MLG

prospectus

For the initial public offer of fully paid ordinary shares in MLG Oz Limited

Joint Lead Managers and Underwriters

BELL POTTER | morgans

Co-Managers

ASHANTI CAPITAL

Financial Adviser

STERNSHIP ADVISERS

Legal Adviser

ashurst

IMPORTANT NOTICES

Offer

This Prospectus is issued by MLG Oz Limited ACN 102 642 366 (**MLG** or **the Company**) and MLG SaleCo Limited (ACN 648 150 001) (**SaleCo**) for the purposes of Chapter 6D of the Corporations Act. The Offer contained in this Prospectus is an invitation to acquire fully paid ordinary shares in MLG that will be in part issued by MLG and in part sold by SaleCo.

Lodgement and listing

This Prospectus is dated 1 April 2021 and was lodged with ASIC on that date. None of ASIC, ASX or any of their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. An application will be made to ASX no later than seven days after the Prospectus Date for the Company to be admitted to the Official List and for official quotation of the Shares on ASX.

Expiry date

This Prospectus expires on 1 May 2022, which is 13 months after the Prospectus Date. No Shares will be issued or sold on the basis of this Prospectus after that date.

Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in MLG. In particular, in considering the prospects of MLG, you should consider the risk factors that could affect the Company's financial performance in light of your personal circumstances (including financial and taxation issues). Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances. You should also consider the general and specific assumptions in Section 4.8 on which the Forecast Financial Information is based, as well as the sensitivity analysis in Section 4.10. You should seek professional advice from your accountant, stockbroker, lawyer or other independent professional adviser before deciding whether to invest.

No person named in this Prospectus, nor any other person, guarantees the Company's performance, the repayment of capital or the payment of a return on the Shares.

Industry Data

This Prospectus (and in particular Section 2) contains data relating to the industries in which MLG operates (**Industry Data**). Such Industry Data includes, but is not limited to, statements and data describing or relating to the Western Australian mining services sector, the Western Australian and Australian mining sectors, and key factors affecting or relevant to those industries.

Where indicated by specific attribution to BIS Oxford Economics, the Industry Data is based on or otherwise derived from a market report that MLG commissioned from BIS Oxford Economics.

Unless otherwise indicated, the Industry Data used in this Prospectus is current as at 10 March 2021.

Investors should note that industry and market data, and statistics as to such industry and market factors and associated matters, are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions.

Disclaimer and representations

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Directors, the SaleCo Directors, the Joint Lead Managers or any other person in connection with the Offer. You should only rely on the information in this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and conditions as well as the Company's plans, objectives and expectations for its business, operations and financial performance and conditions. The forward-looking statements include the Forecast Financial Information. This information is based on an assessment of present economic and operating conditions, and on a number of general and specific assumptions detailed in Section 4.8 regarding future events and actions that, as at the Prospectus Date, the Company expects to occur.

Any statements contained in this Prospectus that are not of historical facts may be forward-looking statements. Such statements can be identified by words such as 'aim', 'anticipate', 'assume', 'believe', 'could', 'due', 'estimate', 'expect', 'goal', 'intend', 'may', 'objective', 'outlook', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would' and other similar expressions that are predictions of or indicate future events and future trends.

Forward-looking statements contained in this Prospectus are based on current expectations, estimates, forecasts and projections about the Company's business, the industry in which the Company operates and the economic environment to which the Company is exposed, as well as the beliefs and assumptions of the Company's directors and management. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. As a result, any or all of the forward-looking statements (including, to avoid doubt, the Forecast Financial Information) may turn out to be inaccurate. Factors that may make such statements inaccurate (or otherwise cause a difference between expected and actual outcomes) include, but are not limited to, the risk factors detailed in Section 5, the general and specific assumptions in Section 4.8, the sensitivity analysis in Section 4.10 and other information in this Prospectus. Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements (including, to avoid doubt, the Forecast Financial Information).

Neither MLG, SaleCo nor the Joint Lead Managers give any assurance that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur.

The forward-looking statements in this Prospectus are given as at the Prospectus Date. Except to the extent required by law or the ASX Listing Rules, neither the Company nor SaleCo undertakes to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise and may not publish prospective financial information in the future.

Obtaining a copy of this Prospectus

This Prospectus is available electronically from MLG's website at www.mlgoz.com.au. The Offer constituted by this Prospectus in electronic form is available only to Australian residents receiving this Prospectus in electronic form within Australia. Persons having received a copy of this Prospectus in its electronic form may, during the Offer Period, obtain a hard copy of this Prospectus (free of charge) by telephoning the Offer Information Line. Except in relation to applications made by Institutional Investors, applications for Shares may only be made on the Application Form attached to or accompanying this Prospectus or in its hard copy form as downloaded in its entirety from www.mlgoz.com.au. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Website

No document or information included on MLG's website is incorporated by reference into this Prospectus.

Exposure period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC by up to a further seven days. This period is an exposure period to enable the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications received during the exposure period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the exposure period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Financial information presentation, currency and rounding

Section 4 sets out the Financial Information referred to in this Prospectus. The basis of preparation of that Financial Information is set out in Section 4.2.

The Forecast Financial Information included in this Prospectus is based on the best estimate of the Directors, subject to the general and specific assumptions set out in Section 4.8.

The Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information in this Prospectus give effect to the pro forma adjustments set out in Section 4.

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purposes financial reports prepared in accordance with the Corporations Act.

This Prospectus contains 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information', published by ASIC, as set out in Section 4. The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of MLG. The non-IFRS financial measures do not have standardised meanings prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Readers are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or ratio included in this Prospectus.

All financial amounts contained in this Prospectus are expressed in Australian dollars and are rounded to (unless otherwise stated):

- in the case of amounts presented in the tables in Section 4, the nearest $1,000; and
- in all other cases, the nearest $0.1 million.

Any difference or discrepancy between totals and sums of components in tables, figures or other content in this Prospectus are due to rounding.

The Financial Information in this Prospectus should be read in conjunction with, and are qualified by, the information contained elsewhere in this Prospectus (including Sections 4 and 5).

Where Financial Information, metrics and other discussions in this Prospectus present pro forma results or other amounts, they have been labelled 'pro forma'.

Independent Limited Assurance Report on the Financial Information and financial services guide

The provider of the Independent Limited Assurance Report on the Financial Information is required to provide Australian retail investors with a financial services guide in relation to its independent limited review under the Corporations Act. The Independent Limited Assurance Report and accompanying financial services guide are provided in Section 8.

Statements of past performance

This Prospectus includes information about the past (or historical) performance of MLG. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Disclaimer

Except as required by law, and only to the extent so required, none of MLG, SaleCo, the Joint Lead Managers or any other person warrants or guarantees the future performance of MLG, or any return on any investment made pursuant to this Prospectus.

MLG, SaleCo, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving a holding statement, even if such person received confirmation of allocation from the Offer Information Line.

Bell Potter Securities Limited (ACN 006 390 772; AFSL 243480) and Morgans Corporate Limited (ACN 010 539 607; AFSL 235407) have acted as Joint Lead Managers to the Offer and neither of them has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by either of them or by any of their respective affiliates, officers or employees. To the maximum extent permitted by law, the Joint Lead Managers and each of their respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their respective names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

IMPORTANT NOTICES

Glossary and references to time

Capitalised terms and abbreviations used in this Prospectus have the meaning given to them in the Glossary in Section 10. Unless otherwise stated or implied, references to time in this Prospectus are to the time in Sydney, New South Wales, Australia.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and applicable U.S. state securities laws.

Selling restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Further details in relation to the selling restrictions applicable in jurisdictions outside Australia are set out in Section 7.13.

Logos

This Prospectus may contain trademarks and trade names of third parties, which are the property of their respective owners. Third party trademarks and trade names used in this Prospectus belong to the relevant owners and their use is not intended to represent, and should not be taken to represent, any sponsorship, approval or association by or with MLG or the Joint Lead Managers.

Privacy

By filling out the Application Form to apply for Shares, you are providing personal information to the Company and SaleCo through the Share Registry, which is contracted by the Company to manage Applications. The Company, SaleCo, and the Share Registry on their behalf, collect, hold and use that personal information in order to process your Application, and, if that Application is accepted, to service your needs as a Shareholder, provide facilities and services that you request, and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included in the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder.

Your personal information may also be provided to MLG's agents and service providers on the basis that they deal with such information in accordance with MLG's privacy policy. MLG's privacy policy can be accessed at https://www.mlgoz.com.au/disclaimer-privacy-policy/. MLG's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for on-going administration of the Share register;
- the Joint Lead Managers in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Company's shareholder base; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by (or on behalf of) MLG and SaleCo. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. For further details about the Share Registry's personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit the Share Registry's website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact the Share Registry by phone on +61 1800 502 355 (free call within Australia) 9.00am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of the Share Registry's complete privacy policy.

Questions

If you have any questions about the Offer, please call the Offer Information Line on 1800 754 866 (within Australia) or +61 1800 754 866 (outside Australia) from 8.30 am to 5.30 pm (Sydney time) Monday to Friday (Business Days only).

If you have any questions about whether to invest in MLG, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in MLG.

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KEY DATES AND OFFER INFORMATION

DESCRIPTION	Date
Prospectus lodged with ASIC	1 April 2021
ASIC exposure period[1]	2 April – 12 April 2021
Retail Offer opens	13 April 2021
Retail Offer closes	22 April 2021
Settlement of the Offer	28 April 2021
Issue of New Shares and transfer of Sale Shares (Completion of the Offer)	30 April 2021
Dispatch of holding statements	3 May 2021
Trading commences on a normal settlement basis	4 May 2021

Note: The above timetable is indicative only and may be subject to change without notice. MLG and SaleCo reserve the right to amend this indicative timetable. In particular, MLG and SaleCo reserve the right, subject to the ASX Listing Rules and Corporations Act and after consultation with the Joint Lead Managers, to close the Offer early, to extend the Closing Date, to withdraw the Offer without prior notice or to accept late Applications. Any extension of the Closing Date will have a consequential effect on the events occurring after that point, such as the date for the issue and transfer of the Shares. If the Offer is cancelled or withdrawn before the Settlement of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. The admission of MLG to the Official List and the commencement of quotation of the Shares are subject to confirmation from ASX.

1. ASIC may, in its sole discretion, extend the exposure period by a further seven days, so that it lasts no longer than 14 days after lodgement of the Prospectus with ASIC.

DESCRIPTION	
Offer Price[1]	$1.00
Total gross proceeds under the Offer	$70.7 million
Total gross proceeds to the Company from the issue of the New Shares	$50.0 million
Total gross proceeds to the Existing Shareholder from the sale of the Sale Shares	$20.7 million
Total number of Shares available under the Offer	70,700,000
Total number of Shares on issue at Completion of the Offer	145,669,163
Indicative market capitalisation (at the Offer Price)[2]	$145.7 million
Pro forma historical 31 December 2020 net debt[3]	$22.6 million
Enterprise value as at Completion of the Offer (at the Offer Price)[4]	$168.3 million
Implied pro forma forecast FY21 dividend (based on a payout ratio of 30-50%)[5]	$0.032- $0.053
Enterprise value/Pro Forma Forecast FY21 EBITDA (EV/EBITDA)[6]	4.1x
Enterprise value/Pro Forma Forecast FY21 EBIT (EV/EBIT)[7]	6.9x
Indicative market capitalisation/Pro Forma Forecast FY21 NPAT (P/E)[8]	9.4x
Implied pro forma forecast FY21 dividend yield (based on payout ratio range)[9]	3.2%- 5.3%

1. From quotation, there is a risk that the Shares may trade below the Offer Price.
2. Market capitalisation calculated by reference to the Offer Price of $1.00 multiplied by the total number of Shares on issue of 145.7 million on Completion of the Offer. Shares may not trade at the Offer Price.
3. Pro forma historical 31 December 2020 net debt (refer to Section 4.4(b)).
4. Enterprise value of $168.3 million calculated as the sum of the market capitalisation of $145.7 million and the pro forma historical net debt at Completion of the Offer ($22.6 million).
5. Implied pro forma forecast FY21 dividend is calculated as the annualised expected final dividend per Share in respect of FY21 being 30%-50% of pro forma forecast FY21 NPAT of $15.5 million divided by the number of Shares on issue at Completion of the Offer. The first dividend is expected to be declared for the period from 1 January 2021 to 30 June 2021. The payment of a dividend by the Company is at the discretion of the Board and will be a function of a number of factors the Board may consider relevant. No assurances can be given by any person, including the directors, about the payment of any dividend and the level of franking on such dividends. See dividend policy at Section 4.11.
6. Enterprise value of $168.3 million divided by the pro forma forecast FY21 EBITDA of $41.0 million, as described in section 4.3. The enterprise value used in the calculation of the EV/EBITDA ratio is based on the pro forma net debt at Completion of the Offer ($22.6 million).
7. Enterprise value of $168.3 million divided by the pro forma forecast FY21 EBIT of $24.3 million, as described in section 4.3. The enterprise value used in the calculation of the EV/EBIT ratio is based on the pro forma historical net debt at Completion of the Offer ($22.6 million).
8. Market capitalisation of $145.7 million divided by the pro forma Forecast FY21 NPAT of $15.5 million, as described in section 4.3. This ratio is commonly referred to as a “price to earnings” ratio or “P/E” ratio.
9. The FY21 pro forma forecast dividend yield is calculated as the annualised expected final dividend per Share in respect of FY21 (based on a payout ratio range of 30%-50% of pro forma NPAT of $15.5 million divided by the number of Shares on issue at Completion of the Offer divided by the Offer Price. See footnote 5 above.

CHAIRMAN'S LETTER

1 April 2021

Dear Investor,

It gives me great pleasure to invite you to consider becoming a shareholder of MLG Oz Limited (**MLG** or the **Company**).

MLG is an integrated mine site services and logistics provider, founded by Murray Leahy in 2002, in Kalgoorlie, Western Australia. MLG began as a single service contract, providing silica mining and haulage services for BHP. From this initial contract, MLG has grown into a significant provider of key mine site logistics services to the Australian mining and civil infrastructure industries, with operations now spanning 29 sites throughout Western Australia and the Northern Territory.

MLG's business model is to seek to integrate the production support services it provides within its client's operations and position itself as a key part of their mine production. Clients can trust MLG because of its track record of reliability, quality and safety; a reputation built over almost two decades of delivering for clients. MLG's ability to deliver on its commitments has helped to establish a number of significant, long-standing relationships evidenced by a track record of contract renewals and scope extensions on key contracts.

The Company's continued pursuit of new clients and expansion of its service offering has resulted in consistent historical growth with:

- pro forma historical revenue growing from $132.7 million in FY18 to $205.1 million in FY20 (a CAGR of 24.3% over that period), and which is forecast to grow to $241.6 million in FY21; and
- pro forma historical EBITDA growing from $15.6 million in FY18 to $24.5 million in FY20 (a CAGR of 25.3% over that period), which is forecast to grow to $41.0 million in FY21.

In addition, MLG sees a strong pipeline of potential growth opportunities including: prospective new contracts; the continued growth of its existing clients and the expansion of its service offering to those clients; the pursuit of strategic assets or potential bolt-on acquisition opportunities; and geographical expansion. The funds raised by the Company under this Offer will, among other things, provide MLG with increased financial capacity and flexibility to pursue and fund these identified growth opportunities (see Section 7.1(b) for further detail). In addition, the Company's founder and existing shareholder, Murray Leahy, will continue to hold a significant interest of approximately 50.1%[1] of Shares at Completion of the Offer, evidencing Murray's continuing, strong support for the Company and its future.

This Prospectus contains detailed information about the Offer, the industry in which MLG operates and MLG's historical and pro forma historical financial position, as well as a summary of certain key risks associated with an investment in MLG (which is contained in Section 5). The risks summarised in that section include (but are not limited to) the loss of key clients or contracts, volatility or change in market conditions, occupational health and safety risks and reputational risks. I encourage you to read this Prospectus in detail before making an investment decision, including the further information about the key risks associated with an investment in MLG contained in Section 5.

The Directors and Management believe that the successful IPO of the Company will enhance MLG's ability to pursue the identified opportunity pipeline and to continue to pursue growth while also providing employees with the opportunity to become shareholders in the Company. On behalf of the Board of Directors and Management, I look forward to welcoming you as a shareholder and your participation in the next phase of MLG's evolution.

Yours faithfully,

J. A. Walker

Jim Walker
Non-Executive Chairman
MLG Oz Limited

1. Immediately on Completion of the Offer, Murray Leahy will hold 74,969,163 Shares (being approximately 51.5% of the Shares on issue). This includes 2,000,000 Management Reward Shares (being approximately 1.4% of the Shares on issue on Completion of the Offer) which Murray Leahy intends to transfer to the EST shortly after Listing to be gifted for nil consideration to certain members of MLG's management team. Accordingly, the reference to Murray Leahy's holding of 50.1% on Completion of the Offer refers to Murray's interest after those Management Reward Shares have been transferred. See section 6.9 for more information about this.

Clients can trust MLG because of its track record of reliability, quality and safety; a reputation built over almost two decades of delivering for clients. MLG's ability to deliver on its commitments has helped to establish a number of significant, long-standing relationships evidenced by a track record of contract renewals and scope extensions on key contracts.

— **Jim Walker**
Non-Executive Chairman

1. Investment Overview

TOPIC	SUMMARY	FOR MORE INFORMATION
A. INTRODUCTION		
Who is MLG?	• MLG is the holding Company of the MLG Group, which provides a range of general services to mine sites. MLG's offering includes crusher feed, road maintenance, rehabilitation work, vehicle maintenance, machine and labour hire and mine site haulage. MLG's site service offering has expanded over time to incorporate further services that are considered non-core to the client but are nevertheless essential to the day-to-day activity of the mine. • MLG currently operates across 29 sites throughout Western Australia and the Northern Territory for a diversified client base of domestic and international mining companies, which are exposed to a range of commodities. • MLG is headquartered in Kalgoorlie, Western Australia and, as at 31 December 2020, MLG had 569 full-time employees, 35 labour hire employees and 52 subcontractors. • The Company's continued pursuit of new clients and expansion of its service offering has resulted in consistent historical growth with: – pro forma historical revenue growing from \$132.7 million in FY18 to \$205.1 million in FY20 (a CAGR of 24.3% over that period), and forecast to grow to \$241.6 million in FY21; – pro forma historical EBITDA growing from \$15.6 million in FY18 to \$24.5 million in FY20 (a CAGR of 25.3% over that period), and forecast to grow to \$41.0 million in FY21. • MLG will apply for admission to the Official List of ASX and quotation of its Shares on ASX. Refer to Sections 9.1 and 9.2 for information about the Company, as well as a diagram showing the corporate structure of the MLG Group (both as at the Prospectus Date and immediately following Completion of the Offer).	Sections 3.1, 4.3. 9.1 and 9.2
What is the Offer?	The Offer is for approximately 70.7 million Shares at the Offer price of \$1.00 per Share, to raise approximately \$70.7 million. The Offer contemplates the issue of 50.0 million New Shares to raise \$50.0 million, combined with the Sell Down of 20.7 million Existing Shares (being the Sale Shares) by SaleCo. The Shares being offered under the Offer will represent approximately 48.5% of the Shares on issue at Completion of the Offer.	Sections 7.1 and 7.2

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
Why is the Offer being conducted?	The purpose of the Offer is to provide MLG with: • the ability to unlock further growth through access to capital markets; • an increase in public profile that is expected to arise from being a listed entity and the benefits associated with this; • the reduction of existing debt facilities, providing enhanced balance sheet flexibility to pursue further growth opportunities; • a liquid market for its Shares and an opportunity for employees and others to invest in MLG; and • funds for general working capital requirements (including the payment of transaction costs associated with the Offer). The purpose of the Offer is also to enable MLG's sole owner and founder, Murray Leahy, to realise part of his investment in the Company, noting his intention to retain a significant equity stake of 50.1% post-Completion of the Offer.[1]	Section 7
What are MLG's revenue streams?	• MLG operates across multiple sites as a single business operation, with no parts of the business or geographies that qualify as a separate operating segment. • MLG's vertically integrated model has three key revenue streams that make up its service offering, comprising: – Mine Site Services and Bulk Haulage: This revenue stream comprises a range of mining services depending on the particular client's need, which includes crusher feed, road maintenance, vehicle maintenance, machine and labour hire and rehabilitation work. Complementing this, MLG also provides mine site haulage, general site haulage and bulk haulage. This revenue stream also includes Construction Materials and Quarries, strategically located near existing mining operations, supplying bulk construction materials comprising sand, aggregate and lime; – Crushing and Screening: This revenue stream involves the provision of mobile and fixed plant crushing services via a growing fleet of track and skid mounted crushing equipment, general screening operations and concrete aggregate production and road base production; and – Export Logistics: MLG provides end-to-end export logistics solutions, with a dedicated MLG facility at the Esperance Port.	Sections 3.5 and 4.2(b)

1. Excludes the 2,000,000 Management Reward Shares (being approximately 1.4% of the Shares on issue at Completion of the Offer) which will be held by Murray Leahy at Completion of the Offer but which Murray Leahy intends to transfer to the EST following Listing. See section 6.9 for more information..

TOPIC	SUMMARY	FOR MORE INFORMATION
B. KEY FEATURES OF AUSTRALIA'S MINE-SITE SERVICES AND LOGISTICS INDUSTRIES		
What industries does MLG operate in?	• MLG operates within the Australian mining industry, specialising in the following three revenue streams across the mining production supply chain: – **Mine Site Services and Bulk Haulage** – **Crushing and Screening** – **Export Logistics** • MLG's integrated service offering sets it apart from its core peers, with no direct competitor in the Western Australian market currently providing services across the entire integrated services offering that MLG provides. This integrated offering has enabled MLG to achieve year-on-year pro-forma historical revenue growth (FY18 – FY20 revenue CAGR of 24.3%) as its service offering across its key clients has expanded.	Section 2
Who are the market participants?	• MLG competes with a range of domestic and international logistics and haulage providers, materials producers and mining operational services companies. Generally, these industries are relatively fragmented, with a few key players in each sector and no single core competitor in Western Australia currently covering all the services offered by MLG. • MLG's market participants and key competitors can be split into the following categories: – **Construction Materials:** MAAS Group, Wagners, Adelaide Brighton, Boral and Fletchers Building. – **Mine Site Services:** NRW Holdings, Perenti, Emeco, Mineral Resources, Macmahon, MACA and BGC Contracting. – **Crushing and Screening:** Carey Mining, Centrals, Cape Crushing, Mineral Resources, Rapid Crushing and CIMIC. – **Haulage/Transport and Logistics:** Wagners, Lindsay Corporation, BIS Industries and KNF Corporation. – **Diversified Logistics and Infrastructure:** BIS Industries and QUBE Holdings.	Section 2
What are the key drivers of the industries in which MLG operates?	• Demand for mining services in Australia is driven predominantly by mining production activity, which is (in turn) impacted by domestic and international demand for the underlying commodities and the value of the Australian Dollar against international currencies. • Whilst the contract structure is adaptable to the requirements of the client, MLG's contracted revenue is based on volume of product moved or produced and is not directly a function of commodity price. • Although demand for construction materials is impacted by a broader range of factors, including residential construction and commercial construction, given MLG's strategic focus is on supplying the mining sector, demand for MLG's construction materials tends to be predominantly driven by mining industry capital expenditure and production volumes. • Demand for bulk haulage and other transport services tends to be driven by the volumes of each underlying commodity being produced and exported. The production level can be somewhat attributable to the level of economic activity and capital investment occurring in the mining sector at any point in time, and both production and export volumes are impacted by the overall end market demand for the relevant commodity.	Section 2

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
C. KEY FEATURES OF MLG'S BUSINESS MODEL		
What is MLG's corporate strategy?	• The MLG Code of Conduct draws on the guiding values of integrity, respect, equality and responsibility and promotes the following: – **Integrity and trust:** Being honest, fair and ethical in the way MLG works; – **Leadership, passion and courage:** Being passionate about leading change and delivering and performing with enthusiasm, energy and conviction; – **Customer service:** Employing the right people and delivering exceptional service; – **Teamwork:** Viewing MLG's clients as partners and being focussed on building long-term relationships; – **Safety and environment:** Making safety and the environment MLG's number one priority, underlining every activity we undertake; – **Continuous improvement:** Delivering first class performance with value and always looking to be better; and – **Performance:** Optimising MLG's assets and people to ensure competitive efficiency. • MLG's philosophy is that proactive maintenance drives reliability of service and (in turn) supports better financial and safety outcomes for both MLG and its clients. • The Company has identified and is in pursuit of a range of growth opportunities, including further expansion of the service offering currently available as part of the MLG platform so as to support the Company's position as an integrated service provider to its existing clients' operations. MLG's growth strategy is set out in Section 3.10.	Section 3

TOPIC	SUMMARY	FOR MORE INFORMATION
How does MLG generate its income?	• **Mine Site Services and Bulk Haulage –** The Mine Site Services and Bulk Haulage revenue stream delivered approximately $172.5 million of revenue in FY20, equating to approximately 84% of the business's total gross revenue. Bulk haulage generates revenue through the provision of bulk commodity haulage services (both on and off-road). Site services generates revenue through providing a range of activities on site including mine site and general site haulage, tailings handling, crusher feed, rehabilitation work, vehicle, road and site maintenance, and machine and labour hire. Construction materials activities, known internally as MLG Oz Sand and Stone, provides a range of bulk materials comprising granite concrete aggregate, granite sealing aggregate, concrete sand, gravel and road base, lime and filling sand. MLG has built a strategic asset base of quarry operations in close proximity to some mining hubs in order to position the Company as the closest and most-accessible provider of construction materials to the mining operations carried out within those mining hubs. • **Crushing and Screening –** The Crushing and Screening revenue stream delivered approximately $28.9 million revenue in FY20, equating to approximately 14% of the business's total gross revenue. The Crushing and Screening revenue stream generates revenue through providing numerous crushing services (both fixed and mobile), comprising run of mine ore crushing, concrete aggregate production, road base production and general screening services. MLG's expanding fleet of track and skid mounted crushing equipment enables MLG to meet its clients' crushing requirements on short lead times and for a competitive price. • **Export Logistics –** The Logistics revenue stream delivered approximately $3.7 million revenue in FY20, equating to approximately 2% of the business's total gross revenue. The Export Logistics revenue stream generates revenue through end-to-end export logistics solutions, with a dedicated MLG facility at the Esperance Port.	Sections 3.5 and 4.3
Who are MLG's key clients?	• MLG's key clients include a diverse range of global and Australian mining companies with operations in Western Australia and the Northern Territory. • A list of MLG's current 7 key clients, having regard to the tenure and nature of the relationship between MLG and that client, as well as the type of services provided or goods supplied by MLG to that client and the client's market standing, along with a brief summary about the respective clients and length of their relationship with MLG, is set out in Section 3.7. • MLG has a track record of maintaining long-standing relationships with its clients. • More detail about MLG's material contractual relationships with certain of these key clients is also provided in Section 3.7.	Section 3.7

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
What is MLG's value proposition?	• MLG has adopted a client-partnership approach that, through the delivery of production support to mining clients, enables it to pursue and deliver on a platform of strategic assets, materials and services, which has supported MLG's historical growth to date. • The Company strives to maintain a competitive advantage by providing multiple service offerings in a single platform to its clients. None of MLG's competitors offer the same breadth of services in Western Australia that MLG offers[2]. • MLG has a track record of expanding the scope of services it provides to a client's operations over several years and positioning itself as a key part of mine production at that client's operations.	Section 3.4
How will MLG fund its operations?	• Following Completion of the Offer, MLG currently expects that it will be able to continue to fund its operations and expected organic growth primarily through cash flows generated by its existing operating activities – as the Company has done since its foundation. • Based on the Company's business plan over the Forecast Period, MLG does not expect to require any additional equity capital in the near future (in addition to the proceeds that will be raised by the Company under the Offer). • Part of the proceeds from the Offer will be used to repay debt and provide increased working capital to enhance the Company's financial flexibility to pursue future identified growth opportunities.	Section 4.4
How is MLG differentiated from peers?	• MLG has a track record of consistent organic historical growth since Murray Leahy was awarded his first contract prior to the incorporation of MLG (being a silica mining and haulage services contract for BHP). • The Company's integrated service model, developed over almost 20 years, seeks to position MLG as a key part of mine production at clients' operations. • MLG has strategically located quarries in close proximity to some mining hubs which enables the Company to produce (rather than just supply) construction materials to clients. The strategic location of these quarries is important, as it can provide MLG with a competitive advantage (through lower transport and handling costs), which can potentially position MLG to then also secure further services at the relevant operations (e.g. mine site services, haulage and/or export services contracts). • MLG prides itself on having a culture of proactive, scheduled maintenance; which drives reliability of service and (in turn) supports better financial and safety outcomes for both the Company and its clients. • The Company has historically been successful in expanding the scope of services provided to a client once it has been engaged in respect of a mining operation. MLG's ability to expand its offering to respond to the needs of its clients has historically provided a competitive advantage that has supported the Company's ability to secure contract renewals.	Section 3

2. MLG's core competitor group determined by those with whom MLG typically competes in competitive tender processes.

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the key dependencies of MLG's business model?	The key dependency underpinning MLG's business model is its ability to generate revenues across its three revenue streams (particularly the Mine Site Services and Bulk Haulage revenue stream and the Crushing and Screening revenue stream). MLG's ability to generate such revenues depends on: • the Australian mining industry, including the continued viability and operation of existing mines and the expansion and development of new mines (which, in turn, depends on (among other things) underlying commodity prices and foreign exchange rates); • MLG's client base, which is comprised of higher quality and lower cost operations (and which provides a measure of mitigation against the inherent risk of commodity price volatility); and • MLG's ability to develop and maintain strong relationships with its clients through the quality and timeliness of its service offering, as well as its ability to compete on costs. MLG seeks to maintain these relationships by ensuring MLG's equipment is well maintained to support the workloads of its clients and the production volumes they are targeting.	Section 4.7(c)
D. BUSINESS STRENGTHS		
Production critical service	• MLG's business model is to seek to integrate the production support services it provides within the operations of its clients and position itself and its services as a key part of production at its clients' sites. • MLG has a track record of reliability, quality and safety. MLG's ability to deliver on its commitments has supported the establishment and maintenance of long-term relationships, as well as positioning MLG to secure scope expansion on key contracts. • Central to MLG's culture is a proactive, scheduled maintenance regime; which supports reliability of fleet and (in turn) better financial and safety outcomes for both the Company and its clients.	Section 3.4(a)
Track record of growth and profitability	• MLG has historically generated strong, consistent margins and return on capital, with historically consistent growth as a result of the Company's diversified revenue streams (by commodity, service offering and clients). The Company recorded an organic revenue CAGR of 24.3% between FY18 – FY20 and a pro forma historical EBITDA CAGR of 25.3% over the same period. In FY21, pro forma revenue is forecast to grow a further 17.8% to $241 million and Pro Forma Forecast FY21 EBITDA is expected to grow by 67.6% to $41 million at a pro forma forecast EBITDA margin of 17.0%. MLG's track record of historical growth despite the cyclical nature of commodity prices is a testament to the resilience of MLG's business model and its portfolio of clients (and their operations).	Section 3.4(b)

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
Diversified and recurring revenue streams	• Since its establishment, no client of MLG has terminated MLG's services and replaced MLG with another service provider. Once MLG is established at a client's operations, it aims to become a key element of the production delivery. MLG's track record of expanding the scope of services provided and contract renewals demonstrates that it has historically achieved that aim. • MLG's revenue generation is diversified by commodity and service offering across a range of clients, providing some measure of protection against the cyclical nature of commodity markets and the risk associated with client or contract losses. • MLG has recently established a new stream of revenue through its 'Build, Own, Operate' model. This model is intended to unlock a new stream of potential value generation for MLG, through MLG controlling the build and installation of the infrastructure on the relevant client's site, as well as the operation of that infrastructure. MLG's contractual arrangements and relationship with Fortescue at its Christmas Creek operations are the first example of this. See Section 3.7(c) for more details.	Section 3.4(c)
Long-term relationships with high quality clients	• MLG has long-term client relationships with a track record of contract renewal and scope expansion. • MLG focuses on the retention of clients with a low cost of production, which has resulted in some measure of protection against commodity price volatility.	Section 3.4(d)
Alignment and culture	• MLG is led by Murray Leahy, who is the founder of the business and its Managing Director. • MLG has an experienced management team with a track record of delivering growth and sound financial management. • MLG seeks to maintain a safety and client-led culture, empowering employees to work as one team with the client. A focus on maintaining a 'safety-first' culture has been a leading factor in securing new contracts and contract renewals with existing clients.	Section 3.4(e)
Strategic asset base	• MLG owns and operates strategically located quarries and has operational hubs close to key mining operations and clients. • MLG has a well-maintained and modern fleet of approximately 925 heavy vehicles and support equipment, with an average fleet age of 6.0 years. • MLG has a proactive maintenance strategy consisting of pre-start inspections, mandatory maintenance and scheduled long-term servicing; which supports reliability of fleet and (in turn) better financial and safety outcomes for both MLG and its clients. • MLG has pro forma historical Net Tangible Assets of $102.7 million as at 31 December 2020, resulting in Net Tangible Assets per Share of $0.71.	Section 3.4(f)

TOPIC	SUMMARY	FOR MORE INFORMATION
Anticipated favourable market dynamics	• An increase in mining investment is expected to occur in Australia, as a result of favourable pricing and market dynamics[3]. This is particularly the case for MLG's two highest commodity exposures, gold and iron ore, which BIS Oxford Economics expect to undergo significant growth in investment.[4] • An increase in mining investment would present an opportunity for MLG to seek to expand its service offering to some of its existing clients and service new clients in the future.	Section 3.4(g)
Significant potential growth opportunities	• MLG has identified potential opportunities to increase its existing scopes of work on current contracts and expand to further sites with existing clients. • MLG is intending to leverage its existing platform to target new clients and new commodity markets. • MLG has also identified opportunities to replicate the MLG service model elsewhere in Australia by leveraging its existing client base. • The proceeds raised by the Company under the Offer will be used to reduce debt, providing MLG with balance sheet flexibility to pursue further value creation initiatives.	Section 3.4(h)
E. KEY RISKS		
Contract risk	• MLG's operations are premised on a series of contractual relationships with its clients, through which it derives its revenues. Most of MLG's material contractual arrangements: – do not include an express obligation on the counterparty to incur a minimum level of spend or request a particular volume of services or goods from MLG; – contain 'termination for convenience' clauses; and – permit the relevant counterparty to direct MLG to stop carrying out some or all of its works or services at the sole discretion of that counterparty. • Furthermore, any non-compliance by counterparties could result in delays in MLG receiving material amounts owing to it or not receiving such amounts at all.	Section 5.2(a)
Client and industry reliance	• MLG is reliant upon the sufficient profitability of its mining industry clients to justify outsourcing these services to MLG. • Cycles in the volume of business undertaken or the level of client profitability may adversely affect demand for MLG's services.	Section 5.2(b)
Permits and licences	• To comply with its regulatory obligations, MLG is required to hold and/or comply with various permits, licences, approvals and authorisations from regulatory bodies. • Should these be revoked or not renewed, MLG may be prohibited from continuing operations, which may result in a material adverse impact on MLG's operational and financial performance.	Section 5.2(c)

3. BIS Oxford Economics – Commercial/Industry Report.
4. BIS Oxford Economics – Commercial/Industry Report.

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
Reputation risk	The success of MLG is reliant on its service delivery, reputation and brand, which could be adversely impacted by a number of factors. Any deterioration in or damage to MLG's service delivery, brand or reputation could have a material adverse effect on client loyalty, relationships with key suppliers, employee retention rates and demand for MLG's products and services.	Section 5.2(d)
Occupational health and safety risks	MLG's business model involves direct mining operations and providing services to clients who carry out mining operations, which results in an exposure to a number of high-risk activities from a safety perspective. A major safety incident could lead to temporary site closure, resulting in a loss of revenue and/or reputational damage and claims or penalties under health and safety legislation.	Section 5.2(e)
Pandemic and other public health risks (COVID-19)	MLG's ability to provide services to its clients and to conduct its business activities may be impacted by the ongoing effects of the illness referred to as COVID-19 (or the coronavirus) or any other possible future outbreaks of contagious diseases or pandemics, including because of: • the imposition of mobility restrictions; • the imposition of physical distancing restrictions; or • the effect of COVID-19 or such other diseases or pandemics on MLG's clients (and any resulting reduction in demand for MLG's services).	Section 5.2(f)
Reliance on key personnel	MLG has a number of qualified and high-performing personnel with specialist skills, including the key members of MLG's senior management team. The loss of key personnel or delays in their replacement, or the inability to attract key personnel with the requisite skills and experience, could materially and adversely affect MLG's ability to implement its business strategies.	Section 5.2(h)
Environmental risk	MLG is subject to a number of laws and regulations regarding the protection of the environment. Significant liability could be incurred by MLG in the event of certain discharges into the environment, environmental damage caused by MLG or any non-compliance with environmental laws or regulations.	Section 5.2(i)
Ability to win new projects	MLG's financial performance depends on its ability to win new contracts, to renew or extend existing contracts and to expand the scope of its services under its existing contracts. A failure by MLG to continue to win new contracts, to renew or extend its existing contracts, or to expand the scope of its service offering under its existing contracts may materially and adversely affect MLG's financial performance, including the ability to meet its Forecast Financial Information.	Section 5.2(j)
Competition risk	The industry in which MLG operates is competitive and a number of companies already provide the products and services that MLG provides. MLG is not able to influence or control the activities or actions of its competitors (including potential downward pricing pressures), and there is no assurance or guarantee that MLG will be able to successfully compete in the future	Section 5.2(k)

TOPIC	SUMMARY	FOR MORE INFORMATION
Remote Operations	MLG provides operational services to projects in remote locations. Among other things, the remoteness of these locations can result in an increased risk of a shortage of skilled and general labour and potentially increased costs to deliver the schedule of work.	Section 5.2(l)
Development and growth risk	MLG has developed a number of initiatives designed to secure MLG's future development and growth. Many of these initiatives will require significant capital investment by MLG. There is no guarantee that any or all of these initiatives, or MLG's strategy for development and growth overall, will be successfully implemented, deliver the expected returns or ultimately be profitable.	Section 5.2(m)
Labour shortages and costs	The provision of MLG's services is dependent on the availability and cost of skilled labour. The loss of, or failure to retain, skilled labour, or an increase in the cost of securing and maintaining skilled labour, may impact MLG's ability to undertake activities as efficiently and effectively as it otherwise would have been able to.	Section 5.2(n)
Operational risk	MLG's business is exposed to operational risk arising from various factors, many of which are wholly or partly beyond MLG's control, including a failure to sell its products or services, mechanical failure or plant breakdown, unexpected shortages or increases in the cost of consumables, spare parts, labour, plant and equipment and unanticipated sourcing problems. Any of these factors (or any other factor) may have a materially adverse impact on MLG's operational and financial performance or future growth prospects.	Section 5.2(o)
Reliance on third parties (including suppliers)	• MLG's business relies on, from time to time, a range of third-party arrangements (such as subcontractors, other contract personnel and hires of yellow and other fleet). • Problems arising from the conduct or decisions of third parties (who are engaged to supply such personnel, services or fleet), or their failure to comply with their contractual obligations to MLG, may cause MLG to breach its contractual obligations to its clients and affect MLG's financial performance and prospects.	Section 5.2(s)
Cost of new equipment	• A significant proportion of MLG's revenues are derived from the use of equipment owned by MLG (such as its crushing and screening equipment, bulk haulage fleet and general equipment used on mine sites). • Increases in the cost of this equipment could adversely impact MLG's operational or financial performance. In addition, changes in client demand or technology could cause certain, existing equipment to become obsolete and require MLG to purchase new equipment at increased costs.	Section 5.2(t)
Other risks	Any of the aforementioned risks, or any other risk, may have a material impact on the performance and future growth prospects of MLG. For a more detailed summary of these risks, please refer to section 5.	Section 5

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
F. KEY FINANCIAL METRICS		
What is MLG's pro forma historical and forecast financial performance?	(see table and notes below)	Section 4.3

($ million)	Pro forma Historical FY18	Pro forma Historical FY19	Pro forma Historical FY20	Pro forma Forecast FY21
Revenue	132.7	199.6	205.1	241.6
EBITDA	15.6	34.0	24.5	41.0
EBIT	8.3	23.3	10.7	24.3
NPAT	5.1	16.8	6.2	15.5

- Investors should read Section 4 for full details of MLG's pro forma historical results and pro forma forecast results and the assumptions that support the basis for this information.
- The financial information presented above also contains non-IFRS financial measures. It is presented as a summary only and should be read in conjunction with the detailed financial information provided in Section 4.

TOPIC	SUMMARY	FOR MORE INFORMATION
What is MLG's pro forma historical 31 December 2020 net debt?	• MLG's statutory historical net debt as at 31 December 2020 is $67.4 million. • MLG's pro forma historical net debt position as at 31 December 2020 (following receipt of the net proceeds of the offer and repayment of debt) is $22.6 million.	Section 4.4
G. DIRECTORS AND SENIOR MANAGEMENT		
Who are the directors of MLG?	• Mr Jim Walker – Independent Chairman and Non-Executive Director • Mr Murray Leahy – Managing Director and Chief Executive Officer • Mr Garret Dixon – Independent Non-Executive Director • Ms Anna Neuling – Independent Non-Executive Director	Section 6.1
Who are the management of MLG?	• Murray Leahy – Managing Director and Chief Executive Officer • Phil Mirams – Chief Financial Officer • Dennis Wilkins – Company Secretary • Vinnie Fisher – General Manager (Bulk and Site Services) • John Antill – General Manager (Crushing) • Allun Waller – General Manager (People and Performance) • Rod Oakes – General Manager (Maintenance)	Section 6.3

TOPIC	SUMMARY	FOR MORE INFORMATION
H. SIGNIFICANT INTERESTS OF KEY PERSONS AND RELATED PARTY TRANSACTIONS		
Who is the Existing Shareholder and what will be his interest post-Completion of the Offer?	• Murray Leahy is currently the sole Shareholder of MLG. Some of the Shares that he holds will be sold as part of the Offer. • Details of the ownership of the Shares on issue immediately prior to Completion of the Offer and immediately following Completion of the Offer are set out below:	Section 9.1

Shareholder	Prior to Completion of the Offer	At or immediately after Completion of the Offer	Immediately following transfer of Management Reward Shares to the EST
Murray Leahy	100.0% of Shares	51.5% of Shares	50.1% of Shares
EST[1] (for the benefit of certain members of MLG's management team)	Nil	Nil	1.4% of Shares
MLG Board (excluding Murray Leahy)[2]	Nil	0.1% of Shares	0.1% of Shares
New Shareholders[3]	Nil	48.4% of Shares	48.4% of Shares

1. See section 6.9 for more information about the Management Reward Shares and the EST.
2. The Directors (other than Murray Leahy) have indicated that they currently intend to subscribe for an aggregate of $200,000 of Shares under the Offer. See Section 6.5 for further details.
3. Represents the total number of Shares available under the Offer, excluding the number of Shares the Directors (other than Murray Leahy) have indicated that they intend to subscribe for under the Offer.

TOPIC	SUMMARY	FOR MORE INFORMATION
What significant benefits are payable to the Directors and other persons connected with the Company or the Offer and what significant interests do they hold?	For Shares expected to be held by Directors (or their associated entities) on Completion of the Offer, refer to Section 6.5. Directors are entitled to remuneration and fees as disclosed in Section 6.5. Advisers and other service providers are entitled to fees as disclosed in Section 6.10.	Section 6.5

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
Will any Shares be subject to restrictions on disposal following Completion of the Offer?	Yes. All of the Shares held by Murray Leahy immediately following Completion of the Offer (other than the Management Reward Shares proposed to be transferred to the EST) will be subject to voluntary escrow arrangements; these are referred to as the Escrowed Shares. Murray Leahy has entered into the Voluntary Escrow Deed with MLG in respect of the Escrowed Shares, as described in Section 9.7. Under the terms of the deed, and subject to customary exceptions: • 25% of the Escrowed Shares may only be sold or otherwise disposed of on or after 10.00 am (Sydney time) on the date that is 7 days after the release of MLG's FY21 financial results; and • the remaining 75% of the Escrowed Shares may only be sold or otherwise disposed of on or after 10.00 am (Sydney time) on the date that is 7 days after the release of MLG's FY22 financial results. To avoid doubt, the Management Reward Shares will not be subject to any voluntary escrow arrangements.	Section 9.7
What are the key related party agreements?	In addition to the Directors' interests and remuneration (described in Section 6.5), and executive remuneration (described in Section 6.8), the following related party arrangements are in existence as at the Prospectus Date. • MLG is the lessee under two lease arrangements with Murray Leahy and with members of Murray Leahy's family, respectively (described in Section 3.7(d)). • MLG is a lender under certain loan arrangements with an entity in which Murray Leahy has an interest (described in Sections 3.7(e) and 4.4(b)). As mentioned in Sections 3.7(e) and 4.4(b), subject only to Completion of the Offer occurring, Murray Leahy has irrevocably undertaken in favour of MLG that, within 60 days after Completion of the Offer, he will pay to MLG (or procure the payment to MLG of) all amounts necessary to repay and satisfy the amounts owing to MLG under these loan arrangements in full; such that they will cease to exist shortly after Completion of the Offer. • Murray Leahy will purchase MLG's Kalgoorlie Airport Hangar from MLG on 1 July 2021 for the written down value of the Hangar (as at 30 June 2021). As at 28 February 2021 the current written down value of the Hangar is A$521,860.	Sections 3.7(d), 3.7(e), 4.4(b), and 6.5
I. PROPOSED USE OF FUNDS AND KEY TERMS AND CONDITIONS OF THE OFFER		
How many Shares will be issued or sold under the Offer and how much money will be raised?	• The Offer is an initial public offer of approximately 50.0 million New Shares for issue by MLG and of approximately 20.7 million Sale Shares for sale by SaleCo. • Based on the Offer Price of $1.00, the Offer is expected to raise total proceeds of approximately $70.7 million. This comprises $50.0 million from the issue of New Shares and $20.7 million from the sale of Sale Shares by SaleCo. Only the net proceeds of the issue of New Shares will be available to the Company. • The total number of Shares on issue on Completion of the Offer will be approximately 145.7 million Shares. The Shares for which applications are sought under this Prospectus will represent approximately 48.5% of the Shares on issue on Completion of the Offer. • On Completion of the Offer, all Shares will rank equally with each other.	Sections 7.1 and 7.2

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the issuers of this Prospectus?	• MLG Oz Limited (ACN 102 642 366) • MLG SaleCo Limited (ACN 648 150 001)	Important Information
What is SaleCo and what is its involvement in the Offer?	SaleCo is a special purpose vehicle established to sell a portion of the Existing Shareholder's Existing Shares (referred to in this Prospectus and the Sale Deed as the Sale Shares). The Existing Shareholder has executed a Sale Deed under which he has agreed to sell the Sale Shares to SaleCo free from any encumbrance and SaleCo has agreed to purchase the Sale Shares for the Offer Price. SaleCo will transfer the Sale Shares to Successful Applicants and pay or procure the payment of the Offer Price (per Sale Share) to the Existing Shareholder. SaleCo will acquire in total 20.7 million Sale Shares from the Existing Shareholder, all of which will be offered for purchase under the Offer.	Section 9.5
What is the proposed use of funds raised pursuant to the Offer?	• The proceeds received by SaleCo from the sale of Sale Shares will be remitted to the Existing Shareholder. • The proceeds received by the Company from the issue of New Shares will be used to provide MLG with: – the ability to unlock further growth through access to capital markets; – an increase in public profile that is expected to arise from being a listed entity and the benefits associated with this; – the reduction of existing debt facilities, providing enhanced balance sheet flexibility to pursue further value creation initiatives; – a liquid market for Shares and an opportunity for employees and others to invest in MLG; and – to provide funds for general working capital requirements (including the payment of transaction costs associated with the Offer).	Sections 7.1(b) and 7.1(c)

Sources of funds	$m	Uses of funds	$m	%
Cash proceeds received from the issue of New Shares by the Company	50.0	Repayment of hire purchase liabilities	24.0	48.0%
		Repayment of Invoice Finance Facility	6.9	13.8%
		Repayment of supply chain finance	3.4	6.8%
		Repayment of Bank Bill facility	0.6	1.2%
		Offer costs	5.2	10.4%
		Working Capital	9.9	19.8%
Total sources – Company	**50.0**	**Total uses – Company**	**50.0**	**100%**
Cash proceeds received from the sale of Sale Shares	20.7	Payment to SaleCo	20.7	100.0%
Total sources – SaleCo	**20.7**	**Total uses – SaleCo**	**20.7**	**100.0%**
Total sources of funds	**70.7**	**Total uses of funds**	**70.7**	**100.0%**

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the Joint Lead Managers for the Offer?	The Joint Lead Managers are Bell Potter Securities Limited (ACN 006 390 772 AFSL 243480) and Morgans Corporate Limited (ACN 010 539 607 AFSL 235407).	Section 6.10
How much do I pay?	The Offer Price is $1.00 per Share, which represents: • Market capitalisation of approximately $145.7 million[5] • Enterprise value of $168.3 million[6] • Enterprise value/Pro Forma Forecast FY21 EBITDA (EV/EBITDA): 4.1x[7] • Enterprise value/Pro Forma Forecast FY21 EBIT (EV/EBIT): 6.9x[8] • Market capitalisation/Pro Forma Forecast FY21 NPAT (P/E): 9.4x[9]	Key Dates and Offer Information, and Sections 4.3 and 7.1
What is the Offer Period?	• The key dates, including the Offer Period, are set out on page 4 of the Prospectus. • No Shares will be issued or sold on the basis of this Prospectus after the Expiry Date.	Key dates and Offer information and Section 7.2
Will the Shares be quoted on ASX?	• The Company will apply to ASX within seven days of the Prospectus Date, for its admission to the Official List and quotation of its Shares by ASX (under the code 'MLG'). • Listing is conditional on ASX approving the Company's application. If approval by ASX is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest), as soon as practicable in accordance with the requirements of the Corporations Act. • Following its admission to the Official List, the Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. • ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription or sale.	Sections 7.1, 7.2 and 7.11

5. Market capitalisation calculated as the Offer Price of $1.00 multiplied by the total Shares of 145.7 million.
6. Enterprise value of $168.3 million calculated as the sum of the market capitalisation of $145.7 million and the pro forma historical net debt at Completion of the Offer used for the purposes of determining valuation metrics ($22.6 million).
7. Enterprise value of $168.3 million divided by the FY21 pro forma forecast EBITDA of $41.0 million, as described in section 4.3. The enterprise value used in the calculation of the EV/EBITDA ratio is based on the net debt at Completion of the Offer used for the purposes of determining valuation metrics ($22.6 million).
8. Enterprise value of $168.3 million divided by the FY20 pro forma historical EBIT of $24.3 million, as described in section 4.3. The enterprise value used in the calculation of the EV/EBIT ratio is based on the net debt at Completion of the Offer used for the purposes of determining valuation metrics ($22.6 million).
9. Market capitalisation of $145.7 million divided by the Pro Forma Forecast FY21 NPAT of $15.5 million, as described in section 4.3. This ratio is commonly referred to as a "price to earnings" ratio or "P/E" ratio.

TOPIC	SUMMARY	FOR MORE INFORMATION
When are the Shares expected to commence trading?	It is expected that trading of the Shares on ASX on a normal settlement basis will commence on or about 4 May 2021. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants will be able to confirm their holdings by calling the Offer Information Line on 1800 754 866 (within Australia) or +61 1800 754 866 (outside Australia) from 8.30 am to 5.30 pm (Sydney time) Monday to Friday (Business Days only). Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. MLG, SaleCo and the Joint Lead Managers disclaim all liability to the extent permitted by law, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line, by a Broker or otherwise. Following the issue and transfer of the Shares, Applicants to whom Shares have been allocated will receive a holding statement setting out the number of Shares issued or transferred to them under the Offer. It is expected that holding statements will be dispatched on or about 3 May 2021.	Section 7.2
How is the Offer structured?	The Offer comprises: • the Retail Offer, which includes: – the Broker Firm Offer – which is open to Australian retail clients of participating Brokers, who receive an invitation from their Broker to acquire Shares provided such clients are not in the United States as described in Section 7.6; and – the Priority Offer – which is open to selected investors nominated by the Company who have received a Priority Invitation; and • the Institutional Offer, which consists of an offer to certain Institutional Investors in Australia, New Zealand and certain other eligible jurisdictions, made under this Prospectus. No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares under the Broker Firm Offer. As part of the Offer, the Company will offer to issue New Shares and SaleCo will offer to sell Sale Shares.	Sections 7.1, 7.3, 7.4, and 7.5
Is the Offer underwritten?	The Offer is fully underwritten by the Joint Lead Managers. Details about the nature and terms of the Underwriting Agreement are provided in Section 9.4.	Sections 7.9 and 9.4

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
What is the allocation policy?	• The allocation of Shares between the Broker Firm Offer, the Priority Offer, and the Institutional Offer was determined by the Joint Lead Managers and the Company by agreement. • The allocation of Shares between Brokers and the allocation of Shares between persons who lodge valid applications under the Institutional Offer will be determined by the Joint Lead Managers afters consultation with the Company. Subject to any contractual arrangement with the Joint Lead Managers, it is a matter for the Brokers how they allocate Shares under the Broker Firm Offer amongst their eligible clients. • The allocation of Shares among Applicants in the Priority Offer will be determined by the Company after consultation with the Joint Lead Managers. • MLG and the Joint Lead Managers reserve the right to reject any Application, or allocate fewer Shares than the amount applied for, in their absolute discretion. In addition, MLG and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of Applications).	Sections 7.2, 7.3(f), 7.4(f), and 7.5(b)
What is the minimum and maximum Application size under the Offer?	• The minimum Application under each of the Broker Firm Offer and the Priority Offer is $2,000. • MLG, in agreement with the Joint Lead Managers, reserves the right to reject any Application or to allocate a lesser number of Shares than that applied for (subject to the guaranteed minimum allocation of Shares under the Priority Offer described in Section 7.4(f)). • There is no maximum value of Shares that may be applied for under the Offer.	Sections 7.3(b) and 7.4(b)
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants under the Offer.	Section 7.2
What are the tax implications of investing in the Shares?	Shareholders may be subject to Australian tax on any future dividends and on the sale of Shares. The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 9.10
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or around 3 May 2021.	Section 7.2

TOPIC	SUMMARY	FOR MORE INFORMATION
How can I apply?	**Institutional Offer Applicants** The Joint Lead Managers separately advised Institutional Investors of the Application procedure under the Institutional Offer. **Broker Firm Offer Applicants** If you have received an invitation to participate from your Broker and wish to apply for Shares under the Broker Firm Offer, you should contact your Broker for information about how to complete and lodge your Broker Firm Offer Application Form and for payment instructions. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry. **Priority Offer Applicants** If you have received a personalised invitation to apply for Shares under the Priority Offer and wish to apply for some or all of those Shares, you should follow the instructions on your personalised invitation to apply.	Sections, 7.3(b), 7.4(b) and 7.5
Can the Offer be withdrawn?	• The Company and SaleCo reserve the right not to proceed with the Offer at any time before the issue or transfer of Shares to Successful Applicants. • If the Offer does not proceed, Application Monies will be refunded (without interest).	Section 7.7
Where can I find out more information about this Prospectus or the Offer?	• If you are an Australian or New Zealand resident, call the Offer Information Line on 1800 754 866 (toll free within Australia) or +61 1800 754 866 (outside Australia) from 8.30am until 5.30pm (Sydney time), Monday to Friday (Business Days only). • If you are unclear in relation to any matter or are uncertain as to whether an investment in Shares is a suitable investment for you, you should seek professional guidance from your accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest in MLG.	Important Information

2. Industry Overview

To assist the Company with its consideration of the relevant industry and market factors, and to help define a suitable macro-economic setting for MLG and its business, the Company commissioned a report by BIS Oxford Economics (this is referred to in this Prospectus as the **BIS Oxford Economics Commercial/Industry Report**). Information included in this Prospectus in respect of projected mining investment in Australia and Western Australia, the projections for the Western Australian Ancillary Site Services Market, Crushing and Screening Market and the Minerals Haulage Market (all in respect of iron ore, gold, copper and nickel mines only), as well as regarding gold, iron and nickel exports and commodities price projections, were sourced from that report. BIS Oxford Economics has consented to the inclusion in this Prospectus of references to its report and to the inclusion of statements based on the findings of its report (see Section 9.15).

There is no guarantee (and MLG can give no assurance) that the projections provided will ultimately be realised, or that MLG will be able to take advantage of the organic development and growth opportunities that may arise from any favourable industry conditions or economic climate. Furthermore, even assuming such favourable industry conditions or economic climate were to materialise, there is no guarantee (and MLG can give no assurance) that those matters would translate into increased demand for services by MLG.

2.1 Introduction

Australia is rich in deposits of minerals and precious metals. The mining of these resources (and other mining-related activities) has made a significant contribution to the country's economy, with mining accounting for approximately 11% of Australia's total economic output.[1]

Within the resources sector, various elements of the life cycle of a mining project are outsourced by mining companies to service providers. This practice is often adopted in order to:

- reduce the risks associated with a project;
- reduce the capital associated with a project by utilising equipment owned by service providers;
- allow the relevant mining company to increase its focus on core production operations; and
- increase productivity by using specialist service providers.

Some examples of services that are frequently outsourced to external service providers include (but are not limited to) the following:

- drilling;
- engineering and construction;
- provision and maintenance of site equipment;
- site services;
- labour and machine hire;
- contract crushing;
- contract mining; and
- haulage and logistics services.

MLG currently operates across Western Australia and has an operation in the Northern Territory. MLG provides an integrated platform of operational site support services, comprising the supply of construction materials, crushing and screening services, haulage (both on and off-road) and export logistics.

These services, despite being a key part of the mining supply chain, are often considered to be non-core operations by miners and so are sometimes outsourced to allow mining companies to concentrate on their core operations.

In the Australian market, it is commonly observed that mining companies outsource some of the activities deemed to be non-core within the supply chain.

1. Reserve Bank of Australia – Composition of the Australian Economy, dated 5 March 2021. Snapshot based on current Australian output.

2. INDUSTRY OVERVIEW

A simplified lifecycle of a mine is shown below in Figure 2.1. In summary:

- The **Exploration** stage involves searching for mineral deposits and then determining the potential size of those deposits in that location.
- The **Development** stage involves the construction of the necessary infrastructure (roads, water sources, waste areas and the processing facilities) which prepares the mine for production.
- The **Extraction** stage involves removing commodities from the earth and processing them to deliver commodity outputs.
- The **Rehabilitation** stage begins once a mine closes. This stage is typically driven by the economic cut-off of the mine. During this stage, the earth and environment are returned to a more natural state.

