AUSTRALIAN SHAREHOLDERS' ASSOCIATION

Record Copper Profits, First Dividend Since 2022, Overshadowed by Fatality

Company/ASX Code	SFR Sandfire Resources Limited
AGM time and date	Friday October 30th '26 10.00am AWST
Location	Parmelia Hilton Hotel, 14 Mill Street, Perth
Registry	Automic Registry Services.
Type of meeting	Hybrid including online questions and voting. Register with www.investor.automic.com.au
Monitor	Len Roy assisted by Ian Berry
Pre-AGM Meeting	Yes, with NED Chair John Richards, CEO Brendan Harris, Head of Commercial David Wilson, Head of Reward, Paul Wilkinson

The persons who prepared this report do not have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Financial, Sustainability, Directors' & Auditor's Reports	No vote required
2.1	Re-election of Paul Harvey	For
2.2	Re-election of Jennifer Morris	For
3	Remuneration Report	For
4	Approval of grant of short term & long-term incentive awards to the CEO& MD	For
5	Approval of the Equity Incentive Plan	For
6	Approval of leaving entitlements	For
8	Appointment of the auditor	For

Company Overview

Sandfire is a Perth-headquartered, ASX-listed pure-play copper producer with two operating hubs: MATSA, a 4.7Mtpa polymetallic underground operation in Spain's Iberian Pyrite Belt, and Motheo, a 5.6Mtpa open-pit copper-silver operation in Botswana's Kalahari Copper Belt.

FY26 delivered 154.2kt copper equivalent production, US$1.65 billion revenue and a 52% Underlying EBITDA margin, with copper around 70% of revenue. Silver, Lead & Zinc are by-products.

Growth options include an exclusive right to acquire 80% of Kalkaroo in South Australia, a maiden A1 reserve at Motheo, development of Black Butte Montana USA (held via 87% of Sandfire America). FY27 guidance is 150–166kt of copper equivalent production.

Key Issues

- **Safety leadership after the first fatality:** A contractor died at the Magdalena mine (MATSA) on 25 February 2026. It was a first workplace fatality for SFR. This item involved considerable discussion at our pre-AGM meeting. We were satisfied that SFR's low appetite for serious -harm risk was not compromised. SFR's TRIF of 1.6 is an industry leading metric. A 10-point scorecard fatality reduction was applied.
- **CEO and Executive remuneration** levels are now aligned more closely with the median of comparable ASX Resource companies consisting of a peer group of 23. Similarly, SFR NED rem is aligned with median of the peer group.
- **Board renewal and workload.** The Chair concedes membership has been settled for three years and succession planning is appropriate. Ms Morris added Fenix Resources in June 2026, and Ms Langer is a substantial shareholder's nominee elsewhere. We will question external workload & seek assurance on the time & commitment to SFR.
- **Growth capital and returns:** Capital expenditure rises 30% to US$299 million in FY27, including funding the Kalkaroo pre-feasibility study, a new MATSA tailings dam and the T3 cutback, while the first dividend since 2022 is 35 cents. SFR has a good capital Expenditure management record, nevertheless, we will seek assurance on accountability and reporting of capex.

Key Financial Results

- Sales revenue rose 41% to US$1,653.7 million (FY25: US$1,176.0 million), driven by higher realised copper (US$11,897/t) and silver (US$66/oz) prices and lower treatment and refining charges.
- Underlying EBITDA rose 64% to US$867.0 million (FY25: US$527.7 million); the margin widened to 52% from 45%.
- Profit after tax was US$354.3 million (FY25: US$89.9 million); basic EPS was 76.9 US cents (FY25: 20.3 US cents).
- Underlying Earnings rose 214% to US$350.0 million (FY25: US$111.3 million); basic underlying EPS was 75.6 US cents (FY25: 24.3 US cents).
- Operating cash flow was US$746.8 million (FY25: US$523.7 million); the balance sheet moved to net cash of US$352.6 million from net debt of US$123.3 million.
- A fully franked final dividend of 35 Australian cents per share was declared (FY25: nil), the first since 2022.
- Unit costs stayed within 5% of guidance at US$89/t (MATSA) and US$46/t (Motheo); net tangible assets per share rose to US$4.30 (US$3.69).

