



ABN 55 105 154 185

## Retail Entitlement Offer Booklet

A 1 for 8.8 pro-rata accelerated non-renounceable entitlement offer of fully paid ordinary shares in Sandfire Resources Limited ABN 55 105 154 185 (**Sandfire**) (**New Shares**) at an offer price of \$4.30 per New Share to raise \$200 million (before costs) (**Entitlement Offer**).

This offer closes at 4:00pm (Perth time) on Thursday, 8 December 2022 (unless otherwise extended).

The Entitlement Offer is fully underwritten by Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**Underwriter**).

This Retail Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Retail Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with the Australian Securities & Investments Commission (**ASIC**). Please consult your stockbroker, accountant or other professional adviser if you have any questions.

**This Retail Offer Booklet may not be released to US wire services or distributed in the United States.**

## Important Notices

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This Retail Offer Booklet is dated 25 November 2022. The Retail Entitlement Offer is made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), which allows entitlement offers to be made without a prospectus or other disclosure document.

As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read carefully and understand this Retail Offer Booklet and the information about the Company and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of their Retail Entitlement or do nothing in respect of their Entitlement. This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet remains subject to change without notice, and the Company is not responsible for updating this Retail Offer Booklet. The Company may in its absolute discretion, but without being under any obligation to do so, update or supplement this Retail Offer Booklet. Any further information will be provided subject to the terms and conditions contained in this "Important Notices". The Company reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.

Defined terms used in these important notices have the meaning given in this Retail Offer Booklet.

### Future performance and forward-looking statements

This Retail Offer Booklet contains certain "forward looking statements" and comments about future matters. Forward looking statements can generally be identified by the use of forward looking words such as "expect", "anticipate", "likely", "intend", "propose", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance", and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer and the use of proceeds. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this Retail Offer Booklet speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward looking statements contained in this Retail Offer Booklet are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Sandfire Resources Limited (ABN 55 105 154 185), and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Key Risks" section of the Investor Presentation included in Section 5.3 of this Retail Offer Booklet for a non-exhaustive summary of certain general and Sandfire specific risk factors that may affect Sandfire. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors included in the Investor Presentation included in Section 5.3 of this Retail Offer Booklet. Investors should consider the forward-looking statements contained in this Retail Offer Booklet in light of those risks and disclosures.

The forward-looking statements are based on information available to Sandfire as at the date of this Retail Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), Sandfire undertakes no obligation to supplement, revise or update or otherwise forward-looking statements, regardless of whether new information, future events or results or other factors affect the information contained in this Retail Offer Booklet.

### Past performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Sandfire performance including future share price performance.

### Jurisdictions

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements, the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand. This Retail Offer Booklet and accompanying Entitlement and Acceptance Form may not be distributed outside Australia except as may be permitted under Section 5.15 of this Retail Offer Booklet.

This Retail Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

### References to "you" and "your Entitlement"

In this Retail Offer Booklet, references to "you" are references to Eligible Retail Shareholders and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders (as defined in Section 5.1).

### **Times and dates**

Times and dates in this Retail Offer Booklet are indicative only and subject to change. All times and dates refer to Perth time. Refer to the "Key Dates" section of this Retail Offer Booklet for more details.

### **Currency**

Unless otherwise stated, all dollar values in this Retail Offer Booklet are in Australian dollars (A\$).

### **Trading New Shares**

Sandfire will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Sandfire or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, accountant or other professional adviser.

Refer to Section 5 for more detail.

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## Key dates for the Retail Entitlement Offer

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<b>Event</b>	<b>Date</b>
Announcement of the Entitlement Offer	Friday, 18 November 2022
Record Date for eligibility in the Retail Entitlement Offer (4:00pm, Perth time)	Tuesday, 22 November 2022
Retail Offer Booklet despatched, Retail Entitlement Offer opens	Friday, 25 November 2022
Retail Entitlement Offer closes (4:00pm, Perth time)	Thursday, 8 December 2022
Notification to ASX of results of the Retail Entitlement Offer	Tuesday, 13 December 2022
Issue of New Shares issued under the Retail Entitlement Offer	Thursday, 15 December 2022
Trading of New Shares issued under the Retail Entitlement Offer	Friday, 16 December 2022

The timetable above is indicative only and may be subject to change. Sandfire reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular:

- The New Shares issued under the Retail Entitlement Offer are expected to be allotted on Thursday, 15 December 2022 and commence trading on ASX on a normal settlement basis on Friday, 16 December 2022.
- The Company's decision on the number of New Shares to be issued to you will be final. Sandfire reserves the right to extend the closing date of the Entitlement Offer, to accept late Applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

## Letter from the Chair

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25 November 2022

Dear Shareholder,

### **Sandfire Resources Limited – Accelerated Pro-Rata Non-Renounceable Entitlement Offer**

On behalf of the Board, I am pleased to invite you to participate in a fully underwritten 1 for 8.8 accelerated pro-rata non-renounceable Entitlement Offer of New Shares at an offer price of \$4.30 per New Share (**Offer Price**) to raise \$200 million (before costs).

On Friday, 18 November 2022, the Company announced its intention to raise \$200 million (before costs) through the fully underwritten Entitlement Offer. The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

Approximately \$147 million in proceeds (before costs) have been received under the Institutional Entitlement Offer, and the Company is issuing approximately 34 million New Shares under the Institutional Entitlement Offer.

The Retail Entitlement Offer will raise approximately a further \$53 million (before costs).

The Entitlement Offer is fully underwritten by the Underwriter.

### **Rationale and Use of Funds**

The proceeds of the Entitlement Offer will be used to\*:

- strengthen the Company's balance sheet and enhance financial flexibility to support deleveraging through the Company's growth phase;
- ensure the Company remains well funded to progress ongoing strategic growth initiatives across its portfolio;
- fund increased working capital as the Motheo Copper Mine progresses from construction to ramp-up and first production from 1HCY2023; and
- repay the Company's ANZ Corporate Debt Facility.

The Entitlement Offer will provide all Eligible Shareholders with the opportunity to participate and retain exposure to the Company's leading international assets, as management continue to execute our strategy to deliver growing and sustainable copper production.

### **Entitlement Offer**

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 1 New Shares at the Offer Price for every 8.8 Existing Share held at 4:00pm (Perth time) on the Record Date of 22 November 2022 (**Entitlement**).

Approximately 46.6 million New Shares (subject to rounding) will be issued under the Entitlement Offer. New Shares will rank equally with Existing Shares in all respects from date of quotation.

The Offer Price of \$4.30 per New Share represents:

- a 10.2% discount to Sandfire's last closing price of \$4.79 on 17 November 2022, being the last trading day before the announcement of the Entitlement Offer; and
- a 9.3% discount to the theoretical ex-rights price (**TERP**) of \$4.74 based on the last closing price before the Entitlement Offer was announced.

The Entitlement Offer to which this Retail Offer Booklet relates closes at 4:00pm (Perth time) on 8 December 2022 (unless extended).

This Retail Offer Booklet contains important information about the Entitlement Offer, including:

- Key Dates
- Summary of Options Available to You
- Offer Details & How to Apply
- Australian Taxation Considerations
- ASX Announcements
- Important Information

Accompanying this Retail Offer Booklet is your personalised entitlement and acceptance form (**Entitlement and Acceptance Form**). It details your Entitlement and is to be completed in accordance with the instructions provided on the form and the instructions in this Retail Offer Booklet under "Offer Details & How to Apply".

To participate, you must ensure that you have completed your Application by paying application monies (**Application Monies**) by BPAY® or EFT in accordance with the instructions set out in section 2.6 and your personalised Entitlement and Acceptance Form before 4:00pm (Perth time) on 8 December 2022.

If you are unable to pay by BPAY® (for example if you are a New Zealand based shareholder without an Australian bank account) or are having difficulty paying by BPAY® please call the Sandfire Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 6:00am and 5:00pm (Perth time) on Monday to Friday, before the Retail Entitlement Offer closes on 8 December 2022. Alternatively, you may pay by EFT by following the instructions set out in section 2.6 and your personalised Entitlement and Acceptance Form.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, cannot be sold and is not otherwise transferable. This means that you will not receive any value for Entitlements you do not take up and your percentage shareholding in the Company will be reduced.

### **Underwriting**

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**Underwriter**) is appointed as the exclusive underwriter, bookrunner and lead manager to the Entitlement Offer. The Company has entered in an underwriting agreement with the Underwriter in respect of the Entitlement Offer (**Underwriting Agreement**). The Underwriting Agreement is on usual terms and the fees and termination events for the Underwriting Agreement are set out in section 5.8.

### **Further information and Application instructions**

Further details of the Entitlement Offer, as well as the risks associated with investing in the Entitlement

Offer are set out in this Retail Offer Booklet (including in the Investor Presentation and the “Key Risks” section) which you should read carefully and in its entirety.

On behalf of Sandfire, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully



**Mr John Richards**  
Non-Executive Chair

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# 1 Summary of Options Available to You

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If you are an Eligible Retail Shareholder (as defined in Section 5.1) you may take any of the following steps:

1. take up all of your Entitlement; (see section 2.4.1);
2. take up part of your Entitlement (see section 2.4.2); or
3. do nothing, in which case your Entitlement will lapse, and you will receive no value for those lapsed Entitlements (see section 2.4.3).

Further information is provided below.

## 2 Offer Details & How to Apply

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### 2.1 Overview of the Retail Entitlement Offer

Eligible Retail Shareholders are being offered the opportunity to purchase 1 New Share for every 8.8 Existing Shares held as at the Record Date of 4:00pm (Perth time) on 22 November 2022, at the Offer Price of \$4.30 per New Share under the Entitlement Offer to raise \$200 million (before costs).

The Entitlement Offer provides Eligible Retail Shareholders (as defined in Section 5.1) with the opportunity to take up all or part of their Entitlement. Entitlements under the Entitlement Offer are non-renounceable.

Based on the number of Shares on issue as at the Record Date of the Entitlement Offer, approximately 46.6 million New Shares (subject to rounding) will be issued under the Entitlement Offer, comprising approximately 34 million New Shares under the Institutional Entitlement Offer and 12.6 million New Shares under the Retail Entitlement Offer.

You have a number of decisions to make in respect of your Entitlement. You should read this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer is fully underwritten by the Underwriter.

The Entitlement Offer opens on 25 November 2022 and will close at 4:00pm (Perth time) on 8 December 2022 unless extended or withdrawn.

Further details on the Entitlement Offer are set out below.

### 2.2 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and calculated on the basis of 1 New Share for every 8.8 Existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Entitlement Offer will rank equally in all respects with Existing Shares.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, cannot be sold and is not otherwise transferable. This means that you will not receive any value for Entitlements you do not take up and your percentage shareholding in the Company will be reduced.

See Section 5.1 for information on restrictions on participation.

## **2.3 Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances**

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Retail Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an Application for New Shares offered under the Entitlement Offer.

As a result, it is important for you to read carefully and understand the information on Sandfire and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Retail Offer Booklet and other announcements made available on the ASX website relating to Sandfire.

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the "Key Risks" section of the Investor Presentation included in Section 4 of this Retail Offer Booklet.

## **2.4 How Eligible Retail Shareholders Can Accept or Renounce the Entitlement Offer**

### **2.4.1 If you wish to take up all of your Entitlement**

If you wish to take up all of your Entitlement, please pay your Application Monies via BPAY® or EFT by no later than 4:00pm (Perth time) on 8 December 2022 by following the instructions set out on the personalised Entitlement and Acceptance Form.

If you are unable to pay by BPAY® (for example if you are a New Zealand based shareholder without an Australian bank account) or are having difficulty paying by BPAY® please call the Sandfire Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 6:00am and 5:00pm (Perth time) on Monday to Friday, before the Retail Entitlement Offer closes on 8 December 2022. Alternatively, you may pay by EFT by following the instructions set out in section 2.6 and your personalised Entitlement and Acceptance Form.

If you take up and pay for all of your Entitlement, before the close of the Entitlement Offer, it is expected that you will be issued New Shares on 15 December 2022.

Sandfire's decision on the number of New Shares to be issued to you will be final.

Sandfire also reserves the right (in its absolute discretion) to reduce the number of New Shares issued if Sandfire believes an applicant's claim to be overstated or if an applicant or their nominees fail to provide information to substantiate their claims to Sandfire's satisfaction.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Eligible Retail Shareholders who do not take up their rights in full will not receive any value in respect of those rights they do not take up.

If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.

#### **2.4.2 If you wish to take up part of your Entitlement**

If you wish to take up part of your Entitlement and apply for New Shares, please pay your Application Monies via BPAY® or EFT by no later than 4:00pm (Perth time) on 8 December 2022 by following the instructions set out on the personalised Entitlement and Acceptance Form for the amount of New Shares you wish to apply.

If you are unable to pay by BPAY® (for example if you are a New Zealand based shareholder without an Australian bank account) or are having difficulty paying by BPAY® please call the Sandfire Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 6:00am and 5:00pm (Perth time) on Monday to Friday, before the Retail Entitlement Offer closes on 8 December 2022. Alternatively, you may pay by EFT by following the instructions set out in section 2.6 and your personalised Entitlement and Acceptance Form.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Eligible Retail Shareholders who do not take up their rights in full will not receive any value in respect of those rights they do not take up.

If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.

#### **2.4.3 If you wish to do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements**

Your Entitlement is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.

If you take no action you will not be allocated New Shares and your Entitlement will lapse. Shareholders who do not take up their Entitlements will not receive any payment or value for those Entitlements they do not take up.

Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will have their percentage holding in Sandfire diluted.

## **2.5 Ineligible Shareholders**

All Shareholders who are not Eligible Retail Shareholders are ineligible Shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Entitlement Offer.

Sandfire has determined pursuant to ASX Listing Rule 7.7.1 that it would be unreasonable on this occasion to extend the Entitlement Offer to Ineligible Shareholders, having regard to the number of Ineligible Shareholders, the number and value of securities to be offered to Ineligible Shareholders and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in various jurisdictions.

## **2.6 Payment**

You can pay by BPAY® or EFT.

If you are unable to pay by BPAY® (for example if you are a New Zealand based shareholder without an Australian bank account) or are having difficulty paying by BPAY®

please call the Sandfire Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 6:00am and 5:00pm (Perth time) on Monday to Friday, before the Retail Entitlement Offer closes on 8 December 2022. Alternatively, you may pay by EFT by following the instructions set out below and in your personalised Entitlement and Acceptance Form

Cash payments will not be accepted. Receipts for payment will not be issued.

Sandfire will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your Entitlement to New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

### **Payment by BPAY® or EFT**

For payment by BPAY® or EFT, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by EFT, please make sure you use the unique reference number on your personalised Entitlement and Acceptance Form. Failure to do so may result in your funds not being allocated to your application and New shares subsequently not issued.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN or unique reference number specific to that holding. If you do not use the correct CRN or unique reference number specific to that holding your Application will not be recognised as valid.

Please note that should you choose to pay by BPAY® or EFT:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 2.7; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® or EFT payment is received by the Share Registry by no later than 4:00pm (Perth time) on 8 December 2022. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

## **2.7 Representations by acceptance**

By applying for New Shares under the Retail Entitlement Offer (including making a payment by BPAY® or EFT), you will be deemed to have represented to Sandfire that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;

- agree to be bound by the terms of the Entitlement Offer, the provisions of this Retail Offer Booklet (including Section 5.1), and Constitution;
- authorise Sandfire to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once Sandfire receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY® or EFT, you may not withdraw your Application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® or EFT, at the Offer Price per New Share;
- authorise Sandfire, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge and agree that:
  - the determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Underwriter;
  - each of the Company, the Underwriter, advisors and their respective affiliates, officers, employees, agents and advisers disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Sandfire and is given in the context of Sandfire's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation included in Section 4 of this Retail Offer Booklet, and that investments in Sandfire are subject to risk;
- acknowledge that none of Sandfire, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners,

employees, representatives, agents, consultants or advisers, guarantees the performance of Sandfire, nor do they guarantee the repayment of capital;

- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- authorise Sandfire to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Sandfire, the Underwriter and their respective related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, and accordingly, the New Shares may not be offered or sold in the United States except in a transaction exempt, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- acknowledge and agree that the information in this Retail Offer Booklet remains subject to change without notice;
- represent and warrant that that you are not in the United States and you are not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Retail Entitlement Offer in respect of that person);
- are subscribing for or purchasing the New Shares outside the United States in an “offshore transaction” as defined and in compliance with Regulation S under the US Securities Act;
- are not engaged in the business of distributing securities;
- you and each person on whose account you are acting have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand (except nominees and custodians may distribute such materials to Institutional Investors in other Permitted Jurisdictions);
- if in the future you decide to sell or otherwise transfer the New Shares acquired under the Retail Entitlement Offer you will only do so in “regular way” transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form (i) is resident in Australia or New Zealand or is an Institutional Investor in another Permitted

Jurisdiction, and (ii) is not in the United States or elsewhere outside the Permitted Jurisdictions; and

- you make all other representations and warranties set out in this Retail Offer Booklet and the Entitlement and Acceptance Form.

## 2.8 Enquiries

If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

## 3 Australian Taxation Considerations

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This section is a general summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Entitlement Offer for certain Eligible Retail Shareholders.

Neither Sandfire nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

The comments in this section deal only with the Australian taxation implications of the Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- hold your Shares as revenue assets or trading stock; or
- acquired the Shares in respect of which the Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme; or
- are subject to the Taxation of Financial Arrangement provisions contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth); or
- acquired Entitlements otherwise than because you are an Eligible Retail Shareholder.

The comments in this section are necessarily general in nature and are based on the Australian tax legislation and administrative practice in force as at the date of this Retail Offer Booklet. They do not take into account any financial objectives, tax positions, or investment needs of Eligible Retail Shareholders. The comments do not take into account or anticipate changes in Australian tax legislation or future judicial or administrative interpretations of law after this time unless otherwise specified. The comments also do not take into account tax law of any country other than Australia.

The taxation implications of the Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you and deciding whether to take up your Entitlements.

### 3.1 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

### 3.2 Take-up of Entitlements

New Shares will be acquired where the Eligible Retail Shareholder takes-up all or part of their Entitlement under the Entitlement Offer. An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss at the time of taking up their Entitlement under the Entitlement Offer. For Australian capital gains tax (CGT) purposes, each New Share should:

- be taken to have been acquired on the date the New Share is issued to the Eligible Retail Shareholder; and
- have a cost base (and reduced cost base) that is equal to the Offer Price that is payable for the New Share plus certain non-deductible incidental costs incurred in acquiring, holding and disposing the New Share.

### 3.3 Lapse of Entitlement

If an Eligible Retail Shareholder does not take-up all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration.

There should be no Australian tax implications for an Eligible Retail Shareholder from the lapse of all or some of their Entitlements.

### 3.4 Dividends on New Shares

Any future dividends or other distributions made in respect of New Shares will constitute assessable income of an Eligible Retail Shareholder and will be subject to the same income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

### 3.5 Disposal of New Shares

The disposal of a New Share will be a disposal for CGT purposes.

An Eligible Retail Shareholder should make a capital gain if the capital proceeds on disposal exceed the cost base of the New Share. An Eligible Retail Shareholder should make a capital loss if the capital proceeds are less than the reduced cost base of the New Share.

An Eligible Retail Shareholder that is an individual, complying superannuation entity or trustee and that has held their New Shares for at least 12 months (not including the dates of acquisition and disposal of the New Shares) at the time of disposal should be entitled (subject to meeting other conditions) to apply the CGT discount to reduce the capital gain (after the application of any current year or carry forward capital losses). The CGT discount is 50% for individuals and entities acting as trustees, and 33⅓% for complying superannuation entities.

The CGT discount is not available for companies (unless shares are held by the company in the capacity as trustee).

The previous Government proposed that managed investment trusts (MITs) and attribution managed investment trusts (AMITs) will be prevented from applying the 50% CGT discount at the trust level (but will still be able to distribute such income as a capital gain that can be discounted in the hands of the beneficiary). This proposed change is yet to be

enacted; however, the present Government has not expressed its position on the proposed change.

If a capital loss arises on disposal of the New Shares, the capital loss can only be used to offset capital gains; i.e. the capital loss cannot be used to offset amounts contributing to taxable income that are not capital gains. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, provided certain tests are satisfied.

### **3.6 Other Australian taxes**

No Australian GST or stamp duty will be payable by Eligible Retail Shareholders in respect of the issue or exercise of the Entitlements or the acquisition of New Shares.

## 4 ASX Announcements

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This Retail Offer Booklet (other than the ASX announcement in this Section 4) is dated 25 November 2022. The ASX announcements are current as at 25 November 2022. This Retail Offer Booklet remains subject to change without notice, however the Company is not responsible for updating this Retail Offer Booklet.

There may be additional ASX announcements that have been made by the Company after 25 November 2022 and throughout the Entitlement Offer Period that may be relevant in your consideration of whether to take part in the Entitlement Offer. Therefore, it is prudent that you check whether any further ASX announcements have been made by the Company before submitting an Application.

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# Entitlement Offer Presentation

18 November 2022

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# Important information and disclaimer

The following notice and disclaimer applies to this investor presentation (**Presentation**) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this Presentation you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it. This Presentation is dated 18 November 2022 and has been prepared by Sandfire Resources Limited (ABN 55 105 154 185) (**SFR, Sandfire** or the **Company** –where relevant, this includes the Group).

This Presentation has been prepared in connection with SFR's proposed offer of new fully paid ordinary shares (**New Shares**) pursuant to a fully underwritten pro rata 1 for 8.8 accelerated non-renounceable Entitlement Offer to certain eligible shareholders of SFR (**Entitlement Offer**) at an issue price of A\$4.30 per New Share.

The Entitlement Offer is being made to:

- eligible institutional shareholders of SFR (**Institutional Entitlement Offer**); and
- eligible retail shareholders of SFR (**Retail Entitlement Offer**),

under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the Australian Securities and Investments Commission Corporations (Non Traditional Rights Issues) Instrument 2016/84.

The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. Please refer to the section of this Presentation headed "International Offer Restrictions" for more information.

## Summary information

This Presentation is for information purposes only and is a summary only which is current as at the date of this Presentation (unless stated otherwise). The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in SFR or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. This Presentation should be read in conjunction with SFR's most recent financial report and SFR's other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), which is available at [www.asx.com.au](http://www.asx.com.au).

Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, SFR does not have any obligation to correct or update the content of this Presentation. Certain market and industry data used in this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of SFR, its representatives or advisors have independently verified any such market or industry data provided by third parties or industry or general publications.

## Not an offer

This Presentation is not, and should not be considered as, an offer or an invitation to acquire securities in SFR or any other financial products and neither this Presentation nor any of its contents will form the basis of any such contract or commitment.

Any decision to purchase New Shares in the Retail Entitlement Offer must be made on the basis of the information to be contained in a separate offer booklet to be prepared for eligible shareholders in Australia and New Zealand and any other identified permitted jurisdiction (**Offer Booklet**), and made available following its lodgement with ASX. Any eligible shareholder in those jurisdictions who wishes to participate in the Retail Entitlement Offer should consider the Offer Booklet in deciding to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Offer Booklet and the entitlement and acceptance form.

## Not investment advice

Each recipient of the Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company and the impact that different future outcomes might have on the Company. This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares.

Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of its securities. Cooling off rights do not apply to applications for New Shares under the Entitlement Offer.

**Not for release or distribution in the United States** This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States. This Presentation may not be distributed or released in the United States.

# Important information and disclaimer (cont.)

## Investment risk

There are a number of risks specific to the Entitlement Offer, SFR and of a general nature which may affect the future operating and financial performance of SFR and the value of an investment in SFR including and not limited to the Company's ability to obtain approvals, economic conditions, stock market fluctuations, commodity demand and price movements, access to infrastructure, regulatory risks, operational risks, reliance on key personnel, native title and title risks, foreign currency fluctuations and development, construction and commissioning risk. Any production guidance in this Presentation is subject to risks specific to SFR and of a general nature which may affect the future operating and financial performance of SFR. An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of SFR. SFR does not guarantee any particular rate of return or the performance of the Company. Investors should have regard to the risk factors outlined in this Presentation under the caption "Key risks" when making their investment decision.

