



## **Black Butte Copper Crosses the Permitting Finish Line with Positive Record of Decision**

*Issuance of the landmark Record of Decision for the Black Butte Mine Operating Permit paves the way for construction and production*

**White Sulphur Springs, Montana – April 9, 2020 – Sandfire Resources America Inc.** (“Sandfire America” or the “Company” **TSX.V: SFR and OTCQB: SRAFF**) is pleased to announce that the Black Butte Copper underground mining project in Montana, USA has received a Record of Decision for its permit.

Today, the Montana Department of Environmental Quality (MTDEQ) released a positive Record of Decision (RoD) to grant a Mine Operating Permit to the Company’s wholly-owned subsidiary, Tintina Montana Inc. This will allow development and underground mining of the Johnny Lee deposit at the Black Butte Copper Project to proceed.

Issuance of the RoD now requires the MTDEQ to finalize a financial bond calculation within 40 days. Once the bond is submitted and accepted, it will pave the way for the potential commencement of construction at Black Butte.

The Company’s subsidiary concurrently received its preliminary Air Quality Permit and a Montana Pollution Discharge Elimination System (MDPES) permit.

Commenting on this significant milestone, Sandfire America’s CEO and VP of Project Development, Rob Scargill, said: “The issuance of the RoD by the MTDEQ is a clear indication that the State of Montana is a good place to invest and create new jobs. Our project design robustly meets and exceeds some of the strictest environmental requirements for mining worldwide and demonstrates that 21<sup>st</sup> Century mining and environmental excellence can go hand-in-hand.

“We are now looking forward to completing the Black Butte Feasibility Study, progressing project funding options and, subject to a positive Final Investment Decision, building what we expect to become a showcase mine with state-of-the-art technology that we will all be very proud of.”

Sandfire America Senior Vice President, Jerry Zieg, said: “Black Butte Copper will represent mining innovation at its best. We are embracing accountability and being responsible custodians of our environment. We are continuing to engage with our communities and creating a new model for sustainable value for all our stakeholders.”

The RoD comes with stipulations consistent with the Company's planned staged approach to development and environmental protection. The RoD and stipulations can be found on MT DEQ's website at <http://deq.mt.gov/Public/eis>.

The stipulations require an incremental bonding approach allowing for an initial bond increment for Phase 1 development work of surface preparation of the mine site. Followed by a second bond increment to cover all underground development, mill construction, and any activities involving beneficial water use. There is also a reclamation bond calculation and final design requirement for the agency modified alternative closure plan, before the second increment of bonding and any Phase 2 development work or mining.

In a press release released by the MT DEQ, Director Shaun McGrath said, "DEQ staff thoroughly analyzed this project and applied the best available science. Our job is to ensure a proposed project will meet or exceed the environmental regulations set forth in law. This work has resulted in the most protective hard rock mining permit this agency has ever signed."

The RoD comes 28 days after the MTDEQ released a Final Environmental Impact Statement (EIS) and the Montana Department of Natural Resources & Conservation (MTDNRC) issued a Preliminary Determination to grant water right owners' application to modify their irrigation water rights to include leasing water for mitigation and an application by the Company for high flow water rights for the project.

The Johnny Lee deposit represents one of the highest copper grade undeveloped projects in the world with a Measured and Indicated Undiluted Resource of 10.9 million tonnes at 2.9% Cu including a Lower Copper Zone with a copper grade of 6.8%.

This will be a relatively shallow underground mine accessed by a 1,700m decline to access first the Upper Copper Zone (60-200m or 150 to 600 feet deep) followed by additional development to reach the Lower Copper Zone (300-500m or 900 to 1,500 feet deep).

The Mine Operating Permit includes the environmental framework to design a clean, safe modern mine and processing plant including:

- Mine entrances and processing plant are positioned to protect the integrity of Sheep Creek and all wetlands.
- The underground mine will have a portal access above the water table with minimal surface infrastructure with underground primary fans.
- A drift-and-fill mining method will employ cemented paste backfill eliminating subsidence and placing almost half of the tailings back underground.
- The other half of the tailings will be safely stored in a HDPE double-lined cemented tailings facility as a dry solid.
- The operation will utilize a conventional process of crush-grind-froth flotation processing.

- Sealed containers will be used for transporting concentrate to smelters, removing dust generation points during transit.
- Mine water is used for process water which is constantly recycled.
- Mine closure will include removal of all surface facilities, reclamation of any disturbed land to comparable utility and stability, and sealing of the Cemented Tailings Facility in a double-liner and followed by addition of soil and revegetation.
- No perpetual water treatment is required.

## Feasibility Study

All the technical studies have now been completed for the Black Butte Project Feasibility Study, which commenced in October 2018. The Company released an updated Mineral Resource in October of 2019 for use as the foundation for the Feasibility Study. The timing for completion of the Feasibility Study may be delayed due to the global health and financial crisis caused by COVID-19. The Company will provide a further update when better information is available.

## COVID 19 Risk Response

Sandfire America Inc. is closely monitoring the current global health and financial crisis caused by COVID-19 and actively responding to changing rules and guidelines. To help protect our workforce and the local community, the White Sulphur Springs, Montana office has been temporarily closed. Our work and all communications continue with staff working remotely as requested by the State of Montana.

### QUALIFIED PERSON

Jerry Zieg, Vice President of Exploration for the Company, is a Qualified Person for the purposes of NI 43-101 and has reviewed, verified, and approved the data disclosed and information of a scientific or technical nature contained in this news release.

### Contact Information:

Sandfire Resources America Inc.  
Nancy Schlepp, VP of Communications  
Mobile: 406-224-8180  
Office: 406-547-3466  
Email: [nschlepp@sandfireamerica.com](mailto:nschlepp@sandfireamerica.com)

### CAUTIONARY NOTE

*Cautionary Note Regarding Forward-Looking Statements: Certain disclosures in this document constitute "forward looking information" within the meaning of Canadian securities legislation, including statements regarding the RoD, the completion of the BFS, permitting timelines and the Company's plans for advancing the Black Butte Copper Project including financing, anticipated expenditures and expected outcomes. In making these forward-looking statements, the Company has applied certain factors and assumptions that the Company believes are reasonable, including that the Company will receive required regulatory approvals, that the Company will continue to be able to access sufficient funding to execute its plans, that the Company's exploration and development activities on the Black Butte Copper Project will not be materially affected by actions of environmental activists or other special interest groups, and that the results of exploration and development activities are consistent with management's expectations, and assumptions regarding the impact of the global health and financial crisis caused by COVID-19 on the Company. However, the forward-looking statements in this document are subject to numerous risks, uncertainties and other factors, including factors relating to the Company's*

*operation as a mineral exploration and development company and the Black Butte Copper Project, that may cause future results to differ materially from those expressed or implied in such forward-looking statements, including that results of exploration and development activities will not be consistent with management's expectations, delays in obtaining or inability to obtain required government or other regulatory approvals or financing, interference with the Company's exploration or development activities by environmental activists or other special interest groups, the risk that the Company will be materially and adversely impacted by the global health and financial crisis caused by COVID-19, failure of plant, equipment or processes to operate as anticipated, the risk of accidents, labor disputes, inclement or hazardous weather conditions, unusual or unexpected geological conditions, ground control problems, earthquakes, flooding and all of the other risks generally associated with the development of mining facilities. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*