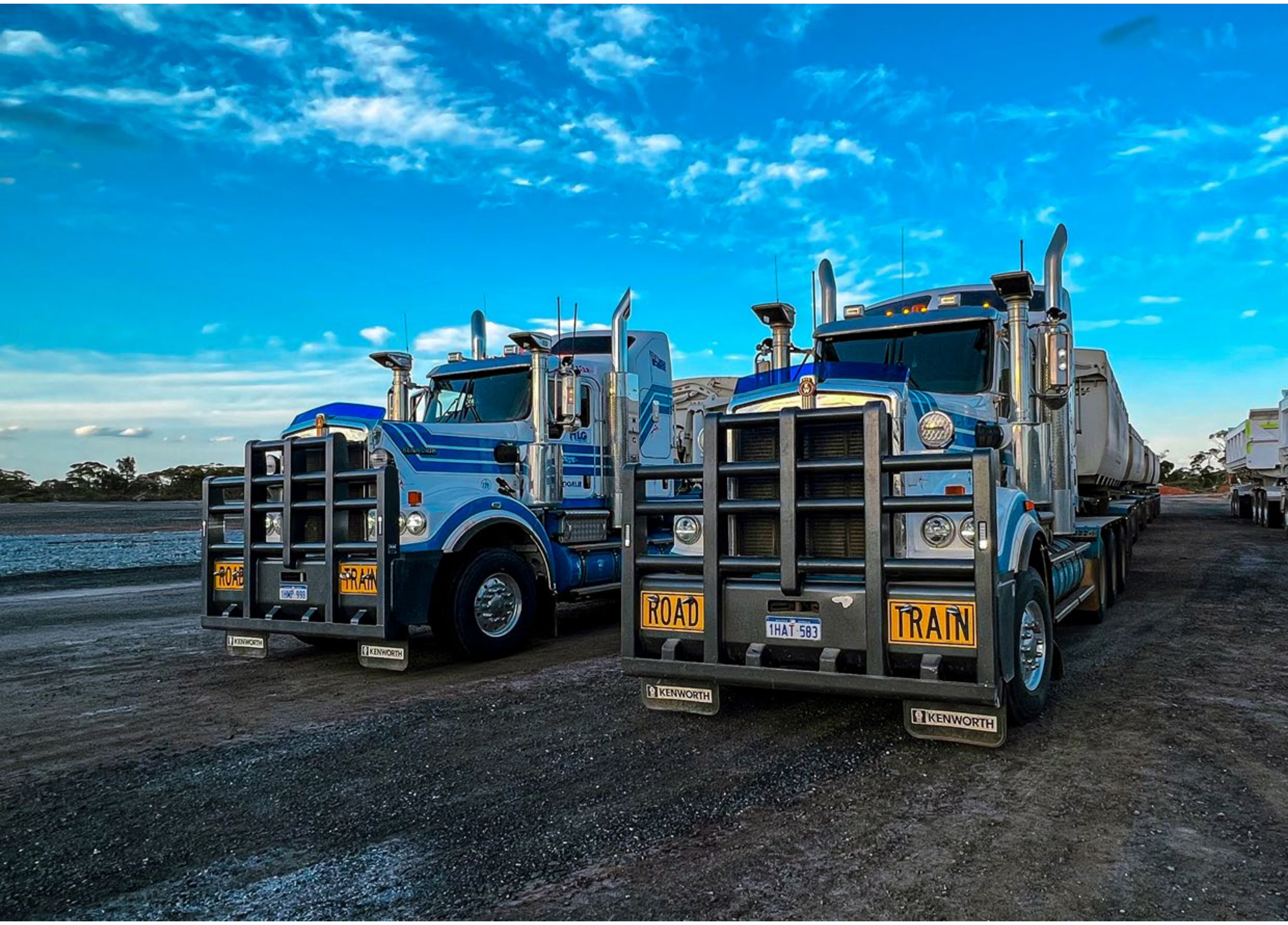
MLG Oz Limited - ACN 102 642 366

INTERIM REPORT

Period ended 31 December 2023



www.mlgoz.com.au

Preliminary financial statements for the half year ended 31 December 2023 as required by ASX listing rule 4.2A

