



# REPORT TO SHAREHOLDERS

UNAUDITED INTERIM REPORT  
FOR THE SIX MONTHS ENDED 30 JUNE 2022

## HIGHLIGHTS FOR THE PERIOD

- Revenue in USD up 34.0% from 72.0 million to 96.5 million
- Profit in USD increased 47.9% from 9.1 million to 13.4 million
- Headline earnings per share in USD up 46.7% from 6.0 cents to 8.8 cents
- Headline earnings per share in ZAR up 55,5% from 87,2 cents to 135,6 cents
- Basic earnings per share in USD up 48.3% from 6.0 cents to 8.9 cents
- Basic earnings per share in ZAR up 57,2% from 87,2 cents to 137,1 cents
- Net cash from operating activities increased 19.0% from USD11.2 million to USD13.4 million
- Revenue pipeline of USD540.9 million
- Committed order book of USD242.7 million
- In line with the Company's past practice the Board did not declare an interim dividend and will consider an appropriate dividend only at year-end
- Dividend of 32,5 cents per share in ZAR terms relating to FY2021 was declared and paid during June 2022

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# COMMENTARY

## ABOUT MASTER DRILLING

Master Drilling was established in 1986 and listed on the Johannesburg Stock Exchange in 2012. The company delivers innovative drilling technologies and solutions and has built trusted partner relationships with blue-chip major and mid-tier clients in the mining, hydro-electric energy, civil engineering, and construction sectors across various commodities worldwide for over 35 years. The Master Drilling business model of providing drilling solutions to clients through tailor-made designs coupled with a flexible support and logistics chain, makes it the preferred drilling partner throughout the lifecycle of projects from exploration to capital and production stages.

Commenting on the results for the half year ended 30 June 2022, Danie Pretorius, CEO of Master Drilling, said:

*"Master Drilling continued to show resilience in pursuing its growth path, notwithstanding another challenging year due to the Covid-19 pandemic's ongoing effect on the global economy. We posted record revenue in USD up 34% from USD72.0 million last year the same period to USD96.5 million, while cash from operating activities increased by 19% to USD13.4 million. Cash generated was invested sensibly with the long-term growth plan in mind. We are satisfied with the Group's current financial position, as this will help us face the uncertainty of future trading conditions with confidence.*

*Technological innovation is a key priority for Master Drilling as we continue to support our clients to move down the cost curve, optimise their operations and improve safety.*

*Looking forward, the Company will look to leverage its global footprint as part of its drive to create value for all stakeholders. We are closely monitoring the civil engineering and construction industries and the rapid growth of urbanisation worldwide, which present opportunities for us to benefit from our existing footprint exposure. The ramp-up in electric vehicle production will increase the demand for copper and other minerals. We are already exposed to a number of these minerals, and we continue to amplify our exposure to copper and nickel.*

*Whilst the full impact of the pandemic across our value chain remains unclear, we continue to drive diversification across regions, commodities, currencies and industries with an eye on the long term without compromising the management of short-term risks and headwinds associated with the pandemic over the remainder of the year."*

## FINANCIAL OVERVIEW

Revenue increased 34.0% to USD96.5 million with operating profit up 51.9% to USD17.3 million.

The increase in revenue was mainly due to the impact of higher commodity prices following the global hibernation on the back of Covid-19 during the previous two financial years.

The benefit of a more stable fixed cost component became apparent in the current year, resulting in an overall increase in profit after taxation of 47.9% to USD13.4 million.

USD basic earnings per share ("EPS") increased 48.3% to 8.9 cents, and ZAR EPS by 57,2% to 137,1 cents compared to the same period last year. USD headline earnings per share ("HEPS") increased 46.7% to 8.8 cents, and ZAR HEPS by 55,5% to 135,6 cents.

Net cash generated improved with USD2.2 million to USD13.4 million, while debtor days remained constant amid current tougher economic conditions. Master Drilling will continue to manage debtors actively to ensure robust conversion to cash. Cash resources continue to be managed prudently to cater for emerging opportunities that require specific design, planning and investment.

## COMMENTARY continued

During the reporting period, 38% of the Master Drilling capital spend was on capacity expansion with the remaining 62% allocated towards maintenance capital.

As at 30 June 2022, the Group owed USD27.5 million on its banking facilities. The Group finalised and signed contracts for its long-term debt facilities during August 2022. As at 30 June 2022, the negotiations had not been finalised and the facilities are thus disclosed as current.

### OPERATIONAL OVERVIEW

Master Drilling's operations globally enjoyed a profitable year, evidencing the benefits of significant capital investment over the past number of years.

As a business that generates USD revenues off an emerging currency cost base, the Group benefits from currency weakness in emerging economies.

#### Safety

The Lost Time Injury Frequency Rate ("LTIFR") decreased from 1.65 in the last quarter of 2021 to 1.37. This was due to a ramp-up in our business activities following a letting up of the impact of the Covid-19 pandemic in the past two years. Although the current LTIFR is above the planned milestone, the overall performance compare to pre-Covid 19 levels.

#### South America

South America has seen increased mining activity since the beginning of 2020. The uptick was primarily driven by the global increase in commodity prices. This improvement continued during the first half of 2022 and up to now. We have also seen our orderbook continue to fill up.

In Brazil, we have experienced good progress and we are busy with a large tender with an existing client. We have also seen an increase in the scope of our existing project for 2022. Brazil is well positioned to have a successful year.

Chile's performance is in line with expectations, and we have seen all drilling projects contributing positively to improved results when compared to the past two years. The machine utilisation in this country have increased on the back of increased commodity prices. The Master Drilling Besalco Consortium is performing well operationally.

In Peru, more machines were allocated to work on new contracts resulting in us currently running at full capacity with all large machines allocated to projects. Additional equipment is also being mobilized to Peru to assist with the ramp-up in this country. Our market share is expected to increase with our cost well controlled and initiatives to continue this trend well imbedded.

#### Central and North America

Our operations in North America are established and we continue to position Master Drilling as a differentiated competitor.

In Canada, we have progressed as expected. The new contract that we started during 2021 is also progressing well. On the existing contract we are currently just three months away from achieving a three-year period without a LTIFR.

In the United States we continue to work hard to secure contractor's licenses across each state to drive the new business pipeline, with the initial focus primarily on mining-rich Nevada.

We have several initiatives running in Mexico from changes to the management structure to additional support from head office to make sure that Mexico can manage the increased demand. The first project from A&R deployed in Mexico during 2021 is delivering value to our client and we expect to further deploy the A&R services in the region.

