

21<sup>st</sup> December 2020



# Market Announcement

*Not for release to US wire services or distribution in the United States*

## Despatch of Retail Entitlement Offer Booklet

MACA Limited (ASX:MLD) (the Company) confirms that the retail entitlement offer booklet (Retail Offer Booklet) and entitlement and acceptance form in respect of the retail component of the fully underwritten 1 for 8 pro rata accelerated non renounceable entitlement offer (Retail Entitlement Offer), as announced to ASX on Tuesday, 15 December 2020, was despatched to eligible retail shareholders today. A copy of the Retail Offer Booklet is annexed to this announcement.

A letter to ineligible retail shareholders notifying them of the Retail Entitlement Offer and their ineligibility to participate has been despatched today.

The Retail Entitlement Offer opens today, Monday, 21 December 2020, and will close at 5.00pm (Perth time) on Friday, 8 January 2021.

Application monies must be received prior to this time, in accordance with the Retail Offer Booklet and the entitlement and acceptance forms.

Eligible retail shareholders (as that term is defined in the Retail Offer Booklet) are encouraged to carefully read the Retail Offer Booklet before making any decision on whether or not to apply for shares under the Retail Entitlement Offer.

If you have any queries concerning the Retail Entitlement Offer, please contact your professional advisor or the Maca Entitlement Offer Information Line on 1300 850 505 between 8:30am and 5:30pm (AWST) Monday to Friday.

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## Market Announcement



### Not an offer in the United States

The securities offered in the Retail Entitlement Offer have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities offered in the Retail Entitlement Offer may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This ASX announcement has been authorised for release by the Board of MACA Limited.

### For further information please contact:

**Mike Sutton**

CEO & Managing Director  
MACA Limited  
(08) 6242 2600

**Peter Gilford**

Company Secretary  
MACA Limited  
(08) 6242 2600

\*\*\*ENDS\*\*\*

**About MACA** | MACA Limited is an ASX-listed contracting group providing services to the mining and construction industries. Employing in excess of 1,800 people, MACA specializes in contract mining and crushing, civil construction and infrastructure maintenance, and mineral processing solutions.



**Limited**

ABN 42 144 745 782

**RETAIL ENTITLEMENT OFFER BOOKLET**

**MACA LIMITED**

ACN 144 745 782

**This Offer Booklet is being issued in relation to a pro-rata non-renounceable entitlement offer of 1 New Share for every 8 Shares held at an issue price of \$1.02 per New Share to raise approximately \$15.5 million (before costs).**

**The Retail Entitlement Offer closes at 5.00pm (WST) on 8 January 2021.\***

**Not for release to US wire services or distribution in the United States**

**This is an important document and requires your immediate attention.**

**It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.**

**This document is provided for information purposes and is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.**

**An investment in the Shares offered in connection with this document should be considered of a speculative nature.**

\*The Company reserves the right, subject to the Corporation Act and Listing Rules to extend the Closing Date for the Entitlement Offer.

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## **Important information**

This Offer Booklet is dated 21 December 2020. Capitalised terms have the meaning given to them in section 6.

This Offer Booklet has been issued by Maca Limited ACN 144 745 782.

The Retail Entitlement Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) to Eligible Retail Shareholders with a registered address in Australia and New Zealand at 4.00pm (WST) on 16 December 2020 (**Record Date**).

This document is not a prospectus under Australian law or under any other law. Accordingly, this document does not contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required by Australian law or any other law to be disclosed in a prospectus. This Offer Booklet should be read in conjunction with the Company's other periodic and continuous disclosure announcements to ASX available at [www.asx.com.au](http://www.asx.com.au).

This Offer Booklet may contain forward-looking statements, opinions and estimates. Forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, and which may cause actual results to differ materially from those expressed in the statements contained in this document and the attached materials. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to the Company as of the date of this Offer Booklet. Except as required by law or regulation (including the Listing Rules) the Company undertakes no obligation to update these forward-looking statements.

Before making any decision to invest, Eligible Retail Shareholders must make their own investigations and analyses regarding the Company, its business, financial performance, assets, liabilities and prospects, rely on their own inquiries and judgements in the light of their own personal circumstances (including financial and taxation issues) and seek appropriate professional advice.

## **Not for release to US wire services or distribution in the United States**

This Offer Booklet has been prepared for publication only in Australia and may not be released to US wire services or distributed in the United States. This Offer Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Any securities described in this Offer Booklet have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The New Shares to be offered and sold in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions", as defined and in compliance with Regulation S under the US Securities Act.

## **Corporate Directory**

### **Directors**

Mr Geoffrey Baker

Non-Executive Chairman

Mr Michael Sutton

Managing Director

Mr Linton Kirk

Non-Executive Director

Mr Robert Ryan

Non-Executive Director

Ms Sandra Dodds

Non-Executive Director

### **Company Secretary**

Mr Peter Gilford

### **Company's Registered Office**

Maca Limited

45 Division Street

Welshpool, WA 6106

### **Share Registry\***

Computershare Investor Services

Level 11, 172 St Georges Terrace

Perth, WA 6000

Phone: + 61 8 6242 2600

Phone (outside Australia): +61 3 9415 4000

Email: info.maca.net.au

Phone (within Australia): 1300 850 505

### **ASX Code: MLD**

Website: [www.maca.net.au](http://www.maca.net.au)

### **Underwriter and Lead Manager\***

Euroz Hartleys Limited

Level 6, Westralia Square,

141 St George's Terrace

Perth, WA 6000

### **Legal Adviser**

Lavan

Level 20, 1 William Street

Perth, WA 6000

\*These entities are included for information purposes only. They have not been involved in the preparation of this Offer Booklet.

## Letter from the Chairman

Dear Shareholder

On behalf of the Directors, I am pleased to invite you as a valued Shareholder of Maca Limited (**Maca** or **Company**) to participate in a 1 for 8 accelerated non-renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$1.02 per New Share (**Issue Price**) to raise up to approximately \$15.5 million.

## Entitlement Offer and Placement

On 15 December 2020, the Company announced its intention to raise approximately \$75.2 million (before costs) by way of:

- 1 a placement (**Placement**) to institutional investors to raise \$41,004,000 through the issue of 40,200,000 Shares at an issue price of \$1.02 per Share; and
- 2 an accelerated non-renounceable entitlement offer comprising of an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**) to raise approximately \$34,170,984 (together, the **Entitlement Offer**).

As announced on 16 December 2020, both the Placement and the Institutional Entitlement Offer received strong support with commitments of approximately \$59.7 million.

## Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to acquire 1 New Share for every 8 existing fully paid ordinary shares in the Company (**Shares**) held on the record date, being 4:00pm (WST) on 16 December 2020 (**Record Date**). New Shares issued under the Entitlement Offer will rank equally with existing Shares.

This Offer Booklet relates to the Retail Entitlement Offer which offers Eligible Retail Shareholders the same opportunity offered to those investors who participated in the Institutional Entitlement Offer.

## Use of funds

As announced to the ASX on 15 December 2020 the Company has entered into binding agreements in respect of its proposed acquisition of Downer EDI Limited's Mining West open-cut mining services business, as more specifically described in section 3. Further details of the Transaction are contained in the Investor Presentation released to the ASX on 15 December 2020 (**Investor Presentation**).

The proceeds of the Entitlement Offer and Placement together with a A\$130 million corporate acquisition debt facility will be used to fund the Transaction and general working capital.

If the Transaction is not completed as a result of a failure to satisfy the conditions precedent in relation to the proposed acquisition, Maca will consider alternative uses for the proceeds received from the Placement and Entitlement Offer, including applying them towards debt reduction, working capital, or other investment and acquisition opportunities.



### **Actions required to take up your Entitlement**

As an Eligible Retail Shareholder, subject to the terms set out in this Offer Booklet, you may choose one of the following options:

- 1            apply for all of your Entitlement under the Entitlement Offer;
- 2            apply for all of your Entitlement under the Entitlement Offer and apply for Retail Shortfall Shares in excess of your Entitlement;
- 3            apply for part of your Entitlement; or
- 4            take no action.

