



## STRATEGIC GROWTH PLAN, BOARD SUCCESSION AND MANAGEMENT RESTRUCTURE

Corporate and organisational changes reflect Sandfire's transition into an international, multi-asset base and precious metals producer

### Highlights

- **Key pillars of strategic growth plan include executing delivery of our existing operating assets, building a sustainable production profile, accelerating discovery, aligning and empowering our people and prudent capital management.**
- **Board succession plan commenced to ensure an appropriate blend of skills and experience to oversee Sandfire's next growth phase. Appointment of experienced human resources and accounting executive Sally Langer as an Independent Non-Executive Director.**
- **Refined executive management structure implemented – focused on delivering the Company's long-term growth strategy, including a new streamlined Executive Committee (EXCO) structure and senior management changes and appointments.**

Sandfire Resources Limited (ASX: SFR; **Sandfire, the Company or the Group**) is pleased to announce 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 objectives 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 and current operating and market conditions, while also renewing its efforts to deliver both organic and inorganic growth opportunities. The key pillars of the strategic growth plan are summarised below:

1. **Execute delivery** – Optimisation of the existing DeGrussa Operations, incorporating the DeGrussa and Monty Copper-Gold Mines, and optimisation of the Feasibility Study on the T3 Copper-Silver Project in Botswana. Further, drilling near-mine targets aimed at increasing available mining inventory to establish long-term mining hubs. Advancing the Black Butte Copper Project in the USA to a decision to mine and financing considerations following the recent positive Record of Decision.
2. **Build a sustainable production profile** – In addition to existing operations, to develop new operational centres and execute new business development opportunities, leveraging off Sandfire's strong balance sheet and its strength in project evaluation and execution.
3. **Accelerate discovery** – Utilise our skills and resources to accelerate the discovery of further economic resources across our regions.
4. **Align and empower our people** – Development of a "fit-for-purpose" largely decentralised Group organisational structure across Board, management and staff, with overall Sandfire corporate control and oversight boosted by local knowledge and supported by strong technical capability, systems and execution. Implement a refined executive team structure

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focused on strategy delivery and supported by the new business structure, with empowered, accountable and incentivised leaders and staff in appropriate positions.

- 5. Capital management** – Funding Sandfire’s global development plan while maintaining the strength of the Company’s balance sheet and continuing to strike a balance between the requirement to fund our project development, business development and organic growth opportunities while maximising long-term value and returns to shareholders.

## Board Succession

The Board has commenced an orderly and measured succession process to ensure it has a strong, well-credentialed board in place to oversee the Company’s next growth phase and its aspiration to become a sustainable international mining business. The succession plan prioritises continuity and stability while also balancing the need for governance and strategic leadership.

As part of this process, the Company is pleased to announce the appointment of experienced human resources and accounting executive **Sally Langer** to the Board as an Independent Non-Executive Director, effective 1 July 2020.

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 nationally 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.

Ms Langer will commence as a member and in due course chair Sandfire’s newly-established 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.

Ms Langer is also non-executive director of Saracen Mineral Holdings Limited (ASX: SAR) where she is a member of the Audit Committee, and People and Culture Committee.

Non-Executive Director **Maree Arnason** has advised of her retirement from the Sandfire Board, effective 30 June 2020. Maree has served on the Board for almost five years and Sandfire would like to acknowledge her significant progressive contribution and insight. During Maree’s tenure, including her role as Chair of the Sustainability Committee, Sandfire has emerged as an award-winning modern mining company focused on positive economic and social outcomes. This is recognised by a wide range of key stakeholders, including the investment community and communities in which we operate. Through Maree’s industry knowledge and stewardship, Sandfire’s projects, operations and future growth aspirations will benefit from our emerging sustainability profile and credentials.

Non-Executive Director **Robert Scott** will retire from the Sandfire Board following the completion of the 2020 financial year reporting and approval process. Mr Scott has professionally and diligently served on the Board and has also fulfilled the role of Chair of the Audit and Risk Committee through the highly successful development, financing and operation of the DeGrussa Copper-Gold Mine as well as the acquisition of Sandfire’s interests in the Black Butte Copper Project in Montana, USA, and the Tshukudu Project in Botswana. Mr Scott has served on the Board since 2010.

