



SANDFIRE RESOURCES NL

ACN 105 154 185

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Wednesday, 27 November 2019

Time of Meeting

11.00am (Perth time)

Place of Meeting

Fraser's Function Centre, Ground Floor
Fraser Avenue, Kings Park
West Perth, Western Australia 6005

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

Sandfire Resources NL

ACN 105 154 185

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Sandfire Resources NL ACN 105 154 185 ("Company") will be held at the Fraser's Function Centre, Ground Floor, Fraser Avenue, Kings Park, West Perth, Western Australia on Wednesday, 27 November 2019 at 11.00am (Perth time) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

ITEMS OF BUSINESS

FINANCIAL REPORTS

To receive and consider the financial statements of the Company for the year ended 30 June 2019, together with the Directors' Report and the Auditor's Report as set out in the Company's 2019 Annual Report.

1. RESOLUTION 1 – NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

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

"That the Remuneration Report for the year ended 30 June 2019 as set out in the Company's 2019 Annual 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 Resolution 1 by or on behalf of a member of the Key Management Personnel of the Company (**KMP**) whose remuneration details are included in the Remuneration Report or a Closely Related Party of a member of the KMP.

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 KMP; and
- (b) it is not cast on behalf of a member of the KMP 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 Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; 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 KMP.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2. RESOLUTION 2 – RE-ELECTION OF MR PAUL HALLAM AS A DIRECTOR

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

"That, Mr Paul Hallam, who retires in accordance with clause 7.1(f) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected a Director of the Company."

Recommendation:

The Board (other than Mr Paul Hallam who abstains from making a recommendation because of his interest in the Resolution) unanimously recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – RE-ELECTION OF MS MAREE ARNASON AS A DIRECTOR

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

“That, Ms Maree Arnason, who retires in accordance with clause 7.1(f) of the Company’s Constitution and, being eligible, offers herself for re-election, be re-elected a Director of the Company.”

Recommendation:

The Board (other than Ms Maree Arnason who abstains from making a recommendation because of her interest in the Resolution) unanimously recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – APPROVAL FOR GRANT OF RIGHTS 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 ASX Listing Rule 10.14 and for all other purposes, approval be given for the issue of 164,866 Rights to the Managing Director and Chief Executive Officer, Mr Karl M Simich (or his nominee(s)), under the Sandfire Resources NL Long Term Incentive Plan, on the terms summarised in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of the Managing Director and Chief Executive Officer (being the only Director who is eligible to participate in the Sandfire Resources NL Long Term Incentive Plan) (or his nominee(s)), or any Associate of those persons.

However, the Company need not disregard a vote on Resolution 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4; 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 KMP.

Shareholders should note that the Chair intends to vote all undirected and available proxies in favour of Resolution 4.

Shareholders may also choose to direct the Chair to vote against Resolution 4 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Recommendation:

The Board (other than Mr Karl M Simich 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 – INCREASE IN MAXIMUM AGGREGATE NON-EXECUTIVE DIRECTOR FEE POOL

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

“That, pursuant to and in accordance with Listing Rule 10.17 and for all other purposes, the maximum aggregate Director fees payable to the non-executive Directors be increased from \$750,000 per annum to \$1,000,000 per annum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a Director of the Company or an Associate of a Director.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 5 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 5; 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 Resolution 5.

Shareholders may also choose to direct the Chair to vote against Resolution 5 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

6. RESOLUTION 6 – CHANGE OF COMPANY TYPE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to the passing of Resolutions 7 and 8, pursuant to section 162 of the Corporations Act, the shareholders approve the Company being converted from a public no liability company to a public company limited by shares.”

Recommendation:

The Board unanimously recommend that Shareholders vote in favour of Resolution 6.

7. RESOLUTION 7 – CHANGE OF NAME OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to the passing of Resolutions 6 and 8, pursuant to section 157(1)(a) of the Corporations Act and with effect from the date on which the change of company type the subject of Resolution 6 takes effect, the name of the Company be changed from “Sandfire Resources NL” to “Sandfire Resources Limited”.”

Recommendation:

The Board unanimously recommend that Shareholders vote in favour of Resolution 7.

8. RESOLUTION 8 – REPEAL AND REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to the passing of Resolutions 6 and 7, the Constitution contained in the document submitted to this Meeting and signed by the Chair for identification purposes be approved and adopted as the Constitution of the Company in substitution for the existing Constitution of the Company with effect from the date on which the change of company type the subject of Resolution 6 takes effect.”