1. Company details

Name of entity:	MLG OZ Ltd
ACN:	102 642 366
Reporting period:	For the period ended 31 December 2023
Previous period:	For the period ended 31 December 2022

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2. Results for announcement to the market

	Change from comparative period	% change		AUD $'000's
Revenues from ordinary activities	up	28.7%	to	226,360
Profit from ordinary activities after tax attributable to the owners of MLG Oz Ltd	up	174.4%	to	7,124
Net Profit attributable to members	up	174.4%	to	7,124

Commentary

Group revenue for HY2024 was $226.4m up $50.5m (28.7%) on the prior corresponding period (pcp) of $175.9m. Net profit after tax has increased from $2.6m in HY2023 to $7.1m in HY2024 up 174.4% on the pcp.

Growth in revenue as compared to the pcp is due to a number of factors. The Company has successfully increased its productivity within operational sites at a time when clients are demanding higher throughput in their respective processing facilities. In addition, the hub and spoke strategies of clients who continue to expand their radius of mine sites surrounding their processing hubs leads to longer haulage routes and greater demand for site services. MLG's rates have had to increase to reflect the higher cost of labour, fuel, and parts which in turn has led to higher revenue when applied to the higher volumes.

Profitability has increased proportionally faster than revenue, as margins have improved materially from the pcp. Higher revenue combined with higher margin has led to a material increase in net profit after tax which is up 174.4% on HY2023.

The six-month trading period ending 31 December 2022 experienced a particularly challenging operating environment with continued high turnover of labour in the industry, rising input prices and a volatile fuel price. MLG has addressed these challenges aggressively throughout the year, implementing new systems to monitor profitability and cost drivers, measure productivity and to enhance our use of information to make improved operational decisions. The key components of our productive capacity are the availability of equipment to perform the tasks, and the availability of appropriate labour to operate that equipment. While the labour market remains very tight for road train drivers, operators and fitters, MLG has successfully managed to materially grow its overall headcount, which has increased by 46.4% over the last 18 months. This has been achieved through a combination of investment in our dedicated recruitment team, training programs and the reputation of MLG. Our early and ongoing investment in capital equipment has provided MLG with a strategically important and large fleet of road trains, loaders and ancillary equipment at time when demand for these assets is at a premium.

3. Dividends

The Directors have not declared an interim dividend in respect to the 30 June 2023 year.

4. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	94.2	88.5

5. Details of associates and joint venture entities

Associates

NA

Joint Venture

NA

6. Details of entities in which control has been gained or lost

Associates

NA

Joint Venture

NA

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

8. Signed

Signed *Philip Mirams*
Company Secretary

Date: 19 February 2024

Contents

Corporate Information

DIRECTORS

Garret Dixon
Murray Leahy
Anna Neuling

COMPANY SECRETARY

Philip Mirams

REGISTERED OFFICE

10 Yindi Way
Kalgoorlie WA 6430
(08) 9022 7746

PRINCIPAL PLACE OF BUSINESS

10 Yindi Way
Kalgoorlie WA 6430
(08) 9022 7746

SHARE REGISTER

Link Market Services

BANKERS

Westpac Banking Corporation

AUDITORS

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

STOCK EXCHANGE LISTING

MLG Oz Limited are listed on the ASX (code: MLG)

WEBSITE

www.mlgoz.com.au

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of MLG Oz Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 31 December 2023.

Directors

The following persons were directors of MLG Oz Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Director	Role	Date of Appointment	Date of Resignation
Garret Dixon	Independent Non-Executive Director	23 March 2022	
Murray Leahy	Managing Director and Chief Executive Officer	28 October 2002	
Anna Neuling	Chair and Independent Non-Executive Director	23 March 2022	

Principal activities

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

- Bulk haulage
- Crushing and screening
- Site Services and civil works
- Export logistics; and
- Sale of construction materials

Dividends

The Company did not pay a final fully franked ordinary dividend in respect to the financial year ended 30 June 2023 (2022: $2,490,943).