## Financial data

All dollar values are in United States (US\$ or USD) unless otherwise stated. The information contained in this Presentation may not necessarily be in statutory format. Amounts, totals and change percentages are calculated on whole numbers and not the rounded amounts presented. This Presentation includes certain historical financial information extracted from SFR's unaudited financial statements for Q1 FY2023 (as announced to the ASX on 20 October 2022) (collectively, the **Historical Financial Information**). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards (**AAS**) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Historical Financial Information and pro forma historical financial information (to reflect the Entitlement Offer) provided in this Presentation is for illustrative purposes only and is not represented as being indicative of SFR's views on its future financial condition and/or performance.

Recipients of this Presentation should also be aware that the financial data in this Presentation includes "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non IFRS financial information" and "non GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under AAS and International Financial Reporting Standards (IFRS). The disclosure of such non GAAP financial measures in the manner included in this Presentation may not be permissible in a registration statement under the US Securities Act. SFR notes that the pro forma historical financial information has been prepared in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia. Investors should also note that the pro forma historical financial information is for illustrative purpose only and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

SFR believes this non IFRS financial information provides, and these non GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of SFR. This non IFRS financial information and these non GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Recipients of this Presentation are cautioned, therefore, not to place undue reliance on any non IFRS financial information or non GAAP financial measures and ratios included in this Presentation.

## Past performance

Past performance metrics and figures (including past share price performance of SFR), as well as pro forma financial information, included in this Presentation are given for illustrative purposes only and should not be relied upon as (and is not) an indication of SFR's views, or that of any other party involved in its preparation, on SFR's future financial performance or condition or prospects. Investors should note that past performance of SFR, including in relation to the historical trading price of SFR shares, production, mineral resources and ore reserves, costs and other historical financial information cannot be relied upon as an indicator of (and provides no guidance, assurance or guarantee as to) future SFR performance, including the future trading price of New Shares. The historical information included in this Presentation is, or is based on, information that has previously been released to the market.

## Forward-looking statements and forecasts

This Presentation contains certain "forward-looking statements" and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Forward-looking statements include, but are not limited to, statements about the future performance of SFR, statements about SFR's plans, future developments and strategy and statements about the outcome and effects of the Entitlement Offer and the use of proceeds. Indications of, and guidance or outlook on, production estimates and targets, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of SFR, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors set out in this Presentation. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to SFR as at the date of this Presentation.

Except as required by law or regulation (including the ASX Listing Rules), SFR undertakes no obligation to supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or results or other factors affect the information contained in this Presentation.

# Important information and disclaimer (cont.)

## Disclaimer

None of the Underwriter, nor any of its or SFR's respective advisers or any of their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents (**Limited Parties**) have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and, except to the extent referred to in this Presentation, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by them.

To the maximum extent permitted by law, SFR, the Underwriter and respective Limited Parties expressly exclude and disclaim:

- all responsibility and liability, including, without limitation, for negligence or in respect of any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by way of negligence or otherwise;
- all liabilities in respect of, make no representations regarding, any part of this Presentation and make no representation or warranty as to the currency, accuracy, reliability or completeness or fairness of this Presentation, or any representation or warranty that this Presentation contains all material information about SFR, the Entitlement Offer or that a prospective investor or purchaser may require in evaluating a possible investment in SFR or acquisition of New Shares;
- any obligation or undertaking to update or revise any information in this Presentation; and
- any fiduciary relationship between, or the assumption of any duty by them and, or in favour, of you, your officers, employees, consultants, agents, securityholders, creditors or any other person.

The Underwriter and its Limited Parties:

- take no responsibility for any part of this Presentation, and there is no statement in this Presentation which is based on any statement by any of these persons (except for references to the Underwriter's name), or the Entitlement Offer; and
- make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Entitlement Offer, and you represent, warrant and agree that you have not relied on any statements by the Underwriter and/or its Limited Parties in relation to the Entitlement Offer.

You undertake that you will not seek to sue or hold the Underwriter or its Limited Parties in any respect in connection with this Presentation or the Entitlement Offer (to the maximum extent permitted by law).

## Disclosure

The Underwriter and its affiliates and related bodies corporate are full service financial institutions engaged in various activities, which may include trading, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, market lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The Underwriter and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents may have interests in the securities of SFR, and may have provided, or may in the future provide, investment banking services and other services to, SFR and to persons and entities with relationships with SFR. The Underwriter and its affiliates may purchase, sell or hold a broad array of investments (including holding security interests over these investments) and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments, or otherwise originate, hedge, enforce or effect transactions, for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of SFR, and/or persons and entities with relationships with SFR. The Underwriter and its affiliates and related bodies corporate may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriter is acting as lead manager, bookrunner and underwriter to the Entitlement Offer for which they have received or expect to receive fees and expenses.

In connection with the Entitlement Offer, one or more investors may elect to acquire an economic interest in the New Shares (Economic Interest), instead of subscribing for or acquiring the legal or beneficial interest in those securities. The Underwriter and its affiliates and related bodies corporate may, for their own respective accounts, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire securities in SFR in connection with the writing of those derivative transactions in the Entitlement Offer and/or the secondary market. As a result of those transactions, the Underwriter or its affiliates or related bodies corporate may be allocated, subscribe for or acquire New Shares or securities of SFR in the Entitlement Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in SFR acquired by the Underwriter or its affiliates or related bodies corporate in connection with its ordinary course sales and trading, principal investing and other activities, result in the Underwriter or its affiliates or related bodies corporate disclosing a substantial holding and earning fee.

Determination of eligibility of investors of the Entitlement Offer is determined by reference to a number of matters, including at the discretion of SFR and the Underwriter. To the maximum extent permitted by law, SFR, the Underwriter and their respective Limited Parties expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion or otherwise.

## JORC Code

It is a requirement of the ASX Listing Rules that the reporting of Ore Reserves and Mineral Resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves (**JORC Code**). Investors outside Australia should note that while Ore Reserve and Mineral Resource estimates of the Company in this Presentation comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (; or (ii) item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC.

# Important information and disclaimer (cont.)

Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws.

## SFR ore reserve and mineral resource estimates

The information in this Presentation that relates to SFR's Mineral Resources or Ore Reserves is extracted from SFR's ASX releases and is available at <https://www.sandfire.com.au/where-we-operate/mineral-resources-and-ore-reserves/> or

The market announcements (public reports) relevant to SFR's Mineral Resource and Ore Reserve estimates presented in this Presentation are:

- "37Mt Ore Reserve cements foundation for long-term growth at Sandfire's MATSA Copper Operations" released to the Australian Securities Exchange (**ASX**) on 28 July 2022.
- "147Mt Mineral Resource sets strong foundation for optimisation and long-term growth at MATSA" released to the ASX on 30 June 2022.
- "Maiden Mineral Resource Estimate for Old Highway Gold Deposit" released to the ASX on 15 December 2021.
- "Transformational acquisition of the MATSA Mining Complex in Spain and A\$1,248 million equity raising" released to the ASX on 23 September 2021.
- "Maiden Ore Reserve for A4 Deposit and PFS confirms 5.2Mtpa Motheo Copper Project" released to the ASX on 22 September 2021.
- "Sandfire delivers 34% increase in contained copper at satellite A4 Copper-Silver Deposit at Motheo" released to the ASX on 21 July 2021.
- "Sandfire Reports Updated Underground Ore Reserve and Mineral Resource for DeGrussa Operations" released to the ASX on 16 June 2021.
- "Sandfire Approves Development of New Long-Life Copper Mine in Botswana" released to the ASX on 1 December 2020.
- "USA and Botswana Development Projects Update" released to the ASX on 28 October 2020.
- "Updated Mineral Resource Completed for Johnny Lee Deposit, Black Butte Copper Project, USA" released to the ASX on 30 October 2019.

SFR confirms that it is not aware of any new information or data that materially affects the information included in the respective relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the respective relevant market announcement continue to apply and have not materially changed.

The information regarding SFR's production target for the Motheo Copper Project (**Motheo**) is set out in the market announcements entitled 'FY2022 Financial Results and Motheo Expansion DFS Presentation' and 'Motheo Copper Project Expansion DFS' dated 30 August 2022 and 'Maiden Ore Reserve for A4 Deposit and PFS confirms 5.2Mtpa Motheo Copper Project' dated 22 September 2021. SFR confirms that all the material assumptions underpinning the production target, and the forecast financial information derived from the production target, in those market announcements continue to apply and have not materially changed.

## Key assumptions

The following assumptions apply to information in this Presentation unless otherwise stated.

- Currency: unless otherwise stated, all figures are in USD.
- Copper equivalent data: copper equivalent values are calculated based by Sandfire on realised pricing for historical actual data and spot prices for forecasts; Spot prices as at 16 November are US\$8,315/t Cu, US\$3,087/t Zn, US\$2,209/t Pb, US\$1,773/oz Au and US\$22.0/oz Ag.
- Throughout this Presentation a number of assumptions have been made for forecasts or other financial data including:
  - Foreign exchange: AUDUSD of 0.667
  - Pricing: Sandfire last close price of A\$4.79 on 17 November 2022
- Figures, amounts, percentages, estimates, calculations of value and other factors used in this Presentation are subject to the effect of rounding.

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# Executive Summary



# Overview

## Sandfire is raising A\$200 million via an Entitlement Offer

<b>Entitlement Offer</b>	<ul style="list-style-type: none"> <li>• 1 for 8.8 accelerated non-renounceable entitlement offer (“<b>Entitlement Offer</b>”) at A\$4.30 per share to raise A\$200M (US\$134M<sup>(1)</sup>) (before costs)</li> <li>• The Entitlement Offer is fully underwritten, and comprises:             <ul style="list-style-type: none"> <li>– An accelerated institutional component (“<b>Institutional Entitlement Offer</b>”); and</li> <li>– A retail component (“<b>Retail Entitlement Offer</b>”)</li> </ul> </li> </ul>
<b>Purpose of raising</b>	<ul style="list-style-type: none"> <li>• Strengthen the balance sheet, providing working capital and enhanced financial flexibility to support deleveraging through the Company’s growth phase</li> <li>• Ensure Sandfire remains well funded to progress ongoing strategic growth initiatives across its portfolio</li> <li>• Fund increased working capital as Motheo progresses from construction to first production and ramp-up from 1HCY2023</li> <li>• Repayment of Corporate Facility<sup>(2)</sup></li> </ul>
<b>Strategy delivering outcomes</b>	<ul style="list-style-type: none"> <li>• Sandfire has successfully repositioned itself into a significant, diversified, globally relevant, multi asset copper miner</li> <li>• Portfolio focussed on leading positions in two major copper provinces in Spain and Botswana</li> <li>• Robust long term copper outlook - a critical metal for the global energy transition to a low-carbon future</li> <li>• MATSA exhibiting strong operational performance with FY2023 guidance maintained (60-65kt Cu, 78-83kt Zn)</li> <li>• Motheo, development is proceeding to plan, with first production expected in the June quarter of FY2023 – 75% of the initial 3.2Mtpa and A4 development capex has now been committed</li> <li>• Incoming CEO (Brendan Harris) to complement existing experienced Board &amp; Management to deliver on Sandfire’s strategy</li> <li>• Strong exploration pipeline and potential expansion opportunities</li> <li>• Enhanced balance sheet strength and financial flexibility post completion of the Entitlement Offer</li> </ul>

# Experienced Board and Management team

## Incoming CEO to complement existing experienced Board & Executive team

### Board of Directors



**John Richards**  
Chair



**Sally Langer**  
Non-Executive Director



**Jenn Morris**  
Non-Executive Director



**Dr Roric Smith**  
Non-Executive Director



**Sally Martin**  
Non-Executive Director



**Robert Edwards**  
Non-Executive Director

### Core Executive Team



**Brendan Harris<sup>(1)</sup>**  
Incoming MD & CEO  
*Commences April 2023*



**Jason Grace**  
Acting CEO,  
Chief Operating Officer



**Matt Fitzgerald**  
Chief Financial Officer



**Richard Holmes**  
Executive Growth



**Scott Browne**  
Executive People and  
Performance

### Decentralised In-Country Management Structure



**Dale Burgess**  
Botswana Country Head



**Rob Scargill**  
Spain Country Head



**Greg Peden**  
GM Operations

### Other Sandfire Senior Management



**Victoria Twiss**  
Head of Legal & Risk, and General  
Counsel



**Rob Massard**  
Business Development Manager



**David Wilson**  
Head of Technical Services,  
Planning and Marketing



**Samantha Masters**  
Head of HSEC



**Ben Crowley**  
Head of Investor Relations



**Ian Kerr**  
Motheo Project Director



Notes: (1) Brendan has extensive experience as an exploration geologist, highly-regarded equity analyst and senior executive with BHP and South32 (including acting as inaugural CFO), refer to ASX announcement from 10 November 2022 for further information.

# Our Strategy



**Execute Delivery**



**Sustain and Grow Our Production Pipeline**



**Accelerate Discovery**



**Align and Empower Our People**



**Optimise Capital Strategy and Engagement**

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# Our Values



**Honesty**



**Respect**



**Collaboration**



**Accountability**



**Performance**

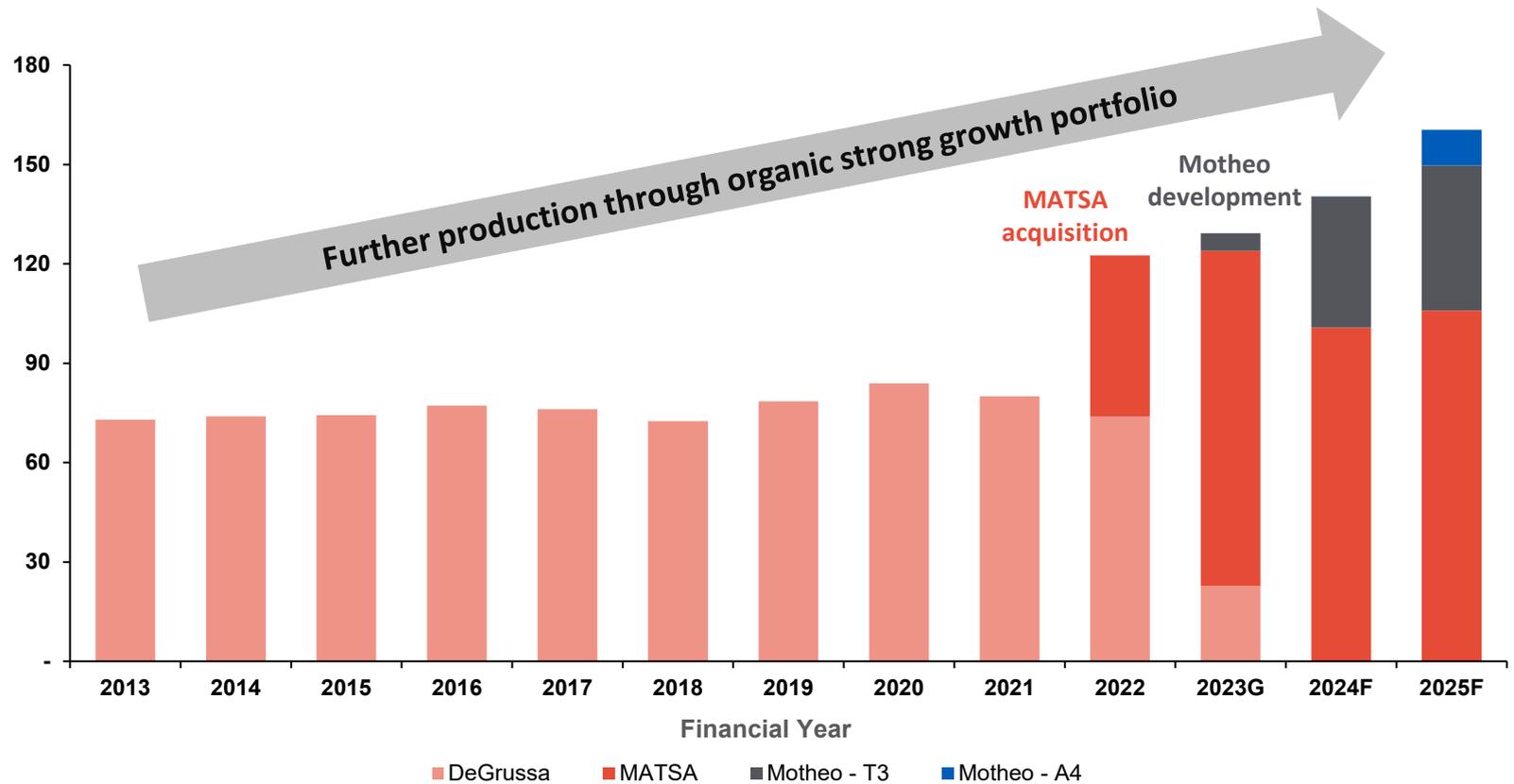
# Execution of strategy

Sandfire has successfully repositioned itself into a significant, diversified, globally relevant, multi asset copper miner

## Delivering growth from long-life assets in Tier-1 copper jurisdictions

- MATSA operational integration and optimisation, with updated Ore Reserve and 5-year optimisation plan
- First production from Motheo expected from early in the June Quarter FY2023, with subsequent A4 expansion to 5.2Mtpa

Indicative Copper Equivalent Production Profile (ktpa) <sup>(1)(2)</sup>



Notes: (1) Combined operating scale based on MATSA FY2023 Guidance, MATSA 3-year outlook for FY2024-25, and Motheo DFS indicative production profile based on the outcomes of the 5.2Mtpa Expansion Case DFS in ASX release titled '5.2Mtpa Motheo Copper Project Expansion DFS'; (2) Forecast equivalences based on commodity spot prices as at 16 November of US\$8,315/t Cu, US\$3,087/t Zn, US\$2,209/t Pb, US\$1,773/oz Au and US\$22.0/oz Ag. Historical based on actual achieved prices.

# High quality assets delivering sustainable copper production

## Feeding the global energy transition from a portfolio of high-quality operations in Tier-1 locations

**MATSA Copper Operations, Spain**

**FY2023G: 60-65kt Cu; 78-83kt Zn**

Cu Zn Pb Ag

Producing 4.7Mtpa 12+ years

- + Near-mine Resource Growth
- + Iberian Pyrite Belt Exploration

**Motheo Copper Operations, Botswana**

**Peak production: ~55ktpa Cu (DFS)<sup>(1)</sup>**

Cu Ag

Construction 5.2Mtpa 10+ years

- + A1 Target
- + Motheo Expansion Exploration
- + Kalahari Copper Belt Exploration

**Black Butte Copper Project, USA (87%)**

**LOM Avg Production: 23ktpa Cu**

Cu Ag

Feasibility 1.2Mtpa 8+ years

- + Lowry Deposit
- + Regional exploration

**DeGrussa Copper Operations, Australia**

**FY2023G: 19-21kt Cu; 12-14koz Au**

Cu Au

Producing 1.6Mtpa 31 Jan 2023

- + DeGrussa Stockpile Processing
- + Yerrida Regional Exploration



🚩 Status
🕒 Mine Life
🏭 Plant Capacity (Ore Tonnes)
⊕ Upside Potential



Notes: (1) Sandfire currently expects Motheo to be at a run-rate of 30-35ktpa Cu by end of FY2023 and 50-55ktpa by FY2024.

# Robust long term copper outlook

Copper is one of the most widely used minerals in clean energy technologies



**Cornerstone future-facing metals** for the global energy transition, driving copper demand globally



**Long term market dynamics support strong prices,** despite the recent market volatility



**Mined supply forecast to peak in 2024,** with **sustained deficits to follow beyond 2026**



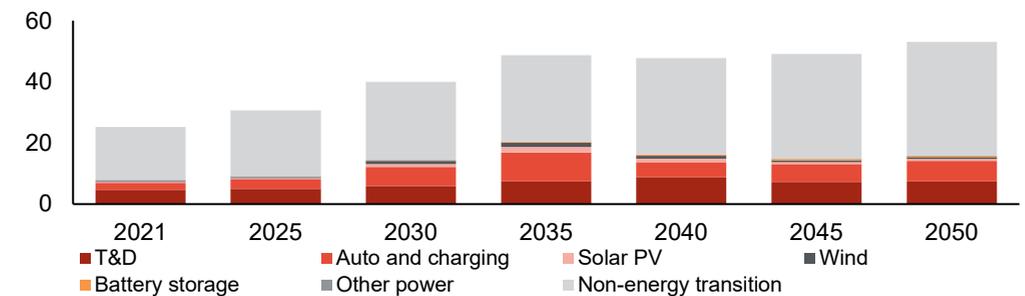
**Long development lead times and lack of greenfield discoveries** exacerbating copper scarcity



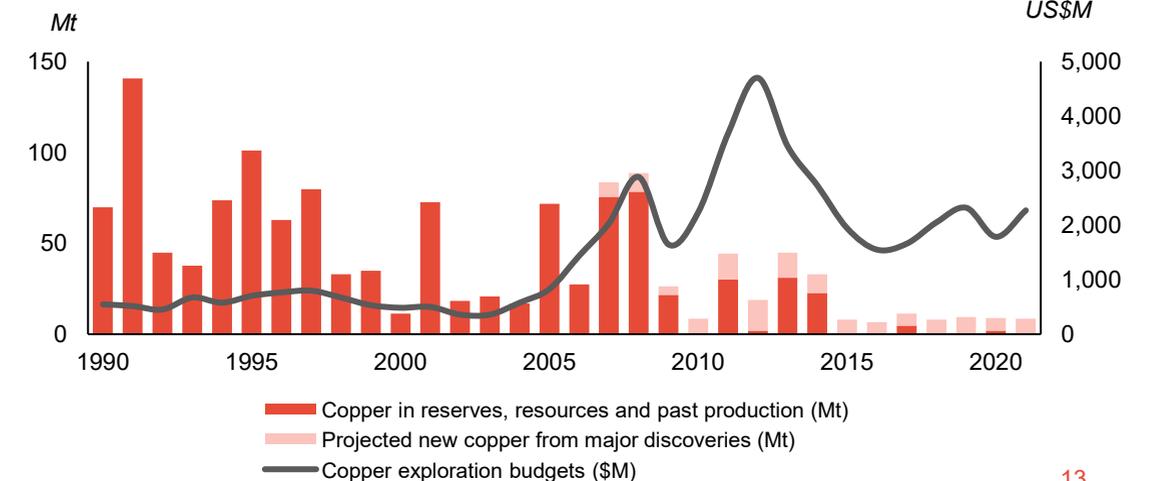
**Declining ore quality and grade in new discoveries** causing **upward pressure on costs**

**Growing role for copper in clean energy<sup>(1)</sup>**

Global refined copper usage, Mt



**Major copper discovery drought continues<sup>(2)</sup>**



Notes: (1) Based on S&P Global's Multitech Mitigation scenario. US values are adjusted to align with Biden administration's net-zero ambitions. T&D = transmission and distribution, PV= photovoltaics, other power includes conventional generation (coal, gas, oil and nuclear), geothermal, biomass, waste, concentrated solar power and tidal; (2) S&P Global Market Intelligence.

