23 October 2020

Dear Shareholder,

Notice of 2020 Annual General Meeting

Sandfire Resources Limited's (**Sandfire** or **the Company**) 2020 Annual General Meeting (**AGM**) will be held as a virtual meeting on:

Date: Friday, 27 November 2020

Time: 11:00am (AWST)

In accordance with temporary modifications to the Corporations Act under the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020*, the Company is not sending hard copies of the Notice of AGM and Explanatory Memorandum to shareholders (**Notice**). Instead the Notice is being made available to shareholders electronically. This means that:

- A copy of the Notice is available online at the Company's website at the following link: https://www.sandfire.com.au/site/investor/agm.
- A copy of the Notice has been posted to the Company's ASX Market announcements page at www.asx.com.au under the Company's ASX code "SFR".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Notice and the voting instruction form.

Given the impact of COVID-19 and to comply with current Federal and State Government guidelines and restrictions on social distancing, the Board has made the decision that, in the interests of safety, the Company's AGM will be held virtually. There will be no physical meeting.

You are encouraged to participate virtually in the live AGM webcast and vote in the manner described in the Notice. The Company will publish a virtual meeting guide on the ASX and the Company's website prior to the Meeting outlining how Shareholders will be able to participate in the Meeting virtually.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

If you are unable to access the Notice please contact our share registry Automic at hello@automicgroup.com.au or by phone on +61 2 9698 5414 (International) or 1300 288 664 (within Australia) between 9:00am and 5:00pm (AEST) Monday to Friday, to obtain a copy.

Yours faithfully

Matthew Fitzgerald
Chief Financial Officer and

follower

Company Secretary

admin@sandfire.com.au



NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Friday 27 November 2020

Time of Meeting

11am (AWST)

Place of Meeting

The Meeting will be held virtually.

Virtual Online Platform via computer using URL: https://investor.automic.com.au/#/home

The Company will publish a virtual meeting guide on the ASX and the Company's website prior to the Meeting outlining how Shareholders will be able to participate in the Meeting virtually.

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting virtually, please complete and return the Proxy Form in accordance with the specified directions.

Sandfire Resources Limited ABN 55 105 154 185

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Sandfire Resources Limited ABN 55 105 154 185 ("the Company") will be held virtually Friday 27 November 2020 at 11am (WST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

The Company will publish a virtual meeting guide on the ASX and the Company's website prior to the Meeting outlining how Shareholders will be able to participate in the Meeting virtually.

COVID-19 Measures

The Company and the Board are acutely aware of the current circumstances resulting from COVID-19 and the impact it is having on physical meetings. As a result of the potential health risks and the government restrictions on social distancing and gatherings in response to the pandemic, it is not currently prudent for us to plan to physically host Shareholders and members of the public at the upcoming Annual General Meeting.

The Board has made the decision that it will not be holding a physical meeting for Shareholders to attend, and will be holding a virtual meeting. Shareholders will be able to participate in the virtual meeting, including being able to ask questions. The Company will publish a virtual meeting guide on the ASX and the Company's website prior to the Meeting outlining how Shareholders will be able to participate in the Meeting virtually.

AGENDA

Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2020, together with the Directors' Report and the Auditor's Report as set out in the Annual and Sustainability Report.

1. Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That the Remuneration Report for the year ended 30 June 2020 as set out in the 2020 Annual and Sustainability Report be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement:

The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

2. Resolution 2 - Election of Ms Sally Langer as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Ms Sally Langer, who ceases to hold office in accordance with clause 6.1(e) of the Company's Constitution and, being eligible, offers herself for election, be elected a Director of the Company."

Recommendation:

The Board (other than Ms Sally Langer who abstains from making a recommendation because of her interest in the Resolution) unanimously recommend that Shareholders vote in favour of Resolution 2.

3. Resolution 3 - Re-election of Mr Derek La Ferla as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, Mr Derek La Ferla, who retires in accordance with clause 6.1(f) of the Constitution and, being eligible for re-election, be re-elected as a Director."

Recommendation:

The Board (other than Mr Derek La Ferla who abstains from making a recommendation because of his interest in the Resolution) unanimously recommend that Shareholders vote in favour of Resolution 3.

4. Resolution 4 - Re-election of Dr Roric Smith as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Dr Roric Smith, who retires in accordance with clause 6.1(f) of the Constitution and, being eligible for re-election, be re-elected as a Director."

Recommendation:

The Board (other than Dr Roric Smith who abstains from making a recommendation because of his interest in the Resolution) unanimously recommend that Shareholders vote in favour of Resolution 4.

5. Resolution 5 - Adoption of Equity Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

-"That, pursuant to and in accordance with Listing Rule 7.2, Exception 13(b) and for all other purposes, Shareholders approve any issue of securities under the Sandfire Resources Limited Equity Incentive Plan, a summary of the rules of which are set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1."

