annual report 2021

MLG Oz Limited
ACN 102 642 366
Annual Report for the Financial Year ended 30 June 2021

2021 ANNUAL GENERAL MEETING

Date: Tuesday, 23 November 2021

Time: 1pm - 2.30pm

Location: Quality Inn Railway Motel – John Forrest Function Room

CONTENTS

Company highlights

Welcome to MLG a company proud of its history and the quality of its services. MLG provides key mine site services, haulage and logistics solutions through its integrated service offering. Our services are aligned to the full mining production cycle from raw commodity production through to linking client operations to end markets.

FY2021 was a significant year for MLG with the company completing a successful initial public offering and becoming listed on the Australian Stock exchange. (MLG.AX). In addition, the company delivered a record profit with revenues now exceeding A$250 million.

STATUTORY REVENUE

$257.8M

Higher demand for haulage and proceeds from cessation of Christmas Creek crushing services.

STATUTORY EBITDA

$40.2M

DIVIDEND

1.71c

Per share, fully franked

PROFORMA EBITDA

$42.7M

Prospectus Forecast $41.0M excludes costs associated with IPO

PROFORMA REVENUE

$254.0M

Prospectus Forecast $241.6M
Higher demand for haulage and proceeds from cessation of Christmas Creek crushing services.

EMPLOYEES AND CONTRACTORS

765

Up 128 from 30 June 2020

Chairman's Report

MLG continues to grow and strengthen its market position. The successful completion of the initial public offering and subsequent listing on the Australian Stock exchange this year was a major milestone in the company's history.

Dear Shareholders,

I am pleased to present the MLG Oz Limited Annual report for the 2021 financial year (FY21).

It has been an extremely busy and challenging year for MLG with some particularly significant milestones in its long and proud history. Establishing MLG on the Australian stock exchange in May 2021 following the successful initial public offering (IPO) of the company to shareholders is one of many highlights. This achievement has seen the company grow from a private company established in 2002 by our founder and Managing Director, Murray Leahy to a Company delivering in excess of $250 million in Revenue and now with a breadth of institutional and private investors as shareholders. I want to thank and congratulate the management team and staff who worked extremely hard to complete the prospectus and navigate the company to a highly successful listing. I also want to thank and applaud Murray for his individual work ethic, commitment to servicing the needs of our clients, and for the vision he has shown to grow and develop the company into what it is today.

While the listing of MLG consumed a great deal of focus and effort it is also important to note the other significant events of this last year. The world has become embroiled in the COVID-19 pandemic and MLG did not go unscathed.

With border closures and new client and regulatory requirements established to manage risk, MLG adapted well securing staff where it could and adjusting its policies and procedures to adapt to the changing environment. The ability to continue to grow through this period and deliver $254.0 million of proforma revenue, ahead of our prospectus forecast, was testament to the robust business model and client portfolio.

Operationally we continued to identify and tender for many important business opportunities winning a large number of new clients and also expanding our services to meet the needs of our existing clients. The company continues to develop its operational systems, successfully implementing an entirely new payroll system and enhancing its back office capabilities through new processes and reorganised roles and responsibilities. In addition to these actions the company has further strengthened its maintenance capabilities working in partnership with Caterpillar to trial and pilot a program for MLG to complete full loader rebuilds in line with Caterpillars approved procedures.

The proceeds received from the initial public offering were used to repay a large portion of our equipment finance liabilities and short term supplier finance facilities whilst also helping to improve our net working capital position.

Thank you to Murray, our founder and Managing Director, for his commitment to MLG and our clients and his vision to grow MLG. Congratulations to the management team and staff on this years performance and in navigating MLG though a highly successful listing. We also welcome our new shareholders to MLG.

— **Jim Walker**
Non-Executive Chairman

The fact that our industry sector has been experiencing unprecedented demand for our services means our stronger balance sheet positions us well for the outlook next year and over the longer term. Early insight of this demand allowed MLG to place some significant orders for heavy equipment early in the year resulting in a significant increase in our net assets which have grown from $54.5 million to $114.2 million with $152.1 million in property, plant and equipment as at 30 June 2021. Importantly, as supply chain challenges of COVID-19 have delayed the timeframe to source equipment from manufacturers this early ordering has placed MLG in a strong position to meet the needs of the new project mobilisations and client demands.

I want to thank our new investors for their support through the initial public offering and welcome you as shareholders in MLG. The company has demonstrated a long history of strategic growth focused on delivery of an integrated business model to support our clients processing facilities. MLG's core values of safety, leadership, continuous improvement, customer service, performance, teamwork and trust have helped foster long term relationships enabling us to grow with our clients. We look forward to continuing this success.

Regards,

Jim Walker
Non-Executive Chairman

Managing Director's Report

INTRODUCTION

Welcome to MLG and thank you for your support in what has been an exciting but very challenging year. We are delighted to now be listed on the Australian stock exchange and to have successfully raised new funding into the business to enable us to deliver on our longer term strategies.

OPERATIONAL PERFORMANCE

It was an unprecedented year for MLG with major challenges and significant milestones. From establishing and running an IPO process to managing through a global pandemic. We managed to mobilise several large projects, make significant operational changes to our systems and processes, respond to the cessation of our crushing operations at Christmas Creek and still deliver a record result with our earnings before interest and tax in line with our prospectus forecast of $24.2 million.

I have not experienced the level of demand we have seen over the last 18 months in an industry I have spent my entire career in. The challenges of COVID-19 were significant but I congratulate my staff and management teams on their commitment to MLG and their effort in responding to the closure of borders, testing protocols, and logistical challenges presented throughout the year. The level of activity in the industry and the competing forces demanding labour and equipment in an environment where workers cannot easily move between states or internationally, has seen the cost of labour rise quickly, and the availability of equipment reduce, exacerbated by delays and constraints as supply chains contract.

The cessation of operations at Christmas creek was unexpected given the industry demand for these types of services but reflects an operational decision specific to Fortescue needs and mine plans at this time. We continue to operate at Solomon for Fortescue and retain a strong business relationship with them. The agreement reached with Fortescue allows us to place both crushing plants into care and maintenance in situ at Christmas Creek enabling us to ensure they are in good working order and available for redeployment. The agreement reached with them resulted in an early cash settlement and covered our demobilisation costs and the costs associated with impairment of the plant construction costs but little effect on our final FY21 financial profit.

Weather patterns have also been somewhat unique through this last year with Tropical cyclone Seroja causing major operational downtime as well as several other large cyclone events reducing our ability to operate throughout the year.

Despite these challenges and as testament to our integrated model, MLG has managed to grow strongly throughout the year responding to our clients own expansion plans and in developing new relationships with new clients through competitive tenders and new contract awards. Our pipeline of opportunities has never been so strong allowing us to review the most strategic and operationally sensible projects which will be sustainable over the longer term.

HEALTH AND SAFETY AND ENVIRONMENT

A critical aspect of our values is to ensure our people come to work and go home at the end of their shift without injuring themselves or others. The company works hard to foster our core values and align our operations to meet these values through systems and procedures. We must recognise we operate in environments with heavy machinery and remote locations with inherent risk. This year we once again produced strong safety metrics with a Loss Time Injury Frequency Rate (LTIFR) of 0.6, well ahead of industry standards. Having said this, I reflect on a material incident which occurred this year when one of our road trains failed to stop at a level crossing causing a major derailment of a train and injuring two train drivers. On behalf of MLG and from me personally I wish to recognise the impact of these injuries on the two drivers and our concern for their wellbeing. Our in-cab monitoring systems and driver fatigue protocols cleared MLG of any wrongdoing but highlighted the risk of driver distraction. Our focus on safety remains our number one priority underpinning every activity we undertake.

Our environmental management plans continue to evolve as we look to tighten processes and ensure compliance. MLG is regularly audited by the Department of Mines, Industry Regulation and Safety. Our responsibilities cover all aspects of tenement conditions from initial clearance to rehabilitation, and regulatory permits including Native Vegetation Clearing Permit (NVCP) and registration of screening plant equipment. We remain committed to ensuring we meet all our compliance requirements.

TECHNOLOGY AND SYSTEMS

Internally MLG continues to invest in key operational systems such as the driver fatigue and monitoring systems used throughout our truck fleet and in relation to other critical systems. This year we fully reengineered our payroll platform and made many changes to our support environment with improved document management structures and information sharing technologies. MLG will continue to focus on ensuring we are well structured to meet the needs of a larger business and ensure our managers have the appropriate tools and training to deliver the best service we can over the longer term.

FINANCIAL PERFORMANCE

The financial report includes an operational report on the financial performance of the company but I am very proud to see Revenues surpass $250 million and to have delivered the financial outcomes we presented in our recent prospectus.

FUTURE OUTLOOK

While the current environment remains challenging to manage labour and ensure availability of equipment to meet the demands of our clients MLG is well placed to support our existing client growth plans. We continue to successfully secure new projects into FY22 which will underpin our longer term growth. Recent project wins include:

- Ramelius, Tampia operation which commenced in July 2021 for haulage and site services,
- Award of new contract with Mincor Resources for haulage and site services activities,
- Awarded preferred supplier for Northern Star at Jundee for haulage and site services,
- Awarded preferred supplier for Norton Gold Fields Paddington operation for haulage and site services,
- Western Areas Cosmic Boy contract for 3 years to provide site services and Haulage,
- New MOU with Litam for their Bald Hill operation commencing in the second quarter of FY22.

