other reserves consist of share-based payments reserve, Spanish statutory profit reserve, fair value reserve and equity reserve.

Consolidated Statement of Cash Flows

for the six months ended 31 December 2023

	31 Dec 2023 $000	31 Dec 2022 $000
Cash flows from operating activities		
Cash receipts from customers	403,985	364,212
Cash paid to suppliers and employees	(281,658)	(298,048)
Income tax paid	(3,709)	(57,350)
Payments for exploration and evaluation	(9,985)	(17,695)
Interest received	1,328	2,076
Net cash inflow / (outflow) from operating activities	**109,961**	**(6,805)**
Cash flows from investing activities		
Payments for property, plant and equipment	(18,267)	(30,257)
Payments for mine properties and assets under construction	(85,349)	(131,899)
Proceeds from sale of investments	3,244	-
MATSA purchase price adjustment [(i)]	-	28,000
Payment of security deposits and bonds	(50)	(281)
Net cash outflow from investing activities	**(100,422)**	**(134,437)**
Cash flows from financing activities		
Proceeds from share issue	-	134,890
Share issue costs	-	(3,838)
Proceeds from loans and borrowings	40,000	110,000
Transaction costs related to loans and borrowings	(2,171)	(1,162)
Repayment of borrowings	(30,962)	(248,907)
Repayments of short-term working capital facilities	(13,302)	-
Repayment of lease obligations	(9,263)	(9,692)
Interest and other costs of finance paid	(31,270)	(28,431)
Net cash outflow from financing activities	**(46,968)**	**(47,140)**
Net decrease in cash and cash equivalents	**(37,429)**	**(188,382)**
Net foreign exchange differences	876	(11,021)
Cash and cash equivalents at the beginning of the period	141,939	463,093
Cash and cash equivalents at the end of the period	**105,386**	**263,690**

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

(i) Relates to adjustments to the Headline Price for cash acquired, working capital and indebtedness as at the date of acquisition.

Notes to the Half Year Financial Report

1 Corporate Information

The interim consolidated financial statements of Sandfire Resources Limited and its subsidiaries (collectively, the Group) for the six months ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 22 February 2024.

Sandfire Resources Limited is a for profit company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The nature of the operations and principal activities of the Company are described in the Directors' report.

2 Basis of Preparation and Changes to the Group's Accounting Policies

The interim consolidated financial statements for the six months ended 31 December 2023 are general purpose condensed financial statements prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2023 and considered together with any public announcements made by Sandfire Resources Limited during the half year ended 31 December 2023. The annual report of the Group as at and for the year ended 30 June 2023 is available at www.sandfire.com.au.

All accounting policies adopted are consistent with those applied by the Group in the preparation of the annual consolidated financial statements for the year ended 30 June 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in FY24, but these do not have a material impact on the interim condensed consolidated financial statements of the Group.

The prior period comparative information presented in the Consolidated Income Statement includes the reclassification of the following to align with current period presentation for consistency and comparison purposes. This classification is consistent with that adopted in the 30 June 2023 annual financial statements.

- $6.6M of exchange rate differences on deferred tax balances have been reclassified from finance income to income tax expense.
- $3.3M of MATSA operations related costs have been reclassified from administration and other expenses to mine operations costs.

Rounding

The amounts contained in this financial report have been rounded to the nearest $1,000 (unless rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Presentation Currency

The Group's presentation currency is United States (US) dollars. Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates, the 'functional currency'.

3 Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenditure and about which separate financial information is available that is evaluated regularly by the Group's Chief Operating Decision Makers (CODM) in deciding how to allocate resources and in assessing performance.

The operating segments reported are presented in accordance with current segment information provided to the CODM, being the executive management team and Board of Directors.

Segment name	Description
MATSA Copper Operations	This segment consists of the Minas De Aguas Teñidas (MATSA) polymetallic mining complex in Spain, comprising three underground mines and a 4.7Mtpa central processing facility. The mines generate revenue from the sale and delivery of copper, zinc and lead concentrates to customers in Spain.
Motheo Copper Operations	This segment consists of the Group's Motheo Copper Mines and exploration and evaluation activities in Botswana and Namibia within the Kalahari Copper Belt including the T3 and A4 Copper-Silver Projects. The mines generate revenue from the sale and delivery of copper concentrates to customers in Asia and Europe.
DeGrussa Copper Operations	This segment consists of both the DeGrussa and Monty Copper-Gold Mines located in the Bryah Basin mineral province of Western Australia. Mining and processing activities have been completed and the operations are currently under care and maintenance.
Black Butte Copper Project	This segment consists of the evaluation activities for the Black Butte Copper Project located in central Montana in the United States of America, held through the Group's 87% interest in Sandfire Resources America Inc. (TSX-V: SFR).
Exploration and Other	This segment includes the Group's corporate expenses and exploration and evaluation activities that are unable to be directly attributed to an operating segment.