## **Africa**

Africa is currently the largest contributor in terms of our revenue and profits and the region delivered good performance during the period. We have several rigs deployed across key projects. Africa remains a key area for the Group, and we are aggressively pursuing further opportunities in this market.

Stable revenue is expected in Mali. In addition to our current work, we received additional dewatering paste holes as an amendment to our existing contract. A concern is the current shipping embargo that makes it extremely difficult to get equipment in and out of Mali.

The DRC continued its satisfactory performance with additional opportunities for work in the copper and cobalt mines. Our site in Kibali was successfully cleared with a prospect of going back in 2023.

We recently moved into a project in Tanzania. Tanzania is generally expected to grow in the next couple of years and become a hub for the Group in Eastern Africa.

In Zimbabwe we currently have two machines operating and are performing in line with expectations.

Zambia's operations have started again with a smaller project with the potential to ramp up soon. The new local government is pro-business and mining, we therefore foresee Zambia's fortunes improving.

Other countries to note in Africa is Sierra Leone where we will be mobilising additional machines during the second half of the year.

Botswana offers opportunities and we are performing in line with expectations on a long-term contract.

The South African business had a steady start to 2022 but has been impacted heavily by the Sibanye Stillwater wage negotiations strike that started in March. Northam Platinum remains our anchor client on a long-term contract. We have successfully completed the world record shaft earlier this year and currently progressing well on a second similar shaft.

## **Scandinavia**

Of note is that we changed the name of the European operations from Bergteamet (the operation we acquired) to Master Drilling Europe. We are seeing an uptick in work, and we were awarded our first project in Spain to shotcrete a 560m ventilation shaft. We expect further raise boring opportunities once we execute this project successfully.

In general, we see much more movement in the market than just six months ago. Several enquiries are coming from infrastructure as well as hydro-electric sectors.

## **India**

The Indian operations are performing well. The current contract is expiring in 2023 and we continue to perform as expected. Additional scope in this region is expected in the second half of the year from current and prospective clients.

## **Other Regions**

Master Drilling is growing its presence in Australia and Central Asia, with a focus on raise boring.

We are executing a project in Saudi Arabia. We are optimistic about the Middle East as a future growth area.

We are looking to expand our global footprint in Northern Africa.

### Technology

Technological innovation is a key priority for Master Drilling to support clients to move down the cost curve, optimise their operations and increase safety.

Given the challenges for our clients in mining, we have identified three technology areas of focus to develop a growth strategy and diversify the business: shaft sinking, tunnelling and non-explosive mining.

To spread our risk and lighten funding requirements, we entered into a venture with the Industrial Development Corporation with a view to pursuing a promising business case. We now have a signed letter of intent with a client to blind bore a ventilation shaft, and we are conducting investigative work on scoping and have started on the detailed design and procurement of resources for the shafts. The project is progressing well and by H2 2022 we hope to commission the service and start executing the project. We are positioning ourselves as a specialised mining contractor, as opposed to offering more general mainstream services.

We secured a contract for an underground exploration decline project in South Africa. We started tunnelling in the first quarter of 2022 and production and construction is progressing well. We have also initiated a study on additional applications and projects. The study is associated with technologies and various value propositions which are substantially diversified including underground mining access and non-explosive mining methods to address the needs of clients.

Non-explosive mining is still an uncharted area, and we are looking to provide clients with solutions that are not bound by the requirement of explosives approvals, while at the same time shielding personnel against hazards by offering the flexibility to operate remotely. We have engaged with four different clients where we are able to develop these technologies and provide bespoke solutions that cater to their specific needs. By doing so, we hope to build relationships with these clients in a phased approach thereby ensuring gradual progress and minimising large exposure or risk. All these projects are progressing well. These technologies all relate to providing a safer, higher productivity, cost-competitive and efficient solution.

### Skills development

Safety across the Group is of paramount importance and one of our focus areas, with a goal of zero harm. Due to the ramp up of operations and the increase in personal hours worked, we have seen a slight increase in our "all injury frequency rate." We are addressing this through several initiatives.

The foundation of our strategy is the people who make it happen; our success depends on the skills and expertise that support our goals. Our people have specialized knowledge aligned with global best practice, which is then applied to ensure that sound, sustainable use is made of our assets, enhancing growth, productivity and profitability.

In 2022, the Group continued with the Human Capital project that focused on reviewing the current skills requirements and ensuring that these align with its future growth and expansion vision. Several new roles have subsequently been identified and approved, and individual development plans are being aligned to ensure continuous best practice in the development of our people in key areas.

Work has commenced to revise Master Drilling's overall safety induction program. This initiative will ensure that Master Drilling satisfies legislative and client requirements. This initiative will continue during 2022.

The B-BBEE skills development initiatives for the South African entities were finalised for the Training Centre and the B-BBEE certification was finalised with a level 2 rating being achieved.

Remote learning via the Learner Management System to mitigate the risk of lapsing training certificates is ongoing. The range of training programmes available on this system continues to expand.

## **OUTLOOK AND PROSPECTS**

Master Drilling's diversified footprint, proactive capital management, service orientation and quick response to ensure the safety of employees and clients have ensured a commendable performance. The fleet utilization is now moving towards the desired benchmark of 75%. The Group's diversification across regions, commodities, currencies, and industries proved to be a key factor in this and will remain a key part of Master Drilling's strategy.

The Group remains committed to ensuring the safety of its people and will continue using innovative mechanised equipment in its operations. This is also the future of the industry with an increased focus on mechanisation and remote-controlled operations, which is the space in which Master Drilling likes to operate and is well placed to compete. Opportunities to diversify outside of the traditional drilling business into areas such as Artificial Intelligence will also continue to be pursued.

Having made significant investments in its fleet, technology, and geographical diversification over the past couple of years, the Group is now positioned to capitalise on the predicted bull run without requiring major additional capital investment.

In the longer term, our strategy to diversify across regions, commodities, currencies, and industries will stand us in good stead.

## **NATURE OF BUSINESS**

Master Drilling Group Limited through its operating subsidiary companies provides specialised drilling services to blue-chip major and mid-tier companies in the mining, civil engineering, infrastructure and hydro-electric energy sectors, across a number of commodities and geographies. Master Drilling is the global leader in the raise bore drilling services industry.

