

24 February 2025

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 19 February 2025 (**ASX Aware 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 ASX Aware Letter.

**1. Does MIN consider the following information, 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?**

**1.1. The decline in half year revenue when compared to the prior period, down 9% (1H24: \$2,515M).**

No.

**1.2. The decline in underlying EBITDA when compared to the prior period, down 55% (1H24: \$675M).**

No.

**1.3. The decline in underlying NPAT when compared to the prior period, down 200% (1H24: \$196M).**

No.

**1.4. The decline in statutory NPAT when compared to the prior period, down 252% (1H24: \$530M) after including (\$352M) of post-tax impairment charges primarily related to Bald Hill, and (\$232M) post-tax translation impact on foreign currency denominated balances.**

No.

**Please answer separately for each of the above.**

See above.

**2. If the answer to any part of question 1 is "no", please advise the basis for that view.**

**Please answer separately for each of the items in question 1 above.**

MIN does not consider that the decline in each of the items in question 1 is information that a reasonable person would expect to have a material effect on the price or value of MIN's securities.

As a commodities business, MIN's earnings are impacted by a range of factors outside the control of MIN, such as fluctuating commodity pricing and foreign exchange rates. Accordingly, MIN does not provide earnings guidance to the market, and instead provides information to the market in relation to relevant factors impacting on the business and expected financial results. These include mining service production volumes, commodity sales volumes, costs of production, realised prices and balance sheet expectations such as net debt.

MIN monitors consensus sell-side analyst estimates (**Consensus**) via the Visible Alpha (**VA**) platform. MIN notes that its 1H25 revenue, underlying EBITDA, and underlying NPAT all exceeded Consensus.

While all earnings measures were down on the prior corresponding period (1H24), the main driver for these divergences was weaker commodity prices, which were known to the market and had been factored into expectations of MIN's earnings for 1H25.

There was a negative divergence between MIN's reported statutory NPAT for 1H25 and Consensus, however MIN does not consider the divergence to be information that a reasonable person would expect to have a material effect on the price or value of its securities, on the basis that:

- the primary drivers of the divergence were non-cash impairments which were recognised, in particular in relation to the Bald Hill lithium mine, and the impact of the foreign exchange rate on MIN's US dollar denominated debt as at 31 December 2024;
- MIN had already informed the market regarding the transition of the Bald Hill lithium mine into care and maintenance via its ASX announcement on 13 November 2024;
- the impact of AUD:USD currency movement on MIN's USD denominated bond notes was foreshadowed in MIN's Q2 FY25 update released on 30 January 2025 (**Q2 Update**).

While the actual decisions around the impairments and their quantum were only taken in conjunction with the approval process for the 1H25 accounts, MIN had already updated the market regarding the key developments which underpinned the impairment decisions (i.e. the transition of the Bald Hill lithium mine into care and maintenance) and the impact of AUD:USD currency movement on MIN's USD denominated bond notes prior to the release of its HY25 Results Announcements. MIN notes that some analysts had updated their estimates of statutory NPAT to foreshadow the potential Bald Hill lithium mine impairment.

MIN does not believe that the share price movement following the release of the HY25 Results Announcements was attributable to these non-cash impairments or the divergence in reported statutory NPAT and Consensus. This is supported by MIN's engagement with market participants post the release of its results. In addition, MIN notes that no questions were asked by analysts regarding the non-cash impairments during the results conference call on 19 February 2025.

Specifically in relation to each of the items in question 1:

- 2.1. See above.
- 2.2. See above.
- 2.3. See above.
- 2.4. See above.

**3. When did MIN first become aware of the information referred to in question 1 above?**

**Please answer separately for each of the items in question 1 above.**

MIN has processes in place to track its expected earnings against the prior corresponding period, as well as analyst consensus for relevant earnings measures, and MIN's Board receives regular updates from Management.

- 3.1. The Board considered MIN's expected revenue for 1H25 and corresponding consensus estimates on 28 January 2025.
- 3.2. The Board considered MIN's expected underlying EBITDA and corresponding consensus estimates on 28 January 2025.
- 3.3. The Board considered MIN's expected underlying NPAT and corresponding consensus estimates on 28 January 2025.

**3.4.** Recommendations regarding the non-cash impairments were only finalised in parallel with the approval process for the 1H25 accounts and the HY25 Results Announcements.

- 4.** If MIN first became aware of the information referred to in question 1 before the date of the HY25 Results Announcements, did MIN make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe MIN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MIN took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

- 4.1.** No. As noted in question 2 above, MIN was comfortable that its expected half year revenue would not give rise to a market sensitive earnings surprise.
- 4.2.** No. As noted in question 2 above, MIN was comfortable that its underlying EBITDA would not give rise to a market sensitive earnings surprise.
- 4.3.** No. As noted in question 2 above, MIN was comfortable that its underlying NPAT would not give rise to a market sensitive earnings surprise.
- 4.4.** No. As noted in question 2 above, MIN was comfortable that its statutory NPAT would not give rise to a market sensitive earnings surprise.

