



Sandfire achieves record financial performance FY21. On schedule with transition to multi-mine international company. Progress with board succession.

Company/ASX Code	Sandfire Resources Ltd/SFR
AGM date	Friday 26 November 2021
Time and location	1100hrs Perth time. Meeting will be held virtually. (no physical meeting)
Registry	Automic Group
Webcast	Virtual Online Platform using URL https://investor.automic.com.au/#/home
Poll or show of hands	Poll on all items
Monitor	Len Roy
Pre AGM Meeting?	Yes with Chair Derek La Ferla, Ind NED Ms Sally Langer & Head of Corporate Affairs Sash Trpkoski

The individual(s) (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

Introductory summary

SFR has been focusing on optimising the production & financial performance of its DeGrussa copper / Gold operations and in parallel, developing its extensive tenements in the Central Kalahari copper belt with particular focus on its Motheo copper mine in Botswana.

DeGrussa had strong FY21 production – 70,845t Cu - & C1 cash cost USD0.82 lb. Contained gold amounted to 39,459 ozs. Based upon current data, Degrussa has a forecast completion of mine life late 2022.

The company is upholding its ambitious Strategic Growth Plan & Sustainability Strategy announced July 2020 involving a road map towards an international multi asset base metals producer. The plan was detailed under 5 key priorities

- Delivery execution
- Develop a sustainable production profile
- Acceleration of economic resources
- Develop a largely decentralised & refined Group organisational structure involving board, senior executives & operational personnel under the umbrella of SFR control
- Uphold the strength of SFR's Balance Sheet with prudent capital funding for specific growth projects.

To date the company is sticking to the plan with high level announcements and buoyed by the tail winds of high commodity prices.

Over the next 2-3 years SFR will be addressing integration, developing & commissioning opportunities at MATSA Spain, Motheo Kalahari & Black Butte Montana USA in accordance with its strategic growth plan.

ASA FY21 Focus issues

Directors & boards

Three independent NEDs were appointed in FY21. Sally Langer 1 July, 2021, Jennifer Morris OAM 1 January 2021, John Richards 1 January 2021. All have relevant qualifications & experience. NED Robert Scott resigned 31 December, 2020, following 10 years' service. Paul Hallam has announced he will step down as NED at the conclusion of the FY21 AGM following 8 years' service.

At the YE 30 June FY21 SFR was made up of 6 independent NEDs plus MD/CEO and chairman Chairman Derek La Ferla has indicated he intends to retire from the board at the end of the current financial year following 12 years' service.

Capital raising & shareholder communications

SFR did not have a capital raising in FY21 and issued capital remained constant at 178,251,333 ordinary shares. Considering the transactional growth of the company it is important to shareholders the announcements continue to be comprehensive & detailed.

Risk Management

Whilst the company has had a good operational record as a one mine business, considering the current growth & development strategy involving multi mines in an international environment we consider it is important NED John Richards chair of the Risk Committee is on top of risks including operational, ESG and economic .

Sustainability Report inclusive of ESG

The 8-chapter 34 page Sustainability Report is very comprehensive encompassing SFR's multi-site operations from exploration to closure & rehabilitation.

Remuneration & Performance

For several years SFR was reluctant to change its remuneration structure and it has been a struggle to achieve improved alignment with ASA Guidelines. SFR argued their remuneration structure was tailored to company requirements at the time and ASA (taking financial performance into consideration) supported the rem resolutions. It was refreshing to see SFR adopt a new structure effective 1 July 2020 with improved alignment with our Guidelines.

Item 1	Consideration of accounts and reports for FY21
ASA Vote	No vote required

Summary of ASA Position

The FY21 financial headline numbers are as follows

YE June 30 '21	DeGrussa operation \$000	Black Butte Project \$000	Motheo Project \$000	Exploration & other \$000	Group \$000
Revenue	812,957	-	-	-	812,957
EBITDA	549,784	(10,812)	(17,910)	(71,236)	449,826
Profit before net finance & income tax	377,442	(11,127)	(18,439)	(77,883)	269,993
Profit before income tax					260,990
Net profit for the year					170,082
NP attributable to equity holders of parent					171,641
Basic & diluted EPS					96.29

SFR paid a fully franked (FF) interim dividend 8 cps 17 March 2021 amounting to \$14.26m followed by a FF Final dividend 26 cps 22 September 2021 amounting to \$46.345m.

TSR for FY21 54.7%

Subsequent to the close of FY21 SFR provided an update on the Montheo copper mine Kalahari Botswana indicating last quarter 2023 for process plant concentrate ramp up & production. The base case is 3.2Mtpa with indicative life of mine 12.5 years however SFR is considering upgrading output to 5.2Mtpa based on the latest reserves data & commodity pricing.

An October 2021 Investor briefing indicated Approximate mine life for DeGrussa as one year. This may be extended subject to more definition of local reserves.