Segment information is evaluated by the executive management team and is prepared in conformity with the accounting policies adopted for preparing the financial statements of the Group.

Segment Results

Segment performance is assessed based on Group EBITDA, Operations EBITDA and EBIT. EBIT is profit before net finance expenses and taxation. Group EBITDA is EBIT before depreciation and amortisation. Operations EBITDA is Group EBITDA before corporate costs, impairment and immediately expensed exploration expenditure. During the prior period the Group transitioned to reporting consolidated financial information on an Underlying Earnings basis to the CODM, being the executive management team and Board of Directors. The operating segments reported below, including comparatives, include Underlying Earnings adjustments to align with the reporting that is presented to the CODM.

These Underlying Earnings measures provide insight into segment performance by excluding the impact of events that are not part of the segment's usual business activities. A reconciliation of these underlying performance measures to the Consolidated Income Statement is detailed on the following pages.

3 Segment information (continued)

For the half year ended 31 December 2023	MATSA Copper Operations $000	Motheo Copper Operations $000	DeGrussa Copper Operations $000	Black Butte Copper Project $000	Exploration and Other $000	Group $000
Sales revenue	266,031	124,008	27,901	-	-	417,940
Underlying other gains / (losses)	1,467	(6)	154	-	-	1,615
Changes in inventories of finished goods and work in progress	5,390	8,428	(20,475)	-	-	(6,657)
Underlying mine operations costs	(153,341)	(63,540)	(3,342)	-	-	(220,223)
Freight expense	(10,264)	(8,959)	(740)	-	-	(19,963)
Royalties expense	-	(6,167)	(1,199)	-	-	(7,366)
Underlying exploration and evaluation expenses	(1,461)	(3,875)	-	(2,094)	(2,685)	(10,115)
Underlying administration & other expenses	(435)	(290)	(383)	(608)	(17,016)	(18,732)
Underlying Group EBITDA	**107,387**	**49,599**	**1,916**	**(2,702)**	**(19,701)**	**136,499**
Depreciation and amortisation	(120,803)	(27,543)	(54)	(113)	(617)	(149,130)
Underlying EBIT	**(13,416)**	**22,056**	**1,862**	**(2,815)**	**(20,318)**	**(12,631)**
Underlying net finance expense						(32,666)
Underlying income tax benefit						8,685
Underlying Earnings						**(36,612)**
Underlying Group EBITDA	**107,387**	**49,599**	**1,916**	**(2,702)**	**(19,701)**	**136,499**
Underlying exploration and evaluation expenses	1,461	3,875	-	2,094	2,685	10,115
Underlying administration & other expenses	435	290	383	608	17,016	18,732
Underlying Operations EBITDA	**109,283**	**53,764**	**2,299**	-	-	**165,346**
Underlying Group EBITDA						**136,499**
Underlying exploration and evaluation expenses						10,115
Net interest paid [(i)]						(29,942)
Net income tax payments [(ii)]						(3,709)
Sustaining capital expenditure [(iii)]						(72,315)
Cash Earnings						**40,648**

(i) The amount of cash interest paid net of cash interest received during the year.
(ii) The net amount of cash payments for income tax to government authorities during the year.
(iii) Includes capitalised underground mine development at MATSA and deferred stripping for open pit mines in production at Motheo.

