

14 October 2022

Grant of ZEPOs to senior employees under the long-term incentive plan

Sandfire Resources Limited (**Sandfire** or the **Company**) advises that it has granted 555,606 zero exercise price options with an expiry date of 7 October 2027 (**ZEPOs**) to senior employees, including senior executives, under its long-term incentive plan (as approved by shareholders at Sandfire's 2020 Annual General Meeting) (**Plan**).

The ZEPOs have been granted to senior employees whom the Board of Sandfire considers critical to the ongoing success of the long-term performance of the Company. The grant of ZEPOs provides those senior employees with an opportunity to be rewarded for the Company's performance, and further aligns their interests with those of the Company and its shareholders.

The material terms of the ZEPOs are set out in the Annexure to this announcement. Further details regarding the ZEPOs are contained in the Appendix 3G released on the date of this announcement.

For further information, please contact:

Matthew Fitzgerald

Chief Financial Officer
and Company Secretary

This announcement has been authorised for release to the ASX by the Company Secretary, Matthew Fitzgerald.

ANNEXURE – SUMMARY OF MATERIAL TERMS OF ZEPOS

Term	Detail
Number of ZEPOs	The number of ZEPOs for each participant is calculated as 100% of their total fixed remuneration for the financial year, divided by the volume weighted average price of the Company's shares over the 15 days up to and including 30 June 2022, rounded to the nearest whole number of ZEPOs.
Expiry Date	7 October 2027.
Performance Period	1 July 2022 to 30 June 2025.
Entitlement	Each vested ZEPO entitles the holder to one fully paid ordinary share in the Company (Share).
Exercise price	Nil.
Transferability	The ZEPOs are not transferable (and consequently, will not be quoted on ASX or any other exchange).
Vesting Date	The date after the end of the Performance Period on which the Board determines whether the Performance Conditions have been.
Vesting Conditions	The vesting of each ZEPO is subject to the Board determining that the relevant Performance Conditions and the Service Condition has been met.
Performance Conditions	<p>Each ZEPO is subject to one to seven of the following Performance Conditions applying, dependent on the participant's role and level of experience:</p> <ol style="list-style-type: none"> 1) relative total shareholder return (RTSR) against the following copper peer group: <ul style="list-style-type: none"> – 29Metals – First Quantum Minerals – Aeris Resources – Freeport-McMoRan – Antofagasta – Hudbay Minerals – Atalaya Mining – Lundin Mining Corp – Aurelia Metals – Nevada Copper Corp – Boliden AB – OZ Minerals – Capstone Copper Corp 2) RTSR against ASX 200 Index constituents; 3) absolute total shareholder return (ATSR); 4) cash earnings flexed (aligned to fixed budget assumptions); 5) cash earnings unflexed (using actual amounts in financial statements); 6) progress towards the Company's long term carbon abatement targets; and 7) progress towards the Company's strategic execution targets.

Term	Detail
	<p>The relevant proportion of ZEPOs held by a participant that vest on the Board determining that a particular Performance Condition has been met, is set out in each participant's respective invitation for ZEPOs.</p> <p>Each Performance Condition is assessed over the Performance Period.</p>
Service Condition	<p>The participant must be continuously employed by the Company until the ZEPOs vest.</p>
Ceasing employment	<p>If the participant ceases employment with the Company before the end of the Performance Period:</p> <ul style="list-style-type: none"> • due to resignation, fraudulent or dishonest conduct or termination for cause, all unvested ZEPOs will lapse, unless the Board otherwise determines; and • for any reason not noted above, a pro-rata number of unvested ZEPOs based on proportion of Performance Period elapsed will remain on foot and be tested at the end of the Performance Period. <p>If the participant ceases employment with the Company after the end of the Performance Period but before the Vesting Date:</p> <ul style="list-style-type: none"> • due to resignation, fraudulent or dishonest conduct or termination for cause, all unvested ZEPOs will lapse; and • for any reason not noted above, all unvested ZEPOs will vest on the Vesting Date to the extent the Performance Conditions have been met.
Rights	<p>The ZEPOs do not:</p> <ul style="list-style-type: none"> (a) carry any voting rights in the Company, except as required by law; (b) entitle the holder to any dividends, whether fixed or at the discretion of the Directors; (c) confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise; (d) confer any right to participate in the surplus profits or assets of the Company upon a winding up of the Company; and (e) confer the right to participate in new issues of securities such as bonus issues or entitlement issues, <p>unless and until the ZEPOs vest and are converted into Shares.</p> <p>For ZEPOs that ultimately vest, a cash payment equivalent to dividends paid by the Company during the period between the Grant Date and the Exercise Date will be paid.</p>
Plan	<p>The terms of the Plan apply to the ZEPOs.</p>