

Acquisition of PYBAR Mining Services

September 2021



mastermyne

stronger values. greater results.



Important Notice & Disclaimers

This investor presentation (Presentation) has been prepared by Mastermyne Group Ltd ACN 142 490 579 (Mastermyne or the Company). This Presentation has been prepared in connection with Mastermyne's proposed acquisition of Pybar Holdings Pty Ltd ACN 088 981 757 which in turns owns all of the shares in Pybar Mining Services Pty Ltd ACN 060 589 433 (together the Pybar Group) (Acquisition).

Summary information and source of the Pybar Group information

This Presentation contains summary information about Mastermyne and its activities which is current only at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation should be read in conjunction with Mastermyne's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au and www.mastermyne.com.au.

Certain information in this Presentation has been sourced from the Pybar Group or their respective representatives or associates. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Mastermyne nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Mastermyne undertook a due diligence process in respect of the Acquisition, which relied in part on the review of financial and other information provided by the Pybar Group. Despite making reasonable efforts, Mastermyne has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it. If any such information provided to, and relied upon by, Mastermyne in its due diligence and in its preparation of this Presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of the Pybar Group may be materially different to the expectations reflected in this Presentation.

Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Acquisition have been identified and avoided or managed appropriately (for example, because it was not always possible to negotiate indemnities or representations and warranties from the Pybar Group to cover all potential risks). Therefore, there is a risk that issues and risks may arise which will also have a material impact on the Pybar Group (for example, Mastermyne may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for Mastermyne). This could adversely affect the operations, financial performance or position of Mastermyne.

Financial data

All financial information in this Presentation is in Australian Dollars (\$) or AUD) unless otherwise stated.

Financial information for the Pybar Group contained in this Presentation has been derived from audited consolidated annual accounts pre FY21, unaudited consolidated annual accounts for FY21 of the consolidated annual accounts of the Pybar Group, and other financial information made available by the Pybar Group in connection with the Acquisition, and Mastermyne does not take any responsibility for it.

This Presentation includes certain underlying financial information. The underlying financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Mastermyne's views on its, nor anyone else's, future financial position and/or performance. The underlying financial information has been prepared by Mastermyne in accordance with the measurement and recognition principles, but not the disclosure requirements prescribed by the Australian Accounting Standards.





Important Notice & Disclaimers

Financial data (cont..)

This Presentation contains certain “forward-looking statements”, including but not limited to projections, guidance on future revenues, earnings, margin improvement, other potential synergies and estimates, the timing and outcome of the Pybar Group acquisition, and the future performance of Mastermyne and the Pybar Group post-acquisition. Forward-looking statements can generally be identified by the use of forward-looking words such as ‘expect’, ‘anticipate’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘predict’, ‘plan’, ‘propose’, ‘will’, ‘believe’, ‘forecast’, ‘estimate’, ‘target’, ‘outlook’, ‘guidance’, ‘potential’ and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the impact of the acquisition and the future performance and financial position of Mastermyne. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Mastermyne, its Directors and management, and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about the market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only.

Forward-looking statements may assume the success of Mastermyne’s business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Mastermyne’s control, and no assurance can be given that any of these strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Several important factors could cause actual results or performance to differ materially from the forward-looking statements including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Further, other risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Mastermyne’s business. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

No representation or warranty, express or implied, is made as to the fairness, accuracy, correctness, completeness, adequacy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. To the maximum extent permitted by law, Mastermyne and each of its respective affiliates and related bodies corporate (as defined in the Corporations Act) and each of their respective Directors, employees, officers, representatives, agents, partners, consultants, advisers and intermediaries disclaim any responsibility for the fairness, accuracy, correctness, completeness or adequacy of any forward-looking statements whether as a result of new information, future events or results or otherwise. Mastermyne disclaims any responsibility, obligations or undertakings to release any updates or revisions to the information to reflect any changes in expectations or assumptions, to the maximum extent permitted by law. Except as required by law or regulation (including the ASX Listing Rules), Mastermyne undertakes no obligation to provide any additional or updated information, whether as a result of new information, future events or results or otherwise.





Important Notice & Disclaimers

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation (including in charts, graphs or tables in the Presentation) are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Past performance

Investors should note that past performance, including past share price performance of Mastermyne and underlying historical information in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Mastermyne performance including future share price performance. The underlying historical information is not represented as being indicative of Mastermyne's views on its future financial condition and/or performance.

The historical information in this Presentation is, or is based upon, information contained in previous announcement made by Mastermyne to the market. These announcements are available at www.asx.com.au and www.mastermyne.com.au.

Disclaimer

No person is authorised to give any information or make any representation in connection with the Acquisition which is not contained in this Presentation. To the maximum extent permitted by law, Mastermyne and its respective extended parties disclaim all responsibility and liability (including, without limitation, for any liability arising from fault, negligence or negligent misstatement) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the issue or use of, or reliance on, anything contained in or omitted from this Presentation or otherwise arising in connection with them.

None of Mastermyne's advisers takes responsibility for any part of this Presentation nor makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by them.

General

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice.





Acquisition Highlights



Leading mining services group: Creates a specialised but diversified underground mining services group with the proposed acquisition of hard rock mining specialist, PYBAR mining services for an enterprise value of \$99.0m¹



Leveraging core competencies: PYBAR is a leading Australian underground hard rock mining services business with a business model strongly aligned to Mastermyne's



Broadening commodity exposures: Combined group underlying commodity profile counters current single commodity exposure, with incorporation of metalliferous exposure



Material entry into hard rock mining: PYBAR is one of the larger established mining services contractor's in the hard rock sector with a strong brand presence in the mining community



Platform for growth: Combined group with broader suite of services, equipment and skills provide opportunities to expand addressable markets



Immediately EPS accretive transaction: Forecast EPS accretion of 21% on a FY22F pre-synergies basis

1. This is an estimate only, with the final value subject to various adjustments post Completion.





Agenda

1	Executive Summary	7
2	Overview of PYBAR	12
3	Strategic Rationale	19
4	Mastermyne FY22 Update	27
5	Acquisition Funding, Terms & Timetable	31



Executive Summary



Transaction Summary

Mastermyne accelerates expansion into hard rock mining with the acquisition of PYBAR mining services

