mastermyne

Group of Companies

Production Focus, Safety Always

FY2016 ANNUAL REPORT

Company remains **well positioned** amidst continuing challenges

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Chairman's Report

Dear Shareholder,

The financial year ended 30th June 2016 has proven to be the most difficult one the Mastermyne Group has experienced since listing. Continued poor commodity prices across the period drove relentless cost reduction across coal and related sectors as participants sought to generate cash returns from their operations. Most players in the mining services sector were affected by these particularly poor conditions. Some restructuring of the Group's business has been necessary to generate better returns in the periods ahead.

Coal markets have been on a negative trajectory for several years with the worst of the fiscal conditions experienced last year. The supply side response has taken a long time in this down cycle but we have now seen job losses, production cutbacks, mine closures and asset sales occurring. These are good signals that the market has bottomed and in recent months there have been tentative signs of recovery in the sector. It is difficult to predict whether these small improvements will lead to a sustained recovery, however, much further downside appears unlikely.

Our response to poor conditions and deteriorating profitability was to review all aspects of the Mastermyne Group's operations. Underperforming assets were sold or closed and unprofitable work areas discontinued. This led to substantial non-cash charges which have impaired the Group result. In addition, all overhead costs have been examined and substantially reduced. This reduction commenced at Board level with the reduction of two Directors and other Board related costs. Management overheads were reduced in line with lower revenue levels and, while painful for all involved, these changes were necessary for the Group to retain its long term financial strength.

I wish to acknowledge all of the people who have made a great contribution to the Group but have left us during our restructuring. In particular, I would like to thank Darren Hamblin and James Wentworth our retiring Directors. Darren founded Mastermyne with Andrew Watts and built a wonderful business from scratch that now employs hundreds of people. His vision, determination, ethics and good humour have been the backbone of Mastermyne for more than twenty years. Darren remains a substantial shareholder with a strong interest in the Group. James has been an integral part of Mastermyne's transition from private to public company and his experience has helped guide the company through both the highs and lows of resources sector.

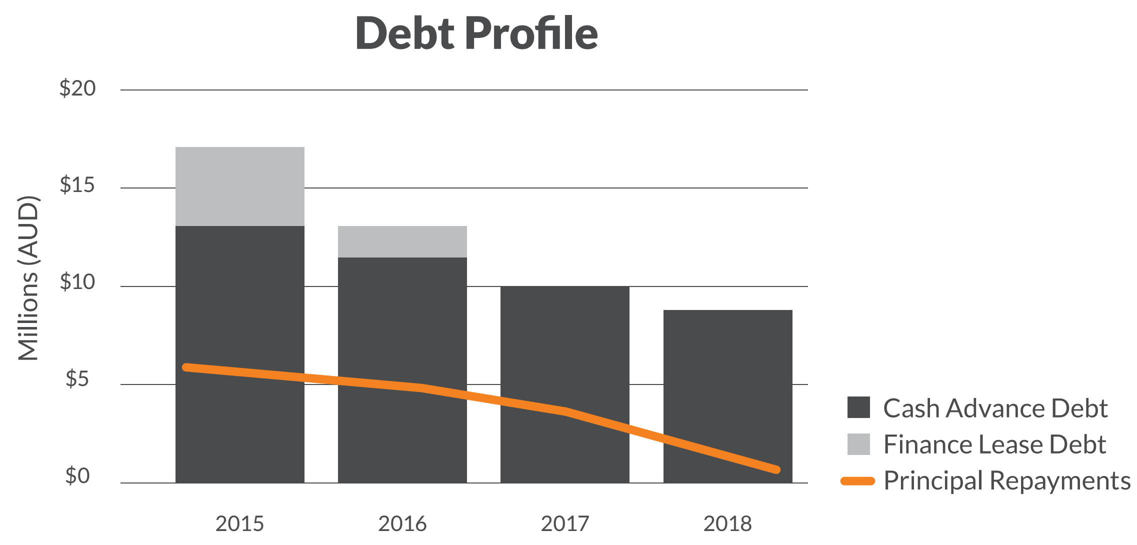
The Group has emerged leaner with a lower cost base and well positioned for any sectoral recovery. Our priority has been to maintain strength in our balance sheet giving us the ability to pursue growth options as they arise in an improved market. We have retained our equipment fleet which gives the Group flexibility in pursuing opportunities and we are optimistic that changes in mine ownership will lead to new business for the Group.

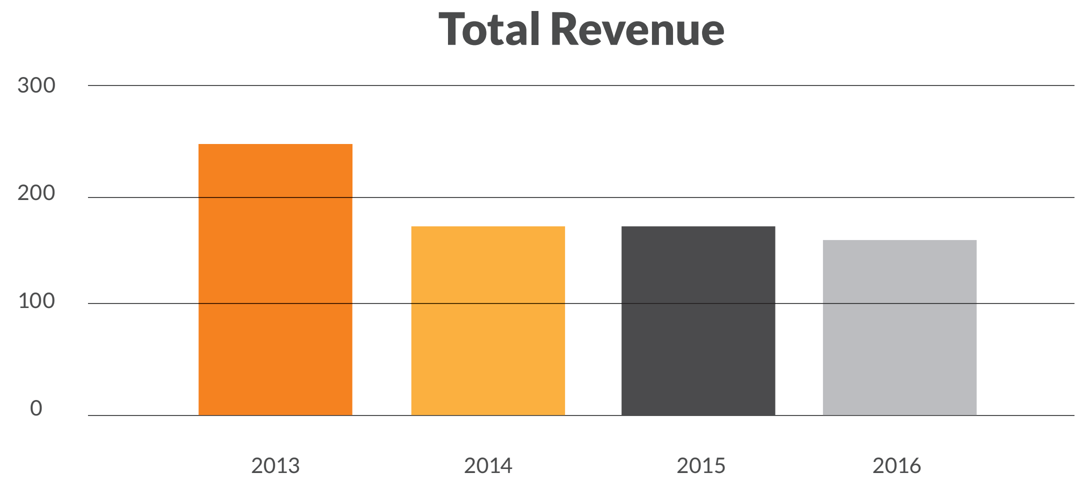
While it has been a tough year for our leadership team they have taken the difficult but necessary decisions for the future of the Group. Their focus has been to ensure that our people perform strongly in our client's operations maintaining the Group's strong reputation for performance. Perhaps the best indicator has been outstanding safety performance with a record low injury rate for the business. Strong safety leadership from the senior team has been integral to this result.

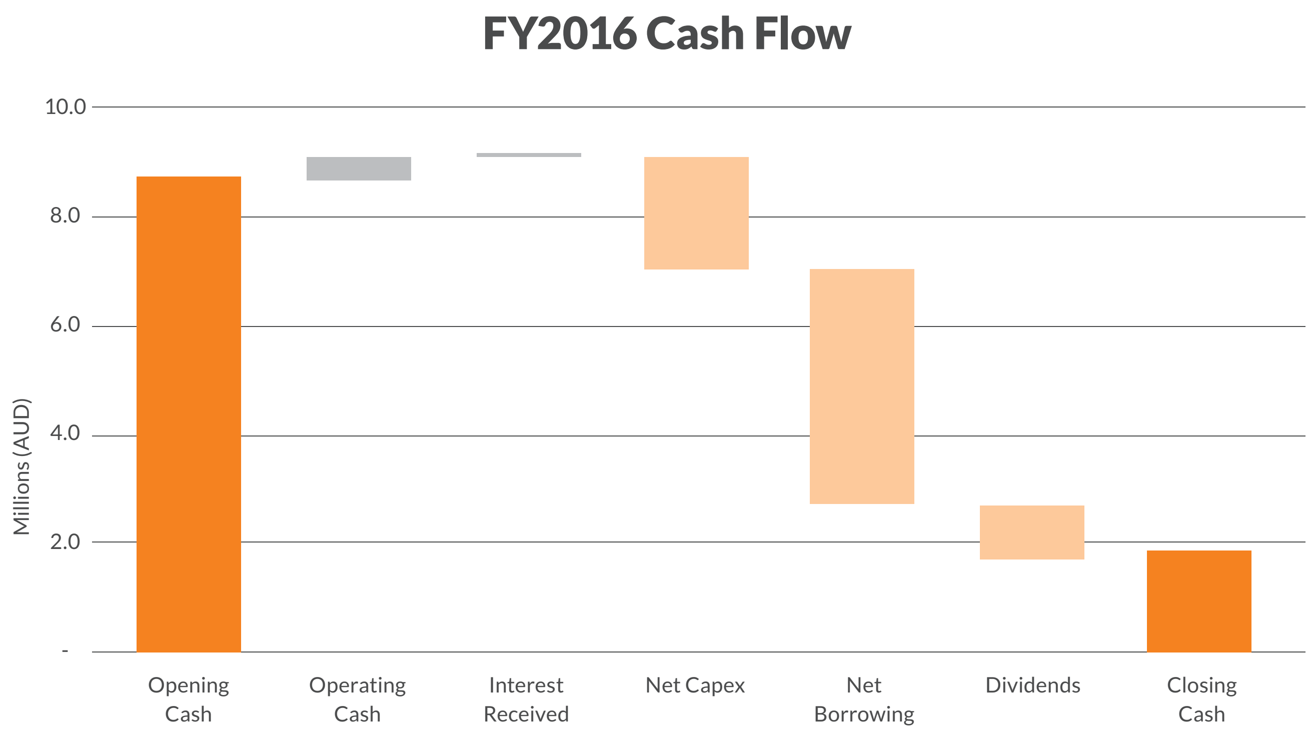
Finally, I would like to thank our shareholders for your continued support during this difficult period. Like you we are looking forward to improved conditions for your investment in the years ahead.

Yours Sincerely,

Colin Bloomfield *Chairman*
Mastermyne Group Limited







Managing Director's Report

FY2016 has been a tough year for mining services as operators of mines and adjacent infrastructure have continued to focus on cost reduction strategies amidst ongoing weakness in commodity prices. The Mastermyne Group has not been immune from these strategies which is reflected in the performance of the business in the FY2016 results. The Company has taken prudent steps during the year to restructure our operations in line with the current conditions and to ensure that we continue to remain cash positive as we wait for the current cycle of low commodity prices to improve.

The restructuring of the Company resulted in actions taken in two key areas, the exiting of fabrication and machining workshops and rightsizing of the Group overheads to match the work in hand. The decision to exit the workshops has not diminished the capability of the Group with the workshops being largely standalone operations. The workshops, whilst synergistic with the Group did not provide any significant strategic leverage that cannot be replaced through outsourcing similar fabrication services. We are confident that the steps taken will improve our financial position but at the same time have not impacted on the Groups capability or capacity, which is important as we start to see the early signs of improvement in the sector.

In a year with very few highlights, one area that has really stood out has been the Company's improved safety performance. Amidst a backdrop of constant operational changes and the relentless focus on costs I am very pleased to report that the Company has significantly improved its safety outcomes. This year we have worked relentlessly on our approach to safety leadership and we have seen great results as our people lead a transformation in our safety culture. We also continue to focus on a stronger understanding and recognition of the critical risks and controls in our business and identifying and eliminating hazards in our day to day operations. The culmination of this has been our lowest recorded injury rate since the Company's inception.

Our mining business has continued to hold its strong position as a leading underground coal services supplier across the sector. We have, however, been impacted from the trend by operators electing to engage labour hired workforces to carry out work under the mines supervision as a means of reducing costs. This was the case in the second half of the year for the mining business and was the primary reason for the reduced earnings between the first and second halves. This trend is typical at this point of the cycle but as the sector recovers we expect, as we have seen previously, that there will be a shift back to contracting companies who can manage more complex and larger packages of work utilizing their supervision, equipment and workforces.

The Mastertec division has continued to improve its profile across the mining and adjacent sectors. We have seen the value of the tender pipeline increasing consistently in the past 12 months with opportunities now tendered across multiple sectors and disciplines. Unfortunately, in conjunction with this we have seen significantly more competitor activity, aggressive pricing and the emergence of the larger established engineering and maintenance contractors looking for work in areas they previously did not compete. Our Mastertec division, like our Mining division will be well placed as the sector improves and we remain committed to our strategy of being a diversified supplier of underground and above ground services to the coal and adjacent sectors.

Despite the year that was, our confidence is building that this commodity cycle has reached the bottom and that we are starting to witness the early stages of improving conditions. We are encouraged by recent transactions within the sector and the opportunities that will come along with the reopening of mines and the management of existing mines under different operating models. Our mining division is well placed to support these new owners as they consider alternate operating arrangements.

With the difficult decisions taken in the last financial year we are confident that we have positioned the business well and we will be ready when the sector recovers. In the meantime, we have restructured to ensure that we will continue to generate cash and maintain the capacity and capability of the Mastermyne Group which will ensure we retain our strong market share and position as a leading supplier of contracting services to our clients.

Finally, I would like to take this opportunity to thank the entire team at Mastermyne. It has been a difficult year dominated by challenging conditions and relentless change. Throughout the year the team has responded professionally and enthusiastically which has resulted in our ability to maintain a strong organisation that is well positioned for future growth. I would also like to thank our board, in particular our recently resigned Directors, Darren Hamblin and James Wentworth for their ongoing support and guidance.

Tony Caruso *Managing Director & CEO*
Mastermyne Group Limited

FY2016 Summary

Restructured for work in hand and to ensure **strong cash generation**

- Debt reducing, maintaining a strong balance sheet
- Sector conditions stabilising but not translating to material increase in activity at this point
- Restructured for work in hand and to ensure strong cash generation
- Short term project opportunities coming via Mastertec with larger Underground projects not expected until the second half of the FY2017 year

Mastermyne Income Statement

($'000)	Jun-16	jun-15	Change(%)
Total Revenue	168,434	174,195	(3.31%)
Statutory EBITDA	1,368	6,182	(77.87%)
Goodwill Impairment	(7,999)	(4,538)	(76.27%)
Gain on Bargain Purchase		2,221	
Statutory profit/(loss) before tax	(15,041)	(4,549)	(230.64%)
Tax benefit/(expense)	1,855	195	(851.28%)
Statutory profit/(loss) after tax	(13,186)	(4,354)	(202.85%)
Adjustments1,2	11,115	4,824	(130.40%)
Adjusted EBITDA	4,484	8,689	(48.40%)
Adjusted profit/(loss) after tax	**(3,006)**	**99**	**(3136.39%)**

Adjusted EBITDA Margins	2.66%	5.0%	(2.33%)
EPS	(14.4)	(5.2)	176.92%
Adjusted EPS		0.1	(100.00%)
DPS	0.0	2.0	(100.00%)

1. FY2015 adjustments are for non-operational related expenditure including the following:

- *Goodwill Impairment of $4.538 million*
- *Acquisition, integration and restructuring costs of $1.872 million*
- *Gain on bargain purchase ($2.221) million*
- *Significant one off tendering costs $0.635 million*

Not all these expenses are deductible for tax purposes resulting in a total after tax adjustment of $4.453 million.

2. FY2016 adjustments are for non-operational related expenditure including the following:

- *Goodwill impairment of $7.999 million*
- *Restructuring costs of $1.113 million*
- *Loss on sale of assets from Mastertec workshop exits $2.003 million*

Not all these expenses are deductible for tax purposes resulting in a total after tax adjustment of $10.180 million.

Sector conditions stabilising but not translating to material increase in activity at this point

- 2nd half performance dominated by restructuring costs
- Board reduction symbolic of other reductions in overheads
- Divestment of workshops to enable stronger focus on core activities
- $8 million Impairment as a result of divestments and restructuring
- Right sized overheads to match work in hand

Board of Directors

Colin Bloomfield
Non-executive Chairman

Colin brings to the Company over 27 years of mining experience in technical, operations, management and corporate roles.

Until recently Colin led BHP Billiton's Illawarra Coal Group as President Illawarra Coal, a role he was appointed to in 2004.

He holds a First and Second Class Certificate of Competency in Mine Management and has managed underground coal mines in Australia. His former roles at BHP Billiton include Vice President: Health, Safety and Environment and Project

Director for the BHP Billiton merger integration.

Colin has previous experience as a Director at the NSW Minerals Council for almost nine years including three as Chairman.

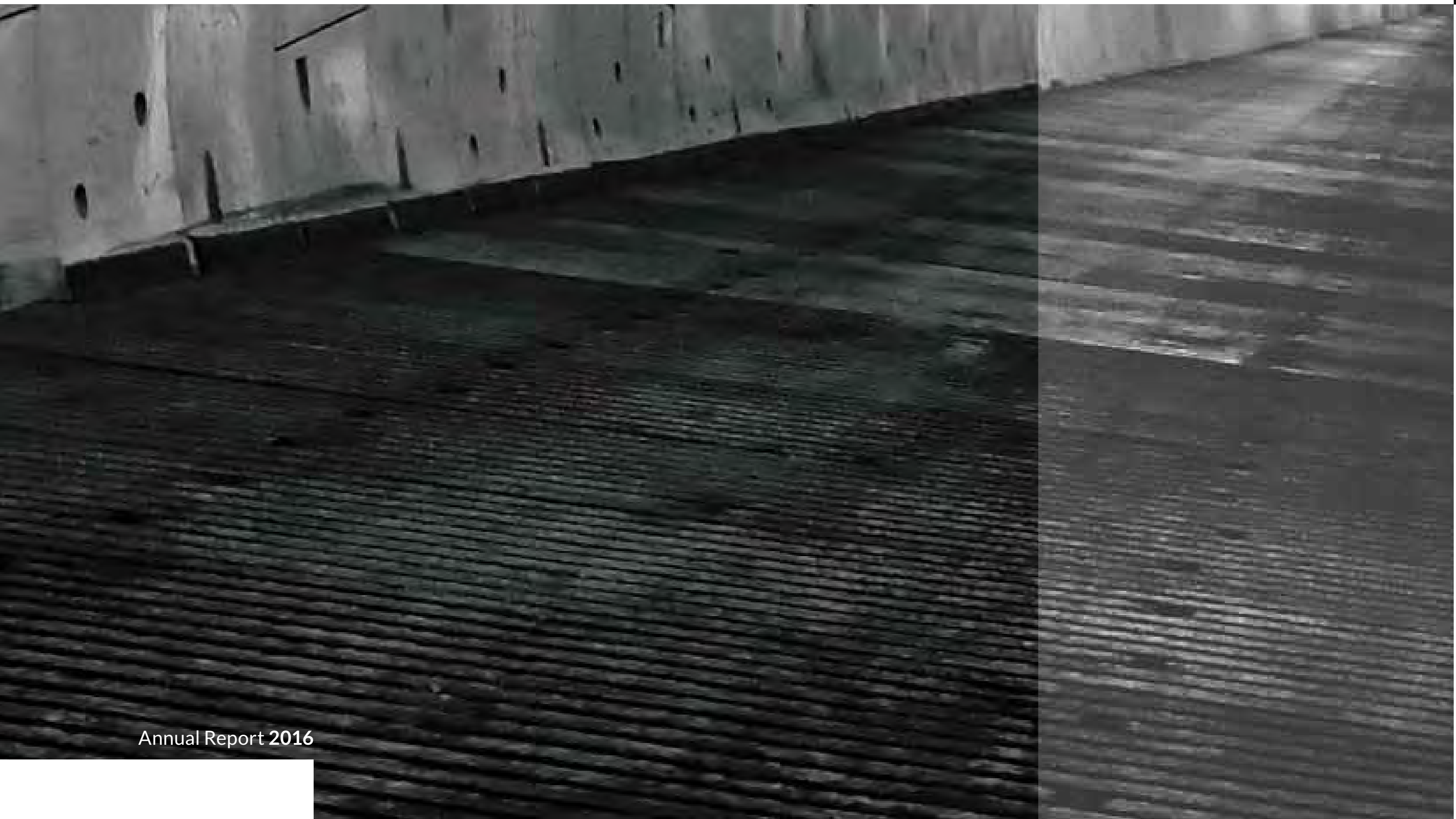
He was also Chairman of Port Kembla Coal Terminal for over eight years. He is also a non-executive director with The Flagstaff Group.

Anthony (Tony) Caruso
CEO & Managing Director

Tony was appointed CEO in 2005 and Managing Director in 2008. Tony has overall corporate responsibility for the Mastermyne Group. He has more than 20 years' experience in mining services working on major underground mining projects across QLD and NSW before moving into management roles. He has worked alongside several mining services contractors and has a comprehensive understanding of the sector. Tony's qualifications are a combination of a trade background with a degree in Business Management.

