Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Golden Energy and Resources Limited

Stock code: AUE

Meeting details:
Date: 29 April 2022
Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As shown in the corporate profile, the company has interests in:

- the exploration, mining, and marketing of metallurgical coal in Australia, through its 64%-owned subsidiary Stanmore Resources Limited ("Stanmore") (as at 31 March 2022)
- energy coal in Indonesia through its 62.5%-owned subsidiary PT Golden Energy Mines Tbk ("GEMS"); and
- gold via its 50-50 joint venture ("JV") with EMR Capital in Ravenswood Gold Group Pty Ltd ("Ravenswood Gold").

One of the most significant milestones in FY2021 is the execution of a definitive agreement to acquire an 80% interest in BHP Mitsui Coal Pty Ltd which will add two additional high quality, long life, cash generating, operating and well capitalised metallurgical coal assets to the group.

(i) It would appear that the company did not take up its full entitlement in Stanmore as 75% of A$694 million is approximately A$520 million or US$385 million. **How did the company determine the subscription amount of US$300 million for its entitlement in the 7-for-3 renounceable entitlement offer by Stanmore? Did the company sell or transfer the balance of its entitlement?**

(ii) **Can management confirm that the group's interest in Stanmore has been diluted from 75% to 64.01% as a result?**

(iii) **Did the board "leave money on the table" by subscribing to just US$300 million of the offer by Stanmore? Please help shareholders understand the board/management's decision.**

Q2. The group recorded a revenue of US$1.9 billion on the back of strong coal prices in 2021, after reaching lows in 2020.

On the production side, the average cash cost for the energy coal segment increased from US$21.0 per metric tonne to US$26.9 per metric tonne. This was outpaced by the increase in the average selling price (ASP) which went from US$31.0 per metric tonne to US$53.5 per metric tonne.

Energy coal accounted for 85% of the group's revenue in 2021 (FY2020: 92%). Revenue from energy coal grew 49% to record a revenue of US$1.6 billion in FY2021, underpinned by the 72% increase in ASP, and partially offset by a 14% decline in sales volume to 28.8Mt in FY2021.

(i) **What are the reasons for a higher strip ratio?**

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(ii) The group's sales volume declined by 14% to 28.8 million tonnes due to unfavourable weather conditions in South Kalimantan. **What are the levers available to management, if any, to mitigate the negative impact of adverse weather?**

(iii) **In addition, what was the increase in contractor rates due to higher ICI4 index?**

The group, through PT Borneo Indobara, had fulfilled (and exceeded) the Domestic Market Obligations ("DMO") set by Indonesia's Ministry of Energy and Resources ("ESDM").

(iv) **What is management's strategy to optimise the ASP and the group's profits in view of the market risks, policy risks, political uncertainty, shipping delays, weather etc?**

(v) **Is there a substantial price differential between the domestic and the export price?**

Q3. The group is committed to improving sustainability practices across its operations in accordance with its Sustainability framework to generate sustainable value in the long run. In particular, the group takes a strong stand in preserving the environment it operates in and is committed to carrying out the operations in a responsible and sustainable way, often doing better than regulatory requirements.

An overview of the group's sustainability efforts can be found on pages 25 to 31 of the annual report.

Figure 3: GEAR's materiality matrix



No.	Material matters	Sub-matters
1	Safety	Emergency preparedness
		Occupational health & safety
2	Environment	Air quality management
		Energy management
		GHG emissions
		Land Management (pre-and post-mining)
		Solid waste management
		Water resource management
3	Community Management	Empowering local communities
4	Labour Relations	Employee welfare and benefits
		Labour relations management
5	Governance	Corporate Code of Conduct
		Anti-fraud

For more information on our materiality assessment, please refer to the section on "Focusing on What Matters Most" in GEAR's FY2021 Sustainability Report.

(Source: company annual report)

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(i) **Can the board help shareholders better understand how the group will be addressing its Scope 1, Scope 2 and Scope 3 emissions?**

(ii) **As a group deeply involved in mining (of energy coal, metallurgical coal and gold), what is the board's view of decarbonisation and the pathways to net-zero?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)