- 5.** Does MIN consider that any measure of its statutory or underlying earnings for the half year ending 31 December 2024 as disclosed in the HY25 Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

- 5.1.** If MIN had published earnings guidance, that guidance.

Not applicable. MIN does not publish earnings guidance.

- 5.2.** If MIN is covered by sell-side analysts, the earnings forecasts for those analysts.

As noted in response to question 2:

- there was a negative divergence between MIN's reported statutory NPAT and Consensus;
- the divergence is largely attributable to non-cash impairments and the impact of AUD:USD currency movement on MIN's USD denominated bond notes; and
- MIN had already updated the market regarding the key developments which underpinned the non-cash impairment decisions (i.e. the transition of the Bald Hill lithium mine into care and maintenance) and the impact of AUD:USD currency movement on MIN's USD denominated bond notes, prior to the release of its HY25 Results Announcements.

While the divergence between MIN's reported statutory NPAT and analyst consensus was more than 15%, MIN did not consider this divergence would result in a market sensitive earnings surprise for reasons noted in response to question 2.

In respect of each other item in the Earnings Information, reported outcomes all exceeded Consensus.

**5.3. If paragraphs 5.1 and 5.2 are not applicable, MIN's earnings for the prior corresponding period, being the half year ended 31 December 2023.**

Not applicable, refer to paragraph 5.2.

**6. Please explain the basis for the view provided in response to question 5. In doing so, please specify how MIN determined market expectations in relation to each relevant measure of its earnings, including:**

**6.1. If MIN had published earnings guidance, details of:**

**6.1.1. that guidance and when it was released to the market; and**

Not applicable.

**6.1.2. the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.**

Not applicable.

**6.2. If MIN used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:**

**6.2.1. the method that MIN used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not MIN used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach for determining this estimate;**

As per the response to question 2, MIN used Visible Alpha which is an independent third-party platform that extracts the forecasts and assumptions from sell-side analyst models to create consensus data. MIN uses the Visible Alpha online platform to source its consensus estimates.

**6.2.2. the entity's estimate of market expectations using that method; and**

Revenue: \$2,018M

Underlying EBITDA: \$205M

Underlying NPAT: -\$281M

Statutory NPAT: -\$343M

**6.2.3. the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.**

MIN's Management tracked its expected 1H25 earnings and Consensus both during and following the end of the reporting period. Information regarding Consensus was periodically provided to the Board for its consideration, including most recently on 28 January 2025. At no point did MIN form a view that MIN's expected earnings for 1H25 would result in a market sensitive earnings surprise.

**6.3. If paragraphs 5.1 and 5.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, MIN's earnings for the prior corresponding period.**

Not applicable.

- 7. Does MIN consider that, at any point prior to the release of the HY25 Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of MIN's securities?**

**Please answer separately for each measure of earnings referred to in the Earnings Information.**

**7.1.** No.

**7.2.** No.

**7.3.** No.

**7.4.** No.

- 8. If the answer to question 7 is "no", please provide the basis for that view.**

For each of revenue, underlying EBITDA and underlying NPAT, MIN's expected earnings were in line with or higher than its estimate of market expectations.

In relation to statutory NPAT, while there was a negative divergence between MIN's reported statutory NPAT and its estimate of market expectations, MIN does not consider the divergence to be materially price sensitive. The primary driver of the variance between analyst consensus and the statutory NPAT result was the decision taken as part of the finalisation of the 1H25 results to recognise non-cash impairments and the impact of foreign currency rates on MIN's US dollar denominated bond notes. As noted in question 2, specific information was released during 1H FY25 in relation to Bald Hill lithium mine and the impact of foreign currency rates on MIN's US dollar denominated bond notes was flagged in the Q2 Update.

- 9. If MIN first became aware of the variance before the release of HY25 Results Announcements, did MIN make any announcement prior to the release of the HY25 Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MIN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MIN took to ensure that the information was released promptly and without delay.**

MIN does not consider that the variance between the 1H25 results and consensus was materially price sensitive.

- 10. Please provide details of any other explanation MIN may have for the trading in its securities following the release of the HY25 Results Announcements.**

MIN considers that there may be a variety of factors which may have influenced trading in its securities following the HY25 Results Announcements.

MIN noted in the HY25 Results Announcements the need to increase capital and operational expenditure to upgrade the Onslow Iron Haul Road due to the impact of adverse weather events. The cumulative impact of these back-to-back weather events, along with the need for management of traffic during the subsequent road surface repairs also resulted in a decrease in FY25 Onslow Iron and mining services production guidance and may have been a driver of trading in securities following the HY25 Results Announcements. While some of the adverse weather events had occurred prior to, and were signaled in, MIN's Q2 Update, Severe Tropical Cyclone Zelia occurred after it, and information regarding the full cumulative impact of the weather events was still coming together in parallel with the finalisation of the HY25 Results Announcements.