Acquisition Details	<ul style="list-style-type: none">• Mastermyne has entered into an agreement to acquire 100% of the shares on issue in PYBAR Holdings Pty Ltd which in turn owns all the issued share capital in PYBAR Mining Services Pty Ltd (“PYBAR”)• Transaction implies an acquisition enterprise value of \$99.0m, and an expected equity purchase price of \$47.0m once debt items are considered¹<ul style="list-style-type: none">• Enterprise Value (EV) / FY21 EBITDA multiple of ~3.5x and EV / FY22F EBITDA multiple of ~3.0x pre-synergies• Acquisition expected to be approximately 21% EPS accretive on an FY22F pre-synergies basis²• Completion scheduled for 01st November 2021 (subject to shareholder approvals) providing 8 months of economic benefit in FY22
Overview of PYBAR	<ul style="list-style-type: none">• PYBAR is a nationwide provider of mining services with core competencies in underground hard rock mining• Established in 1993, PYBAR has grown into one of Australia’s largest underground mining contractor’s operating in multiple states of Australia and with a track record in securing repeat business• Forecast FY22 revenue of \$270 – 290m and EBITDA of \$31 – 34m², with \$600m+ of order book, an active tender pipeline of \$400m+ and 1,100+ employees across multiple states in Australia
Strategic Rationale	<ul style="list-style-type: none">• Accelerating expansion into hard rock segment – acquisition of a proven hard rock mining services provider with material historical revenues, established work in hand and active tender pipeline• A leading Australian mining services business – transaction doubles scale of business while enhancing capabilities and expanding the combined group’s addressable markets• Diversification benefits – transaction diversifies underlying single commodity exposure from metallurgical coal, and broader combined client base provides revenue diversification

1. This is an estimate only, with the final value subject to various adjustments post completion. 2. Based on Mastermyne’s assessment of PYBAR’s pro forma normalized full year contribution.



Transaction Summary

Financially compelling and accretive transaction for Mastermyne shareholders

Financial Impact	<ul style="list-style-type: none">• Transaction is expected to be approximately 21% EPS accretive on an FY22F pre-synergies basis¹• Post completion, pro forma FY22F revenues of \$590m and EBITDA of \$62.5m¹, \$1.7bn+ order book, and an active tender pipeline of \$2.7bn+• Measured net leverage profile, with pro forma net debt / FY21 EBITDA of approximately 0.9x at completion²<ul style="list-style-type: none">• Maintaining sufficient balance sheet capacity to fund upcoming growth• Combined group will have \$60.0m in undrawn facilities on completion
Funding	<ul style="list-style-type: none">• Total equity purchase price of \$47.0m for acquisition consideration³ to be funded by:<ul style="list-style-type: none">• \$23.5m in cash, with 50% due on transaction completion and the remaining 50% on the 1st anniversary of the transaction completion• 23.2m Mastermyne shares at an implied value of \$23.5m issued to PYBAR shareholders (Paul Rouse 10.7%, Brendan Rouse 5.3% Andrew Rouse 1.7%) at completion⁴, subject to escrow for 12 months• Existing debt facilities increased by \$52.0m to \$57.0m, driven by incremental debt facility assumed to support the combined group's operations post completion• Cash consideration to be funded with existing balance sheet cash
Ownership Impact	<ul style="list-style-type: none">• As a result of the issuance of Mastermyne Shares, Mastermyne's existing Shareholders will own approximately 83% of the combined group on completion of the acquisition
Timetable & Conditions	<ul style="list-style-type: none">• Subject to satisfaction of conditions precedent and shareholder approval for issue of MYE shares, the transaction is expected to complete Q4 2021• Completion scheduled for November 2021 providing potentially up to 8 months of economic benefit in FY22

1. Combined group pro forma revenue and EBITDA based on midpoint of Mastermyne FY22 revenue guidance of \$300 – \$320m and EBITDA guidance of \$28 – \$32m, and midpoint of Mastermyne's assessment of PYBAR's pro forma normalized full year contribution. 2. Pro forma net debt calculation excludes deferred acquisition cash consideration, due on the 1st anniversary of the transaction completion date. 3. This is an estimate only, with the final value subject to various adjustments post completion. 4. Mastermyne Shares will be issued at valuation of \$1.0115, which is the 5 day VWAP between 30th August 2021 and 03rd September 2021 (inclusive).

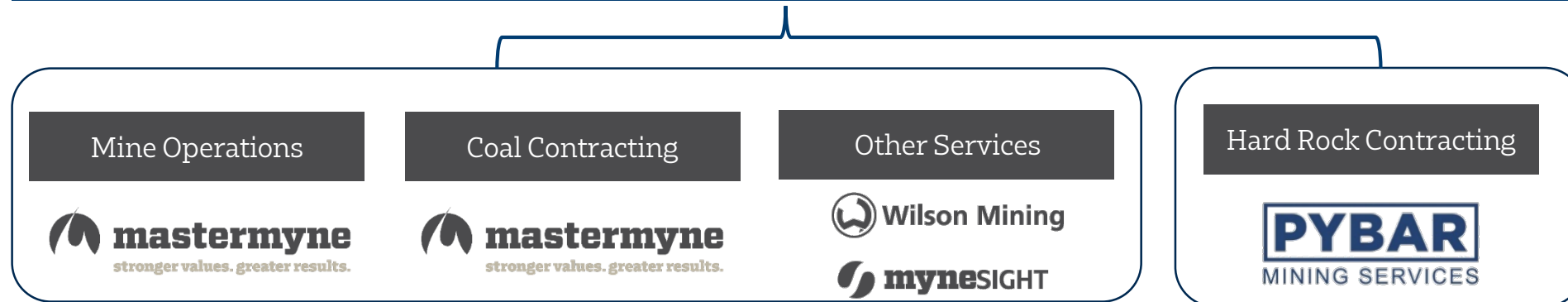


Metarock Group Limited

A new name for a leading Australian diversified mining services group specialising in underground



Leading Australian diversified mining services group (MYE:ASX)



- Metarock Group Limited will be established as the brand for the combined Group, with Mastermyne and PYBAR Mining Services to become subsidiaries
- Metarock Group Limited is a new name for a leading Australian diversified mining services group as it accelerates growth
- Mastermyne and PYBAR Mining Services brands have a rich history and a respected presence in the mining services community
- Rebranding subject to completion of transaction and shareholder approval for required resolutions



Group Revenue by Segment

Acquisition of PYBAR delivers on our growth strategy into the hard rock segment

Mine Operations	Coal Contracting	Other Services	Hard Rock Contracting
<p>FY22 \$80m FY23 and beyond \$150m+</p> <ul style="list-style-type: none">• Underpinned by Crinum Mine and Cook Colliery Mine Operations Contracts• Brings a material shift around control of projects• Shifts MYE in the value chain to become a strategic partner for the mine owner• Our Order Book now provides longer term visibility and stability in earnings and profit• Multiple large-scale contracts bring revenue diversity and de risks financial outcomes• Provides the opportunity to materially improve margins	<p>Historically runs at between \$200 – 300m p.a.</p> <ul style="list-style-type: none">• Operating for 25 years• Long standing tier 1 clients• Average 10+ year relationships• Contracts tied to production activities making them more difficult to terminate• Low risk commercially contracts• Diversified client base all in the bottom quartile of production cost• Large underground fleet of equipment• Limited competition in underground coal contracting• +95% metallurgical coal projects	<p>Wilson Mining and Mynesight</p> <ul style="list-style-type: none">• Wilson Mining specialist ground consolidation business providing niche services to the underground sector• Mynesight registered training organisation which provides internal services to Mastermyne and external services to a range of clients	<p>Historically runs at between \$250 – 350m p.a.</p> <ul style="list-style-type: none">• Operating for 28 years• Long standing tier 1 clients• Average 7+ years relationships• Contracts tied to production and development activities making them more difficult to terminate• Specialising in underground• Strong focus on East Coast market with track record and increasing opportunities in Western Australia• Large underground fleet of equipment• Diversified commodity exposures across copper, lead, zinc and gold