# FY2023 - Group operations guidance summary

Recent upgrade to group production guidance maintained

## FY23 Guidance summary<sup>(1)</sup>

	MATSA	DeGrussa	Motheo	Group
Copper (kt)	60-65	19-21	~4-5	83-91
Zinc (kt)	78-83	-	-	78-83
Lead (kt)	6-10	-	-	6-10
Gold (koz)	-	12-14	-	12-14
Silver (Moz)	2.0-3.0	~0.1	~0.1	2.2-3.2
Operating costs (US\$/lb Cu)	1.78	1.54	see note (2)	1.72
Capital expenditure (US\$)	120-140	0-5	200-210	320-355

## Capex, corporate costs and D+A breakdown (US\$)

### Capital expenditure

MATSA & DeGrussa mine development: **\$80-95M**

MATSA Sustaining and strategic: **\$40-50M**

Motheo construction and development: **\$200-210M**

Exploration, evaluation and studies: **\$35-40M**

### Corporate costs

Corporate and business development: **~\$30M**

### Depreciation and amortisation

MATSA: **~\$250M**

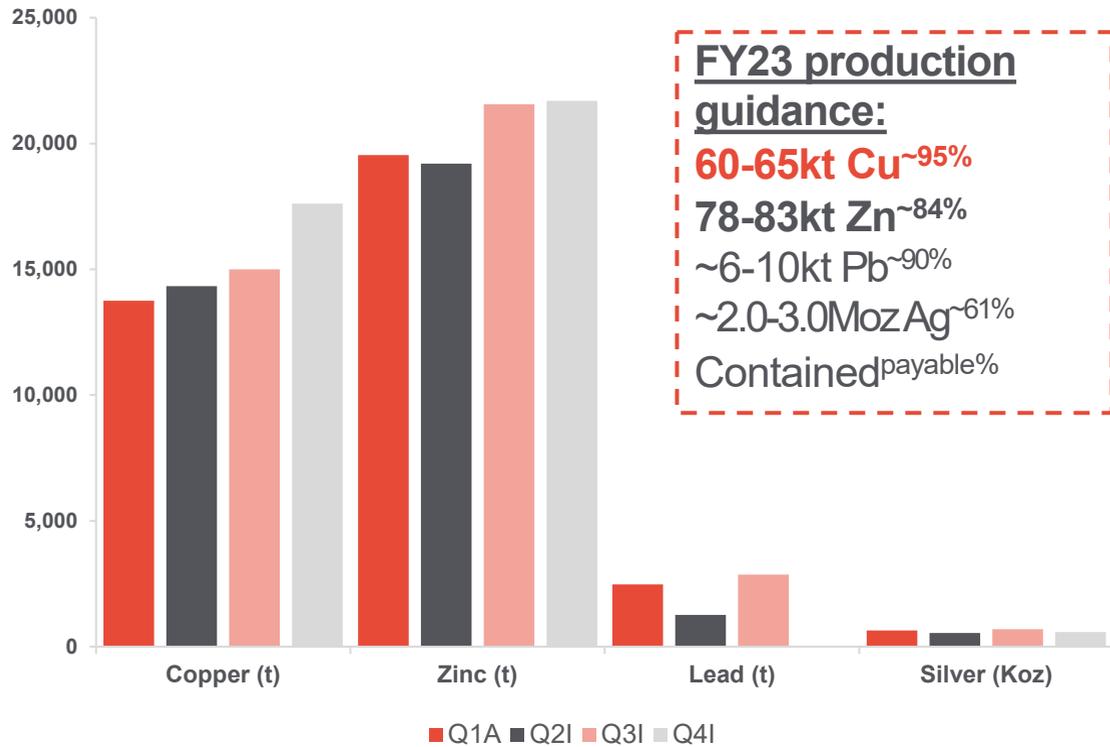
DeGrussa: **~\$16M**

# MATSA

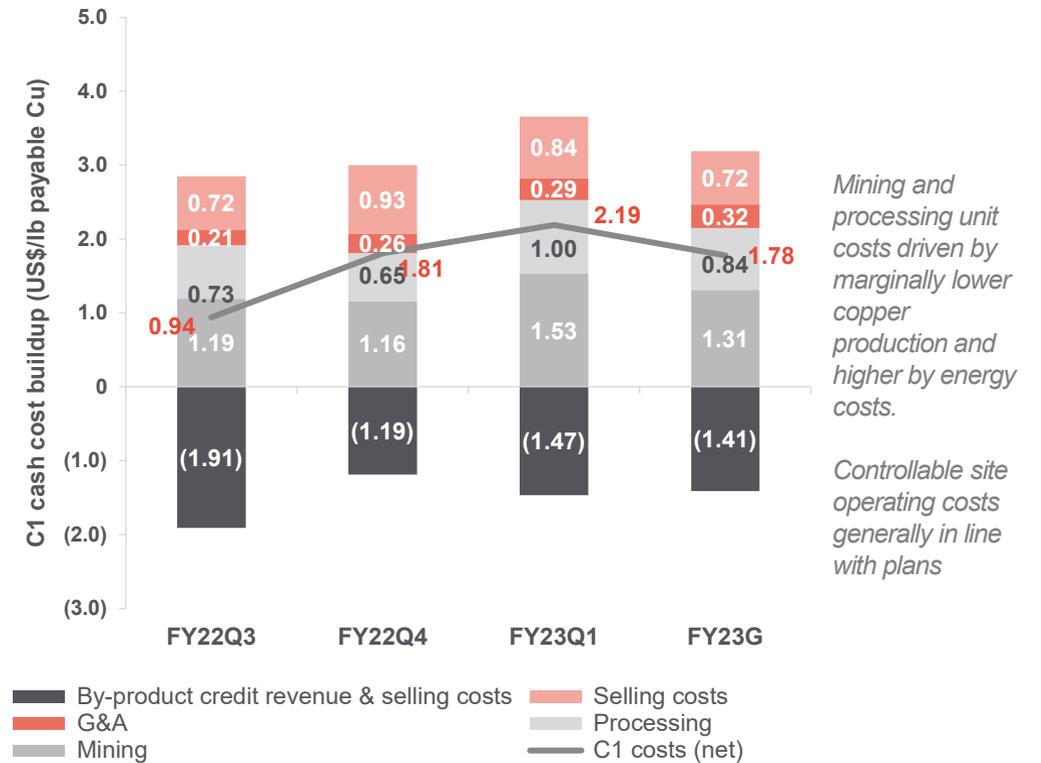
## Indicative FY2023 production and unit cost summary

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**MATSA Indicative Production Profile**



**Unit Cost Summary (US\$, unaudited)**



# Strong growth pipeline

Financial strength supports funding Sandfire’s strong near term growth pipeline

	Overall investment	FY23G investment	Progress <sup>(1)</sup>
<b>1</b> <b>Motheo – Development and Expansion of the Motheo Copper Mine</b> Construction activities well advanced, with first production scheduled from the June Quarter of FY2023. Expansion of processing capacity to 5.2Mtpa through A4 immediately after. US\$242.8M invested into Motheo to-date.	US\$397M <sup>(2)</sup>	US\$200-210M	
<b>2</b> <b>Motheo – Regional Exploration, including A1 Dome</b> Highly prospective exploration target only 19km from the Motheo Processing Facility with similar structural and lithological setting to the T3 and A4 domes		US\$12-14M	
<b>3</b> <b>MATSA – Infill and Mine Extension Targeting</b> FY2023 drilling program targeting Resource and Reserve growth and near-mine extensions		US\$9-11M	
<b>4</b> <b>MATSA – Regional Exploration</b> Testing regional exploration targets and enhancing our understanding of the basin through four drill rigs and airborne gravity gradiometry survey		US\$8-10M	

Investment remaining  
 Investment spent



Notes: (1) Relative to total investment into T3 base project (US\$325.5M); (2) Incorporating development costs for the A4 Open Pit and 5.2Mtpa plant expansion of US\$47.9 million.

# Managing external factors

## Proactively managing external macroeconomic and market factors

### Energy costs

- Russia-Ukraine, Nord Stream gas pipeline disruptions and weather have impacted energy costs

### Response

- ✓ 20MW Sotiel Solar farm in progress, estimated completion September 2023
- ✓ Negotiating a new supply contract from January 2023 – considering a hybrid pricing structure of part fixed / part spot (expected at lower pricing relative to average spot pricing throughout CY2022)<sup>(1)</sup>
- ✓ Development of a second solar facility near Aguas Teñidas is currently under permit application
- ✓ EU approved gas price cap for Spain and Portugal continues to deliver lower electricity prices than many other parts of Europe
- ✓ Current spot energy costs are substantially lower than peaks in Q1 FY23<sup>(1)</sup>

### Central bank tightening

- Global central bank monetary policy tightening to combat inflation has increased cost of funding

### Response

- ✓ Continuing to fund growth projects while de-leveraging post the acquisition of MATSA
- ✓ Entitlement Offer provides additional working capital and financial flexibility as Sandfire deleverages
- ✓ Annual base case financial model (**BCFM**) review process to commence in Q1 CY23 as contemplated in the MATSA Facility documents, provides the opportunity to engage with the facility lenders to consider an extension and/or resculpting future repayments to align with the BCFM and incorporate July 2022 Ore Reserves, production profile and financial parameters
- ✓ Accelerated Resource extension drilling to continue to extend and optimise mine life

### Broader market factors

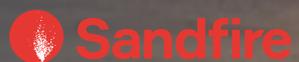
- Central bank inflation response, geopolitical conditions and China public health policies impacting commodity end markets

### Response

- ✓ Commodity hedging put in place at the time of the MATSA acquisition remain “in the money”<sup>(2)</sup>
- ✓ Selective QP hedging to lock in recent price improvements on shipped products
- ✓ Adopt prudent approach to capital management – Entitlement Offer provides additional working capital in current environment

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# Entitlement Offer Overview



# Entitlement Offer overview

<b>Equity Raise Size and Structure</b>	<ul style="list-style-type: none"> <li>• A\$200M (US\$134M<sup>(1)</sup>) fully underwritten 1 for 8.8 accelerated non-renounceable entitlement offer (“<b>Entitlement Offer</b>”)             <ul style="list-style-type: none"> <li>– Eligible shareholders will be invited to subscribe for 1 new fully paid ordinary Sandfire share (“<b>New Shares</b>”) for every 8.8 existing fully paid ordinary Sandfire shares held, as at 7:00pm (AEDT) on 22 November 2022 (“<b>Entitlement Offer Record Date</b>”)                 <ul style="list-style-type: none"> <li>– The Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferable</li> </ul> </li> </ul> </li> <li>• Approximately 46.6M New Shares to be issued under the Entitlement Offer representing approximately 11.4% of current issued capital</li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>• The Entitlement Offer will be conducted at A\$4.30 per New Share (“<b>Offer Price</b>”)             <ul style="list-style-type: none"> <li>– 10.2% discount to the last closing price of A\$4.79 on 17 November 2022</li> <li>– 9.3% discount to the Theoretical Ex-Rights Price (“<b>TERP</b>”)<sup>(2)</sup> of A\$4.74 based on the last closing price on 17 November 2022</li> </ul> </li> </ul>
<b>Institutional Entitlement Offer</b>	<ul style="list-style-type: none"> <li>• Institutional Entitlement Offer to be conducted on 18 November 2022<sup>(3)</sup></li> <li>• Institutional entitlements not taken up and those of ineligible institutional shareholders will be sold at the Offer Price</li> </ul>
<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"> <li>• Retail Entitlement Offer to open on 25 November 2022 and closes at 7:00pm (AEDT) on 8 December 2022<sup>(3)</sup></li> <li>• Only eligible shareholders with a registered address in Australia or New Zealand who are not in the United States or acting for the account or benefit of a person in the United States as at the Record Date of 22 November 2022 may participate in the Retail Entitlement Offer</li> <li>• The Directors who hold shares in the Company intend to participate in the Retail Entitlement Offer</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>• New Shares will rank equally with existing fully paid ordinary Sandfire shares on issue</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>• The Entitlement Offer is fully underwritten by Macquarie Capital (Australia) Limited<sup>(4)</sup></li> <li>• Material terms of the Underwriting Agreement are set out in the ASX announcement dated 18 November 2022</li> </ul>
<b>Legal adviser</b>	<ul style="list-style-type: none"> <li>• Gilbert + Tobin has been appointed as legal adviser for the Entitlement Offer</li> </ul>



Notes: (1) Assumes AUD / USD rate of 0.667; (2) The Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which SFR shares should trade after the ex-date for the Entitlement Offer. TERP is calculated by reference to SFR’s closing share price of A\$4.79 per share, being the last trading day prior to the announcement of the Entitlement Offer of A\$4.30 per share. TERP is a theoretical calculation only and the actual price at which SFR shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP; (3) These timings are indicative only and subject to variation. SFR reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. All references are to Australian Eastern Daylight Time (**AEDT**); (4) AFSL 314416.

# Sources and uses of funds

Entitlement Offer proceeds primarily used for:

- Strengthening the balance sheet, providing working capital and enhanced financial flexibility to support deleveraging through the Company's growth phase<sup>(1)</sup>
- Ensuring Sandfire remains well funded to progress ongoing strategic growth initiatives across its portfolio
  - MATSA mine extension drilling and ore reserve growth;
  - Motheo A4 progress including approvals and design prior to targeted debt funding; and
  - Kalahari copper belt near mine exploration and A1 drilling
- Fund increased working capital as Motheo progresses from construction to first production and ramp-up from 1HCY2023
- Repayment of Corporate Facility<sup>(2)</sup>

Existing cash available of US\$162M (as at 31 October 2022) and operating cash flows, to be allocated to:

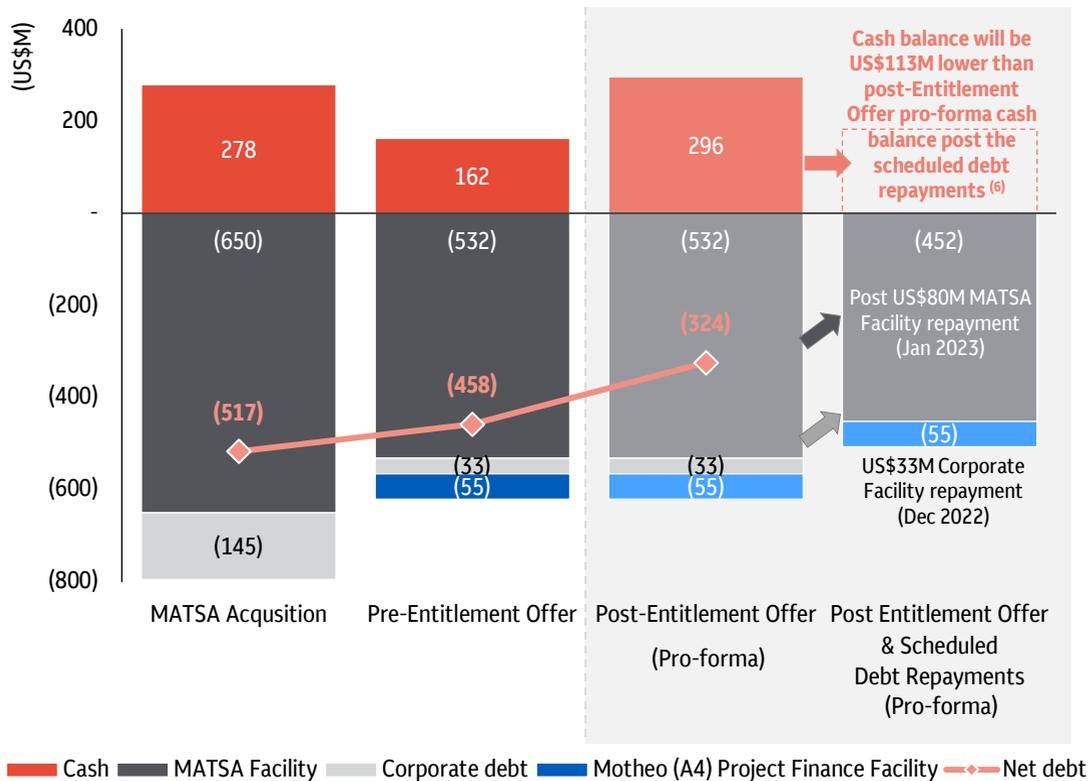
- US\$80M debt repayment on MATSA facility;
- DeGrussa wind down (US\$7M) and income tax payment (US\$32M); and
- Fund capex and increased working capital requirements at Motheo as it approaches first processing of ore in June quarter FY2023

Sources of Funds <sup>(3)</sup>	A\$M	US\$M
Entitlement Offer	200	134
<b>Total Sources<sup>(4)</sup></b>	<b>200</b>	<b>134</b>
Uses of Funds <sup>(3)</sup>	A\$M	US\$M
Repayment of Corporate Facility <sup>(2)</sup>	50	33
Strengthen balance sheet, providing working capital and enhanced financial flexibility	90	60
Growth and exploration projects	60	40
<b>Total Uses</b>	<b>200</b>	<b>134</b>

# Strong balance sheet flexibility post raising

Successfully deleveraging the balance sheet from operational cash flows

Significant deleveraging already complete, strong position post Entitlement Offer<sup>(1)(2)(3)(4)(5)</sup>



Sandfire has been successfully deleveraging the balance sheet since the MATSA acquisition, with operations performing well, and positive operational cash flows, despite falls in commodity prices and cost increases

- Significant deleveraging of balance sheet since completion of the MATSA acquisition in January 2022, including US\$216M of debt repayments
- US\$565M of acquisition debt outstanding (prior to Entitlement Offer) which includes:
  - MATSA Facility: US\$532M outstanding as at 31 October 2022
  - Corporate Facility: US\$33M<sup>(3)</sup> outstanding as at 31 October 2022 – to be fully repaid post the Entitlement Offer<sup>(7)</sup>
- Invested US\$241M into development of Motheo to date with further funding from drawdowns of Project Funding Facility of US\$140M
  - US\$55M drawn as at October 2022
  - US\$55M further drawdown planned in December 2022
  - Sandfire targeting a further US\$40-60M of debt to fund the A4 expansion to 5.2Mtpa (for total Motheo Facility of US\$180-200M)



Notes: (1) Per Sandfire management accounts; (2) Gross proceeds from Entitlement Offer (excluding transaction costs); (3) Assumes AUD / USD rate of 0.6667; (4) Pro-forma positions in graph assume the 31 October unaudited cash & debt per Sandfire management accounts, adjusted for debt repayment, and are not a forecast of Sandfire's financial position; (5) Corporate debt drawn for MATSA Acquisition of A\$200M (US\$145M based on exchange rate at the time); (6) This excludes any other movements from non-debt repayments and only adjusted for US\$33M Corporate Facility and US\$80M MATSA Facility repayments; (7) Sandfire is in discussions with Corporate Facility lenders with regards to a potential 3 month extension to the Corporate Facility which is currently repayable by 31 December 2022.

# Financial position post raising

## The Entitlement Offer reduces gearing and enhances balance sheet flexibility

### Entitlement Offer strengthens the balance sheet and provides enhanced financial flexibility to support growth objectives<sup>(1)</sup>

- Pro-forma gearing post Entitlement Offer of ~18%, with enhanced cash position and levers to ensure future funding flexibility including working capital and strong hedge book profile (above spot prices<sup>(2)</sup>)
  - To the extent additional funding is required in the future, flexibility available to progress a range of options including some or all of; existing US\$30M of MATSA working capital facilities, extension of the Corporate Facility<sup>(3)</sup>, DeGrussa potential sale (see page 32) and MATSA Facility extension and/or rescultping (referred to below)
- Post Entitlement Offer, Sandfire is in a strong-capital management position over the medium term enhancing optionality to align future deleveraging with production and cashflow profile
  - Annual base case financial model (BCFM) review process to commence in Q1 CY23 as contemplated in the MATSA Facility documents, provides the opportunity to engage with the facility lenders to consider an extension and/or rescultping future repayments to align with the BCFM and incorporate July 2022 Ore Reserves, production profile and financial parameters

### Sandfire capitalisation pre and post Entitlement Offer<sup>(1)</sup>

Item	Units	Pre-Entitlement Offer	Entitlement Offer <sup>(4)</sup>	Proforma position
Share price (AUD) <sup>(5)</sup>	A\$/sh	4.79	4.30	4.74
Shares on issue <sup>(6)(7)</sup>	m	410	47	457
<b>Market capitalisation</b>	<b>A\$m</b>	<b>1,965</b>	<b>200</b>	<b>2,165</b>
<b>Market capitalisation<sup>(8)</sup></b>	<b>US\$m</b>	<b>1,311</b>	<b>134</b>	<b>1,444</b>
Unaudited cash (as at 31 October 2022) <sup>(9)</sup>	US\$m	162	134	296
Unaudited total debt (as at 31 October 2022) <sup>(9)</sup>	US\$m	620	n/a	620
<b>Unaudited net debt (as at 31 October 2022)<sup>(9)</sup></b>	<b>US\$m</b>	<b>458</b>	n/a	<b>324</b>
<b>Enterprise value<sup>(10)</sup></b>	<b>US\$m</b>	<b>1,768</b>	n/a	<b>1,768</b>
<b>Leverage (Net Debt / FY22 EBITDA)</b>	<b>x</b>	<b>1.02x</b>	n/a	<b>0.72x</b>
<b>Gearing (Net Debt / Enterprise Value)</b>	<b>%</b>	<b>26%</b>	n/a	<b>18%</b>

Notes: (1) Certain figures presented on this slide have been rounded to the nearest whole number; (2) Refer to page 34 for further details on hedge book; (3) Sandfire is in discussions with Corporate Facility lenders with regards to a potential 3 month extension to the Corporate Facility which is currently repayable by 31 December 2022; (4) Gross proceeds from Entitlement Offer (excluding transaction costs); (5) Sandfire pre-Entitlement Offer based on last traded price of Sandfire shares of A\$4.79 per share as at 17 November 2022, Entitlement Offer price based on the Entitlement Offer Price, Sandfire pro-forma based on TERP. TERP is a theoretical calculation only and the actual price at which Sandfire shares trades immediately following the ex-date for the Entitlement Offer may differ from TERP; (6) Sandfire currently has 410,181,608 ordinary shares on issue, with a further 3,811,952 unquoted securities. As part of the Entitlement Offer, Sandfire will issue ~46.6M ordinary shares under the Entitlement Offer; (7) The Company is also proposing to make an offer of incentive equity securities to Jason Grace in recognition of his role as Acting CEO. The Company has not yet finalised the terms and number of these incentive equity securities, and they are therefore not reflected in this table; (8) Assumes AUD / USD rate of 0.667; (9) Per Sandfire management accounts; (10) Enterprise value (EV) equals market capitalisation post Entitlement plus net debt (ND) post Entitlement Offer.

# Entitlement Offer indicative timetable

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Event	Date <sup>(1)</sup>
Announcement of Entitlement Offer, cleansing statement	18 November 2022
Institutional Entitlement Offer Opens	18 November 2022
Announcement of results of Institutional Entitlement Offer	21 November 2022
Trading halt lifted and shares recommence trading	21 November 2022
Entitlement Offer Record Date	7:00pm (AEDT), 22 November 2022
Retail Entitlement Offer opens, and Retail Offer Booklet dispatched	25 November 2022
Settlement of New Shares issued under the Institutional Entitlement Offer	28 November 2022
Allotment and commencement of trading of New Shares under the Institutional Entitlement Offer	29 November 2022
Retail Entitlement Offer closes	7:00pm (AEDT), 8 December 2022
Announcement of results of Retail Entitlement Offer	13 December 2022
Settlement of New Shares issued under the Retail Entitlement Offer	14 December 2022
Allotment of New Shares under the Retail Entitlement Offer	15 December 2022
Commencement of trading of New Shares issued under the Retail Entitlement Offer	15 December 2022



Notes: (1) This timetable is indicative only and Sandfire may, at its discretion, vary any of these dates (subject to the ASX Listing Rules, Corporations Act and other applicable laws). All references are to Australian Eastern Daylight Time (AEDT).

