MASTER DRILLING

INTEGRATED REPORT 2024

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Our capitals

Financial capital · Manufactured capital · Intellectual capital · Human capital · Social and relationship capital · Natural capital

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Online report available at
www.masterdrilling.com

FY24 HIGHLIGHTS

FINANCIAL

USD revenue increased by

△ **11.5%**

to a record high of USD270.8 million
(2023: USD242.8 million)

ZAR earnings per share decreased by 16,0% to

▽ **210,8 cents**

(2023: 251,0 cents)

ZAR headline earnings per share increased by 21,2% to

△ **324,5 cents**

(2023: 267,7 cents)

USD earnings per share decreased by 15.4% to

▽ **11.5 cents**

(2023: 13.6 cents)

USD headline earnings per share increased by 22.1% to

△ **17.7 cents**

(2023: 14.5 cents)

Cash generated from operating activities increased by 19.8% to

△ **USD42.5 million**

(2023: USD35.5 million)

SUSTAINABLE GROWTH

Stable order book of

USD332.5 million

(2023: USD288.3 million)

ZAR dividend of

△ 65,0 cents per share

increased from 52,5 cents per share

OPERATIONAL

Healthy pipeline of

USD695.8 million

(2023: USD535.3 million)

ABOUT THIS REPORT

The report is targeted at all stakeholders and outlines the activities, relationships, interactions and performance of the Group during the year ended 31 December 2024. The report's objective is to give all interested parties a comprehensive understanding of how Master Drilling uses the six capitals to generate value over the short, medium and long term.

This is the 13th Integrated Report of Master Drilling Group Limited and its subsidiaries (Master Drilling or the Company or the Group) and follows the previous report published in April 2024.

REPORTING FRAMEWORK

This Integrated Annual Report (Integrated Report) is prepared in accordance with:

- The International Integrated Reporting Council Framework (<IR> Framework);
- The King IV Report on Corporate Governance for South Africa, 2016™ (King IV™)*;
- IFRS Accounting Standards as issued by the International Accounting Standards Board;
- The South African Companies Act (Act 71 of 2008) (Companies Act); and
- The Johannesburg Stock Exchange Limited (JSE) Listings Requirements.

In this report, we provide a comprehensive review of our operational and financial performance in relation to our previously stated plans, the needs of our stakeholders, our governance, material matters, risks and opportunities and how these factors influence our strategic objectives and future plans.

Refer to pages 19 and 20 for the Group structure.

REPORTING BOUNDARY AND SCOPE

This Integrated Report presents significant information that enables stakeholders to evaluate the operational, social, environmental and economic performance of our operations across all the areas in which we operate. We also focus on our material risks, operating context, business model, prospects and governance.

Unless otherwise mentioned, all monetary amounts in the report are expressed in United States Dollar (USD) or South African Rand (ZAR). Our results and the financial positions from operations within the Group are translated into USD as our presentation currency, utilising the average exchange rate for the reporting period for income statement purposes and the closing exchange rate at year-end for statement of financial position items.

The scope, boundary and measurement methodologies used in this report and the rest of our reporting suite have had no significant changes since our previous Integrated Report.

MATERIAL MATTERS

For reporting purposes, we define material matters as those that may have a significant impact on our capacity to build and sustain value over the short, medium and long term i.e. one year, two to three years, and three to five years and beyond, respectively. Material matters identified during the year are outlined on page 39.

OUR MATERIALITY DETERMINATION PROCESS

Our strong materiality determination method is guided by our materiality framework. The Group identifies all the relevant matters that could impact our organisation and each identified matter is analysed to assess its significance, which includes considering the magnitude of the effect and the likelihood of occurrence.

ASSURANCE

To assure the accuracy of our reporting, we take the following steps:

Business process	Nature of assurance	Assurance provider
Annual financial statements	External audit	BDO South Africa Incorporated
Broad-based black economic empowerment (B-BBEE)	B-BBEE scorecard review	Moore B-BBEE
Internal audit	Internal audit	PricewaterhouseCoopers Inc.
Internal controls	Interdependent internal reviews and internal audit	PricewaterhouseCoopers Inc. and risk and assurance department
Safety, health, environmental and quality (SHEQ) audits	Compliance reviews	Department of Mineral Resources and Energy
JSE Listings Requirements	JSE sponsor review	Investec
Insurance due diligence	Independent risk reviews	Futurum Financial Group
Quality control	International Organisation for Standardisation (ISO) compliance audits	British Standards Institution

FORWARD-LOOKING STATEMENTS

This Integrated Report contains certain forward-looking statements, mainly on the impact of global commodities markets, global and domestic economic conditions, Group strategy, performance and operations. These forward-looking statements represent the Group's reasonable expectations unless otherwise indicated, at the date these forward-looking statements were made, and these may include factors that could adversely affect our business and financial performance.

The Group disclaims any duty to update or revise these forward-looking statements to reflect events or circumstances that arise after the date of this document or to reflect the occurrence of anticipated events. The auditor has not examined or reported on the forward-looking statements, and no warranty is provided as to their correctness, fairness or completeness. As a result, the statements should not be used as investment advice.

DIRECTORS' STATEMENT OF RESPONSIBILITY

Master Drilling's Board of Directors (the Board) confirms its responsibility for the integrity of the Integrated Report, the content of which has been collectively assessed by the directors who believe that all material issues as identified and considered at Board meetings have been addressed and are fairly presented and that it offers a balanced view of Master Drilling's strategy and the Group's ability to create value over the short, medium and long term. The Board has applied its collective mind to the preparation and presentation of this report and concluded that it was prepared in terms of the <IR> Framework.

