



# Investor Presentation

Metarock Group Limited (ACN 142 490 579)

Paul Green, Managing Director

Jeff Whiteman, Chief Financial Officer

12 May 2023



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This Presentation is for information purposes only and is a summary only. It should be read in conjunction with Metarock's most recent annual report and Metarock's other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), which are available at [www.asx.com.au](http://www.asx.com.au). The content of this Presentation is provided as at the date of this Presentation (unless otherwise stated). Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, Metarock does not have any obligation to correct or update the content of this Presentation. Certain market and industry data used in this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Metarock nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

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Refer to the "International Offer Restrictions" section of this Presentation for further details about international offer restrictions.

## Investment risk

An investment in Metarock shares is subject to known and unknown risks, some of which are beyond the control of Metarock and its directors. Metarock does not guarantee any particular rate of return or the performance of Metarock nor does it guarantee any particular tax treatment. You should have regard to the risk factors outlined on pages 13 – 18 of this Presentation when making your investment decision. Cooling off rights do not apply to the acquisition of New Shares or Options.

## Financial information

All financial information in this Presentation is in Australian dollars (A\$ or AUD) unless otherwise stated. This Presentation includes certain pro forma financial information. The pro forma historical financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Metarock's views on its, nor anyone else's, future financial position and/or performance. The pro forma historical financial information has been prepared by Metarock in accordance with the measurement and recognition principles, but not the disclosure requirements, prescribed by the Australian Accounting Standards (AAS). In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

# Important notice and disclaimer

## Past performance

Past performance, including past share price performance of Metarock and pro forma financial information given in this Presentation, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Metarock's views on its future financial performance or condition. Past performance of Metarock cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of Metarock. Nothing contained in this Presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

## Future performance and forward-looking statements

This Presentation contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Metarock, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

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## Disclaimer

Wilson Corporate Finance Limited is acting as lead manager to the Entitlement Offer (**Lead Manager**). To the maximum extent permitted by law, Metarock and the Lead Manager and their respective related bodies corporate and affiliates, and their respective officers, directors, employees, representatives, agents, consultants and advisers: (i) disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss arising from this Presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this Presentation; (ii) disclaim any obligations or undertaking to release any updates or revision to the information in this Presentation to reflect any change in expectations or assumptions; and (iii) do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness of the information in this Presentation or that this Presentation contains all material information about Metarock or that a prospective investor or purchaser may require in evaluating a possible investment in Metarock or acquisition of shares in Metarock, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

Further, neither the Lead Manager nor any of its related bodies corporate, affiliates, officers, directors, employees, representatives, agents, consultants or advisers accept any fiduciary obligations to or relationship with you, any investor or potential investor in connection with the Entitlement Offer or otherwise. Neither the Lead Manager, nor its advisers or any of their respective related bodies corporate, affiliates, officers, directors, partners employees, representative and agents have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, for the avoidance of doubt, and except for references to their name, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them. You acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Metarock and the Lead Manager and each of Metarock and the Lead Manager (and their respective related bodies corporate, affiliates, officers, directors, employees, representatives, agents, consultants or advisers) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.



TURNAROUND PLAN AND RECAPITALISATION

# Turnaround Plan and Recapitalisation

## Significant one-off events that were greater than anticipated have necessitated a turnaround plan, including recapitalisation

### Background

- 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 million<sup>1</sup> (**Capital Raising**), comprising:
  - a) \$25 million<sup>2</sup> 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**); and
  - b) a 1-for-5.2 pro rata non-renounceable entitlement offer to eligible shareholders to raise up to \$3.9 million (**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 which has now been completed, and an asset sales program which remains in progress

### Overview of the Conditional Placement

- Metarock and M Resources have entered into a subscription agreement which sets out the terms and conditions of the Conditional Placement (**Subscription Agreement**). Pursuant to the Subscription Agreement, the Company has agreed to allot and issue to M Resources ~166.7 million shares at an issue price of \$0.15 per share and ~51.3 million options, each with an exercise price of \$0.23
- The Conditional Placement was approved by Metarock shareholders on 11 May 2023
- Pursuant to the terms of the Subscription Agreement, Metarock has also agreed that M Resources will have the right to nominate up to three Directors to be appointed to the Board of Metarock (including an independent chair)
- M Resources does not presently have a relevant interest in any of the Company's shares. However, subject to completion of the Conditional Placement, M Resources' shareholding will represent a voting power in the Company of at least 51% upon the successful completion of the entire Capital Raising

<sup>1</sup> Excluding funds raised from any future exercise of options.

