



12 May 2023

ASX Announcement

Launch of Entitlement Offer

Metarock Group Limited (ASX code: MYE) (**Metarock** or the **Company**) today announces the launch of a 1-for-5.2 pro rata non-renounceable entitlement offer to eligible shareholders to raise up to \$3.9 million (**Entitlement Offer** or the **Offer**). Participants in the Entitlement Offer will also receive 1 new option for every 3.25 new shares issued to them under the Entitlement Offer.

On 17 March 2023, Metarock announced the key components of its strategy to recapitalise the Company after a series of one-off events, together with the crystallisation of a number of risks that were greater than anticipated, placed significant strain on the business' cashflow and balance sheet.

A fundamental element of the recapitalisation strategy is an equity capital raising to raise between \$25.0 million and \$28.9 million¹ (**Capital Raising**), comprising:

- (a) \$25 million² strategic placement to M Mining Services Pty Ltd ACN 666 168 627 as trustee for M Mining Services Trust (**M Resources**), subject to shareholder approval (**Conditional Placement**). Shareholder approval for the Conditional Placement was granted on 11 May 2023; and
- (b) the Entitlement Offer.

The Capital Raising forms part of Metarock's wider recapitalisation strategy, which includes the extension of its existing working capital facilities to 30 September 2023 as announced to the ASX on 3 March 2023 which has now been completed, and an asset sales program as first announced to the ASX on 22 February 2023 which remains in progress.

The Entitlement Offer is being undertaken to allow eligible shareholders to invest at the same offer price per share and the same exercise price per option as the Conditional Placement.

Metarock intends to use the proceeds from the Conditional Placement and Entitlement Offer to improve cash flow, reduce net debt and secure the Company's funding position.

¹ Excluding funds raised from any future exercise of options.

² Excluding funds raised from any future exercise of options.



Entitlement Offer

Metarock is undertaking an Entitlement Offer to raise up to \$3.9 million³, of 1 new share for every 5.2 existing shares held by eligible shareholders at 7:00pm (Sydney time) on Wednesday, 17 May 2023 (**Record Date**), together with 1 new option for every 3.25 new shares issued under the Entitlement Offer, with an exercise price of \$0.23. The offer price is \$0.15 per new share, representing

- a 2.8-3.1% premium to the theoretical ex-rights price (**TERP**)⁴;
- a 7.1% premium to the last traded price close of \$0.140 on Thursday, 11 May 2023; and
- a 1.3% discount to the 30-day volume weighted average price of \$0.152 to Thursday, 11 May 2023.

Each new option is exercisable at \$0.23. The exercise period for the new options expires at 5.00pm (Sydney time) on 31 May 2028. Any new options not exercised before this date will lapse. The Company will apply for quotation of the new options on ASX, subject to satisfaction of the ASX Listing Rules criteria.

The Entitlement Offer is only open to eligible shareholders. An **Eligible Shareholder** is a person who:

- was registered as the holder of Shares as at 7.00pm (Sydney time) on the Record Date;
- has a registered address in Australia or New Zealand or is an Approved US Shareholder⁵;
- is not in the United States nor acting for the account or benefit of a US Person except for any Approved US Shareholder⁵; and
- does not hold shares on behalf of another person who resides outside Australia or New Zealand except for any Approved US Shareholder⁵.

The Entitlement Offer incorporates a top up facility under which Eligible Shareholders that have taken up their full entitlement under the Entitlement Offer, can apply to take up additional new shares and new options in excess of their entitlement which have not been taken up by other shareholders pursuant to their entitlements.

The Entitlement Offer will result in the issuance of up to approximately 26 million new shares and up to approximately 8 million new options. New shares issued under the Entitlement Offer will rank equally in all respects with existing shares on issue as at

³ Estimated proceeds of the offer of new shares before costs and subject to rounding.

⁴ The Theoretical Ex rights Price (TERP) is calculated by reference to Metarock's share price on 11 May 2023 of \$0.140 per Share, being the last trading date prior to the announcement of the Entitlement Offer on 12 May 2023, with the range determined by the level of subscriptions in the Entitlement Offer (between 100% and 0% subscribed). TERP is a theoretical calculation only and the actual price at which Metarock's shares trade immediately after the ex date of the Entitlement Offer will depend on many factors and may not approximate TERP.

⁵ **Approved US Shareholder** means any shareholder with a registered address in the United States on the Record Date who is, or any shareholder with a registered address in Australia or New Zealand that is a nominee or custodian for a person who is, an "accredited investor" (as defined in Rule 501(a) under the United States Securities Act of 1933, as amended) and whom the Company determines can participate without the filing of any notice of sale or other document with any US federal or state securities regulator.



their date of issue, and shares issued on exercise of a new option will rank equally in all respects with the shares then on issue.

Wilsons Corporate Finance Limited (**Wilsons**) is Lead Manager to the Entitlement Offer. Clayton Utz is Legal Advisor to the Entitlement Offer.

Indicative Timetable

Event	Date ¹
Announcement of Entitlement Offer	Friday 12 May 2023
Record date for the Entitlement Offer (7:00pm Sydney time)	Wednesday 17 May 2023
Entitlement Offer opens	Friday 19 May 2023
Prospectus and Application Form made available	Friday 19 May 2023
Settlement of Conditional Placement and issue of Subscription Shares to M Resources	Monday 22 May 2023
Entitlement Offer closes (5:00pm Sydney time)	Wednesday 7 June 2023
Commencement of deferred settlement trading for New Shares and New Options ²	Thursday 8 June 2023
Results of Entitlement Offer announced	Friday 9 June 2023
Issue of New Shares and New Options under the Entitlement Offer and Subscription Options under the Conditional Placement	Thursday 15 June 2023
Commencement of trading on a normal settlement basis of New Shares issued under the Entitlement Offer	Friday 16 June 2023
Commencement of trading on a normal settlement basis of New Options issued under the Entitlement Offer ²	Friday 16 June 2023
Commencement of trading on a normal settlement basis of Subscription Options issued under the Conditional Placement ²	Monday 19 June 2023
Dispatch of holding statements for New Shares and New Options issued under the Entitlement Offer and Subscription Options issued under the Conditional Placement	Tuesday 20 June 2023

¹ The timetable is indicative only and subject to change. The Company retains the discretion, subject to the ASX Listing Rules and the Corporations Act, to alter any or all of these key dates at its discretion (generally or in particular cases), without prior notice, including extending the Closing Date or to withdraw the Entitlement Offer without prior notice. Applicants are encouraged to submit their payments for the New Shares as soon as possible.

² Admission of the New Options and Subscription Options to quotation on ASX is subject to the Quotation Conditions. Refer to Section 2.16 of the prospectus lodged with ASIC on 12 May 2023 for further details.

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Further information

Further details of the Entitlement Offer are set out in the Prospectus and Investor Presentation dated 12 May 2023. The Prospectus and Investor Presentation contain important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

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

Further information:

Paul Green, Managing Director - 07 4963 0400

Jeff Whiteman, Chief Financial Officer – 07 4963 0400

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