I want to once again thank my team of managers and all of our staff for their individual commitment and their support for MLG. They have worked tirelessly throughout 2021 and continue to drive us in delivering our core services to our clients. I also want to thank our Board of directors for supporting MLG through the IPO and in their advice and governance of MLG as a publicly listed company.

Lastly thank you to our shareholders and clients who allow us to continue to drive MLG forward and ensure we continue to sustain our longer term growth.

Regards

Murray Leahy
Managing Director and Chief Executive Officer

About MLG

Vertically integrated service offering spanning the supply of construction materials, site services and civil construction, crushing and screening services, bulk haulage, and export logistics.

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.

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. 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 resource 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.

Below 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 delivered pro forma revenue of $254.4 million in FY21.

MLG is headquartered in Kalgoorlie, Western Australia. As at 30 June 2021, the Company had 656 full time employees, 26 labour hire employees and 83 subcontractors, operating across 29 sites throughout Western Australia and the Northern Territory.

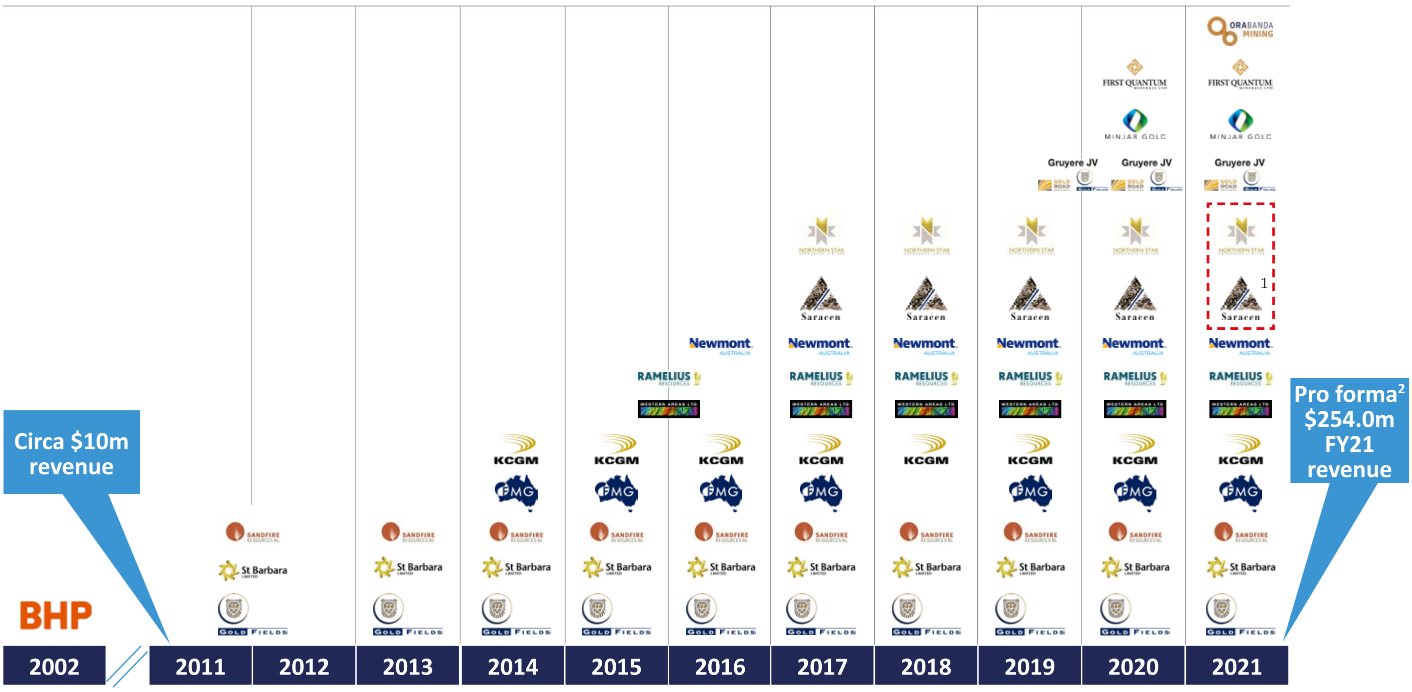
RECORD REVENUE OF $254.0M

Compound growth in revenue from $133.0m in FY2018 to $254.0m in FY2021 of 24.1%

EXTENSIVE OPERATIONS

29 Sites with 656 full time employees and 109 labour hire and sub contractors

Establishment of MLG's client portfolio



1. Northern Star and Saracen merger via Scheme of Arrangement completed 12 February 2021.
2. Pro forma revenue offsets fuel tax credits against fuel costs.

COMPANY HISTORY

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

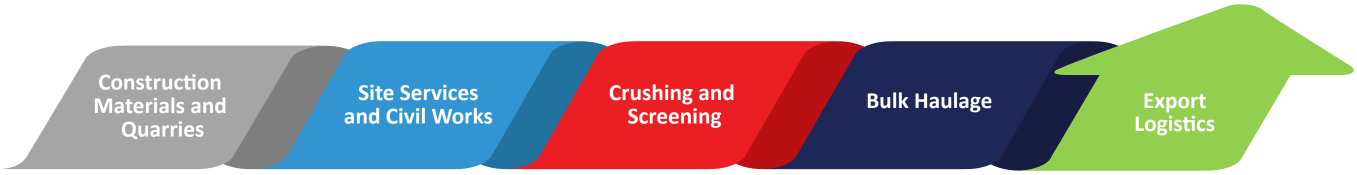
Almost two decades of striving to provide reliable, high-quality services to its clients has supported the establishment and maintenance of a portfolio of long-standing relationships with key clients.

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** – irst 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

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.



- 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

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

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

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

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

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.

Who we are

BOARD OF DIRECTORS

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.

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.

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.

SENIOR MANAGEMENT

Mr Phil Mirams
Chief Financial Officer
Director (Resigned 23 March 2021)

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.

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. 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.

Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of MLG Oz Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

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

DIRECTOR	ROLE	DATE OF APPOINTMENT	DATE OF RESIGNATION
Jim Walker	Chairman and Independent Director	20 January 2021	
Murray Leahy	Managing Director and Chief Executive Officer	Founder	
Anna Neuling	Independent Non-Executive Director	23 March 2021	
Garret Dixon	Independent Non-Executive Director	23 March 2021	
Phil Mirams	Finance Director	20 January 2021	23 March 2021

Principal activities

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

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

Dividends

Dividends declared during the financial year were as follows:

	30 JUNE 2020 $'000	30 JUNE 2021 $'000
Interim ordinary dividend	$158,735	$120,870
Final ordinary dividend	$130,147	$–

Both Interim and final dividend were fully franked to 100%.

The Company has determined to pay a final fully franked dividend for 30 June 2021 of $0.0171 per share, totalling $2,490,943.

Results

The net profit of the Group for the financial year, after providing for income tax was $12,456,905 (2020: $5,691,790).

OPERATING AND FINANCIAL REVIEW

Statutory Financial Results

Group revenue for FY21 was $257.8 million up $49.2 million (23.6%) on the prior corresponding period (pcp) of $208.6 million. Net after tax profit increased to $12.5 million versus $5.7 million in FY2020. Statutory NPAT included the full costs associated with the initial public offering. Pro forma results are presented to be consistent with the prospectus financial information and therefore exclude the costs associated with the initial public offering (IPO).

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 became fully operational during FY21. In addition, revenues included the settlement funds agreed with Fortescue to cease operation of these plants at the end of June 2021. There were also a number of renewals of mine site services and bulk haulage contracts which negotiated higher rates in FY21.

FY20 was negatively 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 financial impact of COVID-19 was not significant in FY21.

Mine site services and bulk haulage

Key drivers of the increase in mine site services revenue were:

- 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 increase in crushing and screening revenues is the impact of the Fortescue Christmas Creek crushing plants. The completion of the plant construction enabled MLG to redeploy the mobile crushing equipment that had been operating at Fortescue to a new contract with Barto Gold Mining. The combination of the commencement of production in the Fortescue crushing plants and the redeployment of the mobile plants resulted in higher revenues and improved margins as the fixed plant delivered operational efficiencies and the disruption of COVID-19 was reduced through operational protocols and improved response planning. The FY21 result was also impacted by the agreement with Fortescue to cease operation of the two crushing plants at Christmas Creek. This agreement included settlement of the demobilisation costs, final and full invoicing of services up to 30 June 2021 and recognition of MLG's reduced plant value associated with impairment of the construction costs initially incurred to establish the two plants. As a result the crushing revenues are also higher and the company has made provision in its depreciation charges to reduce the value of the plants in line with the costs to deconstruct and redeploy these in the next 12 months.

Export Logistics

Revenues from export logistics were $6.7 million up $3.0 million on FY20. Material disruption to sea freight impacted our export logistics requiring delivery to Fremantle rather than Esperance Ports. While this drove higher revenue the resulting profitability of this business was lower due to our need to engage a higher volume of subcontractors in order to manage our fleet.

The Company delivered a net profit after tax of $12.5 million up $6.8 million (up 54.4%) on FY20. This included the full costs associated with the IPO.

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 as 'non-IFRS measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC.

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 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; and

EBIT margin – which is EBIT as a percentage of revenue.

The following table outlines our statutory result as compared to the pro forma financial information in our recent prospectus.

