

18 November 2022

Dear Optionholder

NOTICE TO OPTIONHOLDERS – ACCELERATED NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER – ZERO EXERCISE PRICE OPTIONS

1. Entitlement Offer

On Friday 18 November 2022, Sandfire Resources Limited (ABN 55 105 154 185) (“**Company**” or “**Sandfire**”) announced that it was conducting a fully underwritten 1 for 8.8 pro rata accelerated non-renounceable entitlement offer (“**Entitlement Offer**”) of new fully paid ordinary shares in the Company (“**Shares**”), to raise A\$200 million at a price of A\$4.30 per New Share (“**Offer Price**”).

The Entitlement Offer comprises an institutional entitlement offer (“**Institutional Entitlement Offer**”) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (“**Retail Entitlement Offer**”).

Eligible Retail Shareholders are those persons who:

- are registered as holders of existing Securities as at 7.00pm (AEDT) on 22 November 2022 (“**Record Date**”);
- as at the Record Date, have a registered address in Australia or New Zealand on the Sandfire share register on the Record Date or are persons that Sandfire has otherwise determined are eligible to participate in the Retail Entitlement Offer;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent that such shareholders hold securities for the account or benefit of such person);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer (other than as nominee, trustee or custodian, in each case in respect of other underlying holdings); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

The gross proceeds raised under the Entitlement Offer will primarily be used to strengthen the Company’s balance sheet in order to improve financial flexibility and support ongoing growth initiatives.

The Entitlement Offer is being made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*), which allows the Entitlement Offer to be made without a prospectus.

The Entitlement Offer is made pursuant to the Offer Booklet to be dated on or around 25 November 2022 (“**Retail Offer Booklet**”) and released to the Australian Securities Exchange (“**ASX**”) on the same date.

The Offer Booklet is available on the Company’s website at www.sandfire.com.au/ or on the ASX website (company announcements section, ASX code: SFR) at www.asx.com.au.

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (“**Lead Manager**”) is the lead manager, underwriter and bookrunner for the Entitlement Offer.

2. Options

You currently hold options to acquire new fully paid ordinary shares in the Company (“**Options**”). Under the terms of the Options, you are not entitled to participate in the Retail Entitlement Offer.

You will only be entitled to participate in the Retail Entitlement Offer with respect to those Options if you are an Eligible Retail Shareholder and you exercise those Options before the Record Date by following the process set out below.

Certain of those Options have not yet vested, and therefore, you will be unable to exercise those prior to the Record Date and accordingly will have no entitlement under the Entitlement Offer with respect to those unvested and unexercised Options.

The purpose of this notice is to advise you of the Retail Entitlement Offer and to give you adequate opportunity to exercise some or all of your Options so that you may be registered as an Eligible Retail Shareholder before the Record Date so that you may participate in the Retail Entitlement Offer. You should carefully consider your personal circumstances and the Offer Booklet before deciding whether to exercise your Options. If you are unsure what action you should take or have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser. Specifically, you will need to consider the terms of any restriction agreements that relate to your Options and how they impact your rights to exercise.

3. Exercise of Options

To exercise your Options (provided they have reached their vesting date and any vesting conditions are satisfied by the Record Date) and thereby be eligible to participate in the Retail Entitlement Offer (in respect of Shares issued to you on exercise of your options), you must provide notice in writing to the Company which specifies the number of vested Options being exercised.

The Company will allot and issue Shares to you within 5 business days after receiving a valid notice of exercise. You should take this timing into consideration to ensure that you are recorded on the Company’s register as the holder of Shares as at 4:00pm (AWST) on the Record Date.

If you do not exercise your Options before the Record Date, then you will not be entitled to participate in the Retail Entitlement Offer with respect to any Shares which might eventually be issued on exercise of those Options. Your rights as holder of those Options remains unchanged and the terms and conditions of your Options will not be adjusted for the Entitlement Offer, including their expiry date.

Details on how to take up your entitlement are contained in the Retail Offer Booklet, along with the enclosed personalised Entitlement and Acceptance Form.

If you have any queries regarding the Retail Entitlement Offer, please contact your professional adviser or please call the Sandfire information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 5.00pm (Perth time) on Monday to Friday during the Retail Entitlement Offer period.

Yours sincerely



Mr John Richards
Non-Executive Chair