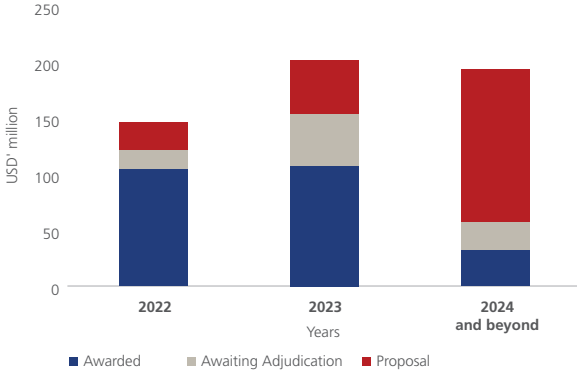
## **PIPELINE AND COMMITTED ORDERS**

As at 30 June 2022 our sales pipeline totalled USD540.9 million (2021: USD601.6 million) while the committed order book totalled USD242.7 million (2021: USD232.0 million) for the remainder of 2022 and beyond, spread as follows:

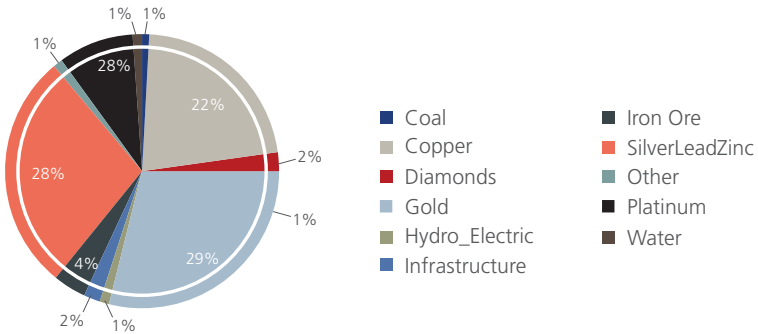
**REVENUE**

The following graphs reflect the Group’s combined revenue for financial periods ended 30 June:

**PIPELINE**

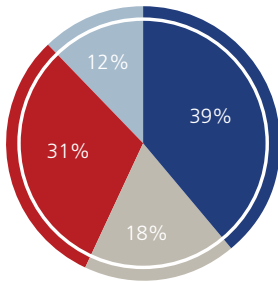


**COMMITTED ORDERS**



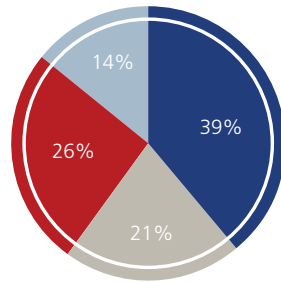


**REVENUE BY GEOGRAPHICAL AREA  
JUNE 2022**



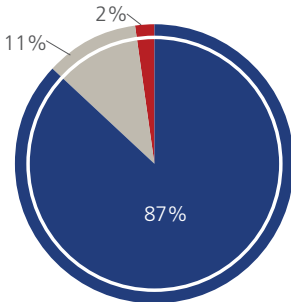
■ Africa ■ Central and North America  
■ Other countries ■ South America

**REVENUE BY GEOGRAPHICAL AREA  
JUNE 2021**



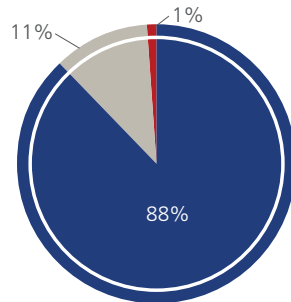
■ Africa ■ Central and North America  
■ Other countries ■ South America

**REVENUE BY MINING ACTIVITY  
JUNE 2022**



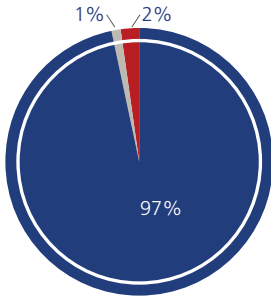
■ Production ■ Capital  
■ Exploration

**REVENUE BY MINING ACTIVITY  
JUNE 2021**



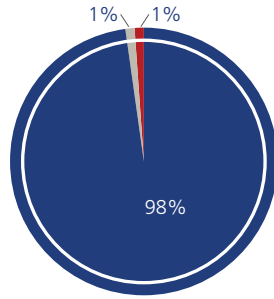
■ Production ■ Capital  
■ Exploration

REVENUE BY BUSINESS SECTOR  
JUNE 2022



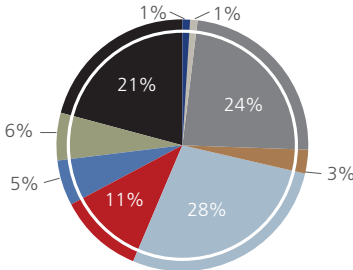
- Mining
- Electricity
- Civil & Construction

REVENUE BY BUSINESS SECTOR  
JUNE 2021



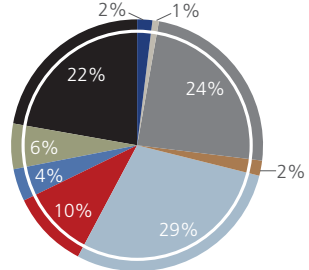
- Mining
- Electricity
- Civil & Construction

REVENUE BY COMMODITY  
JUNE 2022



- Chrome
- Coal
- Copper
- Diamonds
- Gold
- Iron ore
- Other commodities
- Platinum
- Silver/Lead/Zinc

REVENUE BY COMMODITY  
JUNE 2021



- Chrome
- Coal
- Copper
- Diamonds
- Gold
- Iron ore
- Other commodities
- Platinum
- Silver/Lead/Zinc

# ACCOUNTING POLICIES

## 1. BASIS OF PRESENTATION

The condensed unaudited consolidated interim financial statements have been prepared in accordance with IAS 34: Interim Financial Reporting, International Financial Reporting Standards, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act, (Act No 71 of 2008), as amended and the Listings Requirements of the JSE Limited. The condensed unaudited consolidated interim financial statements have been prepared on the historical cost-basis, except certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in United States Dollar (“USD”).

The significant accounting policies are consistent in all material respects with those applied in the audited consolidated annual financial statements for the year ended 31 December 2021.

### *Impact of accounting standards to be applied in future periods*

There are a few standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2021. The Group performed an analysis of these standards and interpretations and concluded that these will not have a significant impact on the financial statements once adopted.