3 Segment information (continued)

For the half year ended 31 December 2022	MATSA Copper Operations $000	Motheo Copper Operations $000	DeGrussa Copper Operations $000	Black Butte Copper Project $000	Exploration and Other $000	Group $000
Sales revenue	258,051	-	173,662	-	-	431,713
Underlying other gains	2,222	168	14	-	-	2,404
Changes in inventories of finished goods and work in progress	2,382	-	(8,021)	-	-	(5,639)
Underlying mine operations costs	(158,367)	-	(57,283)	-	-	(215,650)
Freight expense	(9,217)	-	(19,165)	-	-	(28,382)
Royalties expense	-	-	(8,420)	-	-	(8,420)
Underlying exploration and evaluation expenses	(3,072)	(10,893)	-	(4,120)	(7,914)	(25,999)
Underlying administration & other expenses	(452)	(85)	-	(108)	(10,459)	(11,104)
Underlying Group EBITDA	**91,547**	**(10,810)**	**80,787**	**(4,228)**	**(18,373)**	**138,923**
Depreciation and amortisation	(123,266)	(529)	(11,774)	(88)	(2,158)	(137,815)
Underlying EBIT	**(31,719)**	**(11,339)**	**69,013**	**(4,316)**	**(20,531)**	**1,108**
Underlying net finance expense						(26,433)
Underlying income tax benefit						5,884
Underlying Earnings						**(19,441)**
Underlying Group EBITDA	**91,547**	**(10,810)**	**80,787**	**(4,228)**	**(18,373)**	**138,923**
Underlying exploration and evaluation expenses	3,072	10,893	-	4,120	7,914	25,999
Underlying administration & other expenses	452	85	-	108	10,459	11,104
Underlying Operations EBITDA	**95,071**	**168**	**80,787**	**-**	**-**	**176,026**
Underlying Group EBITDA						**138,923**
Underlying exploration and evaluation expenses						25,999
Net interest paid [(i)]						(26,355)
Net income tax payments [(ii)]						(57,350)
Sustaining capital expenditure [(iii)]						(50,546)
Cash Earnings						**30,671**

(i) The amount of cash interest paid net of cash interest received during the year.

(ii) The net amount of cash payments for income tax to government authorities during the year.

(iii) Includes capitalised underground mine development at MATSA and DeGrussa. Motheo capital expenditure has been excluded as the operations were not in commercial production as at 31 December 2022.

3 Segment information (continued)

Underlying results reconciliation

For the half year ended 31 December 2023	MATSA Copper Operations $000	Motheo Copper Operations $000	DeGrussa Copper Operations $000	Black Butte Copper Project $000	Exploration and Other $000	Group $000
Underlying other gains / (losses)	1,467	(6)	154	-	-	1,615
Other significant items [(i)]	-	1,509	-	-	-	1,509
Other gains	**1,467**	**1,503**	**154**	**-**	**-**	**3,124**
Underlying mine operations costs	(153,341)	(63,540)	(3,342)	-	-	(220,223)
Employee benefits expense [(ii)]	28,945	7,992	646	-	-	37,583
Mine operations costs	**(124,396)**	**(55,548)**	**(2,696)**	**-**	**-**	**(182,640)**
Underlying exploration and evaluation expenses	(1,461)	(3,875)	-	(2,094)	(2,685)	(10,115)
Organisational restructuring expenses [(iv)]	-	-	-	-	(867)	(867)
Employee benefits expense	-	-	-	75	1,552	1,627
Exploration and evaluation expenses	**(1,461)**	**(3,875)**	**-**	**(2,019)**	**(2,000)**	**(9,355)**
Underlying impairment expense	-	-	-	-	-	-
Disposal of tenements [(iii)]	(830)	(750)	(1,171)	-	-	(2,751)
Impairment expense	**(830)**	**(750)**	**(1,171)**	**-**	**-**	**(2,751)**
Underlying administration & other expenses	(435)	(290)	(383)	(608)	(17,016)	(18,732)
Other significant items [(i)]	-	-	(721)	-	(1,027)	(1,748)
Organisational restructuring expenses [(iv)]	-	-	-	-	(1,625)	(1,625)
Employee benefits expense	-	-	-	-	16,864	16,864
Administration & other expenses	**(435)**	**(290)**	**(1,104)**	**(608)**	**(2,804)**	**(5,241)**
Underlying net finance expense						(32,666)
Foreign exchange rate losses on restatement of monetary items						(3,427)
Net finance expense						**(36,093)**
Underlying income tax benefit						8,685
Tax effect of adjustments to underlying EBIT						804
Tax effect of adjustments to net finance expense						780
Other significant items [(i)]						(6,935)
Foreign exchange rate losses on restatement of monetary items						(3,014)
Income tax benefit						**320**

(i) Other significant items include a one-time adjustment to provisions for employee entitlements ($1.0M), a modification gain of $1.5M in relation to the expansion of the Motheo Finance Facility, an adjustment for other non-recurring costs ($0.7M), and an expense of $6.9M in relation to the derecognition of deferred tax assets at DeGrussa.