Voting exclusion statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

(a) a person who is eligible to participate in the employee incentive scheme; or

(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides;
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

6. Resolution 6 – Approval for grant of Options to the Managing Director and Chief Executive Officer or his Nominee(s)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval be given for the issue of 927,703 zero exercise price options to the Managing Director and Chief Executive Officer, Mr Karl Simich (or his nominee(s)), pursuant to the Sandfire Resources Limited Equity Incentive Plan and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting. Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

Matthew Fitzgerald

Molflettel

Chief Financial Officer and Company Secretary

Dated: 23 October 2020

Participating and voting virtually

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also electronically cast their votes on the proposed resolutions at the AGM.

For Shareholders, the virtual meeting can be attended through an online platform here:

https://investor.automic.com.au/#/home

Shareholders can vote by following the instructions set out in the virtual meeting guide to be published on the ASX and the Company's website prior to the Meeting.

You will be able to vote and ask questions at the virtual meeting, though you are strongly encouraged to submit questions to the Company prior to the Meeting.

Questions at the AGM

Please note, only Shareholders may ask questions online once they have been verified. It may not be possible to respond to all questions. Shareholders are encouraged to submit questions prior to the AGM (please see below).

Submission of written questions to the Company or the auditor in advance of the AGM

A Shareholder who is entitled to vote at the meeting may submit a written question to the Company in advance of the AGM

We ask that all pre-AGM questions be received by the Company no later than 48 hours before the date of the AGM, being 11am (WST) on 25 November 2020. Any questions should be directed to admin@sandfire.com.au.

Attending the AGM as a guest

Please follow the instructions published on the Company's website if you wish to attend the AGM as a guest.

Voting virtually (on the day of the Meeting)

Shareholders wishing to vote virtually on the day of the Meeting will need to log-in to the Automic website (https://investor.automic.com.au/#/home) with their username and password.

Shareholders without an Automic account are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day.

How to create an Automic account

To create an account, please visit the Automic website (https://investor.automic.com.au/#/home), click on 'register' and follow the steps. You will require your Holder Identification Number (HIN) or Securityholder Reference Number (SRN) to register with Automic.

Existing Automic account holders

If you have an existing account with Automic, you must follow these steps on the day of the Meeting:

- Log-in to the Automic website
 (https://investor.automic.com.au/#/home) using your
 username and password.
- (Registration on the day) If registration for the virtual meeting is open, click on 'View' next to 'Meeting open for registration' and follow the steps. Registration for the AGM will open 30 minutes prior to the Meeting.
- (Live voting on the day) If live voting for the virtual meeting is open, click on 'View' next to 'Meeting open for voting' and follow the steps.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should provide evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend virtually and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting in the manner set out in the virtual meeting guide to be published on ASX and the Company's website prior to the Meeting.
- The appointment of the proxy may specify the
 proportion or the number of votes that the proxy may
 exercise. Where more than one proxy is appointed
 and the appointment does not specify the proportion or
 number of the Shareholder's votes each proxy may
 exercise, the votes will be divided equally among the
 proxies (i.e. where there are two proxies, each proxy
 may exercise half of the votes).
- · A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- However, if a Shareholder appoints a Restricted Voter as proxy, the Restricted Voter will not be able to cast the Shareholder's votes on Resolutions 1, 5 and 6 unless the Shareholder directs the Restricted Voter how to vote or the Chair of the Meeting is the Shareholder's proxy. If a Shareholder appoints the Chair of the Meeting as their proxy or the Chair of the Meeting is appointed as the Shareholder's proxy by default, and the Shareholder does not direct the Chair how to vote on Resolutions 1, 5 and 6, then by completing and submitting the proxy form the Shareholder will be expressly authorising the Chair of the Meeting to exercise the proxy in respect of the relevant Resolution even though it is connected, directly or indirectly, with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the below address, or by facsimile, and by 11am (WST) on 25 November 2020. If facsimile or email transmission is used, the power of attorney must be certified.
- To be effective, proxies must be received by 11am (WST) on 25 November 2020. Proxies received after this time will be invalid.
- To vote by proxy please lodge the Proxy Form online at https://investor.automic.com.au/#/longinsah by following these instructions:
 - log-in to the Automic website using the holding details as shown on the Proxy Form. Click on 'Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their HIN or SRN as shown on the front of the Proxy Form; or
 - complete and sign your Proxy Form and deliver it:
 by hand to:

Automic Group Level 5, 126 Philip Street Sydney NSW 2000; or by post to:

> Automic Group GPO Box 5193 Sydney NSW 2001.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4pm (WST) on 25 November 2020.

Sandfire Resources Limited ABN 55 105 154 185

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2020, together with the Directors' declaration and Directors' Report in relation to that financial year and the Auditor's Report on the annual financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor by the Company in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

1. Resolution 1 - Non Binding Resolution to adopt Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2020 Annual and Sustainability Report be adopted. The Remuneration Report is set out in the Company's 2020 Annual and Sustainability Report and is also available on the Company's website (www.sandfire.com.au).

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2019 did not receive a vote of more than 25% against its adoption at the Company's annual general meeting held on 27 November 2019. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors and other Key Management Personnel, sets out remuneration details for each Director and other Key Management Personnel and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

2. Resolution 2 – Election of Ms Sally Langer as a Director

Resolution 2 seeks approval for the election of Ms Sally Langer as a Director with effect from the end of the Meeting.

