

14 November 2024

ASX Listings Compliance
ListingsCompliancePerth@asx.com.au

Dear ASX Compliance

MINERAL RESOURCES LIMITED (MIN) RESPONSE TO ASX COMPLIANCE LETTER

We refer to your letter dated 7 November 2024 (**7 November Compliance Letter**) and set out MIN's response to the requests for information, using the same numbering. Unless otherwise indicated, capitalised terms in this letter have the same meaning as given in the 7 November Compliance Letter.

As previously disclosed, MIN's Board has been investigating certain allegations concerning its Managing Director, Mr Chris Ellison and others that have emerged over time.

As identified in MIN's ASX announcement dated 28 October 2024, Herbert Smith Freehills has been engaged since 2022 to assist the Board and investigate allegations concerning Mr Ellison. Certain matters have been reported in recent media coverage and the Board's investigation has evolved to respond to statements that do not accord with the Company's understanding of the facts.

On 4 November 2024, MIN made an ASX announcement which provided further information regarding the allegations, the Board's conclusions and actions taken in response to those conclusions (**4 November Update**). As noted in the 4 November Update, some inquiries are ongoing, and MIN will keep the market appropriately updated in line with its continuous disclosure obligations.

The questions in the 7 November Compliance Letter concern financial benefits provided to related parties of Mr Ellison as referred to in the 4 November Update. The Board acknowledges that the historical processes in place at MIN to manage related party transactions were not as robust as they could have been. Over the past two years, the Board has worked to significantly improve the controls on related party transactions. The Board does not consider that the financial benefits referred to in the 4 November Update impact the fair presentation of its recent financial statements.

1 Please detail the date, value, and nature of the financial benefits provided to related parties of Mr Ellison referred to in the 4 November Update.

The 4 November Update referred to the following financial benefits provided to related parties of Mr Ellison: 1. rent paid to entities in which Mr Ellison has an interest; 2. rent relief afforded to entities in which Mr Ellison's daughter has an interest; 3. indirect financial arrangements involving an entity in which Mr Ellison's daughter has an interest. Further details in respect of each of these matters is set out below:

- 1.1 MIN disclosed in its IPO Prospectus, and in its Annual Reports since listing in 2006, rental payments to entities related to, among others, Mr Ellison for properties used for MIN's operations. Occupation of these premises dates back prior to the Company's listing in 2006. Mr Ellison holds varying interests in relation to the relevant properties, along with others.

The ongoing need for occupation of these premises has been assessed periodically. The Board conducted a rigorous process in 2024 to understand whether the current rental arrangements are at a fair market value and is satisfied that this is the case.

Details of the total overall lease expenditure for the properties used for MIN's operations, as

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disclosed in the related party notes to MIN's financial statements for FY2007 onwards are set out below. Note that these amounts reflect the total amount paid to entities in which Mr Ellison has an interest, and not the amount received by Mr Ellison:

Year	Lease Financial year
FY2007	\$ 570,000
FY2008	\$ 1,358,000
FY2009	\$ 1,590,000
FY2010 ¹	\$ 1,709,000
FY2011	\$ 1,638,000
FY2012	\$ 1,527,000
FY2013	\$ 1,321,184
FY2014	\$ 1,770,830
FY2015	\$ 1,784,914
FY2016	\$ 1,752,148
FY2017	\$ 1,916,000
FY2018	\$ 1,938,936,
FY2019	\$ 2,026,840
FY2020	\$ 2,118,828
FY2021	\$ 2,215,091
FY2022	\$ 2,307,826
FY2023	\$ 2,315,834
FY2024	\$ 2,315,834

- 1.2 Between 2012 to 2023, MIN afforded rent relief to Ship Agency Services Pty Ltd (**SAS**) and Propel Marine Pty Ltd (**Propel**), entities in which Mr Ellison's daughter has an interest. In FY2023, the related party nature of the arrangement was identified and action was taken to bring it to an end. A review of historical records was undertaken and historical valuations were considered. MIN required SAS and Propel to repay a total of \$158,000, calculated by applying the annualised rent value at estimated prevailing rates by the number of years for which the rent relief was in place.
- 1.3 Separately, SAS is regularly engaged by third party ship owners as their local ship agency. Under MIN's standard charterparty arrangements, SAS is listed as the 'preferred' ship agency. It is common in the commodity industry for industry participants to recommend the use of a preferred ship agency. This enhances efficiency, safety and productivity in the loading of cargoes. While MIN acknowledges that these arrangements deliver financial benefit to SAS, given that MIN does not directly transact in these arrangements or provide

¹ The amounts shown for some financial years (FY2007, FY2013, FY2014 and FY2018) reflect the comparative year numbers provided in the following year's financial report. Where there has been a variance between the amount shown in the financial year and as a comparison in the following financial year, the revised number has been shown in the table above, on the assumption that the revised number in the comparative year had been corrected for a valid reason.

any monetary consideration to SAS for these purposes, it does not consider them related party transactions requiring disclosure in its Annual Reports.

MIN notes that it transacts directly with SAS and Propel in respect of certain shipping agency and marine surveying services. The value of these transactions has been disclosed in the MIN related party disclosures in its 2024 and 2023 Annual Reports.