The Company does not propose to pay an interim dividend for the period ended 31 December 2023.

Results

The net profit of the Group for the half-year, after providing for income tax was $7,124,041 (2022: $2,595,811).

Operating and Financial Review

Statutory Financial Results

Group revenue for HY2024 was $226.4m up $50.5m (28.7%) on the prior corresponding period (pcp) of $175.9m. Net profit after tax has increased from $2.6m in HY2023 to $7.1m in HY2024 up 174.4% on the pcp.

Growth in revenue as compared to the pcp is due to a number of factors. The Company has successfully increased its productivity within operational sites at a time when clients are demanding higher throughput in their respective processing facilities. In addition, the hub and spoke strategies of clients who continue to expand their radius of mine sites surrounding their processing hubs leads to longer haulage routes and greater demand for site services. MLG's rates have had to increase to reflect the higher cost of labour, fuel, and parts which in turn has led to higher revenue when applied to the higher volumes.

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The six-month trading period ending 31 December 2022 experienced a particularly challenging operating environment with continued high turnover of labour in the industry, rising input prices and a volatile fuel price. MLG has addressed these challenges aggressively throughout the year implementing new systems to monitor profitability and cost drivers, measure productivity and to enhance our use of information to make improved operational decisions. The key components of our productive capacity are the availability of equipment to perform the tasks, and the availability of appropriate labour to operate that equipment. While the labour market remains very tight for road train drivers, operators and fitters, MLG has successfully managed to materially grow its overall headcount, which has increased by 46.4% over the last 18 months and helped facilitate a higher utilisation of our equipment. This increase in headcount has been achieved through a combination of investment in our dedicated recruitment team, training programs and the reputation of MLG. Our early and ongoing investment in capital equipment has provided MLG with a strategically important and large fleet of road trains, loaders and ancillary equipment at a time when demand for these assets is at a premium.

Mine site services and bulk haulage

As mentioned above, revenue growth has been strongly driven by higher volumes and higher billing rates. Revenue from mine site services and bulk haulage was $185.9m up 23.5% from $150.6m in the pcp. Utilisation of equipment has been high throughout the period as a result of the increase in headcount available to operate equipment, and the demand from clients for higher volumes. While costs continue to rise through inflation, we have improved the contractual terms and frequency of rise and fall mechanisms across the majority of our contracts. This has enabled more frequent adjustments to invoices to reflect immediate changes in cost drivers.

Both organic growth within existing operations and new wins have contributed to the stronger revenue, however importantly margins have also improved across the group. A clear focus has been on controlling costs and driving productivity. The success of this has seen stronger profitability and more consistent profitability. Within sites we have managed to create greater transparency on maintenance activities and worked to drive improved decision making on procurement. More work is still required to aggregate our spending to drive greater savings but we are pleased with this overall improvement in margin.

Recruitment continues to be a main focus with the number of MLG employees increasing from 647 in December 2022 to 947 (up 46.4%) in December 2023 the majority of which are within the mine site services and haulage operations. In context it is important to also highlight the continued high turnover of staff across the industry, particularly within our road train drivers and operators which necessitates a very high level of recruitment to simply maintain our headcount let alone drive the growth we have achieved.

We continue to review our portfolio of operating sites for both productivity opportunities and in light of their long-term sustainability. This review considers our own performance and the appropriateness of the equipment we have dedicated to each site as well as the margins we are achieving. In some cases, we have agreed to end support for certain sites, where in others we have negotiated higher rates to reflect the operating costs associated with servicing that site. This portfolio focus is important in ensuring we target the best return and allocate appropriate capital. While we are confident that we have addressed the majority of the portfolio there remain some sites which are not meeting an appropriate return and as such will be the key points of negotiation in the second half of this financial year.