The Retail Entitlement Offer closes at **5.00pm (WST)** on 8 January 2021. To participate in the Entitlement Offer, your application for New Shares must be received before this time in accordance with the instructions set out on the accompanying Entitlement and Acceptance Form and in section 2 of this Offer Booklet.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise be transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

It is important that you carefully read this Offer Booklet and the other publicly available information about the Company on our website (<https://www.maca.net.au/investor-centre/asx-announcements/>) and consider in particular the risk factors set out in section 4 before making any investment decision. With this Offer Booklet you will also find your Entitlement and Acceptance Form which details your Entitlement and provides instructions on how to participate in the Retail Entitlement Offer.

On behalf of the Directors, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely

Geoffrey Baker

Non-Executive Chairman

**Summary of Offer**

<b>Key Information</b>	
Issue Price	\$1.02 per New Share
Entitlement Ratio	1 New Share for every 8 Shares held
Record Date	4.00pm (WST) 16 December 2020
Number of New Shares to be issued under Retail Entitlement Offer*	Approximately 15,169,982 (subject to rounding and assuming no Performance Rights are converted into Shares before the Record Date)
Retail Shortfall Shares Available	Eligible Retail Shareholders may apply for New Shares in excess of their Entitlement. See Section 1.4
Total Shares on issue on completion of the Retail Entitlement Offer*	Approximately 341,708,672
Amount to be raised under the Retail Entitlement Offer (before costs)*	Approximately \$15,473,382

\*These figures assume the full take up of New Shares available under the Retail Entitlement Offer

## Key Dates

Event	Date
Announcement of Offer; Lodge Offer Booklet and s708AA cleansing notice with ASX	Tuesday, 15 December 2020
Institutional Entitlement Offer Opens	Tuesday, 15 December 2020
Institutional Entitlement Offer Closes	Tuesday, 15 December 2020
Announcement of Placement and Institutional Entitlement Offer	Wednesday, 16 December 2020
Trading resumes on an ex-entitlement basis	Wednesday, 16 December 2020
Record Date for the Retail Entitlement Offer (4.00pm (WST))	Wednesday, 16 December 2020
<b>Opening date of the Retail Entitlement Offer</b> Despatch of Offer Booklet and Entitlement and Acceptance Forms	Monday, 21 December 2020
Settlement of Institutional Offer	Wednesday, 23 December 2020
Issue of New Shares under Institutional Entitlement Offer	Thursday, 24 December 2020
Last day to extend Retail Entitlement Offer close date	Monday, 4 January 2021
Retail Entitlement Closing Date (5.00pm (WST))	Friday, 8 January 2021
Announcement of Retail Entitlement Offer results	Tuesday, 12 January 2021
Settlement of Retail Entitlement Offer	Thursday, 14 January 2021
Issue and allotment of New Shares	Friday, 15 January 2021
Quotation of New Shares under Retail Entitlement Offer	Friday, 15 January 2021

Eligible Retail Shareholders that wish to participate in the Retail Entitlement Offer are encouraged to subscribe for New Shares as soon as possible after the Retail Entitlement Offer opens. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates of the Retail Entitlement Offer (including extending the Retail Entitlement Offer or accepting late applications) without notice.

# 1 Details of the Retail Entitlement Offer

## 1.1 Overview of the Entitlement Offer

- 1.1.1 The Company proposes to raise approximately \$34,170,983 under the Entitlement Offer through the issue of approximately 33,500,964 New Shares. Under the Entitlement Offer, the Company is offering eligible shareholders the opportunity to subscribe for 1 New Share for every 8 existing Shares held at the Record Date, at the Issue Price of \$1.02 per New Share (**Entitlement Offer**).
- 1.1.2 The Entitlement Offer and the Placement (discussed in Section 1.2) is fully underwritten by Euroz Hartleys pursuant to the terms of the Underwriting Agreement set out in Section 1.18.
- 1.1.3 Director participation in the Entitlement Offer is set out in section 1.9.
- 1.1.4 Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Shares.
- 1.1.5 The Entitlement Offer comprises:
- (a) (**Institutional Entitlement Offer**) under which Eligible Institutional Shareholders and certain institutional shareholders in the United States were invited to take up all or part of their Entitlement;
  - (b) (**Institutional Bookbuild**) under which New Shares attributable to Entitlements not taken up by Eligible Institutional Shareholders and certain institutional shareholders in the United States to whom the Institutional Entitlement Offer was made, were offered under a bookbuild to certain investors in the United States and the Permitted Jurisdictions;
  - (c) (**Retail Entitlement Offer**) under which Eligible Retail Shareholders are being sent this Offer Booklet, together with a personalised Entitlement and Acceptance Form, and are being invited to take up all or part of their Entitlement; and
  - (d) (**Retail Shortfall Facility**) under which New Shares attributable to Entitlements:
    - (i) not taken up by Eligible Retail Shareholders; and
    - (ii) that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer,will be offered under a Retail Shortfall Facility to Eligible Retail Shareholders that have exercised their full Entitlement, up to a maximum of 100% in excess of their Entitlement.
- 1.1.6 The Company will retain complete discretion regarding the allocation of New Shares to Eligible Retail Shareholders who apply for New Shares in excess of their Entitlement. Please see section 1.4 for further details.

## 1.2 Placement

- 1.2.1 On 15 December 2020, the Company announced it had completed a placement with institutional investors to raise \$41,004,000 (**Placement**).
- 1.2.2 The Shares under the Placement will be issued with an issue price of \$1.02 per Share under the Company's 15% placement capacity pursuant to Listing Rule 7.1. The Shares are anticipated to be issued on Thursday 24 December 2020, after the Record Date for the Retail Entitlement Offer. Therefore, investors who have participated in the Placement cannot participate in the Entitlement Offer as an Eligible Institutional Shareholder or Eligible Retail Shareholder in relation to the Placement Shares.

## 1.3 Eligible Retail Shareholders

- 1.3.1 This Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders. Eligible Retail Shareholders are those holders of Shares who:
- (a) are registered as a holder of Shares on the Record Date;
  - (b) have a registered address in Australia and New Zealand
  - (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds shares in the Company for the account or benefit of such person in the United States); and
  - (d) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.
- 1.3.2 Retail Shareholders that are not Eligible Retail Shareholders are Ineligible Retail Shareholders. The Company has determined that it is unreasonable to extend to Ineligible Retail Shareholders the opportunity to participate in the Retail Entitlement Offer because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia or New Zealand.
- 1.3.3 The Entitlements of Eligible Retail Shareholders who also hold performance rights will be calculated on the basis of the number of Shares they hold on the Record Date, disregarding any performance rights which have not been exercised or converted before that time.

## 1.4 Retail Shortfall Facility

- 1.4.1 A Retail Shortfall Facility will allow Eligible Retail Shareholders that have fully subscribed for their Entitlements under the Retail Entitlement Offer to subscribe for Retail Shortfall Shares up to a maximum of 100% in excess of their Entitlement, or such other amount as determined by the Company in consultation with the Lead Manager. Eligible Retail Shareholders can subscribe for Retail Shortfall Shares by completing the relevant part of the Entitlement and Acceptance Form, or through BPAY®, please refer to section 2.3.
- 1.4.2 The Company, in consultation with the Lead Manager, will retain complete discretion regarding the allocation of Retail Shortfall Shares which Eligible Retail Shareholders subscribe for in excess of their Entitlement. Any scale-back will be applied by the Company and at the Company's discretion.

- 1.4.3 Any Retail Shortfall Shares will be limited to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer.
- 1.4.4 There is no guarantee that those Eligible Retail Shareholders will receive the number of Retail Shortfall Shares applied for. The Company's decision on the number of New Shares and Retail Shortfall Shares to be allocated to you will be final.
- 1.4.5 In the event of a scale back, the difference between the Application Monies received, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.
- 1.4.6 No Retail Shortfall Shares will be allocated or issued to any person to the extent that to do so would result in (or in the Company's opinion would likely result in) a breach of the Corporations Act, the ASX Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.

## **1.5 Institutional Entitlement Offer and Institutional Bookbuild**

- 1.5.1 The Institutional Entitlement Offer was conducted on 15 December 2020. Shortfall from the Institutional Entitlement Offer was offered through the Institutional Bookbuild.
- 1.5.2 The Institutional Entitlement Offer raised approximately \$18,697,602 (18,330,982 New Shares).