Recommendation:

The Board unanimously recommend that Shareholders vote in favour of Resolution 8.

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. Capitalised terms used in this Notice of Annual General Meeting are defined in the glossary to the Explanatory Memorandum.

By order of the Board

Matthew Fitzgerald
Company Secretary

Dated: 25 October 2019

How to vote

Shareholders can vote by:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote;
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by email or facsimile.

Further details are set out below.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. A properly executed original (or certified copy) of the power of attorney under which they have been authorised to attend and vote at the meeting must be lodged with the Company's share registry by 11.00am (Perth time) on 25 November 2019 (48 hours before commencement of the meeting).

Voting by a corporate Shareholder

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

Voting by proxy (including via the internet)

- A Shareholder entitled to attend and vote at the Meeting 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.
- 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 Shareholder's 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, 4 or 5 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, 4 or 5, 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 KMP.
- Should any resolution, other than those specified in this Notice, be validly 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 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 Company 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, subject to 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 11.00am (Perth time) on 25 November 2019. If facsimile or email transmission is used, the power of attorney must be certified.

To be effective, proxies must be received by 11.00am (Perth time) on 25 November 2019. Proxies received after this time will be invalid.

- Proxies may be lodged using any of the following methods:

- by returning a completed proxy form in **person or by post** to:

The share registry:

Security Transfer Australia Pty Ltd
Exchange Tower, Level 9, Suite 913
530 Little Collins Street
Melbourne VIC 3000 Australia

or

PO Box 52
Collins Street West VIC 8007 Australia

- by **faxing or emailing** a completed proxy form to:

The share registry:

+61-8 9315 2233
registrar@securitytransfer.com.au

- by recording the proxy appointment and voting instructions **via the internet** at www.securitytransfer.com.au. Log into the Investor Centre through the Shareholder Sign In page and click on 'Proxy Voting'. Only registered Shareholders may access this facility and will need their Online Proxy ID and either their Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**). To be effective, online appointment of a proxy must be completed by 11.00am (Perth time) on 25 November 2019.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), 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 4.00pm (Perth time) 25 November 2019.

SANDFIRE RESOURCES NL

ACN 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 Sandfire Resources NL (**Sandfire** or 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 Annual Financial Report of the Company for the financial year ended 30 June 2019 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 AGM to ask questions and make comments on the annual reports and on the business, operations and management of the Company.

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

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

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 for the year ended 30 June 2019 be adopted.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Report for the year ended 30 June 2019 and is also available on the Company's website (www.sandfire.com.au).

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2019 AGM, and then again at the 2020 AGM, the Company will be required to put a resolution to the 2020 AGM, to approve calling a general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene a general meeting (**spill meeting**) within 90 days of the 2020 AGM. All of the Directors who were in office when the 2020 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report for the financial year ended 30 June 2018 did not receive a vote of more than 25% against its adoption at the Company's last AGM held on 29 November 2018. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a spill resolution to Shareholders at this Meeting. However, a spill resolution will be required at the 2020 AGM if the Remuneration Report at the 2019 AGM and the 2020 AGM receives a vote of more than 25% against its adoption.

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.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 – RE-ELECTION OF MR PAUL HALLAM AS A DIRECTOR

Pursuant to clause 7.1(f) of the Company's Constitution, Mr Paul Hallam, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Hallam has more than 40 years Australian and international resource industry experience. His operating and corporate experience is across a range of commodities (iron ore, bauxite, alumina, aluminium, gold, silver, copper, zinc and lead) and includes both surface and underground mining.

He has global experience stemming from his executive roles across multiple cultural, regulatory and business environments. His former executive roles include Director – Operations with Fortescue Metals Group, Executive General Manager – Development & Projects with Newcrest Mining Ltd, Director – Victorian Operations with Alcoa and Executive General Manager - Base and Precious Metals with North Ltd; and also, mine management and development roles for Battle Mountain Gold Company in Chile, Bolivia and Australia. In these and previous roles Mr Hallam has held site and corporate accountability for all site functions plus sales and marketing, stakeholder management, capital projects and regulatory oversight and management for multiple mining operations.

Mr Hallam retired in 2011 to pursue a career as a professional non-executive director. He has held Australian and international non-executive director roles since 1997.

