



METAROCK

11 May 2023

ASX Announcement

Chairman's Address to General Meeting of Shareholders

Good afternoon everyone.

Welcome to the General Meeting of Metarock Group Limited, whether you are attending today at the physical venue for our meeting in Brisbane, or via the online meeting platform provided by our share registry service provider, Link Market Services. My name is Colin Bloomfield. I am the Chair of Directors of your company, and the Chair of this meeting.

It is now 2:00pm, the appointed time for the meeting, and the necessary quorum is present. I therefore declare the meeting open.

As stated in the Notice of Meeting, this is a hybrid meeting. Metarock is strongly committed to innovation, and we are pleased that our shareholders can participate in this meeting conveniently, comfortably and safely, wherever they are in the world.

Before we proceed with the meeting, I have some housekeeping points for those in attendance at the venue in Brisbane:

- Please switch all your mobile devices to silent mode, and do not make or accept a call during the meeting.
- Recording devices and cameras must not be used during the meeting.
- In the event of an emergency, please follow the emergency exit signs and instructions of staff at the venue.

The agenda for today's meeting is set out in the Notice of Meeting dated 11 April 2023 which was released through ASX and made available to all shareholders on the company's website in the manner required by the Corporations Act. For this meeting - the Notice of Meeting, which includes the accompanying Explanatory Statement - is taken as read. We will proceed as follows:

- Firstly, I will present my address which has been released through the ASX prior to commencement of this meeting.
- I will then address any questions that were sent through prior to the meeting.
- We will then proceed with the formal business of the meeting as set out in the Notice of Meeting, where we ask shareholders to participate by asking questions or making comments relevant to each item of business, and voting on each resolution.

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At conclusion of the formal business, I will close the polls and close the meeting. The results of voting via the online platform and via the voting cards of those attending at the meeting venue in Brisbane will be collected and processed by our share registry, and we will determine and announce the results of the meeting on the ASX announcement platform and on the Company's website as soon as they are available.

Your company's Directors and Senior Executives are in attendance today:

- As mentioned, I am attending and chairing this meeting here in Brisbane. With me are my fellow Directors - Andrew Watts, Gabe Meena, Julie Whitcombe and Paul Rouse.
- Also with us are Paul Green (Managing Director), Jeff Whiteman (CFO) and Andrew Ritter (Company Secretary).
- We are also joined by the Company's advisors from Clayton Utz, Link Market Services, Wilsons and Pitcher Partners.
- Finally, we are very pleased to have with us Matt Latimore (attending by phone), Aidan Meka and Murray Smith from M Resources. Murray is one of the nominated Directors to the Company, pending the outcome of the meeting today.

In response to numerous business challenges over the past 18 months or so, Metarock has initiated a turnaround plan to return the business to previous levels of stability and profitability. The key elements of the turnaround plan include:

- Appointment of a new senior management team which commenced in late 2022;
- Termination of the Crinum and Peak contracts by mutual agreement and exiting the Thalanga contract;
- Sale of idle plant, including the Crinum coal equipment and various hard rock equipment; and
- A recapitalisation of the business to improve liquidity and net debt.

The recapitalisation is a fundamental element of the turnaround plan to improve cash flow, reduce net debt and secure the Company's funding position. This is being achieved through:

- An equity injection and a proposed non-renounceable entitlement offer (discussed in further detail below);
- An extension of existing working capital facilities (announced on 3 March 2023); and
- An asset divestment program which is ongoing (including the first major asset sale announced on 22 February 2023).

M Resources has agreed to invest \$25.0 million to acquire at least a 51% interest in the Company via a placement, which will be subject to shareholder approval ("Conditional Placement"). M Resources Group is a privately owned group of companies with substantial investments in the Australian mining sector, in particular coal mining. This strategic investment brings material advantages for Metarock, including:

- M Resources' deep sector insights across the value chain;



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- Potential to leverage the relationship for new contract opportunities; and
- Combined capabilities of the two groups to deliver a full service offering in the coal mining sector.

It is intended that M Resources and Metarock will operate on an arm's length basis.

The Company also intends to undertake a pro rata non-renounceable entitlement offer to existing shareholders to raise up to \$3.9 million. Combined, these raisings will see an injection of up to \$28.9 million of new equity capital (before costs) into Metarock. The funds raised from the Transaction will be used to improve cash flow, reduce net debt (including the ATO payment plan and the deferred consideration for PYBAR) and secure the Company's funding position.

Full details of the Conditional Placement were contained in the Company's Notice of General Meeting which was released to the ASX on 11 April 2023.

I also note that upon the completion of the Conditional Placement, myself, Gabe Meena and Julie Whitcombe will retire from the Company's Board, and Murray Smith (Chief Operating Officer of M Resources) has been nominated to the Board.

On behalf of Gabe, Julie and myself it has been a pleasure to have served as Director and Chair of the Company.

Approved for distribution by the Board of Directors of Metarock Group Limited.

Further information:

Paul Green, Managing Director - 07 4963 0400

Jeff Whiteman, CFO - 07 4963 0400