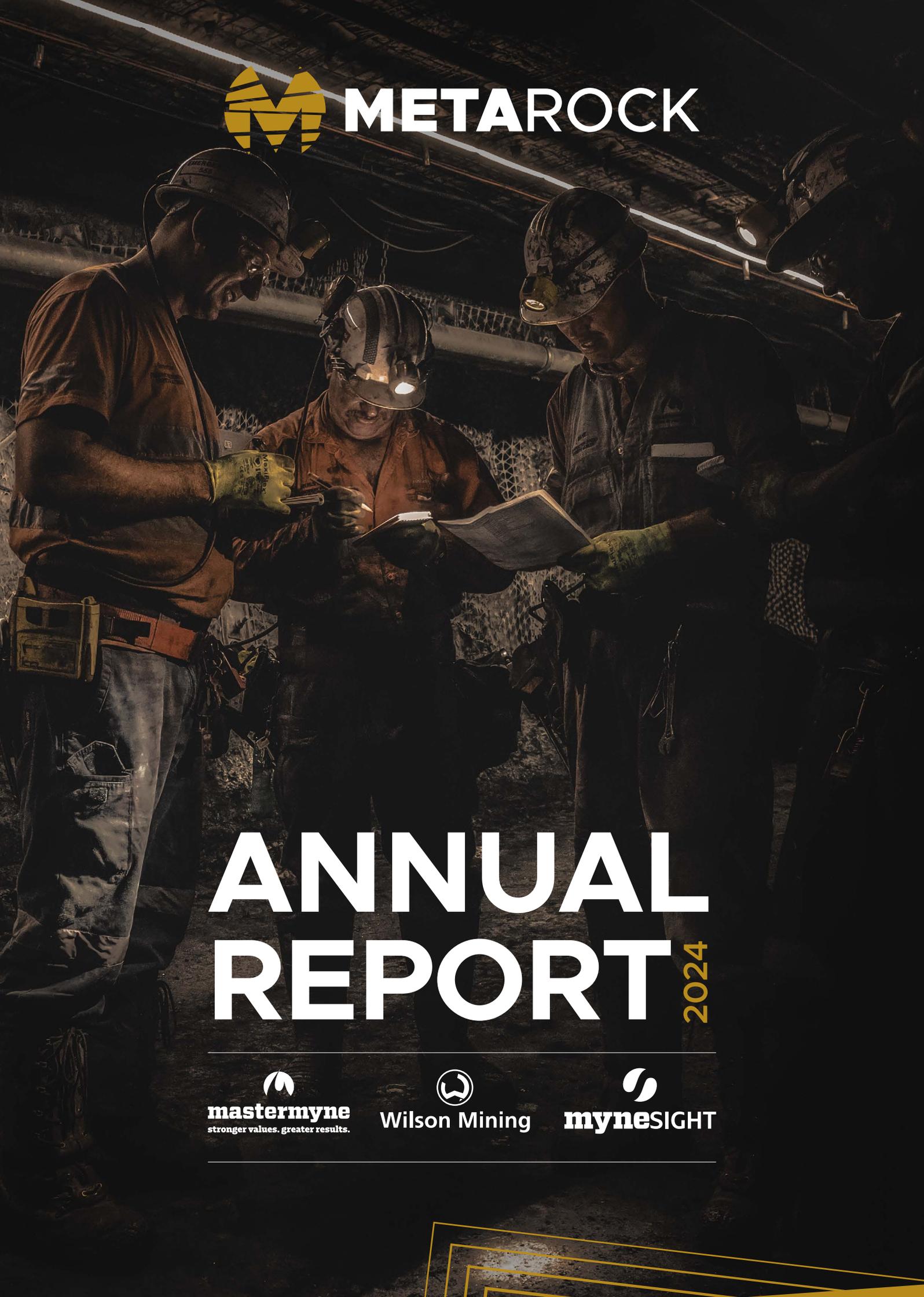




**METAROCK**



# ANNUAL REPORT **2024**



**mastermyne**  
stronger values. greater results.



**Wilson Mining**



**mynesight**





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# LETTER FROM INTERIM CHAIR AND MANAGING DIRECTOR

*WE ARE PLEASED TO REPORT TO SHAREHOLDERS THAT METAROCK REPORTED RECORD EARNINGS OF \$39.6 MILLION AND A NET CASH POSITION OF \$21.8 MILLION FOR THE FY2024 FINANCIAL YEAR, PROVIDING CLEAR EVIDENCE THAT THE TURNAROUND PLAN EXECUTED OVER THE 18 MONTHS FROM DECEMBER 2022 HAS BEEN SUCCESSFUL AND THAT THE COMPANY REFLECTS A STABLE, PROFITABLE BUSINESS.*

These results were achieved through providing a range of contracting services and products to Mastermyne's client portfolio, which includes a number of the largest asset owners in the coal sector globally, combined with the positive contribution made during the year by the PYBAR business. The sale of PYBAR in May 2024 represented the final stage of the turnaround plan, completing the Company's recapitalisation.

Metarock is now focused on the Mastermyne segment, which trades under three bands including Mastermyne underground mining related contracting services and products, Wilson Mining polymeric strata support products and services and MyneSight specialist resources industry training.

<b>Revenue from continuing operations:</b>	<b>\$294m</b>
<b>EBITDA<sup>1</sup> from continuing operations:</b>	<b>\$31.8m</b>
<b>Total comprehensive profit<sup>2</sup>:</b>	<b>\$39.6m</b>
<b>Net cash:</b>	<b>\$21.8m</b>
<b>Order book:</b>	<b>\$280m</b>
<b>TRIFR:</b>	<b>9.8</b>

1 - EBITDA: Earnings before net finance expenses, income tax expense/benefit, depreciation and amortisation

2 - Total Comprehensive Profit includes discontinued operations (PYBAR)

## SAFETY

*ELEVATING SAFETY PERFORMANCE' ('ESP') CONTINUES TO BE THE COMPANY'S HIGHEST PRIORITY PROJECT, FOCUSED ON AN INTEGRATED, HOLISTIC APPROACH TO SAFETY ACROSS ALL OPERATIONS.*

Our 2024 survey across all Mastermyne employees confirmed that our **'Keep Safe' core value is highly respected** and our TRIFR improved during the year, however, we still have work to do to achieve our goal of zero life changing incidents.

In addition to **continuous improvement of our systems**, training and reporting through, for example, enhanced on-the-job coaching and critical controls auditing, our ESP focus is building in relation to psychological **behavioural awareness and project leadership training**.

Finally, given Mastermyne invariably operates at each project within the bounds of our clients' site-specific workplace safety and health management systems, we seek to **pro-actively engage with our clients** in relation to any investigation outcomes, learnings and system improvements.

## PEOPLE

*PEOPLE AND CULTURE REMAIN AN IMPORTANT ASPECT OF MASTERMYNE'S FOCUS, AND SOME OF OUR COMPANY VALUES, INCLUDING "KEEP TOGETHER" AND "KEEP IT REAL", GO TO THE HEART OF WHAT MAKES THE COMPANY SUCCESSFUL.*

**THE GROUP ENDED THE YEAR WITH A COHORT OF CIRCA 880 PEOPLE, LOWER THAN THE PRIOR YEAR AS A CONSEQUENCE OF THE PYBAR DIVESTMENT.**

**Significant people statistics for the FY2024 financial year include:**

- > 712 offers of employment made across the group (including promotions and transfers) with a 93% success rate of acceptances – an impressive 25% of our new hires were referred by our own employees
- > Recruited teams for 3 new contracts – Narrabri gateroad development, Savage River and Rosebery
- > 5 projects were demobilised – Cook, Broadmeadow, Tahmoor, Integra and Cadia
- > 113 New to industry recruits ('cleanskins') were attracted and trained by Mastermyne and MyneSight, utilising underground simulation training facilities in Mackay and Wollongong as well as on-the-job coaching
- > 117 inexperienced people were trained and upskilled to intermediate and experienced levels of competency.

## FINANCIAL PERFORMANCE

*METAROCK'S FINANCIAL PERFORMANCE SHOWS A NOTABLE TURNAROUND FROM THE PRIOR YEAR.*

Whilst revenue from continuing operations (being the Mastermyne segment) of \$294 million benefited from underlying growth of 10%, the real impact was at the earnings level where EBITA from continuing operations of \$22.4 million was up \$43.5 million on the prior year and a Group record. Adding in the earnings from PYBAR and the gain on sale of that business, the total comprehensive profit for the Group was \$39.6 million, an improvement of \$113.7 million.

The positive earnings translated into strong underlying operating cashflow of \$39.7 million, which combined with the sale proceeds from PYBAR and non-core assets, was applied to debt reduction and working capital, generating a \$115.3 million improvement to land on a net cash position of \$21.8 million at the year end.

We have continued to apply a disciplined approach to capital expenditure and the divestment of PYBAR has eliminated a significant requirement looking forward.

The FY2024 financial performance and outcomes have enabled the Board to commence consideration of a capital management strategy going forward, and we expect to be in a position to communicate the outcome appropriately.

## STRATEGIC PRIORITIES

*HAVING CONCLUDED THE TURNAROUND PLAN AND GAINED A SOLID FOUNDATION FOR GROWTH, OUR ATTENTION IS NOW FULLY ON THE PATH FORWARD, WHICH IS ANCHORED AROUND OUR CORE CAPABILITIES.*

**Our main priority for FY2025 is to diversify and expand our portfolio of clients and projects to mitigate concentration risk. In support of this goal, we have developed a multi-faceted plan to drive competitive advantage and deliver enhanced results for our clients.**

Having developed a more integrated approach across the Mastermyne segment, we are seeking to fully understand clients' challenges and assist in their resolution. A good example of this is the ongoing development of our Wilson Mining range of strata binding and fault consolidation products, where we have taken clients' feedback and applied innovation to deliver benefits both in terms of their chemical properties and methods of application. We are also seeing strong interest in our remote sealing pre-installation system for mine entries and longwall panel sealing applications using Wilson Mining's Rocsil product.

In terms of growth, we are seeing a number of opportunities, both organic and M&A, in our core sector and adjacent activities, enhanced now with the benefit of Metarock's majority shareholder's extensive network.



## GOVERNANCE

The Company completed a refresh of the Board of Directors during the reporting period with the addition of an independent non-executive director, Peter Barker, with extensive finance and listed markets experience, and an experienced operational manager, Jon Romcke, as Executive Chair. Jon departed the Company in October 2024 following the finalisation of the PYBAR divestment. Jeff Whiteman also joined the Board during the year upon his transition from Interim CEO to the role of Managing Director & CEO.

## SUSTAINABILITY

The Company has been through a process to detail and embed the learnings from the challenges encountered in recent times. Looking ahead, we are developing an environmental roadmap integrated with our risk management process and have already commenced refreshing investment in our people and brands post turnaround.

## OUTLOOK

### *METAROCK IS WELL POSITIONED HEADING INTO FY2025.*

We have a clear strategy, a highly experienced and professional workforce committed to the organisation, a portfolio of performing projects, good forward visibility of client demand for services underpinned by new and expanding mine activity and a solid financial position.

We hold the view that metallurgical coal will remain a key input of the steel making process for the foreseeable future, with thermal coal continuing to maintain relevance for some while to come as an important part of the energy transition.

Our prudent balance sheet positions us well to manage our way through external challenges, such as the recent Grosvenor ignition event, which resulted post year end in the loss of approximately 140 Mastermyne roles at that project, and the current prosecutions relating to legacy safety incidents.

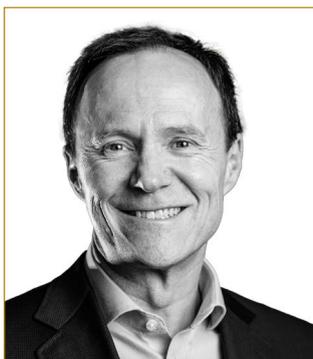
**Our order book of \$280 million includes the following recent awards:**

- > Two year extension to 2026 of our cut & flit development production contract at Whitehaven's Narrabri mine in NSW, based on Mastermyne's performance project to date
- > Five year contract to provide fault consolidation services in support of Anglo American's three longwall mines in Queensland, replacing the prior contract ending June 2024

Beyond the above, we estimate the opportunity pipeline that we are pursuing in the underground coal sector to be approximately \$1.4 billion.

Special praise is reserved for our employees at the coal face, and in support functions across the Group, as they have worked tirelessly to maintain a high level of service and safety, assisting our clients in being successful and, as a consequence, Metarock to be successful.

### *FINALLY, WE THANK OUR CLIENTS AND SHAREHOLDERS FOR THEIR ONGOING SUPPORT.*



**Peter Barker**  
Interim Chair &  
Non-Executive Director



**Jeff Whiteman**  
Managing Director & CEO

# BUSINESS UNITS

*PROVEN EXPERTISE ACROSS  
THE UNDERGROUND COAL MINING  
VALUE CHAIN UTILISING THREE  
WELL RECOGNISED BRANDS*



**Mastermyne's specialist  
underground mining capabilities**

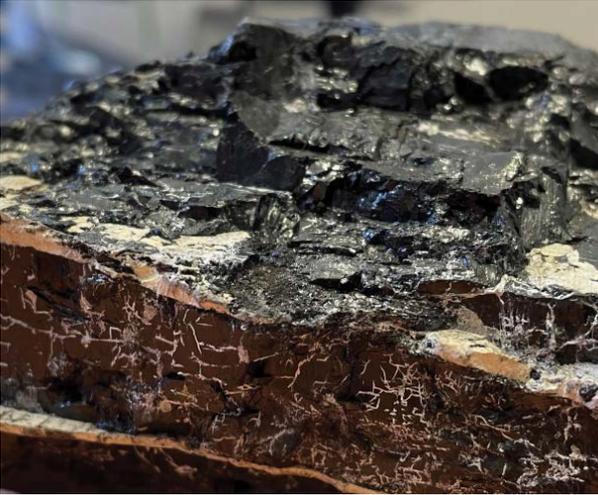
## **Coal Mine Services:**

- > Mine development including drift drivage
- > In-place roadway development production
- > Cut and Flit Production
- > Mine support services, such as: ventilation, conveyor installation, longwall relocations and outbye services
- > Production and ancillary equipment hire and maintenance
- > Supply of specialist products & consumables

## **Design and Engineering:**

- > New mine studies from Concept through to Feasibility
- > Mine optimisation
- > Technical services

- > **Market leading**, specialist polymeric products and services
- > **Secondary support** and mine emergency sealing solutions
- > **Cavity fill** and resin injection strata consolidation



## myneSIGHT

- > **Leading specialist training organisation** delivering accredited and non-accredited training and educational solutions for the Mining, Heavy Industry, Construction, Rail and Port sectors
- > **Specialised training** focused on competencies, qualifications, statutory positions and compliance, in addition to tailored 'cleanskin' programs and Trainee / Apprenticeship management

- > **Onsite Training Department** management and Training System instructional design



# FY2024 HIGHLIGHTS

## TURNAROUND PLAN SUCCESSFULLY CONCLUDED IN FY2024

RECORD PROFIT AND RETURN TO NET CASH WITH FORWARD FOCUS ON SUSTAINABLE GROWTH OF CORE BUSINESS



Successful conclusion of the group's turnaround plan delivering a record profit of \$39.6m



The combination of the return to well performing, profitable operations, the sale of PYBAR on 31 May 2024, based on an enterprise value of \$65m, and material idle asset sales delivered a net cash position of \$21.8m



Turnaround plan milestones achieved since December 2022 include exit from legacy lossmaking/underperforming contracts, divestment of non-core assets, lower overheads and a \$25m strategic equity investment from M Resources



Post period end, a new \$30m debtor finance facility was established with Scottish Pacific, replacing Westpac's facility

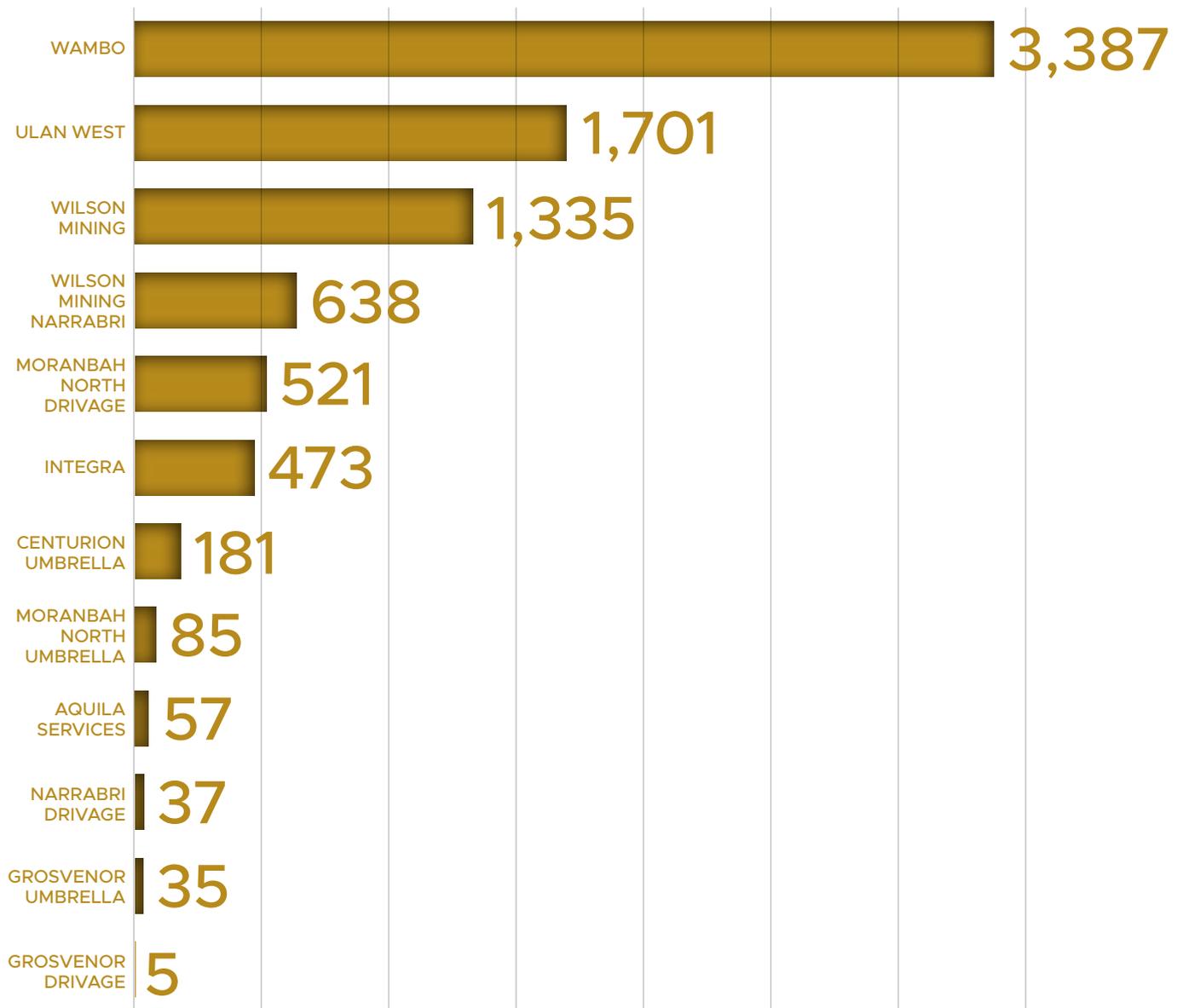


Ongoing core business, operating through the Mastermyne, Wilson Mining and MyneSight brands, performed well and have developed a robust order book of \$280m and pipeline of \$1.4bn

# SAFETY

SERIOUS ACCIDENT FREQUENCY RATE 2.9.  
TOTAL RECORDABLE INJURY FREQUENCY RATE 9.8.

DAYS RI (RECORDABLE INJURY) FREE (AS AT 30 JUNE 2024).



## SAI STANDARDS

**SAI GLOBAL COMPLETED THE ANNUAL MASTERMYNE INTEGRATED MANAGEMENT SYSTEM AUDIT, WITH THE FOLLOWING KEY OUTCOMES:**

- > Certification Renewal: Mastermyne compliance with ISO 9001, ISO 14001, and ISO 45001 was confirmed, leading to a recommendation for ongoing certification.
- > MyneSight Certification: MyneSight successfully achieved certification and was incorporated into the overall certification scope.

# PEOPLE

KEY STATS:

TOTAL WORKFORCE

881  
FY21

1962  
FY22

1424  
FY23

882  
FY24

LEARNING & DEVELOPMENT

16

Employees undertaking an apprenticeship

4

Completing Cert IV in Engineering

39

Supervisors completed Performance Discussion Role Play Training

114

Completing Cert II in Underground Coal Mining

63

Attended leadership and networking programs

10

Employees sponsored for Higher Education Programs

25

Leaders completed HR Essential Training and Improve through Feedback Training

12

Completed Cert IV in Leadership and Management

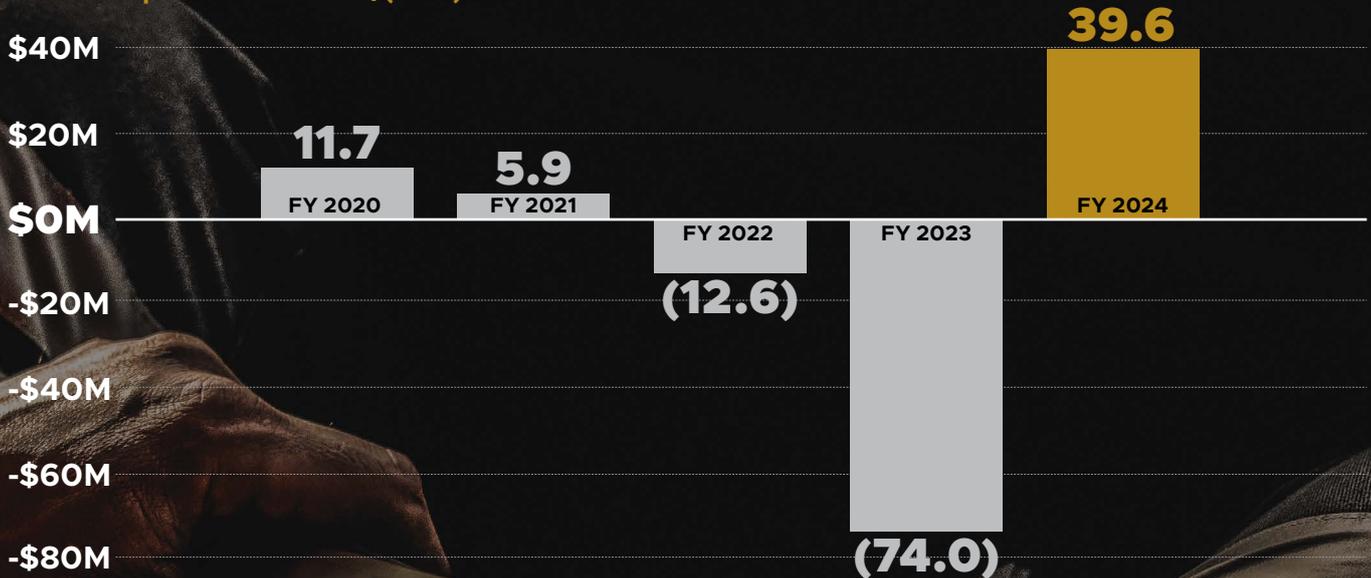
70/20/10

Still boosting capabilities and embedded in Dashboards

# FINANCIAL

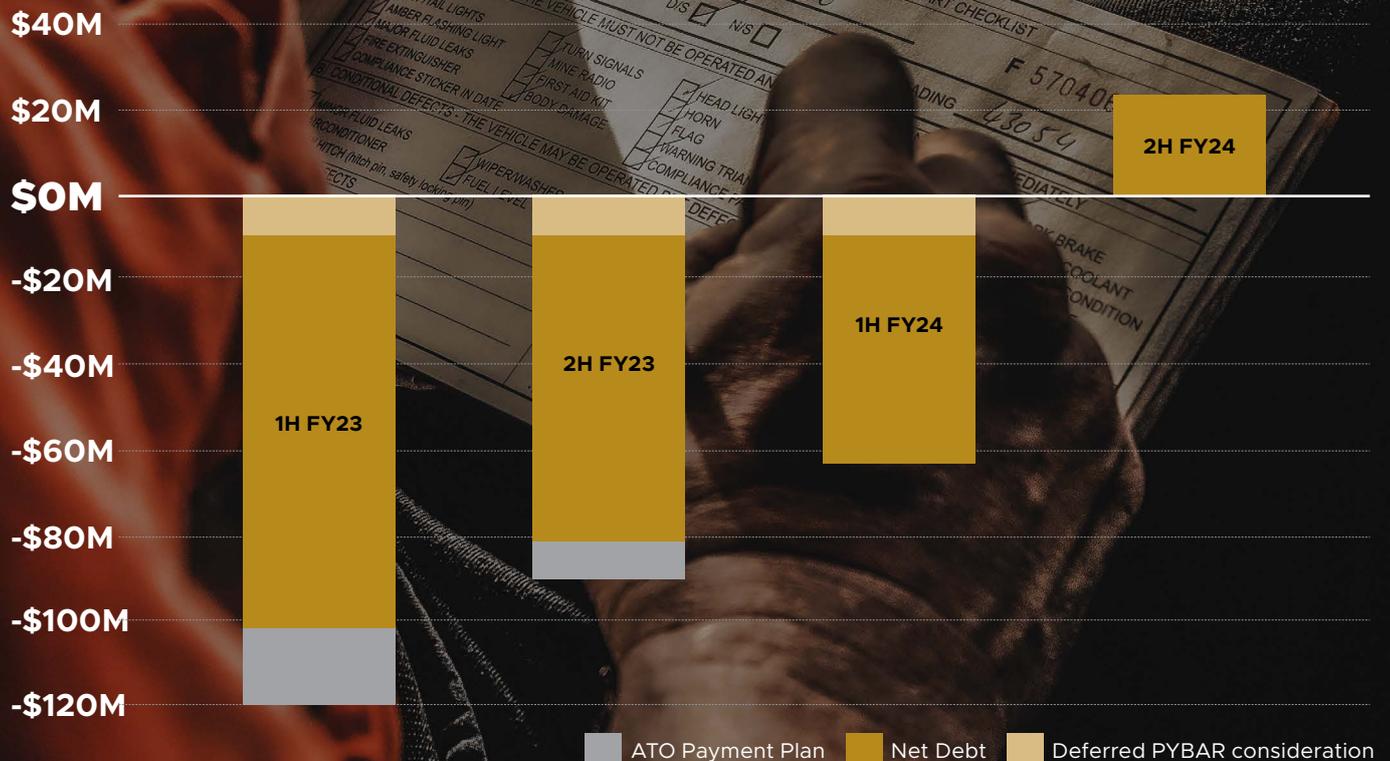
Record earnings underpinned by focus on profitable core business and successful PYBAR sale process

