

9 June 2021

Perenti to partner with Sandfire Resources at the Motheo Project in Botswana

Perenti Global Limited (ASX: PRN) ('Perenti' or 'the Company') is pleased to announce its surface mining business in Africa, African Mining Services ('AMS'), has been awarded the contract for open pit mining services at the Sandfire Resources (ASX:SFR) Motheo Copper Project ('Motheo') in Ghanzi, Botswana. The contract, which is yet to be finalised, has an estimated value of US\$496 million (A\$648 million at 100% basis) over an initial term of 7 years and 3 months with a provision for a one-year extension.

Finalisation of the contract is contingent on the satisfaction of two primary conditions:

- 1) Sandfire being granted a mining licence for the Motheo Project; and
- 2) Finalising the terms of the Mining Services Contract.

Under the terms of the Mining Services Contract, AMS will identify a suitable local Botswana company or companies as a Joint Venture partner for the project and transition to the joint venture before the commencement of mining in early 2022.

Perenti Managing Director and Chief Executive Officer Mark Norwell said Motheo represents a game changing growth opportunity for AMS and will substantially increase Perenti's presence in Botswana, one of the world's most attractive mining jurisdictions, ranked the eleventh most attractive region for global mining investment¹ and holds Africa's strongest credit rating of BBB+ from S&P.

Mr Norwell said, "Partnering with Sandfire is a great opportunity and collectively we share a strong commitment to the creation of shareholder value while demonstrating the highest standards of safety, responsibility and sustainability. We look forward to demonstrating our capabilities as we deliver on our commitments at the Motheo Project."

"Growing our footprint in Botswana is aligned with our 2025 strategy, to further expand into stable mining jurisdictions and pursue quality projects. The benefit of adding Motheo to the Perenti project portfolio is the opportunity to leverage our existing in-region operational presence at Zone 5 as well as partnering with Sandfire to develop Botswana's next large-scale, highly productive, world-class copper mine.

"The Motheo project is another positive step in the ongoing transformation of our AMS business as we seek to create value and certainty for our client Sandfire and the Ghanzi community." Mr Norwell added.

Level 2, 202 Pier Street
Perth WA 6000
Australia

PO Box 8286
Perth WA 6849
Australia

T +61 8 9421 6500
E investorrelations@perentigroup.com

Mining Chief Executive Officer Paul Muller said: “We are committed to creating a lasting, positive legacy in Botswana and we expect the Motheo project will create a significant number of high-quality employment opportunities and generate social and economic value for local and regional communities of Botswana. Through this commitment and the establishment of a local joint venture partnership, we expect that more than 95% of the workforce will be citizens of Botswana.

Furthermore, and leveraging our existing Maun based state-of-the-art mining training centre, our workforce will have access to the latest mining techniques and technology to enable the creation of a safe, highly skilled and productive workforce to support economic growth and diversification within Botswana.”

“We are also excited by the opportunity to deploy future-focussed mining technology initiatives on this project that will not only provide expected productivity and safety benefits to Sandfire but are also aligned with helping to achieve our combined sustainability goals.”

The Motheo project is located in the Kalahari Copper Belt, an emerging and relatively underexplored copper producing region, in the safe, democratic, politically stable and mining-friendly jurisdiction of Botswana. The project is located approximately 200kms to the south west of the Khoemacau Zone 5 project, where Perenti, through its subsidiary Barminco, is currently engaged to undertake underground mine development works.

Motheo is held through Sandfire’s subsidiary, Tshukudu Metals, and was approved for development by Sandfire’s Board of Directors in December 2020 following completion of a Definitive Feasibility Study on a base case of a 3.2Mtpa operation with expansion potential. Motheo forms part of Sandfire’s investment in a new, long-life copper production hub centred around the Motheo mine. The mine is underpinned by a robust resource that is expected to produce copper for over 12 years, with significant exploration upside and growth potential within Sandfire’s 100%-owned licence holdings in the Kalahari Copper Belt, across both Botswana and Namibia.

Perenti anticipates pre-production work to commence in late 2021 with mining to commence in early 2022.

Authorised by:

Mark Norwell

Managing Director and CEO

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Investor enquiries:

Jeffrey Sansom

Group Manager Investor Relations

+61 473 089 856

Media enquiries:

John Gardner

Citadel-MAGNUS

+61 413 355 997

Level 2, 202 Pier Street
Perth WA 6000
Australia

PO Box 8286
Perth WA 6849
Australia

T +61 8 9421 6500
E investorrelations@perentigroup.com

¹ Frasers Institute Survey of Mining Companies 2020

Level 2, 202 Pier Street	PO Box 8286	T +61 8 9421 6500
Perth WA 6000	Perth WA 6849	E investorrelations@perentigroup.com
Australia	Australia	

Perenti Global Limited ABN 95 009 211 474 (ASX: PRN) (**Perenti**)

perentigroup.com

Perenti is a diversified global mining services group with businesses in surface mining, underground mining and mining support services. The Group was founded in Kalgoorlie in 1987 and is today one of the world's largest companies providing surface and underground mining at scale. Headquartered in Australia, Perenti has operations and offices in 13 countries across four continents, employs around 8,000 mining professionals and is creating enduring value and certainty for clients on some of the world's largest mining projects.