		STATUTORY		PRO FORMA	
		ACTUALS		PROSPECTUS FORECAST	PRO FORMA ACTUAL
$'000	NOTES	FY20	FY21	FY21	FY21
Revenue					
Mine Site Services (including civil works) and Bulk Haulage		172,529	191,818	189,864	191,818
Crushing and Screening		28,858	55,478	47,842	55,478
Export Logistics		3,749	6,720	3,891	6,720
Fuel Tax Credits		3,311	3,470	–	–
Other Income		147	329	–	–
Total revenue	1	**208,594**	**257,815**	**241,597**	**254,016**
Costs of sales	1	(167,975)	(200,112)	(184,622)	(196,313)
Gross profit		**40,619**	**57,703**	**56,976**	**57,703**
General and administration		(14,866)	(17,465)	(15,938)	(14,984)
EBITDA		**25,753**	**40,238**	**41,038**	**42,719**
Depreciation	2	(13,745)	(18,519)	(16,752)	(18,519)
EBIT		**12,008**	**21,719**	**24,286**	**24,200**

Notes:
1. Pro Forma offsets fuel tax credit revenue and other income against Costs of sales.
2. Includes impairment of the Fixed Plants at the Fortescue's Christmas Creek site in Statutory Actual and Pro Forma Actual FY21.

Statutory and Pro Forma Financial Results

The reconciliation of statutory financial results to pro forma is included below. The main difference between the statutory EBITDA relate to the exclusion of costs relating to the IPO.

Pro Forma adjustments to statutory EBITDA

	PROSPECTUS FORECAST	ACTUAL
$'000	FY21	FY21
Statutory EBITDA	**39,841**	**40,238**
Public Company Costs	(1,059)	—
Offer Costs	2,256	2,481
Pro Forma EBITDA	***41,038***	***42,719***
KPIs		
Statutory EBITDA margin	*16.5%*	*15.8%*
Pro Forma EBITDA margin	*17.0%*	*16.8%*

Balance Sheet and Capital Management

Total assets increased to $222.9 million up $44.2 million on FY20 ($178.7 million). The proceeds from the IPO were received in May 2021 and applied to repayment of hire purchase debt, supplier finance, bank bill debt, and IPO costs with the remaining funds held in the Company's main trading account to offset its invoice financing liabilities.

Total liabilities as at 30 June 2021 were $108.7 million down $15.6 million on FY20. The Company's net assets have increased by $59.7 million to $114.2 million as at 30 June 2021.

Total capital expenditure resulted in $41.2 million of additions to property, plant and equipment. The total written down value of these assets has increased to $152.1 million as at 30 June 2021, after depreciation and disposals resulting in an increase of $24.1 million on FY20 ($128.0 million).

Significant changes in the state of affairs

The Group agreed a contractual variation to its ancillary crushing services agreement with Fortescue. The variation between the parties agreed to amend the term and service period to cease operations at Christmas Creek on the 30 June 2021 and provide MLG with the option to re-deploy its two crushing plants to alternative client operations or to hold the plants in situ at Christmas Creek for up to 12 months. The parties also negotiated a settlement of all outstanding invoices and claims of either party relating to the amended terms.

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

Significant events after balance date

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

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not been financially material for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

Information on directors

Name:	**James (Jim) Walker**
Title:	Independent Non-Executive Chairman
Qualifications:	
Experience and expertise:	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.
Special Responsibilities	Chairman of Board of Directors Chair of Health, Safety, Environment and Community Committee Member of Remuneration Committee Member of Audit and Risk Committee
Interest in Shares	75,000
Other Directorships held in the 3 years to 30 June 2021	Mader Group Ltd (ASX Listed) – Independent Non-Executive Chairman Austin Engineering Ltd (ASX Listed) – Independent Non-Executive Chairman Australian Potash Ltd (ASX Listed) – Independent Non-Executive Chairman Macmahon Holdings Ltd (ASX Listed) – Independent Non-Executive Chairman (resigned June 2019)

Name:	**Murray Leahy**
Title:	Managing Director and Chief Executive Officer
Qualifications:	
Experience and expertise:	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.
Special Responsibilities	Member of Safety, Environment and Community Committee
Interest in Shares	73,034,163
Other Directorships held in the 3 years to 30 June 2021	None

Name:	**Anna Neuling**
Title:	Independent Non-Executive Director
Qualifications:	Fellow of the Institute of Chartered Accountants in England and Wales, Graduate of the Australian Institute of Company Directors, Degree in mathematics from the University of Newcastle (UK).
Experience and expertise:	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.
Special Responsibilities	Chair of Audit and Risk Committee Member of, Safety, Environment and Community Committee Member of Remuneration Committee
Interest in Shares	50,000
Other Directorships held in the 3 years to 30 June 2021	Tombador Iron Ltd (ASX Listed) – Independent Non-Executive Chairman CZR Resources Ltd (ASX Listed) – Independent Non-Executive Director S2 Resources Ltd (ASX Listed) – Executive Director

Name:	**Garret Dixon**
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Engineering, Civil (Hons) Master of Business Administration (MBA), Member of the Australian Institute of Company Directors.
Experience and expertise:	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.
Special Responsibilities	Chair of Nomination and Remuneration Committee Member of Health, Safety, Environment and Community Committee Member of Audit and Risk Committee
Interest in Shares	75,000
Other Directorships held in the 3 years to 30 June 2021	BCI Minerals Limited (ASX listed) – Independent Non-Executive Director Dynamic Drill & Blast Holdings Limited (ASX Listed) – Independent Non-Executive Chairman Chalice Mining Limited (ASX Listed) – Independent Non-Executive Director Fenix Resources Limited (ASX Listed) – Independent Non-Executive Director (resigned February 2021) Watpac Limited (ASX Listed) – Independent Non-Executive Director (resigned February 2019)
Name:	**Philip Mirams**
Title:	Finance Director, resigned 23 March 2021. Chief Financial Officer throughout year
Qualifications:	Bachelor of Commerce, Member of the Australian and New Zealand Institute of Chartered Accountants.
Experience and expertise:	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.
Special Responsibilities	None noted
Interest in Shares	925,000
Other Directorships held in the 3 years to 30 June 2021	None

Company secretaries

Sophie Raven resigned from the role of Company Secretary on 10 August 2020.

Philip Mirams held the role of Company Secretary from 10 August 2020 and resigned on 18 February 2021.

Dennis Wilkins has held the role of Company Secretary since 18 February 2021.

Philip Mirams has held the role of joint Company Secretary since 27 July 2021.

Meetings of directors

The Company maintained a sole Director during the majority of the financial year and as such no formal Directors meetings were held until the new Directors were appointed in 2021. The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	BOARD		AUDIT AND RISK COMMITTEE		HEALTH, SAFETY AND ENVIRONMENT COMMITTEE		REMUNERATION COMMITTEE	
	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Jim Walker	3	3	—	—	—	—	—	—
Murray Leahy	3	3	—	—	—	—	—	—
Anna Neuling	2	2	—	—	—	—	—	—
Garret Dixon	2	2	—	—	—	—	—	—
Phil Mirams	1	1	—	—	—	—	—	—

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration Report

Letter from the Remuneration Committee Chair

Dear Shareholder,

I am pleased to present the 2021 Financial Year (FY21) Remuneration Report (Remuneration report) for MLG (the Company) on behalf of the Remuneration Committee (the Committee). It has been an eventful year for the company with its recent listing on the Australian Stock Exchange and transition to a public company. The Covid pandemic continues to cause significant business and social disruption. MLG has successfully implemented strong protocols across its operations to ensure the Company supports its staff and maintains its capability to service our clients.

The majority of our services require staff to work remotely and across the country in various states and operational locations. We maintain regular communication with our staff who are often located interstate or live long distances from their places of work. Our technology teams have effectively established remote working tools allowing us to respond to lockdowns and work from home where appropriate to ensure we can continue to support our operational needs during restricted covid exposures. As a result of this the impact on FY21 from the pandemic has been well managed and caused minimal financial impact to our performance. We do however continue to monitor this and respond in conjunction with our clients to help minimise impacts as a when they occur. The recent outbreak which impacted Newmont's Tanami operations required our staff operating there to isolate and follow the appropriate protocols established with Newmont operations.

The remuneration strategy for MLG's senior management is outlined within our recent prospectus and has been established with advice from an independent remuneration specialist, however the Company has not implemented the short term and long term incentive recommendations in FY21. The Committee will utilise the proposed remuneration strategy to plan and execute a gradual transition into the proposed structure in the FY22 financial year with the aim of retaining and incentivising those employees, and (insofar as is appropriate) aligning their interests with those of MLG's shareholders. This will include agreeing the short and long term incentive plans in more detail having regard to quantum per employee, key performance metrics to be achieved to qualify for short term incentives and the overall structure of the long term incentive program.

The Company has met its stated financial forecasts for FY21 growing significantly from the FY20 year. While the FY20 year was materially impacted by the Covid pandemic we have seen strong growth return in FY21 with unprecedented demand for our services in the industry as our clients expand their operations and new clients choose us as their service partner. Our people have worked very hard this year to deliver this result and to establish the Company on the Australian stock exchange. We have grown our staff numbers significantly adding 128 people to our workforce and establishing a regional management structure to support the growth in operational sites.

Our focus in FY22 is on embedding our remuneration framework, clarifying management roles and responsibilities and aligning Key performance metrics to these roles. We are excited about our immediate future and look forward to the year ahead.

I invite you to review the full report laid out over the following pages and thank you for your interest in our Company.

