



## DIVESTMENT OF SAMS CREEK GOLD PROJECT, NZ

Sandfire Resources Ltd (ASX: SFR; **Sandfire** or **the Company**) advises that it has reached agreement to sell its interest in the Sams Creek Gold Project in New Zealand to Auris Minerals Ltd (ASX: AUR; **Auris**).

The Sams Creek Gold Project, held by the Company's wholly-owned subsidiary, Sams Creek Gold Ltd (**SCGL**), is located in the northwest of the South Island of New Zealand and comprises two exploration tenements, EP 40 338 (subject to joint venture with OceanaGold Corporation (20%) and SCGL (80%)) and EP 54 454 (SCGL 100%).

Sandfire inherited the Sams Creek Gold Project through its acquisition of MOD Resources Ltd in October 2019, which saw it acquire a dominant ground position in the Kalahari Copper Belt in Botswana and a strategic focus on the T3 Copper-Silver Project development, subsequent near-mine A4 Dome discovery and other emerging exploration opportunities.

The Sams Creek Gold Project is non-core for Sandfire in terms of scale and development as Sandfire focusses on development of its advanced base metal development projects in Botswana and in Montana, USA.

Under the terms of the sale agreement, Auris will acquire 100% of Sandfire's wholly-owned subsidiary, Sams Creek Gold Ltd (**SCGL**).

The estimated up to \$23.2 million transaction value and structure fits well with the Company's Sandfire Ventures strategy, whereby Sandfire holds strategic shareholdings in companies that offer exposure to high-quality exploration and development assets around the world.

Post completion of the transaction, Sandfire will hold a 19.9% cornerstone shareholding in Auris, allowing it to retain leveraged exposure to the future upside arising from the exploration and potential development of the Sams Creek Gold Project and other assets.

Sandfire has an existing relationship with Auris through its Mork Well and Doolgunna Joint Venture exploration projects in the Bryah Basin of Western Australia, where it is managing exploration activities targeting new VMS discoveries in close proximity to the DeGrussa Copper-Gold Mine.

The acquisition remains subject to the completion of due diligence within 30 days of the executed binding term sheet, Auris shareholder approval of the issue of shares to Sandfire as consideration for the acquisition, and New Zealand regulatory consents to the change in control of SCGL.

Commenting on the transaction, Sandfire's Managing Director and CEO, Karl Simich, said: "This represents a positive outcome for both parties. For Sandfire, it provides an opportunity to leverage value from a non-core asset in partnership with a company with whom we already have a long-standing relationship in the Doolgunna region.

"We look forward to concluding this transaction and to continuing to work closely with Auris, both as an ongoing joint venture partner in the Bryah Basin and as a strategic cornerstone investor."

The consideration elements of the sale agreement are summarised in Appendix 1.

**ENDS**

## For further information contact:

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*This announcement is authorised for release by Sandfire's Managing Director and CEO.*

### Forward-Looking Statements

Certain statements made during or in connection with this announcement contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration and project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Sandfire believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements and no assurance can be given that such expectations will prove to have been correct.

There is continuing uncertainty as to the full impact of COVID-19 on Sandfire's business, the Australian economy, share markets and the economies in which Sandfire conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on Sandfire's business or the price of Sandfire securities.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management.

Except for statutory liability which cannot be excluded, each of Sandfire, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission. Sandfire undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.

## Appendix 1 – Summary of transaction consideration

The consideration payable to Sandfire is summarised below.

1. Share consideration:
  - 102.5 million new fully-paid ordinary Auris shares at a deemed price of \$0.08 per share for a total deemed consideration of \$8.2 million.
2. Deferred consideration:
  - \$2,500,000 in cash, payable 24 months post-completion of the transaction; and
  - \$2,500,000 in cash, payable 48 months post-completion of the transaction.

At Auris' election, Auris may elect to satisfy the Deferred Consideration by the issue of AUR Shares issued at the prevailing 15-day VWAP, but subject always to any necessary Auris shareholder approval for the issue of the AUR Shares at the relevant time for compliance with the ASX listing rules and compliance with s606 of the Corporations Act.

3. \$10 million in cash production payments, comprising an initial payment of \$5 million payable 18 months after commercial production and a second payment of \$5 million payable 36 months after commercial production.

In addition Sandfire has been issued 32,150,000 quoted \$0.08 options over Auris shares expiring 30 November 2020 (ASX: AUROC) upon entry into the binding term sheet in relation to the transaction.