<sup>2</sup> Excluding funds raised from any future exercise of options.

# ENTITLEMENT OFFER OVERVIEW



## Entitlement Offer Overview

### Opportunity for eligible existing shareholders to participate in capital raising at the same offer price per share and the same exercise price per option as M Resources

<p><b>Entitlement Offer</b></p>	<ul style="list-style-type: none"> <li>• Non-renounceable Entitlement Offer to raise up to \$3.9 million, through the issue of 1 New Share for every 5.2 existing shares held by Eligible Shareholders at 7:00pm (Sydney time) on Wednesday, 17 May 2023 (<b>Record Date</b>)</li> <li>• Participants will also receive 1 new option for every 3.25 new shares issued under the Entitlement Offer</li> <li>• The right to participate in the Entitlement Offer is not transferable</li> <li>• The Entitlement Offer is only open to Eligible Shareholders. An <b>Eligible Shareholder</b> is a person who:             <ol style="list-style-type: none"> <li>• was registered as the holder of Shares as at 7.00pm (Sydney time) on the Record Date;</li> <li>• has a registered address in Australia or New Zealand or is an Approved US Shareholder;</li> <li>• is not in the United States nor acting for the account or benefit of a US Person except for any Approved US Shareholder; and</li> <li>• does not hold Shares on behalf of another person who resides outside Australia or New Zealand except for any Approved US Shareholder</li> </ol> </li> <li>• Further details have been provided in a Prospectus lodged with ASIC on Friday, 12 May 2023</li> </ul>
<p><b>Offer Price</b></p>	<ul style="list-style-type: none"> <li>• The offer price is \$0.15 per new share (<b>Offer Price</b>), which represents:             <ul style="list-style-type: none"> <li>– a 2.8-3.1% premium to the theoretical ex-rights price (<b>TERP</b>)<sup>1</sup>;</li> <li>– a 7.1% premium to the last traded price close of \$0.140 on Thursday, 11 May 2023; and</li> <li>– a 1.3% discount to the 30-day volume weighted average price of \$0.152 to 11 May 2023</li> </ul> </li> </ul>
<p><b>Options</b></p>	<ul style="list-style-type: none"> <li>• M Resources and participants in the Entitlement Offer will receive 1 option for every 3.25 new shares subscribed for under the Conditional Placement and the Entitlement Offer respectively</li> <li>• Options will have an exercise price of \$0.23 and will expire at 5:00pm (Sydney time) on 31 May 2028</li> <li>• The Company will apply for quotation of the new options on the ASX, subject to satisfaction of the ASX Listing Rules criteria</li> </ul>

<sup>1</sup> 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.

# Entitlement Offer Overview

## Opportunity for eligible existing shareholders to participate in capital raising at the same offer price per share and the same exercise price per option as M Resources

<b>Ranking</b>	<ul style="list-style-type: none"><li>• New shares issued under the Entitlement Offer (including on exercise of options) will rank equally with existing Metarock shares on issue, including new shares issued to M Resources under the Conditional Placement, on the relevant issue date</li><li>• Options issued under the Entitlement Offer will be issued on the same terms as those issued under the Conditional Placement, and together will form a single class of options</li></ul>
<b>Directors' Intentions</b>	<ul style="list-style-type: none"><li>• Paul Rouse and Andrew Watts, the continuing non-executive directors and substantial shareholders of the Company, have each confirmed that they intend to participate in the Entitlement Offer to the full extent of their entitlement</li></ul>
<b>Top Up Facility</b>	<ul style="list-style-type: none"><li>• 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</li></ul>
<b>Underwriting</b>	<ul style="list-style-type: none"><li>• The Entitlement Offer is not underwritten</li></ul>
<b>Financial Adviser and Lead Manager</b>	<ul style="list-style-type: none"><li>• Wilsons has been appointed as Financial Adviser to the recapitalisation and Lead Manager to the Entitlement Offer</li></ul>

## Sources and Uses of Capital Raising Proceeds

Sources of funds	\$ million
Conditional Placement	25.0
Entitlement Offer proceeds	Up to 3.9 <sup>1</sup>
<b>Total</b>	<b>25.0 – 28.9</b>

Uses of funds	\$ million
Increase working capital and reduce net debt <sup>1,2</sup>	22.4 – 26.3
Transaction costs	2.6
<b>Total</b>	<b>25.0 – 28.9</b>

<sup>1</sup> Range between nil and full subscription of the Entitlement Offer.