The Integrated Report, which remains the ultimate responsibility of the Board, is prepared under the supervision of senior management and the executives. The Audit Committee reviews and recommends the report to the Board for approval. The Board accordingly approved this Integrated Report for publication on 30 April 2025.

Hennie van der Merwe
Chairman

Danie Pretorius
Chief Executive Officer

All signatures have been removed to protect the security and privacy of the signatories.

HENNIE VAN DER MERWE
Chairman

REPORT FROM OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER

We continue to navigate the macroeconomic challenges while advancing innovation in the industry to meet the changing needs of miners across the globe.

DANIE PRETORIUS
Chief Executive Officer

FINANCIAL RESULTS

We continued our overall strong performance in FY24 with:

Revenue

△ **11.5% to USD270.8 million**

USD earnings per share decreased by

▽ **15.4% to 11.5 cents**

USD headline earnings per share increased by

△ **22.1% to 17.7 cents**

Cash generated by the business totalled

USD42.5 million

Operating profit

▽ **12.6% to USD29.6 million**

ZAR earnings per share decreased by

▽ **16,0% to 210,8 cents**

ZAR headline earnings per share increased by

△ **21,2% to 324,5 cents**

We continued to effectively manage working capital across all operations and more detail can be found in the Chief Financial Officer's report from page 71.

Further detail on the financial performance can be found in the Chief Financial Officer's report and the annual financial statements from page 110.

MARKET OVERVIEW

During the year, the markets remained volatile, which was particularly evident on the political side with political uncertainty at the forefront of macroeconomic challenges. One surprising development was muted growth in China, which was below expectations. Conversely, India performed strongly and we see India taking up some of the commodities previously consumed by China.

Investment in the mining space remains a concern for some of the downstream users. With less investment in mining and looking at the consumption trends of some commodities in the long term, this is a new risk which has emerged.

We will keep a close eye on the market reaction to President Trump's second term. Import tariffs on China could pose a potential risk for our business. A second risk is the possible deportation of Mexicans working in the United States of America (USA) as this may impact our employees.

On a macro level, we have observed the growth in demand for critical metals which make up the battery minerals, including lithium, cobalt, nickel and copper. We need to get closer to battery minerals and from a business development point of view, we are keeping an eye on developments and opportunities in this sector.

OUR OPERATIONAL PERFORMANCE

Raise boring

Notwithstanding the tight economic environment, we increased the number of machines from 136 to 143, on the back of a positive order book and pipeline. The client is key when making decisions on the number of machines to be deployed. We continue to be well positioned in the African and international markets in raise boring.

The South American region remained disappointing. Although the operations are not performing as well as they should, the outlook has improved given the growing demand for several commodities.

In North America, Mexico's performance proved disappointing. Following losses, the business has been restructured, and given the positive prospects for copper, gold and silver, therefore the outlook for FY25 is expected to improve.

The Canadian business team had an excellent year, successfully servicing contracts for a Brazilian mining client. These contracts are up for renewal, which we expect to conclude successfully.

Africa was again the star region, with South Africa posting record revenue and earnings before interest, tax, depreciation and amortisation (EBITDA).

India posted an excellent performance and Europe also had a very good year.

Australia had a reasonable year in terms of performance but is well positioned to grow. This region will be key for the Group in the long term, and we will extend our business in the region, including Papua New Guinea and Indonesia. Notably, Australia is also the springboard for expansion into Indonesia. Given that a number of South African companies have made significant losses in Australia, we are approaching the investment with deliberate caution and proceeding in a slow and careful manner.

Slim drilling

The Hall Core joint venture proved disappointing during the year, with the reduction of rigs at Mogalakwena, decreasing the previously contracted 32 rigs to 24. A further reduction is expected in FY25 on the back of the proposed Anglo Platinum delisting. The Hall Core performance was not positive, and we expect this to continue into FY25.

Conversely, the MDX business delivered strong results, building on the solid performance from FY23. The budget for FY25 is set to surpass FY24. While MDX is expanding its services to include solar farm and water project drilling, these initiatives remain closely tied to our core focus on drilling operations within the mining sector. These efforts represent a diversification of our drilling services, not a shift away from mining. We anticipate a significant order pipeline in these areas, alongside continued growth in our traditional drilling markets, particularly in South Africa and Namibia.

A&R ENGINEERING AND MINING SERVICES PROPRIETARY LIMITED AND RELATED COMPANIES (A&R)

The investment in this business has borne fruit with another very good annual performance and with projected numbers for FY25 demonstrating further growth. During the year, we continued to aggressively pursue the internationalisation of the business and have made significant progress in this regard. Looking ahead, we are likely to exercise the right to increase Master Drilling's shareholding to 70% in FY25. The outlook for FY25 is promising.

TECHNICAL DIVISION

The following new technology projects are progressing well with an aim to diversify our interests, create a sizeable Group contribution and differentiate ourselves from other industry service sources for sustainability.

These technologies provide step-change solutions for mining clients with regard to safety, accelerated access to orebodies and reducing waste/improving recovered mineral and metals grades.

Tunnelling

The 5,5m diameter mobile tunnel boring machine is being refurbished for potential contractual deployment during the second half of 2025. Improvements for increased performance are being made from valuable operational experience gained.