(ii) Employee benefits expenses per the face of the Consolidated Income Statement have been allocated against the function to which they most closely relate. The total employee benefits expense of $56.1M has been allocated across mine operating costs ($37.6M), Underlying exploration and evaluation expenses ($1.6M), and Underlying administration & other expenses ($16.9M).

(iii) Includes impairment of Spanish ($0.8M), Namibian ($0.8M) and Australian ($1.2M) exploration and evaluation asset acquisition costs for tenements relinquished during the period. Refer to Note 8 Exploration and evaluation assets.

(iv) Comprises Australian exploration redundancy expense following a shift in exploration focus towards the Kalahari Copper Belt and Iberian Pyrite Belt and corporate restructuring expenses.

3 Segment information (continued)

For the half year ended 31 December 2022	MATSA Copper Operations $000	Motheo Copper Operations $000	DeGrussa Copper Operations $000	Black Butte Copper Project $000	Exploration and Other $000	Group $000
Underlying other gains	2,222	168	14	-	-	2,404
Other significant items [i]	-	-	1,087	-	-	1,087
Other gains	**2,222**	**168**	**1,101**	**-**	**-**	**3,491**
Underlying mine operations costs	(158,367)	-	(57,283)	-	-	(215,650)
Other significant items [ii]	-	-	(1,883)	-	-	(1,883)
Employee benefits expense [iii]	27,207	-	11,021	-	-	38,228
Mine operations costs	**(131,160)**	**-**	**(48,145)**	**-**	**-**	**(179,305)**
Underlying exploration and evaluation expenses	(3,072)	(10,893)	-	(4,120)	(7,914)	(25,999)
Employee benefits expense [iii]	-	3,568	-	266	2,159	5,993
Exploration and evaluation expenses	**(3,072)**	**(7,325)**	**-**	**(3,854)**	**(5,755)**	**(20,006)**
Underlying impairment expense	-	-	-	-	-	-
Disposal of tenements [iv]	(2,585)	-	348	-	-	(2,237)
Impairment expense	**(2,585)**	**-**	**348**	**-**	**-**	**(2,237)**
Underlying administration & other expenses	(452)	(85)	-	(108)	(10,459)	(11,104)
Employee benefits expense [iii]	-	-	-	-	6,774	6,774
Administration & other expenses	**(452)**	**(85)**	**-**	**(108)**	**(3,685)**	**(4,330)**
Underlying net finance expense						(26,433)
Foreign exchange rate gains on restatement of monetary items						881
Net finance expense						**(25,552)**
Underlying income tax benefit						5,884
Tax effect of adjustments to underlying EBIT						239
Tax effect of adjustments to net finance expense						(309)
Foreign exchange rate losses on restatement of monetary items						(6,615)
Income tax expense						**(801)**

(i) Includes $1.1M gain arising on the disposal of property plant and equipment assets during the wind down of DeGrussa operations.

(ii) Includes employee redundancy and obsolete inventory expense incurred during the wind down of the DeGrussa operations.

(iii) Employee benefits expenses per the face of the Consolidated Income Statement have been allocated against the function to which they most closely relate. The total employee benefits expense of $51.0M has been allocated across Underlying mine operating costs ($38.2M), exploration and evaluation expenses ($6.0M), and Underlying administration & other expenses ($6.8M).

(iv) Includes impairment of Spanish ($2.6M) exploration and evaluation asset acquisition costs for tenements relinquished during the period and reversal of previously impaired Australian tenements ($0.3M) sold in FY23.

Adjustments and eliminations

Finance income, finance expense and income tax expense are not allocated to individual segments as they are managed on a Group basis.

Revenue

Revenue includes the gross revenue adjusted for both the realised and unrealised price and hedge adjustments during the quotational period as well as treatment and refining charges charged by the customer.

4 Sales revenue

	31 Dec 2023 $000	31 Dec 2022 $000
Revenue from contracts with customers		
Revenue from sale of concentrate	406,799	414,070
Revenue from shipping services	3,057	8,383
Total revenue from contracts with customers	**409,856**	**422,453**
Fair value movements on receivables subject to QP adjustment	(1,720)	(4,822)
Hedge gains	9,804	14,082
Total revenue	**417,940**	**431,713**

5 Finance income and expenses

	31 Dec 2023 $000	31 Dec 2022 $000
Finance income		
Interest on bank deposits	1,616	1,709
Total finance income	**1,616**	**1,709**
Finance expense		
Interest charges calculated using the effective interest rate method	(27,143)	(23,552)
Interest on lease liabilities	(897)	(318)
Net foreign exchange loss [(i)]	(6,279)	(2,053)
Unwinding of discount on provisions	(1,613)	(908)
Facility fees and charges	(1,777)	(430)
Total finance expense	**(37,709)**	**(27,261)**

(i) H1 FY23 exchange rate differences on tax balances of $6.6M have been reclassified to Income tax expense (refer Note 2). This is consistent with the presentation adopted in the 30 June 2023 Annual Report.