Clause 6.1(d) of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Langer, having been appointed by the Board on 1 July 2020, retires from office in accordance with the requirements of clause 6.1(e) of the Constitution and submits herself for election in accordance with clause 6.1(i) of the Constitution.

Ms Langer has 25 years' experience in professional services including as founder and Managing Partner of the management consulting and executive recruitment firm Derwent Executive, where she set up and led the growth of the Perth office servicing a wide range of clients both local and national and led the Mining and Industrial Practice. Prior to that, she was a Director at international recruitment firm Michael Page and a Chartered Accountant at accounting and consulting firm Arthur Andersen.

During her career, Ms Langer has been responsible for strategy development and execution with a strong focus on profitable business growth, supervising and coordinating large teams and other management functions including strategy, business development, budgeting and human resources. She has been a trusted advisor to numerous Boards on recruitment, talent management, culture and organisational structure.

Currently, Ms Langer is also a non-executive director of Saracen Mineral Holdings Limited (ASX: SAR).

The Company confirms it has conducted appropriate checks into Ms Langer's background and experience and those checks have not revealed any information of concern. The Board considers that Ms Langer, if elected, will continue to be classified as an independent director.

Ms Langer has commenced as a member and, by 1 December 2020, will Chair Sandfire's People and Performance Committee, with a focus on organisational culture, health and well-being, diversity strategy, remuneration strategy, board membership and performance and succession planning. Her appointment will bring valuable new skill-sets to the Board in the key areas of People and Performance in an international setting.

Based on Ms Langer's relevant experience and qualifications the members of the Board, in the absence of Ms Langer, support the election of Ms Langer as a director of the Company.

3. Resolution 3 - Re-election of Mr Derek La Ferla as a Director

Pursuant to Clause 6.1(f) of the Company's Constitution, Mr La Ferla, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr La Ferla is a corporate lawyer and company director with more than 30 years' experience. He has held senior leadership positions with some of Australia's leading law firms and a variety of board positions with listed public companies and not for profit organisations.

Currently, Mr La Ferla is also a non-executive director of Poseidon Nickel Limited (ASX: POS) and Threat Protect Australia Ltd (ASX: TPS). Shareholders should note that Mr La Ferla has tendered his resignation from the board of Threat Protect Australia Ltd with effect from 31 March 2021.

Mr La Ferla was appointed to the Board on 17 May 2010 and is the Chairman of the Company. He is also a member of the Audit Committee and a member of the People and Performance Committee. Mr La Ferla brings a strong corporate governance perspective, balancing commercial and legal risk management needs.

The Board considers that Mr La Ferla, if re-elected, will continue to be classified as an independent director.

Based on Mr La Ferla's relevant experience and qualifications the members of the Board, in the absence of Mr La Ferla, support the re-election of Mr La Ferla as a director of the Company.

4. Resolution 4 - Re-election of Dr Roric Smith as a Director

Pursuant to Clause 6.1(f) of the Company's Constitution, Dr Smith, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Dr Smith is a highly experienced geologist with extensive Australian and international experience. Until June 2016, Dr Smith was Vice President, Discovery and Chief Geologist for Evolution Mining Ltd, where he played a key role in leading that company's exploration and mining efforts from implementation through to execution. Prior to joining Evolution, Dr Smith held senior executive positions with the gold producer AngloGold Ashanti, including as Senior Vice President, Global Greenfield Exploration; Country Manager and Chief Representative China; Exploration Manager – North Asia Region; and Chief Geologist Australia. Dr Smith holds a B.Sc, B.Sc (Hons) Geology and Ph.D from the University of Natal in South Africa.

Currently, Dr Smith is also a non-executive director of Saracen Mineral Holdings Limited.

Dr Smith has been a non-executive director of the Company since 31 December 2016. He is the Chairman of the Company's Risk Committee and is also a member of the Audit Committee. Mr Smith brings to the Board deep industry and technical expertise, international experience, and extensive executive and leadership skills.

The Board considers that Dr Smith, if re-elected, will continue to be classified as an independent director.

Based on Dr Smith's relevant experience and qualifications the members of the Board, in the absence of Dr Smith, support the re-election of Dr Smith as a director of the Company.

5. Resolution 5 – Adoption of Equity Incentive Plan

The Directors considered that it was desirable to establish an employee incentive plan under which employees and Directors may be offered the opportunity to be granted securities in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees. Accordingly, the Directors adopted the Sandfire Resources Limited Equity Incentive Plan (**Plan**).

Pursuant to this Plan, eligible Employees may be offered the opportunity to be granted Options or Performance Rights (together, **Awards**).

The Plan is designed to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to employees and Directors are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company.

Shareholder approval is required if any issue of Awards pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 13(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

Under the Plan, the Board may offer to eligible Employees the opportunity to subscribe for such number of Awards in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out below this Explanatory Memorandum. Awards granted under the Plan will be offered to participants in the Plan on the basis of the Board's view of the contribution of the eligible Employees to the Company.

The maximum number of Awards proposed to be issued under the Plan following Shareholder approval is expected to be 927,703.