Mr Hallam is a qualified mining engineer and holds a BE (Hons) from Melbourne University and a Certificate of Mineral Economics from Curtin University. He is a Fellow of the Australian Institute of Company Directors and the Australasian Institute of Mining & Metallurgy.

Mr Hallam has been an Independent non-executive Director of the Company since May 2013, is the Chairman of the Company's Remuneration and Nomination Committee and is also a member of the Audit and Risk Committee. The Board considers that Mr Hallam, if re-elected, will continue to be classified as an independent Director.

Based on Mr Hallam's relevant experience and qualifications, the Directors (excluding Mr Hallam) recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – RE-ELECTION OF MS MAREE ARNASON AS A DIRECTOR

Pursuant to clause 7.1(f) of the Company's Constitution, Ms Maree Arnason, being a Director, retires by way of rotation and, being eligible, offers herself for re-election as a Director.

Ms Arnason is an experienced director and senior executive whose career has spanned 30 years in the resources, energy and manufacturing sectors with companies including BHP, Carter Holt Harvey, Nasdaq STO Svenska Cellulosa AB (SCA) and Wesfarmers.

Maree, who has worked in many complex corporate and project environments with a focus on risk and reputation, has expertise in strategy, sustainability, risk, stakeholder relations, indigenous affairs, corporate, government and regulatory affairs, permitting, divestments and integrations. In her executive career, Maree was a member of divisional leadership teams for a number of ASX listed Top 10 companies with businesses and services located globally and has worked across commodities including copper, iron ore, timber, coal (thermal and metallurgical), mineral sands and natural gas.

As a Co-Founder/Director of Energy Access Services, who operate an independent Western Australian-focused digital trading platform for wholesale gas buyers and sellers, Maree has experience in the start-up, commercialisation and innovation space.

Ms Arnason is a member of the Australian Securities and Investments Commission (ASIC) Director Advisory Panel, serves on CEDA's (Committee for Economic Development of Australia) Western Australian State Advisory Council, is a life member and past National Director of the Australia China Business Council and is a member of the Australian Institute of Company Directors (AICD) WA Division Council.

Ms Arnason has been an Independent Non-executive since December 2015, is the Chairperson of the Sustainability Committee and is also a member of the Company's Audit and Risk Committee. The Board considers that Ms Arnason, if re-elected, will continue to be classified as an independent Director.

Based on Ms Arnason's relevant experience and qualifications, the Directors (excluding Ms Arnason) recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – APPROVAL FOR GRANT OF RIGHTS TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OR HIS NOMINEE(S)

The Company has agreed, subject to receiving Shareholder approval, to grant performance rights (**Rights**) to the Managing Director and Chief Executive Officer, Mr Karl M Simich (or his nominee(s)), under the Sandfire Resources NL Long Term Incentive Plan (**Plan**) on the terms and conditions outlined below.

Overview of the Plan

The Plan is the Company's principal vehicle to grant long term incentive awards and forms what the Board considers to be a key element of the Company's total remuneration strategy for executive key management personnel and other eligible senior executives. A summary of the Plan is available on the Company's website.

Why is Shareholder approval being sought?

Chapter 2E of the Corporations Act

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.

For Resolution 4, the Directors (other than Mr Simich who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of 164,866 Rights because the agreement to issue the 164,866 Rights, reached as part of the remuneration package for Mr Simich, is considered reasonable remuneration in the circumstances (which is one of the nominated exceptions).

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires Shareholder approval in order for a Director to be issued equity securities in the Company under an employee incentive scheme.

Shareholders are therefore being asked to approve the grant of Rights, up to a maximum of 164,866 Rights, to Mr Simich (or his nominee(s)) under the Sandfire Resources NL Long Term Incentive Plan, on the terms and conditions set out below.

Approval of this resolution will also result in the Rights granted to Mr Simich (or his nominee(s)) being an exception to ASX Listing Rule 7.1.

Further details of Mr Simich's total remuneration package can be found in the Company's Remuneration Report for the year ended 30 June 2019.

Key terms of the grant to Mr Karl M Simich

An overview of the key terms of the proposed grant of Rights to Mr Simich is set out below.