Yours faithfully

Garret Dixon
Independent Non-Executive Director
Chair of Remuneration and Nomination Committee

CONTENTS

1. KEY MANAGEMENT PERSONNEL (KMP)

Key Management Personnel (KMP) comprise those persons that have responsibility, authority and accountability for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity. In this report, a reference to an "Executive" or "Executives" is a reference to a KMP executive, including the Managing Director. The following table outlines the KMP of the Group during the whole of FY21 and up to the date of this report, unless otherwise stated:

Executive KMP

Murray Leahy	Managing Director and Chief Executive Officer
Phil Mirams	Chief Financial Officer

Non-Executive KMP

Jim Walker	Non-Executive Chairman
Anna Neuling	Non-Executive Director
Garret Dixon	Non-Executive Director

2. REMUNERATION GOVERNANCE

2.1 Remuneration Committee Independence

The Remuneration Committee is comprised solely of independent Non-Executive Directors:

- Garret Dixon, Committee Chair
- Anna Neuling, Committee Member
- Jim Walker, Committee Member

The Board is satisfied that the Remuneration Committee is independent and has sufficient expertise to undertake its mandate.

2.2 Role of the Remuneration Committee

The Remuneration Committee advises the Board on KMP remuneration by performing the following functions:

a. making recommendations to the Board on remuneration structure, practices, policy and quantum for CEO, KMP, and NEDs;
b. determining the eligibility and vesting of long-term incentive (LTI) awards; and
c. providing oversight of company diversity and gender pay equity and recommendations to the board on appropriate targets.

The Remuneration Committee did not meet formally during FY21 other than as part of the board due diligence on the prospectus content relating to people, interest and benefits.

2.3 External and independent advice

The Remuneration Committee was provided with a copy of the independent remuneration report that was commissioned in 2020 in preparation for the company's listing on the Australian stock exchange which outlined a proposed remuneration and incentive framework and policies consistent with peer company structures of listed companies as an input into decision making and were used to assist the Committee and the Board in setting out remuneration packages suitable for the Company. The Board considered BDO's recommendations along with other factors in making its remuneration decisions.

Both BDO and the Board were satisfied the advice received from BDO was free from undue influence from the Key Management Personnel to whom the recommendations applied. The amount paid to BDO for remuneration advice in 2021 was $nil (2020: $27,045), excluding GST.

No remuneration recommendations as defined in Section 9B of the Corporations Act 2001 were obtained during FY20.

3. REMUNERATION STRATEGY

3.1 The context in which we set our remuneration strategy

The remuneration framework is yet to be finalised but the intention is to help achieve the Company's vision to be recognised as a great Australian company that:

- is a leading provider of innovative and sustainable mining services;
- is recognised for the quality and reliability of service to our clients;
- operates with a culture of ownership and pride; and
- delivers a safety and client led culture, empowering employees to work as one team with the client.

The difficulty of attracting and retaining executives of the necessary calibre to realise the above vision and strategy varies depending on the current phase of Australia's resources industry. Presently, industry demand for executive talent is strong. This requires the Company to have adequate and effective retention mechanisms in place to ensure we maintain experienced and competent employees who are capable of innovating to promote growth that leads to attractive long-term rates of return. The Company intends to establish a remuneration framework which delivers a significant portion of remuneration in equity, or equity based remuneration to align the senior leadership team's interest with shareholders' interests.

3.2 Remuneration principles

The following principles guide the Company's KMP remuneration decisions:

- Fairness and impartiality
- Transparency
- Alignment of reward with performance
- Promoting retention of key personnel over the long term
- Aligning the employee to shareholder and client interests
- Incentivising behaviours aligned to our longer term strategies
- Promote behaviours that align to our core values

3.3 Market position for remuneration

The Company will review its remuneration for KMP in relation to common practice within comparable businesses, external advice and input from investors and their advisors. In determining the amount and mix of remuneration to offer, the Board will consider remuneration on offer in a broad group of ASX-listed companies of a comparable size in terms of relative measures such as enterprise value, revenue, services etc with a particular focus on those in the construction and mining sectors (Comparator Businesses).

4. REMUNERATION FRAMEWORK

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 which is intended to incentivise the achievement of market and non-market related objectives aimed at achieving longer term shareholder returns and sustained business value.

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

5. REMUNERATION OUTCOMES

No STI or LTI awards were provided in FY21.

6. KEY CHANGES TO REMUNERATION FOR FY21

At the time of preparing this report, there are no changes planned for remuneration of KMP in FY21.

7. SUMMARY OF KMP EMPLOYMENT CONDITIONS

7.1 Executives

KMP	TERM OF AGREEMENT	FIXED ANNUAL REMUNERATION	NOTICE PERIOD	TERMINATION ENTITLEMENTS
Murray Leahy	Full time – permanent	$500,000	12 Months	Notice period per contract
Phil Mirams	Full time – permanent	$385,000	3 Months	Notice period per contract

7.2 Non-Executive Directors

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.

The Company has agreed to pay the following base annual directors’ fees to its Non-Executive Directors:

- The Chairman will be paid a base annual fee of $115,000,
- 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.

8. KMP STATUTORY REMUNERATION SCHEDULES

The following table details the statutory remuneration disclosures prepared in accordance with Australian Accounting Standards. These tables differ from the remuneration outcomes tables in section 5.5, due to the accounting treatment of share-based payments.

	SHORT-TERM BENEFITS				POST EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS				
YEAR ENDED 30 JUNE 2021	CASH SALARIES AND FEES	OTHER	STI CASH VALUE	NON-MONETARY	SUPERANNUATION	STI EQUITY VALUE	LTI EQUITY VALUE	NED REMUNERATION	TOTAL	PERFORMANCE RELATED
Non-Executive Directors										
Jim Walker	$32,623	—	—	—	$3,099	—	—	—	$35,722	—
Anna Neuling	$22,184	—	—	—	$2,107	—	—	—	$24,291	—
Garret Dixon	$22,184	—	—	—	$2,107	—	—	—	$24,291	—
Executive Directors										
Murray Leahy	$189,124	—	—	$53,579	$25,000	—	—	—	$267,703	—
Other Executives										
Phil Mirams	$358,626	—	—	—	$25,694	—	—	—	$384,320	—
Total	**$624,741**	**—**	**—**	**$53,579**	**$58,007**	**—**	**—**	**—**	**$736,327**	**—**

9. EQUITY INSTRUMENTS HELD BY KMP

9.1 Rights awarded under incentive plans

There were no equity instruments awarded to KMP in FY21.

9.2 KMP Shareholdings

KMP	BALANCE AT START OF YEAR	ISSUED AS PART OF REMUNERATION	OTHER ADDITIONS	DISPOSALS/ OTHER	BALANCE AT END OF THE YEAR
Non-Executive Directors					
Jim Walker	—	—	75,000[1]	—	75,000
Anna Neuling	—	—	50,000[1]	—	50,000
Garret Dixon	—	—	75,000[1]	—	75,000
Executive Director					
Murray Leahy	1	—	73,034,162[2]	—	73,034,163
Other KMP					
Phil Mirams	—	—	925,000[1]		925,000

1. Shares acquired at initial public offering.
2. Issued as a result of share split.

10. EQUITY INSTRUMENTS HELD BY KMP

There are currently no equity instruments held by KMP.

Indemnity and insurance of officers

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

Proceedings on behalf of the Company

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

Auditor's independence declaration

The lead Auditor's Independence Declaration for the year ended 30 June 2021 has been received and immediately follows the Directors' Report.

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

On behalf of the directors

Jim Walker
Chairman
Perth, 16 September 2021

Auditor's independence declaration

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of MLG Oz Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
16 September 2021

B G McVeigh
Partner

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

	NOTES	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
Revenue	5	257,814,795	208,594,217
Changes in inventories of finished goods and work in progress		(3,264,849)	(4,777,786)
Employee benefits expense		(89,730,609)	(79,494,749)
Other employee expenses		(8,259,832)	(7,089,937)
Operational repairs and maintenance expense		(34,051,573)	(31,248,363)
Equipment and labour hire expenses		(31,278,956)	(20,702,261)
Fuel expenses		(19,283,040)	(16,529,996)
Subcontractor charges		(13,964,328)	(7,381,956)
Licences, registrations, permits and insurance expenses		(5,246,930)	(4,266,282)
Freight expenses		(4,784,125)	(3,307,769)
Occupancy expense		(1,255,927)	(1,113,223)
Royalties expense		(459,109)	(725,662)
Other expenses		(5,997,611)	(6,204,347)
Interest and finance expense	6	(4,162,636)	(4,072,568)
Depreciation and amortisation expense	6	(18,518,733)	(13,744,751)
Profit before income tax expense		**17,556,537**	**7,934,567**
Income tax expense	7	(5,099,632)	(2,242,777)
Total comprehensive income for the year		**12,456,905**	**5,691,790**
Profit per share attributable to ordinary equity holders			
Basic earnings per share ($ per share)	28	0.12	0.06
Diluted earnings per share ($ per share)	28	0.12	0.06