Once this number is reached the Company will need to seek fresh approval from Shareholders if the subsequent issue of Awards is to fall within Listing Rule 7.2 Exception 13.

If the Resolution is passed, the Company will be able to issue Awards under the Plan up to the maximum number set out in this Notice. In addition, those issues of Awards will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If the Resolution is not passed, the Company will be able to proceed to issue Awards under the Plan, however the issue of those Awards will not fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 and therefore effectively decreasing the number of Equity Securities which may be issued without Shareholder approval.

Key terms of the Plan

Term	Detail
Awards	The Board may, in its absolute discretion, operate the Plan and invite any employee or eligible casual employee, contractor or other person (Participant) of the Company to apply for a grant of, or grant, Awards upon the terms of the Plan. Invitations made under the Plan will contain specific terms and conditions in addition to those under the Plan, as determined by the Board and terms may vary for different Participants.
	Unless otherwise stated in the invitation to a Participant, a Participant is not required to pay for a grant of Awards.
	Awards are not quoted on ASX. However, application will be made to ASX for official quotation of any shares issued for the purposes of the Plan.
Limits	Where an offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or the total number of Shares which would be issued if the Awards were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind.
	No offer will be made under the Plan that results in a Participant or its associates voting power exceeding 10%.
Entitlements	No shareholder rights, including to vote, receive dividends or any other rights of a shareholder attach to Awards until the Awards have vested, exercised and shares have been allocated.
Dealing	A Participant cannot deal with an Award except with the consent of the Board or by force of law (e.g. death or bankruptcy, etc.).
Vesting and exercise	The Board will determine the period (Performance Period) and applicable conditions (Performance Conditions) for the vesting of Awards and whether the Performance Condition has been met.
	Awards will generally vest to the extent that (subject to the circumstances described in Cessation of employment below):
	 (a) the Board determines at the end of the Performance Period that the applicable Performance Conditions that apply to the Awards are satisfied; and (b) the Participant remains employed by the Company until the Board determines the Awards have vested.
	Testing of the Performance Conditions will occur and based on the results the Board will determine the number of Awards that vest (if any). Once an Award has vested a Participant will have a period (as determined by the Board) to exercise the Award. Once exercised, a Participant will be issued shares in the Company, subject to the circumstances described in Cessation of employment below.
Cessation of employment	If the Participant ceases employment with the Company before the end of the Performance Period, the treatment of their Awards will depend on the circumstances of cessation of employment.

Where the Participant's employment ceases before the end of the Performance Period for cause or resignation (other than special circumstances) their unvested Awards will lapse at cessation, subject to the Board's overriding discretion to determine an alternate treatment in accordance with the Plan.

Where the Participant ceases employment before the end of the Performance Period in other circumstances, subject to Board discretion, all or such other number of the Participant's unvested Awards (based on the proportion of the Performance Period that has elapsed at the time of cessation) continue "on-foot" and will be tested at the end of the Performance Period, vesting only to the extent that the Performance Conditions have been satisfied (ignoring any service related conditions).

Alternatively, the Board can modify the Performance Conditions or Performance Period or determine that unvested Awards lapse. Where employment ceases other than for cause any Awards that have vested must be exercised within 90 days of cessation of employment or will lapse, subject to Board discretion.

If the Participant is terminated for cause all vested but unexercised Awards lapse (or will be subject to clawback), subject to the Board's overriding discretion.

Clawback

Where it is the Board's opinion that a Participant has or will obtain an unfair benefit as a result of certain actions or circumstances, the Board has the discretion to alter the applicable Performance Period or Performance Conditions, deem Awards not vested lapse and/or where shares have been issued, clawback the shares, or if sold, require the Participant to repay the proceeds of sale.

Control and other events

Within 14 days of a relevant event, the Board has the discretion to determine that unvested Awards vest, lapse or continue "on-foot" subject to other conditions or periods. Where the Board determines that Awards vest, such Awards must be exercised within 30 days from the event, subject to Board discretion. Where the Board does not exercise its discretion upon a change of control, a pro-rata number of a Participant's unvested Awards vest based on the proportion of the Performance Period that has passed and the applicable Performance Conditions that have been satisfied.

Where there is a capital reorganisation, bonus issue or rights issue the Board intends to exercise its discretion to ensure that the number of Awards a Participant would receive is adjusted accordingly.

Where the Company divests a material asset the Board may make special rules that apply to Awards to take into account the divestment or to deem the Participant remains considered a Participant for a specific period.

In accordance with the requirements of Listing Rule 7.2 Exception 13(b), the following information is provided to Shareholders:

- (a) a summary of the terms of the Plan is set out above;
- (b) The Plan has not previously been approved by Shareholders;
- (c) the maximum number of Awards proposed to be issued under the Plan following approval of this Resolution is 927,703; and
- (d) a voting exclusion statement has been included in the Notice for the purposes of this Resolution.

Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

6. Resolution 6 – Approval for grant of Options to the Managing Director and Chief Executive Officer or his Nominee(s)

The Company proposes to grant a total of 927,703 zero exercise price options (each with an expiry date of 17 July 2026) (**ZEPOs**) to the Managing Director and Chief Executive Officer, Mr Karl Simich or his nominee(s).