## Total Comprehensive Profit/(Loss)



Substantial debt reduction completes the recapitalisation commenced in FY2023 which included \$25m strategic equity investment by M Resources

## Net Cash/(Debt)



Net cash of \$21.8m<sup>1</sup> at 30 June 2024, an improvement of \$115.3m on PCP total net debt<sup>2</sup>, building on the progress achieved in 2H FY2023

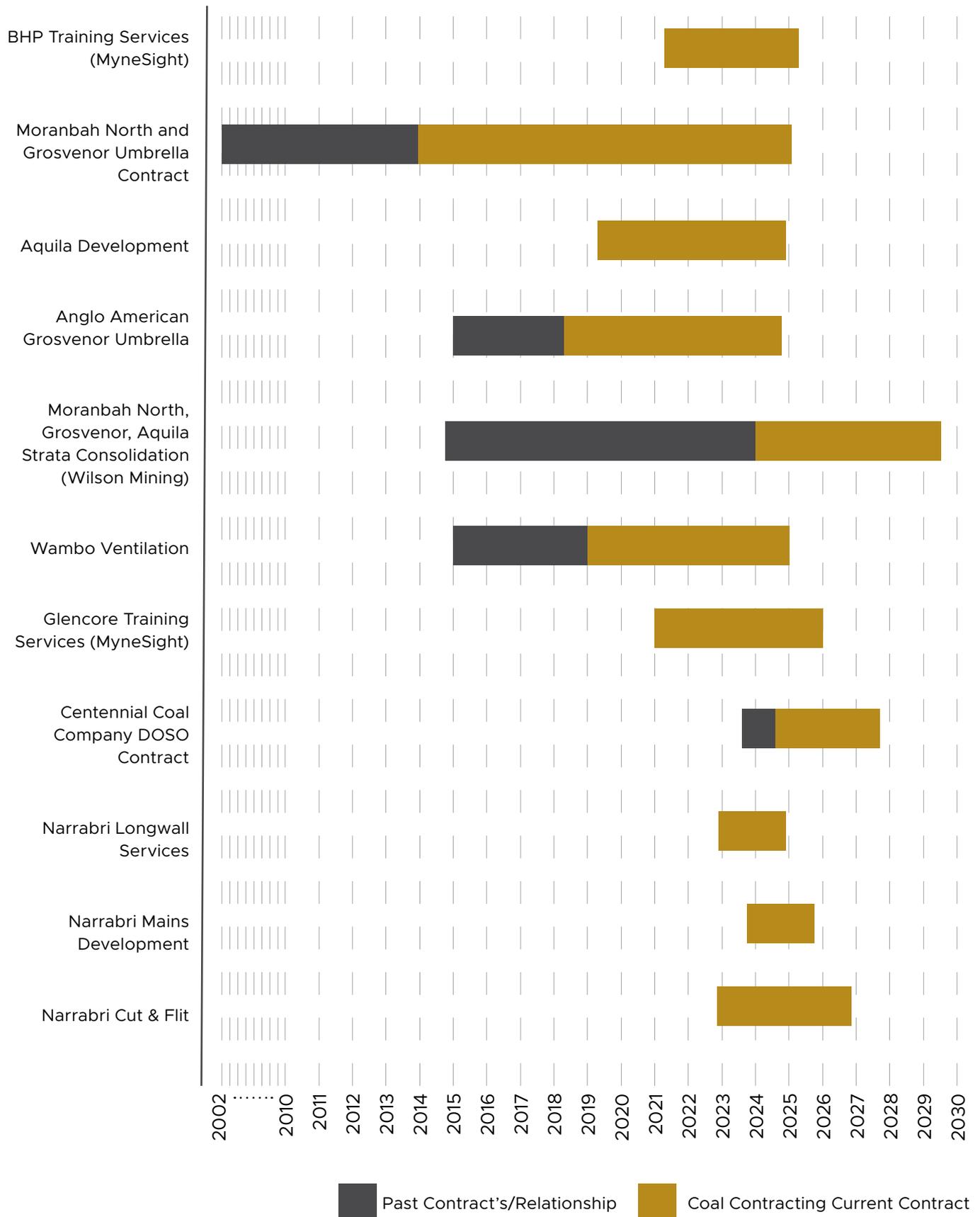
Debt reduction achieved through solid improvement in operating cash flow in addition to asset sales

1- Excluding leases

2. FY2023 total net debt comprised net debt of \$73.7m (excluding leases), ATO payment plan \$10.9m and deferred PYBAR consideration \$8.9m

# ORDER BOOK

## BOOKED REVENUE TENURE





# CORPORATE OVERVIEW

BOARD OF DIRECTORS FY2024



## Peter Barker

Interim Chair  
& Non-Executive  
Director

**Peter Barker is an experienced Non-executive Director and senior executive. He has 14 years' experience as a Chief Financial Officer for large ASX listed entities including Computershare Ltd and Cardno Ltd and was instrumental in the turnaround and ultimate sale of the latter. Prior to this he held senior financial leadership positions with global corporations including BHP and Cisco Systems.**

Peter is currently a Non-Executive Director of Downer EDI Limited and Workpac Group.

He brings extensive governance, finance and risk management skills to the Board. Mr Barker holds a Bachelor of Commerce, an MBA, is a Graduate of the Wharton Advanced Management Program, a Fellow of CPA Australia, and a Graduate of the Australian Institute of Company Directors.



## Jeffrey Whiteman

Managing Director  
& CEO

**Jeffrey Whiteman joined the Company in November 2022 as Chief Financial Officer and was appointed Interim Chief Executive Officer in June 2023. On 5 February 2024, he was appointed Chief Executive Officer and Managing Director.**

Jeff is a senior executive with extensive experience in civil contracting and contract mining, strategic planning, mergers and acquisitions and capital structuring. Mr Whiteman has previously been Executive General Manager of the largest drill and blast contractor in Australia, CFO of a large Queensland based civil and mining contractor and CFO of an ASX200 agribusiness.

Prior to transitioning into the corporate sector, Jeff built deep corporate finance and M&A skills with PwC and was the Queensland State Head for a large mid-market private equity business. Qualifications: B Eng (Civil Engineering) (Hons); FCA; Corporate Financier; GAICD.



## Andrew Watts

Non-Executive Director

**Together with Darren Hamblin, Andrew co-founded Mastermyne in 1996. They saw an opportunity and together built a team to share in it; quickly developing a reputation as a business that people liked to work for and stakeholders wanted to deal with.**

Coming from a dairy farming background and with a trade under his belt, Andrew was never shy of hard work. He was responsible for all aspects of Mastermyne's operations until 2005. Straight as a die and staunchly devoted to his family at home and at work, the foundation values Andrew and Darren instilled all those years ago still hold true in the business today.

After playing an important role in the companies listing in 2010, Andrew stepped away from his Executive Director responsibilities into a Non-Executive role in 2013. Andrew brings to the Board a shrewd contracting mindset and he remains very passionate about the business and the people in it.



## Murray Smith

Non-Executive Director

**Murray holds a Bachelor's degree in Agricultural Economics, a Graduate Diploma in Applied Finance and Investment and a RG146 Qualification in Superannuation. Murray is also a Graduate of the Australian Institute of Company Directors.**

He is a highly experienced business executive with over 30 years of experience in senior executive and board roles across the resources, financial services, government administration and childcare services industries and brings a wealth of expertise in board strategy and risk and financial governance, enabling companies to define and execute value.

Murray also brings significant senior executive experience across the resources and financial sector having worked for large ASX listed companies (including BHP, Aurizon, Leighton Holdings subsidiary Thiess and Suncorp), with a focus on group strategy, M&A and P&L accountabilities.

**Corporate Governance Statement:** The Metarock Group Limited Corporate Governance Statement for the financial year ended 30 June 2024 can be found on the Company's website at: <https://www.metarock.com.au/company-profile/corporate-governance/>.



# METAROCK GROUP LIMITED AND ITS CONTROLLED ENTITIES

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## Metarock Group Limited Directors' Report 30 June 2024

The Directors present their report together with the financial report of Metarock Group Limited (ASX Code: MYE) ("Metarock" or "the Company") and of the Group, being the Company and its subsidiaries, for the financial year ended 30 June 2024 and the auditor's reports thereon.

### Directors and company secretary

The following persons were Directors of Metarock Group Limited during the whole or part of the financial year and up to the date of this report:

#### 1 Current Directors

##### **Jon Romcke** *Executive Chair*

Mr Romcke was appointed as a Director and Executive Chair of the Company on 6 September 2023.

Mr Romcke has over 40 years of experience in the mining industry with roles including Miner, Undermanager, Technical Services Mining Engineer, Deputy Mine Manager, Mine Manager, General Manager, Project Director, Managing Director and CEO within the coal and iron ore industries. Jon worked overseas for periods with responsibilities within the global mining industry working in Mauritania, Republic of Congo, Switzerland, and Colorado USA.

Mr Romcke is a member of the Institute of Engineers Australia, the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Qualifications: B Eng (Mining) (Hons); Coal Mine Manager (QLD & NSW); GAICD

Mr Romcke held the following directorships of listed companies in the three years immediately before the end of the financial year:

- Executive Director and CEO, Allegiance Coal Limited (4 March 2022 to 22 February 2023)

##### **Jeffrey Whiteman** *CEO & Managing Director*

Mr Whiteman joined the Company in November 2022 as Chief Financial Officer and was appointed Interim Chief Executive Officer in June 2023. On 5 February 2024, Mr Whiteman was appointed Chief Executive Officer and Managing Director.

Mr Whiteman is a senior executive with extensive experience in civil contracting and contract mining, strategic planning, mergers and acquisitions and capital structuring. Mr Whiteman has previously been Executive General Manager of the largest drill and blast contractor in Australia, CFO of a large Queensland based civil and mining contractor and CFO of an ASX200 agribusiness. Prior to transitioning into the corporate sector, Mr Whiteman built deep corporate finance and M&A skills with PwC and was the Queensland State Head for a large mid-market private equity business.

Qualifications: B Eng (Civil Engineering) (Hons); FCA; Corporate Financier; GAICD

Mr Whiteman did not hold any directorships of other listed companies in the three years immediately before the end of the financial year.

##### **Andrew Watts** *Non-Executive Director*

Mr Watts was appointed as a Director of the Company on 10 March 2010.

Mr Watts has been involved in contracting within the mining industry since 1994 and co-founded Mastermyne in 1996. He was responsible for all aspects of Mastermyne's business and operations until 2005. Mr Watts relocated to Sydney in 2010 to focus on the New South Wales market and maintains a close relationship with the Company and its employees.

Mr Watts did not hold any directorships of other listed companies in the three years immediately before the end of the financial year.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**1 Current Directors (continued)**

**Peter Barker**  
*Non-Executive Director*

Mr Barker was appointed as a Director of the Company on 6 September 2023.

Mr Barker has an extensive track record as a CFO for large ASX listed entities including Computershare and Cardno and was instrumental in the turnaround and ultimate sale of the latter.

Mr Barker currently serves as a Non-Executive Director for Workpac Group and Downer EDI Limited and brings extensive governance, finance and risk management skills to the Board.

Qualifications: BComm, MBA, FCPA, GAICD

Mr Barker did not hold any directorships of listed companies in the three years immediately before the end of the financial year, but has held the following directorship subsequent to the year-end:

- Non-Executive Director, Downer EDI Limited (appointed 1 July 2024)

**Murray Smith**  
*Non-Executive Director*

Mr Smith was appointed as a Director and Acting Chair of the Company on 22 May 2023. He relinquished the Acting Chair role on 6 September 2023.

Mr Smith is a highly experienced business executive with over 30 years of experience in senior executive and board roles across the resources, financial services, government administration and childcare services industries, including prior roles with M Resources, BHP, Aurizon, Thiess and Suncorp.

Mr Smith has served as a Director of multiple Australian Prudential and Regulatory Authority (APRA) governed personal insurance companies (RAAI, RACTI, RACWA), the New Zealand based AA Insurance, large community sporting bodies (Rugby League Brisbane) and community-based not-for-profit organisations (Jabiru Child Care and Community Services). He is also a Graduate of the Australian Institute of Company Directors.

Qualifications: BSc (Agricultural Economics), Graduate Diploma of Applied Finance and Investment, GAICD

Mr Smith did not hold any directorships of other listed companies in the three years immediately before the end of the financial year.

**2 Former Directors**

**Paul Rouse**  
*Non-Executive Director*

Mr Rouse was appointed as a Director of the Company on 10 November 2021 and resigned on 6 September 2023.

Mr Rouse was the founder of PYBAR.

**3 Company Secretary**

Andrew Ritter was appointed Company Secretary of the Company on 7 October 2022.

Mr Ritter is a Chartered Company Secretary and Fellow of the Chartered Governance Institute with 25 years experience. Mr Ritter is currently the Company Secretary of ASX listed Galilee Energy Limited and Dotz Nano Limited.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**4 Meetings of Directors**

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Board meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
	A	B	A	B	A	B
Mr. J Romcke	18	18	N/A	N/A	N/A	N/A
Mr. J Whiteman	9	9	N/A	N/A	N/A	N/A
Mr. M Smith	25	25	6	6	4	4
Mr. A Watts	25	25	6	6	4	4
Mr. P Barker	18	18	4	4	3	3
Mr. P Rouse	6	7	1	2	1	1

A= Number of meetings attended

B= Number of meetings held during the time the Director held office or was a member of the committee during the year

The Audit & Risk Committee comprises Mr Barker (Chair), Mr Smith and Mr Watts.

The Remuneration & Nomination Committee comprises Mr Smith (Chair), Mr Barker and Mr Watts.

**5 Operating and financial review**

Results

*Overview*

Metarock Group Limited (ASX Code: MYE) ("Metarock" or "the Company") recorded a significant recovery in earnings and financial position during the year ended 30 June 2024, despite the first half being materially impacted by the exit from the Cook project. The company-wide turnaround plan, which included refocusing on the Company's core operations, cost reductions, debt reduction through sale of non-core assets and recapitalisation of the balance sheet, commenced in December 2022 and came to a successful conclusion with the sale of PYBAR on 31 May 2024. This transaction, combined with positive cash flow achieved through the operational performance of the continuing Mastermyne business, delivered a record profit and a return to a net cash position at the year-end.

The FY2024 statutory comprehensive profit after tax achieved was \$39,643,000 (FY2023: net loss after tax of \$74,011,000). The net cash position, excluding leases, at 30 June 2024 was \$21,799,000 (FY2023: net debt excluding leases of \$73,706,000).

*Financial Performance*

The Group's revenue from continuing operations in FY2024 fell to \$294,139,000 from \$326,787,000 in FY2023 due to the exit from the whole of mine division in August 2023, partially offset by underlying growth in the continuing business.

The table below outlines the statutory results for FY2024 compared to FY2023, noting that the contribution from the PYBAR business, sold in May 2024, and the associated profit on sale is reflected in Profit/(loss) from discontinued operations. Refer to note 31 for details on the discontinued operations.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**5 Operating and financial review (continued)**

Results (continued)

Overview (continued)

	FY2024 \$'000	FY2023 \$'000	Movement \$'000
Revenue	294,139	326,787	(32,648)
Other income	4,737	4,207	530
EBITDA*	31,762	(10,694)	42,456
Depreciation	(9,403)	(10,473)	1,070
EBITA*	22,359	(21,167)	43,526
Amortisation	(156)	(242)	86
Net finance costs	(4,457)	(6,021)	1,564
Profit/(loss) before tax	17,746	(27,430)	45,176
Income tax (expense)/benefit	3,466	(3,870)	7,336
Net profit/(loss) after tax from continuing operations	21,212	(31,300)	52,512
Profit/(loss) from discontinued operations	18,431	(42,711)	61,142
<b>Total comprehensive profit/(loss) for the period</b>	<b>39,643</b>	<b>(74,011)</b>	<b>113,654</b>

*Non-IFRS Measurements*

\* EBITDA refers to Profit/(loss) before Net Finance Expenses, Income Tax Expense/Benefit, Depreciation and Amortisation

\* EBITA refers to Profit/(loss) before Net Finance Expenses, Income Tax Expense/Benefit and Amortisation

*Reportable segments*

Metarock was comprised of two reportable segments, Mastermyne and PYBAR in the prior year. However, with the sale of PYBAR, Mastermyne is now the sole reportable segment.

*Continuing operations - Mastermyne*

Mastermyne's principal activities include contracting services, such as mine development, mine production and mine support services, together with supply and installation of polymeric strata control products, training services and supply of products and consumables. The business operates under three brands, Mastermyne, Wilson Mining and MyneSight.

The division continued to see robust revenues underpinned by favourable coal prices and Mastermyne's proven capabilities and competitive productivity outcomes, including at its three Anglo American projects in Queensland (Moranbah North, Aquila and Grosvenor mines) and its Whitehaven project at Narrabri mine, NSW. Revenues of \$294,139,000 were \$32,648,000 lower than the prior year with underlying growth of approximately \$27,000,000 offset by a \$60,000,000 reduction in revenue as a consequence of the cessation of the legacy onerous Cook contract. Mastermyne's cashflow was significantly impacted in the first half, in the order of \$11,500,000, by the exit from the Cook project, although the associated profit impact was not material in FY2024 given appropriate provisioning as an onerous contract taken up at 30 June 2023.

The division's margins were supported by strong demand for Wilson Mining's polymeric strata support products and services. Recruitment and retention of the projects' workforce remained a key challenge given strong competition although Mastermyne has well developed strategies to manage this risk.

*Discontinued operations - PYBAR*

The PYBAR results for FY2024 prior to its divestment on 31 May 2024 reflected strong operational performance at its Carrapateena, Eloise and Rosebery projects, supplemented by the Maxwell project from July 2023 and the Savage River project from January 2024. PYBAR's two longstanding development projects, Black Rock and Dargues, performed well during the period but are scheduled to come to an end early in the FY2025 as both mines reach the end of their operating lives.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**5 Operating and financial review (continued)**

Results (continued)

*Balance Sheet and Cash Flows*

The total assets of Metarock at 30 June 2024 were \$117,949,000, a reduction of \$109,006,000 compared to the prior year. The decrease was predominantly due to the sale of PYBAR and asset sales (with sale proceeds mainly applied to repayment of borrowings).

The net assets of the Group at 30 June 2024 were \$73,577,000, an increase of \$40,822,000 compared to the prior year, achieved through operating profits and the gain on sale of PYBAR.

With the cessation of the whole of mine projects and consequential sale of the associated plant and equipment, rebuild and maintenance requirements were materially lessened, enabling the Group to reduce its capital expenditure during FY2024 to \$4,218,000, compared to \$29,752,000 in FY2023.

Debt reduction has remained a priority for the Group during FY2024 resulting in net cash, excluding leases, at 30 June 2024 of \$21,799,000 compared to net debt, excluding leases, of \$73,706,000 at 30 June 2023, a turnaround of \$95,505,000 which has been funded from strong operating cashflow, asset sales and the PYBAR sale proceeds. In addition, the remaining deferred consideration for PYBAR was fully repaid in the year.

On 22 July 2024, the Group executed an agreement to replace its Westpac invoice finance facility with a new facility from Scottish Pacific Business Finance Pty Ltd. This facility has a limit of \$30,000,000 with a minimum term of two years. A further \$5,000,000 equipment finance facility has been approved by Scottish Pacific Business Finance Pty Ltd, subject to documentation.

*Outlook*

With a recapitalised balance sheet, new working capital lender relationship and a portfolio of well-performing, profitable contracts, the Company is stable and well positioned as it enters FY2025.

The Company currently has an order book of \$280,455,000 (FY2023: \$269,000,000).

With the turnaround now complete, the primary goal for FY2025 is to diversify and expand Mastermyne's client base. The importance of this strategy has been highlighted by the expectation that revenues from Mastermyne's longstanding client, Anglo American, will reduce in the year as a consequence of an underground fire at the Grosvenor Mine, which started on 29 June 2024. This has resulted in the loss of approximately 140 Mastermyne roles at Grosvenor, of which 61 were able to be redeployed. Metarock notes that the client is working with its own permanent Grosvenor Mine workforce to offer redeployment opportunities to its other Bowen Basin operations. Metarock anticipates that this may have an adverse impact on Mastermyne's manning levels at these operations. However, the quantum and timing of these potential impacts is not known at this time.

Whilst there are some external challenges to navigate, as noted above, which are likely to have downward pressure on revenues, the Company is actively targeting a number of significant opportunities within its core capabilities, including some apparent in the market and others through M Resources' network, which could maintain or grow activity levels during the year.

*Material business risks*

Managing risk is a core capability for the Company and the success with which risk is managed directly impacts its future financial performance. As with any business, there are a range of general risks, such as economic business conditions, and specific risks which may impact. The material specific risks identified as being focal points for the Company's risk management strategy are set out below:

- Health and safety outcomes - Metarock is acutely aware of its responsibilities in relation to the health and safety of its workforce, including addressing psychosocial hazards. The Group's goal is to achieve zero life changing incidents. Whilst the Group has a strong safety culture and well-established safety systems, including a specific focus on critical risk management, the Group is continuing to pursue 'Elevating Safety Performance' as a multi-faceted, priority project to further address this key risk.

