

MLG OZ Limited - ACN 102 642 366

Interim Report

Period ended 31 December 2020



MLG

Contents

| | |
|--|----|
| Corporate Information | 2 |
| Directors' Report..... | 3 |
| Auditor's Independence Declaration | 5 |
| Condensed Statement of Profit or Loss and Other Comprehensive Income | 6 |
| Condensed Statement of Financial Position | 7 |
| Condensed Statement of Changes in Equity | 8 |
| Condensed Statement of Cash Flows | 9 |
| Note 1: Basis of Preparation | 10 |
| Note 2: Significant Accounting Estimates and Assumptions | 11 |
| Note 3: Revenue..... | 11 |
| Note 4: Income Tax Expense..... | 11 |
| Note 5: Dividends | 12 |
| Note 6: Financial Liabilities | 13 |
| Note 7: Issued Capital | 14 |
| Note 8: Financial Instruments | 14 |
| Note 9: Commitments | 15 |
| Note 10: Contingent Liabilities and Assets..... | 15 |
| Note 11: Significant Events after Balance Date | 15 |
| Directors' Declaration | 16 |
| Independent Auditor's Report | 17 |

Corporate Information

DIRECTORS

Murray Leahy
Philip Mirams
Jim Walker

COMPANY SECRETARY

Philip Mirams

REGISTERED OFFICE

10 Yindi Way
Kalgoorlie WA 6433
(08) 9022 7746

PRINCIPAL PLACE OF BUSINESS

10 Yindi Way
Kalgoorlie WA 6433
(08) 9022 7746

AUDITORS

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000
(08) 9227 7500

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of MLG Oz Limited (referred to hereafter as the 'company' or 'parent entity') and the entity it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The following persons were directors of MLG OZ Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Murray Leah

Philip Mirams (appointed on 20 January 2021)

Jim Walker (appointed on 20 January 2021)

PRINCIPAL ACTIVITIES

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Sale of construction materials
- Site Services and Civil works
- Crushing and Screening
- Bulk Haulage
- Export Logistics

REVIEW OF OPERATIONS

The Group's total revenue in the half year to 31 December 2020 as compared to the comparable period in FY2020 increased 18% from \$101.9m to \$120.8m, with the net after tax profit increasing from \$3.9m to \$7.1m. Growth in Revenue versus comparative period was driven by extended work packages for existing clients, new contracts and the commissioning of the build, own & operate fixed crushing plants at Christmas Creek which entered full production during the half year FY2021.

Revenue from mine site services and bulk haulage increased with stronger volumes and due to a number of contract renewals which included higher billable rate schedules. New site services and haulage contracts which were commenced after the comparable period contributing to the FY2021 half year included haulage and site services contracts with Ramelius at Edna May, extended services for Gold Fields at Agnew and civil construction of a tails dam for Gold Fields at their Gruyere site.

The contribution from Crushing and Screening in the half was significantly higher than the comparative period with the completion of operational commissioning of both fixed plants at Christmas Creek for FMG enabling full production to commence during the half. In addition the Company secured a new contract with Barto Gold to provide mobile crushing services at their Minjar operations and extended its relationship with FMG securing a screening program for their Solomon operation.

The groups net profit after tax increased 82% as compared to the comparable period. We note that the comparable half year profit included significant costs related to preparation for an initial public offering in 2019 which was subsequently deferred. In addition the underlying business performance improved with additional revenues from new contracts in site services and haulage and with the higher crushing volumes following the commissioning of the fixed plants as noted above. Overall expenses were higher in the half year ended 31 December 2020 at \$110.6m compared to \$96.3m in the comparative period driven by cost of sales to deliver the additional client demands from existing clients and to deliver the new contracts mentioned above.

MLG continues to develop its strategy and enhance its operational capabilities. New contracts in tails dams construction and growing demand for similar services has resulted in MLG expanding its capabilities and number of employees with construction skills. Our pipeline of tenders is very strong with a number of significant tenders currently active. We anticipate significant growth opportunities within our current client base as our clients look to deliver their own growth aspirations.

The impact of the Covid 19 pandemic on operations was significant with the closure of state borders and as the State and Federal government announcements unfolded. Many clients reacted to the developing crisis and were forced to reduced volumes as they responded. The impact of Covid on the half year ended 31 December 2020 was not as pronounced once MLG adjusted its labour rosters, retained staff within WA and was able to adapt to the growing confidence within the mining sector. Client volumes have recovered and new contracts have been won. Labour shortages for specific trades remain challenging and the company is very focused on recruitment, and related social media and marketing channels to continue to meet our client needs.