On 1 July 2020, the Company announced details of a Board Succession Plan, senior management restructure and other corporate and strategic organisational changes designed to ensure the Company is appropriately structured and resourced for its next growth phase. The changes follow a detailed strategic and structural review (**Strategic Review**) which has confirmed Sandfire's key growth objective as it makes the transition from a single-mine company into an international, multi-asset base and precious metals producer.

The key elements of the strategic plan recognise the Company's international expansion plans, while also renewing its efforts to deliver both organic and inorganic growth opportunities. The elements of the strategic growth plan are to:

- 1. Execute delivery;
- 2. Build a sustainable production profile;
- 3. Accelerate discovery;
- 4. Align and empower our people; and
- 5. Optimise capital structure.

In light of the evolving nature and global diversification of the business and changing market trends in recent years, the Board undertook a review of the remuneration framework. The new remuneration framework is aligned with the outcomes of the Strategic Review, and is designed to align the key milestones required for the development of a sustainable production profile across multiple jurisdictions with Executive remuneration.

The enhanced remuneration framework, designed with the assistance of independent remuneration advisors, recognises that the development and implementation of a sustainable production profile across Sandfire's global asset portfolio requires a longer-term horizon, driven by both short and medium term project planning and execution activities to further enhance alignment with project development milestones.

The remuneration framework seeks to ensure that the senior management group, including the Managing Director and Chief Executive Officer, are focused on a single set of consistent and clearly defined long-term objectives. It is also designed to recognise that the achievement of these plans is in the context of a higher than previously experienced company risk profile as it expands internationally.

The strategic growth plan considers the planned development of projects across multiple global jurisdictions over defined time horizons. As such, the plan requires an aligned approach to long-term incentives and performance evaluation. The Board has structured a framework to incentivise, retain and reward management for achieving this business step-change, the results of which will be evident at the end of a four-year period.

With these changes comes a revised mindset, with Executives forgoing the opportunity to participate in annual equity awards and deferring vesting of awards in line with actual, rather than interim, delivery of the Company's strategic projects. Informed by the Strategic Review process, external independent advice and its own deliberations, the Board has implemented a four year front-loaded long-term equity incentive opportunity to tie Executives' awards to the strategic performance cycle and create a strong motivational and retention mechanism.

While the revised long-term incentives are considered to be appropriate for the business at this time, the Board's intention for the long-term incentive framework is to transition from a four year front-loaded equity incentive opportunity to an annual long-term incentive grant to coincide with the completion of this four year transformational period.

The Board remains committed to a remuneration framework that supports the Company's strategic objectives, effectively aligns performance and reward outcomes and motivates Executives to pursue the long-term growth of the Company.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Simich is a related party of the Company.

In relation to this Resolution, the Board (excluding Mr Simich) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of ZEPOs as the issue, which forms part of the remuneration package for Mr Simich, is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

Key terms of the grant

An overview of the key terms of the proposed grant of ZEPOs to Mr Simich (or his nominee(s)) is set out below.

Term	Detail		
Details of the proposed FY	The FY 2021 grant for Mr Simich is for 927,703 ZEPOs and represents the long term incentive component of Mr Simich's remuneration package.		
2021 ZEPOs grant	The number of ZEPOs has been calculated based on 100% of Mr Simich's current annual fixed remuneration multiplied for four years. The grant value has then been divided by the volume weighted average market price (VWAP) of the Company's Shares over the 30 trading days up to and including 30 June 2020.		
Entitlements	Each ZEPO is a right to acquire one fully paid ordinary Share in the Company, subject to the achievement of the performance conditions set out below, and valid exercise of the ZEPO.		
	No exercise price is payable in respect of the ZEPOs, and the ZEPOs are exercisable by Mr Simich (or his nominee(s)) upon vesting and prior to expiry, in accordance with the exercise procedure specified in the terms of grant.		
	The ZEPOs do not carry any dividend or voting rights prior to vesting and exercise.		
	For any ZEPOs that ultimately vest, a cash payment equivalent to dividends paid by Sandfire during:		
	(a) the period between grant and vesting; and(b) additionally, for ZEPOs linked to the RTSR and ATSR performance measure, the period they cannot be exercised,		
	will be made to Mr Simich and not the nominee.		
	No cash payment will be made in respect of dividends on awards which do not vest.		
	The ZEPOs are non-transferable, except in limited circumstances or with the consent of the Board.		

Date of grant

If Shareholder approval is obtained, the ZEPOs will be granted to Mr Simich (or his nominee(s)) as soon as practicable after the AGM, but in any event, within 12 months of the AGM.

Performance period

The ZEPOs will vest, subject to the satisfaction of the performance conditions over the relevant performance period.

The performance period is 4 years, commencing 1 July 2020 and ending on 30 June 2024.

The Board has implemented a four year front-loaded long-term equity incentive opportunity to tie the Managing Director and Chief Executive Officer's award to the strategic performance cycle of the Company and create a strong motivational and retention mechanism.