# Significant, globally relevant copper producer

Sandfire is emerging as a meaningful midcap copper player, with a robust growth strategy expected to strengthen its position amongst domestic peers

**A\$2.2bn** market capitalisation (pro forma post Entitlement Offer)<sup>(1)(2)</sup>

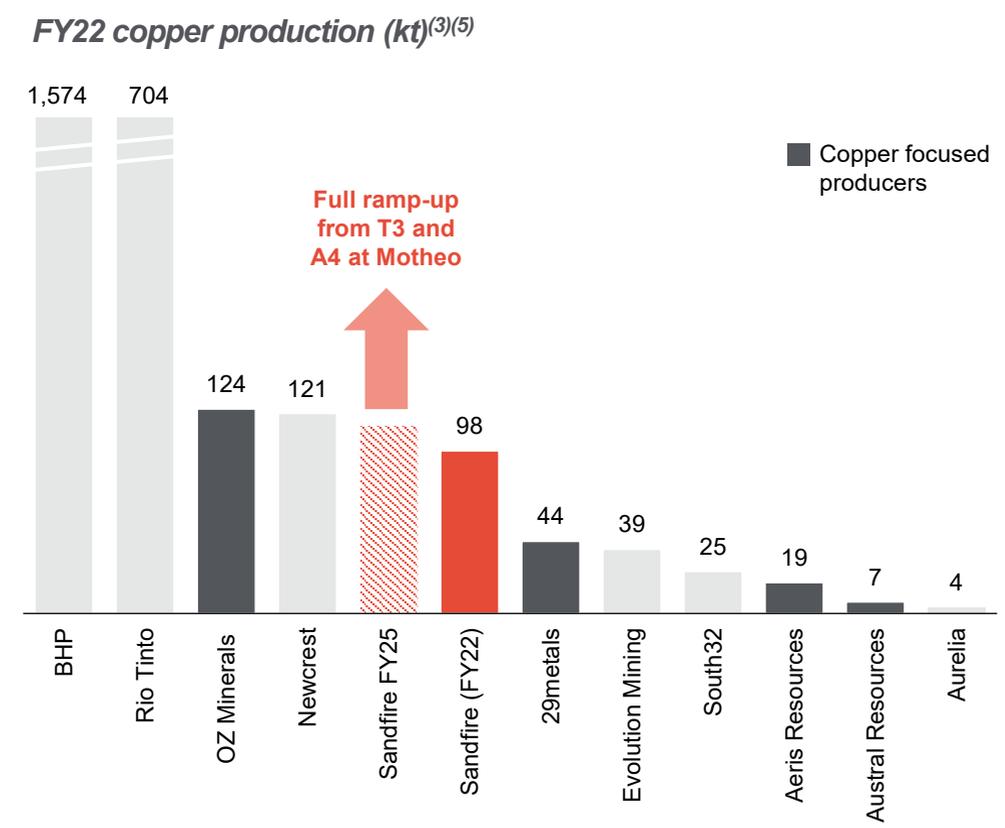
**2nd largest ASX copper focused company** by market capitalisation<sup>(1)(3)</sup>

**In the top 10 largest copper focused companies** by market capitalisation on the ASX and TSX<sup>(1)(4)</sup>

Member of the **S&P / ASX 200**

FY23 guidance of **83-91kt Cu, 78-83kt Zn** in addition to 6-10kt Pb, 2.2-3.2Moz Ag & 12-14koz Au

## ASX copper producer universe



Notes: (1) Market data as at 17 November 2022; (2) Proforma market capitalisation calculated as proforma shares on issue post the Entitlement Offer multiplied by the TERP of A\$4.74 per share – refer to slide 22 for further information; (3) ASX copper producers with at least 30% of revenue derived from copper in the latest full year results; (4) ASX and TSX listed copper producers with at least 30% of revenue derived from copper in the latest full year results; (5) Austral Resources production includes July 2022 (no disclosure for the June Quarter 2022 standalone).

# Investment highlights



**Positioning into a diversified, sustainable, global copper producer**



**Increased financial flexibility and capacity to fund growth through market volatility**



**Refreshed and experienced Board & management, including highly regarded incoming CEO Brendan Harris commencing in April 2023**



**Robust copper outlook feeding the clean energy transition**



**Diversified asset base with two long life production hubs in Spain and Botswana**



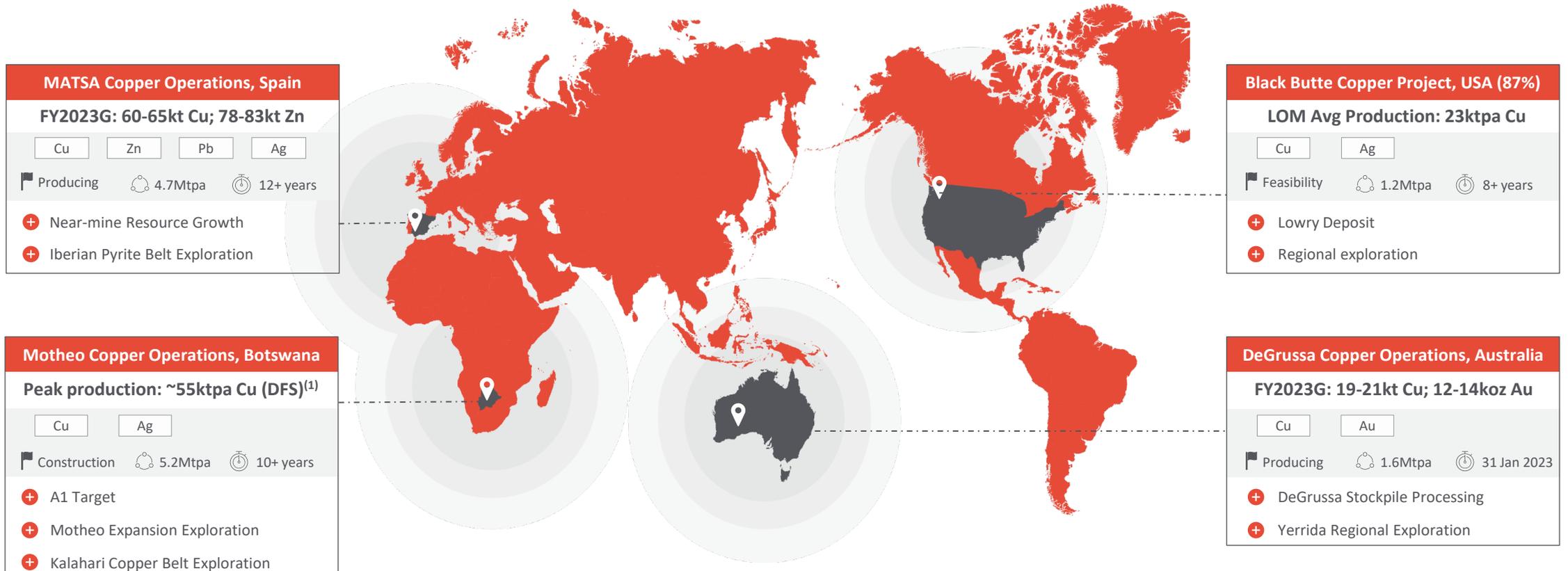
**Strong growth platform across development opportunities and exploration targets**

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# Appendix A Sandfire Group Overview & Guidance

# High quality assets delivering sustainable copper production

## Feeding the global energy transition from high-quality operations in Tier-1 locations



🚩 Status
🕒 Mine Life
🏭 Plant Capacity (Ore Tonnes)
⬆️ Upside Potential



Notes: (1) Sandfire currently expects Motheo production at the end of FY23 to be at run rate production of 30-35ktpa of Cu and at the end of FY24 to be at run rate production of 50-55ktpa.

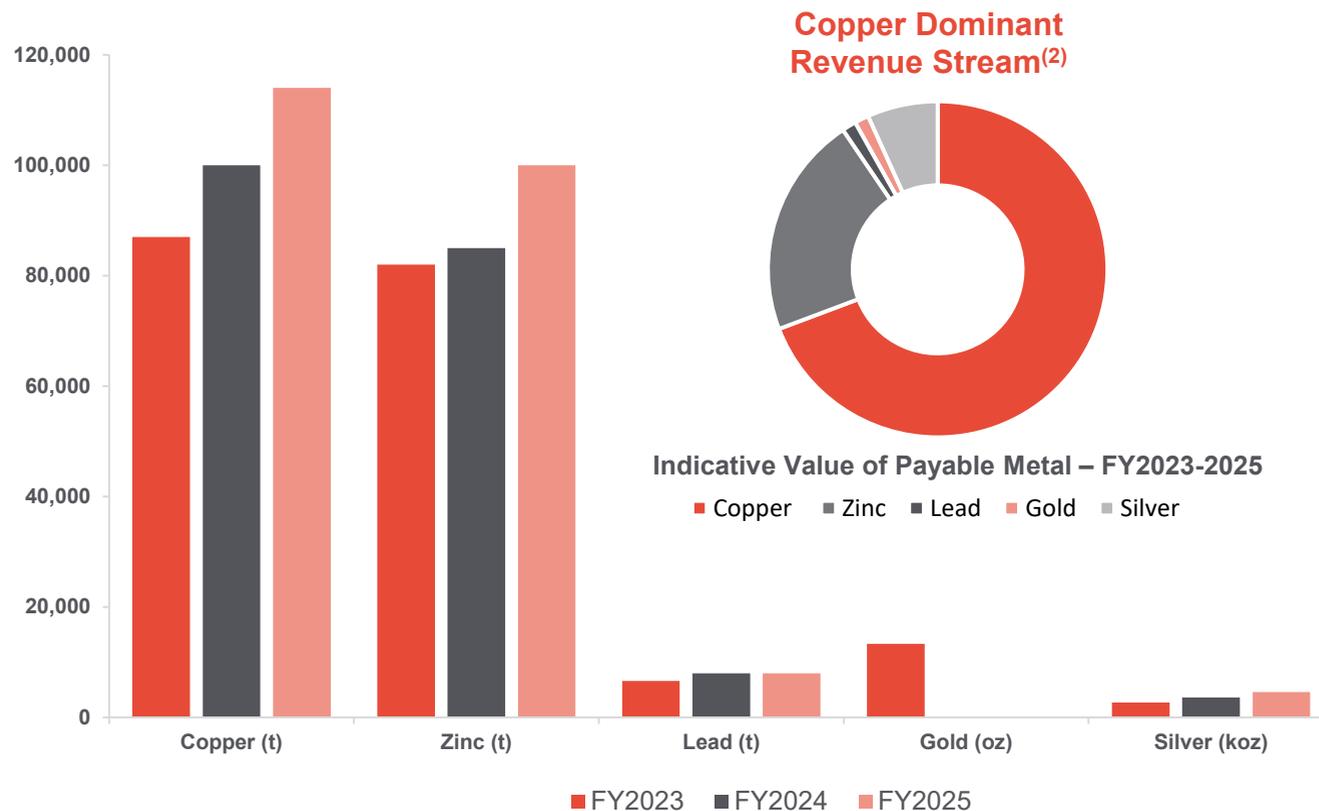
# Rising production

## Copper and zinc growth

Combined MATSA (4.7Mtpa) and Motheo (5.2Mtpa DFS) operating scale<sup>(1)</sup> producing:

~110-120ktpa contained copper

~80-100ktpa contained zinc



# MATSA

## FY2023 Production Guidance

In US\$ (Unaudited)

Production:

**60-65kt Cu**~95%

**78-83kt Zn**~84%

~6-10kt Pb~90%

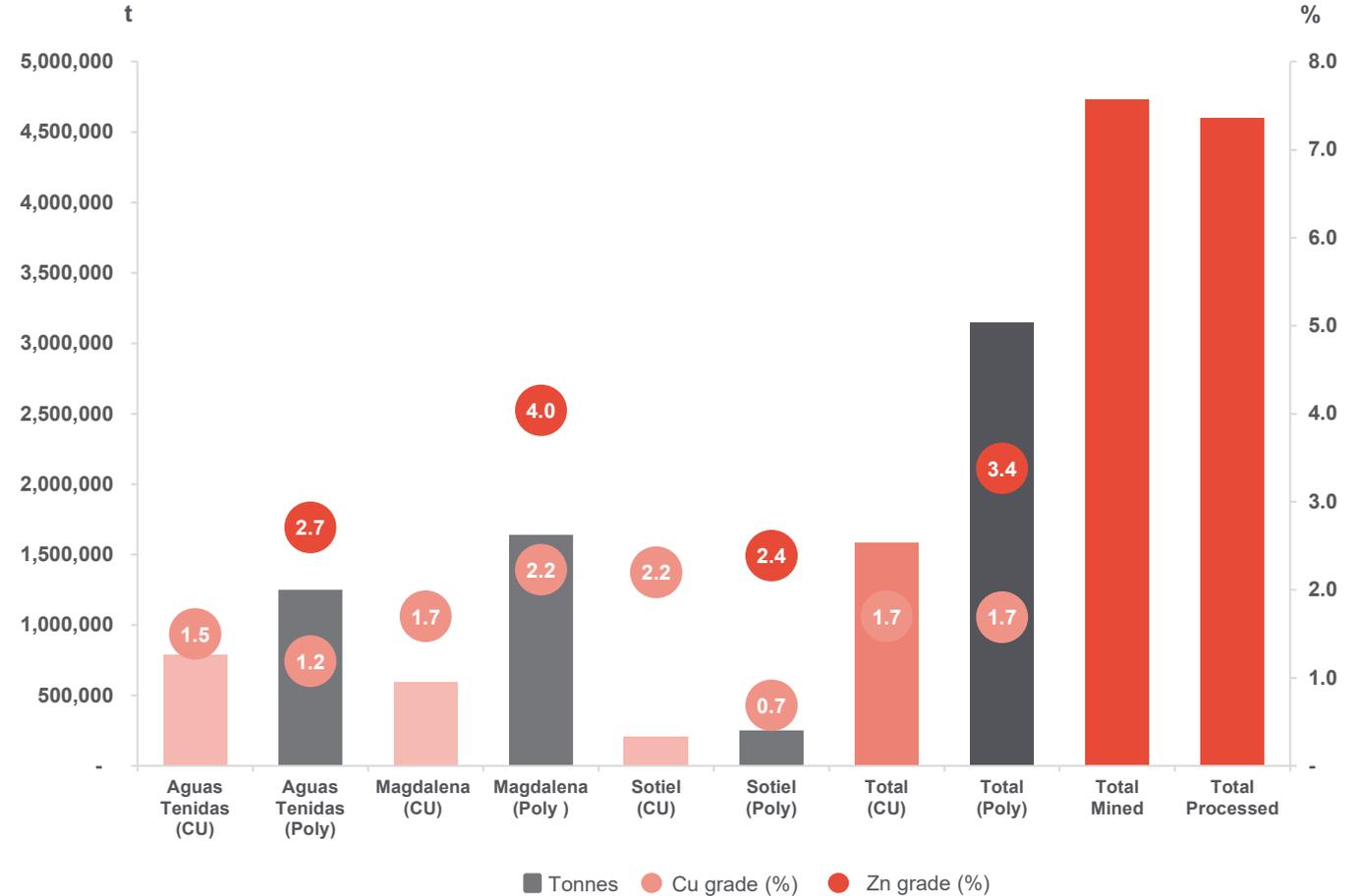
~2.0-3.0Moz Ag~61%

Contained payable%

Capital expenditure:

**\$80-90M** Mine development

**\$40-50M** Sustaining & Strategic



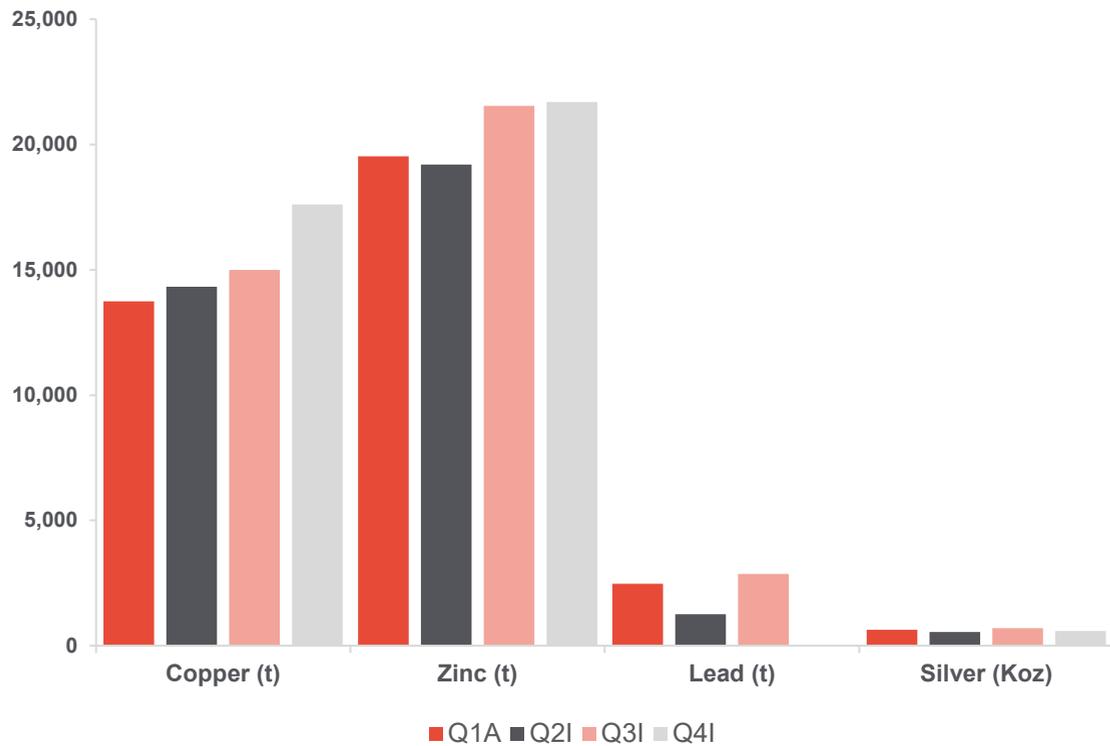
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# MATSA

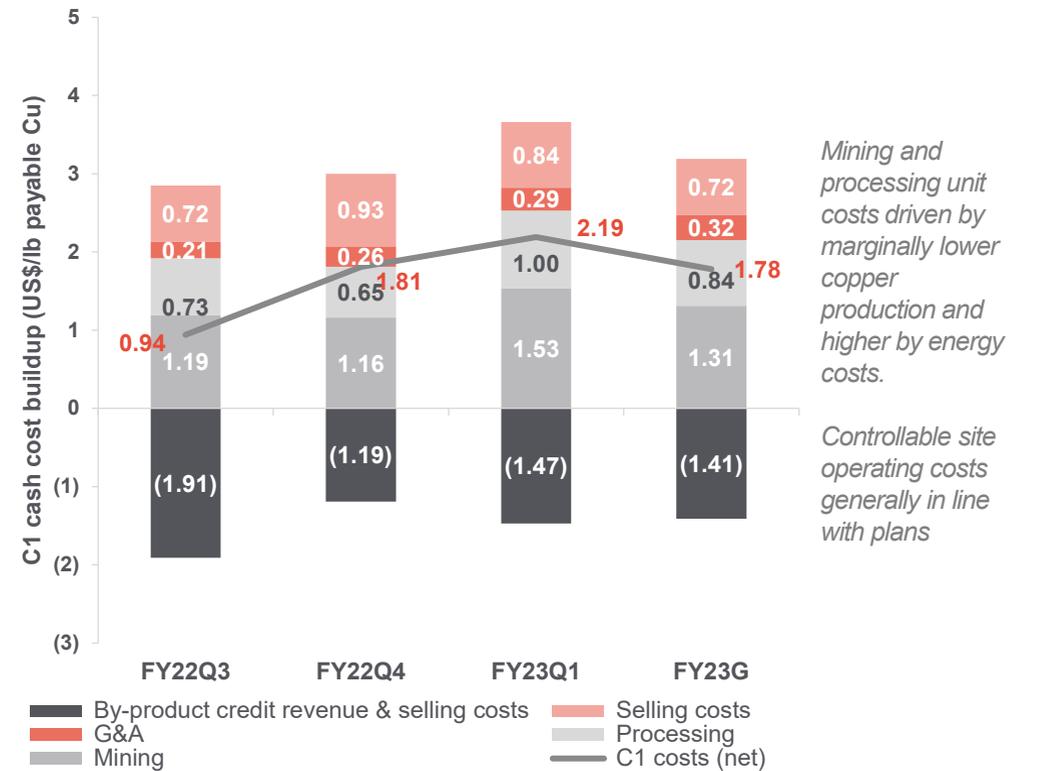
## Indicative FY2023 production and unit cost summary

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**MATSA Indicative Production Profile**



**Unit Cost Summary (US\$, unaudited)**



# Motheo Copper Mine

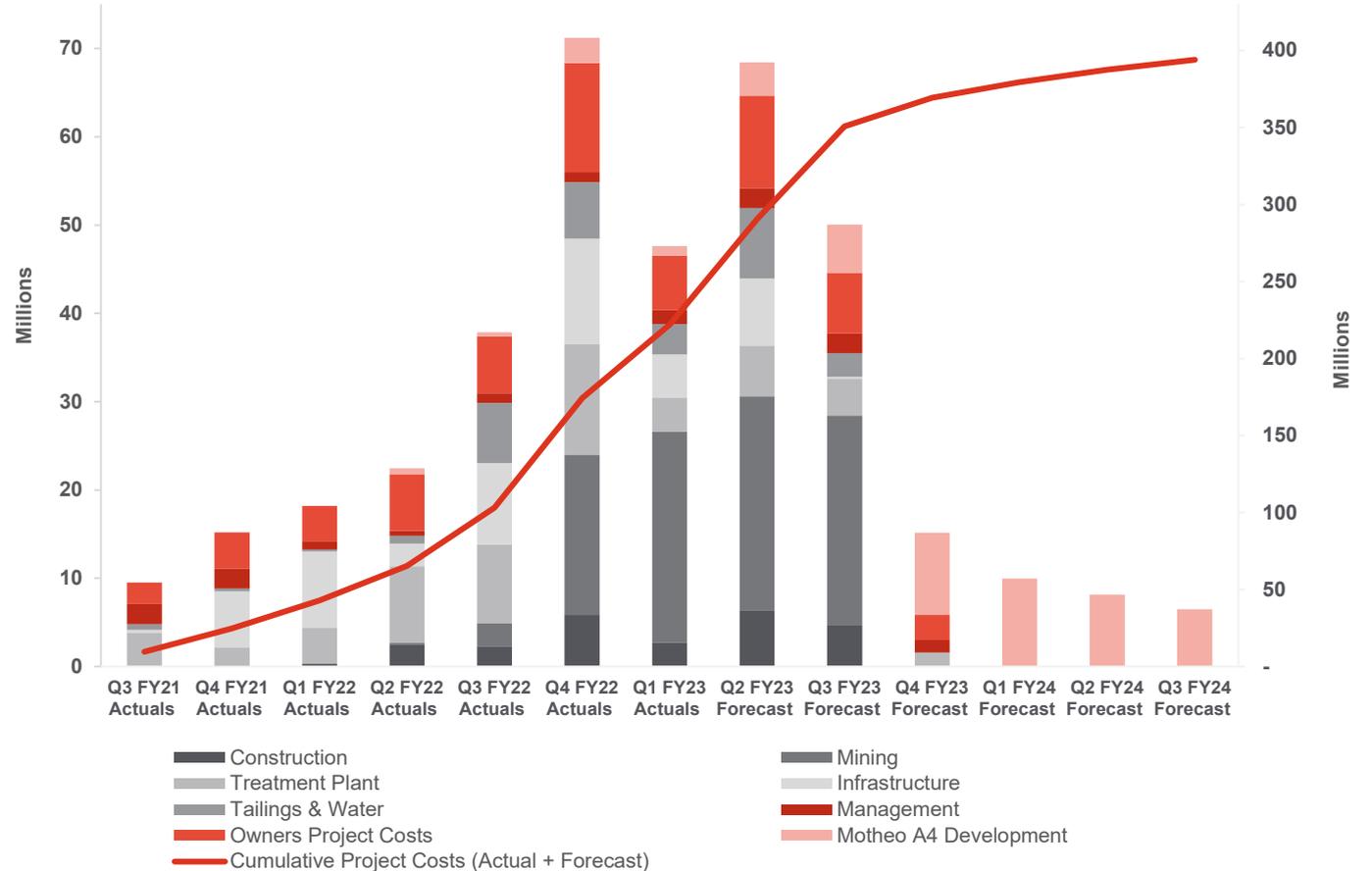
75% complete<sup>(1)</sup> – On track for first production in Q4FY23

