



Limited

2021

ANNUAL REPORT



CORPORATE DIRECTORY



MACA LIMITED

ABN 42 144 745 782

DIRECTORS

Geoff Baker

Non-Executive Chairman

Mike Sutton

*Chief Executive Officer and
Managing Director*

Linton Kirk

Independent Non-Executive Director

Robert Ryan

Independent Non-Executive Director

Sandra Dodds

Independent Non-Executive Director

Nick Marinelli

Independent Non-Executive Director

Peter Gilford

Company Secretary (Joint)

Nick Ward

Company Secretary (Joint)

REGISTERED OFFICE

45 Division Street

WELSHPOOL WA 6106

Telephone (08) 6242 2600

SOLICITORS

Aphelion Legal

Corporate and Commercial Law

PO Box 8250, South Perth,

PERTH WA 6151

AUDITORS

Moore Australia Audit (WA)

Exchange Tower

2 The Esplanade

PERTH WA 6000

SHARE REGISTRY

Computershare Investor

Services Pty Ltd

11 / 122 St Georges Terrace

PERTH WA 6000

STOCK EXCHANGE LISTINGS

MACA Limited shares are

listed on the Australian

Securities Exchange

ASX CODE : MLD

www.maca.net.au

CanDo

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ABOUT US

» OUR PURPOSE

Creating Sustainable Futures

» OUR VISION

Be Number 1 in what we do

» CORE VALUES

PEOPLE FIRST

We care for people and create a safe and enjoyable workplace. We treat them fairly, with integrity, honesty and respect

EXCEED EXPECTATIONS

We strive to exceed expectations of our people, clients and shareholders

CONTINUOUS IMPROVEMENT

We are committed to being a better business through continuous improvement and innovation

COMMUNITY

We show leadership and take responsibility for our community

ACCOUNTABILITY

We are personally accountable for delivering on our commitments. We do what we say

» OUR PROMISE

We Care
We are Flexible
We Deliver





Our purpose is at the heart of everything we do

It's about Creating Sustainable Futures as a business, so we can improve the lives of our people and the communities in which we live and work

OUR OPERATING BUSINESSES

MINING AUSTRALIA



- Modern fleet of surface mining equipment
- Load & haul mining contracts
- Bulk overburden removal
- Modern fleet of drilling equipment
- Complete blasting service utilising latest technology
- Expertise in gold, iron ore, lithium, nickel and other commodities

CRUSHING



- Modern fleet of crushing equipment including primary jaw crushers, secondary cone crushers and tertiary cone crushers
- Complete screening services utilising the latest technology with scalping screens, vibrating and fixed screens and single, double and triple deck screens

MINING INTERNATIONAL



- Equipment and operating techniques are used to meet client needs in diverse operating environments
- Load and haul
- Drill and blast
- International expertise in gold and copper projects

CIVIL CONSTRUCTION



- Civil bulk earthworks for the private / resource sector including mining, tailings storage facilities, roads, airstrips, camp pads, borefields and camp infrastructure
- Public works civil capabilities include roads and bridges, bulk earthworks, aerodromes, drainage and marine works

INFRASTRUCTURE MAINTENANCE



- Infrastructure capabilities and experience includes roads maintenance and construction, parks and gardens, specialist services, verge works, bridge works and safety barriers
- Asset management and maintenance segments in Australia

MACA INTERQUIP



- Delivering structural, mechanical and piping projects
- New and refurbished plant and equipment
- Consumables to the mineral processing sector of the resources industry
- Significant number of low to high lift cranes available

HISTORY

FY21 Highlights

\$1.2bn revenue

\$3.1bn+ work in hand

3,000+ employees

2021

Acquired Mining West business from Downer Mining

2020

Entered Cambodia at the Okvau Gold Project

2019

Commenced Crushing for BHP

2016

Acquired MACA Infrastructure and 60% MACA Interquip

2016

Acquired Alliance Contracting

2014

Entered Brazil

2011

MACA Civil began providing Civil & Infrastructure services

2010

Listed on ASX as MACA Limited

2007

Awarded 1st Crushing and Screening contract

2004

Awarded 1st contract with Regis Resources

2002

Mining and Civil Australia was founded in WA

BOARD OF DIRECTORS



Geoff Baker

Non-Executive Chairman
MAICD

Geoff is a founding shareholder of MACA and has worked in the mining services sector for 40 years, with a focus on plant maintenance and asset management in both operational and management positions. Geoff's previous Executive duties at the Company included responsibility for planning, operating strategy, capital expenditure and delivery of safety and financial outcomes on all projects.



Mike Sutton

*Chief Executive Officer
and Managing Director*

BSc in Civil Engineering, MAICD, MAusIMM

Mike is an experienced Civil Engineer with over 40 years' experience gained in various senior roles within the mining and civil contracting industries, having worked internationally with more than 20 years spent in Western Australia. Prior to joining MACA, Mike held the role of Chief Operating Officer at Downer EDI Mining for 10 years successfully growing the business from a low base. Prior to that Mike held senior roles with Leighton Contractors and Henry Walker Eltin. Mike holds a Bachelor of Science in Civil Engineering.



Linton Kirk

Independent Non-Executive Director
B Eng (Mining), FAusIMM (CP)

Linton has over 40 years' experience in mining and earthmoving, covering both open pit and underground operations in several commodities. He has held technical, operational and management positions in a variety of mining and mining service companies throughout the world prior to becoming a consultant in 1997. Mr Kirk holds a Bachelor of Engineering (Mining) degree from the University of Melbourne, is a fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and is a graduate of the Australian Institute of Company Directors.



Sandra Dodds

Independent Non-Executive Director
B Com, FCA, GAICD

Sandra has diverse and extensive global executive experience gained at ASX 100 and ASX 200 companies, focused on operations, finance, mergers acquisitions and corporate services. Sandra has a broad industrial background which has involved working in highly regulated environments in Australia, New Zealand and Asia. Sandra has a Bachelor of Commerce degree, is a fellow of Chartered Accountants Australia and New Zealand and a graduate from the Australian Institute of Company Directors. Ms Dodds resigned from MACA's board, effective 30 September 2021. Sandra is a Non-Executive Director at Beca Group Limited, Snowy Hydro Limited and Oceana Gold Limited.



Nick Marinelli

Independent Non-Executive Director
B Bus, GAICD

Nick has over 35 years' industry experience in the Construction, Infrastructure Services and Utilities sectors. He was the CEO of Fulton Hogan Australia between 2017 and 2019, during which time he grew the business into new sectors and geographies, in addition to leading commercial acquisition activities, new venture start-ups, marketing, business development and technology. Prior to joining Fulton Hogan in 2009, Nick held senior positions with Rinker Australia, Cemex Australia, Pioneer Construction Materials and Pioneer International, both locally in Australia and overseas. Nick has a Bachelor of Business degree and is a graduate member of the Australian Institute of Company Directors. He is also a Non-Executive Director of the Australian Road Research Board.



Robert Ryan

Independent Non-Executive Director
MIEAust, MAICD

Robert brings over 40 years' experience in civil engineering and construction to the Board. For 10 years he worked at a senior level for a significant public company working in engineering services. Prior to that Robert ran the Western Australian civil division of that business for 4 years contributing at a strategic level to the senior management group whilst the civil business established itself throughout Australia. During that time the business experienced significant growth. Mr Ryan later accepted a strategic role aligned to business growth and improvement, working on specific tasks both in Australia and overseas, reporting directly to the CEO of the infrastructure division. Robert was also a partner in a successful civil earthmoving business for 12 years.



MACA has strengthened its Board and Executive Management team during the year

and is well positioned to capitalise on a growing set of opportunities

CHIEF EXECUTIVE TEAM



From L to R: David Greig, Mike Sutton and Peter Gilford

David Greig

Chief Development Officer

B Com, GAICD

David has over 20 years' experience in international mining, construction, maintenance, and infrastructure industries. Early in his career David worked for OEM's in Kalgoorlie, Western Australia and the USA. This was followed by 12 years as a Regional General Manager for an international mining equipment and maintenance company, spending 6 years working in Australia and more recently 6 years in North and South America.

Mike Sutton

*Chief Executive Officer
and Managing Director*

BSc in Civil Engineering, MAICD, MAusIMM

Mike is an experienced Civil Engineer with over 40 years experience gained in various senior roles within the mining and civil contracting industries, having worked internationally with more than 20 years spent in Western Australia. Prior to joining MACA, Mike held the role of Chief Operating Officer at Downer EDI Mining for 10 years successfully growing the business from a low base. Prior to that Mike held senior roles with Leighton Contractors and Henry Walker Eltin. Mike holds a Bachelor of Science in Civil Engineering.

Peter Gilford

*Chief Financial Officer
and Company Secretary*

B Com, CA, AGIA, ACIS

Peter is a finance professional with experience in the areas of financial management, accounting, treasury, insurance, taxation, debt and equity funding. He has provided services to a large number of mining, exploration and construction companies. Peter holds a Bachelor of Commerce and a Graduate Diploma in Applied Corporate Governance. Peter is a member of the Institute of Chartered Accountants in Australia and New Zealand and an associate member of the Governance Institute of Australia.

EXECUTIVE TEAM



Tim Gooch
*General Manager
Mining*

Tim is a qualified mining engineer from Camborne School of Mines in the UK. His 30 years in the mining industry has seen him work in the UK, South & West Africa, Canada and 25 years based here in Australia.



Jim Rayner
*General Manager
Mine Development*

Jim is a mining engineer with more than 40 years' experience in the mining industry. Jim has held senior operational positions with contracting companies delivering open cut, underground and crushing services.



Barry Criddle
*General Manager
Mining*

Barry has over 30 years experience in Mining and Processing, predominately in iron ore in Australia, with additional experience in gold and manganese and international mining operations in Europe and South America.



Mark Davidovic
*General Manager
Civil & Infrastructure*

Mark is a professional civil engineer with over 26 years' experience in both resource and public sector infrastructure developments. Mark has held senior roles with some of Australia's largest servicing companies.



Linda Devereux
*General Manager
People*

Linda has more than two decades of experience in HR/ Corporate Services positions and has worked across a diverse range of private and ASX listed organisations.



Lance Matthews
*General Manager
HSEQT*

Lance has more than 20 years of experience in both mining and civil works, and throughout his career he has worked in a variety of senior roles.



Tony McClure
*General Manager
MACA Interquip*

Tony for the past 25 years has held senior management roles across the oil and gas, mining, construction, engineering services and fabrication industries.



Andrew Smith
*General Manager
Commercial*

Andy has held senior commercial roles over the last 25 years in Europe, the Americas and in Western Australia for both operators and service contractors.



Michael Hunt
*General Manager
Estimating and
Technical Services*

Michael has over 24 years of experience in estimating and technical services within the mining and civil industries, and has held senior roles with mining contractors for over 15 years.



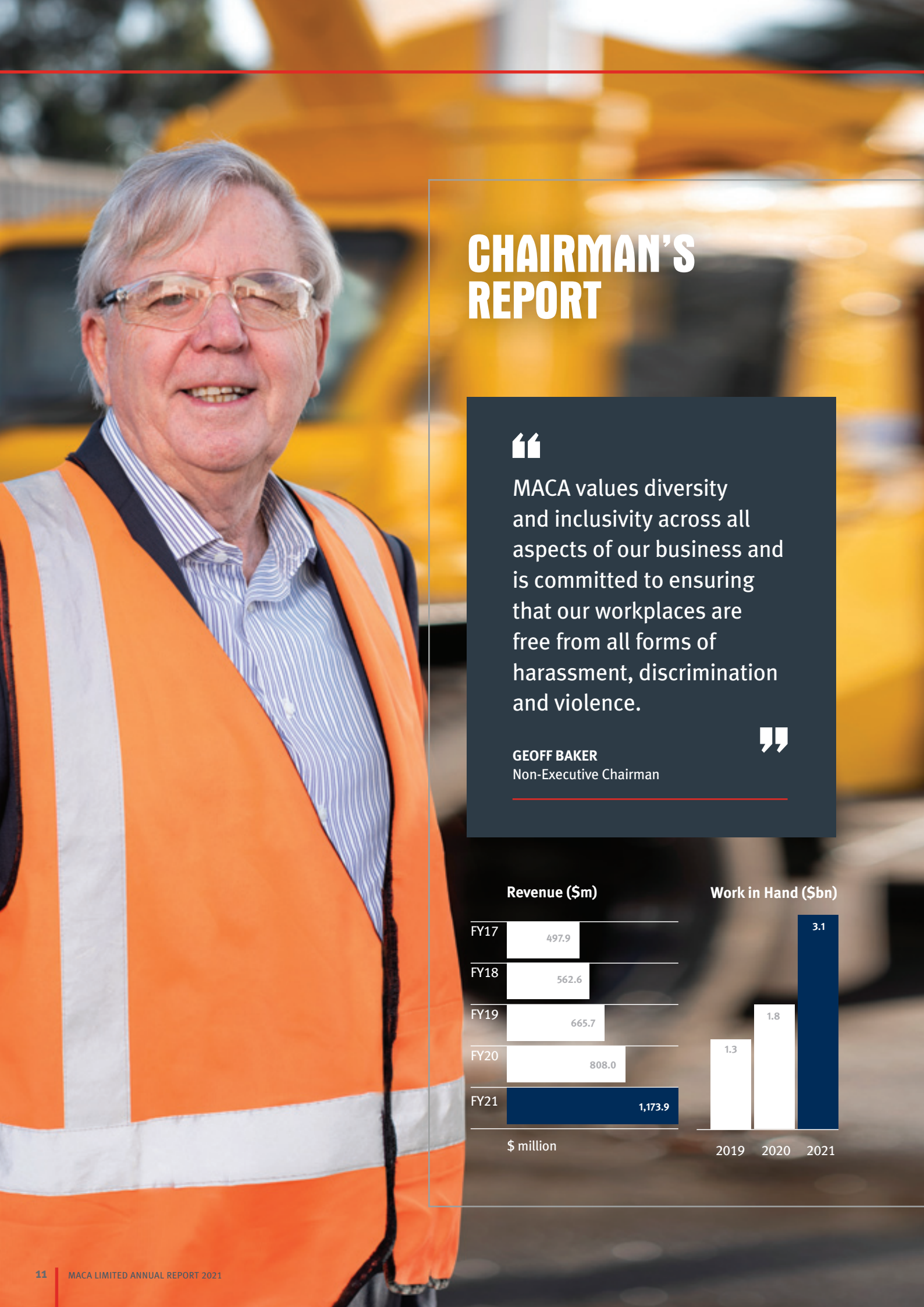
Blake Stanley
*General Manager
Crushing*

Blake has spent the last 30 years in crushing quarrying processing and the mining industry, and has held management positions for the last 20 years across a broad range of commodities with a number of ASX 100 companies.



Adam Struthers
*General Manager
Plant*

Throughout Adam's 25 year career he has worked for contractors, hire companies and OEM's in the maintenance industry. Adam has over 20 years' experience in the mining sector, including 15 years in managerial positions.



CHAIRMAN'S REPORT

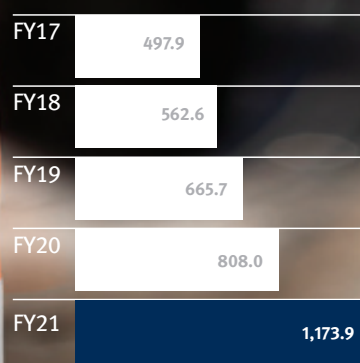


MACA values diversity and inclusivity across all aspects of our business and is committed to ensuring that our workplaces are free from all forms of harassment, discrimination and violence.



GEOFF BAKER
Non-Executive Chairman

Revenue (\$m)



\$ million

Work in Hand (\$bn)



2019 2020 2021

It is with great pleasure I present the MACA Limited ("MACA" or "the Company") 2021 Annual Report, my first in the role of Non-Executive Chairman.

MACA has seen improved performance during 2021 in our underlying business operations, again achieving record levels of revenue and work in hand, alongside a positive recovery in our EBITDA and NPAT margins.

Our financial results before acquisition costs and Bluff costs were largely in line with guidance provided to the market, with revenue of \$1,174m and EBITDA of \$162.1m.

I commend our Executive Leadership Team, led by CEO Mike Sutton, for demonstrating strong leadership and commitment over the previous 12 months, and in particular navigating the Company through the continuing COVID-19 pandemic. I also acknowledge all of our managers, employees and contractors who have diligently followed the evolving health advice given by Federal and State governments across all of our operating regions, negotiating the numerous border and travel restrictions.

I express my gratitude to all 3,000 plus members of our workforce, including the 700 Mining West employees who joined us in February 2021, for the resilience they have demonstrated and their commitment to working with our clients to safely deliver our services. Health and safety remains the highest priority of MACA, and it is pleasing to see continued improvement in our safety statistics, with MACA's total recordable injury frequency rate decreasing by 41% to 3.9 during the year.

MACA's acquisition of the Mining West business significantly enhanced the Company's scale and diversity in our Mining division by adding four projects. The acquisition has performed in line with our high expectations since completion, which is a testament to the management, project and integration teams for their hard work.

In November we farewelled Mr Andrew Edwards as Non-Executive Chairman of the MACA Board, and welcomed Sandra Dodds and Nick Marinelli as Non-Executive Directors, who both bring a broad range of experience to the MACA Board, having extensive operational and management experience across the Australian infrastructure sectors.

We consider that the positive market conditions will continue to persist across the mining and civil construction sectors, and the Company is actively pursuing many mining, civil and infrastructure opportunities. As previously announced, MACA is expecting revenue of \$1.4 billion in FY22, of which \$1.2 billion is currently secured.

Your Directors have declared a final dividend of 2.5 cents per share, taking the total dividends for the year to 5.0 cents fully franked. This dividend has been set having regard to the recent level of earnings and the desire to retain sufficient funds for equipment and working capital investments required to support future projects.

We will continue to position MACA for future years by pursuing appropriate organic and inorganic growth opportunities and diversification. MACA remains focused on operational productivity and other initiatives to improve and protect margins in our drive to bolster earnings sustainability. Importantly, the Company's strong balance sheet provides MACA with the capacity to pursue the right opportunities to achieve its long-term growth strategy.

MACA's acquisition of the Mining West business significantly enhanced the Company's scale and diversity

The acquisition has performed in line with our high expectations since completion.

On behalf of the Board, I would like to take this opportunity to thank our shareholders, as well as all of MACA's other stakeholders, for their continued support, and in particular our dedicated people for their commitment and contribution during the year.



Geoff Baker
Non-Executive Chairman

REVIEW OF OPERATIONS

It is with great pleasure that I present MACA’s Review of Operations for the financial year ending 30 June 2021.

Before commenting on the operational and financial results, I would like to thank all of our valued employees and contractors for their significant contributions this year. The COVID-19 pandemic still continues to present challenges for our workforce with border and travel restrictions, however our people continue to respond positively to the evolving requirements and have made great contributions to help achieve another year of strong growth.

The successful acquisition of the Mining West business, completed in February 2021, has made a significant contribution to the strategic development of the Company, doubling the size of our Mining division. This acquisition has provided MACA with additional geographical spread, increased scale, capability and commodity diversification for our Mining Business.

MACA’s statutory earnings were impacted by the one-off costs relating to the Mining West acquisition, in addition to costs of relating to the cessation of the Bluff mining project and other one-off costs relating to MACA’s discontinued Brazilian operations.

MACA continues to progress its diversification and growth strategy, delivering a strong result with record revenue and an increase in underlying earnings.

¹ The underlying result is a non-IFRS measure that is used to assess the underlying performance of the business, adjusted of one-off items and discontinued operations. Non-IFRS measures have not been subject to audit or review.

Financial Year Highlights:

- 45% increase in revenue to \$1,174 million
- Underlying EBITDA¹ increased to \$162.1 million (up 40% on pcp)
- Operating cash flows of \$118.8 million (EBITDA cash conversion of 85%)
- Cash balance of \$122.3 million
- Net debt of \$180.2 million

SAFETY

MACA is committed to delivering work safely and continuously improving our safety performance.

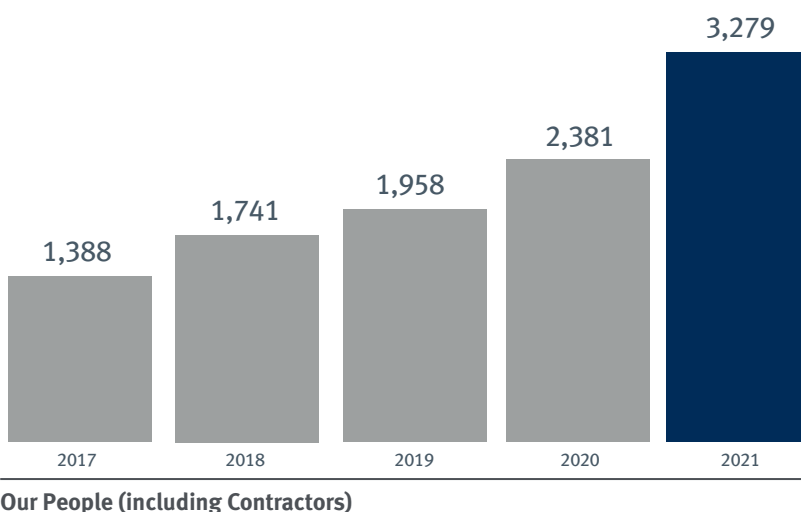
Creating a safe working environment for our employees remains our highest priority. Our total recordable injury frequency rate is 3.9 at 30 June 2021, down 41% from 6.6 at 30 June 2020.

OUR PEOPLE

MACA was delighted to increase its employee base by c.700 in the year with the acquisition of the Mining West business. In excess of 96% of the Mining West workforce accepted employment with MACA.

Notwithstanding the new employees MACA has successfully added into the business, COVID continues to have a major impact on the Mining and Construction sector’s ability to source candidates domestically and locally, and these industries have experienced unprecedented competition for labour in FY21.

MACA continues to positively react to labour market challenges, with many initiatives underway across the business, including: rate adjustments, one-off non-recurring incentive payments, further investment in trainees, apprenticeships and leadership programs, recruitment bonuses, employee culture surveys, deployment of a parental leave policy and increased employer branding on social media.





In FY21, MACA has made significant progress on our strategic vision to become a national, full service contractor. This has included a material acquisition, an organisational restructure, continued diversification and progress on legacy issues.

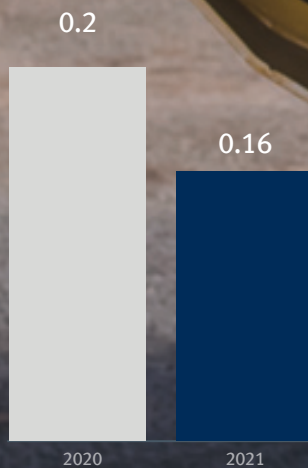


MIKE SUTTON
Review of Operations
Managing Director

2021 Safety TRIFR



2021 Safety LTIFR



FY 21 KEY POINTS





MACA welcomed 700 employees with the acquisition of the Mining West business.

MACA continues to implement a number of initiatives in order to attract and retain it's workforce.