Tony's propensity for Project Management drives Mastermyne's focus for safe and productive projects. He is highly regarded for his innovative approach to solving complex issues and for actively turning issues into opportunities.

Known for being strategic as well as results focused, Tony has presided over a period of significant growth in the Mastermyne business.



Andrew Watts
Non-executive Director

Andrew co-founded Mastermyne in 1996 and has been involved in the mining services sector since 1994. Prior to moving to a board role, Andrew was directly responsible for all aspects of Mastermyne's operations until the appointment of Tony Caruso as CEO.

Andrew's detailed understanding of mining and construction projects has been an invaluable contribution in shaping Mastermyne's operating systems. This experience will be relied on as Mastermyne continues to grow and diversify its business.

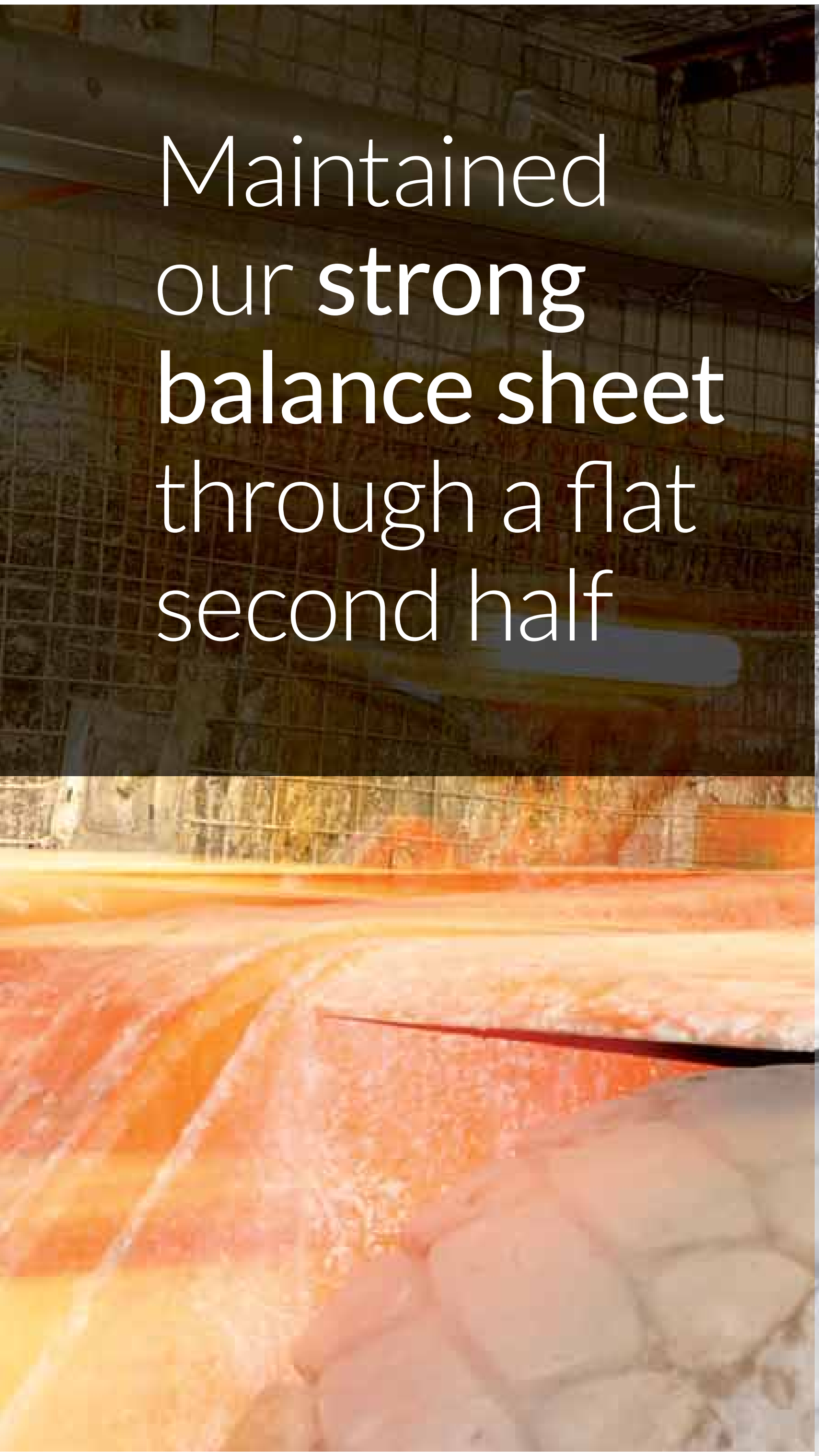
Gabriel (Gabe) Meena
Non-Executive Director

Gabe brings to the Company over 30 years' experience in the steel, mining and stevedoring industry covering operations, maintenance and engineering. Currently Mr Meena is General Manager Operations with Patrick Terminals.

Gabe has held senior operational and management roles with Bluescope Steel as General Manager Mills and Coating, Bluescope Steel China as President China Coated and BHP Collieries as General Manager of a number of coal mines.

He brings a wealth of experience to Mastermyne from working across multiple sectors and his skill set is valuable in helping the Group grow the Mastertec Products and Services division across a number of sectors.

Financial Summary



Maintained our **strong balance sheet** through a flat second half

- Net Debt of $11.1 million at 30 June
- Late debtors received in July resulting in Net Debt of $6.4 million at 31 July
- Paid down additional debt by $2.3 million during July in lieu of dividends
- Current Assets 1.94 times current liabilities
- Reduced working capital facilities at the end of the period, still maintain full headroom of $5.7 million

Cash Flow

$AUD ($'000)	Jun-16	Jun-15
EBITDA (Statutory)	1,368	6,182
Movements in Working Capital	(2,566)	2,571
Non cash items	2,032	41
Interest Costs	(907)	(1,101)
Income tax payments	454	(558)
Net Operating Cash Flow	381	7,135
Net Capex (includes intangibles)	(2,053)	(914)
Net borrowings/(repayments)	(4,363)	6,039
Interest Received	59	202
Acquisition of Subsidiary	-	(10,581)
Free Cash Flow	(5,976)	1,881
Dividends	(911)	(1,968)
Net increase/(decrease) in cash and cash equivalents	(6,887)	(87)
Cash and cash equivalents at beginning of period	8,723	8,810
Cash and cash equivalents at end of period	**1,836**	**8,723**

Balance sheet

$AUD ($'000)	Jun-16	Jun-15
Assets		
Cash and cash equivalents	1,836	8,723
Trade and other receivables	29,084	38,568
Inventories	3,408	3,002
Current Tax Assets	226	259
Total current assets	**34,554**	**50,552**
Deferred Tax Asset	8,579	7,146
Property, plant and equipment	21,540	29,070
Intangible assets	7,089	14,912
Total non-current assets	37,208	51,128
Total assets	**71,762**	**101,680**
Liabilities		
Trade and other payables	11,039	18,101
Loans and borrowings	3,543	4,363
Employee benefits	3,237	7,725
Total current liabilities	**17,819**	**30,189**
Loans and borrowings	9,408	12,793
Employee benefits	102	197
Total non-current liabilities	**9,510**	**12,990**
Total liabilities	27,329	43,179
Net assets	**44,433**	**58,501**

Health, Safety, Environment and Quality

No compromising on safety

In FY2016 FY2016 the Group recorded 1,551,420 hours worked and completed the year with a Total Recordable Injury Frequency Rate (TRIFR) of 8.38, down from 21.43. Our Lost Time Injury Frequency Rate (LTIFR) of 0.64 was also much improved, down from 3.15.

Mastermyne Mining and Mastertec both recorded very good TRIFR improvement. Mining fell to 10.14, down from 23.82, while Mastertec fell to 4.17, down from 21.87. There was just one Lost Time Injury recorded within Mining, for a LTIFR of 0.85, down from 3.97. There were no Lost Time Injuries recorded within the Mastertec business.

These are very good results and are the outcome of a continued focus on proactive safety leadership at all levels.

Certified System – Environment ISO 14001
Certified System – Health & Safety AS 4801
Certified System – Quality ISO 9001

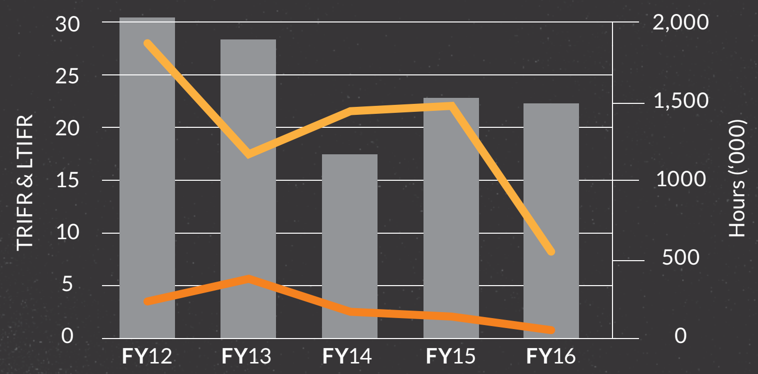
The Company retained third-party certification to AS4801 Health and Safety, ISO9001 Quality and ISO14001 Environmental management systems, completing the annual audit in February with no major non-conformances.

NOTE: This year the Group is moving to reporting TRIFR, LTIFR and other frequency rates on the basis of 1,000,000 hours rather than 200,000 hours, this brings Mastermyne in alignment with the majority of our clients.

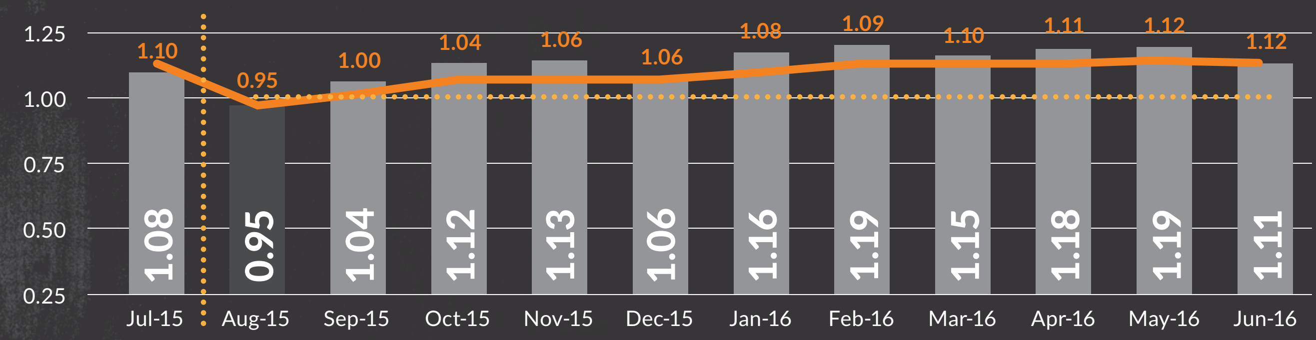
TRIFR and LTIFR vs hours worked

Hours ('000)
TRIFR
LTIFR

2,012	1,845	1,215	1,614	1,551
27.82	17.34	21.02	21.43	8.38
3.97	5.42	3.39	3.15	0.64



HSEQ Index FY16 - Results Overall (Monthly vs. FY Average)



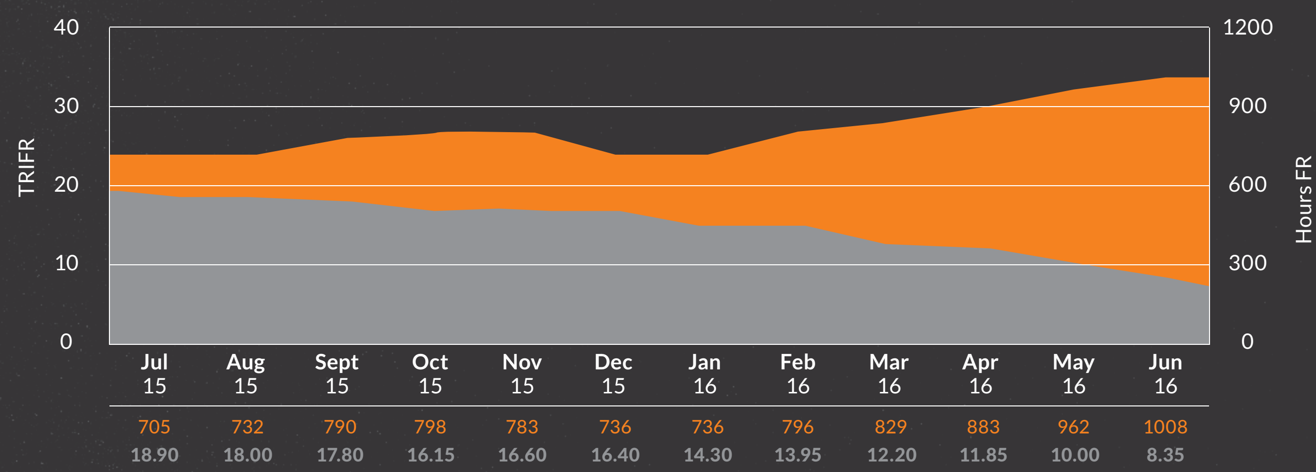
The Mastermyne HSEQ Index, which is a measure of the degree of implementation of several proactive hands-on HSEQ activities, has been maintained at very high levels. This result is even more pleasing considering that the Mastertec sites engaged with the full range of measures for the entire year and the overall performance expectations were lifted above the previous year's targets.

HSEQ Month Actual
HSEQ FY Average
HSEQ Index Target (Minimum Standard)

Continued focus on developing a **hazard aware culture**

Mastermyne has maintained a high degree of focus on hazard recognition and control over the past 12 months. This has included ongoing promotion and reporting on our 'Real Mates' peer on peer safety conversations and 'Find-It/Fix-It' programs, coupled with active promotion and awareness surrounding the critical risks in each part of the business - critical risks being those hazards with the potential for significant injury or damage. The result has been the Group's hazard identification rate has improved by 24% when compared to the previous year. These programs will be ongoing in FY17.

Hazard Frequency Rate vs. TRIFR (Rolling 12 Month)

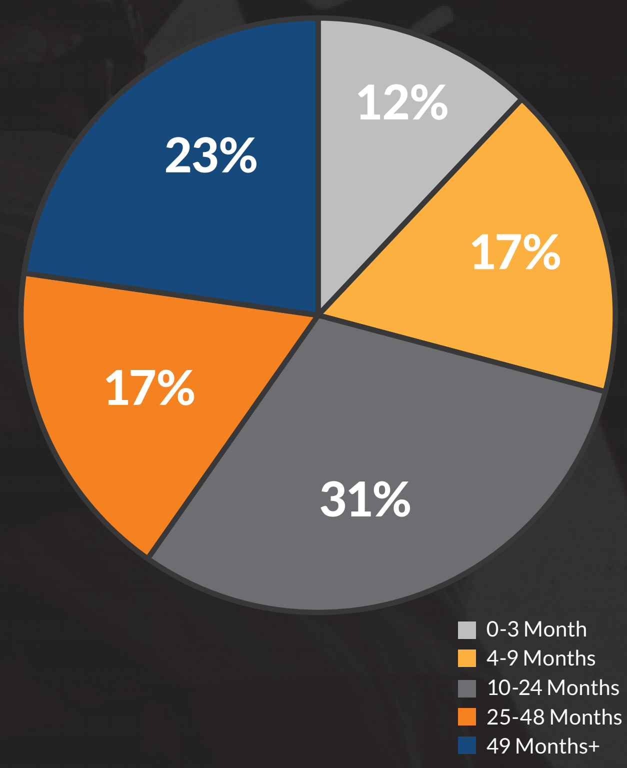


Human Resources

Despite a contraction of labour, effective workforce planning has enabled us to retain senior and frontline leaders and highly skilled personnel. Additionally, an ongoing investment to grow capability, with a focus on leadership know-how, has been an ongoing throughout the year.

More than third of our workforce have a tenure of longer than 3 years. This core base of long serving employee's plays a vital role in maintaining our positive culture. A target within Group business plan was met when an Employee Values Survey returned an 83% positive score, indicating that positive behaviours that support our values are visible Group wide. Additionally, other Human Resource goals of the Business Plan were met in relation to labour mobilisation meeting project plans, workforce capability targets being achieved and labour engagement platforms suitably meeting tendering opportunities.

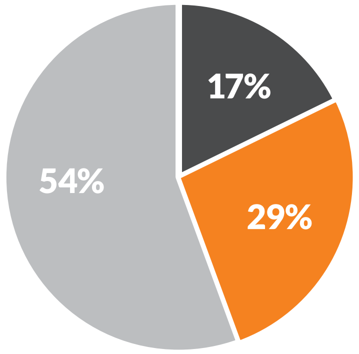
Employment and industrial relations **risk mitigated** in a challenging labour market



In a difficult market industrial risk has been mitigated resulting in no lost time disputes or penalties being incurred. During the year two Enterprise Agreements were negotiated and approved by Fair Work Commission providing the underground division with flexible and competitive labour arrangements until 2019.

Corporate Overview

Capital Structure	
Share price as at 15 July 2016 ($)	0.19
Shares on issue (m)	91.1
Market cap ($m)	17.3
Net Debt as at 31 June 2016 ($m)	11.1
Enterprise value ($m)	28.4
Board	
Colin Bloomfield	Non-executive Chairman
Anthony Caruso	Managing Director
Andrew Watts	Non-Executive Director
Gabriel Meena	Non-Executive Director
Substantial Shareholders	
Andrew Watts	13.46%
Kenneth Kamon	11.94%
Darren Hamblin	10.65%
Maui Capital	6.91%
Paradice Investment Management	6.41%
Boyles Asset Management, LLC	6.01%

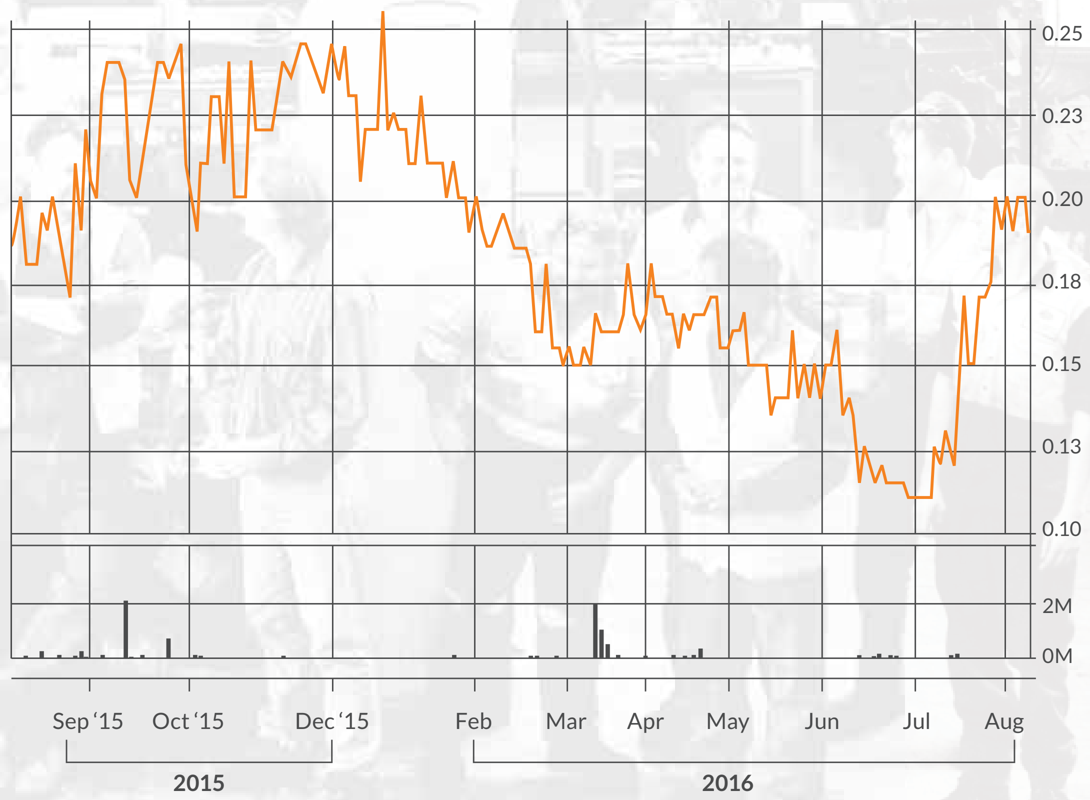


Shareholder Composition

- Board & Management
- Institutional Investors
- Retail Investors

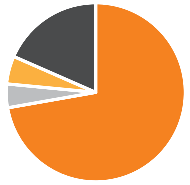
12 Month Trading History

- MYE Share Price
- Volume of shares traded



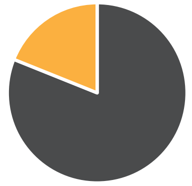
Operations Overview

Mastermyne is a **multi-disciplined contractor** that can provide an expansive **range of services** efficiently and **cost effectively**