In US\$

**Development capital** estimated at **\$397.4M** (displayed in graph)

- Motheo (3.2Mtpa and T3) \$325.5M
- Motheo (5.2Mtpa expansion and A4) \$71.9M
- At 31 October 2022, \$242.8M invested

**LOM capital** estimated at **\$499M**



# DeGrussa

## FY2023 Production Guidance (7 months to January 2023)

In US\$ (Unaudited)

Production:

**19-21kt Cu<sup>~95%</sup>**

12-14koz Au<sup>~91%</sup>

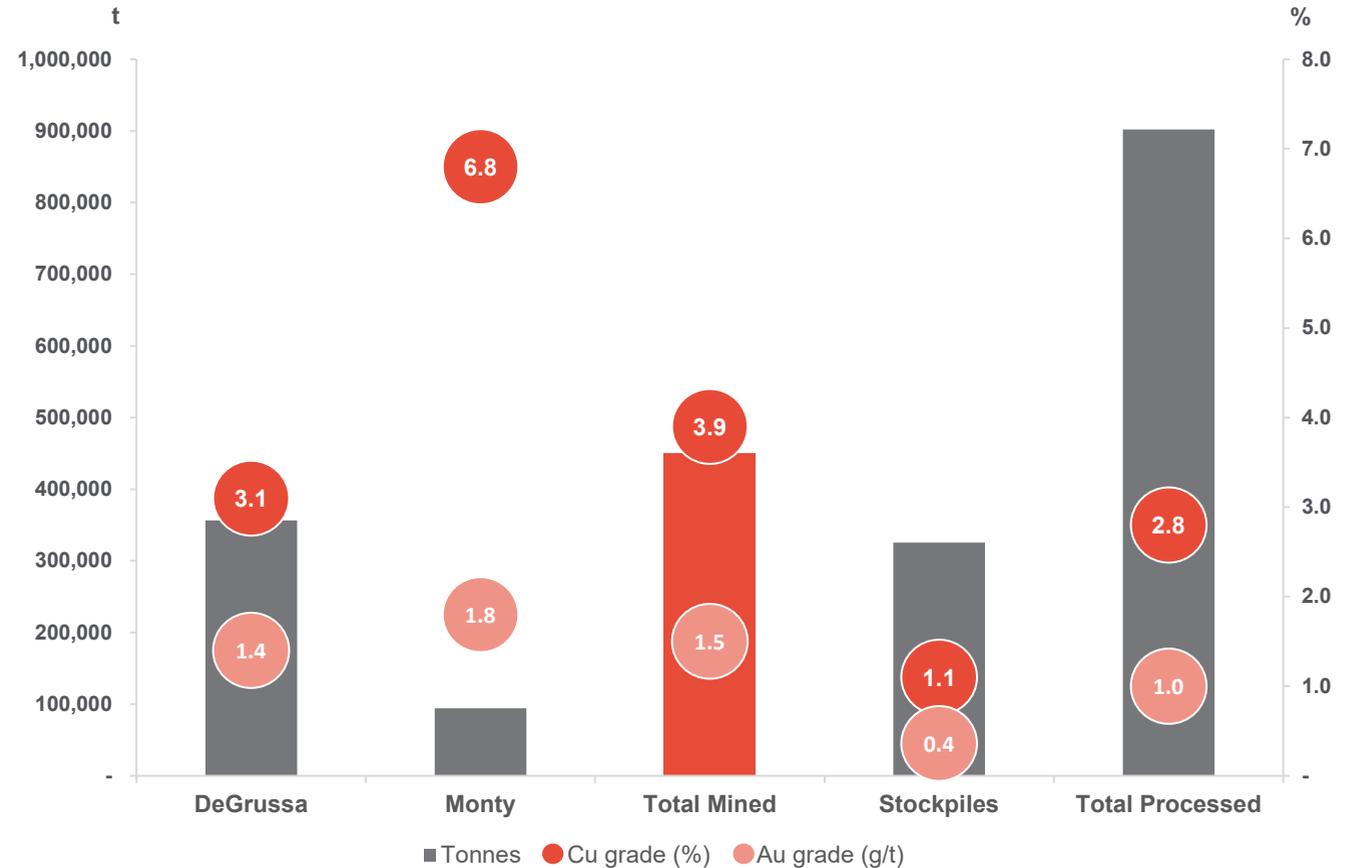
~0.1Moz Ag<sup>~84%</sup>

Contained<sup>payable</sup>

Capital expenditure:

**\$2.1M** Mine development

*Sandfire has commenced a strategic review into the DeGrussa Operation, and Doolgunna exploration portfolio, which includes processing extension studies, potential sale and/or winddown options. No decision has been made, and Sandfire will communicate any updates to the market*



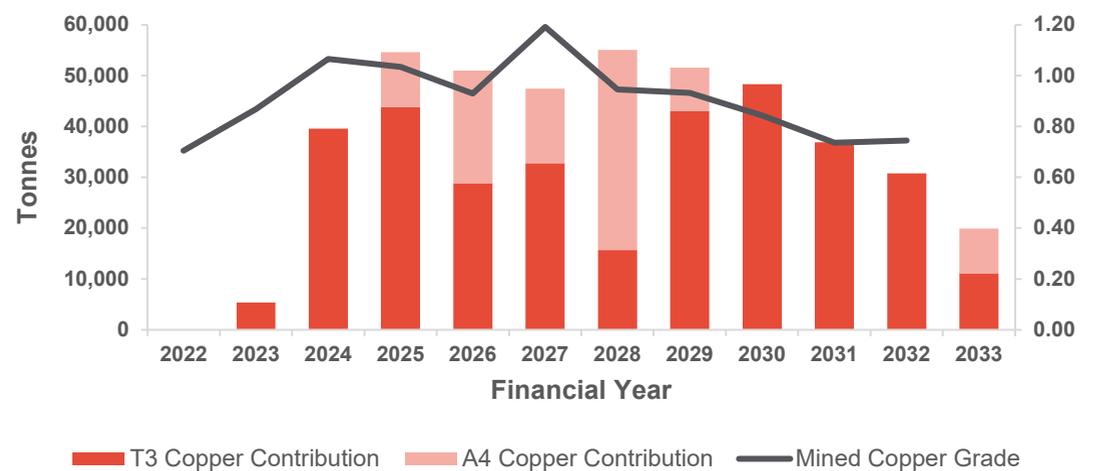
# Strong growth pipeline

High quality development opportunities and a global exploration portfolio in Tier-1 jurisdictions

## Development into production

### 1 Motheo – Development and Expansion

Construction activities well advanced, with first ore processing scheduled from early in the June Quarter of FY2023 (see slides 42 to 51 for further detail). Expansion of processing capacity to 5.2Mtpa through A4



## Mine life extension potential

### 2 Motheo – Regional Exploration, including A1 Dome

Highly prospective exploration target only 19km from the Motheo Processing Facility with similar structural and lithological setting to the T3 and A4 domes (see slides 49 and 50 for further detail)

### 3 MATSA - Infill and Mine Extension

FY2023 drilling program targeting Resource and Reserve growth and near-mine extensions (see slide 40 for further detail)

### 4 MATSA - Regional Exploration

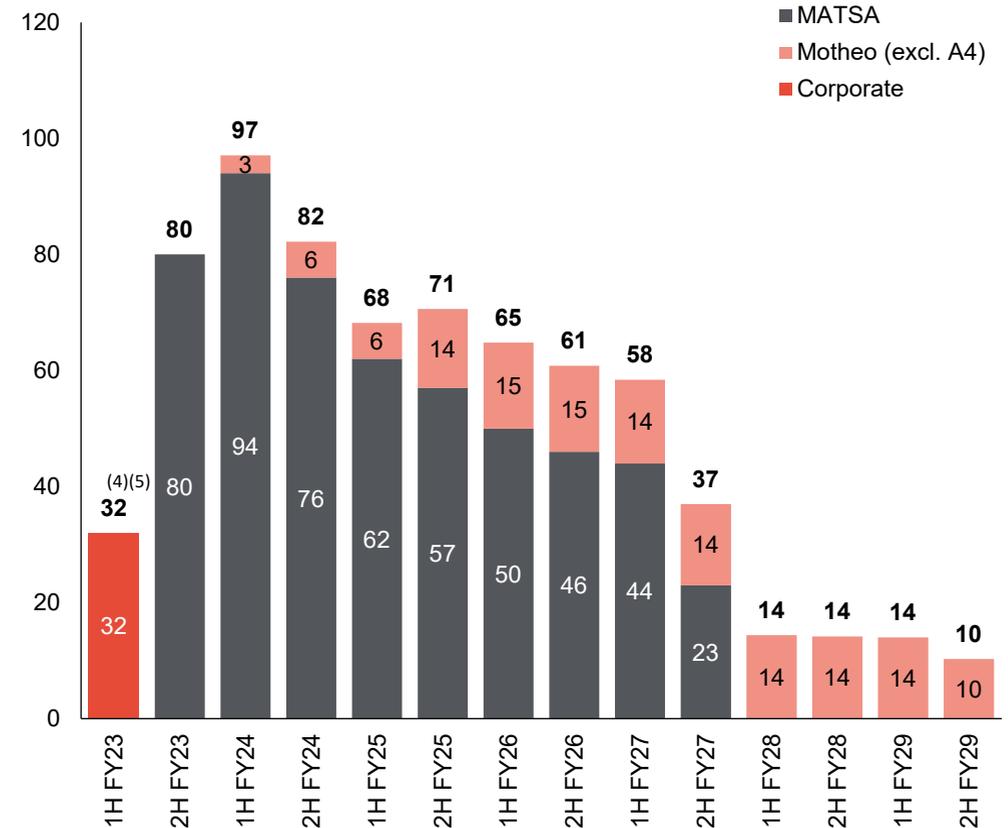
Testing regional exploration targets and enhancing our understanding of the basin through four drill rigs and airborne gravity gradiometry survey (see slide 41 for further detail)

# Debt summary and repayment profile

Robust repayment profile which is de-risked by the existing hedges

<b>MATSA Facility</b> <i>(Tenor to FY27)</i>	<ul style="list-style-type: none"> <li>US\$532M outstanding, reducing to US\$452M outstanding following US\$80M repayment scheduled for January 2023</li> <li>Annual base case financial model (BCFM) review process as contemplated in the MATSA facility documents provides opportunity to extend and/or resculpt facility repayment schedule in 1QCY23 to incorporate July 2022 Ore Reserves and production profile</li> </ul>
<b>Corporate facility</b> <i>(Tenor to mid-FY23)<sup>(2)</sup></i>	<ul style="list-style-type: none"> <li>A\$50M (US\$33M)<sup>(1)</sup> outstanding</li> <li>To be repaid following completion of Entitlement Offer</li> </ul>
<b>Motheo Project Finance Facility</b> <i>(Tenor to FY29)</i>	<ul style="list-style-type: none"> <li>US\$140M Project Finance Facility</li> <li>US\$55M drawn in October 2022, US\$55M planned December 2022, and US\$30m planned in March 2023</li> <li>As announced previously, targeting a further US\$40-60M to fund A4 expansion to 5.2Mtpa at Motheo (mid CY2023)</li> </ul>
<b>Hedge book<sup>(3)</sup></b>	<ul style="list-style-type: none"> <li>Copper: 52,548t at US\$9,144/t (~10% above current spot copper price)</li> <li>Zinc: 61,738t at US\$2,773/t</li> </ul>

Current repayment profile (US\$M)



# Sustainability

## Our ESG Pillars<sup>(1)</sup>

Our ESG Pillars describe the ESG areas that are key drivers for our sustainability outcomes.

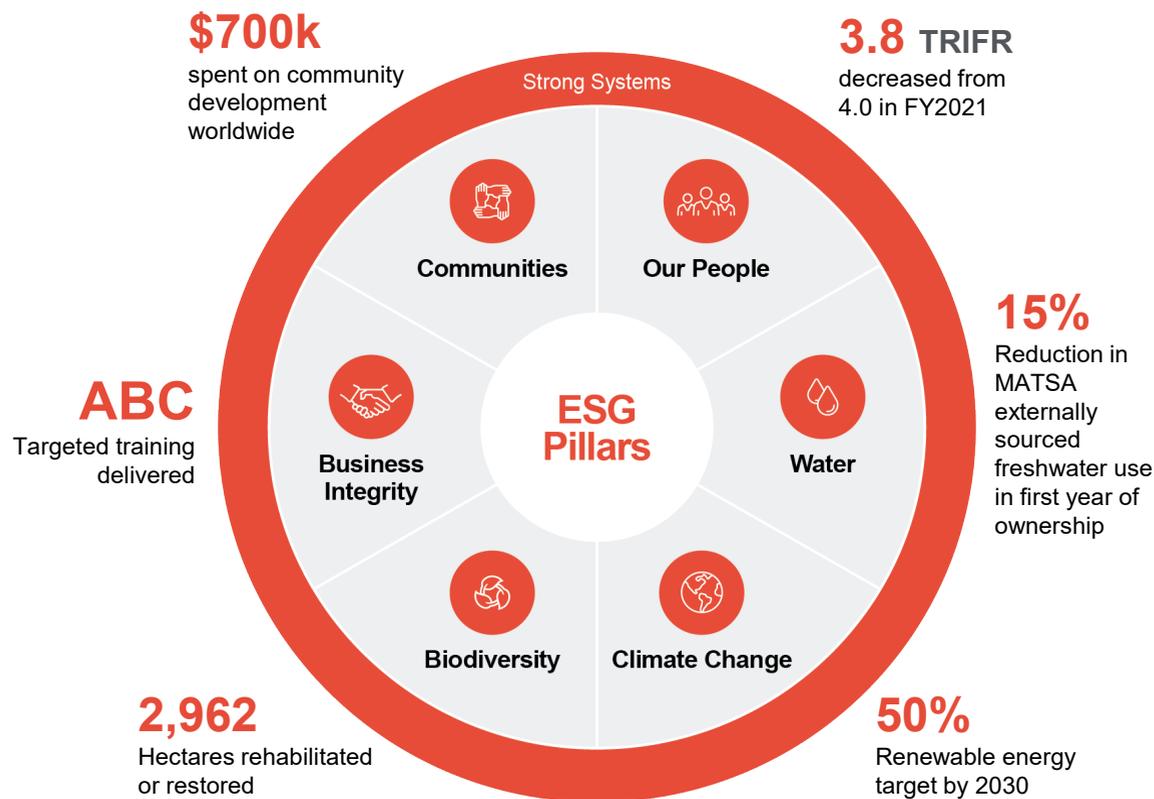
ESG Pillars are structured to recognise the different social, community and operational contexts we operate within.

ESG pillars are supported throughout by strong systems which is a key aspect of our business-wide approach to effective governance.

During the 2022 reporting year, significant focus was placed on the development of critical emission reduction targets for the business. As a result, we announced the first of our new ESG Goals:

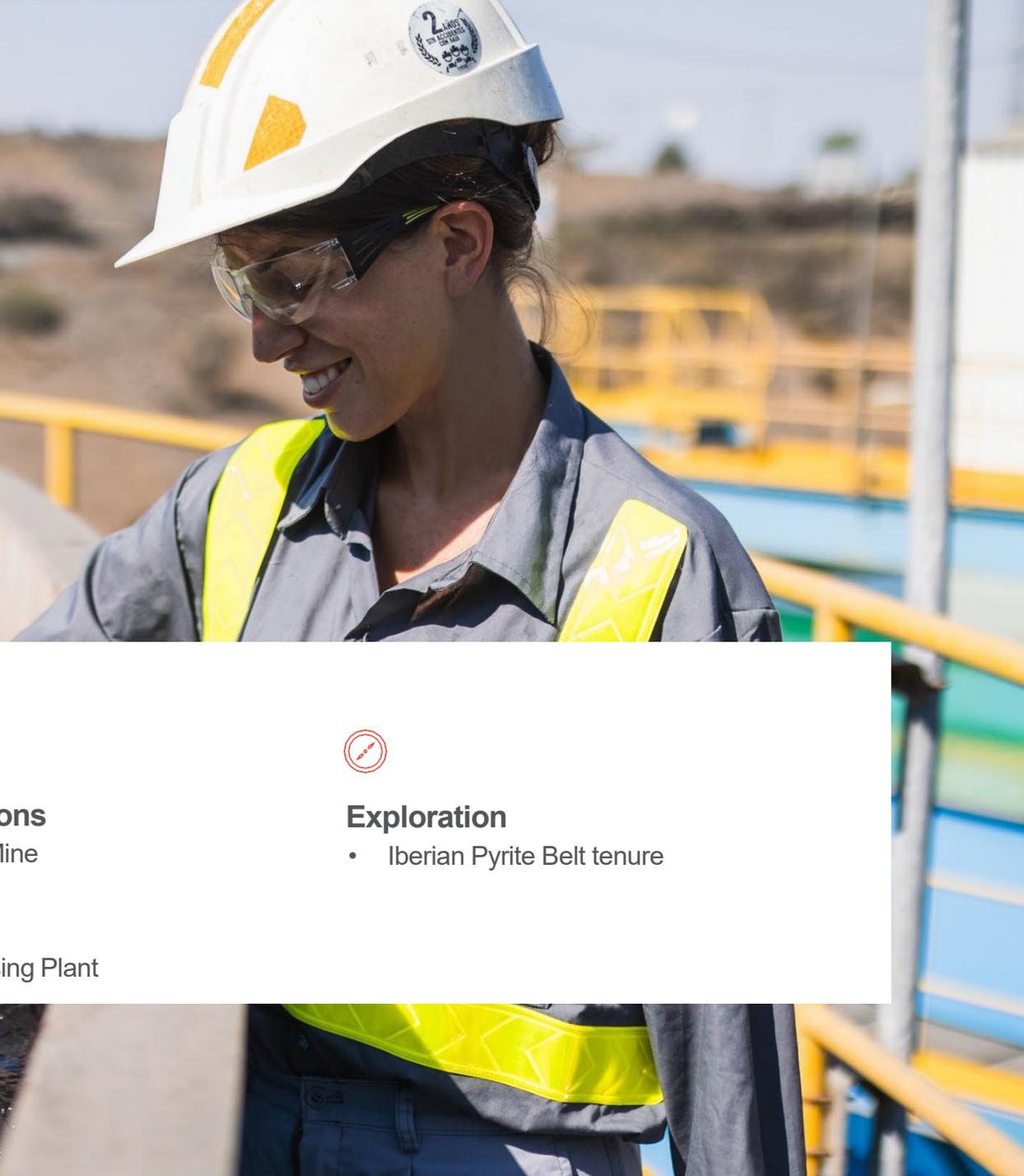
- A commitment to an interim company-wide renewable electricity target of 50% by 2030
- A commitment to a company-wide net zero by 2050 target, covering Scope 1 and 2 emissions for all sites under operational control

### ESG Pillars and select 2022 highlights



# Appendix B

## MATSA Copper Operations



### MATSA Operations

- Aguas Teñidas Mine
- Magdalena Mine
- Sotiel Mine
- 4.7Mtpa Processing Plant



### Exploration

- Iberian Pyrite Belt tenure

# MATSA

## Establishing a base for multi-decade operations

### Optimisation and implementation of our 5-year Plan

- Safety improvement – driving culture and accountability
- Focus on key drivers of value
- Stabilise mine productivity to 4.7Mtpa
- Mineral Resource to Ore Reserve conversion to extend the mine life of existing mines and enhance operational planning
- Near-mine Mineral Resource extensions at existing mines
- Regional exploration campaign to underpin future expansions of throughput and mine life

# MATSA

## Our cornerstone asset

Stage	Phase 1 (Day 1 to Year 1)	Phase 2 (Years 2 to 5)	Phase 3 (Years 5+)
Objectives	<ul style="list-style-type: none"> <li>✓ Operational integration, strategy alignment and reporting <b>COMPLETE</b></li> <li>✓ Optimise &amp; implement 5-year plan <b>ONGOING</b></li> <li>✓ Mineral Resource and Ore Reserve updates <b>COMPLETE</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Maximise existing processing hub</li> <li>✓ Evaluate expansion beyond 5Mtpa</li> <li>✓ Mineral Resource and Ore Reserve updates</li> <li>✓ Continued regional exploration and near mine resource extensions</li> </ul>	<ul style="list-style-type: none"> <li>✓ Iberian Pyrite Belt opportunities</li> <li>✓ Portugal hub</li> </ul>
Outcome	<p>Integration and initial optimisation programs set</p> <p>Delivered MATSA Mineral Resource increase of 21% and MATSA Ore Reserve increase of 3%</p>	<p>Define growth pathway</p>	<p>Additional regional hubs</p>

# MATSA

## Energy Costs

### Historic spike in European Energy costs:

- Actual Electricity Price for 3 months to SEP22 was €270/MWh. However prices have moderated in October as overall Spanish demand has reduced.
- EU approved Gas price cap for Spain and Portugal continues to deliver lower electricity prices than many other parts of Europe.
- Spikes caused by Russia-Ukraine, Nord Stream gas pipeline disruptions and extreme weather impacting infrastructure and driving demand.
- Current forecast is €260-270/MWh for Q2 FY23<sup>(1)</sup>

### Response:

- 20MW Sotiel Solar farm in progress, estimated completion September 2023
- Sandfire is engaging with major electricity providers through a third party expert for an ongoing supply contract – this may be under a hybrid pricing structure (partial fixed / partial spot) – targeting to have this in place by end of CY23
- Development of a second solar facility near Aguas Teñidas is currently under permit application
- The gas compensation charge is expected to be abolished in May

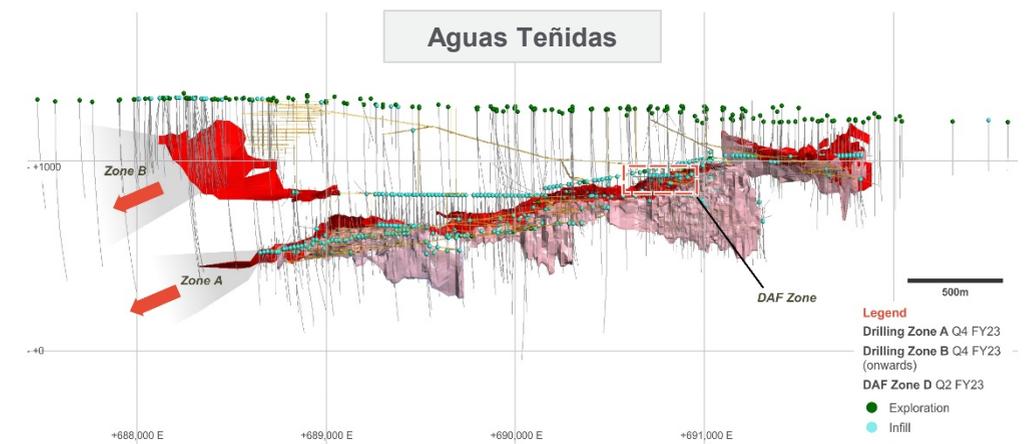
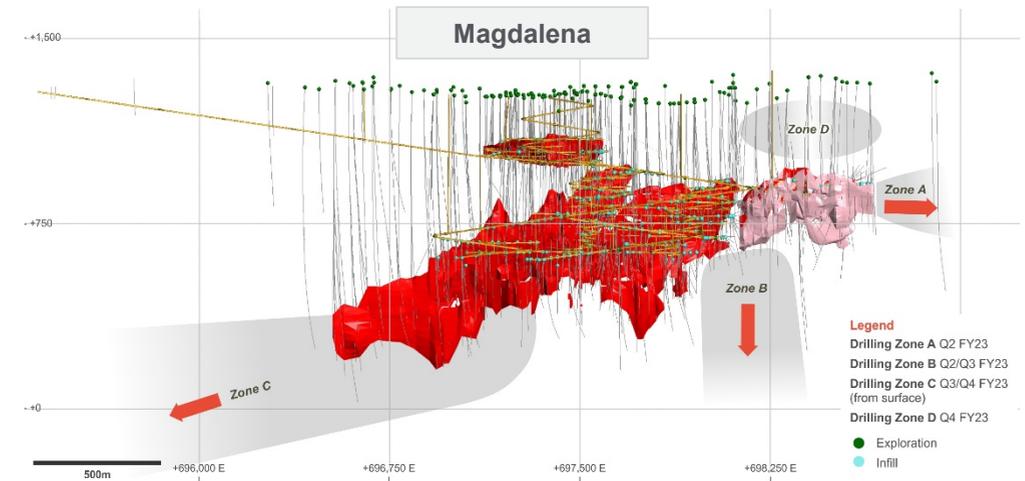