Figure 2.1: Mining services life cycle

Examples of services required

Exploration	Development	Extraction	Rehabilitation
• Drilling	• Site construction	• Mining	• Environmental rehabilitation
• Geophysics	• Earthworks	• Materials	• Road rehabilitation
• Geochemistry	• Dewatering	• Haulage	• Earthmoving
• Geology	• Road construction	• Export logistics	• Ground support
	• Site logistics	• Crushing and screening	
	• Tailings facility construction	• Maintenance	
		• Machine and labour hire	

MLG operates in the Extraction stage of the lifecycle, but also offers some remediation and rehabilitation services. Accordingly, MLG's services are primarily driven by the volumes of minerals extracted and produced by each of its clients at their sites.

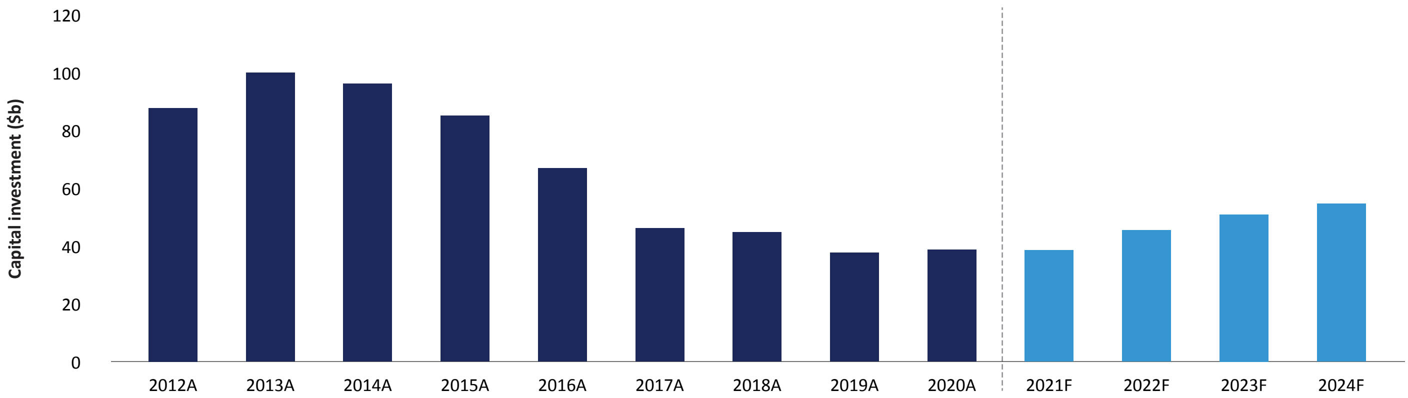
MLG places an emphasis on servicing clients and mines in the Extraction stage, as this is when more significant and stable production volumes typically occur. Given the significant capital expenditure incurred by the time a company reaches the Extraction stage, for so long as the relevant project remains profitable, continued investment and production levels (and therefore demand for MLG's services) tend to be less dependent upon commodity prices when compared with the Exploration stage (where exploration activities are more likely to be abandoned based on commodity prices and/or the level of perceived demand for the resource). As such, the level of demand for services is generally more consistent and less volatile than from clients who are in the Exploration or Development phases, in which MLG's services may only be required at discrete times.

a. Outlook

The demand for MLG's services is ultimately impacted by the overall level of activity being conducted by both MLG's clients and the mining sector more generally. There are some anticipated market drivers that could potentially be expected to support ongoing mining investment generally, as well as organic development and growth opportunities for MLG and its competitors. MLG expects the anticipated drivers to continue to support ongoing mining investment and organic growth in the sector for MLG, its clients and its competitors. Those drivers can be summarised as follows:

Projected forecast recovery in mining capital expenditure in FY20 and beyond (see below in Figure 2.2). An increase in mining investment is expected to occur in Australia, as a result of favourable pricing and market dynamics[2]. An increase in mining investment may underpin further demand for MLG's services as companies undertake further exploration, production and maintenance activities.

Figure 2.2: Mining capital investment in Australia[3]



Significant investment in large scale projects has been publicly announced. Several of MLG's existing clients, as well as some other mine site operators, are expected to begin production at new mines (or materially expand current operations) by the year 2024, with a total estimated start-up or expansion cost of >$17 billion[4].

Projected forecast increases in production across MLG's primary commodity exposure in the short term. Both iron ore and nickel Australian production volumes are expected to increase over the period to FY24, whilst Australian gold production is expected to remain at historically high levels[5]. Refer to Section 3.1 for further details about the commodities that MLG's operations are currently exposed to.

b. Western Australian outlook

Western Australia is considered by some as Australia's mining hub, with 99% of Australia's iron ore and nickel production occurring in Western Australia. In addition, in FY20, 67% of Australian gold production occurred in WA. Western Australia is also the primary state in which MLG operates. Western Australia's economic prosperity is inherently linked to the mining sector, with approximately a third of the State's Gross State Product (**GSP**) attributable to mining and mining related activities[6].

BIS Oxford Economics expects capital investment in the iron ore and gold sectors and the associated economic benefits to result in the growth of the mining services market over the period to FY24[7] and underpin higher demand for mining services over the same period, as mining companies in the Western Australian region continue to look to outsource services.

2. BIS Oxford Economics – Commercial/Industry Report.
3. ABS data, BIS Oxford Economics forecasts.
4. 2020 Resources and Energy Major Projects Report – Department of Industry, Science, Energy and Resources.
5. BIS Oxford Economics – Commercial/Industry Report.
6. Western Australian Department of Jobs, Tourism, Science and Innovation – Western Australian Economic Profile, August 2020.
7. BIS Oxford Economics – Commercial/Industry Report.

2.2 Overview of Australia's ancillary services industry

MLG provides services to the Australian resources sector, acting as a provider of key production mine site services, haulage and logistics solutions. These services also extend to the supply of construction materials, crushing and screening services and port-related export services.

In Australia, demand for these services is driven by the level of mining production activity and further development and investment in the resources sector. As such, providers of ancillary services to the Australian mining sector are particularly exposed to the performance of the companies they serve. Australian mining capital investment declined during the period from FY14 to FY17, which can be partly attributed to lower prices across key export commodities including iron ore and nickel. However, mining investment increased in FY18 through to FY20[8].

According to BIS Oxford Economics, this uptick in general mining investment, as well as the introduction of new sites, is expected to increase the level of production activity in the Australian mining sector, which may subsequently drive demand for the support services offered by MLG. Notably, several mining companies operating in Australia have announced their intention to invest significantly in new large-scale projects or expansions to existing projects over the next 3 years[9]. These include:

Table 2.1: Upcoming mining expansion projects[10]

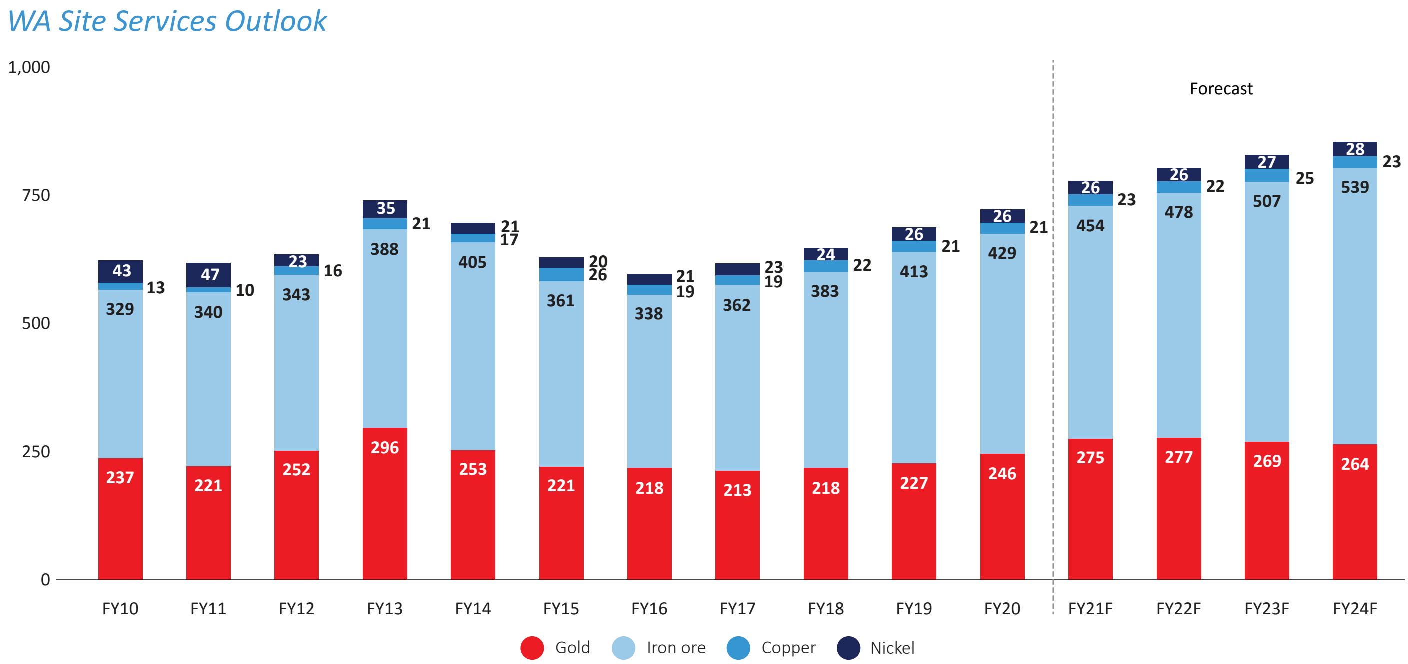
PROJECT	COMPANY	RESOURCE	COMMODITY	COST (A$BN)	EST START UP
Tampia Hill	RAMELIUS RESOURCES	Gold	Gold	119	2022
Odysseus	WESTERN AREAS LTD	Nickel	Nickel	300	2023
Tanami Expansion 2	Newmont AUSTRALIA	Gold	Gold	750	2023
Eliwana (Western Hub)	FMG	Hematite	Iron Ore	1,700	2023
Koodaideri	RioTinto	Hematite	Iron Ore	3,500	2022
South Flank (Yandi, mining area)	BHP	Hematite	Iron Ore	4,200	2021
Iron Bridge	FMG	Magnetite	Iron Ore	1,500	2022
West Pilbara Iron Ore Project	API	Hematite	Iron Ore	5,000	2023
				17,069	

The demand for MLG's services is closely linked to the production volumes of each commodity. For example, a higher volume of iron ore extracted from a site will require a higher amount of crushing and screening services, as well as off-road haulage to transport the extracted materials. MLG's internal key performance indicators are structured to assess production volumes as a key metric, and a large portion of MLG's contracts are priced based on the volume of commodity.

8. Australian Bureau of Statistics – 5625.0 – Private New Capital Expenditure and Expected Expenditure, Australia, December 2020.
9. October 2020 Resources and Energy Quarterly, Department of Industry, Innovation and Science.
10. October 2020 Resources and Energy Quarterly, Department of Industry, Innovation and Science.

Further, mining maintenance services are also required to update and refresh mines so that production capacities and efficiencies can be maintained. Historically, the demand for mining maintenance services was cyclical, with maintenance services trailing investment[11]. These cycles are known as maintenance schedules. In general, mining companies will want to increase the gap between maintenance schedules as much as possible to reduce capital expenditure. However, when mining investment is strong and commodity prices and revenues are favourable, miners may utilise extra cash flows to undertake maintenance more frequently to seek to maximise consistent production.

Figure 2.3: Site services market outlook ($m)[12]



As shown in Figure 2.3 above, the Western Australian Ancillary Site Services Market as a whole is expected to experience a sustained period of growth in the medium term until FY24, with a forecast CAGR of 4.3%. The total mining services market is expected to grow at a CAGR of 1.5% from FY20 to FY24 as the total mining services market grows to $2.8 billion[13,14].

Of the overall Western Australian Ancillary Site Services Market, it is estimated that MLG had approximately 7.9% of the market share in FY20[15]. As such, and assuming that BIS Oxford Economics' estimates about the potential growth in this market are ultimately accurate and MLG is able to position itself to capture additional work arising from that growth, there is potentially some opportunity for MLG to grow and expand its share of the market.

a. Western Australia's Operational Site Services industry

MLG's primary service offering is the provision of operational mine site solutions, specifically onsite services. Key services provided by companies that operate in this sector include:

- logistical solutions required to support the loading of ore from various source locations and deliver it to the client's processing facilities;
- tailing handling;
- vehicle, road and site maintenance;
- screening services, including crusher support and feed; and
- machine and labour hire.

11. BIS Oxford Economics – Commercial/Industry Report.
12. BIS Oxford Economics – Commercial/Industry Report.
13. BIS Oxford Economics – Commercial/Industry Report.
14. The ancillary site services market does not include any data in relation to the construction materials industry in which MLG operates.
15. Estimates based on BIS Oxford Economics data.

2. INDUSTRY OVERVIEW

These services play a key role in ensuring that mine sites can remain operational; however, they are considered to be a non-core operation to mining companies. As such, companies such as MLG are often engaged to perform the services on behalf of the relevant companies, which in turn often results in these service providers becoming integrated into the supply chain of their clients and the revenues from these services becoming more recurring in nature. Further, MLG's management has demonstrated an ability to build strong client relationships, which in turn strengthens the recurring nature of demand for MLG's services over time. In some cases, MLG staff become key team members who are important to the operations of the relevant mine site and who work closely with the mine operator.

The services listed above are interrelated within the production process of a mining operation and therefore complementary to each other. This can also create an opportunity for MLG to expand its service offering by cross-selling services to a client. Moreover, by executing these services on an integrated basis across the production process, MLG is able to extract operating efficiencies that may not be available to smaller or less integrated players in the market.

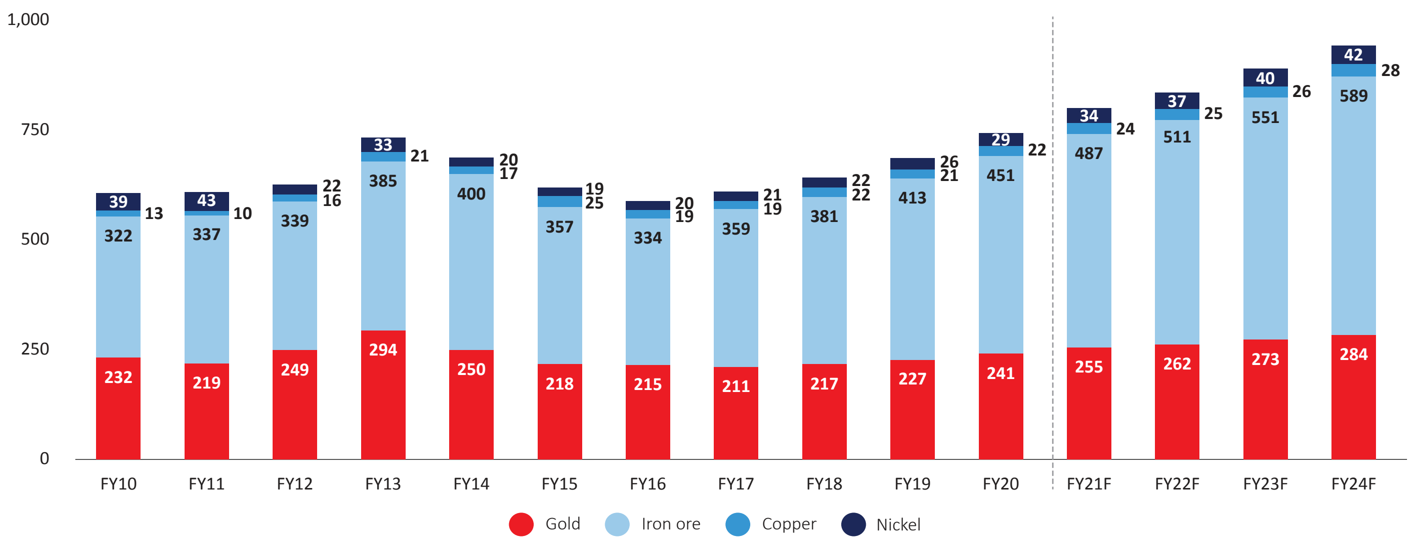
i. Site services

The core site services offered by MLG comprise labour and machine hire, tailings handling, maintenance of vehicles and roads, general site maintenance and rehabilitation work. In general, as production volumes increase, there is an increased demand for these services as more production leads to a greater requirement for staff, machinery and material handling. Additionally, these increased volumes lead to higher site and machinery maintenance requirements. MLG's key competitors all offer similar types of solutions to those mentioned above.

In general, when a mining company outsources additional site services, the contracts are usually won by providers who are already on site and integrated into the operations of the mine. As such, there is a significant opportunity to expand the scope of services once a contractor is located on site and performing activities[16].

In FY20, the size of the Ancillary Site Services Market for iron ore, gold, copper and nickel mines in Western Australia was $722 million. This market is seen as a growth market for the ancillary services industry generally and is expected to grow by 4.3% per annum from FY20 to FY24[17]. This growth is expected to be driven by both the increase in mining investment and the increased need for maintenance services of the overall Western Australian Ancillary Site Services Market (for iron ore, gold, copper and nickel mines, but predominantly for iron ore mines according to BIS Oxford Economics' estimates). It is estimated that MLG had approximately 7.9% of the market share in FY20[18], indicating that there may be scope for MLG to grow its market share at iron ore, gold, copper and nickel mines in Western Australia.

Figure 2.4: Ancillary Site Services Market split by commodity ($m)[19]



16. BIS Oxford Economics – Commercial/Industry Report.
17. BIS Oxford Economics – Commercial/Industry Report.
18. BIS Oxford Economics – Commercial/Industry Report. Site services defined by BIS Oxford Economics as crusher feed, mobile equipment maintenance, structures maintenance, on-site road maintenance and drainage. Contract mining, haulage and crushing and screening services are not incorporated in BIS' definition of site services.
19. BIS Oxford Economics – Commercial/Industry Report.

Figure 2.5: Ancillary Site Services Market Share FY20[20]

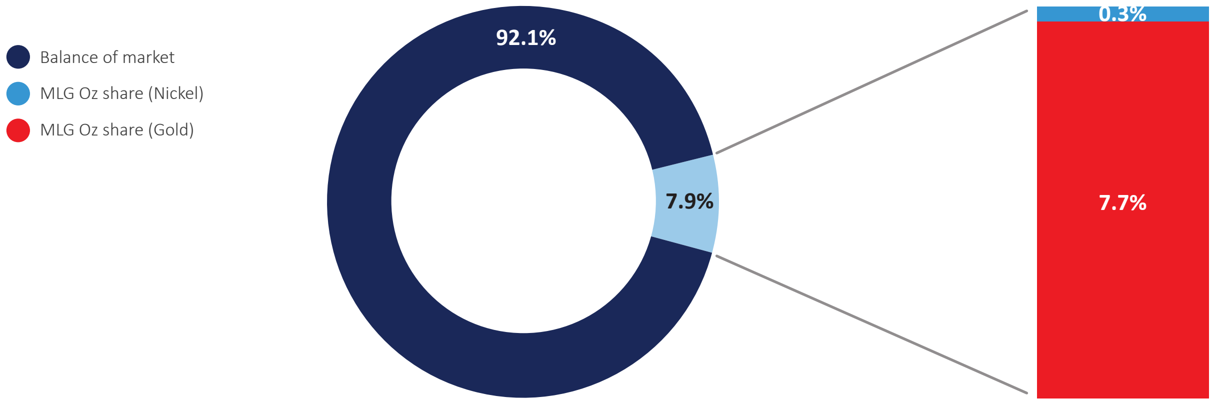
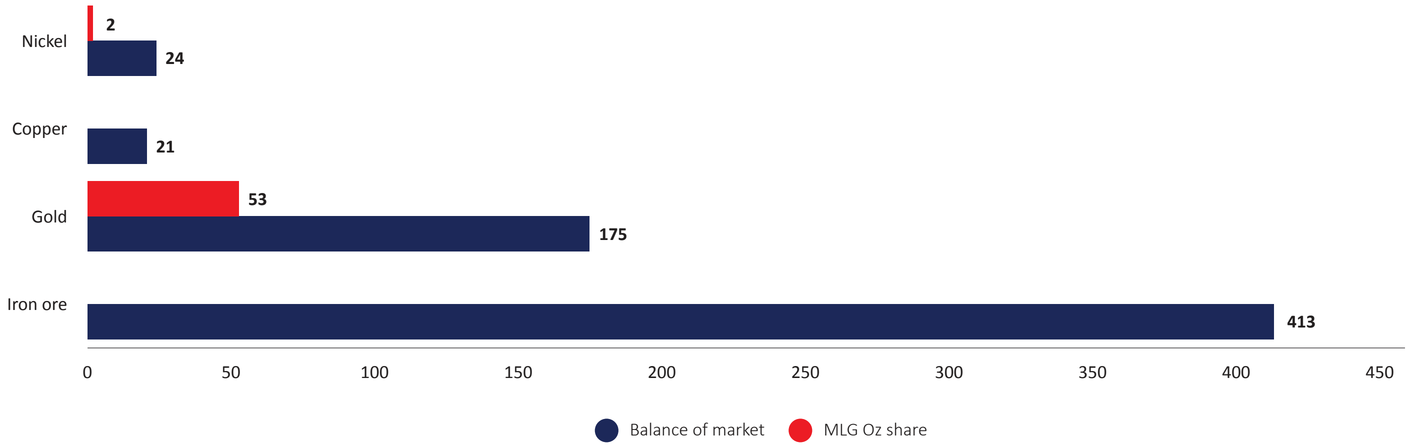


Figure 2.6: Ancillary Site Services Market split by commodity FY20 ($m)[21]



ii. Crushing and screening

When resources are extracted from the earth, a process is required to crush the rock into finer particles (crushing) and then run those finer particles through a series of screens and additional crushing systems (screening) to provide a uniform sized product. This is often a key process in the supply chain of a mine operator or aggregate supplier.

MLG's crushing and screening service offering is centred around run-of-mine ore crushing, concrete aggregate production, road base production and general screening. MLG offers both mobile and fixed plant crushing services to clients.

Crushing and screening contractors can also adopt different business models for their fixed crushing and screening equipment, these being:

- **Build, Own and Operate** – where the plant equipment is constructed, owned and operated by the contractor; and
- **Build, Own, Operate and Transfer** – where the plant equipment is constructed, owned and operated by the contractor, with the ability to transfer ownership to the client to meet a specific client requirement.

20. BIS Oxford Economics – Commercial/Industry Report.
21. BIS Oxford Economics – Commercial/Industry Report.

2. INDUSTRY OVERVIEW

In differentiating between crushing and screening contractors, clients may take the following characteristics into account:

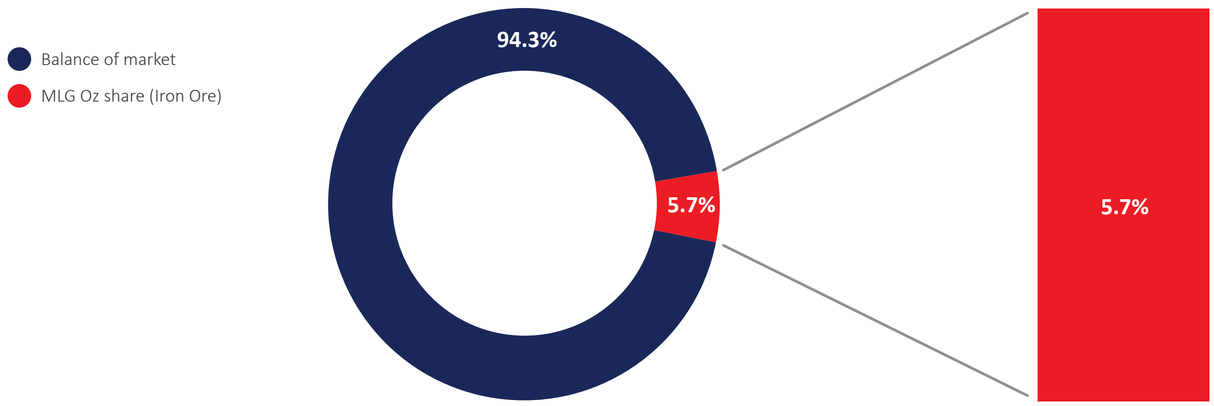
- safety track record;
- volume accuracy, quality and availability;
- age and quality of the equipment;
- ability to finance equipment (where required);
- quality, reliability and experience of the personnel;
- ability to offer/bundle additional services;
- cost; and
- maintenance capability.

MLG's owned and operated fixed plant crushers are constructed and installed on the sites of mining clients. Mobile plant equipment involves tracked modular pieces of crushing and screening equipment that can be transported between mine sites (or between locations on a given site), which provides greater flexibility to mining operators who require crushing and screening services for shorter durations. MLG offers both mobile and fixed plant crushing systems.

MLG invoices its clients based on the volume of material that is run through the machinery. As such, when mining production levels are high, the revenue for these services increases.

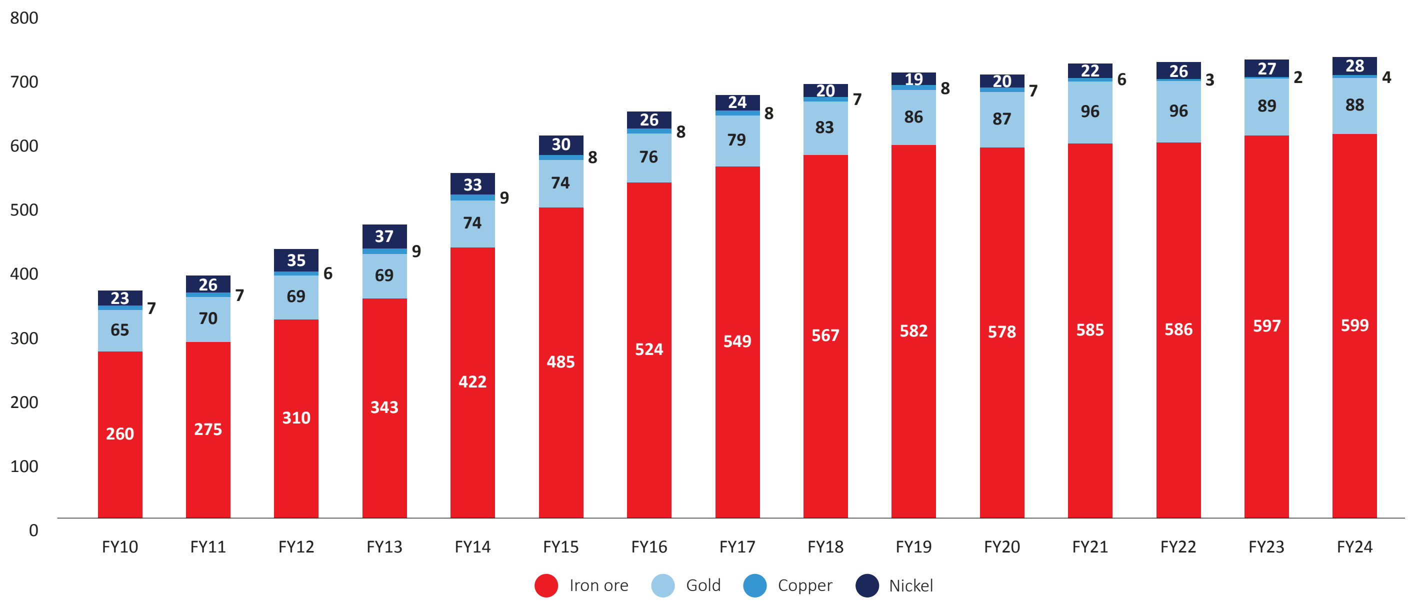
In FY20, the Crushing and Screening Market in Western Australia was estimated to be worth $693 million and it is estimated that MLG had a market share of approximately 5.7%[22]. An opportunity exists for MLG to potentially expand its market share. If this is achieved, it could allow the Company to continue its historical growth in the Crushing and Screening Market in Western Australia.

Figure 2.7: Western Australian crushing and screening market share FY20[23]



22. BIS Oxford Economics – Commercial/Industry Report.
23. BIS Oxford Economics – Commercial/Industry Report.

Figure 2.8: Western Australian Crushing and Screening Market outlook ($m)[24]



iii. Drivers of demand

In summary, the key drivers of demand for operational site services may include the following:

- the number of mine developments;
- the level of capital investment into production mines;
- the number of mining companies outsourcing maintenance and services;
- the volume of production at a mine site, and across all mine sites; and
- the capital constraints of mining companies who may outsource to reduce their capital cost.

b. Western Australia's Minerals Haulage industry

Site and bulk haulage involves the transport of outputs from the end of the mining production process. Typically, this output comprises both commercially valuable minerals and other non-marketable ores that need to be transported to processing facilities for crushing, screening and handling, as well as the output from the processing facilities that need to be transported to rail heads or ports. Bulk commodities haulage is typically undertaken by truck across off-road or on-road (highway) routes.

MLG has assembled a fleet of prime movers and trailers, which transport large amounts of resource material for large Australian and international clients (both on-road and off-road). MLG provides these services to clients both on site at mining operations and externally (by linking product between sites or from a site to the next stage of the supply chain).

As MLG primarily operates in the Extraction stage of the mine life cycle, the demand for MLG's logistics services tends to be less cyclical and volatile than providers who predominantly operate in the Exploration and Development phases. This is because at the Extraction phase, each mine site has undergone a significant level of unrecoverable capital expenditure, meaning the committed level of ongoing capital expenditure (and therefore demand for MLG's services) is more stable, resulting in a generally more consistent level of demand for MLG's transport-related services.

MLG does not typically provide services to mining companies that are positioned only in the Exploration phase of the resource project life cycle and which lack stable production volumes.

MLG's external Bulk Haulage and Export Logistics services primarily involves the haulage of bulk materials and resources from client sites to the Esperance Port facility in Western Australia. Supporting this, MLG also offers bulk and container handling services at the Esperance Port facility. The demand for these services is largely dependent upon the volume of commodities that are being exported from the Western Australian region.

24. BIS Oxford Economics – Commercial/Industry Report.

2. INDUSTRY OVERVIEW

Figure 2.9: Western Australian Minerals Haulage Market Outlook[25] ($ million)

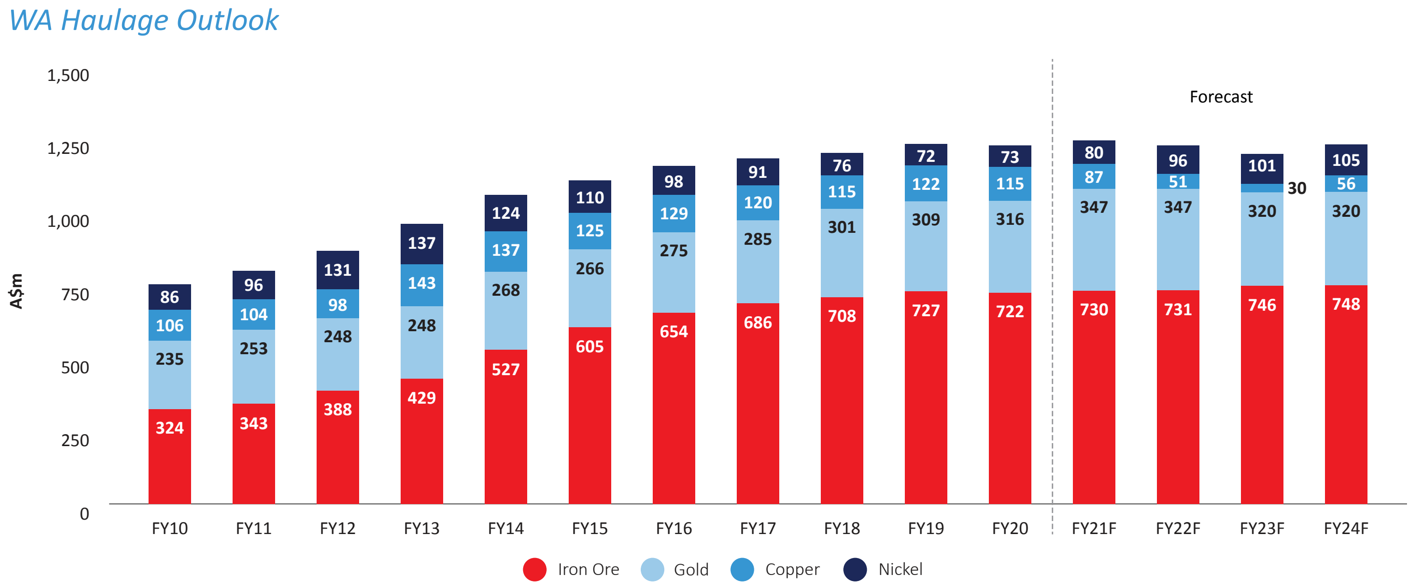
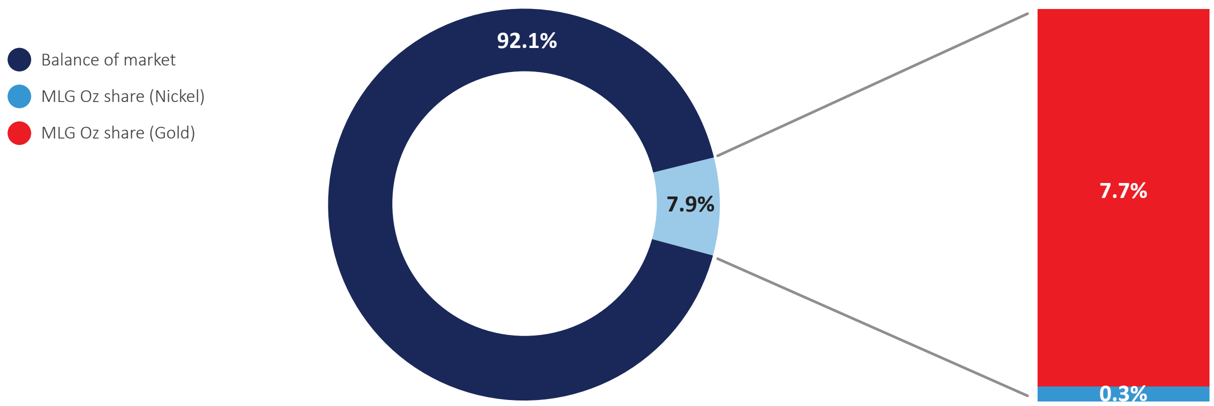


Figure 2.10: Minerals Haulage Market share FY20[26]



i. Drivers of demand

In summary, the key drivers of demand for haulage services tend to include:

- **Production volumes:** Production volumes in key commodities;
- **Mining industry capital expenditure:** Investments in mining and heavy industrial resource-based project construction; and
- **Commodity spot prices:** The prevailing commodity spot price (although MLG seeks to mitigate against commodity price volatility by servicing large clients with significant existing production volumes).

25. BIS Oxford Economics – Commercial/Industry Report.
26. BIS Oxford Economics – Commercial/Industry Report.

c. Australia's construction materials industry

The construction materials industry is centred around the mining, quarrying and processing of raw materials for their primary use in construction mining and processing consumables. MLG operates in this sector, with a specific focus on the production bulk materials products, comprising sand, aggregate and cement, for use in mining, processing and civil related projects. In 2019, MLG also expanded its offering to include the import and supply of lime to its client base.

Companies who operate in this sector tend to adopt one of two models:

- **Distribution based model:** The most common operating model involves the sourcing of materials from producers for the distribution to customers.
- **Vertically integrated:** The second operating model involves the ownership of quarries, so that companies can mine, process, supply and distribute construction materials to their clients from their own quarries.

MLG adopts the vertically integrated operating model described above. This ensures MLG is differentiated from some of its core competitors, in that it owns and operates four strategically located quarries which enable the business to produce (rather than just supply) construction materials. Furthermore, these quarries are strategically located near some key mining operations in Western Australia. The location of the quarries is important as it can provide operators of quarries which are geographically closer to mining operations with a competitive advantage over other suppliers for supply to those mining operations (as they are likely to have lower transport and handling costs).

MLG owns four operational quarries which focus on the mining of silica sand, screened sand, gravel and aggregates for use in construction and mining processes. Given the nature of the MLG's quarries materials there is no established process for quantifying the resource life.

i. Sand and aggregates

Sand and aggregates are granular materials that form a base to be used in concrete and asphalt production, which are used for landscaping, construction, road base, rail ballast and other similar applications.

High quality aggregates are hard, strong rock particles that are free from chemicals or other materials that may cause material degradation over time. As such, the quality of aggregates will directly impact the strength of concrete and ultimately its ability to sustain wear and tear.

MLG extracts sand and aggregates from its quarries. After processing, MLG supplies these materials in bulk to clients across the Western Australian mining and civil sectors.

ii. Cement and lime

The cement and lime manufacturing industries produce a range of products that are integral inputs in the construction, mineral processing, manufacturing and agricultural sectors.

A key product in the cement and lime manufacturing industries is Portland cement, which is generally referred to simply as 'cement'.

2. INDUSTRY OVERVIEW

Cement is a mineral binding agent that is produced in three stages: the blending of raw materials; clinker production through heating the raw material slurry; and the grinding and heating of the clinker into cement, with gypsum added during the process.

Lime is sold in a variety of formats for a range of uses including steelmaking, agriculture, chemical manufacture, water treatment, food processing, construction and agriculture.

iii. Drivers of demand

Although demand for construction materials is impacted by a broader range of factors including residential construction and commercial construction, given MLG's strategic focus on supplying the mining sector, demand tends to be driven predominately by the following factors.

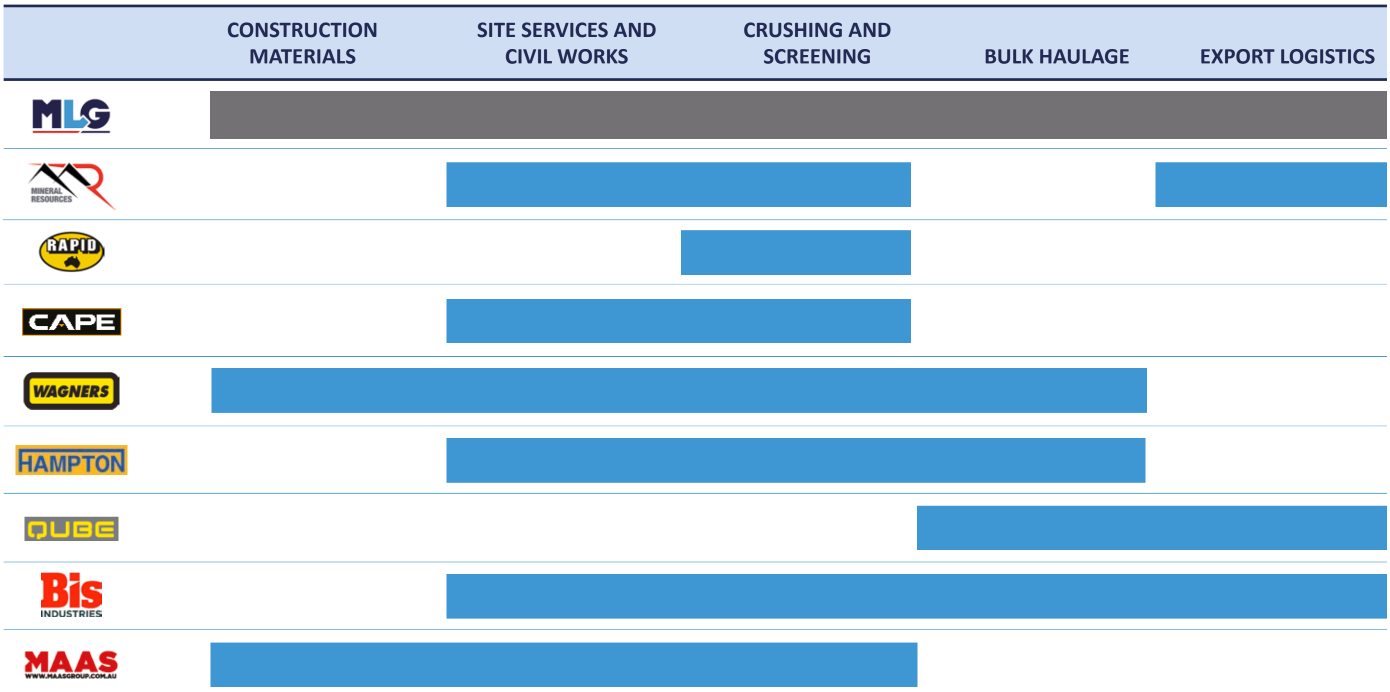
- **Mining industry capital expenditure:** Investments in mining and heavy industrial resource-based project construction.
- **Production volumes:** Production volumes in the key commodities to which MLG is exposed, being primarily gold and iron ore.

It has been observed that the successful supplier of construction materials to a mine site is often strategically located nearby to the tendering mine site, as this will often result in a lower cost of delivery and timely service[27].

d. Key competitors

A selection of MLG's primary competitors are listed below. Whilst competing against several large Australian-listed companies in relation to its service offering, MLG does not have any direct competitors in the Western Australian market that currently operate across MLG's entire integrated service offering.

Table 2.2: Core competitor service offering[28]



27. BIS Oxford Economics – Commercial/Industry Report.
28. Company information extracted from company disclosures in March 2021 and should be used as a reference guide only.

In MLG's core segment, the operational site services industry, the Company faces competition from both competitors who offer similar outsourced services, as well as the owner-operator model, where resources companies may choose to perform the service themselves in-house. The decision to perform these operations in-house is often made on a case-by-case (site-by-site) basis, and some resources companies may choose to outsource some services and perform others in-house. As indicated by BIS Oxford Economics, in Australia, most resources companies will tend to outsource at least some of their non-core activities.

The factors that impact this decision may include:

- internal management's capabilities;
- equipment, labour and contractor quality and availability;
- access to capital and internal capital expenditure budgets;
- the level of productivity of the service provider;
- the safety track record of the service provider;
- the general reputation of the service provider; and
- the ability to achieve productivity improvements by using specialist providers.

The weightings that mining companies give to the above factors may differ between the revenue streams in which MLG operates. For example, onsite haulage is a high-risk activity and so the safety record of the respective contractors is critical, whereas the distance from machinery may be more important for crushing and screening to ensure the service is cost effective.

MLG relies on differentiating itself from competitors by providing a high-quality service and maintaining a strong level of productivity. A summary of MLG's key competitors can be found in Table 2.3 below.

Table 2.3: Competitor Landscape[29]

COMPANY	PROJECT LOCATIONS	PUBLIC/PRIVATE	DESCRIPTION
Mine Site Services			
WAGNERS	Australia, PNG, Russia	Public	Wagners is an Australian construction materials and services provider, offering transport services, concrete and site batched plants, onsite concrete supply, contract crushing and other general services. Whilst primarily focused on the Australian market, Wagners has recently expanded to now operate in international markets. Wagners larger projects have focused on roads and tunnels, bridges, airports, mining and gas plants, dams and major infrastructure. Wagners also has a permanent quarry operation in Queensland
MINERAL RESOURCES	Western Australia, Northern Territory	Public	Mineral Resources engages in mining and processing of mineral properties. It operates in the following segments: Mining Services and Processing and Mining. It offers contract crushing, infrastructure, exploration and development, marketing and shipping services and the recovery of base metals concentrate.

29. Company information extracted from Company disclosures in March 2021 and should be used as a reference guide only.

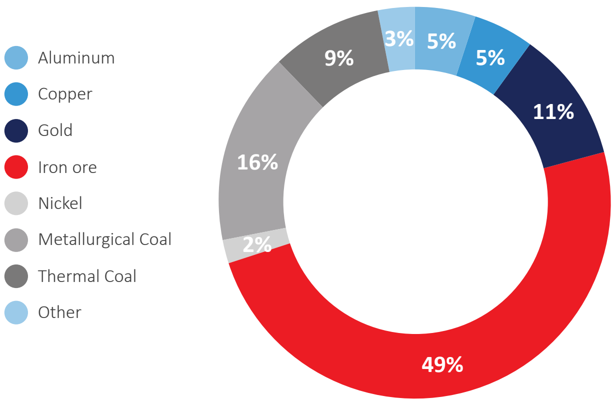
2. INDUSTRY OVERVIEW

COMPANY	PROJECT LOCATIONS	PUBLIC/PRIVATE	DESCRIPTION
MAAS WWW.MAASGROUP.COM.AU	Australia	Public	MAAS Group is an independent Australian construction materials, equipment and service provider with diversified activities across the civil, infrastructure, mining and real estate end markets.
CAPE	Western Australia, South Australia, Victoria	Private	CAPE crushing is an Australian company, part of the CFC Group, which has a focus on mining services and utilities installation. CAPE has expertise in civil and mining services (such as Crushing, Tailing Dams Works, Mine Site Dewatering), as well as the installation and maintenance of underground utilities (Water and Gas Pipelines as well as Power and Communications).
BIS INDUSTRIES	Australia, Indonesia	Private	BIS Industries is an Australian mining services company that provides off-road load and haul, underground equipment services, specialised on-road logistics management, large scale infrastructure, crushing and mineral extraction and site services to resources companies in Australia and Indonesia.
Export Logistics			
QUBE	Australia, NZ, Singapore, Malaysia, PNG	Public	QUBE is an Australian import and export logistics services provider. The company operates across 130 locations, split across Australia, New Zealand and South East Asia and employs 6,500 employees. QUBE is split into three divisions – the Ports, Bulk and Logistics division, Infrastructure and Property division and Strategic Assets division.
HAMPTON	Western Australia, Northern Territory	Private	Hampton Transport Services (Hampton) is an Australian freight, logistics and haulage company. Hampton's core services are in transport, focussing on ore haulage, heavy haulage, freight and potable water. Hampton has recently moved into open pit mining solutions, such as Project Management, Drill and Blast, Material Handling and Earthmoving.
Crushing and Screening			
RAPID	Western Australia	Private	Rapid crushing is an Australian company providing crushing and screening services to the mining, construction and quarrying industries. Rapid also has workshop facilities based in Western Australia and Queensland.

2.3 End market overview

The Australian resources sector produces and exports a range of commodities, with iron ore, coal and gold representing the largest proportion of domestic exports, as shown in Figure 2.11 below. Given that 96% of MLG's FY20 revenue was primarily derived from clients producing gold and iron ore, the business is primarily exposed to fluctuations in the production and export volumes of these two commodities, with a smaller level of exposure to nickel.

Figure 2.11 Australian commodity exports 2019-2020 by value[30]



In general, higher prices and production levels in each of these commodities encourages further investment, expansion activity and mine rehabilitation efforts in each respective sub-sector[31]. Higher capital expenditure in mining operations will increase the need for crushing and screening services as well as increasing the demand for construction materials, haulage and site services more broadly. As such, MLG's performance may be impacted by changes in mining investment and production levels across these commodities going forward.

a. Trends in the Australian commodity sector

Several key trends have emerged in the Australian mining and resources sectors that are currently favourable to MLG and its business model.

i. Consolidation of suppliers

Mine site operators that have typically relied on many service providers to perform ancillary and support services on site may also utilise a smaller number of contractors who can perform a broader range of tasks. A shift towards relying on a smaller number of service providers is typically driven by mining companies focusing on cost control, operational integration, certainty of delivery and safety, and reducing the complexity of managing multiple suppliers. Based on MLG's experience with its own clients, MLG believes mining operators are looking to reduce their number of suppliers and engage with companies that have the flexibility to offer a larger suite of services to their clients. Based on this belief, MLG has continued to develop its service offering and its capability to integrate into its clients' processes to offer a greater range of services under one management structure.

ii. Increased prevalence of satellite mining sites

Satellite mining sites are mineral deposits, typically of a small to medium size, which are located up to 50km away from the core infrastructure associated with the primary mining operations. In Australia, these sites may become increasingly prevalent as Australian mines age because it may prompt resource companies to begin exploring further away from the primary deposit location. Satellite mining sites may require more production support services, particularly haulage and handling if there is a lack of proximity to core infrastructure.

30. Department of Industry, Innovation and Science. Resources and Energy Quarterly, December 2020. Excludes crude oil, LPG, LNG and all other petroleum products.
31. BIS Oxford Economics – Commercial/Industry Report.

2. INDUSTRY OVERVIEW

b. Gold

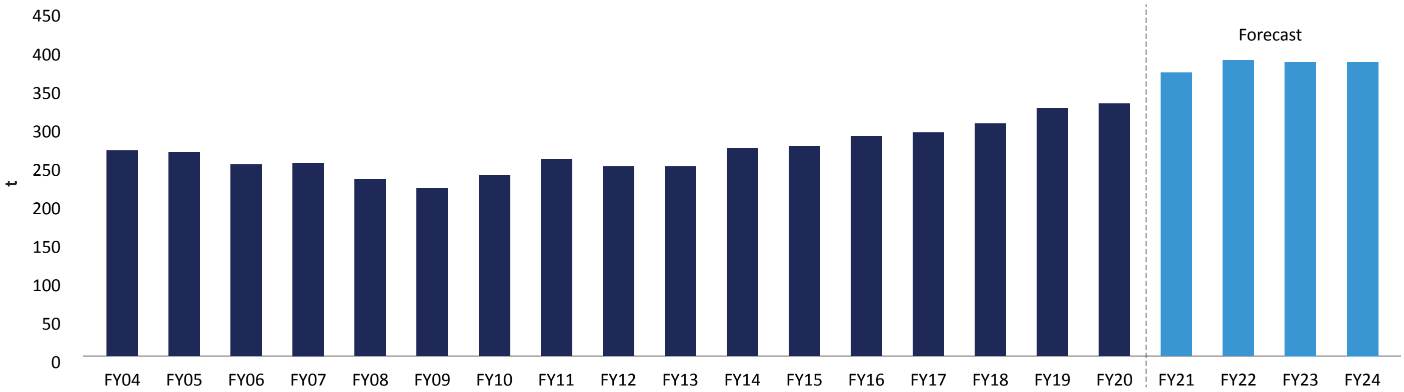
MLG has a primary exposure to gold, with approximately 82% of MLG's FY20 pro forma historical revenue attributable to the provision of services to gold operations. Gold is a rare precious metal that contributes strongly to Australia's national prosperity. In the mining process, gold ore is extracted from the earth and gold traces are then separated from crushed rock and dirt via chemical processes.

Gold has long been held as a financial commodity and a store of value, however, more recently it has increasingly been utilised in new technologies (such as consumer electronics and the automotive sector) and medical developments. Despite these advancements, gold is still primarily used to produce jewellery or a financial commodity.

Gold has a significant impact on the economic wellbeing of Australia and is the country's fourth largest export by value[32]. In FY20, Western Australia accounted for approximately 67% of the total gold production in Australia[33].

i. Gold production analysis

Figure 2.12: Gold production in Australia, FY04 to FY24[34]



As shown in Figure 2.12 above, gold production in Australia increased from approximately 250 tonnes per annum in FY17 to approximately 360 tonnes per annum in FY20. The increases in gold production over this time were due to record gold prices encouraging further gold production. Strong gold prices have led to healthy returns for Australian producers, who have subsequently undertaken further exploration activity. According to BIS Oxford Economics, Western Australian gold production is expected to remain at historically high levels through to 2024[35].

c. Iron Ore

Iron ore is the key material used in steel making. Western Australia, where MLG is primarily located, accounts for the vast majority of iron ore that is mined in Australia, with the Pilbara region containing the most prolific source of reserves.

Iron ore is the second most important commodity to MLG, with approximately 14% of FY20 pro forma historical revenues linked to iron ore mining operations. Australia has an abundance of iron ore reserves and is the largest global producer and exporter of iron ore. Given this, the commodity is a key resource which can materially impact the Australian economy. In 2019-20, Australia exported around $103 billion of iron ore[36].

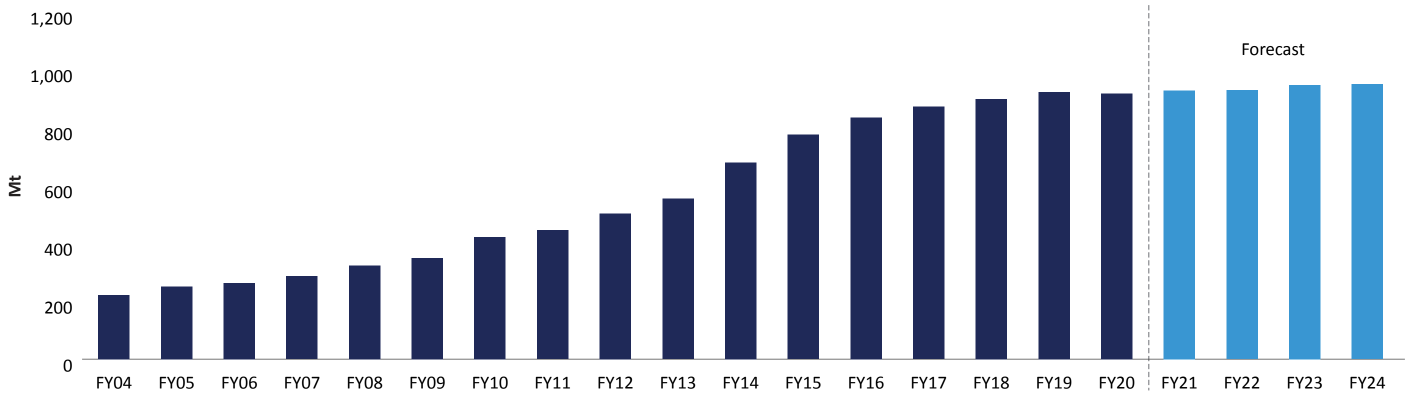
32. Department of Industry, Innovation and Science. Resources and Energy Quarterly, December 2020.
33. Government of Western Australia, Department of Mines, Industry Regulation and Safety – WA Mineral and Petroleum Statistics Digest – 2019-20; BIS Oxford Economics – Commercial/Industry Report.
34. BIS Oxford Economics – Commercial/Industry Report.
35. BIS Oxford Economics – Commercial/Industry Report.
36. Department of Industry, Innovation and Science. Resources and Energy Quarterly, December 2020.

i. Iron ore production analysis

As shown in Figure 2.13 below, Australian iron ore exports have undergone a significant expansion period, over the past 15 years[37]. Whilst production levels have stabilised since FY16, Australian exports are still forecast to grow by 6.5% from FY21 to FY24[38].

MLG's primary exposure to iron ore is currently through its contracts with Fortescue (see more about the Fortescue-Christmas Creek Agreement at section 3.7(c)).

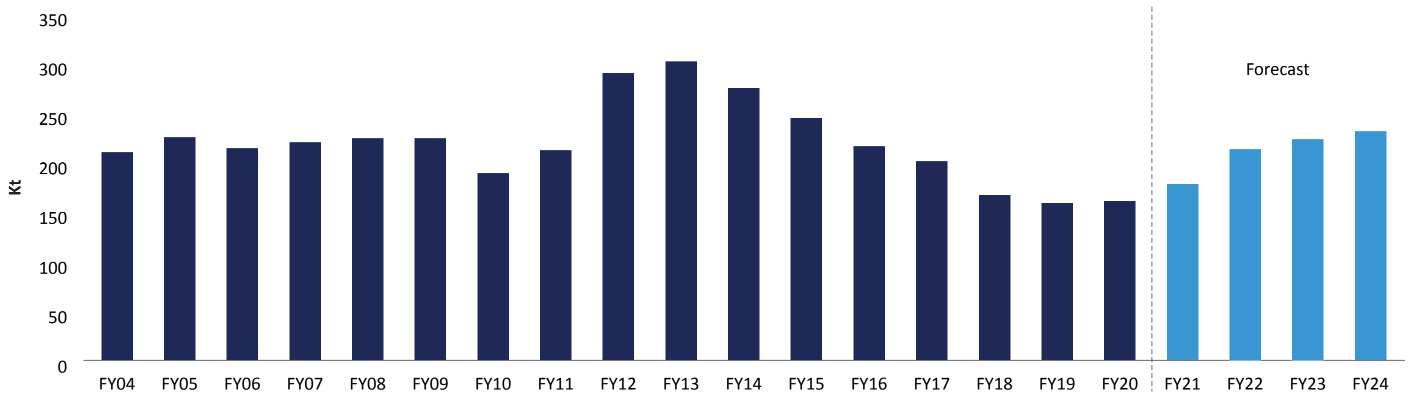
Figure 2.13: Iron ore production in Australia, FY04 to FY24[39]



d. Nickel

MLG also has an exposure to nickel, which represents approximately 4% of MLG's FY20 pro forma historical revenue by commodity. Nickel is used in the manufacturing of stainless steels and other steel-based alloys, which are often used in highly specialised industries such as industrial, aerospace and the military.

Figure 2.14: Nickel production in Australia, FY14 to FY24[40]



As shown in Figure 2.14 above, Australia's nickel production levels underwent a period of decline across FY14 to FY19. However, Nickel production levels are expected to rebound and grow at an average rate of 9.7% between FY20 to FY24 off the back of favourable industry dynamics[41].

37. Office of the Chief Economist, Department of Industry, Innovation and Science, Resources and Energy Quarterly – June 2019.
38. BIS Oxford Economics – Commercial/Industry Report.
39. BIS Oxford Economics – Commercial/Industry Report.
40. BIS Oxford Economics – Commercial/Industry Report.
41. BIS Oxford Economics – Commercial/Industry Report.

2.4 Barriers to entry

While the provision of production and operational support services to mining companies is a competitive industry, there are several barriers to entry that can prevent the easy replication of a provider's service offering by new entrants to the industry.

- **Capital investment required:** The operations provided by mining services companies, including the ownership of bulk haulage heavy vehicles and crushing machines, require material capital investment to commence operations. The ability of new entrants to gain access to sufficient financing to fund this capital expenditure and develop operations at an efficient scale can be difficult, particularly without an established track record.
- **Vertical integration:** Key market players have elements of vertical integration in their operating model, which take time to establish and can be difficult for any new market entrant to replicate.
- **Established client relationships:** Successful players in the sector have established client bases and have built long-term relationships over many years. As a result of these relationships, the incumbent service provider is typically well-placed to secure work from existing clients on any committed expansion projects or new developments. It may be difficult for new entrants to quickly build up the required client base and reputation to create the profitable scale required to succeed in the sector. Further, there are costs and potential disruptions for a mine site operator if an incumbent service provider was to be replaced.
- **Reputation for safety and operational excellence:** Given the importance of a mining services provider in supporting a mining company to deliver on its annual production output, the reputation of a service provider is believed by MLG to be crucial in securing further work. Underpinning any company's reputation is often a strong management team and a skilled employee base. New entrants may find it difficult to develop a strong reputation, including as a result of difficulties in attracting high calibre staff or implementing operational best practices.