Engineering is complete for a 6,5m diameter tunnel boring machine in preparation for an access tunnel enquiry expected during the first half of 2025.

Advanced polycrystalline diamond technology will be used on a project to develop a highly mobile, energy-efficient, non-explosive, safe and place-changing tunnelling resource. The technology will be tested for technological and commercial readiness during 2025. Discussions regarding implementation through a phased field trial basis with clients are in progress.

Shaft boring project

The 4,3m diameter hard rock Shaft Boring System (SBS) concluded a 50m sinking experimental trial during February 2025 while meeting key performance indicators (KPIs) as defined. From learnings gained – a potential for improved performance and a requirement for higher system reliability were determined

We are continuing our focus on growth, diversification and technology advancement. A focus on environmental, social and governance (ESG) matters goes without saying and forms part of the sustainability leg of the greater strategy.

– improvements will be made for further testing. Commercial deployment is being considered for the end of 2025.

A larger diameter system will be engineered during 2025 for future critical access infrastructure construction readiness.

MINING

The Reef Boring System is being developed for African Rainbow Minerals and will be used to provide non-explosive, safe, non-waste-diluted and continuous mining. Key sub-system surface experimental testing has provided exceptional results to date. The technology is developed in a phased approach. The complete system is under manufacturing and experimental surface commissioning and will be deployed for underground field trials at the end of 2025. Reef boring for gold deposits provides for further future growth potential.

STRATEGY PERFORMANCE

The strategic focus has remained the same. The four divisions, rock boring, slim drilling, mining services and new technology holdings each have their own strategic objectives and initiatives to ensure that we continue to remain sustainable as a business.

In terms of diversification, we have advanced this geographically during the year with raise boring in Saudi Arabia and a joint venture in Turkey. On the business diversification front, our slim drilling and exploration operations have moved away from just commodities, now working on water and solar farm drilling projects as well. We have previously not been exposed to this industry, and these projects entail drilling to support the infrastructure for the solar plants with a key element being the mobility of the equipment. We currently have projects in South Africa and Namibia and there is a significant opportunity in this area.

Our strategy is first to commission and test new projects locally and then expand globally.

THE BOARD

It was with great sadness that we learnt of the passing of Shane Ferguson in November 2024. He was a valued non-independent non-executive director who since our listing in 2012 played an important role in advancing our governance framework and compliance processes while also contributing to the Board and Board committees with insight and dedication. His contributions will be greatly missed. We and the Board extend our heartfelt condolences to Shane's family, friends and colleagues.

Following Shane's passing, the Board committees were reconstituted – please refer to the corporate governance report on page 84 for further details.

Regarding our Board diversity targets, we remain on target in terms of race but are behind target on gender diversity with 13% of female Board members against a target of 20%. We remain cognisant of diversity when assessing new Board appointments.

DIVIDEND

We are pleased to report that, subsequent to year-end, the Board declared a gross dividend of 65,0 cents in ZAR terms per share. This represents a 5 times earnings cover which is in line with the desired level indicated in our listing prospectus of a 4 to 5 times earnings cover.

LOOKING AHEAD

Overall, we are well positioned to maintain healthy profit margins. The internationalisation of A&R remains top of mind and we are particularly looking at Mexico and Chile.

Looking at commodities, copper is experiencing supply constraints, in gold we are well positioned and battery minerals present increasing opportunities in the medium to long term.

The shift in mining operations to expediting the timing of projects presents a significant opportunity for shaft boring and tunnel boring. Our remote drilling operations are also well positioned to provide us with a strong competitive edge on the safety and efficiency front.

Our strategic emphasis is not on the short term but rather our investments look at the medium to long term. We will continue to strive to understand trends in our markets and help miners make a positive impact on their businesses.

APPRECIATION

Our appreciation to our fellow Board members for their wise counsel during the year. We thank management and all employees for their hard work and dedication which have contributed to our pleasing results. Our appreciation also to our stakeholders, including clients, partners, suppliers, shareholders and advisors for their continued support.

Hennie van der Merwe
Chairman

Danie Pretorius
Chief Executive Officer

30 April 2025

A&R Group, founded in 1978, develops safety and management solutions for the mining industry offering purpose-built and operationally proven solutions. The A&R team has since progressed to building advanced, integrated solutions that provide comprehensive mine management.

Since Master Drilling acquired the company, it has provided funding for further research and development (R&D) and expanded A&R's global footprint.

Click here for further information about the business:

WHO WE ARE

Master Drilling is the world's largest raise boring business with a focus on delivering a fully mechanised range of services to the mining sector.

Established in South Africa in 1986, Master Drilling's portfolio has expanded to include exploration, blast hole, raise boring, reverse circulation, diamond and directional drilling with each service tailored to meet the specific needs of the mining, civil engineering and energy sectors. Over the years, we have diversified not only geographically but also into safety management solutions.

Master Drilling excels in innovative solutions, prioritising safety, sustainability and efficiency across the mining, civil engineering and energy sectors globally. We emphasise innovation, safety and environmental sustainability in our operations, and our advanced technology and experienced team ensure precision and efficiency in every project.

Our specialised capital and consumable items and equipment are produced and procured in China through our Chinese business. The Group's engineering, manufacturing and support services are provided from South Africa, with our Chinese facilities servicing several of our other international clients.