## **1.6 Ranking of New Shares**

New Shares and Retail Shortfall Shares issued under the Entitlement Offer will rank equally with existing Shares.

## **1.7 Effect of the Entitlement Offer capital structure**

### **1.7.1 Share capital**

The proposed capital structure of the Company following the issue of the New Shares in connection with the Entitlement Offer and Placement will be as follows:

<b>Event</b>	<b>Shares</b>
Shares on issue on announcement of the Entitlement Offer	268,007,708
Shares to be issued under the Placement	40,200,000
New Shares to be issued under the Entitlement Offer*	33,500,964
Total Shares on issue on completion of Entitlement Offer and Placement*	341,708,672

\*These figures assume the full take up of New Shares available under the Entitlement Offer

The final number of New Shares to be issued under the Entitlement Offer is subject to reconciliation.

### 1.7.2 Other securities

As at the date of this Offer Booklet, the Company has on issue 2,690,578 unquoted performance rights with expiry dates ranging from 30 June 2021 to 30 June 2022. The performance rights do not carry an entitlement to participate in the Retail Entitlement Offer, unless converted prior to the Record Date.

### 1.8 Use of funds

The Company intends to apply the funds raised from the Entitlement Offer and Placement, together with the funds raised through the debt facility with Commonwealth Bank of Australia pursuant to the Debt Documentation, for funding the Transaction and for general working capital and for costs of the Entitlement Offer and the Placement.

Source of Funds	A\$m	Use of Funds	A\$m
Corporate Acquisition Facility	130	Acquisition consideration (at completion)	109
Gross proceeds from Placement and ANREO	75	Acquisition consideration (deferred over 12 months)	66
		Estimated transaction costs and general working capital	30
<b>Total</b>	205	<b>Total</b>	205

If the Transaction is not completed as a result of a failure to satisfy the conditions precedent in relation to the proposed acquisition, Maca will consider alternative uses for the proceeds received from the Placement and Entitlement Offer, including applying them towards debt reduction, working capital, or other investment and acquisition opportunities.

Further details of the Transaction are set out in Section 3 and the Investor Presentation announced on 15 December 2020.

### 1.9 Directors' Interests

The relevant interest of each of the Directors of the Company as at the date of this Offer Booklet, together with their Entitlement and indicated participation under the Retail Entitlement Offer are set out below:

Name	Existing Shares		Entitlements	Actual/Indicated Participation
	By number	By percentage		
Geoffrey Baker*	12,863,816	4.80%	1,607,977	750,000
Michael Sutton	0	0%	0	N/A
Linton Kirk	115,000	0.043%	14,375	14,375
Robert Ryan	58,604	0.022%	7,326	7,326
Sandra Dodds	0	0%	0	N/A

\* Geoffrey Baker has elected to take up 46.64% (being 750,000 New Shares) of his Entitlement in the Institutional Entitlement Offer which closed on 15 December 2020.

**1.10 Control**

- 1.10.1 The Company has no major shareholder who, as a result of the Entitlement Offer, will have the ability to control more than 20% of the voting power in the Company.
- 1.10.2 Therefore, the Company does not consider that the issue of New Shares under the Entitlement Offer will have a material impact on control of the Company.
- 1.10.3 To the extent that any Retail Shareholder or Institutional Shareholder is offered Shares in excess of their Entitlement, no allocation of Shares shall be made or issued to any person to the extent that to do so would result in (or in the Company's opinion would likely result in) a breach of the Corporations Act, the ASX Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.

**1.11 Withdrawal of Entitlement Offer**

The Board reserves the right to withdraw all or part of the Retail Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund Application Money without payment of interest in accordance with the Corporations Act.

**1.12 No cooling off rights**

Cooling off rights do not apply to a subscription for New Shares under the Entitlement Offer. You cannot withdraw your application or payment once it has been accepted, except as allowed by law.

**1.13 No Entitlements trading**

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements that they do not take up.

**1.14 Minimum subscription**

There is no minimum subscription for the Retail Entitlement Offer.

**1.15 Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

**1.16 Opening and Closing Date for applications**

The Retail Entitlement Offer opens for acceptances on 21 December 2020 and all Entitlement and Acceptance Forms and payments of Application Money must be received by no later than 5.00pm (WST) on 8 January 2021, subject to the Company being able to vary the Closing Date in accordance with the Listing Rules.

**1.17 Allotment of New Shares and ASX quotation**

- 1.17.1 It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted no later than 15 January 2021. However, if the Closing Date is extended, the date for allotment may also be extended.
- 1.17.2 No allotment of New Shares will be made until permission is granted for their quotation by ASX.



**1.18 Underwriter**

- 1.18.1 The Company has entered into an Underwriting Agreement (**Underwriting Agreement**) with Euroz Hartleys as the Underwriter under which the Underwriter has agreed to fully underwrite the Placement and the Institutional Entitlement Offer.
- 1.18.2 Further, the Underwriter may (but is not obligated to) arrange commitments in respect of any Retail Shortfall Shares which have not been issued to Eligible Retail Shareholders under the Retail Shortfall Facility (**Remaining Shares**). The Company has been notified by the Underwriter that it has received sub-underwriting commitments, such that the Underwriter will fully underwrite the Retail Entitlement offer.
- 1.18.3 The Underwriting Agreement is made on terms considered standard for an agreement of this nature.
- 1.18.4 As is customary in agreement of this nature:
- (a) the obligations of the Underwriter to underwrite is subject to the satisfaction of certain conditions precedent including compliance with satisfactory due diligence and offer documentation;
  - (b) the Company has agreed, subject to certain carve-outs, to indemnify the Underwriter, its affiliates and related bodies corporate, and its respective directors, officers, agents, employees, representatives or advisers from and against all losses directly or indirectly suffered or incurred in connection with the Entitlement Offer and the Placement; and
  - (c) the Company has given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer including as to the Company's compliance with applicable law, conduct of business and offer documentation.
- 1.18.5 The Underwriting Agreement is subject to satisfaction of various conditions considered to be standard for agreements of this nature, together with:
- (a) (**Institutional allotment**) the Company allotting and issuing New Shares or Shortfall Shares which have been accepted and validly applied for under the Institutional Entitlement Offer and the Shares in relation to the Placement in accordance with the Underwriting Agreement;
  - (b) (**Acquisition Agreement**):
    - (i) the Acquisition Agreement not having been varied, amended, breached, terminated, rescinded or otherwise becoming void or voidable, in each case without the prior written consent of the Underwriter (acting reasonably); and
    - (ii) the conditions precedent (if any) to the performance of the parties' obligations under the Acquisition Agreement have (in the opinion of the Underwriter, acting reasonably) not become incapable of being satisfied (or if such conditions precedent have become incapable of being satisfied, have not been waived),
- in each case on or prior to 7.00am on the Retail Settlement Date;

- (c) **(Debt Facility Agreement):**
  - (i) the Debt Facility Agreement not having been varied, amended, breached, terminated, rescinded or otherwise becoming void or voidable, in each case without the prior written consent of the Underwriter (acting reasonably); and
  - (ii) the conditions precedent to the performance of the parties' obligations under the Debt Facility Agreement have (in the opinion of the Underwriter, acting reasonably) not become incapable of being satisfied (or if such conditions precedent have become incapable of being satisfied, have not been waived),in each case prior to 7.00am on the Retail Settlement Date; and
- (d) **(Official Quotation)** ASX not indicating that it will not grant permission for the Official Quotation of the Retail offer shares or Retail Shortfall Shares on or before 7.00am on the Retail Settlement Date.