A formal recruitment process has commenced to further build the strength and capability of the Sandfire Board with a strong focus on recruiting non-executive directors with international business and strategic mining experience and financial acumen. Diversity of knowledge, experience and gender is highly desired across the Company. Female representation at a non-executive director level remains a key focus and the Board has reaffirmed its intention to consider, and ultimately meet, the diversity objectives set out in Sandfire's Corporate Governance Statement during this process.

### **Board Committees**

In line with the Strategic Review, the Board will implement several changes to its Board Committee structure to more closely align the functions and objectives of these committees to the Company's broader strategic imperatives.

The Board has resolved to establish the following Board Committees, with effect from 1 July 2020:

- Audit Committee;
- Risk Committee; and
- People and Performance Committee.

A summary of the role and responsibility of each Board Committee is listed in Appendix 1 to this release. The respective Committee Charters have been adopted by the Board and are available on the Corporate Governance section of the Company's website.

### **Management changes**

A refined senior executive management structure has been implemented, which has seen the establishment of a streamlined Executive Committee (**EXCO**) consisting of Karl Simich (Chief Executive Officer and Managing Director), Jason Grace (Chief Operating Officer) and Matthew Fitzgerald (Chief Financial Officer and Company Secretary). All senior managers now report directly to either Mr Grace or Mr Fitzgerald, who have overall oversight of their respective divisions.

Mr Karl Simich, Chief Executive Officer and Managing Director of the Company, was a founding shareholder and director of Sandfire and has led its strategy and execution both in Australia, with DeGrussa, and international project expansion into Botswana and North America. Mr Simich is responsible for strategic execution of the business plan, leadership and engagement with key business stakeholders at a global level.

Mr Grace is an internationally experienced mining engineer and geologist who heads up Sandfire's mining and exploration operations, both existing and emerging, as well as managing the continued development of the Company's project pipeline and environmental and social governance areas.

Mr Fitzgerald, an experienced mining executive and accountant, heads up Sandfire's key corporate business areas and support functions encompassing finance and forecasting, sales and marketing, legal and procurement, technology, human resources, investor relations and corporate governance.

At a subsidiary and asset level:

- Rob Scargill, CEO of Sandfire Resources America Inc. (Sandfire 85%), leads the delivery and execution of the Black Butte Copper Project in Montana, USA following its recent positive Record of Decision on permitting;
- Ian Kerr, is Project Director responsible for the optimisation and development of the Company's Tshukudu Project in Botswana;
- Julian Hanna, a highly experienced global geologist, leads our Botswana and Namibian exploration push across the Kalahari Copper Belt;
- Greg Peden, GM Operations, leads our operations team at DeGrussa;
- Shannan Bamforth, GM Geology, heads our Doolgunna exploration program; and

- Bruce Hooper leads our internationally focused business development team and Eastern States exploration interests.

In addition, the revised operating structure has included promotions for two of our high-performing managers:

- Victoria Twiss – to Legal Counsel and Head of Legal and Procurement; and
- Samantha Masters – to Head of HSEC.

### **Chair and Management Comment**

Commenting on the changes, Sandfire Chairman, Derek La Ferla, said: “This marks an important reset of our strategy and structures across the business to position Sandfire for its next growth chapter as a diversified, international multi-asset base and precious metals company.

“The changes are designed to ensure that the organisation is appropriately structured to deliver long-term value, led by a refreshed and reconfigured board and senior management team. It is important to note that we wish to build on and leverage off the substantial achievements of the Company over the past decade – and the people who have helped us establish Sandfire as a premier mid-tier ASX-200 mining company with an enviable track record and reputation.

“The changes are designed to build on our achievements and continue our excellent community and ESCG work while at the same time building on our can-do culture. Our new growth vision is based on creating opportunity and value for all our stakeholders – including our shareholders, people and communities.

“As part of the first stage of the board succession process, we are delighted to welcome Sally Langer to the board as an Independent Non-Executive Director. Sally brings a wealth of global expertise in the professional services industry, specifically in the global mining sector, and we look forward to the significant contribution she will make in the key areas of culture, people and performance.

“On behalf of the Board, I would like to sincerely thank Maree Arnason for her service. Maree has made a significant contribution to Sandfire’s success through her strategic perspectives, diligence and professionalism. Her oversight of sustainability and risk-related matters has enhanced Sandfire’s strong social licence credentials in the international mining industry. These credentials have assisted the Company in attaining project and acquisition approvals and will continue to play an important role as we progress our key global exploration and development assets.