The condensed unaudited consolidated interim financial statements presented have been prepared by the corporate reporting staff of Master Drilling, headed by Willem Ligthelm CA(SA), the Group’s financial manager. This process was supervised by André Jean van Deventer CA(SA), the Group’s chief financial officer.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### **Basis of consolidation**

The Group financial statements incorporate all entities which are controlled by the Group.

The Group financial statements had been accounted for under the pooling of interest method as acquisition of entities under common control is excluded from IFRS 3.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Control is considered to exist if all of the factors below are satisfied.

- a. the investor has power over the investee, i.e. the investor has existing rights that give it the ability to direct the relevant activities;
- b. the investor has exposure, or rights to variable returns from its involvement with the investee; and
- c. the investor has the ability to use its power over the investee to affect the amount of the investor’s returns.

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group measures its control of an investee at the time of its initial investment and again if changes in facts and circumstances affect one or more of the control factors listed above. In assessing whether the Group has control over an investee, consideration is given to many factors including shareholding, voting rights and their impact on the Group's ability to direct the management, operations and returns of the investee; contractual obligations; minority shareholder rights and whether these are protective or substantive in nature; and the financial position of the investee.

#### Property, plant and equipment and intangibles

##### a. *Intangibles*

Patents are acquired by the Group and have an indefinite useful life as the Group's plan and ability is to renew and maintain the patent indefinitely. It is expected that the patent will generate revenue for the Group for an unlimited period of time. Patents are carried at cost less accumulated impairment losses. Patents are assessed annually for possible impairment.

Computer software are initially measured at cost and subsequently at cost less any accumulated amortisation and accumulated impairment losses.

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

Costs include costs incurred initially to acquire computer software. Cost associated with upgrades that result in increased capabilities or performance enhancements of computer software are capitalised. If a replacement part is recognised in the carrying amount of an item of computer software, the carrying amount of the replaced part is derecognised.

##### b. *Property, plant and equipment*

Property, plant and equipment are initially measured at cost and subsequently at cost less any accumulated depreciation and accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment. Cost associated with equipment upgrades that result in increased capabilities or performance enhancements of property and equipment are capitalised. If a replacement part is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

An asset under construction will be reclassified to the relevant asset category as soon as it is available for use. Assets under construction are not depreciated.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year based on the economic, market and operating environment conditions. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciation is recognised on a straight-line basis or units of production method as appropriate, to write down the cost less estimated residual values of the property, plant and equipment.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## **FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which the entity operates, i.e. "functional currency". The condensed unaudited consolidated interim financial statements are presented in USD (the "presentation currency"). Management believes that USD is more useful to the users of the consolidated financial statements, as this currency most reliably reflects the global business performance of the Group as a whole.

## **GOING CONCERN**

Based on the information available to it, the Board of Directors assessed and concluded that the Group remains a going concern.

## **ISSUED CAPITAL**

The only change to share capital relates to share options being exercised since 31 December 2021.

## **OPERATING SEGMENTS**

There were no changes made to the operating segments from those disclosed at 31 December 2021.

## **EVENTS SUBSEQUENT TO REPORTING PERIOD**

The Group finalised and signed contracts for its long-term debt facilities during August 2022. As at 30 June 2022, the negotiations had not been finalised and the facilities are thus disclosed as current.

There have been no other significant events subsequent to 30 June 2022 which require adjustment to the interim results or additional disclosure.

## **DIVIDENDS**

In line with the Company's past practice the Board did not declare an interim dividend and will consider an appropriate dividend only at year-end.

## **BOARD OF DIRECTORS**

There were no changes made to the Board since the previous reporting period.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note(s)	Unaudited six months ended Jun 2022 USD	Audited year ended Dec 2021 USD
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	149 678 108	151 329 760
Intangibles and goodwill	4	4 911 105	5 242 991
Financial assets		5 004 101	5 112 298
Deferred tax asset		896 732	1 308 218
Related-party loans		127 356	101 900
Investment in joint venture		4 943 229	4 027 024
Investment in associates		6 458 161	5 693 903
		<b>172 018 792</b>	172 816 094
<b>Current assets</b>			
Inventories		33 300 246	33 553 420
Trade and other receivables	5	56 112 111	54 469 805
Current tax receivable		4 435 689	4 125 018
Call option asset		2 401 889	2 322 360
Derivative financial instruments		51 005	54 604
Cash and cash equivalents		20 277 663	22 789 752
		<b>116 578 603</b>	117 314 959
<b>Total assets</b>		<b>288 597 395</b>	290 131 053
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		149 335 466	149 259 486
Reserves		(119 067 285)	(110 319 177)
Retained income		147 956 777	137 593 905
		<b>178 224 958</b>	176 534 214
<b>Non-controlling interest</b>		9 910 958	9 834 821
		<b>188 135 916</b>	186 369 035
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing borrowings		1 895 594	143 909
Lease liabilities		3 948 231	4 507 689
Instalment sales liabilities		310 577	477 810
Contract liability		3 588 269	3 932 115
Contingent consideration		1 075 369	1 195 290
Deferred tax liability		10 671 619	8 636 487
		<b>21 489 659</b>	18 893 300
<b>Current liabilities</b>			
Interest bearing borrowings		26 984 254	32 024 901
Lease liabilities		612 204	292 543
Instalment sales liabilities		337 904	563 173
Related party loans		386 099	357 292
Current tax payable		6 516 993	5 435 563
Put option liability		325 451	314 675
Trade and other payables	6	34 342 217	35 516 720
Derivative financial instruments		201 242	195 422
Provisions		1 058 469	2 314 809
Contract liability		4 237 144	4 726 181
Contingent consideration		1 701 588	1 725 210
Cash and cash equivalents		2 268 255	1 402 229
		<b>78 971 820</b>	84 868 718
<b>Total liabilities</b>		<b>100 461 479</b>	103 762 018
<b>Total equity and liabilities</b>		<b>288 597 395</b>	290 131 053

