



<b>Company</b>	Mineral Resources Limited
<b>Code</b>	MIN
<b>Meeting</b>	AGM
<b>Date</b>	20 November 2019
<b>Venue</b>	Mineral Resources Park, Lathlain WA 6100
<b>Monitor</b>	Geoff Sherwin assisted by Alan Dickson

<b>Number attendees at meeting</b>	43 shareholders, 60 visitors plus +100 webcast
<b>Number of holdings represented by ASA</b>	62
<b>Value of proxies</b>	\$2.56m
<b>Number of shares represented by ASA</b>	173,892 (0.01%)
<b>Market capitalisation</b>	\$2,730m
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with chair Peter Wade and James Clements (Rem Chair)

## Wodgina deal completed, but project put on care and maintenance

Chair Peter Wade opened the meeting on time explaining that the meeting was being webcast. He welcomed all those present and proceeded to introduce the other directors and executives present.

The first item of business was to accept the financial statements. We asked a question re the fact that a \$US700m loan had been raised primarily for construction at Wodgina and now that further construction there was being curtailed, was there a mechanism to repay the loan and thus avoid the 8.125% interest rate, amounting to A\$80m per year, accruing. The CFO Mark Wilson responded by explaining they were trying to diversify away from local banks who tended to only provide short term loans. The loan had been negotiated as an unsecured debt. The annual report also indicated the return on investment by the company was greater than this rate.

### Resolution 1. Remuneration Report

The company explained that they had consulted widely after receiving a “strike” last year and had substantially changed some aspects of the method of rewarding employees. The MD had taken a cut in base salary but could achieve more though his at risk incentive-based remuneration. The LTIs are subject to a 4-year performance period and are based on ROIC, this year that figure (9.7%)

was below the target hurdle so no awards were made. The minimum hurdle rate was set at 12% ROIC year on year, with increasing rewards to a maximum of 18%.

We spoke to the motion in support saying that the ASA had supported the Remuneration Report over the last two years after gaining confidence in the directors' attempts to move closer to our recommended position following our meetings with the company. The motion was carried by a vote of 84%.

Resolution 2. Re-election of director Mr Kelvin Flynn

This motion was carried by a vote of 89%, with the main negative vote believed to be on the basis of gender diversity.

Resolution 3. Re-election of Ms Xi Xi.

Ms Xi Xi was re-elected by a vote of over 99% in favour.

Resolution 4. Spill Motion.

As the Remuneration Report had been carried with greater than 75% support this motion was not required and was withdrawn.

The Managing Director Chris Ellison then addressed the meeting.

He explained the company had been reorganised as far as the Key Management Personnel were concerned. The Chief Operating Officer (COO) position had been split into 2 positions. Mike Grey as COO – Mining Services and Rohan O'Grady as COO – Construction. The Energy division is headed up by Shelley Robertson. Paul Brown is the Executive General Manager – Mining.

The company hope to double the mining services business over the coming years and also become self-sufficient with regards to energy.

The Wodgina Lithium project had been brought into production, but due to the current oversupply and reduced price for spodumene, production has been curtailed. This operation is now subject to a 60/40 joint venture with Albermarle (60%), a US based company with interests in other lithium properties such as the Talison Greenbushes operation. Part of the Albermarle revised deal provides Mineral Resources with a 40% stake in a secondary processing plant being built at Kemerton near Bunbury. This should allow for Wodgina concentrate to be upgraded when that operation resumes as the upgrade plant at Wodgina has been put on hold due to market conditions. Construction costs have been about \$900m. Mineral Resources, produces spodumene at the goldfields-based Mt Marion mine, which is jointly owned by the Chinese company Gangfeng.

The workforce at MIN has increased considerably this year to 3,746.

On the mining services side they have 16 crushing plants and 2 process plants in operation, work is continuing on the lighter weight carbon fibre truck trays with trucks in operation. The tray weight is reduced from 31t to 8t thus savings on fuel and improved payloads will be possible.

The iron ore division has grown considerably with the take over last year of the Koolyanobbing operation and this year the company acquired the Parker Range resources. It is hoped to build up iron ore production to 11mtpa in the Yilgarn operations. The company now has 21 locomotives and 885 wagons to be able to deliver to the port of Esperance.

The company will be moving into new headquarters at Subiaco with offices having very employee friendly facilities, such as parent and prayer rooms, gym, restaurant etc.

After the presentation the meeting was opened up to questions. There were a few “environmental” questions, which the MD handled sensitively and logically. The presentation and questions went on for well over an hour.

Press coverage in the West Australian newspaper the following day focused on staff retention and MIN’s aim to reduce use of diesel with conversion to gas, hopefully supplied by their energy division, whilst The Australian newspaper concentrated on the CEO’s commentary on the demise of Lithium as distinct from the rise of iron ore, so demonstrating the complementary nature of the revenue sources.