Overview of PYBAR



PYBAR Overview

PYBAR provides mining services nationally, specialising in the underground hard rock mining segment

- Based in Orange, NSW with an office in Sydney and facilities in Perth
- Employs over 1,100 people across the businesses
- Safety vision of an injury-free and healthy workplace
- Order book into FY22 of \$600m+, with a diversified spread of contracts between base and precious metals
- Currently tendering significant work in NSW, WA and QLD
- Future developments and growth within the sector are expected to be driven more by underground operations than surface contract mining, which will benefit PYBAR

PYBAR key highlights



15

Active projects



\$600m+

Order Book



1,100+

Employees



\$400m+

Tender pipeline



14.24

Total Recordable Injury
Frequency Rate (TRIFR)



160+

Units of heavy
mining equipment

Capabilities Snapshot

Complete underground service offering supporting mine development and production



Mine Development



- Boxcut and portal establishment
- Decline, incline and level developments
- Long round rapid development
- Deep, level, intensive support access development
- Mine infrastructure



Raiseboring



- Sizeable and flexible fleet of raise boring machines provides ability to ream raises for civil works
- Ventilation shafts, Ore passes, Slot holes, Service holes, escape ways
- Shaft steel liners, sealing units and blast canopies



Mine Production



- Boxhole boring machines for slots
- Longhole production and slot raise drilling
- Emulsion explosives and electronic detonators
- Mining electrical services



Shotcreting



- Batching plants, purpose built underground agitators and spray units
- In cycle shotcreting
- Rehabilitation
- Highwall and portal stabilisation



Cable Bolting & Production Drilling



- Purpose built cable bolters, drill and install
- Shaft Lining
- Horseshoe and boom mounted drill configurations
- Production and slot drilling

Equipment Overview

The acquisition includes a modern fleet of highly valued hard rock mining equipment

- Book Value of fleet ~\$57m
- ~40% of major fleet purchased in the last 3 years
- Generic fleet with wide suitability to mine development, and production applications.
- Includes a diverse fleet of Raise Drilling equipment including Raise Drills and Easer Rigs.
- Well regarded brands supported by Australian OEM's



Plant Category:	Type / Size:	Qty
Jumbo Drill	Sandvik twin boom jumbo's including Axera, DD421 and DD422i series drills	16
Production Drill	Sandvik fleet including Solo 7-15F, Solo DL430-7C, DL432i, DL420-15C, DD431-7C, series drills.	8
Cable Bolter	Sandvik DS420, DS421C, series cable bolters, and an Atlas Copco Cabletec LC series drill.	5
Raise Drills	Fleet includes several Atlas Copco Easer Rigs, Herrenknecht RBR400VF and 600VF Raise Drills, and various other raise drills.	9
Underground Loader	Fleet of Caterpillar R1300, R1700, R2900 loaders and several Sandvik LH621's.	20
Underground Truck	Fleet of Caterpillar AD45V to AD60 sized trucks in both conventional and ejector bodies. Several Sandvik TH663's.	25
IT Loader	Fleet of Volvo IT's from L70 to L120 in size.	23
Shotcrete Rig	Mixed fleet of Normet and Jacon spray rigs.	8
Shotcrete Agitator	Mixed fleet of Caterpillar, Elphinstone and Normet Agi's.	5
Light Vehicles	Toyota Fleet.	140
Heavy Vehicle	Mixed fleet of Hino, Isuzu, Mercedes, and Mitsubishi trucks.	8
Grader	Caterpillar fleet of 12H to 140H Graders.	3
Water Cart	Caterpillar and Mitsubishi Water Carts.	2

Journey to Zero

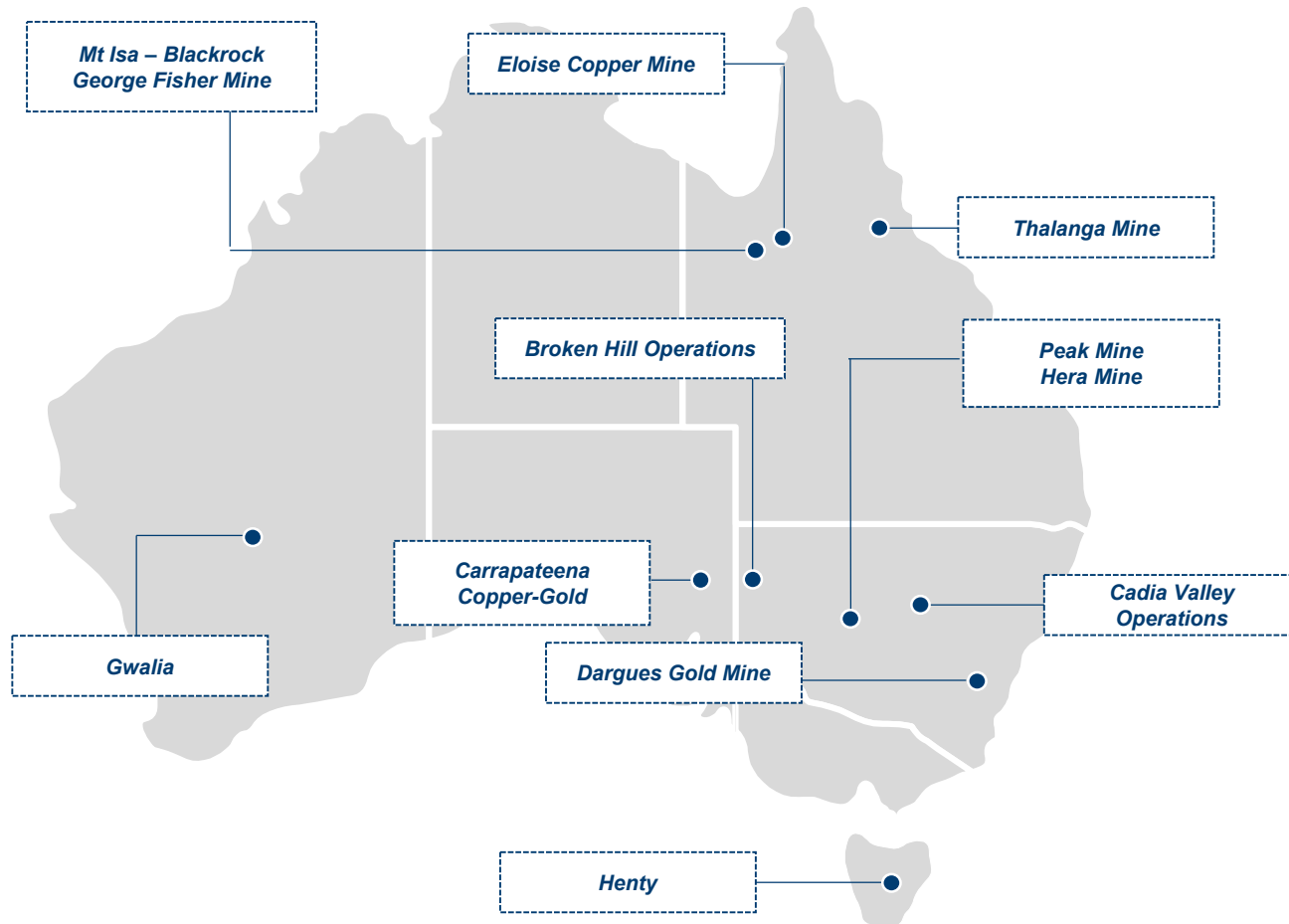
PYBAR safety vision is an injury-free and healthy workplace