The Board does not intend to issue further long-term incentives to the Managing Director and Chief Executive Officer until the completion of the 4 year performance period.

Performance conditions

The performance conditions applicable to the ZEPOs are:

- (a) Relative Total Shareholder Return (RTSR) performance;
- (b) Absolute Total Shareholder Return (ATSR) performance;
- (c) Ore Reserves¹; and
- (d) Production Scale.

Each performance condition relates to 25% of the maximum ZEPOs the subject of this grant opportunity. All performance conditions relate to the four year performance period. Information regarding these hurdles is provided below.

Further, there is an overriding performance condition, being that if the minimum Production Scale (defined below) target is not met, then regardless of the performance in respect of other performance conditions, no ZEPOs will vest.

There is also a service condition that is satisfied if Mr Simich's engagement with the Company continues for the period commencing on the grant date until the date the ZEPOs vest (see section below on *Cessation of Engagement*).

The performance conditions are measured as follows.

RTSR and ATSR are methods of calculating the return Shareholders would earn if they held a notional number of Shares over a period of time. RTSR and ATSR measure the growth in the Company's Share price together with the value of dividends during the period, assuming that all those dividends are re-invested into new Shares.

The Board retains discretion to adjust the RTSR and ATSR hurdles in exceptional circumstances to ensure that the participant is neither advantaged nor disadvantaged by matters outside management's control that materially affect RTSR or ATSR performance.

The Company will engage an independent organisation to calculate the RTSR and ATSR of the Company to ensure an objective assessment.

(a) RTSR performance

RTSR of the Company is measured against a comparator group constituting companies in the ASX200 Resources Index (ASX:XJR) based on the 30 day VWAP of company shares at the relative measure points.

¹ As defined in the JORC Code.

The relevant 25% of ZEPOs will only vest where the RTSR performance of the Company over the performance period is at the 50th percentile or above.

RTSR of the Company relative to comparator group	Percentage of ZEPOs that vest
Less than 50 th percentile	Nil
At the 50 th percentile	50% vest
50 th to 75 th percentile	Pro rata between 50% and 100% vest
Greater than 75 th percentile	100% vest

(b) ATSR Performance

ATSR of the Company is based on the 30 day VWAP of the Company's Shares at the relative measure points.

The relevant 25% of ZEPOs will be measured against the following ATSR performance criteria.

ATSR of the Company	Percentage of ZEPOs that vest		
Less than 10%	Nil		
10% to 20%	Pro rata between 50% and 100% vest		
Greater than 20%	100% vest		

(c) Ore Reserves

Delivery of Ore Reserves through comparison of the Group's JORC compliant Ore Reserves over the relevant performance period.

The relevant 25% of ZEPOs will be measured against the following Ore Reserve criteria.

Percentage of ZEPOs that vest	
Nil vest	
50% vest	
Pro rata between 50% and 100% best	
100% vest	

(d) Production Scale

Through comparison of the annual copper equivalent metal production scale measured over the relevant performance period.

Production Scale is the forecast annual copper equivalent metal production rate represented in the Group's Strategic Planning Report (future production graph), measured in tonnes (**Production Scale**), assessed at the end of the performance period.

The relevant 25% of ZEPOs will be measured against the following Production Scale criteria.

Production Scale change	Percentage of ZEPOs that vest	
Up to 30,000t Cu	Nil vest	
30,001t Cu to 70,000t Cu	Pro rata between 0% and 100% vest	
More than 70.000t Cu	100% vest	

	Production Scale is an overriding performance condition. Where the Production Scale is 30,000t Cu or less, then regardless of performance in respect of other performance conditions, no ZEPOs will vest.	
Why is grant front-loaded for four years?	The Board has implemented a four year front-loaded long-term equity incentive opportunity to tie Executives' awards to the strategic performance cycle of the Company and create a strong motivational and retention mechanism during this transformational period.	
Why were the performance conditions selected?	The performance conditions for the grant have been expanded from the single metric of RTSR used in the Company's previous long-term incentive plan. Vesting of the ZEPOs are subject to the Company achieving an equal mix of operational growth (Ore Reserves and Production Scale) and market financial (ATSR and RTSR) measures.	
	The additional metrics reflect performance across multiple benchmarks and provide a more complete picture of the Company's performance on the basis of internal and external market measures. They are directly tied to the key drivers of long-term sustainable success and growth and, ultimately, to the delivery of future value creation for our various stakeholders.	
Why is the ASX200 Resources Index an appropriate comparator group?	The Board considers the ASX200 Resources Index (ASX: XJR) to be an appropriate comparator group against which the Company's performance can be appropriately benchmarked. Benchmarking against comparable companies within the index minimises the impact of fluctuations in commodity price to illustrate how effective management have been in creating value from the Group's assets.	
Testing of ZEPOs	Testing of the performance condition will occur shortly after the end of the applicable performance period (i.e. 30 June 2024), and based on the testing results, the number of ZEPOs that vest (if any) will be determined by the Board.	
	Any ZEPOs that do not vest will lapse immediately.	
	The Company will employ an independent organisation to calculate the RTSR and ATSR ranking to ensure an objective assessment of the relative RTSR and ATSR comparison.	
	With regards to the non-market measures (Ore Reserves and Production Scale), this will be reviewed by the Board.	
Allocation of Shares upon vesting and	Following testing of the applicable performance conditions and determination of the level of vesting of ZEPOs, one fully paid Share in the Company will be allocated in relation to each ZEPO which vests and is validly exercised.	
exercise	However vested ZEPOs relating to RTSR and ATSR performance will be deferred and cannot be exercised for a period of 12 months from the Vesting Date.	
	Deferral mechanisms allow the impact of decisions made to play out in future years and to ensure there is sufficient facility to reinforce accountability for those decisions.	
	The Company's obligation to allocate Shares on vesting and exercise may be satisfied by issuing new Shares, or procuring the transfer of Shares.	
Trading restrictions	Shares allocated on vesting of ZEPOs will not be subject to any further trading restrictions, subject to complying with the Company's Share Trading Policy.	