Table 2 – Company performance

Measure	FY22	FY23	FY24	FY25	FY26
Net profit/(loss) (US$'000)	109,432	(53,661)	(19,071)	89,902	354,269
Net profit/(loss) attributable to equity holders of the parent (US$'000)	111,430	(51,576)	(17,348)	93,251	355,807
Underlying EBITDA (US$'000)[a]	474,372	258,505	362,197	527,700	867,019
Underlying Earnings (US$'000)[a]	138,832	(45,257)	(5,473)	111,300	350,035
Net cash / (debt) (US$'000)	(324,707)	(430,061)	(396,079)	(123,335)	352,629
Net cash inflow from operating activities (US$'000)	391,188	116,622	344,893	523,707	746,804
Basic earnings/(loss) per share (US cents)	32.05	(11.81)	(3.80)	20.34	76.88
ASX share price at the end of the year (A$)	4.45	5.90	8.73	11.22	19.19
Dividends per share (A$ cents)	3	-	-	-	35

(a) EBITDA and Underlying Earnings provides insight into the Group's performance by excluding the impact of items that are not part of the Group's usual business activities. A reconciliation of these Underlying Earnings metrics to the statutory financial results in the Consolidated Income Statement is included in Note 3 Segment information to the financial statements.

Governance and Culture

- **Board structure.** Seven directors; six non-executives, all deemed independent, including the Chair. Ms Langer's nomination to Endura Mining by substantial shareholder Australian Super is disclosed and judged not to impair independence.
- **Diversity:** 40:40:20 gender balance maintained. Senior-leader female representation of 30.8% missed the 32.5% target. Workforce representation of 27.1%.
- **Code of Conduct**, Speak Up Policy and "Don't Walk Past"; 97% Australian training completion.
- **CEO/CFO declarations** in place, auditor attends the AGM, Market Disclosure Policy, and a hybrid AGM with online participation & voting.
- **Risk:** Twelve enterprise risk focus areas, Board-approved appetite, ISO 31000 alignment and internal assurance reporting to the Audit and Risk Committee.
- **NED Fee Pool.** Fixed non-executive fees within a A$2 million pool approved 2024.; No change to Pool Cap in FY26. Hedging of unvested equity is prohibited.
- The Company reports compliance with all relevant 4th-edition ASX recommendations.

Key Events

- **Kalkaroo:** February 2026 agreements with Havilah give an exclusive right to acquire 80%, a ~US$70 million pre-feasibility study (completion H2 FY28), a ~130km drilling program and at least A$30 million of regional exploration. No interest has yet been acquired.
- **Balance sheet:** Net cash was reached in December 2025; MATSA debt-linked forward sales matured in January 2026.
- **Milestone attained:** Maiden A1 reserve of 5.6Mt at 0.91% copper.
- **Production Milestones.** Production of 154.2kt was 98% of the guidance midpoint (157kt); unit costs at both mines were marginally above guidance.
- **Black Butte:** Updated study indicates a 12-year life; strategic review of the 87% Sandfire America holding concludes in Q1 FY27.

Board or Senior Management Changes

- No director appointments or resignations occurred in FY26.
- Mr Paul Harvey (Resolution 2.1) and Ms Jennifer Morris (Resolution 2.2) retire by rotation and offer themselves for re-election. Considering professional qualifications & relevant experience plus, board engagement we support their re-election.
- External appointments. Mr Richards left Sheffield Resources (May 2026) and became Ora Banda chair-elect; Mr Edwards became Minres chair (June 2026); Ms Morris joined Fenix Resources (June 2026); Ms Martin left Porvair (November 2025) and joined Viva Energy Group (August 2026).
- Senior management: MATSA's Asset President role transitioned in February 2026, with the outgoing president on paid leave until 30 June 2026.
- The Executive Leadership Team was otherwise unchanged, with female representation of 60%.

Sustainability

- **Summary:** First AASB S2 climate statement, a GRI-based voluntary report with independent limited assurance, 72% renewable electricity (FY25: 71%), 33MW and 21MW solar projects under construction at MATSA and Motheo, a 35% Scope 1 and 2 reduction target by 2035 (FY24 baseline), and US$4.7 million (0.5% of Operations EBITDA) allocated to strategic community investment.
- **Safety:** TRIF of 1.6 (FY25: 1.7) with 16 injuries in both years; high-potential incident frequency fell 45%.

Link between executive pay and the company's long-term performance

- FY26 STI was A$1,203,450 (57.3% of maximum). The scorecard outcome of 96% of target was cut 10 points for the fatality and the CEO's exceptional individual rating was capped, a credible use of discretion.
- Scorecard weights: 25% sustainability, 30% production, 25% operating cost per tonne, 20% strategic. Production (at Motheo) and costs missed guidance midpoints, yet outcomes stayed near target.
- STI is 50% cash and 50% shares restricted for two years (30,513 shares at A$19.72).
- FY27 LTI is A$2.184 million (110,750 rights): 80% relative TSR (40% ASX200, 40% copper peers), 10% emissions and 10% portfolio optimisation, with no retesting. Vesting is 0% at or below median, 50% just above it and 100% at the 75th percentile.
- The FY24 LTI vested 98.8% (246,688 of 249,810 rights), consistent with a strong three years.
- Fixed pay rises to A$1.456 million; maximum FY27 pay is A$5.82 million, 75% at risk.
- Significant concern. One financial LTI metric -rTSR. The ASA Guideline is two LTI financial metrics. Maybe consider EPS or ROC in addition.
- AI is framed mainly as an opportunity (safety, decisions, productivity); threats from poorly managed implementation are acknowledged.
- Weaknesses: both risks are owned by the Chief People Officer, who also runs people and IT, and no Board committee is named as responsible for cyber or AI. The Skills Matrix has no technology or cyber skill, and no AI policy, use-case register, testing, metrics or incident data was identified.

