

21 November 2024

## Annual General Meeting Chair and Director Addresses

Mineral Resources Limited (**ASX: MIN**) (**MinRes** or **Company**) provides a copy of the Chair and Director addresses and Managing Director statement on governance being delivered at the 2024 Annual General Meeting today.

### CHAIR AND DIRECTOR ADDRESSES

#### Addressing governance issues

It is appropriate to commence today's meeting by addressing recent events in our Company and announcements made by the Board in relation to MinRes governance matters, including those concerning our Managing Director.

On behalf of the Board, I would like to also acknowledge the impact recent months have had on our shareholders – be it damage to shareholder value or jeopardising your trust or confidence in the Company's ability to comply with its obligations and generate sustained returns.

I am going to deal with all these matters at some length, but I just want to open with what I am sure is on everyone's minds. The last few months have – quite obviously – been very difficult for the Company and our shareholders.

Significant price falls in our key commodities iron ore and lithium have demanded quick, decisive responses. At the same time, your Board has been managing the challenges raised by the governance issues.

For us as a Board, it certainly wasn't easy getting to the facts and landing on a decision that, as a priority, protects the interests of our shareholders, while also acknowledging that significant improvements to corporate governance need to be made.

I would like to start with a few things that I believe are important:

1. From time to time, Chris lacked judgement and used Company resources for personal matters. The Board accepts that Chris' intention was never to cause detriment to the Company or its shareholders, and there were processes in place for amounts to be repaid to the Company in a timely manner. The Board has decided, and Chris has agreed, that these practices will not continue.
2. As we made clear in our statement on 4 November, there have also been occasions, including in respect of historical dealings with Far East Equipment Holdings Limited and the subsequent personal tax implications, where Chris lacked the judgment and integrity that we would expect of our Managing Director. This resulted in a range of financial penalties that we felt were appropriate and warranted in the circumstances.
3. Your Board is continuing to review all transactions with key management personnel and their related parties. Those related party arrangements that remain in place will be subject to rigorous independent testing to reaffirm they deliver compelling commercial benefit to the Company and are in the best interests of shareholders.
4. MinRes has established an independent Ethics and Governance Committee which, with independent expert advice, will oversee a renewed focus on compliance and a strengthened whistleblowing process.

5. We are also focused on continuous improvement in the transparency of our disclosures, in particular around related party arrangements. Our recent related party disclosures in our financial statements, as well as our *2024 Corporate Governance Statement*, speak to the improvements we have made in this area. But this is not the end of the road and we are committed to further enhancements that will demonstrate our progress towards even stronger corporate governance.
6. And finally, I want to acknowledge the vital contribution that Chris makes to the company's operations, growth and shareholder value creation. The decision that the Board was faced with making was complex and challenging. We unanimously believe our conclusion carefully balanced the need to acknowledge wrongdoing and to ensure significantly-improved governance protocols are put in place, while also protecting your Company's value and a timely way forward for leadership transition.

Despite the present challenges, this is also a time of significant opportunity and a critical turning point for our Company. Everyone within our organisation, including Chris, is committed to ensuring the longevity and success of this business.

## **Board approach**

Our job now, as a Board, is to rebuild and proactively address the impact of these events.

Shortly, I will take you through the progress we have made with these matters, the prudent steps we have taken to strengthen MinRes, and some significant changes to how MinRes operates.

Governance has been a major focus of this Board – especially in the past two years – and the new directors you see here today are part of a move to provide a governance regime that is appropriate for MinRes today – a much larger Company that it was five years ago.

The rigour of our corporate governance practices and procedures must continue to mature in line with the rapid growth of our Company.

As you will be aware, the Board has been investigating a range of allegations and governance matters that have emerged over time. These are serious matters – pursued with the assistance of independent external support – and resulted in a strong and comprehensive response from your Board.

A major focus has been understanding Chris' historical private tax matters, along with MinRes' involvement with private companies with which Chris has a connection, to fully understand any impacts on MinRes and your interests as shareholders.

A range of allegations have emerged from several sources, including the media. Our commitment has been, and remains, to examine each of these issues in detail, understand their impact and take appropriate steps when we have established the facts.