Crushing and screening

Revenues in our crushing and screening services were strongly higher at $37.2m up 131.2% from $16.1m in December 2022. The continued contribution from our large operation at Lithco No2's Bald Hill lithium operation continued to contribute a large portion of the revenue with the continuation of our presence at Fortescue and Koolan Island helping to materially increase the contribution of our crushing and screening business. We do note that the Lithco operation at Bald Hill will cease in January 2024 and as such a key priority for the business will be to redeploy the people and staff into new opportunities, however in the short term we will look to maximise the internal crushing activities across our various quarries whilst preparing for new work.

Export logistics

The contribution from Export logistics has largely ended following the completion of our operations with Western Areas and FQM. Revenue was only $0.1m as compared to $4.9m in the pcp.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial period.

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 of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

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.

Indemnity and insurance of 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 the Company

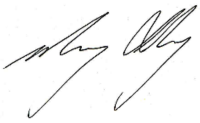
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

The lead Auditor's independence declaration for the period ended 31 December 2023 has been received and immediately follows the Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Murray Leahy
Managing Director
Perth, 19 February 2024

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 2023, 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
19 February 2024

B G McVeigh
Partner

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 31 December 2023

	Notes	31 December 2023 $	31 December 2022 $
Revenue	4	226,360,394	175,906,769
Changes in inventories of finished goods and work in progress		3,156	440,124
Employee benefits expense		(80,946,063)	(60,557,987)
Operational repairs and maintenance expense		(26,160,195)	(21,142,374)
Equipment and labour hire expenses		(29,888,245)	(25,152,725)
Fuel expenses		(18,382,271)	(18,299,361)
Subcontractor charges		(16,631,662)	(14,914,129)
Licences, registrations, permits & insurance expenses		(6,222,007)	(3,711,553)
Freight expenses		(3,181,373)	(3,632,315)
Other employee expenses		(9,826,524)	(7,397,363)
Occupancy expense		(1,130,199)	(1,343,736)
Royalties expense		(1,728,561)	(231,021)
Interest and finance expense		(1,981,553)	(2,038,725)
Other expenses		(3,741,154)	(3,358,217)
Depreciation and amortisation expense		(15,268,413)	(10,914,875)
Loss on disposal		(765,157)	(73,057)
Profit before income tax expense		10,510,173	3,579,455
Income tax expense	5	(3,386,132)	(983,644)
Net profit for the year		7,124,041	2,595,811
Other comprehensive income net of tax		-	-
Total comprehensive income for the year		7,124,041	2,595,811
Earnings per share attributable to ordinary equity holders			
Basic earnings per share ($ per share)	14	0.05	0.02
Diluted earnings per share ($ per share)	14	0.04	0.02

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Financial Position as at 31 December 2023

	Notes	31 December 2023 $	30 June 2023 $
CURRENT ASSETS			
Cash and cash equivalents	7	384,222	143,734
Trade and other receivables		53,295,369	47,380,613
Inventories		16,895,118	14,550,618
Total current assets		70,574,709	62,074,965
NON-CURRENT ASSETS			
Property, plant and equipment		181,357,918	177,538,220
Deferred exploration and evaluation expenditure		59,911	59,911
Right of use assets		8,611,861	6,479,602
Intangible assets		1,047	1,047
Total non-current assets		190,030,737	184,078,780
Total assets		260,605,446	246,153,745
CURRENT LIABILITIES			
Trade and other payables		49,846,987	47,852,255
Financial liabilities	8	26,490,713	28,632,928
Lease liabilities		3,240,091	2,039,662
Provisions		2,916,383	600,419
Total current liabilities		82,494,174	79,125,264
NON-CURRENT LIABILITIES			
Financial liabilities	8	24,074,398	25,463,329
Lease liabilities		5,535,725	4,753,052
Provisions		1,494,344	1,314,344
Deferred tax liability		20,868,207	17,379,801
Total non-current liabilities		51,972,674	48,910,526
Total liabilities		134,466,848	128,035,790
Net assets		126,138,598	118,117,955
EQUITY			
Issued capital	9	47,413,455	46,999,923
Share-based payment reserve	15	1,652,024	1,168,954
Retained earnings		77,073,119	69,949,078
Total equity		126,138,598	118,117,955

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Changes in Equity for the period ended 31 December 2023