Master Drilling is currently listed on the JSE with operations that stretch across the globe:

Africa: South Africa, Botswana, the Democratic Republic of Congo (DRC), Ghana, Mali, Namibia, Sierra Leone, Tanzania, Zimbabwe and Zambia

South America: Brazil, Chile, Colombia, Ecuador and Peru

Central and North America: Canada, the USA, Mexico and Nicaragua.

North, Central and Eastern Europe and Asia

India

Australia

Saudi Arabia

Operations in
29 countries
on five continents

Approximately
30km
of vertical excavations drilled per year

Most
diversified
drilling service provider in the world

Largest
raise bore fleet in the world

Over
3 112
people employed

Over
37 years'
experience

We hold numerous
world records
and awards

Accredited world-class
training

Fully horizontal
Integrated business model
including consulting, design, R&D, manufacturing and execution

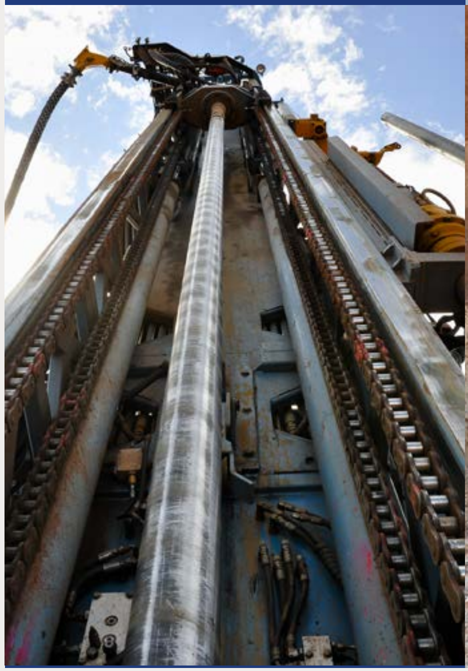
WHO WE ARE continued

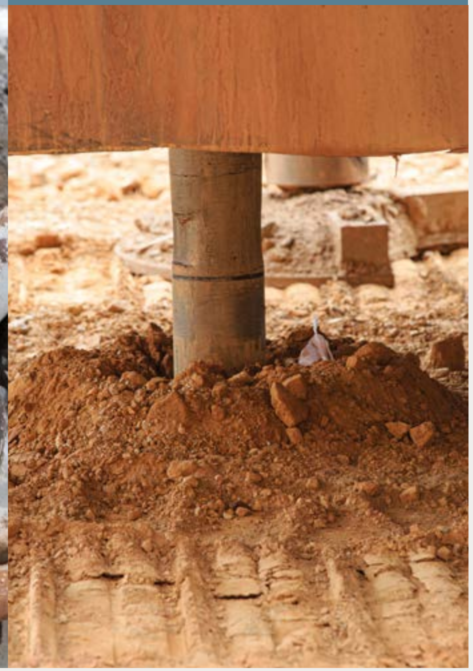
The Group conducts three principal drilling activities:

EXPLORATION-STAGE DRILLING
Exploration diamond core and percussion drilling focused on the discovery and quantification of new mineral deposits

PRODUCTION-STAGE DRILLING
Raise boring and blast hole drilling conducted within active mining areas and encompassing surface and underground services

CAPITAL PROJECT-STAGE DRILLING
Raise boring and blast hole drilling which take place once a potentially viable ore deposit or extension to an ore deposit has been identified and its resource has been quantified





The Group's technical division, Drilling Technical Services Proprietary Limited, undertakes design, engineering, manufacturing, customisation and maintenance support for the Group's drilling activities.

Master Drilling provides complete project management expertise in projects ranging from exploration-stage drilling through to production-stage drilling. We have specialised in-house drilling equipment design, manufacturing, training and maintenance capabilities, which allow us to tailor solutions to meet the specific conditions and drilling requirements of our clients. We also provide drilling services for civil engineering applications in a variety of emerging markets.

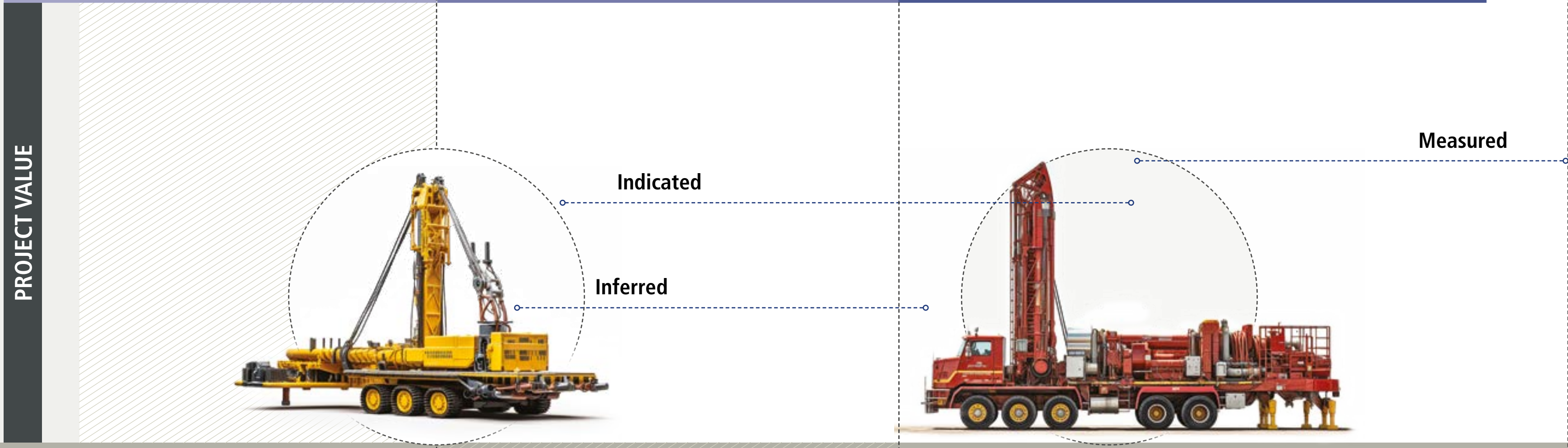
The Group has the knowledge and experience to offer its clients a variety of drilling services, including surface and underground raise boring, blind hole drilling, underground and surface exploration core drilling, blast hole and percussion drilling. The Group's raise boring capability offers advantages over other conventional drilling methods including increased speed and safety.

