



## **Black Butte Copper Achieves Two Key Permitting Milestones**

*Release of the Final EIS and issue of Preliminary Determination for Water Right's Change of Use mark further key steps towards receiving a Record of Decision (ROD)*

**White Sulphur Springs, Montana – March 13, 2020 – Sandfire Resources America Inc.** (“Sandfire America” or the “Company” **TSX.V: SFR and OTCQB: SRAFF**) is pleased to advise that it has achieved two key permitting milestones for the Black Butte Copper underground mining project in Montana.

Today, two Montana Government agencies have each issued important components of the overall permitting process for the Black Butte Copper project which are key to the Company receiving a Record of Decision (RoD) for its Mine Operating Permit (MOP).

First is the release of Final Environmental Impact Statement (EIS) by the Montana Department of Environmental Quality (MTDEQ). The MTDEQ commenced the EIS in September 2017 and released a Draft EIS in March 2019. Issuance of the Final EIS signals that the MTDEQ, and its independent third-party environmental consultants, have completed all environmental reviews related to Black Butte Copper and all issues raised during the public comment period have been responded to.

Second, the Department of Natural Resources & Conservation (MTDNRC) has issued a Preliminary Determination (PD) in response to the water right owners’ application to modify their irrigation water rights to include leasing water for mitigation for the Black Butte Copper project. The proposed water right modification maintains water balance in the Sheep Creek drainage area.

The PD will also address the Company’s request for a groundwater permit and a high flow water right to capture spring run-off and store in a reservoir, which will provide water to replenish stream flows year-round. The issuance of the PD triggers a comment period for other water rights holders prior to a Final Determination.

The achievement of these key milestones requires the MTDEQ to release a Record of Decision (RoD), whether positive or negative, for Black Butte Copper’s MOP after a minimum of 15 days. Issuance of a positive RoD would require the MTDEQ to finalize a bond calculation within 40 days- paving the way for the commencement of construction at Black Butte.

In a press release released today, DEQ Director Shaun McGrath stated, “The Final EIS represents a thorough evaluation of the potential impacts of this proposed project. Our review was informed not only by the DEQ scientists working on the project, but also by

the thousands of comments submitted throughout the process. It was truly an extensive effort and we appreciate the public's interest and participation."

Sandfire America's CEO and VP of Project Development, Rob Scargill, said: "We are delighted to have achieved these key milestones, which represent the culmination of a robust and lengthy permitting process. Together with our team of Montana-based environmental consultants, we have demonstrated that a modern underground mine can be developed and operated while fully protecting the environment and water resources."

Sandfire America Senior Vice President Jerry Zieg, who has managed the permitting process with the MTDEQ and MTDNRC, said: "I've devoted much of my career to bringing our copper discovery at Black Butte 35 years ago to fruition for my hometown and community. I look forward to the day that the state issues its Record of Decision for our mining permit, and I commend the MTDEQ and MTDNRC for their professionalism and hard work."

### **Bankable 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.

GR Engineering Services, SRK Consulting and others are now completing documentation of the technical sections. Once the RoD is published, the Company can ensure that the designs and financial modelling in the Feasibility Study are consistent with the permit requirements.

### **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\$2 million to cover anticipated expenditures through completion of the Feasibility Study. This is in addition to the US\$3M borrowed in the fall of 2019. 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.

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**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 receipt of a 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. 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, ailure 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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