There has also been an ongoing investor focus on MIN's leverage position. While the leverage position is in line with previous information provided to the market, including in MIN's Q2 Update, as

a result of recent share price movement, MIN's market capitalisation has fallen below its net debt. Additionally, the impact of increased capital and operational expenditure and lost days as a result of the adverse weather events may have amplified the market's reaction to MIN's leverage profile, despite it being in line with expectations.

MIN also recognises that the leadership successions announced in its ASX announcement on 4 November 2024 continue to impact its share price. Additionally, MIN notes that it is among the most shorted stocks on the ASX, which potentially places further downward pressure on the share price.

**11. 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.

**12. 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



19 February 2025

Reference: 106345

Mr Mark Wilson  
Company Secretary  
Mineral Resources Limited

By email: mark.wilson@mrl.com.au

Dear Mr Wilson

**Mineral Resources Limited ('MIN'): ASX Aware Letter**

ASX refers to the following:

- A. MIN's announcements released on the ASX Market Announcements Platform after the close of market on 18 February 2025 in connection with its 31 December 2024 half year results ('HY25 Results Announcements'), being:
  - 1.1 FY25 Half Year Financial Report and Appendix 4D;
  - 1.2 FY25 Half Year Results Announcement; and
  - 1.3 FY25 Half Year Results Presentation.
- B. The following financial information disclosed in the HY25 Results Announcements:
  - 1.1 Revenue of \$2,290 million (M), down 9% (1H24: \$2,515M).
  - 1.2 Underlying EBITDA of \$302M, down 55% (1H24: \$675M).
  - 1.3 Underlying NPAT of (\$196M), down 200% (1H24: \$196M).
  - 1.4 Statutory NPAT of (\$807M), down 252% (1H24: \$530M) after including (\$352M) of post-tax impairment charges primarily related to Bald Hill, and (\$232M) post-tax translation impact on foreign currency denominated balances.
- C. The change in the price of MIN's securities from a high of \$32.08 on 18 February 2025 to the closing price of \$30.50 on 18 February 2025.
- D. The change in the price of MIN's securities from \$30.50 immediately prior to the release of the HY25 Results Announcements to a low of \$23.75 on 19 February 2025 following the release of the HY25 Results Announcements.
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- G. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

*"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following 5 situations applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed."*

- I. ASX's policy position on "market sensitive earnings surprises", which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

*"...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact."...*

*"...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity's securities."...*

### **Request for information**

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

1. Does MIN consider the following information, 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?

- 1.1 The decline in half year revenue when compared to the prior period, down 9% (1H24: \$2,515M).
- 1.2 The decline in underlying EBITDA when compared to the prior period, down 55% (1H24: \$675M).
- 1.3 The decline in underlying NPAT when compared to the prior period, down 200% (1H24: \$196M).
- 1.4 The decline in statutory NPAT when compared to the prior period, down 252% (1H24: \$530M) after including (\$352M) of post-tax impairment charges primarily related to Bald Hill, and (\$232M) post-tax translation impact on foreign currency denominated balances.

Please answer separately for each of the above.

2. If the answer to any part of question 1 is "no", please advise the basis for that view.

Please answer separately for each of the items in question 1 above.

3. When did MIN first become aware of the information referred to in question 1 above?

Please answer separately for each of the items in question 1 above.



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4. If MIN first became aware of the information referred to in question 1 before the date of the HY25 Results Announcements, did MIN make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe MIN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MIN took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

5. Does MIN consider that any measure of its statutory or underlying earnings for the half year ending 31 December 2024 as disclosed in the HY25 Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):

5.1 If MIN had published earnings guidance, that guidance.

5.2 If MIN is covered by sell-side analysts, the earnings forecasts of those analysts.

5.3 If paragraphs 5.1 and 5.2 are not applicable, MIN's earnings for the prior corresponding period, being the half year ended 31 December 2023.

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

6. Please explain the basis for the view provided in response to question 5. In doing so, please specify how MIN determined market expectations in relation to each relevant measure of its earnings, including:

6.1 If MIN had published earnings guidance, details of:

6.1.1 that guidance and when it was released to the market; and

6.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.

6.2 If MIN used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:

6.2.1 the method that MIN used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not MIN used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach for determining this estimate;

6.2.2 the entity's estimate of market expectations using that method; and

6.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.

6.3 If paragraphs 5.1 and 5.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, MIN's earnings for the prior corresponding period.

7. Does MIN consider that, at any point prior to the release of the HY25 Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of MIN's securities?

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Please answer separately for each measure of earnings referred to in the Earnings Information.

8. If the answer to question 7 is “no”, please provide the basis for that view.
9. If MIN first became aware of the variance before the release of HY25 Results Announcements, did MIN make any announcement prior to the release of the HY25 Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MIN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MIN took to ensure that the information was released promptly and without delay.
10. Please provide details of any other explanation MIN may have for the trading in its securities following the release of the HY25 Results Announcements.
11. Please confirm that MIN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
12. 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 PM AWST Monday, 24 February 2025**.

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](mailto: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.

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Yours sincerely

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ASX Compliance