WHO WE ARE continued

Our vertical integration business model has enabled us to maintain efficient and effective control over our value chain.

EXPLORATION-STAGE DRILLING

DISCOVERY | **DESKTOP STUDY** | **PRE-FEASIBILITY STUDY**



DISCOVERY

During this phase, high-quality samples are extracted, allowing for accurate modelling and resource estimation.

- Core drilling
- Percussion drilling
- De-watering
- Mud rotary drilling
- Air rotary drilling
- Geotechnical services
- Diamond drilling (Desert Elephant)
- Blast hole drilling

EXPLORATION-STAGE DRILLING

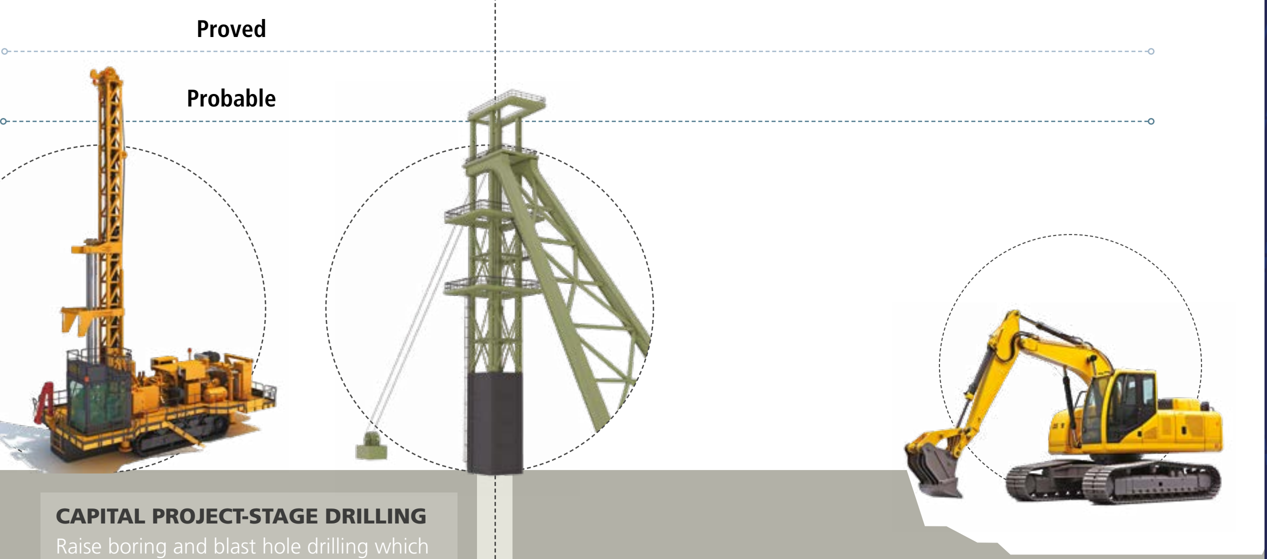
Exploration diamond core and percussion drilling focused on the discovery and quantification of new mineral deposits.

- Raise boring
- Horizontal raise boring
- Box hole boring
- Slot hole drilling
- Reverse circulation drilling
- Shotcreting
- Paste holes
- Lidars
- Piling drilling
- Remote drilling
- Directional drilling

WHO WE ARE continued

CAPITAL PROJECT-STAGE DRILLING | **MINE PRODUCTION-STAGE DRILLING**

FEASIBILITY STUDY | **PROJECT COMMISSIONING**



CAPITAL PROJECT-STAGE DRILLING

Raise boring and blast hole drilling which take place once a potentially viable ore deposit or extension to an ore deposit has been identified and its resource has been quantified.

- Blind shaft boring
- Infill drilling
- Mobile tunnel boring
- Reverse circulation drilling
- Shaft boring systems
- Reef boring
- Raise bore and blast hole drilling

PRODUCTION-STAGE DRILLING/ADDED VALUE SERVICES

Raise boring and blast hole drilling conducted within active mining areas and encompassing surface and underground services.

- Mobile tunnel boring
- Reverse circulation drilling
- Shaft boring systems
- Reef boring
- Stage shaft support (headgear)
- Open pit mining support

INVESTMENT CASE

- Leading specialist in rock boring and exploration drilling
- Strategically positioned to ensure sustainability across commodity cycles through innovation, growth and shared value commitment
- Strong long-standing management and executive team
- Strong market position and competitive advantage
- Providing tailored equipment to fit client needs – along with on-site engineering support
- Committed to consuming clean renewable energy sources
- Renowned for cutting-edge drilling solutions
- Geographical diversity
- Technologically innovative

A WORLD LEADER

Our vertical integration business model has enabled us to maintain efficient and effective control over our value chain.