AREAS OF OPERATION

-  MACA OFFICES
-  MINING
-  MINING WEST SITES
-  CIVIL & INFRASTRUCTURE
-  CRUSHING
-  INTERQUIP
-  OPERATIONS CEASED

24 Emerald Resources
Okvau Gold

CAMBODIA

1 MainRoads WA
Kimberley Road Maintenance

2 Pilbara Minerals
Pilgangoora

3 BHP
Mining Area C
Eastern Ridge
WAIO

4 Atlas Iron
Sanjiv Ridge

6 Mt Webber Crushing

7 Capricorn Metals
Karlwinda Gold

8 MainRoads WA
Karratha / Tom Price Road

9 FMG
Iron Bridge
10 Eliwana

11 CITIC Pacific
Cape Preston

12 Ramelius Resources
Mount Magnet

13 Adaman Resources
Kirkalocka

14 Ansteel
Karara Iron Ore Project

15 Fenix Resources
Iron Ridge

17 Ramelius Resources
Edna May
Tampia

18 First Quantum Minerals
Ravensthorpe

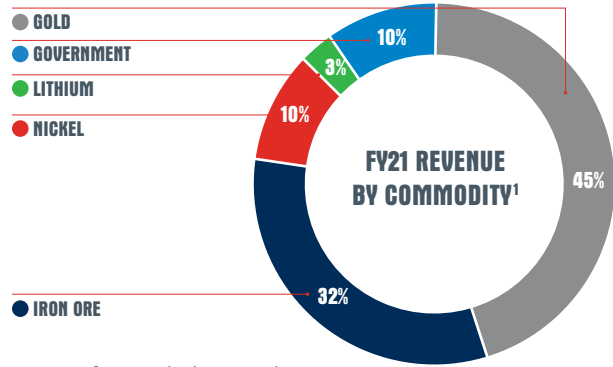
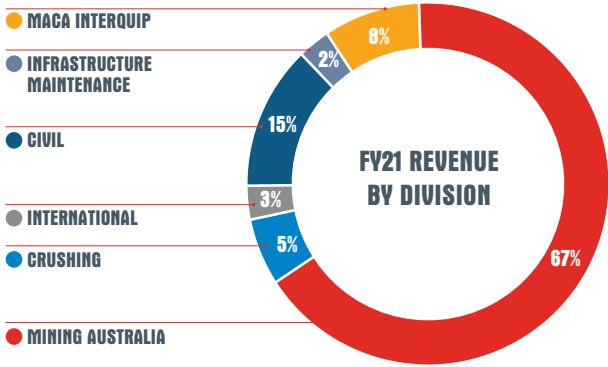
19 Regis Resources
Duketon South
Moolart Well

20 Wiluna Mining
Matilda Gold

21 Red 5 Limited
King of the Hills

23 The Gruyere Joint Venture
Gruyere Gold Project





¹ Revenue from continuing operations (excludes discontinued and ceased operations)



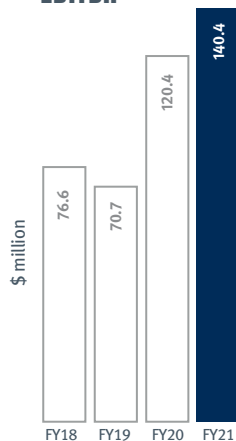
REVIEW OF OPERATIONS CONTINUED

PERFORMANCE

REVENUE



EBITDA



NPAT



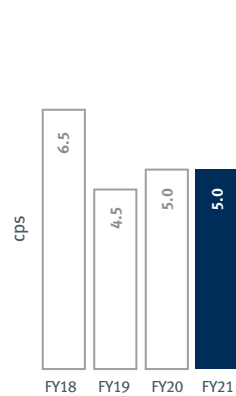
OPERATING CASH FLOW



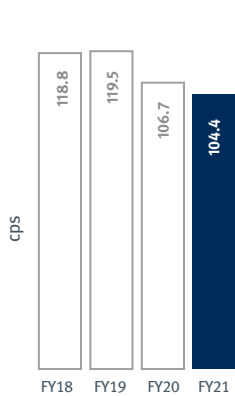
WORK IN HAND



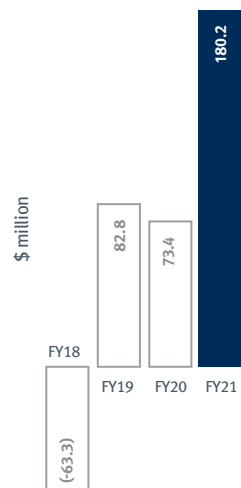
DIVIDENDS



NET TANGIBLE ASSETS



NET DEBT / (CASH)



MOMENTUM FOR GROWTH

- Record revenue \$1.2bn in FY21, to increase in FY22
- Strong balance sheet, disciplined capital management
- Work in hand increased to \$3.1bn
- \$11bn pipeline of organic growth opportunities
- Acquisition of Mining West now successfully integrated
- Commodity, client and service diversification
- 3,000+ valued employees
- 12.5%+ annualised TSR since listing in 2010
- Entering MACA's 20th year of operations

GROWTH STRATEGY

RUN



EXCELLENT OPERATIONS

Applying continuous improvement to get better at what we do.

- Improve year on year safety performance on all MACA projects
- Apply continuous improvement in productivity and resource allocation to meet or exceed tendered parameters on all projects

GROW



NEW HORIZONS

Pursue profitable growth in new markets and services.

- Identify and capture sustainable and profitable growth by increasing market share in existing markets
- Further grow MACA by identifying and successfully entering new geographies / markets

TRANSFORM



MACA OF THE FUTURE

Building the systems and structures that support our growth.

- Clear competitive advantage through efficient and effective people, process and systems
- Improved and sustainable margins delivered through a Digital and Process driven approach to business activities

REVIEW OF OPERATIONS CONTINUED

FINANCIAL REVIEW

OVERVIEW

MACA has seen improved performance during 2021 in our underlying business operations, again achieving record levels of revenue and work in hand, alongside a positive recovery in our EBIT and NPAT margins from FY20. Our underlying financial results were revenue of \$1,173m, EBITDA of \$162.1m (\$140.4m reported) and NPAT of \$38.8m (\$20.7m reported). Statutory results included one-off Mining West acquisition costs, Bluff cessation costs and other items considered as one-off in nature, resulting in a statutory Net Profit After Tax of \$20.7m.

BALANCE SHEET AND GEARING

With an increase in revenue and assets employed, and following an equity raising and acquisition facility to support the Mining West acquisition, the Group as at 30 June 2021 remains in a strong financial position with a net debt position of \$180.2m (2020: \$73.4 million) and with cash on hand of \$122.3m.

OPERATING CASH FLOW AND CAPITAL EXPENDITURE

Operating cash flow for the year ended 30 June 2021 was \$118.8 million, with strong operational cash flows in the second half of the year. Capital expenditure for the financial year was \$146.7 million, with equipment purchases funded by a combination of cash and equipment finance contracts. This is largely associated with growth capex for the Karlawinda, Sanjiv Ridge and Iron Ridge projects, in addition to the acquisition of the Mining West business (which was undertaken as an asset only acquisition, and funded by a combination of an equity raising and acquisition loan facility).

DIVIDEND

On 23 August 2021, the Board of MACA Limited declared a fully franked final dividend of 2.5c per share with a record date of 3rd September 2021 and payment date of 17th September 2021. This payout is consistent with our targeted guidelines and the Board's objective to provide a return to shareholders whilst still retaining the financial capacity to support our growth plans. The total dividend paid during the year was \$15.2 million (2020: \$13.4 million).

ORDER BOOK

MACA's work in hand has increased substantially over the previous two years, from \$1.3bn at August 2019 to \$3.1bn at August 2021. Our pipeline of organic growth opportunities of \$11bn across the Mining, Civil & Infrastructure and Interquip divisions, of which \$3.7bn relate to mining opportunities with existing clients, is expected to deliver material opportunities to MACA, some of which are anticipated to commence in FY22.

OUTLOOK

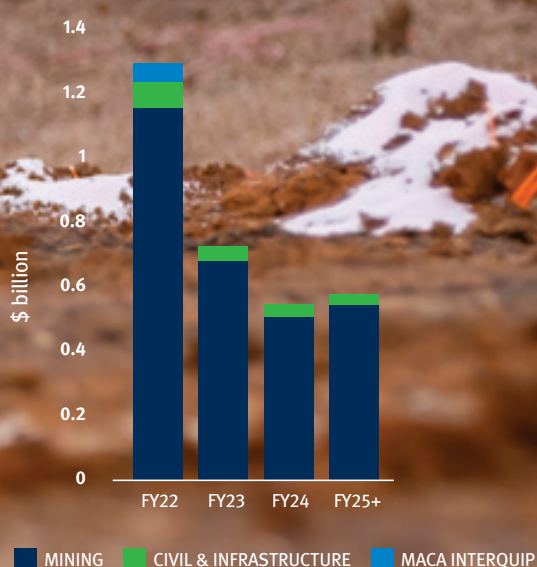
The improved performance of MACA's enlarged Mining Division is expected to be maintained in the coming year as the renewed focus on operational performance continues to deliver results. Strong commodity prices, particular in gold and iron ore, continue to generate new opportunities that will support further growth. The Mining Division enters FY22 with c.\$1.2bn of secured work in hand and MACA remains well positioned to add to its record order book.

Notwithstanding the strong commodity and sector outlook for Mining, MACA expects the labour market to remain tight as COVID-19 restrictions continue to impact on the sector's ability to source candidates domestically and locally. MACA will continue to positively react to these challenges, with initiatives underway across the business as previously noted.

The Civil and Infrastructure businesses benefited from increased activity in the development of new resource projects in FY21 which is expected to continue into FY22. Whilst Victoria continues to remain challenging due to the impacts and restrictions of COVID19, the division remains well positioned. MACA Interquip entered FY21 with \$55m of work in hand and has recently received a \$37m letter of intent from Norton Goldfields in relation to the Binduli North Heap Leach project.

Recent organisational changes have added management capability and streamlined reporting processes consistent with our growing business. These changes are expected to provide an increased focus on business opportunities together with optimising operational delivery. Improvements to metallurgical coal prices have enabled significant progress of the recovery of monies owed to MACA by Carabella, with the sales process for assets held as security progressing, and sales proceeds are expected to cover the carrying value of outstanding receivables. Any sales proceeds from the Carabella assets will have a positive impact on MACA's cash flows in FY22. Additionally, the redeployment of fleet from the Bluff project late in FY21 to existing MACA projects is expected to benefit FY22.

FY22 - FY25+ WORK IN HAND RUN-OFF



REVIEW OF OPERATIONS CONTINUED

OPERATIONAL REVIEW

MACA has structured its business reporting into segments, Mining & Crushing, Civil Construction & Infrastructure Maintenance and MACA Interquip. I have provided the highlights of each of the business units below:

MINING AND CRUSHING

Operational activities have grown significantly in mining, with MACA continuing its contract mining operations for Regis Resources at the Duketon South and Duketon North operations, with Ramelius Resources at the Mount Magnet, Edna May and Tampia projects, with Pilbara Minerals at the Pilgangoora lithium project, FQM Australia Nickel at the Ravensthorpe Nickel Project, and for three new projects commencing in FY21 being Capricorn Karlawinda, Fenix Iron Ridge and Atlas Sanjiv Ridge.

Additionally, MACA has welcomed four new projects following the acquisition of the Mining West business, for Fortescue Metals Group at the Eliwana project, Karara Mining at the Karara project, Gruyere JV (Gold Fields and Gold Road) at the Gruyere project and Sino Iron at the Cape Preston project.

Operations ceased for Wiluna Mining at the Matilda project and for Carabella Resources on the Bluff PCI coal project (due to client voluntary administration).

Internationally, MACA continues to provide mining services at the Okvau Gold Project in Cambodia, which mobilised and commenced operations in FY21. This is a credit to a dedicated team who have achieved this successful project commencement during a pandemic. MACA has ceased all Brazil operations and is currently winding up its in-country entities.

MACA continued to deliver on its crushing contracts for BHP Iron Ore during the year, which included a contract to crush blast-hole stemming material across its Western Australian Iron Ore operations, a contract to crush and screen up to 12Mtpa at the Mining Area C operation, and a contract to crush and screen up to 5Mtpa at the Eastern Ridge operations. Additionally, MACA performed crushing activities for Atlas Iron at their Mt Webber operations which ceased in June 2021, for Fortescue Metals Group at their Iron Bridge and Eliwana operations for stemming material, and minor projects for Regis Resources and other gold producers.

Project	Client	Location	Services	Commodity	Status
Duketon Operations	Regis Resources	Goldfields, WA	Open Pit Mining Services	Gold	Ongoing
Mount Magnet, Edna May, Tampia	Ramelius Resources	Murchison, WA	Open Pit Mining Services	Gold	Ongoing
Pilgangoora	Pilbara Minerals	Pilbara, WA	Open Pit Mining Services	Lithium	Ongoing
Ravensthorpe	FQM Australia Nickel	Goldfields, WA	Open Pit Mining Services	Nickel	Ongoing
Karlawinda	Capricorn Metals	Pilbara, WA	Open Pit Mining Services	Gold	Ongoing
Iron Ridge	Fenix Resources	Murchinson, WA	Open Pit Mining Services	Iron Ore	Ongoing
Sanjiv Ridge	Atlas Iron	Pilbara, WA	Open Pit Mining Services	Iron Ore	Ongoing
Eliwana	Fortescue Metals Group	Pilbara, WA	Open Pit Mining Services	Iron Ore	Ongoing
Karara	Karara Mining	Murchinson, WA	Open Pit Mining Services	Iron Ore	Ongoing
Gruyere JV	Gold Fields and Gold Road	Goldfields, WA	Open Pit Mining Services	Gold	Ongoing
Sino Iron	Cape Preston	Pilbara, WA	Open Pit Mining Services	Iron Ore	Ongoing
Okvau	Emerald Resources	Cambodia	Open Pit Mining Services	Gold	Ongoing
Matilda	Wiluna Mining	Goldfields, WA	Open Pit Mining Services	Gold	Ceased
Bluff PCI	Carabella Resources	Bowen Basin, QLD	Open Pit Mining Services	PCI Coal	Ceased
Mining Area C	BHP	Pilbara, WA	Crushing & Screening	Iron Ore	Ongoing
Eastern Ridge	BHP	Pilbara, WA	Crushing & Screening	Iron Ore	Ongoing
WAIO Stemming	BHP	Pilbara, WA	Crushing & Screening	Iron Ore	Ongoing
Mt Webber	Atlas Iron	Pilbara, WA	Crushing & Screening	Iron Ore	Ceased
Duketon Operations	Regis Resources	Goldfields, WA	Crushing & Screening	Gold	Ongoing
Eliwana	Fortescue Metals	Pilbara, WA	Crushing & Screening	Iron Ore	Ongoing



REVIEW OF OPERATIONS CONTINUED

INFRASTRUCTURE MAINTENANCE

In both Western Australia and Victoria smaller long-term infrastructure works involving road maintenance continued. MACA was delighted to extend its Main Roads WA Kimberley maintenance contract for five years during FY21.

Project	Client	Location	Services	Commodity	Status
Western Region	VicRoads	Western Victoria	Road & Roadside Maintenance	Government	Ongoing
Kimberley	Main Roads WA	Kimberley, WA	Road Maintenance	Government	Ongoing
Various maintenance packages	Local Shires & Councils	Victoria	Various	Local Government	Completed / Ongoing

CIVIL CONSTRUCTION

The Civil business continues to contribute to MACA's growth and diversification, and has benefited from increased scale of the combined MACA business and a heightened focus on project delivery. MACA's recent upgrade to R4/B3 conditional under the National Prequalification Scheme has enabled MACA to participate in and pursue larger road and bridge projects in capital cities for various road agencies around the country.

During FY21 the Civil division completed a section of the Karratha / Tom Price Road for Main Roads Western Australia, and a number of works packages for Fortescue Metals Group Ltd, including general earthworks, camp expansion, construction of a 26km mine access road, construction of the explosive facility and further road upgrades. MACA also completed work for Atlas Iron on the Sanjiv Ridge haul road. The South West Gateway Alliance (of which MACA is a 10% participant) was awarded the Bunbury Outer Ring Road, a \$852 million project to construct a 27km, four-lane, high-standard road from Forrest Highway near Australind to Bussell Highway, south of Bunbury.

In Victoria, the business has underperformed and as a result the business has recently been restructured and refocused on core skills. Positively, MACA was selected by Major Road Projects Victoria to undertake the Golf Links Road upgrade in Langwarrin South along with a number of minor works contracts with VicRoads and local Victorian shires.

Project	Client	Location	Services	Commodity	Status
Karratha / Tom Price Road	Main Roads WA	Pilbara, WA	Road construction and sealing	Government	Completed
Iron Bridge Magnetite Project	Fortescue Metals Group	Pilbara, WA	General Earthworks, camp expansion, construction of a 26km mine access road, construction of explosive facility and further road upgrades	Iron Ore	Completed
Hay Street Bridge	Main Roads WA	Perth, WA	Bridge replacement	Government	Completed
Atlas Iron	Sanjiv Ridge	Pilbara, WA	Haul Road	Iron Ore	Completed
King of the Hills	Red 5 Limited	Goldfields, WA	General Earthworks	Gold	Completed
South West Gateway Alliance – Bunbury Outer Ring Road	Main Roads WA	South West, WA	Construct of a 27-Kilometre, Four-lane, high-standard road	Government	Ongoing
Golf Links Road Upgrade	Major Road Projects Victoria	Frankston, Vic	Pavement rehabilitation, roundabout upgrade and road safety improvements	Government	Ongoing

MACA INTERQUIP

MACA Interquip was awarded the Engineering Procurement & Construction (EPC) contract for the Red 5 King of the Hills gold project in FY21, encompassing the KOTH processing facility, equipping of the bore fields, high voltage power distribution, workshop, warehouse and bulk earthworks. This is in addition to the supply contract previously awarded to MACA Interquip for the SAG Mill and gyratory crusher.

MACA Interquip also conducted a number of minor projects throughout FY21, including maintenance and support to Adaman Resources at the Kirkalocka Gold project, support to Capricorn at the Karlawinda Gold project (including fabrication, steelwork and personnel), in addition to various minor works packages for BHP, Saracen, Wiluna Mining Corporation, Tropicana JV, Norton Gold and other entities.

Project	Client	Location	Services	Commodity	Status
King of the Hills	Red 5 Limited	Goldfields, WA	SAG Mill and gyratory crusher	Gold	Completed
King of the Hills	Red 5 Limited	Goldfields, WA	Processing facility, equipping of the bore fields, high voltage power distribution, workshop, warehouse and bulk earthworks	Gold	Ongoing
Kirkalocka	Adaman Resources	Murchinson, WA	Maintenance	Gold	Completed
Karlawinda	Capricorn Metals	Pilbara, WA	Fabrication, steelwork	Gold	Completed
Various	BHP	WA	Minor work packages	Iron Ore	Completed
Carosue	Saracen	Goldfields, WA	Minor work packages	Gold	Completed
Wiluna	Wiluna Mining	Goldfields, WA	Support	Gold	Completed



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

MACA recognises the importance of Environmental, Social and Governance (ESG) outcomes in delivering long-term sustainable performance and shareholder value.

Our purpose is about Creating Sustainable Futures as a business, so we can improve the lives of our people and the communities in which we live and work.

This means that we actively incorporate ESG outcomes into our risk-based decision-making process, and ensure we operate responsibly to minimise the impact to our people, our environment, and the communities in which we operate.

As part of our Health, Safety and Environment management system we actively consider the lifecycle aspect to environmental decision-making to reduce MACA’s environmental footprint. We also ensure that we are exploring innovative ideas that will result in reducing emission discharges, wastes, energy usage and resource consumption.

Due to growth within our business, we are revising our policies and procedures to ensure that they are in line with the Global Reporting Initiative (GRI) Standards and the UN Sustainability Goals along with enhancing data collection of sustainability parameters for clear and transparent reporting in future years.

ENVIRONMENTAL

MACA’s ISO AS/NZS 14001 certified Environmental Management System provides the framework to enhance environmental performance. We continued to implement environmental management plans and procedures to ensure compliance with all legal and client requirements regarding important issues such as waste, flora and fauna, hazardous substances, noise, water and cultural heritage management. We are pleased to report that there were no major environmental incidents, prosecutions or infringements during the reporting year.

MANAGING OUR ENVIRONMENT IMPACTS

MACA recognises that climate change is a complex and challenging issue. We are committed to working with our clients to understand climate-related risks and opportunities to reduce the effects of carbon emissions across our operations.

ENVIRONMENTAL EMISSIONS

In 2020/2021 MACA completed an assessment of our statutory Environmental Reporting requirements for our Australian Operations.

The majority of our operations are under the operational control of the client who is the registered reporting body, and as such MACA does not meet the requirements to report under the National Greenhouse and Energy Reporting scheme (NGERs) or the National Pollutant Inventory (NPI). MACA works hard to provide quality data to our clients to enable them to meet their reporting obligations.

CARBON EMISSIONS

MACA have adopted the principals, methodology and emission factors from the NGERs Act 2007 legislation suite to capture annual emission source data in order to calculate the carbon emissions that have been directly generated as a result of our project activities – these are known as Scope 1 emissions, and they have been reported to our clients who have included them within their own facility emission reports.

The primary source of Scope 1 emissions for MACA operations is diesel fuel used in road registered and off-road vehicles. Incidental sources of Scope 1 emissions also can include the used of unleaded petrol, acetylene, LPG, oils and greases.

Scope 2 emissions are from the purchased electricity for our offices and are also calculated using the state-based grid factors from the NGERs legislation for the appropriate year.

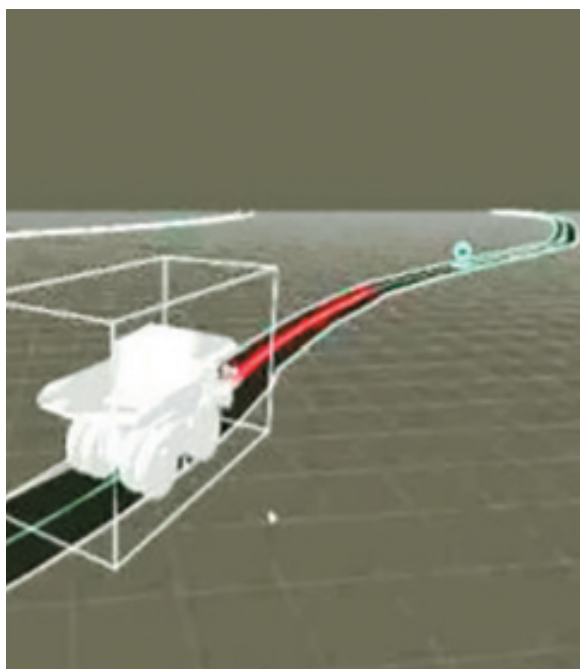
Greenhouse Gas Emissions	FY2020	FY2021
Total Scope 1 CO ₂ -e Tonnes	2,925	2,888
Total Scope 2 CO ₂ -e Tonnes	179	370

DUMP TRUCK ELECTRIFICATION INVESTIGATION

MACA is collaborating with Mitsui, AVL and other global industry leading battery and engineering companies to investigate the electrification of dump trucks, including replacement of diesel driveline with sustainable alternatives. The current focus is on battery design and packaging. In parallel, studies are being undertaken on cycle simulations to ensure that the program is economic. Preliminary studies indicate that there is an economic application on certain mining activities.

SAFEAI COLLABORATION

MACA is also collaborating with SafeAI, a Silicon Valley based company to develop an autonomous proof of concept at one of our client's existing operations. SafeAI is a global autonomous heavy equipment company focused on retrofitting heavy equipment for autonomous applications in mining and construction. SafeAI builds software with advanced, industry-specific AI to enable equipment owners to upgrade existing machines into self-operating robotic assets. If this program is successful, it will enable more efficient operation of machinery, which will in turn reduce diesel usage and the resulting emissions.



BIODIVERSITY AND LAND MANAGEMENT

0

Significant Environmental Incidents

0

Heritage Breaches

MACA places great importance on ensuring that there is minimal impact to the environments in which we operate. We appreciate and respect the significance of the cultural heritage sites and will continue to work with traditional landowners and our clients to ensure that we don't disturb or negatively impact cultural heritage sites around us.

We are proud to report that we have had no significant environmental incidents or heritage breaches this financial year, and we will continue to take the necessary steps to ensure this statistic remains consistent in the future.



Waste and Recycling

MACA actively engages in waste and recycling initiatives on our sites to reduce our environmental footprint. We have developed and implement waste management guidelines with the objective to minimise the generation of waste where possible, maximise the proportion of waste we reuse or recycle, avoid creating areas of contamination, abide by all regulatory requirements for waste management and dispose of non-recyclable solid waste appropriately.

DRILL STEEL RECYCLING

MACA actively recycles drill consumables across our mining sites. A payment is received from recyclers for this initiative, and the money is donated back into the MACA Cancer 200 Ride for Research charity event.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

GENERAL RECYCLING AND WASTE MINIMISATION

We seek to reuse or recycle as much as possible before sending to landfill or incineration. Recycling on site is undertaken whenever possible. Sites recycle scrap metals and return waste oils, batteries and tyres to contractors for repurposing or recycling. Operating in remote areas means we rely on single-use plastic and packaging for many essential items. We are working to eliminate single-use plastic drinking bottles at our sites and offices.



Paperless Assessments

Recently, MACA implemented Paperless Assessments which will be rolled out across all divisions by the end of December 2021. This initiative will not only improve efficiency and enable Trainer Assessors to spend more time out in field, but it will also significantly decrease MACA's paper usage across all our operations.