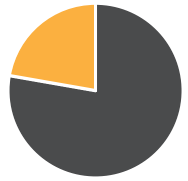
Work in hand

- Mastermyne Contracts
- Mastertec Contract
- Mastermyne Recurring
- Mastertec Recurring



Revenue by division FY2015

- Mastermyne Mining
- Mastertec



Revenue by division FY2016

- Mastermyne Mining
- Mastertec

Structure, Mechanical & Electrical

Access Solutions (Scaffolding & Rigging)

Protective Coatings (Blast & Paint)

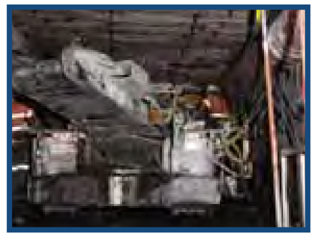
Pipeline Services

Fabrication

Machining

Consumables

Engineering & Technical



Roadway Development

Conveyor Installations, Recoveries and Maintenance

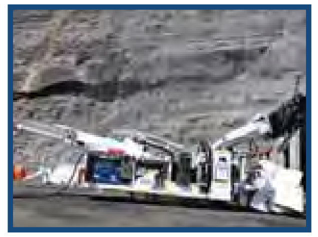
Longwall Relocations, Installations, Recoveries and Maintenance

Inseam Directional Drilling

Outbye services including maintenance works

Project Management and Engineering Support

Ventilation Control Devices and Chemical Injection



Fleet

Mastertec Operation Locations

QLD
1. Broadmeadow
2. Carborough Downs
3. Crinum
4. Eagle Downs
5. Grasstree
6. Grosvenor
7. Kestrel
8. Moranbah North
9. Newlands
10. North Goonyella

NSW
1. Abel Mine
2. Appin
3. Austar
4. Chain Valley Colliery
5. Narrabri

Mastermyne Mining Operation Locations

QLD
1. Blackwater
2. Boyne Smelter
3. Broadmeadow
4. Carborough Downs
5. Caval Ridge
6. Clermont Coal
7. Cook Colliery
8. Crinum
9. Daunia
10. Dalrymple Bay Coal Terminal
11. Ensham
12. Foxleigh
13. RG Tanna Coal Terminal
14. Goonyella Riverside
15. Grasstree
16. Grosvenor
17. Hail Creek
18. Kestrel
19. Moranbah North
20. Newlands
21. North Goonyella
22. Norwich Park

NSW	
1. Appin	6. Springvale
2. Austar	7. Ulan
3. Dendrobium	8. Ulan West
4. Myuna	9. Wambo
5. Narrabri	10. Westcliff

Mastermyne Mining

Labour engagement strategies have impacted the **underground business**

The Mastermyne Mining business has continued to maintain a strong share of the underground contracting market and continues to grow its presence in the NSW markets. There has been a continued focus by the major mining houses on cost management which has resulted in a decrease in long term projects and the tender pipeline has contracted accordingly in the underground area. Despite this the Company has continued to expand its service offering through the chemical injection area and short term project delivery in areas of ventilation services and longwall relocations. The equipment fleet remains mostly off hire resulting in no material change to utilisation rates on equipment.

- Manning numbers reduced as some clients moved to labour hire
- Grosvenor Mine demobilisation was single biggest impact to mining division
- No material changes to remaining contracts
- Contact mining opportunities dominating tendering pipeline

($'000)	FY16	FY15	Change(%)
Revenue	130,658	146,464	(10.79%)
Underlying EBITDA	9,466	10,167	(6.90%)
Underlying EBIT	3,380	4,085	(17.26%)
EBITDA Margins	7.24%	6.94%	0.30%

Mastertec

Mastertec pipeline increasing but revenues still down from lack of maintenance spending

- Traditional mining sector maintenance spending remains constrained
- Mastertec result impacted by restructure and impairment
  - Impairment $8 million, Restructure $2.6 million,
- Now exposed to a number of new sectors alongside coal
- Tendering Pipeline has increased from $26 million pcp to $71 million
- Workforce numbers increased late in the financial year through increased project activity

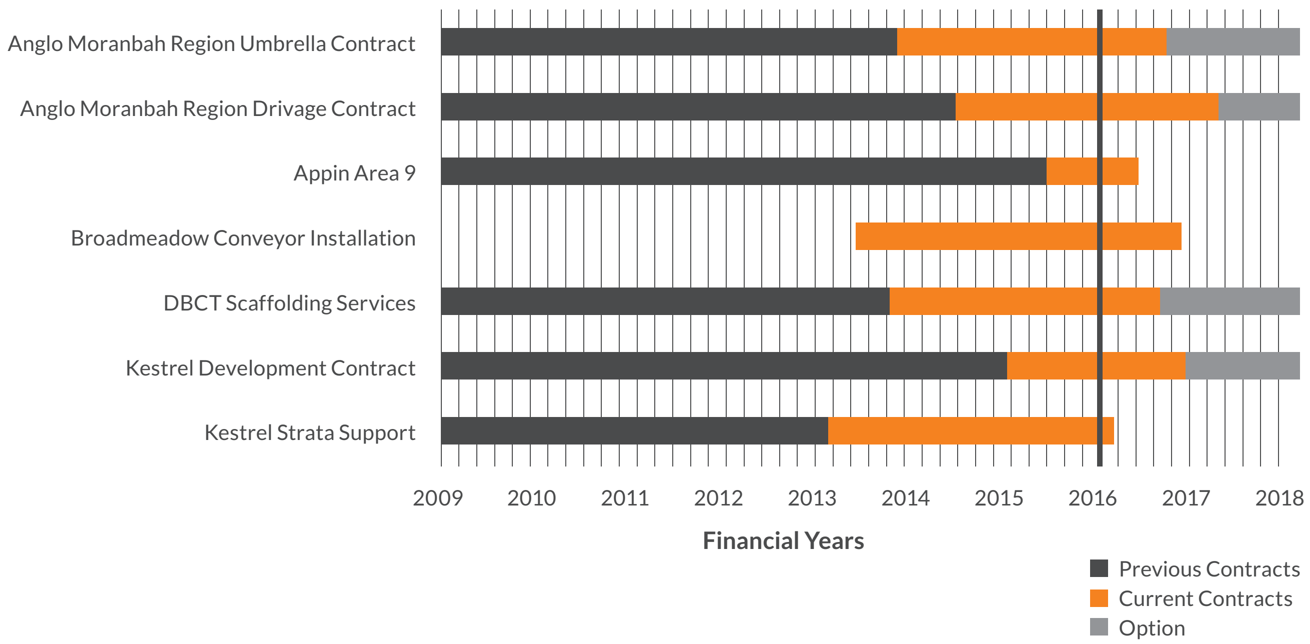
($'000)	FY16	FY15	Change(%)
Revenue	40,413	35,132	15.03%
Underlying EBITDA	(4,226)	936	(551.70%)
Underlying EBIT	(5,711)	(528)	(980.99%)
EBITDA Margins	(10.46%)	2.66%	(13.12%)

The Mastertec Division has continued to operate at similar levels of activity. Maintenance and Engineering work in the traditional mining areas continues to be subdued and highly competitive. The Mastertec Division has made good progress in diversifying into adjacent markets and now has a range of new project opportunities coming through a wide cross section of customers and sectors. As part of the restructure the Company took the decision to exit the workshops in Rockhampton and Mackay with the Rockhampton operation merged with the Gladstone workshop. Gladstone remains a strategic base for the business and provides a platform to access the heavy industrial sector in the region.

Orderbook and Pipeline

There is currently a number of Tier 1 mine owners divesting assets which is likely to create opportunities with new owners around contract mining services. The strategy of diversifying through Mastertec has led to an increase in the current pipeline of tendered opportunities which supports the expected growth for the division in FY2017.

Tier 1 contracts but order book reduces



FY17 order book provides the **base** to **build** from

- Current Order Book $123.3 million
- Mastermyne Mining $101.3 million
- Mastertec $22 million
- $64.2 million to be delivered in FY17
- Total pipeline of opportunities $971 million
- Mastermyne mining $900 million
- Mastertec $71 million
- Total Whole of Mine opportunities included in pipeline of $355 million

Outlook

The prudent steps the Company has taken will ensure that it will generate strong cash in the coming year. The outlook moving into FY2017 sees current underground operations remaining subdued with an ongoing focus on costs by the Group's clients. We are starting to see some early signs of recovery as coal prices stabilise. We believe that the worst of the cost reductions is now behind us and whilst we expect the next year to remain tight we are confident that the restructuring undertaken during the second half has set us up for the year ahead. Both our Mining and Mastertec divisions are well positioned to take advantage of any recovery in the sector.

Outlook showing some early **signs of recovery**

- FY17 will remain tight however the worst of the cost reductions appear to be behind us
- Coal prices are showing signs of stabilising
- Divestment by Tier 1 miners is creating opportunities for contract mining
- Strategy of diversifying through Mastertec is providing a platform for growth
- Restructured business will ensure strong cash generation

Mastermyne Group Limited and its Controlled Entities

ABN 96 142 490 579

Annual Report 30 June 2016

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Corporate Governance Statement

The Company and its Board of Directors are committed to fulfilling their corporate governance obligations and responsibilities in the best interests of the Company and its various stakeholders.

The ASX Listing Rules require listed companies to provide a statement in their Annual Report disclosing the extent to which they have followed the ASX Corporate Governance Principles and Recommendations adopted by the ASX Corporate Governance Council ("Recommendations") in the reporting period. These Recommendations are guidelines, designed to improve the efficiency, quality and integrity of the Company. The Recommendations are not prescriptive, but if a company considers that a recommendation should not be followed having regard to its own circumstances, the company has the flexibility not to follow it but in its Annual Report it must identify which Recommendations have not been followed and give reasons for not following them.

This Corporate Governance Statement ("Statement") and the Company's suite of corporate governance documents referred to in the Statement, and other relevant information for stakeholders, are displayed on the Company's website www.mastermyne.com.au. The Company has complied with the Recommendations, to the extent outlined in this Statement, throughout the year or as otherwise noted.

1.1 *Scope of Responsibility of Board*

Responsibility for the Company's proper corporate governance rests with the Board. The Board's guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly, in accordance with the law, in the interests of Mastermyne Group's Shareholders (with a view to building sustainable value for the Shareholders) and those of employees and other stakeholders. The Board's broad function is to:

- chart strategy and set financial targets for the Company;
- monitor the implementation and execution of strategy and performance against financial and non-financial targets; and
- appoint and oversee the performance of executive management and generally to take and fulfil an effective leadership role.

Power and authority in certain areas is specifically reserved to the Board – consistent with its function as outlined above. These areas include:

- composition of the Board itself including the appointment and removal of Directors;
- oversight of the Company including its control and accountability system;
- appointment and removal of senior management including the Managing Director, Chief Financial Officer and Company Secretary;
- reviewing and overseeing systems of risk management and internal compliance and control, codes of ethics and conduct, and legal and statutory compliances;
- monitoring senior management's performance and implementation of strategy; and
- approving and monitoring financial and other reporting and the operation of committees.

The Board has delegated functions, responsibilities and authorities to the Managing Director and senior executives to enable them to effectively manage the Company's day-to-day activities.

1.2 *Composition of board*

The Board performs its roles and function, consistent with the above statement of its overall corporate governance responsibility, in accordance with the Council's guidelines

The Board currently comprises four Directors as follows:

- Colin Bloomfield
  – Independent non-executive Chairman
- Andrew Watts
  – Non-executive Director
- Gabriel Meena
  – Independent non-executive Director
- Tony Caruso
  – Managing Director

Details of each Director's qualifications, experience and expertise, their involvement in Board and committee meetings, and the period for which they have been in office, are set out in the Directors' Report. All Directors, apart from the CEO, are subject to re-election by rotation at least every three years at the Company's annual general meeting.

The Board's view is that an independent Director is a non-executive Director who does not have a relationship affecting independence on the basis set out in the Council's guidelines. During the reporting period the Company had two non-executive directors resign resulting in a total of 2 independent directors and 2 non-independent directors. Whilst this does not meet the council's recommendation requiring a majority of independent Directors, the company believes the current skills & experience of the current board members is more important than independence at this time.

The Board periodically conducts a review of the skills and experience Directors to ensure they are appropriate for the Company's activities. The results of the most recent review conducted in the last period are shown below.

Skill or Experience Requirement	Assessed Level
Governance	
Risk Management Systems	High
Financial Risk Management	Medium
Legal	Low
Organisational	
Industrial Relations	High
Human Resource Management	Medium
Organisational Leadership	High
Remuneration	Medium
Health and Safety Management Systems	High
Quality Management Systems	Medium
Operations	
Underground Coal Production Activities	High
Underground Coal Infrastructure	Medium
Underground Coal Mine Management	Medium
Engineering Services	Medium
Project Management	High
Port Operations	Low
Heavy Industry (eg. Steel, Gas, Alumina, etc)	Low
Contract Management	High
Information Systems	Low
Strategic	
Strategy Development	High
Business Planning and Execution	High
Mergers and Acquisitions	High
Valuation	Medium
Government Relations	Medium
Stakeholder Management	High
Marketing	Medium

In each area assessed as "Low" the Board has at least one "subject matter expert" who the Board considers provides adequate coverage in the current circumstances. Where appropriate, external advice is sought to supplement Board skills and experience.

1.3 Board Charter

The Board has adopted a Board Charter to give formal recognition to the matters outlined above. This Charter sets out various other matters that are important for effective corporate governance including the following:

- a detailed definition of "independence" for the purposes of appointment of Directors;
- a framework for annual performance review and evaluation;
- approval of criteria for monitoring and evaluating the performance of senior executives;
- approving and monitoring capital management and major capital expenditure;
- frequency of Board meetings;
- ethical standards and values – ensuring compliance with the Company's governing documents and Codes of Conduct;
- risk management – identifying risks, reviewing and ratifying the Company's systems of internal compliance and control;
- establishment of Board committees: Audit & Risk Management Committee, Remuneration & Nomination Committee; and
- communications with Shareholders and the market.

These initiatives, together with other matters provided for in the Board Charter, are designed to promote good corporate governance and generally build a culture of best practice in Mastermyne Group's own internal practices and in its dealings with others.

1.4 Audit & Risk Management Committee

The Company has established this committee to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. The committee comprises the following members:

- Colin Bloomfield (Chair)
- Andrew Watts
- Gabriel Meena

The committee performs a variety of functions relevant to risk management and internal and external reporting and reports to the Board following each meeting. Among other matters for which the committee is responsible are the following:

- qualifications of committee members;
- review and approve and update internal audit and external audit plans;
- review financial reports or financial information, including such information as is to be distributed externally and where appropriate recommend these for Board approval;
- review the effectiveness of the compliance function;
- investigate any matter brought to its attention;
- obtain outside accounting, legal, compliance, risk management or other professional advice as it determines necessary to carry out its duties;
- review and approve accounting policies;
- report to the Board and make recommendations to the Board;
- periodically meet separately with management, internal auditors and external auditors to discuss:
    - the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs;
    - issues and concerns warranting audit and risk management committee attention, including but not limited to their assessments of the effectiveness of internal controls and the process for improvement;
- corporate risk assessment and compliance with internal controls;
- assessment of the internal audit function and financial management processes supporting external reporting;
- review of the effectiveness of the external audit function;
- review of the performance and independence of the external auditors and make suggestions to the Board;
- review any significant legal matters and corporate legal reports;
- review areas of greatest compliance risk;
- assess the adequacy of external reporting for the needs of Shareholders; and
- monitor compliance with the Company's Codes of Conduct, risk management policies and compliance function.

Meetings are held often enough to undertake the Audit & Risk Management Committee's role effectively, being at least four times each year. The committee may invite such other persons to its meetings as it deems necessary.

1.5 Remuneration & Nomination Committee

The purpose of this committee is to assist the Board and make recommendations to it in relation to the appointment of new Directors (both executive and non-executive) and senior executives and to oversee the remuneration framework for Directors and senior executives. The Board does not consider separate committees to cover these matters are warranted at this stage of the Company's evolution. The committee comprises the following members:

- Colin Bloomfield (Chair)
- Andrew Watts
- Gabriel Meena

Functions performed by the committee include the following:

- obtaining independent advice and making recommendations in relation to remuneration packages of senior executives, non-executive Directors and executive Directors, equity-based incentive plans and other employee benefit programs;
- reviewing the Company's recruitment, retention and termination policies;
- reviewing the Company's superannuation arrangements;
- reviewing succession plans of senior executives and Directors;
- recommending individuals for nomination as members of the Board and its committees;
- considering those aspects of the Company's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval;
- monitoring the size and composition of the Board;
- development of suitable criteria (with regard to skills, qualifications and experience) for Board candidates, whose personal attributes should encompass relevant industry experience and/or sound commercial or financial background;
- identification and consideration of possible candidates, and recommendation to the Board accordingly;
- establishment of procedures, and recommendations to the Chairman, for the proper oversight of the Board and management; and
- ensuring the performance of each Director and of senior management, is reviewed and assessed each year in accordance with procedures adopted by the Board. A review has been carried out for the most recent reporting period.

The Remuneration & Nomination Committee will meet as often as necessary, but must meet at least twice a year.

1.6 Good Corporate Governance Commitment

The Company is committed to achieving and maintaining the highest standards of conduct and has undertaken various initiatives, as outlined in this Statement, that are designed to achieve this objective. Mastermyne Group's suite of corporate governance documents is intended to develop good corporate governance and, generally, to build a culture of best practice both in Mastermyne Group's own internal practices and in its dealings with others. The following are a tangible demonstration of Mastermyne Group's corporate governance commitment.

Independent Professional Advice

With the prior approval of the Chairman, which may not be unreasonably withheld or delayed, each Director has the right to seek independent legal and other professional advice concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors. Any costs incurred are borne by Mastermyne Group.

Code of Conduct

Mastermyne Group has developed and adopted detailed Codes of Conduct to guide Directors, Senior Executives and employees in the performance of their duties.

Securities Trading Policy

Mastermyne Group has developed and adopted a formal Securities Trading Policy to regulate dealings in securities by Directors, key management personnel and other employees, and their associates. This is designed to ensure fair and transparent trading in accordance with both the law and best practice. The policy includes restrictions and clearance procedures in relation to when trading can and cannot occur during stated 'closed' and 'prohibited' periods and whilst in possession of price sensitive information. Otherwise, those persons may generally deal in securities during stated 'trading windows'. The Board will ensure that restrictions on dealings in securities are strictly enforced.

1.7 Compliance with the ASX Corporate Governance Council Recommendations

The Board has assessed the Company's current practices against the Recommendations and outlines its assessment below:

Principle 1 – Lay solid foundations for management and oversight

The role of the Board and delegation to management have been formalised as described in this Statement and the Board Charter, and will continue to be refined, in accordance with the Recommendations, in light of practical experience gained in operating as a listed company.

1.7 Compliance with the ASX Corporate Governance Council Recommendations (continued)

Mastermyne ensures that appropriate checks are undertaken before it appoints a person, or puts forward to shareholders a new candidate for election, as a director. Information about a candidate standing for election or re-election as a director is provided to shareholders to enable them to make an informed decision on whether or not to elect or re-elect the candidate.

Directors are provided with a letter on appointment which details the terms and conditions of their appointment, provides clear guidance on what input is required by them, and includes materials to assist with induction into the Company. The Company has a similar approach for all senior executives whereby they are provided with a formal letter of appointment setting out their terms of office, duties, rights and responsibilities as well as a detailed job description. The Board has delegated responsibilities and authorities to the CEO and other executives to enable management to conduct the Company's day to day activities. Matters which exceed defined authority limits require Board approval.