- Strong risk based approach supported through legislative compliance
- Focusing on the identification and elimination of risks in the workplace that can have an adverse effect on the health and safety of the workforce
- Influencing proactive safe behavior through strong visible safety leadership
- Improving the safety of both PYBAR's and Project partners' personnel
- As at end June 2021, PYBAR TRIFR is 14.24



Operating Sites

National footprint with strong focus on the East Coast



Financial Overview

High quality, profitable business with a track record of repeat revenue

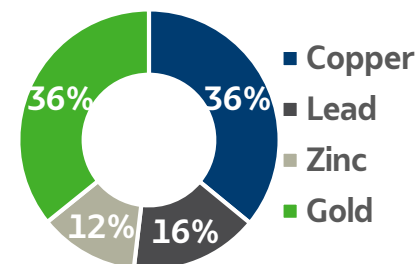
- Diversified client base with broad distribution of commodity exposures across gold, copper, zinc and lead
- ~\$220m revenue current secured for FY22 (~78% FY22 forecast revenue)
- PYBAR FY22F full year capital expenditure for current and new projects, for representative purposes, is \$25m comprised of \$17m sustaining expenditure and \$8m growth expenditure
- 8 months forecast capital expenditure requirement of \$16m, comprised of \$11m sustaining expenditure and \$5m growth expenditure
- Depreciation in FY21 of ~\$22m, however expected to increase with FY22 capital expenditure
- Working capital supported through cash generation from operating activities

1. Based on Mastermyne's assessment of PYBAR's pro forma normalized full year contribution.

Key Financials¹

FY22F Revenue	FY22F EBITDA
\$270 - 290m	\$31 - 34m
FY22F EBITDA Margin	FY22F Capital Expenditure
~11.5%	~\$25m

FY22 forecast revenue by commodity exposure



Strategic Rationale





Strategic Rationale

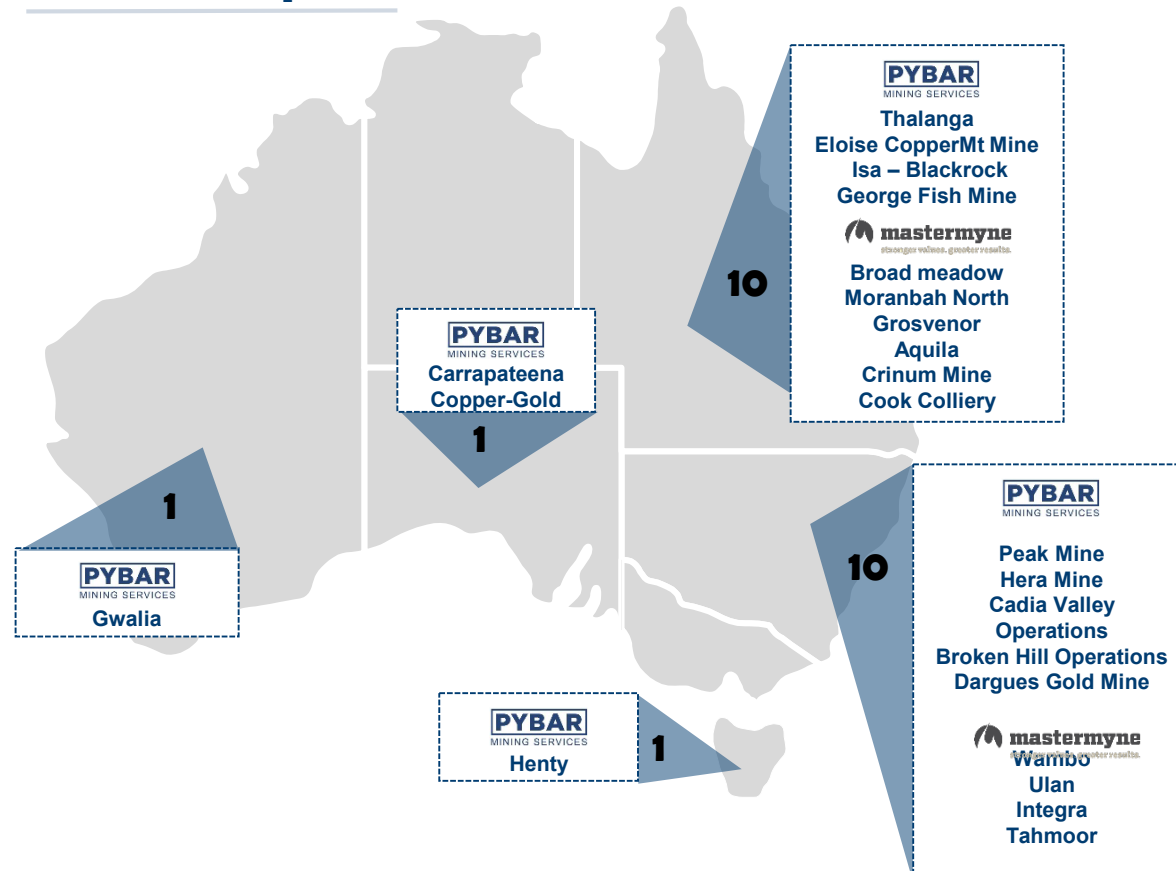
A significant diversified mining services business focused on the underground resources sector

- 1** Diversification into base metals, commodities outside of metallurgical coal
Incorporating diversified revenues increases business resilience across commodity cycles
- 2** Accelerating hard rock strategy with acquisition of PYBAR mining services
Complimentary underground mining services business with specialised hard rock mining services capabilities
- 3** Leading Australian mining services business with material scale
Materially increased operating scale of combined group provides significant opportunities
- 4** Highly complimentary with existing Mastermyne business
Opportunities for cross selling in respective sectors and builds increased management bench strength at a time of tight labour markets and shallow talent pools
- 5** Financially compelling and accretive acquisition
Strong EPS accretion prior to any synergies