In addition, although this is not the focus of the 7 November Letter, MIN notes that the 4 November Update also referred to instances where company resources were used for the personal benefit of Mr Ellison. Specifically, MIN procured goods and services on behalf of Mr Ellison for his personal benefit. Procedures existed to obtain timely repayment from Mr Ellison for these goods and services.

As noted in the 4 November Update, some inquiries are ongoing, and MIN will keep the market appropriately updated in line with its continuous disclosure obligations.

2 Please indicate where the details of the financial benefits provided to related parties of Mr Ellison referred to in the 4 November Update have been disclosed by MIN.

In relation the paragraphs listed in the response to question 1, the equivalent paragraph below sets out MIN's response:

- 2.1 These details have been disclosed by MIN since 2006. Refer to paragraph 1.1 above.
- 2.2 MIN considers that the rent relief arrangements ought to have been but were not disclosed before they were identified and brought to an end in FY2023. Upon identification, the Board considered that the information was not materially price sensitive, particularly given the quantum involved, as well as MIN's ability to seek repayment. Accordingly, MIN did not consider that there was a requirement to make retrospective disclosure in the Annual Report for FY2023.
- 2.3 As noted above, given that MIN does not directly transact in the arrangements between third party ship owners and SAS, and MIN has not provided any monetary consideration to SAS for these purposes, it does not consider them disclosable related party transactions.

3 Please indicate whether the financial benefits provided to related parties of Mr Ellison referred to in the 4 November Update complied with Listing Rule 10.1.

Yes. None of the financial benefits received by related parties of Mr Ellison referred to in the 4 November Update were substantial assets for the purposes of Listing Rule 10.1 (either separately or in the aggregate).

4 Please indicate whether MIN considers information about those financial benefits provided to related parties of Mr Ellison referred to in the 4 November Update and the circumstances in which they arose, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

No. MIN does not consider that a reasonable person would expect the information about the financial benefits referred to in the 4 November Update to have a material effect on the price or value of its securities.

MIN has taken steps to apply additional controls to improve the identification and disclosure of related party transactions over the past two years. As noted above, the Board does not consider that the financial benefits referred to in the 4 November Update impact the fair presentation of its recent financial statements.

5 Please confirm that MIN is in compliance with the Listing Rules and, in particular Listing Rule 3.1.

MIN confirms that it is in compliance with the Listing Rules, in particular Listing Rule 3.1.

6 Please confirm that MIN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MIN with delegated authority from the board to respond to ASX on disclosure matters.

MIN confirms that its responses to the questions above have been authorised and approved by the Board.

Yours sincerely



Mark Wilson
Company Secretary

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7 November 2024

Reference: 102011

Mr Mark Wilson
Company secretary
Mineral Resources Limited
20 Walters Drive
Osborne Park WA 6017

By email

Dear Mr Wilson

Mineral Resources Limited ('MIN'): ASX Compliance Letter

ASX refers to the following:

- A. MIN's announcement titled "MinRes provides update on corporate governance, leadership succession" released on the ASX Market Announcements Platform on 4 November 2024 ('4 November Update') disclosing amongst other things:

From time to time, financial benefits have been provided to related parties of Mr Ellison, including: rent paid to entities in which Mr Ellison has an interest; rent relief afforded to entities in which Mr Ellison's daughter has an interest; and indirect financial arrangements involving an entity in which Mr Ellison's daughter has an interest.

...

The Board has concluded that, while Mr Ellison has disclosed these matters to the Board, he failed to appreciate the importance of transparent and timely disclosure of matters that could give rise to a potential or actual conflict of interest. As and when these matters have been brought to the Board's attention, steps have been taken to check that each is appropriately assessed and disclosed. The Board has worked to significantly improve the controls on related party transactions and their disclosure, and is satisfied that these matters do not impact its recent financial statements. [emphasis added]

...

Mr Ellison has apologised to the Board. He has confirmed that:

- *there are no matters not already known to the Board for him to disclose that would or could bear upon whether he is a fit and proper person to continue in the role as Managing Director; and*
- *there are no undisclosed transactions between the Company or its subsidiaries and entities associated with him.*

Request for information

Having regard to the above, ASX asks MIN to respond separately to each of the following questions:

1. Please detail the date, value, and nature of the financial benefits provided to related parties of Mr Ellison referred to in the 4 November Update.
2. Please indicate where the details of the financial benefits provided to related parties of Mr Ellison referred to in the 4 November Update have been disclosed by MIN.

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3. Please indicate whether the financial benefits provided to related parties of Mr Ellison referred to in the 4 November Update complied with Listing Rule 10.1.
4. Please indicate whether MIN considers information about those financial benefits provided to related parties of Mr Ellison referred to in the 4 November Update and the circumstances in which they arose, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities.
5. Please confirm that MIN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that MIN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MIN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:00 PM AWST, 14 November 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MIN's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require MIN to request a trading halt immediately if trading in MIN's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in MIN's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to MIN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that MIN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

James Rowe
Head of Listings Compliance (Perth)