The processes for evaluating the performance of senior executives, the board and its committees and individual directors, are set out in the Board Charter, Audit & Risk Management Committee Charter and Remuneration & Nomination Committee Charter. All reviews have taken place in accordance with these charters. Mastermyne Group complies with the Recommendations in this area.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Principle 2 – Structure the board to add value

The Board currently consists of four directors, including one executive Director. Profiles of each Director outlining their appointment dates, qualifications, directorships of other listed companies (including those held at any time in the 3 years immediately before the end of the financial year), experience and expertise, are set out in the Directors' Report.

Two Directors, Mr Colin Bloomfield and Mr Gabriel Meena, are independent (in terms of the criteria detailed in the Recommendations), giving the Board the benefit of independent and unfettered judgment. The other two Directors, comprising one founder who is a non-executive Director and the Managing Director, are not independent.

The Board considers that a four person board is appropriate for a company with the size and growth profile of Mastermyne Group. It believes the skills and industry knowledge of the two non-independent Directors is beneficial in growing the Company and to assist with maintaining its current culture and focus. The Board further considers that to add additional independent directors at this time would increase the Board's size beyond an efficient working level. However, the Board may seek to add additional independent directors in the future.

There are procedures in place to allow Directors to seek, at Mastermyne Group's expense, independent advice concerning any aspect of Mastermyne Group's operations.

A Remuneration & Nomination Committee has been established with its own charter, as detailed above.

The Board is committed to a performance evaluation process, with a self-assessment evaluation being undertaken during each year.

Principle 3 – Promote ethical and responsible decision making

The Board has adopted detailed Codes of Conduct to guide Directors, executives and employees in the performance of their duties.

The codes have been designed with a view to ensuring the highest ethical and professional standards, as well as compliance with legal obligations, and therefore compliance with the Recommendations.

The Company recognises the benefits that can arise to the organisation from diversity in the workplace covering gender, age, ethnicity and cultural background and in various other areas. So, the Board has approved a Diversity Policy which details the Company's approach to promoting a corporate culture that embraces diversity when selecting and appointing its employees and Directors.

This policy outlines measurable objectives for achieving gender diversity throughout the Company over the longer term, and progress towards achieving them has been assessed as follows:

- 5% of the organisation's employees are women
- 20% of Senior Executives are women
- 3 women are working in non-traditional roles
- 2 women on succession path for Senior Executive Roles
- equal pay has been achieved in all positions regardless of gender
- flexible working arrangements offered to facilitate family needs and return to work arrangements after maternity leave
- women's networking business functions are attended across all employee levels.
- At this stage there are no women on the Board as no suitable candidates have been identified. The Board considers the present number of Directors as appropriate for current and immediately foreseeable requirements.

Principle 4 – Safeguard integrity in financial reporting

The Audit & Risk Management Committee, with its own charter, complied with the Recommendations for the majority of the year. However with resignation of the Audit & Risk Management Committee chair during the year the chairman of the board was appointed the chair of the Audit & Risk Management Committee, as he was the most appropriately qualified. This will be re-assessed based on skills should any new board members be appointed in the future. All the members of this committee are required to be financially literate.

Principle 5 – Make timely and balanced disclosure

Mastermyne Group's current practice on disclosure is consistent with the Recommendations. Policies for compliance with ASX Listing Rule disclosure requirements are included in the Company's Board Charter and Continuous Disclosure Policy.

Principle 6 – Respect the rights of shareholders

The Board recognises the importance of this principle and strives to communicate with Shareholders regularly and clearly, both by electronic means and using more traditional communication methods. Shareholders are encouraged to attend and participate at general meetings. The Company's auditors are required to attend the annual general meeting and are available to answer Shareholder's questions relevant to the audit. Security holders are able to ask questions of the company or the auditors electronically as detailed in the company's notice of meeting. Security holders can also request to receive communications electronically via the Company's share registry Link Market Services.

As part of the Company's management of investor relations the CEO does, at times, also undertake briefings with investors and analysts to assist their understanding of the Company and its operations, and provide explanatory background and technical information.

The Company has not published a formal communications policy because it sees no need as its stated practices generally comply with the Recommendations, and it has covered a number of aspects of this principle in its Continuous Disclosure Policy, including in relation to briefings with investors and analysts.

Principle 7 – Recognise and manage risks

The company operates under an enterprise wide risk management framework summarised in the risk management policy adopted by the board which can be found on the Company's website. The framework in place ensures the company identifies and keeps an up-to-date understanding of areas where it may expose itself to risk and implement effective management of those risks.

Oversight of the risk management framework is undertaken by the Audit and Risk Committee which assists the board in its oversight role by:

- the implementation and review of risk management and related internal control and compliance systems
- monitoring the companies policies and procedures, ensuring compliance with the relevant laws and company's code of conduct; and
- annual review of the risk management framework , to evaluate and continually look to improve the effectiveness of the Company's risk management and internal control processes. Such a review has been undertaken during the most recent reporting period

The Board considers that the Company does not currently have any material exposure to economic, environmental and social sustainability risks which require active management.

The Company does not have a separate internal audit function due to its relatively small size and less complex financial and organisational structures. The board does engage a third party annually to conduct forensic testing on the Company's internal controls.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8 – Remunerate fairly and responsibly

Remuneration of Directors and executives is fully disclosed in the Remuneration Report (contained in the Directors' Report) and any material changes with respect to key executives will be announced in accordance with continuous disclosure principles. In accordance with the Recommendations, the Remuneration & Nomination Committee has three non-executive Director members of which two are independent including its Chair, and the committee oversees the ambit of this principle.

The aggregate level of non-executive Directors' remuneration is currently set at $300,000 approved on 22 March 2010 and any increase must be approved by shareholders. Non-executive Directors are not provided with any retirement benefits, other than statutory superannuation.

Directors' Report

For the year ended 30 June 2016

The directors present their report together with the financial report of Mastermyne Group Limited ('the Company') and of the Group, being the Company and its subsidiaries, for the financial year ended 30 June 2016 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Mr C Bloomfield

(appointed 6 March 2014, appointed Chairman 26 February 2015) - Bachelor of Engineering (Mining), Graduate Certificate of Management

Independent Chairman

Experience and other directorships

Colin brings to the Company over 27 years of mining experience in technical, operations, management and corporate roles. Until recently Mr. Bloomfield led BHP Billiton's Illawarra Coal Group as President Illawarra Coal, a role he was appointed to in 2004. During his time as President Illawarra Coal, Mr Bloomfield oversaw a marked improvement in safety performance, steered Illawarra Coal towards growth and secured, with his team, a number of critically important approvals. He holds a First Class Certificate of Competency in Mine Management and has managed underground coal mines in Australia.

Colin's former roles include Vice President Health, Safety and Environment for BHP Billiton where he had global responsibility for the function. Previously he was Project Director for the BHP Billiton merger integration and a member of the BHP deal team for that transaction. In total he spent over five years working in various roles in BHP Billiton's corporate office.

Colin has previous experience as a Director at the NSW Minerals Council for almost nine years including three as Chairman. He was also Chairman of Port Kembla Coal Terminal for over eight years.

Special Responsibilities

Chairman of the Audit and Risk Management Committee
Chairman of the Remuneration and Nomination Committee

Mr A. Watts

(appointed 10 March 2010)

Non - executive Director

Experience and other directorships

Andrew has been involved in contracting within the mining industry since 1994 and co-founded Mastermyne in 1996.

Andrew was responsible for all aspects of Mastermyne's operations until the appointment of Tony Caruso as CEO in 2005. Andrew relocated to Sydney in early 2010 to focus on the New South Wales market.

Special Responsibilities

Member of the Audit and Risk Management Committee
Member of the Remuneration and Nomination Committee

Mr G. Meena

(appointed 15 September 2015) - Bachelor of Engineering (Mechanical)

Non - executive Director

Experience and other directorships

Gabe is an executive with over 30 years experience in the steel, mining and stevedoring industry covering operations, maintenance and engineering. Gabe has held senior operational and management roles with Bluescope Steel as General Manager Mills and Coating, Bluescope Steel China as President China Coated and BHP Collieries as General Manager of a number of coal mines. Gabe's most recent role was General Manager Operations with Patrick Terminals. Gabe has a Bachelor in Mechanical Engineering and is graduate of the Australian Institute of Company Directors.

Special Responsibilities

Member of the Audit and Risk Management Committee
Member of the Remuneration and Nomination Committee

Mr A. Caruso

(appointed 10 March 2010) - Post Graduate Degree in Business Management

Managing Director

Experience and other directorships

Tony was appointed CEO of Mastermyne in 2005 and Managing Director in 2008 and has overall corporate responsibility for Mastermyne.

Tony has over 20 years experience in underground mine contracting services. Prior to joining Mastermyne, Tony was the General Manager of Allied Mining in Queensland and a consultant to the underground mining sector. He has a trade background plus a post graduate degree in Business Management and is a Fellow of the Australian Institute of Management.

Mr D. Hamblin

(appointed 10 March 2010, resigned 20 April 2016) - Bachelor of Engineering (Mechanical)

Non - executive Director

Experience and other directorships

Darren has been involved in the mining industry since graduating as a mechanical engineer in 1991. He has worked directly for mine owners as well as contractors in operations, planning and maintenance roles. Darren co-founded Mastermyne in 1996.

Following the appointment of Tony Caruso as CEO in 2005, Darren focused on developing Mastermyne's longer term business strategies and systems. Darren became a non-executive Director in 2008.

Special Responsibilities

Member of the Audit and Risk Management Committee
Chair of the Remuneration and Nomination Committee

Mr J. Wentworth

(appointed 30 March 2011, resigned 15 April 2016) - Bachelor of Laws (Hons), Bachelor of Commerce

Non - executive Director (independent)

Experience and other directorships

James has been CFO of ASX listed Finders Resources Ltd since 2010. In that role he has managed the financing of the company's Wetar Copper Project. Prior to that, James had over 15 years experience in financial services, including private equity transactions, acquisitions and integration, management and exit of investments, strategy development, structuring and finance. He has previously worked at Champ Ventures, Goldman Sachs and Macquarie Bank. He has international experience and a background in the legal profession.

Special Responsibilities

Chairman of the Audit and Risk Management Committee
Member of the Remuneration and Nomination Committee

2. Company secretary

Mr C Kneipp was appointed Joint Company Secretary of the Company on 24 August 2011 and appointed Sole Company Secretary on 26 February 2015. Chris has a Bachelor in Commerce, is a Certified Practicing Accountant and is a graduate of the Australian Institute of Company Directors. Chris has been with the Group since March 2006 and has over 12 years experience in the mining industry.

3. Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Audit and Risk Management Committee Meetings		Remuneration & Nomination Committee Meetings	
	A	B	A	B	A	B
Mr C. Bloomfield	8	8	2	2	2	2
Mr A. Watts	8	8	1	1	2	2
Mr G. Meena	7	7	3	3	2	2
Mr D. Hamblin	7	7	3	3	-	-
Mr J. Wentworth	6	5	3	3	-	-
Mr A. Caruso	8	8	-	-	-	-

A – Number of meetings held during the time the director held office during the year
B – Number of meetings attended

4. Operating and financial review

Financial Overview

Profit for the year

Mastermyne Group Limited and its controlled subsidiaries recorded a loss after tax of $13.186 million for the year ended 30 June 2016, down on the previous corresponding period (net loss after tax for the year ended 30 June 2015 of $4.354 million). The result included a non-cash goodwill impairment of $7.999 million (2015: $4.538 million), and a loss on sale of assets of $2.003 million (2015: $0.006 million) as a result of the Group selling its Mackay workshop and closing it's Rockhampton workshop during the period. The impact of these items increased the loss after tax by $9.401 million.

The Group's revenues were lower than the previous corresponding period by 3.3%, down to $168.434 million (2015: $174.195 million) as a result of continued slower economic conditions in the Coal sector and the continued focus on costs by the Group's clients. The remainder of the Group's revenue decreased on the previous corresponding period as a result of lower contracting activity. Profit margins have also decreased resulting from the lower contracting activity, lower equipment utilisation and contraction in margins due to the current market climate.

Balance Sheet and Cash Flows

The overall cash position reduced at year ending 30 June 2016 with a net decrease in cash and cash equivalents of $6.887 million (2015: net decrease of $0.087 million). The reduction was a result of some of the Group's major clients delaying payments due at 30 June 2016 until July, with $4.2 million overdue paid in the first week of July. Total cash flow movements were as follows:

- net cash inflows from operating activities for the year were $0.381 million (2015: net cash inflows of $7.135 million), the reduction on last year is largely driven by delayed payments from clients as detailed above;
- net cash outflows from investing activities for the year of $1.994 million (2015: net cash outflows of $11.293 million), down as a result of the acquisition of subsidiary that occurred in the prior year which utilised $10.581 million in cash;
- net cash outflows from financing activities for the year of $5.274 million (2015: net cash inflows of $4.071 million), resulting from repayment of borrowings of $4.363million (2015: $5.461 million), paying dividends of $0.911 million (2015: $1.968 million) and nil proceeds from borrowings (2015: $11.500 million).

The balance sheet remains healthy despite net debt increasing by $2.682 million to $11.115 million (2015: $8.433 million), largely as a result of reduction in cash to $1.836 million (2015: $11.043 million). The reduction in cash is a result of the delayed client payments as detailed above. The Group still maintains headroom in its current bank facilities with working capital facilities totalling $6 million, of which $0.321 million is drawn in bank guarantees.

Operational Overview

Mastermyne Group's second half result has been dominated by the restructuring which took place over March and April this year. The restructuring was a result of the decision to exit workshops in Mackay and Rockhampton and rightsize the overheads across the group. The second half results were also impacted by a slowdown in the Mining division which is the effect of continued cost management by our major clients. The Mastertec Division has converted several small projects late in the financial year and pleasingly this division has seen strong growth in the tender pipeline.

Despite the second half result the Company has positioned its operations to generate strong cash returns throughout the upcoming year.

The significant operational highlights for the financial year include:

- Group revenue $168.434 million (2015: $174.195 million)
- Net loss after tax of $13.186 million (2015:net loss after tax of $4.354 million)
- Net debt at 30 June 2016 of $11.115 million
- Group Order Book at financial year end $123.330 million with $64.200 million to be delivered in the FY2017 (excludes recurring and purchase order work)
- Tendering Pipeline at $970.842 million.

Safe and reliable operations continues to be the priority and this year has seen significant progress made to reduce employee injury rates across all divisions in the business. Pleasingly FY2016 saw the Company achieve its lowest injury frequency rate in the Companies history. The relentless focus on safety leadership and simplification of safety processes has underpinned this strong result. In parallel to the approach to behavioural safety leadership the Company has maintained a strong focus on safety compliance evidenced through the maintaining of the triple accreditation across the Group.

The Mastermyne Mining business has continued to maintain a strong share of the underground contracting market and continues to grow its presence in the NSW markets. There has been a continued focus by the major mining houses on cost management which has resulted in a decrease in long term projects and the tender pipeline has contracted accordingly in the underground area. Despite this the Company has continued to expand its service offering through the chemical injection area and short term project delivery in areas of ventilation services and longwall relocations. The equipment fleet remains mostly off hire resulting in no material change to utilisation rates on equipment.

The Mastertec Division has continued to operate at similar levels of activity. Maintenance and Engineering work in the traditional mining areas continues to be subdued and highly competitive. The Mastertec Division has made good progress in diversifying into adjacent markets and now has a range of new project opportunities coming through a wide cross section of customers and sectors. As part of the restructure the Company took the decision to exit the workshops in Rockhampton and Mackay with the Rockhampton operation merged with the Gladstone workshop. Gladstone remains a strategic base for the business and provides a platform to access the heavy industrial sector in the region. As a result of the continued weakness accross the sector and the decision to to exit the workshops, the carrying amount of the Mastertec CGU was assessed to be higher than its recoverable amount, and the recognised value of goodwill associated with the Mastertec CGU of $7,999 thousand was fully impaired (2015: $4,538 thousand).

Outlook

The prudent steps the Company has taken will ensure that it will generate strong cash in the coming year. The outlook moving into FY2017 sees current underground operations remaining subdued with an ongoing focus on costs by the Group's clients. There is currently a number of Tier 1 mine owners divesting assets which is likely to create opportunities with new owners around contract mining services. The strategy of diversifying through Mastertec has lead to an increase in the current pipeline of tendered opportunities which supports the expected growth for the division in FY2017. Whilst the Company is not expecting much change to the current pricing environment it is confident that the strategies implemented in the last financial year will deliver stronger returns for the business.

5. Remuneration report

5.1 *Principles of remuneration - audited*

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group, including directors of the Company and other executives. Key management personnel comprise the directors of the Company and executives listed below.

- Mr C. Kneipp, Chief Financial Officer (appointed 20 March 2006)
- Ms V. Gayton, Executive General Manager Human Resources (appointed 11 August 2010)
- Ms B. Jooste, Executive General Manager HSEQ (appointed 14 June 2011, resigned 25 September 2015)
- Mr D. Sykes, Executive General Manager Mastermyne (appointed 24 April 2012)
- Mr P. Mills, Executive General Manager Mastertec (appointed 29 September 2014)

Compensation levels for Key Management Personnel (KMP) of the Group are competitively set to attract, retain and motivate appropriately qualified and experienced directors and executives. The remuneration committee obtains independent data on the appropriateness of remuneration packages of the Group given trends in comparative companies and sectors both locally and nationally and the objectives of the Company's compensation strategy.

5.1 Principles of remuneration - audited (continued)

The remuneration structures of the group are designed to attract and reward suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures consist of both a fixed and variable component, designed around KPI's aligned with the short and long term strategic objectives of the group. Remuneration structures reflect:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the relevant segment/s' performance; and
- the recognition of the key management personnel's contribution to the Group's performance.

In addition to their salaries, the Group also provides non-cash benefits to its KMP, and contributes to a post-employment defined contribution superannuation plan on their behalf. The reviews are conducted under the terms of reference set down for the Remuneration and Nomination Committee (RNC).

Fixed remuneration

Fixed remuneration consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Remuneration levels of the CEO/Managing Director are reviewed annually by the RNC through a process that considers individual, segment and overall performance of the Group. In addition, external data is provided for analysis of KMP's remuneration to ensure it remains competitive by benchmarking against the market place. The chairman of the RNC sources data independently of management from appropriate independent advisors. For other key executive management, the CEO/Managing Director will submit recommendations to the RNC along with relevant supporting data and externally independent comparative information. A senior executive's compensation may also be reviewed upon promotion or in line with movements in the market place during the period.

Performance linked remuneration

Non-executive Directors are not eligible to participate in performance linked remuneration of either a short or long term nature.

Performance linked remuneration includes both short-term and long-term incentives and is designed to reward KMP for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash.

Short-term incentive bonus

The Mastermyne short term incentive plan was introduced as a structured incentive to reward Key Management Personnel's (KMP) performance against predetermined KPIs. The KPIs include measures aligned with the strategic objectives of the Group, with specific measures (normally 5 or 6) for individual performance, group performance and underlying performance of the relevant segment. The measures are chosen to align the individual's reward to the strategic goals of the Group.

The financial performance objectives may vary by individual and are broadly based on profitability compared to budgeted amounts approved by the board each year. The non-financial objectives vary dependent upon position and responsibility and are aligned with the measures and targets set to achieve the strategic objectives of the group on an annual basis. STI payments must be self funding.

At the end of the financial year the RNC assess the actual performance of the Group, the relevant segment and individual against the KPI's set at the beginning of the financial year. Payment of individual bonuses is based on the assessment of the RNC with recommendations from the Managing Director (for employees other than the Managing Director) taking into consideration the overall performance of the individual for the period. The Managing Director's STI bonus is set by the Board based on assessment of his/her performance against agreed KPIs as assessed by the RNC and recommended to the Board. In all cases, the Board retains the discretion not to pay any STI; the Board also has the discretion to modify (down or up) payments based on recommendations from the RNC.