In addition to the above, based on MLG's own experience with its clients, MLG believes that mining service providers that own existing quarry operations and are able to produce and supply materials from those operations maintain a competitive advantage over mining services providers that do not have such operations. There are both costs and long lead times for commencing quarry operations in light of the stringent approval process. Accordingly, new market entrants may not be able to easily commence their own such operations.

Figure 2.15: Case Study, MLG and Northern Star

CASE STUDY – NORTHERN STAR RESOURCES

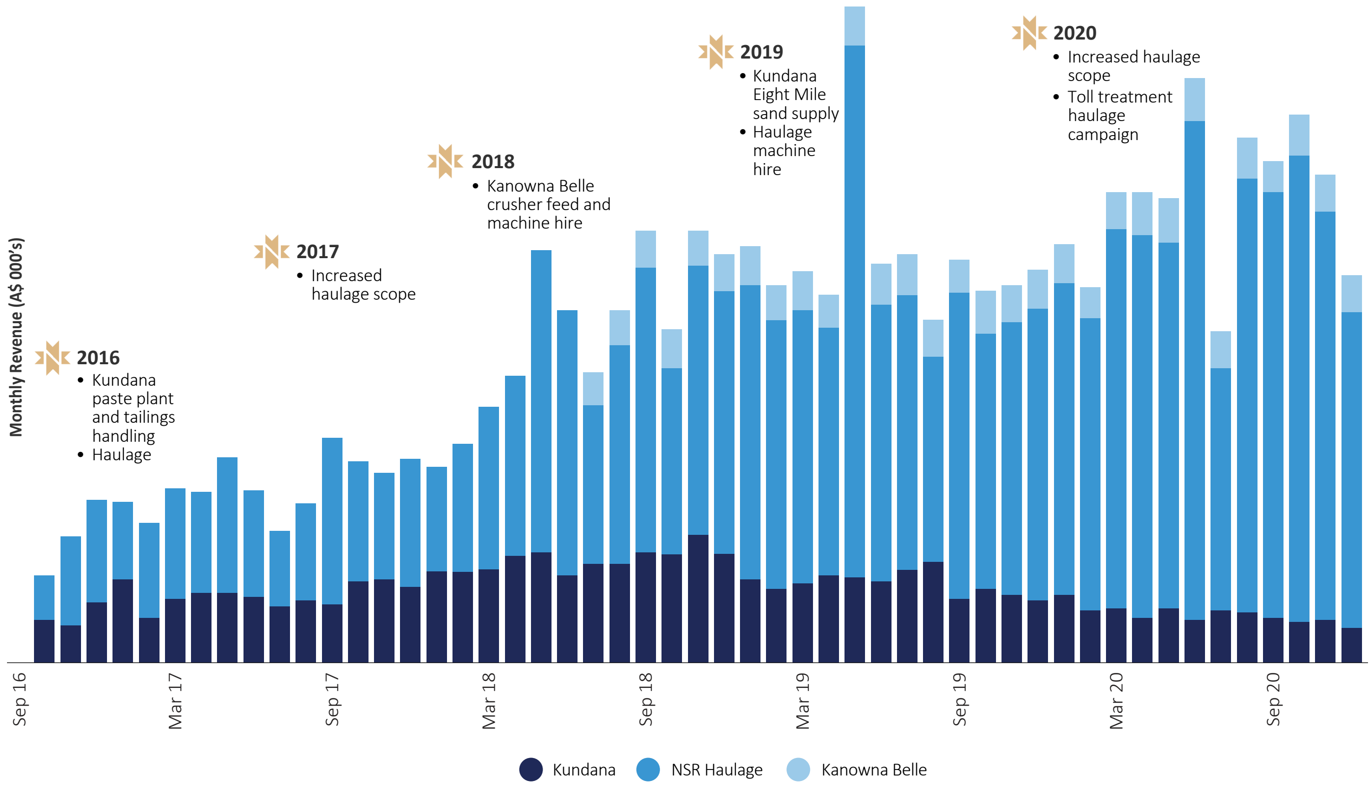
Description

Northern Star is a Western Australian gold explorer and producer, operating at sites throughout Western Australia, the Northern Territory and Alaska. MLG's relationship with Northern Star began in 2016, when MLG won a contract to provide tailings handling and general haulage services at the Kundana mine.

MLG's value add

MLG was initially contracted to perform tailing handling services and haulage solutions at Northern Star's Kundana mine. By establishing a reputation as a reliable provider, MLG was awarded an increased service offering across multiple Northern Star sites. By 2019, the MLG scope had expanded to include sand supply, crusher feed, machine hire, an increased haulage scope and haulage machine hire. MLG now operates across three key Northern Star locations.

The MLG – Northern Star Resources relationship



3. Company Overview

3.1 Summary

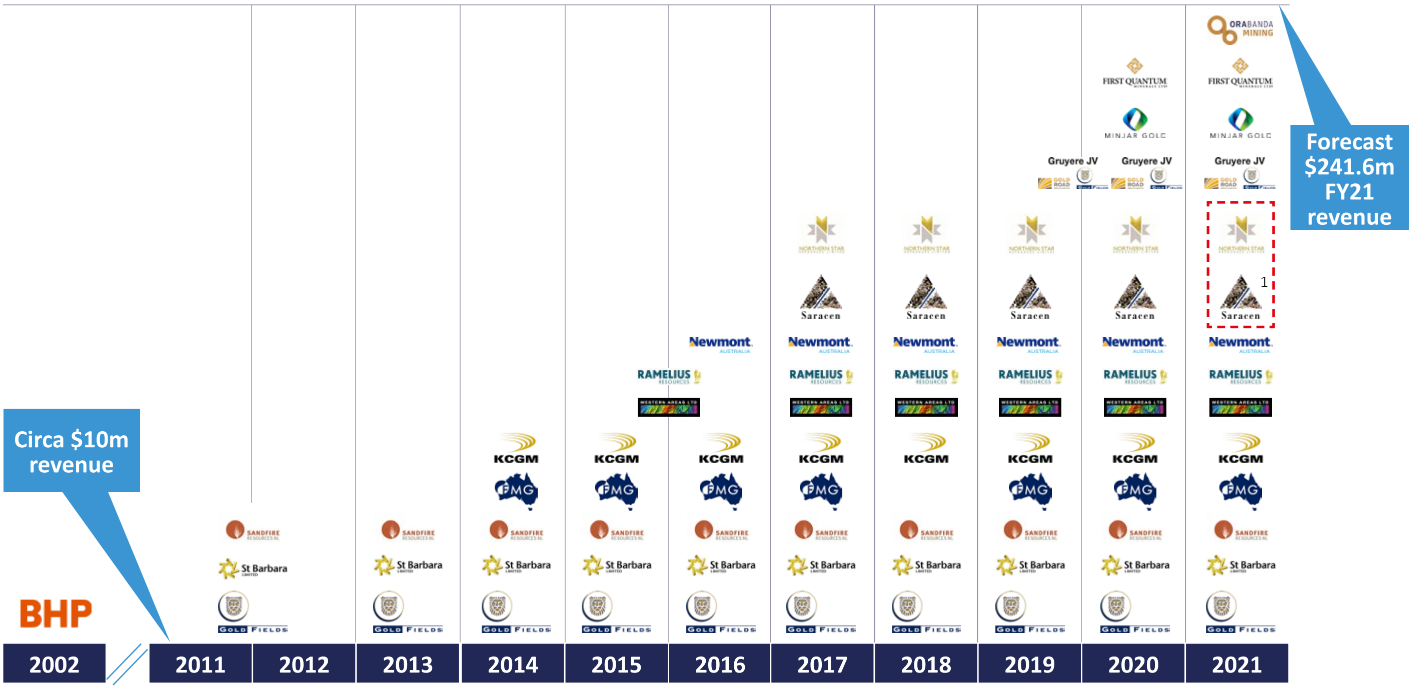
MLG was formally established in 2002 by its founder and Managing Director, Murray Leahy. MLG initially started as a small contractor, providing silica mining and haulage services for BHP under a single contract[1]. From this initial contract, the Company has since grown into a significant provider of key mine site and logistics services to the Australian mining and civil infrastructure industries, with operations now spanning 29 sites throughout Western Australia and in the Northern Territory.

MLG's client base includes some of Australia's largest resources companies in the gold, iron ore and nickel sectors. The Company places significant focus on securing and maintaining a client base that predominantly operate low-cost, long-life mining operations, providing some protection against commodity price volatility.

The Company's revenue and earnings are primarily driven by the volume of resource production at the mine sites of its clients through the provision of its service offerings. MLG has achieved significant organic historical growth through a philosophy focused on proactive maintenance, an ingrained safety culture and a client-partnership approach. This has resulted in MLG positioning itself as a key part of mine production at many of the operations of its clients.

The following Figure 3.1 depicts the development of MLG's client portfolio over time. MLG's historical revenue grew from approximately $10 million in FY11 to approximately $205 million in FY20, and is expected to further grow to approximately $241 million in FY21.

Figure 3.1: Establishment of MLG's client portfolio



1. Northern Star and Saracen merger via Scheme of Arrangement completed 12 February 2021.

MLG is headquartered in Kalgoorlie, Western Australia. As at 31 December 2020, the Company had 569 full time employees, 35 labour hire employees and 52 subcontractors, operating across 29 sites throughout Western Australia and the Northern Territory. The following:

- Figure 3.2 demonstrates the make-up of MLG's FY20 revenue by service offering as a percentage; and
- Figure 3.3 shows those commodities that MLG's clients produce at their projects and segments MLG's FY20 revenue by those underlying commodities and their contribution as a percentage to overall revenue derived by MLG from those projects.

1. This contract was secured by Murray Leahy in 2001 (prior to MLG's incorporation) and MLG took over the provision of services under the contract upon MLG's incorporation.

3. COMPANY OVERVIEW

Figure 3.2: MLG FY20 revenue by service offering

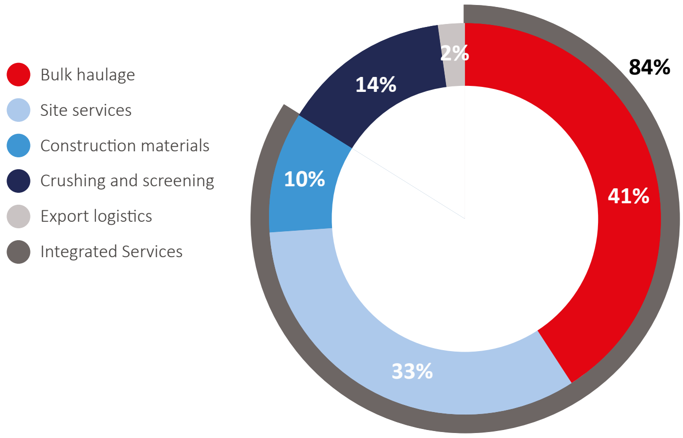
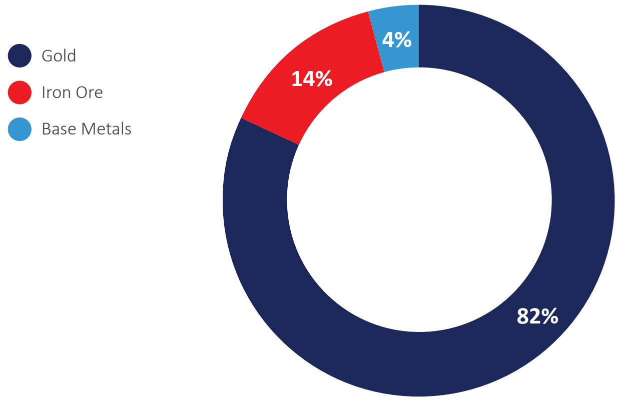


Figure 3.3: MLG FY20 revenue by commodity



3.2 History

MLG was formally established in 2002, operating under a single haulage contract for BHP. From 2004, the Company began investing in sand and hard rock quarries strategically located near certain key mining hubs, with the goal of becoming a provider of construction materials (such as sand, aggregate, cement and lime) to mining operations. MLG has successfully demonstrated that it is able to leverage the provision of construction materials to nearby mining operations to broaden its service offering to its clients and their operations, and to integrate those services within the operations of those clients. Once on site, MLG has a track record of expanding the scope of services provided, to include some or all of the supply of construction materials, mine site services, site haulage, crushing, screening, bulk haulage and export logistics.

In 2005, MLG signed its first sand supply contract with Holcim Australia, and in 2011 it secured its first integrated services supply contract at Gold Fields' Agnew site. This integrated services supply contract marked a step change in the way in which MLG conducts its business, as it was now able to offer an integrated platform to its clients.

In 2014, MLG was awarded its first contract-crushing contract with Fortescue, a relationship that continues as at the Prospectus Date, with MLG being awarded its first 'Build, Own, Operate' crushing at Fortescue's Christmas Creek operations, commissioning of which was completed in 2020. Geographic expansion to the Northern Territory was achieved in 2017, when MLG won its first contract at Newmont's Tanami gold mine. In pursuit of new markets and service offerings, and seeking to achieve further diversification across its portfolio, MLG pursued and signed its first supply contract for the delivery of lime to Gold Fields in 2019.

A graphical depiction of MLG's history and development is provided at Figure 3.4.

As it stands today, MLG is an established Western Australian company offering key mine site services, haulage and logistics solutions to a diversified client base with an extensive, well-maintained fleet and established market credibility in the Western Australian market. Almost two decades of striving to provide reliable, high-quality services to its clients has supported the establishment and maintenance of a portfolio of long-standing relationships with key clients.

The Company's continued pursuit of new clients and expansion of its service offering has resulted in consistent historical growth with pro forma historical revenue growing from $132.7 million in FY18 to $205.1 million in FY20 (a CAGR of 24.3% over that period) and is expected to grow further to $241.6 million in FY21. In FY20, the company generated pro forma historical EBITDA of $24.5 million (reflecting a CAGR of 25.3% over the FY18-FY20 period).

Figure 3.4: MLG Company Timeline

- **2002** – MLG founded by Murray Leahy
- First contract secured providing silica mining and haulage services for BHP
- **2004** – First sand quarry operation – 8 Mile Rock
- **2005** – First sand supply contract awarded to MLG by Holcim Australia
- **2007** – First hard rock quarry established Tarmoola Quarry
- **2011** – First integrated contract and services supply awarded at Agnew
- **2014** – First contract-crushing contract awarded to MLG by Fortescue
- **2017** – First contract outside of W.A, awarded at Tanami (Newmont)
- **2018** – Build, own, operate fixed plant crusher at Fortescue Christmas Creek
- **2019** – First lime contract awarded to MLG from Gold Fields
- **2020** – Construction and commissioning of fixed plant at Fortescue

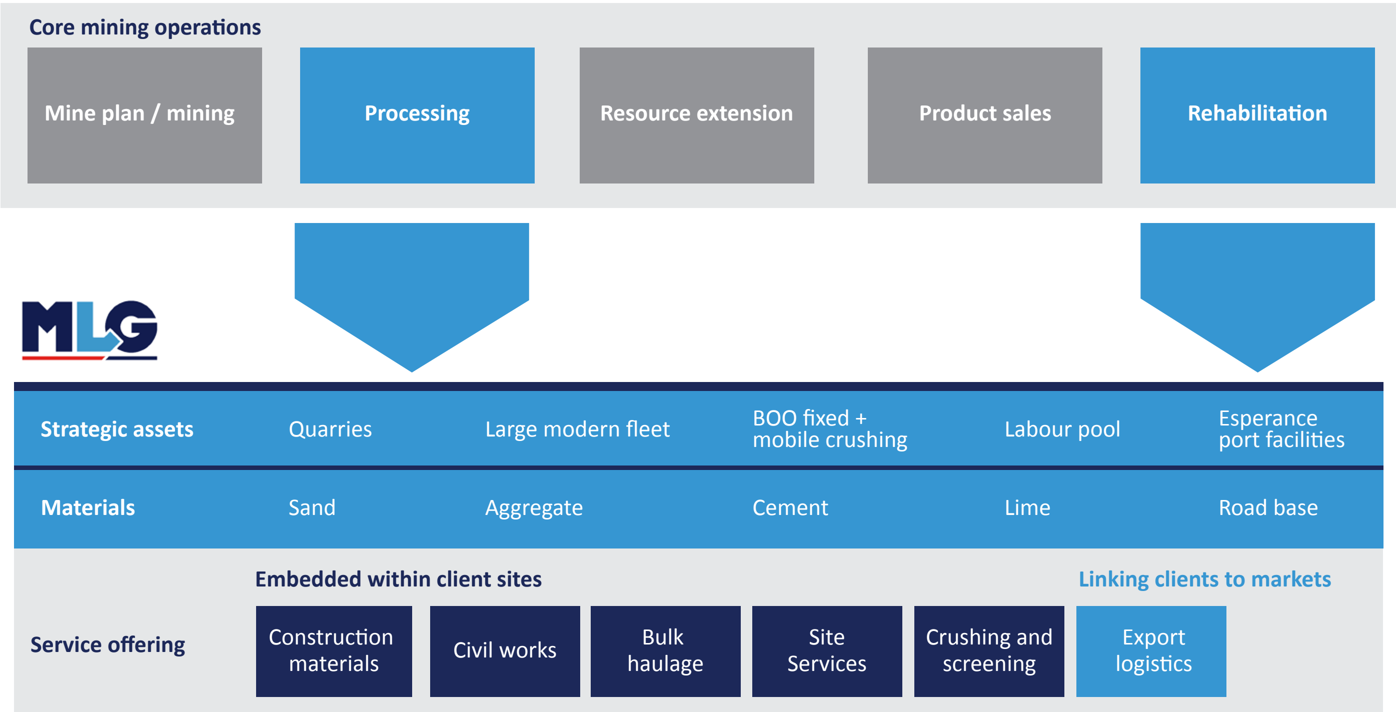
  Construction of Tails Dam for Goldfields

3.3 The MLG platform

MLG provides key mine site services, haulage and logistics solutions. The Company generates revenue through the provision of an integrated service model across the full mining production cycle from raw commodity production through to linking client operations to end markets.

Underpinning MLG's ability to deliver this integrated service offering is an extensive fleet of approximately 925 heavy vehicles and support equipment. The Company prides itself on having a culture of proactive maintenance in order to seek to ensure that the fleet is reliable and available to meet the demands of the client.

Figure 3.5: MLG's operating platform



The Company often seeks to utilise the construction materials it produces from its quarries as a key selling factor and strategic entry point into a client's operations. Through the provision of construction materials, MLG has demonstrated an ability to then expand the service offering it provides to include other services, such as haulage and transport services, crushing and screening, road maintenance, and other site and rehabilitation services.

The Company has a track record of expanding the scope of work at contracted sites of key clients, resulting in historical revenue growth. Through a combination of scope expansion and contract extensions, MLG positions itself as a key part of the client's production platform at many of its clients' operating sites. This furthers the relevant client's relationship with MLG to deliver services that are considered ancillary to the mining company. The strength of MLG's relationships with its clients (and the quality of MLG's clients and their operations) has helped to provide a level of protection against commodity price volatility.

MLG believes that a key component of the success of this business model has been the confidence that MLG's clients have developed in the quality and reliability of service provided by MLG. By ensuring timelines are met and projects are delivered, MLG has developed a reputation for service. This has been the cornerstone of MLG's success and has ultimately enabled the business to take on new clients, underpinning historical growth and resulting in greater revenue diversification. This is reflected in the FY20 results, as no more than 22% of pro forma historical revenue was sourced from a single client.

Importantly, MLG has developed and instilled a culture of ownership and pride. This culture was developed as the business expanded its service offering and client base. Accordingly, both MLG's staff and management are passionate about MLG's business and the services it offers.[2]

2. Barclay Safety Solutions – MLG Culture Report – August 2019.

3.4 Investment Highlights

MLG's key business strengths are described below. These should be considered in conjunction with Section 5, which outlines some of the risks associated with an investment in MLG.

a. Production critical service

MLG's business model is to seek to integrate the production support services it provides within its client's operations and position itself as a key part of their mine production. Clients trust MLG because of its track record of reliability, quality and safety; a reputation built over almost two decades of delivering for clients. MLG's ability to deliver on its commitments has resulted in a number of significant long-standing relationships and scope expansions on key contracts.

Central to MLG's culture is a proactive maintenance regime, which supports reliability of service and (in turn) better safety and profitability both for MLG and its clients.

b. Track record of growth and profitability

The Company has historically generated strong, consistent margins and return on capital. MLG has historically generated consistent growth as a result of its revenues being diversified by commodity and service offering and its services being provided to a wide range of clients. The Company recorded an organic revenue CAGR of 24.3% between FY18 – FY20 and a pro forma historical EBITDA CAGR of 25.3% over the same period. In FY21, revenue is forecast to grow a further 17.8% to $241 million and Pro Forma Forecast FY21 EBITDA is expected to grow a further 67.6% to $41 million at a pro forma forecast EBITDA margin of 17.0%. MLG's track record of consistent historical growth despite the cyclical nature of commodity prices is a testament to the resilience of MLG's business model and its portfolio of clients (and their operations). However, there is no guarantee that the Company's future performance will not be affected by known or unknown risks and other uncertainties or factors, some of which are summarised in Section 5.

Figure 3.6: Pro forma historical and forecast revenue

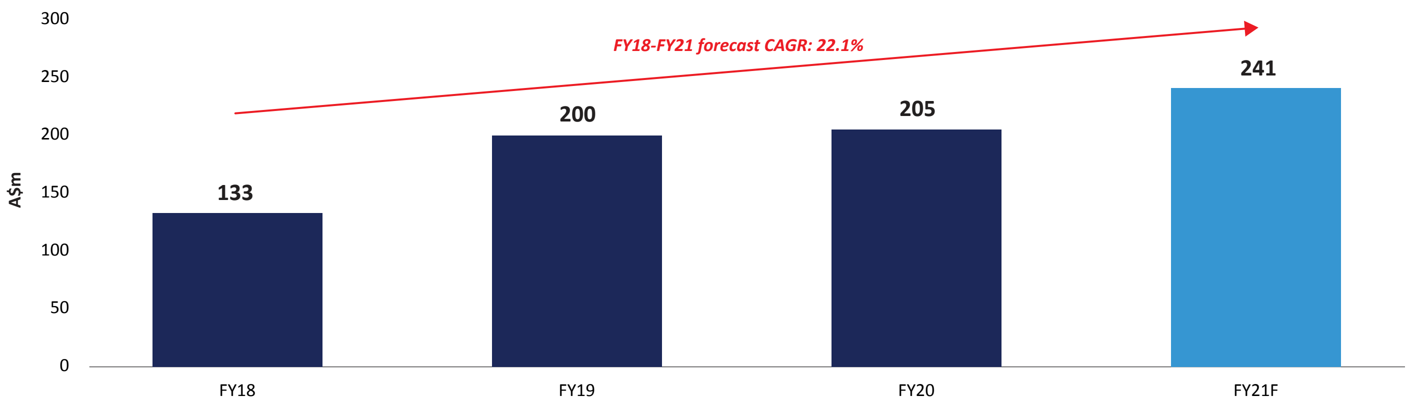
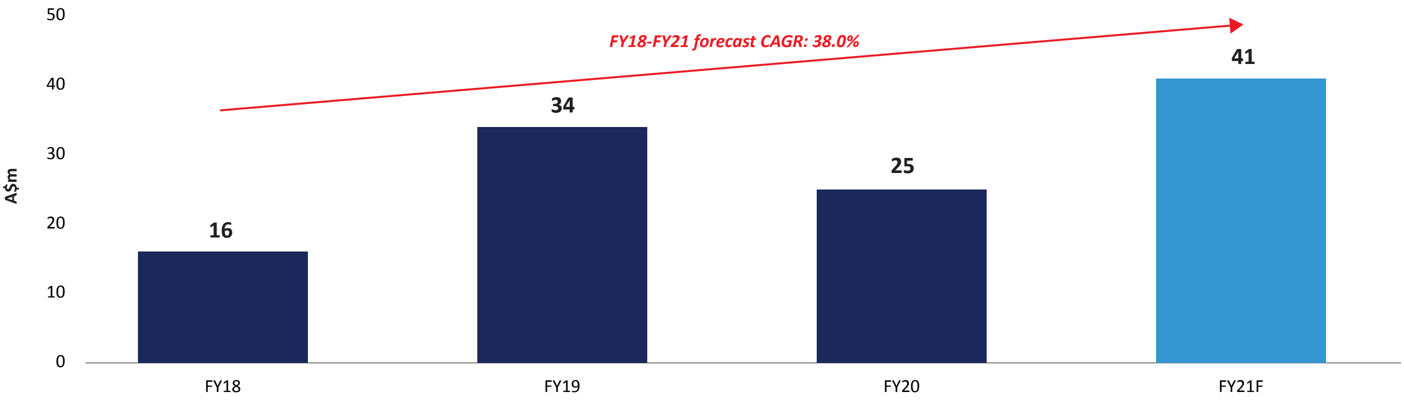


Figure 3.7 Pro forma historical and forecast EBITDA



c. Diversified and recurring revenue streams

Since its establishment, no client of MLG has terminated MLG's services and replaced MLG with another service provider. Once MLG is established in a client's operations, the Company aims to become a key element of the mine's production delivery. MLG's track record of contract renewals and scope expansions demonstrates that, for many of its clients, it has historically achieved this aim.

Revenue generated from MLG's services is diversified by commodity and service offering across a broad range of clients, providing some level of protection against the cyclical nature of the commodity markets and the risk associated with client or contract losses

Following successful tender of MLG's first 'Build, Own, Operate' contract, MLG has now completed the construction and commissioning of two crushing plants for Fortescue at its Christmas Creek operations. The establishment of this 'Build, Own, Operate' stream of revenue is intended to unlock a new stream of potential value generation for MLG, through MLG controlling both the build and installation of the infrastructure on the relevant client's site, as well as the operation of that infrastructure. MLG's contractual arrangements and relationship with Fortescue at its Christmas Creek project are an example of this.

d. Long-term relationships with high quality clients

MLG has a track record of maintaining long-standing relationships with its clients, as evidenced by a record of contract renewals and scope expansions.

e. Alignment and culture

From MLG's foundation, MLG's founder and Managing Director, Murray Leahy, has worked towards building an experienced management team with a track record of delivering growth and sound financial management, and building and instilling a culture where all employees treat the business as if it was their own. The management team believe this culture is a leading factor underpinning MLG's ability to achieve the historical year-on-year growth it has achieved to date.

From the outset, MLG has strived for a safety and client-led culture, empowering employees to work as one team with the client. A focus on maintaining a 'safety-first' culture has been a factor in MLG securing new contracts and contract renewals with existing clients[3].

f. Strategic asset base

Supporting the broader service offering, MLG has built a portfolio of strategically located quarries and operational hubs close to some key mining centres and clients. The supply of construction materials to mining companies has historically served as a strategic entry point into client operations, often resulting in a subsequent expansion of service offering.

3. Barclay Safety Solutions – MLG Culture Report – August 2019.

MLG also retains a well-maintained and modern fleet of approximately 925 heavy vehicles and support equipment, with an average fleet age of 6.0 years. The Company's proactive maintenance strategy (which involves pre-start inspections, mandatory maintenance and scheduled long-term servicing) supports fleet reliability, delivery of services and better safety outcomes for MLG (and its clients).

g. Anticipated favourable market dynamics

MLG's main commodity exposures are gold, iron ore and nickel. Production for iron ore and nickel is expected to grow for the period through to FY24 while gold production is expected be stable over the same period. Additionally, mining investment is expected to increase, following a period of reduced investment from FY14 – FY17[4]. This is particularly the case for MLG's two highest commodity exposures, gold and iron ore, which BIS Oxford Economics expect to undergo significant growth in investment. Several mining companies, including pre-existing clients of MLG, have announced plans for significant investment in mines in Western Australia over the next three years[5]. Any increase in mining investment would present an opportunity for MLG to seek to expand its service offering to some of its existing clients and service new clients in the future.

h. Significant potential growth opportunities

Both the Board and Management share a belief that MLG is well positioned to capitalise on a number of potential growth opportunities, both within the existing operating platform of Western Australia and the Northern Territory, as well as through expansion into other Australian states.

In the Western Australian and Northern Territory markets there are a number of identified opportunities to increase MLG's scope on current contracts and expand to further sites with existing clients. Furthermore, opportunities are available to implement MLG's existing platform in the operations of new clients and new commodity markets.

3.5 Vertically integrated service offering

MLG attributes its historical growth over the past two decades to the Company's ability to understand the needs of its client base, and the expansion of MLG's service offering and expertise in response to clients looking to outsource non-core operations in order to enable the client to focus on commodity recovery. There are several growth opportunities and new markets where MLG believes that it could replicate its service model through leveraging its existing client base. These potential growth opportunities are discussed further in Section 3.10.

Figure 3.8: MLG's vertically integrated service offering

Construction Materials and Quarries

- Strategic acquisition and positioning of quarry operations, throughout Western Australia near key regional centres
- Supply of bulk materials products for mining and civil projects
  - Sand
  - Aggregate
  - Cement
  - Lime

Site Services and Civil Works

- Crusher feed
- Road maintenance
- Rehabilitation work
- Vehicle maintenance
- Machine and labour hire

Crushing and Screening

- Contract crushing – mobile plant
- Build Owned and Operated-fixed plant
- Concrete aggregate production
- Road base production
- General screening

Bulk Haulage

- Bulk material transfer
- General site haulage
- Bulk ore haulage services (on road and off road)
- Logistics

Export Logistics

- Bulk material import/export
- Container handling
- Esperance Port facility

4. BIS Oxford Economics – Commercial / Industry Report.
5. Office of the Chief Economist, Department of Industry, Innovation and Science, Resources and Energy Quarterly – June 2019.

3. COMPANY OVERVIEW

a. Mine Site Services and Bulk Haulage

MLG provides general services to mine sites. This offering includes crusher feed, road maintenance, rehabilitation work, vehicle maintenance, machine and labour hire and mine site haulage. MLG's site service offering has expanded over time to incorporate further services that are considered non-core to the client but are nevertheless essential to the day-to-day activity of the mine.

This offering also includes the supply of sand, aggregate, cement and/or lime for mining and civil projects, which MLG sometimes utilises as an entry point into client operations. MLG has built a strategic asset base of quarry operations in close proximity to some mining hubs in order to position the Company as the closest and most-accessible provider of construction materials to the mining operations carried out within those mining hubs.

b. Crushing and Screening

Complementing the site services offering, the Company has the capability to provide a range of crushing and screening solutions. MLG is a provider of both mobile and fixed plant crushing units, concrete aggregate production, road base production and general screening.

c. Export Logistics

MLG provides on-road haulage services to transport product to Esperance Port and also provides export logistics and port services in the form of bulk handling, container handling and storage. This completes the end-to-end delivery model from raw commodity to the delivery of product to end markets.

d. Employee engagement

A key pillar of MLG's success has been the Company's focus on hiring and developing key talent. The Company has developed and implemented a recruitment strategy focused on ensuring that people with the correct skills and capabilities are attracted to, and retained within, MLG. This involves working closely with the resourcing team to identify and recruit new staff to bring into the business whilst continuing to develop existing talent.

As at 31 December 2020, MLG had 569 full-time employees and 35 labour hire employees, further utilising the services of 52 subcontractors within its operations. To seek to ensure that MLG attracts and retains talented personnel, MLG employees undergo regular remuneration reviews whereby the Company benchmarks the remuneration it offers against the market to ensure that MLG is offering a competitive remuneration package.

e. Employee engagement initiatives

MLG's management team ensures that adequate time is invested into the learning and development of its staff. Some of the key learning and development initiatives that the business implements include:

- **Leadership development opportunities:** MLG's management team actively create development pathways for employees and help staff to identify pathways towards senior positions in the organisation. These initiatives vary for each employee and situation, but may include project management responsibilities, ownership of internal processes and procedures, or executive shadowing opportunities.
- **Regular training:** Regular training (through both on the job learning and classroom-based training) forms a crucial element of up-skilling MLG's employees. MLG's training programme seeks to ensure all staff are appropriately skilled to perform their duties.

f. MLG's management team

MLG's management team comprises several highly experienced executives, who have a track record in senior leadership positions. The team is led by MLG's founder and Managing Director, Murray Leahy, who has led and grown the business since its establishment. The management team has a complementary mix of operational expertise in crushing and screening, haulage, finance, supply chain management, maintenance, and health and safety, providing a collective range of subject matter experts on topics considered critical to the historical growth and success of MLG.

3.6 Key locations

MLG undertakes operations across 29 sites throughout Western Australia and in the Northern Territory. The Company operates across a range of both Company and client sites as detailed below in Figure 3.9.

Figure 3.9: Overview of MLG's operations as at 31 December 2020

3.7 Client relationships, contract structure and typical terms

Since inception, the business has expanded significantly, with MLG now servicing the operations of more than 15 clients and providing key operational support services at 29 sites across Western Australia and in the Northern Territory. MLG's relationship with BHP (its first client) has lasted 19 years, which is a testament to the quality and reliability of the service offering MLG provides to its clients.

Set out below is a list of MLG's current 7 key clients, having regard to the tenure and nature of the relationship between MLG and that client, as well as the type of services provided or goods supplied by MLG to that client and the client's market standing, along with a brief summary about the respective clients and the length of their relationships with MLG.

3. COMPANY OVERVIEW

Table 3.1: MLG's key client snapshot[6]

CLIENT	DESCRIPTION	RELATIONSHIP LENGTH (YEARS)
BHP	BHP Group Limited engages in the exploration, development, production, and processing of iron ore, metallurgical coal, and copper. The company is headquartered in Melbourne, Australia. In FY20, MLG provided Sand and Stone services to BHP.	18 years
FMG	Fortescue Metals Group Ltd is one of the world's largest producers of iron ore, with wholly owned and integrated operations in the Pilbara region of Western Australia including the Chichester and Solomon mining hubs and the Western Hub, which is currently under development and home to the new Eliwana mine. In FY20, MLG operated on Fortescue's Christmas Creek site.	6.5 years
Gold Fields	Gold Fields Ltd is a gold mining company operating mines located in Australia, Ghana, Peru, and South Africa. The company is headquartered in Johannesburg, South Africa. In FY20, MLG operated at the St. Ives, Agnew, Gruyere and Granny Smith sites for Gold Fields.	8 years
Newmont	Newmont Goldcorp Corporation is a gold producer operating in the following geographical segments: North America, South America, Australia, and Africa. The company is headquartered in Greenwood Village, Colorado. In FY20, MLG operated at Newmont's Tanami site.	3.5 years
Northern Star Resources Limited	Northern Star Resources Ltd is a top ten gold producer and exploration company. Its assets include the KCGM Operations (including the Super Pit), Jundee, Thunderbox, Kanowna Belle, EKJV, Kundana, Carosue Dam and the South Kalgoorlie Operations in Western Australia, a 40% interest in the Central Tanami Project in the Northern Territory, and Pogo in Alaska. Northern Star's corporate office is located in Subiaco, Western Australia. In FY20, MLG operated at the Kanowna Belle, KCGM, EKJV, Kundana and Thunderbox operations in Western Australia.	3.5 years
Ramelius Resources	Ramelius Resources Limited engages in the development and exploration of gold mines. Its projects included Mount Magnet, Coogee, Vivien, and Edna May gold mines. The company is headquartered in Perth, Australia. In FY20, MLG operated on Ramelius' Mt Magnet, Vivien and Edna May sites.	3.5 years
Western Areas Ltd	Western Areas Ltd engages in the mining, processing, and sale of nickel sulphide concentrate. It operates the Flying Fox and Spotted Quoll nickel mines and is currently developing the Cosmos nickel project. The company is headquartered in Perth, Australia. In FY20, MLG operated on Western Areas' Forrestania and Cosmic Boy sites.	4.5 years

6. In alphabetical order.

Over time, MLG has built a multi-faceted offering that can be tailored to the client's needs. By providing a broad range of often tailored services, MLG has built a reputation for quality and timely service. This has supported MLG's historical ability to establish and maintain long-term client relationships.

MLG actively manages the level of exposure it has to individual clients. Client diversification reduces the reliance on any individual client or project. Further information in relation to MLG's contracting arrangements (including its largest contract and largest client by FY20 revenue) is set out in Section 3.7 (c).

The following:

- Figure 3.10 breaks down MLG's pro forma historical FY20 revenue by client;
- Figure 3.11 shows those commodities that MLG's clients produce at their projects and segments MLG's pro forma historical FY20 revenue by those underlying commodities and their contribution to overall revenue derived by MLG from those projects;
- Figure 3.12 shows MLG's FY20 pro forma historical revenue by reference to the expected contribution of its service offerings; and
- Figure 3.13 breaks down MLG's FY21 pro forma forecast revenue by reference to the expected contribution of its service offerings.

See further details at Section 4.8 about the assumptions underlying the MLG's FY21 pro forma forecast revenue.

Figure 3.10: FY20 pro forma historical revenue by commodity

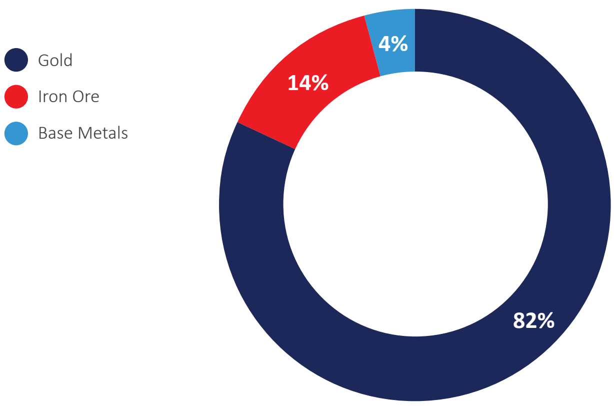


Figure 3.11: FY20 pro forma historical revenue by client

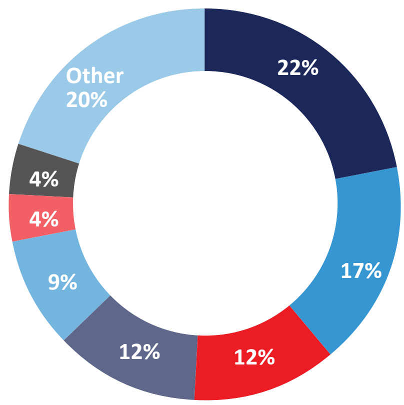


Figure 3.12: FY20 pro forma historical revenue by service offering[7]

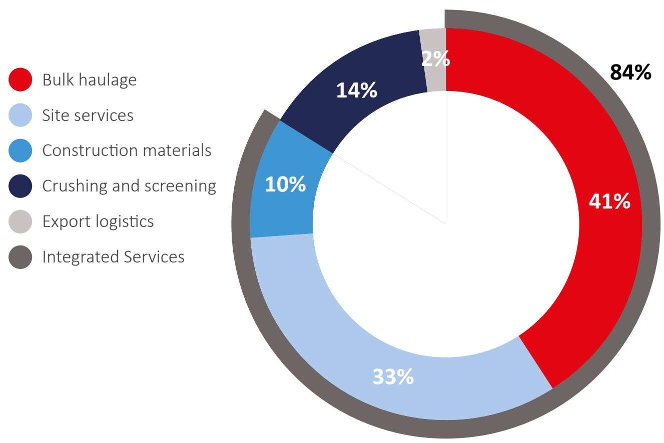
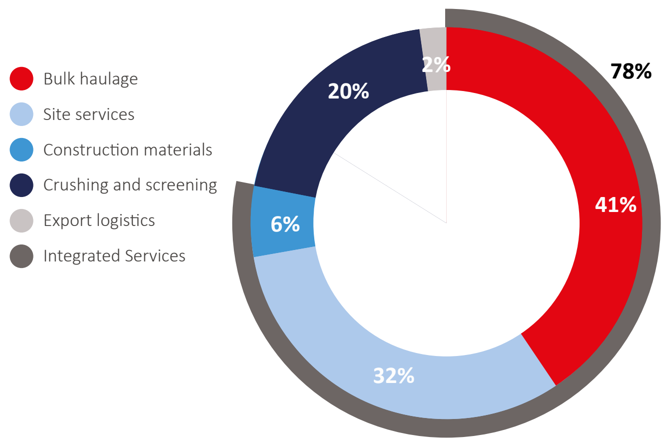


Figure 3.13: FY21 pro forma forecast revenue by service offering



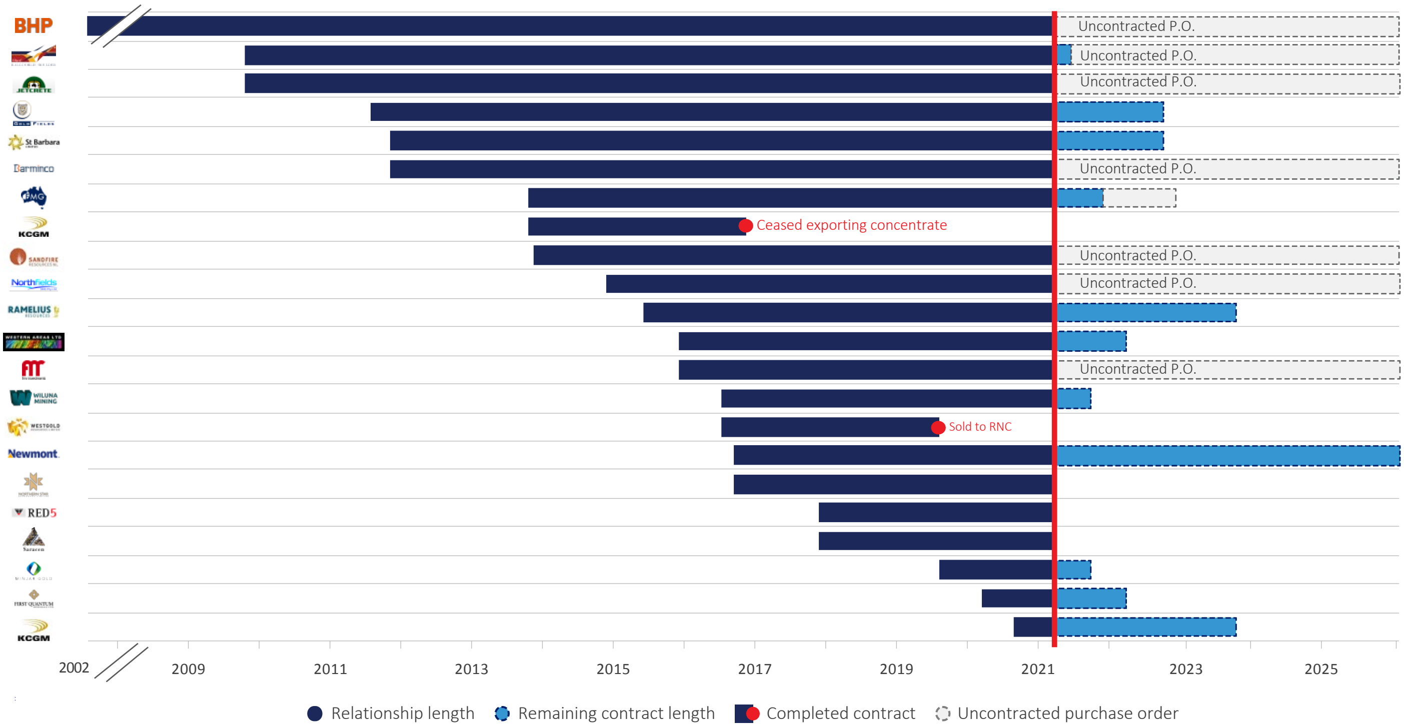
7. Full details about the Forecast Financial Information are provided in Section 4, including the specific and general assumptions on which they are based and associated sensitivity analysis.

3. COMPANY OVERVIEW

a. Client tenure

As set out elsewhere in this Prospectus, MLG has an established portfolio of long-standing relationships with key clients. Figure 3.14 below shows that, despite most of MLG's contractual arrangements being relatively short term and entitling MLG's clients to terminate at their convenience, since MLG's establishment, no client of MLG has terminated MLG's services and replaced MLG with another service provider.

Figure 3.14: Longstanding tenure with key customers[8]



Note: 1. Northern Star and Saracen merger via Scheme of Arrangement completed 12 February 2021

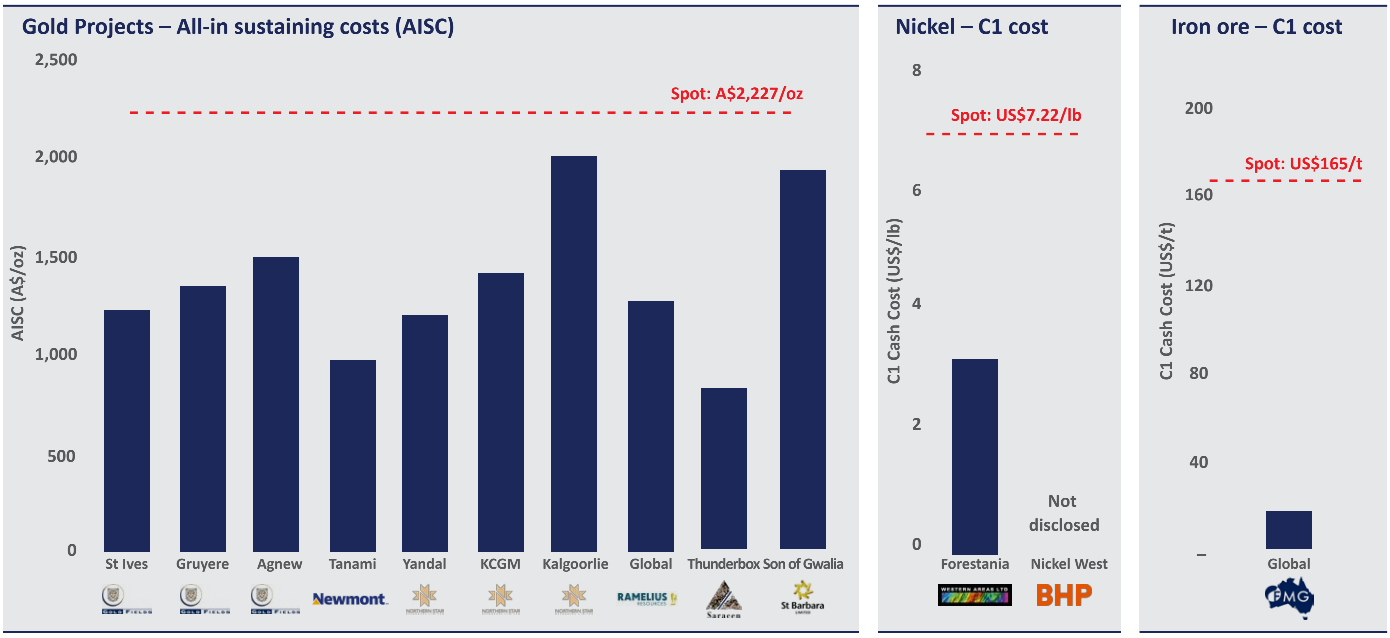
b. High quality client base

The Company places significant focus on securing and maintaining a client base with an overall production profile that favours lower cost, longer life mining operations. Specifically, MLG focuses on clients who are positioned to maintain a sustainable margin between the applicable, prevailing spot price for their product and their corresponding costs of production.

8. Where remaining contract length and/or a client extension option is/are specified for MLG's clients and the relevant client has multiple contracts in place with MLG, these bars reference the highest revenue generating contract with the client.

Figure 3.15 below sets out the all-in sustaining costs or c1 cost (as applicable) of production for each of MLG's key clients, as well as the spot price for the applicable commodity.

Figure 3.15: MLG client production cost summary[9]



c. Material operational contractual arrangements

As set out in Section 3.1 as well as Section 3.4(a), the revenue generated from MLG's services is diversified by both commodity and service offering across a range of clients.

MLG expects that:

- no more than 12% of MLG's FY21 pro forma forecast revenue would be generated from any one contract;
- no more than 19% of MLG's FY21 pro forma forecast revenue would be generated from any one client; and
- its 10 highest revenue generating contracts will generate approximately 83% of the MLG Group's FY21 pro forma forecast revenue.

Given MLG's business model and its approach to maintaining a diversified revenue stream under which MLG:

i. is not disproportionately reliant on any one contract or any one client; and

ii. seeks to maintain an operational footprint and associated fleet that generally enables it to deploy personnel and equipment to alternate sites (should any one such contracted project or client reduce the services requested from MLG, or suspend or terminate such services altogether),

MLG considers it appropriate to summarise the typical contracting terms that apply across its material services contracts.

By way of additional context:

- although MLG's top 5 customers by revenue generated collectively accounted for over 70% of MLG's FY20 pro forma forecast revenue, making these the contractual arrangements capable of having a material impact on MLG's ability to meet its financial and operational objectives in the near and medium term, and to meet the revenue and cash flow projections contemplated by the Forecast Financial Information, there are typically several individual contracts with each customer (with an individual contract for each of their operational sites);

9. Source: Company announcements, IRESS at market close 10 March 2021 Note: AISC and C1 cash cost data is for 6 months to 31 December 2020, excluding Gold Fields and Newmont (which are 12 months to December 2020).

- in terms of MLG's highest revenue generating clients:
  - the Gold Fields Agreements accounted for, in aggregate, 22% of MLG's total pro forma historical revenue in FY20, and are projected to account for 18% of MLG's total pro forma forecast revenue in FY21;
  - the Northern Star Agreements accounted for, in aggregate, 17% of MLG's total pro forma historical revenue in FY20, and are projected to account for 12% of MLG's total pro forma forecast revenue in FY21;
  - the Fortescue Agreements accounted for 12% of MLG's total pro forma historical revenue in FY20, and are projected to account for 12% of MLG's total pro forma forecast revenue in FY21;
  - the Newmont Agreements accounted for, in aggregate, 12% of MLG's total pro forma historical revenue in FY20, and are projected to account for 9% of MLG's total pro forma forecast revenue in FY21;
  - the Ramelius Agreements accounted for, in aggregate, 9% of MLG's total pro forma historical revenue in FY20, and are projected to account for 12% of MLG's total pro forma forecast revenue in FY21; and
  - other than the Fortescue – Christmas Creek Agreement, the contracting terms of the arrangements between MLG and each of these customers are broadly consistent with the typical structure and characteristics of the balance of MLG's material services contracts; and
- in terms of MLG's highest revenue generating contracts, the Fortescue – Christmas Creek Agreement accounted for approximately 10% of MLG's pro forma historical total revenue in FY20, is expected to account for 12% of MLG's total pro forma forecast revenue in FY21, and is the only individual contract expected to exceed 10% of MLG's total pro forma forecast revenue in FY21. Accordingly, this section of the Prospectus provides details about the typical structure and characteristics of MLG's services contracts and, where the Fortescue – Christmas Creek Agreement provides for a different approach, highlights that too.

For completeness, as mentioned elsewhere in this Prospectus, MLG generates the remainder of its revenue from the supply of construction materials to clients in the mining and civil infrastructure industries and from various shorter term crushing and screening contracts and intermittent haulage services. For these supply arrangements, there is typically no ongoing (and overarching) contract, with the terms of any supply being governed by the terms of the individual purchase orders issued to MLG by the relevant client.

i. MLG's general approach to contracting

MLG's services contracts are typically based on a general framework which is then tailored to address the specific needs of the client's project, whilst at the same time providing MLG with the contractual protections (and commercial certainty) it considers are reasonable in the circumstances.

Before entering into (or renewing) its service contracts, MLG analyses:

a. the underlying project, including its cost profile, mine plan and remaining life of mine; and
b. the services to be provided, including the extent of upfront costs that MLG would incur, the extent of the fixed costs MLG would incur on an ongoing basis and whether and within what time frame the equipment to be used in providing the services could be redeployed elsewhere (which redeployment capability is primarily driven by the proximity of the site for which the equipment is contracted relative to the other sites at which MLG operates, and the suitability of that equipment to such other sites).

Although the applicable scope of work is initially set at the beginning of the contract by reference to what both parties expect the services to involve, it is not uncommon for the scope of work to change over the life of the contract and that typically involves expansions or extensions to that scope of work (in each case, with agreement between MLG and the client).

So, whilst MLG does not have standard contracting terms that apply across its services contracts, there are some key characteristics that typically define its material services contracts. Details about those typical contracting characteristics, and the categories of specific terms that apply to MLG's services contracts, are set out below.

ii. Pricing structure – variable fee, fixed and lump sum costs

Typically, MLG's services contracts are priced on a variable basis in accordance with a schedule of rates, with the rates determined by a volume driver (such as tonnage or number of hours of work performed). Table 3.2 below sets out the typical pricing structure for each of the services offered by MLG. In some instances, the rates are tiered and decrease as prescribed volume driver milestones are surpassed during a particular month.

In addition to a variable fee component, MLG's contracts often also contemplate a fixed cost and/or lump sum component. Fixed cost components are typically included to address costs that MLG will incur regardless of the volume of services requested by the client. Lump sum components are typically included to reimburse MLG for one-off costs that will be incurred by MLG in performing the contract (such as the cost of mobilising its equipment at a site at the start of the contract, and demobilising that equipment at the end of a contract).

Table 3.2: MLG's typical pricing structure

SERVICE	PRICING METHODOLOGY
Construction Materials and Supplies	Australian dollars per tonne; based on kilometres, and tonnage and material supplied
Civil Works	Australian dollars per hour
Site Haulage	Australian dollars per tonne; based on kilometres and tonnage
Site Services	Australian dollars per hour
Mobilise and Demobilisation	Fixed, lump-sum rates
Crushing and Screening	Australian dollars per tonne
Bulk Haulage	Australian dollars per tonne; based on kilometres and tonnage
Export Logistics	Australian dollars fee and handling charges per tonne and per TEU
Day works/secondary works, including plant and equipment hire	Australian dollars per day or per hour
Variations to typical billing methodology	
Specific sites	Minimum fixed price per site – additional rates applied over certain volume
Tailing	Fixed price or Australian dollars per tonne
Paste Feed	Australian dollars per tonne or Australian dollars per hour
Tails dam screening	Fixed price or Australian dollars per hour (or per tonne)
Crusher Feed	Australian dollars per hour or Australian dollars per tonne

Certain of MLG's material services contracts include rise and fall provisions, which allow the contracted schedule of rates to be adjusted for changes in the underlying cost of fuel, labour and spare parts. Where such provisions are not included (so that MLG does not have a direct line of recovery for adverse movements in such costs), MLG nonetheless seeks to ensure that the applicable schedule of rates in those contractual arrangements is otherwise appropriate, including having regard to MLG's exposure to fluctuations in the costs of such fuel, labour and spare parts during the term of the contract.

3. COMPANY OVERVIEW

i. Term of contracts

MLG's services contracts are typically initially for terms ranging between 24 and 36 months, although MLG sometimes enters into shorter term agreements with existing clients (often for extensions to the scope of services being provided to an existing client at a particular site). They also generally include an option (in favour of the relevant client, or by agreement between MLG and the relevant client) to extend the contract for periods generally ranging from 12 to 24 months. MLG has demonstrated an extensive track record of contract renewal or extension as illustrated in Figure 3.14.

ii. Typically no minimum supply or spend obligation on the client

Where MLG's equipment has not been customised for the specific client and that site is proximate to other sites at which MLG is providing similar services (so that the equipment is easily redeployed by MLG to such other sites), the contract with that client typically would not require the client to request a minimum or other specified volume of services from MLG, or to spend a minimum or other specified amount for MLG's services.

However, where this is not the case, MLG typically seeks either a minimum monthly payment or a fixed costs component to its service fee; with that payment or component payable regardless of whether any services are ultimately requested by the client. Again, this fee structure typically arises in contracts under which MLG is required to incur material upfront costs or material ongoing fixed costs in providing the services.

iii. Termination for convenience

As is typical across the broader sector in which MLG operates, MLG's services contracts typically contain 'termination for convenience' clauses. These clauses entitle the relevant counterparty to terminate the applicable contract without cause by giving MLG a prescribed amount of notice. The extent of the notice required to be given is typically derived from how proximate the relevant site is to other sites where MLG is providing services (and therefore how quickly MLG's equipment can be redeployed elsewhere). Notice periods generally range from between 30 days and 60 days.

In some contracts, where a client terminates at its convenience, MLG will be entitled to a termination payment. A termination payment is typically sought where the relevant equipment is customised (and therefore not able to be easily redeployed elsewhere by MLG) and/or where MLG has incurred significant upfront capital investment. The termination payment is typically calculated by reference to a percentage of the value of the equipment and decreases progressively over the term of the contract.

iv. Suspension

MLG's services contracts typically permit the relevant client to suspend services at their discretion. Where such rights are exercised, MLG is generally entitled to either a standby/suspension rate (calculated on a daily or monthly basis) or has a right to recover the reasonable costs it incurred as a result of the suspension.

v. Purchase rights

Most of MLG's services contracts do not provide the relevant client with a right to purchase MLG's equipment following the expiry or termination of the contract. However, MLG will consider agreeing to a right for the client to purchase MLG's crushing equipment upon termination or expiry of the contract where the contract involves fixed equipment (as opposed to mobile equipment) as well as upfront costs for both MLG and the client.

This is the case for the Fortescue – Christmas Creek Agreement, which is the only of the MLG Group's revenue generating services contracts that provides the client with a right to purchase MLG's equipment upon termination or expiry of the contract at a pre-agreed purchase price that decreases over the term of the agreement. The Fortescue – Christmas Creek Agreement required MLG to construct and commission two crushing and screening plants, which MLG has completed.

If Fortescue elects to purchase MLG's equipment on expiry or termination of that agreement, MLG will be entitled to payment of the applicable, pre-agreed purchase price.

vi. Representations, warranties and indemnities

Most services contracts will require MLG to give customary representations and warranties in relation to MLG's obligations under the applicable contract; generally relating to MLG's ability to provide the services and to meet the requisite standard for delivery of the services.

In addition, as is customary for the industry in which MLG operates, MLG is typically required to provide broad indemnities in favour of the client in relation to compliance with MLG's obligations under the contract. MLG will typically seek to limit its liability under those indemnities to direct (as opposed to indirect) losses, but that is not always achievable.

vii. Insurance

Under its services contracts, MLG is generally required to obtain and maintain certain insurance coverage; including public and product liability insurance, workers' compensation insurance, property plant and equipment insurance, and motor vehicle insurance.

Some of MLG's contracts also require MLG to obtain and maintain professional indemnity insurance, industrial special risks insurance or other specific insurance coverage as required by the client.

Regardless of the specific requirements of any client or contract, MLG seeks to ensure that at all times it has in place insurance coverage that is both appropriate and reasonable, having regard to the nature of its business and the industry and environments in which it operates.

viii. Renewals

Approximately half of MLG's highest revenue generating services contracts have either expired (and MLG is continuing to provide services to the applicable client on an uncontracted basis, on the basis of the terms contemplated by the now-expired contract) or are due to expire during the 12 months following the Prospectus Date, unless extended by the applicable client (or by agreement between MLG and the client). To date, nothing has come to MLG's attention that causes MLG to believe that any of these contracts (including those expired) would not be extended or renewed for an additional period, in the ordinary course. That belief is supported by MLG's historical track record in both:

- securing renewals or extensions of existing contracts; and
- (more broadly) establishing and maintaining long-standing relationships with its clients.