Rehabilitation

Rehabilitation work is undertaken on land disturbed by mining or construction activities to ensure it is stable, safe and suitable for post-closure use. Planning for closure of a work area starts when MACA commences a project and continues throughout the project life to ensure that the impacts of the project can be managed in an environmentally, socially and economically responsible manner.

Progressive restoration of disturbed areas helps contribute to a reduction in our client's financial liabilities.



Water Management

Management of freshwater resources continues to be a core focus area which is an issue that can impact directly on the environment and the communities in which we operate. While competition for water resources continues to increase globally due to multiple pressures (particularly climate change, population growth and pollution), MACA recognises the critical importance of water for community and ecosystem health.

Water is a raw material used in our operations and for site amenities. Depending on the site MACA operates on, the water we use may be drawn from surface water, groundwater, potable water and recycled water sources. Our focus at all sites is on reducing our dependency on potable water to limit our impact and increase our resilience to water limitations. We aim to achieve this by increasing the efficiency with which we use water and maximising our use of recycled water wherever possible.

Our water usage strategy aims to balance our operational needs while at the same time protecting the quality and quantity of water remaining in the environment that is available to our host communities. Our ultimate aim is not to use more water than we need to, to effectively run our operations. At each site, our clients are tracking by source how much water is extracted, consumed or discharged as part of their licensing conditions.

SOCIAL

HEALTH AND SAFETY

Our focus remains on ensuring that our People, Contractors and Visitors have a healthy and safe work environment, each and every day.

We have an unrelenting focus on the health and safety of our people within the workplace. We work to actively identify areas of risk and exposure, and ensure our people are equipped with the latest information, tools and technology to keep them safe on the job.

Our response to safety is authenticated by our 2021 Cultural Survey, in which our results from our people overwhelmingly agreed that safety is a priority for our business.



COVID-19

The COVID-19 pandemic has caused significant disruption to our homes and workplaces, and at times has placed our industry at risk. MACA has adopted all government guidelines, and has introduced a vaccination campaign, aimed at encouraging vaccination uptake amongst all of our workforce. We have been working closely with our clients to ensure we are implementing practical solutions to assist with the global and economic impact that the virus has caused. We have acted swiftly in coordinating our efforts and utilised new technology to communicate with our workforce, to ensure our people are kept up-to-date and safe on the job.

ECONOMIC CONTRIBUTION

MACA makes payments to our 3,000+ employees in wages and benefits, to our suppliers and contractors, to our shareholders through dividends, to local, state and federal governments through our taxes, in addition to voluntary investments and donations to social projects across the communities where we operate.

MACA is committed to complying with tax laws in a responsible manner, to paying and reporting our taxes on time and to being transparent about the taxes we pay.

OUR SAFETY MANAGEMENT FRAMEWORK

The MACA Working Safely Framework is comprised of a six pillar eighteen element framework, grouped under the headings of Leadership, Risk Management, Planning, Support and Documentation, Performance Evaluation and Continuous Improvement. It defines MACA's eighteen Management Standards and aligns with AS4801 and ISO 45001.

The framework is designed to:

- Integrate with and directly support how we work.
- Ensure workplace risk management processes and risk controls are implemented and remain effective and reliable.
- Set clear measurable expectations for leadership at all levels, especially for those supervising others.
- Provide appropriate business consistency and support, allowing for efficient knowledge sharing and improvement across our varied operations.
- Maintain efficient assurance processes that verify and improve how we operate as a business.
- Continuously strive for project improvement.

Each element of the framework establishes our business intent which allow for client systems and external requirements, such as legislation to be mapped and, as required, incorporated into the MACA Management System while still meeting business expectations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

SAFETY ADVISORS AND ONGOING DEVELOPMENT PROGRAMS

MACA recognises the importance of the ongoing development of our people to ensure we live up to our **“Working Safely”** vision. We have recently introduced a **“Safety Advisor Development Pathway”** for those within our workforce who are interested in moving into a Health and Safety role with MACA. This structured pathway ensures participants are equipped with the correct tools and knowledge to enhance safe practices on any project.

CRITICAL RISK ASSESSMENTS

MACA is committed to our **“Working Safely”** vision. It’s worn on our sleeve as a permanent commitment to one another. Our STAR assessments were superseded this year by MACA’s new **“Personal Task assessments”** which are task and job specific, and more relevant to the work undertaken across the different business divisions.

Our new Personal Task Assessments are a key part of our Risk Management Framework to achieve our **“Working Safely”** vision.

INTRODUCTION OF THE WORKING SAFELY RULES

In 2020, we introduced MACA’s new Safety working culture **“Working Safely”**. This year, we built on this culture further and introduced the 10 Working Safely Rules in which we encourage all our employees to live by in their day-to-day work. These rules are designed to ensure our workforce remain safe on the job.

MENTAL WELLBEING

We engage with our employees and promote a healthy, safe, and balanced lifestyle, in addition to striving to ensure that our workplaces provide an environment of mutual respect for fellow workers. We recognise the importance of Mental Health within our workforce, and actively provide resources, manuals, and initiatives across our operations to support mental wellbeing.



OUR PEOPLE

FY21 has presented our people with many challenges as we navigate our way through COVID-19, the integration of the Downer Mining West acquisition and growth through new project awards.

It takes a strong culture and strong leadership to provide the direction and support that is required to ensure we meet the expectations of our clients and shareholders. Our people are passionate, committed and driven to succeed.

At MACA we take our value of "People First" seriously. We strive to consider this value in our actions and decision making. We ask a lot of our people, especially in these challenging times and in return we work hard to support them.

FY21 saw the introduction of MACA's first company wide employee engagement survey. Our aim was to gain a pulse of how our people feel about MACA and how we can do better and it was pleasing that we have managed to maintain that sense of family, support, people and care.

In FY21, MACA's HR Strategy focused on a number of key pillars that will enhance and build the sophistication of our HR processes and systems, to support our leaders, and their people.

These pillars included:

- **Organisational Design**
– ensuring MACA's structure is strategically designed to support our growth plan
- **Organisational Development**
– to strengthen leadership capability
- **Systems**
– build and implement fit for purpose people systems
- **Attract & Retain**
– be creative and flexible in our approach to attract and retain talent

Diversity

MACA stands by its Diversity Policy and prides itself on being an equal opportunity employer. We continuously strive to achieve a more balanced and diverse workforce where people feel comfortable and highly engaged.

Gender and indigenous diversity continue to be a focus for MACA with a number of initiatives commencing in FY21 to address previous gaps.

	FY 21 Actual	FY 22 Targets
Indigenous Australians	4%	5%
Percentage of Female Workforce	15%	17%
Percentage of Female Directors	17%	30%

Gender Pay Parity

A pay parity review was undertaken in FY21 considering individual performance, experience, location of role and the nature of their role. Several minor discrepancies were identified and rectified. Gender pay parity analysis is undertaken regularly and addressed immediately where practicable.

Paid Parental Leave Scheme

MACA's paid parental leave scheme was approved and implemented in FY21 providing primary and secondary carer's additional financial support whilst they take time out to welcome their new arrivals.

Increase Female Participation

MACA currently has an overall female participation rate of 15%. The education of managers within the business around unconscious bias has commenced and now forms part of our future leadership programs with a view to early education of new managers.

Increase Indigenous Participation

MACA's aim is to have a fair representation across our business of indigenous employment and contracting opportunity. With a current indigenous participation rate of 4% across our entire business, our goal is to improve year on year. MACA have expanded our supplier base through mutually beneficial partnerships with indigenous contractors in FY21. In addition, we have built great capability in the northwest within excess of 8% indigenous participation on our civil projects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

COMMUNITY

At MACA, we know that we can make an impact through the contributions and support we give to our communities. We therefore develop partnership that generate long-term value and support a sustainable future for both our people and the wider community.

Since our inception, we have donated over \$20 million dollars' worth of charitable donations to our charitable partners.

The Harry Perkins Institute of Medical Research

We have continued our long-term partnership with the Harry Perkins Institute of Medical research, now moving into our 9th year as a corporate partner and title sponsor for the Perkin's main charity event the MACA Cancer 200 Ride for Research.

MACA Cancer 200 Ride for Research

Each year, over 1000 riders complete a 2-day, 200km ride from Perth to Mandurah and back, with all funds raised from the weekend going towards vital cancer research initiatives. MACA is proud to be title sponsor of the ride in it's 10th year.

Fremantle Dockers Women's Team

This Financial year, we welcomed a new partnership with the Fremantle Docker's Women's team as the Club's official AFLW coaches' partner. This partnership symbolises our business commitment to diversity and community engagement, now and into the future.

The Perth's Children Hospital Foundation

We are proud to continue our support towards PCHF. This year, we have continued our support towards PCHF by funding the establishment of WA's first paediatric Simulation Training Fellowship Program.

Working Spirit

We have continued working with Working Spirit this year, in supporting a pathway for ADF-Veterans to transition into mining roles within our workforce.

Murpurrmarra Connection

MACA has continued its partnership with Murpurrmarra, supporting Aboriginal youth in remote communities of WA with educational opportunities.

We recognise the importance of supporting different areas of the community, and we are proudly affiliated with Youth Focus, West Australian Symphony Orchestra (the arts), the Roy Hill Community foundation and the Starlight foundation.

GOVERNANCE

MACA is committed to a governance culture that aims to protect shareholder rights, enhance disclosure and transparency (both within the company and to external stakeholders) and facilitates the effective functioning of the board. We believe that by operating with a strong focus on corporate governance, we will enhance MACA's sustainable long-term performance and value creation for all stakeholders.

The Board of Directors are responsible for MACA's corporate governance framework, which ensures that the Company's obligations and responsibilities to its various stakeholders are fulfilled.

The Company's 2021 Corporate Governance Statement reports on MACA's governance practices, and during the FY21 reporting period, the Directors believe that MACA's governance arrangements have been consistent with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, with expectations noted where relevant.

MACA has in place charters, policies, and procedures (published on our website) which are reviewed and revised as appropriate to reflect changes in law and developments in corporate governance. MACA also provides a risk management framework in accordance with ISO31000: Risk Management Principles and Guidelines, which allows the Group to identify potential change and manage the associated risks and opportunities, to meet or exceed the organisational strategic and operational objectives. Additionally, in FY21, MACA delivered its first Modern Slavery Statement.

The Board's Risk Committee is responsible for monitoring the effectiveness of the Group's risk management framework.

MACA Cancer 200 Ride for Research



DIRECTORS' REPORT

The Directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of MACA Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2021.

DIRECTORS

The following persons were directors of MACA Limited during the whole or part of the financial year and up to the date of this report:

Mr (Hugh) Andrew Edwards
(Chairman, Non-Executive Director, resignation effective 7 December 2020)

Mr Mike Sutton
(Chief Executive Office and Managing Director)

Mr Geoffrey Alan Baker
(Resigned as an Executive Director effective 1 October 2020. Commenced as Non-Executive Chairman effective 20 November 2020)

Mr Linton John Kirk (Non-Executive Director)

Mr Robert Neil Ryan (Non-Executive Director)

Sandra Dodds (Commenced effective 6 October 2020, resignation effective 30 September 2021)

Nick Marinelli (Commenced effective 3 May 2021)

Mr Chris Sutherland (Non-Executive Director, resignation effective 10th September 2020)

PRINCIPAL ACTIVITIES AND ANY SIGNIFICANT CHANGES IN NATURE

The Group operates in three businesses and currently three geographical segments. The business segments are for the provision of contract mining, civil & infrastructure, and structural, mechanical and piping (through Interquip) services to the resource sector. The three geographical segments being Australia, Brazil and Cambodia. Operations in Brazil have been discontinued since the prior year and are presented separately in the table below. Operations in Cambodia have commenced in the current year.

DIVIDENDS PAID OR RECOMMENDED

Dividends that were fully franked and paid or declared for payment since the end of the previous financial year were as follows:

	2020	2021
Interim dividend declared and paid per ordinary share (cps)	2.5	2.5
Final dividend declared and paid per ordinary share (cps)	2.5	2.5

The final fully franked dividend was paid on the 17th September 2021

DIVIDEND REINVESTMENT PLAN

There is no dividend reinvestment plan in place.

ENVIRONMENTAL ISSUES

MACA is aware of its environmental obligations with regard to its principal activities and ensures it complies with all regulations.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Group not otherwise disclosed in this Report or the Financial Statements.

CHANGES IN CONTROLLED ENTITIES

There were no changes in controlled entities.

EVENTS SUBSEQUENT TO BALANCE DATE

- MACA has awarded Bowen Coking Coal Ltd (ASX:BCB) a Preferred Bidder Status in the sale process for the Bluff PCI Mine conducted by FTI Consulting as receivers and managers and controllers.
- Ms Sandra Dodds has resigned as a Director of the board effective 30th September 2021.

Other than the items listed above, no other matters or circumstances have arisen since the full year to 30 June 2021 which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

REVIEW OF OPERATIONS

Ordinary Activities	30 June 2021	30 June 2020	Movement
Revenue	\$1,173.9m	\$795.8m	48%
EBITDA	\$144.1m	\$129.5m	11%
EBIT	\$44.9m	\$9.3m	383%
Net Profit / (Loss) Before Tax	\$36.4m	\$6.1m	497%
Net Profit / (Loss) After Tax	\$25.2m	\$3.6m	600%
Discontinued Operations	30 June 2021	30 June 2020	Movement
Revenue	–	\$12.2m	(100%)
EBITDA	(\$3.7m)	(\$9.1m)	(59%)
EBIT	(\$4.7m)	(\$14.6m)	(68%)
Net Profit / (Loss) Before Tax	(\$4.5m)	(\$13.7m)	(67%)
Net Profit / (Loss) After Tax	(\$4.5m)	(\$21.0m)	(79%)
Total	30 June 2021	30 June 2020	Movement
Revenue	\$1,173.9m	\$808.0m	45%
EBITDA	\$140.4m	\$120.4m	17%
EBIT	\$40.2m	(\$5.3m)	858%
Net Profit / (Loss) Before Tax	\$32.0m	(\$7.6m)	520%
Net Profit / (Loss) After Tax	\$20.7m	(\$17.4m)	219%
Other Metrics	30 June 2021	30 June 2020	Movement
Work in Hand	\$3,100m	\$2,320m	34%
Net Debt (Cash) position	\$180.2m	\$73.4m	146%
Operating Cash Flow	\$118.8m	\$116.6m	3%
Earnings per share - basic	6.2 cents	(6.7) cents	193%
Dividends per share (fully franked)	5.0 cents	5.0 cents	

INFORMATION ON CURRENT DIRECTORS

Mr Mike Sutton

TITLE: Chief Executive Officer and Managing Director

QUALIFICATIONS: BSc in Civil Engineering, MAICD, MAusIMM

EXPERIENCE AND EXPERTISE: Mike is an experienced Civil Engineer with over 40 years' experience gained in various senior roles within the mining and civil contracting industries, having worked internationally with more than 20 years spent in Western Australia. Prior to joining MACA, Mr Sutton held the role of Chief Operating Officer at Downer EDI Mining for 10 years successfully growing the business from a low base. Prior to that Mike held senior roles with Leighton Contractors and Henry Walker Eltin.

CURRENT DIRECTORSHIPS: Mr Sutton has been a board member of MACA Limited since 1st June 2020.

FORMER DIRECTORSHIPS (IN LAST 3 YEARS): Nil

SPECIAL RESPONSIBILITIES: Mr Sutton is currently a member of the Board's Risk Committee.

INTEREST IN SHARES: 70,408

INTEREST IN PERFORMANCE RIGHTS: 785,000 vesting 30 June 2023

Mr Linton Kirk

TITLE: Independent Non-Executive Director

QUALIFICATIONS: B Eng (Mining), FAusIMM (CP)

EXPERIENCE AND EXPERTISE: Mr Kirk has over 40 years' experience in mining and earthmoving, covering both open pit and underground operations in several commodities. He has held technical, operational and management positions in a variety of mining and mining service companies throughout the world prior to becoming a consultant in 1997.

CURRENT DIRECTORSHIPS: Mr Kirk has been a board member of MACA Limited since 1st October 2012.

FORMER DIRECTORSHIPS (IN LAST 3 YEARS): Nil

SPECIAL RESPONSIBILITIES: Mr Kirk is currently the Chair of the Board's Risk Committee and a member of the Remuneration Committee, and Audit Committee.

INTEREST IN SHARES: 143,750

Mr Geoff Baker

TITLE: Non-Executive Chairman

QUALIFICATIONS: MAICD

EXPERIENCE AND EXPERTISE: Mr Baker is a founding shareholder of MACA. He has extensive experience in planning, operating strategy, capital expenditure and delivery of successful safety and financial outcomes for projects. Mr Baker has worked in the sector for over 40 years, with a focus on plant maintenance and asset management.

CURRENT DIRECTORSHIPS: Mr Baker has been a board member of MACA Limited since the 10th of November 2010.

FORMER DIRECTORSHIPS (IN LAST 3 YEARS): Nil

SPECIAL RESPONSIBILITIES: Mr Baker is currently a member of the Board's Audit Committee, Risk Committee and Remuneration Committee.

INTEREST IN SHARES: 13,613,816

INTEREST IN PERFORMANCE RIGHTS: Nil

Mr Robert Ryan

TITLE: Independent Non-Executive Director

QUALIFICATIONS: CP Eng, MIEAust, MAICD

EXPERIENCE AND EXPERTISE: Mr Ryan has extensive civil construction and engineering experience. That experience has been at both project and management levels in construction and asset management. Mr Ryan worked at a senior level with Downer EDI for 14 years as EGM Downer Infrastructure WA for four years then reporting directly to the CEO of Downer EDI Infrastructure working on various business improvement projects nationally and overseas.

CURRENT DIRECTORSHIPS: Mr Ryan has been a board member of MACA Limited since 18th August 2015.

FORMER DIRECTORSHIPS (IN LAST 3 YEARS): Nil

SPECIAL RESPONSIBILITIES: Mr Ryan is currently the Chair of the Board's Remuneration Committee and member of the Audit Committee and Risk Committee.

INTEREST IN SHARES: 73,256

Mr Nick Marinelli

TITLE:	Independent Non-Executive Director
QUALIFICATIONS:	B Bus, GAICD
EXPERIENCE AND EXPERTISE:	Nick has over 35 years' industry experience in the Construction, Infrastructure Services and Utilities sectors. He was the CEO of Fulton Hogan Australia between 2017 and 2019, during which time he grew the business into new sectors and geographies, in addition to leading commercial acquisition activities, new venture start-ups, marketing, business development and technology. Prior to joining Fulton Hogan in 2009, Nick held senior positions with Rinker Australia, Cemex Australia, Pioneer Construction Materials and Pioneer International, both locally in Australia and overseas.
CURRENT DIRECTORSHIPS:	Mr Marinelli is a Director of the Australian Road Research Board.
FORMER DIRECTORSHIPS (IN LAST 3 YEARS):	Citywide North Melbourne Asphalt Pty Ltd, Fulton Hogan Egis O&M Pty Ltd
SPECIAL RESPONSIBILITIES:	Mr Marinelli is currently a member of the Board's Audit Committee, Rick Committee and Remuneration Committee.
INTEREST IN SHARES:	Nil

Mr Peter Gilford

TITLE:	Chief Financial Officer / Company Secretary
QUALIFICATIONS:	B Com CA, AGIA, ACG
EXPERIENCE AND EXPERTISE:	Mr Gilford has significant experience in the areas of financial management, accounting, business and taxation services. He has provided services to a large number of mining, exploration and construction companies. Mr Gilford has acted in roles of Director, Company Secretary and CFO for a number of privately owned businesses. Peter is a member of the Chartered Accountants Australia and New Zealand and is a member of the Chartered Governance Institute.

Ms Sandra Dodds

TITLE:	Independent Non-Executive Director
QUALIFICATIONS:	B Com, FCA, GAICD
EXPERIENCE AND EXPERTISE:	Sandra has diverse and extensive global executive experience gained at ASX 100 and ASX 200 companies, focused on operations, finance, mergers acquisitions and corporate services. Sandra has a broad industrial background which has involved working in highly regulated environments in Australia, New Zealand and Asia. Sandra has a Bachelor of Commerce degree, is a fellow of Chartered Accountants Australia and New Zealand and a graduate from the Australian Institute of Company Directors.
CURRENT DIRECTORSHIPS:	Ms Dodds is a Non-Executive Director of Beca Group Limited, Snowy Hydro Limited and OceanaGold Limited.
FORMER DIRECTORSHIPS (IN LAST 3 YEARS):	Australia Road Research Board, Infrastructure Partnerships Australia
SPECIAL RESPONSIBILITIES:	Ms Dodds is currently Chair of the Board's Audit Committee and a member of the Risk Committee and Remuneration Committee.
INTEREST IN SHARES:	Nil

Mr Nick Ward

TITLE:	Company Secretary
QUALIFICATIONS:	B Com, CA, GradDipCorpGov, GradDipAppFin
EXPERIENCE AND EXPERTISE:	Nick is a finance and governance professional with experience in the areas of corporate finance, corporate governance and accounting. Prior to joining MACA, Nick spent ten years at EY with a focus on corporate finance and M&A transactions, which saw him work at a number of EY's international offices. Nick holds a Bachelor of Commerce degree and has completed Graduate Diplomas in both Applied Corporate Governance and Applied Finance. Nick is a member of the Institute of Chartered Accountants in Australia and New Zealand.



MEETINGS OF DIRECTORS

The number of directors' meetings which directors were eligible to attend (including Committee meetings) and the number attended by each director during the year ended 30th June 2021 were as follows:

	Directors' Meetings		Committee Meetings					
	Board*		Audit		Remuneration		Risk	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Geoff Baker	7	7	2	2	2	2	2	2
Mike Sutton	7	7	2	2	2	2	2	2
Linton Kirk	7	7	2	2	2	2	2	2
Robert Ryan	7	7	2	2	2	2	2	2
Sandra Dodds	5	5	1	1	1	1	2	2
Nick Marinelli	2	2	-	-	1	1	-	-
Andrew Edwards	2	2	1	1	1	1	-	-
Chris Sutherland	1	1	1	1	1	1	-	-

*The Board sitting as a Nomination Committee met twice during the year.

REMUNERATION REPORT

The audited remuneration report is set out on pages 45 to 58 and forms part of this Directors' Report.

INDEMNIFYING OFFICERS OR AUDITOR

During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company, the company secretary and all executive and non-executive directors of the Company and any related body corporate against a liability incurred as such a director, company secretary or executive officer to the extent permitted by the Corporations Act 2001.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred by an officer or auditor. In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to insurers has not been disclosed. This is permitted under s300(9) of the Corporations Act 2001.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

ASIC CI 2016/191 ROUNDING OF AMOUNTS

The Company is an entity to which ASIC CI 2106/191 Rounding of Amounts applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

NON-AUDIT SERVICES

No non-audit services were provided during the year by the auditor to the Company or any related body corporate.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 49 and forms part of the directors' report for the financial year ended 30 June 2021.

RISK

MACA's risk management framework is embedded within existing processes and is aligned to the Group's strategic business objectives. Given the markets and the geographies in which the Group operates, a wide range of risk factors have the potential to affect the achievement of these objectives. For further information in relation to the Group's risk management framework, refer to the Corporate Governance Statement.

Set out below is an overview of the more significant business risks facing MACA and the approach taken to managing those risks. The factors identified below are not necessarily listed in order of importance and are not intended as an exhaustive list of all the risks and uncertainties associated with the MACA business.

HEALTH, SAFETY, SUSTAINABILITY AND ENVIRONMENT RISK

The industry sectors in which we operate involve a high degree of operational risk. MACA believes it takes all reasonable precautions to manage safety and environmental risks to ensure the continued sustainability of the business. However, there can be no assurance that the Group will avoid significant costs, liability and penalties or criminal prosecution. This risk is mitigated by progressively improving on already high safety performance standards across the business and by maintaining independently reviewed health and safety, environmental and quality certifications.

PROJECT DELIVERY RISK

The execution and delivery of projects involves judgment regarding the planning, development and operation of complex operating facilities and equipment. Some parts of MACA's business are involved in large-scale projects that may occur over extended time periods. As a result, the Group's operations, cash flows and liquidity could be affected if MACA miscalculates the resources or time needed to complete a project, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions. MACA maintains a strict project monitoring regime, proactive management and decision making to mitigate project delivery risks.

ORDER BOOK RISK

Generally in the mining industry, most contracts can be terminated for convenience by the client at short notice and without penalty, with the client paying for all work completed to date, unused material and in most cases demobilisation from the site and redundancies. As a result, there can be no assurance that work in hand will be realised as revenue in any future period. MACA seeks to manage this risk by being selective in the contracts that it enters into and always seeks to extend contracts where possible in an effort to maximise its return on capital.