<sup>2</sup> Including payments under ATO payment plan and deferred PYBAR consideration due 1 September 2023.

## Key dates

Event	Date <sup>1</sup>
Announcement of Entitlement Offer	Friday 12 May 2023
Record date for the Entitlement Offer (7:00 pm 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 (5:00 pm Sydney time)	Wednesday 7 June 2023
Commencement of deferred settlement trading for New Shares and New Options <sup>2</sup>	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 <sup>2</sup>	Friday 16 June 2023
Commencement of trading on a normal settlement basis of Subscription Options issued under the Conditional Placement <sup>2</sup>	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

<sup>1</sup> 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.

<sup>2</sup> 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.

# Pro Forma Balance Sheet as at 31 December 2022

31 December 2022 (\$A '000s)	Statutory (audited)	Debt and Payables adjustments <sup>1</sup>	Proforma (unaudited) before Equity	Conditional Placement <sup>2</sup>	Proforma (unaudited) after Conditional Placement	Entitlement Offer <sup>3</sup>	Proforma (unaudited) after Entitlement Offer
<b>Assets</b>							
Cash and Cash Equivalents	3,616	-4,065	-449	22,615	22,166	0 - 3,705	22,166 - 25,871
Trade and Other Receivables	75,577		75,577		75,577		75,577
Inventories and Other Assets	19,773		19,773		19,773		19,773
Assets classified as held for resale	28,572	-11,393	17,179		17,179		17,179
<b>Total Current Assets</b>	<b>127,538</b>	<b>-15,458</b>	<b>112,080</b>	<b>22,615</b>	<b>134,695</b>	<b>0 - 3,705</b>	<b>134,695 - 138,400</b>
Deferred Tax Asset	4,256		4,256		4,256		4,256
Property, Plant and Equipment	75,897	1,723	77,620		77,620		77,620
Right-Of-Use Assets	19,606		19,606		19,606		19,606
Intangible Assets	16,111		16,111		16,111		16,111
<b>Total Non-Current Assets</b>	<b>115,870</b>	<b>1,723</b>	<b>117,593</b>		<b>117,593</b>		<b>117,593</b>
<b>Total Assets</b>	<b>243,408</b>	<b>-13,735</b>	<b>229,673</b>	<b>22,615</b>	<b>252,288</b>	<b>0 - 3,705</b>	<b>252,288 - 255,993</b>
<b>Liabilities</b>							
Trade and Other Payables	75,264	-5,943	69,321		69,321		69,321
Borrowings	55,792	295	56,087		56,087		56,087
Lease Liabilities	5,994		5,994		5,994		5,994
Employee Benefits	20,816		20,816		20,816		20,816
Other Liabilities	10,933		10,933		10,933		10,933
Liabilities directly associated with assets classified as held for sale	22,672	-10,143	12,529		12,529		12,529
<b>Total Current Liabilities</b>	<b>191,471</b>	<b>-15,791</b>	<b>175,680</b>		<b>175,680</b>		<b>175,680</b>
Borrowings	20,572	1,178	21,750		21,750		21,750
Lease Liabilities	11,177		11,177		11,177		11,177
Employee Benefits	697		697		697		697
<b>Total Non-Current Liabilities</b>	<b>32,446</b>	<b>1,178</b>	<b>33,624</b>		<b>33,624</b>		<b>33,624</b>
<b>Total Liabilities</b>	<b>223,917</b>	<b>-14,613</b>	<b>209,304</b>		<b>209,304</b>		<b>209,304</b>
<b>Net Assets</b>	<b>19,491</b>	<b>878</b>	<b>20,369</b>	<b>22,615</b>	<b>42,984</b>	<b>0 - 3,705</b>	<b>42,984 - 46,689</b>
<b>Equity</b>							
Share capital	87,904		87,904	22,615	110,519	0 - 3,705	110,519 - 114,224
Other reserves	-23,942		-23,942		-23,942		-23,942
Retained earnings/ (accumulated losses)	-44,471	878	-43,593		-43,593		-43,593
<b>Total Equity</b>	<b>19,491</b>	<b>878</b>	<b>20,369</b>	<b>22,615</b>	<b>42,984</b>	<b>0 - 3,705</b>	<b>42,894 - 46,689</b>