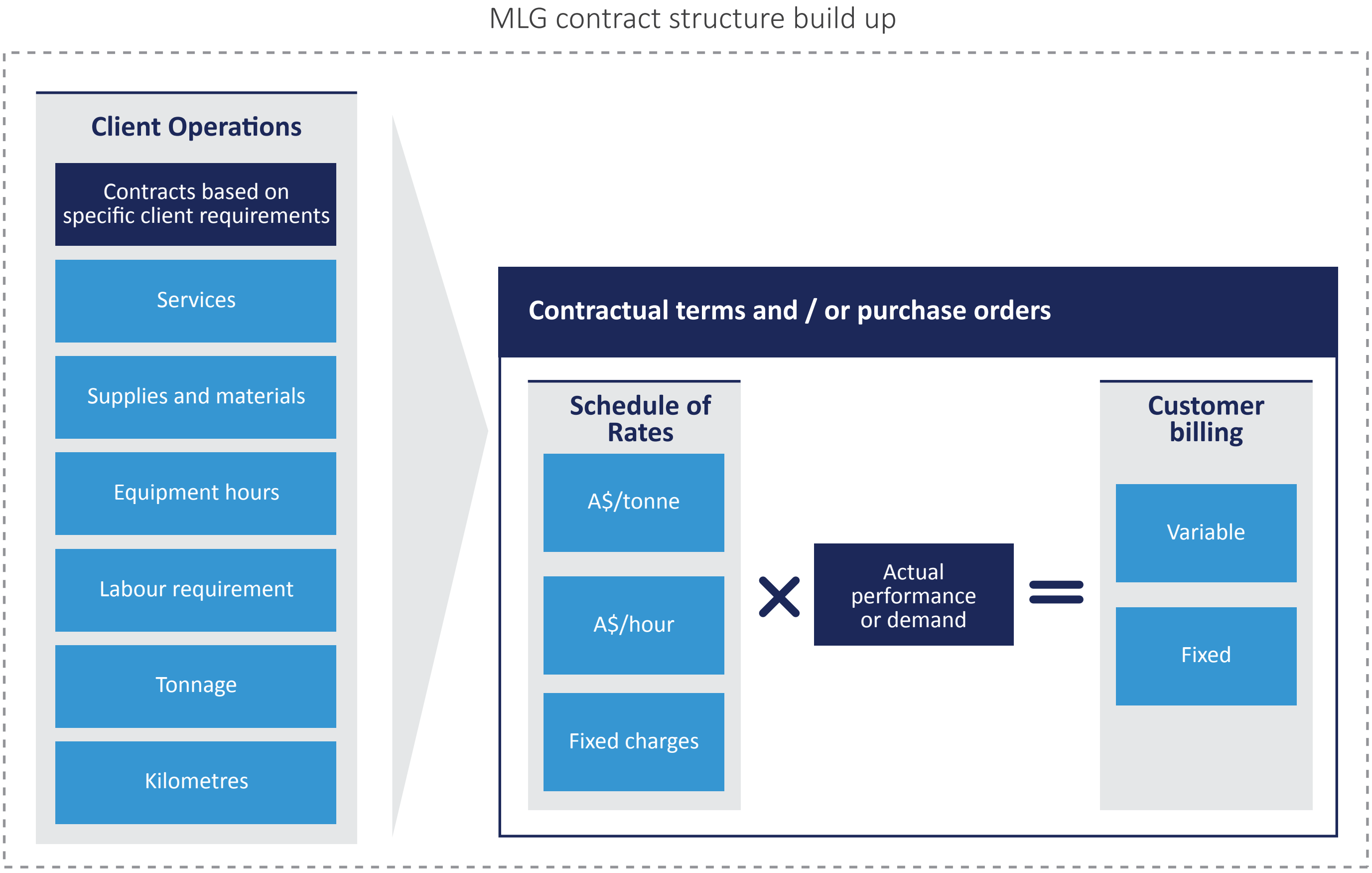
Furthermore, since its establishment, no client of MLG has terminated MLG's services and replaced MLG with another service provider.

Section 5.2(a) ('Contract risk') provides details about some of the risks associated with MLG's contracting model, including the specific characteristics and terms of its service contracts as outlined above.

Sections 4.7 and 4.9, respectively, outline management discussion and analysis with respect to MLG's Historical Financial Information and MLG's Forecast Financial Information. Sections 4.7 and 4.9 also provide further context about the operating and financial environment in which MLG's performs, and generates revenue from, the service contracts discussed in this Section 3.

3. COMPANY OVERVIEW

Figure 3.16: Approach to contractual terms



Typical billing methodology[1]

Service	Billing Methodolgy (all clients are invoiced in Australian dollars)
Construction Materials	Per tonne based on kms and tonnage
Civil Works	per hour
Site Haulage	per tonne based on kms and tonnage
Site Services	per hour
Mobilise and Demobilisation	fixed rates
Crushing and Screening	per tonne (in FMG's case with minimum throughout)
Bulk Haulage	per tonne based on kms and tonnage
Export Logistics	fee and handling charges per tonne and per TEU

d. Material property leases

A summary of each of the material property leases to which MLG is a party is set out in Table 3.3 below.

The lessors under the Craig Road Lease and the Coath Road Lease are related party arrangements; because Murray Leahy and his spouse are the lessors (in the case of the Coath Road Lease) and other relatives of Murray Leahy, for the purposes of section 228(3) of the Corporations Act, are the lessors (in the case of the Craig Road Lease). The Board considers that the terms of each of the Coath Road Lease and the Craig Road Lease are on arm's-length, commercial terms.

Table 3.3: Key terms of material leases

PREMISES	10 YINDI WAY, BROADWOOD WA 6430 LOT 501 ON DEPOSITED PLAN 41211 CERTIFICATE OF TITLE 2577 FOLIO 268	22 COATH ROAD, WEST KALGOORLIE WA 6430 LOT 22 ON DIAGRAM 84149, CERTIFICATE OF TITLE 1961 FOLIO 589	LOT 17 CRAIG ROAD, WEST KALGOORLIE WA 6430 LOT 17 ON PLAN 18892, CERTIFICATE OF TITLE 2188 FOLIO 300	PART OF LEVEL 4, LONDON HOUSE, 216 ST GEORGES TERRACE, PERTH WA 6000 LOT 103 ON DIAGRAM 69875 CERTIFICATE OF TITLE VOLUME 1901 FOLIO 119 AND LOT 25 ON DIAGRAM 17906 CERTIFICATE OF TITLE VOLUME 1900 FOLIO 380
Landlord	Vier Pty Ltd, Jonathan Christopher Fyson, Jemma Miranda Fyson and Dominique Rose Fyson	Timothy John Leahy and Irene Merle Leahy ATF The TJ and IM Leahy Family Trust	Murray Ian Leahy and Michelle Joan Leahy	Hawaiian Investments Pty Ltd ACN 060 298 875
Use	General industry	Heavy duty haulage and screening	Hard stand	Head corporate office
Term	5 years commencing on 1 February 2018 and expiring on 31 January 2023	5 years commencing on 1 January 2017 and expiring on 31 December 2022	3 years commencing on 1 November 2018 and expiring on 31 October 2021	2 years and 3 months commencing on 1 October 2019 and expiring on 31 December 2021
Annual rent	$360,000 plus GST	$120,000 plus GST	$120,000 plus GST	$270,650 plus GST (as at 1 January 2021)
Rental increases	Annual CPI increases during the initial term, market review on the exercise of the option to extend and annual CPI increases during the further term	Nil	Annual CPI review during the initial term, on the exercise of the option to extend and annually during the further term	Fixed 3.23% increase on 1 January 2022, if the option to extend is exercised
Options to extend	1 x 5 years	1 x 5 years	1 x 3 years	1 x 1 year
Termination rights	Default based termination only	Default based termination only (including for any change of control without consent)	Default based termination only	Default based termination Landlord may terminate on 12 months' notice if it wishes to redevelop the premises
Additional comments	Outgoings payable in addition to rent	Operating expenses payable in addition to rent	Outgoings and utilities payable in addition to rent	Outgoings payable in addition to rent

3. COMPANY OVERVIEW

e. Other arrangements

MLG is a lender under certain loan arrangements with an entity in which Murray Leahy has an interest (described and quantified in Section 4.4(b)). As mentioned in Section 4.4(b), subject only to Completion of the Offer occurring, Murray Leahy has irrevocably undertaken in favour of MLG that, within 60 days after Completion of the Offer, he will pay (or procure the payment to) MLG (or procure the payment MLG of) all amounts necessary to repay and satisfy these loan arrangements in full; such that they will cease to exist shortly after Completion of the Offer.

Murray Leahy will purchase MLG's Kalgoorlie Airport Hangar from MLG on the 1 July 2021 for the written down value of the Hangar (as at 30 June 2021). As at 28 February 2021 the current written down value of the Hangar is A$379,204.

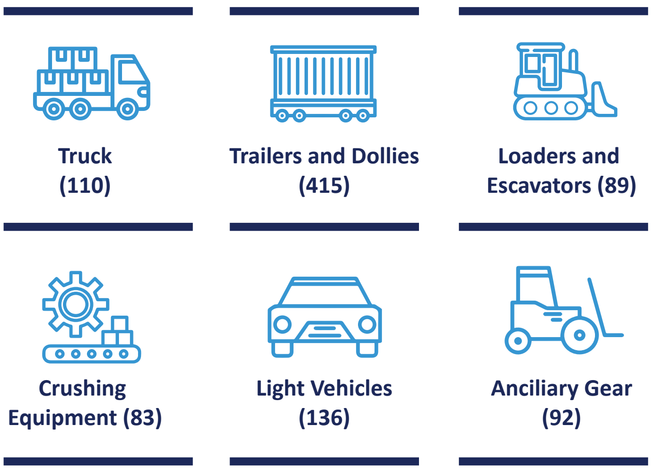
The key terms of the Executive Services Agreements with Murray Leahy, Managing Director and Chief Executive Officer, and Phil Mirams, Chief Financial Officer, are outlined in Section 6.8.

Summaries of the key terms of other material agreements entered into in connection with the Offer (namely, the Underwriting Agreement, the Sale Deed and the Voluntary Escrow Deed), are provided in Section 9.

3.8 Fleet overview

MLG has a well-maintained and modern fleet of approximately 925 heavy vehicles and support equipment. The company maintains a philosophy of proactive maintenance to drive reliability of service and (in turn) support better financial outcomes for MLG (and its clients).

Table 3.4: Details of MLG's fleet



Asset type	Number	Approximate average age (years)
Trucks	110	7.3
Trucks	415	6.8
Loaders and Excavators	89	8.6
Crushing – Fixed Plant	2	1.1
Crushing – Mobile Plant	81	5.9
Light & Services Vehicle	136	6.2
Ancilliary Gear	92	6.0
Total	925	6.0

a. Maintenance philosophy

MLG drives a culture of proactive maintenance, striving to ensure reliability of service and profitability[10]. All equipment is constantly tracked, and maintenance records are monitored. The schedule of maintenance requirements follows a regulated process for all equipment as follows:

Pre-Start Inspections
(At the beginning of all shifts)

→

Weekly Downtime
(Inspection and maintenance activity for 1 shift per week)

→

Longer Term Maintenance
(Inspection and maintenance in line with manufacturer recommendations)

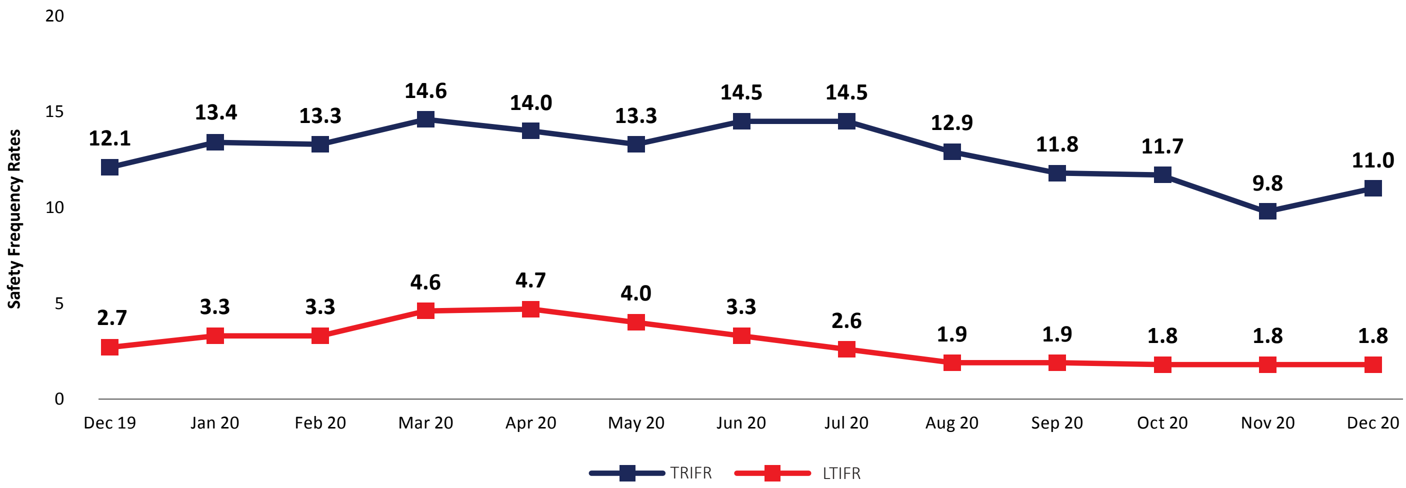
MLG has well-equipped maintenance workshops in 19 locations, which includes two Kalgoorlie-based workshops, one Perth based workshop and sixteen strategically located workshops either on, or near, key client operations. Often, MLG will also utilise its own workshops to provide service maintenance for the client's equipment. MLG maintains equipment maintenance schedules, with regular services considered mandatory. Logbooks and service schedules are frequently monitored. Dedicated, experienced maintenance staff with specialist skills carry out the activities across MLG's various workshops.

10. Barclay Safety Solution – MLG Culture Report – August 2019.

3.9 Safety and risk management

MLG prides itself on delivering services safely and consistently recognises the importance of safety throughout the business. MLG's focus is to conduct operations in a way that has a zero-negative impact on its employees, business partners and the communities in which it operates. This has been vital to not only attracting and maintaining talent, but MLG's focus on safety has also been acknowledged and recognised by key clients.

Figure 3.17: Historical safety statistics[1]



An independent expert report, performed on an MLG operated site, noted that MLG's key management personnel and leaders are *'demonstrating a strong value for the safety of their people'*, whilst the overall safety culture is *'positive and has demonstrated characteristics of high trust and low fear'*[11]. MLG has fostered an open culture, and in the report it was noted that leaders are viewed as approachable by MLG staff, with employees happy to speak up as required. This considered approach has resulted in a Lost Time Injury Frequency Rate (**LTIFR**) of 1.8[12], which is below the broader industry average of 5.88[13] for mining and 8.99 in transport. MLG note that the safety approach also improves operational performance, as it increases efficiencies and allows it to capitalise on opportunities as they arise.

Road safety

With MLG providing on-road haulage services, road safety is rightly at the forefront of MLG's health and safety focus. While MLG is accredited under the Western Australian Heavy Vehicle Accreditation Scheme, it also undertakes an ongoing, proactive approach to promote road safety, including:

- road safety training for new starters;
- road hazard briefings during meetings; and
- continual road safety 'health checks' to ensure all MLG employees understand the risks of operating around roads.

Fatigue management plays a central role in ensuring road safety at MLG. While MLG has fatigue related policies, processes and training to support its drivers, MLG also utilises technology to minimise the risk of fatigue related events. MLG vehicles are fitted with in-cab monitoring systems which detect fatigue and distraction events, and alert the driver, greatly minimising the risk of a fatigue or distraction related accident.

Importantly, MLG's fleet is well-maintained and regularly serviced. This helps ensure that the risk of accidents, breakdowns and mechanical failures is minimised as far as possible. MLG's haulage capabilities are centred around moving relatively lower-risk commodities (rather than explosives or fuels), reducing the risk of fires, explosions or other potentially serious accidents.

11. Barclay Safety Solutions – MLG Culture Report – August 2019.
12. All employees of MLG as at 31 December 2020.
13. Key OSH Statistics, Western Australia: Work-related lost time injuries and diseases in Western Australia 2018-19 https://www.commerce.wa.gov.au/sites/default/files/atoms/files/key_osh_stats_2020.pdf.

3.10 Company strategy and growth strategy

The ability to provide bespoke production solutions for each client's operations has underpinned MLG's historical growth to date. By providing bespoke production solutions, MLG often becomes integrated into the client's operations and supply chain, with the business showing a history of expanding the scope of contracted operational services to many clients. This strategy has resulted in significant historical revenue and earnings growth.

MLG has identified a number of potential growth opportunities that it is actively pursuing. Growth prospects are diverse, and MLG believes that the following are the key opportunities that have the potential to drive further growth for the MLG Group.

a. Further contract wins

MLG will continue to build on its successful model of utilising a differentiated business capability to provide multiple support services in one delivery framework. There are several identified opportunities in the medium term, including potential contract wins with new clients and assets across a range of commodities, as well as opportunities for MLG to consolidate its position as a key component of the operations of its existing clients.

b. Expanded service offering

The ability to offer a differentiated range of capabilities within the production process of its clients has supported MLG's historical growth to date. Rather than being limited to mining services, haulage or construction materials supply, MLG has integrated these services into one delivery model. The ability to expand MLG's scope offering may assist in providing MLG with a competitive edge in future tender processes.

c. Pursuit of strategic assets

Management has identified some strategically located quarries near long-life mining operations in Western Australia. The location of the quarries is important as it can provide operators of quarries which are geographically closer to mining operations with a competitive advantage over other suppliers for supply to those mining operations as they are likely to have lower transport and handling costs. A component of MLG's strategy for growth will involve pursuing such strategic quarry assets in order to potentially create a strategic advantage for any future tender opportunities.

d. Bolt-on acquisition opportunities

MLG has also identified a number of potential acquisition opportunities that could be complementary to the current business. Management anticipates that potential acquisition targets could broaden the service offering and/or geographical location of MLG and provide an opportunity for future growth.

The opportunity to replicate the MLG model across other Australian states provides further potential for MLG to continue its historical growth trajectory, as it will enable exposure to a broader selection of mining operations and potential new clients. MLG believes this could be achieved via strategic acquisitions, organic growth or a combination of both. In general, MLG will seek to target strategic assets, with businesses that have a complementary service offering, such that it will be able to replicate MLG's existing integrated service model.

e. Commodity market diversification

Historically, MLG's portfolio of work has largely provided an exposure to low-cost, long-life gold, nickel and iron ore mining operations and end markets. This has been the function of strategic decision making and selective client tendering by management. Post-IPO, MLG will seek to obtain exposure to other commodities and commodity markets to further its portfolio diversification and exposure to long-life assets. A more diverse commodity exposure will also provide opportunities to increase the project pipeline and create greater geographical diversification as the business expands into different mining operations across Australia.

f. Australia-wide operations

MLG has identified significant potential opportunity to expand the scope of MLG's offering to mining and non-mining clients and operations across Australia. Multiple potential growth opportunities have been established, and a more active pursuit of these selective, complementary initiatives may enable MLG to continue on its historical growth trajectory.

3.11 MLG is positioned to capitalise on industry tailwinds

Western Australian gold producers are creating 'hubs', commonly targeting deposits within 100km of their existing milling infrastructure. The ability to transport to nearby mills has the potential to unlock exploration and excavation of mineral deposits that lack sufficient scale to justify standalone milling infrastructure (which, in turn, has the potential to create further scope expansions that could be awarded to MLG). This is evidenced by the number of recent examples of gold producers acquiring smaller bolt-on deposits or other production centres within trucking distance to their existing milling infrastructure, as set out in the Figure 3.18 below.

Figure 3.18: Recent WA mining transactions

DATE	BIDDER	TARGET	COMMODITY	LOCATION	TYPE
2020	Northern Star	Saracen	Gold	WA	Merger
2020	Dacian	NTM	Gold	WA	Bolt-on
2020	Novo	Millennium	Gold	WA	Bolt-on
2020	Regis	Ben Hur	Gold	WA	Bolt-on
2020	Genesis	A&C	Gold	WA	Bolt-on
2020	Ramelius	Spectrum	Gold	WA	Bolt-on
2019	Silver Lake	Egan Street	Gold	WA	Bolt-on
2019	NST	Echo	Gold	WA	Bolt-on
2019	Saracen	Bligh	Gold	WA	Bolt-on
2019	Silver Lake	Doray	Gold	WA	Merger
2019	Ramelius	Explaurum	Gold	WA	Bolt-on

As producers grow and bolt in additional deposits and production centres, able to blend and optimise between processing facilities (e.g. Northern Star in Kalgoorlie and Yandal regions post Saracen merger, with multiple milling sites).

As the numbers of hubs expand, and smaller deposits are bolted into the hubs, operations require new infrastructure such as roads and more complex logistics.

Both Australian gold and iron ore miners also face declining grades, requiring greater crushing capacity and bulk tonnage earth and ore movement.

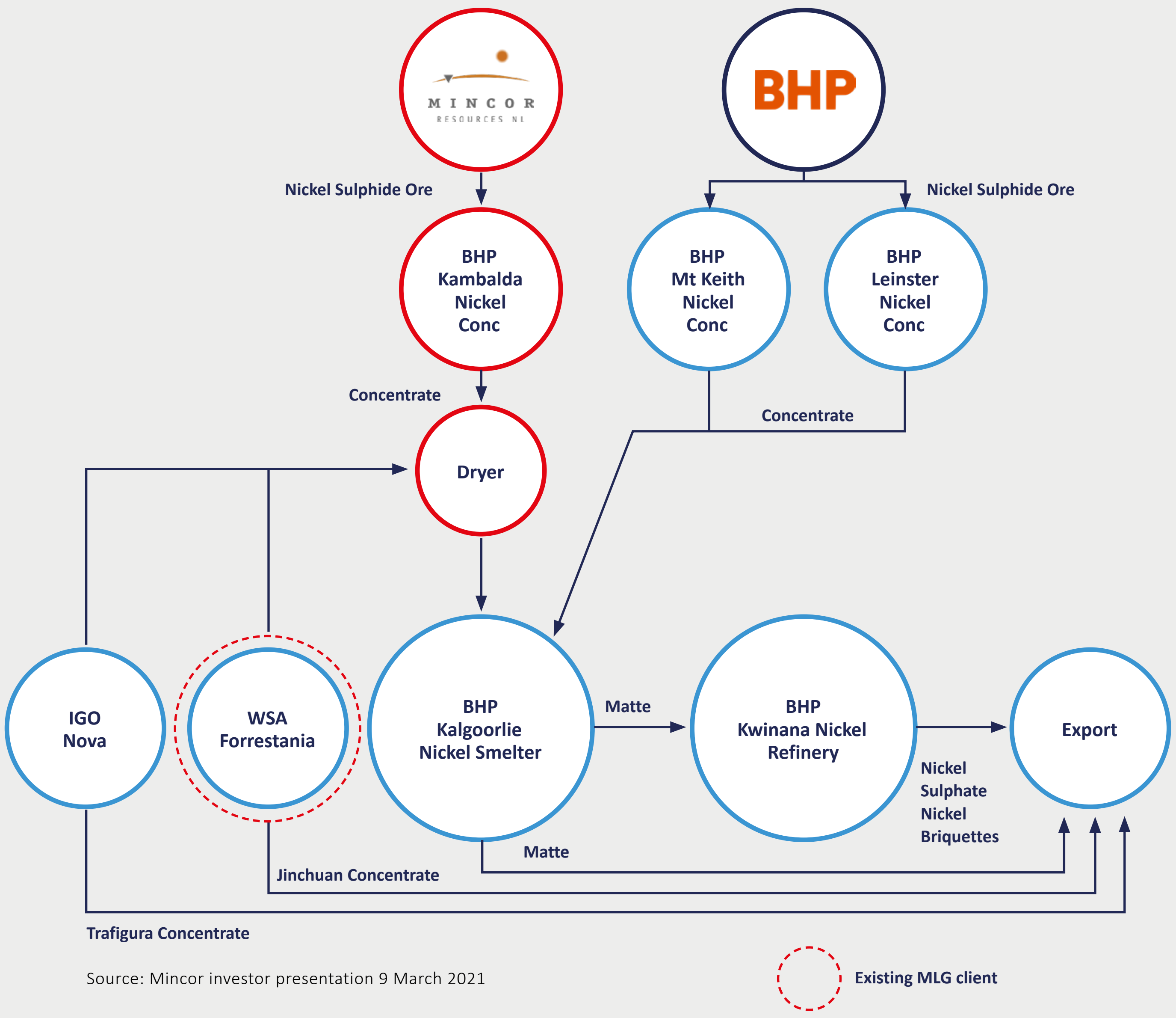
MLG is also well positioned to continue expanding its existing service offering in the Western Australian base metals market; in particular, amongst Western Australian nickel companies.

MLG has an existing foothold in the Western Australian nickel market, serving Western Areas (at its Forrestania operations).

As shown in Figure 3.19, BHP Nickel West is a key player in the Western Australian nickel market and, in addition to BHP's own mines, BHP have nickel off-take arrangements with Mincor Resources, IGO and Western Areas that ultimately feed BHP's Kalgoorlie Nickel Smelter[14].

Regional nickel deposits that seek to use BHP's nickel infrastructure in the future would potentially require logistical support through the provision of site services and bulk haulage, and MLG would potentially be positioned to leverage its existing presence and fleet on any future tender opportunities for these services.

Figure 3.19: Select Western Australian nickel operations and linkages with BHP Nickel West



Source: Mincor investor presentation 9 March 2021

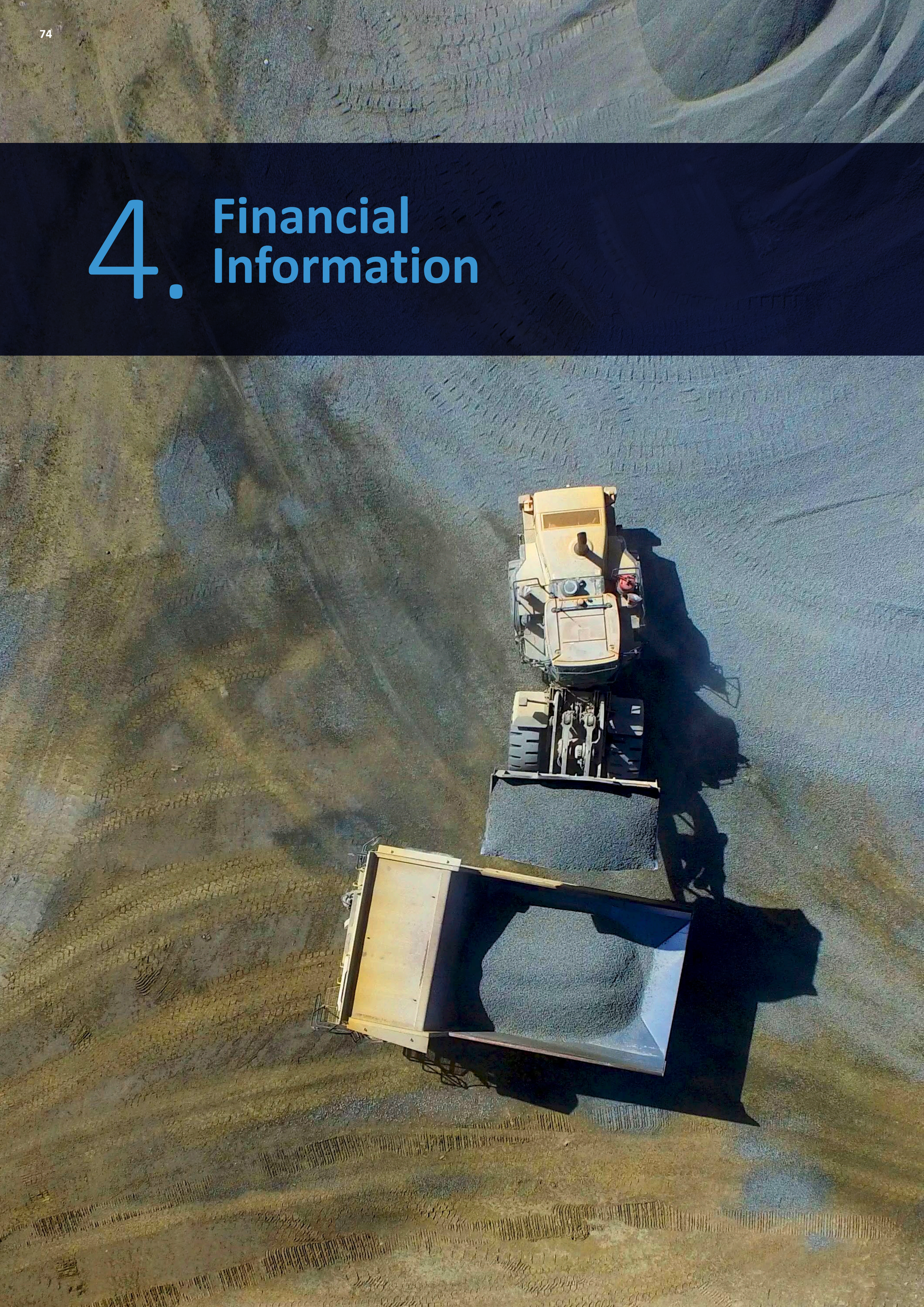
14. Source: Mincor investor presentation 9 March 2021.

Other Western Australian nickel assets are listed in Figure 3.20:

Figure 3.20: Western Australian nickel assets (non-exhaustive)

ASSET	OWNER	LOCATION	ORE BODY	STATUS
Julimar	Chalice	Avon Region	Sulphide	Exploration and Development
Black Swan	Poseidon	NE Kalgoorlie	Sulphide	Exploration and Development
Silver Knight	Creasy Group	Fraser Range	Sulphide	Exploration and Development
Savannah	Panoramic	East Kimberley	Sulphide	Exploration and Development
Lanfranchi	Black Mountain	Kambalda	Sulphide	Exploration and Development
Odysseus	Western Areas	Leinster	Sulphide	Exploration and Development
West Musgrave	OZ Minerals	Musgrave province	Sulphide	Exploration and Development
Ravensthorpe	First Quantum	Ravensthorpe	Laterite	Operating
Murrin Murrin	Glencore	Leonora area	Laterite	Operating

4. Financial Information



4.1 Introduction

a. Overview of financial information

The financial information contained in this Section has been prepared by MLG on a consolidated basis, including all of its subsidiaries and relates to its financial performance and cash flows for the years ended 30 June 2018 (**FY18**), 30 June 2019 (**FY19**) and 30 June 2020 (**FY20**) and for the half years ended 31 December 2019 (**HY20 H1**) and 31 December 2020 (**HY21 H1**). The section also includes MLG's financial position as at 31 December 2020 and its forecast financial performance and cash flows for the year ending 30 June 2021 (**FY21**).

i. Statutory historical financial information, comprising the:
   A. statutory historical income statements for FY18, FY19 and FY20 and HY20 H1 and HY21 H1 (**Statutory Historical Income Statements**);
   B. statutory historical cash flows for FY18, FY19 and FY20 and HY20 H1 and HY21 H1 (**Statutory Historical Cash Flows**); and
   C. statutory historical statement of financial position as at 31 December 2020 (**Statutory Historical Financial Position**),

(together, the **Statutory Historical Financial Information**).

ii. Pro forma historical financial information, comprising the:
   A. pro forma historical income statements for FY18, FY19 and FY20 and HY20 H1 and HY21 H1 (**Pro Forma Historical Income Statements**);
   B. pro forma historical cash flows for FY18, FY19 and FY20 HY20 H1 and HY21 H1 (**Pro Forma Historical Cash Flows**); and
   C. pro forma historical statement of financial position as at 31 December 2020 (**Pro Forma Historical Financial Position**),

(together, the **Pro Forma Historical Financial Information**).

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are together referred to as the **Historical Financial Information**.

iii. Statutory forecast financial information, comprising the:
   A. statutory forecast income statement for FY21 (**Statutory Forecast Income Statement**); and
   B. statutory forecast cash flows for FY21 (**Statutory Forecast Cash Flows**),

(together, the **Statutory Forecast Financial Information**).

iv. Pro forma forecast financial information, comprising the:
   A. Pro forma forecast income statement for FY21 (**Pro Forma Forecast Income Statement**); and
   B. Pro forma forecast cash flows for FY21 (**Pro Forma Forecast Cash Flows**),

(together, the **Pro Forma Forecast Financial Information**).

The Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information are together referred to as the **Forecast Financial Information**.

The Historical Financial Information and Forecast Financial Information together form the **Financial Information**.

MLG has a 30 June financial year end.

This Section 4 also contains:

- the basis of preparation and presentation of the Financial Information (see Section 4.2);
- an explanation of non-IFRS financial measures (see Section 4.2(g));
- pro forma adjustments and reconciliations of the Pro Forma Historical Financial Information to the Statutory Historical Financial Information and the Pro Forma Forecast Financial Information to the Statutory Forecast Financial Information (see Section 4.2(e) and Section 4.2(f), respectively);

- a summary of the key financial and operating metrics of MLG (see Section 4.3(c));
- details of the capital structure including indebtedness (see Section 4.4(b)), a description of Banking Facilities entered into prior to the Offer (see Section 4.4(c)) as well as information regarding liquidity and capital resources (see Section 4.4(d));
- information regarding MLG's capital and contractual commitments (see Section 4.4(e));
- management's discussion of MLG's financial risk management framework (see Section 4.6);
- management's discussion and analysis of the Pro Forma Historical Financial Information and Forecast Financial Information (see Sections 4.7 and 4.9, respectively);
- the Directors' best estimate general and specific assumptions underlying the Forecast Financial Information (see Sections 4.8(a) and 4.8(b), respectively);
- an analysis of the sensitivity of the Pro Forma Forecast Financial Information to changes in certain key forecast assumptions (see Section 4.10); and
- a summary of MLG's proposed dividend policy (see Section 4.11).

The Financial Information, as defined above, has been reviewed by Ernst & Young Strategy and Transactions Limited (Investigating Accountant) in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Independent Limited Assurance Report. Investors should note the scope and limitations of the Independent Limited Assurance Report (see Section 8).

The financial information in this Section 4 should also be read in conjunction with:

- Section 5, which describes some of the potential risks associated with an investment in MLG;
- Appendix A, which sets out the significant accounting policies adopted by MLG; and
- the other information contained in this Prospectus.

All amounts disclosed in this Section 4 are presented in Australian dollars ($) and, unless otherwise noted, are rounded to:

- in the case of amounts presented in the tables, the nearest $1,000; and
- in the case of amounts presented by way of commentary and not included in the tables, the nearest $0.1 million.

Any discrepancies between totals and sums of components in tables, figures and diagrams contained in this Section 4 are due to rounding.

4.2 Basis of Preparation and Presentation of Financial Information

a. Background

MLG Cement & Lime and MLG Connect Pty Ltd are wholly owned subsidiaries of MLG with MLG being the ultimate parent entity of the MLG Group.

b. Overview

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the MLG Group, together with its Forecast Financial Information.

The Directors of MLG are responsible for the preparation and presentation of the financial information.

The Statutory Historical Financial Information and Statutory Forecast Financial Information have been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards (**AAS**) issued by the Australian Accounting Standards Board (**AASB**), which are consistent with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**).

The Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information have been prepared in accordance with the recognition and measurement principles contained in AAS other than that they include adjustments that have been prepared in a manner consistent with AAS that reflect: (i) the recognition of certain items in periods different from the applicable period under AAS (ii) the exclusion of certain transactions that occurred or are forecast to occur in the relevant periods; and (iii) the impact of certain transactions as if they occurred on or before 31 December 2020 in the Pro Forma Historical Financial Information or on or after 1 July 2020 in the Pro Forma Forecast Financial Information.

Due to their nature, the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information do not represent the MLG Group's actual or prospective financial position, financial performance or cash flows.

The Financial Information is presented in abbreviated form and does not include all the presentation and disclosures, statements or comparative information as required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. MLG's significant accounting policies are set out in Appendix A.

The MLG Group operates as a single business operation and there are no parts of the business or geographies that qualify as a separate operating segment under AASB 8 Operating Segments. Revenue derived from each of the MLG Group's key services has been presented further in this document to provide investors with an understanding of the relative contribution from each of these key services. There are 4 customers in FY20 who individually accounted for greater than 10% of MLG Group's revenue. These are: Goldfields, who contributed 22%; Northern Star, who contributed 17%; Fortescue, who contributed 12%; and Newmont, who contributed 12%, as outlined in Section 3, figure 3.9.

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. As at 31 December 2020, MLG Group had a historical net current liability position of $31.7 million. The net current liability mainly represents the hire purchase liabilities due within the 12 months from 31 December 2020. Based on the continuing operations forecast, the Directors believe that the Group will be able to meet its commitments for a period of at least 12 months from the Offer. Further, the MLG Group has undrawn borrowings and other financing facilities available which, in conjunction with the current, contracted, and pipeline of work, will provide sufficient cash to meet its ongoing obligations and stated business objectives.

Subsequent to the Offer, the MLG Group expects to have a net current assets position of $4.0 million (Refer to Table 4.10 in Section 4.4(a) for the MLG Group's pro forma historical financial position as at 31 December 2020). Based on these factors, the Directors believe the going concern basis of accounting for the Financial Information is appropriate.

The financial information in this Section 4 includes non-IFRS measures that the MLG Group uses to manage and report on its business that are not recognised under AAS or IFRS, as described in Section 4.2(g).

c. Changes in accounting standards

Several new accounting standards have been issued and adopted by the MLG Group in FY19 (AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers) or in FY20 (AASB 16 Leases). The MLG Group has included pro forma adjustments to the Historical Financial Information to reflect the impact these standards would have had, had they been applied on a consistent basis throughout the historical periods covered by this prospectus, as described below. Refer to Section 4.2(e) and Section 4.2(f) for further details on the pro forma adjustments made to the Financial Information.

AASB 9 Financial Instruments

AASB 9 is applicable to the MLG Group for the reporting periods commencing on or after 1 July 2018.

The adoption of this accounting standard has had no material impact on the statutory financial performance or financial position of the MLG Group.

On this basis, the Forecast Financial Information presented in this Prospectus has been prepared on a consistent basis to the preparation of the Statutory Historical Financial Information and in accordance with the application of AASB 9 Financial Instruments.

AASB 15 Revenue from Contracts with Customers

AASB 15 is applicable to the MLG Group for the reporting periods commencing on or after 1 July 2018.

The adoption of this accounting standard has had no material impact on the statutory financial performance or financial position of the MLG Group.

On this basis, the revenue recognition practices of the MLG Group assumed in the preparation of the Forecast Financial Information presented in the Prospectus are consistent with those adopted in the preparation of the Historical Financial Information and in accordance with the application of AASB 15 Revenue from contracts with customers.

AASB 16 Leases

AASB 16 is applicable to the MLG Group for the reporting periods commencing on or after 1 July 2019.

The standard introduces a single lessee accounting model which eliminates the requirement for leases to be classified as operating or finance leases and requires recognition of most lease liabilities on the statement of financial position, together with a related right of use assets. As a result of the adoption of AASB 16, operating expenses decreased and depreciation and interest expense increased, and the timing of expense recognition changed due to the change from a straight-line rental expense to depreciation and interest expenses with an accelerated profile.

In order to enable investors to compare the forecast financial performance on a consistent basis, the MLG Group has included pro forma adjustments to the Historical Financial Information to reflect the impact of the application of AASB 16 as if it had been adopted throughout the historical periods covered by this Prospectus.

d. Preparation of the Statutory Historical Financial Information

The Statutory Historical Financial Information for FY18 has been derived from the special purpose financial statements of MLG for FY18, and the Statutory Historical Financial Information for FY19 and FY20 has been derived from the general purpose consolidated financial statements of the MLG Group for FY19 and FY20, respectively. These financial statements have been audited by HLB Mann Judd in accordance with Australian Auditing Standards, who issued unmodified audit opinions in respect of them.

The Statutory Historical Financial Information for the HY20 H1 and HY21 H1 has been derived from the interim consolidated financial statements of MLG Group for the half year ended 31 December 2020. These interim financial statements were reviewed by HLB Mann Judd in accordance with Australian Auditing Standards, who issued an unmodified review conclusion in respect of the period ended 31 December 2020.

The above-mentioned consolidated financial statements have been lodged with ASIC, will be lodged with ASX on or prior to Listing, and are available at www.mlgoz.com.au.

The Statutory Historical Income Statements have been derived from the financial statements for the respective periods adjusted for the following:

- the reclassification of revenue between Mine Site Services and Bulk Haulage, Crushing and Screening and Export Logistics;
- income relating to fuel tax credits has been reclassified from revenue to costs of sales in order to offset against fuel costs;
- interest income has been reclassified from revenue to interest and finance expense;
- the presentation of gross profit, EBITDA and EBIT; AND
- expenses have been presented for the purposes of the Prospectus on the basis of function, instead of nature, as was the case in the consolidated financial statements for the historical periods. This change in presentation has been determined appropriate by the Directors as it reflects the manner in which the MLG Group intends to present its income statement in the consolidated financial statements for FY21, which is consistent with the presentation used for internal management reporting purposes.

Refer to Appendix B for a reconciliation of the Statutory Historical Income Statements presented in Table 4.2 in Section 4.3 to the income statements disclosed in the financial statements for FY18, FY19 and FY20.

e. Preparation of the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for the purpose of inclusion in this Prospectus and has been derived from the Statutory Historical Financial Information, with pro forma adjustments to reflect:

- the incremental costs expected to be incurred as a listed entity. These costs include Directors' fees, incremental remuneration expenses for the Chief Executive Officer, the Chief Financial Officer and a new company secretary, listing and share registry fees, investor relations costs, Directors' and officers' insurance premiums, annual general meeting costs, annual reports costs, additional audit and tax advisor fees and other public company costs;
- the impact of the Offer (including transaction costs of the Offer that are expensed and costs that are offset against equity);
- the impact of interest expense reflecting the revised debt and capital structure upon Completion of the Offer. The pro forma adjustment reflects the reduction in interest expense assuming the debt repayments expected to occur upon Completion of the Offer were effective throughout the historical periods;
- the impact of AASB 16 Leases as if it had been adopted from 1 July 2017 and therefore applied throughout the historical periods presented in this Prospectus; and
- the tax impact of the pro forma adjustments as applicable.

The pro forma adjustments are as described in detail in Section 4.3(d).

The Pro Forma Historical Cash Flows and Pro Forma Forecast Cash Flows have been presented at the net cash flows before financing level as the capital and debt structure of MLG will be different post Offer and as the repayment of debt mentioned above is expected to be spread across debt facilities and various hire purchase arrangements. For details of the pro forma historical capital and contractual commitments as at 31 December 2020 refer to Section 4.4 (e).

The Pro Forma Historical Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the MLG Group's view of its actual or future financial position. Investors should note that past results are not a guarantee of future performance.

The following statutory to pro forma reconciliations are included in this Section 4:

- Statutory Historical Income Statements to the Pro Forma Historical Income Statements for FY18, FY19, FY20, HY20 H1 and HY21 H1 at both the EBITDA and NPAT line;
- Statutory historical cash flows before corporate financing and taxation to the pro forma historical cash flows before corporate financing and taxation for FY18, FY19, FY20, HY20 H1 and HY21 H1; and
- Statutory Historical Financial Position to the Pro Forma Historical Financial Position as at 31 December 2020.

f. Preparation of Forecast Financial Information

The Forecast Financial Information has been presented on a statutory and pro forma basis. The Forecast Financial Information has been based on an assessment of the current economic and operating conditions, and should be read in conjunction with the directors' best-estimate general and specific assumptions set out in Section 4.8(a) and Section 4.8(b), respectively, the sensitivity analysis described in Section 4.10, the risk factors described in Section 5, the significant accounting policies set out in Appendix A, and the other information in this Prospectus.

The Forecast Financial Information has been prepared for inclusion in this Prospectus by the Directors with due care and attention, and the Directors consider the general and specific assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. This information is designed to assist investors in assessing the reasonableness of the assumptions and the likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. This information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information.

4. FINANCIAL INFORMATION

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on the MLG Group's actual financial performance, cash flows or financial position. Further, the assumptions that the Forecast Financial Information are based on are, by their nature, subject to significant uncertainties and contingencies; many of which will be outside the control of the MLG Group, the Directors and MLG Group management, and are not readily predictable. As a result, none of the MLG Group, the Directors, MLG Group management nor any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions and this may have a material positive or negative impact on the MLG Group's financial performance, cash flows or financial position.

Neither the Company nor the Directors intend to update or revise the Forecast Financial Information or other forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, with pro forma adjustments to reflect:

i. the incremental costs expected to be incurred as a listed entity for a full financial year. These costs include Directors' fees, incremental remuneration expenses for Chief Executive Officer, Chief Financial Officer and a new company secretary, listing and share registry fees, investor relations costs, Directors' and officers' insurance premiums, annual general meeting costs, annual reports costs, additional audit and tax advisor fees and other public company costs;

ii. the impact of the Offer costs including costs paid to the Joint Lead Managers, legal, tax and accounting advisory fees, and ASX initial listing fee;

iii. the full year impact of the interest expense reflecting the revised debt and capital structure upon Completion of the Offer; and

iv. the tax impact of the above pro forma adjustments as applicable.

g. Explanation of non-IFRS measures

The MLG Group uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to in this Section 4.2(g) as 'non-IFRS measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC.

Although the Directors believe that these measures provide useful information about financial position, financial performance and cashflows, they should be considered as supplements to the statement of financial position, income statement and cash flow measures that have been presented in accordance with the AAS and IFRS and not as a replacement for them. Because these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way these measures are calculated may differ from similarly titled measures used by other companies. Undue reliance should not be placed on these non-IFRS financial measures.

The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- EBITDA – which is earnings before interest on debt, net of interest income as well as the interest on the lease liability recognised under AASB 16, income tax expense, depreciation (including deprecation of the right of use asset recognised under AASB 16) and amortisation;
- EBITDA margin – which is EBITDA as a percentage of revenue;
- EBIT – which is earnings before interest on debt, interest on the lease liability recognised under AASB 16 and income tax expense;
- EBIT margin – which is EBIT as a percentage of revenue;
- Gross profit – which is revenue less costs of sales. These costs of sales include direct labour, repairs and maintenance, equipment and labour hire, fuel costs net of fuel tax rebates, and subcontractor costs;
- Gross profit margin – which is gross profit as a percentage of revenue;
- Capital expenditure – which the MLG Group categorises its capital expenditure in two ways:
  - Net replacement capital expenditure – which is capital expenditure that management identifies as refurbishing or replacing existing property, plant and equipment, less proceeds from disposals of assets; and
  - Growth capital expenditure – which is capital expenditure that management identifies as increasing capacity or adding to the existing fleet;
- Net debt / cash or indebtedness – which is total loans and borrowings, related party loans, and bank overdrafts, less cash and cash equivalents; and
- Net working capital – which is trade and other receivables and inventories less trade and other payables and current provisions.

h. Overview of revenue and expense categories

Revenue represents total revenue from Mine Site Services and Bulk Haulage, Crushing and Screening and Export Logistics activities.

Costs of sales represents operational direct costs associated with the operational sites or maintenance depots, and includes direct labour, repairs and maintenance, equipment and labour hire, fuel costs net of fuel tax rebates, and subcontractor costs.

General and administration costs include employee expenses where not directly related to operational sites or maintenance depots, key management and executive personnel, corporate office and administration, finance, information technology and HR costs.

4.3 Pro Forma Historical Income Statements, Pro Forma Forecast Income Statement, Statutory Forecast Income Statement and Statutory Historical Income Statements

a. Pro Forma Historical Income Statements, Pro Forma Forecast Income Statement and Statutory Forecast Income Statement

Table 4.1 sets out the MLG Group's Pro Forma Historical Income Statements for FY18, FY19 and FY20 and the Pro Forma Forecast Income Statement and Statutory Forecast Income Statement for FY21.

Table 4.1: Pro Forma Historical Income Statements for FY18, FY19 and FY20 and Pro Forma Forecast Income Statement and Statutory Forecast Income Statement for FY21

		Pro Forma Historical			Pro Forma Forecast	Statutory Forecast
$'000	**Notes**	**FY18**	**FY19**	**FY20**	**FY21**	**FY21**
Revenue						
Mine Site Services and Bulk Haulage		114,371	156,381	172,528	189,864	189,864
Crushing and Screening		14,740	39,801	28,858	47,842	47,842
Export Logistics		3,568	3,444	3,749	3,891	3,891
Total revenue	1	**132,678**	**199,625**	**205,136**	**241,597**	**241,597**
Costs of sales	2	(108,753)	(155,099)	(164,517)	(184,622)	(184,622)
Gross profit		**23,925**	**44,526**	**40,619**	**56,976**	**56,976**
General and administration	3	(8,326)	(10,556)	(16,136)	(15,938)	(17,135)
EBITDA		**15,599**	**33,970**	**24,482**	**41,038**	**39,841**
Depreciation	4	(7,288)	(10,684)	(13,745)	(16,752)	(16,752)
EBIT		**8,311**	**23,286**	**10,738**	**24,286**	**23,088**
Interest expense (net)	5	(612)	(1,432)	(2,032)	(2,114)	(3,781)
Profit before tax		**7,699**	**21,854**	**8,705**	**22,171**	**19,307**
Income tax expense	6	(2,646)	(5,057)	(2,474)	(6,697)	(5,838)
NPAT	7	**5,052**	**16,797**	**6,231**	**15,474**	**13,469**

Notes:

1. Revenue represents total revenue from Mine Site Services and Bulk Haulage, Crushing and Screening, and Export Logistics activities. The pro forma historical revenue disaggregated by revenue stream has been presented by the Directors in a consistent manner for comparative purposes. Total revenue over the historical periods is consistent with the financial statements for the respective periods with the exception of income relating to fuel tax credits which for the purposes of this Prospectus have been offset against fuel tax costs within cost of sales.
2. Costs of sales represents direct costs associated with the operational sites or maintenance depots, and includes direct labour, repairs and maintenance, equipment and labour hire, fuel costs net of fuel tax rebates, and subcontractor costs.
3. General and administration includes employee expenses where not directly related to operational sites or maintenance depots, key management and executive personnel, corporate office and administration, finance, information technology and HR costs. The statutory forecast general and administration costs also include Offer costs forecast to be expensed during FY21.
4. Depreciation is incurred in relation to plant and equipment and right of use assets used in the business.
5. Interest expense reflects the interest on the debt, net of interest income as well as the interest expense on the lease liability recognised under AASB 16.
6. Income tax expense for FY21 has been determined using a 30% corporate Australian income tax rate.
7. MLG Group purchased a cement and lime business (MLG Cement & Lime Pty Ltd) in March 2019, this acquisition was not considered material with respect to the consolidated results.

Table 4.2: Pro Forma Historical Income Statements for HY20 H1 and HY21 H1

		Pro Forma Historical	
$'000	Notes	HY20 H1	HY21 H1
Revenue			
Mine Site Services and Bulk Haulage		82,967	93,856
Crushing and Screening		15,766	22,919
Export Logistics		1,655	1,956
Total revenue	1	**100,388**	**118,730**
Costs of sales	2	(78,117)	(90,556)
Gross profit		**22,271**	**28,174**
General and administration	3	(8,839)	(7,687)
EBITDA		**13,431**	**20,487**
Depreciation	4	(6,551)	(8,440)
EBIT		**6,881**	**12,048**
Interest expense (net)	5	(871)	(1,433)
Profit before tax		**6,010**	**10,614**
Income tax expense	6	(1,844)	(3,216)
NPAT	7	**4,166**	**7,398**

Notes:
Refer to notes in Table 4.1.

b. Statutory Historical Income Statements for FY18, FY19 and FY20

Table 4.3 sets out the MLG Group's Statutory Historical Income Statements for FY18, FY19, FY20.

Table 4.3: Statutory Historical Income Statements for FY18, FY19 and FY20

		Statutory Historical		
$'000	Notes	FY18	FY19	FY20
Revenue				
Mine Site Services and Bulk Haulage		114,371	156,381	172,528
Crushing and Screening		14,740	39,801	28,858
Export Logistics		3,568	3,444	3,749
Total revenue	1	**132,678**	**199,625**	**205,136**
Cost of sales	2	(108,753)	(155,099)	(164,517)
Gross profit		**23,925**	**44,526**	**40,619**
General and administration	3	(7,043)	(10,035)	(14,866)
EBITDA		**16,883**	**34,490**	**25,752**
Depreciation	4	(6,984)	(9,715)	(13,745)
EBIT		**9,899**	**24,775**	**12,008**
Interest expense (net)	5	(2,177)	(2,846)	(4,073)
Profit Before Tax		**7,722**	**21,929**	**7,935**
Income tax expense	6	(2,653)	(5,080)	(2,243)
NPAT	7	**5,068**	**16,850**	**5,692**

Notes:
For Notes 1 to 7 refer to Table 4.1.

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Table 4.4: Statutory Historical Income Statements for HY20 H1 and HY21 H1

		Statutory Historical	
$'000	**Notes**	**HY20 H1**	**HY21 H1**
Revenue			
Mine Site Services and Bulk Haulage		82,967	93,856
Crushing and Screening		15,766	22,919
Export Logistics		1,655	1,956
Total revenue	1	**100,388**	**118,730**
Cost of sales	2	(78,117)	(90,556)
Gross profit		**22,271**	**28,174**
General and administration	3	(8,204)	(7,052)
EBITDA		**14,066**	**21,122**
Depreciation	4	(6,551)	(8,440)
EBIT		**7,516**	**12,683**
Interest expense (net)	5	(1,873)	(2,467)
Profit before tax		**5,643**	**10,216**
Income tax expense	6	(1,734)	(3,097)
NPAT	7	**3,909**	**7,119**

Notes:
For Notes 1 to 7 refer to Table 4.1.

c. Key operating and financial metrics

Table 4.5 sets out the MLG Group's key pro forma historical operating and financial metrics and the key pro forma forecast operating and financial metrics.

Table 4.5: Pro Forma operating and financial metrics for FY18 to FY21, and HY21 H1

	Pro Forma Historical			Pro Forma Forecast	Pro Forma Historical
	FY18	FY19	FY20	FY21	HY21 H1
Key operating metrics					
Number of operating sites at period end	20	23	26	n/q	29
Number of employees at period end	404	531	576	n/q	569
Key financial growth metrics					
Mine Site Services and Bulk Haulage revenue	–	36.7%	10.3%	10.0%	13.1%
Crushing and Screening revenue	–	170.0%	(27.5%)	65.8%	45.4%
Export Logistics revenue	–	(3.5%)	8.9%	3.8%	18.1%
Total revenue	–	50.5%	2.8%	17.8%	18.3%
Gross profit	–	86.1%	(8.8%)	40.3%	26.5%
EBITDA	–	117.8%	(27.9%)	67.6%	52.5%
EBIT	–	180.2%	(53.9%)	126.2%	75.1%
Key financial margin metrics					
Gross profit margin	18.0%	22.3%	19.8%	23.6%	23.7%
EBITDA margin	11.8%	17.0%	11.9%	17.0%	17.3%
EBIT margin	6.3%	11.7%	5.2%	10.1%	10.2%

n/q – Line item has not been quantified for the FY21 pro forma forecast.

d. Pro forma adjustments to the Statutory Historical Income Statements and Statutory Forecast Income Statement

In presenting the Pro Forma Historical Income Statements and Pro Forma Forecast Income Statement included in the Prospectus, pro forma adjustments to the Statutory Historical Income Statements and Statutory Forecast Income Statement have been made for certain transactions. The adjustments that have been made to EBITDA and NPAT in the historical periods and in FY21 are summarised below.

Table 4.6: Pro forma adjustments to statutory EBITDA for FY18, FY19, FY20 and FY21

		Historical			Forecast
$'000	**Notes**	**FY18**	**FY19**	**FY20**	**FY21**
Statutory EBITDA		**16,883**	**34,490**	**25,752**	**39,841**
Public Company Costs	1	(1,655)	(1,655)	(1,270)	(1,058)
Offer Costs	2	–	–	–	2,256
AASB 16 Leases	3	371	1,134	–	–
Pro Forma EBITDA		**15,599**	**33,970**	**24,482**	**41,038**
KPIs					
Statutory EBITDA margin		*12.7%*	*17.3%*	*12.6%*	*16.5%*
Pro Forma EBITDA margin		*11.8%*	*17.0%*	*11.9%*	*17.0%*

For notes 1 to 3 refer to Table 4.8.

Table 4.7: Pro forma adjustments to statutory EBITDA for HY20 H1 and HY21 H1

		Historical	
$'000	**Notes**	**HY20 H1**	**HY21 H1**
Statutory EBITDA		**14,066**	**21,122**
Public Company Costs	1	(635)	(635)
Offer Costs	2	–	–
AASB 16 Leases	3	–	–
Pro Forma EBITDA		**13,431**	**20,487**
KPIs			
Statutory EBITDA margin		*14.0%*	*17.8%*
Pro Forma EBITDA margin		*13.4%*	*17.3%*

For Notes 1 to 3 refer to Table 4.8.

Table 4.8: Pro forma adjustments to statutory NPAT for FY18, FY19, FY20 and FY21

		Historical			Forecast
$'000	**Notes**	**FY18**	**FY19**	**FY20**	**FY21**
Statutory NPAT		**5,068**	**16,850**	**5,692**	**13,469**
Public Company Costs	1	(1,655)	(1,655)	(1,270)	(1,058)
Offer Costs	2	–	–	–	2,256
AASB 16 Leases	3	(43)	(96)	–	–
Interest Expense	4	1,675	1,675	2,040	1,667
Tax impact of pro forma adjustments		7	23	(231)	(859)
Pro Forma NPAT		**5,052**	**16,797**	**6,231**	**15,474**

Notes:

1. Public Company Costs: adjustment to reflect the anticipated incremental costs expected to be incurred as a listed entity. These costs include Directors' Fees, incremental remuneration expenses for CEO, CFO and a new company secretary, listing and share registry fees, investor relations costs, Director's and Officers' insurance premiums, annual general meeting costs, annual reports costs, additional audit and tax advisor fees and other public company costs. Assuming Completion of the Offer occurs on 30 April 2021, FY21 statutory NPAT includes 2 months of public company costs ($0.2 million post tax on a pro rata basis) and the pro forma NPAT for FY21 includes $0.9 million of costs post tax.
2. Offer Costs: costs related to the Offer paid to the Joint Lead Managers, legal, tax and accounting advisory fees, and ASX initial listing fees. The Offer costs of $5.2 million in relation to this Prospectus have been apportioned between profit and loss and equity, with $2.2 million forecast to be expensed through the income statement in accordance with AAS.
3. AASB 16 Leases: adjustment to reflect the estimated impact of applying AASB 16 from 1 July 2017. The adoption of the standard results in the recognition of a lease liability and a right of use of asset in the Pro Forma Historical Financial Position. The income statement is impacted through depreciation of the right of use asset and interest expense on the lease liability rather than rental expense.
4. Interest Expense: adjustment to reflect the decrease in interest charges based on $44.8 million of Offer proceeds being available to repay debts of $34.9 million from 1 July 2017.