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	Unaudited six months ended Jun 2022 USD	Unaudited six months ended Jun 2021 USD	Audited year ended Dec 2021 USD
Revenue	10	96 490 278	72 008 940	171 836 530
Cost of sales		(67 178 551)	(50 211 860)	(123 198 088)
<b>Gross profit</b>	10	<b>29 311 727</b>	21 797 080	48 638 442
Other operating income		1 020 215	984 000	4 160 714
Other operating expenses		(12 835 486)	(11 009 040)	(23 994 766)
Movement of expected credit loss allowances		(190 393)	(380 933)	(1 032 149)
<b>Operating profit</b>		<b>17 306 063</b>	11 391 107	27 772 241
Investment income		49 697	185 842	518 961
Finance costs		(867 580)	(1 098 492)	(2 558 208)
Fair value adjustment		–	–	1 885 826
Share of profit/(loss) from equity accounted investments		1 060 287	(87 312)	521 402
<b>Profit before taxation</b>		<b>17 548 467</b>	10 391 145	28 140 222
Taxation		(4 058 045)	(1 268 006)	(8 225 912)
<b>Profit for the period</b>		<b>13 490 422</b>	9 123 139	19 914 310
<b>Other comprehensive income that will subsequently be classifiable to profit and loss:</b>				
Exchange differences on translating foreign operations		(8 714 855)	(14 063 214)	(9 678 052)
<b>Other comprehensive income/(loss) for the period net of taxation</b>		<b>(8 714 855)</b>	(14 063 214)	(9 678 052)
<b>Total comprehensive income</b>		<b>4 775 567</b>	(4 940 075)	10 236 258
<b>Profit attributable to:</b>		<b>13 490 422</b>	9 123 139	19 914 310
Owners of the parent		13 414 285	9 104 584	20 026 271
Non-controlling interest		76 137	18 555	(111 961)
<b>Total comprehensive income attributable to:</b>		<b>4 775 567</b>	(4 940 075)	10 236 258
Owners of the parent		4 699 430	(4 958 630)	10 348 219
Non-controlling interest		76 137	18 555	(111 961)
<b>Earnings per share (USD)</b>	7			
Basic earnings per share (cents)		8.9	6.0	13.2
<b>Diluted earnings per share (USD)</b>	7			
Diluted basic earnings per share (cents)		8.9	6.0	13.2
<b>Earnings per share (ZAR)</b>				
Basic earnings per share (cents)		137.1	87.2	195.3
<b>Diluted earnings per share (ZAR)</b>				
Diluted basic earnings per share (cents)		137.1	87.2	195.3

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD	Share capital	Equity due to change in control of interests	Foreign currency translation reserve	Transaction between equity holders
<b>Balance as at 31 December 2020</b>	149 259 486	(58 264 013)	(44 123 128)	1 611 385
Share-based payments	–	–	–	–
Total comprehensive income for the period	–	–	(14 063 214)	–
Dividends to shareholders	–	–	–	–
Total changes	–	–	(14 063 214)	–
<b>Balance as at 30 June 2021</b>	149 259 486	(58 264 013)	(58 186 342)	1 611 385
Share-based payments	–	–	–	–
Issue of share capital	–	–	–	–
Dividends declared by subsidiaries	–	–	–	–
Contribution from non-controlling partner	–	–	–	–
Total comprehensive income for the period	–	–	4 385 162	–
Total changes	–	–	4 385 162	–
<b>Balance as at 31 December 2021</b>	<b>149 259 486</b>	<b>(58 264 013)</b>	<b>(53 801 180)</b>	<b>1 611 385</b>
Share-based payments	–	–	–	–
Issue of share capital	<b>75 980</b>	–	–	–
Total comprehensive income for the period	–	–	<b>(8 714 855)</b>	–
Dividends to shareholders	–	–	–	–
Total changes	<b>75 980</b>	–	<b>(8 714 855)</b>	–
<b>Balance as at 30 June 2022</b>	<b>149 335 466</b>	<b>(58 264 013)</b>	<b>(62 516 035)</b>	<b>1 611 385</b>



Share-based payments reserve	Total reserve	Retained income	Attributable to owners of the parent	Non-controlling interest	Total Shareholders' equity
134 631	(100 641 125)	117 773 867	166 392 228	9 757 161	176 149 389
65 489	65 489	–	65 489	–	65 489
–	(14 063 214)	9 104 584	(4 958 630)	18 555	(4 940 075)
–	–	–	–	–	–
65 489	(13 997 725)	9 104 584	(4 893 141)	18 555	(4 874 586)
200 120	(114 638 850)	126 878 451	161 499 087	9 775 716	171 274 803
(65 489)	(65 489)	–	(65 489)	–	(65 489)
–	–	–	–	–	–
–	–	–	–	–	–
–	4 385 162	10 715 454	15 100 616	59 105	15 159 721
(65 489)	4 319 673	10 715 454	15 035 127	59 105	15 094 232
<b>134 631</b>	<b>(110 319 177)</b>	<b>137 593 905</b>	<b>176 534 214</b>	<b>9 834 821</b>	<b>186 369 035</b>
–	–	–	–	–	–
<b>(33 253)</b>	<b>(33 253)</b>	–	<b>42 727</b>	–	<b>42 727</b>
–	<b>(8 714 855)</b>	<b>13 414 285</b>	<b>4 699 430</b>	<b>76 137</b>	<b>4 775 567</b>
–	–	<b>(3 051 413)</b>	<b>(3 051 413)</b>	–	<b>(3 051 413)</b>
<b>(33 253)</b>	<b>(8 748 108)</b>	<b>10 362 872</b>	<b>1 690 744</b>	<b>76 137</b>	<b>1 766 881</b>
<b>101 378</b>	<b>(119 067 285)</b>	<b>147 956 777</b>	<b>178 224 958</b>	<b>9 910 958</b>	<b>188 135 916</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Note(s)	Unaudited six months ended Jun 2022 USD	Unaudited six months ended Jun 2021 USD
<b>Cash flows from operating activities</b>			
Cash generated from operations	8	17 554 125	15 037 971
Interest received		49 697	185 842
Finance costs		(741 127)	(1 098 492)
Tax paid		(3 512 807)	(2 910 902)
<b>Net cash from operating activities</b>		<b>13 349 888</b>	11 214 419
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(9 246 635)	(4 975 107)
Sale of property, plant and equipment		377 581	54 818
Advances to related parties		(5 403)	–
Investment in associate		–	(625 184)
<b>Net cash from investing activities</b>		<b>(8 874 457)</b>	(5 545 473)
<b>Cash flows from financing activities</b>			
Advance from financial liabilities		1 769 330	–
Repayment of financial liabilities		(5 519 295)	(6 368 741)
Repayment of capital portion of lease liabilities		(332 499)	(570 004)
Repayment of capital portion of instalment sales agreements		(239 767)	–
Advances from related parties		24 368	(46 635)
Issue of share capital		42 747	–
Dividends paid to shareholders		(3 051 413)	–
<b>Net cash from financing activities</b>		<b>(7 306 529)</b>	(6 985 380)
<b>Total cash movement for the period</b>		<b>(2 831 098)</b>	(1 316 434)
Cash at the beginning of the period		21 387 523	24 790 077
Effect of exchange rate movement on cash balances		(547 017)	(1 446 324)
<b>Total cash at end of the period</b>		<b>18 009 408</b>	22 027 319

