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METAROCK

22 May 2023

ASX Announcement

Completion of Conditional Placement

Metarock Group Limited (ASX code: MYE) (**Metarock** or the **Company**) today announces the completion of the $25 million strategic placement to M Mining Services Pty Ltd ACN 666 168 627 as trustee for M Mining Services Trust (**M Resources**), which was subject to shareholder approval (**Conditional Placement**). Shareholder approval for the Conditional Placement was granted on 11 May 2023.

The Conditional Placement forms part of Metarock's wider recapitalisation strategy, which includes the extension of its existing working capital facilities to 30 September 2023 as announced to the ASX on 3 March 2023 which has now been completed, and an asset sales program as first announced to the ASX on 22 February 2023 which remains in progress.

Metarock intends to use the proceeds from the Conditional Placement and entitlement offer launched on 12 May 2023 (**Entitlement Offer**) (together, the **Capital Raising**) to improve cash flow, reduce net debt and secure the Company's funding position.

Overview of Conditional Placement

As announced to the market on 17 March 2023, Metarock and M Resources entered into a subscription agreement which sets out the terms and conditions of the Conditional Placement (**Subscription Agreement**). Pursuant to the Subscription Agreement, the Company agreed to allot and issue to M Resources:

(a) 166,666,667 Shares at an issue price of $0.15 per Share (**Subscription Shares**); and

(b) 51,282,051 Options each with an exercise price of $0.23 (**Subscription Options**).

A summary of the material terms of the Subscription Agreement is set out in Section 6.10 of the Prospectus lodged with ASX on 12 May 2023.

The Conditional Placement was approved by Metarock Shareholders on 11 May 2023. Settlement of the Conditional Placement and the issue of Subscription Shares to M Resources occurred today, 22 May 2023.

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Board changes effective today

Pursuant to the terms of the Subscription Agreement, Metarock has agreed that three persons nominated by M Resources may be appointed to the Board of Metarock as Directors (including an independent chair).

As previously announced:

- Murray Smith (nominated by M Resources) joins the Board today as a non-executive director;
- Colin Bloomfield, Gabriel Meena and Julie Whitcombe have today retired from the Board.

M Resources is expecting to nominate its two remaining director nominees after the Entitlement Offer has been completed.

M Resources becomes a substantial shareholder of Metarock

Upon completion of the Conditional Placement, M Resources has a relevant interest in 166,666,667 Shares, which will represent voting power in the Company of at least 51% upon the successful completion of the entire Capital Raising. M Resources will also have a relevant interest in 51,282,051 Options on completion of the Capital Raising.

Wilsons Corporate Finance Limited (**Wilsons**) is the Financial Adviser to the recapitalisation and Lead Manager to the Entitlement Offer. Clayton Utz is Legal Advisor on the recapitalisation and Entitlement Offer.

Further information

Further details of the Conditional Placement are set out in the Notice of General Meeting dated 11 April 2023 and the Prospectus and Investor Presentation dated 12 May 2023.

Approved for distribution by the Board of Directors of Metarock Group Limited.

Further information:

Paul Green, Managing Director - 07 4963 0400

Jeff Whiteman, Chief Financial Officer – 07 4963 0400

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