- 1.18.6 In addition to the underwriting of the Institutional Entitlement Offer and Placement, the Underwriter may (but is not obligated to), at any time and at its own cost, receive commitments from Institutional Investors to subscribe for the Remaining Shares. As noted above, the Company has been notified by the Underwriter that it has received sub-underwriting commitments, such that the Underwriter will fully underwrite the Retail Entitlement Offer.
- 1.18.7 In consideration for the services provided by Euroz Hartleys as Underwriter and Lead Manager, the Company has agreed to pay Euroz Hartleys:
  - (a) under the Placement and the Institutional Entitlement Offer, a management fee equal to 5% of the Institutional Entitlement Offer Proceeds and the Placement; and
  - (b) under the Retail Entitlement Offer, a management fee equal to 5% of the Retail Entitlement Offer Proceeds (less any commitments which the Underwriter has received in respect of the Remaining Shares, and which commitments have not been fulfilled).
- 1.18.8 The obligation of the Underwriter to underwrite the Institutional Entitlement Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement in the event of certain events, including, but not limited to, the following:
  - (a) **(breach of obligations)** the Company is in breach of any terms, warranties, conditions or undertakings in the Underwriting Agreement, the binding asset purchase agreement or the related Debt Facility Agreement;
  - (b) **(breach of representations)** any of the representations or warranties made or given by the Company in the Underwriting Agreement or information supplied by the Company to the Underwriter is or becomes incorrect, not true or misleading;

- (c) **(index fall)** the ASX/S&P 200 Index falls to a level that is 85 per cent or less of its level as at market close on the business day immediately prior to the date of the Underwriting Agreement:
  - (i) at any time on or before the closing date of the institutional offer;
  - (ii) at market close on the business day immediately prior to the settlement date of the institutional offer; (iii) at market close for two consecutive business days during the period after the closing date of the institutional offer and before the settlement date of the retail offer; or (iii) at market close on the business day immediately prior to the settlement date of the retail offer;
- (d) **(binding asset purchase agreement or related documentation):** the binding asset purchase agreement or debt facility with the Commonwealth Bank of Australia is amended or varied without the Underwriter's consent, or a relevant condition precedent becomes incapable of being satisfied and has not been waived previously;
- (e) **(debt facility)** a debt facility is breached by any party to the agreement or it becomes terminable, is terminated, revoked, rescinded, avoided, altered, amended, varied, superseded or replaced, the relevant lender seeks to enforce a relevant security interest, or accelerate or otherwise require repayment or a relevant or potential event of default occurs, in each case without the Underwriter's consent or the relevant lender gives notice of an intention to seek a relevant security interest;
- (f) **(withdrawal)** any aspect of the Entitlement Offer or Placement is withdrawn by the Company or fails to proceed without the prior written consent of the Underwriter;
- (g) **(board and senior management composition)** there is a change in the composition of the board or the senior management of the Company before completion without the Underwriter's consent;
- (h) **(unable to issue offer shares)** the Company is prevented from allotting and issuing the offer shares in accordance with the timetable;
- (i) **(timetable)** the timetable is delayed by the Company for more than two business days without the Underwriter's consent;
- (j) **(conduct):** the Company or a director or senior manager of any group member (in that capacity) is charged with an indictable offence, disqualified from managing a corporation under the Corporations Act or any regulatory body commences, or intends to take, any public action against the Company or an officer of any group member (in that capacity);
- (k) **(material adverse change)** there is a material adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the group taken as a whole, or on the marketing, settlement or outcome of any aspect of the entitlement offer or placement;
- (l) **(offer materials)** a statement contained in the offer materials or the public information does not comply with the Corporations Act or a matter required is omitted from the offer materials or public information;

- (m) **(new circumstance)** an obligation arises on the Company to give ASX a notice in accordance with section 708AA(12) of the Corporations Act;
- (n) **(litigation)** litigation, arbitration, administrative, regulatory investigations or industrial proceedings are, after the date of the Underwriting Agreement, commenced or threatened against the Company, other than claims related to previously disclosed matters;
- (o) **(contravention of law)** a contravention by any group member of the Corporations Act, its constitution, any of the Listing Rules, any other applicable law or regulations or order or request made by or on behalf of ASIC, ASX or any government agency;
- (p) **(compliance)** any aspect of the Entitlement Offer or placement does not comply with the Corporations Act, the Listing Rules or any other applicable laws or regulations;
- (q) **(payments and insolvency)** an insolvency event occurs with respect to the Company;
- (r) **(listing)** the Company's shares are delisted or suspended from quotation by ASX for any reason, apart from a trading halt that has been obtained by the Company with the Underwriter's consent;
- (s) **(notification)** any government agency (including the takeovers panel) makes an application or commences proceedings or investigations (or gives notice of its intention to commence) in respect of the Entitlement Offer or Placement or any of the offer materials and such application, notice or proceeding becomes public or is not withdrawn within two business days after it is made or by 6.30am on the retail settlement date; and where the government agency is the takeovers panel, the application is not withdrawn or the takeovers panel has not declined to conduct proceedings or declined to make a declaration of unacceptable circumstances by the earlier of five business days after the date of the application and 6.30am on the retail settlement date;
- (t) **(determination)** ASIC makes a determination under section 708AA(3) or section 708A(2) of the Corporations Act in relation to the Company;
- (u) **(quotation)** ASX announces or informs the Company that unconditional approval by the ASX for official quotation of the offer shares will be refused, or not granted by the retail issue date or, if granted, is not withdrawn on or before the retail issue date;
- (v) **(ASIC or ASX action)** any aspect of the Entitlement Offer or placement is prevented from proceeding because of an applicable law or order, or ASIC or ASX investigation, inquiry or proceeding in the conduct of the Company;
- (w) **(ASIC modifications and ASX waivers)** approval for any ASIC modifications or ASX waivers is subsequently withdrawn or revoked, or is varied in a way that in the reasonable opinion of the Underwriter, would have an adverse effect on the success the Entitlement Offer or Placement;

- (x) **(investigation)** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
- (y) **(market conditions)** a suspension or limitation in trading generally on ASX occurs or any adverse change or disruption occurs in any other international financial market, or any change or development involving a prospective adverse change in national or international political, financial or economic conditions occurs, the effect of which makes it impossible or impracticable to proceed with the issue or enforce contracts to issue the offer shares;
- (z) **(change in law)** there is a change in law, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (aa) **(force majeure)** a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of seven days occurs;
- (bb) **(hostilities)** there is an outbreak of hostilities, or a major escalation in existing hostilities that involves either Australia, New Zealand, Hong Kong, Indonesia, India, Israel, Pakistan, the Democratic People's Republic of Korea, the Republic of Korea, Japan, Singapore, the People's Republic of China, Russia, the United States of America, the United Kingdom or any member of the European Union or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
- (cc) **(moratoria)** a general moratorium on commercial banking activities in Australia, New Zealand, the United States of America, the United Kingdom, the People's Republic of China, Russia, Israel, Hong Kong, the European Union, the Republic of Korea or Japan is declared by the relevant central banking authority in any of those countries (or any member state of the European Union), or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.

1.18.9 The Underwriting Agreement is otherwise made on terms considered standard for an agreement of this nature.

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## 2 How to participate

### 2.1 General

- 2.1.1 Before taking any action, you should carefully read this Offer Booklet, consider the risks set out in section 4 and review the other publicly available information about the Company on our website [www.maca.net.au](http://www.maca.net.au).

2.1.2 The number of New Shares to which Eligible Retail Shareholders are entitled is set out in the personalised Entitlement and Acceptance Form. If you are an Eligible Retail Shareholder you may:

- (a) take up your Entitlement in full or in part (refer to Section 2.2);
- (b) take up your Entitlement in full and apply for Retail Shortfall Shares (refer to Sections 2.2 and 2.3); or
- (c) allow your Entitlement to lapse (refer to Section 2.7).

## **2.2 If you wish to accept your Entitlement in full or in part**

### **2.2.1 Pay by BPAY®**

If you are paying for your New Shares by BPAY®, please refer to your personalised instructions on your Entitlement and Acceptance Form. Please note that should you choose to pay by BPAY®:

- (a) you do not need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form;
- (b) amounts received by the Company in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional Shares as your Excess Amount will pay for in full; and
- (c) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Money.

When completing your BPAY® payment, please make sure to use the specific Biller Code and unique reference number provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the reference number specific to the Entitlement on that form. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which the reference number applies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 5.00pm (WST) on the Closing Date.

Excess Application Money that is not sufficient to subscribe for a number of New Shares or Retail Shortfall Shares multiplied by the Issue Price will be refunded to you except where that amount is less than \$1.00, in which case it will be retained by the Company. The method by which you receive the refund will be at the discretion of the Company. No interest will be paid to Eligible Retail Shareholders on any Application Money received or refunded.

The Company encourages Eligible Retail Shareholders to make payment via BPAY.