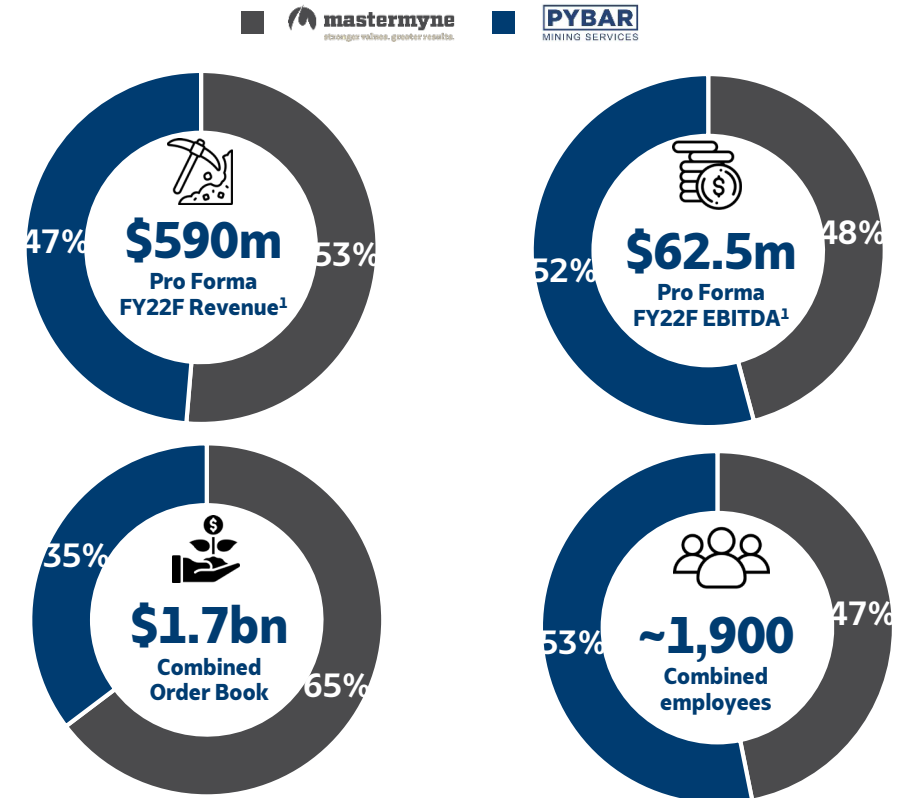
Leading Underground Australian Mining Services Business with Material Scale

Materially increased operating scale and leverage through a combined group providing significant opportunities

23 Nationwide Operations



Operational Highlights

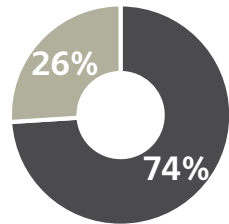


1. Combined group pro forma revenue and EBITDA based on midpoint of Mastermyne FY22 revenue guidance of \$300 – \$320m and EBITDA guidance of \$28 – \$32m, and midpoint of Mastermyne's assessment of PYBAR's pro forma normalized full year contribution.

Diversified Business With a Clear Underground Specialisation

Building a business with specialised revenue streams across a broader commodity base

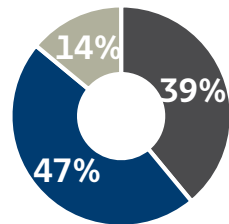
FY22 forecast revenue by segment breakdown¹



Pre Acquisition

Post Acquisition

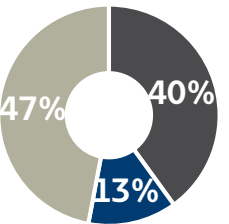
Combined Group Pro-forma



■ Coal Contracting
■ Mine Operations

■ Coal Contracting
■ Hard Rock Contracting
■ Mine Operations

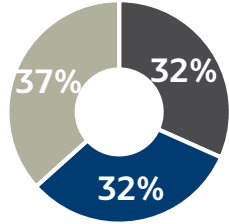
Tender pipeline by segment



Pre Acquisition

Post Acquisition

Combined Group



■ Coal Contracting
■ Hard Rock Contracting
■ Mine Operations

■ Coal Contracting
■ Hard Rock Contracting
■ Mine Operations

- Combined group revenues diversified across Hard Rock and Coal contracting and Mine Operations going forward
- Coal contracting revenue as a proportion of FY22F revenue decreases from 74% pre acquisition to 39% post acquisition¹
- Hard Rock tender pipeline increases from 13% of total pipeline pre acquisition to 32% post acquisition, highlighting expected diversified revenue profile going forward
- PYBAR and Mastermyne will operate side by side focusing on their respective sectors sharing support where it makes sense to do so
- Complimentary businesses with strong management teams that can share and accelerate best practice learned from each sector

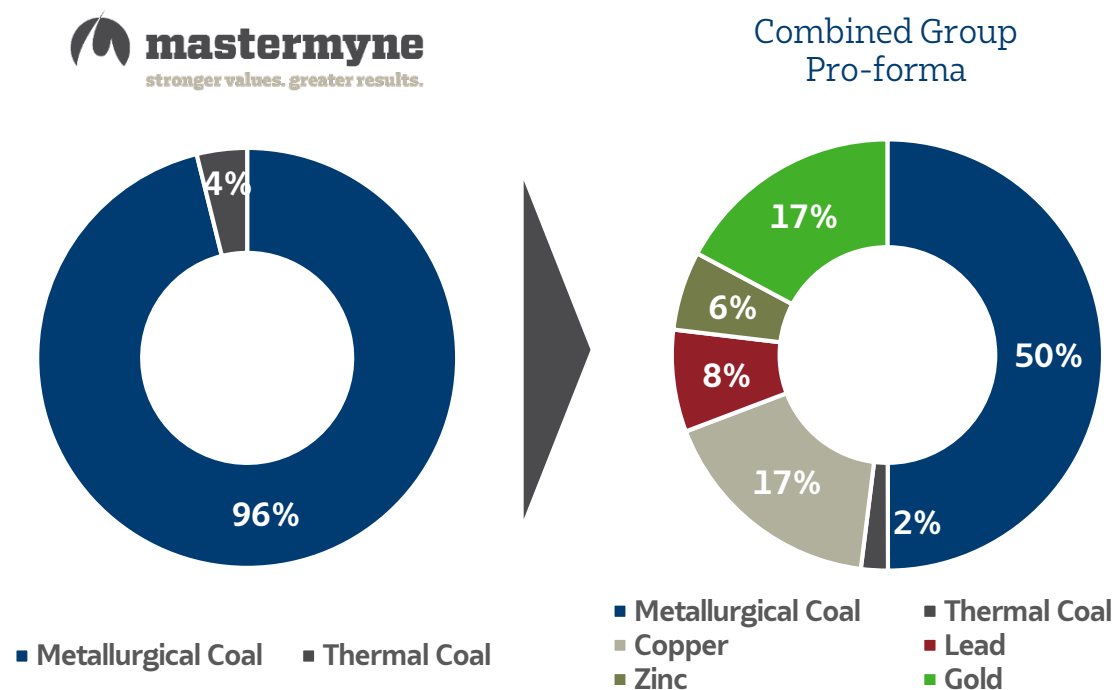
1. Combined group pro forma revenue based on midpoint of Mastermyne FY22 revenue guidance of \$300 – \$320m and EBITDA guidance of \$28 – \$32m, and Mastermyne's assessment of PYBAR's pro forma normalized full year contribution.