Price payable for securities	No amount will be payable either in respect of the allocation of ZEPOs, nor in respect of any Shares granted upon vesting and exercise of the ZEPOs.	
Cessation of engagement	Where Mr Simich ceases engagement with the Company prior to the end of the applicable performance period, the treatment will generally depend on the circumstances of his cessation.	
	Where engagement ceases due to Mr Simich's resignation, fraudulent or dishonest conduct, or termination for cause (including gross misconduct or material breach of contract), all unvested and vested but unexercised ZEPOs will lapse at cessation.	
	Where Mr Simich's engagement ceases for any other reason prior to the end of the applicable performance period, a pro-rata number of the unvested ZEPOs (based on the proportion of the performance period that has elapsed at the time of cessation) in that tranche will continue "on-foot" and will be tested at the end of the applicable performance period vesting only to the extent that the relevant performance condition has been satisfied (ignoring any service related conditions).	
	However, the Board has a broader discretion to apply any other treatment it deems appropriate in the circumstances (including that another number of ZEPOs may vest and be exercised either at cessation or at the end of the original vesting date, or that some or all of the ZEPOs will lapse).	
Other	There is no loan scheme in relation to the grant of ZEPOs.	
information	Mr Simich (or his nominee(s)) (as applicable) are prohibited from hedging the share price exposure in respect of ZEPOs during the performance period applicable to those ZEPOs without the consent of the Board.	
	If Shareholder approval is obtained, further details of the ZEPOs granted to Mr Simich (or his nominee(s)) under the plan in FY 2021 will be provided in the remuneration reports for the years ending 30 June 2021 to 2026 respectively.	

Information Requirements - Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of ZEPOs to Mr Simich falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If this Resolution is passed, the Company will grant ZEPOs to Mr Simich or his nominee(s) as noted above.

If this Resolution is not passed, the Company will not grant ZEPOs to Mr Simich or his nominee(s) and the Company will consider alternative and appropriate long-term remuneration arrangements that ensure alignment of the Managing Director and Chief Executive Officer's long-term incentive package with those of other Executives.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the ZEPOs will be granted to Mr Simich or his nominee(s), as noted above;
- (b) Mr Simich is a Director of the Company and therefore falls under Listing Rule 10.14.1;
- (c) 927,703 ZEPOs will be granted;
- (d) Mr Simich is a Director of the Company and the issue the subject of this Resolution is intended to remunerate or incentivise Mr Simich, whose current total fixed remuneration (TFR) is \$1,100,000. Mr Simich is also entitled to participate in the Company's short-term incentive plan up to a maximum of 60% of TFR and the Company's long-term incentive plan up to a maximum of 100% of TFR. Additional details in relation to the Company's remuneration framework, including the short-term and long-term incentive plans are contained in the Remuneration Report as set out in the Company's 2020 Annual and Sustainability Report;
- (e) Mr Simich has not previously been issued securities pursuant to the Plan;
- (f) the key terms and conditions of the ZEPOS are set out above on pages 15-19 of this Explanatory Memorandum;
- (g) the ZEPOs have been selected to strengthen Mr Simich's interests with the long-term performance goals of the Company and the interests of Shareholders. The Board considers Mr Simich critical to the ongoing success of the Company, with the ability to influence longterm Company performance and therefore Shareholder value;
- (h) the Company's advisors have valued the ZEPOs using the Monte Carlo share price simulation model (for the ZEPOs which are subject to the RTSR and ATSR performance conditions) and the Black-Scholes option pricing model (for the ZEPOs subject to the Ore Reserves and Production Scale performance conditions). Based on the assumptions set out in Annexure A, it is considered that the estimated average values of the ZEPOs to be granted to Mr Simich are as follows:

Performance condition	RTSR	ATSR	Ore reserves	Production scale
Indicative value per ZEPO	\$2.68	\$2.17	\$4.11	\$4.11

Note: The values set out in the table above are not related to or indicative of the benefit (if any) that Mr Simich may in fact receive.