**2.2.2 Payment by cheque or bank draft**

- (a) If you are paying for your New Shares by cheque, bank cheque or bank draft, complete and return the Entitlement and Acceptance form with your payment. The Share Registry must receive your completed Entitlement and Acceptance Form together with full payment for the number of New Shares for which you are applying by no later than 5.00pm (WST) on the Closing Date.
- (b) Your cheque, bank cheque or bank draft must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. Your payment must be for the full amount required to pay for the New Shares applied for. Payments in cash will not be accepted.
- (c) Cheques must be made payable to 'Maca Limited' and crossed 'Not Negotiable'.
- (d) You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. The Company will not re-present any dishonoured cheques.

**2.3 Applying for Retail Shortfall Shares**

Eligible Retail Shareholders may also apply for Retail Shortfall Shares, being New Shares up to a maximum of 100% in excess of their Entitlement. Please note that Retail Shortfall Shares will only be allocated to Eligible Retail Shareholders if and to the extent that the Company will determine to do so, in their absolute discretion having regard to circumstances as at the time of the close of the Retail Entitlement Offer and also having regard to the matters set out in section 1.4.6. Any Retail Shortfall Shares will be limited to the extent there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Retail Entitlement Offer.

**2.4 Over subscriptions and Scale back**

The Company may scale back any application for Retail Shortfall Shares in its absolute discretion, but will not scale back any Entitlement. The scale back in relation to Retail Shortfall Shares will be pro-rata to the Entitlement of the Eligible Retail Shareholder.

In the event of a scale back, the difference between the Application Money received, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.

**2.5 Acceptance of the Retail Entitlement Offer**

2.5.1 By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you:

- (a) agree to be bound by the terms of this Offer Booklet and the provisions of the Company's constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares allotted to you;

- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer;
- (e) acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Shares that your payment will pay for at the issue price of \$1.02 per New Share;
- (g) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (h) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs, and that the Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (j) represent and warrant (for the benefit of the Company, the Lead Manager and Underwriter or their affiliates and respective bodies corporate) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Excluded Institutional Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (k) acknowledge the statement of risks in section 4, and that investments in the Company are subject to risks;
- (l) represent and warrant that the law of any place (other than Australia or New Zealand) does not prohibit you from being given this Offer Booklet or making an application for New Shares; and
- (m) represent and warrant that you are an Eligible Retail Shareholder and have read and understood this booklet and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form.



By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) are not in the United States and are not acting for the account or benefit of, a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (b) acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, and accordingly, the New Shares may not be offered or, sold in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable US state securities laws;
- (c) understand and acknowledge that the New Shares (including, if applicable, Additional New Shares) may only be sold outside the United States in 'offshore transactions' (as defined in and in compliance with Regulation S under the US Securities Act);
- (d) agree that if in the future you decide to sell or otherwise transfer the New Shares or Retail Shortfall Shares you will only do so in regular transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (e) agree to provide (and direct your nominee and custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (f) have not sent and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or is acting for the account or benefit of a person in the United States or elsewhere outside Australia or New Zealand (except, nominees and custodians may distribute such materials to institutional or professional investors in other Permitted Jurisdictions in respect of the Remaining Shares); and
- (g) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form:
  - (i) is resident in Australia or New Zealand (or in respect of the Remaining Shares, is an institutional or professional investor in Australia, in New Zealand or in a Permitted Jurisdiction); and
  - (ii) is not in the United States or elsewhere outside Australia or New Zealand (except, if applicable, in respect of the Remaining Shares, institutional or professional investors in Australia, New Zealand or in a Permitted Jurisdiction).

## 2.6 Address details and enquiries

- 2.6.1 Completed Entitlement and Acceptance Forms (including payment of Application Money) should be returned to the Company's Share Registry by mail to the following address:

Mailing address
Computer Share Investor Services Pty Limited GPO Box 505 Melbourne Victoria 3001 Australia

- 2.6.2 There is no need to return the Entitlement and Acceptance Form if paying by BPAY.
- 2.6.3 If you would like further information you can:
- (a) Contact your accountant or other professional adviser; or
  - (b) Contact the Company on (08) 6242 2600 at any time from 8:30 am to 5:00 pm (Perth time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period.

## 2.7 If you do not wish to accept all or any part of your Entitlement

- 2.7.1 To the extent you do not accept all or any part of your Entitlement, it will lapse.
- 2.7.2 Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

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## 3 Transaction

### 3.1 Background

- 3.1.1 As announced by the Company on 15 December 2020 the Company has executed a binding Acquisition Agreement with Downer EDI Limited and its wholly owned subsidiary Downer EDI Mining Pty Ltd (**Downer**) under which the Company will, subject to the satisfaction of certain conditions precedent, acquire all of the assets, liabilities and the majority of employees in respect of the Business.
- 3.1.2 Further details of the Transaction are set out in the Investor Presentation which was lodged with ASX on 15 December 2020.
- 3.1.3 As noted above, the Acquisition Agreement is conditional on the satisfaction of certain conditions precedent, which relate to, the counterparties to each of the Project Contracts consenting to the novation of those Project Contracts, the Underwriting Agreement not being terminated by 23 December 2020 and certain conditions in relation to the draw-down in respect of the corporate debt facility under the Debt Facility Agreement being satisfied.

- 3.1.4 If any of the conditions precedent are not satisfied by 1 April 2021, the Acquisition Agreement will terminate. Completion will occur within an agreed period following satisfaction of the last of the conditions precedent and it is expected that, subject to the satisfaction of the conditions precedent, completion will occur in early 2021.
- 3.1.5 The purchase price for the sale is \$175 million subject to agreed adjustments under the terms of the Acquisition Agreement, including in respect of inventory and stocktake at completion. The purchase price will comprise a deferred payment mechanism, under which the Company will pay \$109 million on completion and the remaining \$66 million of the purchase price will be paid in twelve equal instalments over a 12 month period following completion.
- 3.1.6 The proceeds of the Entitlement Offer and Placement, together with a \$130 million debt facility with Commonwealth Bank of Australia will be used for funding the Company's proposed acquisition of the Business and the remaining funds are to be used for general working capital.
- 3.1.7 Given the conditionality of the Acquisition Agreement, there is a risk that any one or more of the conditions precedent may not be satisfied by the 1 April 2021, and therefore the Acquisition Agreement may terminate. If the Acquisition Agreement is not completed, Maca will consider alternative uses for the proceeds from the Offer, including applying them towards debt reduction, working capital, or other investment and acquisition opportunities.

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## 4 Risk factors

There are a number of risks, both specific to the Company and of a general nature which may, either individually or in combination, affect the future operational and financial performance of the Company and the mining services industry in which it operates, and the value of the New Shares under the Retail Entitlement Offer.

There are numerous risk factors involved with the Company's business. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which New Shares will trade.

The Investor Presentation contains a summary of the key risks in relation to the Transaction. These risks are also summarised below.

The risks below are not exhaustive and do not take into account the individual circumstances of investors. The Company does not give any assurances or guarantees of the future performance or profitability of the Company or the value of the New Shares offered under this Offer Booklet.

Every investor should:

- (a) rely on their own knowledge of the Company;
- (b) carefully consider the following risk factors, as well as the other information contained in this Offer Booklet;
- (c) refer to disclosures made by the Company on ASX; and
- (d) consult their professional advisers before deciding whether to apply for Shares under the Retail Entitlement Offer.

## 4.2 Specific risk factors

4.2.1 The principal risks include, but are not limited to, the following:

**(a) Transaction does not proceed and acquisition risk**

The Transaction is subject to a number of conditions. If those conditions are not met in the time agreed between the parties, the Transaction may not proceed. Further, the Transaction may present various risks including without limitation, poor integration of the acquired Business, entry into and performance of contracts with a different risk profile than existing operations and loss of managerial focus on existing businesses. Therefore, whilst the Transaction is expected to have a positive impact on the financial performance of the Company, various transitional and integration risks may have an adverse impact on the Company's financial performance and/or financial position.

**(b) Reliance on Project Contracts**

The Company derives a large proportion of its revenue from key mining services contracts which, subject to completion of the Transaction, will include FMG Solomon Pty Ltd (ACN 128 959 179), Gruyere Management Pty Ltd (ACN 615 728 795), Sino Iron Pty Ltd (ACN 058 429 708) and Karara Mining Ltd (ACN 070 871 831). If any of the Company's key clients were to reduce the scope of the relevant mining services contract, terminate the contract, amend the pricing structure, default, or fail to renew the contract with the Company, this may have an adverse impact on the financial performance and/or financial position of the Company.