Operating Across Commodities With Strong Outlooks

Trends point to increasing numbers of underground mines as surface assets are exhausted

- Combined group's revenues underlying commodity exposures more broadly diversified following transaction
- Metallurgical coal exposure transitions from 96% pre acquisition to 50% post acquisition
- Long term fundamentals are very strong for metallurgical coal
- Diversified exposures provides resilience across commodity pricing cycles

FY22 forecast revenue by commodity exposure¹



1. Combined group pro forma revenue based on midpoint of Mastermyne FY22 revenue guidance of \$300 – \$320m and EBITDA guidance of \$28 – \$32m, and Mastermyne's assessment of PYBAR's pro forma normalized full year contribution

Complimentary High Quality Underlying Customer Bases

Broader suite of services that can cross over to a broader range of clients

- PYBAR's portfolio of high quality clients is highly complimentary to Mastermyne's existing customer base
- Long term relationships with clients across both companies which have long history's of recurring contracts
- Acquisition provides diversification, reducing the combined group's reliance on a small number of clients
- 47% of combined group revenue FY22F from PYBAR



Financially Compelling and Accretive Acquisition

Strong EPS accretion prior to any synergies

- Acquisition materially enhances group's scale and proportion of revenue from hard rock contracting
- Combined FY22 Proforma revenue of \$590m and combined FY22 Proforma EBITDA of \$62.5m¹
- Acquisition expected to be approximately 21% EPS accretive on an FY22F pre-synergies basis²
- Measured net leverage profile, with pro forma net debt / FY21 EBITDA of approximately 0.9x³ at completion with incremental \$52m debt facility assumed as part of transaction
- Maintaining sufficient balance sheet capacity to fund upcoming growth
- Combined group pro forma net debt position of \$45m as at 30 June

EPS accretive

21%

FY22F pre-synergies

Leverage

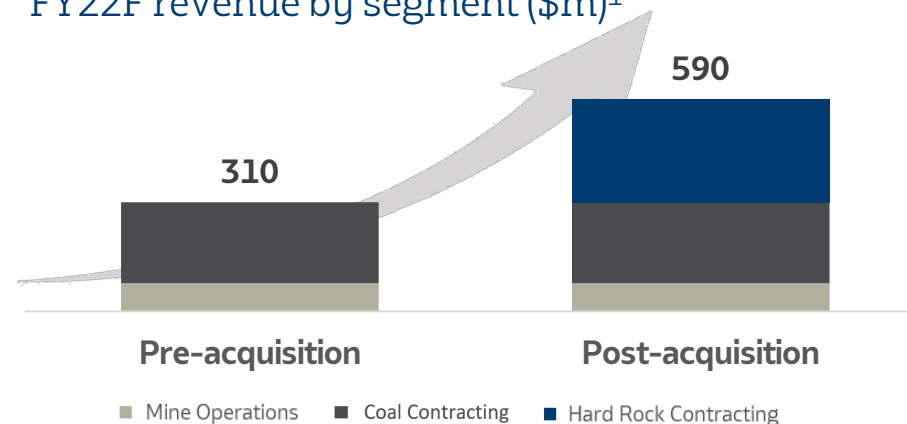
0.9x

Pro forma net leverage

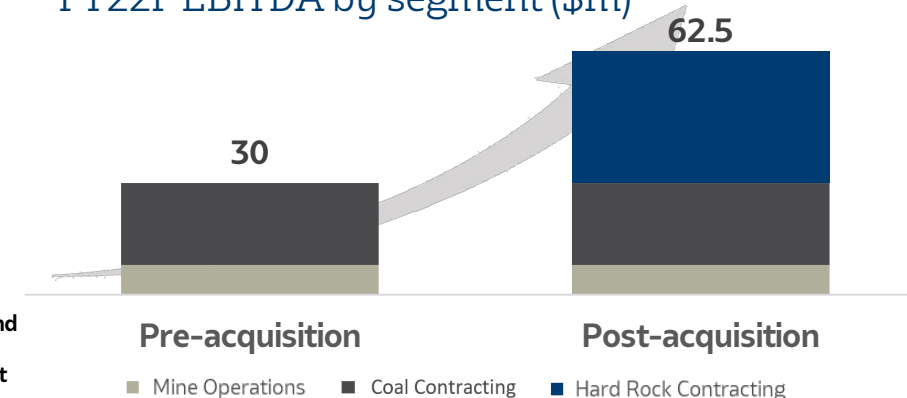
1. Combined group pro forma revenue and EBITDA based on midpoint of Mastermyne FY22 revenue guidance of \$300 – \$320m and EBITDA guidance of \$28 – \$32m, and midpoint of Mastermyne's assessment of PYBAR's pro forma normalized full year contribution. 2. Based on Mastermyne's assessment of PYBAR's pro forma normalized full year contribution. 3. Pro forma net debt calculation excludes deferred acquisition cash consideration, due on the 1st anniversary of the transaction completion date.



FY22F revenue by segment (\$m)¹



FY22F EBITDA by segment (\$m)¹



Combined group debt profile

Debt primarily original equipment manufacturer facilities backed by physical assets

- Combined group will have up to \$57.0m in interest bearing debt on balance sheet, comprised of:
 - Mastermyne \$5.0m equipment finance facility; and
 - Up to an estimated \$52.0m in incremental PYBAR equipment finance facilities to be assumed on completion
- Equipment financial facilities primarily composed of OEM facilities backed by physical assets
- Combined group will have \$60.0m in undrawn facilities on completion
- Pro forma FY22F interest servicing ratio of 22.3x (pro forma FY21 13.6x)
- Pro forma net debt as at 30 June 2021 of \$44.3m¹ and net debt / FY21 EBITDA of 0.9x

1. Pro forma net debt calculation excludes deferred acquisition cash consideration, due on the 1st anniversary of the transaction completion date.



Mastermyne Corporate Update



Revised FY22 Outlook

Revised guidance for combined group post transaction



- Mastermyne management confirms that the FY22 guidance previously provided for Mastermyne (ex PYBAR) remains unchanged
- The company issues revised guidance as shown below for the combined group, based on realising the 8 months contribution from PYBAR
- For representative purposes only we provide FY22 guidance numbers based on a pro forma full year contribution from PYBAR

	Mastermyne guidance (unchanged)	Mastermyne guidance incl. PYBAR ¹	Illustrative Mastermyne guidance incl. PYBAR full year pro forma ²
A\$m	FY22F	FY22F	FY22F
Revenue	\$300.0 - 320.0	\$475.0 - 510.0	\$570.0 - 610.0
EBITDA	\$28.0 - 32.0	\$48.0 - 54.0	\$59.0 - 66.0
Capital Expenditure	\$30.0 - 40.0	\$46.0 - 56.0	\$55.0 - 65.0

1. Assumes transaction completed 01st November 2021 providing 8 months of economic benefit from PYBAR in FY22. 2. Combined group pro forma revenue and EBITDA based on midpoint of Mastermyne FY22 revenue guidance of \$300 – \$320m and EBITDA guidance of \$28 – \$32m, and Mastermyne's assessment of PYBAR's pro forma normalized full year contribution.

