

13 October 2021

Sandfire announces intention to sell its investment in Adriatic Metals Plc

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This announcement contains inside information for the purposes of article 7 of the UK version of regulation (EU) No. 596/2014 on market abuse, as it forms part of UK domestic law by virtue of the European Union (withdrawal) act 2018, as amended ("UK Mar"), and article 7 regulation (EU) No. 596/2014 on market abuse ("EU Mar").

Sandfire Resources Limited (the "**Seller**") has appointed Canaccord Genuity Limited ("**Canaccord**"), RBC Europe Limited ("**RBC**") and Stifel Nicolaus Europe Limited ("**Stifel**") (the "**Joint Bookrunners**") in relation to a proposed secondary sale of up to 34,600,780 CHESSE depository interests representing ordinary shares (the "**Secondary Placing Shares**") in the capital of the Adriatic Metals Plc (the "**Company**"), representing its entire holding in the Company (the "**Secondary Placing**"). The Secondary Placing Shares represent approximately 16 per cent of the Company's existing issued ordinary share capital.

The Secondary Placing will be implemented at a placing price of AU\$2.80¹ per Secondary Placing Share (the "**Placing Price**"), representing a discount of approximately 15.9 per cent to the closing price on the Australian Securities Exchange ("**ASX**") on 12 October 2021.

Completion of the Secondary Placing would realise Sandfire gross proceeds of approximately A\$97 million.

The Secondary Placing will be conducted as a placing to institutional investors (the "**Placees**") through an accelerated bookbuild to be carried out by Canaccord, RBC and Stifel. The books for the Secondary Placing will open with immediate effect.

In the event that the Seller determines to sell less than all of its shares in the Secondary Placing, the Seller has agreed that it will not, for a period of 90 days following the completion of the Secondary Placing, offer, sell or otherwise transfer any shares from their remaining shareholdings in the Company without the consent of Canaccord, RBC and Stifel (subject to customary exceptions and waiver by the Joint Bookrunners).

The proceeds of the Secondary Placing are payable in cash on usual settlement terms, and closing of the Secondary Placing is expected to occur on either a T+2 or T+17 basis, in the latter case, subject to a general meeting of the Company expected to be convened on 29 October 2021 (the "**General Meeting**") and the satisfaction or waiver of certain customary conditions. The details of the

¹ Calculated by reference to a GBP:AUD exchange rate of 1: 1.8453 and a GBP:USD exchange rate of 1: 1.3547 as at 3.00 p.m.(BST) on 12 October 2021.

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General Meeting and resolutions to be proposed at the General Meeting will be set out in a shareholder circular to be published by the Company which is expected to be published on 14 October 2021. The circular will be sent and made available on the Company's website to shareholders. Settlement of the Secondary Placing may be brought forward to T+2, at the discretion of the Seller and the Joint Bookrunners.

The Seller has irrevocably undertaken not to vote against any of the resolutions to be proposed at the General Meeting to be undertaken by the Company on which it is precluded from voting in favour, and to vote in favour of the remaining resolutions.

The sale is subject to demand and market conditions. The identity of Placees and the basis of the allocations are at the discretion of the Seller, Canaccord, RBC and Stifel. The number of Secondary Placing Shares to be placed will be agreed by the Seller, Canaccord, RBC and Stifel at the close of the bookbuilding process. The details will be announced as soon as practicable after the close of the bookbuilding process.

The bookbuild is expected to close no later than 2.00 p.m. (Australian Eastern Time) on 13 October 2021, however, the Joint Bookrunners and the Seller reserve the right to close the bookbuild earlier or later, without further notice.

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

IMPORTANT NOTICE AND DISCLAIMER

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The distribution of this announcement and the offer and sale of the Secondary Placing Shares in certain jurisdictions may be restricted by law. The Secondary Placing Shares may not be offered to the public in any jurisdiction in circumstances which would require the preparation or registration of any prospectus or offering document relating to the Secondary Placing Shares in such jurisdiction. No action has been taken by the Seller, Canaccord, RBC and Stifel or any of their respective affiliates that would permit an offering of the Secondary Placing Shares or possession or distribution of this announcement or any other offering or publicity material relating to such securities in any jurisdiction where action for that purpose is required. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

This announcement is not for publication, distribution or release, directly or indirectly, in or into the United States of America (including its territories and dependencies, any State of the United States and the District of Columbia), Australia, Canada, South Africa or Japan or any other jurisdiction where such an announcement would be unlawful. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession

this document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement has not been lodged with the Australian Securities and Investments Commission and is not a prospectus, product disclosure statement or disclosure document for the purpose of the Corporations Act 2001 (Cth) ("Corporations Act") and it does not and is not required to contain all the information which would be required under the Corporations Act to be included in such a disclosure document. This announcement does not constitute an offer of securities for sale in Australia. No offer of Secondary Placing Shares may be made in Australia except to a person who is a sophisticated investor, a professional investor or a wholesale client (each as defined in the Corporations Act).