## 5 Operating and financial review (continued)

### Results (continued)

#### *Material business risks (continued)*

- **Market risk** - Metarock's financial opportunity and performance is subject to the level of activity in the resources market and particularly in the coal sector. Various factors can impact on the level of market risk including commodity prices, macroeconomic conditions, exchange rates and government policy. Metarock seeks to mitigate this risk through a diversified project portfolio, offering a broad range of integrated products and services, closely monitoring market conditions and understanding likely client responses to changing conditions.
- **Loss of customer contracts / Reduced scope of works** - Metarock's revenue and profitability may be impacted by the reduction in scope of work in a contract or the cancellation of a contract. Metarock seeks to mitigate this risk through quality control of its project based activities, together with pro-active interaction with its clients to understand their key drivers and issues and seeking to work collaboratively with them to address issues where possible. The risk is also managed at the pre-contracts stage by working to develop a deep understanding of the client and project risks prior to entering a contract.
- **Legislative changes** - Metarock's financial performance may be directly impacted by legislative changes and/or changes in the application of legislation, for example, in regard to industrial relations legislation. Metarock seeks to mitigate this risk through closely monitoring government proposals, debate and outcomes in relation to relevant legislative areas, addressing any potential upcoming challenges in its strategic planning process and working with its clients to address issues as they emerge.
- **Access to labour and equipment** - Metarock's ability to deliver on a contract may be impacted by a failure to attract the required resources, such as skilled labour and specialist equipment. Metarock employs a comprehensive range of people strategies to attract and retain employees, in addition to maintaining an extensive database of former employees and contractors. The Group maintains an extensive network of equipment suppliers and maintenance providers.
- **Critical supply chain** - Metarock's financial performance could be impacted by a failure in the supply chain for critical products, predominantly, polymeric products sourced from overseas. Metarock has an exclusive supply agreement with the manufacturer of its polymeric products, which sets out minimum in-country inventory levels to be maintained by the Company and the supplier. In addition, the Company works closely with the manufacturer in relation to product usage forecasts.
- **Key personnel** - Metarock's revenue and profitability could deteriorate in the event of key personnel leaving the Company or otherwise being unavailable for a long period of time. Metarock seeks to mitigate this risk through active staff engagement, competitive remuneration and employment arrangements and continuing work in relation to succession planning for key roles.
- **Financial** - Metarock's financial position could be adversely affected by counterparty risk and/or contractual disputes, restricting its ability to meet financial obligations as they fall due and/or pursue growth initiatives. Additionally, the Company could be exposed to risk through inability to place adequate insurance coverage. Metarock seeks to mitigate this risk through monitoring and proactive management of working capital and cash flows (including capital expenditure), together with disciplined budgetary and capital allocation processes. In regard to insurance coverage, the Company maintains a strong relationship and communication channels with its broker and insurers.
- **Climate related risks** - Metarock's financial performance could be impacted by a reduction in demand for its products and services if investment and activity levels in its primary industry sector, being the coal sector, deteriorate due to the climate/GHG risk related actions. Metarock seeks to mitigate this risk through incorporating consideration of climate/GHG related risk in its strategic planning and risk management processes.
- **Business interruption and cyber-security** - Metarock relies on its information technology systems and networks to undertake its activities and hence is exposed to cyber-security attacks. Metarock seeks to mitigate this risk through appropriate investment in its information technology systems and personnel, in addition to choosing to work with reputable technology partners to employ and maintain appropriate security protections. The risk management process includes planning for business continuity and disaster recovery responses.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited)**

The Directors present the Metarock Group Limited 2024 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

**(a) Principles of remuneration**

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company and the Group, including Directors of the Company and other executives. Key management personnel comprise the Directors and executives of the Company listed below. All key management personnel held the position from 1 July 2023, unless otherwise stated.

<b>Name</b>	<b>Position</b>	<b>Movement</b>
<b>Non-Executive and Executive Directors</b>		
Mr. J Romcke	Executive Chair	Appointed 6 September 2023
Mr. A Watts	Non-Executive Director	
Mr. M Smith	Acting Chair	Ceased 6 September 2023
	Non-Executive Director	
Mr. P Barker	Non-Executive Director	Appointed 6 September 2023
Mr. P Rouse	Non-Executive Director	Ceased 6 September 2023
Mr. J Whiteman	Acting Chief Executive Officer Metarock	Ceased 4 February 2024
	Managing Director & Chief Executive Officer	Appointed 5 February 2024
<b>Other Executives</b>		
Mr. W Price	Executive General Manager Mastermyne	
Mr. J Glover	Chief Executive Officer PYBAR	Ceased 31 May 2024

*Remuneration policy*

Compensation levels for Key Management Personnel (KMP) of the Group are competitively set to attract, retain and motivate appropriately qualified and experienced Directors and Executives. The Remuneration and Nomination Committee (RNC) obtains independent data on the appropriateness of remuneration packages of the Group given trends in comparative companies and sectors both locally and nationally, and the objectives of the Company's compensation strategy.

The remuneration structures of the Group are designed to attract and reward suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures consist of both a fixed and variable component designed around KPIs aligned with the short and long-term strategic objectives of the Group. Remuneration structures reflect:

- the capability and experience of key management personnel;
- the key management personnel's ability to control the relevant performance; and
- the recognition of the key management personnel's contribution to the Group's performance.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

**(a) Principles of remuneration (continued)**

In addition to their salaries, the Group also provides non-cash benefits to its KMP and contributes to a post-employment defined contribution superannuation plan on their behalf. Remuneration of KMP is reviewed by the RNC annually to ensure it remains aligned to business needs and meets our remuneration principles.

*Fixed remuneration*

Fixed remuneration consists of base compensation (which is calculated on total cost basis and includes any fringe benefit tax charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds. Executives may receive their fixed remuneration as cash, or a combination of cash with non-monetary benefits (for example, a motor vehicle).

Fixed remuneration is reviewed annually, or on promotion, by the RNC through a process that considers individual, segment and overall performance of the Group. In addition, external data is provided for analysis of KMP's remuneration to ensure it remains competitive by benchmarking against the market. The chair of the RNC sources data independently of management from appropriate independent advisors. For key executive management other than the Executive Chair and the CEO/Managing Director, the CEO/Managing Director will submit recommendations to the RNC along with relevant supporting data and externally independent comparative information. A senior executive's compensation may also be reviewed upon promotion or in line with movements in the market during the period.

*Performance linked remuneration*

Non-Executive Directors are not eligible to participate in performance linked remuneration of either a short or long-term nature.

Performance linked remuneration includes both short-term and long-term incentives and is designed to reward KMP for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash or, subject to approval by the RNC, shares in the Company.

*Short-term incentive bonus*

The Metarock short-term incentive plan was introduced as a structured incentive to reward KMP's performance against predetermined KPIs.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(a) Principles of remuneration (continued)

*Short-term incentive bonus (continued)*

Feature	Description												
Award opportunity	Executive Chair: 30% of fixed remuneration CEO/Managing Director: 70% of fixed remuneration Other Executives: up to 50% of fixed remuneration												
Performance metrics	The STI metrics align with our strategic objectives of the Group, with specific financial and non-financial measures (normally 5 or 6) for individual performance, group performance and underlying performance of the Group.												
	A summary of the measures and weightings are set out in the table below:												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #ccc;">KMP</th> <th style="background-color: #ccc;">Financial</th> <th style="background-color: #ccc;">Non-financial</th> </tr> </thead> <tbody> <tr> <td>Executive Chair</td> <td style="text-align: center;">40%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td>CEO/Managing Director</td> <td style="text-align: center;">40%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td>Other executives</td> <td style="text-align: center;">40%</td> <td style="text-align: center;">60%</td> </tr> </tbody> </table>	KMP	Financial	Non-financial	Executive Chair	40%	60%	CEO/Managing Director	40%	60%	Other executives	40%	60%
	KMP	Financial	Non-financial										
	Executive Chair	40%	60%										
CEO/Managing Director	40%	60%											
Other executives	40%	60%											
The financial performance objectives may vary by individual and are broadly based on profitability compared to budgeted amounts approved by the Board each year.													
The non-financial objectives vary dependent upon position and responsibility and are aligned with the measures and targets set to achieve the strategic objectives of the Group on an annual basis.													
At the commencement of each performance year, the Board approves the corporate performance scorecard and metrics to be measured for that year. The metrics generally have performance levels set as:													
<ul style="list-style-type: none"> <li>• <b>Threshold:</b> Being the minimum level of performance deserving of reward. Achievement of the Threshold results in 50% of the STI Award Opportunity being awarded.</li> <li>• <b>Target:</b> Being a challenging but achievable level of performance. Achievement of the Target results in 100% of the STI Award Opportunity being awarded.</li> <li>• <b>Stretch:</b> Being the upper limit of possible outcomes that were planned for and a very challenging goal that is unlikely to be achieved. Achievement of the Stretch Target results in 150% of the STI Award Opportunity being awarded.</li> </ul>													
At the end of the financial year, the RNC assess the actual performance of the Group, the relevant segment and individual against the KPI's set at the beginning of the year. Payment of individual bonuses is based on the assessment of the RNC with recommendations from the Managing Director (for employees other than the Executive Chair and CEO/Managing Director) taking into consideration the overall performance of the individual for the period. The Executive Chair and CEO/Managing Director's STI bonus is set by the Board based on assessment of his/her performance against agreed KPIs as assessed by the RNC and recommended to the Board.													
Delivery of STI	Subject to approval by the RNC, employees can nominate for up to 50% of their STI award to be settled in shares. When a nomination is made, performance rights are issued to the employee and vest at the end of the year in line with the achievements of their relative KPI's. Any balance not elected to be paid as shares in the Company is paid in cash at the end of the financial year.  Note, for the financial year ended 30 June 2024, this option was not made available.												
Board discretion	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate award outcomes, including reducing down to zero, if appropriate.												

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(a) Principles of remuneration (continued)

*Long-term incentives*

Executive KMP participate at the Board's discretion, in the Employee Performance Rights Plan comprising annual grants of rights which are subject to various vesting conditions outlined in the table below. The purpose of the Employee Performance Rights Plan is to attract, motivate and retain executives, encouraging individuals to participate in the company through ownership of shares. The objective is to improve Metarock's performance by aligning the interests to those of the shareholders and the Group. Performance Rights issued in 2020 or thereafter have the following structure, with the exception of the Executive Chair for which details are provided separately within this report:

Feature	Description																
Opportunity/ Allocation	CEO/Managing Director: 70% of fixed remuneration Other Executives: 50% of fixed remuneration The opportunity is divided by the share price face value to determine the number of rights.																
Performance hurdle	<p>Vesting of the rights will be subject to achievement of the vesting conditions set out below:</p> <ul style="list-style-type: none"> <li>• Vesting Condition 1: The main Vesting Condition is that the eligible participant must be employed within the Group on the Test Date. If employment has ceased with the Group prior to the Test Date, the performance rights will lapse unless the Board at its absolute discretion determines otherwise.</li> <li>• Vesting Condition 2: Vesting is also conditional on the continuation of good conduct and the execution of duties in the best interests of Metarock. If it is deemed the eligible participant has acted fraudulently or dishonestly, or is in breach of obligations to Metarock, the Board at its discretion may determine that some or all of the performance rights will lapse.</li> <li>• Vesting Condition 3: If Vesting Conditions 1 and 2 are achieved there are two further Vesting Conditions that will each be applied independently to 50% of the performance rights. These Vesting Conditions depend on Metarock's TSR percentile rank during the TSR measurement period and the Earnings per Share (EPS) performance over the measurement period: <ul style="list-style-type: none"> <li>(a) Tranche A: 50% of the performance rights will be conditional on the Company's TSR rank relative to companies in the ASX Peer Group. The ASX Peer Group consists of entities comprised in the ASX Small Ordinaries Index; and</li> <li>(b) Tranche B: 50% of the performance rights will be conditional on the Company's EPS performance. The percentage of performance rights which will vest will be as specified in the table below:</li> </ul> </li> </ul> <table border="1"> <thead> <tr> <th>TSR Rank during TSR measurement period</th> <th>Proportion of Tranche A to vest</th> </tr> </thead> <tbody> <tr> <td>Below 50th percentile of the ASX Peer Group</td> <td>0%</td> </tr> <tr> <td>50th percentile to 75th percentile of the ASX Peer Group</td> <td>50% plus 2% for each percentile above 50th percentile</td> </tr> <tr> <td>Above 75th percentile of the ASX Peer Group</td> <td>100%</td> </tr> <tr> <th>EPS Performance during measurement period</th> <th>Proportion of Tranche B to vest</th> </tr> <tr> <td>EPS growth at &lt;6%</td> <td>0%</td> </tr> <tr> <td>EPS growth between 6% and 12%</td> <td>0% to 100% pro rata</td> </tr> <tr> <td>EPS growth &gt;12%</td> <td>100%</td> </tr> </tbody> </table>	TSR Rank during TSR measurement period	Proportion of Tranche A to vest	Below 50th percentile of the ASX Peer Group	0%	50th percentile to 75th percentile of the ASX Peer Group	50% plus 2% for each percentile above 50th percentile	Above 75th percentile of the ASX Peer Group	100%	EPS Performance during measurement period	Proportion of Tranche B to vest	EPS growth at <6%	0%	EPS growth between 6% and 12%	0% to 100% pro rata	EPS growth >12%	100%
TSR Rank during TSR measurement period	Proportion of Tranche A to vest																
Below 50th percentile of the ASX Peer Group	0%																
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EPS Performance during measurement period	Proportion of Tranche B to vest																
EPS growth at <6%	0%																
EPS growth between 6% and 12%	0% to 100% pro rata																
EPS growth >12%	100%																
Exercise price	The exercise price is \$Nil.																
Forfeiture and termination	Rights will lapse if performance conditions are not met. Rights will be forfeited on cessation of employment unless the board determines otherwise, e.g. in the case of retirement due to injury, disability, death or redundancy.																

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(a) Principles of remuneration (continued)

*Long-term incentives (continued)*

Performance Rights issued in 2023 or thereafter to the Executive Chair have the following structure:

Feature	Description																				
Opportunity/ Allocation	Executive Chair: For the allocation in the financial year ended 30 June 2024, 1.5% of company equity at the time of issuance. The Board intends to seek shareholder approval at the 2024 AGM for further performance rights to be issued to Mr Romcke on similar terms, with the quantum representing 1.0% of the issued capital (total number of Ordinary Shares) as at the end of the first anniversary that Mr Romcke joined the Company.																				
Performance hurdle	<p>Vesting of the rights will be subject to achievement of the vesting conditions set out below:</p> <ul style="list-style-type: none"> <li>•Vesting Condition 1: The main Vesting Condition is that the eligible participant must be employed within the Group on the Test Date. If employment has ceased with the Group prior to the Test Date, the performance rights will lapse unless the Board at its absolute discretion determines otherwise.</li> <li>• Vesting Condition 2: Vesting is also conditional on the continuation of good conduct and the execution of duties in the best interests of Metarock. If it is deemed the eligible participant has acted fraudulently or dishonestly, or is in breach of obligations to Metarock, the Board at its discretion may determine that some or all of the performance rights will lapse.</li> <li>•Vesting Condition 3: If Vesting Conditions 1 and 2 are achieved there are two further Vesting Conditions that will each be applied independently to 50% of the performance rights. These Vesting Conditions depend on Metarock's Return of Capital Employed (ROCE) and Earnings Before Interest, Tax, Depreciation and Amortisation as a percentage of revenue (EBITDA Margin) performance over the measurement period.</li> </ul> <p>(a) Tranche A: 50% of the performance rights will be conditional on the Company's ROCE performance; and</p> <p>(b) Tranche B: 50% of the performance rights will be conditional on the Company's EBITDA Margin performance.</p> <p>The percentage of performance rights which will vest will be as specified in the table below:</p> <table border="1"> <thead> <tr> <th>ROCE performance during the measurement period</th> <th>Proportion of Tranche A to vest</th> </tr> </thead> <tbody> <tr> <td>Less than 8%</td> <td>0%</td> </tr> <tr> <td>8.0%</td> <td>25%</td> </tr> <tr> <td>9.0%</td> <td>50%</td> </tr> <tr> <td>10.0%</td> <td>100%</td> </tr> <tr> <th>EBITDA Margin performance during the measurement period</th> <th>Proportion of Tranche B to vest</th> </tr> <tr> <td>Less than 8%</td> <td>0%</td> </tr> <tr> <td>8.0%</td> <td>25%</td> </tr> <tr> <td>9.0%</td> <td>50%</td> </tr> <tr> <td>10.0%</td> <td>100%</td> </tr> </tbody> </table>	ROCE performance during the measurement period	Proportion of Tranche A to vest	Less than 8%	0%	8.0%	25%	9.0%	50%	10.0%	100%	EBITDA Margin performance during the measurement period	Proportion of Tranche B to vest	Less than 8%	0%	8.0%	25%	9.0%	50%	10.0%	100%
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**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(a) Principles of remuneration (continued)

*Other benefits*

KMP can receive additional benefits as non-cash benefits as part of the terms and conditions of their appointment. Non-cash benefits typically include motor vehicle benefits, and the Group pays fringe benefits tax on these benefits where applicable.

(b) Link between remuneration and performance

*Current financial year performance and impact on remuneration*

Performance linked remuneration includes both short-term and long-term incentives and is designed to reward KMP for meeting or exceeding their financial and personal objectives.

The Group's financial performance in the year ending 30 June 2024 marked a pleasing improvement reflecting the successful execution of the company's Turnaround Plan and strong underlying operating results. Based on this achievement, the Board has elected to recognise this achievement through approving an STI payment outcome at or close to target results.

*Statutory performance indicators*

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the *Corporations Act 2001*. However, these are not necessarily consistent with the measures used in determining variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between statutory key performance measures and the variable remuneration.

Performance indicator	2024	2023	2022	2021	2020
Profit/(Loss) for the year attributable to owners of Metarock (\$'000)	39,643	(74,011)	(12,556)	5,864	11,557
Dividends payments (\$'000)	-	-	2,421	5,057	6,346
Increase/(decrease) in share price (%)	55.2	(62.0)	(53.0)	+23.0	(37.0)
Return on capital % from continuing operations	30.2	(65.4)	(18.9)	13.0	24.0
Basic earnings per share (cents) attributable to owners of Metarock	13.0	(49.3)	(10.2)	5.5	11.0

(c) Contractual arrangements with executive KMPs

The RNC recommends Group remuneration policies for KMP. The RNC focuses mainly on the CEO and Executive Chair's remuneration but reviews agreements made with other KMP. In recommending the CEO and Executive Chair's remuneration package, the RNC takes advice from independent advisors in executive and non-executive remuneration as noted below.

Component	CEO description	Executive Chair description	Senior executive description
Fixed remuneration (including superannuation) (i)	\$587,500	\$444,000	Range between \$416,266 and \$530,546
Contract duration	Ongoing contract	Ongoing contract	Ongoing contract
Notice by the individual/company	12 weeks	12 weeks (ii)	6 weeks to 3 months
Termination of employment	Typically STI is not awarded and unvested LTI will lapse. The Board has discretion to determine if an STI will be paid or unvested LTI will remain on foot based on individual circumstances.		

(i) The actual remuneration paid to KMP during the year will vary from the contracted amounts depending on the number of payroll weeks in the financial year.

(ii) Executive Chair has a notice period of 12 weeks where tenure is less than 24 months, otherwise the notice period is 16 weeks.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(d) Remuneration expenses for executive KMP

The following tables show details of the remuneration expense recognised for the Group's executive KMP for the current and previous financial year measured in accordance with the requirements of the accounting standards.

2024	Short-term employee benefits			Post-employment benefits	Long-term benefits	Share based payments	Termination benefits	Total	Performance related
	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Employee entitlements	Rights			
	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Executive Director</b>									
Mr. J Whiteman	575,498	392,000	-	27,596	2,959	57,428	-	1,055,481	42.58%
Mr. J Romcke	353,211	68,623	3,850	43,846	1,040	210,842	-	681,412	41.01%
<b>Other key management personnel</b>									
Mr. J Glover	478,253	-	-	25,208	371	-	-	503,832	-%
Mr. W Price	373,592	188,961	-	60,107	16,506	31,131	-	670,297	32.83%
<b>Total Executive KMP compensation</b>	<b>1,780,554</b>	<b>649,584</b>	<b>3,850</b>	<b>156,757</b>	<b>20,876</b>	<b>299,401</b>	<b>-</b>	<b>2,911,022</b>	<b>32.60%</b>

**Notes in relation to the 2024 table of remuneration expenses for executive KMP:**

\* Mr. J Romcke appointed Executive Chair effective 6 September 2023.

\* Mr. J Whiteman was interim CEO for the period 1 July 2023 to 4 February 2024 and then appointed CEO and Managing Director effective 5 February 2024.

\* Mr. J Glover ceased employment with the Group effective 31 May 2024 as a consequence of the sale of PYBAR.

\* Employee entitlements reflect the movement in the value of employee leave provisions where those entitlements are required to be paid on termination.

\* The fair value of the rights is calculated at the date of grant using a Monte Carlo pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the rights recognised in this reporting period.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(d) Remuneration expenses for executive KMP (continued)

2023	Short-term employee benefits			Post-employment benefits	Long-term benefits	Share based payments	Termination benefits \$	Total \$	Performance related
	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Employee entitlements \$	Rights \$			
<b>Executive Director</b>									
Mr. A Caruso	291,519	-	6,000	13,697	47,981	(156,501)	214,538	417,234	(37.51)%
Mr. P Green	491,477	-	18,750	27,500	-	348,824	120,231	1,006,782	34.65%
<b>Other key management personnel</b>									
Mr. D Sykes	268,878	-	-	27,825	8,585	(83,960)	-	221,328	(37.93)%
Ms. V Gayton	234,747	-	-	21,677	8,141	(66,121)	30,256	228,700	(28.91)%
Mr. J Glover	401,671	110,000	-	27,519	678	69,139	-	609,007	29.41%
Mr. W Price	12,768	3,452	-	1,642	26	-	-	17,888	19.30%
Mr. J Whiteman	296,039	100,000	-	16,923	-	80,623	-	493,585	36.59%
Mr. B Maff	165,813	-	-	-	-	(83,371)	-	82,442	(101.13)%
Mr. B Burgess	77,146	-	-	7,404	-	-	86,009	170,559	-%
Total Executive KMP compensation	2,240,058	213,452	24,750	144,187	65,411	108,633	451,034	3,247,525	9.92%



**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(d) Remuneration expenses for executive KMP (continued)

**Notes in relation to the 2023 table of remuneration expenses for executive KMP:**

- \* Mr. T Caruso ceased the role of CEO and Managing Director effective 19 October 2022.
- \* Mr. P Green appointed CEO of Mastermyne on 15 August 2022, then appointed CEO and Managing Director on 19 October 2022 and ceased the role effective 20 June 2023.
- \* Mr. D Sykes appointed EGM Special Projects on 15 August 2022 and resigned from the role effective 12 April 2023.
- \* Ms. V Gayton ceased the role of EGM Human Resources effective 17 March 2023.
- \* Mr. B Maff ceased the role of CFO and Company Secretary effective 7 October 2022.
- \* Mr. W Price appointed EGM Mastermyne Mining effective 20 June 2023.
- \* Mr. J Whiteman appointed CFO on 28 November 2022, and then interim CEO effective 20 June 2023.
- \* Mr. B Burgess ceased the role of General Manager - Assets and Engineering on 8 October 2022.
- \* Employee entitlements reflect the movement in the value of employee leave provisions where those entitlements are required to be paid on termination.
- \* The fair value of the rights is calculated at the date of grant using a Monte Carlo pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the rights recognised in this reporting period.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(e) Performance based remuneration granted & forfeited during the year

The table below shows for each KMP how much of their STI cash bonus was awarded and how much was forfeited. It also shows the value of rights that were granted and exercised during the year ended 30 June 2024. The number of rights and percentages vested/forfeited for each grant date are disclosed in Section (h) Equity instruments on pages 18 to 20.

2024	Total STI bonus			LTI Rights	
	Total opportunity \$	Awarded %	Forfeited %	Value granted* \$	Value exercised ** \$
Mr. J Romcke	98,032	70	30	609,507	-
Mr. J Whiteman	392,000	100	-	370,426	-
Mr. W Price	188,961	100	-	200,802	-
Mr. J Glover***	171,829	-	100	197,975	-

\* The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of options granted during the year as part of remuneration.

\*\* The value at the exercise date of options that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the options at that date.

\*\*\* LTI Rights granted to Mr. J Glover lapsed during the financial year.

(f) Services from remuneration consultants

In the current year the RNC was presented with a report comparing KMP salaries across industry peers. No specific recommendations were sought on Director or KMP remuneration due to the Board's view that market circumstances were too fluid to allow historical information to provide a useful guide to appropriate remuneration levels.

\$7,500 in external fees were paid for remuneration research reports during the 2024 financial year.

(g) Non-executive Director arrangements

Non-executive Directors receive a board fee and fees for chairing or participating on board committees, see table below. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation. The chair does not receive additional fees for participating in or chairing committees.