On 4 November, the Board provided a detailed ASX announcement on these matters. This included our conclusions relating to Chris' conduct and several priority actions supporting our comprehensive response. In making decisions and taking appropriate actions, the Board prioritised the interests of the Company – including our shareholders, many of whom made their views clearly known.

The Board also considered the views of broader stakeholders, including the importance of our employees, our customers and other stakeholders in managing and supporting an orderly transition.

Most notably among the outcomes, the Board decided it is in the Company's best interests to accelerate our leadership succession across the Chair and Managing Director roles. As a result, I will step down as Chair once a suitable successor is identified. We intend for this to occur before the 2025 AGM, which would mark my 10 years of service on the Board.

It is appropriate that the new MinRes Chair be heavily involved in the recruitment of the next Managing Director and, as such, the appointment of my successor will be an immediate priority for the Nomination Committee.

Succession planning for the Managing Director has been under way for some time – supported by an international recruitment firm – however the search for a suitably-qualified successor will now be accelerated. We will aim to complete this process within the next 12-18 months.

## **Actions and initiatives**

The Board's announcement on 4 November also acknowledged how MinRes' rapid growth – particularly over the past five years – has placed pressure on our Company's governance systems and processes.

While work has been ongoing to uplift these systems, we also recognise the need for accelerated change to better reflect MinRes' status as a major ASX-listed Company.

As an immediate action, MinRes has introduced an independent Ethics and Governance Committee to the Board. This body now oversees the Company's compliance efforts and supports MinRes' ambition to meet the highest legal and ethical standards going forward. The Committee's charter can be accessed on our website.

Committee members include Independent Non-Executive Directors Denise McComish as Chair, Susie Corlett and Jacqui McGill.

This Committee's responsibilities include:

- reviewing transactions involving key management personnel and their related parties and enhancing internal controls
- overseeing internal and external investigations
- coordinating investigations into outstanding matters
- strengthening conflicts of interest procedures.

It is important to note that some investigations are ongoing. The Board is committed to understanding the facts and identifying where improvements can be made. We will continue to report these matters in line with our disclosure obligations. External support for this work is being provided by legal and financial specialists.

The Committee has also established new whistleblowing protocols which it will independently oversee.

It has also engaged Elizabeth Broderick & Co to conduct a confidential culture assessment among senior executive staff to identify areas for improvement, essentially how the organisation can operate better.

Beyond the Ethics and Governance Committee, a new governance-focused internal function will also be established, reporting directly to the Board. This function will be responsible for implementing compliance practices and processes, while also overseeing the Company's whistleblowing process.

Your Board is committed to strengthening MinRes' governance framework and to prioritising the best interests of shareholders, now and into the future. Furthermore, the Company remains focused on generating value over a long-term horizon and working ethically in partnership with the Company's clients, customers, people and communities.

Our 4 November ASX announcement also detailed a range of financial sanctions imposed on Chris, which reflect the serious nature of the investigation's findings to date.

These include forfeiture of future incentives, payment of a financial penalty to MinRes and ongoing charitable donations.

Chris has fully accepted the Board's decisions and will continue to work in the best interests of MinRes and its shareholders through this transition period. He has publicly apologised and deeply regrets the events that have occurred and their impact on MinRes' reputation.

On related party transactions, the Board has decided that MinRes will take steps to exit or unwind existing arrangements that no longer have a compelling commercial benefit for the Company. For example, MinRes leases commercial properties from a consortium led by Chris – and has done since listing in 2006.

These properties are strategically and operationally important to MinRes and the MinRes leases are at arms-length and on commercial terms. Nevertheless, given the feedback from investors around minimising potential conflicts of interest, Chris is offering the properties for sale on market.

Another arrangement under review is the Northern Gateway Master Trust (**NGMT**) in which MinRes is a 49% unitholder and where a consortium led by Chris owns the remaining 51% of the units. The acquisition of units in the NGMT was not a related party transaction. MinRes acquired its stake from Goldman Sachs at market rates, supported by an independent valuation.

Other arrangements that are under review relate to Ship Agency Services, a shipping agency owned by Chris' daughter, and Resource Development Group Limited, 64% owned by MinRes and whose managing director is Chris' brother.

The future of all transactions and arrangements of this nature is they won't exist unless there is a strong, compelling business reason to retain them – and any arrangements would need to be arms-length and on strictly commercial terms with regular oversight and independent review.