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 3. PROPERTY, PLANT AND EQUIPMENT

Jun 2022 USD	Cost	Accumulated depreciation and impairment losses	Carrying value
Land and buildings	2 697 854	(635 670)	2 062 184
Right of use assets: Land and buildings	5 777 341	(2 041 161)	3 736 180
Instalment sale: Plant and machinery	5 595 535	(2 648 626)	2 946 909
Plant and machinery	191 529 454	(54 986 146)	136 543 308
Assets under construction	920 848	(2 567)	918 281
Furniture and fittings	1 551 319	(288 473)	1 262 846
Motor vehicles	5 332 656	(3 392 267)	1 940 389
IT equipment	738 853	(470 842)	268 011
<b>Total</b>	<b>214 143 860</b>	<b>(64 465 752)</b>	<b>149 678 108</b>

Dec 2021 USD	Cost	Accumulated depreciation and impairment	Carrying value
Land and buildings	2 911 343	(808 832)	2 102 511
Right of use assets: Land and buildings	5 996 500	(2 014 106)	3 982 394
Instalment sale: Plant and machinery	5 696 718	(2 679 064)	3 017 654
Plant and machinery	190 255 715	(52 706 031)	137 549 684
Assets under construction	755 922	(2 567)	753 355
Furniture and fittings	1 439 757	(271 116)	1 168 641
Motor vehicles	5 769 745	(3 286 080)	2 483 665
IT equipment	686 305	(414 449)	271 856
<b>Total</b>	<b>213 512 005</b>	<b>(62 182 245)</b>	<b>151 329 760</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

## 3. PROPERTY, PLANT AND EQUIPMENT (continued)

### 3.1 Reconciliation of property, plant and equipment

Jun 2021 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries	Re- measurement of right-of-use asset
Land and buildings	2 102 511	–	(19 888)	–
Right of use assets: Land and buildings	3 982 394	–	(27 055)	–
Instalment sale: Plant and machinery	3 017 654	700 280	(187 716)	–
Plant and machinery	137 549 684	7 005 300	(4 617 119)	–
Assets under construction	753 355	1 501 633	14 549	–
Furniture and fittings	1 168 641	119 700	25 576	–
Motor vehicles	2 483 665	91 164	(322 051)	–
IT equipment	271 856	58 513	6 639	–
<b>Total</b>	<b>151 329 760</b>	<b>9 476 590</b>	<b>(5 127 065)</b>	<b>–</b>

Dec 2021 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries	Re- measurement of right-of-use asset
Land and buildings	2 085 861	291 869	(242 205)	–
Right of use assets: Land and buildings	3 703 062	–	(412 022)	1 170 032
Instalment sale: Plant and machinery	5 700 146	587 693	(381 874)	–
Plant and machinery	140 279 999	15 807 090	(13 002 276)	–
Assets under construction	942 741	179 712	(233 560)	–
Furniture and fittings	1 254 129	68 105	(2 281)	–
Motor vehicles	1 955 209	1 171 541	(49 312)	–
IT equipment	360 729	29 347	(17 176)	–
	156 281 876	18 135 357	(14 340 706)	1 170 032

#### Security

Moveable assets to the value of ZAR1,2 billion (USD73.8 million) of the South African subsidiaries have been bonded to Absa Capital as security for an interest-bearing loan.

Property, plant and equipment to the value of SEK11.0 million (USD1.1 million) of the European entity have been pledged to Swedbank as security for an interest bearing loan.

Reclassification between different classes	Disposals	Depreciation	Impairment of property, plant and equipment	Total
–	–	(20 439)	–	2 062 184
–	–	(219 159)	–	3 736 180
–	–	(583 309)	–	2 946 909
1 351 256	(209 235)	(4 536 578)	–	136 543 308
(1 351 256)	–	–	–	918 281
–	(23 222)	(27 849)	–	1 262 846
–	(24 669)	(287 720)	–	1 940 389
–	(8 332)	(60 665)	–	268 011
–	(265 458)	(5 735 719)	–	149 678 108

Reclassifications and transfers (to)/from inventory and intangibles	Disposals	Depreciation	Impairment of property, plant and equipment	Total
–	–	(33 014)	–	2 102 511
–	–	(478 678)	–	3 982 394
(2 158 071)	(3 941)	(726 299)	–	3 017 654
3 811 563	(188 169)	(9 158 523)	–	137 549 684
(135 538)	–	–	–	753 355
–	–	(151 312)	–	1 168 641
–	(32 881)	(560 892)	–	2 483 665
–	(4 268)	(96 776)	–	271 856
1 517 954	(229 259)	(11 205 494)	–	151 329 760

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

## 4. INTANGIBLE ASSETS

### 4.1 Goodwill

	Jun 2022 USD	Dec 2021 USD
Goodwill recognised from value chain business combinations	2 062 686	2 341 256
Goodwill recognised from drilling operations business combinations	460 143	455 439
<b>Goodwill recognised from business combinations</b>	<b>2 522 829</b>	<b>2 796 695</b>

### 4.2 Intangible assets

Jun 2022 USD	Cost	Accumulated amortisation and impairment losses	Carrying value
Computer software	1 654 678	(1 383 135)	271 543
Software licence agreements	1 133 322	–	1 133 322
Patents	983 411	–	983 411
<b>Total</b>	<b>3 771 411</b>	<b>(1 383 135)</b>	<b>2 388 276</b>

Dec 2021 USD	Cost	Accumulated amortisation and impairment losses	Carrying value
Computer software	1 619 577	(1 337 855)	281 722
Software licence agreements	1 196 447	–	1 196 447
Patents	968 128	–	968 128
<b>Total</b>	<b>3 784 152</b>	<b>(1 337 855)</b>	<b>2 446 297</b>

Jun 2022 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries
Computer software	281 722	8 110	39 837
Software licence agreements	1 196 447	–	(63 125)
Patents	968 128	–	15 283
	<b>2 446 297</b>	<b>8 110</b>	<b>(8 005)</b>