<sup>1</sup> Includes debt and payables adjustments post 31 December 2022 to account for sale of Crinum panel 1, ATO debt repayments to date and Rosebery capex and asset finance to date.

<sup>2</sup> Net of transaction costs.

<sup>3</sup> Range shown depicts net proceeds expected to be received by Metarock from the Entitlement Offer, based on a range of outcomes between fully unsubscribed to fully subscribed, i.e. \$0.0-3.9m in gross proceeds less \$0.0-0.2m in incremental transaction costs.

# KEY RISKS



# Key Risks

This section discloses some of the key risks attaching to an investment in Metarock. Before investing or increasing your investment in Metarock, you should consider whether this investment is suitable for you having regard to publicly available information and your personal circumstances and following consultation with your professional advisors. The risks in this section are not, and should not be considered to be or relied on as, an exhaustive list of the risks relevant to an investment in Metarock. The risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor. Refer to the Prospectus risk section for further information.

## Metarock specific risks

<b>Customer demand and outlook for the minerals exploration and mining industry</b>	Metarock's business depends on, amongst other things, levels of mineral exploration, development and production activity and market demand for metallurgical coal, and hard rock and other commodities. Demand for commodities depends on a number of factors outside the control of Metarock including but not limited to, continued global economic growth and continued international demand. It is also noted that commodity prices are volatile and industry experience indicates that when commodity prices fall below certain levels, mining expenditure and activity decline in the following 12 months. A sustained fall in commodity prices, or a reduction in exploration, development and or production activities and market demand could cause a decline in the demand for mining services, which could in turn have an adverse effect on Metarock's business, financial position, resulting operations and prospects.
<b>Loss of customer contracts and levels of new work</b>	As with any contractual arrangement, there is a risk of disagreement between the parties or a dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Metarock's operations and performance, particularly if the disagreement or dispute concerns payment. Early or unforeseeable closure of a mine could also result in the loss of expected revenues, and additional expenses for demobilisation, maintenance and storage or equipment used at that time.
<b>Key personnel, labour shortages and cost of labour increases</b>	Metarock's ability to remain productive, profitable and competitive depends on its ability to attract and retain appropriately skilled and experienced personnel. It is essential that appropriately skilled staff be available in sufficient numbers to support Metarock's operations. Loss of key staff or failure to attract new staff may have an adverse impact on Metarock's business, financial performance or otherwise of the Company and in particular its ability to fulfill contracts and expand its business. Metarock may also face industrial disputes arising from claims for higher wages or better conditions which could disrupt its business and have an impact on Metarock's performance.
<b>Health and safety</b>	Site safety and occupational health and safety outcomes are critical to Metarock's reputation and its ability to be awarded contracts. Industrial accidents may occur in the course of Metarock's operations and the risks include injuries associated with the servicing and operation of mining machinery, vehicle accidents on-site, fatigue and related accidents, technical malfunctions, faulty equipment, equipment failure and collisions and fatalities. In the event of an accident, the Company could incur a substantial liability. An industrial accident could negatively impact growth prospects and adversely affect the reputation, brand, financial performance and/or financial position of the Company.