	Issued Capital	*Retained Earnings*	*Share-based Payment Reserve*	*Total*
	$	*$*	*$*	*$*
Consolidated				
Balance at 1 July 2022	47,204,474	69,139,413	-	116,343,887
Net profit after tax for the period	-	2,595,811	-	2,595,811
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	2,595,811	-	2,595,811
Tax impact of capital raising costs	(102,273)	-	-	(102,273)
Share-based payments	-	-	184,365	184,365
Dividends provided for or paid	-	-	-	-
Balance at 31 December 2022	47,102,201	71,735,224	184,365	119,021,790
Consolidated				
Balance at 1 July 2023	46,999,923	69,949,078	1,168,954	118,117,955
Net profit after tax for the period	-	7,124,041	-	7,124,041
Other comprehensive income	-	-	-	
Total comprehensive income for the year	-	7,124,041	-	7,124,041
Tax impact of capital raising costs	(102,278)	-	-	(102,278)
Share based payments	-	-	998,880	998,880
Vested shares	515,810	-	(515,810)	-
Dividends provided for or paid	-	-	-	-
Balance at 31 December 2023	47,413,455	77,073,119	1,652,024	126,138,598

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Cash Flows for the Period Ended 31 December 2023

	Notes	31 December 2023 $	31 December 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		235,810,637	183,624,260
Payments to suppliers and employees		(212,644,211)	(166,687,552)
Interest received		(551)	258
Finance costs		(1,136,899)	(762,830)
Income tax received / (paid)		-	4,935,504
Fuel tax credits received		2,589,740	1,075,514
Net cash provided by operating activities		24,618,716	22,185,154
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(8,399,045)	(9,311,449)
Proceeds from sale of property, plant and equipment		865,145	406,837
Net cash (used in) investing activities		(7,533,900)	(8,904,612)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(324,998)	-
Payments in relation to hire purchase agreements		(13,743,180)	(15,733,763)
Repayment of lease liabilities		(1,491,234)	(907,301)
Net cash used in financing activities		(15,559,412)	(16,641,064)
Net increase / (decrease) in cash held		1,525,404	(3,360,522)
Cash at the beginning of the financial period		(5,748,254)	(254,497)
Cash and cash equivalents at the end of the period	7	(4,222,850)	(3,615,019)

The accompanying notes form part of these financial statements

Notes to the Financial Statements

Note 1: Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

(a) Adoption of New and Revised Standards

In the period ended 31 December 2023, 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 2023. 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

The Group had a working capital deficit of $11,919,465 as at 31 December 2023 ($17,050,299 as at 30 June 2023) and therefore, the Directors have reviewed the financial performance of the Group and have 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. As a result of that determination, the accounts have been prepared on a going concern basis.

We note that this working capital deficit includes the current financial liabilities associated with our financing arrangements for equipment which are not immediately due and payable with the underlying assets providing security against those loans. We note that the Group has large unused equipment finance facilities well in excess of the working capital deficit with more than $70.0m of unencumbered assets and unused overdraft facilities of $15.2m at period end should further financing be required for working capital.

In view of the outlook for the Group, and its existing finance facilities, the Board is satisfied that the going concern basis of preparation is appropriate. Therefore, the financial report has been prepared on a going concern.

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 2023.

Note 3: Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of MLG Oz Limited.

The Board has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operational segments with discrete financial information.

The Board of Directors' review internal management reports on a monthly basis that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows.

The Company has no individual customer site where the revenue from that customer was in excess of 10% of the Company's revenue (2023: no customer site in excess of 10%).