The Group established the Non-executive Director Share Plan during the year to remain competitive to attract and retain suitably qualified Non-Executive Directors. Under the plan, the ordinary shares are issued for no consideration and will not be subject to performance conditions. Subject to shareholder approval, shares may be issued to Non-executive Directors as part of their remuneration for a given financial year.

Fees are reviewed annually by the Board taking into account comparable roles and market data provided by the Board's independent remuneration adviser.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(g) Non-executive Director arrangements (continued)

Fees outlined below were effective from 6 September 2023. The remuneration expenses recognised for each Director will differ to the table below as the change occurred part way through the financial year.

<b>Board fees</b>		<b>\$</b>
Chair (i)		100,000
Other non-executive directors		80,000
<b>Committee fees</b>		
Audit	Chair	20,000
	Member	-
Remuneration and nomination	Chair	10,000
	Member	-

(i) For the year completed (FY24) the Chair was an Executive Director. Full details of his remuneration are disclosed in section 6(d) of the Remuneration Report.

All Non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

The actual remuneration paid to Non-executive Directors during the year will vary from the contracted amounts depending on the number of payroll weeks in the financial year.

The following table shows details of the remuneration expense recognised for the Group's Non-executive Directors for the current and previous financial year measured in accordance with the requirements of the accounting standards.

2024	Short-term employee benefits			Post-employment benefits	Share based payments	Total
	Board fees \$	Audit committee fees \$	Remuneration and nomination committee fees \$	Super-annuation \$	Shares/NED Plan \$	
<b>Non-executive Directors</b>						
Mr. A Watts	69,890	-	-	7,702	20,668	98,260
Mr. M Smith	59,044	-	7,380	7,322	20,668	94,414
Mr. P Barker	59,044	14,761	-	8,136	20,668	102,609
Mr. P Rouse	11,077	-	-	1,218	-	12,295
Total non-executive directors	199,055	14,761	7,380	24,378	62,004	307,578

\* Mr. P Barker appointed Non-executive Director effective 6 September 2023.

\* Mr. P Rouse ceased the role of Non-executive Director effective 6 September 2023.

\* Mr. M Smith was not remunerated for the period of 1 July 2023 to 5 September 2023 in his role as Acting Chair.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(g) Non-executive Director arrangements (continued)

2023	Short-term employee benefits			Post-employment benefits	Total
	Board fees \$	Audit committee fees \$	Remuneration and nomination committee fees \$	Super-annuation \$	
<b>Non-executive Directors</b>					
Mr. C Bloomfield	88,846	-	-	9,329	98,175
Ms. J Whitcombe	53,308	4,442	-	6,064	63,814
Mr. A Watts	129,231	-	-	13,581	142,812
Mr. G Meena	53,308	-	4,442	6,064	63,814
Mr. P Rouse	60,000	-	-	6,312	66,312
Total non-executive directors	<u>384,693</u>	<u>4,442</u>	<u>4,442</u>	<u>41,350</u>	<u>434,927</u>

\* Mr. C Bloomfield ceased the role of Chair effective 22 May 2023.

\* Mr. A Watts acted as CEO for a period during the year. During this period he was paid Salary \$75,000 and Super \$7,875.

\* Mr. G Meena ceased the role of Non-executive Director effective 22 May 2023.

\* Ms. J Whitcombe ceased the role of Non-executive Director effective 22 May 2023.

\* Mr. M Smith was appointed Non-executive Director and Acting Chair on 22 May 2023. For the year completed (FY23), Acting Chair, Mr. M Smith was not remunerated.

(h) Equity instruments

*Rights*

The terms and conditions of each grant of rights affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	Performance achieved	% Vested
Tranche A						
14/11/2023	6/09/2025	6/09/2025	-	0.135	To be determined	-
31/01/2024	1/10/2026	1/10/2026	-	0.112	To be determined	-
Tranche B						
14/11/2023	6/09/2025	6/09/2025	-	0.135	To be determined	-
31/01/2024	1/10/2026	1/10/2026	-	0.140	To be determined	-

The number of performance rights provided as remuneration to KMP is shown in the table below. All rights refer to rights to acquire one ordinary share of Metarock Group Limited for no consideration which upon exercise are exchangeable on a one for one basis.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(h) Equity instruments (continued)

The following table shows a reconciliation of rights and options held by each KMP for the year ended 30 June 2024. There were no vested rights as at 1 July 2023.

2024 Name	Balance at the start of the year		Granted as compensation		Exercised / lapsed	Forfeited		Other Changes	Balance at the end of the year	
	Unvested		Number	%		Number	%		Vested and exercisable	Unvested
<b>Tranche A</b>										
Mr. J Romcke 14/11/2023	-	2,257,434	-	-	-	-	-	-	-	2,257,434
Mr. J Whiteman 31/01/2024	-	1,469,947	-	-	-	-	-	-	-	1,469,947
Mr. J Glover 31/01/2024	-	785,615	-	-	-	(785,615)	(100)	-	-	-
Mr. W Price 31/01/2024	-	796,835	-	-	-	-	-	-	-	796,835
<b>Tranche B</b>										
Mr. J Romcke 14/11/2023	-	2,257,434	-	-	-	-	-	-	-	2,257,434
Mr. J Whiteman 31/01/2024	-	1,469,946	-	-	-	-	-	-	-	1,469,946
Mr. J Glover 31/01/2024	-	785,614	-	-	-	(785,614)	(100)	-	-	-
Mr. W Price 31/01/2024	-	796,834	-	-	-	-	-	-	-	796,834
<b>Options</b>										
Mr. A Watts 2/10/2023	-	-	-	-	-	-	-	718,538	718,538	-
Mr. J Whiteman 2/10/2023	-	-	-	-	-	-	-	4,114	4,114	-

\* LTI Rights granted to Mr. J Glover lapsed during the financial year.

\*\* Options were issued 2 October 2023 in connection with the entitlement offer. The entitlement offer allowed eligible shareholders in the Company to subscribe for 1 new share for every 5.2 existing shares held in Metarock at the offer price of \$0.15 per new share, together with 1 new option for every 3.25 new shares issued under the entitlement offer. The options have an exercise price of \$0.23 per security and an expiry date of 31 May 2028.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

(h) Equity instruments (continued)

*Shareholdings*

The movements during the reporting period in the number of ordinary shares in Metarock Group Limited held directly, indirectly or beneficially by each key management person including their related parties, is as follows:

<b>2024</b>						
<b>Name</b>		<b>Balance at the start of year</b>	<b>Granted as compensation (i)</b>	<b>Acquired</b>	<b>Other</b>	<b>Balance at the end of the year</b>
Mr. A Watts		12,262,245	153,095	2,335,241	-	14,750,581
Mr. M Smith		-	153,095	-	-	153,095
Mr. P Barker	(ii)	-	153,095	-	-	153,095
Mr. P Rouse	(iii)	21,195,914	-	-	(21,195,914)	-
Mr. W Price		819,510	-	-	-	819,510
Mr. J Whiteman		627,280	-	13,370	-	640,650
Mr. J Glover	(iv)	490,346	-	-	(490,346)	-

- (i) On 16 January 2024, 459,285 ordinary shares were issued to Non-executive Directors under the NED plan (refer to section (g) Non-executive Director arrangements in this Remuneration Report), as approved by the shareholders at the 2023 Annual General Meeting.
- (ii) Appointed 6 September 2023.
- (iii) Resigned 6 September 2023. Shareholdings at the time of resignation are reflected in "Other".
- (iv) Resigned 31 May 2024. Shareholdings at the time of resignation are reflected in "Other".

(i) *Individual Directors and executives compensation disclosures*

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

*Loans given to KMP*

No loans were made, guaranteed or secured by the Company to KMP during the year.

*Other transactions with KMP*

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management persons related entities on an arm's length basis. These include the following:

Paul Rouse ceased to be a Director on 6 September 2023. Transactions with Paul Rouse and his related entities comprise those amounts derived/incurred from 1 July 2023 to 6 September 2023.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

*Other transactions with KMP (continued)*

*Revenue*

- i. The Group provides administration services to Digital Terrain Pty Ltd and HMR Drilling Services Pty Limited as part of a transitional services arrangement. These entities are owned by Paul Rouse or his close family members. Amounts received are at arm's length and are due and receivable under normal payment terms.

*Expenses*

- ii. The Group rents the premises at 45 River Street, Mackay which is owned by Andrew Watts through his company, Watty Pty Ltd. Amounts paid for rent are at arm's length and are due and payable under normal payment terms.
- iii. The Group rents the premises at 56A Grosvenor Drive, Moranbah which is owned by Andrew Watts through his company, Watty Pty Ltd. Amounts paid for rent are at arm's length and are due and payable under normal payment terms.
- iv. The Group obtained software and IT consulting services and licences production planning and activity recording software from Digital Terrain Pty Ltd, an entity owned by a close family member of Paul Rouse. Amounts paid were at arm's length and were due and payable under normal payment terms.
- v. The Group leased the following premises in Orange (NSW) from Rovest Holdings Pty Ltd as Trustee for March Pines Super Fund, an entity owned by Paul Rouse: 1688 Forest Road; 23 Huntley Road. Amounts paid were at arm's length and were due and payable under normal payment terms.
- vi. The Group incurred interest costs at a rate of 10%, increasing to 12.25% from September 2023, on the deferred consideration following the execution of an agreement with the vendors of PYBAR Holdings Limited, which are related entities of Paul Rouse, to defer the payment. The interest was payable monthly in arrears and monthly principal payments were required from January 2024. The final payment was made in May 2024.

Aggregate amounts of each of the above types of other transactions with KMP of Metarock Group Limited :

	2024	2023
	\$	\$
<i>Amounts recognised as revenue</i>		
Administration services (i)	15,000	70,905
	<u>15,000</u>	<u>70,905</u>
<i>Amounts recognised as expense</i>		
Rent of 45 River Street (ii)	324,219	263,420
Rent of 56A Grosvenor Drive (iii)	30,680	29,986
General plumbing repairs	-	4,554
Software and IT consulting services and software licencing (iv)	369,703	1,063,405
Rent of premises in Orange NSW (v)	135,321	593,842
Interest on deferred consideration (vi)	148,567	742,830
	<u>1,008,490</u>	<u>2,698,037</u>

From time to time KMP and Directors of the Group, or their related entities, may purchase goods or services from the Group. These purchases are on the same terms and conditions as those entered into by other Group's employees or customers and are trivial or domestic in nature.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**6 Remuneration Report (audited) (continued)**

*Other transactions with KMP (continued)*

*Amounts recognised as assets and liabilities*

At the end of the reporting period, the following assets and liabilities were recognised in relation to the above transactions.

	2024	2023
	\$	\$
<i>Amounts recognised as receivables</i>		
Administration services (i)	-	6,325
Back charges	-	4,329
Software and IT consulting services and software licencing (iv)	-	6,909
	<u>-</u>	<u>17,563</u>
<i>Amounts recognised as payables</i>		
Administration services (i)	-	2,565
Software and IT consulting services and software licencing (iv)	-	97,364
Rent of premises in Orange NSW (v)	-	37,545
Rent of 45 River St (ii)	2,714	-
	<u>2,714</u>	<u>137,474</u>

*Voting of shareholders at last year's annual general meeting*

Metarock Group Limited received more than 99.94% of "yes" votes on its remuneration report for the 2023 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This concludes the remuneration report, which has been audited.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**7 Principal activities**

The principal activities of the Group during the financial year were to provide mine operations, contracting, training and related services in mining and supporting industries across Australia.

**8 Significant changes in the state of affairs**

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- \$11,533,000 adverse cash impact of exit costs from the Cook project (non-recurring adverse impact on cashflow arising on the cessation of this onerous contract).
- Sale of PYBAR on 31 May 2024 at an agreed transaction value of \$65,000,000.
- Excluding PYBAR, surplus assets with a book value of \$27,125,000 were sold with proceeds of \$31,288,000 used to repay related debt and fund working capital requirements.

The financial impact of these events and transactions is highlighted in note 7 and note 31.

Other than these items, there were no other significant changes in the state of affairs.

**9 Environmental regulation**

The Group is subject to various environmental regulations under both Commonwealth and State legislation in relation to its involvement in the operations of mines.

The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

**10 Dividends - Metarock Group Limited**

No dividends were paid to members during the financial year (2023: Nil).

**11 Events subsequent to reporting date**

**Refinancing of invoice finance facility**

On 22 July 2024, the Group executed an agreement to refinance its Westpac invoice finance facility with Scottish Pacific Business Finance Pty Ltd. The facility has a limit of \$30,000,000 with a minimum term of two years.

Effective from 22 July 2024, the Company has no remaining debt facilities with Westpac.

**Suspension of operations at Grosvenor Mine**

On 31 July 2024, Mastermyne's client issued a notice of suspension in relation to its services at the Grosvenor Mine following the recent underground fire event. As a consequence, approximately 140 roles will not be required from 1 September 2024. Mastermyne is seeking redeployment opportunities. As stated, Metarock notes that the client is working with its own permanent Grosvenor Mine workforce to offer redeployment opportunities to its other Bowen Basin operations, including Moranbah North and Aquila mines. Metarock anticipates that this may have an adverse impact on Mastermyne's manning levels at these operations. However, the quantum and timing of these potential impacts is not known at this time.

**Development contract extension at Narrabri Mine**

An agreement to extend the development services contract at Narrabri Mine for a further two year period to September 2026 was executed on 29 July 2024, which is expected to generate annual revenues of approximately \$20,000,000.

Other than the matters discussed above, no matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**12 Likely developments**

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

**13 Directors' interests**

The relevant interest of each Director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the companies within the Group, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Metarock Group Limited		
	Ordinary Shares	Rights over ordinary shares	Options
Mr. J Whiteman	640,650	2,939,893	4,114
Mr. J Romcke	Nil	4,514,868	Nil
Mr. M Smith	153,095	Nil	Nil
Mr. A Watts	14,750,581	Nil	718,538
Mr. P Barker	153,095	Nil	Nil

**14 Shares under option**

Unissued ordinary shares

At the date of this report, there were 52,843,795 unissued ordinary shares of the Company under option. The options have an exercise price of \$0.23 per security and an expiry date of 31 May 2028.

**15 Insurance of officers and indemnities**

Indemnity

The Company has not made a relevant agreement, or indemnified against a liability, for any person who is or has been an auditor of the Company.

Insurance of officers

During the financial year, the entity has paid premiums on behalf of the Company in respect of Directors' and Officers' liability and legal expenses insurance contracts for the year ended 30 June 2024 and, since the end of the financial year, the entity has paid or agreed to pay on behalf of the Company, premiums in respect of such insurance contracts for the year ended 30 June 2025. Such insurance contracts insure against certain liability (subject to specific exclusions) for persons who are or have been Directors or executive officers of the Company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the Directors' and Officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts.

**16 Non-audit services**

The Board of Directors has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit & Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

**Metarock Group Limited**  
**Directors' Report**  
**30 June 2024**  
(continued)

**16 Non-audit services (continued)**

Details of the amounts paid or payable to the auditor of the Company, Pitcher Partners, and its related practices for audit and non-audit services provided during the year are set out below.

During the year, Pitcher Partners, the Company's auditor, has performed certain other services in addition to their statutory duties.

	2024	2023
	\$	\$
<b>Audit services</b>		
Pitcher Partners		
Audit and review of financial statements	383,236	360,045
Audit of regulatory returns	22,500	25,987
<b>Total remuneration for audit services</b>	<u>405,736</u>	<u>386,032</u>
<b>Other non-assurance services</b>		
Pitcher Partners		
Taxation services	40,956	92,875
<b>Total remuneration for other non-assurance services</b>	<u>40,956</u>	<u>92,875</u>

**17 Auditor's independence declaration**

The Lead auditor's independence declaration is set out on page 26 and forms part of the Directors' report for the financial year ended 30 June 2024.

**18 Rounding of amounts**

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial report and Directors' Report. Amounts in the financial report and the Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of Directors.



Mr J Romcke  
Executive Chair

Brisbane  
30 August 2024



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The Directors  
Metarock Group Limited  
45 River Street  
Mackay QLD 4740

### Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2024, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Metarock Group Limited and the entities it controlled during the year.

*Pitcher Partners*  
PITCHER PARTNERS

**JASON EVANS**  
Partner

Brisbane, Queensland  
30 August 2024

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney



Nigel Fischer	Jason Evans	Brett Headrick	Simon Chun	James Field	Felicity Crimston	Murray Graham	Edward Fletcher	Tracey Norris
Mark Nicholson	Kylie Lamprecht	Warwick Face	Jeremy Jones	Daniel Colwell	Cheryl Mason	Andrew Robin	Robert Hughes	
Peter Camenzuli	Norman Thurecht	Cole Wilkinson	Tom Splatt	Robyn Cooper	Kieran Wallis	Karen Levine	Ventura Caso	

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Nigel Fischer | Jason Evans | Brett Headrick | Simon Chun | James Field | Felicity Crimston | Murray Graham | Edward Fletcher | Tracey Norris

**Metarock Group Limited**  
**Consolidated statement of comprehensive income**  
**For the year ended 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Continuing operations</b>			
Revenue from contracts with customers	4	294,139	326,787
Other income	5	4,737	4,207
Contract disbursements		(59,442)	(84,513)
Personnel expenses	6	(196,703)	(220,290)
Office expenses		(7,957)	(11,003)
Depreciation and amortisation expense	6	(9,559)	(10,715)
Other expenses	6	(2,150)	(5,696)
Impairment loss	7	(862)	(20,186)
<b>Results from operating activities</b>		<u>22,203</u>	<u>(21,409)</u>
Finance income		170	81
Finance expenses		(4,627)	(6,102)
<b>Net finance expenses</b>	8	<u>(4,457)</u>	<u>(6,021)</u>
<b>Profit/(loss) before income tax</b>		17,746	(27,430)
Income tax benefit/(expense)	9	3,466	(3,870)
<b>Profit/(loss) from continuing operations</b>		<u>21,212</u>	<u>(31,300)</u>
<b>Profit/(loss) from discontinued operations</b>	31	<u>18,431</u>	<u>(42,711)</u>
<b>Profit/(loss) for the period attributable to owners of Metarock Group Limited</b>		<u>39,643</u>	<u>(74,011)</u>
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive profit/(loss) for the period</b>		<u>39,643</u>	<u>(74,011)</u>
<b>Total comprehensive profit/(loss) for the period is attributable to:</b>			
Owners of Metarock Group Limited		<u>39,643</u>	<u>(74,011)</u>
		<u>39,643</u>	<u>(74,011)</u>
		Cents	Cents
<b>Earnings/(loss) per share for profit from continuing operations attributable to owners of Metarock Group Limited:</b>			
Basic earnings per share	21	7.0	(20.8)
Diluted earnings per share	21	6.0	(20.8)
<b>Earnings/(loss) per share for profit attributable to owners of Metarock Group Limited:</b>			
Basic earnings per share	21	13.0	(49.3)
Diluted earnings per share	21	11.3	(49.3)

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Metarock Group Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2024**

	Notes	30 June 2024 \$'000	30 June 2023 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	26,036	12,902
Trade and other receivables	11	45,344	75,604
Inventories	12	9,572	19,017
Assets classified as held for sale	13	3,572	33,906
<b>Total current assets</b>		<b>84,524</b>	<b>141,429</b>
<b>Non-current assets</b>			
Property, plant and equipment	14	8,040	53,772
Right-of-use assets	19	8,299	17,568
Intangible assets	15	11,150	14,186
Deferred tax assets	9(d)	5,936	-
<b>Total non-current assets</b>		<b>33,425</b>	<b>85,526</b>
<b>Total assets</b>		<b>117,949</b>	<b>226,955</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	16	19,826	55,230
Contract liabilities		47	33
Borrowings	24	652	40,686
Lease liabilities	19	2,436	7,144
Current tax liabilities	9(c)	1,377	-
Employee benefit obligations	17	11,507	19,211
Provisions	18	1,969	7,728
Other current liabilities	20	-	8,914
Liabilities directly associated with assets classified as held for sale	13	2,234	30,499
<b>Total current liabilities</b>		<b>40,048</b>	<b>169,445</b>
<b>Non-current liabilities</b>			
Borrowings	24	1,351	15,423
Lease liabilities	19	2,777	8,675
Employee benefit obligations	17	196	657
<b>Total non-current liabilities</b>		<b>4,324</b>	<b>24,755</b>
<b>Total liabilities</b>		<b>44,372</b>	<b>194,200</b>
<b>Net assets</b>		<b>73,577</b>	<b>32,755</b>
<b>EQUITY</b>			
Share capital	23	112,003	111,180
Other reserves	23	(23,881)	(24,237)
Accumulated losses		(54,188)	(54,188)
Profit reserve		39,643	-
<b>Equity attributable to owners of Metarock Group Limited</b>		<b>73,577</b>	<b>32,755</b>
<b>Total equity</b>		<b>73,577</b>	<b>32,755</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Metarock Group Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2024**

	Attributable to owners of Metarock Group Limited				Total equity \$'000
	Share capital \$'000	Accumulated losses \$'000	Share-based payments \$'000	Common Control Reserve \$'000	
Notes					
Balance at 1 July 2022	87,904	18,717	803	(24,237)	83,187
Profit/(loss) for the period - continuing operations	-	(31,300)	-	-	(31,300)
Profit/(loss) for the period - discontinued operations	-	(42,711)	-	-	(42,711)
<b>Total comprehensive income/(loss) for the period</b>	-	<b>(74,011)</b>	-	-	<b>(74,011)</b>
Transactions with owners in their capacity as owners:					
Share issue transaction costs - conditional placement	(1,724)	-	-	-	(1,724)
Issue of ordinary shares - placement	25,000	-	-	-	25,000
Share options exercised	-	830	(830)	-	-
Share-based payment transactions	-	-	303	-	303
Transfers share options lapsed	-	276	(276)	-	-
<b>Total contributions by and distributions to owners</b>	<b>23,276</b>	<b>1,106</b>	<b>(803)</b>	-	<b>23,579</b>
Balance at 30 June 2023	111,180	(54,188)	-	(24,237)	32,755

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Metarock Group Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2024**

		Attributable to owners of Metarock Group Limited					
Notes	Share capital \$'000	Accumulated losses \$'000	Profit Reserve \$'000	Share-based payments \$'000	Common Control Reserve \$'000	Total equity \$'000	
Balance at 1 July 2023	111,180	(54,188)	-	-	(24,237)	32,755	
Profit/(loss) for the period - continuing operations	-	21,212	-	-	-	21,212	
Profit/(loss) for the period - discontinued operations	-	18,431	-	-	-	18,431	
<b>Total comprehensive income/(loss) for the period</b>	-	<b>39,643</b>	-	-	-	<b>39,643</b>	
Transfer of comprehensive income after income tax expense for the year ended 30 June 2024	-	(39,643)	39,643	-	-	-	
Transactions with owners in their capacity as owners:							
Issue of ordinary shares - placement	23	761	-	-	-	761	
Issue of ordinary shares - Non-executive Director plan	29	62	-	(62)	-	-	
Share-based payment transactions	29	-	-	418	-	418	
<b>Total contributions by and distributions to owners</b>	-	-	-	<b>356</b>	-	<b>1,179</b>	
<b>Balance at 30 June 2024</b>	<b>112,003</b>	<b>(54,188)</b>	<b>39,643</b>	<b>356</b>	<b>(24,237)</b>	<b>73,577</b>	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Metarock Group Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2024**

	Notes	2024* \$'000	2023* \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		502,605	558,721
Payments to suppliers and employees (inclusive of GST)		<u>(479,147)</u>	<u>(567,172)</u>
		23,458	(8,451)
<b>Insurance recovery</b>			
Interest received		93	1,471
Interest paid		258	133
Income taxes refunded/(paid)		(7,199)	(9,001)
Receipts of government grants and subsidies		-	12,537
		389	2,928
<b>Net cash inflow/(outflow) from operating activities</b>	10	<u>16,999</u>	<u>(383)</u>
<b>Cash flows from investing activities</b>			
Payment of deferred consideration	20	(8,914)	(3,832)
Payments for property, plant and equipment		<u>(4,218)</u>	<u>(29,752)</u>
Proceeds from sale of PYBAR	31	46,206	-
Proceeds from sale of property, plant and equipment		32,342	24,018
Proceeds on sale of business		<u>2,098</u>	<u>-</u>
<b>Net cash inflow/(outflow) from investing activities</b>		<u>67,514</u>	<u>(9,566)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares	23	761	25,000
Share issue costs		-	(1,724)
Proceeds from borrowings		4,789	46,260
Repayment of borrowings		<u>(69,668)</u>	<u>(44,461)</u>
Principal elements of finance lease payments		<u>(7,261)</u>	<u>(7,453)</u>
<b>Net cash (outflow)/inflow from financing activities</b>		<u>(71,379)</u>	<u>17,622</u>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		13,134	7,673
		<u>12,902</u>	<u>5,229</u>
<b>Cash and cash equivalents at end of year</b>	10	<u>26,036</u>	<u>12,902</u>

\*Information includes discontinued operations. For the cash flows from discontinued operations, refer to note 31.