Term	Detail
Details of the proposed 2019 Rights grant	<p>The 2019 grant for Mr Simich is for 164,866 Rights.</p> <p>The grant represents the long term incentive component of the CEO remuneration package.</p> <p>The number of Rights has been calculated based on 100% of the CEO's current annual fixed remuneration. The grant value has then been divided by the volume weighted average market price ("VWAP") of the Company's Shares over the 5 trading days immediately preceding 28 June 2019, being the date set by the Board for the grant of Rights under the Plan.</p>

Term	Detail															
Entitlements	<p>Each Right is a right to acquire one ordinary Share in the Company, subject to the achievement of the performance conditions set out below, and valid exercise of the Right. No exercise price is payable in respect of the Rights, and the Rights 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 the grant.</p> <p>The Rights do not carry any dividend or voting rights prior to vesting and exercise.</p> <p>The Rights are non-transferable, except in limited circumstances (including death) or with the consent of the Board.</p>															
Date of grant	If Shareholder approval is obtained, the Rights 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	<p>The Rights will vest, subject to the satisfaction of the performance conditions (described below) over the relevant performance period.</p> <p>The performance period is as follows:</p> <ul style="list-style-type: none">3 year performance period, commencing 1 July 2019 and ending on 30 June 2022.															
Performance conditions	<p>The two performance conditions are:</p> <ul style="list-style-type: none">Service condition - The service condition is met if engagement with Sandfire is continuous for the period commencing on the grant date until the date the Rights vest; andRelative Total Shareholder Return (TSR) condition - Relative total shareholder return (TSR) of Sandfire measured against a comparator group constituting companies in the ASX200 Resources Index (ASX: XJR). <p>TSR is a method of calculating the return shareholders would earn if they held a notional number of Shares over a period of time. TSR measures 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.</p> <p>The percentage of Rights that vest, if any, will be determined by reference to the relative TSR of the Company achieved over the applicable performance period compared to the TSR comparator group of companies in the ASX200 Resources Index (XJR.ASX), as follows:</p> <table><tr><th colspan="2">TSR of Sandfire relative to comparator group</th><th>Percentage of Rights that vest</th></tr><tr><td>Maximum % or above</td><td>75th percentile or greater</td><td>100%</td></tr><tr><td>Between threshold % and maximum %</td><td>Greater than 51st percentile and less than 75th percentile</td><td>Progressive pro rata vesting between 50% to 100% (i.e. on a straight line basis)</td></tr><tr><td>Threshold %</td><td>51st percentile</td><td>50%</td></tr><tr><td>Less than the threshold %</td><td>Less than 51st percentile</td><td>Nil</td></tr></table> <p>The Board retains discretion to adjust the TSR hurdle in exceptional circumstances to ensure that Mr Simich is neither advantaged nor disadvantaged by matters outside management's control that materially affect TSR performance.</p>	TSR of Sandfire relative to comparator group		Percentage of Rights that vest	Maximum % or above	75 th percentile or greater	100%	Between threshold % and maximum %	Greater than 51 st percentile and less than 75 th percentile	Progressive pro rata vesting between 50% to 100% (i.e. on a straight line basis)	Threshold %	51 st percentile	50%	Less than the threshold %	Less than 51 st percentile	Nil
TSR of Sandfire relative to comparator group		Percentage of Rights that vest														
Maximum % or above	75 th percentile or greater	100%														
Between threshold % and maximum %	Greater than 51 st percentile and less than 75 th percentile	Progressive pro rata vesting between 50% to 100% (i.e. on a straight line basis)														
Threshold %	51 st percentile	50%														
Less than the threshold %	Less than 51 st percentile	Nil														
Why were the performance conditions selected?	Service based conditions are used to encourage retention. Relative TSR is used because it is an objective measure of security holder value creation, is widely understood and accepted by key stakeholders and it rewards participants for superior performance on matters which they have the ability to influence.															
Why is the ASX200 Resources Index an appropriate comparator group?	The Board considers the ASX200 Resources Index to be an appropriate comparator group against which Sandfire'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 Company's assets. Constituents of the ASX200 Resources Index may be subject to corporate transactions (e.g. mergers and acquisitions) during the performance period and as such may result in a change to the number of companies evaluated at the vesting date.															
Testing of Rights	<p>Testing of the relative TSR hurdle will occur shortly after the end of the applicable performance period (i.e. June 2022), and based on the testing results, the number of Rights that vest (if any) will be determined by the Board.</p> <p>Any Rights that do not vest will lapse immediately.</p> <p>The Company will employ an independent organisation to calculate the TSR ranking to ensure an objective assessment of the relative TSR comparison.</p>															
Allocation of Shares upon vesting and exercise	<p>Following testing of the applicable performance conditions and determination of the level of vesting of Rights, one fully paid Share in the Company will be allocated in relation to each Right which vests and is validly exercised.</p> <p>The Company's obligation to allocate Shares on vesting and exercise may be satisfied by issuing new Shares, or procuring the transfer of Shares.</p>															