Table 4.9: Pro forma adjustments to statutory NPAT for HY20 H1 and HY21 H1

		Historical	
$'000	**Notes**	**HY20 H1**	**HY21 H1**
Statutory NPAT		**3,909**	**7,119**
Public Company Costs	1	(635)	(635)
Offer Costs	2	–	–
AASB 16 Leases	3	–	–
Interest Expense	4	1,002	1,034
Tax impact of pro forma adjustments		(110)	(120)
Pro Forma NPAT		**4,166**	**7,398**

Notes:

For Notes 1 to 4 refer to Table 4.8.

4.4 Statutory Historical Financial Position and Pro Forma Historical Financial Position

a. Statutory Historical Financial Position and Pro Forma Historical Financial Position

The Pro Forma Historical Financial Position in Table 4.10 is based on the Statutory Historical Financial Position of the MLG Group as at 31 December 2020, adjusted for the impact of the Offer and the repayment of existing debt as if they had occurred as at 31 December 2020.

The adjustments include assumptions relating to matters that are known as at the Prospectus Date and also certain assumptions relating to the Offer. The Pro Forma Historical Financial Position is therefore provided for illustrative purposes only and is not necessarily indicative of the Company's view on its future financial position. In particular, cash and cash equivalents have not been adjusted for the Company's cash requirements and trading results between 31 December 2020 and Completion of the Offer. The resulting cash and cash equivalents balance is not reflective of the MLG Group's estimated cash position at Completion of the Offer.

Table 4.10: Statutory Historical and Pro Forma Historical Financial Position (As at 31 December 2020)

$'000	Notes	Statutory Historical 31 Dec 2020	Impact of Offer	Repayment of debt	Pro Forma Historical 31 Dec 2020
Assets					
Current assets					
Cash and cash equivalents	1	1	44,773	(34,851)	9,923
Trade and other receivables		29,876	–	–	29,876
Inventories		11,650	–	–	11,650
Total current assets		**41,527**	**44,773**	**(34,851)**	**51,449**
Non-current assets					
Other financial assets		511	–	–	511
Property, plant and equipment		133,370	–	–	133,370
Right of use asset		5,114	–	–	5,114
Deferred exploration and evaluation expenditure		60	–	–	60
Intangible assets		1	–	–	1
Total non-current assets		**139,055**	**–**	**–**	**139,055**
Total assets		**180,582**	**44,773**	**(34,851)**	**190,504**
Liabilities					
Current liabilities					
Trade and other payables	1	36,965	(314)	–	36,651
Financial liabilities	1	33,892	–	(25,336)	8,556
Lease liabilities		1,453	–	–	1,453
Provisions		860	–	–	860
Total current liabilities		**73,170**	**(314)**	**(25,336)**	**47,521**
Non-current liabilities					
Financial liabilities	1	33,979	–	(9,516)	24,464
Lease liabilities		3,773	–	–	3,773
Provisions		358	–	–	358
Deferred tax liability	1	7,824	(1,254)	–	6,570
Total non-current liabilities		**45,935**	**(1,254)**	**(9,516)**	**35,164**
Total liabilities		**119,104**	**(1,568)**	**(34,851)**	**82,685**
Net assets		**61,478**	**46,341**	**–**	**107,819**
Total equity		**61,478**	**46,341**	**–**	**107,819**

Notes:

1. Pro forma adjustments to account for the Offer proceeds, the costs of the Offer, and partial repayment of debt from the Offer proceeds. Estimated net proceeds from the issue of New Shares under the Offer of $44.8 million, offset by payment of Offer Costs of $5.2million (inclusive of GST) and repayment of current and non-current debt of $34.9 million. Of the total Offer Costs, $2.2 million is forecast to be expensed and the remainder of $3.0 million offset against issued capital in accordance with AAS. The deferred tax asset relates to the income tax benefit of the future deductibility of the Offer costs and the adjustment to Trade and other payables relates to the deduction of 20% available in the first year. As a result of this, cash will increase by $9.9 million and total liabilities will decrease by $36.4 million with net assets increasing by $46.3 million.

b. Indebtedness and related party loans by the MLG Group

Table 4.11 sets out the indebtedness of the MLG Group at 31 December 2020 as reported in the Statutory Historical Financial Position and on a pro forma basis as if the following actions took place as at 31 December 2020:

- receipt of the net proceeds of the Offer reflecting Completion of the Offer; and
- repayment of debt (refer to 4.4(d))

The statutory historical net debt as at 31 December 2020 of $67.4 million does not reflect the net cash flows of the business between 31 December 2020 and Completion of the Offer.

MLG is a lender under certain loan arrangements with an entity in which Murray Leahy has an interest (these are the related party loans referred to in Table 4.11). These loans do not have an end date and are unsecured, interest free and are able to be called with 10 days' notice.

Subject only to Completion of the Offer occurring, Murray Leahy has irrevocably undertaken in favour of MLG that, within 60 days after Completion of the Offer, he will pay (or procure the payment to) MLG of all amounts necessary to repay and satisfy these loan arrangements in full; such that they will cease to exist shortly after Completion of the Offer.

Table 4.11: MLG Group statutory and pro forma net debt / cash as at 31 December 2020

$'000	Statutory Historical 31 Dec 2020	Impact of Offer	Repayment of debt	Pro Forma Historical 31 Dec 2020
Net Debt/Cash				
Cash and cash equivalents	1	44,773	(34,851)	9,923
Related party loans	511	–	–	511
Hire-purchase liabilities	(56,972)	–	23,952	(33,020)
Invoice financing facility	(6,911)	–	6,911	–
Supply chain finance	(3,405)	–	3,405	–
Bank bill facility	(583)	–	583	–
Net (debt)/cash	**(67,360)**	**44,773**	**–**	**(22,586)**

c. Description of banking facilities

Banking facilities available to the Company are outlined in Table 4.12. Transaction banking is facilitated via the main operating account with Westpac which also operates as an invoice financing overdraft. In addition to transaction banking services Westpac also provides equipment finance across a number of hire purchase facilities. The Company also has available a number of hire purchase facilities with various funders, each with specific credit limits.

Table 4.12 sets out a summary of the banking facilities available to the Company as at 31 December 2020 as reported in its interim financial statements for HY21 H1. It is intended that a portion of the Offer proceeds will be applied to pay down debt subsequent to the Offer.

Table 4.12: MLG Group Financing Facilities

Funder	Note	Facility Type	Facility Limit $m	Statutory historical as at 31 Dec 2020 $'000	Undrawn balance as at 31 Dec 2020 $'000
Westpac	1	Invoice finance facility	14.5	6,911	7,589
Westpac	1	Bank bill	0.6	583	–
Octet	2	Supply chain finance	4.0	3,405	595
Various	3	Hire purchases	72.7	56,971	15,729
Total			**91.8**	**67,870**	**23,913**

Notes:
1. Interest rates are variable based on a fixed margin on top of a variable underlying interest rate derived from prevailing commercial rates.
2. Charges are fixed for the facility with a fixed rate interest charge applied.
3. Interest rates are fixed at the inception of individual hire purchase facilities and are derived from prevailing commercial rates.

The MLG Group has hire purchase facilities on its plant and equipment with an outstanding liability of approximately $57.0 million as at 31 December 2020 across seven principal financiers.

The financing facilities with Westpac are subject to financial covenants. The MLG Group is currently in compliance with its financial covenants and expects to remain in compliance with them.

Each of the financing facilities are secured.

Summary of borrowing arrangements

- The invoice financing facility
- The bank borrowing facilities are with Westpac, which consists 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.
- 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.
- The supply chain finance is a short-term finance arrangement in place for a period of 4 months from draw down.

d. Liquidity and capital resources

Following Completion of the Offer, the MLG Group intends on utilising a portion of the proceeds from the issue of the New Shares to fund the following:

- Payment of Offer costs ($5.2 million)
- Repayment of the Westpac Invoice finance facility ($6.9 million)
- Repayment of older dated and higher interest rate hire purchase liabilities ($24.0 million)
- Repayment of Westpac Bank bills ($0.6 million)
- Repayment of the Octet supply chain finance facility ($3.4 million)

The balance of funds from the issue of the New Shares (being $9.9 million) will be held as cash to fund working capital requirements and future growth of the Company.

The MLG Group's main use of cash has historically been to fund its operations, working capital and capital expenditure to expand and maintain its fleet. The MLG Group expects that it will have sufficient cash flow from operations to meet its operational requirements and business needs during the Forecast Period. The MLG Group may draw down on the Banking Facilities or reduce its cash on hand to meet business needs or if additional capital expenditure is necessary for new contract wins or acquisitions. The MLG Group's ability to generate sufficient cash depends on its future performance which is subject to a number of factors beyond the MLG Group's control, including those outlined in Section 5.

e. Capital and contractual commitments

The MLG Group has finance leases and hire purchase contracts for various items of plant and machinery. As at 31 December 2020, the group had no contractual commitments.

4.5 Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flows, Statutory Forecast Cash Flows and Statutory Historical Cash Flows

a. Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flows and Statutory Forecast Cash Flows

Table 4.13: Pro forma Historical Cash Flows for FY18, FY19 and FY20 and Pro Forma Forecast Cash Flows for FY21

		Pro Forma Historical			Pro Forma Forecast
$'000	**Notes**	**FY18**	**FY19**	**FY20**	**FY21**
EBITDA		**15,599**	**33,970**	**24,482**	**41,038**
Movement in net working capital	1	8,208	(8,890)	4,536	(851)
Offer costs	2	–	–	–	–
Other operating cash flows		–	38	17	–
Tax paid	3	(3,858)	(2,714)	(2,132)	(2,626)
Operating Cash Flows		**19,949**	**22,404**	**26,904**	**37,561**
Net Replacement Capital expenditure	4	(563)	(5,604)	(11,337)	(9,267)
Growth Capital expenditure	5	(24,065)	(19,822)	(36,746)	(22,206)
Net Cash Flows before financing	6	**(4,679)**	**(3,022)**	**(21,179)**	**6,088**

Notes:
1. Movement in net working capital represents the movement between the opening and closing working capital positions in each period presented.
2. Cash costs incurred in respect of the Offer that are offset against issued capital on the Pro Forma Historical Financial Position ($3.0 million). The remaining cash Offer costs of $2.2 million are reflected in the Statutory Forecast Income Statement in FY21.
3. Pro forma tax paid has been based on statutory historical income tax paid adjusted for the tax impact of the relevant pro forma items. Forecast income tax paid in FY21 has been based on the forecast income tax instalment profile of the MLG Group together with the expected FY20 income tax balancing payment, with the difference between statutory and pro forma tax paid being the tax impact of the relevant pro forma items.
4. Net replacement capital expenditure represents the capital expenditure that management identifies as replacing existing property, plant and equipment, including capital expenditure on assets held under finance leases, less proceeds from disposals of assets.
5. Growth capital expenditure represents the capital expenditure that management identifies as increasing capacity or adding to the existing fleet, and includes capital expenditure on assets held under finance leases.
6. The Pro Forma Historical Cash Flows and Pro Forma Forecast Cash Flows have been presented at the net cash flows before financing level as the capital and debt structure of MLG will be different post Offer and as the repayment of debt mentioned above is expected to be spread across debt facilities and various hire purchase arrangements.

Table 4.14 Pro Forma Historical Cash Flows for HY20 H1 and HY21 H1

		Pro Forma Historical	
$'000	**Notes**	**HY20 H1**	**HY21 H1**
EBITDA		**13,431**	**20,487**
Movement in net working capital	1	5,569	3,813
Offer costs	2	–	–
Tax paid	3	(1,108)	(179)
Operating Cash Flows		**17,893**	**24,121**
Net Replacement Capital expenditure	4	(5,881)	(4,078)
Growth Capital expenditure	5	(23,494)	(9,057)
Net Cash Flows before financing	6	**(11,481)**	**10,986**

Notes:
For Notes 1-6 refer to Table 4.13.

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Table 4.15: Statutory Historical Cash Flows for FY18, FY19 and FY20 and Statutory Forecast Cash Flows for FY21

		Statutory Historical			Statutory Forecast
$'000	**Notes**	**FY18**	**FY19**	**FY20**	**FY21**
EBITDA		**16,883**	**34,490**	**25,752**	**39,841**
Movement in net working capital	1	8,208	(8,890)	4,536	(851)
Net interest on non-hire purchase	7	(294)	(520)	(1,673)	(1,427)
Offer costs	2	–	–	–	(2,971)
Other operating cash flows		–	38	17	–
Tax paid	3	(3,865)	(2,737)	(2,403)	(2,558)
Operating Cash Flows		**20,933**	**22,382**	**26,231**	**32,034**
Purchase of non-financed property, plant and equipment		(2,728)	(6,235)	(21,193)	(9,010)
Proceeds from sale of property, plant and equipment		249	–		–
Net Cash Flows before financing		**18,454**	**16,147**	**5,037**	**23,025**
Lease payments	8	(16,584)	(21,178)	(24,314)	(24,492)
Borrowings and Other Financing	9	(1,311)	5,379	20,019	(1,563)
Repayment of borrowings	10	–	–	–	(34,851)
Offer proceeds	11	–	–	–	50,000
Dividends	12	(609)	(382)	(289)	(141)
Net Cash Flows	13	**(50)**	**(33)**	**454**	**11,977**

Notes:

For Notes 1 to 3 refer to Table 4.13.

Numbers 4-6 not used

7. Net interest payments represent the interest payable on debt less interest income received. Interest paid relating to hire purchase liabilities are included in lease payments. Net interest payments in the Statutory Forecast Cash Flows relate to the interest recognised under AASB 16.
8. Lease payments include the change in liability relating to the premises lease recognised on the Pro Forma Historical Financial Position under AASB 16.
9. Borrowing and other financing includes funding in relation to assets acquired under finance lease arrangements, short term borrowings relating to invoice financing facilities, and debt.
10. Repayment of borrowings reflects the intended repayment of debt of $34.9 million as set out in Sections 4.4(c) and 7.1(c).
11. Offer proceeds reflect the Gross proceeds of the Offer less the amount raised under the Sell Down.
12. Dividend payments have been made historically. See MLG's proposed dividend policy at Section 4.11.
13. Net cash flows included in the financial statements for FY18 and FY19 and the consolidated financial statements for FY20 relate to the cash flow movements between cash and cash equivalents inclusive of the invoice financing facility. The net cash flows shown in Table 4.15 and Table 4.16 relate to the cash flow movements excluding the invoice financing facility which has been included within the cash flows for borrowings and other financing.

Table 4.16: Statutory Historical Cash Flows for HY20 H1 and HY21 H1

		Statutory Historical	
$'000	Notes	HY20 H1	HY21 H1
EBITDA		**14,066**	**21,122**
Movement in net working capital	1	5,569	3,813
Net interest on non-hire purchase		(707)	(1,174)
Offer costs	2	–	–
Tax paid	3	(1,210)	(59)
Operating Cash Flows		**17,719**	**23,702**
Purchase of non-financed property, plant and equipment		(16,407)	(5,523)
Proceeds from sale of property, plant and equipment		–	
Net Cash Flows before financing		**1,312**	**18,180**
Net Interest Payment	7	–	–
Lease payments	8	(10,791)	(13,027)
Borrowings and other financing	9	9,367	(6,037)
Repayment of borrowings	10	–	–
Offer proceeds	11	–	–
Dividends	12	(159)	(121)
Net Cash Flows	13	**(271)**	**(1,005)**

Notes:
For Notes 1 to 3 refer to Table 4.13.
Numbers 4-6 not used.
For Notes 7-13 refer to Table 4.15.

4. FINANCIAL INFORMATION

b. Pro forma adjustments to the Statutory Historical Cash Flows and Statutory Forecast Cash Flows

Table 4.17: Pro forma adjustments to the net cash flows before financing as disclosed in the Statutory Historical Cash Flows for FY18, FY19 and FY20 and Statutory Forecast Cash Flows for FY21

		Historical			Forecast
$'000	**Notes**	**FY18**	**FY19**	**FY20**	**FY21**
Statutory Net Cash Flows before financing		**18,454**	**16,147**	**5,037**	**23,025**
AASB 16	1	371	1,134	n/a	n/a
Public company costs	2	(1,655)	(1,655)	(1,270)	(1,058)
Offer costs	3	–	–	–	5,227
Tax paid	4	7	23	271	(68)
Capital expenditure financed under hire purchase	5	(22,150)	(19,191)	(26,890)	(22,464)
Interest on repaid debt	6	294	520	1,673	1,427
Pro Forma Net Cash Flows before financing		**(4,679)**	**(3,022)**	**(21,179)**	**6,088**

Notes:
1. Adjustment to reflect the change in lease liability and interest charges relating to the lease recognised under AASB 16.
2. Adjustment to reflect the cash impact of the anticipated incremental costs expected to be incurred as a listed company. These costs include Directors' Fees, incremental remuneration expenses for CEO, CFO and a new company secretary, listing and share registry fees, investor relations costs, Director's and Officers' insurance premiums, annual general meeting costs, annual reports costs, additional audit and tax advisor fees and other public company costs.
3. Adjustment to exclude the transaction costs associated with the Offer including costs paid to the Joint Lead Manager, legal, tax and accounting advisory fees, and ASX initial listing fees.
4. Tax effect of pro forma adjustments as discussed in Table 4.13.
5. The Statutory Historical Cash Flows before financing and the Statutory Forecast Cash Flows before financing include capital expenditure relating to the purchase of non-financed property, plant and equipment only. Pro Forma Historical Cash Flows before financing and Pro Forma Forecast Cash Flows before financing include capital expenditure that has been financed under hire purchase arrangements.
6. Adjustment to reflect the interest charges that have been excluded on a pro forma basis as they relate to debt which is assumed to be repaid from the proceeds of the Offer.

Table 4.18: Pro forma adjustments to the net cash flows before financing as disclosed in the Statutory Historical Cash Flows for HY20 H1 and HY21 H1

		Historical	
$'000	**Notes**	**HY20 H1**	**HY21 H1**
Statutory Net Cash Flows before financing	1	**1,312**	**18,180**
Public company costs	2	(635)	(635)
Offer costs	3	–	–
Tax paid	4	102	(120)
Capital expenditure financed under hire purchase	5	(12,968)	(7,613)
Interest on repaid debt	6	707	1,174
Pro Forma Net Cash Flows before financing		**(11,481)**	**10,986**

Notes:
For Notes 1 to 6 refer to Table 4.17.

4.6 Financial risk management

The MLG Group's activities expose it to a number of financial risks, including interest rate risk, liquidity risk and credit risk. Further details of these risks and other key risks relevant to an investment in Shares are included in Section 5.

The MLG Group's financial risk management objective is to minimise the potential adverse effects on financial performance arising from changes in financial risk. Financial risks are managed by the MLG Group's finance team under the direction of the Directors and the Board's Audit, Risk and Compliance Committee. The finance team regularly monitors the MLG Group's exposure to any of these financial risks and reports to the Board.

The MLG Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

4.7 Management discussion and analysis of Pro Forma Historical Financial Information

a. General factors affecting the operating results of the MLG Group

This Section discusses the general factors that have affected the MLG Group's operations, relative financial performance and cash flows in FY18, FY19 and FY20. The MLG Group's management expect that these general factors may continue to affect the MLG Group's operating and financial performance and cash flows in FY21.

The discussion of these general factors is intended to provide a brief summary only and does not detail all the factors that have impacted the MLG Group's historical performance and cash flows, nor everything that may affect its future performance and cash flows.

Unless otherwise stated, all metrics and financial information presented in this Section and referred to in the supporting commentary is on a pro forma basis.

b. Revenue

The MLG Group provides mine site services and bulk haulage, crushing and screening and export logistics solutions. The Company generates revenue through an integrated service model that operates across the full mining production cycle, from the provision of construction materials through to linking client operations to end markets via export logistics services. The MLG Group's three revenue streams are summarised below.

Mine Site Services and Bulk Haulage

The MLG Group's primary service offering is the provision of operational mine site solutions, specifically on-site services. The MLG Group works with its clients to support the delivery of the client's respective production plans and coordinates the logistics to ensure the appropriate equipment and workforce is made available to meet the production forecasts of the client's assets. Mine Site Services and Bulk Haulage generate the majority of the MLG Group's revenue, representing approximately 84% of revenue generated in FY20. In FY21, this is forecast to fall to approximately 78% due to higher forecast revenue generation in Crushing and Screening.

The MLG Group's key mine site services solutions encompass the following key activities:

- logistical solutions required to support the loading of ore from various source locations and delivering it to the client's processing facilities;
- tailing handling;
- vehicle, road and site maintenance;
- screening services, including crusher support and feed; and
- machine and labour hire.

Given the MLG Group's scope of services, the Company and its assets are often positioned on client sites and generally become an integral part of each client's supply chain. Given this, the Company has historically been a provider of ad-hoc support services, which may include activities such as:

- tailings dam construction;
- rehabilitation; and
- supporting site civil works.

Whilst non-core to commodity producers themselves, the overall maintenance of site infrastructure and the equipment used in loading and haulage is considered a critical element in ensuring client production volumes are met.

For a mine site services contract, the MLG Group can elect to utilise several types of contracts. In general, revenues are calculated by applying a schedule of rates based on a measure of volume, such as hours, tonnes, kilometre, or a combination of these factors. Revenues vary by site depending on the number of services utilised and the volume being processed. For those sites with lower planned production volumes, the MLG Group will seek to negotiate a fixed price component in the schedule of rates which aligns to a minimum volume assumption and apply the remainder of the pricing on schedule of rates to any volumes processed above that minimum amount. Machinery is billed by the hour and is inclusive of the labour required to operate that machinery. Additionally, equipment may also be charged at a fixed price for a certain time period rather than actual number of hours used. See Section 3.7(c) for more information about MLG's typical contracting terms and arrangements. The MLG Group does not rent out its equipment.

Crushing and Screening

Crushing and screening revenue is generated from the provision of both mobile and fixed plant crushing equipment and services, any ancillary equipment and services. This involves ensuring that the operation has an appropriately qualified workforce to operate and maintain the equipment. This stream is the second largest driver of revenue, accounting for approximately 14% of FY20 revenue and is forecast to grow in FY21 to contribute approximately 20% of revenue. Clients are invoiced based on the volume of ore processed, calculated through a process of multiplying tonnes processed by the contractual rate. As at the Prospectus Date, the MLG Group provides crushing and screening services at two client sites.

Export Logistics

The MLG Group's third revenue stream encapsulates the provision of on-road, long haulage services (for transporting ore from mine sites to export ports) and export logistics solutions (which includes handling containers and port processing documentation). The MLG Group also maintains a facility at the Port of Esperance which is used to provide export logistics solutions for clients. In FY20, Export logistics represented approximately 2% of revenue and is forecast to contribute 2% of FY21 revenue.

c. General drivers of changes in revenue

The MLG Group's revenues are dependent on the following three main factors:

i. The Australian mining industry, the continued viability and operation of existing mines and the expansion and development of new mines, which in turn depends on (among other things) underlying commodity prices and foreign exchange rates;

ii. The MLG Group's client base; which is comprised of higher quality and lower cost operations (and which provides a measure of mitigation against the inherent risk of commodity price volatility); and

iii. The MLG Group's ability to develop and maintain strong relationships with its clients through the quality and timeliness of its service offering, as well as its ability to compete on costs.

The potential impact of each of these factors on the revenues of MLG has been described in further detail below:

Australian mining industry activity

The demand for the MLG Group's services tends to be ultimately impacted by the overall level of activity being conducted by the MLG Group's clients and in the mining sector more generally. Demand for services can be impacted by the production volumes of each commodity. For example, a higher volume of ore extracted from a site will require a higher amount of crushing and screening services, as well as off road haulage to transport the ore.

In general, an increase in mining investment may result in further demand for the MLG Group's services as mining companies undertake further exploration, production and maintenance activities. These activities are expected to result in the introduction of new sites and an increase in the level of production activity, which may subsequently increase the overall level of demand for the MLG Group's services.

Key macroeconomic factors which drive an increase in mining investment include:

- **The price of the underlying commodity** – In general, rising commodity prices results in an increase in revenues for mining companies, which subsequently encourages further investment in exploration and expansion; and
- **Foreign exchange rates** – As the AUD depreciates against international currencies, the local market becomes a more attractive landscape for investment for global miners, resulting in additional inbound mining investment and potentially increased export demand.

Mitigation of commodity price volatility

As discussed in Section 5.2, the MLG Group has a focus on servicing clients who primarily hold assets with low-cost, long-life operations and who predominantly operate in the production stage of a mine's life cycle. By targeting these mines, the MLG Group aims to align itself to clients who have a relatively low unit cost of production and a relatively stable level of production. This has historically created a more consistent level of demand for the MLG Group's services and provided a measure of mitigation against the inherent risk of commodity price volatility.

Quality and timeliness of service offering

MLG Group management has actively built a multi-faceted offering that can be tailored to the client's particular needs. The strength of client relationships acts as a driver of future contract wins, with the MLG Group's reputation historically ensuring that clients continue to turn to the MLG Group when an additional scope of services is required as evidenced by no client having terminated the Group's services and replaced MLG with another service provider.

d. Expenses

The MLG Group's key expenses are direct costs associated with the delivery of services. The largest expense types (which account for 94% of the FY20 total cost base) include the workforce labour costs, repairs and maintenance, equipment and labour hire and fuel costs.

Certain of the MLG Group's material services contracts include rise and fall provisions for fuel, labour and spare parts; which allow the contracted schedule of rates to be adjusted for changes in the underlying cost of these items. Where such provisions are not included (so that the MLG Group does not have a direct line of recovery for adverse movements in such costs), the MLG Group nonetheless seeks to ensure that the applicable schedule of rates in those contractual arrangements is otherwise appropriate, including having regard to the MLG Group's exposure to fluctuations in the costs of such fuel, labour and spare parts during the term of the contract.

The MLG Group's workforce accounted for $87.5 million of costs in FY20, which represents 49% of the cost base. This workforce cost covers the management team, support staff, drivers, workshop maintenance staff, machine operators and project delivery teams which are located across Western Australia and Northern Territory (inclusive of maintenance staff, in key workshops in Kalgoorlie and on client sites). Head office staff are based in Kalgoorlie with a secondary corporate office located in Perth. All other staff are located throughout the MLG Group's client sites or at the MLG Group's own maintenance facilities.

Repairs and maintenance costs represent the second largest cost and accounted for $31.1 million (17%) of the total costs in FY20. The MLG Group has a culture of proactive maintenance that drives reliability of service (and, in turn) supports better financial and safety outcomes for both the Company and its clients. A core philosophy of the Company is to ensure appropriate maintenance of all equipment, through 'Pre-start inspection' on all shifts as well as 'Mandatory workshop maintenance and inspection' of all major equipment for one full shift per week with tracked service monitoring and in compliance with all manufacturers servicing requirements. This is to ensure that the MLG Group maintains a high level of equipment reliability in order to support the workloads of its clients and the production volumes they are targeting.

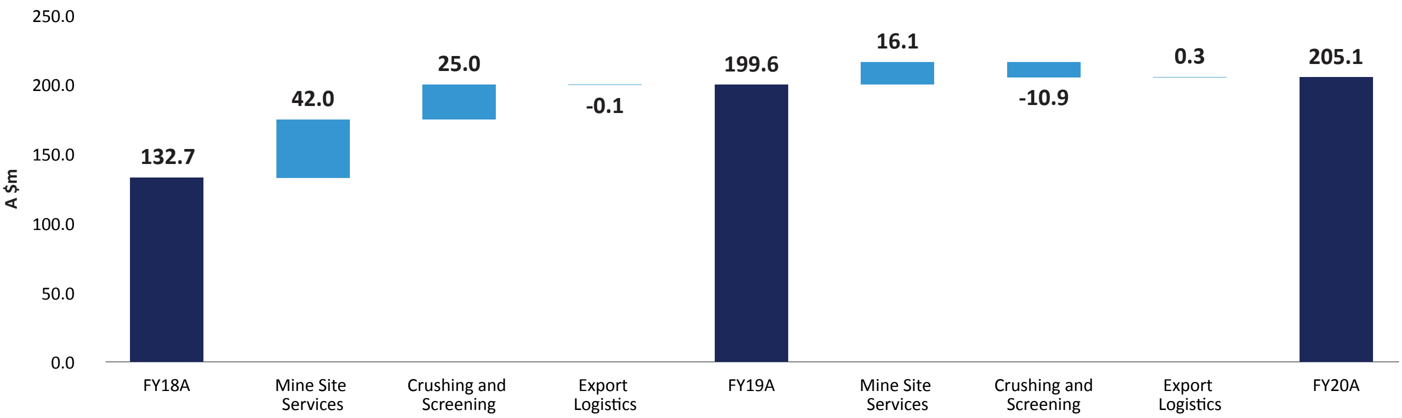
The MLG Group's key indirect costs relate to the head office costs in Perth and Kalgoorlie, and additional governance costs such as directors' fees, ASX listing costs, legal and company secretarial charges, financial management and costs associated with listing of the Company on the ASX as well as the longer term strategic development of the business.

e. Management discussion and analysis of the Pro Forma Historical Financial Information

i. Revenue

The MLG Group's revenue increased by $66.9 million (50%) from $132.7 million in FY18 to $199.6 million in FY19. Revenue growth continued in FY20, increasing by $5.5 million (3%) over FY19 to $205.1 million. Figure 4.1 sets out the historical revenue growth from FY18 to FY20. An explanation of the MLG Group's revenue streams can be found in Section 4.7(b).

Figure 4.1: Revenue bridge by service: FY18 – FY20



Mine Site Services and Bulk Haulage

The MLG Group generated $114.4 million of revenue from Mine Site Services and bulk haulage in FY18 primarily driven by a full year impact of new contracts initiated throughout FY17, and further supported by the commencement of the St Ives gold project.

In FY19, MLG Group's revenue from Mine Site Services and Bulk Haulage increased by $42.0 million (approximately 37%) over FY18 revenue to $156.4 million, driven by the commencement of two smaller additional gold projects and the first full year of MLG providing services at MLG's St Ives gold project. Revenue was also supported by a price increase, an increase in haulage tonnes and the commencement of road maintenance works in the Kalgoorlie region. The MLG Group also broadened its scope of work at a number of key sites. Additionally, the MLG Group purchased a cement and lime business (MLG Cement & Lime Pty Ltd) in March 2019 which provided additional construction materials revenue in FY19.

In FY20, MLG Group's revenue from Mine Site Services and Bulk Haulage increased by a further $16.1 million (approximately 10%) to $172.5 million driven by the impact of the first full year of revenue generated from the MLG Group providing services to Ramelius at its Edna May project and the completion of civil construction of the Tails Dam at Gold Fields' Gruyere project. The MLG Group's FY20 revenues from Mine Site Services and Bulk Haulage were negatively impacted by reduced volumes during the COVID-19 pandemic as borders closed and customers adjusted their operations.

Crushing and Screening

The MLG Group's FY19 revenue from Crushing and Screening increased by $25.1 million (approximately 171%) over FY18 revenue to $39.8 million. The increase was largely driven by the first full year contribution from the recommencement of mobile crushing services at Christmas Creek. Revenues however declined by $10.9 million in FY20, with the impact of the COVID-19 pandemic reducing the volume of services requested.

Export Logistics

Over the historical FY18 to FY20, the revenue contribution from Export Logistics has remained relatively consistent, averaging $3.6 million per annum and representing approximately 2-3% of total revenues.

ii. **Expenses**

Direct costs – Cost of Sales

The MLG Group's Cost of Sales (**CoS**) are comprised of costs which directly relate to an operating site (predominantly labour, repairs and maintenance, equipment hire and fuel). CoS also encapsulates the costs of the depots and workshops that supply direct support to these operations.

In FY20, direct labour expenses made up 48% of FY20 CoS, repairs and maintenance expenses made up 19% of FY20 CoS, hire charges made up 12% of FY20 CoS, fuel expenses (net of fuel tax credits) made up 8% of FY20 CoS and subcontractors made up 5% of FY20 CoS.

The MLG Group's CoS were $108.7 million in FY18, which resulted in a gross profit of $23.9 million, at a gross profit margin of 18%.

In FY19, CoS increased by $46.3 million (43%) to $155.1 million. This resulted in a gross profit of $44.5 million and a gross profit margin of 22%. The improved gross profit margin was primarily driven by the recommencement of operations at Christmas Creek, which was fully operational throughout FY19. In addition, FY19 saw an increase in costs associated with depots which was primarily driven by a services expansion at the Yindi depot which was required to support additional sites, and the full year impact of the 22 Coath depot.

In FY20, CoS increased by $9.4 million (6%) to $164.5 million partly driven by the associated costs to deliver new contract wins but also driven by additional costs of labour through the COVID-19 pandemic. The related border closures resulted in MLG having to utilise labour hire companies to source labour during the early stages of Border closure. In addition, during this period, the business was forced to increase its use of subcontractors at a higher cost than MLG owned and operated equipment cost.

General and Administration costs

The MLG Group's General and Administration costs are comprised of all costs associated with the Company's head office in Kalgoorlie and the corporate support office in Perth. As the business has grown and expanded both its service offering and the number of operating sites, the associated support costs have incrementally increased as the required staff supply finance, administration and logistics support for all operations and depots.

These costs have increased from $8.3 million in FY18 to $10.5 million in FY19. FY20 costs are higher again at $16.1 million as the business has adjusted to growing demand and higher activity expected in FY21. In addition the FY20 General and Administration costs include $2.9 million of costs associated with the Company's preparation for an initial public offering in 2019 which did not go ahead.

Income tax expense

The average historical effective income tax expense rate over FY18, FY19 and FY20 is 28.6%. This approximates the Australian corporate tax rate of 30%. In the FY18, FY19 and FY20 years there are year on year fluctuations due to the annual assessment of differences between accounting positions and income tax positions. Where differences were identified for FY18, FY19 and FY20, these were reflected through income tax expense.

iii. Capital expenditure and depreciation

Table 4.19: Pro Forma historical capital expenditure and depreciation

	Pro Forma Historical			FY18 – FY20	
$'000	FY18	FY19	FY20	Increase/ (decrease)	% change
Growth	24,065	19,822	36,746	12,681	53%
Replacement	563	5,604	11,337	10,774	1,914%
Total capital expenditure	**24,628**	**25,426**	**48,083**	**23,455**	**95%**
Pro forma historical depreciation	(7,288)	(10,684)	(13,744)	(6,456)	89%
Depreciation under AASB 16	305	969	1,475	1,171	385%
Net depreciation excluding impact of AASB 16	**(6,984)**	**(9,715)**	**(12,269)**	**(5,285)**	**76%**

Capital expenditure from FY18 through to FY20 predominantly related to the expansion of services and volumes as new projects were mobilised and the business expanded across a number of sites. As shown above, capital expenditure related to growth represented 98% of expenditure in FY18 and 78% in FY19 before rising significantly in FY20 with the construction of the fixed plant operations at Christmas creek and as replacement capital expenditure increased. The net depreciation charges (after adjusting for the impact of AASB 16) has increased as plant and equipment has been expanded. The Company has consistently invested in new equipment to reduce the reliance on hire equipment and to support the growth in revenue from expanded contracts and new contracts.

iv. Working capital

The MLG Group's working capital includes trade receivables, inventories, trade payables, accruals and provisions. The key drivers of working capital are trade receivables (which are mostly impacted by the quantum of revenue) and trade payables. Additionally, movements in net working capital are influenced by receipt of debtor payments and timing of capital expenditure payables and accruals. Working capital has not historically been materially impacted by seasonal changes, other than those caused by severe weather disruptions to operations. These events have typically only impacted the volume levels produced over the short term. The MLG Group has historically managed to recover these short-term volume reductions by increasing processed volumes in the other months within a year, which has enabled the business to continue to meet its planned scope volumes.

v. Table 4.20: Summary of Pro Forma Historical Net Cash Flows before financing

Table 4.20: Extracts from the Pro Forma Historical Net Cash Flows before financing for FY18, FY19 and FY20

	Pro Forma Historical		
$'000	FY18	FY19	FY20
EBITDA	**15,599**	**33,970**	**24,482**
Movement in net working capital	8,208	(8,890)	4,536
Other operating cash flows	–	38	17
Tax paid	(3,858)	(2,714)	(2,132)
Operating Cash Flows	**19,949**	**22,404**	**26,904**
Net Replacement Capital expenditure	(563)	(5,604)	(11,337)
Growth Capital expenditure	(24,065)	(19,822)	(36,746)
Net Cash Flows before financing	**(4,679)**	**(3,022)**	**(21,179)**

Operating cash flows increased by $2.5 million, from $19.9 million in FY18 to $22.4 million in FY19, an increase of 12%, rising again in FY20 to $26.9 million as impacted by:

- an increase in EBITDA from $15.6 million in FY18 to $34.0 million in FY19;
- a decrease in taxes paid from ($3.9 million) in FY18 to ($2.7 million) in FY19; partially offset by
- a decrease in working capital movements from $8.2 million in FY18 to ($8.9 million) in FY19 (the increase in net working capital movement was largely in line with higher revenue growth in FY19); and
- increased working capital movement from ($8.9 million) in FY19 to $4.5 million in FY20.

Net cash flows before financing decreased from ($4.7 million) in FY21 to ($21.2 million) in FY20 due to the factors described above, and the net impact of capital expenditure requirements. Capital expenditure was significantly higher in FY20 with the construction of the fixed plants for Fortescue. Capital expenditure is further discussed in Section 4.7(e)(iii).

4.8 Assumptions underlying the Forecast Financial Information

This Section sets out the Directors' best estimate general and specific assumptions adopted in preparing the Forecast Financial Information.

a. General assumptions

The following general assumptions are relevant to the Forecast Financial Information:

- No material change in the competitive and operating environments in which the MLG Group operates.
- No significant deviation in the current industrial, economic or market conditions under which the MLG Group and its key clients operate that would have a material effect on the MLG Group's operating results (eg business confidence and commodity prices).
- There are no major weather, seismic or geological events that may materially impact on the operations of the MLG Group or its key clients.
- No material changes in key personnel, including key management personnel, and the MLG Group maintains its ability to recruit and retain the personnel required to support future growth.
- No material industrial strikes, employee relations disputes or other matters, environmental costs, contingent liabilities or legal claims are settled to the detriment of the MLG Group.
- No material unexpected change in applicable AAS or other mandatory professional reporting requirements of the Corporations Act, which have a material effect on the Company's financial performance or cash flows, financial position, accounting policies, financial reporting or disclosure obligations of the Company.
- No material changes in government regulation, policy, legislation, or tax legislation that will have a material impact on the financial performance or cash flows, financial position, accounting policies, financial reporting or disclosures of the Company.
- No material industry disturbances or disruptions to the continuity of operations of the MLG Group nor other material changes in its business or material impact from further government directives or industry disturbances relating to the COVID-19 pandemic or any other future outbreak of contagious diseases or pandemics.
- No material amendment to any material contract, agreement or arrangement relating to the MLG Group business.
- No material losses of clients or contracts.
- No material adverse impact in relation to litigation or claims (existing or otherwise).
- No material change in the Company's corporate and funding structure other than as set out in, or contemplated by, this Prospectus.
- No material acquisitions, divestments, restructuring or investments.
- The Offer proceeds in accordance with the timetable set out in the 'Key dates and other information' section of this Prospectus.
- None of the key risks listed in Section 5 occurs, or if they do, none of them has a material adverse impact on the operations of the MLG Group.

b. Specific assumptions

The specific assumptions listed below are a summary only and do not represent all the factors that will affect the MLG Group's forecast financial performance and cash flows. The MLG Group has forecast its FY21 revenues on a site by site basis having undertaken a detailed analysis of:

- existing sites where work is currently being undertaken; and
- new sites where a contract has been agreed and work has commenced in FY21 or is due to commence during FY21.

Revenue from existing sites:

- Management has forecast revenues from existing sites taking into consideration revenues generated from existing sites in FY21 and also having regard to expected changes in volume and scope of work.
- With the exception of recent contract renewals where pricing rates have been changed, pricing is expected to remain consistent with historical rates for the majority of sites and is primarily based on the contracted schedule of rates.
- Management has assessed existing sites with contracts expiring in FY21 and believes these contracts will be extended on terms materially consistent or better than the current contracts.

Revenue from new sites:

- The MLG Group won two material projects which commenced in FY21. A contract with Barto Gold for crushing services which commenced in 2020, and a new project with Ora Banda mining which commenced in 2021. Forecast revenues for these two new sites are based on planned volumes and a schedule of rates.
- The MLG Group has identified several opportunities, at potential new sites, that management are currently pursuing. However, the MLG Group has not included these revenues in the Forecast Financial Information given the relatively early stages of these opportunities.

c. Cost of sales

Cost of sales include costs directly related to sites and the costs of depots that provide repairs, maintenance and refurbishment to sites. They have been forecast on a site-by-site basis.

Operating Site Costs and Site Margin:

These costs include those costs directly related to the sites including employee costs, fuel expense, equipment costs and hire expenses. These costs have been forecast based on a detailed analysis of site operations having reference to historical performance and expected cost changes. For each site, unless there is a known change in the cost base, mix of work, or contract terms, the forecast margin is assumed to be in line with that generated historically.

Depot Costs:

The major cost component of Depots is employee costs and these have been forecast on the basis of detailed costs by employee.

Other key costs components of a variable nature including equipment, consumables and hire costs have been forecast based on the revenue of sites that the depots service which is a proxy for depot activity.

d. Other Expenses – Office/Shared Costs

The MLG Group operates its Head Office at Kalgoorlie and a supporting office in Perth.

The major cost components are employee costs, administration, finance costs and rent.

The forecast has been based on expectations of known business requirements and known forecast cost changes.

Costs for both employees and rent are based on detailed itemised schedules.

e. Changes in Working Capital

Working capital movements have been forecast by the MLG Group based on historical experience with consistent client and supplier terms.

f. Capital Expenditure

The capital expenditure forecast is based on capital requirement for the various revenue streams.

Growth capital expenditure: Identified and forecast based on the MLG Group's expected requirements of existing clients and new projects commencing.

Replacement capital expenditure: Replacement capital expenditure mostly relates to overhauls and major refurbishments of existing capital equipment and has been forecast based on historical trends.

g. Depreciation and Amortisation

Depreciation of property, plant and equipment has been forecast based on historical rates, with any new capital expenditure during the Forecast Period to be depreciated in accordance with the MLG Group's existing accounting policies.

h. Net Finance Costs

The forecast interest expense is based on the existing debt facilities and taking into consideration the repayment of certain debt amounts subsequent to the Offer as outlined in Section 4.4(c).

i. Tax

Income tax impacts have been based on a 30% corporate tax rate. FY21 forecast income tax paid has been based on the forecast income tax instalment profile of the MLG Group together with the expected FY20 income tax balancing payment, with the difference between statutory and pro forma FY21 income tax paid being the tax impact of the relevant pro forma items.

No tax adjustments have been assumed for non-deductible share-based payments expense relating to the issue of options under the incentive plans, the impact of which would be to increase income tax expense for FY21 (increase the effective income tax expense rate for FY21). This would be reviewed by MLG in further detail post Completion of the Offer as part of the preparation of MLG's accounts and tax return.

4.9 Management discussion and analysis of Forecast Financial Information

The general assumptions and specific assumptions underpinning the FY21 forecast revenue and expenses are outlined in Section 4.8(a) and Section 4.8(b), respectively.

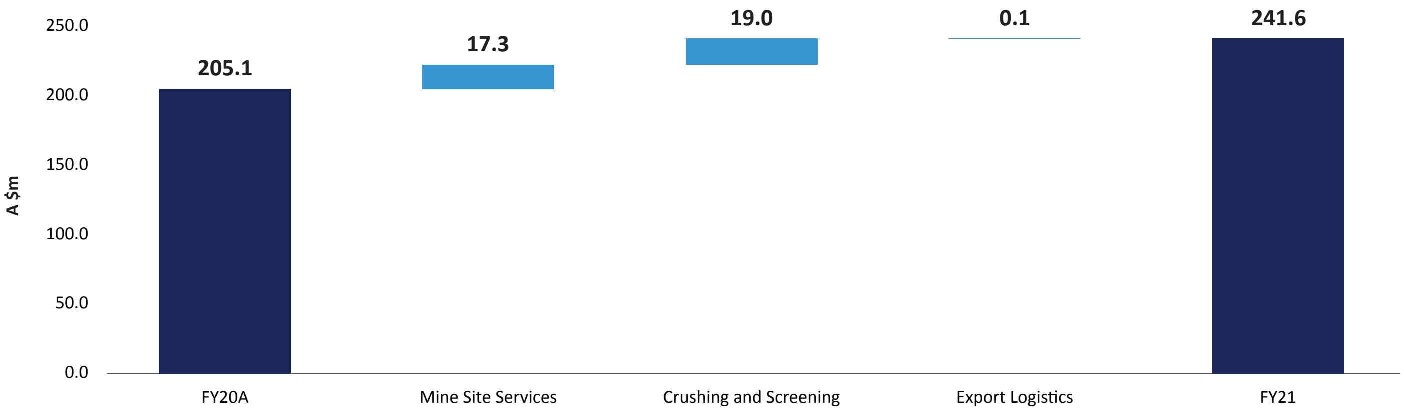
a. Revenue

FY21 revenue has been forecast on a site by site analysis of historical revenue of the existing operational sites and adjusted for known contractual changes in volume and scope of work that has commenced, or is due to commence, in FY21. In addition to the revenue expected from existing operations management has also included revenue expected to be generated at new sites where work has commenced in FY21 or is expected to commence in FY21.

There are further opportunities with existing clients and potential new clients which have not been included in the forecast revenue for FY21 as they are yet to be contractually negotiated and could not be forecast with reasonable certainty.

4. FINANCIAL INFORMATION

Figure 4.2: Revenue bridge: FY20 to FY21



The key drivers of the FY21 revenue forecast are summarised below.

Revenue growth between FY20 and FY21 is predominantly attributable to the full year impact of the Fortescue crushing plants which were being constructed in FY20 at Christmas creek and renewal of several mine site services and bulk haulage contracts which have negotiated higher rates in FY21. The two new projects awarded and which commenced in FY21 were Barto Gold Mining (mobile crushing (commenced in October 2020) and Ora Banda Mining Ltd a mine site services and Bulk Haulage contract (commenced in January 2021). Revenue for these two new sites has been included in the forecast, based on planned volumes and the agreed schedule of rates.

FY20 was also impacted by the COVID-19 pandemic resulting in lower volumes across certain client sites and material delays to the construction of the Fortescue crushing plants. The impact of COVID-19 is not expected to be as significant in FY21.

Mine site services and bulk haulage revenue is forecast to increase by $17.3 million or 10% between FY20 and FY21 with a significant increase in revenue from crushing and screening of $19.0 million (66%), and an increase in Export Logistics of $0.1 million (4%).

Mine site services and bulk haulage

Key drivers of the $17.3 million forecast increase in mine site services revenue are:

- both price and volume increase at a selection of existing sites;
- the commencement of a new contract with Ora Banda Mining; and
- new civil construction works to support tailings dam expansion at existing clients.

Crushing and screening

The primary driver of the $19.0 million increase in crushing and screening revenues is the impact of the now fully operational Fortescue – Christmas Creek fixed plants.

The completion of the fixed plant construction has also now enabled MLG to redeploy the mobile crushing equipment that had been operating at Fortescue to the new contract with Barto Gold mining resulting in higher revenues and improved margins as the fixed plant delivers operational efficiencies and the disruption of COVID-19 is reduced through operational protocols and improved response planning.

Export Logistics

Revenues from export logistics are forecast to be ahead of FY20, up 4% primarily due to the addition of a new client in FY21.

b. Expenses

Cost of Sales

FY21 CoS is forecast to increase by $20.1 million over FY20, which is forecast to result in the gross profit margin growing from 19.8% (FY20) to 23.6%.

In FY21, direct labour expenses are forecast to make up 48% of FY21 CoS, repairs and maintenance expenses are forecast to make up 16% of FY21 CoS, hire charges are forecast to make up 9% of FY21 CoS, fuel expenses (net of fuel tax credits) are forecast to make up 9% of FY21 CoS and subcontractors are forecast to make up 6% of FY21 CoS.

The higher CoS is in line with the new operations commencing at Christmas creek, Barto Gold and Ora Banda Mining. As site operations are established with appropriate staff, equipment and support, the overall volumes being handled by the MLG Group increases and the direct costs to support these volumes will also increase.

The impact on expenses during FY20 of the COVID-19 pandemic and related border closures resulted in higher costs. The inability to rely on some of the Company's labour force who reside outside of Western Australia and the Northern Territories required the Company to hire labour through more expensive labour hire providers, and source equipment and haulage with subcontractors to service demand for the MLG Group's services.

The pandemic also occurred during the construction of the two fixed crushing plants resulting in significant delays and additional carrying costs. These costs associated with the pandemic are not expected to recur in FY21, resulting in an expected improvement in gross profit margin in FY21.

General and Administration costs

In FY21, General and Administration costs are forecast to decrease by $0.2 million (1%), however this decrease is largely a result of the costs ($2.9 million) included in FY20 for the preparations for an initial public offering (which did not eventuate) within General and Administration expenses. Costs are increasing which is attributable to additional corporate services in the Perth Office to support the Company as it continues to grow including the full year impact of additional corporate roles filled in FY20, new corporate roles forecast to be filled in FY21 and an increase in spend on information technology.

Capital expenditure and depreciation

Table 4.21: Pro Forma historical and pro forma forecast capital expenditure and depreciation

	Historical	Forecast		
$'000	**FY20**	**FY21**	**Increase/ (decrease)**	**% change**
Growth	36,746	22,206	(14,540)	(39.6%)
Replacement	11,337	9,267	(2,070)	(18.3%)
Total capital expenditure	**48,083**	**31,473**	**(16,610)**	**(34.5%)**
Pro forma depreciation	(13,744)	(16,752)	(3,008)	21.9%
Depreciation under AASB 16	1,475	–	(1,475)	(100%)
Net depreciation excluding impact of AASB 16	**(12,269)**	**(16,752)**	**(4,483)**	**36.5%**

4. FINANCIAL INFORMATION

Capital expenditure is expected to decrease by $16.6 million (35%) to $31.5 million in FY21. The capital expenditure forecast is based on the MLG Group's current contracted pipeline and associated capital requirements. The MLG Group believes this capital expenditure is appropriate to support the level of growth expected to occur in FY21. The $31.5 million capital expenditure is primarily attributable to:

- the purchase of additional equipment in order to service new sites at Ora Banda;
- the purchase of equipment to expand the MLG Group's fleet, which will enable the Company to reduce its reliance on external hire and subcontractors;
- additional replacement capital expenditure to accommodate truck, loader, trailers and earth moving equipment overhauls; and
- anticipated growth in kilometre tonnes with existing clients expanding the geographic haulage routes.

As mentioned in Section 4.7(e)(iii) in FY18 capital expenditure relating to growth was 98% of total capital expenditure. This reduced to 78% in FY19, and declined again in FY20 to 76%. Subject to material contract wins MLG believes growth capital expenditure will eventually fall to a more normal level of approximately 60% of overall capital expenditure as the overall fleet reaches a more optimal balance to support forecast revenue.

Working capital

The MLG Group's working capital includes trade receivables, inventories, trade payables, accruals and provisions. The key drivers of working capital are trade receivables (which are mostly impacted by the quantum of revenue) and trade payables. Additionally, movements in net working capital are influenced by receipt of debtor payments and timing of capital expenditure payables and accruals. Working capital has not historically been materially impacted by seasonal changes, other than those caused by severe weather disruptions to operations. These events have typically only impacted the volume levels produced over the short term. The MLG Group has historically managed to recover these short-term volume reductions by increasing processed volumes in the other months within a year, which has enabled the business to continue to meet its planned scope volumes.

c. Table 4.22: Summary of Pro forma Forecast Net Cash Flows before financing

Table 4.22: Extracts from the Pro Forma Forecast Net Cash Flows before financing for FY21, compared with the Pro Forma Historical Net Cash Flows before financing for FY20

	Pro Forma Historical	Pro Forma Forecast
$'000	**FY20**	**FY21**
EBITDA	**24,482**	**41,038**
Movement in net working capital	4,536	(851)
Other operating cash flows	17	–
Tax paid	(2,132)	(2,626)
Operating Cash Flows	**26,904**	**37,561**
Net Replacement Capital expenditure	(11,337)	(9,267)
Growth Capital expenditure	(36,746)	(22,206)
Net Cash Flows before financing	**(21,179)**	**6,088**

Operating cash flows is forecast to increase by $10.7 million, between FY20 and FY21, from $26.9 million in FY20 to $37.6 million in FY21, an increase of 40%, as a result of an increase in EBITDA from $24.5 million in FY20 to $41.0 million in FY21.

Net cash flows before financing are forecast to increase from ($21.2 million) in FY20 to $6.0 million in FY21 due to the factors described above, and the net impact of capital expenditure requirements. Capital expenditure is further discussed in Section 4.8(f).

4.10 Sensitivity analysis

The Forecast Financial Information is based on a number of estimates and assumptions as described in Section 4.8 that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the MLG Group, the Directors and management, and based upon assumptions with respect to future business developments, which are subject to change. Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this Prospectus should be expected.

To assist investors in assessing the impact of these assumptions on the Pro Forma Forecast Financial Information, set out below in Table 4.23 is a summary of the sensitivity of pro forma forecast NPAT to changes in a number of key variables that would have a direct impact on the MLG Group's pro forma forecast NPAT. The sensitivity analysis is intended as a guide only and variations in actual performance could exceed the ranges shown. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced. For the purpose of the analysis below, the effect of the changes in key assumptions on FY21 pro forma forecast NPAT of $15.5 million is presented.

Table 4.23: Sensitivity analysis on pro forma forecast NPAT

		Pro Forma Forecast NPAT FY21
Assumption	**Increase/Decrease**	**Impact ($'000)**
Revenue	+/- 5%	+/- 1,063
Gross Profit Margin (%)	+/- 1%	+/- 730
Cost of Sales	+/- 2%	+/- 1,122
General and Administration Costs	+/- 2%	+/- 109
Interest base rate	+/- 25bps	+/- 13

Care should be taken in interpreting these sensitivities. In order to illustrate the likely key impact on the Pro Forma Forecast NPAT, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or may be additive.

4.11 Dividend policy

Subject to future business conditions, available profits and franking credits and the financial position of the MLG Group, it is the current intention of the MLG Group to pay dividends.

The MLG Group 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. The first dividend is expected to be declared for the period from 1 January 2021 to 30 June 2021.

Declaration of any dividend is at Board discretion. The Board will take into account all relevant factors including financial position, operating results, legal, regulatory or contractual restrictions, capital requirements, business prospects and taxation considerations (including the level of franking credits available) when determining declaration of any dividend.

The Directors expect the performance of the MLG Group will allow fully franked dividends but will consider the ability of the dividend to be franked (and level of franking) before declaring any dividend. As at 31 December 2020, the Company's franking account balance was $18.9 million. The ability of the MLG Group to pay a fully franked dividend will depend on the MLG Group's available franking account balance and its level of distributable profits. The MLG Group's franking account balance (and ability to frank at 30% or 25%) is (and will continue to be) a function of the MLG Group's Australian assessable income and the amount of Australian corporate tax paid by the MLG Group.

No assurances can be given by any person, including the directors, about the payment of any dividend and the level of franking on such dividends. Investors who are not tax residents of Australia and who acquire Shares may be subject to Australian withholding tax on dividends or other distributions paid in respect of the Shares. Such Investors should consult with their own tax advisers regarding the application of the Australian withholding or other taxes to their particular situations as well as any additional tax consequences resulting from purchasing, holding or disposing of the Shares.

A summary of certain Australian tax consequences for Australian tax residents participating in the Offer and investing in Shares (including receipt of dividends) is set out in Section 9.10.

5. Risk Factors

5. RISK FACTORS

5.1 Introduction

This Section 5 describes some of the potential risks associated with an investment in MLG.

An investment in MLG is subject to a number of risks, some which are specific to MLG and its business activities, and some of which are more general in nature. Each, or a combination, of these risks could, if they eventuate, have a material adverse impact on MLG's business, financial position, operating and financial performance, growth, and the value of its Shares. Some of these risks can be mitigated to an extent through MLG using appropriate safeguards and controls (which MLG seeks to do). However, many of the circumstances giving rise to these risks, and the occurrence of consequences associated with each of these risks, are either wholly or partly outside the control of MLG, its Directors and senior management.

This Section 5 does not purport to summarise every risk that may be associated with an investment in MLG (now or in the future), and you should bear in mind that the risks described in this Section 5 are not the only risks faced by MLG (whether now or in the future).

Additional risks, including risks that MLG and its Directors are currently unaware of or risks that MLG and its Directors are aware of but currently do not consider to be material, also have the potential to have a material adverse effect on MLG's business, financial position, operating and financial performance, growth, and the value of its Shares.

The selection of risks in this Section 5 has been based on an assessment of both the probability of the risk occurring and the impact of the risk if it did occur. That assessment is based on the knowledge of the Directors as at the date of this Prospectus. Accordingly, any future assessment may result in a different selection of risks at that time, and none of MLG or its Directors provide any guarantee or assurance that the prominence of certain risks will not change or that other risks will not emerge.

Before deciding whether to invest in Shares, you should read this Prospectus carefully and in its entirety, and satisfy yourself that you have a sufficient understanding of the actual and potential risks associated with such an investment. You should also consider whether an investment in MLG is suitable for you, having regard to your own personal circumstances, investment objectives, financial situation, tax position and particular needs. If you do not understand any part of this Prospectus or are in any doubt as to whether or not to invest in MLG, you should seek professional advice (from your stockbroker, accountant, lawyer, financial adviser or other independent professional adviser) before deciding whether to invest.

Unless the context requires otherwise, references to MLG in this Section 5 include each member of the MLG Group (individually and together, as appropriate).