## **Enhancing Board expertise**

The Board's expertise has been enhanced through the addition of Denise McComish and Jacqui McGill as Independent Non-Executive Directors, appointed in December 2023 and January 2024 respectively.

Denise brings to our Board outstanding and comprehensive experience across audit, risk and corporate governance, notably in the mining, energy, financial services and infrastructure sectors.

She is a Fellow of Chartered Accountants Australia & New Zealand and in 2018 was recognised in the Top 100 Global Inspirational Women in Mining. Denise has been a terrific addition to the Board.

I'm now pleased to invite Denise to speak about her skills and experiences that she brings to the Board.

## **Denise McComish address**

*Hello everyone, my name is Denise McComish and I am pleased to nominate for election to the Board of Mineral Resources, which I joined on 1 December last year.*

*These are important times for your Company as we manage operational, financial and reputational impacts arising from low commodity prices and serious governance issues that have dominated media and market attention in recent weeks.*

*Against that backdrop, I believe I bring to my position on the MinRes Board skills and experiences in risk, governance and oversight that are importantly needed.*

*In that context, I chair the Audit and Risk Committee and now the Ethics and Governance Committee. As background, I was an audit partner with KPMG for more than 30 years, holding several leadership roles including National Mining Leader.*

*I've seen a lot in my years as an auditor of major companies across many industries and in resources particularly I have a breadth and depth of understanding of what's needed for success, both in operational and financial performance, and exemplary behaviour displayed by those in charge.*

*Since retiring from KPMG, I have joined a number of Boards and am currently a non-executive director of Gold Road Resources and Web Travel Group. I also serve on the Board of WA's energy retailer and generator Synergy and the national mental health organisation Beyond Blue.*

*I've been a member of the Australian Takeovers Panel for almost 12 years. This is the dispute resolution tribunal for corporate takeovers in Australia and, again, I have significant experience in understanding complex and challenging corporate transactions.*

*This has been a challenging time for the Company and for me personally, but I believe I can continue to contribute significantly to the operational, financial, governance and reputational success of the Company for the benefit of our shareholders and of all our stakeholders.*

*Thank you for your support.*

Thank you, Denise. Your appointment brings outstanding expertise to our Board and Company and we are pleased to have you up for election today.

The Board (with Denise abstaining) unanimously supports her election and recommends shareholders vote in favour of this Resolution later in the meeting.

Jacqui McGill is a highly credentialed executive and non-executive director with more than 30 years of strategic and operational experience in large-scale operations in the mining and resources sectors.

In 2020, Jacqui was recognised as an Officer of the Order of Australia for her distinguished service to the mining sector and advocacy for gender equity and workplace diversity.

As mentioned earlier, Jacqui also serves as a member of our Ethics and Governance Committee. Jacqui too has been a great addition to the MinRes Board.

I'm pleased to invite Jacqui to speak on the credentials and experience she brings to the Board.

### **Jacqueline McGill AO address**

*Hello everyone, my name is Jacqui McGill and I've nominated for election as a director having joined the Board on 31 January this year.*

*As Denise alluded to earlier, this has been a year I didn't contemplate when joining the Board, full of unexpected turns and challenges and things I frankly couldn't have contemplated when I came on board.*

*As the Chair has noted, I'm now playing a central role in the process to ensure MinRes has the strongest possible governance processes and arrangements. I'm proud to be part of that, I'm committed to achieving strong outcomes, and I'm confident our direction is the correct one.*

*None of this is why I joined the Board of MinRes. That was really all about my mining background and the skills and experiences and track record of managing large scale mining projects.*

*I've been in the industry for more than 30 years, most of that with BHP, and in that time have had ultimate responsibility, as Chief Executive, for operations such as Olympic Dam, which is one of the most challenging projects on the planet, and businesses such as Mitsui Coal, where I was also Chief Executive.*

*I've worked in iron ore, gold, copper, coal and uranium – and operated across the management spectrum in operations, business development, project management and technology, which is a growing part of what we do and how we do it efficiently. I also pride myself in being a leader who truly believes that a great organisation is one that is inclusive and diverse.*

*I believe great cultures deliver great things and that it's by creating the right tone from the Board of Directors through to our frontline operators that will see MinRes continue to grow and thrive.*