Capital expenditure in the half was \$14.0m primarily relating to additional trucks, new loaders and the final construction costs incurred on the fixed crushing plants. The company will benefit from the government incentive for immediate deduction of assets purchased prior to 31 December 2020 which will defer tax into future years and improve cashflow through FY2021 and into FY2022.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group to the date of this report.

SIGNIFICANT EVENTS AFTER BALANCE DATE

There have been no significant events after the balance date to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

ENVIRONMENTAL LEGISLATION

The Group has conducted minimal activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The Group aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. There have been no known breaches of any of the environmental conditions.

RESULTS

The net profit of the Group for the period, after providing for income tax was \$7,119,012 (2019: \$3,908,510).

DIVIDENDS

Dividends declared by the Directors during the period were as follows:

- An interim ordinary dividend for the year ended 30 June 2021 of \$120,870 per fully paid share franked to 100% was declared on 31 December 2020.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

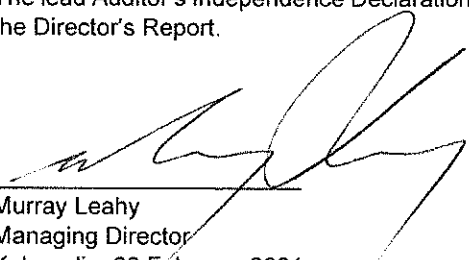
The Group has agreed to indemnify the company officers of the Group for any liabilities to another person (other than the Group or related body corporate) that may arise from their position as an officer of the Group, except where the liability arises out of conduct involving a lack of good faith.

PROCEEDINGS ON BEHALF OF GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party or the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

AUDITOR INDEPENDENCE DECLARATION

The lead Auditor's Independence Declaration for the period ended 31 December 2020 has been received and immediately follows the Director's Report.



Murray Leahy
Managing Director
Kalgoorlie, 08 February 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of MLG Oz Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
8 February 2021



N G Neill
Partner

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Condensed Statement of Profit or Loss and Other Comprehensive Income

| | Notes | 31 December 2020 \$ | 31 December 2019 \$ |
|---|-------|---------------------------|---------------------------|
| Revenue | 3 | 120,796,613 | 101,990,845 |
| Changes in inventories of finished goods and work in progress | | (1,145,076) | (3,012,336) |
| Employee benefits expense | | (42,997,116) | (39,513,162) |
| Operational repairs and maintenance expense | | (16,626,558) | (14,765,072) |
| Equipment and labour hire expenses | | (13,050,690) | (7,629,925) |
| Fuel expenses | | (9,718,861) | (8,265,641) |
| Haulage subbies charges | | (4,701,108) | (2,811,717) |
| Licences, registrations, permits & insurance expenses | | (2,543,054) | (1,925,047) |
| Freight expenses | | (2,173,451) | (1,259,137) |
| Other employee expenses | | (3,797,768) | (3,467,334) |
| Occupancy expense | | (654,319) | (605,052) |
| Royalties expense | | (215,785) | (464,723) |
| Interest and finance expense | | (2,466,964) | (1,872,938) |
| Other expenses | | (2,050,688) | (4,205,809) |
| Depreciation and amortisation expense | | (8,439,600) | (6,550,544) |
| Profit before income tax expense | | 10,215,575 | 5,642,408 |
| Income tax expense | | (3,096,563) | (1,733,898) |
| Net profit for the year | | 7,119,012 | 3,908,510 |
| Other comprehensive income: | | - | - |
| Impact of revaluation of property, plant and equipment | | - | - |
| Total comprehensive income for the year | | 7,119,012 | 3,908,510 |

The accompanying notes form part of these financial statements

Condensed Statement of Financial Position

| | | 31 December 2020 | 30 June 2020 |
|---|-------|---------------------|--------------------|
| | Notes | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 766 | 1,005,424 |
| Trade and other receivables | | 29,876,008 | 33,392,444 |
| Inventories | | 11,649,927 | 9,865,768 |
| Total current assets | | 41,526,701 | 44,263,636 |
| NON-CURRENT ASSETS | | | |
| Other financial assets | | 510,500 | 445,000 |
| Property, plant and equipment | | 133,370,014 | 128,011,644 |
| Deferred exploration and evaluation expenditure | | 59,911 | 59,911 |
| Right to use assets | | 5,114,012 | 5,960,824 |
| Intangible assets | | 1,047 | 1,047 |
| Total non-current assets | | 139,055,484 | 134,478,426 |
| Total assets | | 180,582,185 | 178,742,062 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 36,964,658 | 35,049,244 |
| Financial liabilities | 6 | 33,891,667 | 49,007,310 |
| Lease liabilities | | 1,453,129 | 1,449,844 |
| Provisions | | 860,457 | 763,425 |
| Total current liabilities | | 73,169,911 | 86,269,823 |
| NON-CURRENT LIABILITIES | | | |
| Financial liabilities | 6 | 33,979,428 | 28,401,728 |
| Lease liabilities | | 3,772,946 | 4,515,400 |
| Provisions | | 357,784 | 370,862 |
| Deferred tax liability | | 7,824,383 | 4,704,658 |
| Total non-current liabilities | | 45,934,541 | 37,992,648 |
| Total liabilities | | 119,104,452 | 124,262,471 |
| Net assets | | 61,477,733 | 54,479,591 |
| EQUITY | | | |
| Issued capital | 7 | 1 | 1 |
| Retained earnings | | 61,477,732 | 54,479,590 |
| Total equity | | 61,477,733 | 54,479,591 |

