

29 August 2024

FY24 FINANCIAL RESULTS OVERVIEW

The transformation of our business continued to gather momentum in FY24:

- Maintained a Total Recordable Injury Frequency (TRIF) of 1.6 (FY23: 1.6) thanks to an unrelenting focus on safety.
- Delivered a 47% increase in Group Copper Equivalent (CuEq) production from continuing operations to 133.5kt^(a), which was 1.1% below the full-year guidance set in July 2023.
- Continued to mitigate the impacts of inflation with Underlying operating costs from continuing operations of \$501M^{(b),(c)} being 3.8% better than initial guidance.
- Reported a 40.1% increase in Underlying EBITDA to \$362.2M and an Underlying loss of \$5.5M for a Statutory loss of \$19.1M as the near faultless ramp-up of Motheo underpinned a return to profitability in the June half year.
- Reduced net debt by \$34.0M to \$396.1M^(d) at 30 June 2024 having significantly improved financial flexibility with the establishment of a \$200M Corporate Revolver Facility and will remain disciplined as we seek to return the balance sheet to a net cash position.
- Established the platform to grow CuEq production by a further 13% in FY25 while maintaining a strong focus on costs, with Motheo's Underlying operating (unit) cost expected to remain unchanged at \$42/t of ore processed and MATSA's Underlying operating (unit) cost expected to remain below initial FY24 guidance at \$75/t of ore processed.
- Deferred a cumulative \$40M of investment in FY24 with the optimisation of our waste stripping plans at Motheo and the broader rescheduling of the A4 open pit development, with total capital expenditure expected to remain elevated at \$218M in FY25.
- Finalised a comprehensive five-year exploration plan that has been designed to deliver a significant increase in reserves at both MATSA and Motheo, with the expected 66.6% increase in the Group's exploration expenditure in FY25 to be primarily directed toward active drilling programs.

Financial highlights ⁽ⁱ⁾

US\$000	FY24	FY23	Change
Statutory financial measures			
Sales revenue	935,188	803,974	131,214
Profit / (Loss) before tax and net finance expense	53,386	(5,289)	58,675
Loss after tax	(19,071)	(53,661)	34,590
Loss per share (US cents) ⁽ⁱⁱ⁾	(3.80)	(11.81)	8.01
Ordinary dividends per share (US cents)	-	-	-
Other financial measures (non-statutory)			
Underlying Operations EBITDA	420,641	328,843	91,798
Underlying EBITDA	362,197	258,505	103,692
Underlying EBIT	58,637	(11,471)	70,108
Underlying Earnings	(5,473)	(45,257)	39,784
Underlying loss per share (US cents) ⁽ⁱⁱ⁾	(1.20)	(10.36)	9.16

(i) A reconciliation of Underlying Earnings metrics to the statutory financial results in the Consolidated Income Statement is included in Note 3 Segment information to the financial statements, contained in the FY24 Annual Report.

(ii) Basic earnings per share is calculated as (loss)/profit after tax attributable to the equity holders of Sandfire Resources Ltd divided by the weighted average number of shares on issue for the period. Underlying loss 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 FY24, which was released on 29 August 2024. Readers are also encouraged to review the accompanying FY24 Financial Results Presentation as it provides additional context in relation to the Group's performance. These will be available on the ASX Company Announcements Platform (ASX code: SFR) and on Sandfire's website www.sandfire.com.au

Sandfire CEO and Managing Director, Mr Brendan Harris, said:

“The transformation of our business continued to gather momentum in the last 12 months. We maintained our strong safety performance, closing the financial year with a Total Recordable Injury Frequency of 1.6, and we fundamentally changed the shape of leadership within the organisation with women accounting for more than 40% of our Board and Executive Leadership Team, and 32% of our senior leadership cohort overall.”

“In early June, we released the findings of the external investigation we commissioned into the historical disturbance of artefact scatters at our now-closed Monty Mine in Western Australia. We remain focused on implementing the recommendations contained within this report, and working with the Yugunga-Nya to rebuild our relationship and ensure the Company delivers on the commitments embedded within our framework agreement.”

“At an operational level, the near faultless ramp-up of Motheo in its first full year delivered a 47% increase in Group copper equivalent production to 133.5kt. Looking ahead, we expect Motheo to increase copper equivalent production by 31% in FY25 and generate strong free cash flow, given its Underlying Operations EBITDA margin of 57% in the June half year.”

“At MATSA, a blockage in a paste fill line restricted access to higher grade ore in the Aguas Teñidas Western Extension in the second half of the year. As a result, copper equivalent production declined by 1% to 88.8kt in FY24, despite a general improvement in consistency and predictability that is expected to support a 4% increase in copper equivalent production in FY25.”

“Collectively, the successful ramp-up of Motheo, record underground performance at MATSA and strong cost control more broadly, underpinned a 16% increase in sales revenue to \$935M and a 40% increase in Underlying EBITDA to \$362M. This included a return to profitability in the second half and a reduction in our net debt to \$396M at year end.”

“At a strategic level, our new exploration plan has been designed to establish a minimum 15-years of life at MATSA and Motheo within five years, while a targeted drilling program at Black Butte has identified additional high-grade intersections that are expected to enhance the project’s economics ahead of a final investment decision, which is anticipated in the next 18 to 24 months.”

“As the most efficient conductor of electricity, we believe demand for copper will only grow as the world responds to the impacts of climate change. Supply, however, is becoming constrained as existing mines get older and deeper, costs continue to rise, and regulatory requirements expand. We are very well placed to deliver high quality metal concentrates into this increasingly tight market.”