- (i) the ZEPOs will be granted as soon as practicable after the AGM, but in any event, within 12 months of the AGM;
- (j) the ZEPOs will be granted for no consideration;
- (k) a summary of the material terms of the Plan is set out on pages 11-13;
- (I) no loan will be made in relation to the ZEPOs;
- (m) details of any securities issued under the Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after the resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule; and
- (o) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

GLOSSARY

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

Annual Report means the annual report of the Company for the year ended 30 June 2020.

AEST means Australian Eastern Standard Time.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ATSR means absolute total shareholder return.

Auditor means the Company's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2020.

Awards has the meaning set out on page 11.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Class Order means ASIC Class Order 14/1000.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Sandfire Resources Limited ABN 55 105 154 185.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Directors' Report means the report of the Directors contained in the Annual Report for the year ended 30 June 2020.

Employee has the meaning given in the Plan.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Notice of Meeting means this Notice of Annual General Meeting.

Option means an option to acquire a Share.

Ore Reserves has the meaning given to that term in the JORC Code.

Participant has the meaning set out on page 12

Performance Condition has the meaning set out on page 12.

Performance Period has the meaning set out on page 12.

Performance Right means a performance right to acquire a Share.

Plan means the Sandfire Resources Limited Equity Incentive Plan.

Production Scale has the meaning set out on page 17.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2020.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Restriction Deed has the meaning given to that term in the Listing Rules.

RTSR means relative total shareholder return.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out on page 8.

Spill Resolution has the meaning set out on page 8.

ZEPOs has the meaning set out on page 14.

ANNEXURE A - RESOLUTION 6

VALUATION OF ZEPOS TO BE GRANTED TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Valuation Inputs and Assessment of Value

Input	Value
Underlying share price ⁽¹⁾	4.11
Exercise price	nil
Risk-free rate ⁽²⁾	0.20%
Volatility factor ⁽³⁾	37.5%
Dividend yield ⁽⁴⁾	3.43%
Initial TSR ⁽⁵⁾	(8.5%)
Performance Period ⁽⁶⁾	3.75 years
Exercise restriction period ⁽⁷⁾	1.00 years

Notes:

- (1) Sandfire's closing share price at 1 October 2020.
- (2) The risk-free rate at the date of grant (**Grant Date**) for a term corresponding to the life of the ZEPOs is based on the yield curve for Australian Government Bonds.
- (3) Expected future volatility is based on the adviser's analysis of Sandfire's historical daily share price movement prior to the Grant Date. Sandfire's advisers have given regard to the short-term increase in historical volatility caused by the onset of COVID-19 noted in March to May 2020 and these months have been excluded from the analysis. For the purposes of this indicative valuation, the mid-point of the assessed range of volatility factors of between 35% and 40% has been used.
- (4) The future dividend yield of 3.43% is based on a review of analyst dividend forecasts as at the Grant Date over the remaining life of the ZEPOs. Per the terms of the ZEPOs outlined above, the holder is entitled to receive a cash payment equivalent to dividends paid by Sandfire on vested Shares.
- (5) Initial TSR has been calculated as the difference between the spot price at the performance start date and the Grant Date. Sandfire's assessed initial TSR is negative 8.5% placing it in the 8th percentile as at the Grant Date.
- (6) The Performance Period is the remaining period from Grant Date to the Performance Period end date.
- (7) Exercise restriction period relates only to the RTSR and ATSR ZEPOs and is the period between the Performance Period end date and exercise date, being 12 months after the end of the Performance Period.



Sandfire Resources Limited | ABN 55 105 154 185

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by 11.00am (Perth Time) on Wednesday, 25 November 2020, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this informatis is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a roker should advise their broker of any changes.

STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proy please write the name of that Individual or body corporate. A proxy need not be a charen or of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Mee, it we defined to the Chairman of the Meeting, who is required to vote these proxies as directed. Any bedirected oxies that default to the Chairman of the Meeting will be voted according to the structions of the thickness of the Proxy Voting Form, including where the Resolutions are connected directly finding a with the remuneration of KMP

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by proxing one of a boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by insuring a percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of he boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Loriging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

IN PERSON:

Automic

Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

 $\underline{meetings@automicgroup.com.au}$

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1- How you wish to vote

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Sandfire Resources Limited, to be held virtually at 11.00am (Perth Time) on Friday, 27 November 2020 hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION **RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on

VIRTUAL PARTICIPATION AT THE AGM:

The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where Shareholders will be able to watch, listen, and vote

To access the virtual meeting:

- Open your internet browser and go to investor.automic.com.au
- 2. Login with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.
STEP 2 – Your voting direction
Resolutions For Against Abstain
1. Non Binding Resolution to adopt the Remuneration Report
2. Election of Ms Sally Langer as a Director
3. Re-election of Mr Derek La Ferla as a Director
4. Re-election of Dr Roric Smith as a Director
5. Adoption of Equity Incentive Plan
6. Approval for grant of Options to the Managing Direct and chief secutive Officer or his Nominee(s)
STEP 3 – Signatures and contactails
Individual or Securityholder 1 Securityholder 2 Securityholder 3
Sole Director and Sole Company Secretary Contact Name: Director Director / Company Secretary
Email Address:
Contact Daytime Telephone Date (DD/MM/YY) By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).