**(c) Term and termination of Project Contracts**

Some parts of the Company's business are involved in large-scale projects that may occur over extended time periods. Resultantly, the Company's operations, cash flows and liquidity could be affected if the Company miscalculates the resources or time needed to complete a project, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions. If there were to be a downturn in the mining industry, it may result in a loss of expected revenues and a limited pipeline of work once the contracts expire, and this would have an adverse effect on the Company's financial performance and/or financial position. The Company maintains a strict project monitoring regime, proactive management and decision-making to mitigate project delivery risks.

**(d) Early termination or material variation of contracts**

Various key mining contracts carry early termination rights being held by the principals under these contracts. Further there are various rights for the counterparties to require a material variation or descoping of works under project contracts. The early termination or material descoping or variation of a Project Contract or multiple contracts by the Company's clients may have an adverse impact on its financial performance and/or financial position. The quantum of this adverse impact will vary based on a number of factors, including the value of the terminated or varied contract. There can be no assurance that work in hand will be realised as revenue in any future period. The Company seeks to manage this risk by being selective in the contracts that it enters into and always seeks to extend contracts where possible in an effort to maximise its return on capital.

**(e) Insurance risks**

The key mining services contracts of the Company have a number of stringent insurance requirements which results in the Company maintaining a significant number of insurance policies. There is no guarantee that such insurance or any future necessary policies will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

**(f) Subcontracting risk**

A large number of the services provided under the Company's key mining services contracts are subcontracted to third parties. If the third parties do not perform their obligations under the contracts, the Company may be subject to liability for the non-performance of third parties.

There is also a risk that the loss of one or more contracts with key subcontractors may lead to an increase in the Company's costs of production or loss of production.

**(g) Partner risk**

The Company may occasionally undertake services through and participate in joint ventures or partnering/alliance arrangements. The success of these partnering activities depends on the satisfactory performance of the Company's partners. Any failure of the partners to meet performance obligations could negatively impact the Company's reputation and financial results. The Company mitigates such a risk by completing due diligence on potential partners prior to forming any business relationship and regularly monitors these relationships.

**(h) Labour issues**

The Company's operations are and will continue to be reliant on suitably skilled and qualified labour. Labour represents a significant portion of operating expenses. There is no guarantee that the Company is able to consistently source this labour and further to that, there is no guarantee that the costs to retain its labour force will not increase. This may have an adverse effect on the Company's ability to achieve its forecast earnings and if the Company is not able to pass on increases in labour costs to its clients, it may adversely affect the financial performance and/or the financial position of the Company.

The ability of the Company to achieve its objectives also depends upon the retention of certain key management and key external contractors. The loss of any of these people may affect the Company's ability to achieve its objectives either fully or within the timeframe and budget the Company has decided upon.

The Company's labour costs within the more stable labour markets are typically protected by rise and fall mechanisms within client contracts which help neutralise the impact of rising labour costs.

**(i) Future capital requirements**

The Company's business operations rely on the purchase or hire of new equipment as well as ongoing maintenance requirements of its existing fleet. Given the capital intensive nature of the business, if the Company is unable to obtain capital at the levels required, or on favourable terms, its ability to expand and maintain its fleet may be limited which may in turn reduce its competitiveness in the mining services industry.

**(j) Access to adequate equipment**

The services provided by the Company are dependent on access to adequate and appropriate mining equipment. If the Company has difficulty in securing adequate mining equipment at appropriate prices and in a timely manner, or if the quality of the equipment is not acceptable or suitable, its ability to perform or commence work under new contracts may be adversely affected. This may have an adverse impact on the financial performance and/or position of the Company.

**(k) Cost increases**

Increases in operating costs for labour and equipment has the potential to reduce margins if these costs cannot be passed on to clients. Cost over-runs or unfavourable contract outcomes could have an adverse impact on the Company's financial performance or position. The Company follows a tender review process to reduce the risk of under-pricing contracts.

**(l) Increased competition**

The mining services industry is highly competitive, which may result in downward pressure on prices and margins. The Company may not always be able to match its competitors in service levels and prices which may have an adverse impact on the Company's ability to secure new contracts and it runs the risk of losing market share. The Company mitigates this risk by continuing to focus on delivering quality services.

**(m) Disruption of business operations**

The Company and its clients are exposed to a range of operational risks relating to both current and future operations. Such operational risks include loss or damage to equipment, equipment failures or breakdowns, human error, accidents, information system failures, external services failure, industrial action or disputes, poor weather and natural disasters. A disruption in the operations of the Company or its clients may have an adverse impact on the financial performance and/or position of the Company.

**(n) Contractual disputes and litigation**

The Company is not currently involved in any material contractual disputes or litigation matters with counterparties. The Company's forecasts are based on it performing its contracts with no consideration given to potential claims for damages or other claims arising out of a contract. There is a risk that potential claims for damages and other claims arising out of its operations and contracts may have an adverse impact on the Company's financial performance and/or position.

As previously disclosed to the market on 19 November 2020 and 29 October 2020 Maca has ceased operations in respect of the mining services contract between Maca and Carabella Resources Pty Ltd (Carabella) in respect of the Bluff PCI project in Queensland, with the mine being placed in care and maintenance. Maca has appointed receivers and managers in respect of the secured loan owed by Carabella to Maca. The carrying value of the receivable amounts owed from Carabella for mining services performed and the working capital facility is \$34.7 million as at 30 June 2020. There is a risk that Maca will not be able to recover any or all of the amounts owing to Maca from Carabella which may have an adverse impact on the financial position of the Company.

**(o) Industry risk**

The future growth of the Company is dependent on the continuation of the trend towards the outsourcing of mining operations and civil contracting. As a result, the failure to obtain contracts, delays in awards of contracts, cancellations or terminations of contracts, delays in completion, changes in economic conditions and the volatile and cyclical nature of commodity prices means that the demand for the Company's goods and services may vary and such changes in market conditions could negatively impact the Company's financial performance. The Company seeks to manage this risk by maintaining a diversified client base and commodity mix and having a proportion of equipment and labour on hire.

**(p) Industrial accidents**

The services provided by the Company involve risk both to property and persons. A serious accident may occur, causing damage, injury or death, which may have operational and financial implications for the Company.

**(q) Liability risk**

The provision of services by the Company carries with it a risk of liability for losses arising from the provision of defective services, environmental damage, personal injury or property damage and indirect or consequential losses suffered by third parties. The Company also has material equipment finance agreements with Marubeni, Komatsu, Caterpillar, National Australia Bank and Commonwealth Bank of Australia. The Company's insurance and contractual arrangements may not adequately protect it against such liabilities and any loss falling outside the scope of insurance may adversely affect its financial performance and/or position.

**(r) Compliance with debt facilities**

The Company is required to comply with a number of covenants contained in its debt facilities. If the Company were to breach any of the covenants, it may constitute an event of default under the debt facilities. The occurrence of an event of default may entitle the Company's financiers to exercise certain rights (unless waived), including the acceleration of repayment of outstanding moneys on the facilities and the enforcement of their security interests. An action of this nature could have a material adverse effect on the Company's activities and financial condition.



**(s) Occupational health and safety risk**

The Company is committed to providing a safe workplace and environment for its personnel, contractors and visitors and adheres to stringent occupational health and safety management systems. However, mining services activities have inherent risks and hazards and a serious site safety incident may expose the Company to significant penalties and could have a material adverse impact on the Company's financial performance and/or position. The company mitigates such risks by progressively improving on its high safety performance standards and by maintaining independently reviewed health and safety certifications.

**(t) Environmental risks**

The mining services industry and in particular the Company's operations in the industry are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials.

Whilst the Company has policies and procedures in place to ensure its operations are conducted in an environmentally responsible manner, any accidents or other unforeseen events may compromise the Company's environmental performance and which may have an adverse impact on the financial performance and/or position of the Company.

**(u) Underwriting risk**

If certain conditions precedent are not satisfied or certain termination events occur, the Underwriter may terminate the Underwriting Agreement. These details are set out in Section 1.19.