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	NOTES	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
CURRENT ASSETS			
Cash and cash equivalents	9	9,689,060	1,005,424
Trade and other receivables	10	42,226,392	33,392,444
Inventories	11	14,214,135	9,865,768
Total current assets		**66,129,587**	**44,263,636**
NON-CURRENT ASSETS			
Other financial assets	12	—	445,000
Property, plant and equipment	13	152,097,538	128,011,644
Deferred exploration and evaluation expenditure		59,911	59,911
Right-of-use assets	14	4,598,532	5,960,824
Intangible assets		1,047	1,047
Total non-current assets		**156,757,028**	**134,478,426**
Total assets		**222,886,615**	**178,742,062**
CURRENT LIABILITIES			
Trade and other payables	15	47,074,170	35,049,244
Financial liabilities	16	28,228,561	49,007,310
Lease liabilities	17	1,524,589	1,449,844
Provisions	18	1,008,976	763,425
Total current liabilities		**77,836,296**	**86,269,823**
NON-CURRENT LIABILITIES			
Financial liabilities	16	18,225,829	28,401,728
Lease liabilities	17	3,287,128	4,515,400
Provisions	18	326,625	370,862
Deferred tax liability	7	8,986,086	4,704,658
Total non-current liabilities		**30,825,668**	**37,992,648**
Total liabilities		**108,661,964**	**124,262,471**
Net assets		**114,224,651**	**54,479,591**
EQUITY			
Issued capital	19	47,409,025	1
Retained earnings		66,815,626	54,479,590
Total equity		**114,224,651**	**54,479,591**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	ISSUED CAPITAL $	RETAINED EARNINGS $	TOTAL $
Consolidated			
Balance at 1 July 2019	**1**	**49,076,682**	**49,076,683**
Net profit after tax for the period	—	5,691,790	5,691,790
Total comprehensive income for the year	**—**	**5,691,790**	**5,691,790**
Dividends provided for or paid	—	(288,882)	(288,882)
Balance at 30 June 2020	**1**	**54,479,590**	**54,479,591**
Consolidated			
Balance at 1 July 2020	**1**	**54,479,590**	**54,479,591**
Net profit after tax for the period	—	12,456,905	12,456,905
Total comprehensive income for the year	**—**	**12,456,905**	**12,456,905**
Dividends provided for or paid	—	(120,869)	(120,869)
Equity shares issued	47,409,024	—	47,409,024
Balance at 30 June 2021	**47,409,025**	**66,815,626**	**114,224,651**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	NOTES	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		273,078,094	221,050,831
Payments to suppliers and employees		(234,992,853)	(193,957,045)
Interest received		591	5,288
Finance costs		(1,596,781)	(1,678,083)
Income tax paid		(3,138,569)	(2,402,510)
Fuel tax credits received		3,543,159	3,212,092
Net cash provided by operating activities	**9**	**36,893,641**	**26,230,573**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(12,928,828)	(21,193,074)
Proceeds from sale of property, plant and equipment		153,269	—
Net cash (used in) investing activities		**(12,775,559)**	**(21,193,074)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(120,870)	(288,882)
Net movement in borrowings from related entities		445,000	(37,000)
Proceeds from/(repayments of) borrowings	9	(3,712,949)	16,012,103
Payments in relation to hire purchase agreements	9	(47,250,891)	(22,475,902)
Repayment of lease liabilities		(1,496,404)	(1,837,769)
Issue of share capital		47,409,024	
Net cash provided (used in) financing activities		**(4,727,090)**	**(8,627,450)**
Net increase/(decrease) in cash held		19,390,992	(3,589,951)
Cash at the beginning of the financial period		(9,701,932)	(6,111,981)
Cash and cash equivalents at the end of the period	**9**	**9,689,060**	**(9,701,932)**

The accompanying notes form part of these financial statements

Notes to the financial statements

year ended 30 June 2021

NOTE 1: BASIS OF PREPARATION

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

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

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for selected non-current assets, financial assets and financial liabilities, which have been measured at fair value as explained in the relevant accounting policies. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The entity's principal activities are detailed in the Directors' Report.

(a) Statement of compliance

The financial report was authorised for issue on 24 August 2021.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) New, revised or amending Accounting Standards and Interpretations adopted

New, revised or amending Accounting Standards and Interpretations adopted Standards and Interpretations applicable to 30 June 2021

The Directors have reviewed all Standard and Interpretations on issue not yet adopted for the period ended 30 June 2021. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted by the Company, and therefore, no change is necessary to Group accounting policies.

Any new of amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue from Contracts with Customers

Revenue arises mainly from the provision of haulage, site services and crushing services and the sale of various commodities. The Group only generates revenue in Australia.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related statement of financial position items (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the Group incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised.

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.

For contracts with multiple components to be delivered such as haulage, and site services management applies judgement to consider whether those promised goods and services are (i) distinct- to be accounted for as separate performance obligations; (ii) not distinct- to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

The Group's main revenue streams are as follows:

Site Services

The Group performs haulage and site services on various mine sites. These activities whilst usually are highly integrated with other activities and accordingly are accounted as multiple performance obligations. Whilst these contracts are usually long term, the performance obligations associated with them are completed on a short term basis and the revenue is recognised when each performance obligation is completed. Consequently, the Group recognises revenue at a point in time. Payment terms are usually within 30 to 60 days.

Crushing Services

The 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 when the crushing is performed the Group has a right of payment for services delivered. Consequently, revenue is recognised over time. Payment terms are usually within 30 to 60 days.

Commodities

Commodities are sold to various customers on a 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 Group recognises revenue at a point in time. Payment terms are usually within 30 to 60 days.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

(b) 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.

Tax consolidation legislation

MLG Oz Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

MLG Oz Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(c) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(d) 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.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 90 days.

The 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 Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

The Group also maintains debtor insurance over clients that qualify.

(f) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

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.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

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)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

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;
- 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.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

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 profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

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.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the 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 FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(g) 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.

(h) 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 and less any impairment losses recognised after the date of the revaluation.

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.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

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 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.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Revaluation

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss.

Any revaluation decrease is recognised in profit or loss, except that a decrease offsetting a previous revaluation increase for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the balance date.

(i) Trade and Other Payables

Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the 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.

Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick 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.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

(j) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the 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 Group performs under the contract.

(k) Provisions

Provisions are recognised when the 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.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

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.

(l) Parent Entity Disclosures

The financial information for the parent entity, MLG Oz Limited, has been prepared on the same basis as the consolidated financial statements.

(m) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of MLG Oz Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) New Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 30 June 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Company accounting policies.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

(b) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(c) Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(d) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(e) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(f) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

NOTE 4: OPERATING SEGMENTS

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

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

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

The Company has one customer site where the revenue from that customer was in excess of 10% of the Company's revenue. Customer A generated 13% (2020: 12%) of the Company's revenue for the year.

NOTE 5: REVENUE

	CONSOLIDATED	
	2021 $	**2020 $**
Revenue from contracts with customers	254,015,952	205,135,545
Fuel tax credits	3,470,286	3,311,327
Other revenue	328,557	147,345
	257,814,795	**208,594,217**

Disaggregation of revenue

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

	2021 $	**2020 $**
At a point in time		
Mine site services and bulk haulage	179,353,261	165,627,428
Crushing and screening	55,477,606	28,858,064
Export logistics	6,719,916	3,749,290
Over time		
Civil works	12,465,169	6,900,764
Total revenue from contracts with customers	**254,015,952**	**205,135,545**

NOTE 6: EXPENSES

	CONSOLIDATED	
	2021 $	2020 $
Interest and finance expense		
– Hire purchase charges	2,497,153	2,144,347
– Bank interest	607,286	990,581
– Interest on right-of-use assets	305,070	366,729
– Bank fees	753,127	570,912
	4,162,636	**4,072,568**
Depreciation and amortisation expense		
– Depreciation of right-of-use asset	1,644,700	1,475,462
– Depreciation charge	16,874,033	12,269,289
	18,518,733	**13,744,751**

NOTE 7: INCOME TAX EXPENSE

Income tax recognised in profit or loss

The major components of tax expense are:

	CONSOLIDATED	
	2021 $	2020 $
– Current tax expense	—	773,642
– Tax expense	5,099,632	1,469,135
	5,099,632	**2,242,777**

Reconciliation

	CONSOLIDATED 2021 $	2020 $
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting profit before income tax	17,556,537	7,934,567
Corporate tax rate	30%	30%
Income tax expense calculated	5,266,961	2,380,370
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
– Tax effect of non-deductible expenses	37,222	37,452
– Over (Under) Provision of tax in the prior year	—	(175,045)
– Movement of temporary differences through share capital	(204,551)	—
Income tax expense reported in the consolidated statement of profit or loss and other comprehensive income	5,099,632	2,242,777

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

Current tax payable comprise

	NOTES	CONSOLIDATED 2021 $	2020 $
Income tax payable/(receivable) attributable to:			
– Parent entity		(2,081,775)	(239,268)
– Subsidiaries in the tax consolidation group		224,198	(19,235)
	10, 15	**(1,857,577)**	**(258,503)**

Deferred tax liabilities comprise

30 JUNE 2021	CONSOLIDATED OPENING BALANCE $	CHARGED TO INCOME $	CHARGED TO EQUITY $	CLOSING BALANCE $
Prepayments	(545,614)	(80,511)	—	(626,125)
Plant and equipment	(6,995,660)	(6,735,908)	—	(13,731,568)
Inventory	(206,887)	(180,591)	—	(387,478)
Employee provisions	2,121,978	324,191	—	2,446,169
Other provisions	200,709	243,521	—	444,230
ROU Assets	1,326	62,628	—	63,954
Previously expensed blackhole costs	711,526	416,143	—	1,127,669
Equity raising blackhole costs	—		818,204	818,204
Tax losses	—	838,539	—	838,539
Other	7,964	12,356	—	20,320
	(4,704,658)	**(5,099,632)**	**818,204**	**(8,986,086)**

30 JUNE 2020	CONSOLIDATED OPENING BALANCE $	CHARGED TO INCOME $	CHARGED TO EQUITY $	CLOSING BALANCE $
Prepayments	(249,170)	(296,444)	—	(545,614)
Plant and equipment	(4,424,213)	(2,571,447)	—	(6,995,660)
Inventory	(257,626)	50,739	—	(206,887)
Employee provisions	1,587,746	534,232	—	2,121,978
Other provisions	86,143	114,566	—	200,709
ROU Assets	—	1,326	—	1,326
Previously expensed blackhole costs	21,600	689,926	—	711,526
Other	—	7,964	—	7,964
	(3,235,520)	**(1,469,138)**	**—**	**(4,704,658)**

NOTE 8: DIVIDENDS

Dividends declared and paid during the year

	CONSOLIDATED 2021 $	2020 $
Fully franked dividends paid	120,869	288,882
	120,869	**288,882**

Franking account balance

	CONSOLIDATED 2021 $	2020 $
Balance of franking account at year end adjusted for franking credits arising from the payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in a subsequent financial year.	20,391,462	18,844,199

The tax rate at which paid dividends have been franked is 30% (2020: 30%).