We place a high value on the principle of renting out or operating and not selling our rigs, which we design and build mainly in-house as it helps us remain agile. This principle, along with simplicity of design and mobility, enables us to render our services cost-effectively.

We have managed to grow our business sustainably by sweating our assets and diversifying into new geographies, sectors and clients.

Our focus on risk management has enabled us to address the ever-growing awareness and need to ensure safety in the workplace, along with the volatility of the commodities markets and labour issues which impact our mining clients.

For more on risk, refer to our business risks and opportunities and material risks on pages 36 to 42.

In addition to our meticulous pursuit of maximising safety, we look to add value to our services through the following:

SPEED

Our automated drilling operations allow us to complete jobs in less than half the time required by conventional methods of excavation.

EFFICIENCY

Our proprietary technology facilitates remote operation and monitoring, reduced manning costs, safer holes and tunnels and real-time sample grading.

VALUE

We provide clients with solution-based services that, in many cases, offer safer operational design, increased mining production, reduced costs, better quality and reduced project risk.

QUALITY

Accurate directional drilling on mining access shafts that need to be straight for the movement of conveyances at high speeds is one example of the quality we provide to our clients.

HIGH SERVICE LEVELS

We offer customised designs that match the individual needs of our clients.

Through continuously adapting and enhancing our techniques, we strive to provide our clients with cost-effective and environmentally responsible solutions, reinforcing our position as a global leader in drilling services.

HOW WE DO WHAT WE DO

DESIGN

Conceptualise, develop and deliver a complete fleet solution for our clients.

MANUFACTURE

Assemble, establish and maintain a diverse portfolio of custom-made drill rigs.

TRAINING

Develop and enhance skills to capitalise on our machinery and specialised manpower.

OPERATE

Provide operational support and complete project management for all our drill rigs.

MAINTAIN

Provide engineering support for drill rigs, continuously upgrading our portfolio.

WHO WE ARE continued

OUR OPERATIONS

We look to carry out operations that encompass our commitment to sustainability with an emphasis on responsible environmental stewardship, which is essential for us as our geographical footprint spans many different countries.

Operating on a global scale has enabled us to diversify our income, with the majority of our revenue currently derived from Latin America and Africa. Geographical diversification forms an important part of our strategy as it broadens our growth potential while reducing overall risk. We continue to explore different ways to grow our footprint through joint ventures or mergers and acquisitions.

CENTRAL AND NORTH AMERICA

Canada, Mexico and the USA

Mining
Commodities: Copper, gold, nickel, polymetallic, silver

Revenue contribution in 2024: **13%** (2023: 13%)

Gross profit contribution in 2024: **9%** (2023: 7%)

Total rigs: **24**

For more detail on our performance in Central and North America, refer to page 72.

SOUTH AMERICA

Brazil, Chile, Colombia, Ecuador and Peru

Mining
Commodities: Copper, gold, polymetallic, silver, zinc

Revenue contribution in 2024: **24%** (2023: 29%)

Gross profit contribution in 2024: **20%** (2023: 30%)

Total rigs: **53**

For more detail on our performance in South America, refer to page 72.

SOUTH AFRICA

Mining
Commodities: Coal, copper, diamonds, gold, iron ore, platinum

Revenue contribution in 2024: **28%** (2023: 27%)

Gross profit contribution in 2024: **30%** (2023: 49%)

Total rigs: **13** Slim drill rigs: **46**

Mobile Tunnel Borer (MTB): **1**

AFRICA

Botswana, the DRC, Ghana, Mali, Namibia, Sierra Leone, Tanzania, Zambia and Zimbabwe

Mining
Commodities: Coal, copper, diamonds, gold, iron ore, platinum

Revenue contribution in 2024: **15%** (2023: 16%)

Gross profit contribution in 2024: **11%** (2023: 49%)

Total rigs: **35**

For more detail on our performance in Africa, refer to page 72.

REST OF THE WORLD

Australia, China, Finland, France, India, Ireland, Norway, Saudi Arabia, Sweden and Turkey

Hydroelectric energy | Civils and construction | Mining
Commodities: Chrome, gold, iron ore, lead, polymetallic, zinc

Revenue contribution in 2024: **20%** (2023: 15%)