Term	Detail
Trading restrictions	Shares allocated on vesting of Rights will not be subject to any further trading restrictions, subject to complying with the Company's Securities Trading Policy.
Price payable for securities	No amount will be payable neither in respect of the allocation of Rights, nor in respect of any Shares granted upon vesting and exercise of the Rights.
Cessation of engagement	<p>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.</p> <p>Where engagement ceases due to his resignation, fraudulent or dishonest conduct, or termination for cause (including gross misconduct or material breach of contract), all unvested and vested but unexercised Rights will lapse at cessation.</p> <p>Where engagement ceases for any other reason prior to the end of the applicable performance period, a pro-rata number of the unvested Rights (based on the proportion of the performance period that has elapsed at the time of cessation) 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).</p> <p>However, the Board has a broader discretion to apply any other treatment it deems appropriate in the circumstances (including that another number of Rights may vest and be exercised either at cessation or at the end of the original vesting date, or that some or all of the Rights will lapse).</p>
Other information	<p>No Director of the Company, other than the Managing Director and Chief Executive Officer, is eligible to participate in the Plan or any other employee incentive scheme of the Company.</p> <p>There is no loan scheme in relation to the grant of Rights.</p> <p>Mr Simich (or his nominee(s)) (as applicable) are prohibited from hedging the share price exposure in respect of Rights during the performance period applicable to those Rights.</p> <p>If Shareholder approval is obtained, further details of the Rights granted to Mr Simich (or his nominee(s)) under the Plan in the 2020 financial year will be provided in the Remuneration Reports for the years ending 30 June 2020 to 30 June 2023 respectively.</p>

Information provided under ASX Listing Rule 10.15

The following information is provided in accordance with Listing Rule ASX 10.15:

- The maximum number of Rights (and so ordinary Shares) that Mr Simich (or his nominee(s)) will acquire if Resolution 4 is approved by Shareholders is 164,866.
- No consideration is payable by Mr Simich (or his nominee(s)) on the grant of the Rights or on the allocation of ordinary Shares on vesting and exercise of the Rights and therefore no funds will be raised by the grant.
- No Director of the Company, other than the Managing Director and Chief Executive Officer, is eligible to participate in the Plan or any other employee incentive scheme of the Company.
- The Managing Director and Chief Executive Officer has been granted 780,706 Rights previously under the Plan, all which were granted for no consideration. As for the Rights the subject of Resolution 4, no consideration will be payable by Mr Simich (or his nominee(s)) on the grant of those Rights.
- No loans will be made by the Company in connection with the acquisition of the Rights or the ordinary Shares on vesting of Rights by Mr Simich (or his nominee(s)).
- If Shareholder approval is obtained, the Rights 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.

Note that a voting exclusion applies to Resolution 4 in the terms set out in the Notice of Meeting. Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 5 – INCREASE IN MAXIMUM AGGREGATE NON-EXECUTIVE DIRECTOR FEE POOL

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the aggregate amount of fees allowed to be paid to its non-executive Directors by \$250,000 from \$750,000 per annum to an aggregate amount of \$1,000,000 per annum.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for non-executive Directors for the following reasons:

- expected growth of the Company and increased responsibilities for non-executive Directors;
- allow the Board to attract and retain appropriately qualified Directors of a calibre required to effectively guide and monitor the business of the Company; and
- provide the Board with flexibility to manage any future changes in its membership and composition.

The maximum aggregate fees payable to non-executive Directors has not been increased since 2013. It is not intended to fully utilise the increased aggregate fees in the immediate future.

If Resolution 5 is passed the maximum aggregate amount of fees that may be paid to all of the Company's non-executive Directors is \$1,000,000 per annum. The remuneration of each non-executive Director for the year ended 30 June 2019 is detailed in the Remuneration Report in the Company's 2019 Annual Report.