Dividends proposed will be franked at the rate of 30% (2020: 30%).

NOTE 9: CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2021 $	2020 $
Cash at bank	9,688,172	1,005,124
Cash on hand	888	300
	9,689,060	**1,005,424**

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

Reconciliation to the Statement of Cash Flows:

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

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

	NOTES	CONSOLIDATED 2021 $	2020 $
Cash and cash equivalents		9,689,060	1,005,424
Debtor financing facility	16	—	(10,707,356)
		9,689,060	**(9,701,932)**

Reconciliation of profit for the year to net cash flows from operating activities

	CONSOLIDATED	
	2021 $	2020 $
Net profit for the year	12,456,905	5,691,788
Non-cash flows in profit from ordinary activities		
(Gain)/loss on sale or disposal of non-current assets	(17,441)	17,057
Depreciation of property, plant and equipment	18,518,733	13,744,751
Reclassification to financing activities		
Interest expense on finance liabilities	2,565,855	2,394,485
Changes in operating assets and liabilities		
Decrease/(Increase) in receivables	(9,038,234)	(5,421,253)
Decrease/(Increase) in inventory	(4,144,081)	(519,389)
(Decrease)/Increase in creditors	12,024,926	8,469,633
(Decrease)/Increase in provisions	245,551	384,363
(Decrease)/Increase in deferred tax liability	4,281,428	1,469,138
Net cash from operating activities	**36,893,641**	**26,230,573**

Changes in liabilities arising from financing activities

	CONSOLIDATED			
30 JUNE 2021	BANK BORROWINGS $	HIRE PURCHASE LIABILITY $	SUPPLY CHAIN FINANCE $	TOTAL $
Opening balance	14,649,215	48,210,528	3,841,938	66,701,681
Net cash from/(used in) financing activities		(47,250,891)	(3,712,949)	(50,963,840)
Transferred to hire purchase	(14,649,215)	14,649,215	—	—
Non-cash interest expense	—	2,497,153	—	2,497,153
Acquisition of plant and equipment by means of finance leases	—	28,219,396	—	28,219,396
Closing balance	**—**	**46,325,401**	**128,989**	**46,454,390**

	CONSOLIDATED			
30 JUNE 2020	BANK BORROWINGS $	HIRE PURCHASE LIABILITY $	SUPPLY CHAIN FINANCE $	TOTAL $
Opening balance	2,479,050	41,964,719	—	44,443,769
Net cash from/(used in) financing activities	16,012,103	(22,475,902)	3,841,938	(2,621,861)
Non cash interest expense	—	2,144,347	—	2,144,347
Acquisition of plant and equipment by means of finance leases	—	26,577,364	—	26,327,226
Closing balance	**18,491,153**	**48,210,528**	**3,841,938**	**70,543,619**

NOTE 10: TRADE AND OTHER RECEIVABLES

	NOTES	CONSOLIDATED 2021 $	2020 $
Trade receivables	i	32,202,943	28,269,172
Allowance for expected credit losses		—	—
		32,202,943	**28,269,172**
Accrued revenue		4,133,711	1,499,650
Prepayments		3,317,304	2,935,481
Income tax payable		1,857,577	—
Other debtors		714,857	688,141
		42,226,392	**33,392,444**

i. Trade receivables are non-interest bearing and are generally on terms of 30 days. All amounts are short term. The carrying value of trade receivables is considered a reasonable approximation of fair value.

Expected credit losses

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 30 June 2020 and 30 June 2019 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables as at 30 June 2020 and 30 June 2019 was determined as follows:

	TRADE RECEIVABLES AGING				
CONSOLIDATED 30-JUN-21	CURRENT	MORE THAN 30 DAYS	MORE THAN 60 DAYS	MORE THAN 90 DAYS	TOTAL
Expected credit loss rate	0%	0%	0%	0%	—
Gross carrying amount	21,043,321	7,179,613	3,823,309	156,700	32,202,943

	TRADE RECEIVABLES AGING				
CONSOLIDATED 30-JUN-20	CURRENT	MORE THAN 30 DAYS	MORE THAN 60 DAYS	MORE THAN 90 DAYS	TOTAL
Expected credit loss rate	0%	0%	0%	0%	—
Gross carrying amount	23,471,596	4,449,273	77,049	271,254	28,269,172

NOTE 11: INVENTORIES

	CONSOLIDATED	
	2021 $	2020 $
– Raw materials – at cost	743,459	813,552
– Spares and parts – at cost	12,769,282	8,467,788
– Finished goods – at cost	701,394	584,428
	14,214,135	**9,865,768**

NOTE 12: OTHER FINANCIAL ASSETS

Non-current

	CONSOLIDATED	
	2021 $	2020 $
Loans carried at amortised cost:		
– Loans to related parties	—	445,000

Refer to note 22.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

Carrying value

	FREEHOLD LAND AND BUILDINGS $	EARTH-MOVING EQUIPMENT $	CRUSHING AND SCREENING $	ANCILLARY EQUIPMENT $	FIXTURES AND FITTINGS $	LIGHT AND SERVICE VEHICLES	TRUCKS AND TRAILERS $	WORK IN PROGRESS $	TOTAL $
Cost	2,737,118	55,667,519	46,568,575	3,932,871	2,472,842	5,796,012	71,596,178	25,049,523	213,820,638
Accumulated depreciation	(536,207)	(23,234,327)	(8,117,628)	(1,836,627)	(1,602,551)	(3,002,009)	(23,393,751)	—	(61,723,100)
Carrying value as at 30 June 2021	2,200,911	32,433,192	38,450,947	2,096,244	870,291	2,794,003	48,202,427	25,049,523	152,097,538
Cost	2,432,646	49,223,620	26,089,639	3,487,103	2,013,261	5,959,459	64,648,931	19,509,554	173,364,213
Accumulated depreciation	(392,310)	(17,397,570)	(4,760,467)	(1,388,652)	(1,121,711)	(2,593,825)	(17,698,034)	—	(45,352,569)
Carrying value as at 30 June 2020	2,040,336	31,826,050	21,329,172	2,098,451	891,550	3,365,634	46,950,897	19,509,554	128,011,644

Reconciliation

	CONSOLIDATED								
30-JUN-21	FREEHOLD LAND AND BUILDINGS $	EARTH-MOVING EQUIPMENT $	CRUSHING AND SCREENING $	ANCILLARY EQUIPMENT $	FIXTURES AND FITTINGS $	LIGHT AND SERVICE VEHICLES $	TRUCKS AND TRAILERS $	WORK IN PROGRESS $	TOTAL $
Opening balance	2,040,336	31,826,050	21,329,172	2,098,451	891,550	3,365,634	46,950,897	19,509,554	128,011,644
Additions	305,024	6,764,388	20,478,936	417,520	449,188	43,570	7,151,825	5,539,969	41,150,420
Disposals	—	(53,046)	—	(4,167)	—	(12,764)	(120,516)	—	(190,493)
Depreciation expense	(144,449)	(6,104,200)	(3,357,161)	(415,560)	(470,447)	(602,437)	(5,779,779)	—	(16,874,033)
Closing balance	**2,200,911**	**32,433,192**	**38,450,947**	**2,096,244**	**870,291**	**2,794,003**	**48,202,427**	**25,049,523**	**152,097,538**

	CONSOLIDATED								
30-JUN-20	FREEHOLD LAND AND BUILDINGS $	EARTH-MOVING EQUIPMENT $	CRUSHING AND SCREENING $	ANCILLARY EQUIPMENT $	FIXTURES AND FITTINGS $	LIGHT AND SERVICE VEHICLES $	TRUCKS AND TRAILERS $	WORK IN PROGRESS $	TOTAL $
Opening balance	1,820,705	25,999,078	11,799,429	1,841,266	514,983	3,153,032	40,187,085	7,095,391	92,410,969
Additions	340,347	10,694,840	10,495,481	653,236	729,764	889,595	11,865,852	12,414,163	48,083,278
Disposals	—	—	—	(42,639)	—	(44,856)	(318,559)	—	(406,054)
Depreciation expense	(120,716)	(4,867,868)	(965,738)	(353,412)	(353,197)	(632,137)	(4,783,481)	—	(12,076,549)
Closing balance	**2,040,336**	**31,826,050**	**21,329,172**	**2,098,451**	**891,550**	**3,365,634**	**46,950,897**	**19,509,554**	**128,011,644**