The accompanying notes form part of these financial statements

Condensed Statement of Changes in Equity

| | <i>Issued Capital</i> | <i>Retained Earnings</i> | <i>Total</i> |
|---|---------------------------|------------------------------|--------------|
| | \$ | \$ | \$ |
| Consolidated | | | |
| Balance at 1 July 2019 | 1 | 49,076,683 | 49,076,684 |
| Net profit after tax for the period | - | 3,908,510 | 3,908,510 |
| Total comprehensive income for the year | - | - | - |
| Dividends provided for or paid | - | (158,735) | (158,735) |
| Balance at 31 December 2019 | 1 | 52,826,458 | 52,826,459 |
| Consolidated | | | |
| Balance at 1 July 2020 | 1 | 54,479,590 | 54,479,591 |
| Net profit after tax for the period | - | 7,119,012 | 7,119,012 |
| Total comprehensive income for the year | - | - | - |
| Dividends provided for or paid | - | (120,870) | (120,870) |
| Balance at 31 December 2020 | 1 | 61,477,732 | 61,477,733 |

The accompanying notes form part of these financial statements

Condensed Statement of Cash Flows

| | 31 December 2020 | 31 December 2019 |
|---|---------------------|---------------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 133,080,497 | 110,694,110 |
| Payments to suppliers and employees | (110,084,085) | (92,483,874) |
| Interest received | 441 | 3,327 |
| Finance costs | (1,174,002) | (710,785) |
| Income tax paid | (59,208) | (1,209,730) |
| Fuel tax credits received | 1,939,301 | 1,425,939 |
| Net cash provided by operating activities | 23,702,944 | 17,718,987 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (5,522,779) | (16,406,653) |
| Net cash (used in) investing activities | (5,522,779) | (16,406,653) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (120,870) | (158,735) |
| Net movement in borrowings from related entities | (65,500) | (14,000) |
| Proceeds from / (repayments of) borrowings | (2,175,368) | 11,112,008 |
| Payments in relation to hire purchase agreements | (12,352,855) | (9,920,918) |
| Repayment of lease liabilities | (673,746) | (870,361) |
| Net cash provided (used in) financing activities | (15,388,339) | 147,994 |
| Net increase/(decrease) in cash held | 2,791,826 | 1,460,328 |
| Cash at the beginning of the financial period | (9,701,932) | (6,111,987) |
| Cash and cash equivalents at the end of the period | (6,910,106) | (4,651,659) |

Cash and cash equivalents at the end of the period consists of:

| | Notes | 31 December 2020 | 31 December 2019 |
|----------------------------|-------|---------------------|---------------------|
| | | \$ | \$ |
| Cash and cash equivalents | | 766 | 280,980 |
| Invoice financing facility | 6 | (6,910,873) | (4,932,639) |
| | | (6,910,106) | (4,651,659) |

The accompanying notes form part of these financial statements

Note 1: Basis of Preparation

The condensed interim consolidated financial statements (the interim financial statements) is a general purpose financial report and has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Company is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2020 and any public announcements made by MLG Oz Limited and its subsidiary during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year, except for the impact of the new Standards and Interpretations effective 1 July 2020 disclosed in section 1(a). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

(a) Adoption of New and Revised Standards

In the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted to the Group and, therefore, no change is necessary to Group accounting policies.

(b) Going concern

Despite the Group having a working capital deficit of \$31,643,210 as at 31 December 2020 (June 2020: \$42,006,187) the accounts have been prepared on a going concern basis as the Directors have reviewed the financial performance of the Group and determined that it will have sufficient cashflows to meet its expenditure requirements for a period of at least 12 months from the date of this report.