5.2 Specific risks in relation to an investment in MLG

a. Contract risk

General contract risk

MLG's operations are premised on a series of contractual relationships with its clients; each with prescribed legal provisions and obligations, and through which it derives its revenues. There is risk inherent in all contracts, including that counterparties will not adequately or fully comply with their obligations, or that contracts may be terminated or fail to be renewed (whether for cause or otherwise). In the case of MLG's material contractual arrangements (with clients), any such non-compliance could result in delays in MLG receiving material amounts owing to it or not receiving such amounts at all. In certain circumstances, it may be costly, otherwise impractical, not viable commercially, or ultimately not possible, for MLG to enforce its contractual rights against such counterparties.

Although MLG considers that it is not disproportionately reliant on any one contract or any one client, MLG derives a significant amount of revenue from Fortescue under the Fortescue – Christmas Creek Agreement and from Gold Fields under the Gold Fields Agreements (in aggregate). See Section 3.7 for more information about the proportion of total revenue generated under these agreements and their terms.

The loss of any of Fortescue, Northern Star, Gold Fields, Newmont or Ramelius as a client (dealing with each of the agreements with that client in aggregate for these purposes) would be expected to have a material adverse effect on MLG's operational and financial performance, including its ability to meet the revenue and cash flow projections contemplated by the Forecast Financial Information.

Such material adverse effect would be more likely if MLG were unable to readily redeploy those assets and personnel currently employed in the performance of these services contracts, or to secure new services contracts to replace the revenue lost (by the termination of, or other material reduction in, the services currently provided under the agreements with any of Fortescue, Northern Star, Gold Fields, Newmont or Ramelius).

No minimum spend

Most of MLG's material contractual arrangements with its clients do not include an express obligation on the counterparty to incur a minimum level of spend or request a particular volume of services or goods from MLG under the relevant contract. Additionally, MLG's supply arrangements for construction materials are typically governed by individual purchase orders issued to MLG by the relevant client as and when such materials are required, so there are no ongoing (and overarching) supply contracts for those arrangements. Any material reduction in the goods or services provided by MLG under its contractual arrangements, or reduction in the construction materials ordered and delivered via purchase orders, could have a material adverse effect on MLG's operational and financial performance.

Termination for convenience

As is typical across the broader sector in which MLG operates, most of MLG's material contractual arrangements contain 'termination for convenience' clauses. These clauses allow the relevant counterparty to terminate the applicable contract without cause by giving MLG a prescribed amount of notice. Accordingly, there is a risk such contractual arrangements (or future contractual arrangements with equivalent clauses) may be terminated at any time and MLG can give no assurance that it will be able to retain such clients, whether now or in the future. Any loss of a client individually (or in aggregate with other clients) may have a material adverse effect on MLG's operational and financial performance, including its ability to meet the revenue and cash flow projections contemplated by the Forecast Financial Information.

Suspension of services

The majority of MLG's material contractual arrangements permit the relevant counterparty to direct MLG to stop carrying out some or all of its works or services at the sole discretion of that counterparty. Whilst most of the agreements that contain such a suspension right can, in any event, be terminated at the applicable counterparty's convenience (such that this additional right does not generally materially increase the scope of the applicable counterparty's walk away rights), any exercise of these rights by one or more counterparties may have a material adverse effect on MLG's operational and financial performance, including its ability to meet the revenue and cash flow projections contemplated by the Forecast Financial Information.

Expiry of existing contracts

While MLG has long-standing relationships with many of its clients, MLG's contractual arrangements are typically initially for terms ranging between 24 and 36 months, although MLG sometimes enters into shorter term agreements with existing clients (often for extensions to the scope of services being provided to an existing client at a particular site). The contracts generally also include an option (in favour of the relevant client) to extend the contract for periods ranging from 12 months to 24 months. As the option to extend the contracts is granted only in favour of the applicable client (not MLG), or by agreement between MLG and the applicable client, the client is under no obligation to exercise any such rights of extension and MLG cannot contractually determine whether or not an extension ultimately eventuates. Accordingly, if the contracts are not extended by the applicable clients, certain of MLG's material contractual arrangements will expire within 12 months of the Prospectus Date. In addition, certain of MLG's material contractual arrangements have already expired, and MLG is continuing to provide services to the applicable client on an uncontracted basis, on the basis of the terms contemplated by the now-expired contract.

5. RISK FACTORS

Any non-renewal or extension of one or more of its material contractual arrangements (including those in respect of which MLG is currently operating with the applicable client on an uncontracted basis) may have a material adverse effect on MLG's operational and financial performance, including its ability to meet the revenue and cash flow projections contemplated by the Forecast Financial Information.

Indemnities

Under each of its material contractual arrangements, MLG gives a range of indemnities in favour of the corresponding counterparties. There is generally no limit on MLG's liability under these indemnities and, in some cases, the indemnities will extend to include consequential losses (which, by their nature, are difficult to quantify or otherwise define). While such indemnities are not considered unusual in the context of MLG's business, the services that it provides under these contractual arrangements or the industry in which it operates, should any of these counterparties successfully seek indemnification from MLG, MLG may be exposed to potentially significant liabilities (including if it is not able to make a corresponding claim under its applicable insurance policies).

Change of ownership

Some of MLG's material contractual arrangements contain change of ownership provisions or other provisions which will or may be triggered by the Offer (and the resultant issue and transfer of the Shares contemplated by it). Additionally, some of MLG's material contractual arrangements contain change of control provisions which may be triggered in the future (including as a result of any future sell-down of Shares by the Existing Shareholder).

If triggered, such provisions typically require the applicable counterparty's prior consent or waiver (which, if not obtained, will either result in the counterparty having a termination right or in a breach of the relevant contract by MLG).

Failure to obtain the necessary consents or waivers from applicable counterparties could result in the termination of one or more contracts or damages claims against MLG for breach of contract; any of which could have a material adverse effect on MLG's operational and financial performance, including its ability to meet the revenue and cash flow projections contemplated by the Forecast Financial Information.

b. Client and industry reliance

MLG derives its revenue from contractual arrangements with mining companies that principally operate in Western Australia or the Northern Territory and sell their products in both domestic and international markets. As a service provider to the mining industry, MLG is reliant upon sufficient profitability of its clients to justify outsourcing these services to MLG.

The mining industry can be cyclical in the volume of business undertaken, and in its profitability (having regard to certain external factors such as commodity prices, foreign exchange rates and the prevailing regulatory landscape).

Cycles in the volume of business undertaken or profitability may adversely affect demand for MLG's services; through its clients either ramping down production (and accordingly limiting MLG's scope of work) or insourcing (in whole or in part) the services MLG provides. This risk is exacerbated by the fact that MLG's client contracts generally do not contemplate minimum purchase or volume requirements and (as mentioned in Section 5.2(a)) provide for certain termination for convenience and suspension rights in favour of MLG's counterparties.

Further, the operations of MLG's clients involve potential operating hazards such as occupational health and safety incidents, explosions, leaks and other environmental contaminations. In addition, the operations of some of MLG's clients may be located in areas where natural disasters such as earthquakes, floods and cyclones can occur. While processes and procedures are in place to manage these events if and when they do occur (to minimise their impact on persons, plant, materials and the project as a whole), such operating hazards or natural disasters may cause substantial disruptions to the client's operations, which may in turn result in disruptions to MLG's operations, reductions to MLG's scope of work or the insourcing (in whole or in part) of the services MLG provides.

c. Permits and licences

MLG's operations are subject to a variety of Federal, State and local legislative and regulatory obligations. To comply with these obligations, MLG is required to hold and comply with various permits, licences, approvals and authorisations from regulatory bodies, including environmental licences. If any such permits, licences, approvals or authorisations are revoked or not renewed, or if MLG breaches its permitted operating conditions, it may be curtailed or prohibited from continuing or proceeding with mining or other operations, or may lose its right to operate the relevant sites or facilities, whether temporarily or permanently. This may have a material adverse impact on MLG's operational and financial performance.

In addition, any renewal of any such permits, licences, approvals or authorisations on terms that are more onerous or otherwise adverse to MLG's interests may have a material adverse impact on MLG's operational and financial performance.

d. Reputation risk

The success of MLG is reliant on its service delivery, reputation and brand. MLG's service delivery, reputation and brand could be adversely impacted by a number of factors, including certain of the risks identified in this Section 5. Specific factors that may adversely impact MLG's brand, and its future success in maintaining existing contractual relationships and securing new ones, include (but are not limited to):

i. health and safety or environmental incidents;
ii. supplying defective products or services;
iii. the actions of MLG's employees or contractors, including breaches of relevant regulations or failing to provide services to the requisite standard;
iv. disputes or litigation with third parties, including clients, employees and regulatory bodies; and
v. adverse publicity about MLG or third parties with whom MLG has a contractual relationship.

Any deterioration in or damage to MLG's service delivery, brand or reputation could have a material adverse effect on client loyalty, relationships with key suppliers, employee retention rates and demand for MLG's products and services, any of which could materially and adversely impact MLG's market share and its operational and financial performance.

e. Occupational health and safety risks

MLG's business model involves direct mining operations and providing mining services to clients who carry out mining operations. Operating in the mining industry brings with it exposure to a number of low, medium and high-risk activities, particularly from a safety perspective. For MLG, these include: working in and around mobile plant and uncontrolled energy sources; working at heights; exposure to adverse environmental conditions (especially heat); exposure to respiratory hazards, as well crush and pinch hazards; the potential for lifting and dropping heavy objects; and potential involvement in motor, heavy vehicle or other transport accidents.

A major safety incident could lead to temporary site closure of the relevant site, whether that is a client's site or MLG's own site; which could result in loss of revenue and/or reputational damage for MLG, as well as potentially exposing MLG to a claim by its client/s or penalties or other consequences under relevant work health and safety or environmental legislation.

While MLG follows strict procedures and processes in regard to safety management (including providing induction and ongoing safety management training to all its employees), and employs experienced safety personnel on sites and at a corporate level to ensure safety governance, there is no assurance or guarantee that such incidents will not occur.

f. Pandemic and other public health risks (COVID-19)

MLG's ability to provide services to its clients and to conduct its business activities may be impacted by the ongoing effects of the illness referred to as COVID-19 (or the coronavirus) or any other possible future outbreaks of contagious diseases or pandemics, which could in turn have a material adverse effect on MLG's financial position, performance or prospects.

In particular:

- the imposition of mobility restrictions (between states, within states, or internationally) has had, and may continue to have, an effect on the ability of:
  - MLG's employees to travel from their place of residence to their place of work, including to clients' sites; and
  - MLG to recruit, retain and replace skilled labour;
- the imposition of physical distancing restrictions or restrictions on the access to clients' sites (whether by law or by the client itself) may reduce the demand for MLG's services or MLG's ability to carry out its services; and
- the effects of COVID-19 (or any other outbreak of contagious diseases or pandemics) on MLG's clients (including, for example, reduced demand for a client's product because of macroeconomic conditions, restrictions on the export of a client's product or the suspension or cessation of the client's operations), may have an effect on that client's demand for MLG's services.

To the extent that the ongoing COVID-19 pandemic, or any escalation of it, adversely affects MLG's business, that may also have the effect of exacerbating other risks outlined in this Prospectus.

g. Availability of debt

MLG currently relies on debt financing to provide working capital funding, and for use in acquiring its plant and equipment. Whilst part of the Offer proceeds are intended to be used to repay some of MLG's existing debt, MLG's pro forma historical net debt position at 31 December 2020 is a net debt position of $22.6 million. MLG expects to continue to utilise debt facilities in the normal course of business to supplement working capital, acquire further plant and equipment and to fund growth initiatives for the business. Accordingly, any adverse changes in MLG's relationship with financiers or in financial markets (any of which could reduce MLG's access to, or increase MLG's cost of, funding) could materially and adversely affect MLG's financial position and performance.

There are also various representations, financial covenants and undertakings associated with these sources of funding. If these are not complied with, which may occur if MLG's operational and financial performance deteriorates, MLG may be required to repay borrowed amounts and may not be able to borrow further amounts. More onerous terms and conditions may also be imposed upon MLG by the lenders in these circumstances, which could limit or otherwise restrict the manner in which it conducts its business and operations.

From time to time, MLG may be required to amend, extend or refinance its debt facilities or source alternative sources of debt (or other) funding. There is no certainty as to the availability of debt facilities or the terms on which such facilities may be provided to MLG in the future. MLG's ability to refinance, replace or supplement its debt on acceptable terms, its ability to raise further finance on acceptable terms and to pursue growth and other opportunities will depend on market conditions and MLG's future operational and financial performance.

Any failure to maintain or source debt financing on satisfactory terms may require MLG to have recourse to equity capital markets to finance these operational requirements or opportunities (see further at Section 5.3(c) about the effect of this on Shareholders).

h. Reliance on key personnel

MLG's success depends on its ability to retain qualified and high-performing personnel with specialist skills, including the members of MLG's senior management team (see Section 6.3 for further details). MLG's success also depends on its ability to continue to attract qualified and high-performing personnel.

The loss of key personnel or delays in their replacement, or the inability to attract key personnel with the requisite skills and experience (from time to time), could materially and adversely affect MLG's ability to implement its business strategies.

i. Environmental risk

MLG is subject to a number of laws and regulations regarding the protection of the environment, as result of both the provision of mining services and through MLG's direct mining operations. These laws and regulations: set various standards regulating certain aspects of health and environmental quality; provide for penalties and other liabilities for the violation of such standards; and establish, in certain circumstances, obligations to remediate current and former facilities, sites and locations where operations are or were conducted.

Significant liability could be incurred by MLG (e.g. for clean-up costs, penalties or fines) in the event of certain discharges into the environment, environmental damage caused by MLG (or previous occupiers for that matter) or non-compliance with environmental laws or regulations by MLG. While MLG seeks to minimise these risks by conducting its activities in an environmentally responsible manner, and at all times in accordance with applicable laws and regulations, and, where possible, by taking out appropriate insurance coverage, there is no assurance or guarantee that these risks will be capable of being suitably mitigated, insured against or avoided.

Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement, contemplate increased fines and penalties for non-compliance, require more stringent environmental assessments of proposed projects and result in a heightened degree of responsibility for companies and their directors, officers and employees. Accordingly, there is a risk that, as a result of these developments in environmental laws and regulations, MLG's environmental compliance costs may increase and impact the overall profitability of its operations.

j. Ability to win new projects

MLG's financial performance depends on its ability to win new contracts, to renew or extend existing contracts and to expand the scope of its services under its existing contracts.

Any failure by MLG to continue to win new contracts, to renew or extend its existing contracts, or to expand the scope of its service offering under its existing contracts may materially and adversely affect MLG's financial position and performance, and (depending on the extent of that failure when compared to MLG's reasonable assumptions as at the Prospectus Date) materially and adversely impact its ability to meet the revenue and cash flow projections contemplated by the Forecast Financial Information.

While MLG expects to derive a substantial proportion of its FY21 revenue through its existing contracts, and also expects the majority of its key contracts to continue to generate revenue beyond FY21 (but see the risks in respect of this in Section 5.2(a)), MLG will still be required to win new contracts, to renew or extend existing contracts, and to expand the scope of its service offering under its existing contracts, to ensure longer term profitability. There is no assurance or guarantee that MLG will ultimately be able to achieve any of these outcomes.

k. Competition risk

The industry in which MLG operates is competitive and a number of companies already provide the products and services that MLG provides, some of which have greater operational and financial resources than MLG. Additionally, a number of companies may also be intending to provide one or more of the products or services that MLG provides. While MLG seeks to mitigate this risk through both the diversity of the services it offers and its ability to offer comprehensive and vertically integrated solutions to its clients, the risk of any loss of its existing clients, of existing clients reducing MLG's scope of work or of a failure to attract new clients (which, in each case, can be caused by the competition in the industry in which MLG operates) cannot be wholly mitigated.

5. RISK FACTORS

Competition in the industry may also result in downward pricing pressures. This may be caused by new market entrants, MLG's competitors being able to price their products and services more attractively than MLG and MLG's competitors having access to more advanced equipment and technology than MLG.

MLG is not able to influence or control the activities or actions of its competitors, and there is no assurance or guarantee that MLG will be able to successfully compete in the future. Any failure by MLG to remain competitive would materially and adversely affect MLG's operational and financial performance.

l. Remote operations

MLG provides operational services to projects in remote locations. The remoteness of the locations can result in exposure to increased risk of a shortage of skilled and general labour and potentially increase costs to deliver the schedule of work.

The remote locations in which MLG provides its services to clients also result in increased operational risk; caused by, among other things, the logistical difficulties associated with transporting equipment, materials and skilled personnel to those locations. Historically, MLG has demonstrated an ability to effectively manage these risks, however there is no guarantee or assurance that MLG will be able to continue to do so in the future.

m. Development and growth risk

MLG has developed a number of initiatives designed to enable MLG's future development and growth, which include:

i. increasing its scope of work under current contractual arrangements;

ii. expanding the provision of its goods and services to additional sites that are owned or operated by existing clients;

iii. pursuing and implementing MLG's existing platform with respect to the operations of new clients;

iv. diversifying into new commodity markets;

v. expanding its operations to other States in Australia; and

vi. undertaking strategic acquisitions.

Many of these initiatives will require significant capital investment by MLG. Such capital requirements may need to be funded by way of additional debt (see Section 5.2(g) for the risk associated with the availability of debt).

There is no guarantee that any or all of these initiatives, or MLG's strategy for development and growth overall, will be successfully implemented, deliver the expected returns or ultimately be profitable. There is also a risk that any such initiatives or strategy may be subject to unexpected delays and additional implementation costs. Any failure to successfully and profitably implement these initiatives or strategy may result in MLG not meeting the revenue and cash flow projections contemplated by the Forecast Financial Information.

n. Labour shortages and costs

The provision of MLG's services is dependent on the availability and cost of skilled labour. In Australia, there is a finite availability of skilled labour with the requisite expertise in the sectors in which MLG operates, and the current strength of the resource and mining industries has led to even further shortages in the availability of a skilled labour pool. In addition, the labour shortage has created cost increases for the supply of labour and management services. The availability and cost of labour may also be exacerbated by industrial relations issues (see Section 5.2(u) below for further details), as well as the remote locations in which MLG provides its services (see Section 5.2(l) above for further details). The loss of, or failure to retain, skilled labour, or an increase in the cost of securing and maintaining skilled labour, may impact MLG's ability to undertake activities as efficiently and effectively as it otherwise would have been able to, or to continue with or expand its operations; any of which may have a materially adverse effect on MLG's operational and financial performance.

o. Operational risk

MLG's business is exposed to operational risk arising from various factors many of which are wholly or partly beyond MLG's control. Such factors include, but are not limited to, a failure to sell its products or services, mechanical failure or plant breakdown, unexpected shortages or increases in the cost of consumables, spare parts, labour, plant and equipment, unanticipated sourcing problems (including delays, disruptions or quality control problems), industrial and environmental accidents, industrial disputes, delays due to government actions, human error, processing and communication errors and employees not carrying out their duties responsibly, general weather conditions and risk of material cyclone events.

While MLG has controls and procedures to manage operational risk (which procedures include regular maintenance of its bulk haulage fleet), many operational risk factors are wholly or partly beyond MLG's control. Should one or more these factors arise and MLG's controls and procedures fail to adequately manage that risk, it could result in the loss of existing clients (and potential litigation for MLG), impact MLG's ability to attract new or retain existing clients (as a result of any consequent reputational damage), and may have a materially adverse impact on MLG's operational and financial performance or future growth prospects.

This is exacerbated by the fact that, for most of MLG's clients, MLG provides and operates key operational processes on behalf of those clients. Disruption to any one of these operational components may lead to significant disruption to that client's operations (and potentially result in material claims against MLG), and may also delay or limit MLG's ability to provide its services to other clients.

p. Regulation

MLG and its operations and services are subject to a wide range of Federal, State and local legislative and regulatory requirements and obligations; including those relating to mining, permitting and licensing, industrial relations, environment, land use, royalties, water, native title and cultural heritage, land access, mine safety and occupational health and safety and taxation or duties. A failure to comply with such requirements and obligations may cause material damage to MLG's service delivery, brand and reputation, and could also result in fines, injunctions, penalties, requirements for remedial works and other sanctions that may have a material and adverse effect on MLG's business.

The introduction of new, or a variation of existing, laws, standards or regulations, or a change in the way existing laws, standards or regulations are interpreted or applied, may require changes to the way MLG conducts its business and operations. Such changes may require significant expenditure and/or inhibit MLG's ability to market or sell its products or provide its services, which may in turn have a materially adverse effect on MLG's operational and financial performance.

In addition, as a result of MLG's reliance on the mining sector to continue to outsource its requirements (and engage MLG to provide those services) (see further at Section 5.2(b)), MLG may also be indirectly affected by changes to the regulatory landscape that affect its clients and other mining companies that operate in Western Australia.

q. Concentration of shareholding

Immediately following Completion of the Offer, the Existing Shareholder will beneficially own or control approximately 50.1% of the total Shares on issue.[1] The Existing Shareholder's Shares (other than the Management Reward Shares) will be subject to the voluntary escrow arrangements described in Section 9.7. Accordingly, there is a risk that:

i. the restrictions on the Existing Shareholder's ability to sell or otherwise deal with his Shares during the escrow period may negatively affect liquidity in the market for Shares (which may in turn have a negative impact on the Share price); and
ii. any sale of Shares by the Existing Shareholder following the end of the escrow period may have a negative impact on the Share price.

1. Excludes 2,000,000 Management Reward Shares (being approximately 1.4% of the Shares on issue at Completion of the Offer) which Murray Leahy intends to transfer to the EST shortly after Listing to be gifted for nil consideration to certain members of MLG's management team. Accordingly, the reference to Murray Leahy's holding of 50.1% on Completion of the Offer refers to Murray's interest after those Management Reward Shares have been transferred. See section 6.9 for more information about this.

Additionally, for so long as the Existing Shareholder holds a controlling stake in the Company, he alone is able to determine or influence whether a takeover bid for MLG, proposal to acquire MLG by scheme of arrangement or other type of change of control transaction is ultimately successful, and will be able to pass or block an ordinary resolution of MLG despite any other votes (subject to certain scenarios in which the Existing Shareholder is prohibited from voting).

There is no guarantee that, from time to time, the interests of the Existing Shareholder will align with the interests of other Shareholders; and the Existing Shareholder will be able to exercise his rights as a shareholder of MLG in his own interests.

r. Litigation risk

There is a risk that MLG may become subject to litigation or legal claims, disputes or other proceedings in the course of its business; including those involving employment disputes, contractual disputes, indemnity claims, environmental claims, occupational health and safety claims, or criminal or civil proceedings (each a **Dispute**). The relevant parties may include, but are not limited to, current and former clients, employees and suppliers, as well as governmental agencies, regulators or other third parties.

The outcome of any Dispute is uncertain and can be unpredictable. Any adverse finding in respect of a Dispute (or a decision by MLG to settle a Dispute) could:

i. in the case of clients, suppliers and other third parties with whom MLG has a commercial relationship, result in MLG incurring liability for damages or other payments; or
ii. in the case of governmental agencies and regulators, result in fines, penalties or other sanctions and/or the revocation of, or an adverse amendment to the terms of, permits, licences, approvals or authorisations held by MLG and required for the conduct of its business.

Any of the foregoing could have a materially adverse effect on MLG's business, financial position, operating and financial performance, future growth prospects, and the value of its Shares.

Additionally, even where Disputes are successfully addressed or defended by MLG, the existence of the Dispute itself (or any adverse findings coming out of the Dispute) could have a materially adverse effect on MLG's service delivery, brand and reputation, and may also divert financial and management resources from more productive uses (including MLG's operational or strategic priorities).

s. Reliance on third parties (including suppliers)

MLG's business relies on a range of third-party arrangements from time to time. For example, MLG engages subcontractors or other contract personnel, and hires or subcontracts yellow and other fleet (including road trains), in order to meet the bulk haulage and other service requirements of clients; including where its own personnel or fleet is otherwise already fully utilised. Problems arising from the conduct or decisions of third parties (who are engaged to supply such personnel, services or fleet), or their failure to comply with their contractual obligations to MLG, may cause MLG to breach its contractual obligations to its clients and affect MLG's financial performance and prospects.

Subject to any applicable contractual arrangements, MLG does not control the relevant third parties, who may decide to increase their prices for services or discontinue their relationship with MLG. There is no assurance or guarantee that MLG will be able to negotiate or maintain terms (with such third parties) that are commercially acceptable to it, or put in place alternative arrangements on a timely basis.

Furthermore, MLG does not have actual control over subcontractors and the manner in which they perform the services subcontracted to them, including with respect to safety and industrial relations matters.

In addition, MLG contracts with some key international suppliers on whom it relies for the supply of fixed crushing and screening plants and quick lime. A disruption in supply could impact MLG's ability to provide its services or products, resulting in a potential breach of MLG's contractual arrangements with its clients and a loss of operational performance and/or profitability. The inability to maintain key existing supplier relationships may have a material adverse impact on the financial and operational performance of MLG.

t. Costs of new equipment

A significant proportion of MLG's revenues are derived from the use of equipment owned by MLG (such as its crushing and screening equipment, bulk haulage fleet and general equipment used on mine sites). The cost of new equipment purchased by MLG to deploy in providing services to existing and future clients could increase due to increased material costs for MLG's suppliers or other factors beyond their control, such as adverse changes in foreign exchange rates or tariffs on raw materials. Such increases could adversely impact MLG's operational or financial performance. In addition, changes in client demand or technology could cause certain, existing equipment (such as existing equipment used for MLG's bulk haulage fleet) to become obsolete and require MLG to purchase new equipment at increased costs.

u. Industrial relations

MLG's operations may be disrupted (and MLG may be adversely impacted) by industrial relations issues affecting its employee base, as well as the employees of its clients and other third parties with whom MLG has a commercial relationship; whether due to strikes, work stoppages, work slowdowns, grievances, complaints, claims of unfair practices or other industrial activity under the enterprise bargaining arrangements governing their employment.

Approximately 83% of MLG's employees are covered by an enterprise bargaining agreement. These agreements are entered into for fixed terms, and some have expired or are due to expire in the near term. MLG is in discussions, or intends to shortly commence discussions, with the relevant employee representatives in relation to the terms of new or extended enterprise agreements. However, there is no guarantee or assurance that terms will be able to be agreed with the relevant parties in a timely manner (or at all), or that MLG's labour costs will not materially increase under any new or extended agreement.

Disputes may arise with employee representative bodies and unions from time to time. Employees are entitled to take protected industrial action in support of bargaining negotiations for a new enterprise agreement, provided they comply with certain legislative requirements. In addition, disputes may lead to 'unprotected' industrial action. Any of these disputes could materially and adversely impact MLG's service delivery, brand and reputation, as well as its operational and financial performance.

v. Reliance on systems and technology and cyber security

MLG's services and operations are reliant upon technology and information systems including:

i. IT infrastructure such as servers, storage, databases and telecommunications infrastructure;
ii. software applications; and
iii. control and processing systems.

MLG has invested in the development of technology systems designed to assist MLG with storage and backup of key data, collaboration and teamwork, calculation and recording of financial information, monitoring of work health and safety metrics, and tracking and usage of equipment. These systems may fail, operate ineffectively, or be subject to disruption as a result of system errors or external threats, and this may negatively impact on MLG's operational and financial performance.

Certain systems are operated or maintained by third parties whom MLG does not control, and the failure of third parties to effectively or efficiently perform such services may disrupt MLG's operations and/or cause harm to its reputation.

Unauthorised access to or a breach or failure of MLG's digital infrastructure due to cyber-attacks, negligence or other actions could disrupt MLG's operations and result in the loss or misuse of confidential or personal data or sensitive information, injury to people, harm to the environment or MLG's assets. Any loss or misuse of confidential or personal data or sensitive information may expose MLG to litigation, claims, fines and penalties.

Additionally, if MLG fails to replace or upgrade systems in a timely manner, or if it fails to effectively integrate or transition to new systems, it may incur substantial costs and may experience interruptions to its normal business activities or loss of critical data or consumer confidence.

w. Adequacy and availability of insurance

MLG maintains insurance coverage that it considers is appropriate in all the circumstances, as well as being consistent with industry practice and the expectations of MLG's clients and other stakeholders. However, there is a risk that any claim under MLG's insurance policies may be subject to certain exceptions or that certain events, losses or assets may not be covered by MLG's insurance policies (either because they are uninsurable (either sufficiently or at all), or because MLG has chosen not to insure against them).

Additionally, MLG's insurance policies are subject to certain limits and sub-limits, and there is a risk that an insured event could occur that causes losses materially in excess of the applicable limit or sub-limit.

In addition, future coverage may not be available to MLG when required; whether at commercially acceptable premiums or at all.

x. Climate change related risks

MLG provides services to the mining industry; which emits a considerable amount of carbon into the atmosphere. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. Such changes may contribute to reduced activity or worsening financial performance of MLG's clients. Any such reduced activity or worsening financial performance, along with direct impacts on MLG's business (such as increased costs or taxes or duties associated with diesel-powered equipment, for example), could result in MLG's clients ramping down production (and accordingly limiting MLG's scope of work) or insourcing (in whole or in part) the services MLG provides; any of which would have a significant effect on the financial position or performance of the Company, bearing in mind that the extent and timing of any such effects will depend on the nature, speed and focus of the changes (to policy, the legal landscape, technology and the markets in which MLG operates generally). In addition, the physical risks resulting from climate change, such as adverse weather conditions, may have operational or financial implications for MLG. Such operational or financial implications could arise as a result of damage to MLG's assets or disruption to its supply chain, or damage to the sites or projects to which MLG provides services.

5.3 General investment risks

a. Prices of Shares may fluctuate as a result of economic factors

As securities in a public, listed company, the Shares will be subject to the general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price that are not explained by, and occur regardless of, the operational and financial performance of MLG, and cannot be controlled or influenced by MLG and its Directors.

The price at which Shares are quoted on ASX may rise or fall due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance or guarantee that the price of Shares will be maintained or increase following quotation on ASX, even if MLG's operational or financial performance is sustained or improves.

Some of the factors which may affect the price of the Shares include, but are not limited to:

i. fluctuations in the domestic and international markets for listed stocks;
ii. general economic conditions and outlook, including gross domestic product growth, interest rates, inflation rates, foreign currency fluctuations and unemployment rates;
iii. changes in fiscal, monetary or regulatory policies, legislation or regulation, including in relation to taxation or duties;
iv. variations in market sector performance or changes in investor sentiment towards particular market sectors, which can lead to investors exiting one market sector in preference for another;
v. initiatives by other sector participants which may lead to investors switching from one stock to another;
vi. recommendations by brokers or analysts (including in relation to MLG specifically, or in relation to market sectors);
vii. the nature of the markets in which MLG operates;
viii. global hostilities, tensions, and acts of terrorism; and
ix. general operational and business risks.

b. Liquidity risk

There can be no guarantee or assurance that an active market in the Shares will develop, or that the price of Shares will be maintained or increase, following Completion of the Offer and Listing. There may be relatively few potential buyers or sellers of Shares on ASX at any time. This may be exacerbated by the fact that, as mentioned in Section 9.1, immediately following Completion of the Offer, the Existing Shareholder will own or control approximately 50.1% of the total Shares on issue.[2] This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid.

c. Shareholders may suffer dilution in the future

In the future, MLG may elect to issue new Shares to fund or raise proceeds for acquisitions or other growth initiatives that MLG may pursue, to repay debt, or for another reason (including pursuant to employee and management incentive arrangements).

While MLG will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue in any 12-month period (other than where exceptions apply), Shareholders may still be diluted as a result of such issues of Shares and fundraisings depending on how they are structured.

d. Taxation laws and their application (including changes)

An investment in Shares involves taxation and duty considerations which differ for each Shareholder dependent on their individual financial affairs. Each prospective Shareholder is encouraged to seek independent financial advice about the consequences of acquiring Shares, pursuant to the Offer, from a taxation and duty viewpoint and generally.

The application of and changes in relevant taxation law (including income tax, goods and services taxes (or equivalent), customs duties, fuel tax credits and stamp duties), or changes in the way whose taxation or duty laws are interpreted, will or may impact the taxation or duty liabilities of MLG or the taxation or duty treatment of a Shareholder's investment. An interpretation or application of taxation or duty laws or regulations by a relevant tax or revenue authority that is contrary to MLG's view of those laws may increase the amount of taxation or duty paid or payable by MLG.

There is a risk that both the level and basis of taxation or duty may change. Any change to the current level and basis of taxation or duty may increase the amount of taxation or duty paid or payable, may impact Shareholder returns and could also have an adverse impact on the level of dividend franking and resulting Shareholder returns.

To the maximum degree permitted by law, MLG, its Directors and each of their respective advisors accept no liability or responsibility with respect to the taxation or duty consequences of subscribing for Shares under this Prospectus.

e. Australian Accounting Standards may change

The Australian Accounting Standards are issued by the Australian Accounting Standards Board and are not within the control of MLG and its Directors. The Australian Accounting Standards Board may, from time to time, introduce new or refined Australian Accounting Standards, which may affect the future measurement and recognition of key income statement and statement of financial position items. There is also a risk that interpretation of existing Australian Accounting Standards, including those relating to the measurement and recognition of key income statement or statement of financial position items, may differ. Any changes to the Australian Accounting Standards or to the interpretation of those standards may have a material adverse effect on the reported financial performance and position of MLG.

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2. Excludes 2,000,000 Management Reward Shares (being approximately 1.4% of the Shares on issue at Completion of the Offer) which Murray Leahy intends to transfer to the EST shortly after Listing to be gifted for nil consideration to certain members of MLG's management team. Accordingly, the reference to Murray Leahy's holding of 50.1% refers to Murray's interest after those Management Reward Shares have been transferred. See section 6.9 for more information about this.

f. Inability to pay dividends or to frank dividends

MLG's ability to pay dividends or make other distributions in the future is contingent on its profits and certain other factors, including the capital and operational expenditure requirements of the business. There is no assurance that dividends will be paid at all (at any point in the future), and MLG and its Directors are unable to provide any guidance about the quantum of any dividends that may be paid.

Moreover, to the extent MLG pays any dividends, MLG may not have sufficient franking credits in the future to frank dividends. It is noted that MLG's current franking account balance is approximately $18.9 million, which should be available to frank future dividends (subject to satisfaction of the relevant requirements). The creation of further franking credits is contingent on MLG making taxable profits and the associated amount of Australian income tax paid by MLG. MLG's taxable profits and income tax paid may be difficult to predict, potentially making the future payment of unfranked dividends unpredictable. The value and availability of franking credits to a shareholder will be dependent on the shareholder's particular tax circumstances. For completeness, it is noted that the franking system may be subject to review or reform, which may impact the tax profile of future dividends.

Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder and the applicable tax law at the time the dividends are paid (refer above for comments regarding potential tax reform/changes). No assurances can be given by any person, including the Directors, about the level of franking or franking refund on any dividends.

g. Force majeure events may occur

Events may occur within or outside Australia that negatively impact global, Australian or other local economies relevant to MLG's business, financial position, operating and financial performance, growth prospects, and the value of its Shares. Some events of this nature, and their potential impact on MLG, are referred to in risk factors above. These events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of diseases or pandemics, or other man-made or natural events or occurrences that may have a material adverse effect on MLG's supply chain, the demand for MLG's products and services, and MLG's ability to conduct business.

6. Key People, Interests and Benefits

6. KEY PEOPLE, INTERESTS AND BENEFITS

6.1 Board of Directors

Our Board is comprised of three Non-Executive Directors and one Executive Director.

Biographies of the Board members are provided below.

Director	Experience
 **Mr Jim Walker** *Independent Chairman and Non-Executive Director*	Jim is the Chairman of MLG. Jim has over 45 years of experience in the resources sector, and is currently Non-Executive Chairman of Austin Engineering Limited, Australian Potash Limited and Mader Group Limited. Jim is also Chairman of the Western Australia State Training Board and Deputy Chairman of RACWA Holdings Pty Ltd. Jim was formerly Non-Executive Chairman of Macmahon Holdings Limited and Managing Director and Chief Executive Officer of WesTrac Pty Ltd. Jim was formerly National President of Australian Institute of Management (AIM) and AIM Western Australian and is a graduate member of the Australian Institute of Company Directors (AICD). Jim's focus on Apprentices and training was recognised when he was awarded the GJ Stokes Memorial Award at Diggers & Dealers in August 2014.
 **Mr Murray Leahy** *Managing Director and Chief Executive Officer*	Murray is the founder of MLG and its Managing Director and Chief Executive Officer. Starting initially as a small contractor providing silica mining and haulage services for BHP, Murray has grown and developed MLG into a significant Western Australian business. Murray has over 20 years of experience in the mining industry, establishing and developing MLG's mine site operations and working with multiple clients to support their operations. Murray has grown MLG which now has 29 locations across Western Australia and the Northern Territory and employs more than 600 people. In 2019, following the success of MLG being awarded the business of the year in the Goldfields Business Awards, Murray was awarded the Goldfields businessman of the year. Murray is a director of MLG Cement & Lime Pty Ltd and MLG Connect Pty Ltd.
 **Mr Garret Dixon** *Independent Non-Executive Director*	Garret is a Non-Executive Director of MLG. Garret has extensive experience in the resources and mining contracting sectors in Australia and overseas. His work in both private and ASX-listed companies spans more than three decades, having worked in senior executive roles for major mine owners, mine operators and contractors. Until recently, Garret held the position of Executive Vice President and President Bauxite at NYSE-listed Alcoa Corporation, where he was responsible for Alcoa's global bauxite mining business. Garret's Previous roles have also included Executive General Manager of Henry Walker Eltin Group Limited and Managing Director of ASX-listed Gindalbie Metals Ltd. Garret has a Bachelor of Engineering, Civil (Hons) and a Master of Business Administration (MBA), and is a member of the Australian Institute of Company Directors.

Director	Experience
 **Ms Anna Neuling** *Independent Non-Executive Director*	Anna is a Non-Executive Director of MLG. Anna is currently an Executive Director of ASX-listed S2 Resources Ltd which was demerged from Sirius Resources Limited as part of its merger with IGO in 2015. Anna has held various roles at Sirius since its inception and was Executive Director – Corporate and Commercial at the time of the $2.7 billion merger. Anna is also Non-Executive Chair of Tombador Iron Limited, an ASX-listed Brazilian iron ore company and Non-Executive Director of CZR Resources Ltd, an ASX-listed West Australian gold and iron ore exploration company. Anna has 20 years of experience in financial and corporate roles in the resources industry with ASX listed companies including Lionore Mining International Limited, Antipa Minerals Ltd and Avoca Resources Ltd. Prior to that, Anna worked at Deloitte in London and Perth. A Fellow of the Institute of Chartered Accountants in England and Wales and a Graduate of the Australian Institute of Company Directors, Anna also holds a degree in mathematics from the University of Newcastle (UK).

6.2 Director disclosure

No Director has been:

a. an officer of any company that has entered into a form of external administration because of insolvency during the time the Director was an officer or within the 12-month period afterwards; or

b. subject to any legal or disciplinary action (that is less than 10 years old).

6.3 Senior Management

Senior Management	Experience
 **Mr Murray Leahy** *Managing Director and Chief Executive Officer*	See Section 6.1.

6. KEY PEOPLE, INTERESTS AND BENEFITS

Senior Management	Experience
 **Mr Phil Mirams** *Chief Financial Officer*	Phil is the CFO of MLG. Phil was appointed CFO in October 2019 and has more than 30 years of experience in accounting, corporate finance and management roles across multiple industries. Phil started his professional career as an accountant in New Zealand in 1989 before moving to the UK in 1995 where he held senior roles with Deutsche Bank and Andersen in London. Phil moved to Australia in 2004 to become the Chief Financial Officer of Deutsche Bank, Australia and New Zealand before joining UGL Limited, an ASX 100 company, as CFO in 2007. Phil then moved to Perth as the CFO for Automotive Holdings Group Limited, prior to joining Navitas Limited as CFO in 2018. Phil holds a Bachelor of Commerce from the University of Otago, New Zealand and is a member of the Australia and New Zealand Institute of Chartered Accountants.
 **Mr Dennis Wilkins** *Company Secretary*	Dennis is the Company Secretary of MLG. Dennis is the founder and principal of DWCorporate Pty Ltd, a corporate advisory firm providing advisory, funding and administrative management services to the resources sector. Over the last 25 years, Dennis has been a director of, and involved in the executive management of, several publicly-listed resources companies with operations in Australia, Papua New Guinea, Scandinavia and Africa.
 **Mr Vinnie Fisher** *General Manager (Bulk and Site Services)*	Vinnie is the General Manager (Bulk and Site Services) at MLG, and is responsible for all of MLG's bulk and site services operations. Vinnie has been with MLG for over 5 years, and has over 45 years' experience in operations management roles within the bulk supply chain and transportation industries.
 **Mr John Antill** *General Manager (Crushing)*	John is the General Manager (Crushing) at MLG, and is responsible for the oversight of all of MLG's crushing and screening operations. John has been with MLG for over 6 years, and has over 20 years' supply chain experience. John has previously held senior roles in the crushing sector, across multiple commodities.

Senior Management	Experience
 **Mr Allun Waller** *General Manager (People and Performance)*	Allun is the General Manager (People and Performance) at MLG, and is responsible for MLG's human resources operations and safety program. Allun joined MLG in 2019. Allun spent more than 14 years in the Australian Defence Force before embarking on a career in the corporate sector. A specialist in workers' health and safety and corporate management, Allun has spent his entire corporate career within the mining sector.
 **Mr Rod Oakes** *General Manager (Maintenance)*	Rod is the General Manager (Maintenance) at MLG and is responsible for the maintenance of MLG's fleet and equipment. Rod joined MLG in 2019 and has spent more than 30 years in the mining industry, primarily working within Caterpillar with overall responsibility for mining machine rebuilds and field service. Rod has also had experience within the machine hire sector of the mining industry.

6.4 Interests and benefits

This Section 6.4 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in the Prospectus, no:

a. Director or proposed director of MLG;

b. person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus;

c. promoter of the Company; or

d. underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

e. the formation or promotion of MLG;

f. property acquired or proposed to be acquired by MLG in connection with its formation or promotion, or in connection with the Offer; or

g. the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed director of MLG to induce them to become, or to qualify as, a director.

6.5 Directors' interests and remuneration

Mr Murray Leahy is employed by MLG in the position of Managing Director and Chief Executive Officer. Refer to Section 6.8(a) for further details about Murray Leahy's employment arrangements.

a. Non-Executive Director remuneration

Under the Constitution, the Board may decide the total amount paid by the Company to each Director as remuneration for their services as a Director. However, under the Constitution and the ASX Listing Rules, the total amount of fees paid to all Non-Executive Directors in any financial year must not exceed the aggregate amount of fees approved by the Company in general meeting. This amount has currently been fixed by the Company at $600,000 per annum.

As at the Prospectus Date, the Company has agreed to pay the following base annual directors' fees to its Non-Executive Directors.

i. The Chairman will be paid a base annual fee of $115,000.
ii. Each of the other Non-Executive Directors will be paid a base annual fee of $75,000.

Non-Executive Directors will also be paid a Board Committee fee of $10,000 per year for each Board Committee of which they are a Chair. Directors will not receive a fee for being a member of a Board Committee.

All Non-Executive Directors' fees are inclusive of statutory superannuation contributions.

b. Deeds of access, indemnity and insurance for Directors

The Company has entered into deeds of access, indemnity and insurance with each Director. The deed provides the Director with a right of access to certain books and records of the Company and its wholly owned subsidiaries while they are a director of MLG (or a wholly owned subsidiary of MLG) and for a period of seven years after the Director ceases to hold the relevant office. This seven year period is extended where certain proceedings or investigations commence during the seven year period but have not been resolved at the conclusion of the seven-year period.

Pursuant to its Constitution, the Company must indemnify the Directors and other officers of MLG to the extent permitted by law against all liabilities incurred by those individuals as officers of the Company or of a wholly owned subsidiary of MLG, including as a result of their appointment or nomination by MLG (or a wholly owned subsidiary) as a trustee or officer of another corporation. Under the deeds of access, indemnity and insurance:

i. the Company indemnifies each Director to the fullest extent permitted by law, against any liabilities (including all reasonable legal costs) incurred by the Director as an officer of the Company or of a wholly owned subsidiary of MLG. The indemnity does not extend to liabilities for consequential loss; and
ii. (consistent with its Constitution), the Company must use its best endeavours to ensure that each Director is insured under a D&O Policy and that the D&O Policy is maintained both while the Director is an officer of MLG (or of a wholly owned subsidiary of MLG), and for such further period ending on the last to occur of:
    A. seven years after the Director ceases to hold office as a director of MLG or of a wholly owned subsidiary (as the case may be); and
    B. the final resolution of any specified proceedings or investigations that commence during that seven-year period but have not been resolved at the conclusion of the seven-year period.

c. Other information about Directors' remuneration

Directors are entitled to be paid for travel and other expenses incurred in attending to MLG's affairs, including attending and returning from general meetings of the Company, or meetings of the Board or a Board Committee. Any Non-Executive Director who, at the request of the Board and for the purposes of the Company, performs extra services or makes any special exertions, may be remunerated for the services (as determined by the Board) out of the funds of the Company. These amounts are in addition to the fees set out in Section 6.5(a). MLG does not pay benefits (other than statutory entitlements) on retirement to Non-Executive Directors.

d. Directors' shareholdings

Table 6.1 below shows the interest of each Director (whether held directly or indirectly) in securities of MLG immediately prior to Completion of the Offer and on Completion of the Offer.

The Directors are entitled to apply for Shares under the Offer. As at the Prospectus Date, the Directors intend to apply for the following number of Shares under the Priority Offer.

Murray Leahy: Nil.

Jim Walker: 75,000 Shares.

Garret Dixon: 75,000 Shares.

Anna Neuling: 50,000 Shares.

Table 6.1 includes Shares the Directors (and their associated entities) intend to acquire under the Offer. The final security holdings of the Directors will be notified to ASX on Listing.

Table 6.1: Directors' shareholding prior to, and on, Completion of the Offer

	Immediately prior to Completion of the Offer		On Completion of the Offer	
Director	**Shares**	**Other securities**	**Shares**	**Other securities**
Murray Leahy	95,669,163	–	74,969,163[1]	–
Jim Walker	–	–	75,000	–
Garret Dixon	–	–	75,000	–
Anna Neuling	–	–	50,000	–

Note: 1. Includes the 2,000,000 Management Reward Shares, which Murray Leahy intends to transfer to the EST shortly following Listing to be held for the benefit of certain members of MLG's management team. See section 6.1 for more information about the Management Reward Shares.

All of the Shares held by Murray Leahy on Completion of the Offer (other than the Management Reward Shares proposed to be transferred to the EST) will be subject to the voluntary escrow arrangements described in Section 9.7. The voluntary escrow arrangements will not apply to:

- Shares acquired by Directors under the Priority Offer; or
- the Management Reward Shares.

6.6 Senior management remuneration

The remuneration packages for MLG's senior management will be structured with the aim of retaining and incentivising those employees, and (insofar as is appropriate) aligning their interests with those of MLG's shareholders. Their remuneration packages currently comprise:

- **Total Fixed Remuneration:** This is the fixed amount of the remuneration package and includes base salary and superannuation contributions, as well as motor vehicles and other non-cash items. Total fixed remuneration is typically set by reference to the present value or market rate for the relevant role having regard to the relevant employee's particular skills and experience.

Following the establishment of the MLG incentive plan eligible employees will have their remuneration packages amended to include the following:

- **Short Term Incentive:** This component of the remuneration package is 'at risk' and is intended to incentivise the achievement of annual objectives that are a priority for MLG over the applicable financial year.
- **Long Term Incentive:** This is also an 'at risk' component of the remuneration package and is intended to incentivise the achievement of market and non-market related objectives, which are aimed at achieving longer term shareholder returns and sustained business value.

In designing the remuneration packages for MLG's senior management, the Board had regard to independent advice received from an independent remuneration consultant.

6.7 Incentive plans

MLG has not yet established any incentive plans for its senior management team.

Subsequent to Listing, MLG intends to engage a remuneration consultant to advise on, and assist in the design of, an appropriate incentive plan to incentivise and retain MLG's senior management team. The Board will determine which members of senior management will be eligible to participate in any such incentive plan.

The incentive plan referred to above is separate from the EST and the grant of the Management Reward Shares, which are intended to recognise and reward certain members of MLG's senior management team for work undertaken on behalf of MLG during the period prior to Listing.

6.8 Executive remuneration

a. Managing Director and Chief Executive Officer

Details regarding the terms of employment of the Managing Director and Chief Executive Officer, Mr Murray Leahy, are set out below.

Term	Description
Employer	Mr Leahy is employed by MLG.
Total fixed remuneration	Under the terms of his employment contract, Mr Leahy is entitled to receive annual fixed remuneration of $500,000 (inclusive of base salary and inclusive of superannuation). Mr Leahy is also entitled to the use of a motor vehicle from the MLG fleet.
Incentive arrangements	The board has not yet established the incentive plan for eligible employees. The Managing Director will be entitled to participate in the proposed plan, however there will be specific amendments to the broader plan for the Managing Director to appropriately allow for his status as a majority shareholder.
Termination	Either Mr Leahy or MLG can terminate Mr Leahy's employment by giving the other party 12 months' notice (or by MLG making payment in lieu of notice of part or all of Mr Leahy's notice period). MLG may summarily terminate Mr Leahy's employment in certain circumstances, including where Mr Leahy engages in behaviour that MLG deems to be serious misconduct or where Mr Leahy refuses to comply with a lawful and reasonable direction of MLG or where My Leahy engages in any fraudulent or dishonest conduct. All payments on termination will be subject to the termination benefits cap under the Corporations Act.
Restraint	Mr Leahy's employment contract contains restraints that apply for a period of 12 months following the cessation of Mr Leahy's employment, including: • non-solicitation of employee restraints; • non-solicitation of business restraints; and • non-competition restraints.

b. Chief Financial Officer

Details regarding the terms of employment of the Chief Financial Officer, Mr Phil Mirams, are set out below.

Term	Description
Employer	Mr Mirams is employed by MLG.
Total fixed remuneration	Under the terms of his employment contract, Mr Mirams is entitled to receive annual fixed remuneration of $385,000 (inclusive of base salary and inclusive of superannuation).
Incentive arrangements	Beneficiary of the EST (see Section 6.9). Mr Mirams will be entitled to participate in the proposed incentive plans to be developed by the board post listing. This will include an entitlement to participate in a Short term incentive plan and a long term incentive plan.
Termination	Either Mr Mirams or MLG can terminate Mr Mirams' employment by giving the other party three months' notice (or by MLG making payment in lieu of notice of part or all of Mr Mirams' notice period). MLG may summarily terminate Mr Mirams' employment in certain circumstances, including where Mr Mirams engages in behaviour that MLG deems to be serious misconduct or where Mr Mirams refuses to comply with a lawful and reasonable direction of MLG or engage in any fraudulent or dishonest conduct. All payments on termination will be subject to the termination benefits cap under the Corporations Act.
Restraint	Mr Mirams' employment contract contains restraints that apply for a period of 12 months following the cessation of Mr Mirams' employment, including: • non-solicitation of employee restraints; • non-solicitation of business restraints; and • non-competition restraints.

6.9 Management reward proposal

Prior to or shortly after Listing, it is proposed that the EST will be established in order to facilitate the delivery of shares to recognise and reward certain members of MLG's management team for work undertaken by them for the benefit of MLG in the period prior to Listing. That recognition and reward will be in the form of rights to an aggregate of 2,000,000 Shares (constituting approximately 1.4% of the Shares on issue at Completion of the Offer) (**Management Reward Shares**). Binding offers were made to those members of MLG's senior management team prior to the Prospectus Date. MLG, the Existing Shareholder and those members of MLG's management team will appropriately document the proposal in due course.

The Existing Shareholder has agreed to subscribe for the Management Reward Shares (outside of the Prospectus), at the same price as the Offer Price, conditional on Settlement of the Offer occurring. The Existing Shareholder intends to transfer the Management Reward Shares to the EST, via SaleCo (all at the same price as the Offer Price), shortly after Listing. MLG will fund the EST to acquire the Management Reward Shares from SaleCo on those terms.

An aggregate of 2,000,000 Management Reward Shares will be immediately transferable from the EST to the relevant employee on provision of an exercise notice by the employee. Recipients of Management Reward Shares have agreed not to sell, transfer or otherwise dispose of any of these Management Reward Shares for a minimum of 12 months after the date on which they are transferred to the EST.

6.10 Interests of advisers

MLG has engaged the following professional advisers in relation to the Offer.

- Bell Potter Securities Limited (AFSL 243480) and Morgans Corporate Limited (AFSL 235407) have acted as Joint Lead Managers to the Offer. The Company has agreed to pay the Joint Lead Managers the fees described in Section 9.4 for these services.
- Ashanti Capital Pty Ltd has acted as Co-Manager to the Offer and will receive from the Joint Lead Managers a fee of 2.90% of the amount allocated to them plus a pro-rata share of any incentive fee received by the Joint Lead Managers with respect to the amount allocated to them.
- Ashurst Australia has acted as Australian legal adviser to the Company in relation to the Offer. MLG has paid, or has agreed to pay, approximately $750,000 (excluding disbursements and GST) in aggregate for these services up until the Prospectus Date. Further amounts may be paid to Ashurst in accordance with its normal time-based charges.
- Ernst & Young has provided financial due diligence services to the Company in relation to the Offer. MLG has paid, or agreed to pay, approximately $252,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Ernst & Young in accordance with its normal time-based charges.
- Ernst & Young Strategy and Transactions Limited has acted as the Investigating Accountant to the Company and prepared the Independent Limited Assurance Report included in Section 8. MLG has paid, or agreed to pay, approximately $28,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Ernst & Young Strategy and Transactions Limited in accordance with its normal time-based charges.
- Deloitte Corporate Finance Pty Ltd has acted as corporate adviser and provided IPO readiness services to MLG in relation to the Offer. MLG has paid, or agreed to pay, fees of approximately $100,000 (excluding disbursements and GST) in aggregate for these services up until the Prospectus Date, and a success fee equal to $300,000 on Completion of the Offer. Further amounts may be paid to Deloitte Corporate Finance Pty Ltd in accordance with its normal time-based charges.
- Sternship Advisers Pty Ltd has acted as corporate adviser to MLG in relation to the Offer. The Company has agreed to pay Sternship a fee of 0.405% of the Offer proceeds.
- Deloitte Tax Services Pty Ltd acted as tax adviser in relation to the Offer, has provided tax due diligence services to the Company in relation to the Offer and has prepared all statements in Section 9.10 for inclusion in this Prospectus. MLG has paid, or has agreed to pay, approximately $120,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Deloitte Tax Services Pty Ltd in accordance with its normal time-based charges.
- BIS Oxford Economics Pty Ltd was appointed to prepare the BIS Oxford Economics Commercial / Industry Report for MLG, which is referred to throughout Section 2 and from which certain information included in Section 2 has been directly sourced or otherwise derived. MLG has paid, or has agreed to pay, approximately $20,000 (excluding disbursements and GST) in aggregate for these services up until the Prospectus Date.

These amounts, and other expenses of the Offer, will be paid by MLG out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.1(c). Information about the total approximate expenses of the Offer payable by MLG is set out in Section 9.9.

6.11 Corporate governance

This Corporate Governance Statement summarises the corporate governance policies and procedures of the Company. Full documentation may be viewed on the Company's website (at www.mlgoz.com.au/corporate-governance), or may be obtained from the Company Secretary.

a. Introduction

The Board of Directors of the Company has established corporate governance policies and procedures which the Directors believe are appropriate, given the size and activities of the Company. In the preparation of the Company's Corporate Governance Statement, the Company has considered the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (**ASX Principles and Recommendations**).

The Company is committed to maintaining the highest standards of corporate governance and ethical behaviour in all dealings and activities.

b. Board charter

The Board monitors the progress and performance of the Company on behalf of its shareholders. The Board charter, which is summarised below, seeks to ensure that the Board discharges its responsibilities in an effective and capable manner.

i. Board responsibilities

The Board's responsibilities include:

A. the appointment and removal of the Chief Executive Officer, the determination of the CEO's terms and conditions (including remuneration) and review of the CEO's performance;

B. the appointment and removal of the Chief Financial Officer and the Company Secretary;

C. the appointment of the Chairman;

D. the appointment, reappointment or replacement of the external auditor, upon the advice of the Audit and Risk Committee. The Board will ensure that the Company's external auditor will attend its annual general meetings and is available to answer questions from shareholders relevant to the audit;

E. any matters in excess of any discretions that the Board may have delegated to the Managing Director and Chief Executive Officer or senior executives;

F. approval of:
   - a. the Company's Statement of Values and Code of Conduct to underpin the desired culture within the Company;
   - b. the Company strategy and annual budget;
   - c. the Company's remuneration policy, including:
     - i. the remuneration and conditions of service (including incentives) for executive Directors, senior executives, the Chief Financial Officer and the Company Secretary;
     - ii. incentive plans;
     - iii. industrial instruments or agreements of general application to some or all of the Company's employees;
   - d. significant changes to the organisational structure of the Company;
   - e. the appointment, and, with assistance from the Remuneration and Nomination Committee, performance evaluation of senior executives and any other officers as the Board may determine;
   - f. the acquisition, establishment, disposal or cessation of any significant assets of the Company;
   - g. the amount, nature and term of the Company's debt facilities;
   - h. the issue of any shares, options, equity instruments or other equity securities in the Company;
   - i. any public statements which reflect significant issues of the Company performance, policy or strategy;
   - j. any changes to the discretions delegated by the Board; and
   - k. the Company's dividend policy and the payment of dividends;

G. overseeing management in its implementation of the Company's strategic objectives, instilling of the Company's values and performance;

H. reviewing, with the assistance of reports from the Remuneration and Nomination Committee, Chief Executive Officer and senior executive succession planning on a regular and continuing basis;

I. overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

J. satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;

K. whenever required, challenging management and holding it to account; and

L. monitoring the effectiveness of the Company's governance practices.

The Managing Director and Chief Executive Officer, Murray Leahy, (as the delegate of the Board) is responsible for the management of the Company within the policy and authority levels set by the Company's business plan.

The Chief Financial Officer, Phil Mirams, is responsible for financial control, financial reporting, statutory accounting, auditing, treasury, taxation and insurance.

ii. Composition of the Board

It is a policy of the Company that the Board comprises individuals with a range of knowledge, skills and experience which are appropriate to its objectives.

The Board comprises three Non-Executive Directors (all of whom are independent, including the Chairman), and one Executive Director, being the Managing Director and Chief Executive Officer.

Specifically, the Board comprises:

NAME	POSITION
Murray Leahy	Managing Director and Chief Executive Officer
Jim Walker	Independent Non-Executive Chairman
Garret Dixon	Independent Non-Executive Director
Anna Neuling	Independent Non-Executive Director

iii. Independence

Each Director must bring an independent view and judgement to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable.

