

## **Black Butte Copper Project Update**

**White Sulphur Springs, Montana – August 17, 2020 – Sandfire Resources America Inc.** (“Sandfire America” or the “Company” **TSX.V: SFR and OTCQB: SRAFF**) provides the following update on its Black Butte Copper underground mining project in Montana, USA.

### **Final Mine Operating Permit Granted**

The Company is pleased to announce that on August 14, 2020, the Montana Department of Environmental Quality (“MT DEQ”) issued a final approval for the Phase I Bonding for the underground Black Butte Copper project (the “Project”). The Company has posted a US\$4.65 million surety bond for the Project, the MT DEQ has approved the bond posting and has issued a Final Mine Operating Permit allowing the Company the right to commence Phase I Development surface construction at the mine site.

The issuance of the Final Mine Operating Permit is the result of the Company meeting all the requirements of the Project Record of Decision as published by the MT DEQ on April 9, 2020.

### **Commencement of Phase I Development Surface Earthworks**

The Company has signed a construction contract for the commencement of surface earthworks with MK Weeden, a Lewistown, Montana company. In addition, it has signed a fencing contract with a local Meagher County business, Menard Construction Inc. These two contractors will employ up to 30 Montanans on the early earthworks project this year.

Commenting on the achievement of this milestone, Sandfire America’s CEO and VP of Project Development, Rob Scargill, said: “Putting local Montana companies to work has always been an important company goal and now, more than ever, it will help with the economic recovery as we continue to deal with COVID-19 pandemic. Strength in the natural resources sector is crucial to creating lasting opportunities for the people of Montana.”

### **Hard Rock Mining Impact Plan Account Fully Funded**

The Montana Hard Rock Mining Impact Act, a law unique to Montana and of great importance for local governments, requires a large-scale mineral development to prepare a Hard Rock Mining Impact Plan (“HRMIP”) which describes the social and

economic impacts the mineral development will have on affected units of local government. The Company must then provide the local governmental units funding to address identified financial impacts. The units of local government affected by the Black Butte Copper Project are Meagher County, the City of White Sulphur Springs, and the White Sulphur Springs Public School District #8. The agreed Black Butte Copper HRMIP requires the Company to place \$437,000 in an escrow account available for access by the local government entities as needed during mine construction. The account undergoes an annual review ensuring it adequately covers impacts.

VP of Communication Nancy Schlepp stated, "This law is a fabulous monetary bridge for our community ensuring no lag time is felt as our community infrastructure needs change as the tax base expands- ultimately benefitting everyone. This brilliant law should be considered by other areas of Montana business".

### **Feasibility Study Reaching Finalization**

Work on the Feasibility Study for the Project is being finalized, using the agreed bonding amounts and with updated market inputs after COVID-19. The Feasibility Study is expected to be published in the September Quarter, 2020.

### **Financing**

Following a review of financing options by the Non-Executive Independent Directors, the Company entered into to an unsecured loan with our majority shareholder, Sandfire Resources Limited, to provide US\$5 million to cover anticipated expenditures for early earthworks and to defend the Mine Operating Permit from legal challenges. This brings the Company's total debt to US\$10 million. On release of the Feasibility Study, the Board will consider the Company's mid-term and long-term financing options.

#### **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 Company’s plans for advancing the Black Butte Copper Project including commencement of contracted surface work 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.*

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