Dec 2021 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries
Computer software	384 878	3 697	1 403
Software licence agreements	–	1 289 005	(92 558)
Patents	202 482	–	(16 218)
	<b>587 360</b>	<b>1 292 702</b>	<b>(107 373)</b>

Assets acquired through business combination	Reclassifications and transfers (to)/from inventory/assets held for sale	Disposals	Amortisation	Impairment of fixed assets	Total
–	–	–	(58 126)	–	271 543
–	–	–	–	–	1 133 322
–	–	–	–	–	983 411
–	–	–	(58 126)	–	2 388 276

Assets acquired through business combination	Reclassifications and transfers (to)/from inventory/assets held for sale	Disposals	Amortisation	Impairment of fixed assets	Total
–	–	–	(108 256)	–	281 722
–	–	–	–	–	1 196 447
–	781 864	–	–	–	968 128
–	781 864	–	(108 256)	–	2 446 297

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

## 5. TRADE AND OTHER RECEIVABLES

	Jun 2022 USD	Dec 2021 USD
Trade receivables	45 863 429	42 254 945
Trade receivables – Normal (Gross)	49 908 615	46 584 592
Trade receivables – Retention (Gross)	769 413	471 184
Expected credit loss allowance of trade receivables	(4 814 599)	(4 800 831)
Loans to employees	127 921	117 181
Prepaid expenses	4 542 965	4 637 430
Deposits	833 478	941 917
Indirect taxes	3 702 646	5 106 153
Other receivables	1 041 672	1 412 179
	<b>56 112 111</b>	54 469 805
<i>Trade receivables of South African subsidiaries have been ceded to Absa Capital as security for interest-bearing loan.</i>		
<b>The movement in expected credit losses is presented below</b>		
Balance 1 January	4 800 831	3 731 677
Exchange differences on translation of foreign operations	(176 625)	37 005
Amounts written off	–	–
Allowance for doubtful debts (reversed)/provided for	190 393	1 032 149
	<b>4 814 599</b>	4 800 831

### Expected credit losses matrix:

Current	<b>0.16% to 3.18%</b>	0.15% to 3.15%
30 days	<b>0.12% to 3.24%</b>	0.10% to 3.25%
31 to 60 days	<b>3.10% to 3.65%</b>	3.00% to 3.50%
61 to 90 days	<b>3.65% to 4.15%</b>	3.55% to 4.00%
90 + days	<b>4.30% to 4.75%</b>	4.10% to 4.50%

**The carrying amount in USD of trade and other receivables are denominated in the following currencies:**

	USD	USD
United States Dollar (USD)	19 010 057	15 932 427
South African Rands (ZAR)	11 116 897	11 978 717
Brazilian Reals (BRL)	4 822 326	5 043 442
Chilean Peso (CLP)	7 449 779	7 559 807
Peruvian Nuevo Sol (PEN)	1 399 818	1 357 156
Chinese Yuan Renminbi (CNY)	287 328	449 573
Guatemalan Quetzal (GTQ)	9 680	8 677
Zambian Kwacha (ZMW)	334 393	577 135
Colombian Peso (COP)	21 813	3 867
Botswana Pula (BWP)	468 539	–
Swedish Krona (SEK)	1 900 088	1 971 939
Australian Dollar (AUD)	2 165 264	1 585 708
Canadian Dollar (CAD)	2 173 585	3 291 519
Indian Rupee (INR)	4 952 544	4 709 838
	<b>56 112 111</b>	54 469 805



## 6. TRADE AND OTHER PAYABLES

	Jun 2022 USD	Dec 2021 USD
Trade payables	22 355 153	21 466 659
Indirect taxes	2 785 631	3 591 463
Leave pay accruals	2 345 681	2 579 363
Business combination consideration payable	1 078 871	1 077 444
Employee related	4 729 358	5 299 258
Other accruals	1 047 523	1 502 533
	<b>34 342 217</b>	35 516 720

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

## 7. EARNINGS PER SHARE

	Jun 2022 USD	Jun 2021 USD	Dec 2021 USD
<b>Reconciliation between earnings and headline earnings</b>			
Basic earnings for the year	<b>13 490 422</b>	9 123 139	19 914 310
<i>Deduct:</i>			
Non-controlling interest	<b>(76 137)</b>	(18 555)	111 961
<b>Attributable to owners of the parent</b>	<b>13 414 285</b>	9 104 584	20 026 271
Gain on disposal of property, plant and equipment	<b>(112 123)</b>	–	(698 533)
Gain on disposal of property, plant and equipment from equity accounted investments	–	–	(7 105)
Non-controlling interest	–	–	8 068
Tax effect on gain on disposal of property, plant and equipment and impairments	<b>26 297</b>	–	197 848
Tax effect on gain on disposal of property, plant and equipment and impairments from equity accounted investments	–	–	1 989
<b>Headline earnings for the year</b>	<b>13 328 459</b>	9 104 584	19 528 538
Earnings per share (USD cents)	<b>8.9</b>	6.0	13.2
Diluted earnings per share (USD cents)	<b>8.9</b>	6.0	13.2
Headline earnings per share (USD cents)	<b>8.8</b>	6.0	12.9
Diluted headline earnings per share (USD cents)	<b>8.8</b>	6.0	12.9
Dividends per share (ZAR cents)	<b>32.5</b>	–	–
<b>Weighted average number of ordinary shares at the end of the year for the purpose of basic earnings per share and headline earnings per share</b>	<b>151 274 252</b>	151 262 777	151 262 777
<b>Effect of dilutive potential ordinary shares – employee share options (*)</b>	<b>57 457</b>	–	–
<b>Weighted average number of ordinary shares at the end of the year for the purpose of diluted basic earnings per share and diluted headline earnings per share</b>	<b>151 331 709</b>	151 262 777	151 262 777

(\*) None of the share options were considered dilutive in the comparative periods.