Note 4: Revenue

	31 December 2023 $	31 December 2022 $
Revenue from contracts with customers	223,222,604	171,533,622
Fuel tax credits	2,727,355	4,218,422
Other revenue	410,435	154,725
	226,360,394	175,906,769

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 2023 $	31 December 2022 $
At a point in time		
Mine site services	171,867,592	145,664,671
Crushing and screening	37,180,273	16,080,064
Export logistics	115,620	4,896,322
Over time		
Civil Works	14,059,119	4,892,565
Total revenue from contracts with customers	223,222,604	171,533,622

Note 5: Income Tax Expense

Income tax recognised in profit or loss

The major components of tax expense / (benefit) are:

	31 December 2023 $	31 December 2022 $
· Current tax expense	-	-
· Deferred tax expense	3,386,132	-
	3,386,132	**983,644**

Reconciliation

	Consolidated 2023 $	Consolidated 2022 $
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	10,510,173	3,579,455
Corporate tax rate	30%	30%
Income tax expense calculated	3,153,052	1,073,837
Tax effect of:		
· Share based payment expense	299,664	-
· Non-deductible expenses	47,754	39,538
· Over provision of tax in the prior year	(12,063)	(27,456)
· Movement of temporary differences through share capital	(102,275)	(102,275)
Income tax expense / (benefit) reported in the consolidated statement of profit or loss and other comprehensive income	3,386,132	983,644

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2022: 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 6: Dividends

Dividends declared and paid during the year

	31 December 2023 $	31 December 2022 $
Fully franked dividends paid	-	-
	-	-

The tax rate at which paid dividends have been franked is 30% (2022: 30%).

Dividends proposed will be franked at the rate of 30% (2022: 30%).

Note 7: Cash and Cash Equivalents

	31 December 2023 $	30 June 2023 $
Cash at bank	383,922	143,584
Cash on hand	300	150
	384,222	**143,734**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as
follows

	Notes	31 December 2023 $	30 June 2023 $
Cash and cash equivalents		384,222	143,734
Overdraft facility	8	(4,607,072)	(5,891,988)
		(4,222,850)	**(5,748,254)**

Note 8: Financial Liabilities

Current

	Notes	31 December 2023 $	30 June 2023 $
- Overdraft facility	*(i)*	4,607,072	5,891,988
- Hire purchase liability	*(ii)*	21,233,645	22,090,944
- Unsecured facility	*(iii)*	649,996	649,996
		26,490,713	28,632,928

Non-current

	Notes	31 December 2023 $	30 June 2023 $
- Hire purchase liability	*(ii)*	23,966,065	25,029,998
- Unsecured facility	*(iii)*	108,333	433,331
		24,074,398	25,463,329

Summary of borrowing arrangements

(i) The bank borrowing facilities are with Westpac and encompass:

a. a flexible options facility (overdraft and bank guarantee facility)
b. a revolving credit equipment finance facility for the purchase of capital assets
c. credit card facility for the provision of corporate credit cards.

(ii) There are various finance lease obligations currently in place charged at fixed interest rates appropriate to the leased asset. These leases expire over a varied timeframe. Security is largely based on the individual assets leased.

(iii) The unsecured facility encompass:

a. a short-term finance arrangement in place for a period of 24 months from draw down.

Financing facilities available

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

	31 December 2023 $	30 June 2023 $
Total facilities		
• Bank overdraft	19,800,000	14,800,000
• Unsecured facility	1,083,327	1,083,327
	20,883,327	15,883,327

	31 December 2023 $	30 June 2023 $
Facilities used at balance date		
• Bank overdraft	4,607,072	5,891,988
• Unsecured facility	758,329	1,083,327
	5,365,401	**6,975,315**

Facilities unused at balance date		
• Bank overdraft	15,192,928	8,908,012
• Unsecured facility	324,998	-
	15,517,926	**8,908,012**

Note 9: Issued Capital

	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 $	30 June 2023 $
Ordinary shares issued and fully paid	146,794,163	145,669,163	47,413,455	446,999,923

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.

Movements in ordinary share capital

	Date	Shares	Issue price	$
Balance	**01-Jul-22**	**145,669,163**		**47,204,474**
Tax impact of prior period share issue costs	31-Dec-22	-	-	(102,273)
Balance	**31-Dec-22**	**145,669,163**		**47,102,201**
Tax impact of prior period share issue costs	30-Jun-23	-	-	(102,278)
Balance	**30-Jun-23**	**145,669,163**		**46,999,923**
Share based payments vested in period	31-Dec-23	1,125,000	$0.46	515,810
Tax impact of prior period share issue costs	31-Dec-23	-	-	(102,278)
Balance	**31-Dec-23**	**146,794,163**		**47,413,455**

Note 10: Financial Instruments

The Directors consider that the carrying value of the financial assets and liabilities as recognised in the financial statements approximate their fair values.

