

## Welcome Return to Profit

<b>Company/ASX Code</b>	Resolute Mining/RSG
<b>AGM date</b>	Thursday, 23 May 2024
<b>Time and location</b>	2.00pm, Level 8 Exchange Tower, 2 The Esplanade, Perth
<b>Registry</b>	Computershare
<b>Type of meeting</b>	Physical
<b>Poll or show of hands</b>	Poll on all items
<b>Monitor</b>	Bob Kelliher
<b>Pre-AGM Meeting?</b>	NA

Monitor Shareholding: the individual involved in the preparation of this voting intention has a minor shareholding in this company.

### Summary of issues for meeting

With the CEO and “centralised support” back office moving to join the Chair in London, the future of the Perth registered office appears in some doubt. Still no dividend paid.

### Proposed Voting Summary

No.	Resolution description	
1	Adoption of Remuneration Report	Against
2	Re-election of Mr Adrian Reynolds as a Director	For
3	Election of Mr Keith Marshall as a Director	For
4	Election of Ms Adrienne Parker as a Director	For
5	Approval of FY24 grant of Performance Rights to Mr Terrance Holohan	For
6	Approval of Potential Termination Benefits under the Plan	Against

### Summary of ASA Position

#### Governance and culture

Note that all figures in the Resolute reports are in **USD**, unless otherwise stated, e.g staff salaries in UKP, and share price, Performance Rights, and board mandated fees in AUD (but the table of salaries and board fees is in USD).

The Chair has addressed the low share price by stating that it does not reflect the underlying value in Resolute, or the company’s intention to improve profitability and cashflow.

The Board has finally been able to replace their departed female director (Yasmin Broughton) with Adrienne Parker. With the appointment of Keith Marshall and the resignation of Mark Potts, the

Board now has 7 members, but with only two females. This 28.5% female rate is well below industry and ASA standards, for a minimum 40% female members.

### **Financial performance**

Gold poured reduced 6% to 330,992, from 353,069oz, while costs reduced 2%, to \$1,469/oz from \$1,498/oz. Revenue reduced 3% to \$631m, from \$651m, with the resulting profit figures noted in the Table below. Again, no dividend has been paid.

### **ASA focus issues**

The ESG report shows that female employees are only 6% of the total, although 9% of new hires are female. Still a very low result. While net zero emissions by 2050 has been adopted, emissions have increased every year, and are up another 12% in 2023. The company has yet to demonstrate that it can reduce emissions significantly, and so it is coming late to this issue.

### **Summary**

(As at FYE 31 December 2023, Note, in USD)	2023	2022	2021	2020	2019
NPAT (\$m)	91.5	-34.7	-367.4	5	-113
UPAT (\$m)		20.3	129.9	37	
Share price (AUD)	0.45	0.20	0.39	0.71	1.26
Dividend (cents)	0	0	0	0	0
Simple TSR (%)	125	-48.7	-46.6	-42.2	-1.18
EPS (cents)	3.08	-2.85	-28.9	1.62	-11.98
CEO total remuneration, actual (\$m)	0.974	1.25	1.54	1.318	2.49

**Resolution 1** is for Adoption of the Remuneration Report.

The STI uses undisclosed internal Corporate Targets to Sustainability (10%), Operational, (Cashflow 30%, Costs, 30% and Production 30%) and Personal KPI additions, which lack transparency.

Results for 2023 are reported at Sustainability 100%, Cashflow, 67%, Costs, 98%, and Production, 59%, for a total pay-out of 77.4%.

LTI retains the one performance measure, relative Total Shareholder Return, with a company-adopted peer group for comparison. This peer group is said to be comprised of gold production companies of “similar size” and operating in “similar jurisdictions”. Some apparent anomalies include: Tietto is “the newest West African gold company”, Fortuna Silver mines produces Silver, Gold, Lead and Zinc, Oceana Gold has operations in New Zealand, Philippines, and the US, and four are Australian operations only (said to be for comparison by Australian analysts).

The industry standard vesting, with 50% paid at the 50th percentile and 100% at the 75th percentile, is not suitable for a successful, growing company. This schedule should at least be 50% at the 60th percentile and 100% at the 90th percentile to reflect adequate ambitions of the company.

Note that no Performance Rights vested in 2023.

Lack of transparency in the STI targets, the poor vesting thresholds in the LTI and a less than optimum peer group, mean that we cannot support this resolution.

### **Election or Re-election of Directors**

**Resolution 2** is for the re-election of Director Adrian Reynolds, who has been on the Board since May 2021. He has appropriate geology qualifications, is currently considered independent and currently holds 50,000 shares. This number has not increased at all in 2023. The value of his shareholding at 31 December 2023 is AUD \$22,500, compared to his board fees of USD \$66,961.

**Resolution 3** is for the election of Director Keith Marshall, who was appointed to the Board on 19 June 2023. He has appropriate qualifications and experience, is currently considered independent, but has yet to acquire shares in the company.

**Resolution 4** is for the election of Director Adrienne Parker, who was appointed to the Board on 20 March 2024. She holds appropriate legal qualifications and experience and is considered independent.

### **Approval of equity grants to Managing Director/CEO**

**Resolution 5** is for approval of the FY24 annual grant of 3,059,375 Incentive Performance rights to Mr Terrance Holohan, to 31 December 2026. This Long-Term Incentive is based on 150% of his fixed remuneration at USD\$825,000, and appears to be correctly calculated at the share price at 31 December January 2023 (AUD \$0.45). We approve this resolution.

Award of these Performance Rights is subject the rTSR result, based on the company's adopted peer group's results, and the slightly better than industry standard of 50% vesting at the 60th percentile and 100% vesting at the 75th percentile, for 75% of the award, and a new additional 25% hurdle of 1,000,000oz of production; 25% vesting at 950,000oz production, and 100% vesting at 1,000,000 production (compared to production of 330,992oz in 2023).

### **Approval of termination benefits**

**Resolution 6** is to allow the board to approve any future termination pay-out where the amount may exceed the statutory 12 month's salary limit, or the 5% of the equity of the company limit. If the board does contemplate such a value of termination pay-out, when this amount is determined and paid, shareholder approval can then be sought. We do not support this resolution.

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**Appendix 1**  
**Remuneration framework detail**

CEO rem. Framework for FY22, in <b>UKP</b>	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	400,000	40%	400,000	36%
STI - Cash	200,000	20%	300,000	28%
STI - Equity	0	0%	0	0%
LTI	400,000	40%	400,000	36%
Total	1,000,000	100.0%	1, 100,000	100%