*As a non-executive director, I'm a member of the Boards of New Hope Corporation, Gold Fields Limited and 29Metals – so I've got good visibility across the commodities spectrum and across geographies.*

*I'm also Chair of the Gold Fields Social, Ethics and Transformation Committee whose charter is to assist the wider Board with issues such as ethics, security, labour, transformation, community, human rights and stakeholder relationships. Gold Fields is a big company and this committee is a big responsibility with big expectations.*

*MinRes has been an extraordinary success and, notwithstanding the recent events – which are being addressed properly and in full, believe me – it has a great future.*

*This will rely upon all of the ingredients of its success to date, but a different way of doing many things across management and governance, things more befitting a major scale organisation.*

*So, my contribution to the Board is broad but at its core is a mix of deep mining experience at a major scale and a deep understanding of the manner in which resource companies need to be managed and run for sustainable success.*

*I would be delighted to continue contributing to MinRes on your behalf and I thank you for your support.*

Thanks, Jacqui. You are also a welcome addition to the MinRes Board and we are pleased to have you also standing for election today.

The Board (with Jacqui abstaining) unanimously supports her election and recommends shareholders vote in favour of this Resolution later in the meeting.

## **Business operations**

Shortly I will ask Managing Director Chris Ellison to provide a statement and deliver a business update. Before I do, I would like to acknowledge that while governance issues have dominated media and market discussion in recent weeks, the 2024 financial year also saw major developments and achievements for MinRes.

Our Onslow Iron Project has now been delivered, and even in its early ramp-up stages is cash flow positive on a project basis and on track to meet nameplate capacity from June 2025. This is a significant achievement by management and creates a long-term platform from which MinRes will aim to deliver exceptional value to our shareholders.

Against a backdrop of commodity price pressure, MinRes has also responded quickly and appropriately to protect and ensure the long-term value of our projects.

The fast, nimble, entrepreneurial approach that has underpinned this Company's growth and success has continued – this time to keep our operations stable and preserve value until prices rebound.

In a project sense, this approach is all about avoiding complacency, remaining focused on our balance sheet and actively managing our portfolio – this year unlocking up to \$2.5 billion in capital.

Your Board is committed to significantly strengthening our governance structure, processes and outcomes. We are also very proud of the achievements of this management team in creating a Company of the depth, breadth and success of MinRes.

I now invite Chris to address today's meeting.

## MANAGING DIRECTOR'S STATEMENT ON GOVERNANCE

Good morning, thanks for joining us today. I am Chris Ellison, Founder and Managing Director of MinRes.

I would like to give you an update on where the business has been over the last 12 months and our immediate priorities. The Onslow Iron Project is a big part of that. It's a huge achievement, the culmination of ambition and hard work by the whole of the MinRes team. This project guarantees MinRes will be around for decades.

Firstly, I want to talk about the issues that have been spread across the news.

Many years ago, I was a partner in a private company and made an error of judgement with reporting of personal tax. I later went on to report it and subsequently paid penalties, interest and tax that was due and payable. I deeply regret the impact this has had on our business and our people. I want to assure all shareholders, that any personal expenses paid for by the Company were always repaid.

For 32 years, my focus has been on building a great Australian Company. I am proud of the value I've created and the changes I've brought to the industry, and the return I have provided to MinRes shareholders.

Looking back, I accept things could have and should have been done differently around corporate governance, but those measures are now in place. I've made some mistakes along the way; I own those mistakes and take full responsibility. I've built a great Company, delivered extremely good returns to MinRes shareholders, employed thousands of people, created a great working environment for my employees – and provided huge benefits to Australia.

We have a very strong Board that will ensure the ethics and governance processes are very strong going forward. I support the Board and will continue to manage this great business with all my capability and energy through the transition phase. I look forward to doing so.

**ENDS**

This announcement dated 21 November 2024 has been authorised for release to the ASX by Mark Wilson, Chief Financial Officer and Company Secretary.

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## **About Mineral Resources**

Mineral Resources Limited (ASX: MIN) (MinRes) is a leading diversified resources Company, with extensive operations in lithium, iron ore, energy and mining services across Western Australia. With a focus on people and innovation, MinRes has become one of the ASX's best-performing companies since listing in 2006. For more information, visit [www.mineralresources.com.au](http://www.mineralresources.com.au).