



## Sandfire Resources 2022 AGM report

ASX code	SFR
Meeting date	30 November 2022
Type of meeting	Hybrid
Monitor	Len Roy assisted by Ian Berry
Pre AGM-meeting	Yes, with Independent Chairman John Richards and Head of Corporate Affairs Sash Trpkoski.

### Meeting Statistics

Number of holdings represented by ASA	27
Number of shares represented by ASA	146,850
Value of shares represented by ASA	\$734,000
Total number attending meeting	79 attendees
Market capitalisation	\$2.2 billion
ASA open proxies voted	On a poll. ASA voted in favour of all the resolutions

The Chairman, John Richards, opened the meeting by introducing the Board, all of whom were present, except Roric Smith who was ill. Sally Martin and Robert Edwards were new Independent NEDs appointed during the year. Karl Simich had resigned as CEO and Managing Director (MD) in September. Sally Langer and Jenn Morris continued as directors. The Chair noted he has taken over from Derek La Fera as the Chair at the end of April. The senior executives were also introduced during the meeting. They included Jason Grace, now the acting CEO, and Matthew Fitzgerald, the CFO.

For Sandfire Resources, 2022 has proved to be a transformational year. The changes have included the winding down of the De Grussa mine in WA and its replacement with the MATSA copper operations in Spain, and the acquisition and development of the Motheo copper project in Botswana. Both ventures are performing to plan, and the Motheo construction is on time. The Black Butte high-grade copper project in Montana, USA, has also been acquired but development has stalled due to legal and environmental challenges. The current development delay is attributable to disagreements between Montana regulatory authorities and their constituents.

These new mining activities coincide with a forecast doubling of demand for copper in the next decade with limited supply increases at present.

John paid tribute to the former MD, Karl Simich, for his role in developing and transforming the company over the last fifteen years. Following a global search, Brendan Harris, a senior executive at South 32, will commence as CEO/MD in April 2023.

Acting CEO Jason Grace reported on the operational aspects of the group. In 2022, Sandfire performed well with both De Grussa and MATSA performing above guidance. US\$109.4 million was earned. Additionally, US\$39.1 million was credited as gains on derivatives designated as cash flow hedges offset by US\$19.2 million of exchange losses. EBITDA amounted to US\$447.3 million.

To assist with funding the Motheo construction, AUD\$200 million is being raised through a fully underwritten non-renounceable share issue, which has been successful with institutional investors and eligible retail shareholders. Sandfire has also decided to pause its dividends to support prudent capital management.

Volatile commodity prices prevent a forecast of profit for 2023, but the group has given an indication of tonnage to be produced at both MATSA and Motheo, from the June quarter, next year. Costs of US\$1.72p.t. are forecast with corporate costs of \$30 million and exploration costs of \$35 million. Cash flow is strong as expected.

When ASA queried Black Butte's progress, Sandfire said it would be progressed as soon as possible. A shareholder asked when dividends would be reinstated and was told that capital management was a focus at present but envisaged that depending on the copper price they would be reinstated as soon as the board felt it was prudent.

The resolutions, which confirmed the remuneration report, the appointment of the new directors, and included the termination benefits of Mr Karl Simich, were all approved. They all passed with support exceeding 98%, except two of the six resolutions dealing with the termination benefits, which passed with 82-88% support.

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