Long-term incentive

An employee performance rights plan was adopted by the board on 15 September 2015 and the plan was activated by resolution of the Board as of 16 November 2015. The purpose of the employee performance rights plan is to attract, motivate and retain executives, encouraging individuals to participate in the company through ownership of shares. The objective is to improve Mastermyne's performance by aligning the interests to those of the shareholders and the Group.

The KMP including the Managing Director was issued 795,898 (Managing Director 347,436) performance rights during the financial period ending 30 June 2016, which vest in two tranches at 1 October 2018. The grant of these rights was made in accordance with the Company's Employee Rights Plan voted upon by shareholders at the 2015 AGM, with specific details to the issue of these rights voted upon by shareholders at the 2015 AGM. The ability to exercise the rights is conditional on the Group meeting its performance hurdles.

Vesting of the rights will be subject to achievement of the vesting conditions set out below and the eligible participant being employed at the vesting date:

- Vesting Condition 1: The main Vesting Condition is that the eligible participant must be employed within the Group on the Test Date. If employment is ceased with the Group prior to the Test Date, the performance rights will lapse unless the Board at its absolute discretion determines otherwise.
- Vesting Condition 2: Vesting is also conditional on the continuation of good conduct and the execution of duties in the best interests of Mastermyne. If it is deemed the eligible participant has acted fraudulently or dishonestly, or is in breach of obligations to Mastermyne, the Board at its discretion may determine that some or all of the performance rights will lapse.
- Vesting Condition 3: There is an overriding Vesting Condition, requiring a minimum 8% total shareholder return (TSR) during the TSR measurement period (i.e. from the Time of Grant to the Test Date).
- Vesting Condition 4: If Vesting Condition 3 is achieved there are two further Vesting Conditions that will each be applied independently to 50% of the performance rights. Both of these Vesting Conditions depend on Mastermyne's TSR percentile rank during the TSR measurement period:

  a. Tranche A: 50% of the performance rights will be conditional on the company's TSR rank relative to companies in the ASX All Ordinaries Accumulation index;
  b. Tranche B: 50% of performance rights will be conditional on the company's TSR rank relative to the ASX 200 Resources Accumulation index.

For each tranche, the percentage of performance rights which will vest will be as specified in the table below:

TSR Rank during TSR measurement period	Percentage of Tranche A or Tranche B performance rights vesting
Below 50th percentile of the ASX Peer Group or the Resources Peer Group	0%
50th percentile to 75th percentile of the ASX Peer Group or the Resources Peer Group	50% plus 2% for each percentile above 50th percentile
Above 75th percentile of the ASX Peer Group or the Resources Peer Group	100%

Short-term and long-term incentive structure

The RNC considers that the above performance-linked compensation structures will achieve the objectives of attracting, retaining and motivating suitably experienced executives. In the current year the financial linked targets representing a minimum of 50% of each KMP performance criteria were adversely affected by the slow down in the coal sector, resulting in no short term incentives being approved by the Board.

Consequences of performance on shareholders' wealth

In considering the Group's performance and benefits for shareholders wealth, the RNC have regard to the following indices in respect of the current financial year and the previous four financial years.

	2016	2015	2014	2013	2012
(Loss)/Profit attributable to owners of the Company	$13,156,000	$(4,376,000)	$2,963,000	$11,514,000	$14,664,000
Dividends paid	$911,000	$1,968,121	$3,468,406	$6,105,000	$5,050,000
Change in share price	-31%	-65%	-35%	-67%	48%
Return on capital employed	-32.23%	-6.28%	8.08%	29.66%	45.60%

Profit is considered as one of the financial performance targets in setting the STI. Profit amounts for 2012 to 2016 have been calculated in accordance with Australian Accounting Standards (AASBs).

The overall level of KMP compensation takes into account the performance of the Group over a number of years. Over the past three years the Group's proifits have declined as a result of the softening coal industry resulting in a loss from ordinary activities over the past two years. The declining revenues and profit coupled with the restructuring of the business during the period, has resulted in a loss from ordinary activities after income tax in the current year. As a result of the softening coal industry both KMP and director remuneration has been reduced by 10% and 20% respectively during the period.

Other benefits

Key Management Personnel can receive additional benefits as non-cash benefits, as part of the terms and conditions of their appointment. Non-cash benefits typically include motor vehicle benefits, and the Group pays fringe benefits tax on these benefits.

5.1 *Principles of remuneration - audited (continued)*

Executive Service Agreements

The RNC recommends Group remuneration policies for Key Management Personnel. The committee focuses mainly on the CEO's remuneration but reviews agreements made with other KMP. In recommending the CEO remuneration package, the RNC takes advice from independent advisors in executive and non-executive remuneration as noted below.

The Group has entered into service agreements with each key management person that are capable of termination on 3 months' notice. The Group retains the right to terminate an agreement immediately by making payment equal to 3 months' pay in lieu of notice. The CEO/Managing Director's contract has no fixed term and is capable of termination on 9 months' notice.

Key Management Personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual leave, long service leave and sick leave, together with any superannuation benefits. Non-executive Directors are not eligible for annual leave, long service leave nor sick leave although they may be granted leave of absence in specific circumstances.

The service agreements outline the components of remuneration paid to the key management personnel but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year by the RNC and take into consideration any change in the scope of the role performed by the senior executive or with any changes made to the remuneration policy during the period. Remuneration is benchmarked against the external market place with the objective to ensure senior executives are rewarded equitably by reference to their individual performance and the Group's overall performance.

Services from remuneration consultants

In the current year the RNC relied upon data provided by McDonald & Company Australasia (McDonald) with some detailed analysis of remuneration circumstances in Mastermyne. No specific recommendations were sought on director or KMP remuneration due to the Board's view that market circumstances were too fluid to allow historical information to provide a useful guide to appropriate remuneration levels.

During the year McDonald's was paid a total of $7,150.

Directors' Fees

As with the Executives, remuneration of non-executive directors (NED) is usually reviewed based on comparative roles in the market place, however this year based on the continued softening in the coal sector current levels of remuneration were reduced by 20% resulting in the fees stated as follows:

- Chairman of the Board and the Chair of another committee $74,774 per annum
- NED and Chair of a Committee $43,400 per annum
- NED with no chair responsibilities $41,965 per annum

In future years the aggregate remuneration of non executive directors will be an amount determined by the shareholders from time to time in the annual general meeting. The fees will be divided between directors in proportions agreed to from time to time by the total Board.

5.2 *Directors' and executive officers' remuneration - audited*

Details of the nature and amount of each major element of remuneration of each director of the company and other key management personnel of the consolidated entity are:

2016	Short-term				Post-Employment	Termination Benefits ($)	Share based payments	Total ($)	Proportion of remuneration performance related (%)
in AUD	Salary & Fees ($)	STI cash bonus ($)	Non-monetary benefits	Total ($)	Super-annuation Benefits ($)		Rights ($)		
Non -executive directors									
Mr C Bloomfield	82,038	-	-	82,038	7,793	-	-	89,831	0.00%
Mr D Hamblin	39,625	-	-	39,625	3,764	-	-	43,389	0.00%
Mr A Watts	44,346	-	-	44,346	4,213	-	-	48,559	0.00%
Mr J Wentworth	40,351	-	-	40,351	-	-	-	40,351	0.00%
Mr G. Meena	34,929	-	-	34,929	3,318	-	-	38,247	0.00%
Executive Directors									
Mr A Caruso	341,702	-	19,500	361,202	29,409	-	20,910	411,521	5.08%
Executives									
Mr C Kneipp	218,222	-	19,500	237,722	20,477	-	2,051	260,250	0.79%
Mr D Sykes	300,165	-	-	300,165	27,248	-	2,847	330,260	0.86%
Mrs B Jooste	75,829	-	4,595	80,424	4,032	-	-	84,456	0.00%
Mr P Mills	212,293	-	-	212,293	20,153	-	1,972	234,418	0.84%
Ms V Gayton	168,287	-	-	168,287	15,480	-	1,407	185,174	0.76%
Totals	**1,557,787**	**-**	**43,595**	**1,601,382**	**135,887**	**-**	**29,187**	**1,766,456**	

Notes in relation to the 2016 tables of directors' and executive officers' remuneration

- Mr G Meena was appointed Non-executive Director on 15 September 2015
- Mrs B Jooste resigned as Executive General Manager HSEQ on 25 September 2015
- Mr J Wentworth resigned as Non-Executive Director on 15 April 2016
- Mr D Hamblin resigned as Non-Executive Director on 20 April 2016
- No short term incentive bonuses were awared in the current financial year. The short term incentive bonus is for performance during the respective financial year. The amount was finally determined on 19 July 2016 after performance reviews were completed and approved by the RNC.
- The fair value of the rights is calculated at the date of grant using a binomial and Monte Carlo pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the rights recognised in this reporting period.

5.2 Directors' and executive officers' remuneration - audited (continued)

2015	Short-term				Post-Employment	Termination Benefits ($)	Share based payments	Total ($)	Proportion of remuneration performance related (%)
in AUD	Salary & Fees ($)	STI cash bonus ($)	Non-monetary benefits	Total ($)	Super-annuation Benefits ($)		Rights ($)		
Non -executive directors									
Mr C Bloomfield	59,924	-	-	59,924	5,693	-	-	65,617	0.00%
Mr D Hamblin	50,875	-	-	50,875	4,833	-	-	55,708	0.00%
Mr A Watts	44,555	-	-	44,555	4,233	-	-	48,788	0.00%
Mr J Wentworth	54,250	-	-	54,250	-	-	-	54,250	0.00%
Executive Directors									
Mr A Caruso	347,004	-	19,500	366,504	27,697	-	35,307	429,508	8.22%
Executives									
Mr C Kneipp	221,840	-	19,500	241,340	23,196	-	-	264,536	0.00%
Mr D Sykes	304,837	-	-	304,837	30,067	-	-	334,904	0.00%
Mrs B Jooste	169,749	-	19,500	189,249	18,501	-	-	207,750	0.00%
Mr P Mills	119,597	-	-	119,597	10,791	-	-	130,388	0.00%
Ms V Gayton	168,286	-	-	168,286	17,855	-	-	186,141	0.00%
Mr N O'Hare	92,877	-	-	92,877	7,631	8,032	-	108,540	0.00%
Mr J Sleeman	65,784	-	-	65,784	7,235	20,769	-	93,788	0.00%
Totals	**1,699,578**	**-**	**58,500**	**1,758,078**	**157,732**	**28,801**	**35,307**	**1,979,918**	

Notes in relation to the 2015 tables of directors' and executive officers' remuneration

- Mr C Bloomfield was appointed Chairman on 26 February 2015
- Mr P Mills was appointed Executive General Manager Mastertec 29 September 2014
- Mr N O'Hare resigned as General Manager Engineering on 9 November 2014
- Mr J Sleeman resigned as General Manager Services on 17 October 2014
- No short term incentive bonuses were awared in the 2015 financial year. The short term incentive bonus is for performance during the respective financial year. The amount was finally determined on 13 August 2015 after performance reviews were completed and approved by the RNC.
- The fair value of the rights is calculated at the date of grant using a binomial and Monte Carlo pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the rights recognised in this reporting period.

5.3 Analysis of bonuses included in remuneration - audited

Details of the vesting profile of the short-term incentive cash bonuses awarded as remuneration to each director of the Group and other key management personnel are detailed below.

	Included in remuneration $ (A)	% vested in year	% forfeited in year (B)
Directors			
Mr A. Caruso	-	0.0%	100.0%
Executives			
Mr C Kneipp	-	0.0%	100.0%
Mr D Sykes	-	0.0%	100.0%
Mr P Mills	-	0.0%	100.0%
Ms V Gayton	-	0.0%	100.0%

(A) Amounts included in remuneration for the financial year represent the amount that vested in the financial year based on achievement of personal goals and satisfaction of specified performance criteria. No amounts vest in future financial years in respect of the bonus schemes for the 2016 financial year.

(B) The amounts forfeited are due to the performance or service criteria not being met in relation to the current financial year.

5.4 Equity Instruments - audited

All rights refer to rights to acquire one ordinary share of Mastermyne Group Limited for no consideration which upon exercise are exchangeable on a one for one basis.

5.4.1 Rights over equity instruments granted as compensation - audited

	Number of rights granted during 2016	Grant date	Fair value per right at grant date ($)	Exercise price per right ($)	Expiry date	Number of rights vested during 2016
Executives						
Mr A.Caruso	173,718	21/01/2016	0.1116	-	1/10/2018	-
Mr C. Kneipp	55,555	21/01/2016	0.1116	-	1/10/2018	-
Mr D Sykes	77,137	21/01/2016	0.1116	-	1/10/2018	-
Mr P Mills	53,419	21/01/2016	0.1116	-	1/10/2018	-
Ms V Gayton	38,120	21/01/2016	0.1116	-	1/10/2018	-
Mr A.Caruso	173,718	21/01/2016	0.1140	-	1/10/2018	-
Mr C. Kneipp	55,556	21/01/2016	0.1140	-	1/10/2018	-
Mr D Sykes	77,137	21/01/2016	0.1140	-	1/10/2018	-
Mr P Mills	53,419	21/01/2016	0.1140	-	1/10/2018	-
Ms V Gayton	38,119	21/01/2016	0.1140	-	1/10/2018	-

No rights have been granted since the end of the financial year.

5.4.2 Modification of terms of equity-settled share based payments transactions - audited

No terms of equity-settled share-based payment transactions (including rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

5.4.3 Exercise of rights granted as compensation - audited

During the reporting period no shares were issued on the exercise of rights previously granted as compensation.

5.4.4 Analysis of rights over equity instruments granted as compensation - audited

Details of vesting profiles of the rights granted as remuneration to each key management person of the Group are detailed below.

Executives	Number of rights granted	Grant date	% vested in year	% forfeited in year	Financial year in which grant vests	Rights Tranche
Mr A.Caruso	245,000	26/11/2012	0%	100%	2016	FY2014 TSR
Mr A.Caruso	245,000	26/11/2012	0%	100%	2016	FY2015 TSR
Mr A.Caruso	245,000	26/11/2012	0%	100%	2016	FY2016 TSR
Mr A.Caruso	105,000	26/11/2012	0%	100%	2016	FY2014 EPS
Mr A.Caruso	105,000	26/11/2012	0%	100%	2016	FY2015 EPS
Mr A.Caruso	105,000	26/11/2012	0%	100%	2016	FY2016 EPS
Mr A.Caruso	173,718	21/01/2016	0%	0%	2018	FY16TRANCHE A
Mr C. Kneipp	55,555	21/01/2016	0%	0%	2018	FY16TRANCHE A
Mr D Sykes	77,137	21/01/2016	0%	0%	2018	FY16TRANCHE A
Mr P Mills	53,419	21/01/2016	0%	0%	2018	FY16TRANCHE A
Ms V Gayton	38,120	21/01/2016	0%	0%	2018	FY16TRANCHE A
Mr A.Caruso	173,718	21/01/2016	0%	0%	2018	FY16 TRANCHE B
Mr C. Kneipp	55,556	21/01/2016	0%	0%	2018	FY16 TRANCHE B
Mr D Sykes	77,137	21/01/2016	0%	0%	2018	FY16 TRANCHE B
Mr P Mills	53,419	21/01/2016	0%	0%	2018	FY16 TRANCHE B
Ms V Gayton	38,119	21/01/2016	0%	0%	2018	FY16 TRANCHE B

5.4.5 Analysis of movements in rights - audited

	Granted in year $ (A)	Value of rights exercised in year $ (B)	Lapsed in Year $(C)
Executives			
Mr A.Caruso	39,191	-	-
Mr C. Kneipp	12,533	-	-
Mr D Sykes	17,402	-	-
Mr P Mills	12,051	-	-
Ms V Gayton	8,600	-	-

(A) The value of rights granted in the year is the fair value of the rights calculated at grant date using the Monte Carlo pricing model. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period.

(B) The value of options exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the right.

(C) The value of the rights that lapsed during the year represents the benefit forgone and is calculated at the date the right lapsed assuming the performance criteria had been achieved.

The movement during the reporting period in the number of rights exchangeable for ordinary shares in Mastermyne Group Limited held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

Rights in Mastermyne Group Limited	Held at 1 July 2015	Granted as compensation	Exercised	Forfeited or Lapsed During the Year	Held at 30 June 2016	Vested and exerciseable at 1 July 2015	Lapsed or Exercised during the year	Vested and exerciseable at 30 June 2016
Directors								
Mr A. Caruso	1,050,000	347,436	-	1,050,000	347,436	-	-	-
Executives								
Mr C. Kneipp	-	111,111	-	-	111,111	-	-	-
Ms V. Gayton	-	76,239	-	-	76,239	-	-	-
Mr D. Sykes	-	154,274	-	-	154,274	-	-	-
Mr P. Mills	-	106,838	-	-	106,838	-	-	-

5.5.1 Individual directors and executives compensation disclosures - audited

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

5.5.2 Loans to key management personnel - audited

No loans were made, guaranteed or secured by the Company to key management personnel for the year.

5.5.3 Key management personnel and director transactions - audited

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group or its subsidiaries in the reporting period. The terms and conditions of the transactions with key management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key managements persons related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Transaction value year ended 30 June (in AUD)		Balance outstanding as at 30 June (in AUD)	
Transaction	Note	2016	2015	2016	2015
Andrew Watts - Watty Pty Ltd	(i)	255,536	255,536	-	-
Andrew Watts - Watty Pty Ltd	(ii)	276,096	276,096	-	-
Andrew Watts - Watty Pty Ltd	(iii)	56,727	93,600	-	-
		588,359	625,232	-	-

(i) The Group rents the premises at 45 River Street, Mackay which is owned by Andrew Watts through his company Watty Pty Ltd. Amounts paid for rent are at arm's length and are due and payable under normal payment terms.

(ii) The Group is paying for leasehold improvements made by Watty Pty Ltd to the premises at 45 River Street, Mackay which is owned by Non - executive Director, Andrew Watts through his company Watty Pty Ltd.

(iii) The Group rents a duplex at 56 Grosvenor Drive, Moranbah which is owned by Non - executive Director, Andrew Watts through his company Watty Pty Ltd. Amounts paid for rent are at arm's length and are due and payable under normal payment terms. This rental agreement was ceased as at 12 March 2016.

From time to time key management personnel and directors of the Group, or their related entities, may purchase goods or services from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

5.5.4 Movements in shares - audited

The movement during the reporting period in the number of ordinary shares in Mastermyne Group Limited held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

Shares in Mastermyne Group Limited	Shares held at 30 June 2015	Purchases	Received on exercise of options	Sales	Shares held at 30 June 2016
Directors					
Mr C. Bloomfield	100,000	1,000,000	-	-	1,100,000
Mr G. Meena	-	100,000	-	-	100,000
Mr A. Watts	11,262,245	1,000,000	-	-	12,262,245
Mr A. Caruso	1,419,693	-	-	-	1,419,693
Executives					
Mr C. Kneipp	-	88,703	-	-	88,703
Ms V. Gayton	13,366	-	-	-	13,366

6. Principal activities

The principal activities of the Group during the course of the financial year were to provide contracting services to the underground long wall mining operations and industrial products and services in the coalfields and supporting industries of Queensland and New South Wales.

Significant changes in the state of affairs

There have not been any significant changes in the state of affairs of the Group for the financial year ended 30 June 2016.

7. Environmental regulation

The Group is subject to various environmental regulations under both Commonwealth and State legislation in relation to its involvement in the operation of mines.

The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

8. Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	$ per share	Total amount $'000s	Franked/ unfranked	Date of payment
Declared and paid during the year 2016				
2015 Ordinary - Ordinary Shares Final Dividend	0.010	911	Franked	15/10/15
Total amount		911		

Franked dividends declared as paid during the year were franked at the rate of 30 per cent.

No dividend has been declared for the financial year ending 30 June 2016.

9. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

10. Likely developments

The outlook moving into FY2017 sees current operations remaining subdued with an ongoing focus on costs by the Group's clients. There is currently a number of the Tier 1 mine owners divesting assets which is likely to create opportunities for with new owners around contract mining services. The strategy of diviersifying through Mastertec has led to an increase in the current pipeline of tendered opportunities which supports the expected growth for the division in FY2017.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

11. Directors' interests

The relevant interest of each director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the companies within the Group, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Mastermyne Group Limited		
	Ordinary shares	Options and Rights over ordinary shares
Mr C. Bloomfield	1,100,000	-
Mr G. Meena	100,000	-
Mr A. Watts	12,262,245	-
Mr A. Caruso	1,419,693	347,436

12. Share options

Unissued shares under options

At the date of this report there were no unissued ordinary shares of the Company under option.