DEMAND RISK

MACA is a contractor operating predominantly in the mining resources and civil sectors. As a result, failure to obtain contracts, delays in awards of contracts, cancellations or terminations of contracts, delays in completion, changes in economic conditions and the volatile and cyclical nature of commodity prices means that the demand for MACA's goods and services can vary markedly over relatively short periods. Accordingly, changes in market conditions could impact MACA's financial performance. The Group seeks to manage demand risk as best it can by maintaining a diversified client base and commodity mix and having a proportion of equipment and labour on hire.





BUSINESS ACQUISITIONS

When MACA acquires a business there is a risk of not being able to realise or sustain expected benefits of the acquisition. The goodwill represents the amounts paid for the business, less the fair value of the net assets acquired. MACA, at least annually, reviews the carrying value of goodwill and may incur impairment charges related to goodwill if the businesses or markets they serve deteriorate. In addition, businesses that MACA acquires may have liabilities that MACA was unaware of in the course of performing due diligence investigations. Any such liabilities may have material adverse impact on MACA's business and financial position. As part of the due diligence process, MACA thoroughly reviews all contracts to mitigate the risk of acquiring onerous contracts and change in control provisions, and historic liabilities and integration risks.

COMPETITION RISK

The market in which MACA operates is highly competitive, which may result in downward pressure on prices and margins. If MACA is unable to compete effectively in its markets, it runs the risk of losing market share. MACA continues to focus on delivering quality services to make us a contractor of choice as a means of mitigating this risk.

COUNTERPARTY RISK

MACA derives its revenue from a number of customers. In the event that any of these customers fails to pay, reduces production or scales back operations, terminates the relationship, defaults on a contract or fails to renew their contract with MACA, this may have an adverse impact on the financial performance and/or financial position of MACA. MACA seeks to manage this risk by regularly monitoring material counterparties and its exposures and seeks additional security when appropriate.

CONTRACT PRICING RISK

MACA has a mixed exposure to contract types. However, if the Group materially underestimates the cost of providing services, equipment, or plant, there is a risk of a negative impact on MACA's financial performance. MACA follows a proven tender review process to reduce the risk of under-pricing contracts.

CYBER SECURITY

The potential for malicious cyber security attacks resulting in the misuse and release of sensitive information poses an ongoing and real risk to companies that operate in the 21st century. MACA continues to progress its ICT Strategy, of which one initiative includes the continual review of our cyber security and ICT maturity. Gaps and vulnerabilities are addressed on an ongoing basis.



LIQUIDITY RISK

The risk of MACA not being able to meet its financial obligations as they fall due is managed by maintaining adequate cash reserves and available borrowing facilities, as required. Errors or unforeseen changes in actual and forecast cash flows that then create a mismatch against the maturity profiles of financial assets and liabilities could have a detrimental effect on the Group's liquidity. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

PARTNER RISK

MACA, in some cases, may undertake services through and participate in, joint ventures or partnering/alliance arrangements. The success of these partnering activities depends on the satisfactory performance by MACA's partners. The failure of partners to meet performance obligations could impose additional financial and performance obligations that could cause significant impact on MACA's reputation and financial results. MACA completes due diligence on potential partners prior to forming any business relationship and regularly monitors these relationships.

LABOUR COSTS AND AVAILABILITY

Labour represents a significant portion of operating expenses. In order to compete for work and to service clients, the Group needs to be able to continue to attract and retain skilled employees. Consequently, the Group is exposed to increased labour costs in markets where the demand for labour is strong. Within more stable labour markets, the group's labour costs are typically protected by rise and fall mechanisms within client contracts, which help neutralise the impact of rising labour costs.

CURRENCY FLUCTUATION

As a Group with international operations, MACA is exposed to fluctuations in the value of the Australian dollar versus other currencies. As MACA's consolidated financial results are reported in Australian dollars, if MACA generates sales or earnings or has assets and liabilities in other currencies, the translation into Australian dollars for financial reporting purposes can result in a significant increase or decrease in the amount of those sales or earnings and net assets. MACA uses cash backed deposits to mitigate some of the US dollar currency risk. Currently the company has unhedged exposure to the Brazilian Real, in addition to United States Dollars (Cambodian Mining Contract).

Other material risks that could affect MACA include:

- Public liability risk incurred maintaining road assets requiring identified defects to be closed out within a specified timeframe;
- A major operational failure or disruption at key facilities or to communication systems which interrupt MACA's business;
- Changing government regulation including tax, occupational health and safety, and changes in policy and spending;
- Loss of reputation through poor project outcomes, unsafe work practices, unethical business practices, and not meeting the market's expectation of its financial performance;
- Operating in international markets, potentially exposing MACA to country specific adverse economic conditions, civil unrest, conflicts, bribery and corrupt practices;
- Interest rates in the ordinary course of business; and
- Loss of key Board, management or operational personnel.

REMUNERATION REPORT

Section	Title	Description
Section 1	Introduction	Outlines the scope of the Remuneration Report and the individuals disclosed.
Section 2	Remuneration Governance	Describes the role of the board, the Remuneration Committee and matters considered (including external advice) when making remuneration decisions.
Section 3	2021 Executive remuneration framework and improvements	Outlines the 2021 remuneration framework and changes to remuneration plans.
Section 4	Company performance and the link to remuneration	The outcomes of the key business metrics and hurdles that are used for measuring variable pay outcomes.
Section 5	Executive remuneration outcomes	Provides Chief Executive officer remuneration, Short Term Incentive (STI) and Long Term Incentive (LTI) Plan details and Executive remuneration outcomes for the year.
Section 6	Executive contracts	Appointments and notice periods for current and former Key Management Personnel.
Section 7	Non-Executive Directors' fees	Provides detail regarding the fees paid to Non-Executive Directors.

1.0 INTRODUCTION

This remuneration Report forms part of the Directors' Report for 2021 and outlines the remuneration strategy and arrangements for the Company's Directors and Executives (together "Key Management Personnel" or "KMP") in accordance with section 300A of the Corporations Act.

1.1 KEY MANAGEMENT PERSONNEL

The KMP of the Group during and since the end of the financial year comprise the company directors (as detailed in the beginning of the Directors' Report) and the following three executives, defined as CEO, COO and CFO. Except as noted, these persons held their current position for the whole of the financial year and since the end of the financial year.

Person	Position	Period in position during the year
Directors - Non-Executive		
Andrew Edwards	Non-Executive Chairman	Part Year (Retired as Chairman 19 November 2020, and as Director 7 December 2020)
Geoff Baker	Non-Executive Director, Non-Executive Chairman	(Full Year, commenced as Chairman on 20 November 2021)
Linton Kirk	Non-Executive Director	Full Year
Robert Ryan	Non-Executive Director	Full Year
Sandra Dodds	Non-Executive Director	Commenced 6th of October 2020
Nick Marinelli	Non-Executive Director	Commenced 3rd of May 2021
Chris Sutherland	Non-Executive Director	Resigned 10 September 2020
Directors - Executive		
Mike Sutton	Chief Executive Officer / Managing Director	Full Year
Executives		
David Greig	Chief Operating Officer	Full Year
Peter Gilford	Chief Financial Officer / Company Secretary	Full Year

2.0 REMUNERATION GOVERNANCE

The Board oversees the remuneration arrangements of the KMP.

In performing this function the Remuneration Committee reviews the remuneration packages of all Directors, the Chief Executive Officer and other Executives (collectively the KMP).

The Committee makes recommendations to the Board on an annual basis with benchmarking against comparable industry packages and adjusting to recognise the specific performance of both the company and the individual.

The Remuneration Committee may also engage an external remuneration consultant to review the levels of senior executive and non-executive remuneration. The Remuneration Committee engaged independent third party consultants in the year, in relation to Non-Executive Director fee benchmarking and incentive design.

3.0 2021 EXECUTIVE REMUNERATION FRAMEWORK

Remuneration practices are continuously developed in line with the Company's business demands, industry conditions and overall market trends. The primary goal is to link executive remuneration with the achievement of MACA's business and strategic objectives with the aim to increase shareholder value over the short and longer term. The nature and amount of compensation for executive KMP is designed to retain and stimulate individuals on a market competitive basis.

Remuneration Framework		
<p>Total fixed remuneration (TFR)</p> <ul style="list-style-type: none"> TFR takes into account similar positions in peer companies, length of service, experience and contribution Peer companies are those with broadly similar revenue and in related industries TFR is reviewed annually 	<p>Short-term incentive (STI)</p> <p>Financial metrics comprise some or all of:</p> <ul style="list-style-type: none"> Net profit after tax - company and divisional Earnings per share <p>Non-financial metrics comprise some or all of:</p> <ul style="list-style-type: none"> Safety indicators - LTI and TRIFR Personal performance Maximum STI is 15 - 60% of TFR depending on the individual 	<p>Long-term incentive (LTI)</p> <ul style="list-style-type: none"> Relative TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI) measured over a 3 year period (100% component) Number of performance rights issued up to 50% of fixed annual remuneration divided by the independently assessed value of a performance right

4.0 COMPANY PERFORMANCE AND THE LINK TO REMUNERATION

Key Performance Indicators ('KPIs') for both short term and long-term Executive incentive schemes are linked to the Company's strategic and business objectives and as a result, pay outcomes are directly aligned with Company performance against these objectives.

The following Company performance measures are among those that may be included in incentive plans for relevant executives. KPIs may be adjusted for individually large or unusual items to derive an underlying performance measure outcome. The Board believes these KPIs are aligned to Shareholder wealth and returns to investors.

REMUNERATION REPORT CONTINUED

4.0 COMPANY PERFORMANCE AND THE LINK TO REMUNERATION (CONTINUED)

	2021	2020	2019	2018	2017
Reported net profit/(loss) attributable to equity holders of the parent (\$m)	18.9	(17.9)	20.6	23.6	31.2
Reported return on equity (%)	4.9	(5.8)	6.9	7.4	11.6
Reported basic earnings per share (cents)	6.2	(6.7)	7.7	9.1	13.7
Lost time injury frequency rate (LTIFR)	0.2	0.2	0.5	-	-
Total recordable injury frequency rate (TRIFR)	3.9	6.6	6.4	6.8	7.8
Shareholders' Wealth					
Interim dividend declared (cents)	2.5	2.5	2.0	3.0	4.5
Final dividend declared (cents)	2.5	2.5	2.5	3.5	4.5
Special dividend declared (cents)	-	-	-	-	-
Share price at 30 June (cents)	76.0	86.5	90	120	165
Total shareholder return (TSR %) ¹	(6.4)	1.7	(21.3)	(23.3)	38.1
3 year Annual Compound TSR ¹	(9.1)	(14.1)	(5.2)	23.2	6.3

¹ All dividends in the TSR (Total Shareholder Return) calculations are on a declared (rather than paid) basis in respect to each financial year.

5.0 EXECUTIVE REMUNERATION OUTCOMES

5.1 MANAGING DIRECTOR AND CEO ARRANGEMENTS

Mr Sutton's remuneration package as CEO was determined by benchmarking it against that paid to CEOs in similar organisations. The remuneration package comprises the following components:

- Total Fixed Remuneration (TFR) is \$706,500 per annum inclusive of superannuation.
- An STI which includes the opportunity to earn an annual cash bonus of up to 60% of total fixed remuneration, subject to achieving performance hurdles. Mr Sutton's STI plan has been aligned with other senior executives under similar plan rules with KPIs that align to profitable performance and safety. The CEO's STI Plan comprises 40% for key financial KPI's, 30% for safety KPI's and 30% for personal KPI's. The financial KPIs comprise Net Profit after Tax and Earnings per Share growth. The safety KPIs are based on the Lost Time Injury Frequency Rate (LTIFR) and the Total Recordable Injury Frequency Rate (TRIFR).

There was no STI payable for Mr Sutton for 2021 - refer 5.4 below.

- An LTI under which Mr Sutton may receive share performance rights convertible into fully paid shares, subject to performance criteria being met.

5.2 TOTAL FIXED REMUNERATION (TFR)

All Executives received TFR as outlined in page 53 of this report. TFR comprises base salary and superannuation plus the use of a company motor vehicle or motor vehicle allowance.

Fixed pay has been reviewed and set against peer companies with whom MACA competes. MACA also benchmarks through industry surveys and reports and may seek external advice for KMP remuneration.

5.3 SHORT-TERM INCENTIVE PLAN (STI PLAN)

Key features of the STI Plan are outlined in the table below.

Objective	KPIs are set to encourage a profit and safety driven culture with the ultimate aim of driving Stakeholder returns. The STI payments are structured to recognize and motivate employees to align their performance with the Company's goals. The amount of bonus actually earned will depend on performance against predetermined KPIs with payment commencing upon reaching those hurdles.
Eligibility	All Executive key management personnel.
At risk payments	2020: The STI is a component of 'at risk' pay provided to Executives and KMP.
	% of TFR paid on Target Achievement
	CEO 25% - 60%
	Executive Directors 25%
	Other Executive KMP 15%
	2021: The STI is a component of 'at risk' pay provided to Executives and KMP.
	% of TFR paid on Target Achievement
	CEO 25% - 60%
	COO and CFO 25%
	Other Executive KMP 15%
Performance conditions	<p>Financial and safety targets are all agreed with the Board and personal KPIs are set in consultation with the relevant Executive.</p> <p>Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders. In order to be eligible to receive an STI there is a minimum financial requirement or gate which must be met before other KPI's are considered.</p> <p>KPIs for the CEO include Earning per Share (EPS), Net Profit after Tax (NPAT), Lost Time Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR) and personal assessment.</p> <p>KPIs for other KMP include Net Profit after Tax (NPAT), business operating unit profit performance, Lost Time Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR) and personal assessment.</p>
Setting of KPIs	Financial and safety targets are all agreed with the Board and personal KPIs are set in consultation with the relevant Executive.
Assessment of KPIs	Performance is measured quantitatively and progress against key targets measured at half year and full year.
Trigger for payment	Any performance target met will trigger the calculation of total or part payment of the STI's. The board may exercise its discretion in relation to the payment of STI's.
Cessation of employment	STI forfeited if an Executive or KMP resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.

REMUNERATION REPORT CONTINUED

5.4 STI OUTCOMES

No STI was paid to any member of the senior executive team.

5.5 LONG-TERM INCENTIVE PLAN (LTI PLAN)

Key features of the LTI Plan are outlined in the table below.

Overview of the LTI Plan	The Plan offers Executive KMP performance rights with the opportunity to receive fully paid ordinary shares in MACA Limited for no consideration, subject to specified time restrictions, continued employment and performance conditions being met. Each performance right will entitle participants to receive one fully paid ordinary share at the time of vesting.																
Objective	The Plan is designed to assist with Executive and KMP retention and to incentivise employees to maximise returns and earnings for Shareholders.																
Eligibility	Executive KMP as determined by the Board.																
At risk payments	<p>The LTI is a component of 'at risk' pay offered to Executive KMP. The number of performance rights issued will depend on performance against predetermined KPIs with vesting occurring upon reaching those hurdles.</p> <p>The number of performance rights that vest is linked to relative Total Shareholder Return (TSR).</p> <table border="1"> <thead> <tr> <th>2020</th> <th>% of TFR applied in LTI</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>25%</td> </tr> <tr> <td>Executive Directors</td> <td>20-30%</td> </tr> <tr> <td>Other Executive KMP</td> <td>20%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>2021</th> <th>% of TFR applied in LTI</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>25%-50%</td> </tr> <tr> <td>COO and CFO</td> <td>30%</td> </tr> <tr> <td>Other Executive KMP</td> <td>20%</td> </tr> </tbody> </table>	2020	% of TFR applied in LTI	CEO	25%	Executive Directors	20-30%	Other Executive KMP	20%	2021	% of TFR applied in LTI	CEO	25%-50%	COO and CFO	30%	Other Executive KMP	20%
2020	% of TFR applied in LTI																
CEO	25%																
Executive Directors	20-30%																
Other Executive KMP	20%																
2021	% of TFR applied in LTI																
CEO	25%-50%																
COO and CFO	30%																
Other Executive KMP	20%																
Performance conditions	<p>KPIs are set for the Group (where relevant).</p> <p>Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders.</p> <p>KPIs for the CEO, Executive Directors and other Executive KMP comprise 100% against a Total Shareholder Return (TSR) using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI) measured over a 3 year period.</p>																
TSR Comparator Group	Assessed 100% against TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI).																
Assessment of KPIs	Performance is measured quantitatively and progress against key targets reported at full year.																
Trigger for vesting	Assessed 100% against TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI). The Board has discretion to not approve the vesting of the rights if the TSR is negative.																
Cessation of employment	LTI forfeited if an Executive resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.																

5.6 LTI OUTCOMES

None of the applicable hurdles were met for the period 1 July 2018 to 30 June 2021 (3 year period) for rights to vest in the LTI performance conditions above for Executives and KMP. Accordingly, no performance rights vested during FY21.

5.7 UNVESTED ENTITLEMENTS

It is the Company's policy to prohibit executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

5.8 KMP OPTIONS

No options were granted during the period and no options were vested or were exercised during the period. At 30 June 2021 no options were held by KMP.

5.9 KMP PERFORMANCE RIGHTS

During the 2021 financial year 2,843,084 (2020: 1,906,909) performance rights were granted under the Group's Performance Rights Plan and 1,529,493 (2020: 1,452,208) performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2023. As at 30 June 2021 there were 4,004,169 (2020: 2,690,578) performance rights outstanding.



REMUNERATION REPORT CONTINUED

5.9 KMP PERFORMANCE RIGHTS (CONTINUED)

The number of rights over ordinary shares held by each KMP of the Group during the financial year is as follows:

30 June 2021	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and exercisable	Vested and unexercisable	Unvested at end of year
Hugh (Andrew) Edwards Chairman	-	-	-	-	-	-	-	-
Geoff Baker Non-Executive Chairman	625,695	-	-	(625,695)	-	-	-	-
Linton Kirk Non-Executive Director	-	-	-	-	-	-	-	-
Robert Ryan Non-Executive Director	-	-	-	-	-	-	-	-
Chris Sutherland Non-Executive Director	-	-	-	-	-	-	-	-
Sandra Dodds Non-Executive Director	-	-	-	-	-	-	-	-
Nick Marinelli Non-Executive Director	-	-	-	-	-	-	-	-
Mike Sutton Managing Director / Chief Executive Officer	-	785,000	-	-	785,000	-	-	785,000
David Greig Chief Operating Officer	362,561	400,556	-	(84,489)	678,628	-	125,015	553,613
Peter Gilford Chief Financial Officer / Company Secretary	362,024	328,844	-	(92,501)	598,367	-	115,819	482,548
Total	1,350,280	1,514,400	-	(802,685)	2,061,995	-	240,834	1,821,161

In addition to the above there were 1,328,684 performance rights issued to employees and not classed as KMP with respect to this report.

5.10 KMP SHAREHOLDINGS

The number of ordinary shares in MACA Limited held by each KMP of the Group during the financial year is as follows:

30 June 2021	Balance at beginning of year	Granted as remuneration during the year	Increase other	Issued on exercise of rights during the year	Other changes during the year	Balance at end of year
Hugh (Andrew) Edwards Chairman	20,000	-	-	-	(20,000)	-
Geoff Baker Non-Executive Chairman	12,863,816	-	750,000	-	-	13,613,816
Linton Kirk Non-Executive Director	115,000	-	28,750	-	-	143,750
Robert Ryan Non-Executive Director	58,604	-	14,652	-	-	73,256
Sandra Dodds Non-Executive Director	-	-	-	-	-	-
Nick Marinelli Non-Executive Director	-	-	-	-	-	-
Chris Sutherland Non-Executive Director	-	-	-	-	-	-
Mike Sutton Managing Director / Chief Executive Officer	-	-	70,408	-	-	70,408
David Greig Chief Operating Officer	-	-	-	-	-	-
Peter Gilford Chief Financial Officer / Company Secretary	245,376	-	33,597	-	-	278,973
Total	13,302,796	-	897,407	-	(20,000)	14,180,203

REMUNERATION REPORT CONTINUED

5.11 KMP REMUNERATION

5.11.1 Employment benefits and payments for the year ended 30 June 2021

The following table sets out the benefits and payment details, in respect to the financial year, and the components of remuneration for members of office holders and five highest paid key management personnel of the consolidated group.

	Year	Short-term benefits					Post-employment benefits		Long-term benefits		Equity-settled sharebased payments		Total
		Salary, fees and leave	Committee fees	Cash bonus/STI	Non-monetary	Other	Super-annuation	Other	Incentive plans	LSL	Share / Units	Options / Rights	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Executive Directors													
Mike Sutton	2021	681,500	-	-	-	-	25,000	-	-	-	-	117,750	824,250
Managing Director / Chief Executive Officer	2020	222,798	-	-	-	-	8,653	-	-	-	-	-	231,451
Total compensation for Executive Directors	2021	681,500	-	-	-	-	25,000	-	-	-	-	117,750	824,250
	2020	222,798	-	-	-	-	8,653	-	-	-	-	-	231,451
Non-Executive Directors													
Andrew Edwards	2021	76,221	-	-	-	-	7,241	-	-	-	-	-	83,462
Chairman	2020	141,553	-	-	-	-	13,447	-	-	-	-	-	155,000
Geoff Baker ⁶	2021	443,522	-	-	-	-	-	-	-	-	-	-	443,522
Non-Executive Chairman	2020	538,958	-	-	-	-	-	-	-	-	-	138,859	677,817
Linton Kirk ¹	2021	84,658	-	-	-	-	8,043	-	-	-	-	-	92,701
Non-Executive Director	2020	125,845	-	-	-	-	8,042	-	-	-	-	-	133,887
Robert Ryan ²	2021	94,554	-	-	-	-	-	-	-	-	-	-	94,554
Non-Executive Director	2020	111,581	-	-	-	-	-	-	-	-	-	-	111,581
Sandra Dodds	2021	60,343	-	-	-	-	5,733	-	-	-	-	-	66,076
Non-Executive Director	2020	-	-	-	-	-	-	-	-	-	-	-	-
Nick Marinelli	2021	11,355	-	-	-	-	1,079	-	-	-	-	-	12,434
Non-Executive Director	2020	-	-	-	-	-	-	-	-	-	-	-	-
Christopher Sutherland ³	2021	19,085	-	-	-	-	1,813	-	-	-	-	-	20,898
Non-Executive Director	2020	27,036	-	-	-	-	2,568	-	-	-	-	-	29,604
Total compensation for Non-Executive Directors	2021	789,738	-	-	-	-	23,909	-	-	-	-	-	813,647
	2020	944,973	-	-	-	-	24,057	-	-	-	-	138,859	1,107,889
Executives (KMP)													
David Greig	2021	516,692	-	-	-	-	25,000	-	-	-	-	115,137	656,829
Chief Operating Officer	2020	440,077	-	-	-	-	32,096	-	-	-	-	80,400	552,573
Peter Gilford	2021	406,885	-	-	-	18,136	25,000	-	-	-	-	102,474	552,495
Chief Financial Officer / Company Secretary	2020	390,000	-	-	-	18,136	25,000	-	-	-	-	80,897	514,033
Total compensation for Executives	2021	923,577	-	-	-	18,136	50,000	-	-	-	-	217,611	1,209,324
	2020	830,077	-	-	-	18,136	57,096	-	-	-	-	161,297	1,066,606

5.11 KMP REMUNERATION (CONTINUED)

	Year	Short-term benefits					Post-employment benefits		Long-term benefits		Equity-settled sharebased payments		Total
		Salary, fees and leave	Committee fees	Cash bonus/STI	Non-monetary	Other	Super-annuation	Other	Incentive plans	LSL	Share / Units	Options / Rights	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Former KMP													
Chirs Tuckwell ⁴	2021	-	-	-	-	-	-	-	-	-	-	-	-
Managing Director - Chief Executive Officer	2020	665,471	-	-	-	29,589	19,230	52,804	-	-	-	109,249	876,343
Total compensation for former KMP	2021	-	-	-	-	-	-	-	-	-	-	-	-
	2020	665,471	-	-	-	29,589	19,230	52,804	-	-	-	109,249	876,343
Total compensation for KMP	2021	2,394,815	-	-	-	18,136	98,909	-	-	-	-	335,361	2,847,221
	2020	2,663,319	-	-	-	47,725	109,036	52,804	-	-	-	409,405	3,282,289

¹ Linton Kirk was engaged on a contract basis through his business Kirk Mining Consultants to perform consulting work in 2020. The engagement was charged at hourly rates and is included in the amount of salary and fees above.

