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31 January 2025

MASTERMYNE GROUP LIMITED (ASX CODE: MYE)
QUARTERLY ACTIVITY REPORT – DECEMBER 2024

Highlights

- FY25 Q2 EBITDA of $4.1 million 14% up on prior quarter (FY25 Q1: $3.6 million), despite a 10% fall in revenue to $56.2 million (FY25 Q1: $62.5 million). The former being due to a different revenue mix and the latter a consequence of reduced manning levels from 1 September 2024 at Anglo American's Grosvenor mine following the underground fire event in June 2024.

- Net cash of $31.9 million (FY25 Q1: $25.8 million) underpinned by positive net cashflow from operating activities of $6.7 million, being the fourth consecutive positive quarter, reflecting the benefits of the Company's refocus on its core operational capabilities.

- Successfully navigated the changes in manning at the Anglo American mines resulting from the Grosvenor event, with Mastermyne's contracts covering Moranbah North, Aquila and Grosvenor mines being extended to 5 April 2025. Discussions have commenced in relation to a potential further extension, with Anglo's Steel Making Coal sale to Peabody Energy expected to close in mid 2025.

- Contract executed in relation to Ventilation Control Devices Installation work scope at Peabody Energy's Centurion Mine, valued at approximately $15 million over 3 years.

- Twelve month extension executed in relation to Mastermyne's contract for Longwall Services at Whitehaven's Narrabri Mine through to October 2025, with an annual value of approximately $15 million. Mastermyne also continues to operate at Narrabri under its Development and Cut & Flit contracts.

- Mynesight successfully delivered an innovative digital training department solution for Coronado's new Mammoth mine.

- Several near-term contract opportunities spanning the range of Mastermyne's business units are under active discussion with a number of clients and targets.

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Mastermyne Group Limited (ASX Code: MYE) ("Mastermyne" or "the Company"), a Mining Services business specialising in underground operations, is pleased to release its Quarterly Activities Report (including unaudited results) and Appendix 4C for FY25 Q2.

Operations

Revenue of $56.2 million was $6.3 million below the prior quarter, predominantly as a result of a full quarter impact from the suspension of our primary services at Grosvenor Mine (announced 31 July 2024). Despite the lower revenue, EBITDA increased to $4.1 million (FY25 Q1: $3.6million) predominantly due to the revenue mix.

During the period, Anglo American announced the sale of its Steel Making Coal ('SMC') business to Peabody Energy on 25 November 2024. Mastermyne's Anglo contracts covering the Grosvenor, Aquila and Moranbah North mines, originally due to expire on 5 October 2024, were extended to 5 April 2025. Discussions have commenced in relation to a potential further extension, whilst the SMC sale process is expected to complete in mid 2025. Mastermyne is working towards retaining and potentially growing its ongoing work scope beyond FY25 Q3 as Peabody Energy takes ownership, through seeking to leverage our unparalleled credentials and depth of experience at these mines.

Our manning levels at Moranbah North mine, which had been approximately 225 roles prior to the Grosvenor fire, continue to be maintained, and our manning levels at Aquila mine have stabilized at 35-40 roles.

NSW operations, particularly ventilation works, continue to perform well and our Wilsons strata support business had a strong quarter, driven by robust demand for its products in supporting client operations.

MyneSight successfully launched an innovative, fully digital Training Department at Coronado's new Mammoth Underground mine, delivering the project on time and on budget. The project delivered significant administrative time savings to the client by streamlining processes with real-time competency tracking and automated compliance workflows.

In addition to the $47 million secured in new contracts and contract extensions during the quarter, the value of Mastermyne's opportunity pipeline has increased. This pipeline includes a number of near-term contract opportunities under active discussion.

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Quarterly cashflows

At the end of FY25 Q2, Mastermyne had $35.2 million in cash and up to $30.5 million of undrawn working capital facilities[1].

Overall net cash inflow for FY25 Q2 of $4.6 million (FY25 Q1: $4.5 million) represents the Group's continued commitment to operational stability and positive cashflow.

Net cashflow for Q2 comprised:

- Cash inflows from operating activities of $6.7 million for the quarter, increased from $3.9 million in the prior quarter.
- Cash flows from investing activities of $(0.8) million.
- Cash flows from financing activities of $(1.3) million relating to further debt reduction.

Please refer to the attached Appendix 4C for further details of the FY25 Q2 cashflows.

Debt facilities and position

There were no changes to the Group's working capital facilities during the current quarter. The maximum available working capital facilities remain at $30 million, under the debtor financing facility provided by Scottish Pacific Business Finance Pty Ltd ('ScotPac') with a minimum remaining term of 19 months. As at 31 December 2024, the ScotPac facility was undrawn.