## 1 Basis of preparation

The consolidated financial statements are for the Group consisting of Metarock Group Limited ('Metarock' or 'the Company') and its controlled entities (together referred to as the 'Group' and individually as 'Group entities'). Material accounting policies adopted in the preparation of this annual financial report are set out in the following notes to the consolidated financial statements. These policies have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group entities.

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of each entity in the Group. Metarock Group Limited is a for-profit entity for the purpose of preparing the consolidated financial statements. The Group is primarily involved in providing mining services, including mine operations, contracting, training and related services, to underground coal mines and supporting industries across Australia via its core brands: Mastermyne, Wilson Mining and Mynesight.

### Statement of compliance

The consolidated financial statements of Metarock Group Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The financial results of discontinued operations, including profit/loss on disposal of the discontinued operation, are excluded from the results of the continuing operations and are presented as a single line item, Profit from discontinued operation, in the consolidated statement of comprehensive income. The consolidated statement of comprehensive income for the comparative period is also restated.

The consolidated statement of financial position and consolidated statement of cash flows is not restated for discontinued operations. The net assets at each period end and the cash flows for the current and prior period are separately disclosed in note 31 Discontinued Operations.

### Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for inventories and assets held for sale. Inventories are measured at the lower of cost and net realisable value, while assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

### New and amended standards adopted by the Group

The Group has applied the below standards and amendments for the first time for its annual reporting period commencing 1 July 2023. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction; and
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The impact of these has not yet been assessed.

## 1 Basis of preparation (continued)

### Significant estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgement in applying the Group's accounting policies. The areas involving significant estimates, assumptions or judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Note 9(d): Recognition of deferred tax asset for carried-forward tax losses;
- Note 15: Key assumptions used in value-in-use calculations to determine recoverable amount of cash generating units;
- Note 18: Key assumptions used in estimating demobilisation provisions;
- Note 19: Determining the lease term and the incremental borrowing rate;
- Note 29: Measurement of share-based payments.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the consolidated financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### Corporate information

The consolidated financial statements were authorised for issue by the Directors on 30 August 2024. The Directors have the power to amend and reissue the audited consolidated financial statements.

Metarock Group Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Riverside Plaza  
45 River Street  
Mackay QLD 4740

### Stock exchange listings

Metarock Group Limited shares are listed on the Australian Securities Exchange (ASX).

### Website address

[www.metarock.com.au](http://www.metarock.com.au)

## 2 Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- \$11,533,000 adverse cash impact of exit costs from the Cook project (non-recurring adverse impact on cashflow arising on the cessation of this onerous contract);
- Excluding PYBAR, surplus assets with a book value of \$27,125,000 were sold with proceeds of \$31,288,000 used to repay related debt and fund working capital requirements; and
- On 31 May 2024, the Group completed the sale of its shareholding in PYBAR Holdings Pty Limited to Thiess Pty Ltd. The proceeds from the sale were \$46,206,000 (net of selling costs and cash and cash equivalents in PYBAR over which control was lost).

The financial impact of these events and transactions is highlighted in notes 7 and 31.

For a detailed discussion about the Group's performance and financial position please refer to our Operating and Financial Review section of the Directors' Report.

## 3 Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group's operating segments are based on the internal reports that are reviewed and used by Chief Executive Officer (CEO), who is identified as the Chief Operating Decision Maker ('CODM'), in assessing performance and in determining the allocation of resources.

Prior to the sale of PYBAR, the Group comprised two reportable segments: PYBAR and Mastermyne. The Mastermyne segment previously aggregated operating segments, including Mastermyne Contracting and Mastermyne Operations. This aggregation was based on the fact that these segments exhibit similar economic characteristics, the products and services are all provided to customers in the underground coal mining sector, are often offered as a suite of services to the relevant customers, and the products and services all operate within the Coal Mining Act regulatory environment.

Following the sale of PYBAR, the Group has reassessed the reportable segments and determined that there is now one reportable segment (Mastermyne), which comprises the following two operating segments:

- Mastermyne Contracting - provides mine development and all mine support services such as roadway construction, ventilation, conveyors, longwall relocations, application of polymeric strata support, chemical application, cavity fill, strata consolidation, ventilation control devices, production and ancillary equipment services and industrial products. The products and services (including chemical products and services, consumables and training) are provided to the underground long wall coal mining operations in the coalfields and supporting coal mining industries of Queensland and New South Wales.
- Mastermyne Operations - whole of mine operations where we are appointed as the "Mine Operator" and are responsible for all underground operations and support functions to deliver the coal to the ROM stockpile.

### 3 Segment information (continued)

#### Segment reporting (continued)

The Group has determined that the operating segments meet the criteria for aggregation into a single reportable segment as the CODM reviewed results, assessed performance and allocated resources at a consolidated level and:

- the services exhibit similar economic characteristics;
- the products and services are all provided to customers in the underground coal mining sector, to a consistent target customer base using consistent methods of product/service delivery; and
- the products and services all operate within the Coal Mining Act regulatory environment.

As the information reported to the CODM is the consolidated results of the Mastermyne Contracting and Mastermyne Operations operating segments, the segment results for the year ended 30 June 2024 and 30 June 2023 are shown throughout the financial statements and are not duplicated here.

The PYBAR subsidiary was sold effective from 31 May 2024. Information about this discontinued segment is provided in note 31.

For information regarding major customers, refer to note 26(b). The Group operates in one geographical segment, namely Australia.

For information regarding product and service sales, refer to note 4.

### 4 Revenue from contracts with customers

#### (a) Disaggregation of revenue from contracts with customers

The Group derives revenue from contracts with customers from the transfer of goods and services over time and at a point in time as follows:

	2024 \$'000	2023 \$'000
Contracting revenue	272,314	297,208
Sale of goods	6,117	7,121
Machinery hire	15,708	22,458
	<u>294,139</u>	<u>326,787</u>

#### Accounting policy

The Company derives revenue from contracting, sale of goods and machinery hire. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods or services.

#### *Consideration included in the measurement of revenue*

The consideration to be received from customers may include fixed amounts, variable amounts, or both. Where the contract includes a right to variable consideration, the Group estimates the amount of variable consideration using the most likely amount approach on a contract-by-contract basis. Variable consideration is included in the measurement of revenue only to the extent that it is highly probable, based on historical experience, that a significant reversal of the cumulative amount recognised will not occur when the uncertainty associated with the variability is subsequently resolved.

## 4 Revenue from contracts with customers (continued)

### Accounting policy (continued)

#### *Contracting revenue*

Contracting revenue includes new mine development, mine operation, roadway development and all mine support services such as training, ventilation, conveyors, longwall relocations and application of polymeric strata support. Contracting revenue is recognised over time, and dependent on the type of contract, is measured using either the input or output method.

For schedule of rates contracts, where a rate is prescribed for each activity performed, revenue is recognised based on the amount Metarock Group Limited has the right to invoice.

For fixed-price contracts, either the input or output method is used to recognise revenue depending on the terms of the underlying contract. Where the output method is determined to be most appropriate, revenue is recognised on the basis of direct measurement of the value of goods or services transferred to the customer. Where the input method is determined to be most appropriate, revenue is recognised on the basis of resources consumed, costs incurred or machines hours. When the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date, revenue is recognised over-time by reference to the stage of completion of the contract activity and measurement is based on the proportion of contract costs incurred up to the end of the reporting period relative to the estimated total contract costs.

Contracts can contain multiple performance obligations. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a production schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

#### *Sale of goods*

Revenue from the sale of goods is recognised at a point in time when the Company transfers control of goods to a customer for the amount to which the Company expects to be entitled.

#### *Machinery hire*

Machinery hire revenue is recognised over time using the input method.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

## 5 Other income

	2024 \$'000	2023 \$'000
Government grants and subsidies	322	2,605
Gain on sale of plant and equipment	4,163	440
Other income and insurance proceeds	252	1,162
	<u>4,737</u>	<u>4,207</u>

## 6 Expenses

	Notes	2024 \$'000	2023 \$'000
Personnel expenses			
Wages and salaries		171,530	192,245
Other associated personnel expenses		12,539	14,592
Contributions to defined contribution superannuation funds		12,216	13,150
Equity-settled share based payment transactions		418	303
		<u>196,703</u>	<u>220,290</u>
Depreciation and amortisation			
Depreciation	14, 19	9,403	10,473
Amortisation	15	156	242
		<u>9,559</u>	<u>10,715</u>
Other expenses			
Insurance		2,295	4,675
Expenses/(recoveries) arising from contracts with customers		(139)	600
(Gain)/loss on termination of leases		(9)	389
Business development costs and other expenses		3	48
Fair value increase/(decrease) in the contingent consideration liabilities		-	(16)
		<u>2,150</u>	<u>5,696</u>

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

## 7 Material profit or loss items

The Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

	Notes	2024 \$'000	2023 \$'000
<b>Continuing operations</b>			
<b>Gains</b>			
Gain on disposal of plant and equipment (i)	13, 14	4,163	440
Gain on sale of business (ii)		134	-
		<u>4,297</u>	<u>440</u>
<b>Impairment losses</b>			
<b>Impairment of Crinum assets</b>			
Contract assets and accrued revenue		-	(8,021)
Trade receivables		-	(466)
Property, plant and equipment (iii)	14	(90)	(2,414)
Inventory		-	(973)
Asset held for sale		-	(1,634)
Intellectual property		-	(323)
<b>Impairment of Cook assets</b>			
Trade receivables		-	(179)
Accrued revenue		-	(3,635)
<b>Impairment - Right of use assets</b>			
Impairment of trade and other receivables subject to ongoing claim		-	(1,751)
Impairment of property, plant and equipment (iv)	14	(772)	-
		<u>(862)</u>	<u>(20,186)</u>
<b>Expenses</b>			
Onerous contract expense relating to Cook (v)		(235)	(7,728)
Impact of Crinum incident		-	(8,315)
Consulting and legal costs - Crinum and Moranbah North Mine incident		-	(778)
Fair value adjustment to contingent consideration		-	16
		<u>(235)</u>	<u>(16,805)</u>
<b>Total material items from continuing operations</b>		<u><b>3,200</b></u>	<u><b>(36,551)</b></u>
<b>Discontinued operations</b>			
<b>Gains</b>			
Gain on sale of PYBAR	31	16,544	-
<b>Impairment losses</b>			
<b>Impairment of PYBAR assets</b>			
Goodwill, brand and customer contracts		-	(24,644)
Inventory		-	(4,269)
Property, plant and equipment		-	(1,129)
Assets held for sale		-	(275)
<b>Impairment of Thalanga assets</b>			
Trade receivables		-	(5,676)
Customer relationships		-	(1,417)
		<u>-</u>	<u>(37,410)</u>
<b>Total material items from discontinued operations</b>		<u><b>16,544</b></u>	<u><b>(37,410)</b></u>

## 7 Material profit or loss items (continued)

- (i) The Group completed the sale of major equipment which was held for sale at 30 June 2023. Excluding PYBAR, surplus assets with a book value of \$27,125,000 were sold with proceeds from sale of \$31,288,000 used to repay related debt and fund working capital requirements. Gains on disposal of plant and equipment are included in other income in the statement of comprehensive income.
- (ii) On 8 March 2024, the Group completed the sale of part of its Consumables operations, comprising inventory and minor equipment together with the transfer of three employees and a property lease. The proceeds from the sale were \$2,098,000.
- (iii) The Crinum Mine Operations contract was terminated in October 2022 with a deed of release and settlement finalised subsequent to period end. Assets related to the Crinum contract have been written-off to the extent that they exceeded their recoverable values as determined by the deed of settlement. The remaining equipment was reassessed during the period and written down to recoverable value.
- (iv) Following a management review of equipment, the written down value of an idle asset was determined to exceed its recoverable value and an impairment was recognised accordingly.
- (v) In August 2023, the Cook Colliery contract ended by mutual agreement. Assets related to the Cook contract have been written down to the extent that they exceeded their recoverable values and an onerous contract provision has been raised for the net unavoidable costs to meet contractual obligations for the remainder of the contract.

## 8 Finance income and costs

	2024 \$'000	2023 \$'000
Finance income		
Finance income	170	81
Finance costs		
Finance costs paid/payable for borrowings	(3,397)	(4,586)
Finance costs paid/payable for lease liabilities and unwinding of discount	(549)	(673)
Deferred consideration: unwinding of discount/interest	(681)	(843)
	<u>(4,627)</u>	<u>(6,102)</u>
Net finance costs	<u>(4,457)</u>	<u>(6,021)</u>

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**9 Income tax**

(a) Income tax expense

The major components of income tax expense are as follows:

	2024 \$'000	2023 \$'000
Current income tax expense	1,377	-
Adjustment for prior period	(235)	11
Total current tax expense	<u>1,142</u>	<u>11</u>
Deferred income tax relating to the origination and reversal of temporary differences	<u>(4,012)</u>	<u>(5,735)</u>
Income tax benefit	<u>(2,870)</u>	<u>(5,724)</u>
Income tax (benefit)/expense is attributable to:		
Profit/(loss) from continuing operations	(3,466)	3,870
Profit/(loss) from discontinued operations	596	(9,594)
	<u>(2,870)</u>	<u>(5,724)</u>

(b) Numerical reconciliation of income tax expense to prima facie tax payable

A reconciliation between income tax expense/(benefit) and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2024 \$'000	2023 \$'000
Profit/(loss) from continuing operations before income tax expense	17,746	(27,430)
Profit/(loss) from discontinued operations before income tax expense	19,027	(52,305)
	<u>36,773</u>	<u>(79,735)</u>
Tax at the Australian tax rate of 30.0% (2023: 30.0%)	<b>11,032</b>	(23,921)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible impairment of intangible assets	-	6,333
Other non-deductible expenses	302	(545)
Non-assessable income from sale of PYBAR	(4,963)	-
Change in recognised temporary differences	(9,006)	12,398
	<u>(2,635)</u>	<u>(5,735)</u>
Under/(over) provision of previous year	(235)	11
Income tax benefit	<u>(2,870)</u>	<u>(5,724)</u>

(c) Current tax assets and liabilities

The current tax liability for the Group of (\$1,377,000) represents the amount of income taxes payable in respect of current and prior periods (2023: Nil).

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**9 Income tax (continued)**

(d) Deferred tax balances

Deferred income tax assets and liabilities are attributable to the following temporary differences:

	2024 \$'000	2023 \$'000
Receivables	138	758
Employee benefits	3,587	6,015
Accruals and provisions	1,882	3,592
Capital raising and business acquisition costs	743	915
Lease liabilities	1,520	4,241
Inventory	167	197
Tax losses - Group	-	3,101
Total deferred tax assets	<u>8,037</u>	<u>18,819</u>
Property, plant and equipment	(512)	(7,451)
Intangible assets	(248)	(994)
Right-of-use assets	(1,341)	(3,722)
Unbilled revenue	-	(6,652)
Total deferred tax liabilities	<u>(2,101)</u>	<u>(18,819)</u>
Net deferred tax assets/(liabilities)	<u>5,936</u>	<u>-</u>

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**9 Income tax (continued)**

(d) Deferred tax balances (continued)

Movements in deferred tax assets and liabilities are as follows:

Movements	Tax losses \$'000	Employee benefits \$'000	Accruals & Provisions \$'000	Capital raising and business acquisition costs \$'000	Lease liabilities \$'000	Property, plant and equipment \$'000	Receivables \$'000	Inventory \$'000	Intangible assets \$'000	Right-of-use assets \$'000	Unbilled revenue \$'000	Total \$'000
Balance at 1 July 2022	5,821	7,386	1,648	286	3,633	(11,899)	107	(1,568)	(3,804)	(3,464)	(3,881)	(5,735)
(Charged)/credited to:												
-Profit or loss	2,917	(1,371)	1,944	629	608	4,943	651	1,765	2,603	(261)	3,707	18,135
-Current tax liability	(256)	-	-	-	-	-	-	-	-	-	-	(256)
-Prior year under/over	7,028	-	-	-	-	(712)	-	(40)	204	(4)	(6,478)	(2)
-Acquisition of subsidiary	-	-	-	-	-	217	-	40	3	7	-	267
-Derecognition of tax assets	(12,409)	-	-	-	-	-	-	-	-	-	-	(12,409)
Balance at 30 June 2023	3,101	6,015	3,592	915	4,241	(7,451)	758	197	(994)	(3,722)	(6,652)	-

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**9 Income tax (continued)**

(d) Deferred tax balances (continued)

Movements	Tax losses \$'000	Employee benefits \$'000	Accruals & Provisions \$'000	Capital raising and business acquisition costs \$'000	Lease liabilities \$'000	Property, plant and equipment \$'000	Receivables \$'000	Inventory \$'000	Intangible assets \$'000	Right-of-use assets \$'000	Unbilled revenue \$'000	Total \$'000
Balance at 1 July 2023	3,101	6,015	3,592	915	4,241	(7,451)	758	197	(994)	(3,722)	(6,652)	-
(Charged)/credited to:												
-Profit or loss	1,045	56	(1,333)	(172)	(1,573)	2,260	(142)	180	574	1,372	1,747	4,014
-Current tax liability	(4,146)	-	-	-	-	-	-	-	-	-	-	(4,146)
-Prior year under/over	-	-	180	1	-	(256)	(450)	-	1	1	4,905	4,382
-Derecognition of tax assets	-	(2,484)	(557)	(1)	(1,148)	4,935	(28)	(210)	171	1,008	-	1,686
Balance at 30 June 2024	-	3,587	1,882	743	1,520	(512)	138	167	(248)	(1,341)	-	5,936

## 9 Income tax (continued)

### Accounting policy

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### *Tax consolidation legislation*

Metarock Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

### Significant estimate: Recognition of deferred tax asset for carried forward losses

The Group has not recognised a deferred tax asset associated with carried forward losses in 2024. A deferred tax asset of \$3,101,000 associated with carried forward losses was recognised in 2023 to offset deferred tax liabilities. The Group has unused tax losses of \$15,909,000 for which no deferred tax has been recognised. The losses can be carried forward indefinitely.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

## 10 Cash and cash equivalents

	2024 \$'000	2023 \$'000
Current assets		
Cash on hand	-	4
Bank balances	26,036	12,898
Cash and cash equivalents	<u>26,036</u>	<u>12,902</u>

### Accounting policy

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Reconciliation of profit after income tax to net cash inflow from operating activities

	Notes	2024* \$'000	2023* \$'000
Profit/(loss) for the period		39,643	(74,011)
Adjustments for:			
Depreciation	14, 19	25,258	31,827
Amortisation of intangible assets	15	2,041	3,945
Non-cash employee benefits expense - share-based payments	29	418	303
Net (gain)/loss on sale or loss of current and non-current assets		(4,264)	(1,755)
Profit on sale of business	31	(134)	-
Fair value adjustment - contingent consideration		-	(16)
Fair value adjustment - onerous contracts		-	(445)
Profit on sale of entities		(16,544)	-
Loss on termination of leases		22	421
Net finance expense		6,915	9,770
Income tax benefit		(2,870)	(5,724)
Impairment of property, plant and equipment		862	57,596
Change in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables		(5,515)	368
(Increase)/decrease in contract assets		-	(9,672)
Increase/(decrease) in contract liabilities		14	(2,018)
(Increase)/decrease in inventory		(1,193)	(3,019)
(Decrease)/increase in trade and other payables		(13,571)	(14,726)
Increase/(decrease) in employee benefits		138	(3,400)
Increase/(decrease) in provisions		(7,280)	6,504
Interest paid		(7,199)	(9,001)
Interest received		258	133
Income taxes refunded/(paid)		-	12,537
Net cash inflow/(outflow) from operating activities		<u>16,999</u>	<u>(383)</u>

\*Information includes discontinued operations. For the cash flows from discontinued operation, refer to note 31.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**10 Cash and cash equivalents (continued)**

Non-cash investing and financing activities

	Notes	2024 \$'000	2023 \$'000
Acquisition of right-of-use assets	19	490	7,681
Rights and shares issued to employees under the Employee Performance Rights Plan for no cash consideration		418	830
		<u>908</u>	<u>8,511</u>

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2024 \$'000	2023 \$'000
Net debt		
Cash and cash equivalents	26,036	12,902
Borrowings	(2,003)	(56,109)
Liabilities associated with assets held for sale	(2,234)	(30,499)
Lease liabilities	(5,213)	(15,819)
Net (debt)/cash	<u>16,586</u>	<u>(89,525)</u>

	Borrowings* \$'000	Leases \$'000	Sub-total \$'000	Cash/bank overdraft \$'000	Total \$'000
Net (debt)/cash as at 1 July 2022	(84,008)	(17,328)	(101,336)	5,229	(96,107)
Financing cash flows	(1,799)	7,453	5,654	7,673	13,327
Terminations	-	1,052	1,052	-	1,052
New leases	-	(6,916)	(6,916)	-	(6,916)
Modifications	-	(80)	(80)	-	(80)
Interest expense	(6,339)	(938)	(7,277)	-	(7,277)
Interest payments (presented as operating cash flows)	5,538	938	6,476	-	6,476
Net (debt)/cash as at 30 June 2023	<u>(86,608)</u>	<u>(15,819)</u>	<u>(102,427)</u>	12,902	<u>(89,525)</u>
Net (debt)/cash as at 1 July 2023	(86,608)	(15,819)	(102,427)	12,902	(89,525)
Financing cash flows	64,880	7,259	72,139	13,134	85,273
Terminations	-	9	9	-	9
New leases	-	(245)	(245)	-	(245)
Sale of the subsidiary	17,464	3,828	21,292	-	21,292
Acquired in business combination	-	(245)	(245)	-	(245)
Interest expense	(2,193)	(732)	(2,925)	-	(2,925)
Interest payments (presented as operating cash flows)	2,220	732	2,952	-	2,952
Net (debt)/cash as at 30 June 2024	<u>(4,237)</u>	<u>(5,213)</u>	<u>(9,450)</u>	26,036	<u>16,586</u>

\*The current and prior period cash flow for borrowings includes cash flows associated with liabilities related to assets held for sale.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
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(continued)

## 11 Trade and other receivables

	2024 \$'000	2023 \$'000
Current		
Trade and other receivables <i>(i)</i>	28,682	50,911
Unbilled revenue <i>(ii)</i>	16,917	22,233
Expected credit losses <i>(iii)</i>	<u>(461)</u>	<u>(1,027)</u>
	45,138	72,117
Prepayments		
	<u>206</u>	<u>3,487</u>
	45,344	75,604

### Accounting policy

Trade and other receivables are carried at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period of maturity. We establish an allowance for expected credit losses for receivables using the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and unbilled revenue have been grouped based on the days past due. The unbilled revenue represents receivables from contracts with customers for which the Company has an unconditional right to consideration arising from the transfer of goods or services to the customer (i.e. only the passage of time is required before payment of the consideration is due) and have similar risk characteristics as the trade receivables for the same types of contracts. The expected loss rates are based on the historical credit losses experienced over the previous ten years. We adjust historical loss rates to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

#### *(i) Trade and other receivables*

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

#### *(ii) Unbilled revenue*

Unbilled revenue represents receivables from contracts with customers for which the Company has an unconditional right to consideration arising from the transfer of goods or services from the customer, but has not been invoiced at balance date. They are generally converted to trade receivables within 30 days and then due for settlement as outlined above and are therefore all classified as current.

#### *(iii) Allowance for expected credit losses*

Expected credit losses are included in profit or loss within other expenses.

## 11 Trade and other receivables (continued)

### (iv) Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to a financing arrangement. Under this arrangement, the Group has transferred the relevant receivables to the financier in exchange for financing and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk.