² Robert Ryan was engaged on a contract basis through his business Hensman Properties to perform consulting work in business development in 2020. The engagement was charged at hourly rates and is included in the amount of salary and fees above.

³ Chris Sutherland resigned as a Non-Executive Director effective 10 September 2020

⁴ Chris Tuckwell resigned as CEO/Managing Director effective 28th February 2020

⁵ A restructure of the Corporate Leadership team in FY21 has reduced the members of the management included as KMP. Accordingly, 30 June 2020 balances have been amended to reflect the restructure.

⁶ Geoff Baker resigned as an Executive Director in October 2020 and commenced as Non-Executive Chairman in November 2020.

REMUNERATION REPORT CONTINUED

5.11.2 Employment details of members of key management personnel and other executives

The following table provides details of persons who were, during the financial year, members of key management personnel of the consolidated Group. The table also sets out the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options and performance rights.

	Year	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
		Non-salary cash-based incentives	Shares / Units	Options / Rights	Fixed Salary / Fees	Total
		%	%	%	%	%
Executive Directors						
Mike Sutton Managing Director / Chief Executive Officer	2021	-	-	14.3	85.7	100.0
	2020	-	-	-	100.0	100.0
Non-Executive Directors						
Andrew Edwards Chairman	2021	-	-	-	100.0	100.0
	2020	-	-	-	100.0	100.0
Geoff Baker Non-Executive Chairman	2021	-	-	-	100.0	100.0
	2020	-	-	20.5	79.5	100.0
Linton Kirk Non-Executive Director	2021	-	-	-	100.0	100.0
	2020	-	-	-	100.0	100.0
Robert Ryan Non-Executive Director	2021	-	-	-	100.0	100.0
	2020	-	-	-	100.0	100.0
Chris Sutherland ² Non-Executive Director	2021	-	-	-	N/A	N/A
	2020	-	-	-	100.0	100.0
Sandra Dodds Non-Executive Director	2021	-	-	-	100.0	100.0
	2020	-	-	-	N/A	N/A
Nick Marinelli Non-Executive Director	2021	-	-	-	100.0	100.0
	2020	-	-	-	N/A	N/A
Executives (KMP)						
David Greig Chief Operating Officer	2021	-	-	17.5	82.5	100.0
	2020	-	-	14.6	85.4	100.0
Peter Gilford Chief Financial Officer / Company Secretary	2021	-	-	18.5	81.5	100.0
	2020	-	-	15.7	84.3	100.0
Former KMP						
Chris Tuckwell ¹ CEO/Managing Director	2021	-	-	-	N/A	N/A
	2020	-	-	12.5	87.5	100.0

¹ Chris Tuckwell - resigned as CEO/Managing Director effective 28 February 2020.

² Chris Sutherland - resigned as Non-Executive Director effective 10 September 2020.

6.0 EXECUTIVE CONTRACTS

Executive contracts of service between the Company or company within the Group and KMP are on a continuing basis, the terms of which are not expected to change in the immediate future. The notice period for termination varies from one to three months.

Executive	Appointment to KMP	Notice period for contract cessation
Mike Sutton Managing Director / Chief Executive Officer	24th February 2020 The contract is ongoing and has no fixed term	The contract can be terminated by either party with 6 months' notice or payment in lieu
Geoff Baker Non-Executive Chairman	3rd November 2010 The contract is ongoing and has no fixed term	The contract can be terminated by either party with 3 months' notice or payment in lieu
David Greig Chief Operating Officer	18th July 2016 The contract is ongoing and has no fixed term	The contract can be terminated by either party with 3 months' notice or payment in lieu
Peter Gilford Chief Financial Officer / Company Secretary	23rd July 2014 The contract is ongoing and has no fixed term	The contract can be terminated by either party with 3 months' notice or payment in lieu

REMUNERATION REPORT CONTINUED

7.0 NON-EXECUTIVE DIRECTORS FEES

Non-executive Directors fees are determined within an aggregate directors fee pool which is periodically recommended for approval to shareholders. The current aggregate directors' fee pool is \$600,000. This provides for any future increases to Non-executive Directors fees and to allow for any changes to the Board make up and potential increases in the number of Non-executive Directors.

Fees paid to Non-executive Directors are set at levels which reflect both the responsibilities of, and time commitments required from, each Non-executive Director to discharge their duties and are not linked to the financial performance of the Company. Non-executive Directors fees are reviewed annually by the Board to ensure they are appropriate for the duties performed, including Board committee duties, and are in line with the market. Other than statutory superannuation, Non-executive Directors are not entitled to retirement benefits.

Non-Executive Directors	\$ / Chairman	Member
Andrew Edwards ¹	\$155,000 Board	Audit Committee Risk Committee Remuneration Committee
Geoff Baker	\$155,000 Board	Audit Committee Risk Committee Remuneration Committee
Linton Kirk	\$102,700 Risk	Audit Committee Risk Committee Remuneration Committee
Robert Ryan	\$102,700 Remuneration	Audit Committee Risk Committee Remuneration Committee
Sandra Dodds	\$102,700 Audit	Audit Committee Risk Committee Remuneration Committee
Nick Marinelli	\$92,700	Audit Committee Risk Committee Remuneration Committee
Chris Sutherland ²	\$92,700	Audit Committee Risk committee Remuneration Committee

¹ Andrew Edwards retired as Non-Executive Chairman on 19 November 2020 and as a Director on 7 December 2020

² Chris Sutherland - resigned as Non-Executive Director effective 10 September 2020

8.0 OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONS AND/OR RELATED PARTIES

Key management person and/or related party	Transaction	2021 \$	2020 \$
Partnership of which current director Mr G Baker is a 25% partner.	Expense - Rent on Division St business premises.	1,578,800	1,547,850
Kirk Mining Consultants - a company controlled by current director Mr L Kirk.	Expense - Mining consulting fees	-	41,187
Hensman Properties Pty Ltd - a company controlled by current director Mr R. Ryan.	Expense - Consulting fees	-	18,881
Gateway Equipment Parts & Services Pty Ltd – a company of which current director Mr G Baker is a shareholder.	Expense - Hire of equipment and purchase of equipment, parts and services.	5,851,769	4,974,153
Gateway Equipment Parts & Services Pty Ltd – a company of which current director Mr G Baker is a shareholder.	Sale of equipment (Revenue)	-	430,000
Amounts payable at year end arising from the above transactions (Receivables Nil).			
Gateway Equipment Parts & Services Pty Ltd – a company of which current director Mr G Baker is a shareholder.		919,751	150,244

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Mike Sutton
Managing Director

24th day of September, 2021
Perth

AUDITOR'S INDEPENDENCE DECLARATION



Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF MACA LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'SL TAN'.

SL TAN
PARTNER

A handwritten signature in black ink, appearing to read 'MOORE AUSTRALIA'.

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 24th day of September 2021

Moore Australia Audit (WA) – ABN 16 874 357 907.
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CORPORATE GOVERNANCE STATEMENT CHECKLIST

The Board of MACA Limited is committed to ensuring that the Company's obligations and responsibilities to its stakeholders are fulfilled through its corporate governance practices. MACA's Vision is to "Be Number 1 in what we do", and we achieve this by demonstrating the Core Values of the Company – People First, Exceed Expectations, Continuous Improvement, Accountability and Community. Our Core Values are underpinned by our commitment to our Promise – We Care, We are Flexible and We Deliver. We believe that operating in accordance with the corporate governance guidelines enhances the delivery of the above expectations.

This checklist reports on MACA's key governance principles and practices which are reviewed and revised as appropriate to reflect changes in law and developments in corporate governance. A complete Corporate Governance Statement and all Charters, Policies, Procedures,

Disclosures, Definitions, Codes and Strategies are available for viewing on the Company's website under the Corporate Governance tab.

As required by the Australian Securities Exchange Limited ("ASX") Listing Rules, the Corporate Governance Statement contained on the Company website and in reference to this checklist reports on:

- The extent to which the Company has followed the Corporate Governance recommendations contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition); and
- The reasons for any departures from the Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), in compliance with the "if not, why not" regime.

OVERALL APPROACH TO CORPORATE GOVERNANCE

The Board as a whole reviews and makes changes in line with recommendations made by individual Board members and as a result of this focus, the Board is satisfied that the Company meets the Corporate Governance Council's Corporate Governance Principles and Recommendations with departures as disclosed below. There were no departures during the year. A checklist cross-referencing the Corporate Governance Council's Corporate Governance Principles and Recommendations to the relevant sections of the Companies Corporate Governance Statement (CGS) is shown below.

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.	✓
Recommendation 1.1 A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	1.1 Board Charter in CGS ✓
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	1.2 Board Charter in CGS ✓
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	1.3 Remuneration Report in CGS ✓
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	1.4 Board Charter in CGS ✓

CORPORATE GOVERNANCE STATEMENT CHECKLIST CONTINUED

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives;</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.</p>	<p>1.5 ✓</p> <p>Diversity Procedure in CGS</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>1.6 ✓</p> <p>Disclosure - Performance Evaluation in CGS</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>1.7 ✓</p> <p>Disclosure - Performance Evaluation in CGS</p>
<p>PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</p> <p>The board of a listed entity should be an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</p>	
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>2.1 ✓</p> <p>Directors Report Board Charter in CGS Nomination Committee Charter in CGS</p>

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.</p>	2.2 ✓
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the Board to be independent directors;</p> <p>(b) if a Director has an interest, position, or relationship of the type described in the recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	2.3 ✓ Definition of Independence in CGS
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	2.4 ✓
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	2.5 Refer to commentary in CGS
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	2.6 ✓ Board Charter in CGS Nomination Committee Charter in CGS
<p>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</p> <p>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</p>	
<p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p>	3.1 ✓ Corporate Code of Conduct in CGS
<p>Recommendation 3.2</p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	3.2 ✓ Corporate Code of Conduct in CGS
<p>Recommendation 3.3</p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	3.3 ✓ Whistleblower Procedure in CGS
<p>Recommendation 3.4</p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	3.4 ✓ Anti-Bribery and Corruption Procedure in CGS

CORPORATE GOVERNANCE STATEMENT CHECKLIST CONTINUED

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
<p>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</p> <p>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</p>	
<p>Recommendation 4.1</p> <p>The board of a listed entity should :</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>	<p>4.1 ✓</p> <p>Audit Committee Charter in CGS</p>
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity’s financial statements for a financial period, receive from its Managing Director and Chief Financial Officer a declaration that, in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>4.2 ✓</p>
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>4.3 ✓</p>
<p>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</p> <p>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</p>	
<p>Recommendation 5.1</p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.</p>	<p>5.1 ✓</p> <p>Continuous Disclosure in CGS Compliance Procedure in CGS</p>
<p>Recommendation 5.2</p> <p>A listed entity should ensure that its board receives copies of all material announcements promptly after they have been made.</p>	<p>5.2 ✓</p>
<p>Recommendation 5.3</p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	<p>5.3 ✓</p>

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
<p>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</p> <p>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.</p>	
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>6.1 ✓</p> <p>Shareholder Communication Strategy in CGS</p>
<p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	<p>6.2 ✓</p>
<p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>6.3 ✓</p> <p>Investor Centre in CGS</p>
<p>Recommendation 6.4</p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>6.4 ✓</p> <p>Shareholder Communication Strategy in CGS</p>
<p>Recommendation 6.5</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>6.4 ✓</p> <p>Shareholder Communication Strategy in CGS</p>
<p>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</p> <p>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</p>	
<p>Recommendation 7.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>	<p>7.1 ✓</p> <p>Risk Committee Charter in CGS</p>
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>7.2 ✓</p> <p>Disclosure - Risk Management in CGS</p>

CORPORATE GOVERNANCE STATEMENT CHECKLIST CONTINUED

ASK CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; and</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>7.3 ✓</p> <p>In CGS</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages those risks.</p>	<p>7.4 ✓</p> <p>In CGS</p>
<p>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</p> <p>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity’s values and risk appetite.</p>	
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>	<p>8.1 ✓</p> <p>Remuneration Report in CGS</p> <p>Remuneration Committee Charter in CGS</p>
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>8.2 ✓</p> <p>Remuneration Report in CGS</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should :</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>8.3 ✓</p> <p>Remuneration Report in CGS</p>

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements set out on pages 67 to 113 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards which as stated in the accounting policies included in the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the company and consolidated group;
2. The Managing Director (acting as Chief Executive Officer) and Chief Finance Officer have each declared that:
 - (a) the financial records of the Group for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the International Financial Reporting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view of the financial performance and results of the entity.

In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Mike Sutton
Chief Executive Officer and Managing Director



Dated at 24th September 2021

CONSOLIDATED STATEMENT OF

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2021

	Section	30 June 2021 \$'000	30 June 2020 \$'000
Continuing Operations			
Revenue	3.1(a)	1,173,920	795,755
Other Income	3.1(b)	36,679	38,013
Gain on Business Combination	6.1	4,535	-
Direct Costs	3.3	(1,130,110)	(748,000)
Finance Costs		(8,521)	(6,468)
Impairment of Assets	3.3	(3,221)	(51,602)
Foreign Exchange Gains / (Losses)		(2,445)	1,415
Stamp Duty for Acquisition of Mining West		(9,392)	-
Other Expenses from Ordinary Activities		(24,997)	(23,044)
Profit Before Income Tax		36,448	6,069
Income Tax Expense	3.6.1(a)	(11,246)	(2,486)
Profit After Tax from Continuing Operations		25,202	3,583
Discontinued Operations			
Profit / (Loss) After Tax from Discontinued Operations	3.7	(3,666)	(10,472)
Transfer of Foreign Exchange Reserve on Discontinued Operations		(806)	(10,567)
Profit / (Loss) for the Year		20,730	(17,456)
Other Comprehensive Income:			
Exchange Differences on Translating Foreign Operations	5.6	-	(2,072)
Transfer of Foreign Exchange Reserve on Discontinued Operations	5.6	-	10,567
Total Comprehensive Income for the Year		20,730	(8,961)
Profit / (Loss) Attributable to:			
- Non-Controlling Interest		1,784	418
- Members of the Parent Entity		18,946	(17,874)
		20,730	(17,456)
Total Comprehensive Income Attributable to:			
- Non-Controlling Interest		1,784	418
- Members of the Parent Entity		18,946	(9,379)
		20,730	(8,961)
Earnings per Share			
From Continuing and Discontinued Operations:			
- Basic Earnings per Share (cents)	3.8	6.20	(6.67)
- Diluted Earnings per Share (cents)	3.8	6.10	(6.57)
From Continuing Operations:			
- Basic Earnings per Share (cents)	3.8	7.67	1.18
- Diluted Earnings per Share (cents)	3.8	7.54	1.16
From Discontinued Operations:			
- Basic Earnings per Share (cents)	3.8	(1.46)	(7.85)
- Diluted Earnings per Share (cents)	3.8	(1.44)	(7.74)

The accompanying Sections form part of these Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Section	30 June 2021 \$'000	30 June 2020 \$'000
Current Assets			
Cash and Cash Equivalents	5.1.1	122,346	114,650
Trade and Other Receivables	4.1	284,651	154,329
Inventory and Work In Progress	4.2	45,052	9,477
Other Financial Assets	4.1	30	69
Other Assets	4.3	8,418	5,550
Total Current Assets		460,497	284,075
Non-Current Assets			
Trade and Other Receivables	4.1	9,469	-
Property, Plant and Equipment*	4.4	478,779	293,318
Loans to Other Companies	4.1	26,841	26,841
Other Assets	4.3	1,175	-
Intangible Assets	4.5	3,663	-
Deferred Tax Assets	3.6.2(a)	28,417	23,559
Total Non-Current Assets		548,344	343,718
Total Assets		1,008,841	627,793
Current Liabilities			
Trade and Other Payables	4.6	246,622	111,916
Deferred Consideration Payable	4.6	38,500	-
Interest Bearing Liabilities	5.2.1	97,331	55,127
Current Tax Liabilities	3.6.2(b)	10	2,169
Short-Term Provisions	4.7	32,431	15,976
Total Current Liabilities		414,894	185,188
Non-Current Liabilities			
Deferred Tax Liabilities	3.6.2(b)	1,099	-
Interest Bearing Liabilities	5.2.1	205,240	132,945
Total Non-Current Liabilities		206,339	132,945
Total Liabilities		621,233	318,133
Net Assets		387,608	309,660
Equity			
Issued Capital	5.5	342,267	269,806
Reserves	5.6	(5,298)	(5,298)
Retained Profits		45,322	41,619
Parent Interest		382,291	306,127
Non-Controlling Interest		5,317	3,533
Total Equity		387,608	309,660

*Includes Right-Of-Use Assets

The accompanying Sections form part of these Financial Statements

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

For the Year Ended 30 June 2021

	Issued Capital	Retained Profits	Outside Equity Interest	General Reserves	Option Reserve	FX Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 Jul 2019	269,806	73,496	3,157	(5,888)	590	(8,495)	332,666
Effect of AASB16	-	(603)	(42)	-	-	-	(645)
Restated Balance at 1 Jul 2019	269,806	72,893	3,115	(5,888)	590	(8,495)	332,021
Profit / (Loss) for the Year	-	(17,874)	418	-	-	-	(17,456)
SUB-TOTAL	269,806	55,019	3,533	(5,888)	590	(8,495)	314,565
Other Comprehensive Income:							
Forex in Translating Foreign Operations	-	-	-	-	-	(2,072)	(2,072)
Transfer of FX Reserve on Discontinued Operations	-	-	-	-	-	10,567	10,567
SUB-TOTAL	269,806	55,019	3,533	(5,888)	590	-	323,060
Dividends Paid	-	(13,400)	-	-	-	-	(13,400)
Balance at 30 Jun 2020	269,806	41,619	3,533	(5,888)	590	-	309,660
Balance at 1 Jul 2020	269,806	41,619	3,533	(5,888)	590	-	309,660
Profit / (Loss) for the Year	-	18,946	1,784	-	-	-	20,730
SUB-TOTAL	269,806	60,565	5,317	(5,888)	590	-	330,390
Other Comprehensive Income:							
Forex in Translating Foreign Operations	-	-	-	-	-	-	-
Transfer of FX Reserve on Discontinued Operations	-	-	-	-	-	-	-
SUB-TOTAL	269,806	60,565	5,317	(5,888)	590	-	330,390
Shares Issued (net of costs)	72,461	-	-	-	-	-	72,461
Dividends Paid	-	(15,243)	-	-	-	-	(15,243)
Balance at 30 Jun 2021	342,267	45,322	5,317	(5,888)	590	-	387,608

The accompanying Sections form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2021

	Section	30 June 2021 \$'000	30 June 2020 \$'000
Cash Flows From Operating Activities			
Receipts from Customers		1,040,442	787,478
Payments to Suppliers and Employees		(901,306)	(652,119)
Interest Received		289	3,292
Interest Paid		(8,521)	(6,834)
Income Tax Paid		(12,154)	(15,187)
Net Cash Provided By / (Used In) Operating Activities	5.1.2	<u>118,750</u>	<u>116,630</u>
Cash Flow From Investing Activities			
Proceeds from Sale of Investments		-	19,836
Proceeds from Sale of Property, Plant and Equipment		2,838	7,735
Purchase of Property, Plant and Equipment*		(91,980)	(63,444)
Net Loans Repaid by / (Provided to) Customers		(100)	22,591
Purchase of Investments		-	(5,435)
Acquisition of Mining West	6.1	(136,500)	-
Net Cash Provided By / (Used In) Investing Activities		<u>(225,742)</u>	<u>(18,717)</u>
Cash Flow From Financing Activities			
Net Proceeds from Share Issue		72,461	-
Proceeds from Borrowings*		144,939	23,821
Repayment of Borrowings		(85,212)	(52,975)
Dividends Paid by the Parent		(15,243)	(13,400)
Net Cash Provided by / (Used In) Financing Activities		<u>116,945</u>	<u>(42,554)</u>
Net Increase/(Decrease) in Cash Held			
Effect of Forex Rate Changes		(2,257)	(1)
Cash and Cash Equivalents at the Beginning of the Year		114,650	59,292
Cash and Equivalents at the End of the Year	5.1.1	<u>122,346</u>	<u>114,650</u>

*** Non-Cash Financing and Investing Activities**

During the period ended 30 June 2021 the Group acquired \$50.9 million (2020:\$61.1m) in plant and equipment by means of finance leases (included in right-of-use assets), directly from original equipment manufacturers. These acquisitions are not reflected above.

The accompanying Sections form part of these Financial Statements.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

SECTION 1 GENERAL INFORMATION

1.1 REPORTING ENTITY

MACA Limited (MLD) is a limited company incorporated in Australia. The addresses of the Company's registered office and principal places of business are disclosed in the Corporate Directory. The principal activities of the Company are described in the Directors' Report. The financial statements were authorised for issue by the Directors on the 24th of September 2021.

1.2 BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. These financial statements are presented in Australian dollars and rounded to the nearest thousand (\$'000), unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MACA Limited (the 'Company') as at 30 June 2021 and the results of all subsidiaries for the year then ended. MACA Limited and its subsidiaries together are referred to in these financial statements as the "Group" or "Consolidated".

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

1.4 NEW ACCOUNTING STANDARDS ADOPTED BY THE GROUP DURING THE YEAR

Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards - Definition of a Business

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisition of assets.

The standard listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future period.

1.5 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

A number of new accounting standards, amendments to standards and interpretations are not yet effective for the 30 June 2021 reporting period and have not been early adopted in preparing these financial statements.

The Directors' assessment of these new accounting standards (to the extent relevant to the Group) and interpretations is that they are not expected to have a material effect on the financial statements of the Group.

1.6 COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed. There is no adjustment to comparative figures for the acquisition of Mining West.

SECTION 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

KEY ESTIMATES AND JUDGEMENTS

Impairment - Property, Plant and Equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The value in use calculations with respect to assets require an estimation of the future cash flows expected to arise from each cash generating unit and a suitable discount rate to apply to these cash flows to calculate net present value. The Directors have determined that there is no adjustment required to the carrying value of assets in the current reporting period.

Impairment - Trade and Other Receivables and Loans to Other Companies

As at 30 June 2021, the Group's trade and other receivables and loans to other companies amounted to \$325.2m (30 June 2020: \$229.6m), before recognition of any impairment.

Based on the Group's historical credit loss experience, trade receivables and loans to other companies exhibit different loss patterns for each revenue segment. Where the Group has common customers across the different geographical regions it applies credit evaluations firstly by segment, where payment profiles exceed 12 months. Receivables identified within each revenue segment, are then evaluated on an individual basis. Management has assessed and impaired receivables by \$4.2m, being bad debts written off \$3.2m and a provision for doubtful debts of \$0.9m (from discontinued operations), through the profit and loss. There was no further impairment to trade and loan receivables with Carabella Resources Pty Ltd in the current period.

In the assessment of loans to other companies, no overdue payments were outstanding for greater than 12 months with exception of the loan to Carabella Resources Pty Ltd, where we have first ranking securities over the company assets. (Refer to Section 5.3 for details)

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

2.0 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on best estimates. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the Group's understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that best estimate, pending an assessment by the Australian Taxation Office.

Estimation of Useful Lives of Assets

The estimation of the useful lives of property, plant and equipment is based on historical experience and is reviewed on an ongoing basis. The condition of the assets is assessed at least annually against the remaining useful life with adjustments made when considered necessary.

Business Combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination. See sections 4.5 Intangible Assets - Customer Contracts and 6.1 Business Combinations.

SECTION 3 RESULTS FOR THE YEAR

This section focuses on the results and performance of the Group and includes disclosures explaining the Group's results for the year, segment information, capital and leasing commitments, taxation, profit/(loss) from discontinued operations and EPS.

3.1 REVENUE

Accounting Policies

Revenue Recognition

Under AASB 15, revenue is recognised when the performance obligations are considered met, which can be at a point in time, or over time, depending on the various service offerings. Major activities of the Group are detailed below.

Contract Services

Contracts for services includes contract mining, drill and blast, excavation, earthmoving, crushing, infrastructure and road construction and maintenance.

The relevant performance obligations are fulfilled over time as the Group enhances assets which the customer controls, for which the Group does not have an alternative use and for which the Group has a right to payment for performance to date and as such revenue is recognised over time.