Note 11: 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 12: Contingent Liabilities and Assets

The Group has no contingent liabilities and assets as at 31 December 2023 (30 June 2023: Nil).

Note 13: Significant Events after Balance Date

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

Note 14: Earnings Per Share

	31 December 2023 $	31 December 2022 $
Earnings per share for profit from continuing operations		
Profit after income tax attributable to the owners of MLG Oz Limited	7,124,041	2,595,811

	31 December 2023 $	31 December 2022 $
Basic earnings per share	0.05	0.02
Diluted earnings per share	0.04	0.02

	31 December 2023 $	31 December 2022 $
Weighted average earnings per share		
Weighted average number of ordinary shares used in calculating basic earnings per share	146,794,163	145,669,163
Weighted average number of ordinary shares used in calculating diluted earnings per share	161,720,277	145,669,163

Note 15: Share-based Payments

The following share-based payment arrangements were in place during the period:

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
Series 1	2,452,798	31-Jul-22	31-Jul-27	$-	$98,112	01-Jul-24
Series 2	5,885,137	18-Oct-22	18-Oct-27	$-	$2,042,028	01-Jul-25
Series 3	812,739	02-Nov-22	02-Nov-27	$-	$35,761	01-Jul-24
Series 4	1,531,320	02-Nov-22	02-Nov-27	$-	$436,426	01-Jul-25
Series 6	1,150,000	29-Aug-22	28-Nov-28	$-	$517,500	01-Jul-25
Series 7	4,931,721	25-Sep-23	28-Nov-28	$-	$1,657,058	01-Jul-26
Series 8	1,353,877	01-Nov-23	28-Nov-28	$-	$416,994	01-Jul-26
Series 9	122,487	07-Nov-23	28-Nov-28	$-	$35,399	01-Jul-26

During the period series 5 vested and 1,125,000 shares were issued / converted.

The fair value of the equity-settled share options granted under both the option and the loan plans is estimated as at the date of grant using the Monte Carlo model taking into account the terms and conditions upon which the options were granted.

	Series 1	Series 2	Series 3	Series 4	Series 6	Series 7	Series 8	Series 9
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%	0%
Expected volatility (%)	50.2%	56.7%	56.4%	56.4%	0%	59.4%	60.1%	59.9%
Risk-free interest rate (%)	2.49%	3.40%	3.26%	3.31%	0%	4.01%	4.43%	4.27%
Expected life of options (years)	1.9	2.7	1.7	2.7	2.0	2.8	2.7	2.7
Exercise price (cents)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grant date share price	$0.46	$0.53	$0.48	$0.48	$0.46	$0.55	$0.53	$0.50
Fair value	$0.040	$0.348	$0.044	$0.285	$0.46	$0.336	$0.308	$0.289

Note 16: Related Party Transactions

The following table presents the total amount of transactions that were entered into with parties related to Murray Leahy for the relevant financial period

Related Party	Activity	2023 $	2022 $
Kimberley Granite Quarries	Mining of material for sale	643,715	-
Leahy Aviation Pty Ltd	Hire of prime movers & water cart	163,356	13,750
Leahy Aviation Pty Ltd	Rent of aircraft	534,000	-
Leahy Aviation Pty Ltd	Rent of aircraft hangar	41,050	40,290
M&M Leahy	Rent of laydown yard	69,562	63,729
Panorama	Mining village accommodation	18,177	17,738
TJ & IM Leahy Family Trust	Rent of workshop	79,815	78,384
		1,549,675	**213,891**

All transactions are at arm's length.

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 2023 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 period ended 31 December 2023.

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

Murray Leahy
Managing Director
Perth, 19 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of MLG Oz Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of MLG Oz Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other 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, selected explanatory notes, 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 accompanying 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 2023 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 2023 and 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

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
19 February 2024

B G McVeigh
Partner