Corporate Overview

Co operative parties who are inextricably linked by this transaction

Mastermyne Capital structure – Pre Transaction	
Share price as at 3 September 2021	\$1.06
Shares on issue as at 3 September 2021	107.6m
Market Capitalisation	\$114.1m
Net Cash/(Debt) as at 30 June 2021	\$19.3m
Enterprise Value	\$94.8m

Major shareholders	Pre Transaction	Post Transaction
Pybar Vendor Shareholders	0.00%	17.74%
Andrew Watts	11.40%	9.37%
Kenneth Kamon	10.11%	8.31%
Darren Hamblin	8.95%	7.36%
Greig & Harrison Pty Ltd	5.83%	4.80%

Shareholder composition Post Transaction

Retail Investors

40%

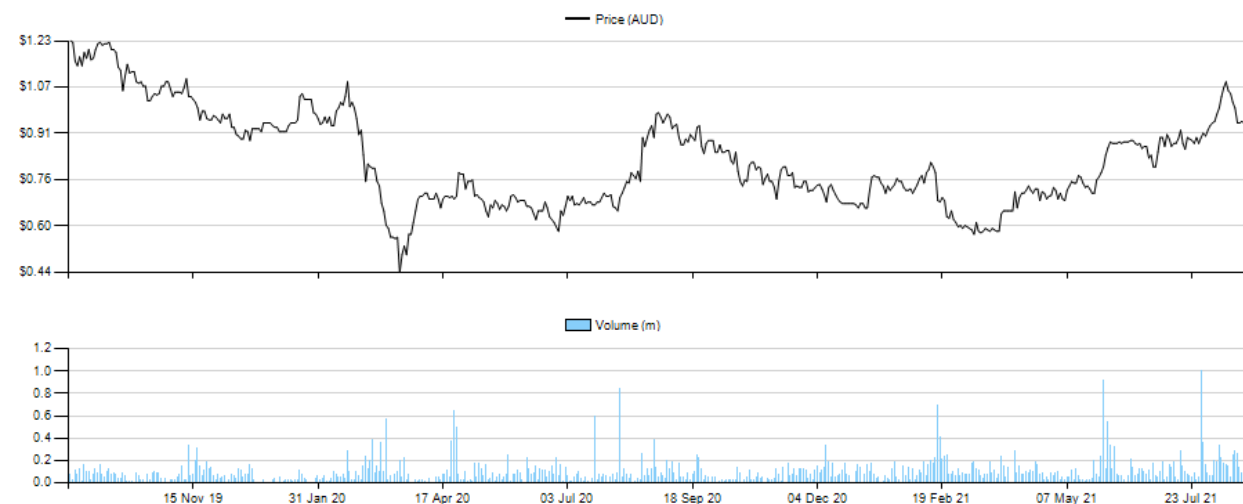
Board and Management

32%

Institutional Investors

28%

Two-year trading history



Board

PYBAR Chairman and Founder adds significant hard rock experience to the Mastermyne board



Colin Bloomfield
Non-Executive Chairman

Colin's former roles during his 27 years with BHP Billiton include President Illawarra Coal (8 years), Vice President Health, Safety and Environment (Global role) and Project Director for the BHP Billiton merger integration as well as member of the deal team for the transaction. He was also an Underground Coal Mine Manager both in New South Wales and Queensland.



Anthony Caruso
Managing Director

Tony has held a number of senior management positions in contracting services over 30+ years working across major underground mining projects in QLD and NSW.

Joining Mastermyne in 2005, under Tony's leadership the company has hit many milestones including the ASX listing in 2010.



Andrew Watts
Non-Executive Director

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

From 1996 -2005 Andrew was responsible for all aspects of Mastermyne's operations until the appointment of Tony Caruso as CEO.



Gabriel Meena
Non-Executive Director

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.



Julie Whitcombe
Non-Executive Director

Julie is currently GM Strategy and Development for CleanCo, a Government Owned Corporation focused on the development and supply of firm renewable energy for Queensland customers.

Prior to her current role, Julie held various leadership roles including CEO of RDO Australia, an industrial and agricultural equipment dealer and nine years on the executive team of Senex Energy, an Australian oil and gas explorer and developer.



Paul Rouse
Non-Executive Director

Paul is a founding director of the PYBAR Group and PYBAR Mining Services. He is a mining engineer with extensive experience in underground mine design, planning, mine management, production and development. Paul has built the business with a clear vision – to be among the best underground mining contractors in Australia.

Acquisition Funding, Terms & Timetable



Acquisition Terms & Funding

Acquisition Value	<ul style="list-style-type: none"> Total acquisition consideration of approximately \$99.0m¹ excluding Acquisition and Offer transaction costs of ~\$1.1m Equity purchase price of \$47.0m¹ once debt items are considered
Funding	<ul style="list-style-type: none"> Total acquisition consideration of \$99.0m¹ to be funded by: <ul style="list-style-type: none"> Cash consideration of \$23.5m, with 50% due on transaction completion and the remaining 50% on the 1st anniversary of the transaction completion Scrip consideration of 23.2m Mastermyne Shares with an implied value of \$23.5m² Up to an estimated \$52.0m debt facilities assumed post transaction Cash consideration funded with existing balance sheet cash
Escrow Arrangements	<ul style="list-style-type: none"> The acquisition consideration shares are subject to voluntary escrow arrangements for 12 months
Timing & Conditions	<ul style="list-style-type: none"> Subject to satisfaction of conditions precedent and shareholder approval for issue of MYE shares, the transaction is expected to complete Q4 2021 Completion scheduled for November 2021 providing potentially up to 8 months of economic benefit in FY22