Note that a voting exclusion applies to Resolution 5 in the terms set out in the Notice of Meeting. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 6 – CHANGE OF COMPANY TYPE

Resolution 6 seeks Shareholder approval, by way of special resolution, for a change to the type of the Company from a public no liability company to a public company limited by shares. The Company is currently a public no liability company. The Corporations Act requires that a no liability company has a constitution stating that its sole objects are mining purposes and a no liability company must not engage in activities that are outside this stated purpose. The Corporations Act also imposes various other restrictions on no liability companies, including that such a company does not have a contractual right to require the payment of calls on shares (however such shares would be forfeited if a call was made and payment was not received).

Section 162 of the Corporations Act permits a public no liability company to change to a public company limited by shares provided that all of the Company's issued shares are paid up. The Directors note that the Company does not presently have any partly paid shares on issue and does not plan to issue shares other than fully paid ordinary shares in the future.

The Directors are aware that the no liability company status is largely misunderstood by the public and investors (particularly those from outside Australia). The change of the Company from a public no liability company to a public company limited by shares will enable the Company's present objectives to be substantially broadened if required in the future from its current sole mining purposes object. The Directors consider that the change of type is necessary for the continuing growth and development of the Company and to increase the Company's profile with stakeholders outside of Australia. The change in type of the Company will not create a new legal entity.

To assist Shareholders in voting with respect to Resolution 6, Shareholders should consider the following principal differences between a no liability company and a public company limited by shares (limited liability company):

- in a no liability company, dividends are payable to shareholders in proportion to the shares held by them respectively, irrespective of the amounts paid up on those shares; in a limited liability company, dividends are generally payable in proportion to the amounts paid up on shares;
- in a no liability company, surplus assets available for distribution to shareholders on a winding up of the Company are distributed to the shareholders in proportion to the shares held by them respectively, irrespective of the amounts paid up on those shares; in a limited liability company, any surplus available for distribution in a winding up is generally distributed to the shareholders in proportion to the amounts paid up on their shares; and
- in a no liability company, holders of partly paid shares have no contractual liability to pay up on the unpaid proportion of the issue price of those shares, although shares will be forfeited if a call on the shares is not paid; in a limited liability company, a holder of partly paid shares has a contractual liability to pay the amounts unpaid on his or her shares, as and when those amounts are called up, and any balance owing after the shares have been forfeited and disposed of for non-payment of a call remains a debt due and payable to the company by the shareholder.

The change of the Company's type will, pursuant to section 164 of the Corporations Act, only take effect when ASIC alters the details of the Company's registration to reflect the change of company type.

Consequential changes to the Company's name and Constitution are the subject of Resolutions 7 and 8.

The Directors of the Company unanimously recommend that Shareholders vote to approve Resolution 6.

RESOLUTION 7 – CHANGE OF NAME OF THE COMPANY

Resolution 7 seeks to change the name of the Company.

Section 148 of the Corporations Act requires that a public company limited by shares have "Limited" or "Ltd" at the end of its name. Section 157(1) of the Corporations Act provides that a company may change its name only if shareholders approve the change by a special resolution. Accordingly, the Directors are seeking approval of Shareholders to change the Company's name from "Sandfire Resources NL" to "Sandfire Resources Limited".

The change of the Company's name will, pursuant to section 157 of the Corporations Act, only take effect when ASIC alters the details of the Company's registration to a public company limited by shares to reflect the change of name.

The Directors of the Company unanimously recommend that Shareholders vote to approve Resolution 7.

RESOLUTION 8 – REPEAL AND REPLACEMENT OF CONSTITUTION

Resolution 8 seeks Shareholder approval for the adoption of a new Constitution in substitution for the existing Constitution of the Company. The Company's current Constitution was adopted on 28 November 2011 and is appropriate for a public no liability company and requires repeal and substitution with a new Constitution appropriate for a public company limited by shares.

Accordingly, the Directors are of the view that the Company should amend the Constitution so that it is appropriate for a public company limited by shares and is up to date with relevant laws, regulations and rule in the form to be tabled by the Chair.

Copies of the existing and new Constitution are available for perusal by Shareholders at the Company's registered office or on the Company's website at www.sandfire.com.au.

The Constitution proposed to be adopted is substantially similar to the present Constitution. Notable differences to the Company's existing Constitution are set out below.