NOTE 14: RIGHT-OF-USE ASSETS

Carrying value

	CONSOLIDATED		
	PREMISES $	EQUIPMENT $	TOTAL $
Cost	4,764,363	2,954,331	7,718,694
Accumulated depreciation	(1,339,956)	(1,780,206)	(3,120,162)
Carrying value as at 30 June 2021	**3,424,407**	**1,174,125**	**4,598,532**

Reconciliation

	CONSOLIDATED		
	PREMISES $	EQUIPMENT $	TOTAL $
Opening balance	3,803,738	2,157,086	5,960,824
Additions	342,880	—	342,880
Adjustments to leases	(60,741)	—	(60,741)
Depreciation expense	(661,741)	(982,960)	(1,644,701)
Closing balance	**3,424,406**	**1,174,126**	**4,598,532**

NOTE 15: TRADE AND OTHER PAYABLES

		CONSOLIDATED	
	NOTES	2021 $	2020 $
Trade payables	i	20,476,256	15,518,581
Accruals		5,032,552	1,948,034
Annual leave payable		6,818,294	5,938,973
Income tax payable		—	(258,503)
Other creditors	ii	14,747,068	11,902,159
		47,074,170	**35,049,244**

i. Trade payables are non-interest bearing and are normally settled on 30 day terms. All amounts are short term. The net carrying value of trade payables is considered a reasonable approximation of fair value.

ii. Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in Note 20.

NOTE 16: FINANCIAL LIABILITIES

Current

	NOTES	CONSOLIDATED 2021 $	2020 $
– Invoice financing facility		—	10,707,356
– Bank borrowings	i	—	14,649,215
– Hire purchase liability	ii	28,099,572	19,808,801
– Supply chain finance	iii	128,989	3,841,938
		28,228,561	**49,007,310**

Non-current

	NOTES	CONSOLIDATED 2021 $	2020 $
– Hire purchase liability	iii	18,225,829	28,401,728
		18,225,829	**28,401,728**

Summary of borrowing arrangements

i. The bank borrowing facilities are with Westpac and were repaid during the course of the 2021 year, and consisted of:
   a. a bank bill facility, 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 was secured by a fixed and floating charge over all of MLG Pty Ltd assets and uncalled capital.
   b. 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 loan repayable over 18 months from October 2020.

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

iii. The supply chain finance is a short-term finance arrangement in place for a period of 4 months from draw down.

Financing facilities available

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

	CONSOLIDATED 2021 $	2020 $
Total facilities		
– Invoice financing facility	5,000,000	12,500,000
– Bank borrowings	—	14,649,215
– Supply chain finance	4,000,000	4,000,000
	9,000,000	**31,149,215**
Facilities used at balance date		
– Bank overdraft	—	10,707,356
– Bank borrowings	—	14,649,215
– Supply chain finance	128,989	3,841,938
	128,989	**29,198,509**
Facilities unused at balance date		
– Bank overdraft	5,000,000	1,792,644
– Bank borrowings	—	—
– Supply chain finance	3,871,011	158,062
	8,871,011	**1,950,706**

The invoice finance facility was reduced to $5 million prior to year end.

The supply chain finance was closed out post year end as no additional cost was incurred to do this. There is no balance held as at the date of this report.

Fair value disclosures

Details of the fair value of the Group’s borrowings are set out in Note 20.

NOTE 17: LEASE LIABILITIES

Fair Value

	CONSOLIDATED		
	PREMISES $	EQUIPMENT $	TOTAL $
Current liabilities	590,994	933,595	1,524,589
Non-current liabilities	3,097,363	189,765	3,287,128
Carrying value as at 30 June 2021	**3,688,357**	**1,123,360**	**4,811,717**

	CONSOLIDATED		
	PREMISES $	EQUIPMENT $	TOTAL $
Current liabilities	570,366	879,478	1,449,844
Non-current liabilities	3,392,098	1,123,302	4,515,400
Carrying value as at 30 June 2020	**3,962,464**	**2,002,780**	**5,965,244**

Reconciliation

	CONSOLIDATED		
	PREMISES $	EQUIPMENT $	TOTAL $
Opening balance	3,962,464	2,002,779	5,965,243
Lease inception	342,880	—	342,880
Principal repayments	(616,985)	(879,419)	(1,496,404)
Closing balance	**3,688,359**	**1,123,360**	**4,811,719**

Right-of-use leased assets

Leased assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. On initial adoption of AASB 16 *Leases*, the Group has adjusted the right-of-use leased assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right-of-use lease asset and shows indicators of impairment and an impairment loss is recognised against any right-of-use lease assets that is impaired.

Leases, which transfer to the Group substantially the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in short-term and long-term payables. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the Condensed Statement of Profit or Loss and Other Comprehensive Income.

Leased assets are depreciated on a straight-line basis over the estimated useful life of the asset.

NOTE 18: PROVISIONS

Current

	CONSOLIDATED	
	2021 $	2020 $
Employee benefits	1,008,976	763,425

Non-current

	CONSOLIDATED	
	2021 $	2020 $
Employee benefits	326,625	370,862

NOTE 19: ISSUED CAPITAL

	2021 SHARES	2020 SHARES	2021 $	2020 $
Ordinary shares issued and fully paid	145,669,163	1	47,409,025	1

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

Movements in ordinary share capital

	DATE	SHARES	ISSUE PRICE	$
Balance	1-Jul-19	1	$1.00	1
Balance	**30-Jun-20**	**1**	**$1.00**	**1**
Share split	30-Apr-21	95,669,162	$0.00	—
Issue of shares at IPO	30-Apr-21	50,000,000	$1.00	50,000,000
Share issue costs for the year	30-Apr-21	—	—	(2,590,976)
Balance	**30-Jun-21**	**145,669,163**	**$1.00**	**47,409,025**

NOTE 20: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2019.

The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

Financial risk management objectives

The Group is exposed to, (i) market risk (which includes foreign currency exchange risk, interest rate risk, share price risk and commodity price risk), (ii) credit risk and (iii) liquidity risk.

The Group seeks to minimise the effect of these risks, by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the sole Director, which provide written principles on market risk, credit risk, liquidity risk and cash flow interest rate risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, and share prices.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Interest rate risk management

The Company and the Group are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- Profit or loss would increase/decrease by $47,800 (2020: $69,082); and

The Group's sensitivity to interest rate risk has not changed significantly from the prior year.

Credit risk management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

The Group continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The group's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

Service customers are required to pay the annual amount of the service upfront, mitigating the credit risk.

Trade receivables consist of a large number of customers in various industries and geographical areas.

Security

Trade receivables consist of a large number of customers in various industries and geographical areas. The Group does not hold any security on the trade receivables balance.

In addition, the group does not hold collateral relating to other financial assets (e.g. derivative assets, cash and cash equivalents held with banks).

Other receivables

Other financial assets at amortised cost include amounts due from related parties refer to Note 22 for further details. There was no material impact from amortisation during the current period.

Liquidity risk management

Responsibility for liquidity risk management rests with the Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

All of the trade receivables are expected to be received within 6 months of balance date.

Non-derivative financial liabilities

The following tables detail the Group's expected contractual maturity for its non-derivative financial liabilities.

These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay.

The tables include both interest and principal cash flows.

	CONSOLIDATED			
	CURRENT		NON-CURRENT	
30 JUNE 2021	WITHIN 6 MONTHS $	6 – 12 MONTHS $	1 – 5 YEARS $	5+ YEARS $
Trade and other payables	20,476,256	—	—	—
Supply chain finance	128,989	—	—	—
Lease liabilities	798,295	726,298	3,287,128	—
Hire purchase liabilities	9,242,862	18,856,710	18,225,829	—
	30,646,402	**19,583,008**	**21,512,957**	**—**

	CONSOLIDATED			
	CURRENT		NON-CURRENT	
30 JUNE 2020	WITHIN 6 MONTHS $	6 – 12 MONTHS $	1 – 5 YEARS $	5+ YEARS $
Trade and other payables	15,518,581	—	—	—
Trade financing facility	13,920,365	—	—	—
Bank bill facility	145,850	583,000	—	—
Debtor financing facility	10,707,356	—	—	—
Supply chain finance	3,841,938	—	—	—
Lease liabilities	718,583	731,261	3,175,870	1,339,530
Hire purchase liabilities	11,761,142	9,981,755	29,820,208	—
	56,613,814	**11,296,016**	**32,996,078**	**1,339,530**

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Fair value measurement

Measured at fair value on recurring basis

There were no financial assets or financial liabilities measured at fair value in the statement of financial position.

Not measured at fair value (but fair value disclosures are required)

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position.

The Director considers that the carrying amounts of current receivables, current payables and current borrowings are considered to be a reasonable approximation their fair values.

NOTE 21: COMMITMENTS

The Group has finance leases and hire purchase contracts for various items of plant and machinery.

As at the balance date, the Group had no contractual commitments.

NOTE 22: RELATED PARTY DISCLOSURES

Transactions with Key Management Personnel

The aggregate compensation made to the Key Management Personnel of the Group is set out below:

	CONSOLIDATED	
	2021 $	2020 $
Short-term employee benefits	624,721	187,200
Post-employment benefits	58,007	24,898
Other reportable benefits	53,579	26,925
	736,327	**239,023**

Related party transactions

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

	CONSOLIDATED	
	2021 $	2020 $
Amounts receivable from related parties:		
Kimberly Granite Quarries Pty Ltd	—	352,000
Reef Mining Pty Ltd	—	93,000
	—	**445,000**

Kimberly Granite Quarries Pty Ltd and Reef Mining Pty Ltd are both companies, Murray Leah, a director, is a related person. These receivables were interest free and are payable on call.