Revenue is measured and recognised monthly using the outputs method, either based on units of production (typically for contract mining services, which is the largest segment in the Group) or on the achievement of milestones (generally for civil and infrastructure projects) at agreed contract rates that are aligned with the stand alone selling prices for each performance obligation. The majority of the Group's revenue (i.e. in respect of mining services) is paid one month in arrears and therefore gives rise to a process of invoicing or accruing revenue monthly, based on the achievement of contractually agreed production related measures, as noted above.

For rental of equipment, as the customer simultaneously receives and consumes the benefits, the Group has an enforceable right to payment, based on agreed contract rates, and as such the performance obligation is fulfilled over time.

The total transaction price for contract services may include variable consideration. Variable consideration is only recognised and recorded in the accounts to the extent that it is highly probable that a significant reversal in the amount of revenue recognised will not occur.

Sale of Inventory

Revenue recognised at a point in time is only 0.4% of the Group's trading revenue. This is noted under note 3.2 Operating Segments and refers only to Interquip revenues of which 5% of their trading revenues comprise the sale of inventory. At the point of recognising the revenue the Group has agreed the price of the transaction, transferred the physical asset and the customer has accepted control of the asset and its intended use of the asset.

Other Revenue

Other revenue and other income primarily includes profit or loss on sale of assets or investments, dividends received, government rebates (including diesel fuel rebates) and interest income which is recognised on an accrual basis.

An amount of \$885k JobKeeper payment was received in FY21 from the Government for the Civil and Infrastructure businesses in Victoria that were significantly affected by COVID-19. Including this JobKeeper payment, the COVID-19 impact has contributed to the loss-making of Civil and Infrastructure segment disclosed in note 3.2.

All dividends received are recognised as revenue when the right to receive the dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.1 REVENUE (CONTINUED)

The following is an analysis of the Group's revenue and other income for the year:

		30 June 2021	30 June 2020
Continuing Operations	Section	\$'000	\$'000
3.1(a) Revenue from Operating Activities			
Contract Trading Revenue		1,173,423	790,058
Interest Received		79	3,223
Other Revenue		418	2,474
Total Revenue from Operating Activities		1,173,920	795,755
3.1(b) Other Income			
Profit / (Loss) on Disposal of Property, Plant and Equipment		1,020	3,402
Profit / (Loss) on Sale of Investments		-	(299)
Rebates		35,659	34,910
Total Other Income		36,679	38,013

3.2 OPERATING SEGMENTS

Identification of Reportable Segment

The Group identifies its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates in three businesses and currently three geographical segments. The business segments are for the provision of contract mining, civil & infrastructure, and structural, mechanical and piping (through Interquip) services to the resource sector. The three geographical segments being Australia, Brazil and Cambodia. Operations in Brazil have been discontinued since the prior year and are presented separately in the table below. Operations in Cambodia have commenced in the current year.

Basis of Accounting for Purposes of Reporting by Operating Segments

Accounting Policies Adopted

Unless otherwise stated, all amounts reported to the Board of Directors as the chief operating decision maker, are in accordance with accounting policies that are consistent to those adopted in the financial statements of the Group.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair

value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue and expense are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Dividends, interest, foreign exchange, head office and other administration expenditure.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.2 OPERATING SEGMENTS (CONTINUED)

Consolidated - June 2021	Mining	Civil/ Infrastructure	Interquip [^]	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Reportable Segment Revenue	870,524	210,263	95,573	(2,440)	1,173,920
Other Revenue	36,606	22	51	-	36,679
Total Revenue	907,130	210,285	95,624	(2,440)	1,210,599
EBITDA*					
EBITDA*	153,369	(960)	10,924	(1,252)	162,081
Depreciation and Amortisation	(92,883)	(1,747)	(1,309)	-	(95,939)
EBIT	60,486	(2,707)	9,615	(1,252)	66,142
Non-Recurring Transactions	(15,586)	-	(3,221)	(2,445)	(21,252)
Interest Revenue	66	8	-	5	79
Finance Costs	(8,383)	(101)	(37)	-	(8,521)
Net Profit/(Loss) Before Tax	36,583	(2,800)	6,357	(3,692)	36,448
Income Tax Expense					(11,246)
Net Profit After Tax					25,202
Net Loss After Tax from Discontinued Operations					(4,472)
Profit / (Loss) for the Year					20,730
Assets					
Segment Assets	860,390	60,802	40,952	46,697	1,008,841
Total Assets					1,008,841
Liabilities					
Segment Liabilities	554,191	38,032	26,481	2,529	621,233
Total Liabilities					621,233
Capital Expenditure					
Capital Expenditure	277,664	1,056	3,406	-	282,126

*EBITDA is Earnings Before Interest, Income Tax, Depreciation, Non-Recurring Transactions and Amortisation of Continuing Operations.

¹Non-Recurring Transactions include one-off Mining West acquisition costs, gain on business combination, forex losses and Bluff cessation costs.

Disaggregation of Revenue

[^] 5% of Interquip segment revenue has been derived at a point in time. This represents only 0.4% of the Group's total trading revenue. All other Group revenue is derived over time.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.2 OPERATING SEGMENTS (CONTINUED)

Consolidated - June 2020	Mining \$'000	Civil/ Infrastructure \$'000	Interquip \$'000	Unallocated \$'000	Total \$'000
Revenue					
Reportable Segment Revenue ¹	570,774	191,173	30,797	3,011	795,755
Other Revenue	36,324	(42)	(3)	1,734	38,013
Total Revenue	607,098	191,131	30,794	4,745	833,768
EBITDA*					
EBITDA*	111,698	13,083	2,105	2,584	129,470
Depreciation and Amortisation	(66,248)	(1,285)	(1,021)	-	(68,554)
EBIT	45,450	11,798	1,084	2,584	60,916
Non-Recurring Transactions [^]	(48,415)	(3,187)	-	-	(51,602)
Interest Revenue	1,785	24	4	1,410	3,223
Finance Costs	(6,235)	(156)	(53)	(24)	(6,468)
Net Profit/(Loss) Before Tax	(7,415)	8,479	1,035	3,970	6,069
Income Tax Expense					(2,486)
Net Profit After Tax					3,583
Net Loss After Tax from Discontinued Operations					(21,039)
Profit / (Loss) for the Year					(17,456)
Assets					
Segment Assets	466,084	71,260	21,463	68,986	627,793
Total Assets					627,793
Liabilities					
Segment Liabilities	262,480	49,749	4,185	1,719	318,133
Total Liabilities					318,133
Capital Expenditure					
Capital Expenditure	117,975	6,037	513	-	124,525

¹Excludes revenue of \$12.2m from discontinued operation from Brazil

*EBITDA is Earnings Before Interest, Income Tax, Non-Recurring Transactions, Depreciation and Amortisation of Continuing Operations

[^]In relation to the impairment of receivables and goodwill.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.2 OPERATING SEGMENTS (CONTINUED)

Geographical Information	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Australia	1,157,118	795,755	518,898	333,292
Cambodia	16,802	-	29,445	-
Brazil (Discontinued Operations)	211	12,186	1	10,426
Total	1,174,131	807,941	548,344	343,718

Major Customers

The Group has a number of customers to whom it provides both products and services. The Group supplies 3 single external customers in the mining segment which account for 20.6%, 9.4% and 7.3% of external revenue. (2020: 31.4%, 10.9% and 8.5%). The next most significant client across the Group accounts for 6.7% (2020: 10.9%) of external revenue.

3.3 OPERATING COSTS FROM CONTINUING OPERATIONS

Expenses	Section	30 June	30 June
		2021	2020
		\$'000	\$'000
Depreciation and Amortisation			
– Plant and Equipment		91,418	65,582
– Motor Vehicles		1,271	509
– Other		3,250	2,463
Total Depreciation and Amortisation Expense*		<u>95,939</u>	<u>68,554</u>
Employee Benefits Expense		444,075	289,988
Repairs, Service and Maintenance		105,194	55,360
Materials and Supplies		179,746	129,244
Hire of Plant and Equipment		72,799	48,125
Subcontractor Costs		66,601	34,848
Others		165,756	121,881
Total Direct Costs		<u>1,130,110</u>	<u>748,000</u>

*The amount above excludes the depreciation of \$23k (2020: \$3.46m) for discontinued operations.

Comparatives for operating costs do not include Mining West.

Impairment of Assets			
Impairment of Receivables	5.3	3,221	48,415
Impairment of Goodwill	4.5	-	3,187
Total Impairment		<u>3,221</u>	<u>51,602</u>

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.4 CAPITAL AND LEASING COMMITMENTS

Accounting Policies

Leases

AASB 16 Leases was adopted by the Group at 1 July 2019 and contains significant changes to the accounting treatment of leases around how to recognise, measure and disclose. The new standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases, with exception of short term (less than 12 months) and low value leases.

The Group manages its owned and leased assets to ensure there is an appropriate level of equipment to meet its current obligations and to tender for new work. The decision as to whether to lease or purchase an asset is dependent on the finance available at the time and the residual risk of ownership following the anticipated completion of the project.

	30 June 2021 \$'000	30 June 2020 \$'000
(a) Capital Expenditure Commitments		
Plant and Equipment Purchases Payable		
– Not Later Than 12 Months	28,384	40,300
– Between 12 Months and 5 Years	-	-
– Greater Than 5 Years	-	-
Total Minimum Commitments	<u>28,384</u>	<u>40,300</u>

\$28.4m of commitments for property, plant and equipment expenditure existed at 30 June 2021 (2020: \$40.3m). These commitments are largely associated with the Karlawinda project for Capricorn Metals Ltd.

3.5 AUDITOR'S REMUNERATION

	30 June 2021 \$'000	30 June 2020 \$'000
Auditor's Remuneration - Moore Australia (WA)		
Audit or Review of the Financial Report	245	239
Other Non-Audit Services	-	-
Taxation Services	-	-
Total Auditor's Remuneration	<u>245</u>	<u>239</u>

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.6 TAXATION

Accounting Policies

Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.6 TAXATION (CONTINUED)

Continuing Operations	Section	30 June 2021 \$'000	30 June 2020 \$'000
3.6.1 Income Tax Expense			
(a) The Components of Tax Expense Comprise:			
Current		8,920	16,858
Deferred	3.6.3 (a)	2,326	(14,372)
Income Tax Expense		<u>11,246</u>	<u>2,486</u>
(b) Reconciliation:			
Prima Facie Tax Payable on Profit From Ordinary Activities Before Income Tax at 30% (2020: 30%)		10,935	1,821
Add Tax Effect of			
– Dividend Imputation		1,960	1,723
– Other Non-Allowable Items		411	412
– Other Taxable Items		5,007	5,017
– Under/(Over) provision of Prior Years' Tax Expense		(441)	(277)
Less Tax Effect of			
– Franking Credits on Dividends Received		(6,533)	(5,743)
– Other Deductible Items		(93)	(467)
Income tax attributable to the Group		<u>11,246</u>	<u>2,486</u>
The Applicable Weighted Average Effective Tax Rate as		<u>31%</u>	<u>41%</u>

	Section	30 June 2021 \$'000	30 June 2020 \$'000
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3.6.2 Tax Assets and Liabilities

(a) Tax Assets

Non-Current

Deferred Tax Assets comprise:

Provisions	3.6.3(c)	17,054	5,725
Losses	3.6.3(c)	7,054	2,733
Other	3.6.3(c)	4,309	15,101
Total Non-Current Tax Assets		<u>28,417</u>	<u>23,559</u>

(b) Tax Liabilities

Current

Income tax		10	2,169
Total Current Tax Liabilities		<u>10</u>	<u>2,169</u>

Non-Current

Deferred Tax Liabilities comprises:

Depreciation		1,099	-
Other		-	-
Total Non-Current Tax Liabilities	3.6.3(b)	<u>1,099</u>	<u>-</u>

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.6 TAXATION (CONTINUED)

		30 June 2021 \$'000	30 June 2020 \$'000
	Section		

3.6.3 Reconciliations

(a) Gross Movements

The Overall Movement In the Deferred Tax Account is as follows:

Opening Balance		23,559	9,187
(Charge)/Credit To Income Statement		(2,326)	14,372
(Charge)/Credit To Equity		1,075	-
Acquisition through business combination	6.1	5,010	-
Closing Balance		27,318	23,559

(b) Deferred Tax Liabilities

The Movement In Deferred Tax Liabilities For Each Temporary Difference During the Year is as follows:

Depreciation and Other:

Opening Balance		-	4,326
Charge/(Credit) To Income Statement		1,099	(4,326)
Charge/(Credit) To Equity		-	-
Closing Balance		1,099	-

(c) Deferred Tax Assets

The Movement In Deferred Tax Assets For Each Temporary Difference During the Year is as follows:

Provisions:

Opening Balance		5,725	4,671
Acquisition through business combination	6.1	5,010	-
(Charge) / Credit to Equity		1,075	-
Credit To Income Statement		5,244	1,054
Closing Balance		17,054	5,725

Losses:

Opening Balance		2,733	8,293
(Charge)/Credit To Income Statement		4,321	(5,560)
Closing Balance		7,054	2,733

Other:

Opening Balance		15,101	549
(Charge)/Credit To Income Statement		(10,792)	14,552
Charge/(Credit) To Equity		-	-
Closing Balance		4,309	15,101

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.7 PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS

Accounting Policies

A discontinued operation is a component of the entity that either has been disposed of, ceased operation or is classified as held for sale, and

- represents a separate major line of business or geographical area of operations;
 - is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
 - is a subsidiary acquired exclusively with a view to resale.
- Profit or loss from discontinued operations, including prior year components of profit or loss, is presented in a single amount in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. This amount comprises the post-tax profit or loss of discontinued operations and the

post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale (if any).

Discontinued Operations

On 21 January 2020, the Group announced the cessation of the operations in Brazil. This followed the termination of the contract at Antas for AVB Mineracao Ltda, a subsidiary of Oz Minerals Ltd. The Group had relocated the plant and equipment back to Australia for deployment to existing and new projects.

The financial performance of the discontinued operations, is included in profit / (loss) from discontinued operations on the face of Consolidated Statement of Profit or Loss and Other Comprehensive Income, is as follows:

Section	30 June 2021 \$'000	30 June 2020 \$'000
Revenue	211	12,186
Other Income	102	211
Direct Costs	(3,051)	(21,426)
Impairment of Receivables	5.3 (981)	(1,952)
Finance Costs	-	(365)
Foreign Exchange Gains / (Losses)	53	(2,358)
Profit / (Loss) Before Income Tax	<u>(3,666)</u>	(13,704)
Income Tax Expense	-	3,232
Profit / (Loss) After Tax from Discontinued Operations	<u><u>(3,666)</u></u>	<u><u>(10,472)</u></u>

The net cash flows of the discontinued operations, which have been incorporated into the Consolidated Statement of Cash Flows, are as follows:

Net Cash Provided By / (Used In) Operating Activities	10,558	27,240
Net Cash Provided By / (Used In) Investing Activities	859	1,603
Net Cash Provided By / (Used In) Financing Activities*	<u>(7,508)</u>	<u>(38,778)</u>
Net Cash Increase / (Decrease) in Cash Held	<u><u>3,909</u></u>	<u><u>(9,935)</u></u>

*Included in the net cash used in financing activities for the year ended 30 June 2021, is an amount of \$7.5m (2020: \$29.3m) loan repayment made to the parent entity.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

3.8 EARNINGS PER SHARE

Accounting Policies

Basic EPS

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares during the financial year.

Diluted EPS

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares and performance rights for the effects of all dilutive potential ordinary shares.

	30 June 2021 \$'000	30 June 2020 \$'000
Reconciliation Of Earnings To Profit and Loss		
Profit After Tax from Continuing Operations	25,202	3,583
(Profit) / Loss Attributable To Non-Controlling Interest	(1,784)	(418)
Profit Attributable to Members of Parent Entity from Continuing Operations	23,418	3,165
Profit / (Loss) Attributable to Members of Parent Entity from Discontinued Operations	(4,472)	(21,039)
Profit / (Loss) Attributable to Members of Parent Entity from Continuing and Discontinued Operations	18,946	(17,874)
From Continuing and Discontinued Operations		
Earnings Used To Calculate Basic EPS	18,946	(17,874)
Earnings Used in the Calculation of Dilutive EPS	18,946	(17,874)
From Continuing Operations		
Earnings Used To Calculate Basic EPS	23,418	3,165
Earnings Used in the Calculation of Dilutive EPS	23,418	3,165
From Discontinued Operations		
Earnings Used To Calculate Basic EPS	(4,472)	(21,039)
Earnings Used in the Calculation of Dilutive EPS	(4,472)	(21,039)
Weighted Avg. No. of Ord. Shares Outstanding During the Year (Basic EPS) ('000)	305,418	268,008
Weighted Average Number of Dilutive Options Outstanding ('000)	4,985	3,879
Weighted Avg. No. of Ord. Shares Outstanding During the Year (Diluted EPS) ('000)	310,403	271,887

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

SECTION 4 ASSETS AND LIABILITIES

This Section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in Section 5.

4.1 TRADE AND OTHER RECEIVABLES, LOANS TO OTHER COMPANIES AND OTHER FINANCIAL ASSETS

Accounting Policies

Trade and other receivables represent the asset outstanding at the end of the reporting period for goods and services provided by the Group during the reporting period which remain unpaid. The balance is recognised as a current asset with the amount normally being received within 30 to 60 days of recognition of the receivable. The Group's impairment loss allowance accounting policy for receivables is outlined in note 5.3.

		30 June 2021 \$'000	30 June 2020 \$'000
Trade and Other Receivables	Section		
Trade and Other Debtors - Current		281,543	191,554
Less: Provision for Impairment	5.3	(981)	(48,415)
		280,562	143,139
Debtors Subject to Payment Arrangements - Current		4,089	11,190
Total Current		284,651	154,329
Debtors Subject to Payment Arrangements - Non-Current		9,469	-
Total Trade and Other Receivables		294,120	154,329
Loans to Other Companies			
Loans to Other Companies - Current		-	-
Loans to Other Companies - Non-Current		26,841	26,841
Total Loans to Other Companies		26,841	26,841
Other Financial Assets			
Shares in Listed Corporations at Fair Value - Current		30	69
Shares in Listed Corporations at Fair Value - Non-Current		-	-
Total Other Financial Assets		30	69

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

4.1 TRADE AND OTHER RECEIVABLES, LOANS TO OTHER COMPANIES AND OTHER FINANCIAL ASSETS (CONTINUED)

Credit Risk

The Group has approximately 14% (2020: 22%) of post-impairment credit risk with a single counterparty or group of counterparties. Failure or default of a major counterparty would have a material impact on earnings. Management of credit risk is discussed in Section 5.3 Financial Risk Management. The class of assets described as “trade and other receivables” and “loans to other companies” are considered to be the main source of credit risk related to the Group.

The following table details the Group’s trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as ‘past due’ when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of acceptable credit quality.

	Gross amount \$'000	Past due and impaired \$'000	Past due but not impaired \$'000	Within initial trade terms \$'000
30 June 2021				
Trade and Term Receivables	277,777	(4,202)	28,749	244,826
Other Receivables	20,545	-	-	20,545
Total Trade and Other Receivables	298,322	(4,202)	28,749	265,371

30 June 2020				
Trade and Term Receivables	198,049	(48,415)	18,806	130,828
Other Receivables	4,695	-	-	4,695
Total Trade and Other Receivables	202,744	(48,415)	18,806	135,523

Receivables and Loans as Financial Assets measured at Amortised Cost	30 June 2021 \$'000	30 June 2020 \$'000
Trade and Other Receivables		
- Total Current (net of impairment)	284,651	154,329
- Total Non-Current	9,469	-
Total Trade and Other Receivables	294,120	154,329
Loans to Other Companies		
- Total Current	-	-
- Total Non-Current (Secured)*	26,841	26,841
Total Loan to Other Companies	26,841	26,841

* Loan to Carabella Resources Pty Ltd has first ranking securities over the company assets, being mining and exploration tenements.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

4.2 INVENTORY AND WORK IN PROGRESS (WIP)

Accounting Policies

Inventory and work in progress are measured at the lower of cost or net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

A WIP Liability is recognised when the customer pays consideration before the Group recognises the related revenue as set out in Note 3.1(a). A WIP Liability would also be recognised if the Group has an unconditional right to receive the consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

	30 June 2021 \$'000	30 June 2020 \$'000
Inventory and Work In Progress (WIP)		
Inventory*	49,914	12,494
WIP - Income Received in Advance	(4,862)	(3,017)
Total Inventory and Work in Progress (WIP)	<u>45,052</u>	<u>9,477</u>

*On 1st February 2021 inventory of \$40m acquired through business combination (Refer to Note 6.1).

WIP Liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for construction contracts and progress billings issued in excess of the Group's rights to the consideration in respect of construction contract revenue.

4.3 OTHER ASSETS

	30 June 2021 \$'000	30 June 2020 \$'000
Other Assets		
Prepayments	2,565	777
Deposit*	5,528	4,773
Loan Establishment Fee [^]	325	-
Total Other Assets - Current	<u>8,418</u>	<u>5,550</u>
Loan Establishment Fee [^]	1,175	-
Total Other Assets - Non-Current	<u>1,175</u>	<u>-</u>

*Included in the deposit balance as at 30 June 2021, amount of \$4.6m was cash deposit-backed security bonds.

[^]In relation to the \$130m loan from Commonwealth Bank of Australia for the acquisition of Mining West and being amortised over the remaining period of the loan.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

4.4 PROPERTY, PLANT AND EQUIPMENT

Accounting Policies

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), less subsequent depreciation for buildings. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity, all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and other comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits

associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value or straight line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	2.50%
Plant and Equipment	10% – 40.0%
Low Value Pool	18.75% – 37.5%
Motor Vehicles	18.75% – 50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Leases

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

4.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period are as follows:

	30 June 2021 \$'000	30 June 2020 \$'000
Plant and Equipment – at Cost		
- Owned	600,634	405,691
- Right-Of-Use Assets	318,572	276,951
Total Cost	<u>919,206</u>	<u>682,642</u>
Accumulated Depreciation		
- Owned	(344,082)	(325,162)
- Right-Of-Use Assets	(115,467)	(82,003)
Total Accumulated Depreciation	<u>(459,549)</u>	<u>(407,165)</u>
Carrying Amount - Plant and Equipment	<u>459,657</u>	<u>275,477</u>
Motor Vehicles – at Cost		
- Owned	3,759	4,370
- Right-Of-Use Assets	2,619	3,752
Total Cost	<u>6,378</u>	<u>8,122</u>
Accumulated Depreciation		
- Owned	(2,992)	(3,807)
- Right-Of-Use Assets	(1,507)	(2,126)
Total Accumulated Depreciation	<u>(4,499)</u>	<u>(5,933)</u>
Carrying Amount - Motor Vehicles	<u>1,879</u>	<u>2,189</u>
Land and Building		
- Owned at Fair Value	3,272	3,272
- Right-Of-Use Assets	20,330	16,458
Total	<u>23,602</u>	<u>19,730</u>
Accumulated Depreciation		
- Owned at Fair Value	(519)	(487)
- Right-Of-Use Assets	(7,488)	(5,018)
Total Accumulated Depreciation	<u>(8,007)</u>	<u>(5,505)</u>
Carrying Amount - Land and Building	<u>15,595</u>	<u>14,225</u>
Low Value Pool – at Cost	567	481
Accumulated Depreciation	(456)	(416)
Carrying Amount - Low Value Pool	<u>111</u>	<u>65</u>
Leasehold Improvements – at Cost	3,661	2,980
Accumulated Depreciation	(2,124)	(1,618)
Carrying Amount - Leasehold Improvements	<u>1,537</u>	<u>1,362</u>
Total Carrying Amounts - Owned	<u>261,720</u>	<u>85,304</u>
Total Carrying Amounts - Right-Of-Use Assets	<u>217,059</u>	<u>208,014</u>
Total Carrying Amounts - Property, Plant and Equipment	<u>478,779</u>	<u>293,318</u>

The Group's lease portfolio includes buildings, plant and equipment and motor vehicles.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

4.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Options to Extend or Terminate

The options to extend or terminate are contained in several of the property leases of the Group. There were no extension options for equipment leases. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Group. The extension options or termination options which management were reasonably certain to be exercised have been included in the calculation of the lease liability.

Impairment of Property, Plant and Equipment

The Group monitors market conditions for indications of impairment of its operating assets. Where a trigger event occurs which indicates an impairment may have occurred, a formal impairment assessment is performed. The following trigger events have occurred at 30 June 2021:

- The carrying amount of the Group's net assets (\$387.6M) exceeded the Company's market capitalisation as at 30 June 2021 (\$259.3M).