6 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The major components of income tax expense in the consolidated interim income statement are:

	31 Dec 2023 $000	31 Dec 2022 $000
Income taxes		
Current income tax expense	6,876	17,058
Deferred income tax (benefit) related to origination and reversal of temporary differences	(7,450)	(20,746)
Over provision in prior periods	(2,760)	(2,126)
Foreign exchange relating to tax [(i)]	3,014	6,615
Income tax (benefit) / expense recognised in the income statement	**(320)**	**801**
Income tax (benefit) / expense recognised in other comprehensive income	(11,837)	729
Total income tax (benefit) / expense recognised in the income statement and other comprehensive income	**(12,157)**	**1,530**
Reconciliation of income tax expense to pre-tax profit		
Loss before income tax	(54,206)	(27,477)
Income tax expense at the Australian tax rate of 30% (2022: 30%)	(16,262)	(8,243)
Increase / (decrease) in income tax due to:		
Tax rate differential on foreign income	1,218	4,369
Non-deductible expenses	5,066	1,730
Tax losses and deductible temporary differences not recognised	4,140	1,406
Current year capital losses not recognised	851	405
Derecognition of deferred tax assets	4,343	-
Over provision for prior year	(175)	(2,102)
Non assessable income	-	(51)
Recognition of previously unrecognised prior year losses	249	(970)
Other deductible expenses	(2,056)	(1,457)
Other assessable income	45	1,083
Net foreign exchange differences [(ii)]	2,261	4,631
Income tax (benefit) / expense	**(320)**	**801**

(i) H1 FY23 exchange rate variances on tax balances of $6.6M have been reclassified to Income tax expense (refer Note 2). This is consistent with the presentation adopted in the 30 June 2023 Annual Report.

(ii) Foreign exchange arising on retranslation of Euro denominated deferred tax balances.

Pillar Two Tax Reforms

Sandfire Resources Limited is part of a global consolidated group that will be subject to the proposed OECD Pillar Two tax reforms. These reforms apply to multinational entities where revenues exceed EUR 750M and would apply a 'top up' tax to profits in low taxing jurisdictions. In accordance with the mandatory exception introduced into AASB 112 Income Taxes, the Sandfire Resources Limited group has not recognised any deferred taxes arising from the Pillar Two reforms. Sandfire Resources Limited is currently undertaking a comprehensive review of its systems in order to prepare for the implementation of the Pillar Two regime.

7 Financial assets and liabilities

The following table shows the fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value measurement hierarchy as at 31 December 2023.

	Note	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets					
Trade receivables at fair value through profit and loss	(i)	-	49,556	-	49,556
Financial assets at fair value through other comprehensive income	(ii)	2,675	-	421	3,096
Derivative Assets – commodity swap contracts	(iii)	-	8,097	-	8,097
Total financial assets		**2,675**	**57,653**	**421**	**60,749**
Financial liabilities					
Trade payables at fair value through profit and loss	(i)	-	-	-	-
Derivative liabilities – commodity swap contracts	(iii)	-	(9,914)	-	(9,914)
Total financial liabilities		**-**	**(9,914)**	**-**	**(9,914)**

(i) Trade receivables and payables include concentrate sale contracts still subject to price adjustments where the final consideration to be received or paid will be determined based on prevailing London Metals Exchange (LME) metal prices at the final settlement date. Receivables and payables still subject to price adjustments at balance date are fair valued by estimating the present value of the final settlement price using the LME forward metals prices at balance date. The fair value takes into account relevant other fair value considerations including any relevant credit risk.

(ii) Equity instruments designated at fair value through OCI include investments in equity shares in listed and non-listed companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

(iii) Refer to Note 12 for further information relating to the fair value of derivatives.

The fair value of the financial instruments as at 30 June 2023 are summarised in the table below.