The Group therefore continues to recognise the transferred assets in their entirety in its statement of financial position. The amount repayable under the financing agreement is presented as secured borrowings. The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

	Notes	2024 \$'000	2023 \$'000
Transferred receivables		-	19,573
Associated secured borrowing (bank loans - see note 24)	26, 24	-	19,573

Management considers that in substance the financier collects the amounts receivable on the entity's behalf and retains the cash in settlement of the separate financing transaction. The Group therefore presents the net cash inflows and outflows from the financier as cash flows from financing activities, and the subsequent payments by debtors as cash inflows from operating activities.

## 12 Inventories

	2024 \$'000	2023 \$'000
Raw materials	7,391	7,111
Finished goods	2,181	11,906
	<u>9,572</u>	<u>19,017</u>

Inventories recognised as an expense in cost of goods sold during the year ended 30 June 2024 amounted to \$7,338,000 (2023: \$8,688,000).

**Metarock Group Limited**  
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(continued)

### 13 Assets classified as held for sale

(a) Assets and liabilities classified as held for sale

Assets held for sale with a book value of \$26,495,000 were sold during the year. Additionally, \$2,282,000 was transferred to property, plant and equipment as these assets were returned to operation for new contracts. A reduction of \$1,557,000 in assets held for sale relates to the sale of Pybar. The remaining assets held for sale at 30 June 2024 are being actively marketed for sale.

The assets held for sale and the liabilities directly associated with the assets classified as held for sale are disclosed below:

	2024 \$'000	2023 \$'000
Assets classified as held for sale		
Property, plant and equipment	3,572	33,906
	2024 \$'000	2023 \$'000
Liabilities directly associated with assets classified as held for sale		
Borrowings	2,234	30,499

#### Accounting policy

Assets held for sale are measured at the lower of carrying amount and fair value less cost to sell at the time of reclassification and subsequently assessed for impairment at each reporting date. The fair value of the assets is determined using the current prices of similar assets in the market adjusted for some differences where necessary.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**14 Property, plant and equipment**

	2024 \$'000	2023 \$'000
<b>Plant and equipment</b>		
Gross value	41,470	119,939
Accumulated depreciation and impairment	<u>(33,856)</u>	<u>(68,867)</u>
	<u>7,614</u>	<u>51,072</u>
<b>Motor vehicles</b>		
Gross value	401	4,056
Accumulated depreciation and impairment	<u>(346)</u>	<u>(2,425)</u>
	<u>55</u>	<u>1,631</u>
<b>Leasehold improvements</b>		
Gross value	216	1,050
Accumulated depreciation and impairment	<u>(154)</u>	<u>(519)</u>
	<u>62</u>	<u>531</u>
<b>Computer equipment</b>		
Gross value	1,988	2,210
Accumulated depreciation and impairment	<u>(1,679)</u>	<u>(1,672)</u>
	<u>309</u>	<u>538</u>
	<u>8,040</u>	<u>53,772</u>

Reconciliation of carrying amounts

Note	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Computer equipment \$'000	Total \$'000
Year ended 30 June 2023					
Opening net book amount	105,369	2,767	768	1,762	110,666
Sale of PYBAR*	(15,966)	(974)	(248)	(59)	(17,247)
Additions	18,650	-	38	90	18,778
Disposals	(3,117)	(100)	(7)	(1,028)	(4,252)
Depreciation charge	(5,130)	(62)	(20)	(227)	(5,439)
Impairment loss	(2,413)	-	-	-	(2,413)
Net transfers to assets held for sale (note 13)	(46,321)	-	-	-	(46,321)
<b>Closing net book amount</b>	<u>51,072</u>	<u>1,631</u>	<u>531</u>	<u>538</u>	<u>53,772</u>

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

## 14 Property, plant and equipment (continued)

Reconciliation of carrying amounts (continued)

	Note	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Computer equipment \$'000	Total \$'000
Year ended 30 June 2024						
Opening net book amount		51,072	1,631	531	538	53,772
Sale of PYBAR*		(41,381)	(1,533)	(459)	(82)	(43,455)
Additions		763	-	-	94	857
Net transfers to assets held for sale (note 13)		2,282	-	-	-	2,282
Disposals		(537)	-	-	-	(537)
Depreciation charge		(3,723)	(43)	(10)	(241)	(4,017)
Impairment loss		(862)	-	-	-	(862)
Closing net book amount		<u>7,614</u>	<u>55</u>	<u>62</u>	<u>309</u>	<u>8,040</u>

\*On 31 May 2024, Metarock Group Limited completed the sale of PYBAR Holdings Pty Limited to Thiess Pty Ltd, a wholly owned subsidiary of Thiess Group Holdings Pty Ltd.

### Accounting policy

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self constructed assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within "other income" or "other expenses" in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised in profit or loss on a straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment.

The depreciation rates which reflect the estimated useful lives for the current period are as follows:

- Plant and equipment 7.50 - 50.00%
- Motor vehicles 12.50 - 33.33%
- Computer equipment 16.67 - 50.00%
- Leasehold improvements 7.50 - 66.67%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The cost of improvements to, or in, leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvements to the Group, whichever is shorter.

**Metarock Group Limited**  
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**15 Intangible assets**

	2024 \$'000	2023 \$'000
<b>Goodwill</b>		
Gross value	10,324	31,435
Accumulated impairment	-	(21,111)
	<u>10,324</u>	<u>10,324</u>
<b>Software</b>		
Gross value	281	1,118
Accumulated amortisation	(281)	(449)
	<u>-</u>	<u>669</u>
<b>Intellectual property</b>		
Gross value	321	321
Accumulated amortisation	(321)	(321)
	<u>-</u>	<u>-</u>
<b>Customer relationships</b>		
Gross value	590	9,770
Accumulated amortisation and impairment	(489)	(7,357)
	<u>101</u>	<u>2,413</u>
<b>Exclusive distribution rights</b>		
Gross value	991	991
Accumulated amortisation	(266)	(211)
	<u>725</u>	<u>780</u>
<b>Brand</b>		
Gross value	-	3,435
Accumulated amortisation and impairment	-	(3,435)
	<u>-</u>	<u>-</u>
	<u>11,150</u>	<u>14,186</u>

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
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(continued)

**15 Intangible assets (continued)**

Reconciliation of carrying amounts

	Goodwill \$'000	Software \$'000	Intellectual property \$'000	Customer relationships \$'000	Exclusive distribution rights \$'000	Brand \$'000	Total \$'000
<b>Note</b>							
Year ended 30 June 2023							
Opening net book amount	31,056	865	380	7,794	835	3,206	44,136
Acquisition of subsidiary	379	-	-	-	-	-	379
Impairment loss	-	-	(323)	-	-	-	(323)
Amortisation charge	-	(29)	(57)	(101)	(55)	-	(242)
Sale of PYBAR*	(21,111)	(167)	-	(5,280)	-	(3,206)	(29,764)
Closing net book amount	<u>10,324</u>	<u>669</u>	<u>-</u>	<u>2,413</u>	<u>780</u>	<u>-</u>	<u>14,186</u>

	Note	Goodwill \$'000	Software \$'000	Customer relationships \$'000	Exclusive distribution rights \$'000	Total \$'000
Year ended 30 June 2024						
Opening net book amount		10,324	669	2,413	780	14,186
Amortisation charge		-	-	(101)	(55)	(156)
Sale of PYBAR*	31	-	(669)	(2,211)	-	(2,880)
Closing net book amount		<u>10,324</u>	<u>-</u>	<u>101</u>	<u>725</u>	<u>11,150</u>

\*On 31 May 2024, Metarock Group Limited completed the sale of PYBAR Holdings Pty Limited to Thiess Pty Ltd, a wholly owned subsidiary of Thiess Group Holdings Pty Ltd.

**Accounting policy**

*Intangible assets*

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of the finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Goodwill*

Goodwill on acquisitions of subsidiaries is included in intangible assets and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination. The CGUs or group of CGUs are identified at the lowest level at which goodwill is monitored for internal management purposes.

## 15 Intangible assets (continued)

### Impairment testing

Goodwill and intangible assets with an indefinite useful life are not subject to amortisation but are tested annually for impairment, or more frequently if events or circumstances indicate they might be impaired. Other non-financial assets are tested for impairment whenever events or circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. To assess value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For impairment assessment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows largely independent of those from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

No impairment loss was recognised for intangible assets in the current year (2023: \$24,644,000).

### Significant estimate: Key assumptions used in value-in-use calculations

For the purposes of impairment testing, goodwill is allocated to CGUs or group of CGUs which represent the lowest level at which the goodwill is monitored for internal management purposes. Mastermyne Mining and Wilson Mining were considered separate CGUs in 2023. Following the sale of PYBAR in 2024, management reassessed the Group's operating segments and the level at which goodwill is monitored for impairment purposes and determined that Wilson Mining and Mastermyne Mining are no longer separable but now form part of the Mastermyne Contracting operating segment due to:

- Integrated product and service offering across the Mastermyne Contracting operations;
- Shared use of resources and employees across the operations; and
- Management of the operations being at a Mastermyne Contracting segment level.

The aggregate carrying amount of goodwill allocated to each CGU or group of CGUs is as follows:

	2024 \$'000	2023 \$'000
Mastermyne Mining	-	6,429
Wilson Mining	-	3,895
Mastermyne Contracting	10,324	-
	<u>10,324</u>	<u>10,324</u>

The Group tests goodwill for impairment on an annual basis. For the 2024 and 2023 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which involve the use of assumptions.

### Mastermyne Contracting

Mastermyne Contracting calculations use cash flow projections based on financial budgets approved by management for 2025, with cash flows in 2026 extrapolated to reflect the full year impact of projects forecast to commence in 2025 and cash flows beyond the 2026 financial year extrapolated using an average growth rate of 3.5% to cover a five-year period. Cash flows beyond the five-year period are extrapolated using a terminal growth rate of 2.5%.

Management believes the projected 3.5% annual growth rate applied to revenue, operating costs, overheads and capital expenditure is justified taking into consideration managements expectations for the future, current and historical industry trends and inflation.

A 19.18% before-tax discount rate was applied to cash flow projections. The discount rate was estimated based on: a gearing ratio of 20% - 30% taking into account the current capital structure of the Group and companies considered comparable to the Mastermyne Contracting CGU; an industry average beta, risk-free rate consistent with an Australian government 10-year treasury bond with a minimum yield used of 4.37%, a market risk premium of 6.00% and a calculated cost of debt based on the current 10-year corporate bond yields of companies considered comparable to the Group.

## 15 Intangible assets (continued)

Significant estimate: Key assumptions used in value-in-use calculations (continued)

### *Mastermyne Contracting (continued)*

#### *Impact of possible changes in key assumptions*

The recoverable amount of this CGU would equal its carrying amount if the following key assumptions were changed: Pre-tax discount rate increasing from 19.18% to 24.93%; reduction in forecast earnings before interest, tax, depreciation and amortisation of 11.53%.

### *Mastermyne Mining*

As previously noted, goodwill allocated to the Mastermyne Mining CGU is no longer monitored by management for impairment at this level. For comparative purposes the cash flow assumptions applied in the 2023 financial year included: cash flows extrapolated using an average growth rate of 3.5% to cover a five-year period with cash flows beyond the five-year period extrapolated using a terminal growth rate of 2.5%. Other key value in use assumptions applied in the 2023 financial year include a 17.97% before-tax discount rate being applied to cash flow projections, a gearing ratio of 20% - 30%, a risk-free rate of 4.00% and a market risk premium of 6.00% and a calculated cost of debt based on the Group's current debt and interest rates payable on this debt.

### *Wilson Mining*

As previously noted, goodwill allocated to the Wilson Mining CGU is no longer monitored by management for impairment at this level. For comparative purposes the cash flow assumptions applied in the 2023 financial year included: cash flows extrapolated using an average growth rate of 3.5% to cover a five-year period with cash flows beyond the five-year period extrapolated using a terminal growth rate of 2.5%. Other key value in use assumptions applied in the 2023 financial year include a 17.28% before-tax discount rate being applied to cash flow projections, a gearing ratio of 25% - 35%, risk-free rate of 4.00% and a market risk premium of 6.00% and a calculated cost of debt based on the Group's current debt and interest rates payable on this debt.

## 16 Trade and other payables

	2024 \$'000	2023 \$'000
Current liabilities		
Trade and other payables	1,707	11,257
Sundry creditors and accruals	18,119	43,973
	<u>19,826</u>	<u>55,230</u>

### Accounting policy

#### *Trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Payables also include liabilities for contractual claims when the Group has a present legal obligation as a result of past events, it is probable that an outflow will be required to settle the obligation and the amount has been reliably estimated. In these circumstances the liability is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

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## 17 Employee benefit obligations

	2024			2023		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Liability for annual leave	9,070	-	9,070	15,521	-	15,521
Liability for vesting sick leave	2,151	-	2,151	2,206	70	2,276
Liability for long service leave	286	196	482	1,484	587	2,071
<b>Total employee benefit obligations</b>	<b>11,507</b>	<b>196</b>	<b>11,703</b>	<b>19,211</b>	<b>657</b>	<b>19,868</b>

## 18 Provisions

	2024 \$'000	2023 \$'000
Project Demobilisation Provision	1,731	-
Onerous Contract Provision	238	7,728
	<b>1,969</b>	<b>7,728</b>

### Movements in provisions

Movements in each class of provision during the financial year are set out below:

	Project Demobilisation Provision \$'000	Onerous Contract Provision \$'000	Total \$'000
2024			
Carrying amount at start of year	-	7,728	7,728
Additional provisions recognised	1,731	235	1,966
Amounts used	-	(7,725)	(7,725)
Carrying amount at end of year	<b>1,731</b>	<b>238</b>	<b>1,969</b>

### Project Demobilisation Provision

Project Demobilisation Provision has been recognised in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* to provide for costs expected to be incurred in relation to repairs prior to returning hire equipment at the end of a project. This provision does not include any costs associated with routine maintenance necessary to ensure safe and efficient operating conditions, nor the fair wear and tear of the equipment. The provision requires a degree of estimation and judgement in regard to the term of the head contract and the expected repair costs. The latter have been determined having regard to benchmarking of actual costs incurred historically on similar types of equipment, together with an assessment of the current condition of the equipment.

### Onerous Contract Provision

At 30 June 2023 a provision of \$7,728,000 was recognised for the unavoidable costs of fulfilling the Cook Contract obligations which exceed the economic benefits expected to be received. The contract ended during the financial year and the remaining costs (\$238,000 at 30 June 2024) are expected to be incurred in the next financial year.

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## 18 Provisions (continued)

### *Accounting policy*

Provisions for project demobilisation and onerous contracts are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The estimate takes into consideration the risks and uncertainties surrounding the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

## 19 Leases

This note provides information for leases where the Group is a lessee. The Group does not have any leases where it is a lessor.

### *(i) Amounts recognised in the balance sheet*

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 \$'000	2023 \$'000
<b>Right-of-use assets</b>		
Buildings	2,782	7,302
Equipment	4,529	8,488
Vehicles	988	1,778
	<u>8,299</u>	<u>17,568</u>
<b>Lease liabilities</b>		
Current	2,436	7,144
Non-current	2,777	8,675
	<u>5,213</u>	<u>15,819</u>

Additions to the right-of-use assets during the 2024 financial year were \$490,000 (2023: \$7,681,000).

### *(ii) Amounts recognised in the statement of profit or loss*

	Notes	2024 \$'000	2023 \$'000
<b>Depreciation charge of right-of-use assets</b>			
Buildings		687	829
Equipment		3,762	3,316
Vehicles		937	889
		<u>5,386</u>	<u>5,034</u>

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**19 Leases (continued)**

(ii) Amounts recognised in the statement of profit or loss (continued)

	Notes	2024 \$'000	2023 \$'000
Interest expense (included in finance cost)	8	549	673
Expense relating to short-term leases (included in contract disbursements and office expenses)		4,183	9,552
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)		83	88
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)		219	202

Total cash outflows from continuing operations for leases in 2024 was \$11,750,000 (2023: \$16,846,000).

**Accounting policy**

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 3 months to 5 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

*Short-term and low value leases*

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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## 19 Leases (continued)

### Significant estimate: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate); and
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

### Significant estimate: Determining the incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

## 20 Other liabilities

	2024 \$'000	2023 \$'000
Current		
Deferred consideration	-	8,914
	<u>-</u>	<u>8,914</u>

### Deferred consideration

The deferred consideration relates to share purchase agreement variations for the acquisition of PYBAR Holdings Pty Limited on 31 October 2021. Under the arrangement the settlement of the deferred consideration of \$8,914,000 was deferred with interest payable monthly in arrears at a rate of 10% per annum, increasing to 12.25% from September 2023. The deferred consideration was settled in full on 31 May 2024 as part of the sale of the shareholding in PYBAR Holdings Pty Limited to Thiess Pty Ltd. Refer to note 31 for further details regarding the sale.

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## 21 Earnings per share

### Basic earnings per share

	2024 Cents	2023 Cents
Basic earnings/(loss) per share from continuing operations	7.0	(20.8)
Basic earnings/(loss) per share from discontinued operations	6.0	(28.5)
Basic earnings/(loss) per share attributable to the ordinary equity holders of the Company	<u>13.0</u>	<u>(49.3)</u>

### Diluted earnings per share

	2024 Cents	2023 Cents
Diluted earnings/(loss) per share from continuing operations	6.0	(20.8)
Diluted earnings/(loss) per share from discontinued operations	5.3	(28.5)
Diluted earnings/(loss) per share attributable to ordinary equity holders of the Company	<u>11.3</u>	<u>(49.3)</u>

### Reconciliations of earnings used in calculating earnings per share

	2024 \$'000	2023 \$'000
Earnings used in the calculation of basic and diluted earnings per share from continuing operations	21,212	(31,300)
Profit/(loss) after income tax from discontinued operations	18,431	(42,711)
Earnings used in the calculation of basic and diluted earnings per share attributable to ordinary equity holders of the Company	<u>39,643</u>	<u>(74,011)</u>

### Weighted average number of shares used as the denominator

	2024 Number	2023 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>305,072,822</u>	<u>150,140,749</u>
Adjustments for calculation of diluted earnings per share:		
Options	39,487,671	-
Performance rights outstanding*	6,877,234	-
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>351,437,727</u>	<u>150,140,749</u>

\*Performance rights and options have been excluded from the calculation of diluted earnings per share for 2023 as they were anti-dilutive.

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## 22 Dividends

### Ordinary shares

No dividends were paid or proposed during the financial year ended 30 June 2024 (2023: Nil).

### Franked dividends

	Company 2024 \$'000	2023 \$'000
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2023 - 30.0%)	20,291	18,914

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for:

- (a) franking credits that will arise from the payment of the amount of the provision for income tax;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity, Metarock Group Limited, if distributable profits of subsidiaries were paid as dividends.

## 23 Equity

### Share capital

	2024 Shares	2023 Shares	2024 \$'000	2023 \$'000
Ordinary shares				
Fully paid	306,525,971	300,991,221	112,003	112,904
Share issue costs	-	-	-	(1,724)
<b>Total share capital</b>	<b>306,525,971</b>	<b>300,991,221</b>	<b>112,003</b>	<b>111,180</b>

### Movements in ordinary shares:

Details	Notes	Number of shares (thousands)	Total \$'000
Opening balance 1 July 2022		130,993	87,904
Employee share scheme issues	29	3,332	-
Conditional placement		166,667	25,000
Share issue costs		-	(1,724)
Balance 30 June 2023		300,992	111,180
Conditional placement		5,075	761
Non-executive director plan		459	62
Balance 30 June 2024		306,526	112,003

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## 23 Equity (continued)

### Share capital (continued)

#### Ordinary shares

The Company does not have authorised capital or par value in respect of issued shares. All issued shares are fully paid. Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number and amounts paid on the shares held. Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

On 2 October 2023, 5,075,465 ordinary shares were issued following the completion of the 1 for 5.2 pro rata non-renounceable entitlement offer. The entitlement offer allowed eligible shareholders in the Company the opportunity to subscribe for 1 new share for every 5.2 existing shares held in Metarock at the offer price of \$0.15 per new share, together with 1 new option for every 3.25 new shares issued under the entitlement offer, with an exercise price of \$0.23.

At 30 June 2023, the Company completed an equity placement where 166,666,667 fully paid ordinary shares issued to M Mining Services Pty Ltd as trustee for M Mining Services Trust (M Resources) at an exercise price of \$0.15 per share. The placement also included an arrangement where M Resources is entitled to 51,282,051 options with an price of \$0.23 and expiring 31 May 2028. These options were issued on 2 October 2023.

At 30 June 2024, 52,843,795 options were on issue to M Resources. The options expire 31 May 2028.

On 16 January 2024, 459,285 ordinary shares were issued to Non-Executive Directors under the NED plan, as approved by the shareholders at the 2023 Annual General Meeting. Refer to note 29 for further details.

#### Capital management

The Board's policy is to maintain a strong capital base to provide a foundation for sustainable development and growth of the business, in addition to lending confidence to investors and other stakeholders. The Board has regard to return on capital, assessed as net operating income divided by total capital, in considering capital allocation. The Board also determines the Group's dividend policy.

There were no changes to the Group's approach to capital management during the year. Neither the Company, nor any of its subsidiaries are subject to externally imposed capital requirements.

#### Reserves

##### *(i) Share-based payments reserve*

The share-based payments reserve represents the grant date fair value of equity instruments granted to senior managers or key management personnel of the Company. Refer to Note 29 for further details.

##### *(ii) Common control reserve*

As a result of combinations of entities under common control, an equity account was created called the common control reserve. The balance of this account represents the excess of the fair value of Metarock Group Limited securities as at 7 May 2010 over the initial carrying value of Metarock Group Limited as at the date of Metarock Group Limited became the new parent entity of the Group.

##### *(iii) Profit reserve*

The Company has created a profit reserve. The Board considers transfers of profits to the profit reserve periodically. Dividends may be paid from this reserve and undistributed profits are available to be used for dividends in future periods.

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## 24 Borrowings

	2024			2023		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
<i>Secured</i>						
Invoice finance facility	-	-	-	19,573	-	19,573
Equipment finance facilities	652	1,351	2,003	17,548	15,423	32,971
<b>Total secured borrowings</b>	<b>652</b>	<b>1,351</b>	<b>2,003</b>	<b>37,121</b>	<b>15,423</b>	<b>52,544</b>
<i>Unsecured</i>						
Other loans	-	-	-	3,565	-	3,565
<b>Total unsecured borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,565</b>	<b>-</b>	<b>3,565</b>
<b>Total borrowings</b>	<b>652</b>	<b>1,351</b>	<b>2,003</b>	<b>40,686</b>	<b>15,423</b>	<b>56,109</b>

### (a) Secured liabilities and assets pledged as security

The invoice finance facilities are secured over the transferred trade receivables of the Group and the equipment finance facilities are secured over the equipment subject to the finance arrangement.

The borrowings facilities, excluding other loans, are also secured over all present and after-acquired property and a negative pledge that imposes certain covenants on the Group. At financial year-end, the negative pledge states that (subject to certain exceptions) the Group will not provide any other security over its assets, and will ensure that specified financial ratios are met, including ratios for gearing, debt service coverage and capital adequacy.

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	2024 \$'000	2023 \$'000
<i>Current</i>			
Transferred trade receivables		-	19,573
<i>Floating charge</i>			
Trade receivables	11	28,448	30,857
Inventory	12	9,572	19,017
<b>Total current assets pledged as security</b>		<b>38,020</b>	<b>69,447</b>
<i>Non-current</i>			
<i>First mortgage</i>			
Plant and equipment		5,638	60,246
<i>Floating charge</i>			
Plant and equipment	14	5,974	27,432
<b>Total non-current assets pledged as security</b>		<b>11,612</b>	<b>87,678</b>
<b>Total assets pledged as security</b>		<b>49,632</b>	<b>157,125</b>

Restrictions and covenants imposed under leasing agreements over right-of-use assets are disclosed in note 19.

## 24 Borrowings (continued)

### (b) Compliance with loan covenants

Loan covenants were waived for the six months ended 31 December 2023. The covenants were re-enlivened and complied with for the period from 1 January 2024 to 30 June 2024. Refer to note 33 for post year-end changes to the loan facilities.

### (c) Fair value

The fair values of borrowings are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

### (d) Risk exposures

Further details on the finance facilities and details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 26.