As a result, an assessment has been made of the recoverable amounts of each of the Operating Segments. The Group's Mining Services segment is split into Mining and Crushing CGU's for evaluation of impairment. Similarly, Civil and Infrastructure are also assessed as independent CGU's. Cash flows have been projected for 5 years from the continuing use of assets within each CGU as well as the disposal of any assets, and have been discounted using a Weighted Average Cost of Capital (WACC) rate. Projected future cash flows from the continuing use of assets for FY22 have been based on current contracted work in hand plus an allowance for estimated new work, thereafter growth has

been allowed at 2.0% with a terminal growth rate of 2.0% has been applied. The FY21 WACC rate has been applied to discount the projected cash flows of each of these CGU's to measure any impairment.

The assessment has resulted in no impairment to the plant and equipment employed in the Mining, Crushing, Interquip and Civil CGUs, but indicated a potential impairment of assets for infrastructure, further tests performed supported the carrying value of property, plant and equipment in Infrastructure CGU. Accordingly, no impairment to property, plant and equipment has been recognised.

Key Assumptions used for value in use calculations:

- EBITDA Margin
- Discount Rates
- Growth rates used to extrapolate cash flows beyond the forecast period
- Capital expenditure

The EBITDA Margin is based on management's best estimate taking into account past performance and expected market conditions. Working Capital has been adjusted to reflect the required working capital for the forecast future cashflows.

Capital expenditure has considered both required replacement capital and idle equipment which could be utilised to sustain the current Work in Hand schedule. Capital expenditure has been matched to depreciation levels in the terminal year.

As disclosed above management have made judgements and estimates in respect of impairment testing of plant and equipment. Any adverse changes to key assumptions may result in an impairment in the future. The sensitivities are as follows:

Sensitivity Analysis

	Decrease in Revenue required to incur an impairment	Increase in Discount Rate to incur an impairment
Crushing	14.5%	113.3%
Mining	14.3%	132.5%
Civil	4.2%	122.1%
Infrastructure*	0.0%	0.0%
Interquip	66.2%	145.2%

*Carrying value of assets are supported by valuations

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For the Year Ended 30 June 2021

4.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Consolidated:	Plant and Equipment \$'000	Motor Vehicles \$'000	Land and Buildings \$'000	Right-Of-Use Assets \$'000	Low Value Pool \$'000	Leasehold Improvement \$'000	Total \$'000
Balance at 01 July 19	231,415	2,694	2,808	-	94	1,269	238,280
Adoption of AASB 16							
- Reallocation from PPE	(161,888)	(1,867)	-	163,755	-	-	-
- Recognition of ROUA	-	-	-	13,138	-	-	13,138
Restated Bal. at 01 July 19	69,527	827	2,808	176,893	94	1,269	251,418
Additions	38,231	12	-	85,842	17	423	124,525
Disposals	(5,238)	(79)	-	-	-	(10)	(5,327)
Reallocation from ROUA	7,703	-	-	(7,703)	-	-	-
Forex movements	(5,100)	-	-	-	-	-	(5,100)
Depreciation expense	(24,594)	(197)	(23)	(47,018)	(46)	(320)	(72,198)
Balance at 30 June 20	80,529	563	2,785	208,014	65	1,362	293,318
Balance at 01 July 20	80,529	563	2,785	208,014	65	1,362	293,318
Additions	70,580	479	-	74,925	86	681	146,751
Acquisition through business combination	135,375	-	-	-	-	-	135,375
Disposals	(1,296)	(423)	-	-	-	-	(1,719)
Reallocation from ROUA	29,198	1,365	-	(30,563)	-	-	-
Forex movements	144	-	-	-	-	-	144
Depreciation expense	(57,978)	(1,217)	(32)	(35,317)	(40)	(506)	(95,090)
Balance at 30 June 21	256,552	767	2,753	217,059	111	1,537	478,779

	30 June 2021 \$'000	30 June 2020 \$'000
AASB 16 related amounts recognised in the income statement for the year ended		
Depreciation charge related to right-of-use assets	35,317	47,018
Interest expense on lease liabilities (under finance cost)	7,257	6,834
Short-term leases expense	191	338

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

4.5 INTANGIBLE ASSETS

Accounting Policies

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Allocation of Goodwill to Cash Generating Unit

Goodwill is allocated to the Group's cash generating units identified according to operating segment. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

4.5 INTANGIBLE ASSETS (CONTINUED)

Impairment Test for Goodwill

The Group does not hold any goodwill arising from the business combinations.

Intangible Assets - Customer Contracts

The acquisition price of Mining West sites was based on the fair value of inventory, plant and equipment, using an independent valuation. The customer contracts ceded to MACA were valued based on the expected net results and discounted using MACA's Weighted Average Cost of Capital ("WACC") to present value. Management believe the customer contracts are fully recoverable and as a result, an intangible has been recognised and amortised on a straight-line basis over the average duration of the contracts, which is 26 months from its acquisition date, see table below.

		30 June 2021 \$'000	30 June 2020 \$'000
Goodwill	Section		
MACA Infrastructure		-	3,187
Less: Accumulated Impairment Losses		-	(3,187)
Goodwill Carrying Amount		-	-

		30 June 2021 \$'000	30 June 2020 \$'000
Customer Contracts	Section		
Acquisition through business combination	6.1	4,535	-
Less: Accumulated Amortisation		(872)	-
Customer Contracts Carrying Amount		3,663	-

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

4.6 TRADE AND OTHER PAYABLES

Accounting Policies

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 45 days of recognition of the liability.

Payables	Section	30 June	30 June
		2021	2020
		\$'000	\$'000
Current			
Unsecured Liabilities:			
Trade Creditors		157,260	80,388
Sundry Creditors and Accruals		89,362	31,528
Total Trade and Other Payables		<u>246,622</u>	<u>111,916</u>
Secured Liabilities:			
Deferred Consideration Payable - Downer EDI	6.1	38,500	-
Total Payables		<u>285,122</u>	<u>111,916</u>

Except for the deferred consideration payable to Downer EDI, payables are settled at various terms up to 45 days. All payables are non-interest bearing.

Payables as Financial Liabilities measured at Amortised Cost	Section	30 June	30 June
		2021	2020
		\$'000	\$'000
Payables			
- Total Current		285,122	111,916
- Total Non-Current		-	-
Total Payables		<u>285,122</u>	<u>111,916</u>

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

4.7 PROVISIONS

Accounting Policies

Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

		30 June 2021 \$'000	30 June 2020 \$'000
Employee Entitlements		32,431	15,976
Movement in Provisions			
Opening Balance		15,976	13,657
Additional Provisions		4,606	11,714
Acquisition through business combination	6.1	16,704	-
Amounts Used		(4,855)	(9,395)
Closing balance		32,431	15,976

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

SECTION 5 CAPITAL STRUCTURE AND FINANCING COSTS

This Section outlines how the Group manages its capital structure, including its balance sheet liquidity and access to capital markets.

The Directors determine the appropriate capital structure of MLD, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the Group's activities both now and in the future. The Directors consider the Group's capital structure and dividend policy at least annually and do so in the context of its ability to continue as a going concern, to execute the strategy and to deliver its business plan.

5.1 CASH AND CASH EQUIVALENTS

Accounting Policies

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The Group does not have any bank overdraft facilities.

Section	30 June 2021 \$'000	30 June 2020 \$'000
5.1.1 CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents	102,346	114,650
Term Deposit-Convertible to cash*	20,000	-
Total Cash and Cash Equivalents	122,346	114,650
* Classified as cash & cash equivalents as the term deposit can be readily converted to cash.		
5.1.2 CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit / (Loss) for the Year		
Profit / (Loss) for the Year	20,730	(17,456)
Non-Cash Flows in Profit		
Depreciation and Amortisation	4.4, 4.5 95,962	72,198
Impairment	3.3, 3.7 4,202	53,554
Net (Gains) / Losses on Disposal of Plant and Equipment	(1,119)	(2,165)
Fair value losses on Financial Assets	39	(846)
Gain on Business Combination	6.1 (4,535)	-
Foreign Exchange (Gains) / Losses	2,114	13,560
Total Non-Cash Flows in Profit	96,663	136,301
Movements in Working Capital		
(Increase) / Decrease in Trade and Other Receivables	(132,678)	(13,143)
(Increase) / Decrease in Other Assets	(3,944)	(4,026)
(Increase) / Decrease in Inventories and Work-In-Progress	8,591	432
Increase / (Decrease) in Trade and Other Payables	130,544	28,136
Increase / (Decrease) in Income Tax Payable	(2,159)	(1,562)
Increase / (Decrease) in Deferred Tax	1,252	(14,371)
Increase / (Decrease) in Provisions	(249)	2,319
Total Working Capital Movements	1,357	(2,215)
Net Cash Increase / (Decrease) from Operating Activities	118,750	116,630

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For the Year Ended 30 June 2021

5.1 CASH AND CASH EQUIVALENTS (CONTINUED)

5.1.3 NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year the Group acquired \$50.9 million in plant and equipment (2020: \$61.1m) by means of finance leases (included in right-of-use assets), directly from original equipment manufacturers. These acquisitions are not reflected in the statement of cash flows.

Refer to Note 6.1 Business Combinations for the details of business combination during the year ended 30 June 2021.

Shares Issued

58,530,982 and 15,172,156 new shares were issued at \$1.02 per share on 23 December 2020 and 15 January 2021 respectively for the acquisition of Mining West.

Insurance Bonding and Bank Guarantee Facilities

The Group has insurance bonding and bank guarantee facilities totalling \$63.2 million. At 30 June 2021 the amount drawn on the facilities was \$29.1 million (2020: \$23.6 million).

5.2 INTEREST BEARING LIABILITIES

Accounting Policies

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Section	30 June 2021 \$'000	30 June 2020 \$'000
5.2.1 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Current		
Secured Lease Liability	68,080	52,941
Secured Bank Loan	26,000	-
Unsecured Lease Liability	3,251	2,186
Total Current Interest Bearing Liabilities	97,331	55,127
Non-Current		
Secured Lease Liability	103,550	122,772
Secured Bank Loan	91,000	-
Unsecured Lease Liability	10,690	10,173
Total Non-Current Interest Bearing Liabilities	205,240	132,945
Total Current and Non-Current Interest Bearing Liabilities	302,571	188,072

The bank loan is secured by the first ranking general security interest over all present and after acquired property (including all shares held in any subsidiary).

During FY21, the Group complied with all the financial covenants of its borrowing facilities.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.3 FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, WIP liability, loans to other companies and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

Accounting Policies

The Board of Directors ("the Board") is responsible for, amongst other issues, monitoring and managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, liquidity risk, currency risk, financing risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments (if any), credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 30 to 60 days from the invoice date. The Group considers various debt recovery methodologies.

Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets which may be claimed against in the event of any default. In addition MACA is a secured debt holder of Carabella Resources Pty Ltd.

		30 June 2021 \$'000	30 June 2020 \$'000	
Section				
Financial Assets				
Financial Assets at Amortised Cost:				
—	Cash and Cash Equivalents	5.1.1	122,346	114,650
—	Trade and Other Receivables	4.1	294,120	154,329
—	Loans to Other Companies	4.1	26,841	26,841
—	WIP Liabilities	4.2	(4,862)	(3,017)
Financial Assets at Fair Value Through Profit or Loss:				
—	Listed Investments	4.1	30	69
Total Financial Assets			438,475	292,872
Financial Liabilities				
Financial Liabilities at Amortised Cost:				
—	Trade and Other Payables (incl. Deferred Consideration Payable)	4.6	285,122	111,916
—	Interest Bearing Liabilities	5.2.1	302,571	188,072
Total Financial Liabilities			587,693	299,988

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board has otherwise cleared as being financially sound.

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries (refer Section 6.6 Parent Entity Disclosures for details).

Trade Receivables and Contract Assets

The Group applies the simplified approach to provide for the Expect Credit Loss ("ECL") for all trade receivables. The simplified approach required the loss allowance to be measured at an amount equal to the lifetime ECL.

The Group uses a provision matrix to measure the lifetime ECL allowance for trade receivables. In measuring the ECL, trade receivables are grouped based on shared credit risk characteristics and days past due.

Internal Rating Grades	Definition	Basis for Recognition and Measurement of ECL
Performing	The counterparty has a low risk of default and does not have any past due amounts	12-mth ECL
Under-Performing	There has been a significant increase in credit risk since initial recognition	Lifetime ECL (not credit-impaired)
Non-Performing	There is evidence indicating that the asset is credit-impaired	Lifetime ECL (credit-impaired)

In calculating the ECL rates, the Group considers historical loss rates for each category of customers and adjust for forward looking macroeconomic data.

The Group considers the trade receivables as in default when the counterparty fail to make contractual payments for a prolonged period of time when they fall due, and the Group may also consider financial or economic conditions that are expected to cause a significant change to the debtors' ability to meet their obligations. Trade receivables are written off when there is no reasonable expectation of recovering the contractual cash flow. When trade receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the debts. Where recoveries are made, these are recognised in profit or loss.

Receivables for which an impairment/expected credit loss provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

The creation and release of the provision for impaired and expected credit loss receivables has been shown separately in the consolidated statement of profit or loss.

The Group's credit risk exposure in relation to Trade Receivables and Contract Assets at 30 June 2021 is set out in Section 4.1.

Management has assessed all trade receivables and identified and impaired \$4.2m through profit and loss, a bad debt of \$3.2m and raised a provision for doubtful debts of \$0.98m. Management's assessment concluded that all other trade receivables were not subject to material credit loss. There has been no change in the estimation techniques or significant assumptions made during the financial period.

Provision for Impairment and Expected Credit Losses of Trade Receivables	Section	30 June 2021 \$'000	30 June 2020 \$'000
Opening Balance		48,415	-
Provision (reversed) / recognised during the year		4,202	48,415
Receivables written off during the year as uncollectable		(51,636)	-
Closing Balance	4.1	981	48,415

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For the Year Ended 30 June 2021

5.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Other Receivables

The Group applies the general approach to provide for the ECL for other receivables. Under the general approach, the loss allowance is measured at an amount equal to the 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

The Group has approximately 14% (2020: 22%) of post-impairment credit risk with a single counterparty or group of counterparties. Failure or default of a major counterparty would have a material impact on earnings. The classes of assets described as Trade and Other Receivables and Loans to Other Companies are considered to be main source of credit risk related to the Group.

The loan to Carabella Resources Pty Ltd (“Carabella”) under the working capital facility of \$26.84m remains outstanding, it is repayable from free cashflows from the project. Both loan and receivables are secured over the project assets and subject to its parent company guarantee, which is expected to be sufficient to cover the loan and remaining receivables following the impairment of \$48.4m recognised in FY20.

Trade and other receivables that remain within initial trade terms are considered to be of acceptable quality and fully recoverable.

Credit risk related to balances held with banks and other financial institutions are only invested with counterparties with a Standard & Poor’s rating of at least AA-.

Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cashflow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Group’s policy is to ensure that all lease agreements entered into, are over a period that will ensure that adequate cash flows will be available to meet repayments.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management’s expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management’s expectations that banking facilities will be rolled forward.

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For the Year Ended 30 June 2021

5.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk (Continued)

Financial Liability and Financial Asset Maturity Analysis	Section	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		'000	'000	'000	'000	'000	'000	'000	'000
Financial Liabilities Due for Payment									
Trade and Other Payables	4.6	285,122	111,916	-	-	-	-	285,122	111,916
Interest Bearing Liabilities	5.2.1	97,331	55,127	205,240	132,945	-	-	302,571	188,072
Total Contractual Outflows		382,453	167,043	205,240	132,945	-	-	587,693	299,988
Total Expected Outflows		382,453	167,043	205,240	132,945	-	-	587,693	299,988
Financial Assets - Cash Flows Realisable									
Cash and Cash Equivalents	5.1.1	122,346	114,650	-	-	-	-	122,346	114,650
Trade and Other Receivables	4.1	284,651	154,329	9,469	-	-	-	294,120	154,329
Investments and Loan Receivables	4.1	30	69	26,841	26,841	-	-	26,871	26,910
WIP Liabilities	4.2	(4,862)	(3,017)	-	-	-	-	(4,862)	(3,017)
Total Anticipated Inflows		402,165	266,031	36,310	26,841	-	-	438,475	292,872
Net (Outflow)/Inflow on Financial Instruments		19,712	98,988	(168,930)	(106,104)	-	-	(149,218)	(7,116)

All financial assets have been pledged as security under Commonwealth Bank of Australia facility agreement.

Market Risk

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Fixed Interest Rate				Non-interest Bearing		Total		Weighted Average Effective Interest Rate	
	2021	2020	Within 1 Year		1 to 5 Years		2021	2020	2021	2020	2021	2020
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	%	%
Financial Assets												
Cash	122,346	114,650	-	-	-	-	-	-	122,346	114,650	0.10	-
Trade and Other Receivables	-	-	-	11,190	-	-	294,120	143,139	294,120	154,329	N/A	0.50
Loans to Other Companies	-	-	-	-	26,841	26,841	-	-	26,841	26,841	9.00	9.00
WIP Liabilities	-	-	-	-	-	-	(4,862)	(3,017)	(4,862)	(3,017)	N/A	N/A
Total Financial Assets	122,346	114,650	-	11,190	26,841	26,841	289,258	140,122	438,445	292,803		
Financial Liabilities												
Interest Bearing Liabilities	117,000	-	71,331	55,127	114,240	132,945	-	-	302,571	188,072	3.15	3.80
Trade and Other Payables	-	-	-	-	-	-	285,122	111,916	285,122	111,916	N/A	N/A
Total Financial Liabilities	117,000	-	71,331	55,127	114,240	132,945	285,122	111,916	587,693	299,988		

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Price Risk

The Group is also exposed to securities price risk on investments held for trading or for medium to longer terms. The risk associated with these investments has been assessed as reasonably not having a significant impact on the Group.

Foreign Exchange Risk

The Group is exposed to fluctuations in foreign currencies. The currency exposure relates to Brazilian Real and US Dollar being cash in bank, trade receivables subject to repayment and intercompany loan. Both Brazilian Real and US Dollar are unhedged. The original investment into the Brazilian subsidiary is exposed to fluctuations in the Brazilian Real. On 21 January 2020, the Group announced its decision to cease the operations in Brazil, which resulted

in the realisation of the foreign currency translation reserve to income statement (see Note 5.6(b)). The operations in Cambodia are denominated in USD and commenced during the FY21.

Summarised Sensitivity Analysis

The following illustrates sensitivities to the Group's exposures to changes in interest rates, foreign exchange and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of the other variables.

	Profit \$'000	Equity \$'000
Year ended 30 Jun 2021		
+/- 2% in Interest Rates	+/-3,068	+/-3,068
+/- 10% in the Value of Listed Investments	+/- 3	+/- 3
+/- 10% in AUD/BRL Exchange Rate	+/- 367	+/- 392
+/- 10% in AUD/USD Exchange Rate	+/- 1,787	+/- 1,787
Year ended 30 Jun 2020		
+/- 2% in Interest Rates	+/- 708	+/- 708
+/- 10% in the Value of Listed Investments	+/- 7	+/- 7
+/- 10% in AUD/BRL Exchange Rate	+/- 300	+/- 1,140
+/- 10% in AUD/USD Exchange Rate	+/- 2,159	+/- 2,159

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.4 FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial Liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial Assets

Financial Assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial assets; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.4 FINANCIAL INSTRUMENTS (CONTINUED)

Financial Assets (Continued)

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Financial assets are classified at ‘fair value through profit or loss’ when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group’s accounting policy.

De-recognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.4 FINANCIAL INSTRUMENTS (CONTINUED)

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach; and
- the simplified approach

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.5 EQUITY

	30 June 2021 No.	30 June 2020 No.	30 June 2021 \$'000	30 June 2020 \$'000
Issued Capital - Ordinary Shares				
At the Beginning of the Reporting Period	268,007,708	268,007,708	269,806	269,806
Shares Issued During the Year (net of costs)				
- 23 December 2020 @ \$1.02 per share	58,530,982	-	57,544	-
- 15 January 2021 @ \$1.02 per share	15,172,156	-	14,917	-
At the End of the Reporting Period	341,710,846	268,007,708	342,267	269,806

The Company has no authorised share capital. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Performance Rights

For information relating to performance rights, including details of performance rights issued, exercised and lapsed during the financial year, refer to Section 5.8.

Capital Management

Management controls the capital of the Group in order to maintain a prudent debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Section	30 June 2021 \$'000	30 June 2020 \$'000
Total Borrowings	5.2.1	302,571	188,072
Less Cash and Cash Equivalents	5.1.1	(122,346)	(114,650)
Net Debt/(Cash)		180,225	73,422
Total Equity		387,608	309,660
Total Capital		567,833	383,082
Net Debt/Equity Ratio		46%	24%

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.6 RESERVES

Accounting Policies

Equity Settled Employee Benefits Reserve

The equity-settled employee benefits reserve relates to performance rights granted by the Company to its Executives and employees under its Employee Long-Term Incentive Plan. Rights granted during the year were made via an Employee Share Trust and as a result there was no movement in the Equity Settled Employee Benefits Reserve.

Foreign Operations

The financial transactions of foreign operations whose functional currency is different from the presentation currency are translated at the exchange rates prevailing at the date of the transaction. At the end of the reporting period, assets and liabilities are re-translated at the rates prevailing at that date. Income and expenses are re-translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the Consolidated Statement of Financial Position. These differences are recognised in profit and loss in the period in which the operation is disposed or discontinued.

Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign controlled operations are taken to the exchange fluctuation reserve. Gains or losses accumulated in equity are recognised in the income statement when a foreign operation is disposed or discontinued.

General Reserves

The General reserves represent funds associated with the acquisition of non-controlling interests of controlled entities from previous years.

	30 June 2021 \$'000	30 June 2020 \$'000
Reserves		
Equity-Settled Employee Benefits Reserve	590	590
Foreign Currency Translation Reserve	-	-
General Reserves	(5,888)	(5,888)
Total Reserves	(5,298)	(5,298)
(a) General Reserves		
Balance at the Beginning of the Year	(5,888)	(5,888)
Transactions with Members	-	-
Balance at the End of the Year	(5,888)	(5,888)
(b) Foreign Currency Translation Reserve		
Balance at the Beginning of the Year	-	(8,495)
Exchange Differences Arising on Translating the Foreign Operations	-	(2,072)
Transfer of Forex Reserve on Discontinued Operations	-	10,567
Balance at the End of the Year	-	-

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.7 DIVIDENDS

In respect of FY21, the Directors declared the payment of a Final Dividend of 2.5 cents per share fully franked to the holders of fully paid ordinary shares on the Company's register at 3rd September 2021 with payment date of 17th September 2021.

The amount of the Final Dividend is \$8.5 million. No provision has been made for the Final Dividend in the Financial Statements as the final dividend was not declared or determined by the Directors on or before the end of the financial year.

	30 June 2021		30 June 2020	
	Cents Per Share	\$'000	Cents Per Share	\$'000
Distributions Paid/Payable				
Interim Dividend in respect of FY21 / FY20	2.5	8,543	2.5	6,700
Final Dividend in respect of FY21 / FY20	2.5	8,543	2.5	6,700
Total	5.0	17,086	5.0	13,400
Balance of franking account at year end		57,709		51,991

5.8 SHARE-BASED COMPENSATION
Options

There were no options issued for the year ended 30 June 2021. The weighted average fair value of options granted during the previous year was Nil.

Performance Rights

The Company issues performance rights to Senior executives in accordance with the terms of the Long-Term Incentive Plan and the Performance Rights Plan as approved by Shareholders. When vested, each performance right is converted into one ordinary share for no consideration. Performance rights granted carry no dividend or voting rights.

During the 2021 financial year 2,843,084 (2020: 1,906,909) performance rights were granted under the Group's Performance Rights Plan and 1,529,493 (2020: 1,452,208) performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2023. As at 30 June 2021 there were 4,004,169 (2020: 2,690,578) performance rights outstanding.