## Key Risks (cont.)

### Metarock specific risks

<b>Increased competition from new and existing competitors</b>	<p>A significant portion of the mining services business is dependent upon obtaining work through a competitive tender process. Despite Metarock's demonstrated ability to compete effectively in the markets in which it operates, the competitive nature of the industry means that there can be no assurance that Metarock will be able to continue to compete successfully against current or future competition. The entry of new competitors could also result in reduced operating margins and loss of market share.</p>
<b>Tender process risk</b>	<p>The Company utilises extensive skills and expertise when pricing and negotiating for new contracts and uses all reasonable efforts to ensure that those tenders accurately reflect the scope of work, the perceived risks and the reasonable costs and expenses involved in taking on that contract. Despite these safeguards, it is always possible that the terms and conditions of the tender or final contract, or the tender estimate or final estimate, is either onerous or not reflective of the actual position, which could result in cost and / or time overruns. This may have an adverse impact on Metarock's financial performance and may impact the Company's ability to maintain existing contracts or win future contracts.</p>
<b>Business interruptions</b>	<p>Metarock operates in an industry where industrial disputes and environmental issues, including inclement weather, may delay contract performance or result in a complete shutdown of a project. Whilst Metarock seeks to mitigate these and other risks by securing clients in multiple geographic locations, such issues may ultimately have an adverse effect on Metarock's business, financial performance and/or financial position of the Company.</p>
<b>Critical supply risk</b>	<p>Metarock requires access to plant and various supplies to undertake the work under its contracts. Whilst the Company has processes in place to reduce the reliance on individual suppliers, in some instances, for example, specialist chemical supplies, there are limited alternatives. A disruption to the supply of critical products may have an adverse impact on the financial performance and/or financial position of the Company.</p>

## Key Risks (cont.)

### Metarock specific risks

<b>Operational risks</b>	<p>Metarock and its customers are exposed to a range of operational risks relating to both current and future operations. Such operational risks include equipment failures, information technology system failures, external services failures, industrial action or disputes and natural disasters. A disruption to the operations of Metarock or its customers may have an adverse impact on the financial performance and/or financial position of the Company.</p>
<b>Insurance risks</b>	<p>Metarock maintains insurance within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that Metarock will be able to continue to obtain such insurance or, if available, that such coverage may be obtained at reasonable rates or that any coverage Metarock arranges will be adequate and available to cover any such claims. There also remains a risk that Metarock's existing insurance coverage will be insufficient to meet a very large claim or a number of large claims.</p>
<b>Financing risks</b>	<p>Metarock relies on a combination of sources of funding to finance its ongoing operations. Metarock's working capital facilities are currently due to expire on 30 September 2023. Metarock intends to extend or refinance these working capital facilities, however, there is no guarantee that the current lender or any new lenders will agree to an extension or refinance. An inability to extend or refinance these working capital facilities, or secure alternative funding, or a material increase in the cost of such funding, may adversely impact the performance and financial position of Metarock.</p>
<b>Other risks</b>	<ul style="list-style-type: none"><li>• Metarock may experience unexpected increases in operation costs;</li><li>• Metarock is subject to risks associated with operating in remote locations;</li><li>• Metarock is subject to the risk of early mine closures; and</li><li>• Metarock is subject to the risk of its contracts being terminated early due to external factors.</li></ul>

### General risks

#### General economic and financial market conditions

As Metarock is an ASX listed company, it is subject to the general market risk that is inherent in all securities traded on a stock exchange. Accordingly, Metarock may experience fluctuations in its share price regardless of Metarock's operating performance. Metarock's business is also exposed to changes in general global economic conditions. For example, adverse macroeconomic conditions such as economic recessions, downturns or extended periods of uncertainty or volatility may influence Metarock's clients to defer or cancel expenditure or lead to downward pricing pressure.

Some of the factors which may adversely impact the price of the New Securities include:

- general market conditions, including investor sentiment and share price volatility;
- general economic conditions including interest rates and exchange rates, changes to government fiscal, monetary or regulatory policies and settings;
- the demand for, and supply of, capital;
- changes in investor sentiment toward particular market sectors;
- acts of terrorism, natural disasters or other force majeure events; and
- changes in government regulation.

The equity markets have in the past and may in the future be subject to significant volatility. No assurance can be given that Metarock's offer of New Shares or New Options will trade at or above the Offer Price or Exercise Price. None of Metarock, its directors or any other person guarantees the performance of the Shares.

#### New options

The New Options may not be quoted on ASX (refer to Section 2.16 of the Prospectus for further details). If the New Options are not quoted on ASX there will be no secondary market for the New Options. This may adversely affect the option holder's ability to sell their New Options at a desired price, if at all.