Also subsequent to the close of FY21 SFR reported on the acquisition of the MATSA multi mine complex in Spain for USD1,865m. Completion of the transaction is planned for March 2022 quarter.

Item 2 Resolution 1	Adoption of Remuneration Report
ASA Vote	For

Summary of ASA Position

The FY20 Remuneration Report received 29.37% of votes cast Against.

The remuneration structure effective July 1 2020 is intended to align with the Company's Strategic Growth Plan and includes the following upgrades;

STI performance period changed from calendar year to alignment with financial year.

Introduction of STI deferral component such that 50% of any award is deferred into equity vesting in 12 months

LTI performance period now four years with 1 year deferral for the market related measures of the LTI opportunity

LTI weightings are Production 25%, Ore reserves 25%, Absolute TSR 25% and Relative TSR 25%.

LTI award is in the form of Zero Exercise Price Options over ordinary shares. The options carry neither rights to dividends nor voting.

ASA supports the resolution

5 year financial performance summary and CEO FY21 remuneration

(As at FYE)	2021	2020	2019	2018	2017
NPAT (\$m)	171,641	74,054	106,456	123,024	77,510
Share price (\$)	6.83	5.07	6.69	9.16	5.65
Dividend (cents)	34	19	23	27	18
EPS (cents)	96.29	42.88	65.23	77.85	49.16
CEO total remuneration, actual (\$m)	1,708,125				

For FY21, the CEO's total actual remuneration was **18.27 times** the Australian Full time Adult Average Weekly Total Earnings. CEO's 2021 rem made up of base \$1,409,062 plus STI cash 299,063 plus STI deferred \$299,063. No LTI award has been applicable for the last three years.

Note - For May 2021, the Full-time adult average weekly total earnings (annualised, original) was \$93,444 (<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>, "Full-time adult average weekly total earnings").

The CEO's fixed remuneration had not changed since FY14 and remained unchanged in FY21.

Item 3 Resolution 2	Election of Mr John Richards as a Director
ASA Vote	For

Summary of ASA Position

Mr Richards was appointed to the board 1 January 2021 and is considered an independent NED.

He has extensive global industry experience and is Chair of the Company's Risk committee and a member of the Audit committee. He holds a Bachelor of Economics (Honours). He is a NED of Northern Star. Previously he held executive roles at Standard Bank, Normandy Mining Ltd., Buka Minerals Ltd., & Global Natural Resources Investments – GNRI.

SFR indicate Mr Richards has already provided considerable input on SFR's international growth developments

We support the resolution

Item 4 Resolution 3	Election of Ms Jennifer Morris OAM as a Director
ASA Vote	For

Summary ASA position

Ms Morris was a former partner of Deloitte and appointed to the SFR board 1 January 2021.

She holds Bachelor of Arts (Psychology & Journalism) and is currently a Commissioner on the Board of the Australian Sports Commission. Ms Morris has completed Finance for Executives at INSEAD and was previously Senior Marketing Analyst for Rio Tinto Iron plus CEO of Walk Free, the Minderoo Foundation's global initiative against slavery. She is Chair of the SFR People & Performance Committee.

Ms Morris is currently a NED of Fortescue Metals Group Ltd

We support the resolution

Item 5 Resolution 4	Re-election of Ms Sally Langer as a Director
ASA Vote	For

Summary ASA position

Ms Langer has 25 years' experience in Professional Services including as founder & Managing Partner of management consulting & executive recruitment firm Derwent Executive. She was a Director of international recruitment firm Michael Page and previously a Chartered Accountant with Arthur Andersen. Ms Langer holds a Bachelor of Commerce and is a graduate of AICD.

She is Chair of the Audit Committee & member of the People & Performance Committee.

Ms Langer is a NED of Northern Star Resources Ltd and MMA Offshore Ltd

We support the resolution

Item 6 Resolution 5	Ratification of Placement of Shares
ASA Vote	For

Summary ASA position

The Company issued 52,802,728 shares to professional & sophisticated investors 5 October 2021 at an issue price of \$5.40 per share under a placement to raise \$285,134,731.20. If this resolution is passed by shareholders, the Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (as modified by the ASX Supersize Waiver).

We support the resolution

Item 7 Resolution 6	Increase in maximum aggregate NED Fee Pool
ASA Vote	For

Summary ASA position

The Fee Pool cap last reviewed and set at \$1,000,000 on 27 November 2019.

SFR seeks approval to increase the Fee Pool by \$500,000 to \$1,500,000. Given the positive progress of the Strategic Growth Plan involving transition to a multi mine international company with increased responsibilities, we support the resolution.

Item 8 Resolution 7	Spill motion (if required)
ASA Vote	Against

Summary of ASA Position

We acknowledge & have considered the improvements in the structure of the remuneration report and going forward, the demonstrated willingness to listen to shareholder concerns.

In the case of SFR, ASA do not see merit in voting for a resolution which has the potential to seriously damage & disrupt the business.

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