Sources and uses of funds

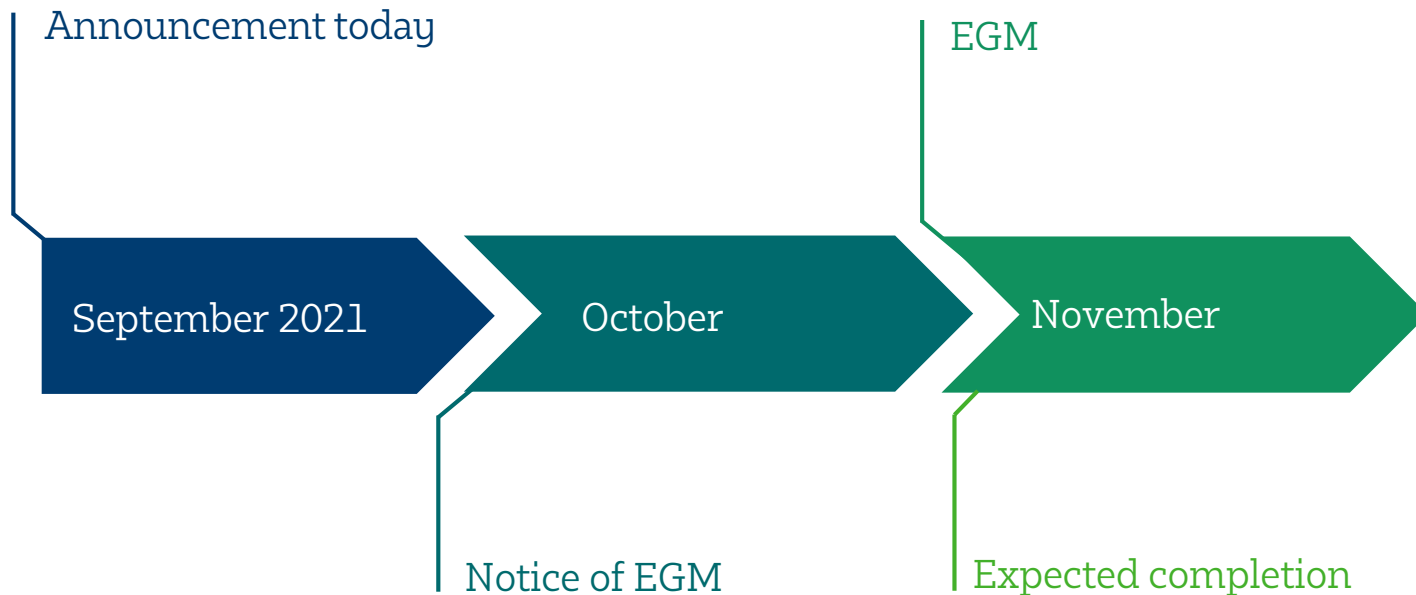
Uses of funds	\$m
Acquisition enterprise value	\$99.0
Estimated adj. at completion	\$nil
Transaction costs	\$1.1
Total uses	\$100.1

Sources of funds	\$m
Mastermyne Shares	\$23.5
Balance sheet cash	\$24.6
Incremental debt assumed	\$52.0
Total sources	\$100.1

1. This is an estimate only, with the final value subject to various adjustments post completion.

2. Mastermyne Shares will be issued at valuation of \$1.0115, which is the 5 day VWAP between 30th August 2021 and 03rd September 2021 (inclusive).

Indicative Timetable



Appendix





Summary of Share Sale Agreement

1. Parties	<p>Nucanopi Pty Ltd as trustee of The Rouse Family Trust and Brencon Pty Ltd as trustee of The Brendan Rouse Family Trust (together the Sellers)</p> <p>Mastermyne Group Limited (Mastermyne)</p> <p>ALAR Investments (NSW) Pty Ltd as trustee of the ALAR Family Trust (ALAR)</p>
2. Transaction	<p>Mastermyne will acquire from the Sellers 100% of the issued capital in Pybar Holdings Pty Ltd (Target Company). The Target Company owns all the issued share capital Pybar Mining Services Pty Ltd (Pybar Mining Services). (together the Pybar Group)</p> <p>The Purchase Price will be approximately \$47 million as follows:</p> <ul style="list-style-type: none">• cash consideration of \$23.5 million, 50% payable on completion of the transaction and the remaining 50% payable 12 months after the completion date;• scrip consideration of 23,209,325 Mastermyne shares with an implied value of \$23.5 million based on the 5 day VWAP of Mastermyne shares between 30 August 2021 and 3 September 2021 to be held in voluntary escrow for 12 months. <p>At the request of the Sellers, a portion of the scrip consideration (comprising 2,204,886 ordinary shares in Mastermyne) will be issued to ALAR, to be held in voluntary escrow for 12 months. ALAR will provide a guarantee the Sellers' obligations under the SPA.</p> <p>Mastermyne will not unreasonably withhold consent if the Sellers wish to transfer up to 1,160,466 shares of the scrip consideration to key employees of Pybar Mining Services, provided the transferred shares are to be held in voluntary escrow for the balance of the 12 month escrow period.</p> <p>The deferred consideration will be subject to agreed adjustments for working capital and specified debt.</p>



Summary of Share Sale Agreement

3. Conditions	<p>Completion of the acquisition is conditional upon:</p> <ul style="list-style-type: none">• obtaining shareholder approval and any other approvals under the ASX Listing Rules, including any shareholder resolutions required for the allotment and issue of the Mastermyne shares to the Sellers and ALAR;• obtaining counterparty consents under certain material client and financing contracts of the Pybar Group (where relevant);• restructure of the Pybar Group, pursuant to agreed restructure steps, to remove non-core subsidiaries from the Pybar Group prior to the acquisition;• obtaining any regulatory consents or approvals necessary or desirable for the Proposed Acquisition to Mastermyne's satisfaction, including from the ASX;• there being no material adverse change likely to diminish EBITDA of the Pybar Group by \$2m or more in any 12 month period other than from external factors;• Mastermyne granting second-ranking security to the Sellers in respect of the deferred cash consideration;• completion of the Pybar Group's FY21 statutory audit and confirmation that the adjusted FY21 EBITDA of the Pybar Group remains at least \$26.6m.
4. Timing for Completion	<p>Completion is scheduled for November 2021, or if later, following the satisfaction or waiver of the conditions precedent. Assuming satisfaction of the conditions precedent, completion is expected to occur during Q4 2021.</p>
5. Director appointment	<p>While the Sellers hold an aggregate of 10% or more of Mastermyne shares, the Sellers may nominate an appropriately qualified director to the Board of Mastermyne.</p> <p>Paul Rouse will be the Sellers' initial appointee to the Mastermyne Board and will join the Board from Completion.</p>
6. Conduct prior to Completion	<p>The Sellers must procure that the Pybar business is conducted in the ordinary and usual course and obtain Mastermyne's consent (not unreasonably withheld) for certain activities prior to completion. Mastermyne similarly undertakes to conduct its business in the ordinary course and obtain the Sellers' consent (not unreasonably withheld) regarding certain pre-completion matters.</p>
7. Warranties and Indemnities	<p>The Sellers give certain representations, warranties, undertakings and indemnities in relation to the Pybar Group, its business, assets and the shares in the Target Company, as is customary for a transaction of this nature.</p> <p>Mastermyne's rights to be paid for claims under the SPA may, subject to certain conditions being met, be set-off against the deferred cash consideration payable to the Sellers.</p>





mastermyne

stronger values. greater results.

mining | products | training

Mastermyne Group Limited: Level 1 Riverside Plaza, 45 River Street, Mackay QLD 4740 // PO Box 1671, Mackay QLD 4740

Email: master@mastermyne.com.au **Phone:** (07) 4963 0400 **Fax:** (07) 4944 0822 **www.mastermyne.com.au**

ABN: 96 142 490 579