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and U.S. state securities laws. Neither this document nor the information contained herein constitutes or forms part of an offer to sell or the solicitation of an offer to buy securities in the United States. Any public offering of securities in the United States must be made by means of a prospectus obtained from the issuer or the selling security holder that contains detailed information about the issuer and management, as well as financial statements. There will be no public offer of the securities of the Company referenced in this press release in the United States or in any other jurisdiction.

No offer and sale of Secondary Placing Shares is or will be made in Canada, except to persons who are: (a) an "accredited investor" within the meaning of Section 1.1 of National Instrument 45-106 - Prospectus Exemptions ("NI 45-106") of the Canadian Securities Administrators or subsection 73.3(1) of the Securities Act (Ontario) (the "OSA"), as applicable, and is either purchasing the Secondary Placing Shares as principal for its own account, or is deemed to be purchasing the Secondary Placing Shares as principal for its own account in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (b) such person was not created or used solely to purchase or hold the Secondary Placing Shares as an accredited investor under NI 45-106; (c) a "permitted client" within the meaning of National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103") of the Canadian Securities Administrators; and (d) entitled under applicable Canadian securities laws to purchase the Secondary Placing Shares without the benefit of a prospectus under such securities laws. Any resale of the Secondary Placing Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities legislation. **Canadian investors should note, in particular, that the Company is a "reporting issuer" under the securities legislation of Alberta and British Columbia and, accordingly, the offshore resale exemptions under section 2.14 and section 2.15 of National Instrument 45-102 Resale of Securities and the similar exemptions available under Alberta and Ontario securities legislation are not available.** A Canadian investor should seek legal advice prior to any resale of the Secondary Placing Shares.

Canadian investors are hereby notified that:

Unless permitted under securities legislation, a holder of Ordinary Shares or CDIs must not trade the security before the date that is 4 months and a day after the closing of the offering, which is anticipated to be [] October 2021.

Statutory Rights of Action - Ontario Purchasers

Under Ontario securities legislation, certain purchasers who purchase the securities offered hereby during the period of distribution will have a statutory right of action for damages, or while still the owner of the securities, for rescission against the Company if this offering memorandum contains a misrepresentation without regard to whether the purchasers relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the Company will have no liability. In the case of an action for damages, the Company will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Not all defences upon which the Company may rely are described herein. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

The Company's prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "**Authority**"). Accordingly, the prospectus, this announcement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Secondary Placing Shares to be issued from time to time by the Company pursuant to the Secondary Placing may not be circulated or distributed, nor may the Secondary Placing Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an 'institutional investor' (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a 'relevant person' (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Secondary Placing Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2 (1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Secondary Placing Shares pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

The Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Secondary Placing Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

In member states of the European Economic Area ("**EEA**"), this announcement and any offer if made subsequently is directed exclusively at persons who are "qualified investors" within the meaning of the Prospectus Regulation (Regulation (EU) 2017/1129) ("**Qualified Investors**"). In the United Kingdom, this announcement is directed exclusively at persons who are "qualified investors" within the meaning of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented, and (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) who fall within Article 49(2)(A) to (D) of the Order, or (iii) professional investors in Hong Kong under the Securities and Futures (Professional Investor) Rules made under the Securities and Futures Ordinance of Hong Kong; or (iv) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**").

This document is directed only at Qualified Investors in member states of the EEA and Relevant Persons in the United Kingdom and must not be acted on or relied on by persons in member states of the EEA who are not Qualified Investors and by persons in the United Kingdom who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This announcement is not an offer of securities or investments for sale nor a solicitation of an offer to buy securities or investments in any jurisdiction where such offer or solicitation would be unlawful. No action has been taken that would permit an offering of the securities or possession or distribution of this announcement in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

In connection with the Secondary Placing, Canaccord, RBC and Stifel and any of their respective affiliates acting as an investor for its own account may take up as a proprietary position any Secondary Placing Shares and in that capacity may retain, purchase or sell for their own account such Secondary Placing Shares and other securities of Adriatic Metals plc or related investments in connection with the Placing or otherwise. Accordingly, references in this announcement to the Secondary Placing Shares being sold, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, any of the Joint Bookrunners and any of their affiliates acting in such capacity. In addition the Joint Bookrunners and any of their affiliates may enter into financing arrangements and swaps and contracts for differences with investors in connection with which they may from time to time acquire, hold or dispose of Secondary Placing Shares. Canaccord, RBC and Stifel do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

A communication that a transaction is or that the book is "covered" (i.e. indicated demand from investors in the book equals or exceeds the amount of the securities being offered) is not any indication or assurance that the book will remain covered or that the transaction and securities will be fully distributed by the Joint Bookrunners. The Joint Bookrunners reserve the right to take up a portion of the securities in the offering as a principal position at any stage at their sole discretion, inter alia, to take account of the objectives of the seller, MiFID II requirements (or such requirements as they form part of UK law) and in accordance with allocation policies.

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*This document includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "**intends**", "**expects**", "**will**", or "**may**", or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Any forward-looking statements are subject to risks relating to future events and assumptions relating to the Company's business, in particular from changes in political conditions, economic conditions, evolving business strategy, or the oil and gas industry. No assurances can be given that the forward-looking statements in this document will be realised. As a result, no undue reliance should be placed on these forward-looking statements as a prediction of actual results or otherwise.*