

Mineral Resources Limited 2024 AGM Report

ASX code	MIN
Meeting date	Thursday, 21 November 2024
Type of meeting	Hybrid
Monitor	John Campbell with Alan Dickson
Pre AGM-meeting	Yes

Meeting Statistics

Number of holdings represented by ASA	146
Number of shares represented by ASA	174,277
Value of shares represented by ASA	\$5.9m
Total number attending meeting	104 shareholders and 49 visitors present and 318 shareholders and 2499 visitors online
Market capitalisation	\$6.65 billion
ASA open proxies voted	ASA voted against the remuneration report but in favour of other resolutions

Monitor Shareholding: The individual involved in the preparation of this voting intention has no shareholding in this company.

The Chair James McClements and Managing Director Chris Ellison gave addresses, which lasted an hour into the well-attended meeting. These addresses were followed by a large number of questions both from online attendees and from the floor. The addresses and presentation slides are on the Mineral Resources (MinRes) [website](#). The Chair dealt at some length with the results of the investigation into related party transactions involving Mr Ellison and consequent actions of the board to commence the process of selecting a chair to replace Mr McClements and a CEO to replace Chris Ellison, to improve governance, and to impose significant penalties on Mr Ellison because of past improprieties.

The statements made did not go beyond the information in recent press releases. Mr Ellison became quite emotional in conveying his apology for his past conduct and expressed sincere regret over his mistakes. He said that the events cast a dark cloud over his life and that he would have to live with the hated events forever. He went on to deliver a summary of MinRes' achievements in FY24 and in more recent months and congratulated the team on delivering the Onslow iron ore project in a very short period of time between feasibility study and completion, promising 50 years of profitability from the operation. His address received sustained applause from the majority of those present.

By contrast questions addressed the board's late disclosure of the allegations and whether this was justified by the board's belief that the information was not materially price sensitive. Other questions were as regards the board's past approach to dealing with related party transactions and its failure to take steps to eliminate potential conflicts of interest. We commented on the board's judgement as to the price-sensitivity of the disclosure of secret profits made in the lead-up to the company's IPO in 2006 and the non-payment of tax on those profits by Mr Ellison, leading to a settlement with the ATO of an amount close to \$4m including penalties and interest. We asked the chair if the auditors had been advised of the allegations in any of the last three audit years but neither the Chair nor the auditors answered this question.

Another question was whether the recent sale of oil and gas interests to Hancock was too cheap and whether it represented the loss of future economic benefits for MinRes. Another was on the company's acquisition of an interest in Kali Metals, indicating there were related party aspects to the transaction. Other questions on the topic of related party transactions were met by a repetition of information previously provided that the board will look to unwind any related party transactions unless it was demonstrated that they provided compelling commercial benefit to the company and were in the best interests of shareholders. The Chair said that investigations into related party transactions were continuing in some respects.

Two shareholders said how much they appreciated the leadership of Mr Ellison and his role in taking MinRes from its IPO as a small mining contractor to its current status in the ASX200; these speakers were applauded. Clearly there was a divergence of views about the company's leadership when the 75% vote against the remuneration report is taken into account. We voted against it because of a number of issues regarding the basis of incentive awards, but it would seem that institutional investors en masse voted against it probably as an expression of dissatisfaction with board governance and executive management.

Apart from the first strike on the remuneration report, the other resolutions including the election of two newly appointed NEDs were passed with 98 or 99% majorities. The two NEDs were Ms Denise McComish and Ms Jacky McGill AO, both experienced directors who have been appointed to the new ethics and governance committee of the board.

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