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets				
Trade receivables at fair value through profit and loss	-	26,165	-	26,165
Financial assets at fair value through other comprehensive income	4,402	-	458	4,860
Derivative Assets – commodity swap contracts	-	40,621	-	40,621
Derivative Assets – foreign exchange contracts	-	24	-	24
Total financial assets	**4,402**	**66,810**	**458**	**71,670**
Financial liabilities				
Trade payables at fair value through profit and loss	-	(8,201)	-	(8,201)
Derivative liabilities – commodity swap contracts	-	(1,092)	-	(1,092)
Total financial liabilities	**-**	**(9,293)**	**-**	**(9,293)**

8 Exploration and evaluation assets

	31 Dec 2023 $000	30 Jun 2023 $000
Reconciliation		
At 1 July 2023	59,348	84,126
Other expenditure and exploration tenements acquired	-	1,515
Transfer to Assets Under Construction (Mine properties)	-	(18,610)
Disposals	-	(1,697)
Impairment expense [(i)]	(2,751)	(4,022)
Net foreign exchange differences	564	(1,964)
At 31 December 2023	**57,161**	**59,348**

(i) Impairment expense for the period relates to disposal of tenements at MATSA, Motheo and DeGrussa.

9 Property, plant and equipment

	Mine Properties $000	Plant and equipment $000	Right of use asset $000	Assets under construction $000	Total $000
31 December 2023					
Opening net carrying amount	1,245,621	1,037,449	35,297	330,711	2,649,078
Additions	45,728	7,942	1,754	47,081	102,505
Disposals	-	(3,443)	(21)	-	(3,464)
Transfers	142,532	144,309	-	(286,841)	-
Depreciation and amortisation	(93,613)	(45,434)	(10,083)	-	(149,130)
Movement in the rehabilitation and restoration asset	(2,686)	1,168	-	-	(1,518)
Net foreign exchange differences	(316)	32	149	83	(52)
Closing net carrying amount	**1,337,266**	**1,142,023**	**27,096**	**91,034**	**2,597,419**
At 31 December 2023					
Gross carrying amount – at cost	1,669,106	1,538,945	64,344	91,034	3,363,429
Accumulated depreciation	(331,840)	(396,922)	(37,248)	-	(766,010)
Net carrying amount	**1,337,266**	**1,142,023**	**27,096**	**91,034**	**2,597,419**

	Mine Properties $000	Plant and equipment $000	Right of use asset $000	Assets under construction $000	Total $000
30 June 2023					
Opening net carrying amount	1,347,534	958,437	30,166	244,287	2,580,424
Additions	84,009	37,911	13,282	179,592	314,794
Disposals	-	(1,622)	-	-	(1,622)
Transfers	-	115,405	11,415	(126,820)	-
Transfer from exploration and evaluation	-	-	-	18,610	18,610
Capitalised depreciation	-	(5,703)	(736)	6,439	-
Depreciation and amortisation	(183,815)	(68,183)	(17,978)	-	(269,976)
Movement in the rehabilitation and restoration asset	-	3,540	-	8,102	11,642
Net foreign exchange differences	(2,107)	(2,336)	(852)	501	(4,794)
Closing net carrying amount	**1,245,621**	**1,037,449**	**35,297**	**330,711**	**2,649,078**
At 30 June 2023					
Gross carrying amount – at cost	1,483,848	1,383,074	62,098	330,711	3,259,731
Accumulated depreciation	(238,227)	(345,625)	(26,801)	-	(610,653)
Net carrying amount	**1,245,621**	**1,037,449**	**35,297**	**330,711**	**2,649,078**

10 Inventories

	31 Dec 2023 $000	30 Jun 2023 $000
Current		
Concentrate – at cost	15,226	25,188
Concentrate – at net realisable value (NRV) [(i)]	-	4,603
Ore stockpiles – at cost	30,763	16,695
Stores and consumables – at cost	32,316	32,150
	78,305	**78,636**
Allowance for obsolete stock – stores and consumables	(15,646)	(16,104)
	62,659	**62,532**
Non - Current		
Ore stockpiles – at cost [(ii)]	-	6,608
	-	**6,608**

(i) Concentrate at NRV relates to the recognition of nominal amounts of Motheo concentrate inventory produced during the commissioning phase of the processing plant, which was sold during the half year.

(ii) Motheo low grade ore stockpiles have been classified as current as at 31 December 2023 based on current mine scheduling.