13. Indemnification and insurance of officers and auditors

Indemnification

The Company has agreed to indemnify the following current directors of the company Mr C Bloomfield, Mr A Caruso, Mr A Watts and Mr G Meena for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position within the company and its controlled entities, except where liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities including costs and expenses.

The company has not made a relevant agreement, or indemnified against a liability, for any person who is or has been an auditor of the company.

Insurance premiums

During the financial year the entity has paid premiums on behalf of the Company in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2016 and, since the financial year, the entity has paid or agreed to pay on behalf of the Company, premiums in respect of such insurance contracts for the year ending 30 June 2017. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts.

14. Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Management Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor;
- and the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below. In addition, amounts paid to other auditors for the statutory audit have been disclosed:

	Consolidated	
In AUD	2016	2015
Audit services:		
Auditors of the Company		
Audit and review of financial reports (KPMG Australia)	120,000	180,000
	120,000	180,000
Services other than statutory audit:		
Taxation compliance services (KPMG Australia)	91,000	75,000
Data analytic services (KPMG Australia)	12,000	11,000
	103,000	86,000

15. Proceedings on behalf of the Company

No person has applied for leave for Court to bring proceeding on behalf of the company or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a part to any such proceedings during the year.

16. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 51 and forms part of the Directors' report for financial year ended 30 June 2016.

17. Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors:

C. Bloomfield
Chairman

Dated at Brisbane this 16th day of August 2016.

Lead Auditor's Independence Declaration

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Mastermyne Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016, there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

M L Gray Partner

Brisbane August 2016.

Consolidated Statement of Financial Position

As at 30 June 2016

	Consolidated		
In thousands of AUD	Note	2016	2015
Assets			
Cash and cash equivalents	19	1,836	8,723
Trade and other receivables	18	29,084	38,568
Inventories	17	3,408	3,002
Current tax assets	16	226	259
Total current assets		**34,554**	**50,552**
Deferred tax assets	16	8,579	7,146
Property, plant and equipment	14	21,540	29,070
Intangible assets	15	7,089	14,912
Total non-current assets		**37,208**	**51,128**
Total assets		**71,762**	**101,680**
Liabilities			
Trade and other payables	25	11,039	18,101
Loans and borrowings	22	3,543	4,363
Employee benefits	23	3,237	7,725
Total current liabilities		**17,819**	**30,189**
Loans and borrowings	22	9,408	12,793
Employee benefits	23	102	197
Total non-current liabilities		**9,510**	**12,990**
Total liabilities		**27,329**	**43,179**
Net assets		**44,433**	**58,501**
Equity			
Share capital		55,234	55,234
Reserves		(21,915)	(21,944)
Retained earnings		10,716	24,783
Total equity attributable to equity holders of the Company		**44,035**	**58,073**
Non-controlling interests		**398**	**428**
Total equity		**44,433**	**58,501**

The subsequent notes are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

	Consolidated		
In thousands of AUD	Note	2016	2015
Revenue	8	168,434	174,195
Other income	9	257	35
Contract disbursements		(35,612)	(31,929)
Personnel expenses	11	(120,866)	(126,061)
Office expenses		(7,672)	(7,790)
Depreciation and amortisation expense	14,15	(7,562)	(7,515)
Gain on bargain purchase	7	-	2,221
Impairment loss	15	(7,999)	(4,538)
Other expenses	10	(3,173)	(2,268)
Results from operating activities		**(14,193)**	**(3,650)**
Finance income		59	202
Finance expense		(907)	(1,101)
Net finance expense	12	**(848)**	**(899)**
Loss before income tax		**(15,041)**	**(4,549)**
Income tax benefit	13	1,855	195
Loss for the period		**(13,186)**	**(4,354)**
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the period		**(13,186)**	**(4,354)**
Attributable to:			
Owners of the Company		(13,156)	(4,376)
Non-controlling interests		(30)	22
Loss for the period		**(13,186)**	**(4,354)**
Earnings per share			
Basic earnings per share (AUD)	21	**(0.14)**	**(0.05)**
Diluted earnings per share (AUD)	21	**(0.14)**	**(0.05)**

The subsequent notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

	Attributable to owners of the Company						
In thousands of AUD	Share capital	Retained earnings	Share-based payment reserve (note 20)	Common Control Reserve (note 20)	Total	Non-Controlling interests	Total
Consolidated							
Balance at 1 July 2014	51,108	31,127	2,258	(24,237)	60,256	406	60,662
Total comprehensive income for the period							
Loss for the period	-	(4,376)	-	-	(4,376)	22	(4,354)
Total comprehensive income for the period	**-**	**(4,376)**	**-**	**-**	**(4,376)**	**22**	**(4,354)**
Transactions with owners recorded directly in equity							
Share options exercised	4,126	-	-	-	4,126	-	4,126
Share-based payment transactions	-	-	35	-	35	-	35
Dividends to equity holders	-	(1,968)	-	-	(1,968)	-	(1,968)
Total contributions by and distributions to owners	**4,126**	**(1,968)**	**35**	**-**	**2,193**	**-**	**2,193**
Balance at 30 June 2015	**55,234**	**24,783**	**2,293**	**(24,237)**	**58,073**	**428**	**58,501**
Balance at 1 July 2015	55,234	24,783	2,293	(24,237)	58,073	428	58,501
Total comprehensive income for the period							
Loss for the period	-	(13,156)	-	-	(13,156)	(30)	(13,186)
Total comprehensive income for the period	**-**	**(13,156)**	**-**	**-**	**(13,156)**	**(30)**	**(13,186)**
Transactions with owners recorded directly in equity							
Issue of ordinary shares in relation to business combinations	-	-	-	-	-	-	-
Share-based payment transactions	-	-	29	-	29	-	29
Dividends to equity holders	-	(911)	-	-	(911)	-	(911)
Total contributions by and distributions to owners	**-**	**(911)**	**29**	**-**	**(882)**	**-**	**(882)**
Balance at 30 June 2016	**55,234**	**10,716**	**2,322**	**(24,237)**	**44,035**	**398**	**44,433**

The subsequent notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2016

	Consolidated		
In thousands of AUD	Note	2016	2015
Cash flows from operating activities			
Cash receipts from customers		204,277	199,535
Cash paid to suppliers and employees		(203,443)	(190,741)
Cash generated from operations		834	8,794
Interest paid		(907)	(1,101)
Income tax received / (paid)		454	(558)
Net cash flows from operating activities	28	**381**	**7,135**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		418	104
Acquisition of property, plant and equipment	14	(2,244)	(1,018)
Acquisition of intangibles		(227)	-
Interest received		59	202
Acquisition of subsidiary, net of cash acquired		-	(10,581)
Net cash flows used in investing activities		**(1,994)**	**(11,293)**
Cash flows from financing activities			
Proceeds from borrowings		-	11,500
Repayment of borrowings		(4,363)	(5,461)
Dividends paid	20	(911)	(1,968)
Net cash flows from / (used in) financing activities		**(5,274)**	**4,071**
Net decrease in cash and cash equivalents		(6,887)	(87)
Cash and cash equivalents at beginning of period		8,723	8,810
Cash and cash equivalents at end of period	19	**1,836**	**8,723**

The subsequent notes are an integral part of these consolidated financial statements.

Notes to the Financial Statements

For the year ended 30 June 2016

1. Reporting entity

Mastermyne Group Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Level 1, 45 River Street, Mackay Qld 4740. The consolidated financial statements of the Company as at and for the year ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The Group is a for-profit entity and primarily is involved in providing contracting services to the underground long wall mining operations and industrial products and services in the coalfields and supporting industries of Queensland and New South Wales.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 16 August 2016.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian Dollars, which is the Company's functional currency and the functional currency of each entity in the Group.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and, in accordance with that Instrument, all financial information presented in Australian Dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- note 15 – key assumptions used in discounted cash flow projections
- note 16 – recoverability of deferred tax assets
- note 24 – measurement of share-based payments

3. Significant accounting policies

Accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group entities.

(a) Basis of consolidation

(i) Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see note 3(a)(iii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 3(h)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group. Any cash paid for the acquisition is recognised directly in equity.

(iv) Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interests (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(vi) Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(b) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is discussed in note 3(m).

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses (see note 3(h)(i)).

(ii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity, net of any tax effects. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in retained earnings.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within "other income" or "other expenses" in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The depreciation rates which reflect the estimated useful lives for the current and comparative periods are as follows:

	2016	2015
Plant and equipment	7.50 - 50.00%	7.50 - 50.00%
Motor vehicles	12.50 - 30.00%	12.50 - 30.00%
Computer equipment	37.50 - 50.00%	37.50 - 50.00%
Office furniture and equipment	25.00 - 66.66%	25.00 - 66.66%
Leasehold improvements	7.50 - 15.00%	7.50 - 15.00%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Leasehold improvements

The cost of improvements to, or in, leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvements to the Group, whichever is shorter.

(d) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of the subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3 (a)(i).

Subsequent Measurement

Goodwill is measured at cost less accumulated impairment losses.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

	2016	2015
Customer related intangibles	3-7 years	3-7 years
Intellectual Property	8-10 years	8-10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date, and adjusted if appropriate.

(e) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases and, as such, the leased assets are not recognised in the Group's statement of financial position.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Unbilled Revenue

Unbilled revenue is the estimated amount recoverable from customers in relation to unbilled services rendered as at balance date.

(h) Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or Cash-Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, the recoverable amount is determined for the CGU to which the corporate asset belongs.

(ii) Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss in periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If the benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These liabilities are calculated on an undiscounted basis on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation, insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

(v) Bonus plans

A liability and an expense for employee benefits in the form of profit sharing and bonus plans is recognised in “”sundry creditors and accruals”” when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- **There are formal terms in the plan for determining the amount of the benefit;**
- **The amounts to be paid are determined before the time of completion of the financial report; or**
- **Past practice gives clear evidence of the amount of the obligation.**

Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(vi) Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense.

(k) Revenue

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

(ii) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date for fixed price work and as services are provided for work completed on a schedule of rates. The stage of completion for fixed price work is assessed by reference to the tasks completed as per the agreed schedule of work provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration.

(l) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(m) Finance income and expense

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit and loss using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(n) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accrual for tax liabilities are adequate based on its assessment of several factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of exiting tax liabilities; such changes to tax liabilities will impact income tax expense in the period that such a determination is made.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group formed with effect from 7 May 2010. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Mastermyne Group Limited.

(o) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the Group's statement of financial position.

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

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments (other than investment property) and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Group's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(q) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(r) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, however, the Group has not applied the following new or amended standards in preparing these consolidated statements.

AASB 9 Financial Instruments

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 9.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and AASB Interpretation 13 Customer Loyalty Programmes.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its financial statements resulting from the application of AASB 15.

AASB 16 Leases

AASB 16 removes the lease classification test for lessees and requires all the leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees.

AASB is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time.

The Group is assessing the potential impact on its financial statements resulting from the application of AASB 16.

4. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The finance team regularly reviews significant, unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASBs, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit and Risk Management Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 7 - business combinations;
- Note 24 - share based payment arrangements; and
- Note 26 - financial instruments;

5. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- interest rate risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout this financial report.

Risk Management Framework

The Board, together with management, seeks to identify, monitor and mitigate risk. Internal controls are monitored on a continuous basis and, wherever possible, improved. Risk management is identified in the Group's various corporate governance policies and will continue to be kept under regular review. Review takes place at both the Audit and Risk Management Committee level, with meetings at least four times a year, and at the Board level.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The majority of the Group's customers are large multinational mining companies with strong payment track records and credit history. There is no formal credit policy in place, however, each customer is assessed individually for creditworthiness before the Group's standard payment and delivery terms and conditions (30 days) are offered. The Group operates under signed contracts, purchase orders and forward purchase agreements which all have agreed payment terms included.

The aged receivables are reviewed on a weekly basis by senior management and overdue amounts followed up with customers for payment. The Group does not require collateral in respect of trade and other receivables.

5. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will maintain sufficient liquidity levels to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand and undrawn facilities to meet expected operational cash flows for a period of 70 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. The Group maintains the following lines of credit:

Facility	Facility Limit	Amount Drawn
Multi Option Facility	*In thousands of AUD*	
Overdraft Facility	5,000	nil
LC Facility	500	321
Corporate Card Facility	500	nil
Total Multi Option Facility	6,000	321
Revolving Equipment Finance Facility	15,000	994
Amortising Cash Advance Facility	10,450	10,450
Amortising Cash Advance Facility	1,297	1,297
Amortising Equipment Finance Facility	51	51
Total All Facilities	**32,798**	**13,113**

Interest rate risk

The Group ensures that interest rates for equipment finance are fixed at the time each individual equipment loan is entered into for the term of the loan; and the interest rates for commercial bills are fixed for the term of the commercial bills.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total capital. The Board also monitors the level of dividends to ordinary shareholders.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

6. Segment information

Business segments

The group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services and products and are managed separately because they require different skill bases and marketing strategies. For each of the strategic business units, the Group's Managing Director reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Mastermyne - This segment incorporates the provision of project management; labour and equipment hire; underground conveyor installation, extension and maintenance; underground roadway development; underground ventilation device installation; bulk materials handling system installation and relocation and underground mine support services.
- Mastertec - Mastertec integrates the services recently acquired through Diversified Mining Services (DMS) and incorporates the previous capabilities of Mastermyne Services and Engineering divisions. Mastertec provides a wide range of above-ground contracting services to industry sectors such as Ports, Resources, Industrial and Infrastructure. The divisions offerings include scaffolding and rigging, blast and paint, pipeline services, sustainable capital works, fabrication and machining, training and engineering and technical services.

There are varying levels of integration between the Mastermyne and Mastertec reportable segments. This integration includes transfers of human resources and shared overhead resources. The accounting policies of the reportable segments are the same as described in notes 2 and 3.

Information regarding the results of each reportable segment is included on the following page. Performance is measured based on segment profit before income tax as included in the internal management reports that are reviewed by the Group's Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	Mastermyne		Mastertec		Consolidated	
In thousands of AUD	2016	2015	2016	2015	2016	2015
External revenues	130,585	140,863	37,849	33,332	168,434	174,195
Intersegment revenue	73	5,600	2,564	1,801	2,637	7,401
Reportable segment revenue	130,658	146,463	40,413	35,133	171,071	181,596
Depreciation and amortisation	(6,086)	(6,082)	(1,485)	(1,463)	(7,571)	(7,545)
Net finance costs	(856)	(827)	8	(72)	(848)	(899)
Goodwill Impairment	-	-	(7,999)	(4,538)	(7,999)	(4,538)
Reportable Segment profit/(loss) before income tax	2,040	3,256	(16,335)	(5,137)	(14,295)	(1,881)
Segment assets	45,303	60,400	27,714	35,441	73,017	95,841
Capital expenditure	1,113	752	1,132	347	2,245	1,099
Segment liabilities	(22,067)	(26,368)	(12,194)	(14,469)	(34,261)	(40,837)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

In thousands of AUD	2016	2015
Revenues		
Total revenue for reportable segments	171,071	181,596
Elimination of inter-segment revenue	(2,637)	(7,401)
Consolidated revenue	**168,434**	**174,195**
Profit or loss		
Total loss for reportable segments	(14,295)	(1,881)
Elimination of inter-segment profits	-	(159)
Unallocated amounts: net corporate expenses	(746)	(2,509)
Consolidated loss before income tax	**(15,041)**	**(4,549)**
Assets		
Total assets for reportable segments	73,017	95,841
Other assets	719	3,014
Representation of segment liabilities	(8,640)	-
Unallocated amounts: corporate tax asset	6,666	2,825
Consolidated total assets	**71,762**	**101,680**
Liabilities		
Total liabilities for reportable segments	(34,261)	(40,837)
Other liabilities	(1,708)	(2,342)
Representation of segment liabilities	8,640	-
Consolidated total liabilities	**(27,329)**	**(43,179)**

Geographical information

The Group has only operated in Australia during the current and comparative periods. All assets are held within Australia as at 30 June 2016 and 30 June 2015.

Major customers

The Group has two (2015: two) customers that individually represent in excess of 10% of Group revenues. The total revenue from these customers represents $103,838 thousand (2015: $134,364 thousand) of the Group's total revenues, reported in the Mastermyne and the Mastertec segments as follows:

- Mastermyne $96,181 thousand (2015: $117,875 thousand)
- Mastertec $7,657 thousand (2015: $16,489 thousand)

7. Business combinations

(i) Year Ended 30 June 2016

Acquisitions

On 19 February 2016 the Group purchased the business of Group Engineering, a provider of engineering and design services to a range of industries, primarily focused on sustaining capital works for the coal mining and heavy industry on the east coast of Australia.

The acquisition of the Group Engineering business compliments the Mastertec division and allows the Group to be involved at the front of projects in the design phase. The addition of the engineering skills will bolster the project management and project delivery skills of the Mastertec division, ensuring the Group delivers projects of the highest quality.

7. Business combinations (continued)

a) Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

In thousands of AUD	
Cash	229
Earnout	159
Total consideration transferred	**388**

b) Acquisition-related costs

The Group incurred acquisition-related costs of $7 thousand

c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

In thousands of AUD	
Property, plant and equipment	88
Intangible assets - Intellectual Property	290
Deferred tax liabilities	(87)
Total identifiable net assets acquired	**291**

d) Goodwill

Goodwill arising from the acquisition has been recognised as follows.

In thousands of AUD	
Total consideration transferred	388
Fair value of identifiable net assets	291
Goodwill	**97**

The goodwill is attributable mainly to the skills and technical talent of the Group Engineering work force, and the synergies expected to be achieved from integrating the company into the Group's existing business.

None of the goodwill recognised is expected to be deductible for tax purposes.

(ii) Year ended 30 June 2015

Acquisitions

On 23 December 2014 the Group obtained control of Diversified Mining Services Ltd (DMS), a provider of services to a range of industries, primarily focused on maintenance and mining services in Queensland and New South Wales, by acquiring 100% of the shares and voting interests in the company.

The acquisition of DMS is in keeping with the Group's strategy of expanding its service offering, and to compliment and leverage from the position that the Company has in the underground coal sector. The acquisition will also provide some diversification from coal and will leverage off the synergies of combining with the Mastermyne Group.

DMS operates throughout the Bowen Basin, Gladstone, Mackay and the Hunter Valley for a range of blue chip clients in the mining, downstream metalliferous processing, prime contracting and mining infrastructure industries. In addition, DMS is a specialist in overwater scaffolding. DMS operates through three business units:

- Maintenance – Scaffolding and rigging, protective coatings, poly welding, scheduled maintenance and on-site repairs;
- Engineering – Specialist fabrication, machining and line boring, design and consulting; and
- Mining Operations – Ventilation services, outbye services, gas drainage and secondary support.

(a) Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

In thousands of AUD	Note	
Cash		10,337
Equity Instruments (15,570,022 ordinary shares)	20	4,126
Total Consideration		**14,463**

i. Equity instruments issued

The fair value of the ordinary shares issued was based on the listed share price of the Company at 23 December 2014 of $0.265 per share.

(b) Acquisition-related costs

The Group incurred acquisition-related costs of $1,272 thousand relating to external legal fees and due diligence costs. These amounts have been included in other expenses in profit or loss.

(c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

In thousands of AUD	Note	Total
Property, plant and equipment	14	7,752
Inventories		1,808
Trade and other receivables		5,166
Bank overdraft		(244)
Loans and borrowings		(73)
Deferred tax assets	16	9,258
Employee benefits		(987)
Trade and other payables		(5,465)
Deferred tax liabilities	16	(531)
Total net identifiable assets		**16,684**

The trade and other receivables comprise gross contractual amounts due of $5,323 thousand, of which $157 thousand was expected to be uncollectible at the date of acquisition.

(d) Gain on bargain purchase

Gain on bargain purchase was recognised as a result of the acquisition as follows. The gain has been directly recognised in the profit or loss.