- **Assessment: Partially meets.**

Rationale for Voting Intentions

Nominees confirmed in the Notice of Meeting: Mr Paul Harvey (Resolution 2.1) and Ms Jennifer Morris (Resolution 2.2). Both retire by rotation and are recommended by the Board; the Chair will vote undirected proxies in favour. These are indicative assessments from the three permitted documents, not financial advice.

Mr Paul Harvey – Resolution 2.1

Bio and history: Mining engineer with more than 35 years' experience. Senior BHP roles included President of Nickel West and President and COO of Ekati Diamonds, followed by COO and Chief Transformation Officer at South32. Non-executive director of De Grey Mining (2022–2025), chairing its Sustainability Committee. Appointed to Sandfire on 12 September 2023, last elected 29 November 2023; chairs the Sustainability Committee and sits on Audit and Risk. Full FY26 attendance. External roles: advisor to Wyloo Metals and consultant to Appian Capital Advisory. The Annual Report cites 28 years at BHP, the Notice 22.

ASX Principles alignment: The Board considers him independent (Recommendation 2.3), and he holds no other listed directorships, easing workload concerns. His paid advisory roles in the resources sector warrant ongoing independence monitoring, although no Sandfire link is disclosed. He chairs the committee overseeing health and safety when the first fatality occurred, which bears on Principle 7 accountability. The BHP tenure discrepancy is a minor disclosure-quality concern.

Value to the Board: One of two mining engineers on the Board, his project-development, operations and safety leadership is directly relevant to the MATSA tailings dam, the Motheo T3 cutback and the Kalkaroo study. His South32 and BHP background complements the Chair's M&A experience, and his three-year tenure is the shortest among non-executives.

Voting intention: In favour.

Ms Jennifer Morris – Resolution 2.2

Bio and history: Former Deloitte partner (2007–2017) advising on strategy, human capital and governance, then CEO of Walk Free, an anti-modern-slavery organisation. Previously a Fortescue non-executive director and Remuneration Committee Chair; dual Olympic gold medallist and OAM recipient. Appointed 1 January 2021, last elected 29 November 2023; chairs the Remuneration Committee and sits on Audit and Risk. Full FY26 attendance. Current boards: Liontown Resources (since 2021), Fenix Resources (since June 2026), Argonaut and two not-for-profits.

ASX Principles alignment: The Board considers her independent. The concern is capacity: three ASX-listed boards (Sandfire, Liontown, Fenix) plus Argonaut, with Fenix added within months of this election, although she has confirmed sufficient time. As Remuneration Committee Chair she is accountable for Resolutions 3 to 6, including incentive design that screens poorly against two ASA secondary guidelines. Her attendance record is full.

Value to the Board: Remuneration, culture, transformation and human-rights expertise is relevant to the safety-culture reset and supply-chain due diligence, and her Fortescue and Deloitte experience adds mining governance depth. Her value would increase if the

Committee broadened LTI financial metrics and strengthened the financial weighting of the STI.

Voting intention: In favour, while monitoring her workload and the remuneration outcomes she oversees.

CEO Remuneration

Component (A$M, FY27 package)	Target or Budgeted Remuneration (A$M)	% of Total Target	Maximum Opportunity (A$M)	% of Total Maximum Opportunity
Fixed Remuneration	1.456	34%	1.456	25.0%
Short-Term Incentives – Cash	0.728	17%	1.092	18.8%
Short-Term Incentives – Equity	0.728	17%	1.092	18.8%
Long-Term Incentives	1.310 (Target is 60% of max)	34%	2.184	37.5%
Total	4.222	100.0%	5.824	100.0%

Source: Notice of Meeting. FY27 total fixed remuneration is A$1,456,000; maximum STI and LTI are each 150% of fixed pay; STI is split 50% cash and 50% restricted shares. Target STI of 100% of fixed pay is derived from the FY26 outcome (an 86% scorecard result equalled 57.3% of maximum) and is unconfirmed against the Remuneration Report. LTI target is taken as the face-value grant [See table on page 166, targets are 60% of max], equal to maximum. Percentages may not sum due to rounding.

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