The Board considers an independent Director to be a Non-Executive Director and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent and unfettered exercise of their judgement. The Board has adopted a definition of independence that is based on the definition set out in the ASX Principles and Recommendations. The Board will consider the materiality of any given relationship on a case-by-case basis.

The Board considers that each of Jim Walker, Garret Dixon and Anna Neuling is free from any interest, position, association or relationship that might influence or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the ASX Principles and Recommendations.

Murray Leahy is considered by the Board not to be independent on the basis that he is both the Managing Director and Chief Executive Officer of the Company and remains the majority shareholder of the Company.

The Board will regularly review the independence of each Director, and any subsequent Directors appointed, in light of interests disclosed to the Board and will disclose any change to ASX, as required by the ASX Listing Rules.

c. Board Committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Committee, a Remuneration and Nomination Committee and a Health, Safety, Environment and Community Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

i. Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its responsibilities for corporate governance and oversight of the Company's financial and corporate reporting, risk management and compliance structures and external audit functions.

The Committee comprises:

DIRECTOR	POSITION
Anna Neuling	Chairperson and Independent Non-Executive Director
Jim Walker	Independent Non-Executive Director
Garret Dixon	Independent Non-Executive Director

The Audit and Risk Committee Charter sets out:

- the composition of the Committee;
- the Committee's ability to have access to Company records and employees and the external auditor for the purpose of carrying out its responsibilities. The Charter also provides that the Committee may seek the advice of independent advisors on any matter relating to the duties or responsibilities of the Committee; and
- the specific responsibilities of the Committee in respect of the areas of risk management and compliance, financial and corporate reporting and external audit matters. With respect to external audit matters, the Committee has responsibility for developing and overseeing implementation of the Company's policy on the engagement of the external auditor to supply non-audit services.

The Audit and Risk Committee will meet at least quarterly or as frequently as required to undertake its role effectively. All meetings will be minuted by the Company Secretary and made available for inspection to any Director.

6. KEY PEOPLE, INTERESTS AND BENEFITS

ii. Remuneration and Nomination Committee

The Remuneration and Nomination Committee's role is to assist the Board by making recommendations in respect of the composition, performance and effectiveness of the Board and the Company's remuneration policy.

The Committee comprises:

DIRECTOR	POSITION
Garret Dixon	Chairperson and Independent Non-Executive Director
Jim Walker	Independent Non-Executive Director
Anna Neuling	Independent Non-Executive Director

The Remuneration and Nomination Committee Charter sets out:

- the composition of the Committee, including that the Committee must comprise only Non-Executive Directors, a majority of whom are independent and that the Chairperson of the Committee is not to be the Chairman of the Board;
- the Committee's ability to have access to Company records and employees for the purpose of carrying out its responsibilities. The Charter also provides that the Committee may seek the advice of independent advisors on any matter relating to the duties or responsibilities of the Committee; and
- the specific responsibilities of the Committee in respect of the areas of nomination (including in respect of matters going to the composition of the Board, the Board's skills matrix and succession planning for the Board) and remuneration (including responsibilities to review and make recommendations to the Board on Executive Director and Non-Executive Director remuneration, reviewing the Company's remuneration policies, overseeing employee equity incentive plans and responsibility for reviewing the Company's remuneration report).

The Remuneration and Nomination Committee will meet at least two times annually or as often as required to undertake its role effectively. All meetings will be minuted by the Company Secretary and made available for inspection by any Director, and any matter or resolution requiring Board consideration will be brought directly to the consideration of the Board.

iii. Health, Safety, Environment and Community Committee

The purpose of the Committee is to assist the Board:

A. in its oversight of health, safety and environment matters arising out of the Company's activities as they may affect employees, contractors, and the local communities in which it operates; and

B. by making recommendations to the Board in relation to the effectiveness of the Company's risk management and regulatory compliance frameworks in respect of areas of risk management within the Committee's responsibilities (namely risks pertaining to health, safety and the environment).

The Health, Safety, Environment and Community Committee Charter specifies the authority delegated to the Committee by the Board of the Company and the role, responsibilities, membership and operation of the Committee.

The Health, Safety, Environment and Community Committee will meet at least quarterly or as frequently as required to undertake its role effectively. All meetings will be minuted by the Company Secretary and made available for inspection to any Director.

This Committee comprises:

NAME	POSITION
Jim Walker	Chairman and Independent Non-Executive Director
Garret Dixon	Independent Non-Executive Director
Anna Neuling	Independent Non-Executive Director
Murray Leahy	Managing Director and Chief Executive Officer

d. Code of conduct

The Board acknowledges the need for the highest standards of corporate governance practice and ethical conduct by all Directors and employees of the Company.

The Code of Conduct aims to provide guidance on the standard of behaviour expected of the Company employees, ensure the highest ethical standards are maintained within the Company, and ensure the reasonable expectations of the Company's stakeholders are met.

All the Company's corporate governance charters and policies collectively form a solid ethical foundation for the Company's practices. These charters and policies can be viewed on the Company's website at www.mlgoz.com.au/corporate-governance.

e. Securities Trading Policy

The Board has adopted a Securities Trading Policy, which explains the prohibited type of conduct in relation to dealings in securities under the Corporations Act and is intended to establish a best-practice procedure in relation to dealings in shares by Directors, officers, key management personnel, employees, contractors and their families and associates.

The Policy sets out the restrictions that apply to dealing with Company securities (as defined in the Policy) including prohibited (or "blackout") periods, during which certain designated persons are generally not permitted to deal with securities, along with a procedure under which designated persons are required to submit a request and obtain written confirmation prior to dealing in securities outside the prohibited periods.

The Policy further provides that Directors, certain restricted employees and their connected persons must not deal in the Company's securities on a short-term or speculative trading basis. The Policy also sets out the duty of Directors, employees and contractors to maintain the confidentiality of relevant information.

f. Continuous Disclosure Policy

The Company is committed to continuous disclosure of material information as a means of promoting transparency and investor confidence.

From Listing, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately disclose to ASX any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares. The Company is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Board has adopted a Continuous Disclosure Policy, to take effect from Listing, which establishes procedures aimed at ensuring that Directors, management and other staff are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information.

6. KEY PEOPLE, INTERESTS AND BENEFITS

g. Shareholder communications strategy

The Company places great importance on the communication of accurate and timely information to its shareholders and market participants and recognises that efficient and continuous contact with shareholders is an essential part of earning their trust and loyalty.

The Company has adopted a Shareholder Communications Policy to facilitate effective two way communication with shareholders. The Board's aim is to ensure that shareholders are provided with sufficient information to assess the performance of the Company and that they are informed of all major developments affecting the affairs of the Company.

The Company is required by law to communicate to shareholders through the lodgement of all relevant financial and other information with ASX and, in some instances, mailing information to shareholders. Information (including information released to ASX) is published on the Company's website. The Company's website also contains information about it, including media releases, key policies and the charters of the Board committees.

ASX announcements, half-yearly reports and presentations will be posted to the Company's website regularly.

h. Whistleblower policy

The Company has adopted a Whistleblower Policy to encourage and support the reporting of suspected wrongdoing as soon as possible.

The purpose of this Policy is to:

- promote a culture of ethical behaviour and accountability, and prevent and address wrongdoing when it occurs;
- set out details of the avenues available for raising any concerns of suspected wrongdoing; and
- explain how the Company will deal with disclosures it receives.

i. Diversity policy

The Board has formally approved a Diversity Policy in order to, among other matters, provide a framework by which the Company will support and facilitate an environment of diversity and inclusion across the organisation. The Board may establish measurable objectives for gender diversity at all levels of the Company and will include in the corporate governance statement each year a summary of the Company's progress towards achieving the measurable objectives set under the Diversity Policy for the year to which the annual report relates (if any) and the respective proportions of men and women across the Company.

j. Risk management

The Board is responsible for overseeing and monitoring the establishment of systems of risk management by approving risk management policies, operational risk policies and procedures (including policies relating to health, safety and injury management) and systems of internal controls, and is supported in this area by the Audit and Risk Committee. The Company's management is responsible for establishing the Company's risk management framework.

7. Details of the Offer

7. DETAILS OF THE OFFER

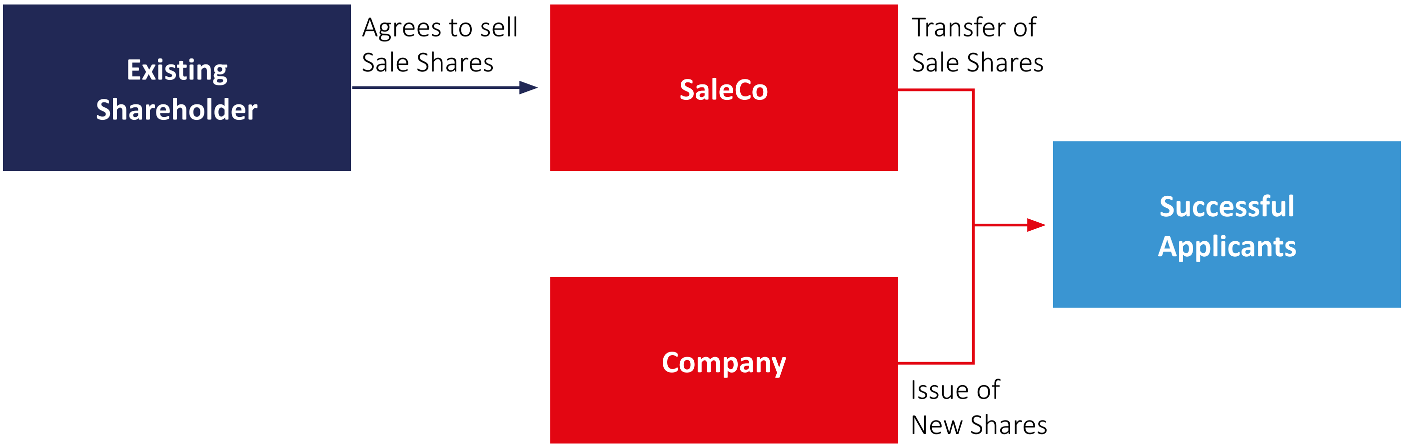
7.1 The Offer

This Prospectus relates to an initial public offer involving invitations to apply for Shares for issue by the Company and for sale by SaleCo at the Offer Price of $1.00 per Share. The Offer is expected to raise total proceeds of $70.7 million. This comprises $50.0 million from the issue of New Shares (which proceeds will be received by the Company) and $20.7 million from the sale of Sale Shares by SaleCo (which SaleCo will remit to the Existing Shareholder). Only the net proceeds of the issue of New Shares will be available to the Company.

It is expected that 145.7 million Shares will be on issue at Completion of the Offer, and all Shares will rank equally with each other. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.6.

The Shares for which applications are sought under this Prospectus will represent approximately 48.5% of the Shares on issue on Completion of the Offer. The Offer structure is described in Figure 7.1 below.

Figure 7.1: Indicative structure of the Company (as issuer) and SaleCo (as seller)



The Existing Shareholder has agreed to sell the Sale Shares to SaleCo free from encumbrances or other interests of third parties of any kind, and SaleCo has agreed to acquire the Sale Shares.

SaleCo then undertakes to transfer the Sale Shares to Successful Applicants and pay or procure the payment of the Offer Price (per Sale Share) to the Existing Shareholder.

73.0 million Shares held by the Existing Shareholder (representing approximately 50.1% of the then total issued Shares) will, on Completion of the Offer, be subject to the voluntary escrow arrangements described in Section 9.7.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

a. Structure of the Offer

The Offer comprises:

- the **Retail Offer**, which includes:
  - the **Broker Firm Offer**, which is open to Australian resident retail clients of participating Brokers, who receive an invitation from their Broker to acquire Shares, provided such clients are not in the United States as described in Section 7.6; and
  - the **Priority Offer**, which is open to selected investors nominated by the Company who have received a Priority Invitation; and
- the **Institutional Offer**, which consisted of an invitation to bid for Shares made to certain Institutional Investors in Australia, New Zealand and certain other eligible jurisdictions.

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares.

For further details of the:

- Broker Firm Offer and the allocation policy relating to it, see Section 7.3;
- Priority Offer and the allocation policy relating to it, see Section 7.4; and
- Institutional Offer and the allocation policy relating to it, see Section 7.5.

The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer was determined by the Joint Lead Managers and the Company by agreement.

The Offer is being arranged, managed and underwritten by the Joint Lead Managers. A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement, are set out in Section 9.4.

b. Purpose of the Offer

The purpose of the Offer is to provide MLG with:

- the ability to unlock further growth through access to capital markets;
- an increase in public profile that is expected to arise from being a listed entity and the benefits associated with this;
- the reduction of existing debt facilities, providing enhanced balance sheet flexibility to pursue further value creation initiatives;
- a liquid market for Shares and an opportunity for employees and others to invest in MLG; and
- funds for general working capital requirements (including the payment of transaction costs associated with the Offer).

The purpose of the Offer is also to enable MLG's sole owner and founder, Murray Leahy, to realise part of his investment in the Company, noting his intention to retain a significant equity stake of 50.1% post-Completion of the Offer.[1]

1. Excludes 2,000,000 Management Reward Shares (being approximately 1.4% of the Shares on issue at Completion of the Offer) which Murray Leahy intends to transfer to the EST shortly after Listing to be gifted for nil consideration to certain members of MLG's management team. Accordingly, the reference to Murray Leahy's holding of 50.1% on Completion of the Offer refers to Murray's interest after those Management Reward Shares have been transferred. See section 6.9 for more information about this.

c. Sources and use of funds

The Offer is expected to raise gross proceeds of approximately $70.7 million. Assuming Completion of the Offer occurs on 30 April 2021, and the costs of the Offer are in line with estimates, this amount will be applied as follows.

Table 7.1: Sources and use of funds

Sources	$m	Uses	$m	%
Cash proceeds received from the issue of New Shares by the Company	50.0	Repayment of hire purchase liabilities	24.0	48.0%
		Repayment of Invoice Finance Facility	6.9	13.8%
		Repayment of supply chain finance	3.4	6.8%
		Repayment of bank bill facility	0.6	1.2%
		Offer costs	5.2	10.4%
		General working capital	9.9	19.8%
Total sources – Company	**50.0**	**Total uses – Company**	**50.0**	**100.0%**
Cash proceeds received from the sale of Sale Shares[1]	20.7	Payment to SaleCo[2]	20.7	100.0%
Total sources – SaleCo	**20.7**	**Total uses – SaleCo**	**20.7**	**100.0%**
Total sources	**70.7**	**Total uses**	**70.7**	**100.0%**

1 This amount will not be received by the Company. This amount will be paid to SaleCo and, in accordance with the Sale Deed, remitted to the Existing Shareholder.

2 In accordance with the Sale Deed, SaleCo will remit this amount to the Existing Shareholder.

d. Indebtedness

The Company's pro forma historical indebtedness as at 31 December 2020 is set out in Section 4.4(b).

e. Shareholding structure

The details of the ownership of the MLG Group as at the Prospectus Date and immediately after Completion of the Offer are set out below.

Table 7.2: Shareholding structure immediately after Completion of the Offer

Security Holder	As at Prospectus Date	Immediately after Completion of the Offer	Immediately after transfer of Management Reward Shares to the EST[1]
	Shares	Shares	Shares
Murray Leahy	95,669,163	74,969,163	72,969,163
EST (for the benefit of certain members of MLG's management team)	Nil	Nil	2,000,000
MLG Board (excluding Murray Leahy)[2]	Nil	200,000	200,000
New Shareholders	Nil	70,500,000	70,500,000

1. See section 6.9 for more information about the Management Reward Shares which Murray Leahy intends to transfer to the EST (through SaleCo) shortly after Listing.
2. Assumes Directors subscribe for and acquire shares under the Offer in accordance with their stated intention. See section 6.5(d) for more information.

Immediately following Completion of the Offer, 50.1% of the Shares (being 72,969,163 Shares retained by the Existing Shareholder) will be subject to voluntary escrow arrangements. See Section 9.7 for further information.

The voluntary escrow arrangements will not apply to the Management Reward Shares held by the Existing Shareholder on Completion of the Offer.

In the opinion of the Company, the free float of Shares at the time of Listing will not be less than 20% of the total Shares on issue at that time.

f. Control implications of the Offer

Murray Leahy currently owns 100% of the issued capital of MLG. Immediately following Completion of the Offer:

- Murray Leahy will hold approximately 51.5%[2] of the Shares on issue; and
- New Shareholders and the MLG Board (excluding Murray Leahy) will hold the remaining approximately 48.5% of Shares on issue. Accordingly, following Completion of the Offer, Murray Leahy will control (as defined by section 50AA of the Corporations Act) the Company.

Shortly after Listing, Murray Leahy intends to transfer approximately 1.4% of the Shares on issue to the EST (through SaleCo) for the benefit of certain members of MLG's management team. Accordingly, following that transfer, Murray Leahy will own approximately 50.1% of the Shares on issue. See section 6.9 for more information.

g. Potential effect of the fundraising on the future of the Company

The Directors believe that on Completion of the Offer, the Company will have sufficient funds available from the proceeds of the Offer and its operations to fulfil the purposes of the Offer and meet the Company's stated business objectives.

7.2 Terms and conditions of the Offer

TOPIC	SUMMARY
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 9.6.
What is the consideration payable for each security being offered?	The Offer Price of $1.00 per Share. Except as required by law, Applicants cannot withdraw or vary their Applications.
What is the Offer period?	The Retail Offer opens at 9.00am on 13 April 2021. The Retail Offer closes at 5.00pm on 22 April 2021. The key dates, including details of the Offer Period, are set out on page 4 of this Prospectus. This timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney, Australia time. The Company and SaleCo reserve the right to vary any and all of the times and dates without notice (including, subject to the ASX Listing Rules and Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement of the Offer, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the issuance of the Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens if they wish to participate. No securities will be issued on the basis of this Prospectus later than the Expiry Date.

2. Excludes the 2,000,000 Management Reward Shares.

7. DETAILS OF THE OFFER

TOPIC	SUMMARY
What are the cash proceeds to be raised?	Approximately $70.7 million will be raised if the Offer proceeds. Only the net proceeds of the issue of New Shares will be available to the Company (with the proceeds of the sale of the Sale Shares to be remitted to the Existing Shareholder).
Is the Offer underwritten?	Yes. The Offer is being underwritten by the Joint Lead Managers. A summary of the Underwriting Agreement is set out in Section 9.4.
What is the minimum and maximum Application size under the Offer?	The minimum Application size under the Broker Firm Offer is $2,000 worth of Shares. There is no maximum Application under the Broker Firm Offer. The minimum Application size under the Priority Offer is $2,000 worth of Shares. Priority Offer Applicants may apply for the value of Shares indicated in their Priority Offer invitation. The Company, SaleCo and the Joint Lead Managers, reserve the right to reject any Application or to allocate a lesser number of Shares than applied for. In addition, the Company, SaleCo and the Joint Lead Managers reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of Applications).
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, Priority Offer and Institutional Offer was determined by the Joint Lead Managers and the Company by agreement. The allocation of Shares between Brokers, and the allocation of Shares between persons who lodge valid applications under the Institutional Offer, will be determined by the Joint Lead Managers by agreement with the Company. The allocation of Shares among applicants in the Priority Offer will be determined by the Company after consultation with the Joint Lead Managers, subject to a guaranteed minimum allocation of up to and including the amount indicated on an Applicant's Priority Invitation. Subject to any contractual arrangement with the Joint Lead Managers, it is a matter for the Brokers how they allocate Shares among eligible retail clients. For further information on the Broker Firm Offer, the Priority Offer, the Employee Offer and the Institutional Offer, see Sections 7.3, 7.4 and 7.5 respectively.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 3 May 2021.

TOPIC	SUMMARY
Will the Shares be quoted on ASX?	The Company will apply to ASX within seven days of the Prospectus Date for its admission to the Official List and quotation of its Shares by ASX (under the code ''MLG''). Completion of the Offer is conditional on ASX approving the Company's application for Listing and quotation of its Shares. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest), as soon as practicable in accordance with the requirements of the Corporations Act. Following its admission to the Official List, the Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription or sale.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on ASX on a normal settlement basis will commence on or about 4 May 2021. It is the responsibility of each person who trades in Shares to confirm their own holding before trading in Shares. Investors will be able to confirm their allocation after the allotment date by telephoning the Offer Information Line on 1800 754 866 (within Australia) or + 61 1800 754 866 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday (Business Days only). If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Share Registry, the Joint Lead Managers and the Existing Shareholder, and their respective officers, employees, agents, representatives and advisers, disclaim all liability to the extent permitted by law, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the Offer Information Line or confirmed your firm allocation through a Broker. Following the issue and transfer of the Shares, Applicants to whom Shares have been allocated will receive a holding statement setting out the number of Shares issued or transferred to them under the Offer. It is expected that holding statements will be dispatched on or about 3 May 2021.
Are there any escrow arrangements?	Yes. Details are provided in Section 9.7.
Have any ASIC relief or ASX waivers or confirmations been sought, obtained or relied on?	Yes. Details are provided in Section 9.16.
Are there any tax considerations?	Yes. Refer to Section 9.10.

TOPIC	SUMMARY
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Section 6.10 for details of various fees payable by the Company to the Joint Lead Managers and by the Joint Lead Managers to the Co-Managers and Brokers.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1800 754 866 (within Australia) or +61 1800 754 866 (outside Australia) from 8.30am to 5.30pm (Sydney Time), Monday to Friday (Business Days only). All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest in the Company.

7.3 Broker Firm Offer

a. Who can apply?

The Broker Firm Offer is open only to Australian resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate. The Broker Firm Offer is not open to persons in the United States or persons acting for or on behalf of any person in the United States.

If you have received an invitation to participate from your Broker, you will be treated as a Broker Firm Applicant under the Broker Firm Offer. You should contact your Broker to determine whether you can receive an invitation from them under the Broker Firm Offer.

b. How to apply

If you have received an invitation to participate from your Broker and wish to apply for Shares under the Broker Firm Offer, you should contact your Broker for information about how to complete and lodge your Broker Firm Offer Application Form and for payment instructions. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. **The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.**

The minimum application under the Broker Firm Offer is $2,000 worth of Shares. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. However, the Company and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person, and to reject or scale back any Applications in the Broker Firm Offer. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in their discretion in compliance with applicable laws.

The Company, SaleCo, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9.00am (Sydney, Australia time) on 13 April 2021 and is expected to close at 5.00pm (Sydney, Australia time) on 22 April 2021. The Company and the Joint Lead Managers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

c. How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

d. Application monies

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Application Monies received under the Broker Firm Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants.

Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies provided by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down. Any excess funds due solely to rounding will not be refunded.

e. Acceptance of Applications

An Application in the Broker Firm Offer is an offer by an Applicant to the Company or SaleCo to apply for Shares specified on the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form (including the conditions regarding quotation on ASX in Section 7.11 and the acknowledgements in Section 7.6). To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted by the Company, SaleCo and the Joint Lead Managers in respect of the full number of Shares specified on the Application Form or any of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of shares to successful Applicants.

The Joint Lead Managers, in agreement with the Company reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any error made by the Applicant in completing the Application.

f. Broker Firm Offer allocation policy

The allocation of Shares to Brokers was determined by the Joint Lead Managers, by agreement with the Company. Shares that have been allocated to Brokers for allocation to their Australian resident retail clients who have received a valid allocation of Shares from those Brokers (subject to the right of the Company and the Joint Lead Managers to reject or scale back Applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant Shares.

However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the Offer Information Line or confirmed your allocation through the Broker from whom you received your allocation.

7.4 Priority Offer

a. Who can apply?

The Priority Offer is open to selected investors in Australia who have received a Priority Invitation to participate. A Priority Invitation is a personalised invitation to apply for Shares in the Priority Offer. The Priority Offer is not open to persons in the United States or to any person acting for or on behalf of any person in the United States.

Your Priority Invitation will indicate an amount of Shares that you may apply for.

b. How to apply

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for all or some of those Shares, you must apply in accordance with the instructions provided in your personalised invitation for how to apply under the Offer.

You may apply for an amount up to and including the amount indicated on your Priority Invitation. Applications under the Priority Offer must be for a minimum of $2,000 worth of Shares.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. **The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.**

c. How to pay

Priority Invitation recipients may only apply for Shares by applying online at https://events.miraqle.com/mlg-IPO using the online Application Form and by paying their Application Monies by BPAY in accordance with instructions on their personalised invitation and the online Application Form. For more details, Priority Invitation recipients should refer to https://events.miraqle.com/mlg-IPO or contact the Offer Information Line on 1800 754 866 (within Australia) or +61 1800 754 866 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday (Business Days only). If completing your payment by BPAY, please make sure to use the specific biller code and unique Customer Reference Number (CRN) generated by the online Application Form. Application Monies under the Priority Offer must be received by the Share Registry by no later than 5.00pm on 22 April 2021 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Neither the Company, SaleCo nor the Joint Lead Managers take any responsibility for any failure to receive Application Monies before the Priority Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

d. Application Monies

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Priority Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies provided by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down and any excess refunded (without interest).

If the amount of your Application Monies that you pay via BPAY is less than the amount specified on your online Application Form, you may be taken to have applied for such lower Australian dollar amount of Shares as for which your cleared Application Monies will pay (and to have specified that amount on your online Application Form) or your Application may be rejected.

e. Acceptance of Applications

An Application in the Priority Offer is an offer by an Applicant to the Company or SaleCo to apply for Shares in the amount specified on the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form (including the conditions regarding quotation on ASX in Section 7.11 and the acknowledgements in Section 7.6). To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted by the Company, SaleCo and the Joint Lead Managers in respect of the full number of Shares specified on the Application Form or any of them, without further notice to the Applicant. Subject to any guaranteed allocation referred to in Section 7.4(f), the Company reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Priority Offer who are allocated a lesser number of Shares than the amount applied for will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies provided by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down. Any excess funds due solely to rounding will not be refunded.

If the amount of your Application Monies that you pay is less than the amount specified on your Application Form, you may be taken to have applied for such lower Australian dollar amount of Shares as for which your cleared Application Monies will pay (and to have specified that amount on your online Application Form) or your Application may be rejected. Acceptance of an Application will give rise to a binding contract.

f. Priority Offer allocation policy

The Allocation of Shares among Applicants in the Priority Offer will be determined by the Company, after consultation with the Joint Lead Managers.

The Company, in agreement with the Joint Lead Managers, reserves the right to reject any Application or to allocate a lesser number of Shares than that applied for (subject to the guaranteed minimum allocation of Shares indicated in each Applicant's Priority Invitation).

7.5 Institutional Offer

a. Invitations to bid

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia, New Zealand and a number of other eligible jurisdictions to apply for Shares. The Joint Lead Managers have separately advised Institutional Investors of the application procedures for the Institutional Offer.

b. Allocation policy under the Institutional Offer

The allocation of Shares among Applicants in the Institutional Offer was determined by the Joint Lead Managers by agreement with the Company, having regard to the results of the Institutional Bookbuild. The Joint Lead Managers and the Company had absolute discretion regarding the basis of allocation of Shares among Institutional Investors and there was no assurance that any Institutional Investor would be allocated any Shares, or the number of Shares for which it had bid.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Joint Lead Managers. The allocation policy was influenced, but not constrained, by the following factors.

- Number of Shares bid for by particular Applicants.
- The timeliness of the bid by particular Applicants.
- The Company's desire for an informed and active trading market following Completion of the Offer.
- The Company's desire to establish a wide spread of institutional Shareholders.
- The size and type of funds under management of particular Applicants.
- Overall anticipated level of demand under the Broker Firm Offer and the Priority Offer (including to Eligible Employees).
- The likelihood that particular Applicants will be long-term Shareholders.
- Any factors other than those described above that the Company and the Joint Lead Managers considered appropriate.

7.6 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, to the extent permitted by law, once the Company, SaleCo or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company, SaleCo and the Joint Lead Managers and its officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia or New Zealand (except as applicable to the Institutional Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company and SaleCo or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant in the Retail Offer, and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, registration under the U.S. Securities Act and any other applicable state securities laws;
- it is not in the United States and is not acting for or on behalf of any person in the United States;
- it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States or any person acting for or on behalf of a person in the United States;
- it is purchasing the Shares outside the United States in an 'offshore transaction' meeting the requirements of Regulation S; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

7.7 Discretion regarding the Offer

The Company and SaleCo may withdraw the Offer at any time before the issue or transfer of Shares to Successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Joint Lead Managers, the Company and SaleCo also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than those applied for.

7.8 ASX confirmations

Information in relation to the ASX confirmations sought is set out in Section 9.16.

7.9 Underwriting arrangements

The Offer has been fully underwritten pursuant to an Underwriting Agreement under which the Joint Lead Managers have been appointed to arrange, manage and underwrite the Offer.

A summary of certain terms of the Underwriting Agreement and underwriting arrangements, including termination provisions, is set out in Section 9.4.

7.10 Voluntary escrow arrangements

Murray Leahy has agreed to sell a portion of his Existing Shares into the Offer via SaleCo and will retain the balance of his Existing Shares on Completion of the Offer. Murray Leahy has agreed to subscribe for the additional 2,000,000 Management Reward Shares (outside of the Prospectus), at the same price as the offer price, conditional on Settlement of the Offer occurring. Murray Leahy and the Company have entered into the Voluntary Escrow Deed under which Murray Leahy is prevented from disposing of any of his Shares (other than the Management Reward Shares) during the applicable "Escrow Period" (subject to customary exceptions).

A summary of certain terms of the Voluntary Escrow Deed and the voluntary escrow arrangements, including the length of the "Escrow Period", is set out in Section 9.7.

7.11 ASX listing, registers and holding statements

a. Application to ASX for Listing and quotation of Shares on ASX

The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List and quotation of the Shares under the code 'MLG'. Completion of the Offer is conditional on ASX approving the Company's application for Listing.

If approval by ASX is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the MLG Group or the Shares offered for subscription or sale.

b. CHESS and issuer sponsored holdings

The Company will apply to participate in ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister.

For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been issued or transferred to them. This statement will also provide details of the Shareholder's holder identification number (**HIN**) (in the case of a holding on the CHESS subregister) or shareholder reference number (**SRN**) (in the case of a holding on the issuer-sponsored subregister). Shareholders will subsequently receive statements showing any changes to their shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

It is the responsibility of each person who trades in Shares to confirm their own holding before trading in Shares. Investors will be able to confirm their holdings by telephoning the Offer Information Line on 1800 754 866 (within Australia) or +61 1800 754 866 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday (Business Days only). If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Share Registry, the Joint Lead Managers and the Existing Shareholder disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the Offer Information Line or confirmed your firm allocation through a Broker.

7.12 Summary of rights and liabilities attached to Shares

The rights and liabilities attached to all Shares are detailed in the Company's constitution. A summary of the Company's constitution is set out in Section 9.6.

7.13 Selling Restrictions

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer of, or invitation to apply for, Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

a. New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

b. Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

c. Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

d. United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares 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 Shares 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.

8. Independent Limited Assurance Report

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Ernst & Young Strategy and Transactions Limited
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2192
ey.com/au

The Board of Directors
MLG Oz Limited
10 Yindi Way
Broadwood WA 6430

1 April 2021

The Board of Directors
MLG SaleCo Limited
10 Yindi Way
Broadwood WA 6430

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON STATUTORY HISTORICAL FINANCIAL INFORMATION, PRO FORMA HISTORICAL FINANCIAL INFORMATION, STATUTORY FORECAST FINANCIAL INFORMATION AND PRO FORMA FORECAST FINANCIAL INFORMATION

1. Introduction

We have been engaged by MLG Oz Limited ("MLG" or the "Company") and MLG SaleCo Limited to report on the statutory historical financial information, pro forma historical financial information, statutory forecast financial information and pro forma forecast financial information of MLG for inclusion in a prospectus dated 1 April 2021 ("Prospectus"), and to be issued by MLG and MLG SaleCo Limited, in respect of an initial public offer of fully paid ordinary shares in MLG (the "Offer") and the admission of MLG to the official list of, and the quotation of its fully paid ordinary shares on, the Australian Securities Exchange.

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the Corporations Act 2001. Ernst & Young Strategy and Transactions Limited ("Ernst & Young Strategy and Transactions") holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Irshaad Songerwala is a Director and Representative of Ernst & Young Strategy and Transactions. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Statutory Historical Financial Information

You have requested Ernst & Young Strategy and Transactions to review the following statutory historical financial information of MLG:

- the statutory historical income statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Table 4.3 of Section 4.3 of the Prospectus and the half years ended 31 December 2019 and 31 December 2020 as set out in Table 4.4 of Section 4.3 of the Prospectus;
- the statutory historical cash flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Table 4.15 of Section 4.5 of the Prospectus and the half years ended 31

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December 2019 and 31 December 2020 as set out in Table 4.16 of Section 4.5 of the Prospectus; and

- the statutory historical statement of financial position as at 31 December 2020 as set out in Table 4.10 of Section 4.4 of the Prospectus.

(Hereafter the "Statutory Historical Financial Information").

The Statutory Historical Financial Information for the year ended 30 June 2018 have been derived from the special purpose financial statements of MLG for the year ended 30 June 2018 and the Statutory Historical Financial Information for the years ended 30 June 2019 and 30 June 2020 has been derived from the general purpose consolidated financial statements of MLG for the years ended 30 June 2019 and 30 June 2020, respectively. These financial statements were audited by HLB Mann Judd in accordance with Australian Auditing Standards. HLB Mann Judd issued unmodified audit opinions on these financial statements.

The Statutory Historical Financial Information for the half year ended 31 December 2019 and 31 December 2020 has been derived from the interim consolidated financial statements of MLG for the half year ended 31 December 2020, which were reviewed by HLB Mann Judd. HLB Mann Judd issued an unmodified review conclusion in respect of the period ended 31 December 2020.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of the Australian Accounting Standards ("AAS") issued by the Australian Accounting Standards Board, which are consistent with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Pro Forma Historical Financial Information

You have requested Ernst & Young Strategy and Transactions to review the following pro forma historical financial information of MLG:

- the pro forma historical income statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Table 4.1 of Section 4.3 of the Prospectus and the half years ended 31 December 2019 and 31 December 2020 as set out in Table 4.2 of Section 4.3 of the Prospectus;
- the pro forma historical cash flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Table 4.13 of Section 4.5 of the Prospectus and the half years ended 31 December 2019 and 31 December 2020 as set out in Table 4.14 of Section 4.5 of the Prospectus; and
- the pro forma historical statement of financial position as at 31 December 2020 as set out in Table 4.10 of Section 4.4 of the Prospectus.

(Hereafter the "Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of MLG, and adjusted for the effects of pro forma adjustments described in Tables 4.8 to 4.9, 4.10 and 4.17 to 4.18 of Sections 4.3, 4.4 and 4.5 respectively of the Prospectus.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS, other than that they include adjustments that have been prepared in a manner consistent with AAS that reflect: (i) the recognition of certain items in periods different from the applicable period under AAS (ii) the exclusion of certain transactions that occurred in the relevant periods; and (iii) the impact of certain transactions as if they had occurred on or before 31 December 2020.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance or cash flows.

Statutory Forecast Financial Information

You have requested Ernst & Young Strategy and Transactions to review the following statutory forecast financial information of MLG:

- the statutory forecast income statement for the year ending 30 June 2021 as set out in Table 4.1 of Section 4.3 of the Prospectus; and
- the statutory forecast cash flows for the year ending 30 June 2021 as set out in Table 4.15 of Section 4.5 of the Prospectus.

(Hereafter the "Statutory Forecast Financial Information").

The directors' best-estimate assumptions underlying the Statutory Forecast Financial Information are described in Section 4.8 of the Prospectus.

The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information is in accordance with recognition and measurement principles of the AAS issued by the Australian Accounting Standards Board, which are consistent with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Pro Forma Forecast Financial Information

You have requested Ernst & Young Strategy and Transactions to review the following pro forma forecast financial information of MLG:

- the pro forma forecast income statement for the year ending 30 June 2021 as set out in Table 4.1 of Section 4.3 of the Prospectus; and
- the pro forma forecast cash flows for the year ending 30 June 2021 as set out in Table 4.13 of Section 4.5 of the Prospectus.

(Hereafter the "Pro Forma Forecast Financial Information").

(the Statutory Historical Financial Information, Pro Forma Historical Financial Information, Statutory Forecast Financial Information and Pro Forma Forecast Financial Information is collectively referred to as the "Financial Information").

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in Tables 4.8 and 4.17 of Sections 4.3 and 4.5 respectively of the Prospectus.

The Pro Forma Forecast Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS, other than that they include adjustments that have been prepared in a manner consistent with AAS that reflect: (i) the recognition of certain items in periods different from the applicable period under AAS (ii) the exclusion of certain transactions that are forecast to occur in the relevant periods; and (iii) the impact of certain transactions as if they had occurred on or after 1 July 2020.

Due to its nature, the Pro Forma Forecast Financial Information does not represent the Company's actual or prospective financial performance or cash flows for the year ending 30 June 2021.

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The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

Statutory Historical Financial Information and Pro Forma Historical Financial Information

The directors of MLG are responsible for the preparation and presentation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

The directors of MLG are responsible for the preparation and presentation of the Statutory Forecast Financial Information, including the basis of preparation and the best-estimate assumptions underlying the Statutory Forecast Financial Information. They are also responsible for the preparation and presentation of the Pro Forma Forecast Financial Information, including the basis of preparation, selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Forecast Financial Information and Pro Forma Forecast Financial Information that is free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Statutory Historical and Pro Forma Historical Financial Information

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

Statutory Forecast and Pro Forma Forecast Financial Information

Our responsibility is to express a limited assurance conclusion on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, the best-estimate assumptions underlying the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves, based on our limited assurance engagement.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Statutory Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information of MLG comprising:

- the statutory historical income statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Table 4.3 of Section 4.3 of the Prospectus and the half years ended 31 December 2019 and 31 December 2020 as set out in Table 4.4 of Section 4.3 of the Prospectus;
- the statutory historical cash flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Table 4.15 of Section 4.5 of the Prospectus and the half years ended 31 December 2019 and 31 December 2020 as set out in Table 4.16 of Section 4.5 of the Prospectus; and
- the statutory historical statement of financial position as at 31 December 2020 as set out in Table 4.10 of Section 4.4 of the Prospectus,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2(b) of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of MLG comprising:

- the pro forma historical income statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Table 4.1 of Section 4.3 of the Prospectus and the half years ended 31 December 2019 and 31 December 2020 as set out in Table 4.2 of Section 4.3 of the Prospectus;
- the pro forma historical cash flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Table 4.13 of Section 4.5 of the Prospectus and the half years ended 31 December 2019 and 31 December 2020 as set out in Table 4.14 of Section 4.5 of the Prospectus; and
- the pro forma historical statement of financial position as at 31 December 2020 as set out in Table 4.10 of Section 4.4 of the Prospectus,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2(b) of the Prospectus.

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Statutory Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Statutory Forecast Financial Information of MLG for the year ending 30 June 2021 do not provide reasonable grounds for the Statutory Forecast Financial Information; and

- in all material respects, the Statutory Forecast Financial Information:
    - is not prepared on the basis of the directors' best estimate assumptions as described in Section 4.8 of the Prospectus; and
    - is not presented fairly in accordance with the stated basis of preparation, as described in Section 4.2(b) of the Prospectus; and

- the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information of MLG for the year ending 30 June 2021 do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and

- in all material respects, the Pro Forma Forecast Financial Information:
    - is not prepared on the basis of the directors' best estimate assumptions as described in Section 4.8 of the Prospectus; and
    - is not presented fairly in accordance with the stated basis of preparation, as described in Section 4.2(b) of the Prospectus; and

- the Pro Forma Forecast Financial Information itself is unreasonable.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

The Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information has been prepared by management and adopted by the directors of MLG in order to provide prospective investors with a guide to the potential financial performance and cash flows of MLG for the year ending 30 June 2021. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of MLG. Evidence may be available to support the directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusions expressed in this report have been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in MLG, which are detailed in the Prospectus and the inherent uncertainty relating to the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Sections 5 and 4.10 of the Prospectus. The sensitivity analysis described in Section 4.10 of the Prospectus demonstrates the impact on the Pro Forma Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the statutory forecast or pro forma forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of MLG, that all material information concerning the prospects and proposed operations of MLG has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 4.2(b) of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Strategy and Transactions has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Strategy and Transactions does not have any interests in the outcome of the Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young Strategy and Transactions Limited

Irshaad Songerwala
Director and Representative

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Australian Financial Services Licence No. 240585
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8. INDEPENDENT LIMITED ASSURANCE REPORT

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Ernst & Young Strategy and Transactions Limited
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2192
ey.com/au

1 April 2021

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT LIMITED ASSURANCE REPORT

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Strategy and Transactions

Ernst & Young Strategy and Transactions Limited ("Ernst & Young Strategy and Transactions" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

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4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is $30,800 (inclusive of GST).

Ernst & Young Strategy and Transactions is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in Section 6.2 of this Prospectus, Ernst & Young Strategy and Transactions, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Strategy and Transactions and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Strategy and Transactions, if any, is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority Limited.

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9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Strategy and Transactions	**Contacting the Independent Dispute Resolution Scheme:**
AFS Compliance Manager Ernst & Young 200 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Australian Financial Complaints Authority Limited GPO Box 3 Melbourne, VIC 3001 Telephone: 1800 931 678

This Financial Services Guide has been issued in accordance with ASIC Corporations (Financial Services Guides) Instrument 2015/541.

9. Additional Information

9. ADDITIONAL INFORMATION

9.1 Incorporation of MLG and share capital

The Company was registered in Western Australia on 28 October 2002 as a proprietary company limited by shares. The Company was converted to a public company with effect from 15 November 2019.

Following Completion of the Offer, the Company will have 145,669,163 Shares on issue. Details of the ownership of the Shares on issue immediately prior to Completion of the Offer and immediately following Completion of the Offer are set out below.

Table 9.1: Shareholding structure immediately after Completion of the Offer

	Shares held immediately prior to Completion of the Offer		Shares held in the Company immediately after Completion of the Offer		Immediately following transfer of Management Reward Shares to the EST	
Shareholder	**Shares**	**%**	**Shares**	**%**	**Shares**	**%**
Existing Shareholder	95,669,163	100	74,969,163	51.5%	72,969,163	50.1%
EST[1] (for the benefit of certain members of MLG's management team)	–	–	–	–	2,000,000	1.4%
MLG Board[2] (excluding Murray Leahy)	–	–	200,000	0.1%	200,000	0.1%
New Shareholders	–	–	70,500,000	48.4%	70,500,000	48.4%
Total	**95,669,163**	**100**	**145,669,163**	**100**	**145,669,163**	**100**

1. See Section 6.9 for more information about the Management Reward Shares and the EST.
2. The Directors (other than Murray Leahy) have indicated that they intend to subscribe for an aggregate of $200,000 of Shares under the Offer. See Section 6.5(d) for further details.

SaleCo was incorporated in Western Australia on 5 March 2021 as a public company limited by shares. As at the Prospectus Date, SaleCo had one share on issue, which was held by Michelle Leahy. The SaleCo Directors are Michelle Leahy, Tim Leahy and Dennis Wilkins.

9.2 Group structure

Set out below is the MLG Group's corporate structure as at the Prospectus Date (as well as immediately following Completion of the Offer).

Figure 9.1: MLG Group corporate structure as at Prospectus Date

9.3 Tax status and financial year

The Company is and will be subject to tax at the Australian corporate tax rate on its taxable income. The Company's financial year ends on 30 June annually.

The Company has formed an income tax consolidated group with its wholly owned subsidiary with effect from 6 December 2018.

9.4 Underwriting arrangements

MLG, SaleCo and the Joint Lead Managers have entered into the Underwriting Agreement pursuant to which the Joint Lead Managers agree to arrange, manage and underwrite the Offer.

For the purposes of this Section 9.4, "Offer Documents" means the following documents issued or published by or on behalf of the Company, and with the authorisation of the Company, in respect of, or relating to, the Offer: the draft prospectus prepared in connection with the Offer; this Prospectus; the application forms lodged with the Company or the Share Registry by applicants for Offer; the confirmation letters sent by the Joint Lead Managers to investors under the Institutional Offer; any cover email sent by or on behalf of the Company and/or SaleCo to eligible Institutional Investors in connection with the Institutional Offer; and the roadshow presentation materials and/or other public announcements or other information provided to prospective investors approved by the Company to conduct the marketing of the Offer, including any supplementary prospectus or other amendments, supplements, replacements or updates to any of the above.

MLG must also reimburse the Joint Lead Managers for certain other out-of-pocket costs and expenses incurred by the Joint Lead Managers in connection with the Offer.

The Company may determine to pay the first tranche and/or the second tranche, or neither tranche, in its discretion.

a. Fees, costs and expenses

MLG has agreed to pay to the Joint Lead Managers an aggregate selling/underwriting fee of 2.90% of the gross proceeds of the Offer (exclusive of any applicable GST), in their respective proportions. The selling/underwriting fee is payable to the Joint Lead Managers on the day of Completion of the Offer and are to be paid out of the gross proceeds of the Offer.

In addition to the underwriting fee and the management fee, MLG may, in its sole discretion, pay the Joint Lead Managers an incentive fee of up to an aggregate of 1.60% of the gross proceeds of the Offer.

In the event MLG determines to pay an incentive fee:

- the first tranche of any incentive fee (being up to 0.80% of the gross proceeds of the Offer) is payable to the Joint Lead Managers at Completion of the Offer.
- the second tranche of the incentive fee (being up to 0.80% of the gross proceeds of the Offer) is payable to the Joint Lead Managers within 90 days of Completion of the Offer.

The Company may determine to pay the first tranche and/or the second tranche, or neither tranche, in its discretion.

MLG must also reimburse the Joint Lead Managers for the reasonable out-of-pocket expenses incurred by the Joint Lead Managers in connection with the Offer.

b. Termination events

i. Termination events not subject to materiality

A Joint Lead Manager may terminate the Underwriting Agreement at any time prior to 10.00am (Sydney time) on the day of Settlement of the Offer, by notice given to the Company and the other Joint Lead Manager, and without any cost or liability to that Joint Lead Manager, if any of the following events occurs.

- A statement contained in the Offer Documents is or becomes misleading or deceptive or likely to mislead or deceive, or a matter required by the Corporations Act is omitted from the Offer Documents (having regard to sections 710, 711 and 716 of the Corporations Act) or the issue of the Offer Documents becomes misleading or deceptive or likely to mislead or deceive.

9. ADDITIONAL INFORMATION

- A person gives a notice to the Company under section 730 of the Corporations Act.
- Other than as disclosed in this Prospectus or as required by applicable laws, the Company or any other member of the MLG Group creates or agrees to create security over the whole or a substantial part of its business or property.
- The S&P/ASX All Ordinaries Index published by ASX is at any time more than 10% below its level as at 5:00pm on the Business Day immediately preceding the date of this document for two consecutive business days.
- Any circumstance arises after lodgement of this Prospectus with ASIC that results in the Company either repaying money received from all persons who have applied for Shares under the Offer or offering persons who have applied for Shares under the Offer an opportunity to withdraw their application for Shares and be repaid their application money.
- Any material adverse change occurs in the assets, liabilities, share capital, Share structure, financial position or performance, profits, losses or prospects of the Company or the MLG Group from those disclosed in this Prospectus, including:
  - any material adverse change in the reported earnings or future prospects of the MLG Group;
  - any material adverse change in the nature of the business conducted by the MLG Group;
  - the insolvency or voluntary winding up of the Company or an entity in the MLG Group or the appointment of any receiver, receiver and manager, liquidator or other external administrator;
  - any material adverse change to the rights and benefits attaching to Shares; or
  - any event that is likely to cause a "Material Adverse Change".
- The Company or SaleCo withdraws this Prospectus or terminates the Offer, or indicates that it does not intend to proceed with the Offer or any part of the Offer.
- The Company or SaleCo does not provide a certificate in the manner required by the Underwriting Agreement.
- A member of the MLG Group is or becomes insolvent, or an act occurs or an omission is made which may result in a member of the MLG Group becoming insolvent.
- Any of the following occurs in relation to the Offer.
  - ASIC issues proceedings in relation to the Company or SaleCo.
  - ASIC makes an order or interim order under section 739 or section 1324B of the Corporations Act concerning this Prospectus.
  - ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Offer or any Offer Document.
  - ASIC holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or any Offer Document under the ASIC Act.
  - ASIC prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company of any of its officers, employees or agents in relation to the Offer or any Offer Document.
  - Any other Government Agency commences any investigation or hearing in relation to the Offer, or any Offer Document.
- ASIC makes an interim order (other than an interim order that does not become public and is dismissed or withdrawn by ASIC within 2 Business Days) or final stop order in relation to this Prospectus under section 739 of the Corporations Act or holds a hearing (other than a hearing which does not become public and is dismissed or withdrawn by ASIC within 2 Business Days) under section 739 of the Corporations Act in relation to this Prospectus or makes an application under section 1324 or 1324B of the Corporations Act.
- There is a withdrawal of consent, where:
  - any person whose consent to the issue of this Prospectus or any Supplementary Prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of this Prospectus or any supplementary prospectus withdraws such consent;
  - any person gives a notice under section 733(3) of the Corporations Act; or
  - any person (other than the Joint Lead Managers) who has previously consented to the inclusion of their name or any statement in this Prospectus or any supplementary prospectus withdraws that consent;

- The Company lodges a supplementary prospectus without the consent of the Joint Lead Managers or fails to lodge a supplementary prospectus in a form acceptable to a Joint Lead Manager or, in a Joint Lead Manager's opinion, becomes required to lodge a supplementary prospectus because of a circumstance set out in section 719(1) of the Corporations Act.
- A change in the composition of management named in this Prospectus, or a change in the composition of the board of Directors named in this Prospectus, occurs without the written consent of the Joint Lead Managers.
- Other than as fairly disclosed to the Joint Lead Managers, any of the obligations of the relevant parties under any of the specified contracts are not capable of being performed in accordance with their terms (in the reasonable opinion of that Joint Lead Manager) or if all or any part of any of the specified contracts:
  - is terminated, withdrawn, rescinded, avoided or repudiated;
  - ceases to have effect, otherwise than in accordance with its terms; or
  - is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights).
- Any of the ASX approvals or ASIC modifications obtained in satisfaction of the conditions precedent are withdrawn, revoked, qualified, amended or withheld without the prior written approval of a Joint Lead Manager (or ASX or ASIC (as the case may be) indicate to the Company or the Joint Lead Managers that such approval is likely to be withdrawn, revoked, qualified, amended or withheld).
- Approval for official quotation of all of the Shares on ASX is refused or not granted, other than subject to standard conditions customarily imposed, or any other conditions accepted in writing by a Joint Lead Manager or that a Joint Lead Manager has earlier acknowledged in writing as being required conditions for being admitted to the Official List by the required date or, if approval is granted, such approval is subsequently withdrawn, qualified (other than subject to standard conditions customarily imposed) or withheld before Completion of the Offer.
- The Company or a member of the MLG Group, without prior written consent of the Joint Lead Managers:
  - disposes, or agrees to dispose of, the whole, or a substantial part, of its business or property other than as contemplated in this Prospectus;
  - ceases or threatens to cease to carry on business;
  - alters its capital structure, other than as contemplated in this Prospectus; or
  - amends its constitution or any other constituent document of the relevant company.
- A Director or any member of the senior management of the MLG Group named in this Prospectus is charged with a criminal offence relating to any financial or corporate matter.
- Any Government Agency commences any public action against a member of the MLG Group, any of the Directors or any member of the senior management of the MLG Group named in this Prospectus, or announces that it intends to take any such action (specifically naming that member of the MLG Group, Director or member of management).
- Any Director or any member of the management of the MLG Group named in this Prospectus is disqualified under the Corporations Act from managing a corporation.
- A Director, SaleCo Director or member of management of the Company named in this Prospectus engages in any fraudulent conduct or activity.
- The Company and SaleCo are or will be prevented from conducting or completing the Offer (including issuing Shares under the Offer) by or in accordance with the ASX Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction, or otherwise are or will become unable or unwilling to do any of these things.
- The Offer does not, or the Offer Documents do not, comply with any applicable law or regulatory requirement or there is a contravention by the Company of the Corporations Act, its constitution or any of the ASX Listing Rules.
- An event specified in the timetable under the Underwriting Agreement up to and including the day of Settlement of the Offer is delayed for more than 2 Business Days without the prior written approval of the Joint Lead Managers.
- The Sale Deed is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with.
- The Voluntary Escrow Deed is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with.

ii. Termination events subject to materiality

A Joint Lead Manager may terminate the Underwriting Agreement at any time prior to 10.00am (Sydney time) on the day of Settlement of the Offer, by notice given to the Company and the other Joint Lead Manager, and without any cost or liability to that Joint Lead Manager, if any of the following events occurs, and:

1. the Joint Lead Manager has reasonable grounds to believe (and does believe) that the event has had, or is likely to have, individually or in aggregate with a separate termination event, a material adverse effect on:
   a. the financial condition, position or prospects of the Company or the MLG Group, or the success of the Offer;
   b. the ability of the Joint Lead Managers to underwrite the Offer; or
   c. the potential market price of the Shares; or
2. there is reasonable possibility that the Joint Lead Manager will contravene, be involved in a contravention of, or incur a liability under, the Corporations Act or any other applicable law as a result of the relevant event.

- A new circumstance arises after this Prospectus was lodged with ASIC that would have been required to be included in this Prospectus if it had arisen before this Prospectus was lodged with ASIC.
- Other than as fairly disclosed to the Joint Lead Managers, if any of the obligations of the relevant parties under any of the contracts specified in the Underwriting Agreement are not capable of being performed in accordance with their terms (in the reasonable opinion of the Joint Lead Manager) or if all or any part of any of any such contracts:
  - is altered, amended or varied without the consent of the Joint Lead Managers (acting reasonably); or
  - is breached, or there is a failure by a party to comply.
- Any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Offer or materially reduce the likely level of valid applications or materially affects the financial position of the Company or has a material adverse effect on the success of the offer.
  - The introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia.
  - The public announcement by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia that such a law or regulation will be introduced.
  - The adoption by ASX or their respective delegates of any regulations or policy.
- Any of the following occurs involving any one or more of Australia, New Zealand, the United Kingdom, the United States, the People's Republic of China or Hong Kong.
  - There is an outbreak of hostilities (whether or not a war or a national emergency has been declared) not presenting existing, or a major escalation in existing hostilities.
  - A national emergency is declared (excluding anything related to the continuation or escalation of COVID-19).
  - A terrorist act is perpetrated.
- A pandemic, epidemic or large-scale outbreak of a disease (including, without limitation, SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs in Australia.
- Any of the following occurs.
  - Legal proceedings are commenced against the Company or SaleCo.
  - Any Director is charged with an indictable offence or any regulatory body commences any public action against the Director or announces that it intends to take any such action.
  - Any Director is disqualified from managing a corporation under section 206A, 206B, 206C, 206D, 206E or 206F of the Corporations Act.
- The Company, SaleCo or another entity in the MLG Group contravenes the Corporations Act, the Listing Rules, its constitution or any other applicable law or regulation.
- The Company or a member of the MLG Group issues a public statement concerning the Offer which has not been approved by the Joint Lead Managers.

- A statement in any of the public information is or becomes misleading or deceptive or likely to mislead or deceive.
- The Company or SaleCo breaches any of its undertakings or obligations under the Underwriting Agreement.
- A statement in a certificate provided by the Company or SaleCo under the Underwriting Agreement is untrue, incorrect or misleading or deceptive at the time it is given.
- The due diligence report or any information supplied by or on behalf of the Company or SaleCo to a Joint Lead Manager in relation to SaleCo, the MLG Group or the Offer as part of the due diligence process is or becomes misleading or deceptive, including by way of omission.
- Any of the following occurs.
  - Any adverse change or disruption to the political conditions or financial markets of Australia, the United Kingdom, the United States of America or Hong Kong.
  - A general moratorium on commercial banking activities in Australia, the United States of America, the United Kingdom or Hong Kong is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries.
  - Trading in securities generally has been suspended for at least one full trading day on the ASX.
  - A change or development (which was not publicly known prior to the date of this document) involving a prospective adverse change in taxation laws affecting the Company or the Offer occurs.
- Any representation or warranty contained in the Underwriting Agreement on the part of the Company or SaleCo is breached or becomes false, misleading or incorrect (except in respect of the draft prospectus where the draft prospectus contained a statement that is not true or correct and this was rectified, with the prior written consent of the Joint Lead Managers, in this Prospectus).
- An event specified in sections 652C(1) or (2) of the Corporations Act occurs, in relation to the Company or any of other member of the group, except as contemplated in this Prospectus or as was otherwise fairly disclosed to the Joint Lead Managers.

c. Conditions, representations, warranties and undertakings

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Joint Lead Managers, including relating to conduct of due diligence, lodgement of this Prospectus, financial information, material contracts, the entry into the Voluntary Escrow Deed by the Existing Shareholder, compliance with laws, and ASIC and ASX granting the approvals necessary to enable the Offer to proceed in accordance with the timetable.

The Company's undertakings include that it will:

- from the date of the Underwriting Agreement and until 180 days after Settlement of the Offer, carry on its business in the ordinary course and not, except as disclosed to the Joint Lead Managers prior to the date of the Underwriting Agreement (1) dispose of or charge, or agree to dispose of or charge, the whole or any material part of its business, or (2) enter into any agreement or commitment which is material in the context of the Offer, the Company, SaleCo or the MLG Group's business (taken as whole), in each case, without the prior written consent of the Joint Lead Managers (which consent shall not be unreasonably withheld or delayed);
- from the date of the Underwriting Agreement and until 180 days after Settlement of the Offer, not, other than as contemplated by this Prospectus, issue, or agree to issue, (1) any equity securities (as defined in the ASX Listing Rules) in a member of the MLG Group or (2) any securities that are convertible or exchangeable into such equity securities in a member of the MLG Group, in each case, without the prior written consent of the Joint Lead Managers (after Completion of the Offer, such consent not to be unreasonably withheld or delayed); and
- from the date of the Underwriting Agreement and before the day on which Shares are issued under the Offer, not, other than as disclosed in this Prospectus, (1) alter, agree to alter, or propose an alteration to, its capital structure (whether debt or equity), or (2) create or agree to create any security over any or all of the Shares under the Offer, in each case, except with the prior consent of the Joint Lead Managers.

d. Indemnity

Subject to certain exclusions relating to, among other things, the direct result of fraud, recklessness, wilful misconduct or gross negligence of an indemnified party (where finally determined by a court of competent jurisdiction, where all appeals have been exhausted or have not been sought by the indemnified party), the Company agrees to keep the Joint Lead Managers and certain affiliated parties indemnified from losses incurred in connection with the Offer.

9.5 Sale of Sale Shares by SaleCo; Sale Deed

SaleCo has been established to facilitate the Existing Shareholder's sale of the Sale Shares, enabling him to realise part of his investment in the Company whilst retaining a significant equity stake.

