

## EARLY COMPLETION OF FORTESCUE CONTRACT TO ENABLE REDEPLOYMENT OF MLG CRUSHING PLANTS

### HIGHLIGHTS

- Following recent reduced requirements of contract crushing volumes at Fortescue's Christmas Creek operations, MLG prompted a review of its Christmas Creek contract with Fortescue.
- MLG and Fortescue have now agreed to the early completion of the Christmas Creek contract with effect from 30 June 2021.
- This will enable MLG to pursue opportunities to redeploy its two company-owned and operated modular crushing plants currently located at Christmas Creek.
- MLG is already in advanced discussions with potential new clients regarding opportunities for the redeployment of its crushing plants to contribute to improved financial outcomes for the business.
- Immediately upon completion of the contract, Fortescue will pay MLG a confidential lump sum to close out the contract terms and cover the costs of demobilisation of the crushing plants.
- MLG reaffirms its FY2021 Prospectus forecasts for revenue of \$241.6m and EBITDA of \$41.0m.

Following MLG Oz Limited's (ASX:MLG) (**MLG** or the **Company**) announcement on 4 June 2021, the Company, in consultation with Crushing and Screening client Chichester Metals Pty Limited (**Fortescue**), has reviewed how it may optimise the deployment of its two company-owned and operated modular crushing plants currently at Christmas Creek (the **Crushing Plants**).

MLG is pleased to announce that it has agreed with Fortescue that the contract under which MLG provides crushing and screening services at Fortescue's Christmas Creek operations will complete on 30 June 2021. This is five months earlier than the previously agreed completion date, allowing MLG to pursue contracts with other counterparties that would involve redeployment of the Crushing Plants, delivering improved financial outcomes for the business.

Under the terms of the agreement, FMG will make a lump sum payment to MLG to close out the contract terms and cover the costs of the demobilisation of the Crushing Plants. The Crushing Plants are modular in nature and able to be broken down into movable components for use at alternative sites. MLG is seeing high demand for crushing services across the industry and is already in discussions with potential new clients regarding the redeployment of the Crushing Plants. In the interim, Fortescue has agreed that the Crushing Plants may remain at Christmas Creek prior to their redeployment, and MLG is confident of re-directing its Christmas Creek employees into roles within the Company's existing operations.

The agreement reached with Fortescue now provides an opportunity for MLG to pursue new opportunities which have the capability of delivering improved financial outcomes for the business.

MLG founder, Managing Director and majority shareholder, Mr Murray Leahy said: *"We are very pleased to have reached an outcome which is in the best interests of both parties. There is strong demand for crushing services across the mining industry and, whilst Fortescue currently does not*

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*have the need for additional dry crushing capacity at Christmas Creek, we are confident of redeploying our company owned assets into new opportunities in the near term."*

Fortescue, with whom MLG has had an ongoing relationship for more than 6 years, will remain an important client of MLG through a contract supplying mobile crushing services at Fortescue's Solomon operations.

As previously announced to ASX on 4 June 2021, MLG continues to experience historically high levels of tendering opportunities for its suite of services and remains confident of further contract awards in the near term. The Company also reaffirms its Prospectus forecasts for revenue of \$241.6m and EBITDA of \$41.0m in FY2021 (see the Prospectus dated 1 April 2021 for further details about these forecasts and their underlying assumptions). Consistent with the Prospectus, MLG expects to pay dividends in the range of 30-50% of NPAT every six months (with an interim dividend in March and a final dividend in September of each calendar year). MLG anticipates that it will be in a position to declare its inaugural dividend for the period 1 January 2021 to 30 June 2021, with that dividend expected to be paid in September 2021. Given the current franking credits available to the Company, MLG's expects this dividend would be fully franked.

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MLG is a founder led business which provides a range of services to mine sites, integrated around the needs of client's ore processing facilities.

MLG Oz Limited (ASX:MLG), ("MLG") an Australian company based in Kalgoorlie, Western Australia, provides integrated services across gold, iron ore, and other base metal clients throughout Western Australia and in the Northern Territory.

MLG's offering includes crusher feed, road maintenance, rehabilitation work, vehicle maintenance, machine and labour hire and mine site haulage including end-to-end logistics solutions, with a dedicated facility at the Esperance Port.

MLG's 100%-owned quarries are strategically located near existing mining operations which facilitates the efficient supply of bulk construction materials comprising sand, aggregate and lime to clients.

Authorised for release by the Board of Directors.

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