## Key Risks (cont.)

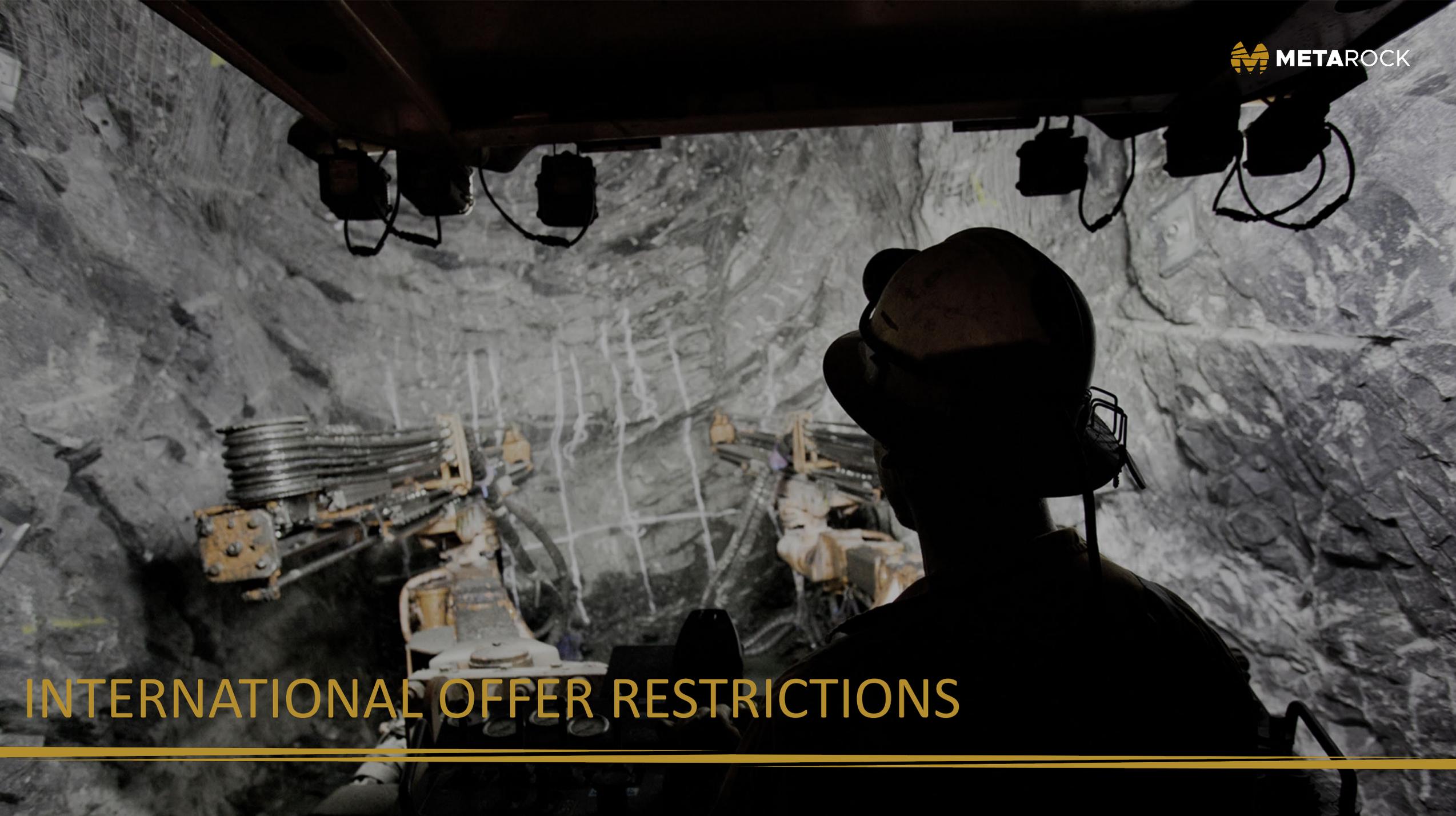
### General risks

<b>Risk of dilution</b>	Shareholders who do not take up their full Entitlement under the Entitlement Offer will have their percentage Shareholding in the Company diluted following the issue of New Shares under the Entitlement Offer and further diluted on the exercise of any New Options. Shareholders may also have their investment diluted by future capital raisings by Metarock.
<b>Dividends</b>	The payment of any future dividends will be at the discretion of the Metarock Board, and will depend (among other things) on the performance and financial circumstances of Metarock at the relevant time. There is no guarantee that dividends will be paid by Metarock.
<b>Taxation</b>	<p>Future changes in Australian, and international taxation laws, including changes in the interpretation or application of the law by the courts or taxation authorities in jurisdictions where Metarock operates, may affect taxation treatment of an investment in Metarock's Shares, or the holding and disposal of those Shares. Taxation laws and the interpretation of those laws in jurisdictions where Metarock operates may also impact the Metarock's future tax liabilities.</p> <p>Personal tax liabilities are the responsibility of each individual investor. Metarock is not responsible for tax or tax penalties incurred by investors.</p>
<b>Litigation Risk</b>	In the ordinary course of its business, Metarock may be subject to the risk of litigation and other disputes with its clients, employees, consultants, lessors, regulators and other third parties. Proceedings may result in high legal costs, adverse monetary judgements and/or damage to Metarock's reputation, which ultimately is likely to have an adverse effect on Metarock's financial performance.

# Key Risks (cont.)

## General risks

<b>Changes in accounting policy / standards</b>	Australian Accounting Standards ( <b>AAS</b> ) are set by the Australian Accounting Standards Board ( <b>AASB</b> ) and are outside the control of either Metarock or its Directors. The AASB may, from time to time, introduce new or refined AAS. This may affect the way that Metarock measures and recognises accounting items, which could have an adverse impact on the reported financial position of Metarock and may affect the comparability of results from year to year. There is also a risk that the interpretation of existing AAS may differ. Any changes to the AAS or to the interpretations of those standards may adversely affect Metarock’s reported financial performance and position.
<b>Impact of COVID-19</b>	The COVID-19 pandemic has to date created significant economic and social challenges in Australia and around the world. There is continued uncertainty in relation to the ongoing impacts of the pandemic which, to date, have included a general contraction in output, increased levels of unemployment and restrictions on movement. The Company will continue to closely monitor developments related to COVID-19 and is cognisant of its duty to responsibly manage and, where possible, mitigate the risks posed by the global pandemic.