“On behalf of the Board I also wish to thank director Rob Scott for his significant contribution to the success of Sandfire during his tenure. The business has achieved significant success during this time and Rob has been a key contributor to the Board’s strategic deliberations as well as overseeing the important work of the Audit and Risk Committee.” Mr La Ferla said.

Sandfire Managing Director and CEO, Karl Simich, said: “We are further maturing as a mining business with a substantial reset of our strategic plan and organisational structure driven by a whole-of-business review that has provided us with additional focus and clarity around our growth strategy.

“Much has changed within Sandfire over the past 18 months, partly as a result of new senior appointments, our acquisition of MOD Resources Ltd last year and permitting of the Black Butte Copper Project in the USA.

“Sandfire’s original vision – ‘Opportunity Redefined’ – has driven the discovery, financing, construction and successful operation of the DeGrussa Operations, including an exploration push that has seen the discovery of four copper-gold lenses at DeGrussa and the discovery and integration of the satellite Monty Copper-Gold Mine.

“Now, we have embarked on a new growth chapter by building an international growth pipeline that expands into Africa and North America. To deliver on this vision, we have enhanced and strengthened our team with new people and new skills, both through recruitment and internal promotion.

“Many challenges no doubt remain, but so does significant opportunity, and we have a focused management team working on our project pipeline and project deliveries, to adapt and thrive in delivering our existing operations and growth opportunities.”

**ENDS**

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*This announcement is authorised for release by Sandfire's Board of Directors.*

**Forward-Looking Statements**

Certain statements made during or in connection with this announcement contain or comprise certain forward-looking statements regarding Sandfire's Mineral Resources and Reserves, exploration and project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Sandfire believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. There is continuing uncertainty as to the full impact of COVID-19 on Sandfire's business, the Australian economy, share markets and the economies in which Sandfire conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on Sandfire's business or the price of Sandfire securities.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management.

Except for statutory liability which cannot be excluded, each of Sandfire, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission. Sandfire undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.

## Appendix 1

A summary of the role and responsibility of each Board Committee is listed below.

Board Committee	Composition requirements	Roles and responsibilities
Audit Committee	<ul style="list-style-type: none"><li>• Minimum three non-executive directors</li><li>• Majority independent directors</li><li>• Chair must be an independent director</li></ul>	<p>The Audit Committee assists the Board in fulfilling its responsibilities for governance and oversight relating to:</p> <ul style="list-style-type: none"><li>• Financial matters;</li><li>• Financial reporting;</li><li>• Financial risk management and compliance;</li><li>• Tax risk management and compliance;</li><li>• Internal control structure (to the extent it relates to financial and tax matters);</li><li>• External audit; and</li><li>• Responding to any findings of the internal audit function to the extent they relate to financial and tax matters.</li></ul>
Risk Committee	<ul style="list-style-type: none"><li>• Minimum three non-executive directors</li><li>• Majority independent directors</li><li>• Chair must be an independent director</li></ul>	<p>The Risk Committee assists the Board with the proactive management of risk relating to current operations and plans and the effective delivery and creation of opportunity for our stakeholders.</p> <p>The Risk Committee assists the Board in fulfilling its responsibilities for governance and oversight relating to:</p> <ul style="list-style-type: none"><li>• Risk management;</li><li>• Internal control structure (to the extent it relates to matters other than financial and tax matters);</li><li>• Sustainability matters, including safety, environment and community; and</li><li>• Internal audit function.</li></ul>
People & Performance Committee	<ul style="list-style-type: none"><li>• Minimum three non-executive directors</li><li>• Majority independent directors</li><li>• Chair must be an independent director</li></ul>	<p>The People and Performance Committee assists the Board in fulfilling its responsibilities for governance and oversight relating to:</p> <ul style="list-style-type: none"><li>• Sandfire's People and Performance policies and practices;</li><li>• Organisational culture;</li><li>• Health and wellbeing;</li><li>• Diversity strategy;</li><li>• Remuneration strategy, including non-executive director and executive remuneration;</li><li>• Board membership;</li><li>• Board and executive performance; and</li><li>• Succession planning.</li></ul>