“Thank you to everyone on, or connected to, the Sandfire team for playing a role in our success. We have established the platform to grow Group Copper Equivalent production by a further 13% in FY25 and progressively return our balance sheet to a net cash position.”

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This announcement is authorised for release by Sandfire’s CEO and MD, Brendan Harris.

Sandfire Resources Ltd.
(ABN 55 105 154 185)

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 the Annual Report or this summary announcement. 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 expect the successful ramp up of Motheo and a record processing rate at MATSA to support a further 13% increase in Group CuEq production in FY25 to 154kt.

FY25 Guidance (FY24 actuals, CuEq restated on FY25 prices)	MATSA	Motheo	Corporate & Other	Group ⁽ⁱ⁾
Production				
Ore processed (Mt)	4.6 (4.5)	5.2 (4.2)		9.8 (8.7)
Copper (kt contained)	56 (56.5)	53 (41.2)		109 (97.8)
Zinc (kt contained)	92 (82.8)	- (-)		92 (82.8)
Lead (kt contained)	10 (7.5)	- (-)		10 (7.5)
Silver (Moz contained)	2.8 (2.5)	2.0 (1.2)		4.8 (3.7)
Copper Equivalent ⁽ⁱⁱ⁾ (kt contained)	95 (91)	59 (45)		154 (136)
Operating Cost				
Underlying Operating Cost (\$M) ⁽ⁱⁱⁱ⁾	347 (326)	219 (175)		566 (501)
Underlying Operating Cost (\$/t) Processed ⁽ⁱⁱⁱ⁾	75 (72)	42 (42)		
Implied C1 Cost (\$/lb)	1.51 (1.92)	1.51 (1.70)		
D&A (\$M)	240 (245)	73 (57)		313 (302)
Corporate G&A (\$M)	- (-)	- (-)	34 (31)	34 (31)
Underlying Exploration & Evaluation (\$M) ^(iv)	10 (6)	14 (8)	16 (10)	40 (24)
Capital Expenditure (\$M)				
Current Operations				
Mine Development & Deferred Waste Stripping	79 (77)	56 (33)		135 (111)
Sustaining & Strategic	43 (36)	31 (25)		74 (61)
Total Current Operations	122 (113)	87 (58)		209 (172)
Projects Under Construction & Development				
Motheo Development Capital – T3 & 3.2Mtpa	- (-)	- (8)		- (8)
Motheo Development Capital – A4 and 5.2Mtpa	- (-)	9 (30)		9 (30)
Total Projects Under Construction & Development	- (-)	9 (38)		9 (38)
Total Capital Expenditure	122 (113)	96 (97)	- (-)	218 (210)

(i) Continuing operations

(ii) FY25 CuEq is calculated based on the average forward price for FY2025 as at 27 June 2024 in USD. Cu \$9,623/t, Zn \$2,948/t, Pb \$2,200/t, Ag \$30/oz. Comparisons between FY25 Guidance and FY24 CuEq are based on FY25 pricing assumptions.

(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 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.

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Notes:

- (a) Copper Equivalent (CuEq) for FY23 & FY24 is calculated based on JUN23 average market price in USD. Source: Reuters; Assumptions: Cu \$8,386/t, Zn \$2,368/t, Pb \$2,118/t, Ag \$23/oz. FY25 CuEq is calculated based on the average forward price for FY2025 as at 27 June 2024 in USD. Cu \$9,623/t, Zn \$2,948/t, Pb \$2,200/t, Ag \$30/oz. Comparisons between FY25 Guidance and FY24 CuEq are based on FY25 pricing assumptions. CuEq is calculated using the following formula: Copper metal tonnes + Zn metal tonnes x (Zn price/Cu price) + Pb metal tonnes x (Pb price/Cu price) + Ag metal ounces x (Ag price/Cu price).
- (b) Underlying 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.
- (c) Underlying Operating Costs 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.
- (d) Net debt excludes capitalised transaction costs, leases and excludes revolving short-term working capital facilities for FY23.
- (e) Unless otherwise stated all currency figures are USD. Figures in Italics indicate that an adjustment has been made since the figures were previously reported.

IMPORTANT INFORMATION AND DISCLAIMERS**SFR Exploration Results, Mineral Resources and Ore Reserve estimates**

The information in this announcement that relates to SFR's Exploration Results, Mineral Resources or Ore Reserves is extracted from SFR's ASX releases and is available at <https://www.sandfire.com.au/where-we-operate/mineral-resources-and-ore-reserves/> or www.asx.com.au. The market announcements (public reports) relevant to SFR's Exploration Results, Mineral Resource and Ore Reserve estimates presented in this announcement are:

- 'Sandfire America reports additional high-grade copper intercepts at Black Butte Copper Project in Montana, USA' released to the ASX on 25 July 2024.

Note: Sandfire confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements, and, in the case of estimates of Mineral Resources or Ore Reserves confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward-Looking Statements

Certain statements within or in connection with this release contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration and project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Forward-looking statements can generally be identified by the use of forward-looking words such as 'expect', 'anticipate', 'may', 'likely', 'should', 'could', 'predict', 'propose', 'will', 'believe', 'estimate', 'target', 'guidance' and other similar expressions.

You are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. 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.

Unless otherwise stated, the forward-looking statements are current as at the date of this announcement. Except as required by law or regulation, 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.