**(v) Operating risks**

The Company's operating activities are subject to conditions beyond the Company's control which have the potential to reduce revenue or increase costs. These conditions include, but are not limited to:

- (i) changes in legislative requirements (including those made in relation to COVID-19);
- (ii) market conditions;
- (iii) supply constraints and disruptions;
- (iv) government policies;
- (v) abnormal or severe weather or climatic conditions;
- (vi) natural disasters;
- (vii) unexpected maintenance, equipment or other technical problems;
- (viii) key equipment failures;
- (ix) industrial action; and
- (x) variations in geological conditions.

These conditions could affect the operations of the Company or its clients and may have an adverse impact on the financial performance and/or position of the Company.

**(w) Licenses and permits**

The Company's mining services activities are dependent upon the maintenance of appropriate licences, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. There is no assurance renewals of the relevant license and permits will be given and there is no assurance that new conditions will not be imposed.

**(x) Liquidity Risk**

Any errors or unforeseen changes in actual and forecast cash flows could create a mismatch against the maturity profiles of financial assets and liabilities could have a detrimental impact on the Company's liquidity. The Company manages this risk by maintaining adequate cash reserves and available borrowing facilities as required. The Company aims to ensure it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**(y) Negative publicity impact on Share price**

Any negative publicity or announcement relating to any of the Company, its substantial shareholders or key personnel may adversely affect the share price of the Company. The negative publicity may be a result of legal proceedings, failed acquisitions, industrial accidents, COVID-19 or any other event which reflects negatively on the Company.

**(z) Currency Fluctuation**

International operations expose the Company to fluctuations in the value of the Australian dollar versus other currencies. Currently, the Company has unhedged exposure to the Brazilian Real, in addition to US Dollars. The Company uses cash backed deposits to mitigate some of the US Dollar currency risks.

**(aa) Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions now described in force majeure provisions of contracts. These risks could result in production delays or disruptions to the Company's operations and may be even more prevalent due to COVID-19.

**(bb) COVID-19**

The outbreak COVID-19 has had a material effect on global economic markets and the operation of a wide variety of industries. The current global economic outlook is uncertain due to the pandemic, which has had and may continue to have a significant impact on the mining services industry, the macro-economic environment, capital markets and share prices.

The Company's share price may be adversely affected by the economic uncertainty or specific requirements for the operations triggered by the response to COVID-19. Further, any measures to limit the transmission of the virus implemented by national, state and local governments around the world (such as travel bans and quarantining) or deemed necessary by the Company to protect the health of its workforce may adversely impact the Company's operations and affect its financial position.

**(cc) Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to conduct its business operations.

There is a risk that changes to taxation, competition policy and environmental guidelines may affect the Company's operations or development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations of the Company.

**(dd) Tax risk**

The Company is subject to taxation and other imposts. Changes in taxation laws (including transfer pricing), or changes in the interpretation or application of existing laws by courts or applicable revenue authorities, may affect the taxation of the Company's business activities and adversely affect the financial performance and/or position of the Company.

**(ee) Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.

The market price of securities may be subject to varied and unpredictable influences on the market. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders.

#### **4.3 Speculative investment**

- 4.3.1 The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. Additional risks that the Company is unaware of or that it currently considers to be immaterial may also potentially have a material adverse impact on the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Booklet. Therefore, the New Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

- 4.3.2 Before applying for New Shares, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and should consider whether the Shares are a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Offer Booklet or are in any doubt as to whether to invest in the New Shares, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest.

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## **5 Important information for Shareholders**

### **5.1 No prospectus or product disclosure statement and not investment advice**

- 5.1.1 The Retail Entitlement Offer complies with the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC.
- 5.1.2 This Offer Booklet is not investment advice and does not take into account your investment objectives, financial situation, tax position and particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest.

### **5.2 Shareholders outside Australia**

#### **5.2.1 General restrictions**

- (a) This Offer Booklet and accompanying Entitlement and Acceptance Form do not constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Offer Booklet may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.
- (b) The distribution of this Offer Booklet in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document outside Australia and New Zealand should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.
- (c) It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia or New Zealand.

**5.2.2     New Zealand**

- (a)        The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.
- (b)        This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

**5.3        Ineligible Retail Shareholders**

- 5.3.1      The Company is not extending the Retail Entitlement Offer to Ineligible Retail Shareholders having regard to the cost of complying with legal and regulatory requirements outside Australia or New Zealand, the number of Ineligible Retail Shareholders and the number and value of New Shares which could be offered to Ineligible Retail Shareholders.
- 5.3.2      Where this Offer Booklet has been dispatched to Ineligible Retail Shareholders, it is provided for information purposes only.
- 5.3.3      In limited circumstances the Company may elect to treat as Eligible Retail Shareholders certain Shareholders who would otherwise be Ineligible Retail Shareholders, provided the Company is satisfied that it is not precluded from lawfully issuing New Shares to such Shareholders either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

**5.4        Notice to nominees and custodians**

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. Where any nominee or custodian is acting on behalf a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer. Nominees and custodians may not distribute any part of this Offer Booklet in the United States or in any other country outside of Australia or New Zealand (except, in the respect of Remaining Shares, to institutional or professional investors in Australia, New Zealand or other Permitted Jurisdictions).

**5.5        Continuous disclosure**

- 5.5.1      The Company is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half-yearly reports.

- 5.5.2 The Company is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its Shares. That information is available to the public from the ASX.

## **5.6 Taxation consequences**

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

## **5.7 Privacy**

- 5.7.1 If you complete an Entitlement and Acceptance Form and apply for New Shares (and Retail Shortfall Shares), you will be providing personal information to the Company, its agents, contractors and third-party service providers. The Company, its agents, contractors and third-party service providers will collect, hold and use that information to assess your acceptance, carry out administration of your shareholding, service your needs as a Shareholder and facilitate corporate communications.
- 5.7.2 The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, print service providers, mail houses and the Share Registry.
- 5.7.3 Failure to provide the required personal information may mean that your acceptance is not able to be processed efficiently, if at all.
- 5.7.4 You may request access to your personal information held by (or on behalf of) the Company and by the Share Registry. You can request access to, or the updating of, your personal information by telephoning or writing to the Company or the Share Registry using the details shown in the Corporate Directory.
- 5.7.5 The collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) and the Corporations Act.

## **5.8 Future performance and forward-looking statements**

- 5.8.1 This document contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice. The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

- 5.8.2 Forward looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Retail Entitlement Offer.

## **5.9 Past performance**

Past Share price performance provides no guarantee or guidance as to future Share price performance. Past performance information given in this Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Offer Booklet is or is based upon information that has been released to the market. For further information, please see past announcements released to the ASX.

## **5.10 Risks**

- 5.10.1 Please consult with your accountant or other independent professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer.
- 5.10.2 Section 4 details important factors and risks that could affect the financial and operating performance of the Company. You should consider these risk factors carefully in light of your personal circumstances, as well as any financial or taxation consequences, before making an investment decision in connection with the Retail Entitlement Offer.

## **5.11 Disclaimer of representations**

- 5.11.1 No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer, which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by the Company in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required:
- (a) none of the Company, or any person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to the information contained in this Offer Booklet; and
  - (b) the Company, its officers, employees and advisers disclaim all liability that may otherwise arise due to the Offer Booklet being inaccurate or incomplete in any respect.

## **5.12 Authorisation and disclaimers**

- 5.12.1 This Offer Booklet is issued by and is the sole responsibility of the Company.
- 5.12.2 None of the parties referred to in the Corporate Directory of the Offer Booklet (other than the Company), has:
- (a) authorised or caused the issue of this Offer Booklet; or
  - (b) made or authorised the making of any statement that is included in this Offer Booklet or any statement on which a statement in this Offer Booklet is based.

- 5.12.3 To the maximum extent permitted by law, each of the parties referred to in the Corporate Directory of this Offer Booklet (other than the Company) expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet.

### **5.13 Governing law**

This Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of applications are governed by the laws applicable in Western Australia.

### **5.14 Interpretation**

- 5.14.1 Some capitalised words and expressions used in this Offer Booklet have meanings as set out in section 6.
- 5.14.2 A reference to time in this Entitlement Offer Booklet is to the local time in Perth, Western Australia, unless otherwise stated. All financial amounts in this Offer Booklet are expressed in Australian dollars, unless otherwise stated.