# MATSA Infill and Mine Exploration

## R&R Growth and Extensional Targets

### FY2023 drilling program targeting R&R growth and near-mine extensions

- 67,000m of infill drilling across the three mines to lift Resources to higher-confidence categories and drive conversion to Reserves (~18,000m completed FY23 YTD)
- 36,000m of Mine Exploration drilling
  - Magdalena - Down-plunge extensions at Masa 2 West, Masa 2 Deep and Masa Gold
  - Aguas Teñidas - Extensional targets at Aguas Teñidas Deeps, Western Extension and Castillejito East
  - Sotiel - Step-out drilling targeting off-sets at Migolas East and Elvira
  - ~10,800m completed FY23 YTD

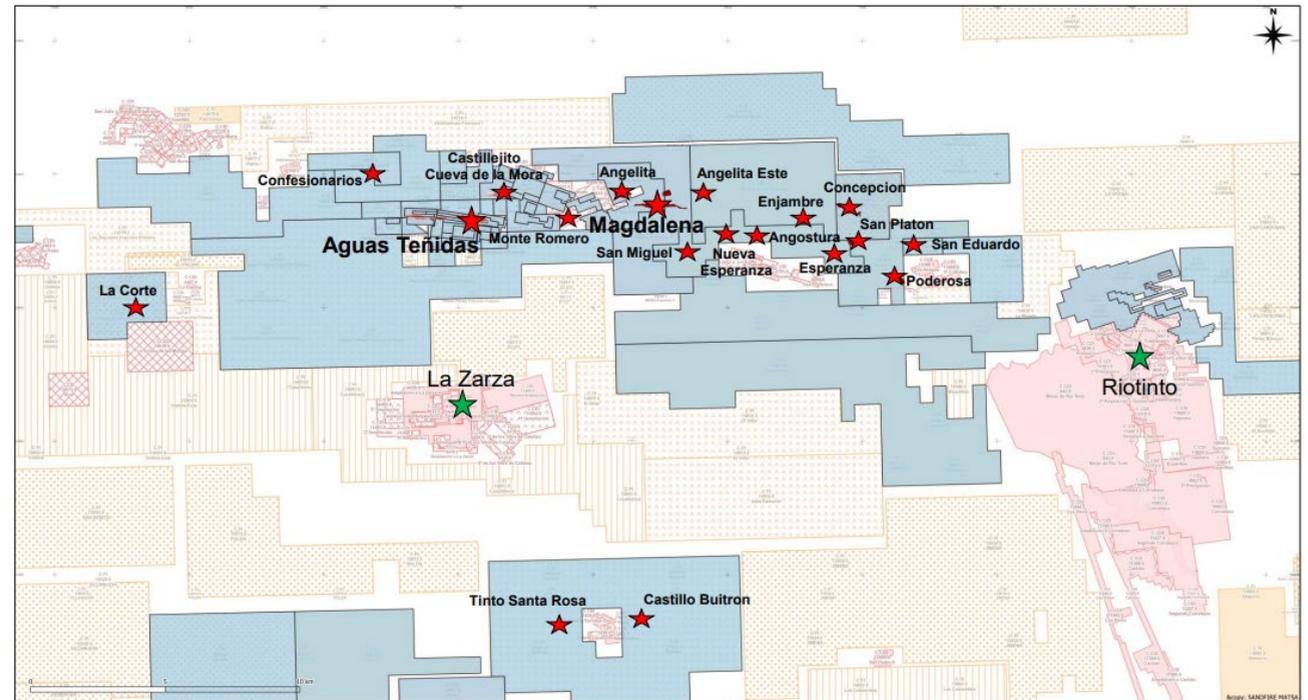


# MATSA Regional Exploration

## Exploration Potential

### Testing regional exploration targets and enhancing our understanding of the basin

- Four drill rigs active on testing exploration targets in Spain, one in Portugal
- Large airborne gravity gradiometry survey to aid understanding of the basin
- Historical seismic surveys reprocessed with new techniques, advancing our understanding of the basin
- Low tenor mineralisation returned at La Corte prospect



# Appendix C

## Motheo Copper Project



### Motheo Copper Mine

- T3 Deposit Development
- A4 Deposit Expansion Project



### Exploration

- Motheo Expansion Project
- Kalahari Copper Belt tenure

# Motheo Copper Project

## Building a world-class copper mine

**Development of the 3.2Mtpa Motheo Copper Mine** is proceeding on time with first production scheduled from early in the June Quarter of FY23

- Construction activities well advanced
- Over 1,800 personnel currently on site
- First ore mined to stockpiles
- SAG mill and primary crusher installation has commenced
- First concentrate scheduled for early in the June Quarter of FY23

### **Positive 5.2Mtpa Motheo Expansion Case Definitive Feasibility Study (DFS):**

- Positive DFS confirms strong business case for development of the A4 Deposit as part of an expanded **5.2Mtpa Motheo Production Hub**
- Outstanding project economics including a pre-tax NPV<sub>7%</sub> of **US\$548M** and IRR of 29%

**Sandfire is funding the development of the Motheo Copper Mine** through a combination of cash and project debt

- US\$140M Project Finance Facility executed with Société Générale and Nedbank
- Facility based on 3.2Mtpa development, with integration of the 5.2Mtpa Motheo Expansion Case DFS scheduled following grant of the A4 Deposit Mining Licence

# 5.2Mtpa Motheo Expansion

## Expansion Case DFS

**Positive DFS** confirms strong business case for development of the A4 Deposit as part of an expanded **5.2Mtpa Motheo Production Hub**

Combined Total Ore Reserve for both the A4 Deposit and T3 Deposit:

- **49.6Mt at 1.0% Cu and 14g/t Ag for 474kt of contained copper and 21.3Moz of contained silver<sup>(1)</sup>**

DFS shows outstanding project economics from an expanded 5.2Mtpa processing operation, mining both the T3 and A4 Deposits:

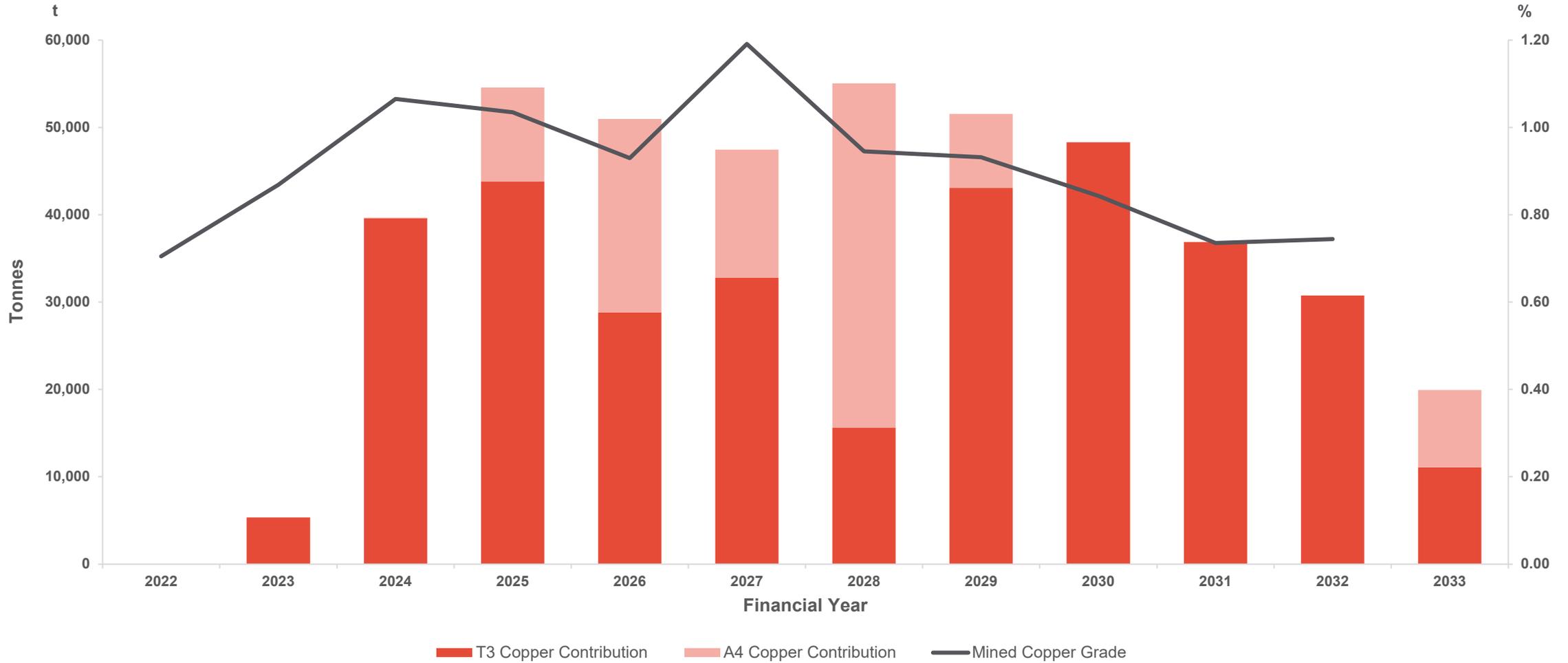
- Pre-tax NPV<sub>7%</sub> of **US\$548M** and IRR of 29%
- 10-year mine life, **peak production of 55ktpa**
- **440kt Cu and 18.4Moz Ag** LOM production
- LOM all-in sustaining costs of **US\$1.79/lb**

**Total development capital** for the Motheo Copper Project expansion case estimated at **US\$397.4 million**, incorporating development costs for the A4 Open Pit and 5.2Mtpa plant expansion of US\$47.9 million

Subject to contract award timing, site construction activities for the process plant expansion scheduled to commence in the **March Quarter of FY23** with increased plant throughput at 5.2Mtpa expected to commence around the **March Quarter of FY24**

# 5.2Mtpa Motheo Expansion case (DFS)

Copper production ramping up to peak ~55ktpa



# 5.2Mtpa Motheo Expansion

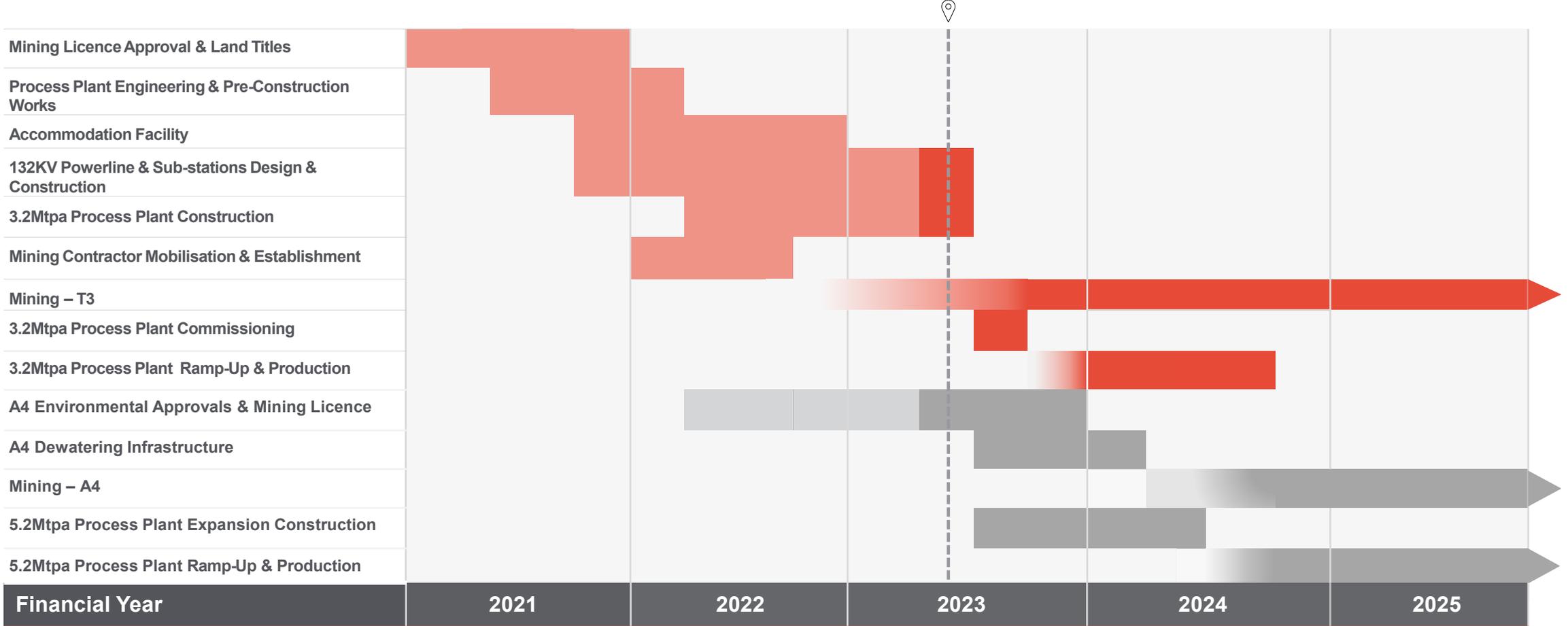
## Expansion Case DFS Key Outcomes

Key Drivers	Unit	5.2Mtpa DFS
<b>Physicals</b>		
Life of Mine (processing)	Years	10.0
Waste : Ore (inc. pre-strip)		6.2
Cu grade	%	0.94
Ag grade	g/t	13.1
Cu recovery	%	92.9
Ag recovery	%	86.4
Cu in concentrate	kt	440
Ag in concentrate	Moz	18.4

Key Drivers	Unit	5.2Mtpa DFS
<b>Economic</b>		
Cu price (LOM average) <sup>(1)</sup>	US\$/lb	3.57
Ag price (LOM average)	US\$/oz	20.00
LOM Revenue	US\$'B	3.7
Capex: Development & Pre-strip	US\$'M	397
Capex: LOM	US\$'M	499
Net cash flow (pre-tax)	US\$'M	1,071
NPV (pre-tax, real, 7.0%)	US\$'M	548
NPV (post-tax, real, 7.0%)	US\$'M	339
IRR (pre-tax, real)	%	29.0
Capital payback (from 1 <sup>st</sup> production)	Years	3.3
C1: LOM	US\$/lb	1.47
AISC: LOM	US\$/lb	1.79

# Motheo Copper Mine

## 5.2Mtpa Indicative Development Timeline



# Motheo Copper Mine

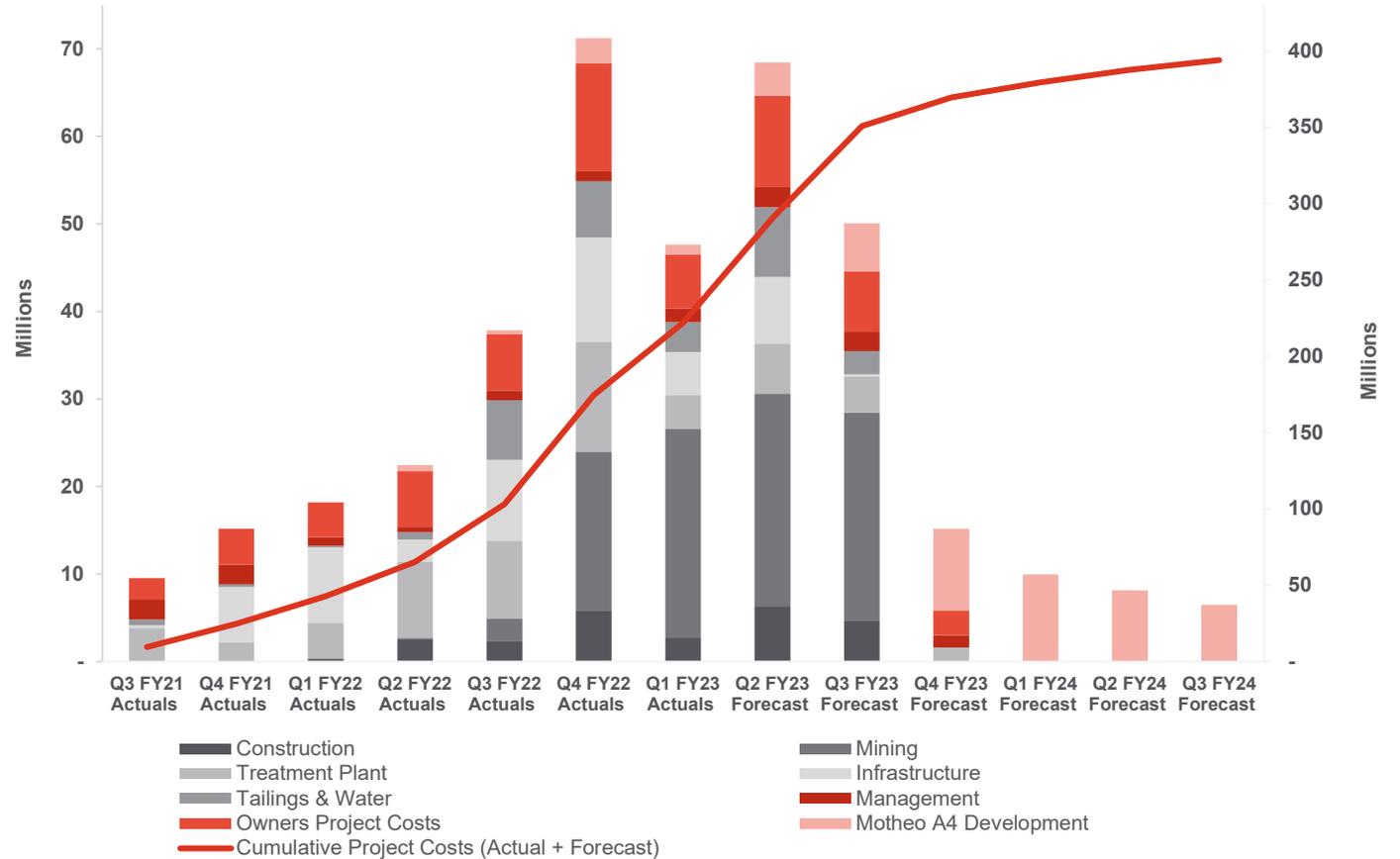
75% complete<sup>(1)</sup> – On track for first production in Q4FY23

In US\$

**Development capital** estimated at **\$397.4M**  
(displayed in graph)

- Motheo (3.2Mtpa and T3) \$325.5M
- Motheo (5.2Mtpa expansion and A4) \$71.9M
- At 31 October 2022, \$242.8M invested

**LOM capital** estimated at **\$499M**



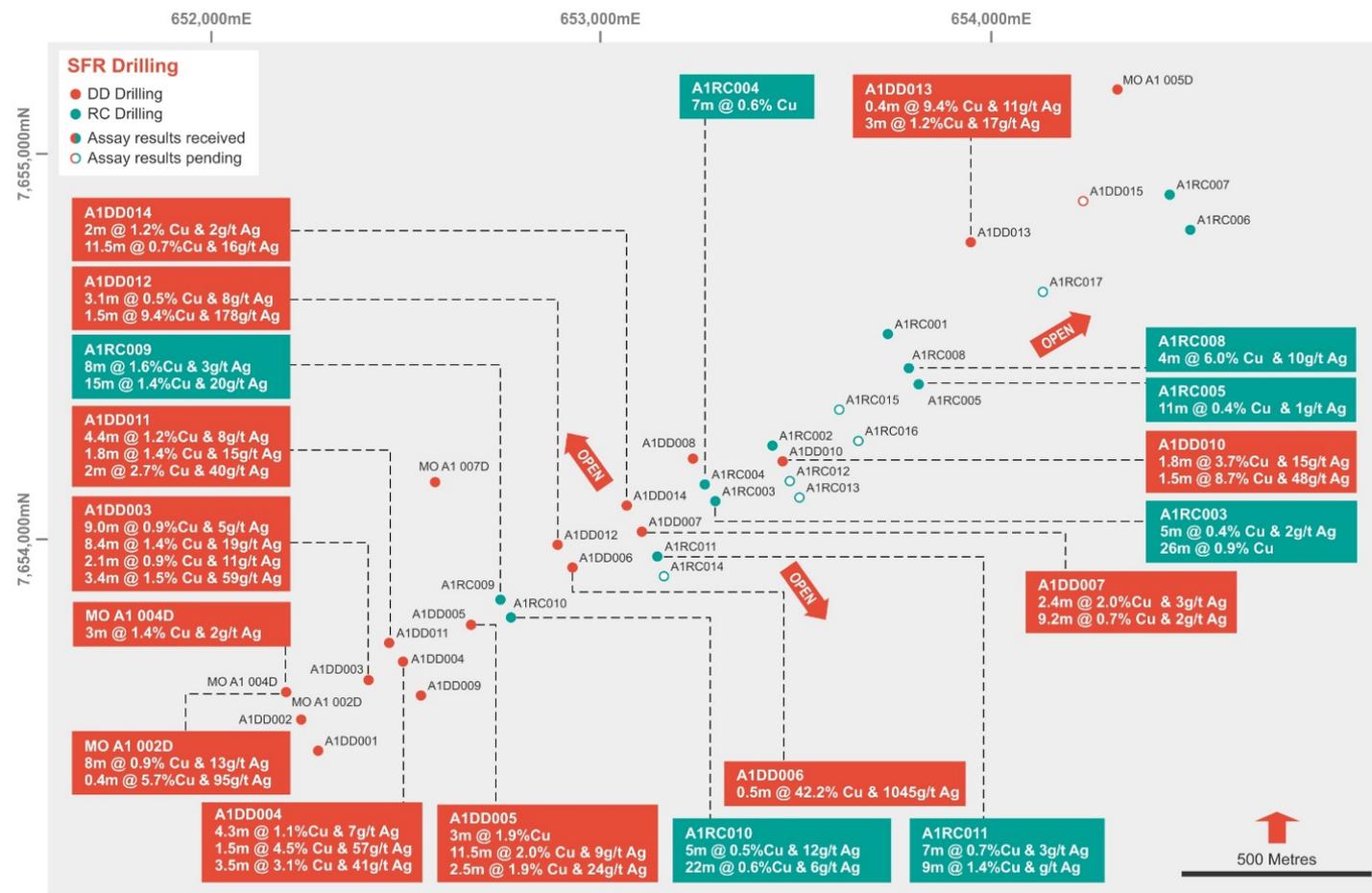


# Motheo Exploration

## A1 Satellite Prospect

### A1 Dome, an emerging mineral system 19km from the Motheo Copper Mine

- Mineralisation identified over 1.8km and remains open to the NE and up/down dip
- 35 holes completed on ~200m spaced grid, assays received for 25 holes<sup>1</sup>
- Mineralisation occurs as semi-massive bornite, covellite, chalcocite and chalcopyrite within quartz-carbonate veins, with additional copper sulphides disseminated along bedding planes



1 - Refer to Sandfire's ASX Announcement titled, 'Motheo A1 Satellite Prospect Exploration Update' released on 20 October 2022 for details.