Murray Leahy purchased MLG's Kalgoorlie Airport Hangar and a light vehicle from the company on 30 June 2021, a transaction totalling $585,247. As at 30 June 2021, the company owed Murray Leahy $1,693 (2020: $nil).

NOTE 23: CONTINGENT LIABILITIES AND ASSETS

The Group has no contingent liabilities and assets as at 30 June 2021 (2020: Nil).

NOTE 24: INTEREST IN SUBSIDIARIES

Transactions with subsidiaries

The consolidated financial statements include the financial statements of MLG Oz Limited and the subsidiaries listed in the following table.

		EQUITY INTEREST	
	COUNTRY OF INCORPORATION	2021 %	2020 %
MLG Cement and Lime Pty Ltd	Australia	100	100
MLG Connect Pty Ltd	Australia	100	100

MLG Oz Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

NOTE 25: PARENT ENTITY DISCLOSURES

Statement of financial position

	2021 $	2020 $
Current assets	64,238,317	43,320,911
Non-current assets	157,166,081	134,881,362
Current liabilities	76,873,175	85,672,793
Non-current liabilities	30,825,662	37,994,723
Net assets	**113,705,561**	**54,534,757**
Equity		
Issued capital	47,409,024	1
Retained earnings	66,296,536	54,534,756
Total equity	**113,705,561**	**54,534,757**

Statement of profit or loss and other comprehensive income

	2021 $	2020 $
Profit for the year	11,882,650	5,731,004
Other comprehensive income	—	—
Total comprehensive income	**11,882,650**	**5,731,004**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

As at 30 June 2021, MLG Oz Limited has entered into a deed of cross guarantee with its wholly-owned subsidiary, MLG Cement & Lime Pty Ltd.

Contingent liabilities of the parent entity

As at 30 June 2021 MLG Oz Limited has no contingent liabilities (2020: Nil).

NOTE 26: AUDITOR'S REMUNERATION

The auditor of MLG Oz Limited is HLB Mann Judd.

	CONSOLIDATED	
	2021 $	2020 $
Auditor of the parent entity		
Audit of the financial statements	60,000	60,000
Other services	—	5,154

NOTE 27: SIGNIFICANT EVENTS AFTER BALANCE DATE

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

NOTE 28: EARNINGS PER SHARE

	CONSOLIDATED	
	2021 $	2020 $
Earnings per share for profit from continuing operations		
Profit after income tax attributable to the owners of MLG Oz Limited	12,456,905	5,691,790

	CONSOLIDATED	
	2021 $	2020 $
Basic earnings per share	0.12	0.06
Diluted earnings per share	0.12	0.06

	CONSOLIDATED	
	2021 $	2020 $
Weighted average earnings per share		
Weighted average number of ordinary shares used in calculating basic earnings per share	104,162,314	95,669,163
Weighted average number of ordinary shares used in calculating diluted earnings per share	104,162,314	95,669,163

On 30 April 2021, there was a share split of 1 to 95,669,163 that was taken into account for the calculation both in the current and prior year comparative.

Directors' Declaration

1. In the opinion of the Directors of MLG Oz Limited (the 'Company'):
   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
      i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year then ended; and
      ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

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

Jim Walker
Chairman

Perth, 16 September 2021

Independent Auditor's Report

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of MLG Oz Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MLG Oz Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition Refer to Note 5	
The Group's revenue arises from the provision of mine site services, crushing and screening services, export logistics and civil works. Revenue recognised is based on contractual rates or on a cost reimbursement basis depending on the type of revenue being generated. We focused on this area as a key audit matter due to its significant value to the Group's financial report and the audit effort associated with a large number of customer contracts.	Our procedures included: • Evaluating the Group's revenue recognition policies against the requirements of the relevant accounting standards; • Understanding the Group's process for accounting for revenue across different contracts against the terms in the customer contracts; • Testing key controls in the revenue recognition process; • Performance of substantive analytical procedures; • Testing a sample of revenue amounts recognised during the year; • Obtaining significant credit notes recognised post year end to check the Group's recognition of revenue in the correct period;
Impairment of PPE Refer to Note __	
An impairment assessment was conducted by management during the year in relation to the fixed processing plant asset maintained at Christmas Creek due to the termination of the contract for these assets by FMG. The carrying value of these assets prior to the recognition of impairment was $5,578,957. Based on management's assessment an impairment of $1,000,000 was recorded reflecting the additional costs expected to be incurred to move the asset to a new mine site. The impairment assessment was conducted under AASB 136 Impairment of Assets and involved a comparison of the recoverable amount of the Fixed Plant Assets with their carrying amounts in the financial statements. Recoverable amount is based upon the higher of fair value less costs of disposal and value-in-use. The evaluation of the recoverable amount of these assets is considered a key audit matter as it was based upon a value-in-use calculation which required significant judgement in verifying the key assumptions.	Our procedures included but were not limited to: • Critically evaluating management's methodology in the value-in-use model and the basis for key assumptions; • Performing sensitivity analyses around the key inputs used in the cash flow forecasts that either individually or collectively would be required for assets to be impaired and considered the likelihood of such a movement in those key assumptions arising; • Reviewing the key inputs management used to determine the necessary impairment; • Considering whether the assets comprising the cash-generating unit had been correctly allocated; • Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of MLG Oz Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B McV

B G McVeigh
Partner

Perth, Western Australia
16 September 2021

Additional Information

CORPORATE GOVERNANCE STATEMENT

The Board of MLG Oz Limited is responsible for corporate governance. The Board has prepared the Corporate Governance Statement in accordance with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, which is available on the Company's website at www.mlgoz.com.au under the 'Investor Centre' section.

SHAREHOLDER INFORMATION

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 23 September 2021.

DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

	ORDINARY SHARES	
	NUMBER OF HOLDERS	NUMBER OF SHARES
1 – 1,000	256	173,039
1,001 – 5,000	711	2,332,993
5,001 – 10,000	434	3,737,802
10,001 – 100,000	790	23,467,440
100,001 and over	75	115,957,889
Total	**2,266**	**145,669,163**
The number of equity security holders holding less than a marketable parcel of securities is:	100	40,935

ADDITIONAL INFORMATION

Twenty Largest Shareholders

The names of the 20 largest holders of quoted ordinary shares are:

		LISTED ORDINARY SHARES	
		NUMBER OF SHARES	PERCENTAGE OF ORDINARY SHARES
1	MR MURRAY IAN LEAHY	72,969,163	50.09
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,989,893	4.11
3	NATIONAL NOMINEES LIMITED	5,388,120	3.70
4	WYLLIE GROUP PTY LTD	4,000,000	2.75
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,840,709	1.95
6	PRECISION OPPORTUNITIES FUND LTD	2,500,000	1.72
7	MR KENNETH JOSEPH HALL	2,500,000	1.72
8	MR KENNETH JOSEPH HALL	2,000,000	1.37
9	CITICORP NOMINEES PTY LIMITED	1,267,349	0.87
10	CS THIRD NOMINEES PTY LIMITED	1,144,327	0.79
11	CHOICE INVESTMENTS DUBBO PTY LTD	1,000,000	0.69
12	PHILIP MIRAMS	750,000	0.51
13	HANCROFT PTY LTD	727,000	0.50
14	BNP PARIBAS NOMINEES PTY LTD	725,000	0.50
15	D & G RITCHIE SUPER PTY LTD	500,000	0.34
16	UBS NOMINEES PTY LTD	488,328	0.34
17	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	486,126	0.33
18	VINNIE FISHER	400,000	0.27
19	JOANNA LESLIE SHEAHAN & JOHN ALAN ANTILL	400,000	0.27
20	WARREN SUPER NOMINEES PTY LTD	400,000	0.27
		106,476,015	**73.09**

Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	NUMBER OF SHARES
Murray Ian Leahy	72,969,163
MLG Oz Ltd (technical relevant interest in voluntary escrow shares for the purposes of the substantial holder notice provisions of the Corporations Act)	54,726,872

Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Voluntary Escrow

A total of 54,726,872 ordinary shares in the capital of the Company are subject to the following voluntary escrow arrangements:

SHAREHOLDER	NUMBER OF SHARES	% OF SHARES ON ISSUE	ESCROW PERIOD
Mr Murray Leahy	54,726,872	37.57%	Escrow period expires at 10.00am (Sydney time) on the date that is seven days after the release of the Company's financial results for the year ending 30 June 2022

On market Share buy back

There is no current on-market buy back.

Corporate Information

DIRECTORS
Jim Walker
Murray Leahy
Garret Dixon
Anna Neuling

COMPANY SECRETARIES
Dennis Wilkins
Philip Mirams

REGISTERED OFFICE
10 Yindi Way
Broadwood WA 6433
(08) 9022 7746

PRINCIPAL PLACE OF BUSINESS
10 Yindi Way
Broadwood WA 6433
(08) 9022 7746

SHARE REGISTER
Link Market Services
Level 12, 680 George Street, Sydney NSW 2000
1800 990 363 or +61 1800 990 363

BANKERS
Westpac Banking Corporation

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

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

WEBSITE
www.mlgoz.com.au

MLG