



**SANDFIRE** RESOURCES NL

ACN 105 154 185

# **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

**Date of Meeting**

Tuesday, 27 November 2012

**Time of Meeting**

2.00 pm (Perth time)

**Place of Meeting**

Fraser's Function Centre, Ground Floor  
Fraser Avenue, Kings Park  
West Perth, Western Australia 6005

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.  
If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

# Sandfire Resources NL

ACN 105 154 185

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Sandfire Resources NL ACN 105 154 185 ("Company") will be held at Frasers Function Centre, Ground Floor, Fraser Avenue, Kings Park, West Perth, Western Australia on Tuesday, 27 November 2012 at 2.00pm (Perth time) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

### AGENDA

#### ITEMS OF BUSINESS

##### Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2012, together with the Directors Report and the Auditor's Report as set out in the Annual Report.

#### 1. Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2012 be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter<sup>1</sup>. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, the Company will not disregard a vote cast by the Chair of the meeting as a proxy, if the appointment of the Chair expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

#### 2. Resolution 2 – Re-election of Derek La Ferla as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, Mr Derek La Ferla, who retires in accordance with rule 7.1(f) of the Constitution and, being eligible, offers himself for re-election, be re-elected a Director of the Company."*

#### 3. Resolution 3 – Re-Election of Soocheol Shin as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr Soocheol Shin who ceases to hold office in accordance with clause 7.1(e) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected a Director of the Company."*

#### OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Capitalised terms used in this notice are defined in the glossary to the Explanatory Memorandum.

#### By order of the Board

**Matthew Fitzgerald**  
Company Secretary

Dated: 23 October 2012

<sup>1</sup> Restricted Voter means the Key Management Personnel and their Closely Related Parties as defined in the glossary.

## How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

## Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

## Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

## Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 1 if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on

their behalf. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.

- To be effective, proxies must be lodged by 2.00pm (Perth time) on 25 November 2012. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:

- by returning a completed proxy form in person or by post to:

*The share registry:*  
Security Transfer Registrars  
Alexandrea House, Suite 1  
770 Canning Highway  
Applecross WA 6153  
or  
PO Box 535  
Applecross WA 6953

*Company's registered office:*  
Sandfire Resources NL  
Level 1  
31 Ventnor Avenue  
West Perth, WA 6005  
PO Box 1495  
West Perth, WA 6872

- by faxing or emailing a completed proxy form to:

*The share registry:*  
+61-8 9315 2233  
[registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

*Company's registered office:*  
+61-8 6430 3849  
[admin@sandfire.com.au](mailto:admin@sandfire.com.au)

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 2.00pm (Perth time) on 25 November 2012. If facsimile transmission is used, the power of attorney must be certified.

## Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (Perth time) 25 November 2012.

# SANDFIRE RESOURCES NL

## ACN 105 154 185

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Sandfire Resources NL (**Sandfire** or the **Company**).

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

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#### FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting (**AGM**) deals with the presentation of the annual financial report of the Company for the financial year ended 30 June 2012 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

#### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its shareholders the Remuneration Report as disclosed in the Company's 2012 Annual Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Report and is also available on the Company's website ([www.sandfire.com.au](http://www.sandfire.com.au)).

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2012 AGM, and then again at the 2013 AGM, the Company will be required to put a resolution to the 2013 AGM, to approve calling a general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene a general meeting (**spill meeting**) within 90 days of the 2013 AGM. All of the Directors who were in office when the 2013 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

#### *Voting*

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

#### RESOLUTION 2 – RE-ELECTION OF DEREK LA FERLA AS A DIRECTOR

Pursuant to rule 7.1(f) of the Constitution, Mr Derek La Ferla, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director in accordance with rule 7.1(i) of the Constitution.

Mr La Ferla has been a corporate lawyer for over 25 years and is a partner with international law firm, Norton Rose Australia. He is one of two national team leaders for the firm's Corporate Advisory Group (which includes mining and resources). Mr La Ferla has considerable experience as a company director and (in addition to his role as non executive Chairman of Sandfire) is the Chairman of Cashmere Iron Limited and OTOC Limited. He has also previously served on the Norton Rose Australia national board (while the firm was Deacons) and listed investment company, Katana Capital Limited. He is a fellow of the Australian Institute of Company Directors.

### **RESOLUTION 3 - RE-ELECTION OF SOOCHEOL SHIN AS A DIRECTOR**

Resolution 3 seeks approval for the re-election of Soocheol Shin as a Director in accordance with rule 7.1(i) of the Constitution.

Rule 7.1(d) of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Shin was appointed to the Board as a casual vacancy on 28 February 2012 following the retirement from the Board of former POSCO representative, Mr Jonghun Jong.

Mr Shin retires from office in accordance with the requirements of clause 7.1(e) of the Constitution and submits himself for re-election in accordance with clause 7.1(i).

Mr Shin is the Managing Director of POSCO Australia Pty. Ltd. (a wholly-owned subsidiary of the Korean steelmaker POSCO), which holds 15.5 percent of the Company's issued capital. Mr Shin joined POSCO in 1989 and has held a variety of positions throughout his career, including Project Manager, POSCO Australia Pty Ltd; Team Leader, Coal Procurement Group; Team Leader, Steel Making Raw Materials Procurement Group and Group Leader, Raw Materials Transportation Group. He was appointed Managing Director of POSCO Australia in February 2012.

## **GLOSSARY**

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**AGM** means Annual General Meeting.

**Board** means the board of Directors of the Company.

**Closely Related Party** has the meaning given to that term in the Corporations Act;

**Company** means Sandfire Resources NL ACN 105 154 185.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Meeting** means the annual general meeting the subject of the Notice.

**Notice** means the notice of annual general meeting which accompanies this Explanatory Memorandum.

**Restricted Voter** means the Key Management Personnel and their Closely Related Parties.

**Resolution** means a resolution proposed pursuant to the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.