11 Interest-bearing liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest rate method. Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs and amortised over the period of the remaining facility, as part of the effective interest rate of the related borrowings.

	31 Dec 2023 $000	30 Jun 2023 $000
Current interest-bearing liabilities		
Secured bank loans	59,094	59,031
Other loans	29	13,378
Total current interest-bearing liabilities	**59,123**	**72,409**
Non-current interest-bearing liabilities		
Secured bank loans	498,972	497,850
Total non-current interest-bearing liabilities	**498,972**	**497,850**

Secured Bank Loans

During the half year the Group executed a $60.0M uplift of the Motheo Project Finance Facility to $200.0M to underpin the 5.2Mtpa expansion. The uplifted Finance Facility maintains its overall 7-year tenure to June 2029 with scheduled repayments commencing in March 2024. The first two tranches totalling $40.0M have been drawn down, with the balance expected to be drawn in the second half of the 2024 financial year.

During the half year, repayments amounting to $31.0M (31 December 2022: $248.9M) were made in relation to the MATSA Finance Facility, in line with previously disclosed repayment terms.

Motheo Finance Facility

The key terms for the Motheo Project Finance Facility with Société Générale, Nedbank, Natixis & ING include:

- Total finance facility of $200.0M ($180.0M drawn down);
- The effective interest rate (EIR) on the debt facility is 11.01% (variable) including amortisation of capitalised transaction costs;
- Maturity date of 30 June 2029;
- 7-year tenure with scheduled repayments commencing in March 2024; and
- The Facility is secured against the operating assets of Tshukudu Metals Botswana.

12 Derivatives

During the period, Sandfire entered into copper and zinc commodity swap arrangements that were designated in cash flow hedge relationships.

Fair value measurement

When measuring the fair value of its derivative assets and liabilities, the Company uses observable market data.

Commodity swap contracts

	31 Dec 2023 $000	30 Jun 2023 $000
Derivative assets		
Commodity swap contracts – current	2,367	12,965
Foreign exchange contracts – current	-	24
Commodity swap contracts – non-current	5,730	27,656
Total derivative assets	**8,097**	**40,645**
Derivative liabilities		
Commodity swap contracts – current	1,774	1,051
Commodity swap contracts – non-current	8,140	41
Total derivative liabilities	**9,914**	**1,092**

As at 31 December 2023, the Group had a net hedge liability position reflecting the negative mark-to-market of copper and zinc contracts. Total hedge position comprised 46,106 tonnes of copper at an average price of $3.92/lb and 27,976 tonnes of zinc at an average price of $1.17/lb. The hedging tenor extends through to January 2026 for copper and January 2025 for zinc.

13 Related Parties

There have been no significant changes in the nature of related parties or amounts during the period.

14 Commitments and contingencies

Contractual commitments

The Group has entered into a number of key contracts as part of its operations. The minimum expected payments in relation to these contracts which were not required to be recognised as liabilities at 31 December 2023 amount to approximately $77.5M (undiscounted) (30 June 2023: $65.3M).

Contingencies

As at 31 December 2023, the Group did not have any material contingent assets or liabilities (30 June 2023: nil).

15 Significant events after the reporting date

Subsequent to 31 December 2023, we have made significant progress in our efforts to modernise the structure of the Group's debt facilities by securing credit approval for a US$200M corporate revolver facility in early H2 FY24. The establishment of this corporate revolver, which will increase the financial flexibility of the Group and significantly reduce our near term repayment profile, remains subject to the finalisation of documentation and satisfaction of conditions which are standard for a facility of this nature, both of which are expected to occur before the end of March 2024. This revolving debt facility is expected to have a maturity date of March 2026 and will be primarily used to repay the remaining $88M balance of MATSA Facility A.

Directors' Declaration

In accordance with a resolution of the Directors of Sandfire Resources Limited, I state that:

1. In the opinion of the Directors:

(a) the financial statements and notes of Sandfire Resources Limited for the half year ended 31 December 2023 are in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and

(ii) complying with AASB 134 (Interim Financial Reporting) and the *Corporations Regulations 2001;*

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

John Richards
Non-Executive Chair

Brendan Harris
Managing Director and Chief Executive Officer

West Perth, 22 February 2024

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Independent Auditor's Review Report to the members of Sandfire Resources Limited

Conclusion

We have reviewed the half-year financial report of Sandfire Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 25 to 42.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Deloitte.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants
Perth, 22 February 2024