The Existing Shareholder, SaleCo and the Company have entered into the Sale Deed; which governs the contractual arrangements between these parties in respect of the Sell Down.

Under the Sale Deed:

a. the Existing Shareholder agrees to sell the Sale Shares to SaleCo free from any encumbrance; and

b. SaleCo agrees to acquire the Sale Shares from the Existing Shareholder for the Offer Price (per Sale Share),

and SaleCo then undertakes to:

c. transfer the Sale Shares to those Successful Applicants who are allocated Sale Shares under the Offer; and

d. pay or procure the payment of the Offer Price (per Sale Share) to the Existing Shareholder.

As at the date of this Prospectus, SaleCo has a presently exercisable and unconditional right to call on the Existing Shareholder to immediately sell and transfer the Sale Shares to SaleCo for these purposes. SaleCo will exercise that right no later than the Business Day following Settlement of the Offer.

The Sale Deed also contains certain warranties from each of the Existing Shareholder, SaleCo and the Company in favour of the other parties. In the case of the Existing Shareholder, the Existing Shareholder warrants (among other things) that: (1) he owns the Sale Shares, (2) the Sale Shares will be transferred free from any encumbrances, and (3) the Sale Shares are fully paid.

SaleCo has no material assets, liabilities or operations other than its rights under the Sale Deed (and its ownership of the Sale Shares at such time as it transfers the Sale Shares to Successful Applicants). Accordingly, under the Sale Deed, the Company has agreed to:

e. provide such assistance to SaleCo and the Existing Shareholder as is reasonably requested by SaleCo or the Existing Shareholder; and

f. indemnify SaleCo and the SaleCo Directors against any liability incurred by them in connection with:

    i. any false, misleading or deceptive statement in, or omission from, this Prospectus; or

    ii. the making or conduct of the Offer,

in each case, to the extent permitted by law and save where certain customary exceptions apply.

9.6 Rights and liabilities attaching to Shares

a. Introduction

The rights and liabilities attaching to the ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to Shares and a description of other material provisions of the Constitution is set out below.

This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. The summary also assumes that MLG is admitted to the Official List of ASX.

b. Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of MLG and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. MLG must give Shareholders at least 28 days' written notice of a general meeting.

c. Voting at a general meeting

At a general meeting of MLG:

i. on a show of hands, every Shareholder entitled to vote who is present (in person or by proxy, representative or attorney) has one vote; and

ii. on a poll:

   A. every Shareholder entitled to vote who is present (in person or by proxy, representative or attorney) has one vote for each Share held by the Shareholder; and

   B. every member entitled to vote who has duly lodged a valid direct vote in accordance with any prescribed rules has one vote for each Share held by the Shareholder,

in each case, with adjusted voting rights for partly paid shares.

d. Dividends

Subject to MLG's Constitution and the Corporations Act, the Board may resolve to pay any dividend (including interim, special and final dividends) that it thinks appropriate. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and method of payment.

e. Transfer of Shares

Shares may be transferred by proper ASTC transfer (effected in according with the ASX Settlement Operating Rules, the Corporations Regulations and the ASX Listing Rules) or, subject to the Constitution and any restrictions attached to any Share or class of shares in MLG, by any means permitted by the Corporations Act or by law.

The Board may, in accordance with the Corporations Act or the ASX Listing Rules decline to register a transfer of Shares or ask ASX Settlement to apply a holding lock to prevent a transfer.

f. Issue of Shares

The Board may, subject to the Constitution, Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules, issue, grant options over or otherwise dispose of unissued Shares on such terms, and with such rights, and at such time, as the Board decides.

g. Preference shares

MLG may issue preference shares (including preference shares that (at the option of MLG or the holder) are liable to be redeemed or converted into Shares). The rights attaching to preference shares are those set out in the Constitution, unless those rights have been varied by special resolution of MLG.

h. Winding up

If MLG is wound up, then, subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares in MLG, any surplus property must be divided among MLG's members in proportion to the number of fully paid shares held by them (and, for this purpose, a partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share).

If MLG is wound up, the liquidator may, with the sanction of a special resolution:

i. divide the assets of MLG among MLG's members;

ii. for that purpose, fix the value of the assets and decide how the division is to be carried out as between the members and different classes of members; and

iii. vest assets of MLG in trustees to be held on trust for the benefit of the Shareholders as the liquidator thinks appropriate.

9. ADDITIONAL INFORMATION

i. Unmarketable parcels

In accordance with the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Board may sell the Shares of a Shareholder who holds less than a marketable parcel of those Shares by following the procedures set out in the Constitution. A marketable parcel of Shares is defined in the ASX Listing Rules and is generally a holding of Shares with a market value of at least $500.

j. Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act, the rights attached to any class of shares may be varied:

i. with the written consent of the holders of 75% of the issued shares of the affected class; or

ii. by a special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

k. Directors – appointment and retirement

Under the Constitution, the Board is to be comprised of a minimum of three Directors and a maximum of seven Directors. The Board may from time to time:

i. increase the maximum number of Directors; or

ii. with approval by MLG's members in general meeting, reduce the maximum number of Directors.

Directors are elected or re-elected at general meetings of MLG.

No Director (other than the Managing Director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was elected or last re-elected.

The Board may appoint any eligible person to be a Director, either to fill a casual vacancy on the Board or as an addition to the existing Directors, who (unless that appointee is the Managing Director) will hold office until the conclusion of the next annual general meeting of MLG following their appointment.

A person is eligible for election to the office of a Director at a general meeting if they are nominated by the Board or by another Shareholder in accordance with procedures in the Constitution (subject to timing requirements).

l. Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the Chair of the meeting has a casting vote in addition to his or her deliberative vote, unless there are only two Directors present or entitled to vote, or unless the Chair of the meeting is not entitled to vote on that resolution, in which case the Chair of the meeting does not have a second or casting vote and the proposed resolution will be decided in the negative.

A written resolution of the Board may be passed without holding a meeting of the Board if all of the Directors sign or assent to the resolution (other than Directors not permitted to vote on the resolution in accordance with the terms of the Constitution).

m. Directors – remuneration

Under the Constitution, the Board may decide the remuneration from MLG to which each Director is entitled for his or her services as a Director. The total aggregate amount provided to all Non-Executive Directors for their services as Directors must not exceed in any financial year the amount fixed by MLG in general meeting for that purpose.

The remuneration of a Director must not include a commission on, or a percentage of, operating revenue. The current maximum aggregate sum of Non-Executive Director remuneration is set out in Section 6.5(a). Any change to that maximum aggregate requires Shareholder approval in general meeting.

Directors may be reimbursed for all reasonable expenses incurred (including travel and accommodation expenses):

i. in attending all meetings of MLG, the Board, or a committee of the Board;

ii. on the business of the Company; or

iii. in carrying out duties as a Director.

If a Director is called on to perform extra services, or make any special exertions in connection with the affairs of MLG, the Directors may arrange for special remuneration to be paid to that Director either in addition to or in substitution for that Director's remuneration.

Directors' remuneration is discussed above in Section 6.5.

n. Powers and duties of Directors

The Directors are responsible for managing the business of MLG and may exercise to the exclusion of MLG in general meeting all the rights, powers and capacities of MLG which are not required by applicable law (including the ASX Listing Rules) or by the Constitution to be exercised by MLG in general meeting.

Each Director must comply with all duties imposed on them by the Corporations Act and under the general law.

o. Officers' indemnity and insurance

To the extent permitted by law, MLG:

i. must indemnify each current and former officer of MLG and of each wholly owned subsidiary of MLG (and, if the Directors so determine, MLG's auditor) against any liability of any kind incurred by that person as an officer or auditor (as applicable) of MLG or of a wholly owned subsidiary of MLG (other than a liability of that person to MLG or to a related body corporate of MLG), unless that liability arises out of conduct involving a lack of good faith; and
ii. may enter into, and pay the premiums on, a contract of insurance in respect of any person (including, for the avoidance of doubt, in respect of officers in the circumstances described immediately above).

p. Amendment

The Constitution may be amended only in accordance with the Corporations Act, which requires a special resolution passed by at least 75% of Shareholders present (in person or by proxy, attorney or representative) at the applicable general meeting and entitled to vote on the resolution.

9.7 Escrow arrangements

As mentioned elsewhere in this Prospectus, Murray Leahy has agreed to sell a portion of his Existing Shares into the Offer via SaleCo and will retain the balance of his Existing Shares on Completion of the Offer. In addition, the Existing Shareholder has agreed to subscribe for an additional 2,000,000 Management Reward Shares (outside of the Prospectus) at the same price as the Offer Price, conditional on Settlement of the Offer occurring, which Murray Leahy intends to transfer to the EST shortly after Listing as described in Section 6.9. Excluding the Management Reward Shares, the Existing Shareholder will hold 72,969,163 Shares at Completion of the Offer, all of which will be subject to the escrow restrictions described in this Section 9.7 (such Shares are referred to in this Prospectus as the Escrowed Shares). The Management Reward Shares will not be subject to any voluntary escrow.

Murray Leahy has entered into a voluntary escrow deed (**Voluntary Escrow Deed**) in respect of his Escrowed Shares pursuant to which (subject to and conditional on Listing occurring) he is prevented from disposing of:

- 25% of his Escrowed Shares for a period beginning on Listing and expiring at 10.00 am (Sydney time) on the date that is seven days after the release of MLG's FY21 financial results; and
- the remaining 75% of his Escrowed Shares for a period beginning on Listing and expiring at 10.00am (Sydney time) on the date that is seven days after the release of MLG's FY22 financial results.

The restriction on any '**Disposal**' is defined broadly and includes, among other things, to sell, transfer, assign, convert, surrender, cancel, convey or otherwise dispose of any interest (whether legal, beneficial, economic or otherwise) in the Escrowed Shares, or to create or agree or offer to create any security interest in the Escrowed Shares, or to agree to do any of those things.

The restrictions on Disposal will cease to apply to the extent necessary to allow Murray Leahy to:

a. (**takeover offer**) accept a takeover offer by a third party for all or a proportion of the Shares, provided that:
   i. holders of at least half of the Shares to which the takeover offer relates that are not subject to the Voluntary Escrow Deed have accepted the offer; and
   ii. if for any reason the takeover offer does not become unconditional, the restrictions applying to the Escrowed Shares under the Voluntary Escrow Deed will continue to apply (including any holding lock being re-applied to the Escrowed Shares); or
b. (**scheme of arrangement**) transfer or cancel his Escrowed Shares pursuant to a merger by way of scheme of arrangement under Part 5.1 of the Corporations Act.

   Additionally, Murray Leahy will be permitted to Dispose of his Escrowed Shares during the escrow period if the Disposal:
c. (**security interests**) is the creation of a security interest in some or all of the Escrowed Shares and:
   i. the taking or acquiring of the security interest has not resulted in, and will not result in, the taker or acquirer acquiring a relevant interest in the Escrowed Shares because of the operation of section 609(1) of the Corporations Act; and
   ii. the taker or acquirer of the security interest has agreed in writing to take or acquire the security interest in the Escrowed Shares subject to the terms of the Voluntary Escrow Deed (including that the Escrowed Shares will remain in voluntary escrow and subject to the voluntary escrow arrangements contemplated by the Voluntary Escrow Deed for the escrow period, and may not be transferred to the taker or acquirer of that security interest); or
d. (**permitted transferee**) is to a third party, and:
   i. the transfer does not result in a change in the beneficial ownership of the Escrowed Shares;
   ii. the transfer does not result in an extension to the escrow period; and
   iii. the transferee agrees to be subject to the restrictions on disposal of the Escrowed Shares set out in the Voluntary Escrow Deed.

9.8 Related party arrangements

MLG is a party to certain related party arrangements. Refer to:

a. Section 3.7(d), for information in relation to the related party leases;
b. Section 4.4(b), for information in relation to the related party loan; and
c. Section 3.7(e), for information in relation to Murray Leahy's proposed acquisition of MLG's Kalgoorlie Airport Hangar.

9.9 Costs of the Offer

The total approximate expenses of the Offer payable by MLG are set out in Table 9.2 below. Information on the interests of advisers is set out in Section 6.10.

Table 9.2: Offer cost breakdown

Item of expenditure	Amount ($m)
ASX quotation and ASIC lodgement fees	0.21
Joint Lead Manager fees[1]	2.83
Financial adviser fees	0.29
Legal fees	0.83
Financial due diligence and Investigating Accountant fees	0.31
Corporate adviser fees[2]	0.44
Tax advice fees	0.13
BIS Oxford Economics Commercial / Industry Report fees	0.02
Printing, postage, administration and other fees	0.17

Note:

1. The Joint Lead Manager fees includes the fees payable to Ashanti Capital for their role as Co-Manager to the Offer.
2. Includes fees paid for work carried out for the Company in respect of the Company's forecast financial modelling and accounting advice.

9.10 Australian taxation considerations

This section provides a general overview of the Australian income tax, capital gains tax (**CGT**), GST and stamp duty consequences for Australian tax resident investors who acquire Shares through the Offer. The comments in this section are based on the Australian taxation laws (including established interpretations of those laws) as at the Prospectus Date, which may change during the period that Shares are owned by Shareholders. This section does not take into account the tax law of countries other than Australia.

This section is general in nature and is not intended to be an authoritative or a complete statement of the Australian taxation laws, nor to be relied upon as tax advice. Australian taxation laws are complex and the investor's own circumstances will affect the taxation outcomes of making an investment in Shares through the Offer. We recommend that both Australian resident and non-resident investors seek independent professional taxation advice, having regard to their own specific circumstances, in considering an investment in Shares through the Offer.

The categories of investors considered in this summary are limited to Australian tax resident individuals, companies and trusts (other than superannuation or pension funds), each of whom holds their shares on capital account.

This summary does not consider the consequences for investors who are insurance companies, superannuation or pension funds, banks, investors who hold their shares on revenue account or carry on a business of trading in shares, investors who acquired shares in connection with an employee share scheme, investors who acquired (or acquire) shares or options in connection with his/her employment with MLG Group (including, without limitation, Management Reward Shares) or investors who are non-residents for Australian tax purposes or are exempt from Australian tax.

This summary also does not cover the consequences for investors who are subject to Division 230 of the Income Tax Assessment Act 1997 (the Taxation of Financial Arrangements or TOFA regime). Both resident and non-resident investors should seek professional advice to determine if Shares are held in this capacity (and the corresponding income tax implications should this apply).

Deloitte Tax Services Pty Ltd, a registered tax agent, has provided the tax comments below. Deloitte Tax Services Pty Ltd is not licensed under Chapter 7 of the Corporations Act to provide financial product advice. Taxation issues, such as those covered by this section, are only some of the matters you need to consider when making a decision about a financial product. You should consider taking advice from someone who holds an Australian Financial Services Licence before making such a decision.

9. ADDITIONAL INFORMATION

a. Acquisition of the Shares

Each Share should be a separate CGT asset. For CGT purposes, the cost base (and reduced cost base) of each Share held by an Australian tax resident Shareholder should include the amount the Shareholder paid (or is required to pay) to acquire the Share, plus any incidental costs of acquisition.

b. Dividends on a Share

Dividends may be paid to Shareholders in respect of their Shares. Franking credits may be attached to such dividends. Franking credits broadly represent the extent to which a dividend is paid out of profits that have been subject to Australian income tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

Australian tax resident Shareholders will be required to include dividends in their assessable income in the income year in which the dividends are paid. To the extent that the dividends are franked, subject to the comments below, the associated franking credits should also be included in the Australian tax resident Shareholder's assessable income (that is, the dividends are required to be 'grossed-up'). In such circumstances, Shareholders are subject to tax at their applicable rate of tax on the grossed-up dividends received (but may be entitled to a tax offset for the associated franking credits as discussed below).

To the extent that the dividends are unfranked, there is no gross-up (or tax offset) and Australian tax resident Shareholders are subject to tax at their applicable rate of tax on the unfranked dividends received.

The distribution statement for the dividends paid to Shareholders should advise of the franking status of the dividends.

i. Australian resident individuals

To the extent that the franking credits received by Shareholders who are Australian tax resident individuals exceeds the amount of total income tax payable, those Shareholders should be entitled to a refund from the ATO of any excess franking credits over and above total income tax payable in an income year. Where the franking credits are less than the tax payable on the dividends, those Shareholders will need to pay an additional amount of tax.

ii. Trusts

In relation to Shareholders that are trustees of trusts (other than trustees of complying superannuation entities or trusts treated as companies for tax purposes), such Shareholders should include any franking credits in determining the net income of the trust. A relevant beneficiary or unitholder of the trust may then be entitled to a corresponding tax offset, subject to certain requirements being satisfied (such as the beneficiary being presently entitled).

In relation to trusts, the rules surrounding the taxation of dividends are complex and advice should be sought to confirm the appropriate taxation considerations and treatment.

iii. Corporate Shareholders

Shareholders that are Australian tax resident companies (including those that are deemed to be companies) are also entitled to a tax offset equal to the amount of franking credits received. However, unlike non-corporate Shareholders, they are unable to claim refunds for excess franking credits. Where excess franking credits exist, a corporate Shareholder should be entitled to have the surplus credits converted into carry forward tax losses.

Corporate Shareholders (including those that are deemed to be companies) should also be entitled to a franking credit in their franking accounts equal to the franking credits received in respect of the dividends. A corporate Shareholder may be able to then use the credits to make franked distributions to its Shareholders.

iv. Qualified person rules

The benefit of franking credits can be denied where a Shareholder does not satisfy the qualified person rules. In this case the Shareholder should not be required to include an amount for the franking credits in their assessable income and should also not be entitled to a tax offset.

Broadly, to satisfy the qualified person rules, two tests must be satisfied, namely the holding period rule and the related payment rule.

The holding period rule requires a Shareholder to hold the Shares 'at risk' for at least 45 days continuously in the period beginning the day after the day on which the Shareholder acquires the Shares, and ending on the 45th day after the day on which the Shares become ex-dividend. In the ordinary case, this means that the holding period rule should be satisfied provided that the Shares have been held 'at risk' for a continuous period of 45 days (not including the date of acquisition or disposal) at some time during the period of ownership of the Shares. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed $5,000.

Under the related payments rule, a different testing period applies where the Shareholder, or an associate of the Shareholder, is under an obligation to, or may reasonably be expected to, pass the benefit of a dividend to another person. The related payment rule requires the Shareholder to have held the Shares 'at risk' for a continuous period of 45 days (not including the date of acquisition or disposal) during the period that commences on the 45th day before, and ends on the 45th day after the day on which the Shares become ex-dividend.

Broadly, Shares should be held 'at risk' to the extent that no material 'positions' are adopted in relation to the Shares that have the effect of diminishing the economic exposure associated with holding the Shares (for example, by entering into option and derivative agreements, or agreements to sell the Shares).

As indicated previously, the qualified person rules can be particularly complex for distributions received by a Shareholder indirectly (for example, via an interposed trust). We recommend that Shareholders in such situations seek independent tax advice.

v. Integrity rules

A specific integrity rule prevents taxpayers from obtaining a tax benefit from franking credits where dividends are received as a result of 'dividend washing' arrangements. Dividend washing is a practice through which taxpayers seek to claim two sets of franking credits by selling shares held on ASX ex-dividend and then effectively re-purchasing a substantial equivalent parcel of shares cum-dividend on a special ASX trading market.

Shareholders should consider the impact of these provisions (and other dividend tax integrity provisions) having regard to their own personal circumstances.

c. Taxation of Share disposals

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the CGT provisions in respect of the disposal of their Shares.

Where the capital proceeds received on the disposal of the Shares exceed the CGT cost base of those Shares, Australian tax resident Shareholders will derive a capital gain. The CGT cost base of the Shares should generally be equal to the issue price or acquisition price of the Shares plus, among other things, incidental costs associated with the acquisition and disposal of the Shares. In respect of the CGT cost base of the Shares, this amount may be reduced as a result of receiving non-assessable distributions from MLG, such as returns of capital.

Conversely, Australian tax resident Shareholders may recognise a capital loss on the disposal of Shares where the capital proceeds received on disposal are less than the reduced CGT cost base of the Shares.

All capital gains and losses recognised by an Australian tax resident Shareholder for an income year are aggregated. To the extent that a net gain exists, such Shareholders should be able to reduce the net gain by any amount of unapplied capital losses or revenue losses carried forward from previous income years (provided the relevant loss recoupment tests are satisfied) or current year revenue losses. Any remaining net gain (after the application of any unapplied capital losses or revenue losses carried forward or current year revenue losses) will then be required to be included in the Australian tax resident Shareholder's assessable income (subject to the comments below in relation to the availability of the CGT discount concession) and will be taxable at the Shareholder's applicable rate of tax. Where a net capital loss is recognised, the loss should only be deductible against capital gains and are capable of being carried forward indefinitely, provided the relevant loss recoupment tests are satisfied.

Non-corporate Shareholders may be entitled to a concession that discounts the amount of net capital gain that is assessed. Broadly, the concession is available where the Shares have been held for more than 12 months prior to disposal. The concession results in a 50% reduction in the assessable amount of a net capital gain for an individual Shareholder, after offsetting any current or carried-forward losses. The concession is not available to corporate Shareholders (including those deemed to be companies).

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied.

Australian tax resident investors who hold Shares on revenue account should seek separate independent professional advice.

d. Foreign Resident Capital Gains Withholding (FRCGW)

Rules have been enacted that can apply to the disposal of certain taxable Australian property under contracts entered into on or after 1 July 2016. The current non-final withholding tax rate is 12.5%. The regime applies to any transaction involving the acquisition of the legal ownership of an asset that is taxable Australian real property, an indirect Australian real property interest (such as membership in a 'land rich' company or trust) or an option or right to acquire such property or such an interest from a 'relevant foreign resident'.

i. Acquisition via SaleCo

FRCGW will not be applicable in respect of the acquisition of Shares from SaleCo on the basis that SaleCo declares that it is, and will be an Australian tax resident, for the period from the Prospectus Date up to and including the date on which the acquisition by investors of Shares from SaleCo completes. Details of SaleCo supporting this declaration are below:

- SaleCo – MLG SaleCo Limited
- ACN – 648 150 001
- Address (including postcode) – 10 Yindi Way, Broadwood, WA 6430

ii. Future disposal via ASX

The FRCGW rules should not apply to the disposal of Shares on ASX (in accordance with a specific exemption).

e. Tax File Number (TFN) and Australian Business Number (ABN)

An Australian tax resident Shareholder is not obliged to quote a TFN or, where relevant, ABN, to MLG. However, if a TFN or ABN is not quoted and no exemption is applicable, income tax is required to be deducted by MLG at the highest marginal rate (currently 45% plus the Medicare levy of 2%) from certain dividends paid. Australian tax resident Shareholders may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their income tax returns. No withholding requirement applies in respect of franked dividends paid in respect of the Shares.

f. Stamp duty

No stamp duty should be payable by a Shareholder on the acquisition through the Offer, or subsequent disposal, of Shares. Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances on any subsequent acquisition of Shares. However, under current stamp duty legislation, stamp duty should not ordinarily be payable on any subsequent acquisition of Shares by a Shareholder provided MLG remains listed on ASX (and provided the acquisition is less than 90% of the issued Shares in MLG).

g. GST

Under current Australian GST law, GST is not applicable to the issue, acquisition or disposal of Shares. The ability of Shareholders to recover any GST incurred as an input tax credit in relation to costs associated with the Offer (such as costs relating to professional advice obtained by Shareholders regarding the Offer) would vary according to individual circumstances. As such, this should be reviewed by Shareholders prior to making any claim.

No GST should be payable by Shareholders on receiving dividends (or other distributions) paid by MLG.

9.11 Litigation and claims

The Directors are not aware of any current or threatened litigation, arbitration proceeding or administrative appeal, or criminal or governmental prosecution of a material nature in which a member of the MLG Group is directly or indirectly concerned which is likely to have a material adverse impact on the MLG Group's business or financial position.

9.12 Governing law

This Prospectus is governed by the laws of Western Australia and the Commonwealth of Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Western Australia.

9.13 Privacy

By filling out the Application Form to apply for Shares, you are providing personal information to MLG through its service provider, the Share Registry, which is contracted by MLG to manage Applications. MLG, and the Share Registry on its behalf, collects, holds and uses that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, MLG and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included in the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder.

Your personal information may also be provided to MLG's agents and service providers on the basis that they deal with such information in accordance with MLG's privacy policy. MLG's privacy policy can be accessed at https://www.mlgoz.com.au/disclaimer-privacy-policy/. MLG's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the shareholder register;
- the Joint Lead Managers in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing MLG's shareholder base; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

Under the *Privacy Act 1988* (Cth), Applicants may request access to their personal information held by or on behalf of MLG and SaleCo by contacting the Share Registry as set out in the Corporate Directory. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

9.14 Electronic prospectus

The Offer constituted by this Prospectus is available electronically only to investors in Australia accessing or downloading or printing the electronic version of this Prospectus within Australia. Persons located in Australia may view this Prospectus on the MLG website at www.mlgoz.com.au. The Offer constituted by this Prospectus in electronic format is not available to investors outside Australia, including persons in the United States.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. The electronic Prospectus and Application Form are identical in format and content to the copies lodged with ASIC, and contain the same information in the same sequence and with the same prominence as the lodged disclosure document. MLG reserves the right not to accept an Application Form from a person if it has reason to believe that, when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus, or any of those documents were incomplete or altered.

9.15 Consents to be named and statement of disclaimers of responsibility

Each of the parties referred to in this Section (each a **Consenting Party**):

a. has not authorised or caused the issue of this Prospectus;
b. does not make, or purport to make, any statement or report in this Prospectus, other than as specified in this section;
c. has not made any statement on which a statement in this Prospectus is based, other than as specified in this section; and
d. to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus other than the reference to its name and the statement or report (if any) included in this Prospectus with the consent of that party as specified in this section.

Each of the Consenting Parties has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement or report that is included in this Prospectus or any statement on which a statement is based, other than as specified below.

- Bell Potter Securities Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Joint Lead Manager to the Offer in the form and context in which it is named.
- Morgans Corporate Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Joint Lead Manager to the Offer in the form and context in which it is named.
- Ashanti Capital Pty Ltd has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Co-Manager to the Offer in the form and context in which it is named.
- Ashurst has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation and stamp duty matters) to the Company in relation to the Offer in the form and context in which it is named.
- Ernst & Young has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the provider of financial due diligence services to the Company in relation to the Offer in the form and context in which it is named.
- Ernst & Young Strategy and Transactions Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and to the inclusion in this Prospectus of its Independent Limited Assurance Report in Section 8 in the form and context in which it is included.
- Deloitte Corporate Finance Pty Ltd has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as corporate adviser to MLG in relation to the Offer in the form and context in which it is named.
- Sternship Advisers Pty Ltd has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as corporate adviser to MLG in relation to the Offer in the form and context in which it is named.
- Deloitte Tax Services Pty Ltd has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as tax adviser in relation to the Offer, in the form and context in which it is named, and as the person who has prepared all of the statements in Section 9.10 of the Prospectus, in the form and context in which it is named, and consents to the inclusion of all of the statements in Section 9.10 in the form and context in which they are included (and all other references to those statements) in this Prospectus.
- HLB Mann Judd has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the auditor of the Company in the form and context in which it is named.
- BIS Oxford Economics has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of all references to the BIS Oxford Economics Commercial/Industry Report and to the inclusion of all statements based on the findings of the BIS Oxford Economics Commercial/Industry Report in the form and context in which they are included in this Prospectus (including, without limitation, all of the footnote references in Section 2).

- Link Market Services Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Share Registry to the Company in the form and context in which it is named.
- Mincor Resources NL has given, and has not withdrawn prior to the Prospectus Date, its consent to the inclusion of the extract from its investor presentation dated 9 March 2021 included at page 72 of this Prospectus.

9.16 ASX waivers and confirmations and ASIC relief

ASX has given in-principle advice to the Company that:

i. MLG satisfies the requirements of ASX Listing Rule 1.2 to be admitted to Listing under the profit test; and
ii. the restricted security requirements in ASX Listing Rule 9.1 do not apply to MLG in the circumstances described in clauses 1, 2, 3, 4, 6 and 7 of Appendix 9B of the Listing Rules.

9.17 Constitution available for inspection

MLG's Constitution is available for inspection during normal business hours at the registered office of MLG.

9.18 Profits statement

Each Director confirms that they have made enquiries and nothing has come to their attention to suggest that MLG is not continuing to earn profit from continuing operations up to the Prospectus Date.

9.19 Directors' statement

This Prospectus is issued by MLG and SaleCo. Each Director of MLG and each SaleCo Director has consented to the lodgement and issue of the Prospectus, and has not withdrawn that consent.

10. Glossary, Technical Terms and Abbreviations

10.1 General Glossary

KEY DEFINITIONS	
AAS	Australian Accounting Standards as issued by the Australian Accounting Standards Board.
ABN	Australian Business Number.
ACN	Australian Company Number.
Ancillary Site Services Market	The market for non-mining services which can be performed onsite using a contractor's existing equipment and skillsets (e.g. core business) and could include mine site haul road maintenance, mine site dust suppression (water cart), rock breaking, and other civil services which typically can be performed by the civil equipment that contractors are already likely to have on site. Services which can be easily transferred (such as heavy equipment maintenance) are also included in this market. Major shutdown maintenance (typically mechanical and electrical crews working on fixed plants) is not included in this market as this usually requires a separate skillset and often, particularly in the Pilbara, these services are locked in with specialist contractors. Other ancillary site services included in this market are miscellaneous demolition works, site fuel services, storm water drain maintenance, airstrip and carpark maintenance, minor civil sustaining capital works, and heavy equipment fabrication services. Some of these services can be performed offsite (for example, port services which naturally complement a bulk haulage contract) but the main services that are included in this market are provided onsite. The Ancillary Site Services Market excludes services the subject of the Crushing and Screening Market as well as services the subject of the Minerals Haulage Market.
Applicant	A person who submits an Application.
Application	An application to acquire Shares pursuant to the Offer under this Prospectus.
Application Form	The application form attached to or accompanying this Prospectus.
Application Monies	The amount accompanying an Application Form submitted by an Applicant.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.
ASX Listing Rules	The listing rules of ASX.
ASX Principles and Recommendations	The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Ltd ACN 008 504 532 and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited ACN 001 314 503.
ATO	Australian Taxation Office.
AUD, **$**, or **Australian dollar**	Australian dollar.

10. GLOSSARY, TECHNICAL TERMS AND ABBREVIATIONS

KEY DEFINITIONS	
BIS Oxford Economics	BIS Oxford Economics Pty Ltd ACN 060 358 689.
BIS Oxford Economics Commercial/ Industry Report	The report dated 10 March 2021 that was commissioned by MLG and prepared by BIS Oxford Economics for the purposes described in Section 2.
Board	The board of Directors of MLG.
Board Committee	The committees of the Board as set out in Section 6.11(c).
Broker	Any ASX participating organisation selected by the Joint Lead Managers and the Company to act as broker to the Offer.
Broker Firm Offer	The Offer of Shares under this Prospectus to Australian residents retail clients of Brokers who have received a firm allocation from their Broker as described in Section 7.3 (provided such clients are not in the United States – see Section 7.6).
Business Day	Has the meaning given in the ASX Listing Rules.
CAGR	Compound annual growth rate.
CGT	Capital gains tax.
CHESS	Clearing House Electronic Subregister System operated in accordance with the ASX Listing Rules and the ASX Settlement Operations Rules.
Closing Date	The date on which the Offer is expected to close, being 22 April 2021, which date may be varied without prior notice.
Co-Manager	Ashanti Capital Pty Ltd ACN 614 939 981.
Completion of the Offer	The issue of all the New Shares and the transfer of all of the Sale Shares to Successful Applicants in accordance with the terms of the Offer.
Constitution	The constitution of MLG.
Corporations Act	*Corporations Act 2001* (Cth).
Crushing and Screening Market	The market for crushing and screening services which are the first step of mineral processing where larger pieces of ore and rocks from a mine is reduced into smaller sizes for subsequent use or further processing by freeing the mineral from the orebody. There are several stages for crushing and screening services using different types of crushers, grinders and milling (and each of those stages is included in this market). The Crushing and Screening Market also includes the operation of a range of crushing and screening plants ranging from mobile crushing to large fixed plants including those that operate under a build-own-operate model.

KEY DEFINITIONS	
D&O Policy	An insurance policy: • providing cover in respect of liabilities incurred by directors and officers of MLG (or of a wholly owned subsidiary of MLG) in their capacity as a director or officer of MLG or of that wholly owned subsidiary; • issued by a reputable insurer with a rating of A- or better by Standard & Poors or an equivalent rating with another reputable rating agency; and • (so far as is commercially practical, having regard to the cost of coverage, its availability and market practice from time to time – as well as the terms of the applicable deed of access, indemnity and insurance), that is on terms that are not materially less favourable to the Director than the corresponding policy in force in respect of directors of MLG at the date of the applicable deed of access, indemnity and insurance.
Director or **Director of MLG**	A director of MLG as at the Prospectus Date.
EBIT	Has the meaning given in Section 4.2.
EBITDA	Has the meaning given in Section 4.2.
Eligible Employees	All permanent full-time and part-time employees of the Company resident in Australia who are still employed by the Company as at 5.00pm (Sydney time) on 30 March 2021 and who have not, at that time, given or received notice that their employment will cease.
Escrowed Shares	All of the Shares held by the Existing Shareholder immediately after Completion of the Offer (excluding the Management Reward Shares) and that will be subject to the voluntary escrow arrangements summarised in Section 9.7.
EST	The MLG employee share trust, to be established for the purposes of facilitating the recognition and reward of certain members of MLG's management team for work already undertaken by them for the benefit of MLG in the period prior to Listing.
EST Trustee	The trustee of the EST, being MLG EST Pty Ltd ACN 636 667 984.
Existing Shareholder	Murray Leahy, being the registered holder of the Shares at the Prospectus Date.
Existing Shares	The Shares held by the Existing Shareholder at the Prospectus Date.
Expiry Date	The date that is 13 months after the Prospectus Date.
Financial Information	Has the meaning given in Section 4.1.
Fortescue	Fortescue Metals Group Ltd ACN 002 594 872, or the subsidiary of it that is a party to a customer contract with a member of the MLG Group.
Fortescue – Christmas Creek Agreement	The agreement between Fortescue and MLG, under which MLG agrees to provide crushing and screening services to Fortescue at its Christmas Creek mine (including the commissioning of two crushing and screening plants).
Forecast Financial Information	Has the meaning given in Section 4.1.

10. GLOSSARY, TECHNICAL TERMS AND ABBREVIATIONS

KEY DEFINITIONS	
Forecast Period	The period commencing on the Prospectus Date and ending 30 June 2021.
FRCGW	Foreign Resident Capital Gains Withholding.
FY11	Financial year ended 30 June 2011.
FY14	Financial year ended 30 June 2014.
FY15	Financial year ended 30 June 2015.
FY16	Financial year ended 30 June 2016.
FY17	Financial year ended 30 June 2017.
FY18	Financial year ended 30 June 2018.
FY19	Financial year ended 30 June 2019.
FY20	Financial year ended 30 June 2020.
FY21	Financial year ending 30 June 2021.
FY22	Financial year ending 30 June 2022.
FY23	Financial year ending 30 June 2023.
FY24	Financial year ending 30 June 2024.
Gold Fields	Gold Fields Australia Pty Ltd, or the subsidiary of it that is a party to a customer contract with a member of the MLG Group.
Gold Fields Agreements	Each of the customer contracts between Gold Fields and a member of the MLG Group.
GST	Goods and services tax.
Historical Financial Information	Has the meaning given in Section 4.1.
HY20 H1	Half year period ended 31 December 2019.
HY21 H1	Half year period ended 31 December 2020.
Independent Limited Assurance Report	The independent limited assurance report on Statutory Historical Financial Information, Pro Forma Historical Financial Information, Forecast Financial Information and Pro Forma Forecast Financial Information provided by the Investigating Accountant and set out in Section 8.
Institutional Bookbuild	The bookbuild process undertaken prior to the Prospectus Date that determined the Institutional Investor and Broker demand for the Shares and the Offer Price.

KEY DEFINITIONS	
Institutional Investor	An investor who is: • a person in Australia who is a 'sophisticated investor' or 'professional investor' under sections 708(8) and 708(11) of the Corporations Act; or • an institutional investor in certain other jurisdictions, as agreed between the Company and the Joint Lead Managers, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing, registration or qualification with, or approval by, any government agency (except one with which the Company is willing, in its absolute discretion, to comply).
Institutional Offer	The invitation to Institutional Investors to apply for Shares under this Prospectus, as described in Section 7.5.
Investigating Accountant	Ernst & Young Strategy and Transactions Limited ACN 003 599 844 (AFS Licence Number 240585).
Joint Lead Managers	Bell Potter Securities Limited ACN 006 390 772 (AFSL 243480) and Morgans Corporate Limited ACN 010 539 607 (AFSL 235407).
Listing	Admission of the Company to the Official List of ASX.
Management Reward Shares	The Shares to be transferred by the EST Trustee to the beneficiaries of the EST, being certain members of MLG's management team, as described in Section 6.9.
Minerals Haulage Market	The market for both bulk on-road haulage offsite (typically from mine to port) as well as onsite haulage services such as from mining pits to primary processing facilities such as crushing and screening. Bulk haulage is general freight where ore or concentrate is hauled by road to a delivery point outside of the mine site (typically a port or distant processing facility). Site haulage is facilitating the movement of ore from its extraction point to the crushing facility and is performed on-site.
MLG or **the Company**	MLG Oz Limited ACN 102 642 366.
MLG Cement & Lime	MLG Cement & Lime Pty Ltd ACN 630 445 975, being a wholly owned subsidiary of MLG.
MLG Connect	MLG Connect Pty Ltd ACN 645 245 745, being a wholly owned subsidiary of MLG.
MLG Group	MLG and its controlled subsidiaries.
Net Tangible Assets or **NTA**	The total assets of MLG but excluding any intangible assets such as goodwill, patents, and trademarks, less the aggregate of MLG's total liabilities appearing on MLG's statement of financial position.
New Share	A share issued by MLG to a Successful Applicant under the Offer.
New Shareholder	A holder of a New Share or a Sale Share, or both.
Newmont	Newmont Corporation, or the subsidiary of it that is a party to a customer contract with a member of the MLG Group.
Newmont Agreement	The customer contracts between a member of the MLG Group and Newmont.

10. GLOSSARY, TECHNICAL TERMS AND ABBREVIATIONS

KEY DEFINITIONS	
Northern Star	Northern Star Resources Ltd ACN 092 832 892, or the subsidiary of it that is a party to a customer contract with a member of the MLG Group.
Northern Star Agreements	Each of the customer contracts between a member of the MLG Group and Northern Star.
NPAT	Net profit after tax.
Offer	The Offer under this Prospectus of approximately 70,700,000 million Shares to be in part issued by MLG and in part sold by SaleCo, and consists of the Broker Firm Offer, the Priority Offer and the Institutional Offer.
Offer Information Line	1800 754 866 (within Australia) or +61 1800 754 866 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday (Business Days only).
Offer Period	The period from 13 April 2021 to 22 April 2021.
Offer Price	$1.00 per Share.
Official List	The official list of ASX.
Priority Invitation	A personalised invitation to apply for Shares in the Priority Offer.
Priority Offer	The Offer of Shares to selected investors nominated by the Company, as described in Section 7.4.
Pro Forma Forecast Financial Information	Has the meaning given in Section 4.1.
Pro Forma Forecast FY21 EBIT	The pro forma forecast EBIT for FY21, being the statutory forecast EBIT for FY21 with the applicable pro forma adjustments (as set out in Section 4).
Pro Forma Forecast FY21 EBITDA	The pro forma forecast EBITDA for FY21, being the statutory forecast EBITDA for FY21 with the applicable pro forma adjustments (as set out in Section 4).
Pro Forma Forecast FY21 NPAT	The pro forma forecast NPAT for FY21, being the statutory forecast NPAT for FY21 with the applicable pro forma adjustments (as set out in Section 4).
Pro Forma Historical Financial Information	Has the meaning given in Section 4.1.
Prospectus	This document dated 1 April 2021 (including the electronic form of this Prospectus), as amended by any supplementary, or replaced by any replacement, prospectus issued in relation to this document.
Prospectus Date	The date on which a copy of this Prospectus was lodged with ASIC, being 1 April 2021.
Ramelius	Ramelius Resources Limited ACN 001 717 540, or the subsidiary of it that is a party to a customer contract with a member of the MLG Group.
Ramelius Agreements	Each of the customer contracts between a member of the MLG Group and Ramelius.

KEY DEFINITIONS	
Regulation S	Regulation S promulgated under the U.S. Securities Act.
Retail Offer	The Broker Firm Offer and the Priority Offer.
Sale Deed	The deed entered into between SaleCo, the Existing Shareholder and the Company prior to the Prospectus Date in respect of (among other things) the sale by the Existing Shareholder of the Sale Shares to SaleCo.
Sale Share	Each of the 20,700,000 Existing Shares offered for sale by SaleCo under the Offer.
SaleCo	MLG SaleCo Limited ACN 648 150 001.
SaleCo Director	A director of SaleCo as at the Prospectus Date , being Michelle Leahy, Tim Leahy and Dennis Wilkins.
Sell Down	The offer of the Sale Shares, and their resulting sale, pursuant to this Prospectus.
Settlement of the Offer	Settlement in respect of the Shares the subject of the Offer occurring under the Underwriting Agreement.
Share	A fully paid ordinary share in MLG.
Share Registry	Link Market Services Limited ACN 083 214 537.
Shareholder	A person registered as a holder of a Share.
Statutory Forecast Financial Information	Has the meaning given in Section 4.1.
Statutory Historical Financial Information	Has the meaning given in Section 4.1.
Successful Applicant	A person who submits an Application who is allocated a Share under the Offer.
TFN	Tax File Number.
Underwriting Agreement	The underwriting agreement entered into by MLG, SaleCo and the Joint Lead Managers on 31 March 2021, as amended.
U.S. or **United States**	Has the meaning given to it in Rule 902(l) of Regulation S.
U.S. Securities Act	*United States Securities Act of 1933*, as amended.
Voluntary Escrow Deed	The deed entered into between MLG and the Existing Shareholder in respect of the voluntary escrow arrangements applying to the Escrowed Shares.

A. Significant Accounting Policies

1. Overview

The significant accounting policies adopted in the preparation of the Financial Information in Section 4 are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2. Basis of Preparation

The financial information has been prepared on a historical cost basis.

3. Revenue

Revenue is recognised when the performance obligation has been satisfied. Determining the timing of revenue recognition, at a point in time or over time, requires judgement. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue arises mainly from the provision of haulage, site services and crushing services and the sale of various commodities. The MLG Group only generates revenue in Australia. The MLG Group's main revenue streams are as follows:

Mine Site Services and Bulk Haulage

The MLG Group performs haulage and site services on various mine sites. These contracts contain multiple performance obligations with a series of distinct services rendered under each performance obligation. These are accounted for over time as the customer simultaneously receives and consumes the benefits using either the input or output method as appropriate. Payment terms are usually within 30 to 60 days.

Crushing Services

The MLG Group performs crushing services. These activities are highly integrated and accordingly where appropriate are accounted for as a single performance obligation. Performance obligations are fulfilled over time as the customer simultaneously receives and consumes the benefits. The output method is used to measure as it best represents benefits transferred to the customer. Payment terms are usually within 30 to 60 days.

Commodities

Commodities are sold to various customers on an on demand basis. These sales are completed on an individual basis and are completed when the control of the commodities sold are transferred to the customer. Consequently, the MLG Group recognises revenue at a point in time. Payment terms are usually within 30 to 60 days.

Revenue from the sale of goods are recognised when the control of the commodities sold are transferred to the customer. Consequently, the MLG Group recognises revenue at a point in time.

There was no material impact on the MLG Group's financial information between the new accounting standard AASB 15 *Revenue from Contracts with Customers* and the old accounting standards AASB 118 *Revenue* and AASB 111 *Construction Contracts*.

4. Income Tax Expense

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

5. Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

6. Trade and Other Receivables

Trade receivables are measured on initial recognition at the transaction price and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

New impairment requirements use an 'expected credit loss' (**ECL**) model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

There was no material impact on the MLG Group's financial information between the new accounting standard AASB 9 Financial Instruments and the old accounting standard AASB 139 *Financial Instruments: Recognition and Measurement.*

7. Financial Instruments

Financial assets and financial liabilities are recognised when the MLG Group becomes a party to the contractual provisions of the financial instrument.

Financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL);
- equity instruments at fair value through other comprehensive income (FVOCI); and
- debt instruments at fair value through other comprehensive income (FVOCI).

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through the profit or loss. The category also contains an equity investment which is accounted for at FVTPL Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Equity instruments at fair value and subsequent movements are recognised through other comprehensive income (Equity FVOCI).

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

Any gains or losses recognised in other comprehensive income will be recycled upon derecognition of the asset.

The MLG Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the MLG Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the MLG Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

8. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials – based on the costs incurred in extracting and allocated based on the quantities on hand at period end.
- Finished goods – purchase cost on a first-in, first-out basis.
- Spares and parts – purchase cost on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

9. Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at cost less accumulated depreciation on buildings.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Freehold land and buildings: 20 years
- Earthmoving equipment: 5-25 years
- Crushing and screening: 5-25 years
- Ancillary equipment: 5-25 years
- Fixtures and fittings: 10 years
- Light and service vehicles: 4-10 years
- Trucks and trailers: 4-10 years
- Computer software/hardware: 3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item.

10. Leases

AASB 117 *Leases* (superseded by AASB 16)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the MLG Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the MLG Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

AASB 16 *Leases*

MLG Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MLG Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. MLG Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- Right-of-use assets

MLG Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to paragraph 9 of this Appendix A.

- Lease liabilities

At the commencement date of the lease, MLG Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

- Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and can be cancelled at any time). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

11. Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the MLG Group prior to the end of the financial year that are unpaid and arise when the MLG Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Provision for annual leave

Liabilities accruing to employees in respect of annual leave, expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled.

12. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the MLG Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the MLG Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the MLG Group performs under the contract.

13. Provisions

Provisions are recognised when the MLG Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

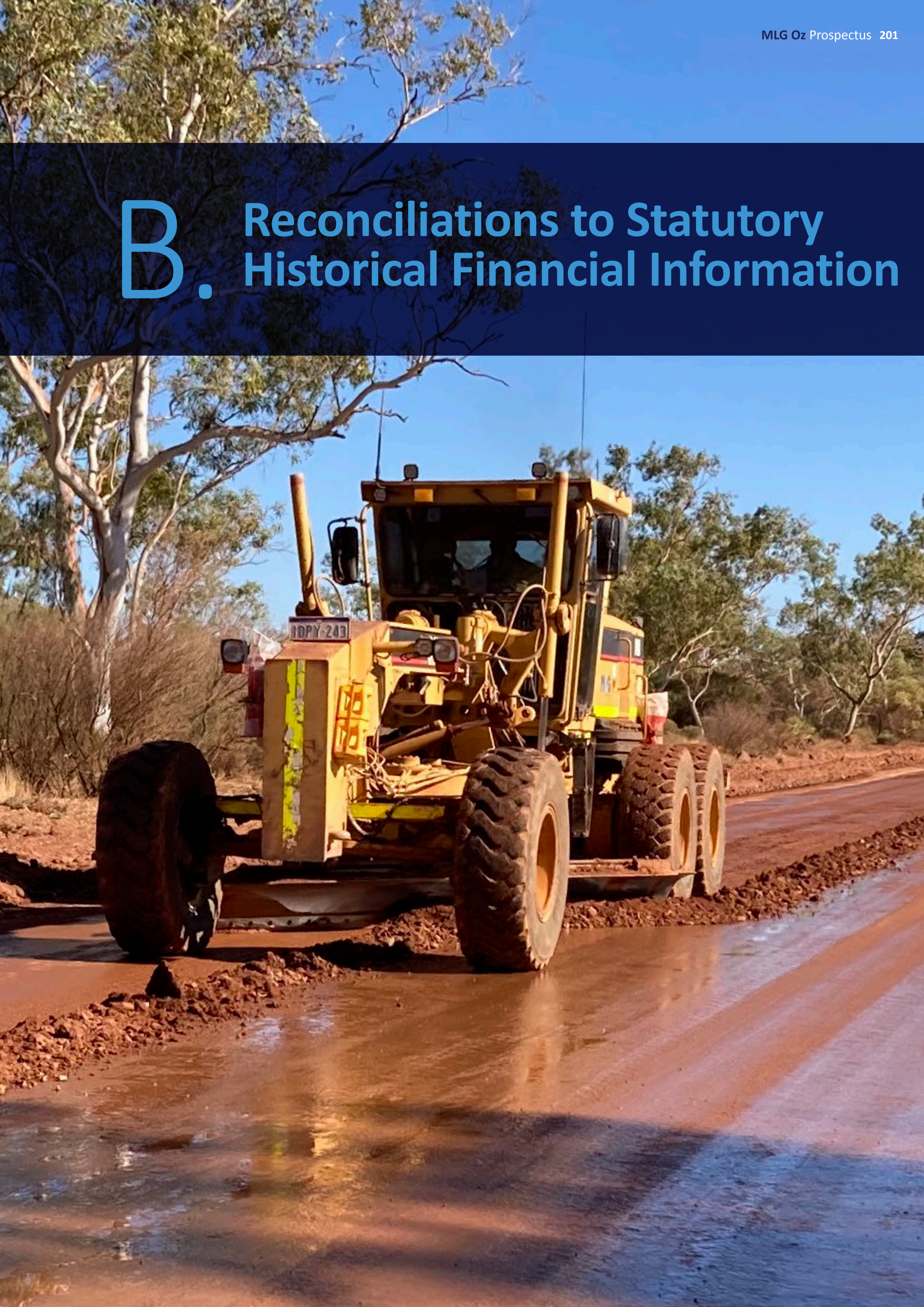
Provision for annual leave and sick leave

Liabilities accruing to employees in respect of annual leave, expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Provision for long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

B. Reconciliations to Statutory Historical Financial Information



B. RECONCILIATIONS TO STATUTORY HISTORICAL FINANCIAL INFORMATION

The Statutory Historical Income Statements

- for FY18, FY19 and FY20 have been derived from the respective special purpose financial statements for FY18 and general purpose consolidated financial statements for FY19 and FY20; and
- HY20 and HY21 have been derived from the interim consolidated financial statements for HY21,

adjusted to reflect the manner in which the MLG Group classifies certain revenue and expenses for internal management reporting purposes differently from that presented in these financial statements in order to better understand and assess the performance of the business. This change in presentation has been determined appropriate by the Directors as it also reflects the manner in which MLG intends to present its income statement in the consolidated financial statements in FY21.

The reclassifications that have been applied to derive the Statutory Historical Income Statements from the income statements disclosed in the above-mentioned financial statements relate to:

- The reclassification of revenue between Mine Site Services and Bulk Haulage, Crushing and Screening, and Export Logistics;
- the reclassification of income relating to fuel tax credits from revenue to offset fuel costs (within cost of sales);
- the reclassification of interest income from revenue to interest and finance expense;
- the identification and classification of direct costs associated with the operational sites or maintenance depots to costs of sales; and
- the presentation of gross profit, EBITDA and EBIT.

This has resulted in expenses being presented in the Prospectus on the basis of function, instead of nature, as was the case in the above-mentioned financial statements for the historical periods.

Table B1: Reconciliation of income statement disclosed in the FY18 financial statements to the Statutory Historical Income Statement for FY18

$'000	Note	Per financial statements FY18	Reclassified income	Reclassified cost	Statutory Income Statement FY18
Revenue	1	134,500	(1,822)	–	132,678
Costs of sales	1,2	n/a	1,820	(110,573)	(108,753)
Gross profit		**n/a**			**23,925**
General and administration	3	(117,615)	–	110,573	(7,042)
EBITDA		**n/a**	**(2)**		**16,883**
Depreciation		(6,984)	-	–	(6,984)
EBIT		**n/a**	**(2)**	**–**	**9,899**
Interest and finance expense	4	(2,179)	2		(2,177)
Profit before income tax expense		**7,722**	**–**	**–**	**7,722**
Income tax expense		(2,654)	–	–	(2,654)
Net profit for the year		**5,068**	**–**	**–**	**5,068**

Table B2: Reconciliation of income statement disclosed in the FY19 consolidated financial statements to the Statutory Historical Income Statement for FY19

$'000	Note	Per financial statements FY19	Reclassified income	Reclassified cost	Statutory Income Statement FY19
Revenue	1	202,679	(3,054)	–	199,625
Costs of sales	1,2	n/a	3,054	(158,153)	(155,099)
Gross profit		**n/a**			**44,526**
General and administration	3	(168,189)	–	158,153	(10,036)
EBITDA		**n/a**	**–**	**–**	**34,490**
Depreciation		(9,715)	–	–	(9,715)
EBIT		**n/a**	**–**	**–**	**24,775**
Interest and finance expense		(2,846)	–	–	(2,846)
Profit before income tax expense		**21,929**	**–**	**–**	**21,929**
Income tax expense		(5,079)	–	–	(5,079)
Net profit for the year		**16,850**	**–**	**–**	**16,850**

Table B3: Reconciliation of income statement disclosed in the FY20 consolidated financial statements to the Statutory Historical Income Statement for FY20

$'000	Note	Per financial statements FY20	Reclassified income	Reclassified cost	Statutory Income Statement FY20
Revenue					
Mine Site Services and Bulk Haulage	1	162,459	10,069	–	172,528
Crushing and Screening	1	45,988	(17,130)	–	28,858
Export Logistics	1	–	3,749	–	3,749
Other Revenue		147	(147)		–
Total Revenue	**1**	**208,594**	**(3,458)**	**–**	**205,136**
Costs of sales	1,2	**n/a**	3,458	(167,975)	(164,517)
Gross profit		**n/a**	**–**	**–**	**40,619**
General and administration	3	(182,841)	–	167,975	(14,866)
EBITDA		**n/a**	**–**	**–**	**25,752**
Depreciation		(13,745)	–	–	(13,745)
EBIT		**n/a**	**–**	**–**	**12,008**
Interest and finance expense		(4,073)	–	–	(4,073)
Profit before income tax expense		**7,935**	**–**	**–**	**7,935**
Income tax expense		(2,243)	–	–	(2,243)
Net profit for the year		**5,692**	**–**	**–**	**5,692**

B. RECONCILIATIONS TO STATUTORY HISTORICAL FINANCIAL INFORMATION

Table B4: Reconciliation of income statement disclosed in the HY20 H1 consolidated financial statements to the Statutory Historical Income Statement for HY20 H1

$'000	Note	Per financial statements HY20	Reclassified income	Reclassified cost	Statutory Income Statement HY20
Total Revenue	1	**101,991**	(1,603)	–	**100,388**
Costs of sales	1,2	n/a	1603	(79,721)	(78,117)
Gross profit		**n/a**	–	–	**22,271**
General and administration	3	(87,925)		79,721	(8,204)
EBITDA		**n/a**	–	–	**14,066**
Depreciation		(6,551)	–	–	(6,551)
EBIT		**n/a**	–	–	**7,516**
Interest and finance expense		(1,873)	–	–	(1,873)
Profit before income tax expense		**5,643**	–	–	**5,643**
Income tax expense		(1,734)	–	–	(1,734)
Net profit for the year		**3,909**	–	–	**3,909**

Table B5: Reconciliation of income statement disclosed in the HY21 H1 consolidated financial statements to the Statutory Historical Income Statement for HY21 H1

$'000	Note	Per financial statements HY21	Reclassified income	Reclassified cost	Statutory Income Statement HY21
Total Revenue	1	**120,797**	(2,066)	–	**118,730**
Costs of sales	1,2	n/a	2,066	(92,622)	(90,556)
Gross profit		**n/a**	–	–	**28,174**
General and administration	3	(99,675)		92,622	(7,052)
EBITDA		**n/a**	–	–	**21,122**
Depreciation		(8,440)	–	–	(8,440)
EBIT		**n/a**	–	–	**12,683**
Interest and finance expense		(2,467)	–	–	(2,467)
Profit before income tax expense		**10,216**	–	–	**10,216**
Income tax expense		(3,097)	–	–	(3,097)
Net profit for the year		**7,119**	–	–	**7,119**

1. **Revenue** represents total revenue from Mine Site Services and Bulk Haulage, Crushing and Screening, and Export Logistics activities. Revenue relating to fuel tax credits has been reclassified to offset fuel costs within costs of sales.
2. **Costs of sales** represents operational direct costs associated with the operational sites or maintenance depots.
3. **General and administration:** the 'Per financial statements' column is an aggregate of equipment and labour hire expenses; fuel expenses; freight expenses; haulage subbies charges; employee benefit expenses; other employee expenses; operational repairs and maintenance expense; occupancy expense licence; registrations, permits and insurance expenses; exploration expenditure expensed as incurred; royalties expense; other expenses disclosed in the statement of comprehensive income in the consolidated financial statements for the respective periods.

   General and Administration in the 'Statutory Historical Income Statement' column for the respective periods includes employee expenses where not directly related to operational sites or maintenance depots, key management personnel, finance, information technology and people and culture.

   n/a – Line item was not presented in the consolidated financial statements for FY18, FY19, and FY20 but has been disclosed for the purposes of the Prospectus. Refer to Section 4.3(b) for further details.
4. **Interest and finance expense** per the Prospectus includes interest received which was classified as Revenue in the special purpose financial statements in FY18.

Corporate Directory

MLG registered office

MLG Oz Limited
10 Yindi Way
Broadwood WA 6430

Directors

Jim Walker – Non-Executive Chairman

Murray Leahy – Managing Director

Garret Dixon – Non-Executive Director

Anna Neuling – Non-Executive Director

Australian legal adviser

Ashurst Australia
Brookfield Place, Tower II
Level 10, 123 St Georges Terrace
Perth WA 6000

Joint Lead Managers

Bell Potter Securities Limited
Level 29, 101 Collins Street
Melbourne, VIC 3000

Morgans Corporate Limited
Level 29, Riverside Centre
123 Eagle Street
Brisbane, QLD 4000

Co-Manager

Ashanti Capital
Level 2, 44a Kings Park Road
West Perth WA 6005

MLG IPO Offer Information Line

1800 754 866 (within Australia)
+61 1800 754 866 (outside Australia)
From 8.30am to 5.30pm (Sydney time)
Monday to Friday (Business Days only)

Company Secretary

Dennis Wilkins

Investigating Accountant

Ernst & Young Strategy and Transactions Limited
11 Mounts Bay Road
Perth WA 6000

Tax adviser

Deloitte Tax Services Pty Ltd
477 Collins Street
Melbourne VIC 3000

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Financial Advisor

Sternship Advisers
Level 2, 44a Kings Park Road
West Perth WA 6005

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000


MLG