The forecasted operating cashflows show positive cash generation over the next 12 months with sufficient headroom to fund the expected operating needs of the business. The level of capital expenditure which was required to fund the construction of the fixed crushing plants for FMG is also expected to fall. In addition, the recent government incentives for immediate deduction of capital assets purchased prior to 31 December 2020 will result in significant tax deferrals leading to a reduction in working capital to fund tax payments.

The mining industry has a large amount of activity in our core markets and we are very well placed to capitalised on the growth that our current clients are planning as well as increase our client base. In view of this, along with having recently upwardly repriced a number of our contracts, we are very confident of our outlook and the Board is satisfied that the going concern basis of preparation is appropriate. Therefore, the financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the settlement of liabilities in the ordinary course of business.

Note 2: Significant Accounting Estimates and Assumptions

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2020, except for the impact, if any, of the new Standards and Interpretations effective 1 July 2020 as disclosed in section 1(a).

Note 3: Revenue

| | 31 December 2020 | 31 December 2019 |
|---------------------------------------|---------------------|---------------------|
| | \$ | \$ |
| Revenue from contracts with customers | 118,729,974 | 100,387,696 |
| Fuel tax credits | 1,890,258 | 1,525,174 |
| Other revenue | 176,381 | 77,975 |
| | 120,796,613 | 101,990,845 |

Disaggregation of revenue

The Group derives its revenue from the sale of goods and the provision of services at a point in time and over time in the following categories.

| | 31 December 2020 | 31 December 2019 |
|---|---------------------|---------------------|
| | \$ | \$ |
| <i>At a point in time</i> | | |
| Mine site services | 88,066,637 | 82,966,518 |
| Crushing and screening | 22,918,614 | 15,765,730 |
| Export logistics | 1,955,504 | 1,655,448 |
| | | |
| <i>Over time</i> | | |
| Civil Works | 5,789,219 | - |
| | | |
| Total revenue from contracts with customers | 118,729,974 | 100,387,696 |

Note 4: Income Tax Expense

Income tax recognised in profit or loss

The major components of tax expense are:

| | 31 December 2020 | 31 December 2019 |
|------------------------|---------------------|---------------------|
| | \$ | \$ |
| • Current tax expense | (23,162) | 1,733,898 |
| • Deferred tax expense | 3,119,725 | - |
| | 3,096,563 | 1,733,898 |

Note 4: Income Tax Expense (cont'd)

Reconciliation

| | 31 December 2020 | 31 December 2019 |
|--|---------------------|---------------------|
| | \$ | \$ |
| The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows: | | |
| Accounting profit before income tax | 10,215,575 | 5,642,408 |
| Income tax expense calculated at 30% (2019: 30%) | 3,064,672 | 1,692,722 |
| Tax effect of amounts which are not deductible/(taxable) in calculating taxable income: | | |
| • Tax effect of non-deductible expenses | 31,891 | 41,176 |
| Income tax expense reported in the consolidated statement of profit or loss and other comprehensive income | 3,096,563 | 1,733,898 |

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2019: 30%) payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

Note 5: Dividends

Dividends declared and paid during the period

| | 31 December 2020 | 31 December 2019 |
|------------------------------|---------------------|---------------------|
| | \$ | \$ |
| Fully franked dividends paid | 120,870 | 158,735 |
| | 120,870 | 158,735 |

The tax rate at which paid dividends have been franked is 30% (2019: 30%).

Dividends proposed will be franked at the rate of 30% (2019: 30%).

Note 6: Financial Liabilities

Current

| | Notes | 31 December 2020 | 30 June 2020 |
|------------------------------|-------|------------------|--------------|
| | | \$ | \$ |
| - Invoice financing facility | (i) | 6,910,874 | 10,707,356 |
| - Bank borrowings | (ii) | 583,000 | 14,649,215 |
| - Hire purchase liability | (iii) | 22,992,413 | 19,808,801 |
| - Supply chain finance | (iv) | 3,405,381 | 3,841,938 |
| | | 33,891,668 | 49,007,310 |

Non-current

| | Notes | 31 December 2020 | 30 June 2020 |
|---------------------------|-------|------------------|--------------|
| | | \$ | \$ |
| - Hire purchase liability | (iv) | 33,979,428 | 28,401,728 |
| | | 33,979,428 | 28,401,728 |

Summary of borrowing arrangements

- (i) The invoice financing facility
- (ii) The bank borrowing facilities are with Westpac, and consist of:
 - a. An overdraft facility
 - b. a bank bill facility and was granted on 29 October 2018 for a period of 24 months; the final 4 payments were deferred for 6 months by Westpac as part of the Christmas Creek Fixed Plant financing arrangement. The loan is secured by a fixed and floating charge over all of MLG Limited assets and uncalled capital.
 - c. a trade finance facility taken out for the construction of the Christmas Creek Fixed Plant. Following the completion of the project, this was consolidated to a new hire purchase loan repayable over 18 months from October 2020.
- (iii) There are various hire purchase obligations currently in place charged at fixed interest rates appropriate to the financed asset. These contracts expire over a varied timeframe. Security is largely based on the individual assets.
- (iv) The supply chain finance is a short-term finance arrangement in place for a period of 4 months from draw down.