# Motheo

## Supporting our communities

### Our Motheo community framework pillars



### Community Health

Improved outcomes for the physical and mental wellbeing of the broader community



### Education

Encourage attendance in schools, improve learning outcomes among young children and provide capacity building



### Women Empowerment

Support equality, inclusiveness and empowering women



### Youth Development

Promote training and employment opportunities to youths within our local communities

For personal use only

# Appendix D

## Key Risks



# Key risks

## **1. ENTITLEMENT OFFER RISKS**

### **Underwriting**

The Company has entered into an underwriting Agreement with Macquarie Capital Limited (Underwriter) (**Underwriting Agreement**). Pursuant to the Underwriting Agreement, the Company appointed the Underwriter as sole bookrunner and lead manager to the Entitlement Offer, and the Underwriter has agreed to fully underwrite the Entitlement Offer. See the Company's ASX announcement and Appendix 3B dated 18 November 2022 for further details of the material terms of the Underwriting Agreement.

Given the structure of the Entitlement Offer, in which the Institutional Entitlement Offer settles before the Retail Entitlement Offer, there is a risk that the Underwriting Agreement may terminate before or after the Institutional Entitlement Offer has settled.

If the Underwriting Agreement is terminated and the Entitlement Offer does not proceed or does not raise the funds required for the Company to meet its stated objectives, the Company would be required to find alternative financing or curtail its activities. In those circumstances, there is no guarantee that alternative funding could be sourced in the time required or at all or that the Company would be able to successfully negotiate the terms of any debt or equity funding arrangements in those circumstances.

### **Potential for dilution and control risk**

Upon completion of the Entitlement Offer, the number of Shares in the Company will increase from 410,181,608 to up to approximately 456.8M. This equates to approximately 11.4% of all the issued Shares in the Company immediately following completion of the Entitlement Offer. This means that to the extent Shareholders do not participate in the Entitlement Offer their percentage holding in the Company will be lower following completion of the Entitlement Offer.

### **ASX quotation**

A decision by ASX to grant Official Quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares now offered for subscription.

## **2. COMPANY RISKS**

### **Share market conditions**

There are risks associated with any investment in securities. Publicly listed securities and, in particular, securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. General factors that may affect the market price of shares include variations in commodity prices, economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, the global security situation and the possibility of terrorist disturbances, geopolitical conditions, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

These factors may materially affect the market price of the Company's Shares, regardless of the Company's operational or financial performance. The past performance of the Company is not necessarily an indication as to the future performance of the Company. There can be no guarantee that there will continue to be an active market for the Company's Shares or that the price of the Company's Shares will increase. Neither the Company nor the Company's Board warrants the future performance of the Company or any return on an investment in the Company.

# Key risks (cont.)

## Dividends

The Company does not have an official dividend policy however it has a history of paying dividends in respect of financial periods prior to completion of the acquisition of MATSA. The payment of dividends (if any) by the Company is determined by the Company Board from time to time at its discretion and is dependent upon factors including the profitability and cash flow of the Company's business at the relevant time. Any dividends paid by the Company in the future will be subject to similar considerations. The Company operates in a cyclical sector, in which financial characteristics (such as commodity prices, foreign exchange rates and energy costs) vary and as a result will have an impact on profit and cash flow generation. This may result in variations in the capability of the Company to make dividend payments to shareholders through varying business cycles.

## Commodity price volatility

The Company's revenues and cash flows are derived from the sale of copper, zinc, lead, silver and gold. The financial performance of the Company will be exposed to fluctuations in the prices of these commodities.

Commodity prices may be influenced by numerous factors and events which are beyond the control of the Company, including supply and demand fundamentals, currency exchange rates, interest rates, general economic, political and regulatory conditions, government imposed pandemic public health policies, speculative activities and other factors. These factors may have a positive or negative effect on the Company's product development and production plans and activities, together with the ability to fund those plans and activities. If the prices of precious metals and other minerals drop significantly, the economic prospects of the Company's operating mines and projects could be significantly reduced or rendered uneconomic. There is no assurance that even if commercial quantities of ore are discovered in new areas, a profitable market may exist for the sale of the same.

The Company does not have a policy in place to actively take steps to hedge its currency or commodity risks but may from time to time enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings, in order to reduce the exposure to fluctuations in copper price during the Quotational period (QP). The hedges are generally in the form of QP hedging via copper swaps to either fix the price of sales at the time of shipment or to reduce the length of the QP, therefore reducing the short and medium term exposure to the market price of metal for completed or imminent shipments. The Company will still be exposed to spot prices for the remainder of its anticipated future production of these and other commodities. Further, there is a potential impact of differential metal prices arising from the move to a lower carbon environment. The Company cannot provide any assurance as to the prices that the Company will achieve for its commodities in the future, or that there will always be a market for products.

## Foreign exchange rates

The Company is an Australian business that reports in US dollars with the Company's revenue derived from the sale of commodities that are typically priced in US dollars. The majority of its costs as they relate to MATSA, and Australia operations are usually denominated in Euros and Australian dollars respectively, the Motheo project based in Botswana includes exposure on the cost side to US dollars, the Botswanan Pula and South African Rand while the Black Butte project in Montana USA has exposure to the US Dollar. Therefore, the Company will be exposed to movements in foreign exchange rates (in particular, the US dollar-to-Australian dollar and Euro and Botswanan Pula-to-Australian or US dollar exchange rates), the impact of which cannot be predicted reliably.

The Company may from time to time put in place certain derivative financial instruments in an attempt to mitigate some of its exposure to foreign exchange rates. However, the Company will still be exposed to foreign exchange risk in relation to currency that has not been hedged and in respect of foreign currency that is hedged, the potential that the spot currency rates outperform the hedged rates.

## Bribery and corrupt practices

The Company's operations are governed by, and involve interaction with, many levels of government in Australia, the United States of America, the UK, Botswana and Spain. The Company is subject to various anticorruption laws and regulations which prohibit a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage.

# Key risks (cont.)

The Company maintains anti-bribery policies, anti-corruption training programs, codes of conduct, procedures and other safeguards designed to prevent the occurrence of fraud, bribery and corruption. Botswana and Spain are lower on the Transparency International Corruption Perceptions Index for 2021 than Australia. However, wherever the Company operates it always needs to be aware of the potential risk of fraud, bribery and corruption. The Company is reviewing its compliance frameworks with a focus on best practice in this area, but this will not mitigate all potential risk. Instances of fraud, bribery and corruption, and violations of laws and regulations could have a material adverse effect on the Company's reputation, business, results of operations, financial condition and the price of shares of the Company.

The Company has and will engage a number of consultants and contractors globally in connection with its business operations and, although the Company believes its agreements are entered into on arm's length commercial terms and seeks appropriate comfort from consultants and contractors, as well as requiring its consultants and contractors to adhere to the highest standards in line with the Company's policies, there is a risk that agents or other persons or representatives acting on behalf of the Company may engage in corrupt activities without the knowledge of the Company.

## **Operational uncertainty**

As with any mining company the Company's assets and mining operations will be subject to uncertainty with respect to (among other things): ore tonnes, mine grade, ground conditions, metallurgical recovery or unanticipated metallurgical issues (which may affect extraction costs), infill resource drilling, mill performance, the level of experience of the workforce, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, storms, floods, bushfires or other natural disasters. The occurrence of any of these circumstances could result in the Company not realising its operational or development plans, or plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Company's financial and operational performance.

The speculative nature of resource exploration and development as mining activities will deplete the reserves and resources of the Company, the ability to continually find or replace reserves and resources is important for the ongoing stability of the Company's operations.

Exploration on the Company's existing exploration and mining concessions may be unsuccessful, resulting in a reduction of the value of those concessions, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining concessions.

Performance data on the processed grade and metallurgical performance of the mineralisation versus the model is also considered in the Mineral Resource estimation process.

The success of the Company depends on successful exploration and definition of reserves, design and construction of efficient processing facilities, competent operation and management, proficient financial management, access to required development capital (to the extent not able to be funded from cash flow), movement in the price of commodities, securing and maintaining title to the Company's pre-existing exploration and mining concessions and obtaining all consents and approvals necessary for the conduct of its exploration activities. Failure in any of these areas will adversely impact the profitability and financial position of the Company. For example, MATSA has a tailings dam which is subject to standard ongoing monitoring; further, there is required permitting and other matters to close out when considering additional capacity beyond that expected for 2026. Additionally, Motheo will have a dedicated tailings storage facility which is required to be code compliant (including ANCOLD and GISTM (Global International Standard for Tailings Management)). While the Company engages external advisers to assist ensuring tailings storage facilities are built to standard, there can be no guarantee that this will occur.

The Company has provided production guidance. While the Company considers that this guidance is reasonable, actual future production may vary from the guidance for various reasons, many of which cannot be foreseen and are beyond the control of the Company. These factors may cause the production guidance not to be achieved or to be achieved later than expected, or to be achieved at a higher cost than anticipated.

Further as the Company depletes its projects there is increased risk of the assumptions around remaining production guidance, mine closure and rehabilitation costs changing as circumstances evolve.

There is additional risk concerning the operations of MATSA, including relating to production and export (with similar risk to apply to Motheo once it begins production expected to be in 2023).

# Key risks (cont.)

## Country risk

The Company's business necessarily involves risks associated with operating in Spain, Botswana and other international markets, including any ongoing impacts of COVID-19 (discussed below).

Investors should note that developing countries could be subject to rapid change and that the information set out in this document may become outdated relatively quickly. Moreover, financial turmoil in developing countries tends to adversely affect prices in equity markets of other developing countries as investors move their money to more stable, developed markets.

Exploration and development activities may require protracted negotiations with host governments, local governments and communities, local competent authorities, national mining companies and third parties and may be subject to economic, social and political considerations outside of the Company's control, such as the risks of expropriation, nationalisation, renegotiation, forced interruption, suspension of operations, curtailment of sales, forced change or nullification of existing contracts or royalty rates, unenforceability of contractual rights, changing taxation policies or interpretations, adverse changes to laws (whether of general application or otherwise) in the jurisdictions in which the Company operates or the interpretation or enforcement thereof, foreign exchange restrictions, inflation, changing political conditions, the death or incapacitation of political leaders, local currency devaluation, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Any of the factors detailed above or similar factors could have a material adverse effect on the business, results of operations or financial condition of the Company. If disputes arise in connection with operations in developing countries the Company may be subject to the exclusive jurisdiction of foreign courts or foreign arbitration tribunals or may not be successful in subjecting foreign persons, especially foreign ministries and national companies, to the legal jurisdiction of Australia or England and Wales.

The Company cannot guarantee that there will not be regulations imposed on any individual or entity. Such measures, which would be beyond the Company control, could have a material adverse effect on the Company's business, reputation, results of operations, financial condition and the price of shares of the Company.

## Financing risks and capital requirements

The Company's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise additional funds for future operations and to repay or refinance debts as they fall due. The Company may require additional financial resources to finance future acquisitions, pay down debt or continue funding its operations. It is difficult to predict the level of funding that may be required with any accuracy at this time. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable to the Company or its shareholders.

If additional funds are raised through the issue of equity securities, the capital raising may be dilutive to the Company shareholders and such securities may, subject to requisite shareholder approval, have rights, preferences or privileges senior to those of the holders of the Company's shares then on issue.

The Company has existing debt facilities in place both at a corporate level, and at project level for MATSA and Motheo. Following completion of the Equity Raising, as part of its annual review of its financial and operating model with its MATSA lenders in Q1 CY23, Sandfire intends to seek to extend and/or amend its facility repayment schedule however there is no certainty this will be achieved. In the future, the Company may need to renegotiate or refinance the terms of its debt facilities or may seek further facilities or replacement facilities with alternative financiers to satisfy its capital requirements. The terms on which debt financiers are willing to offer or negotiate may vary from time to time depending on macro-economic conditions, the performance of the Company and an assessment of the risks and intended use of funds, and there can be no guarantee that this will occur. Further, the Company's respective MATSA and Motheo debt facilities have a level of restriction on cash repatriation to the corporate level until certain repayment conditions are met.

Debt finance, if available on terms acceptable to the Company, may involve restrictions on financing and operating activities.

# Key risks (cont.)

Further, in the ordinary course of operations and development, the Company will be required to issue financial assurances, particularly insurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position. If sufficient funds are not available from either debt or equity markets to satisfy the Company's short, medium or long-term capital requirements, when required, the Company may be required to limit the scope of its anticipated operations, which could adversely impact on its business, financial condition and value of Company shares.

## **Infrastructure, transportation and remoteness of operations**

The commodities currently produced and expected to be produced by the Company are and will be required to be transported to customers internationally and in some cases, will require transportation through a neighbouring country. Each stage of the transportation process poses risks, including the initial remoteness of the Company's projects, fuel costs, unexpected delays and accidents could materially impact upon the Company's financial position.

Further, there are risks associated with the availability of adequate trucking, rail and port facilities and the process for obtaining approvals to access these facilities (including the timing and conditions on which access may be granted) or cross state or country borders. If the Company is not able to access the required infrastructure within a certain time period or at a reasonable cost, this could adversely affect the Company's operations and financial performance.

The price of sea freight, smelting and refining charges are market driven and can vary throughout the life of each project. These will also impact on the overall profitability of the Company.

## **Fluctuations in the price and availability of energy and other resources**

Fluctuations in the price and availability of resources required for the operations of the Company, including materials required for operations, water and energy resources such as grid power, diesel, gas and other fossil fuels and labor costs may materially impact the operations and financial position of the Company. In particular, MATSA is currently subject to power prices on the spot market which has seen significant increases in power costs in the last year and Motheo is expected to connect into the Botswana National Power Grid in December and is subject to the Botswana Energy Regulation Authority (BERA) setting tariffs for all users (Large Business) BERA publish the tariff's on their website with the next annual review due in April 2023.

Both MATSA and Motheo are progressing solar plant options, however there are construction and planning related risks that apply to these solar plants.

## **Legal and regulatory risks**

There can be no assurance that title to any property interest acquired by the Company or any of its subsidiaries is secured. Although the Company has taken reasonable precautions to ensure that legal title to their properties is properly documented, there can be no assurance that their property interests may not be challenged or impugned. Such property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

In the jurisdictions in which the Company operates, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands; accordingly, title holders of mining concessions in such jurisdictions must agree with surface land owners on compensation in respect of mining activities conducted on such land.

The definition of an asset according to the International Financial Reporting Standards is "a resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity". Therefore, if an entity does not have a valid legal tenure to an asset, the definition of an asset is not met, and therefore, the value of the asset in the hands of the entity is deemed to be zero.

# Key risks (cont.)

## **Regulatory requirements including exploration and mining permits and licences**

The Company's operations are subject to various Federal, State and local laws in the countries in which it operates including Botswana, the United States of America, Australia and Spain. These laws include those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Any changes to such laws may have an impact on the Company and its operations.

Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. The Company will be required to obtain government permits to commence or expand operations, which can be a costly and time-consuming process that can be cross jurisdictional and may involve public hearings and costly undertakings.

No assurance can be given that the Company will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Company may be curtailed or prohibited from continuing or proceeding with production and exploration.

The Company may be subject to legal challenges on the validity of any approvals, licences and permits that may delay or be prohibited from continuing or proceeding with production and exploration. These challenges can be costly and time consuming processes.

## **Renewal of mining authorisations**

The Company cannot guarantee that all or any licences or permits in which it has interests will be renewed. Such renewals are at the discretion of relevant government bodies and ministries in the jurisdiction, and often depends on the Company being successful in obtaining other required statutory approvals for its proposed activities. There is no assurance that such renewals or grants will be granted, nor that they will be granted without different or further conditions attached.

## **Environment, rehabilitation and restoration**

The operations and activities of the Company are subject to the environmental laws and regulations of Australia, Botswana, the United States of America and Spain and the other jurisdictions in which the Company may conduct business. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Water management is a key element to manage during the construction phase of Motheo. The Company will attempt to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations, but there remains residual risk, particularly in relation to acquired projects, of future incidents or findings related to previous incidents. For further information on SFR's management of its environmental risks please refer to SFR's latest Annual Report and Financial Reports.

Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact the Company's costs and operational efficiency.

The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

## **Export and import regulations**

The import and export policies of any jurisdiction in which the Company operates or sells product to may change in the future. As the revenues of the Company depend upon the process of exporting commodities, the profitability and financial position of the Company may be adversely affected by any such adverse import and export regulations. These include formal and informal import and export bans.

# Key risks (cont.)

## COVID-19

The outbreak of the coronavirus disease (COVID-19) has had a material effect on global economic markets. This has and may continue to have impacts on capital markets, supply chains, international travel and trade. The Company has a strong record of achieving guidance and continuing development and operational activities through the COVID-19 pandemic and has effective contingency plans already tested during COVID-19 that can be implemented in the event of worsening conditions. The Board continues to monitor the impact of COVID-19 on the Company's strategy.

## Accounting

The Company makes estimates and assumptions about its business and revenues concerning the future.

These estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and include:

- trade receivables;
- impairment of assets;
- reserve estimates;
- rehabilitation and restoration costs;
- income tax and recognition of deferred tax assets; and
- fair value measurement.

Any changes in accounting judgements or estimates may have an adverse impact on the Company, including global earnings outlook, rate of electrification, copper demand/supply, and cost inflation. There are no current plans for any material changes to judgements or estimates.

## Insurance

The Company will endeavour to maintain insurance for the Company within ranges of coverage in accordance with industry practice. However, in certain circumstances, this insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company's operating and financial performance and financial position.

Insurance of risks associated with minerals exploration and production (including accidents, pollution and other hazards) is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover to a level of coverage which is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for its needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

# Key risks (cont.)

## **Wars, terrorism and natural disasters**

Events such as acts of terrorism, particularly in Africa and Southern Europe, civil disturbance or protest, war, political intervention and natural activities such as earthquakes, floods, fires, pandemics, outbreaks of disease, adverse weather conditions or other natural or man-made events or occurrences may adversely impact the Company by affecting the market for commodities, the operations of the Company or its suppliers, service providers or customers, or the transport or other infrastructure relating to the operations of the Company.

## **Key personnel and labour**

A number of key personnel are important to attaining the business goals of the Company, including the commencement of the recently announced new incoming CEO. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Company to conduct its business and, accordingly, affect the financial performance of the Company and the price of the Company Shares.

Recruiting and retaining qualified personnel are important to the success of the Company. The number globally of persons skilled in the exploration and development of mining properties is limited and competition for such persons can be strong, depending on market conditions.

Any disputes with employees (through personal injuries, industrial matters or otherwise) change in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact the Company.

Mining and exploration companies rely on external contractors or service providers for many of their activities, and as such the failure of any current to proposed contractors, subcontractors or other service providers to perform their contractual obligations may negatively impact the business of the Company.

## **Community Relations and Social Licence to Operate**

The Company's relationship with the communities in which it operates is important to ensure the future success of its existing operations and the construction and development of its projects. While the Company believes its relationships with the communities in which it operates are strong, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations (NGOs), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or its operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates.

## **Litigation**

As at the date of this Presentation, the Company is not aware of any material disputes or litigation being undertaken that have not been disclosed to the market. The status of litigation regarding the permitting for Black Butte is disclosed. This may adversely affect the Company's ability to carry out operations or result in concessions that may incur additional costs or be unacceptable to the Company. It is possible that the Company may be involved in other disputes and litigation in the course of its current and future operations, including industrial relations disputes. There is a risk that any material or costly dispute or litigation and compensation or damages could materially adversely impact the financial position or performance of the Company.

The Company completed an internal investigation into a water inrush event in relation to DeGrussa in February 2020. As is standard practice, findings are being reviewed by the Department of Mines, Industry Regulation and Safety.

# Key risks (cont.)

## Health, safety and hazardous materials

The potentially hazardous nature of exploration and mining means that health and safety regulations impact the activities of the Company, particularly in respect of acquired projects failing to meet appropriate standards. Any injuries or accidents that occur on a site of operations of the Company could result in legal claims, potential delays or stoppages and other actions that could adversely affect the Company.

The Company notes that the risk of safety incidents is inherently greater during the construction phase of projects. The Company notes there have been historic safety incidents, including fatalities, at MATSA prior to it being acquired by the Company.

## Risks related to acquisitions and future growth initiatives

The Company regularly identifies and assesses potential opportunities for acquisitions and growth initiatives where it considers the opportunities may create shareholder value. The Company will continue to identify and assess such opportunities. However, while the Company intends to undertake appropriate due diligence to properly assess any such opportunities, benefits expected from investments, acquisitions or growth opportunities may take longer than expected to be achieved, or not be achieved at all, which may have a material adverse impact on the value of the Company.

## DeGrussa Operations and tenement rationalisation

Mining activities have been completed at the Company's DeGrussa Operations, with depletion of run-of-mine (**ROM**) sulphide ore from the DeGrussa and Monty Copper-Gold Mines. Processing of the ROM stockpiles was completed in mid November 2022. The Company is currently undertaking a review of all potential options in respect to the future of its DeGrussa operations and is assessing which option will best maximise shareholder value. As at the date of this Presentation, the Company is still in the process considering all available options and no firm decision has been made in respect to DeGrussa. Australian tenement rationalisation is also underway.

## Third party risks

The Company is and may in the future become a party to contracts with third parties in relation to its projects. There is a risk of insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and contractors or other suppliers. This may have an adverse effect on the interests and prospects of the Company.

## Climate risk

Climate change is a risk that the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

## Other risks

Additional risks and uncertainties not currently known to the Company may also have a material adverse effect on the business of the Company. The information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting the Company.

# Key risks (cont.)

## **Global economic conditions**

The Company's funding position, financial performance and ability to execute its strategy is impacted by a variety of general global economic, political, social and business conditions. In addition to commodity prices and currency fluctuations, factors that have the potential to impact the Company's business include inflation, interest rates and other general economic factors. Deterioration in any of these conditions could have an adverse impact on the Company.

Domestic and global conditions may affect the value of the Company Shares. General worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, prices of the Company's products, variations in the operating costs and development and sustaining capital expenditure which the Company will require in the future will all impact the value of the shares, some outside of the control of the Company.

## **Tax risks**

Future changes in tax laws in Australia and other jurisdictions in which the Company has activities and investment interests, including changes in interpretation or application of existing laws by the courts or taxation authorities, may affect taxation treatment of the Company securities or the holding or disposal of those securities. The tax consequences for individual investors in the Company will depend on the individual tax profile and circumstances of the investor and all investors should obtain independent taxation advice with respect to their personal position.

## **Offtake Agreements**

The Company has life of mine offtake agreements for MATSA for Lead, Zinc and Copper with Trafigura and an Offtake Strategy in relation to the Motheo Copper Mine. If any offtake counterparty did not meet its obligations under their offtake agreement, this could negatively impact the financial performance of the Company.

For personal use only

# Appendix F International Offer Restrictions

# International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("**New Shares**") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## **Canada (British Columbia, Ontario and Quebec provinces)**

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "**Provinces**"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

# International Offer Restrictions (cont.)

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Japan

The New Shares have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors.

Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

## Netherlands

This document has not been, and will not be, registered with or approved by any securities regulator in the Netherlands or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the Netherlands except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the Netherlands is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

# International Offer Restrictions (cont.)

## New Zealand (cont.)

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

# International Offer Restrictions (cont.)

## United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority (“SCA”) or any other authority in the UAE.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This document may be distributed in the UAE only to “professional investors” (as defined in the SCA Board of Directors’ Decision No.13/RM of 2021, as amended).