### **5.15 No handling fees**

There will be no handling fees payable to brokers for Entitlement and Acceptance Forms lodged by them on behalf of Eligible Retail Shareholders.

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## **6 Definitions**

<b>Acquisition Agreement</b>	means the asset sale agreement between the Company (and certain of its related bodies corporate) and Downer (and its related body corporate) which was announced by the Company on 15 December 2020.
<b>Application Money</b>	means money received in respect of an application for New Shares and Retail Shortfall Shares (if applicable).
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as applicable.
<b>Board</b>	means the board of Directors.
<b>Business</b>	means the mining services business (namely extraction of rock or minerals from an open pit mine) conducted by Downer and its Related Bodies Corporate as at the date of the Acquisition Agreement in Western Australia in relation to the Project Contracts.
<b>Business Day</b>	means a day which is a 'business day' as that expression is defined in the ASX Listing Rules and on which banks are open for general banking business in Perth.



<b>Closing Date</b>	means the last day for receipt of Application Money and return of Entitlement and Acceptance Forms being, 5.00pm (WST) on 8 January 2021 (unless extended).
<b>Company</b>	means Maca Limited (ACN 144 745 782).
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Debt Facility Agreement</b>	means an agreement between the Company, certain Related Bodies Corporate of the Company and Commonwealth Bank of Australia for the provision of a non-revolving cash advance facility of up to A\$130 million dated on or about the date of the Acquisition Agreement.
<b>Director</b>	means a director of the Company.
<b>Downer</b>	has the meaning given to that term in section 3.1.1.
<b>Eligible Institutional Shareholder</b>	means an institutional shareholder who is not an Excluded Institutional Shareholder and who may participate in the Institutional Entitlement Offer.
<b>Eligible Retail Shareholder</b>	means a Shareholder as described in section 1.3 of this Offer Booklet.
<b>Entitlement</b>	means the entitlement to 1 New Share for every 8 Shares held on the Record Date as shown on the personalised Entitlement and Acceptance Form.
<b>Entitlement and Acceptance Form</b>	means the entitlement and acceptance form accompanying this Offer Booklet.
<b>Entitlement Offer</b>	means the pro-rata accelerated non-renounceable entitlement offer to subscribe for New Shares on the basis of 1 New Share for every 8 Shares held by Shareholders as at Record Date.
<b>Euroz Hartleys</b>	means Euroz Hartleys Limited (ACN 104 195 057).
<b>Excluded Institutional Shareholder</b>	means institutional shareholders with a registered address in any jurisdiction outside Australia and New Zealand and the Permitted Jurisdictions or who the Company otherwise determines (under Listing Rule 7.7.1(a)), in agreement with the Lead Manager, should not receive an offer under the Entitlement Offer.
<b>Group</b>	means the Company and its Related Bodies Corporate, and <b>Group Member</b> means any one or more of them.

<b>Ineligible Retail Shareholder</b>	means a retail shareholder who is not an Eligible Retail Shareholder.
<b>Institutional Book-build</b>	has the meaning given in Section 1.1.
<b>Institutional Closing Date</b>	means 15 December 2020.
<b>Institutional Entitlement Offer Proceeds</b>	means the number of Shares issued under the Institutional Entitlement Offer multiplied by the Issue Price.
<b>Institutional Investor</b>	<p>means an institutional or professional investor to whom an offer can lawfully be made under all applicable laws, and to whom the Shares can lawfully be issued under all applicable laws, without the need for any registration, lodgement, approval or other formality, and in particular:</p> <ul style="list-style-type: none"><li>(a) if in <b>Canada (British Columbia, Ontario and Quebec provinces only)</b>, is an "accredited investor" (as defined in National Instrument 45-106 – <i>Prospectus Exemptions</i>) and a "permitted client" (as defined in National Instrument 31-103 – <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i>);</li><li>(b) if in the <b>European Union (Finland, Germany)</b>, is a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);</li><li>(c) if in <b>Hong Kong</b>, is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;</li><li>(d) if in <b>Norway</b>, is a "professional client" as defined in Norwegian Securities Trading Act of 29 June 2007 no. 75;</li><li>(e) if in <b>Singapore</b>, is an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act of Singapore ("SFA"));</li><li>(f) if in <b>Switzerland</b>, is a "professional client" within the meaning of article 4(3) of the Swiss Financial Services Act ("FinSA") or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA; and</li></ul>

- (g) if in the **United Kingdom**, is (i) a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing Section 86(7) of the UK Financial Services and Markets Act 2000; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

<b>Institutional Settlement Date</b>	means 15 December 2020.
<b>Institutional Shareholder</b>	means a Shareholder on the Record Date who is an Institutional Investor.
<b>Issue Price</b>	means \$1.02 per New Share.
<b>Lead Manager</b>	means Euroz Hartleys.
<b>Listing Rules</b>	means the official listing rules of ASX, as amended or waived by ASX from time to time.
<b>New Shares</b>	means Shares offered under the Entitlement Offer.
<b>Offer</b>	means the Entitlement Offer and the Placement.
<b>Offer Booklet</b>	means this retail entitlement offer booklet.
<b>Permitted Jurisdiction</b>	means Australia, Canada (British Columbia, Ontario and Quebec provinces only), European Union (Finland, Germany), Hong Kong, New Zealand, Norway, Singapore, Switzerland and United Kingdom.
<b>Placement</b>	has the meaning given in Section 1.2.
<b>Project Contracts</b>	means: <ul style="list-style-type: none"> <li>(a) <b>(Cape Preston Contract)</b> the major services (and ancillary goods) contract dated 24 January 2017 between Downer, Sino Iron Pty Ltd (ACN 058 429 708) and CITIC Pacific Mining Management Pty Ltd (ACN 119 578 371) as amended from time to time;</li> <li>(b) <b>(Eliwana Contract)</b> the mining and maintenance services contract dated 25 May 2020 between the Downer and Eliwana Solomon Pty Ltd (ACN 128 959 179) as amended from time to time;</li> </ul>

- (c) **(Gruyere Contract)** the agreement for the supply of open pit mining services entered into on or around 21 December 2017 between the Downer and Gruyere Management Pty Ltd (ACN 615 728 795) as amended from time to time; and
- (d) **(Karara Contract)** the magnetite mining services contract dated 6 February 2012 between Downer and Karara Mining Pty Ltd (ACN 070 871 831), as amended on 12 August 2016 and as amended from time to time.

<b>Record Date</b>	means 4.00pm (WST) on 16 December 2020.
<b>Related Body Corporate</b>	means a 'related body corporate' as defined in section 50 of the Corporations Act.
<b>Remaining Shares</b>	has the meaning given to that term in clause 1.18.2.
<b>Retail Entitlement Offer</b>	means the offer of New Shares to Eligible Retail Shareholders made in this Offer Booklet.
<b>Retail Entitlement Offer Proceeds</b>	means the number of Shares issued under the Retail Entitlement Offer multiplied by the Issue Price.
<b>Retail Settlement Date</b>	means 14 January 2021.
<b>Retail Shortfall Facility</b>	means the offer of Retail Shortfall Shares to Eligible Retail Investors that have fully subscribed to the Entitlement Offer as described in section 1.4.
<b>Retail Shortfall Shares</b>	means New Shares which Eligible Retail Shareholders apply for in excess of their Entitlement.
<b>Securities</b>	means any securities, including Shares, issued or granted by the Company.
<b>Share</b>	means a fully paid ordinary share in the Company.
<b>Share Registry</b>	means Computershare Investor Services Pty Ltd (ACN 078 279 277).
<b>Shareholder</b>	means a holder of Shares.
<b>Transaction</b>	means the proposed acquisition by the Company and/or its Related Bodies Corporate of the Business on the terms of the Acquisition Agreement and as more specifically described in section 3.

<b>Underwriter</b>	means Euroz Hartleys.
<b>Underwriting Agreement</b>	means the underwriting agreement between the Company and the Underwriter dated 15 December 2020, a summary of which is set out in Section 1.18.
<b>US or United States</b>	means United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.
<b>US Securities Act</b>	means the US Securities Act of 1933, as amended.
<b>WST</b>	means Western Standard Time as observed in Perth, Western Australia.