Financing facilities available

At balance date, the following financing facilities had been negotiated and were available:

| | 31 December 2020 | 30 June 2020 |
|---------------------------------|------------------|--------------|
| | \$ | \$ |
| Total facilities | | |
| - Invoice financing facility | 14,500,000 | 12,500,000 |
| - Bank borrowings | 583,000 | 14,649,215 |
| - Supply chain finance | 4,000,000 | 4,000,000 |
| | 19,083,000 | 31,149,215 |
| Facilities used at balance date | | |
| - Invoice financing facility | 6,910,873 | 10,707,356 |
| - Bank borrowings | 583,000 | 14,649,215 |
| - Supply chain finance | 3,405,381 | 3,841,938 |
| | 10,899,254 | 29,198,509 |

Note 6: Financial Liabilities (cont'd)

| | 31 December 2020 | 30 June 2020 |
|-----------------------------------|---------------------|-----------------|
| Facilities unused at balance date | | |
| - Invoice financing facility | 7,589,127 | 1,792,644 |
| - Bank borrowings | - | - |
| - Supply chain finance | 594,619 | 158,062 |
| | 8,183,746 | 1,950,706 |

Fair value disclosures

Details of the fair value of the Group's borrowings are set out in Note 8.

Note 7: Issued Capital

| | Consolidated 2020 | Consolidated 2019 |
|---------------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Ordinary shares issued and fully paid | 1 | 1 |

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

Note 8: Financial Instruments

Fair value measurement

This note provides information about how the Group determines fair value of various financial assets and financial liabilities.

Measured at fair value on recurring basis

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at 31 December 2020 and 30 June 2020.

Note 8: Financial Instruments (cont'd)

| 31 December 2020 | Current | | Non-Current | |
|---------------------------|-----------------|---------------|-------------|----------|
| | Within 6 months | 6 – 12 months | 1 – 5 years | 5+ years |
| | \$ | \$ | \$ | \$ |
| Trade and other payables | 15,624,781 | - | - | - |
| Trade financing facility | - | - | - | - |
| Bank bill facility | 583,000 | - | - | - |
| Debtor financing facility | 6,910,873 | - | - | - |
| Finance lease obligations | 13,256,877 | 9,735,536 | 33,979,428 | - |
| | 36,375,531 | 9,735,536 | 33,979,428 | - |

| 30 June 2020 | Current | | Non-Current | |
|---------------------------|-----------------|---------------|-------------|----------|
| | Within 6 months | 6 – 12 months | 1 – 5 years | 5+ years |
| | \$ | \$ | \$ | \$ |
| Trade and other payables | 15,518,581 | - | - | - |
| Trade financing facility | 13,920,365 | - | - | - |
| Bank bill facility | 145,850 | 583,000 | - | - |
| Debtor financing facility | 10,707,356 | - | - | - |
| Finance lease obligations | 11,761,142 | 9,981,755 | 29,820,208 | - |
| | 52,053,294 | 10,564,755 | 29,820,208 | - |

Note 9: Commitments

The Group has finance leases and hire purchase contracts for various items of plant and machinery.
As at the balance date, the group had no contractual commitments.

Note 10: Contingent Liabilities and Assets

The Group has no contingent liabilities and assets as at 31 December 2020 (30 June 2020: Nil).

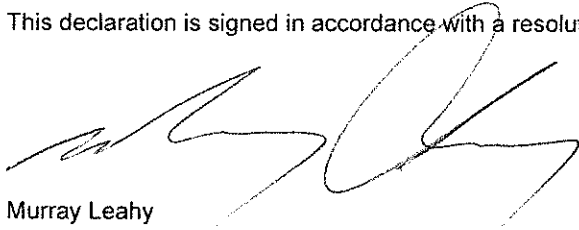
Note 11: Significant Events after Balance Date

There have been no significant events after the balance date to the date of this report.

Directors' Declaration

1. In the opinion of the Directors of MLG Oz Limited (the 'Company'):
 - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2020.

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



Murray Leahy
Managing Director
Kalgoorlie, 08 February 2021.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of MLG Oz Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of MLG Oz Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MLG Oz Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and

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its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
8 February 2021



N G Neill
Partner