Net cash as at 31 December 2024 was $31.9 million (FY25 Q1: Net cash $25.8 million).

Refer to Section 7 (and Appendix 1) of the attached Appendix 4C for further details of the Group's borrowing facilities.

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

Andrew Ritter, Company Secretary

Further information:

Peter Barker, Chair – 07 4963 0400

Jeff Whiteman, Managing Director and Chief Executive Officer – 07 4963 0400

[1] Invoice financing facility availability of funds for drawdown varies with the value of qualifying invoices.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
Mastermyne Group Limited	
ABN	**Quarter ended ("current quarter")**
96 142 490 579	31 December 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	73,077	141,916
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(18,944)	(36,618)
	(c) advertising and marketing	(28)	(61)
	(d) leased assets	(1,347)	(2,860)
	(e) staff costs	(42,343)	(84,326)
	(f) administration and corporate costs	(3,715)	(7,152)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	243	392
1.5	Interest and other costs of finance paid	(313)	(792)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	119	128
1.8	Other (provide details if material)	-	-
1.9	**Net cash from operating activities**	**6,749**	**10,627**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(800)	(894)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities (net of cash transferred)	-	334
	(b) businesses	-	-
	(c) property, plant and equipment	-	2
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from investing activities**	**(800)**	**(558)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	1,892
3.6	Repayment of borrowings	(1,334)	(2,840)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from financing activities**	**(1,334)**	**(948)**

4.	**Net increase in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	30,542	26,036
4.2	Net cash from operating activities (item 1.9 above)	6,749	10,627
4.3	Net cash from investing activities (item 2.6 above)	(800)	(558)
4.4	Net cash from financing activities (item 3.10 above)	(1,334)	(948)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**35,157**	**35,157**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	34,942	30,328
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	215	214
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**35,157**	**30,542**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (see Note 1 below)	378
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Note 1: Comprises:

- $116k payments of rent for business premises to Watty Pty Ltd, a company owned by Mr A. Watts
- $369k payments to Directors including termination payout
- $107k receipts from M Mining Pty Ltd for equipment hire.

Amounts paid and received are at arm's length and are subject to normal payment terms.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities (see Note 1 below)	3,290	3,290
7.2	Credit standby arrangements	-	-
7.3	Other (See Note 2 below)	30,213	85
7.4	**Total financing facilities**	33,503	3,375

7.5	**Unused financing facilities available at quarter end (see Note 3)**	30,128

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Note 1: Loan facilities comprise Equipment Finance term facilities and Insurance Premium Funding.

Note 2: Other comprises Invoice Finance Facility, Corporate Credit Card facility and Bank Guarantee facility. Only these unused facilities have been included in Item 8.3 below.

Note 3: Available funding has been determined as the difference between the facility limit and the drawn balance. Given the inherent nature of invoice finance facilities, the amount available to draw on a given day varies with the value of qualifying invoices.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from operating activities (item 1.9)	6,749
8.2	Cash and cash equivalents at quarter end (item 4.6)	35,157
8.3	Unused finance facilities available at quarter end (item 7.5)	30,128
8.4	Total available funding (item 8.2 + item 8.3)	65,285
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	*N/A*

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: *N/A*

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: *N/A*

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8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: *N/A*	

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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Appendix 1

Mastermyne Group Limited had access to the following undrawn borrowing facilities at the December 2024 quarter end:

	Facility Limit	Undrawn Amount
	$'000	$'000
Loans - Secured		
Equipment finance facility – term facilities (i)	2,722	-
	2,722	-
Loans - Unsecured		
Other finance facilities	568	-
Total Loans (7.1)	**3,290**	**-**
Other facilities - Secured		
Corporate credit card facility (ii)	130	128
Bank guarantee facility (ii)	83	-
Invoice finance facility (iii)	30,000	30,000
Total Other facilities – Secured (7.3)	**30,213**	**30,128**
Total facilities (7.4, 7.5)	**33,503**	**30,128**

(i) Equipment finance facility

Term facilities comprise agreements with De Lage Landen.

The facilities are fixed rate, Australian dollar denominated loans which are carried at amortised cost and repayable monthly in arrears over a term of up to five years. The specific term and interest rate varies by agreement and is set at the outset of each advance.

(ii) Corporate credit card and bank guarantee facilities

The corporate credit card and bank guarantee facilities are held with Westpac and are due to mature on 31 March 2025.

(iii) Invoice finance facility

The invoice finance facility held with Scottish Pacific Business Finance Pty Ltd commenced on 23 July 2024. The facility has a limit of $30 million with a minimum term of two years.

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