- **Objects of the Company:** The new Constitution does not provide that the sole object of the Company is mining purposes as a company limited by shares is not required to have its sole purpose as mining purposes.
- **Calls on Shares:** Rule 3.1 of the new Constitution refers to the procedure for making calls on Shares. The procedure for calls on shares of no liability companies differs to calls on shares of limited liability companies. In particular:
 - the period of notice for a call is at least 30 business days before the call is due for payment; and
 - a member is liable to pay a call on Shares.
- **Forfeiture of Shares:** Rule 3.4 of the new Constitution refers to the procedure for forfeiture of Shares. The procedure for calls on shares of no liability companies differs to calls on shares for limited liability companies. In particular:
 - where a member fails to meet a call, the Directors may serve a notice of forfeiture to that member (previously forfeiture occurred automatically at the expiration of 14 days after the due date for payment of a call). Rule 3.4 reflects the procedure required by the Listing Rules;
 - where a no liability company sold forfeited shares, the Corporations Act prescribed the manner in which the proceeds of sale were to be applied, there is no such requirement for a limited liability company to apply sale proceeds in a particular manner;
 - a person whose Shares have been forfeited ceases to be a member in respect of the forfeited Shares and loses all entitlement to dividends and other distributions or entitlements on the Shares. In a limited liability company that person also remains liable to pay, and must immediately pay, to the Company all calls, instalments, interest, costs, expenses and damages owing in respect of the Shares at the time of forfeiture and interest on such amounts; and
 - under the Corporations Act, there is no rights of redemption of forfeited shares for limited liability companies.
- **Restricted Securities:** Rule 2.6 of the new Constitution reflects proposed changes to ASX Listing Rule 15.12 due to come into effect on 1 December 2019. The proposed changes require a company with Restricted Securities on issue now or in the future (including Restricted Securities issued under Listing Rules 11.1.3 or 10.1) to provide for the following in its constitution:
 - a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules;
 - if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Restricted Securities;
 - the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX; and

- a holder of Restricted Securities breaches a Restriction Deed or a provision of the Company's Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

The Directors of the Company unanimously recommend that Shareholders vote to approve Resolution 8 and adopt the proposed new Constitution for the Company.

GLOSSARY

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

Annual General Meeting or **AGM** or **Meeting** means the 2019 annual general meeting of the Company convened by the Notice.

Annual Report means the annual report of the Company for the year ended 30 June 2019.

Associate has the meaning given 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.

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 2019.

Board means the board of Directors of the Company.

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

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

Company or **Sandfire** means Sandfire Resources NL ACN 105 154 185.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Dispose has the meaning given in the Listing Rules and **Disposal** has a corresponding meaning.

Holding Lock has the meaning given in the Listing Rules.

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

Listing Rules means the official listing rules of ASX as amended from time to time.

Notice means the notice of Annual General Meeting which accompanies this Explanatory Memorandum.

Related Body Corporate has the meaning given in section 9 of the Corporations Act.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2019.

Restriction Deed has the meaning given in the Listing Rules.

Restricted Securities has the meaning given in the Listing Rules.

Restricted Voter means the Key Management Personnel and their Closely Related Parties.

Resolution means a resolution proposed pursuant to the Notice.

Rights means the 164,866 performance rights proposed to be granted to the Managing Director and Chief Executive Officer or his nominee(s) for no consideration under the Sandfire Resources NL Long Term Incentive Plan.

Shareholder means a shareholder of the Company.

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

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE

ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.

2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE»

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐ The Chair of the Meeting

OR

or failing the person named, or if no person is named, the Chair of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am WST on Wednesday 27 November 2019 at Fraser's Function Centre, Ground Floor, Fraser Avenue, Kings Park, West Perth, Western Australia and at any adjournment of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions.

Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chair of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

2. RE-ELECTION OF MR PAUL HALLAM AS A DIRECTOR

3. RE-ELECTION OF MS MAREE ARNASON AS A DIRECTOR

4. APPROVAL FOR GRANT OF RIGHTS TO THE MANAGING DIRECTOR AND CEO OR HIS NOMINEE(S)

5. INCREASE IN MAXIMUM AGGREGATE NON-EXECUTIVE DIRECTOR FEE POOL

6. CHANGE OF COMPANY TYPE

7. CHANGE OF NAME OF THE COMPANY

8. REPEAL AND REPLACEMENT OF CONSTITUTION

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am WST on Monday 25 November 2019.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Name:

()

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

Email registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.