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “**relevant persons**”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

## Contact Details



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 +61 8 6430 3849

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## 5 Important information

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This Retail Offer Booklet (including the ASX announcement in Section 4) and enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by Sandfire.

This Information is dated 25 November 2022. This Information remains subject to change without notice and Sandfire is not responsible for updating this Information.

There may be additional announcements made by Sandfire after the date of this Retail Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Sandfire (by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au)) before submitting your Application to take up your Entitlement.

No party other than Sandfire has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

### **This Information is important and requires your immediate attention.**

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the “Key Risks” section of the Investor Presentation included in Section 4 of this Retail Offer Booklet, any of which could affect the operating and financial performance of Sandfire or the value of an investment in Sandfire.

You should consult your stockbroker, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

To the maximum extent permitted by law, the Company and its related bodies corporate, directors, officers, employees and agents disclaim and do not assume any obligation or undertaking to release any updates or revisions to the information in this Retail Offer Booklet to reflect any change in expectation or assumptions, and disclaim all responsibility and liability for any loss arising from use or reliance on this Retail Offer Booklet or its content (including, without limitation, liability for fault or negligence).

### **5.1 Eligible Retail Shareholders**

This information contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Existing Shares as at the Record Date;
- have a registered address on the Share Registry in Australia and New Zealand, is an Institutional Investor in another Permitted Jurisdiction, or are a person that the Company has determined in its discretion is an Eligible Retail Shareholder;
- 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 such a person holds Shares for the account or benefit of such persons in the United States);
- the Company determines in its absolute discretion did not receive an invitation or an offer to participate in (other than as a nominee, trustee or custodian, in each

case in respect of other underlying holdings), or were otherwise ineligible to participate under, the Institutional Entitlement Offer; and

- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without a prospectus or other disclosure document or any lodgement, filing, registration or qualification.

Shareholders who are not Eligible Retail Shareholders are Ineligible Shareholders.

Sandfire reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Shareholder.

Applying for New Shares under the Retail Entitlement Offer (including making a payment by BPAY® or EFT), you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Sandfire has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Sandfire may (in its absolute discretion) extend the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia and New Zealand in accordance with applicable law.

## **5.2 Ranking of New Shares**

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares are set out in the Constitution, a copy of which is available at <https://www.sandfire.com.au>.

## **5.3 Risks**

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Sandfire. You should refer to the “Key Risks” Section of the Investor Presentation released to ASX on 18 November 2022 and included in Section 4 of this Retail Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

## **5.4 No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

## **5.5 No Entitlements trading**

Entitlements are non-renounceable and so they cannot be traded on ASX or any other exchange, nor can they be privately transferred.

## **5.6 Rounding of Entitlements**

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

## 5.7 Capital structure

After the issue of New Shares under the Entitlement Offer, the capital structure of Sandfire is expected to be as follows (subject to rounding of fractional Entitlements):

Shares currently on issue	410,181,608
Approximate maximum number of New Shares to be issued under the Entitlement Offer	46,611,547
<b>Total Shares on issue on completion of the Entitlement Offer</b>	<b>456,793,155</b>

## 5.8 Underwriting of the Entitlement Offer

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**Underwriter**) is appointed as the exclusive underwriter, bookrunner and lead manager to the Entitlement Offer. The Company has entered in an underwriting agreement with the Underwriter in respect of the Entitlement Offer (**Underwriting Agreement**).

The Underwriting Agreement is subject to certain terms and conditions which are customary for an Underwriting Agreement of this type, including conditions precedent, representations, warranties and indemnities, undertakings in favour of the Underwriter including ordinary course of business for a period following completion of the Entitlement Offer (subject to customary conditions) and termination rights.

In particular, the Underwriting Agreement contains various representations and warranties by the Company relating to the Company and its business, including information provided to the Underwriter and disclosed to the ASX. The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Underwriter and the ASX within prescribed periods. Time is of the essence in the Underwriting Agreement.

For details of fees payable to the Underwriter, see the Appendix 3B released to ASX on 18 November 2022.

### Termination Events

The Underwriter may, in certain circumstances, terminate its obligations under the Underwriting Agreement if any of the following termination events (among others) occur by giving written notice to the Company (some of which are subject to a market standard materiality qualifier):

- **(Information Documents)** a material statement contained in the information documents, including those released to ASX or sent to Shareholders in connection with the Offer, **(Information Documents)** is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive (including by omission), in a material respect, or any statement about a future matter expressed in the Information Documents becomes false is a false or misleading statement;
- **(index or copper price fall)** at any time from the execution of the Underwriting Agreement until confirmation letters have been despatched following execution of the Underwriting Agreement, the S&P/ASX200 Index or the spot copper price as quoted

on the London Metals Exchange is at a level that is 10% or more below its level as at the time of execution of the Underwriting Agreement;

- **(corrective statement)** an obligation arises on the Company to give ASX a notice in accordance with section 708AA(10) or 708AA(12) of the Corporations Act (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);
- **(delisting)** the Company ceases to be admitted to the official list of ASX or the Shares are removed from official quotation or suspended from quotation by ASX for two or more trading days on or from the date after the Institutional Entitlement Offer closing date (excluding a voluntary suspension trading halt contemplated by the Underwriting Agreement);
- **(quotation)** approval is refused or not granted to the official quotation of all the New Shares on ASX, or if granted, the approval is subsequently withdrawn, qualified;
- **(insolvency)** any member of the Sandfire group (other than a subsidiary with no or immaterial assets or which is dormant) suffers an insolvency event, or there is an act or omission which is likely to result in any member of the Sandfire group suffering an insolvency event;
- **(unable to issue New Shares)** the Company is unable to issue the New Shares on the relevant date as required by the timetable, ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a governmental agency;
- **(withdrawal)** the Company announces that it withdraws or does not intend to proceed with all or any material part of the Entitlement Offer;
- **(fraud)** a director or officer of the Company is charged with an indictable offence relating to corporate or financial matters, or fraudulent or misleading or deceptive conduct;
- **(change in management)** a change in the Chair, acting Chief Executive Officer or more than one Director of the Company is announced or occurs;
- **(proposed CEO employment contract)** the employment contract of the Company's proposed Chief Executive Officer (as announced on 10 November 2022) is terminated;
- **(director)** a director or officer of the Company is disqualified from managing a corporation or any regulatory body or governmental agency commences any public action against the director in his or her capacity as a director or officer of the Company or announces that it intends to take any such action;
- **(timetable)** any event specified in the timetable is delayed for 2 or more business days without the prior written approval of the Underwriter (such approval not to be unreasonably withheld or delayed);
- **\*(breach)** the Company is in breach of the Underwriting Agreement or any of its representations or warranties in the Underwriting Agreement is not true or correct when made or taken to be made;
- **\*(regulatory action)** an application is made by ASIC for an order, or ASIC gives notice of an intention to commence an investigation, proceeding or hearing, under Part 9.5 of the Corporations Act or Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth), in each case in relation to the Entitlement Offer or the Information Documents, and any such application, investigation or hearing becomes public or is not withdrawn within two business days after it is made

or commenced (or if made within two business days before the Retail Entitlement Offer settlement date, by that date);

- **(hostilities)** there is an outbreak in hostilities not presently existing (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, Botswana, Germany, Hong Kong, Japan, Spain, the United States, United Kingdom, or the People's Republic of China, or a national emergency is declared by any of those countries (other than as already declared prior to the date of this agreement or in relation to COVID 19) or a major terrorist act is perpetrated on any of those countries or any diplomatic establishment of any of those countries, excluding any change or disruption that results from the present conflict or hostilities primarily involving Russian on one hand and Ukraine on the other (**Russia-Ukraine Hostilities**), unless such change or disruption from the Russia-Ukraine Hostilities involves:

- the commencement of active and direct involvement in the Russia-Ukraine Hostilities by one or more of the United States, France, Germany, the United Kingdom or Australia; or
- the use of nuclear or biological weapons,

but for clarity, does not include the establishment or enforcement of a no-fly zone by any or all of the North Atlantic Treaty Organisation member countries (**Major Escalation of the Russia-Ukraine Hostilities**);

- **\*(market disruption):**
  - a general moratorium on commercial banking activities in Australia, New Zealand, Germany, Hong Kong, Singapore, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - trading of all securities quoted on ASX, London Stock Exchange, Hong Kong Stock Exchange, Singapore Exchange or New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading, or a Level 3 "market wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P Index only; or
  - any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, New Zealand, Hong Kong, Singapore, Spain, the United Kingdom, the United States, or any change in national or international political, financial or economic conditions,

in each case, excluding any moratorium, change or disruption (as appropriate) that results from the Russia-Ukraine Hostilities or a Major Escalation of the Russia-Ukraine Hostilities;

- **\*(adverse change)** an adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group from those respectively disclosed in the Underwriting Agreement or the Information Documents; or

- **\*(change in law)** there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new or materially revised law or any new regulation is made under any law, or a governmental agency adopts a policy, or there is any official public announcement on behalf of the government of the Commonwealth of Australia or any State or Territory of Australia or a governmental agency that such a law or regulation will be introduced or policy adopted (as the case may be).

For each of the above termination events which include an asterisk (\*), the Underwriter only has a right to terminate the Underwriting Agreement where it has reasonable grounds to believe and actually believes that the event has or is likely to have a materially adverse effect on the outcome, success, settlement, promotion or marketing of the Offer; the willingness of investors to subscribe for New Shares; or will or could give rise to a contravention (or involvement in a contravention) by the Underwriter or one of its affiliates of, or liability for the Underwriter or one of its affiliates under the Corporations Act or any applicable law.

If an Underwriter terminates its obligations under the Underwriting Agreement, the Underwriter will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement by an Underwriter could have an adverse impact on the amount of proceeds raised under the Entitlement Offer.

**Moratorium**

The Underwriting Agreement includes a moratorium as agreed to between the parties which provides the Company must not (and must procure that its related bodies corporate do not) allot, issue or sell or agree to allot, issue or sell securities or grant or agree to grant any options in respect of securities of the Company except:

- the offer or issue of New Shares;
- as previously announced to ASX;
- the issue of equity securities for which Shareholder approval is being sought by the Company at its 2022 annual general meeting or as otherwise previously disclosed to ASX prior to the date of the Underwriting Agreement;
- where the issue or agreement to issue Shares is under the Company's existing non-underwritten dividend reinvestment, bonus share plan or employee incentive schemes (as those terms are defined in the ASX Listing Rules) or other employment or consultant arrangements;
- on the conversion of convertible securities currently on issue; or,
- with the prior written consent of the Underwriter, not to be unreasonably withheld or delayed,

for a period of 30 days following completion of the Entitlement Offer.

**5.9 Potential dilution of Shareholders who do not take up Entitlements**

You should note that if you do not participate in the Entitlement Offer, your holdings may be diluted by up to 11.4%.

## 5.10 Notice to nominees and custodians

If Sandfire believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Sandfire is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether the distribution of any documents relating to the Entitlement Offer (including this Retail Offer Booklet) or the indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on ASX or otherwise, complies with applicable foreign laws.

Nominees and custodians may not distribute any part of this Retail Offer Booklet in the United States and may not permit any person in the United States or elsewhere outside Australia or New Zealand to participate in the Entitlement Offer, except that nominees and custodians may permit Institutional Investors in other Permitted Jurisdictions to participate in the Entitlement Offer.

The Company is not required to determine whether or not any registered Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

Persons in the United States and persons acting for the account or benefit of a person in the United States will not be able to take up or exercise Entitlements to purchase New Shares.

## 5.11 Not investment advice

This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It also is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Sandfire is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible Application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Sandfire's other periodic statements and continuous disclosure announcements lodged with ASX, which are available on the ASX website.

The New Shares offered under this Entitlement Offer should be considered speculative. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

## 5.12 Quotation and trading

Sandfire has applied to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Sandfire will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence on 16 December 2022.

### **5.13 Continuous disclosure**

Sandfire is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Sandfire is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, Sandfire has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from the ASX and can be accessed at [www.asx.com.au](http://www.asx.com.au).

Some documents are required to be lodged with ASIC in relation to Sandfire. These documents may be obtained from, or inspected at, an ASIC office.

### **5.14 Information availability**

You can obtain a copy of this Retail Offer Booklet during the Entitlement Offer on Sandfire's Entitlement Offer website at <https://www.sandfire.com.au>.

A replacement Entitlement and Acceptance Form can also be requested by calling the Share Registry.

If you access the electronic version of this Retail Offer Booklet, you should ensure that you download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the Sandfire Entitlement Offer website will not include an Entitlement and Acceptance Form.

### **5.15 Foreign jurisdictions**

This document does not constitute an offer of Entitlements or New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

#### **New Zealand**

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. The offer of New Shares is non-renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **5.16 Governing law**

This Information, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Western Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

## 5.17 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Sandfire, or its related bodies corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Sandfire, nor any other person, warrants or guarantees the future performance of Sandfire or any return on any investment made pursuant to this Information or its content.

## 5.18 Withdrawal of the Entitlement Offer

Sandfire reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Sandfire will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Sandfire will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Sandfire.

## 5.19 Privacy

As a Shareholder, Sandfire and the Share Registry have already collected certain personal information from you. If you apply for New Shares, Sandfire and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Sandfire and the Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your Application for New Shares, the Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handing of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your Application. In most cases you can gain access to your personal information held by (or on behalf of) Sandfire or the Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Sandfire through the Share Registry as follows:

Automic Group Limited  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
Tel: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9:00am and 5:00pm (AWST).

## 5.20 Further information

This Retail Offer Booklet and its release to ASX is authorised by the Board.

For further information contact:

### **Investors**

Sandfire Resources Ltd  
Ben Crowley – Head of  
Investor Relations  
Office: +61 8 6430 3800

### **Media**

Read Corporate  
Nicholas Read  
Mobile: +61 419 929 046

### **Automic**

1300 288 664 (within  
Australia)  
  
+61 2 9698 5414 (outside  
Australia)

For personal use only

## Glossary

<b>\$ or dollars</b>	Australian dollars
<b>Application</b>	an application to subscribe for New Shares under the Entitlement Offer
<b>Application Monies</b>	monies received from applicants in respect of their Applications
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange
<b>ASX Listing Rules</b>	the official listing rules of ASX, as amended or replaced from time to time and as waived in respect of the Company by ASX
<b>Board</b>	the board of Company directors
<b>CGT</b>	capital gains tax
<b>Commissioner</b>	Commissioner of Taxation
<b>Constitution</b>	Company's constitution
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i>
<b>Eligible Retail Shareholder</b>	has the meaning given in section 5.1
<b>Entitlement</b>	the entitlement to subscribe for 8.8 New Shares for every 1 Existing Share held on the Record Date by Eligible Shareholders
<b>Entitlement and Acceptance Form</b>	the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made
<b>Entitlement Offer</b>	the offer of approximately 46.6 million New Shares in the proportion of 1 New Share for every 8.8 Existing Shares held on the Record Date, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer
<b>Entitlement Offer Period</b>	the period commencing on the opening date of the Entitlement Offer, as specified in the 'Key Dates for the Entitlement Offer' section, and ending on the Retail Closing Date
<b>Existing Share</b>	a Share on issue before the Record Date
<b>GST</b>	Australian Goods and Services Tax (currently 10%)

<b>Ineligible Shareholder</b>	Has the meaning given in section 2.5
<b>Information</b>	Has the meaning given in section 5
<b>Institutional Entitlement Offer</b>	the institutional component of the Entitlement Offer
<b>Institutional Investor</b>	<p>Means an institutional or professional investor (and any person for whom it is acting) in the Permitted Jurisdictions outside Australia and New Zealand, and in particular, if such investor is in:</p> <ul style="list-style-type: none"> <li>• <b>Canada (British Columbia, Ontario and Quebec provinces only)</b>, it (and any such person) is an "accredited investor" (as defined in National Instrument 45-106 – Prospectus Exemptions) and a "permitted client" (as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations);</li> <li>• <b>Hong Kong</b>, it (and any such person) is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;</li> <li>• <b>Japan</b>, it (and any such person) is a Qualified Institutional Investor, as defined under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, "FIEL");</li> <li>• <b>Norway</b>, it (and any such person) is a "professional client" as defined in Norwegian Securities Trading Act of 29 June 2007 no. 75;</li> <li>• <b>Singapore</b>, it (and any such person) is an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act of Singapore ("SFA"));</li> <li>• <b>Switzerland</b>, it (and any such person) is a "professional client" within the meaning of article 4(3) of the Swiss Financial Services Act ("FinSA") or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA;</li> <li>• <b>United Arab Emirates (excluding financial zones)</b>, it (and any such person) is a "qualified investor" (as defined in the Securities and Commodities Authority Board of Directors' Chairman Decision No. 37 RM of 2019, as amended); or</li> <li>• <b>United Kingdom</b>, it (and any such person) is (i) a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing Section 86(7) of the UK Financial Services and Markets Act 2000; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth</li> </ul>

	companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
<b>Investor Presentation</b>	the presentation released to ASX on 18 November 2022 in connection with the Entitlement Offer, a copy of which is set out in section 4
<b>New Shares</b>	the Shares offered under the Entitlement Offer
<b>Offer Price</b>	\$4.30 per New Share
<b>Permitted Jurisdiction</b>	Means each of Australia, Canada (British Columbia, Ontario and Quebec provinces only), Hong Kong, Japan, New Zealand, Norway, Singapore, Switzerland, United Arab Emirates (excluding financial zones) and the United Kingdom
<b>Record Date</b>	the time and date for determining which Shareholders are entitled to an Entitlement under the Retail Entitlement Offer, being 4:00pm (Perth time) on 22 November 2022
<b>Retail Closing Date</b>	4:00pm (Perth time) on 8 December 2022 (unless extended). This is the final date that Eligible Retail Shareholders can take up some or all of their Entitlement
<b>Retail Entitlement Offer</b>	the offer of New Shares to Eligible Retail Shareholders as part of the Entitlement Offer
<b>Retail Offer Booklet</b>	this booklet dated 25 November 2022, including (for the avoidance of doubt) the Investor Presentation set out in Section 4
<b>Sandfire or the Company</b>	Sandfire Resources Limited (ACN 105 154 185)
<b>Share</b>	a fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	the registered holder of an Existing Share
<b>Share Registry</b>	means the Company's share registry, being Automic Group Limited Level 5, 191 St Georges Terrace Perth WA 6000
<b>Underwriter</b>	Macquarie Capital (Australia) Limited (ABN 79 123 199 548)
<b>Underwriting Agreement</b>	Underwriting Agreement dated 18 November 2022 between the Company and the Underwriter
<b>US Securities Act</b>	US Securities Act of 1933, as amended

## Corporate Directory

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### **Sandfire Resources Limited**

ACN 105 154 185

Level 2, 10 Kings Park Road  
West Perth, Western Australia 6005

<https://www.sandfire.com.au>

Tel: +61 8 6430 3800  
Fax: +61 8 6430 3849

John Richards  
Independent Non-Executive Chair

Sally Langer  
Independent Non-Executive Director

Roric Smith  
Independent Non-Executive Director

Jennifer Morris OAM  
Independent Non-Executive Director

Sally Martin  
Independent Non-Executive Director

Robert Edwards  
Independent Non-Executive Director

Matthew Fitzgerald  
Chief Financial Officer & Company Secretary

Jason Grace  
Acting Chief Executive Officer and Chief  
Operating Officer

### **Share Registry**

Automic Group Limited  
Level 5, 191 St Georges Terrace  
Perth, Western Australia 6000

### **Underwriter**

Macquarie Capital (Australia) Limited  
AFS Licence 314416  
Level 4, 50 Martin Place  
Sydney, New South Wales 2000

### **Legal Advisers**

Gilbert + Tobin  
Level 16 Brookfield Place Tower 2  
123 St Georges Terrace  
Perth, Western Australia 6000

### **Auditor**

Ernst & Young  
Ernst & Young Building  
11 Mounts Bay Road  
Perth Western Australia 6000



Sandfire Resources Limited | ABN 55 105 154 185

All Registry Communication to:



GPO Box 5193, Sydney NSW 2001
1300 288 664 (within Australia)
+61 2 9698 5414 (international)
corporate.actions@automicgroup.com.au
www.automicgroup.com.au

Holder Number:
X\*\*\*\*\*

Shares held as at the Record Date at
4.00 pm (WST) 22 November 2022

SAMPLE

ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSSES 4.00 PM (WST) 8 December 2022 (WHICH MAY CHANGE WITHOUT NOTICE)

On 18 November 2022, Sandfire Resources Limited ABN 55 105 154 185 (Sandfire) announced a 1 for 8.8 pro-rata accelerated non-renounceable entitlement offer of fully paid ordinary shares in Sandfire (New Shares) at an offer price of \$4.30 per New Share to raise approximately \$200 million (before costs) (Entitlement Offer).

The Retail Offer Booklet dated 18 November 2022 contains information about the Entitlement Offer and you should carefully read the Retail Offer Booklet before applying for New Shares. This Entitlement and Acceptance Form should be read in conjunction with the Retail Offer Booklet. If you do not understand the information provided in the Retail Offer Booklet or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance form, capitalised terms have the same meaning as defined in the Retail Offer Booklet.

1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

Table with 3 columns: Entitlement type (Full/Partial), Payment Amount A\$ (\$4.30 per New Share), and Number of New Shares Applied for.

2 MAKE YOUR PAYMENT BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

Payments must be made by BPAY® or by EFT and may not be made by cheque or money order. You do not need to return this form if you have made payment via BPAY® or EFT.

Total Payment A\$ [grid]

Option A - BPAY® (Biller Code: 365197, Ref No: \*\*\*\*\*), Option B - Electronic Funds Transfer (EFT) (Account name: Automic Pty Ltd, Account BSB: \*\*\*\*\*, Account number: \*\*\*\*\*, Swift Code: WPACAU2S). Includes important note about quoting reference number.

3 Elect to receive email communication

Return to Automic Group by email to corporate.actions@automicgroup.com.au

Form with fields for Telephone Number, Contact Name (PLEASE PRINT), and SFR-.

# INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Retail Entitlement Offer is optional and is offered exclusively to all Eligible Retail Shareholders who are registered as holders of Shares in the capital of the Company at 4:00pm (WST) on the Record Date with a registered address in Australia or New Zealand and are not in the United States and are not acting for the account or benefit of a person in the United States (**Eligible Shareholders**).

## ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Retail Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of the Company.

### 1 Acceptance of Full or Partial Entitlement for New Shares

If you wish to accept your full entitlement:

- make payment by BPAY® or EFT for your full entitlement by following the instructions on this Entitlement and Acceptance Form.

If you only wish to accept part of your entitlement:

- calculate the payment amount for the portion of your entitlement that you wish to take up in accordance with the partial entitlement section of this Entitlement and Acceptance Form; and
- make payment by BPAY® or EFT for that portion of your entitlement by following the instructions on this Entitlement and Acceptance Form.

### 2 Payment

By making a payment via BPAY® or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by the Share Registry by the closing date and time. Payment **must be received** by the Share Registry by 4:00pm (WST) on 8 December 2022.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 3. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be **unable to allocate or refund your payment (without interest)**. If you need assistance, please contact Automic.

**Payment by BPAY®:** You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Form. Multiple acceptances must be paid separately.

**Payment by EFT:** You can make a payment via Electronic Funds Transfer (EFT). Multiple acceptances must be paid separately. Please use your unique reference on this Form. This will ensure your payment is processed correctly to your application electronically.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5pm (AEST) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Form if you have made payment via BPAY® or EFT. Your reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid.

### 3 Contact Details - Elect to receive email communication

The Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

If you require further information about the Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 6:00am and 5:00pm (WST).