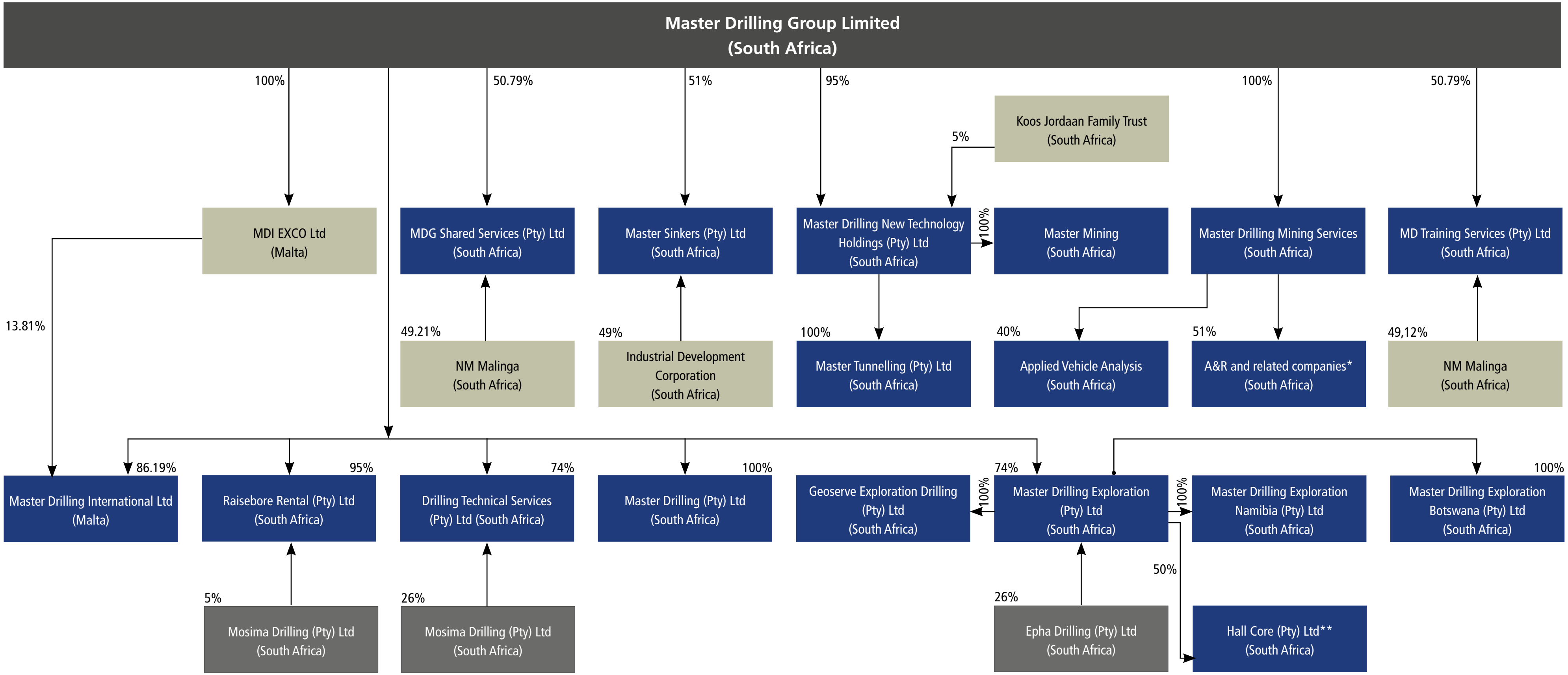
Gross profit contribution in 2024: **30%** (2023: 14%)

Total rigs: **18**

For more detail on our performance in other countries, refer to page 73.

WHO WE ARE continued

GROUP STRUCTURE



* *A&R Engineering and Mining Services (Pty) Ltd, Embedded IQ (Pty) Ltd, Embedded Works (Pty) Ltd, Lamproom Solutions and Consulting (Pty) Ltd, Moxie Digital (Pty) Ltd and Embedded Manufacturing (Pty) Ltd*

** *Hall Core Holdings (Pty) Ltd, DrillX Innovations (Pty) Ltd, Hall Core, Mapela (Pty) Ltd and Hall Core Mothlothlo (Pty) Ltd*

Operational
Third party
Dormant
Registration in progress

B-BBEE partners: Mosima Drilling and Epha Drilling

WHO WE ARE continued

TIMELINE

1980-1999

1986

Master Drilling established

1988

Designed and manufactured the RD1000 for Premier Diamond mine, South Africa

1992

Commenced drilling at the Shabanie mine, Zimbabwe

1993

Commenced drilling at Barrick Group's El Indio mine, Chile

1998

Commenced drilling at Milpo's El Porvenir mine, Peru

2000-2010

2000

- Commenced drilling at AngloGold Ashanti's Cuiaba mine in Minas Gerais, Brazil
- BHB 200, the first self-designed low-profile raise bore and blind hole machine put into service at East Driefontein mine, South Africa

2001

Acquired first Wirth HG380 rig

2003

Entered the market in large-diameter holes

2005

- Commenced drilling at Peñoles Group's Tizapa mine, Mexico
- Obtained ISO 9001:2000 accreditation in South Africa

2006

Acquired Drillcorp Africa Proprietary Limited

2011-2019

TIMELINE continued

2011

- Opened site office at Glencore's Kamoto mine, DRC
- Designed and manufactured first dedicated low-profile blind hole drill rig

2012

- Listed on the JSE
- Master Drilling Group Limited formed through reorganisation
- Achieved world record in directional drilling at Lonmin mine with the most accurate pilot hole at a depth of 1,07km and a diameter vent shaft of 5,5m
- Completed five shafts in Saudi Arabia

2013

- Awarded exploration drilling contract at Kolomela
- Expanded global footprint to Mali and Guatemala by offering raise boring services
- First automated machine went live at Sasol, South Africa
- Peru's first automated machine went live
- Started raise boring services in Mali and the DRC for Randgold Resources

2014

- Awarded contract at Palabora Mining for two ventilation shafts, each 6,1m in diameter and over 1,2km deep
- Increased upgrading to automation control raise bore rigs
- Designed and manufactured the RD8-1500, a raise bore drill rig capable of drilling 8,5m in diameter over 1,5km deep
- Completed Rowland shaft