## 25 Commitments

### (a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2024 \$'000	2023 \$'000
Property, plant and equipment	108	1,077

## 26 Financial risk management

The Group's business activities can expose us to a variety of financial risks: market risk (including foreign exchange risk, price risk, and cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Board, together with management, seeks to identify, monitor and mitigate risk. Internal controls are monitored on a continuous basis and, wherever possible, improved. Risk management is identified in the Group's various corporate governance policies and will continue to be kept under regular review. Review takes place at both the Audit and Risk Management Committee level, with meetings at least four times a year, and at the Board level.

All of the Group's financial assets except cash and cash equivalents are within the loans and receivables category, and our financial liabilities are all within the financial liabilities category recorded at amortised cost.

### (a) Market risk

#### (i) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from lease liabilities and borrowings. These are obtained at fixed rates and expose the Group to fair value risk with the exception of short term borrowings which are subject to variable interest rates.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

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**26 Financial risk management (continued)**

(a) Market risk (continued)

(i) Cash flow and fair value interest rate risk (continued)

	2024 \$'000	% of total borrowings	2023 \$'000	% of total borrowings
<b>Borrowings and liabilities associated with assets held for sale</b>				
Variable rate borrowings	-	-%	(44,975)	51.9%
Fixed rate borrowings - repricing or maturity dates:				
Less than 1 year	(2,234)	52.7%	(26,196)	30.3%
1 - 5 years	(2,003)	47.3%	(15,437)	17.8%
	<u>(4,237)</u>	<u>100.0%</u>	<u>(86,608)</u>	<u>100.0%</u>

*Sensitivity*

Profit or loss is sensitive to higher/lower interest expense on variable rate borrowings as a result of changes in interest rates. The Group does not have any drawn variable rate borrowings at 30 June 2024.

	After-tax profit Higher/(lower) 2024 \$'000	2023 \$'000	Equity Higher/(lower) 2024 \$'000	2023 \$'000
+1% (100 basis points) (2023 +1%) *	-	(606)	-	(606)
-1% (100 basis points) (2023 -1%) *	-	606	-	606

\* Holding all other variables constant

An analysis by maturities is provided in Note (c) below.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents.

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. The majority of the Group's customers are large multinational mining companies with strong payment track records and credit history. There is no formal credit policy in place, however, each customer is assessed individually for creditworthiness before the Group's standard payment and delivery terms and conditions (30 days) are offered. The Group operates under signed contracts, purchase orders and forward purchase agreements which all have agreed payment terms included.

The aged receivables are reviewed on a weekly basis by senior management and overdue amounts followed up with customers for payment. The Group does not require collateral in respect of trade and other receivables.

The Group has three significant customers representing more than 10% of the carrying amount of trade receivables at 30 June 2024 (2023: Two customers). The total of the receivables from these customers is \$24,294,000 (2023: \$21,330,000). The breakdown of each customer is as follows:

	2024 \$'000	2023 \$'000
Customer 1	17,185	16,482
Customer 2	4,160	4,848
Customer 3	2,949	-
<b>Total</b>	<u>24,294</u>	<u>21,330</u>

In the current and comparative period, the Group's cash and cash equivalents are held with AA-Rated Australian Banks.

## 26 Financial risk management (continued)

### (b) Credit risk (continued)

#### *Trade receivables and unbilled revenue*

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses expected lifetime losses for all trade receivables and unbilled revenue.

To measure the expected credit losses, trade receivables and unbilled revenue have been grouped based on shared credit risk characteristics and the days past due. The unbilled revenue represents the Company's unconditional right to consideration arising from the transfer of goods and services to the customer (i.e. only the passage of time is required before payment of the consideration is due), and has substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled revenue.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 or 1 July 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance recognised as at 30 June 2024 is \$461,000 (30 June 2023: \$1,027,000).

A reconciliation of the allowance for trade receivables as at 30 June to the opening loss allowances is as follows:

	Trade receivables	
	2024	2023
	\$'000	\$'000
Opening loss allowance as at 1 July	1,027	356
Increase/(decrease) in loan loss allowance recognised in profit or loss during the year	(124)	8,496
Receivables written off during the year as uncollectible	(197)	(7,825)
Decrease in loan loss allowance from sale of subsidiary	(245)	-
<b>Closing loss allowance at 30 June</b>	<b>461</b>	<b>1,027</b>

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available. The Group's approach to managing liquidity is to ensure, as far as possible, that it will maintain sufficient liquidity levels to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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**30 June 2024**  
(continued)

**26 Financial risk management (continued)**

(c) Liquidity risk (continued)

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	30 June 2024		30 June 2023	
Note	Facility Limit \$'000	Undrawn Amount \$'000	Facility Limit \$'000	Undrawn Amount \$'000
<b>Secured</b>				
Equipment finance facility (i)	4,237	-	108,768	45,298
Invoice finance facility (ii)	7,500	7,500	42,500	22,927
Overdraft finance facility	-	-	6,000	6,000
Bank guarantee facility	350	268	1,780	473
Corporate credit card facility	150	146	970	925
<b>Total secured facilities</b>	<b>12,237</b>	<b>7,914</b>	<b>160,018</b>	<b>75,623</b>
<b>Unsecured</b>				
Other finance facilities	-	-	3,598	-
<b>Total facilities</b>	<b>12,237</b>	<b>7,914</b>	<b>163,616</b>	<b>75,623</b>

(i) *Equipment finance facility*

Term facilities comprise agreements with De Lage Landen at 30 June 2024 (various financiers at 30 June 2023).

The facilities are fixed rate, Australian dollar denominated loans which are carried at amortised cost and repayable monthly in arrears over a term of up to five years. The specific term and interest rate varies by agreement and is set at the outset of each advance.

(ii) *Invoice finance facility*

The invoice finance facility was held with Westpac with a limit of \$7,500,000 at 30 June 2024. The facility had a draw down allowance of 60% of approved debtors and was due to mature on 31 July 2024. Interest was charged at a variable rate. Refer to note 33 for post year-end changes to the arrangement.

(iii) *Maturities of financial liabilities*

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**26 Financial risk management (continued)**

(c) Liquidity risk (continued)

(iii) Maturities of financial liabilities (continued)

Contractual maturities of financial liabilities	Notes	Weighted average interest rate	Less than 6 months \$'000	6 - 12 months \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying Amount \$'000
<b>30 June 2024</b>									
Trade payables	16	-%	19,826	-	-	-	-	19,826	19,826
Borrowings and liabilities associated with assets held for sale	13, 24	8.75%	1,673	1,461	800	667	-	4,601	4,237
Lease liabilities	19	7.00%	1,915	754	1,034	1,951	216	5,870	5,213
<b>Total non-derivatives</b>			<b>23,414</b>	<b>2,215</b>	<b>1,834</b>	<b>2,618</b>	<b>216</b>	<b>30,297</b>	<b>29,276</b>
<b>30 June 2023</b>									
Trade payables	16	-%	55,230	-	-	-	-	55,230	55,230
Deferred consideration	20	10.00%	9,137	-	-	-	-	9,137	8,914
Borrowings and liabilities associated with assets held for sale	13, 24	5.81%	63,310	9,109	11,202	5,436	-	89,057	86,608
Lease liabilities	19	5.34%	4,162	3,781	3,375	3,547	3,128	17,993	15,819
<b>Total non-derivatives</b>			<b>131,839</b>	<b>12,890</b>	<b>14,577</b>	<b>8,983</b>	<b>3,128</b>	<b>171,417</b>	<b>166,571</b>

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

## 27 Related parties

### Parent entities

The Group is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest	
			2024	2023
M Mining Services Pty Ltd	Ultimate parent entity	Australia	54%	55%

### Subsidiaries

Interests in subsidiaries are listed in the following table:

Name of entity	Country of incorporation	Equity holding (ordinary shares)	
		2024 %	2023 %
Mastermyne Pty Ltd	Australia	100	100
Mastermyne Engineering Pty Ltd	Australia	100	100
Mastermyne Underground Pty Ltd	Australia	100	100
Mastermyne Underground NSW Pty Ltd	Australia	100	100
Myne Start Pty Ltd	Australia	100	100
MyneSight Pty Ltd	Australia	100	100
Mastermyne Contracting Services Pty Ltd	Australia	100	100
Ausscaffold Pty Ltd	Australia	100	100
Diversified Mining Services Pty Ltd	Australia	100	100
Falcon Mining Pty Ltd	Australia	100	100
Wilson Mining Services Pty Ltd	Australia	100	100
Mastermyne Crinum Operations Pty Ltd	Australia	100	100
Metarock Pty Ltd	Australia	100	100
Mastermyne (CC) Operations Pty Ltd	Australia	100	100
Pybar Holdings Pty Limited*	Australia	-	100
Pybar Mining Services Pty Ltd*	Australia	-	100
Australian Institute of Mining Pty Ltd	Australia	100	100

\*On 31 May 2024, Metarock Group Limited completed the sale of PYBAR Holdings Pty Limited to Thiess Pty Ltd, a wholly owned subsidiary of Thiess Group Holdings Pty Ltd. Refer to note 31 for further details.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**27 Related parties (continued)**

Parent entity financial information

Summarised financial information for the parent entity, Metarock Group Limited is as follows:

	2024 \$'000	2023 \$'000
<b>Results of parent entity</b>		
Profit/(Loss) for the year	39,646	(57,707)
Total comprehensive income/(loss) for the year	<u>39,646</u>	<u>(57,707)</u>
<b>Financial position of parent entity at year-end</b>		
Current assets	52,735	3,558
Non-current assets	62,836	93,285
Total assets	<u>115,571</u>	<u>96,843</u>
Current liabilities	39,456	59,465
Non-current liabilities	2,890	4,623
Total liabilities	<u>42,346</u>	<u>64,088</u>
<b>Total equity of the parent entity at year-end</b>		
Share capital	112,004	111,180
Accumulated losses	(78,422)	(78,425)
Profit Reserve	39,643	-
Total equity	<u>73,225</u>	<u>32,755</u>

*Guarantees entered into by the parent entity*

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are disclosed in note 28.

*Contingent liabilities of the parent entity*

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023. For information about guarantees given by the parent entity, please see above.

*Contractual commitments for the acquisition of property, plant or equipment*

There were no parent entity capital commitments as at 30 June 2024 or 30 June 2023.

Key management personnel compensation

Key management personnel compensation is set out below.

	2024 \$	2023 \$
Short-term employee benefits	2,655,183	2,871,837
Post-employment benefits	181,136	185,537
Termination benefits	-	451,034
Long-term benefits	20,876	65,411
Share-based payments	361,403	108,633
	<u>3,218,598</u>	<u>3,682,452</u>

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
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(continued)

**27 Related parties (continued)**

Key management personnel compensation (continued)

Individual Directors and Executives compensation

Information regarding individual Directors and Executives compensation and some equity instruments disclosures, as required by *Corporations Regulations 2M.3.03*, is provided in the remuneration report section of the Directors' Report. Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Key management personnel and Director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management persons and their related entities on an arm's length basis.

Paul Rouse ceased to be a Director on 6 September 2023. Transactions with Paul Rouse and his related entities comprise those amounts derived/incurred from 1 July 2023 to 6 September 2023.

The following transactions occurred with related parties:

	2024 \$	2023 \$
Sale of goods and services		
Administration services (i)	15,000	70,905
	<u>15,000</u>	<u>70,905</u>
Purchase of goods and services		
Rent of 45 River Street (ii)	324,219	263,420
Rent of 56A Grosvenor Drive (iii)	30,680	29,986
General plumbing repairs	-	4,554
Software and IT consulting services and software licencing (iv)	369,703	1,063,405
Rent of premises in Orange NSW (v)	135,321	593,842
Interest on deferred consideration (vi)	148,567	742,830
	<u>1,008,490</u>	<u>2,698,037</u>

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**27 Related parties (continued)**

Key management personnel and Director transactions (continued)

	2024 \$	2023 \$
<i>Amounts recognised as receivables</i>		
Administration services (i)	-	6,325
Back charges	-	4,329
Software and IT consulting services and software licencing (iv)	-	6,909
	<u>-</u>	<u>17,563</u>
<i>Amounts recognised as payables</i>		
Administration services (i)	-	2,565
Rent of 45 River St (ii)	2,714	-
Software and IT consulting services and software licencing (iv)	-	97,364
Rent of premises in Orange NSW (v)	-	37,545
	<u>2,714</u>	<u>137,474</u>

- (i) The Group provided administration services to Digital Terrain Pty Ltd and HMR Drilling Services Pty Limited as part of a transitional services arrangement. These entities are owned by Paul Rouse or his close family members. Amounts received are at arm's length and are due and receivable under normal payment terms.
- (ii) The Group rents the premises at 45 River Street, Mackay which is owned by Andrew Watts through his company, Watty Pty Ltd. Amounts paid for rent are at arm's length and are due and payable under normal payment terms.
- (iii) The Group rents the premises at 56A Grosvenor Drive, Moranbah which is owned by Andrew Watts through his company, Watty Pty Ltd. Amounts paid for rent are at arm's length and are due and payable under normal payment terms.
- (iv) The Group obtained software and IT consulting services and licences production planning and activity recording software from Digital Terrain Pty Ltd, an entity owned by a close family member of Paul Rouse. Amounts paid were at arm's length and were due and payable under normal payment terms.
- (v) The Group leased the following premises in Orange (NSW) from Rovest Holdings Pty Ltd as Trustee for March Pines Super Fund, an entity owned by Paul Rouse: 1688 Forest Road; 23 Huntley Road. Amounts paid were at arm's length and were due and payable under normal payment terms.
- (vi) The Group incurred interest costs at a rate of 10%, increasing to 12.25% from September 2023, on the deferred consideration following the execution of an agreement with the vendors of PYBAR Holdings Limited, which are related entities of Paul Rouse, to defer the payment. The interest was payable monthly in arrears and monthly principal payments were required from January 2024. The final payment was made in May 2024. Brencon Pty Ltd as trustee for The Brendan Rouse Family Trust is related party of Paul Rouse.

## 27 Related parties (continued)

### Other related parties

The following transactions occurred with related parties. There were no balances payable or receivable at period end.

	2024	2023
	\$	\$
Sale of goods and services		
Equipment hire income (i)	1,046,429	-
	<u>1,046,429</u>	<u>-</u>
Purchase of goods and services		
Rent of premise in Brisbane QLD (ii)	100,000	-
	<u>100,000</u>	<u>-</u>
Loans from related parties		
Borrowing costs on related party loan	-	234,000
Borrowing costs on shareholder loan (iii)	1,000,000	-
	<u>1,000,000</u>	<u>234,000</u>

(i) The Group has entered into Equipment Hire Agreement with M Mining Pty Ltd. M Mining Pty Ltd is a subsidiary of M Mining Services Pty Ltd, a substantial shareholder of the Group. The amounts received are at arm's length and are subject to normal payment terms.

(ii) The Group has entered into an agreement to lease the business premise in Brisbane from M Resources Trading Pty Ltd, which is connected to M Mining Services Pty Ltd, a substantial shareholder of the Group. Amounts paid for rent are at arm's length and are due and payable under normal payment terms.

(iii) On 30 August 2023, the Group signed a term sheet for a subordinated, unsecured shareholders loan of \$2,000,000 from M Mining Services Pty Ltd under the Facility Agreement which was executed in March 2023. The loan was drawn on 1 September 2023 to fund the payment of the \$2,000,000 PYBAR deferred consideration instalment.

The loan is subject to interest at BBSY plus 15% per annum payable monthly unless capitalised. If on the date on which the loan is repaid in full, the aggregate of all fees and interest accrued and/or paid by the Group under the Facility Agreement is less than the Minimum Earn amount of \$1,000,000 the Group must pay to M Mining Services Pty Ltd an amount equal to the Minimum Earn Amount. The loan was repaid in full on 31 May 2024.

M Mining Services Pty Ltd is a substantial shareholder of the Group and the terms and conditions of the loan was on an arm's length basis.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
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(continued)

**27 Related parties (continued)**

**Shareholdings**

The movements during the reporting period in the number of ordinary shares in Metarock Group Limited held directly, indirectly or beneficially by each key management person including their related parties, is as follows:

<b>2024</b>						
<b>Name</b>		<b>Balance at the start of year</b>	<b>Granted as compensation (i)</b>	<b>Acquired</b>	<b>Other</b>	<b>Balance at the end of the year</b>
Mr. A Watts		12,262,245	153,095	2,335,241	-	14,750,581
Mr. M Smith		-	153,095	-	-	153,095
Mr. P Barker	(ii)	-	153,095	-	-	153,095
Mr. P Rouse	(iii)	21,195,914	-	-	(21,195,914)	-
Mr. W Price		819,510	-	-	-	819,510
Mr. J Whiteman		627,280	-	13,370	-	640,650
Mr. J Glover	(iv)	490,346	-	-	(490,346)	-

- (i) On 16 January 2024, 459,285 ordinary shares were issued to Non-Executive Directors under the NED plan (refer to Note 29 Share-based payments), as approved by the shareholders at the 2023 Annual General Meeting.
- (ii) Appointed 6 September 2023.
- (iii) Resigned 6 September 2023. Shareholdings at the time of resignation are reflected in "Other changes during the year".
- (iv) Resigned 31 May 2024. Shareholdings at the time of resignation are reflected in "Other changes during the year".

<b>2023</b>						
<b>Name</b>	<b>Note</b>	<b>Balance at the start of year</b>	<b>Received during the year on exercise of rights</b>	<b>Other changes during the year</b>	<b>Balance at the end of the year</b>	
Mr. C Bloomfield	(i)	1,117,629	-	(1,117,629)	-	
Mr. A Watts		12,262,245	-	-	12,262,245	
Mr. G Meena	(i)	100,000	-	(100,000)	-	
Ms. J Whitcombe	(i)	94,000	-	(94,000)	-	
Mr. M Smith	(ii)	-	-	-	-	
Mr. P Rouse		21,195,914	-	-	21,195,914	
Mr. A Caruso	(iii)	2,391,555	-	(2,391,555)	-	
Mr. D Sykes	(iv)	284,811	-	(284,811)	-	
Ms. V Gayton	(v)	159,278	-	(159,278)	-	
Mr. B Maff	(vi)	187,708	-	(187,708)	-	
Mr. W Price	(vii)	11,173	808,337	-	819,510	
Mr. N Woolrych		115,000	-	(115,000)	-	
Mr. P Green	(viii)	-	1,264,999	(1,264,999)	-	
Mr. J Whiteman	(ix)	-	571,796	55,484	627,280	
Mr. J Glover		-	490,346	-	490,346	

- (i) Retired 22 May 2023
- (ii) Appointed 22 May 2023
- (iii) Resigned 19 October 2022
- (iv) Resigned 12 April 2023
- (v) Resigned 17 March 2023
- (vi) Resigned 7 October 2022
- (vii) Appointed 20 June 2023
- (viii) Appointed 19 November 2022 and resigned 20 June 2023
- (ix) Appointed CFO 7 October 2022 and then Interim CEO 23 June 2023. Other changes relates to on market share purchases made during the year

**Metarock Group Limited**  
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(continued)

**27 Related parties (continued)**

Options

The movements during the reporting period in the number of options in Metarock Group Limited held directly, indirectly or beneficially by each key management person including their related parties, is as follows:

<b>2024</b>			
<b>Name</b>	<b>Balance at the start of year</b>	<b>Acquired</b>	<b>Balance at the end of the year</b>
Mr. A Watts	-	718,538	718,538
Mr. J Whiteman	-	4,114	4,114

- (i) Options were issued 2 October 2023 in connection with the entitlement offer. The entitlement offer allowed eligible shareholders in the Company to subscribe for 1 new share for every 5.2 existing shares held in Metarock at the offer price of \$0.15 per new share, together with 1 new option for every 3.25 new shares issued under the entitlement offer. The options have an exercise price of \$0.23 per security and an expiry date of 31 May 2028.

## 28 Deed of cross guarantee

Metarock Group Limited and the wholly-owned subsidiaries listed below are parties to a deed of cross guarantee under which each Company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a deed of cross guarantee. The effect of the deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full.

The consolidated statement of financial position and consolidated statement of profit or loss & other comprehensive income for the closed group is the same as the Group's consolidated statement of financial position and consolidated statement of profit or loss & other comprehensive income.

The subsidiaries subject to the deed are as follows:

- Mastermyne Pty Ltd
- Mastermyne Engineering Pty Ltd
- Mastermyne Underground Pty Ltd
- Mastermyne Underground NNSW Pty Ltd
- Myne Start Pty Ltd
- MyneSight Pty Ltd
- Mastermyne Contracting Services Pty Ltd
- Ausscaffold Pty Ltd
- Diversified Mining Services Pty Ltd
- Falcon Mining Pty Ltd
- Wilson Mining Services Pty Ltd
- Mastermyne Crinum Operations Pty Ltd
- Metarock Pty Ltd
- Mastermyne (CC) Operations Pty Ltd
- Australian Institute of Mining Pty Ltd

## 29 Share-based payments

### Non-Executive Director Plan

The Group established the Non-Executive Director Share Plan during the year to remain competitive in attracting and retaining suitably qualified Non-Executive Directors. Under the plan, the ordinary shares will be issued at no consideration and will not be subject to performance conditions.

Following shareholder approval at the 2023 Annual General Meeting, the Group issued 459,285 ordinary shares to Non-Executive Directors. The shares were granted on 14 November 2023 at a fair value of \$0.135 per share. The fair value was determined based on the market price of the shares on the grant date.

### Employee Performance Rights Plan

The establishment of the Employee Performance Rights Plan was approved by shareholders at the 2015 Annual General Meeting. The plan is designed to provide long-term incentives for Senior Managers and above (including Executive Directors) to deliver long-term shareholder returns. Under the plan, participants are granted options that will only vest if certain performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Rights or options granted under the plan are provided without consideration and carry no dividend or voting rights.

In accordance with the plan, employees holding vested options are entitled to receive shares in the Company without any consideration.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
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(continued)

**29 Share-based payments (continued)**

Employee Performance Rights Plan (continued)

Below are summaries of the rights granted under the plan:

	2024 Average exercise price per right	Number of rights	2023 Average exercise price per right	Number of rights
As at 1 July	-	-	-	3,520,695
Granted during the year	-	14,818,241	-	2,729,732
Exercised during the year	-	-	-	(3,332,007)
Forfeited during the year	-	-	-	(2,267,916)
Lapsed during the year *	-	(2,880,036)	-	(650,504)
As at 30 June	-	11,938,205	-	-

- As a consequence of the sale of PYBAR Holdings Pty Limited (PYBAR) to Theiss Pty Ltd on 31 May 2024 and the associated transfer of employment out of the Group of a number of employees to PYBAR, the Employee Performance Rights granted to those employees lapsed on that date.

Performance rights outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Vesting/Expiry date	Exercise price	Vesting conditions	Performance Rights 30 June 2024	Performance Rights 30 June 2023
14 November 2023	6/9/2025	0.00	1, 2, 3(a)	2,257,434	-
14 November 2023	6/9/2025	0.00	1, 2, 3(b)	2,257,434	-
31 January 2024	1/10/2026	0.00	1, 2, 3(a)	3,711,671	-
31 January 2024	1/10/2026	0.00	1, 2, 3(b)	3,711,666	-
Total				11,938,205	-

Weighted average remaining contractual life of rights outstanding at end of period (years) 1.85 Nil

Vesting of the rights will be subject to achievement of the vesting conditions set out below.

*Performance rights issued in November 2023 as long-term incentives*

- Vesting Condition 1:** The main vesting condition is that the eligible participant must be employed within the Group on the Vesting Date. If employment is ceased with the Group prior to the Vesting Date, the performance rights will lapse unless the Board, at its absolute discretion, determines otherwise.
- Vesting Condition 2:** Vesting is also conditional on the continuation of good conduct and the execution of duties in the best interests of Metarock. If it is deemed the eligible participant has acted fraudulently or dishonestly, or is in breach of obligations to Metarock, the Board, at its absolute discretion, may determine that some or all of the performance rights will lapse.
- Vesting Condition 3:** If Vesting Conditions 1 and 2 are achieved there are two further Vesting Conditions that will each be applied independently to 50% of the performance rights. These Vesting Conditions depend on Metarock's Return on Capital Employed (**ROCE**) and Earnings Before Interest, Tax, Depreciation and Amortisation as a percentage of revenue (**EBITDA Margin**) performance over the measurement period:
  - Tranche A:** 50% of the performance rights will be conditional on the Company's ROCE performance; and
  - Tranche B:** 50% of the performance rights will be conditional on the Company's EBITDA Margin performance.