The following performance rights arrangement was in existence at 30 June 2021:

	Number	Expiry Date
Unlisted Performance Rights	1,161,085	30-Jun-22
Unlisted Performance Rights	2,843,084	30-Jun-23

	30 June 2021 Number	30 June 2020 Number
Outstanding at the Beginning of the Year	2,690,578	2,235,877
Granted	2,843,084	1,906,909
Vested	-	-
Cancelled or Expired	(1,529,493)	(1,452,208)
Outstanding at the End of the Year	4,004,169	2,690,578

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

5.8 SHARE-BASED COMPENSATION (CONTINUED)

Performance Rights (Continued)

An independent valuation was completed on performance rights granted during the year. Market based vesting conditions were valued using a hybrid share option pricing model that simulates the share price of the Company as at the test date using a Monte-Carlo simulation model. For non-market based vesting conditions no discount was made to the underlying valuation model.

The weighted average fair value of the performance rights granted during the year ended 30 June 2021 was \$0.45 per right. Payments were made to the MACA ERT Trust for delivery of shares under the Performance Rights Plan. Inputs used to determine the fair value of performance rights granted during the year ended 30 June 2021 were:

- Share price \$0.873 being the 30 day VWAP of the Company on the last trading day prior to 30 June 2020
- Exercise price: Nil
- Volatility: 34.03%
- Option life: 3 years
- Dividend yield: 5.2%
- Risk Free Rate 0.26%

SECTION 6 OTHER

6.1 BUSINESS COMBINATIONS

Accounting Policies

Business combinations occur where an acquirer obtains control over one or more businesses, and is to be completed within a 12 month period.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase. The gain from a bargain purchase is recognised in profit or loss immediately and is not deductible for tax purpose.

Refer 4.5 Intangible Assets for treatment and calculation of customer contracts.

Acquisition of Mining West

On 1st February 2021, MACA completed the acquisition of the Mining West business from Downer EDI Ltd, which comprises four contracts at the long-life assets of Karara (Ansteel), Eliwana (FMG), Cape Preston (Citic Pacific) and Gruyere (Gold Fields).

The acquisition was funded by \$130 million debt facility from Commonwealth Bank of Australia ("CBA") and \$72.4 million equity capital raising (net of capital raising costs).

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

6.1 BUSINESS COMBINATIONS (CONTINUED)

The major classes of assets and liabilities at the date of acquisition are as follows:

	Section	Fair Value \$'000
Purchase Consideration - Cash		
- Initial Consideration (Paid)		109,000
- Deferred Consideration (Paid)		27,500
Total Cash Paid as at 30 June 2021		136,500
- Deferred Consideration (Payable over the remaining 7 months)	4.6	38,500
Total Consideration - Cash		175,000
Less:		
- Inventory		40,004
- Debtors subject to Payment Arrangements (Current and Non-Current)		11,315
- Plant & Equipment	4.4	135,375
- Deferred Tax Asset	3.6.3(c)	5,010
- Employee Entitlements	4.7	(16,704)
- Intangible - Customer Contracts	4.5	4,535
Identifiable Assets Acquired and Liabilities Assumed		179,535
Goodwill / (Gain) on Business Combination		(4,535)

The resulting gain on business acquisition can be attributed to the vendor's urban services strategy which culminated in the exit of their mining and other non-core businesses during the year ended 30 June 2021.

Revenue and Profit of Mining West included in the consolidated revenue and NPAT of the Group since the acquisition date on 1st February 2021 amounted to \$201.3m and \$5.7m respectively (excluding acquisition-related costs). Acquisition-related costs totalled \$12.4m including stamp duty, advisory, legal, accounting and other professional fees.

Had the results of Mining West been consolidated from 1st July 2020, revenue and NPAT of the consolidated group would have been \$1,373m and \$33.4m respectively for the year ended 30 June 2021.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

6.2 CONTROLLED ENTITIES

Details of the Company's subsidiaries at the end of the reporting period are as follows:

	Country of Incorporation	Percentage Owned (%)	
		30 June 2021	30 June 2020
Parent Entity:			
MACA Limited	Australia		
Subsidiaries:			
MACA Mining Pty Ltd	Australia	100%	100%
MACA Plant Pty Ltd	Australia	100%	100%
MACA Crushing Pty Ltd	Australia	100%	100%
MACA Civil Pty Ltd	Australia	100%	100%
Riverlea Corporation Pty Ltd	Australia	100%	100%
MACA Mineracao e Construcao Civil Ltda	Brazil	100%	100%
Alliance Contracting Pty Ltd	Australia	100%	100%
MACA Infrastructure Pty Ltd	Australia	100%	100%
Marniyarra Mining and Civils Pty Ltd	Australia	50%	50%
Interquip Pty Ltd	Australia	60%	60%
Interquip Construction Pty Ltd*	Australia	60%	60%
OPMS Cambodia Co Ltd	Cambodia	100%	100%

*Interquip Construction Pty Ltd wholly owned by Interquip Pty Ltd

6.3 JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Information about Joint Operations

MACA Civil Pty Ltd ("Company") holds a 9.4% interest in South West Gateway Alliance ("Joint Operation"), a joint arrangement structured as a strategic partnership between the Company, Acciona Construction Australia Pty Ltd, Aurecon Australasia Pty Ltd and NRW Contracting Pty Ltd. The principal place of business of Joint Operation is Bunbury, Western Australia and the primary purpose of the joint arrangement is to facilitate the road design and construction services on behalf of the joint operators. The arrangement also enables the parties to source materials for their respective manufacturing processes that meet their individual specifications. Under the Joint Operation agreement, the Company has a 9.4% direct interest in all of the assets used, the revenue generated and the expenses incurred by the joint arrangement. The Company is also liable for 9.4% of any liabilities incurred by the joint arrangement. In addition, pursuant to the joint Operation agreement, the Company has 9.4% of the voting rights in relation to the Joint Operation.

MACA Civil Pty Ltd ("Company") holds a 50% interest in Bocol MACA Joint Venture ("Joint Operation"), a joint arrangement structured as a strategic partnership between the Company and Bocol Constructions Pty Ltd. The principal place of business of the Joint Operation is Perth, Western Australia and the primary purpose of the joint arrangement is to facilitate design and construction of public bridge and road structures on behalf of the joint operators.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

6.3 JOINT ARRANGEMENTS (CONTINUED)

The arrangement also enables the parties to source materials for their respective manufacturing processes that meet their individual specifications. Under the Joint Operation agreement, the Company has a 50% direct interest in all of the assets used, the revenue generated and the expenses incurred by the joint arrangement. The Company is also liable for 50% of any liabilities incurred by the joint arrangement. In addition, pursuant to the Joint Operation agreement, the Company has 50% of the voting rights in relation to the Joint Operation.

South West Gateway Alliance and Bocol MACA Joint Venture are contractually established entities and are classified as joint operations. Accordingly, the Company's interests in the assets, liabilities, revenues and expenses attributable to the joint arrangements have been included in the appropriate line items in the consolidated financial statements.

The Group's share of the assets employed the Joint Operations along with its share of liabilities that are included in the consolidated financial statements are as follows:

	30 June 2021 \$'000		
	South West Gateway Alliance	Bocol MACA	Total
Current Assets			
Cash at Bank	2,205	-	2,205
Trade and Other Receivables	4,913	447	5,360
Work In Progress	-	282	282
Total Current Assets	7,118	729	7,847
Current Liabilities			
Trade and Other Payables	6,666	99	6,765
Net interest in Joint Operations	452	630	1,082

6.4 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties:

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

Information regarding individual directors or executives remuneration is provided in the Remuneration Report included in the Director's Report.

The total of remuneration paid to KMP's of the Group during the year was as follows:

	30 June 2021 \$'000	30 June 2020 \$'000
Short-Term Employee Benefits	2,413	2,711
Post-Employment Benefits	99	162
Other Long-Term Benefits	-	-
Long-Term Incentive Payments	335	409
Total Remuneration	2,847	3,282

A restructure of the corporate leadership team in FY21 has reduced the members of management included as KMP. Accordingly, 30 June 2020 balances have been amended to reflect the restructure.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

6.4 RELATED PARTY TRANSACTIONS (CONTINUED)

Controlled Entities

Interests in controlled entities are set out Section 6.2. During the year, funds have been advanced between entities within the Group for the purposes of working capital requirements.

Other Related Parties

Other related parties include entities over which key management personnel exercise significant influence.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key Management Person and/or Related Party	Transaction	30 June 2021 \$'000	30 June 2020 \$'000
Partnership of which current director Mr G.Baker is a 25% partner.	Rent on Division St Business premises.	1,578	1,548
Kirk Mining Consultants - a company controlled by current director Mr L.Kirk.	Mining consulting fees	-	41
Hensman Properties Pty Ltd - a company controlled by current director Mr R.Ryan.	Consulting fees	-	19
Gateway Equipment Parts & Services Pty Ltd * - a company of which current director Mr G.Baker's Family Trust is a 20% beneficial shareholder.	Hire of equipment and purchase of equipment, parts and services.	5,852	4,974
Gateway Equipment Parts & Services Pty Ltd - a company of which current director Mr G.Baker's Family Trust is a 20% beneficial shareholder.	Sale of equipment (Revenue)	-	430
Amounts payable at year end arising from the above transactions			
Gateway Equipment Parts & Services Pty Ltd - a company of which current director Mr G.Baker's Family Trust is a 20% beneficial shareholder.		920	150

* Increase in value traded is attributable to inclusion of services provided to Mining West since acquisition, and nothing in the comparative period.

6.5 CONTINGENT LIABILITIES

Performance Guarantees

MLD has indemnified its bankers and insurance bond providers in respect of bank guarantees, insurance bonds and letters of credit to various customers and suppliers for satisfactory contract performance and warranty security, in the following amounts:

30 Jun 2021: \$29.1 million 30 Jun 2020: \$23.6 million

Claims

Certain claims arising out of engineering and construction contracts have been made by, or against, controlled entities in the ordinary course of business. The Directors do not consider the outcome of any of these claims will be materially different to the position taken in the financial accounts of the Group.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

6.6 EVENTS AFTER BALANCE SHEET DATE

The Directors have recommended a final dividend payment of 2.5 cents per share. Refer to Section 5.7 for details.

Subsequent to the year end, the following items have been announced by the Group:

- MACA has awarded Bowen Coking Coal Ltd (ASX:BCB) a Preferred Bidder Status in the sale process for the Bluff PCI Mine conducted by FTI Consulting as receivers and managers and controllers.
- Ms Sandra Dodds has resigned as a Director of the board effective 30 September 2021.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

6.7 PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the Company and has been prepared in accordance with Accounting Standards

Statement of Financial Position	30 June 2021 \$'000	30 June 2020 \$'000
Assets		
Current Assets	18,173	38,073
Total Assets	449,790	379,041
Liabilities		
Current Liabilities	2,529	1,718
Total Liabilities	2,529	1,718
Equity		
Issued Capital	434,790	362,329
Reserves	591	591
(Accumulated Losses) / Retained Profits	11,880	14,403
Total Equity	447,261	377,323
Statement of Financial Performance		
Profit For the Year (Including Interco Dividends)	12,720	15,064
Total Comprehensive Income	12,720	15,064

Guarantees

MACA Limited has entered into guarantees for certain equipment finance facilities and loan in the current financial year, in relation to the debts entered into by its subsidiaries.

INDEPENDENT AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACA LIMITED

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of MACA Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of 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:

- i. 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
- ii. 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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.

Moore Australia Audit (WA) – ABN 16 874 357 907.

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INDEPENDENT AUDIT REPORT (CONTINUED)



Key Audit Matters (continued)

Existence and Ownership of Assets – Plant and Equipment	
Refer to Note 4.4 “Property, Plant and Equipment”	
<p>Existence and ownership of plant and equipment is a key audit matter.</p> <p>It is due to the size of this account balance and the location of plant and equipment (mostly at remote client mine sites) that this is a key area of audit focus.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We agreed a sample of plant and equipment additions to supplier invoices and to Capital Expenditure Request Forms (for appropriate authority). • We agreed a sample of plant and equipment to hire purchase financing agreements. • We agreed a sample of plant and equipment to date stamped photography taken by senior MACA personnel.

Impairment Assessment of Property Plant & Equipment	
Refer to Notes 4.4 “Property, Plant and Equipment”	
Refer to Section 2 Key Estimates & Judgements – “Impairment of Property, Plant & Equipment”	
<p>Property, plant and equipment (“PPE”) represents the Group’s largest asset with a year-end book value of approximately \$479 million. Given the Group’s net asset position exceeds its market capitalisation at balance date, an impairment trigger event has arisen under AASB 136 Impairment.</p> <p>As a result, an impairment assessment has been made by management of the recoverable amounts of each of the Group’s operating segments (or Cash Generating Units or CGUs). An impairment is recognised if the carrying amount of the Group’s PPE is less than its recoverable amounts, being the higher of fair value less costs of disposal and value-in-use (VIU).</p> <p>The impairment assessment undertaken has resulted in no impairment to the PPE employed in all CGUs.</p> <p>The recoverable amounts of the Group’s PPE were key audit matters due to the significant judgment involved in forecasting future cash flows and the selection of assumptions.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Evaluating the value-in-use (VIU) discounted cash flow model developed by management to assess the recoverable amount of the underlying assets including assessing the following assumptions: <ul style="list-style-type: none"> - discount & growth rates - forecast cash flows and capital expenditure - terminal growth rate <p>Where possible, we corroborated assumptions by reference to external data and new or renewed contracts awarded to / announced by the Group to-date</p> • Checking the mathematical accuracy of the cash flow models • Assessing the historical accuracy of forecasting of the Group • Reviewing the sensitivity analysis performed under the impairment model for reasonableness • In relation to the substantial fleet of plant/equipment and other assets acquired by the Group as part of the Open Cut Mining West acquisition (discussed in more detail below), we assessed the reliability of third-party valuations utilised by management. The valuer’s underlying assumptions, objectivity, competency and capabilities were also evaluated. • Assessing the appropriateness of the relevant disclosures in the financial statements

INDEPENDENT AUDIT REPORT (CONTINUED)



Key Audit Matters (continued)

Recognition of Revenue

Refer to Note 3.1 "Revenue and Other Income"

The Group's revenue is predominantly derived from the rendering of mining and other services, all of which are based on contracts which determine the services, products and rates to be charged.

The accurate recording of revenue is highly dependent upon the following key factors:

- Knowledge of the individual characteristics and status of contracts
- Management's invoicing process including:
 - accurate measurement of work done and services provided each month
 - invoices prepared in compliance with contract terms such as services performed and rates charged
 - by reference to the stage of completion of the contract activity (using the input method under AASB 15) at balance date for civil/infrastructure works.
- Recognition of variations and claims, in accordance with contractual terms and based on an assessment as to when the Group believes it is highly probable that a significant reversal in the amount of revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently removed.

The above determinations will also impact on account balances such as Work In Progress (WIP), Accrued Income and Unearned Revenue

We focused on this matter as a key audit matter due to the significance of contract-based revenue to the Group combined with the need to comply with a variety of contractual conditions, leading to judgemental risk associated with revenue recognition.

Our procedures included, amongst others:

- We evaluated management's processes regarding existence and valuation of the Group's contract revenues. We tested internal controls in relation to preparation and authorisation of monthly revenue invoices for compliance with the Group's policy relating to revenue recognition
- We selected a sample of sales invoices raised during the year (and post year-end) and performed the following procedures:
 - agreed to contractual terms and rates
 - agreed to general ledger accounts and subsequent receipts from the customer
 - for variations or claims we checked they were in accordance with contract terms and evaluated for risk of non-recovery
 - revenue cut-off testing
- We evaluated and tested, on a sample basis, inputs such as materials, subcontractors etc used by management in their estimation of total costs to complete
- We recomputed the percentage of completion based on actual cumulative contract costs incurred to date to the total estimated contract costs for individually significant projects.
- We evaluated contract performance during and subsequent to year-end up to audit opinion date to reflect on year end revenue recognition judgements. As part of this process, we challenged the appropriateness of variations and claims included in the computation of contract revenue and whether it is highly probable that the revenue recognised will not subsequently be reversed
- We also reviewed and assessed the adequacy of the disclosures in relation to key accounting estimates

INDEPENDENT AUDIT REPORT (CONTINUED)



Key Audit Matters (continued)

Accounting for business acquisitions & related borrowings	
Refer to Notes 6.1 Business Combination, 5.2.1 Interest Bearing Liabilities & 4.6 Deferred Consideration Payable	
<p>On 1 February 2021, the Group completed its acquisition of the Open Cut Mining West (“Mining West”) business of Downer EDI Limited (“EDI”) for \$175 million. The consideration was partly financed by bank borrowings.</p> <p>The acquisition comprised of plant/equipment, inventory, other assets and associated employee entitlement liabilities and the novation of existing customer contracts.</p> <p>Accounting for this transaction is complex, requiring management to exercise judgment to determine the fair value of acquired assets and liabilities, including contracts and determining the allocation of purchase consideration to separately identifiable intangible assets such as customer contracts.</p> <p>We focussed on this area as a key audit matter due to the size of the acquisition, the judgment involved in accounting for this transaction and the significance of the bank borrowings including the Group’s compliance with financial and other conditions.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We reviewed the purchase agreement to understand the key terms and conditions of the acquisition • Critically evaluating the assumptions and methodology in management’s value in use model, such as forecast revenues, operating costs and contributory assets used to determine the value of the customer contract intangible • Engaging internal Corporate Finance and valuation specialists to review the value in use model for appropriateness based on our knowledge of the Group • Assessing the reliability of third-party valuations utilised by management in their determination of fair value of the major assets acquired (such as plant/equipment and inventories). • Obtaining respective confirmations from EDI and the bank for the deferred consideration payable and the net loan payable at balance date • Assessed the maturity profile of the bank loan to check that amounts due within the next 12 months were classified as current liabilities • Checked the Group’s compliance with financial debt covenants at balance date • Assessing the appropriateness of the relevant disclosures in the financial statements

INDEPENDENT AUDIT REPORT (CONTINUED)



Key Matters (continued)

Valuation of Receivables

Refer to Note 4.1 "Trade and Other Receivables" and "Loans to Other Companies"

Refer to Note 5.3 "Financial Risk Management"

Valuation of receivables is a key audit matter.

It is due to the size of the account balances and the judgements required in determining their carrying value that this is a key area of audit focus.

Trade debtors and debtors subject to payment arrangements amounted to a total of \$294.12 million as at 30 June 2021. Of this amount, \$7.13 million relates to the remaining value of the trade receivable from Carabella Resources Pty Ltd ("Carabella") following the credit loss impairment in FY2020.

Loans to Other Companies (Carabella) amounted to \$26.84 million as at 30 June 2021. This amount is expected to be collected over a period of longer than the next 12 months as Carabella is under receivership. The underlying security assets are currently being offered for sale by the receivers and managers.

The Group assesses periodically and at each year end the expected credit loss ("ECL") associated with its receivables.

Our procedures included, amongst others:

- Review of subsequent sales invoices and related claim documentation in respect of accrued revenue.
- Review of the level of credit insurance coverage for each debtor, subsequent receipt collections from debtors and ageing analysis post year end.
- Confirmations with selected trade & other debtors where considered necessary.
- Review of agreements and security arrangements entered into in respect of loan facilities provided to borrowers.
- In relation to the net amounts due from Carabella Resources, we reviewed latest correspondence and other documents relating to the status of the external administration / receivership process
- Review of AASB 9 ECL workings and assessments prepared by management in relation to trade and other receivables, including the independent valuation report obtained for secured assets, an analysis of the credit risk characteristics attributed to a significant trade debtor and borrower, as part of our assessment of impairment. The independent valuer's assumptions, objectivity, competency and capabilities were also evaluated.
- Discussion with management and the directors as to the existence of other arrears/disputes with trade debtors, review of related correspondence and the impact these factors have had on the assessment and adequacy of the ECL impairment provision recognised.
- Assessment of the financial viability and future prospects of debtors, where considered necessary based on publicly available information and other information available to the Company.
- Review of the classification of receivables between current and non-current ensuring that classification reflects the agreements entered into with customers and borrowers.
- Review of disclosures made in the notes to the financial statements

INDEPENDENT AUDIT REPORT (CONTINUED)

**Other Information**

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.

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 Group 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 has 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 the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2021.pdf. This description forms part of our audit report.

REPORT ON THE REMUNERATION REPORT**Opinion on the Remuneration Report**

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

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

Responsibilities

The directors of the Group 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.

SL TAN
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 24th day of September 2021

SHAREHOLDER INFORMATION

As at 31 August 2021

NUMBERS OF HOLDERS OF EQUITY

SECURITIES ORDINARY SHARECAPITAL

341,710,846 fully paid ordinary shares are held by 9,052 individual shareholders.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

LISTED OPTIONS

There are no listed options.

UNLISTED OPTIONS

There are no unlisted options.

DISTRIBUTION OF SHAREHOLDINGS

Fully Paid Ordinary Shares	Number of Shareholders	Number of Shares	% of Issued Capital
1 -1,000 shares	1,357	870,960	0.25%
1,001 –5,000 shares	3,359	9,524,993	2.79%
5,001 –10,000 shares	1,795	13,466,289	3.94%
10,001 –100,000 shares	2,375	63,471,867	18.57%
100,001 and over shares	166	254,376,737	74.44%
Total	9,052	341,710,846	100.00%

SUBSTANTIAL SHARE AND OPTION HOLDERS

An extract of the Company's register of substantial shareholders (who held a relevant interest in 5% or more of issued capital) is set out below:

Substantial Shareholder	Fully Paid Ordinary Shares	% of Total Shares
HSBC Custody Nominees (Australia) Limited	46,180,291	13.51%
J P Morgan Nominees Australia Pty Limited	37,228,493	10.89%
Citicorp Nominees Pty Limited	36,316,383	10.63%
Mr Kennerth Rudy Kamon	21,076,681	6.17%

There were no substantial option holders listed in the Company's register as at 31 August 2021.

OTHER INFORMATION

The voting rights attached to ordinary shares are governed by the Constitution of the Company. On a show of hands every person present who is a Member or representative of a Member shall have one vote on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

UNMARKETABLE PARCELS

As at 31 August 2021, there were 551 holders who held shares that were unmarketable parcels.

SHAREHOLDER INFORMATION (CONTINUED)
MLD'S TOP TWENTY SHAREHOLDERS

Registered Shareholder	Fully paid Ordinary shares	% of total shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	46,180,291	13.51
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	37,228,493	10.89
CITICORP NOMINEES PTY LIMITED	36,316,383	10.63
MR KENNETH RUDY KAMON	21,076,681	6.17
GEMBLUE NOMINEES PTY LTD <THE G A BAKER FAMILY A/C>	12,863,816	3.76
MR FRANCIS JOSEPH MAHER + MS SHARON JANE MAHER <THE MAHER FAMILY A/C>	11,800,000	3.45
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	11,487,020	3.36
NATIONAL NOMINEES LIMITED	8,824,722	2.58
AIGLE ROYAL SUPERANNUATION PTY LTD <A POLI SUPER FUND A/C>	5,000,000	1.46
MR KENNETH JOSEPH HALL <HALL PARK A/C>	5,000,000	1.46
MR JAMES EDWARD MOORE + MS JULIA CATHERINE MOORE	4,606,250	1.35
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	3,184,849	0.93
BNP PARIBAS NOMS PTY LTD <DRP>	3,046,940	0.89
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	2,403,076	0.70
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	2,083,206	0.61
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,903,110	0.56
MR FRANCIS JOSEPH MAHER + MRS SHARON JANE MAHER <THE MAHER FAMILY A/C>	1,837,500	0.54
BOND STREET CUSTODIANS LIMITED <SALTER - D79836 A/C>	1,730,000	0.51
MRS TINA LOUISE HARDY <THE HARDY FAMILY A/C>	1,467,412	0.43
UBS NOMINEES PTY LTD	1,193,439	0.35
TOTALS: TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES (TOTAL)	219,233,188	64.16
ORDINARY FULLY PAID SHARES ON ISSUE	341,710,846	100.00

RESTRICTED SECURITIES

There were no restricted securities at the date of this report.

VOTING RIGHTS
ORDINARY SHARES

For all ordinary shares, voting rights are on a show of hands whereby every member present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

OTHER INFORMATION

MLD Limited is incorporated and domiciled in Australia and is a publicly listed company by shares.

COMPANY DETAILS

The registered office is:
 MACA Limited
 45 Division Street
 Welshpool, Western Australia, 6106

The principal place of business:
 MACA Limited
 45 Division Street
 Welshpool, Western Australia, 6106





MACA Limited and its Controlled Entities
ABN 42 144 745 782

Perth
45 Division Street,
Welshpool WA 6106
E: Info@maca.net.au
T: +61 8 6242 2600

maca.net.au