<b>Regulatory risks</b>	Changes in legislative and administrative regimes which are not specifically noted above, interest rates, other legal and government policies, including in relation to environment laws and climate change in Australia and internationally and the COVID-19 pandemic may have an adverse effect on the assets, operations and ultimately the financial performance of Metarock and the market price of Shares.
<b>Combination of risks</b>	Metarock may be subject to a combination of risks, including any of the risks outlined in this "Key Risks" section which in aggregate could affect the financial performance, position, prospects and valuation of Metarock.

A person wearing a hard hat and safety gear is seen from behind, operating a piece of heavy machinery in a dark, rocky environment. The machinery is illuminated by several spotlights hanging from the ceiling. The background is a rough, textured rock face.

# INTERNATIONAL OFFER RESTRICTIONS

## International offer restrictions

This document does not constitute an offer of New Shares or New Options in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares and New Options may not be offered, sold or issued, in any country outside Australia except to the extent permitted below.

<b>New Zealand</b>	<p>The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. In addition, the Company is issuing the New Options to existing shareholders of the Company for no consideration.</p> <p>This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.</p>
<b>United States</b>	<p>This document has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction.</p> <p>The New Shares, the Options and the shares underlying the Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered, sold or issued in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.</p> <p>The New Shares and the Options will be offered and sold in the United States only to a limited number of Approved US Shareholders. Any such US shareholder must complete and return to the Company a US Investor Certificate that is available from the Company.</p>
<b>Other jurisdictions</b>	<p>It is not practicable for the Company to comply with the securities laws of all overseas jurisdictions in which Shareholders reside, having regard to the number of overseas Shareholders, the number and value of those Shares and Options which the overseas Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended, and the New Securities will not be issued, to any Shareholder with a registered address that is outside of Australia or New Zealand except for Approved US Shareholders. However, the Company may (in its absolute discretion) extend the Entitlement Offer to Shareholders with registered addresses outside Australia and New Zealand in accordance with applicable law.</p>



**METAROCK**