## 8. CASH GENERATED FROM OPERATIONS

	Jun 2022 USD	Jun 2021 USD
Profit before taxation	17 548 467	10 391 145
<b>Adjustments for:</b>		
Depreciation and amortisation	5 793 845	4 556 604
Fair value adjustment on derivatives	21 853	5 964
Profit from equity accounted investments	(1 060 287)	87 312
Unrealised foreign exchange movements	427 854	(525 507)
Share-based payment – equity settled	–	65 489
Movement in expected credit losses allowance	190 393	380 933
Gain on disposal of fixed assets	(112 123)	–
Interest received	(49 697)	(185 842)
Finance costs	867 580	1 098 492
<b>Changes in working capital:</b>		
Inventories	213 257	584 003
Trade and other receivables	(2 384 836)	(3 071 706)
Trade and other payables	(2 315 884)	1 651 084
Movement in provisions	(966 140)	–
Derivative financial instrument settled in cash	3 599	–
Contract liability	(623 756)	–
	17 554 125	15 037 971

## 9. CAPITAL COMMITMENTS

	Jun 2022 USD	Dec 2021 USD
Capital expenditure authorised by the directors and contracted for within 12 months. Capital expenditure will be funded through cash generated from operations.	6 116 026	1 764 300

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

## 10. SEGMENT REPORTING

### 10.1 Mining activity

The following table shows the distribution of the Group's combined sales by mining activity, regardless of where the goods were produced:

	Jun 2022 USD	Jun 2021 USD	Dec 2021 USD
<b>Sales revenue by stage of mining activity</b>			
Exploration	2 461 263	423 269	6 422 158
Capital	11 313 987	8 037 628	20 772 331
Production	82 715 028	63 548 043	144 642 041
	<b>96 490 278</b>	72 008 940	171 836 530
<b>Gross profit by stage of mining activity</b>			
Exploration	1 052 349	138 000	(2 258 728)
Capital	3 947 847	2 888 120	8 458 727
Production	24 311 531	18 770 960	42 438 443
	<b>29 311 727</b>	21 797 080	48 638 442

The chief decision maker of the Group is the chief executive officer. The chief executive officer, under the direct supervision of the resident board, manages the activities of the Group concomitant to the inherent risks facing these activities. It is for this reason that the activities are separated between exploration, capital and production stage drilling. The equipment and related liabilities of the Group can be used at multiple stages and therefore cannot be presented per activity.

### 10.2 Geographical segments

Although the Group's major operating divisions are managed on a worldwide basis, they operate in four principal geographical areas of the world.

	Jun 2022 USD	Jun 2021 USD	Dec 2021 USD
<b>Sales revenue by geographical market</b>			
Africa	37 137 455	27 930 589	64 348 625
Central and North America	11 838 286	10 111 416	19 308 704
Other countries (*)	17 533 622	15 034 285	33 234 859
South America	29 980 915	18 932 650	54 944 342
	<b>96 490 278</b>	72 008 940	171 836 530
<b>Gross profit by geographical market</b>			
Africa	14 203 419	9 748 095	19 166 684
Central and North America	1 144 070	1 225 830	4 905 188
Other countries (*)	5 340 675	3 155 658	10 128 755
South America	8 623 563	7 667 497	14 437 815
	<b>29 311 727</b>	21 797 080	48 638 442

The gross profit percentages vary based on drilling ground conditions, competition in the markets and the mix of in-country and foreign cost.

	Jun 2022 USD	Jun 2021 USD	Dec 2021 USD
<b>Depreciation and amortisation by geographical market</b>			
Africa	2 285 008	1 716 834	4 807 315
Central and North America	1 374 971	350 076	1 811 332
Other countries (*)	1 015 996	1 031 606	2 485 304
South America	1 117 870	1 458 088	2 209 799
	<b>5 793 845</b>	4 556 604	11 313 750
	Jun 2022 USD	Jun 2021 USD	Dec 2021 USD
<b>Investment revenue by geographical market</b>			
Africa	34 362	95 250	272 467
Central and North America	–	–	–
Other countries (*)	9 579	61 489	75 856
South America	5 756	29 103	170 638
	<b>49 697</b>	185 842	518 961
	Jun 2022 USD	Jun 2021 USD	Dec 2021 USD
<b>Finance cost by geographical market</b>			
Africa	400 081	706 945	1 440 475
Central and North America	181 834	232 010	338 033
Other countries (*)	90 169	78 850	174 384
South America	195 496	80 687	605 316
	<b>867 580</b>	1 098 492	2 558 208
	Jun 2022 USD	Jun 2021 USD	Dec 2021 USD
<b>Taxation by geographical market</b>			
Africa	1 145 755	228 016	3 643 773
Central and North America	164 885	25 917	61 537
Other countries (*)	1 618 935	410 830	3 136 341
South America	1 128 470	393 142	1 384 261
	<b>4 058 045</b>	1 057 905	8 225 912

(\*) Other countries include operations in Scandinavia, Australia and India.

# CORPORATE INFORMATION

## MASTER DRILLING GROUP LIMITED

Registration number: 2011/008265/06  
Incorporated in the Republic of South Africa  
JSE share code: MDI  
ISIN: ZAE000171948 ||| LEI: 37890095B2AFC611E529

## REGISTERED AND CORPORATE OFFICE

4 Bosman Street  
PO Box 902  
Fochville, 2515  
South Africa

## DIRECTORS

### Executive

Daniël (Danie) Coenraad Pretorius  
André Jean van Deventer  
Barend Jacobus (Koos) Jordaan  
Gareth (Gary) Robert Sheppard #  
Fred George Dixon

Chief executive officer and founder  
Financial director and chief financial officer  
Technical director  
Chief operating officer  
Alternate director

### Non-executive

Hendrik Roux van der Merwe  
Andries Willem Brink  
Akhter Alli Deshmukh  
Hendrik Johannes Faul  
Mamokete Ramathe  
Shane Trevor Ferguson

Chairman and independent non-executive  
Independent non-executive  
Independent non-executive  
Independent non-executive  
Independent non-executive  
Non-executive

# Resident in USA

## COMPANY SECRETARY

Andrew Colin Beaven  
6 Dwars Street  
Krugersdorp  
1739  
South Africa  
PO Box 158, Krugersdorp, 1740  
South Africa

## JSE SPONSOR

Investec Bank Limited  
(Registration number: 1969/004763/06)  
100 Grayston Drive, Sandown  
Sandton, 2196  
South Africa

## **INDEPENDENT AUDITORS**

BDO South Africa Incorporated  
52 Corlett Drive  
Illovo  
2196  
South Africa

## **SHARE TRANSFER SECRETARIES**

Computershare Investor Services Proprietary Limited  
(Registration number: 2004/003647/07)  
Rosebank Towers, 15 Biermann Avenue  
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Master Drilling posts information that is important to investors on the main page of its website at [www.masterdrilling.com](http://www.masterdrilling.com) and under the “investment and multimedia” tab on the main page. The information is updated regularly and investors should visit the website to obtain important information about Master Drilling.









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