In thousands of AUD	Total
Total consideration transferred	14,463
Fair value of identifiable net assets	16,684
Gain on bargain purchase	**2,221**

8. Revenue

	Consolidated	
In thousands of AUD	2016	2015
Contracting revenue	145,438	135,354
Sale of goods	22,961	33,332
Machinery hire	35	5,509
	168,434	**174,195**

9. Other income

	Consolidated	
In thousands of AUD	2016	2015
Administration income	257	35
	257	**35**

10. Other expenses

	Consolidated	
In thousands of AUD	2016	2015
Bad and doubtful debts	104	5
Write-down of inventories to net realisable value	6	-
Loss on sale of property, plant and equipment	2,003	6
Business acquisition costs	7	1,272
Business development costs	28	28
Insurance	1,025	957
	3,173	**2,268**

11. Personnel expenses

	Consolidated	
In thousands of AUD	2016	2015
Wages and salaries	106,043	110,429
Other associated personnel expenses	8,186	8,544
Contributions to defined contribution superannuation funds	6,608	7,053
Equity-settled share-based payment transactions	29	35
	120,866	**126,061**

12. Finance income and expense

	Consolidated	
In thousands of AUD	2016	2015
Interest income	59	202
Finance income	**59**	**202**
Bank charges	(74)	(255)
Interest expenses	(592)	(234)
Finance lease interest	(241)	(612)
Finance expense	**(907)**	**(1,101)**
	(848)	**(899)**

13. Income tax expense

In thousands of AUD	Consolidated 2016	2015
Current tax expense		
Current period	-	314
Adjustment for prior periods	(334)	(27)
	(334)	287
Deferred tax expense		
Origination and reversal of temporary differences	(2,035)	(509)
Adjustment for prior period	514	27
	(1,521)	(482)
Total income tax benefit	(1,855)	(195)

Numerical reconciliation between tax expense and pre-tax accounting profit

In thousands of AUD	Consolidated 2016	2015
Loss excluding income tax	(15,041)	(4,549)
Income tax using the Group's statutory income tax rate of 30% (2015: 30%)	(4,512)	(1,365)
Impairment of goodwill	2,399	1,361
Other non-deductible expenses	78	475
Non-assessable income	-	(666)
Under provision of previous year	180	-
	(1,855)	(195)

14. Property, plant and equipment

In thousands of AUD	Plant and equipment	Motor vehicles	Computer equipment	Office furniture and equipment	Leasehold improvements	Total
Cost or deemed cost						
Balance at 1 July 2014	55,093	1,049	2,082	460	2,021	60,705
Additions	869	-	69	20	60	1,018
Disposals	(59)	(221)	-	-	-	(280)
Acquired through business combination	6,761	876	-	-	115	7,752
Balance at 30 June 2015	62,664	1,704	2,151	480	2,196	69,195
Balance at 1 July 2015	62,664	1,704	2,151	480	2,196	69,195
Additions	1,933	205	106	-	-	2,244
Disposals	(7,703)	(140)	(650)	-	(1,804)	(10,297)
Transfers	480	-	-	(480)	-	-
Balance at 30 June 2016	57,374	1,769	1,607	-	392	61,142
Depreciation and impairment losses						
Balance at 1 July 2014	29,052	714	1,547	410	1,250	32,973
Depreciation for the year	6,357	187	195	28	556	7,323
Disposals	-	(171)	-	-	-	(171)
Balance at 30 June 2015	35,409	730	1,742	438	1,806	40,125
Balance at 1 July 2015	35,409	730	1,742	438	1,806	40,125
Depreciation for the year	6,710	176	182	-	285	7,353
Disposals	(5,433)	(38)	(630)	-	(1,775)	(7,876)
Transfers	438	-	-	(438)	-	-
Balance at 30 June 2016	37,124	868	1,294	-	316	39,602
Carrying amounts						
At 1 July 2014	26,041	335	535	50	771	27,732
At 30 June 2015	27,255	974	409	42	390	29,070
At 1 July 2015	27,255	974	409	42	390	29,070
At 30 June 2016	20,250	901	313	-	76	21,540

The Group leases equipment under a number of finance lease agreements. At 30 June 2016, the net carrying amount of leased property, plant and equipment was $4,380 thousand (2015: $10,837 thousand).

15. Intangible assets

In thousands of AUD	Consolidated 2016	2015
Goodwill		
Cost (gross carrying amount)	6,429	14,331
Net carrying amount	6,429	14,331
Customer relationships		
Cost (gross carrying amount)	2,945	2,945
Accumulated amortisation and impairment	(2,911)	(2,841)
Net carrying amount	34	104
Intellectual property		
Cost (gross carrying amount)	1,773	1,522
Accumulated amortisation and impairment	(1,147)	(1,045)
Net carrying amount	626	477
Total intangible assets		
Cost (gross carrying amount)	11,147	18,798
Accumulated amortisation and impairment	(4,058)	(3,886)
Net carrying amount	7,089	14,912

Reconciliation of carrying amount at beginning and end of the period

In thousands of AUD	Consolidated 2016	2015
Goodwill		
Carrying amount - opening	14,331	18,869
Acquired in business combination	97	-
Impairment	(7,999)	(4,538)
Carrying amount - closing	6,429	14,331
Customer relationships		
Carrying amount - opening	104	173
Amortisation	(70)	(69)
Carrying amount - closing	34	104
Intellectual property		
Carrying amount - opening	477	600
Acquired in business combination	290	-
Loss on sale	(2)	-
Amortisation	(139)	(123)
Carrying amount - closing	626	477
Total intangible assets		
Carrying amount - opening	14,912	19,642
Acquired in business combination	387	-
Loss on sale	(2)	-
Impairment	(7,999)	(4,538)
Amortisation	(209)	(192)
Carrying amount - closing	7,089	14,912

Goodwill relates to the acquisition of Mastermyne Underground Pty Ltd.

Amortisation and impairment charge

The accounting policy for the recognition and measurement of intangible assets is set out in note 3(d).

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments as reported in note 6.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

In thousands of AUD	Consolidated 1 July 2015	Acquired in Business Combination	Transfer	Impairment	2016	2015
Mastermyne Mining	7,030	-	(601)	-	6,429	7,030
Mastertec Products & Services	7,301	97	601	(7,999)	-	7,301
Total All Segments	14,331	97	-	(7,999)	6,429	14,331

During the year, the Group acquired further goodwill of $97 thousand as a result of the acquisition of the Group Engineering business as explained in note 7, Business Combination.

During the year as a result of the ongoing weakness across the mining services sector the group reviewed its core business and made the decision that workshops were considered non-core activities and therefore exited the Groups workshop activities in Mackay and Rockhampton. As a result of exiting the workshops and continued weakness in the sector, the carrying amount of the Mastertec CGU was assessed to be higher than its recoverable amount, and the recognised value of goodwill associated with the Mastertec CGU of $7,999 thousand was fully impaired (2015: $4,538 thousand). The related impairment loss is included in Profit or Loss.

15. Intangible assets (continued)

The recoverable amount of the cash-generating units as at 30 June 2016 was based on their value in use and was determined by reference to the discounted future cash flows expected to be generated from the continuing use of each CGU, based on past experience, actual operating results and the business plans and long-term strategy for the relevant cash generating unit. For the Mastermyne Mining CGU the value in use was determined to be greater than the relevant carrying amount. The key assumptions for each cash generating unit were as follows:

	FY 2016 assumptions			FY 2015 assumptions		
	Annual revenue growth rate (FY2017-FY2021)	Terminal growth rate	Pre-tax discount rate	Annual revenue growth rate (FY2016-FY2020)	Terminal growth rate	Pre-tax discount rate
Mastermyne Mining	6.8%	2.5%	16.2%	4.3%	2.5%	16.0%
Mastertec Products and Services	6.0%	2.5%	17.7%	5.0%	2.5%	16.4%

The discount rate was calculated based on the Group's weighted average cost of capital, an industry average beta, risk-free rate based on Australian government 10-year treasury bonds with a minimum yield used of 4.5%, a market risk premium of 6% and a calculated cost of debt based on the Group's current debt and interest rates payable on this debt.

16. Tax assets and liabilities

Current tax assets and liabilities

The current tax asset for the Group of $226 thousand (2015: $259 thousand) represents the amount of income taxes refundable, in respect of current and prior periods.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Consolidated	Assets		Liabilities		Net	
In thousands of AUD	2016	2015	2016	2015	2016	2015
Employee benefits	1,002	1,720	-	-	1,002	1,720
Property, plant and equipment	-	26	(1,656)	(2,054)	(1,656)	(2,028)
Receivables	-	47	-	-	-	47
Intangible assets	-	-	(97)	(31)	(97)	(31)
Accruals	163	456	-	-	163	456
Capital raising and business acquisition costs	75	173	(31)	(31)	44	142
Unbilled revenue	-	-	(1,402)	(933)	(1,402)	(933)
Provisions	-	-	(4)	(3)	(4)	(3)
Tax loss carry-forwards	10,529	7,776	-	-	10,529	7,776
Tax assets/(liabilities)	11,769	10,198	(3,190)	(3,052)	8,579	7,146
Set off of tax	(3,190)	(3,052)	3,190	3,052	-	-
Net tax assets/(liabilities)	8,579	7,146	-	-	8,579	7,146

At 30 June 2016 the Group has revenue losses totalling $34,818 thousand (2015: $25,920) which are available to be offset against future taxable income.

Movement in temporary differences during the year

Consolidated *In thousands of AUD*	Balance 1 July 2014	Recognised in profit or loss	Acquired in business combinations	Balance 30 June 2015
Employee benefits	1626	(434)	528	1720
Property, plant and equipment	(1,813)	216	(431)	(2,028)
Receivables	-	101	(54)	47
Intangible assets	(52)	21	-	(31)
Accruals	345	(210)	321	456
Capital raising and business acquisition costs	(26)	(52)	220	142
Unbilled revenue	(2,140)	1,207	-	(933)
Provisions	(3)	(19)	19	(3)
Research and development tax offset	-	(234)	234	-
Tax loss carry-forwards	-	(114)	7,890	7,776
	(2,063)	482	8,727	7,146

Consolidated *In thousands of AUD*	Balance 1 July 2015	Recognised in profit or loss	Acquired in business combinations	Balance 30 June 2016
Employee benefits	1,720	(718)	-	1,002
Property, plant and equipment	(2,028)	372	-	(1,656)
Receivables	47	(47)	-	-
Intangible assets	(31)	22	(88)	(97)
Accruals	456	(293)	-	163
Capital raising and business acquisition costs	142	(98)	-	44
Unbilled revenue	(933)	(469)	-	(1,402)
Provisions	(3)	(1)	-	(4)
Tax loss carry-forwards	7,776	2,753	-	10,529
	7,146	1,521	(88)	8,579

17. Inventories

	Consolidated	
In thousands of AUD	2016	2015
Raw materials	1,072	978
Finished goods	2,336	2,024
	3,408	3,002

During the year ended 30 June 2016, raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to $16,245 thousand (2015: $8,019 thousand).

18. Trade and other receivables

	Consolidated	
In thousands of AUD	2016	2015
Trade receivables	21,018	30,691
Prepayments	2,516	1,199
Unbilled revenue	5,413	6,081
Other receivables	137	597
	29,084	38,568

The Group's exposure to credit risks and impairment losses related to trade and other receivables are disclosed in note 26.

19. Cash and cash equivalents

	Consolidated	
In thousands of AUD	2016	2015
Bank balances	1,835	8,718
Cash on hand	1	5
Cash and cash equivalents in the statement of cash flows	**1,836**	**8,723**

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 26.

20. Capital and reserves

The share capital of Mastermyne Group Limited is as follows:

	Ordinary class shares	
	2016	2015
On issue at 1 July	91,087,536	75,517,514
Shares issued in relation to business combination	-	15,570,022
On issue at 30 June – fully paid	91,087,536	91,087,536

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The Group has also issued performance rights (see note 24).

Reserves

Share-based payments reserve

The share-based payments reserve represents the grant date fair value of equity instruments granted to senior managers or key management personnel of the Company (see note 24).

Common control reserve

As a result of combinations of entities under common control, an equity account was created called the common control reserve. The balance of this account represents the excess of the fair value of Mastermyne Group Limited securities as at 7 May 2010 over the initial carrying value of Mastermyne Pty Ltd as at the date of Mastermyne Group Limited becoming the new parent entity of the Group.

Dividends

Dividends recognised in the current year by the Group are:

	Dollars per share	Total amount *(In thousands of AUD)*	Franked / unfranked	Date of payment
2016				
2015 Ordinary - Ordinary Shares Final Dividend	$0.010	911	Franked	15/10/15
Total amount		**911**		
2015				
2014 Ordinary - Ordinary Shares Final Dividend	$0.014	1,057	Franked	16/10/14
2015 Ordinary - Ordinary Shares Interim Dividend	$0.010	911	Franked	2/04/15
Total amount		**1,968**		

Franked dividends declared or paid during the year were franked at the tax rate of 30 per cent.

There were no dividends declared after the balance sheet date.

Dividend franking account

	Company	
In thousands of AUD	2016	2015
30% franking credits available to shareholders of Mastermyne Group Limited for subsequent financial years	14,669	15,396

The balance of the dividend franking account represents the total of the individual franking accounts within the companies comprising the consolidated entity.

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

i. franking credits/debits that will arise from the payment of the current tax liabilities or refund of current tax assets;
ii. franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
iii. franking credits that will arise from the receipt of dividends recognised as receivables by the Group at the year-end; and
iv. franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being available profits to declare dividends.

The impact on the dividend franking account of dividends proposed after balance date but not recognised as a liability is to reduce it by $0 thousand (2015: $390 thousand).

21. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2016 was based on the loss attributable to ordinary shareholders of $13,156 thousand (2015: $4,376 thousand) and a weighted average number of ordinary shares outstanding of 91,088 thousand (2015: 83,580 thousand), calculated as follows:

Profit attributable to ordinary shareholders

	Consolidated	
In thousands of AUD	2016	2015
Loss attributable to ordinary shareholders	(13,156)	(4,376)

Weighted average number of ordinary shares

	Consolidated	
In thousands of shares	2016	2015
Issued ordinary shares at 1 July	91,088	75,518
Effect of shares issued in relation to business combination	-	8,062
Weighted average number of ordinary shares at 30 June	**91,088**	**83,580**

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2016 was based on the loss attributable to ordinary shareholders of $13,156 thousand (2015: $4,376 thousand) and a weighted average number of ordinary shares outstanding of 91,088 thousand (2015: 83,580 thousand), calculated as follows:

Profit attributable to ordinary shareholders (diluted)

	Consolidated	
In thousands of AUD	2016	2015
Loss attributable to ordinary shareholders	(13,156)	(4,376)

Weighted average number of ordinary shares (diluted)

	Consolidated	
In thousands of shares	2016	2015
Weighted average number of ordinary shares (basic)	91,088	83,580
Weighted average number of ordinary shares (diluted) at 30 June	**91,088**	**83,580**

22. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings which are measured at amortised cost. For more information about the Group's exposure to interest rate and liquidity risk, see note 26.

	Consolidated	
In thousands of AUD	2016	2015
Current liabilities		
Finance lease liabilities (secured)	1,046	2,731
Cash advance facility (secured)	2,497	1,632
	3,543	**4,363**
Non-current liabilities		
Finance lease liabilities (secured)	-	1,046
Contingent consideration (unsecured)	158	-
Cash advance facility (secured)	9,250	11,747
	9,408	**12,793**

Security

Finance lease

Finance lease facilities are drawn with the Westpac Banking Corporation and Vendor Finance Pty Ltd, and are secured by a charge over the asset to which the facility relates to and a fixed and floating charge over the assets of the Group.

Westpac cash advance facility

The Westpac cash advance facility is drawn with the Westpac Banking Corporation for the purpose of the DMS acquisition and equipment funding and is secured by a fixed and floating charge over all assets and uncalled capital of the Group.

22. Loans and borrowings (continued)

Finance lease liabilities

Finance lease liabilities of the Group are payable as follows:

	Consolidated					
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
In thousands of AUD	2016	2016	2016	2015	2015	2015
Less than one year	1,082	(36)	1,046	2,891	(160)	2,731
Between one and five years	-	-	-	1,082	(36)	1,046
More than five years	-	-	-	-	-	-
	1,082	(36)	1,046	3,973	(196)	3,777

23. Employee benefits

	Consolidated	
In thousands of AUD	2016	2015
Current		
Wages payable	-	2,188
Liability for annual leave	1,955	3,212
Liability for vesting sick leave	1,121	1,937
Liability for long service leave	161	388
	3,237	7,725
Non-current		
Liability for long service leave	102	197
	102	197

24. Share-based payment arrangements

Description of the share-based payment arrangements

At 30 June 2016, the Group has the following share-based payment arrangements:

Performance Rights programme (equity settled)

An employee performance rights plan was adopted by the Board on 15 September 2015 and the plan was activated by resolution of the Board as of 16 November 2015. This plan entitles personnel to purchase shares in the Company provided performance conditions are met. In accordance with the plan, employees holding vested options are entitled to purchase shares in the Company at a set exercise price based on volume weighted average price in the two months preceding the offer.

The terms and conditions of the performance rights programme are as follows; all options are to be settled by physical delivery of shares.

Grant date and employees entitled	Number of Instruments	Vesting Conditions	Contractual Life of Rights
Perfromance rights granted to KMP including CEO/Managing Director on 21 January 2016 (FY 2016 Tranche A)	397,949	Vesting Conditions 1, 2, 3 and 4a	2.5 Years
Perfromance rights granted to KMP including CEO/Managing Director on 21 January 2016 (FY 2016 Tranche B)	397,949	Vesting Conditions 1, 2, 3 and 4b	2.5 Years

Vesting of the rights will be subject to achievement of the vesting conditions set out below and the eligible participant being employed at the vesting date:

- Vesting Condition 1: The main Vesting Condition is that the eligible participant must be employed within the Group on the Test Date. If employment is ceased with the Group prior to the Test Date, the performance rights will lapse unless the Board at its absolute discretion determines otherwise.
- Vesting Condition 2: Vesting is also conditional on the continuation of good conduct and the execution of duties in the best interests of Mastermyne. If it is deemed the eligible participant has acted fraudulently or dishonestly, or is in breach of obligations to Mastermyne, the Board at its discretion may determine that some or all of the performance rights will lapse.
- Vesting Condition 3: There is an overriding Vesting Condition, requiring a minimum 8% total shareholder return (TSR) during the TSR measurement period (i.e. from the Time of Grant to the Test Date).
- Vesting Condition 4: If Vesting Condition 3 is achieved there are two further Vesting Conditions that will each be applied independently to 50% of the performance rights. Both of these Vesting Conditions depend on Mastermyne's TSR percentile rank during the TSR measurement period:
  a. Tranche A: 50% of the performance rights will be conditional on the company's TSR rank relative to companies in the ASX All Ordinaries Accumulation index;
  b. Tranche B: 50% of performance rights will be conditional on the company's TSR rank relative to the ASX 200 Resources Accumulation index.

For each tranche, the percentage of performance rights which will vest will be as specified in the table below:

TSR Rank during TSR measurement period	Percentage of Tranche A or Tranche B performance rights vesting
Below 50th percentile of the ASX Peer Group or the Resources Peer Group	0%
50th percentile to 75th percentile of the ASX Peer Group or the Resources Peer Group	50% plus 2% for each percentile above 50th percentile
Above 75th percentile of the ASX Peer Group or the Resources Peer Group	100%

Measurement of fair values

The fair value of the rights granted through the employee performance rights programme was measured based on the Monte Carlo simulation. Expected volatility is estimated by considering historic average share price volatility based on Mastermyne and its peers.

Equity-settled share-based payment plans

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

Key management personnel & Senior management FY2016 Rights	
Fair value of share options and assumptions	2016
Fair value at grant date Tranche A	$0.1116
Fair value at grant date Tranche B	$0.1140
Share price	$0.21
Exercise price	$ nil
Expected volatility (weighted average volatility)	71.1%
Option life (expected weighted average life)	2.5 years
Expected dividends	9.50%
Risk-free interest rate (based on government bonds)	2.09%

25. Trade and other payables

	Consolidated	
In thousands of AUD	2016	2015
Trade payables	3,818	6,340
Sundry creditors and accruals	7,221	11,761
	11,039	**18,101**

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 26.

26. Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Notes	Consolidated	
In thousands of AUD		2016	2015
Trade and other receivables	18	29,084	38,568
Cash and cash equivalents	19	1,836	8,723
		30,920	**47,291**

The Group has three (2015: two) significant customers each representing more than 10% of the carrying amount of trade receivables at 30 June 2016. The total of the receivables from these customers is $15,190 thousand (2015: $12,005 thousand).

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In the current and comparative periods, the Group's cash and cash equivalents are held with a AA-Rated Australian bank.

Impairment losses

The aging of the Group's trade receivables at the reporting date is as follows:

	Consolidated	
In thousands of AUD	2016	2015
Not Past Due	14,049	21,694
Past due 0-30 days	6,064	7,881
Past due 31-60 days	603	208
Past due 61-90 days	85	517
Greater than 90 days	217	499
	21,018	**30,799**

Impairment losses of $0 thousand were recognised at 30 June 2016 (2015: $108 thousand).

The movement in the allowance for impairment in respect of trade and other receivables during the year ended 30 June 2016 was as follows:

	Consolidated	
In thousands of AUD	2016	2015
Balance at 1 July	(108)	(1,033)
Impairment loss recognised	(16)	(5)
Impairment allowance utilised	124	930
Balance at 30 June	-	(108)

Impairment allowance utilised during the year relates to a number of customers that were placed into receivership during the year ended 30 June 2016. At the time the Group raised an allowance for the full amount of the receivable, and it is unlikely that that the amount will become recoverable.

Credit risk in trade receivables is managed in the following ways: payment terms being 30 days and credit evaluations performed on all new customers requiring credit over a certain amount. The Group does not require collateral in respect of trade receivables. An analysis of the credit quality of trade receivables not impaired is as follows:

	Consolidated	
In thousands of AUD	2016	2015
Four or more years trading history with the Group	16,627	13,253
Less than four years trading history with the Group	4,391	17,438
	21,018	**30,691**

Amounts in the above table include all trade receivables at the reporting date that were not impaired.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated 30 June 2016								
In thousands of AUD	Note	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities								
Finance lease liabilities	22	1,046	(1,082)	(567)	(515)	-	-	-
Cash advance facility	22	11,747	(12,841)	(2,167)	(825)	(1,612)	(8,237)	-
Trade and other payables	25	11,039	(11,039)	(11,039)	-	-	-	-
		23,832	**(24,962)**	**(13,773)**	**(1,340)**	**(1,612)**	**(8,237)**	**-**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Consolidated 30 June 2015								
In thousands of AUD	Note	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities								
Finance lease liabilities	22	3,777	(3,973)	(1,815)	(1,076)	(1,082)	-	-
Cash advance facility	22	13,379	(14,961)	(1,092)	(1,072)	(2,095)	(10,702)	-
Trade and other payables	25	18,101	(18,101)	(18,101)	-	-	-	-
		35,257	**(37,035)**	**(21,008)**	**(2,148)**	**(3,177)**	**(10,702)**	**-**

Interest rate risk

Profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	Consolidated	
	Carrying amount	
In thousands of AUD	2016	2015
Fixed rate instruments		
Financial liabilities & Insurance premium funding	(1,046)	(3,777)
	(1,046)	**(3,777)**
Variable rate instruments		
Financial assets	1,836	8,723
Financial liabilities	(11,747)	(13,379)
	(9,911)	**(4,656)**

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

As at 30 June 2016, the effect on profit as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	Consolidated	
Effect In thousands of AUD	2016	2015
Change in profit		
Increase in interest rate by 1%	(99)	(47)
Decrease in interest rate by 2%	198	93

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

A change in interest rate on the above variable rate instruments would have had no impact on equity.

No sensitivity analysis has been performed on foreign exchange risk, as the Group is not directly exposed to foreign currency fluctuations.

26. Financial instruments (continued)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Consolidated	30 June 2016		30 June 2015	
In thousands of AUD	Carrying amount	Fair value	Carrying amount	Fair value
Assets Carried at Amortised Cost				
Trade and other receivables	29,084	29,084	38,568	38,568
Cash and cash equivalents	1,836	1,836	8,723	8,723
	30,920	**30,920**	**47,291**	**47,291**
Liabilities Carried at Amortised Cost				
Finance lease liabilities	(1,046)	(1,064)	(3,777)	(3,892)
Cash advance facility	(11,747)	(11,747)	(13,379)	(13,379)
Trade and other payables	(11,039)	(11,039)	(18,101)	(18,101)
	(23,832)	**(23,850)**	**(35,257)**	**(35,372)**

The basis for determining fair values is disclosed in note 4.

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows are based on current market rates for similar lease agreements and were as follows:

	2016	2015
Finance Lease Liabilities	3.91%	4.09%

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

Financial instruments not measured at fair value:

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs
Finance Lease Liabilities	Discounted cash flows	Not Applicable

27. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Consolidated	
In thousands of AUD	2016	2015
Less than one year	1,632	2,220
Between one and five years	889	1,415
	2,521	**3,635**

The Group leases a number of residential premises and office facilities under operating leases. The residential premise leases typically run for a period of 1 year. The office premise leases typically run for a period of between 1 and 5 years, with an option to renew the lease after that date in some cases.

The Group leases a number of motor vehicles under operating leases. The leases typically run for a period of 2-4 years.

The amount recognised in relation to operating lease payments for the year ended 30 June 2016 totalled $3,392 thousand (2015: $3,046 thousand) for the Group.

28. Reconciliation of cash flows from operating activities

		Consolidated	
In thousands of AUD	Note	2016	2015
Cash flows from operating activities			
Loss for the period		(13,186)	(4,354)
Adjustments for:			
Depreciation	14	7,353	7,323
Amortisation of intangible assets	15	209	192
Impairment loss	15	7,999	4,538
Loss on sale of property, plant and equipment	10	2,003	6
Share based payments	11	29	35
Bargain on acquisition	7	-	(2,221)
Net finance expense	12	848	899
Income tax benefit	13	(1,855)	(195)
Operating profit before changes in working capital and provisions		**3,400**	**6,223**
Change in trade and other receivables*		9,484	4,515
Change in inventories		(406)	1,549
Change in trade and other payables*		(7,061)	(3,629)
Change in provisions and employee benefits*		(4,583)	136
		834	**8,794**
Interest paid		(907)	(1,101)
Income taxes paid		454	(558)
Net cash from operating activities		**381**	**7,135**

**After adjusting for changes due to business combinations*

29. Related parties

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see note 11) are as follows:

In whole AUD	Consolidated	
	2016	2015
Short-term employee benefits	1,601,382	1,758,078
Post-employment benefits	135,887	157,732
Termination benefits	-	28,801
Share-based payments	29,187	35,307
	1,766,456	**1,979,918**

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation and some equity instruments disclosures, as required by Corporations Regulations 2M.3.03, is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

Loans to key management personnel

No loans were made, guaranteed or secured by the Company to key management personnel for the year.

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management persons and their related entities on an arm's length basis

29. Related parties (continued)

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Transaction value year ended 30 June		Balance outstanding as at 30 June	
Transaction	Note	2016	2015	2016	2015
Andrew Watts - Watty Pty Ltd	(i)	255,536	255,536	-	-
Andrew Watts - Watty Pty Ltd	(ii)	276,096	276,096	-	-
Andrew Watts - Watty Pty Ltd	(iii)	56,727	93,600	-	-
		588,359	625,232	-	-

(i) The Group rents the premises at 45 River Street, Mackay which is owned by Andrew Watts through his company Watty Pty Ltd. Amounts paid for rent are at arm's length and are due and payable under normal payment terms.

(ii) The Group is paying for leasehold improvements made by Watty Pty Ltd to the premises at 45 River Street, Mackay which is owned by Andrew Watts through his company, Watty Pty Ltd.

(iii) The Group rents a duplex at 56 Grosvenor Drive, Moranbah which is owned by Non - executive Director, Andrew Watts through his company Watty Pty Ltd. Amounts paid for rent are at arm's length and are due and payable under normal payment terms. This rental agreement was ceased as at 12 March 2016.

From time to time key management personnel and directors of the Group, or their related entities, may purchase goods or services from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

30. Group entities

Parent and ultimate controlling party

Parent entity	Country of incorporation	Ownership interest	
Mastermyne Group Limited	Australia	2016 %	2015 %
Significant subsidiaries			
Mastermyne Pty Ltd	Australia	100	100
Mastermyne Engineering Pty Ltd	Australia	100	100
Mastermyne Underground Pty Ltd	Australia	100	100
Mastermyne Services Pty Ltd	Australia	100	100
Mastermyne Underground NNSW Pty Ltd	Australia	100	100
Myne Start Pty Ltd	Australia	100	100
MyneSight Pty Ltd	Australia	66.67	66.67
National Labour Solutions Pty Ltd	Australia	100	100
Mastertec Industrial and Maintenance Pty Ltd	Australia	100	100
Anderson Mine Services Pty Ltd	Australia	100	100
Ausscaffold Pty Ltd	Australia	100	100
Diversified Mining Services Ltd	Australia	100	100
East Coast Engineering (QLD) Pty Ltd	Australia	100	100
Falcon Mining Pty Ltd	Australia	100	100
Machinetek Engineering Pty Ltd	Australia	100	100
Velamont Pty Ltd	Australia	100	100
Anderson Industries (Aust) Pty Ltd	Australia	100	100

31. Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' report.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up. The deed took effect on 23 June 2010.

The subsidiaries subject to the deed are:

- Mastermyne Pty Ltd
- Mastermyne Engineering Pty Ltd
- Mastermyne Underground Pty Ltd
- Mastermyne Services Pty Ltd
- Mastermyne Underground NNSW Pty Ltd
- Myne Start Pty Ltd
- National Labour Solutions Pty Ltd
- Mastertec Industrial and Maintenance Pty Ltd
- Anderson Mine Services Pty Ltd
- Ausscaffold Pty Ltd
- Diversified Mining Services Ltd
- East Coast Engineering (QLD) Pty Ltd
- Falcon Mining Pty Ltd
- Machinetek Engineering Pty Ltd
- Velamont Pty Ltd

A consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2016 is set out as follows.

Statement of financial position

As at 30 June 2016

In thousands of AUD	2016	2015
Assets		
Cash and cash equivalents	1,635	8,320
Trade and other receivables	28,444	37,735
Inventories	3,408	3,002
Current tax assets	190	295
Total current assets	**33,677**	**49,352**
Investments in subsidiaries	723	723
Deferred tax assets	8,589	7,146
Property, plant and equipment	21,474	28,997
Intangible assets	6,315	14,138
Total non-current assets	**37,101**	**51,004**
Total assets	**70,778**	**100,356**
Liabilities		
Trade and other payables	11,199	17,765
Loans and borrowings	3,543	4,363
Employee benefits	3,100	7,616
Total current liabilities	**17,842**	**29,744**
Loans and borrowings	9,408	12,793
Employee benefits	102	197
Total non-current liabilities	**9,510**	**12,990**
Total liabilities	**27,352**	**42,734**
Net assets	**43,426**	**57,622**
Equity		
Share capital	55,234	55,234
Reserves	(21,915)	(21,944)
Retained earnings	10,107	24,332
Total Equity	**43,426**	**57,622**

Statement of profit or loss and other comprehensive income

In thousands of AUD	2016	2015
Revenue	165,386	170,192
Other income	121	35
Contract disbursements	(35,507)	(31,315)
Personnel expenses	(118,230)	(123,107)
Office expenses	(7,386)	(7,548)
Depreciation and amortisation expense	(7,540)	(7,487)
Gain on bargain purchase	-	2,221
Impairment loss	(7,999)	(4,538)
Other expenses	(3,171)	(2,197)
Results from operating activities	**(14,326)**	**(3,744)**
Finance income	57	200
Finance expense	(905)	(1,099)
Net finance expense	**(848)**	**(899)**
Profit / (loss) before income tax	**(15,174)**	**(4,643)**
Income tax (expense) / benefit	1,897	224
Profit / (loss) for the period	**(13,277)**	**(4,419)**
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income for the period	**(13,277)**	**(4,419)**

32. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

33. Auditor's remuneration

Audit services

Auditors of the Company

In whole AUD	Consolidated	
KPMG Australia:	2016	2015
Audit and review of financial reports	120,000	180,000
	120,000	180,000

Other services

Auditors of the Company

In whole AUD	Consolidated	
KPMG Australia:	2016	2015
Taxation compliance services	91,000	75,000
Data analytic services	12,000	11,000
	103,000	86,000

34. Parent Entity Disclosures

As at and throughout the financial year ending 30 June 2016 the parent company of the group was Mastermyne Group Limited.

	Company	
In thousands of AUD	2016	2015
Results of the parent entity		
Loss for the period	(860)	(2,835)
Total comprehensive income for the period	(860)	(2,835)
Financial position of parent entity at year end		
Current assets	-	-
Total assets	52,860	54,692
Current liabilities	-	-
Total liabilities	-	-
Total equity of the parent entity comprising of:		
Share Capital	55,234	55,234
Share-based payments reserve	2,322	2,293
Retained earnings	(4,696)	(2,835)
Total Equity	52,860	54,692

Parent Entity Contingencies

There were no parent entity contingencies required for the year ending 30 June 2016 (2015: Nil).

Parent Entity Capital Commitments

There were no parent entity capital commitments at 30 June 2016 (2015: Nil).

Parent Entity Capital Guarantees

The parent entity has entered into a Deed of Cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed, are disclosed in note 31.

Directors' Declaration

1. In the opinion of the directors of Mastermyne Group Limited (the "Company"):

(a) the consolidated financial statements and notes that are set out on pages 20 to 68 and the Remuneration report in section 5 of the Directors' report, set out on pages 2 to 18, are in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the group entities identified in Note 31 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

3. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2016.

4. The directors draw attention to note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors.

C. Bloomfield
Chairman

Dated at Brisbane this 16th day of August 2016.

Independent Audit Report to the Members of Mastermyne Group Limited

Independent auditor's report to the members of Mastermyne Group Limited

Report on the financial report

We have audited the accompanying financial report of Mastermyne Group Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 34 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the 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 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in section 5 of the Directors' Report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Mastermyne Group Limited for the year ended 30 June 2016, complies with Section 300A of the *Corporations Act 2001*.

KPMG

M L Gray
Partner

Brisbane
16 August 2016

ASX Additional Information

Additional information required by the Australian Stock Exchange (ASX) and not shown elsewhere in the Annual Report, current as at 22 September 2016.

Stock Exchange Quotation

Ordinary shares in Mastermyne Group Limited are quoted on the ASX under the code "MYE" and on the German Stock Exchange (Berlin Open Market) trading under the code "A1CXTE".

Class Of Securities

The Company has the following securities on issue:

ASX Quoted: 91,087,536
Ordinary shares, each fully paid, held by 1,319 shareholders.

Unquoted: 795,898
Performance rights, having differing exercise prices, hurdles vesting periods and terms, with latest expiry 1 October 2018, held by 1 employee.

Voting Rights

The voting rights attaching to ordinary shares are set out in rule 37 of the Company's constitution and are summarised as follows:

- A holder of ordinary shares in the company shall be entitled to be present at any shareholder's meeting, and to vote in respect of those shares held.
- Shareholders entitled to attend and vote at shareholder meetings may appoint a proxy in accordance with the Corporations Act.
- At any shareholder meeting, every shareholder present in person or by proxy or by attorney or, in the case of a body corporate, a representative appointed pursuant to the Corporations Act, shall be entitled:

  a. on a show of hands, to one vote only; and
  b. on a poll, to one vote for each ordinary share held

Restricted Securities

There are no restricted securities on issue

On-Market Buy-Backs

There is no current on-market buy-back of any securities

Distribution Of Security Holders

Distribution of shares and the number of holders by size of holding are:

Range	Shares	%	No. of Holders	%
100,001 and Over	76,278,718	83.74	69	5.90
50,001 to 100,000	4,786,122	5.25	67	5.73
10,001 to 50,000	7,085,765	7.78	287	24.53
5,001 to 10,000	1,713,665	1.88	210	17.95
1,001 to 5,000	1,142,193	1.25	372	31.79
1 to 1,000	81,073	0.10	165	14.10
Total	91,087,536	100	1,170	100

There are 303 shareholders holding a total of 316,171 shares with less than a marketable parcel (of 2,127 shares based on the closing share price on 22 September 2016 of $0.22)

Twenty Largest Security Holders

Rank	Name	A/C designation	Holding	%IC
1	Mr Kenneth Rudy Kamon		10,874,887	11.94
2	Darren William Hamblin	Hamblin Family	7,655,658	8.40
3	National Nominees Limited		5,919,696	6.50
4	HSBC Custody Nominees (Australia) Limited		5,915,655	6.49
5	ECARG Pty Ltd	Mij Trust	4,000,000	4.39
6	MCIF DMS Nominees Limited	Nz Residents	2,810,258	3.09
7	ECARG Pty Ltd	Coolabah	2,710,000	2.98
8	ECARG Pty Ltd	Ymmij	2,100,000	2.31
9	MAY DOWNS Pty Ltd	May Downs Trust	2,000,000	2.20
10	MCIF DMS Nominees Limited	Au Residents	1,918,943	2.11
11	Citicorp Nominees Pty Limited		1,847,440	2.03
12	CARM NQ Pty Ltd	The Carnhogan Family	1,695,428	1.86
13	Pakasoluto Pty Limited	Barkl Family Super Fund A/C	1,646,709	1.81
14	Horrie Pty Ltd		1,300,000	1.43
15	Anthony Salvatore Caruso	The Mad Investments	1,173,001	1.29
16	Anthony Charles Zahra	The Zahra Discretionary Unit	1,159,810	1.27
17	Aegeus Partners Pty Ltd		1,126,001	1.24
18	C & D Bloomfield Pty Ltd	Bloomfield Family A/C	1,100,000	1.21
19	ABN Amro Clearing Sydney Nominees Pty Ltd	Custodian A/C	1,058,511	1.16
20	ECARG Pty Ltd	Esiuol A/C	1,000,000	1.10
20	Mr Kenneth Rudy Kamon		10,874,887	11.94
		Total	59,011,997	64.79

Subatantial Shareholders

The following substantial shareholders have been disclosed in substantial holding notices given to the company:

Substantial Shareholders	Number of Shares
Andrew Watts	12,262,245
Kenneth Kamon	10,039,646
Darren Hamblin	9,702,658
Maui Capital	6,288,279
Paradice Investment Management	5,837,257
Boyles Asset Management	5,477,323

Corporate Directory

Company

Mastermyne Group Limited

ABN 96 142 490 579

Mastermyne Group Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Directors

Colin Bloomfield
Non-executive Chairman

Tony Caruso
Managing Director

Andrew Watts
Non-executive Director

Gabriel (Gabe) Meena
Non-executive Director

Company Secretary

Chris Kneipp

Registered and Head Office

Level 1, Riverside Plaza
45 River Street
Mackay QLD 4740
AUSTRALIA

P: +61 (7) 4963 0400
F: +61 (7) 4944 0822

E-Contacts

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www.mastermyne.com.au

Postal Address

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AUSTRALIA

Share Registry

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Brisbane QLD 4000
AUSTRALIA

P: +61 (2) 8280 7457

Independent Auditors

KPMG
Riparian Plaza
Level 16, 71 Eagle Street
Brisbane QLD 4000
AUSTRALIA

P: +61 (7) 3233 3111
F: +61 (7) 3233 3100

Stock Exchange Listing

Mastermyne Group Limited is listed on the Australian Securities Exchange.

ASX Code MYE

Mastermyne Offices

Mastermyne Head Offices (Including Mastermyne Mining and Mastertec)

Level 1, Riverside Plaza
45 River Street
Mackay QLD 4740
AUSTRALIA

P: +61 (7) 4963 0400
F: +61 (7) 4944 0822

Rockhampton QLD (Consumables)

42 Monier Road
Parkhurst QLD 4702
AUSTRALIA

P: +61 (7) 4920 0800
F: +61 (7) 4944 0822

Gladstone QLD (Fabrication & Machining)

15 Bassett St
Gladstone QLD 4680
AUSTRALIA

P: +61 (7) 4843 7700
F: +61 (7) 4944 0822

Cardiff NSW (Fabrication & Machining)

Unit 1/13 Nelson Street
Cardiff NSW 2285
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F: +61 (2) 4944 0822

mastermyne
Group of Companies

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