## 29 Share-based payments (continued)

### Employee Performance Rights Plan (continued)

For each tranche, the percentage of performance rights which will vest will be as specified in the table below:

Tranche A		Tranche B	
ROCE performance during the measurement period	Proportion to vest	EBITDA Margin Performance during measurement period	Proportion to vest
Less than 8.0%	0%	Less than 8.0%	0%
8.0%	25%	8.0%	25%
9.0%	50%	9.0%	50%
10.0%	100%	10.0%	100%

#### Performance rights issued in January 2024 as long-term incentives

- **Vesting Condition 1:** The main vesting condition is that the eligible participant must be employed within the Group on the Test Date. If employment is ceased with the Group prior to the Test Date, the performance rights will lapse unless the Board, at its absolute discretion, determines otherwise.
- **Vesting Condition 2:** Vesting is also conditional on the continuation of good conduct and the execution of duties in the best interests of Metarock. If it is deemed the eligible participant has acted fraudulently or dishonestly, or is in breach of obligations to Metarock, the Board, at its absolute discretion, may determine that some or all of the performance rights will lapse.
- **Vesting Condition 3:** If Vesting Conditions 1 and 2 are achieved there are two further Vesting Conditions that will each be applied independently to 50% of the performance rights. These Vesting Conditions depend on Metarock's TSR percentile rank during the TSR measurement period and the Earnings per Share (EPS) performance over the measurement period:
  - (a) **Tranche A:** 50% of the performance rights will be conditional on the Company's TSR rank relative to companies in the ASX Peer Group index; and
  - (b) **Tranche B:** 50% of the performance rights will be conditional on the Company's EPS performance.

For each tranche, the percentage of performance rights which will vest will be as specified in the table below:

Tranche A		Tranche B	
TSR Rank during the measurement period	Proportion to vest	EPS Performance during measurement period	Proportion to vest
Below 50th percentile of the ASX Peer Group	0%	EPS growth at <6%	0%
50th percentile to 75th percentile of the ASX Peer Group	50% plus 2% for each percentile above 50th percentile	EPS growth between 6% and 12%	0% to 100% pro rata
Above 75th percentile of the ASX Peer Group	100%	EPS growth at >12%	100%

#### Performance rights issued as short-term incentives

Subject to approval by the RNC, employees can nominate for up to 50% of their STI award to be settled in shares annually. When a nomination is made, performance rights are issued to the employee and vest at the end of the year in line with the achievements of their relative KPI's. Note, for the financial year ended 30 June 2024, this option was not made available.

The STI metrics align with the strategic objectives of the Group, with specific financial and non-financial measures (normally 5 or 6) for individual performance, Group performance and underlying performance of the Group.

**Metarock Group Limited**  
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(continued)

**29 Share-based payments (continued)**

Employee Performance Rights Plan (continued)

Significant estimate: Measurement of share based payments

*Performance rights issued as long-term incentives*

The assessed fair value at grant date of rights granted during the year ended 30 June 2024 as long-term incentives are shown in the table below. The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model, which includes a Monte Carlo simulation. This model considers the exercise price, volatility of the underlying share, expected dividend yield, risk-free interest rate for the term of the right, and the correlations and volatilities of peer group companies.

The expected price volatility is based on the historic volatility (based on the term of the options) of the Group compared to the S&P ASX 200 Resources Index.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

	November 2023 Issue	January 2024 Issue
Fair value at grant date Tranche A	0.1350	0.1120
Fair value at grant date Tranche B	0.1350	0.1400
Share price	0.1350	0.1400
Exercise price	\$nil	\$nil
Expected volatility (weighted average volatility)	N/A	82.82%
Option life (expected weighted average life)	1.8 years	2.67 years
Expected dividends	-	-
Risk-free interest rate (based on government bonds)	N/A	3.56%

**Accounting policy**

The grant date fair value of share-based payment awards granted to employees is recognised in "personnel expenses" within the statement of comprehensive income, with a corresponding increase in equity, over the period which the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are met at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect these conditions, and no adjustment is made for differences between expected and actual outcomes.

Performance rights are recognised within the share-based payment reserve in equity. When performance rights lapse or are forfeited, the corresponding amount is transferred from the share-based payment reserve to retained earnings.

Shares issued to Non-Executive Directors are recognised on the grant date, which is the date when the terms of the share issuance are finalised and approved by the Board. The shares are measured at the fair value on the grant date.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

## 29 Share-based payments (continued)

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2024 \$'000	2023 \$'000
<i>Equity-settled share based payment transactions:</i>		
Employee performance rights plan	356	303
Non-Executive Director plan	62	-
	<u>418</u>	<u>303</u>

## 30 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, Metarock Group Limited, its related practices and non-related audit firms:

Pitcher Partners Australia

(i) *Audit and other assurance services*

	2024 \$	2023 \$
Audit and review of financial statements	383,236	360,045
Other assurance services		
Audit of regulatory returns	22,500	25,987
Total remuneration for audit and other assurance services	<u>405,736</u>	<u>386,032</u>

(ii) *Other non-assurance services*

Taxation services	40,956	92,875
Total remuneration for other non-assurance services	<u>40,956</u>	<u>92,875</u>

Total auditors' remuneration	<u>446,692</u>	<u>478,907</u>
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**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

### 31 Discontinued operations

The Group completed the following material divestment during the year ended 30 June 2024:

#### Sale of PYBAR

On 18 March 2024, the Group entered into a binding Share Sale and Purchase Agreement to sell 100% of its shareholding in PYBAR Holdings Pty Limited to Thiess Pty Ltd, a wholly owned subsidiary of Thiess Group Holdings Pty Ltd.

The sale completed on 31 May 2024 and is reported in the current period as a discontinued operations. During the year ended 30 June 2024, the Group recognised a post-tax gain from the sale of PYBAR of \$16,544,000.

Financial information relating to the discontinued operations for the period to the date of disposal is set out below.

#### Financial impact of discontinued operations on the Group

The financial performance and cash flow information presented are for the eleven months ended 31 May 2024 (2024 column) and the year ended 30 June 2023.

	2024 \$'000	2023 \$'000
Revenue	169,888	187,428
Other income	757	2,856
Expenses	(147,963)	(176,375)
Depreciation expense	(15,856)	(21,354)
Amortisation expense	(1,885)	(3,703)
Impairment loss	-	(37,409)
Results from operating activities	<u>4,941</u>	<u>(48,557)</u>
Finance income	87	52
Finance expenses	(2,545)	(3,800)
Net finance expenses	<u>(2,458)</u>	<u>(3,748)</u>
Profit/(loss) before income tax	<u>2,483</u>	<u>(52,305)</u>
Income tax (expense)/benefit	(596)	9,594
Profit/(loss) after income tax of discontinued operations	<u>1,887</u>	<u>(42,711)</u>
Gain on sale of PYBAR	16,544	-
Profit/(loss) from discontinued operations	<u>18,431</u>	<u>(42,711)</u>

No income tax expense arises in connection with the gain on sale of PYBAR.

**Metarock Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**  
(continued)

**31 Discontinued operations (continued)**

Details of the sale of PYBAR

	2024 \$'000
Consideration received or receivable:	
Cash proceeds	54,395
Cash and cash equivalents in the subsidiary over which control is lost	(5,794)
Costs to sell	(2,395)
Total disposal consideration	<u>46,206</u>
Carrying amount of net assets sold (excluding cash and cash equivalents)	<u>(29,662)</u>
Gain on sale of PYBAR	<u>16,544</u>

The carrying amounts of assets and liabilities as at the date of sale (31 May 2024) were:

	2024 \$'000
Cash and cash equivalents	5,794
Trade and other receivables	36,260
Inventories	8,880
Other assets	40
Assets classified as held for sale	515
Property, plant and equipment	31,583
Right-of-use assets	3,426
Intangible assets	995
Total assets	<u>87,493</u>
Trade and other payables	(20,778)
Borrowings	(17,464)
Lease liabilities	(3,828)
Employee benefit obligations	(8,281)
Deferred tax liabilities	(1,686)
Total liabilities	<u>(52,037)</u>
Net assets	<u>35,456</u>

Cash flow statement

	2024 \$'000	2023 \$'000
Net cash inflow/(outflow) from operating activities	16,387	(1,524)
Net cash inflow/(outflow) from investing activities*	43,896	(4,670)
Net cash inflow/(outflow) from financing activities	(26,438)	(10,399)
Net cash inflow/(outflow) from discontinued operations	<u>33,845</u>	<u>(16,593)</u>

\*2024 includes an inflow of \$46,206,000 from the sale of PYBAR.

## 32 Contingencies

### Contingent liabilities

#### *Claims*

The Office of the Work Health and Safety Prosecutor has laid charges and served summons on Mastermyne Contracting Services Pty Ltd after the RSHQ investigations into two separate incidents at the Moranbah North Mine:

- The tragic incident in March 2022 which fatally injured an experienced Mastermyne employee. Because the court will now consider the charge, it is not appropriate for the Company to make further public comments about the incident until the conclusion of legal proceedings. The maximum financial penalty which may be awarded against the Company is approximately \$2,000,000. If a liability eventuates, there is potential mitigation through the Company's insurance program. No liability for penalties or asset for insurance recoveries has been reflected in the statement of financial position due to the matter's contingent status.
- An incident in August 2022 which resulted in bodily harm to an experienced Mastermyne employee. Because the court will now consider the charge, it is not appropriate for the Company to make further public comments about the incident until the conclusion of legal proceedings. If a liability eventuates, there is potential mitigation through the Company's insurance program. No liability for penalties or asset for insurance recoveries has been reflected in the statement of financial position due to the matter's contingent status.

Mine and Tunnel Constructions Pty Limited (MTC) has served a claim upon Mastermyne Pty Limited (Mastermyne) in the Supreme Court of Queensland for \$2,586,774 plus interest and costs. MTC asserts that Mastermyne failed to pay the remaining hire charges for a Continuous Miner that was declared lost and unrecoverable by the mine owner in November 2019. Mastermyne paid MTC the proceeds from its insurance claim for the lost and unrecoverable miner (net of amounts owed by MTC to Mastermyne). Mastermyne is of the opinion that the claim has no basis and has filed a counter-claim.

RSHQ's investigation into the tragic incident at Crinum Mine in September 2021 which fatally injured an experienced Mastermyne employee remains ongoing. Whilst no charges have been laid at this stage, there is a potential scenario where Mastermyne Crinum Operations Pty Ltd may be charged in connection with this incident which could result in a financial penalty. If a liability eventuates, there is potential mitigation through the Company's insurance program. No liability for penalties or asset for insurance recoveries has been reflected in the statement of financial position due to the matter's contingent status.

A claim for damages was lodged against Falcon Mining Pty Ltd in 2021 in relation to a quality issue that allegedly occurred at a customer site in May 2020. It is not practical to estimate the potential effect of this claim, but legal advice indicates that it is not probable that a significant liability will arise.

### 33 Events occurring after the reporting period

#### Refinancing of invoice finance facility

On 22 July 2024, the Group's operating subsidiaries jointly executed an invoice finance facility agreement with Scottish Pacific Business Finance Pty Ltd. The facility has a limit of \$30,000,000 with a minimum term of two years.

The above facility replaces the previous Westpac invoice finance facility, which was terminated effective 22 July 2024. Westpac released its general security over the Group in connection with the termination of the facility. The Group has no remaining debt facilities or covenants with Westpac.

Effective 22 July 2024, the limit for the multi-option facility held with Westpac was also reduced from an aggregate limit of \$500,000 to a new aggregate limit of \$212,500 (bank guarantee facility limit \$82,500 and corporate credit card limit \$130,000). The maturity date of the facility was also extended to 13 December 2024.

#### Suspension of operations at Grosvenor Mine

On 31 July 2024, as a consequence of an underground fire at the Grosvenor Mine, which started on 29 June 2024, the client suspended Mastermyne's scope of works at that mine. This has resulted in the loss of approximately 140 Mastermyne roles at Grosvenor, of which 61 were able to be redeployed. Metarock notes that the client is working with its own permanent Grosvenor Mine workforce to offer redeployment opportunities to its other Bowen Basin operations (including Moranbah North and Aquila mines). Metarock anticipates that this may have an adverse impact on Mastermyne's manning levels at these operations. However, the quantum and timing of these potential impacts is not known at this time.

#### Development contract extension at Narrabri Mine

An agreement to extend the development services contract at Narrabri Mine for a further two year period to September 2026 was executed on 29 July 2024, which is expected to generate annual revenues of approximately \$20,000,000.

#### Brisbane office rent arrangement

The agreement to lease the business premise in Brisbane from M Resources Trading Pty Ltd, which is connected to M Mining Services Pty Ltd, a substantial shareholder of the Group, was terminated effective 31 August 2024.

#### Other events

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

**Metarock Group Limited**  
**Consolidated entity disclosure statement**  
**30 June 2024**

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

As at 30 June 2024						
Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Mastermyne Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Mastermyne Engineering Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Mastermyne Underground Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Mastermyne Underground NNSW Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Myne Start Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
MyneSight Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Mastermyne Contracting Services Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Ausscaffold Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Diversified Mining Services Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
FalconMining Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Wilson Mining Services Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Mastermyne Crinum Operations Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Metarock Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Mastermyne (CC) Operations Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
Australian Institute of Mining Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a

### Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the *Income Tax Assessment Act 1997* are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

#### Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

**Metarock Group Limited**  
**Directors' declaration**  
**30 June 2024**

**In the opinion of the Directors of Metarock Group Limited (the 'Company'):**

- (a) the consolidated financial statements and notes set out on pages 27 to 84 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) the consolidated entity disclosure statement on page 85 is true and correct, and
- (d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group identified in Note 28 will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 28.

The Directors have been given the declaration by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) required by section 295A of the *Corporations Act 2001*.

Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.



Mr J Romcke  
Brisbane  
30 August 2024

## Independent Auditor's Report to the Members of Metarock Group Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Metarock Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key Audit Matter**
**How our audit addressed the key audit matter**
**Impairment of goodwill and separately identifiable intangible assets (\$11.150 million)**

*Refer to Note 15*

The consolidated balance sheet as at 30 June 2024 includes goodwill and separately identifiable intangible assets valued at \$10.324 million and \$0.826 million respectively which relates to the consolidation of subsidiaries acquired in the current and previous years.

The carrying amount of goodwill and the other intangible assets is supported by value-in-use calculations prepared by management which are based on budgeted future cash flows, key estimates and significant judgements such as the annual growth rates, discount rate and terminal value growth rate.

Goodwill and separately identifiable intangible assets are a key audit matter as the value of the intangible assets are material and the evaluation of the recoverable amount of these assets requires significant judgement in determining the key estimates to support the value-in-use calculations.

Our procedures included amongst others:

- Understanding and evaluating the design and implementation of management's processes and controls over the assessment of goodwill and separately identifiable intangible assets;
- Assessing management's determination of the Group's cash generating units ('CGUs') based on our understanding of the nature of the Group's business and the identifiable groups of cash generating assets;
- Comparing the cash flow forecasts used in the value-in-use calculations to Board approved budgets for the 2025 financial year and the Group's historic actual performance;
- Assessing the significant judgements and key estimates used for the impairment assessment, in particular, the annual growth rates, discount rate and terminal value growth rate;
- Checking the mathematical accuracy of the impairment testing model and agreeing relevant data to the latest budgets;
- Performing a sensitivity analysis of management's value-in-use calculation; and
- Assessing the adequacy of the Group's disclosures in respect of impairment testing of goodwill and separately identifiable intangible assets.

**Discontinued operations**

*Refer to Note 31*

Metarock Group Limited completed the sale of PYBAR Holdings Pty Ltd and its controlled entity on 31 May 2024.

Discontinued operations are a key audit matter due to the significance of the transaction to the Group's financial position and performance during the year and the nature of the disclosures required.

Our procedures included amongst others:

- Understanding and evaluating the design and implementation of management's processes and controls over measurement and disclosure of discontinued operations;
- Evaluation of the terms and conditions with respect to the business sale and related agreements;
- Recalculating the gain on disposal; and
- Assessed the adequacy of the Group's Discontinued Operations disclosures in the financial report outlined in note 31.

### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and
- (c) for such internal control as the directors determine is necessary to enable the preparation of:
  - (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
  - (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 7 to 22 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Metarock Group Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Pitcher Partners*  
**PITCHER PARTNERS**



**JASON EVANS**  
Partner

Brisbane, Queensland  
30 August 2024

## Appendix 4E

Results for announcement to market for the year ending 30 June 2024

**Name of Entity:** Metarock Group Limited  
**ABN:** 96 142 490 579

	30 Jun 2024 \$000	30 Jun 2023 \$000	Movement \$000	Movement %
Revenue from Ordinary Activities	294,139	326,787	32,648	(10%)
Net loss after tax from Ordinary Activities attributable to owners of the entity	39,643	(74,011)	113,654	N.M <sup>1</sup>
Earnings per share attributable to owners of the entity				
Basic earnings per share (cents)	13.0	(49.3)	62.3	N.M <sup>1</sup>
Diluted earnings per share (cents)	11.3	(49.3)	60.6	N.M <sup>1</sup>

<sup>1</sup>Not meaningful.

### Dividends

No interim or final dividend was paid or declared for the year ended 30 June 2024 (2023: Nil)

### Net Tangible Asset Backing

	30 Jun 2024	30 Jun 2023
Net tangible assets per ordinary share (\$)	0.20	0.06

Information supporting the Appendix 4E (disclosure requirements 3 to 8, 10 and 11) can be found in the Annual Financial Report for the year ended 30 June 2024 and the associated ASX announcement.

Commentary on the results for the period are contained in the Directors' Report within the Annual Financial Report and in the associated ASX announcement.

This report is based on the consolidated financial statements for the year ended 30 June 2024, which have been audited by Pitcher Partners.

**APPROVED BY THE BOARD**



# METAROCK

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**mastermyne**  
stronger values. greater results.



**Wilson Mining**



**myneSIGHT**

# ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange (ASX) and not shown elsewhere in the Annual Report, current as at 26 September 2024.

## STOCK EXCHANGE QUOTATION

Ordinary shares in Metarock Group Limited are quoted on the ASX under the code "MYE".

## CLASS OF SECURITIES

The Company has the following securities on issue:

## ASX QUOTED SECURITIES:

306,525,971 Fully paid Ordinary shares, held by 1,565 shareholders.

## UNQUOTED SECURITIES: 52,843,795 OPTIONS

52,843,795 Options, which have an exercise price of \$0.23 per security and an expiry date of 31 May 2028.

11,938,205 Performance Rights, which have an exercise price of nil.

## VOTING RIGHTS

*The voting rights attaching to ordinary shares are set out in rule 37 of the Company's constitution and are summarised as follows:*

- > *A holder of ordinary shares in the company shall be entitled to be present at any shareholder's meeting, and to vote in respect of those shares held.*
- > *Shareholders entitled to attend and vote at shareholder meetings may appoint a proxy in accordance with the Corporations Act.*
- > *At any shareholder meeting, every shareholder present in person or by proxy or by attorney or, in the case of a body corporate, a representative appointed pursuant to the Corporations Act, shall be entitled:*
  - a. on a show of hands, one vote only; and*
  - b. on a poll, one vote for each ordinary share held.*

## RESTRICTED SECURITIES

There are no ordinary shares that are restricted.

## ON-MARKET BUY-BACKS

There is no current on-market buy-back of any securities.

**DISTRIBUTION  
OF SECURITY  
HOLDERS**

Distribution of shares and the number of holders by size of holding are:

26 Sep 2024				
Range	Securities	%	No. of holders	%
100,001 and Over	287,976,714	93.95	147	9.39
10,001 to 100,000	15,451,907	5.04	486	31.05
5,001 to 10,000	1,728,846	0.56	229	14.63
1,001 to 5,000	1,244,006	0.41	454	29.01
1 to 1,000	124,498	0.04	249	15.91
<b>Total</b>	<b>306,525,971</b>	<b>100.00</b>	<b>1,565</b>	<b>100.00</b>

There are 484 shareholders holding a total of 540,056 shares with less than a marketable parcel.

**TWENTY  
LARGEST  
SECURITY  
HOLDERS**

**Security:** MYE.ASX (Metarock Group Limited) as at 26 September 2024

Rank	Name	26 Sep 2024	%IC
1	M MINING SERVICES PTY LTD	166,666,667	54.37
2	NUCANOPI PTY. LIMITED	13,237,186	4.32
3	WATTY PTY LTD	12,055,106	3.93
4	MR KENNETH RUDY KAMON	10,864,436	3.54
5	DARREN WILLIAM HAMBLIN	7,631,898	2.49
6	BRENCON PTY LTD	6,622,253	2.16
7	KARINGAL CORPORATION PTY LTD	5,000,000	1.63
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,744,510	1.55
9	MR PAUL CHRISTOPHER WALKER	2,300,000	0.75
10	BNP PARIBAS NOMINEES PTY LTD	2,123,131	0.69
11	MAY DOWNS PTY LTD	2,000,000	0.65
12	CARUSO SMSF INVESTMENTS PTY LTD	1,881,705	0.61
13	CARM NQ PTY LTD	1,816,000	0.59
14	MS CORINNE CHESWORTH	1,400,000	0.46
15	HORRIE PTY LTD	1,379,579	0.45
16	NUCANOPI PTY LIMITED	1,336,475	0.44
17	MR BRETT JAMES WESTBURY	1,201,797	0.39
18	ANTHONY CHARLES ZAHRA	1,159,810	0.38
19	MR ELYAS WAHEDI	1,152,170	0.38
20	CLEARCUT SUPERANNUATION PTY LTD	1,126,470	0.37
	<b>Total</b>	<b>245,699,193</b>	<b>80.16</b>
	<b>Balance of register</b>	<b>60,826,778</b>	<b>19.84</b>
	<b>Grand total</b>	<b>306,525,971</b>	<b>100.00</b>

**SUBSTANTIAL  
HOLDERS**

The following substantial shareholders holding have been disclosed in substantial holding notices given to the company as at 26 September 2024:

Substantial Shareholders (>5%)	Number of Shares
M Mining Services Pty Ltd	166,666,667

# CORPORATE DIRECTORY

## **METAROCK GROUP LIMITED**

### **ABN 96 142 490 579**

Metarock Group Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

### **DIRECTORS & OFFICERS**

#### **Peter Barker**

Interim Chair  
& Non-Executive Director

#### **Andrew Watts**

Non-Executive Director

#### **Murray Smith**

Non-Executive Director

#### **Jeffrey Whiteman**

Managing Director & CEO

#### **Andrew Ritter**

Company Secretary

### **REGISTERED AND HEAD OFFICE**

Level 1, Riverside Plaza  
45 River Street  
Mackay QLD 4740  
AUSTRALIA

**P:** +61 (7) 4963 0400

**F:** +61 (7) 4944 0822

### **E-CONTACTS**

[communication@metarock.com.au](mailto:communication@metarock.com.au)

[www.metarock.com.au](http://www.metarock.com.au)

### **POSTAL ADDRESS**

PO Box 1671  
Mackay QLD 4740  
AUSTRALIA

## **MASTERMYNE OFFICES**

### **Mastermyne Corporate**

Level 1, Riverside Plaza  
45 River Street  
Mackay QLD 4740  
AUSTRALIA

**P:** +61 (7) 4963 0400

**F:** +61 (7) 4944 0822

### **WILSON MINING**

16 Metro Court  
Gateshead NSW 2290  
AUSTRALIA

**P:** +61 (2) 4904 8222

**F:** +61 (7) 4904 8200

6 Fursden Street,  
Glenella QLD 4740  
AUSTRALIA

### **MYNESIGHT**

10 Elvin Street  
Paget QLD 4740  
AUSTRALIA

**P:** 1300 447 020

## **SHARE REGISTRY**

MUFG Pension & Market Services  
Level 21, 10 Eagle Street  
Brisbane QLD 4000  
AUSTRALIA

**P:** +61 (2) 8280 7457

## **INDEPENDENT AUDITORS**

Pitcher Partners  
Level 38, 345 Queen Street  
Brisbane QLD 4000  
AUSTRALIA

## **STOCK EXCHANGE LISTING**

Metarock Group Limited is listed on the Australian Securities Exchange.

**ASX CODE MYE**



TYPE 1

GLOVE



# METAROCK



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stronger values. greater results.



**Wilson Mining**



**mynesIGHT**