2015

- Expanded fleet size to 145 rigs (97 raise bore rigs and 48 slim drilling rigs)
- Acquired 40% stake in Bergteamet Raiseboring Europe AB
- Expanded geographical footprint into Ecuador and Colombia
- Introduced new service offerings in the energy sector on hydro projects
- Commissioned the RD8-1500, one of the largest raise bore rigs in the world

2016

- Acquired Bergteamet Latin America SpA
- Secured a five-year extension of a key AngloGold Ashanti contract in South America
- Contracts awarded in Sierra Leone and Tanzania
- Awarded first blind shafting contract in the USA

2017

- Secured contracts in India and Australia
- Placed order for MTB machine
- Successful completion of the vertically integrated raise boring trial at Cullinan mine

2019

- Finalised and launched the first MTB machine
- Acquired assets of Atlantis Group
- Acquired remaining 60% shares in Bergteamet Raiseboring Europe
- Invested in TunnelPro in Italy to assist with access to MTB market

TIMELINE continued

2020-2024

2020

- Expansion into Australia
- Successfully completed pilot drilling of the world's deepest raise bore (1,45km single lift at Zondereinde, South Africa)
- Acquisition of Geoserve Exploration Drilling
- Retained sustainability during the COVID-19 pandemic
- New RD6 large raise bore machine manufactured
- Remote drilling of raise bore rigs implemented

2021

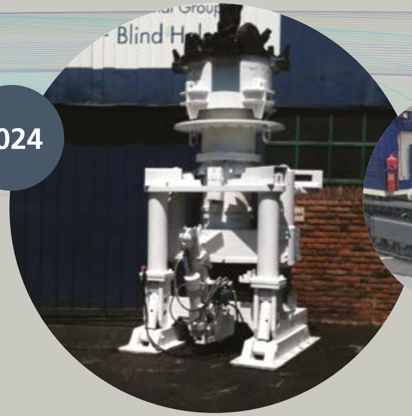
- Record Group revenue of USD171.8 million – the highest in the history of the Group
- Acquired an approximate 25% shareholding in A&R Group
- Acquired 40% shareholding in Applied Vehicle Analysis Proprietary Limited (AVA)

2022

- First time the Group breaks through USD200 million revenue
- Completion of world record raise bore hole
- Obtained control of A&R Group

2023

- Best safety performance to date with a lost time injury frequency rate (LTIFR) of 0.5
- Record Group revenue of USD242.8 million – the highest in the history of the Group
- Manufacturing of new technology vacuum mining machine finalised



2024

- Invested in proximity detection solutions and integrated data resource management systems
- Successfully deployed the underground robotic machine
- Installed carbon emissions and water usage reading meters on operating machines
- Received an award for corporate reporting practices at the Integrated Reporting Awards hosted by the Chartered Governance Institute of Southern Africa

AVA is a software company that believes in a data-driven approach to mine management by providing specialised solutions to operations.

AVA solutions make it simple for mines to obtain accurate, up-to-date information about how well their operations are performing, recognise the constantly shifting and distinct limitations associated with their processes, and react accordingly.

Click here for further information about the business:

OUR VALUE-CREATING BUSINESS MODEL

OUR INPUTS

Financial capital

- Revenue: USD270.8 million
- Capital invested in property, plant and equipment and intangible assets of USD42.3 million
- Operational cash generated: USD42.3 million
- Borrowings
- New investors
- Increase in shareholder spread

Manufactured capital

- Formidable fleet of 143 raise bore rigs
- 46 slim drilling rigs and one mobile tunnel boring rig
- Deployed in mining, civils and construction and hydroelectric energy
- Partnerships with strategic clients to develop bespoke technology solutions (reef boring, polycrystalline diamond cutting)
- Control of A&R Group

Intellectual capital

- Niche market
- Entrenched business codes
- Leading technology
- Global engineering expertise
- Automation and remote drilling
- Invested in upskilling workers
- Strong governance systems and protocols
- Patented intellectual property for enhanced execution capability and cost efficiency
- Over 108 years' global management experience with approximately 58% ownership

Human capital

- 3 112 employees
- Culture of excellence
- Safe working environment
- Positive employee engagement
- Organisational structure optimisation

Social and relationship capital

- Loyal client base
- Community development initiatives

Refer to page 65 for more details.

Natural capital

- Policies and procedures aligned with clients' project plans
- Increased efficiencies in energy, water and oil

OUR VALUE-CREATING BUSINESS MODEL continued

OUR BUSINESS

- Global leader in specialised drilling systems
- Vertically integrated business model allows control of the value chain
- Agile value proposition
- Competitive mobility
- Recognised risk management
- Safety success
- Specialised focus with diversified revenue streams

Delivering a turnkey solution through horizontal and vertical integration, amplified through mergers and acquisitions, joint ventures and alliances.

Transforming into providing bespoke mechanised cutting technologies.

AN INTEGRATED SERVICE PROVIDER

Rock boring
- Raise boring
- Horizontal raise boring
- Box hole boring
- Slot hole drilling
- Reverse circulation
- Shotcreting
- Paste holes
- Lidars
- Piling drilling
- Remote drilling
- Directional drilling

Exploration drilling
- Core drilling
- Percussion drilling
- De-watering
- Mud rotary drilling
- Air rotary drilling
- Geotechnical services
- Diamond drilling (Desert Elephant)
- Blast hole drilling

Master technologies
- Mobile tunnel boring
- Shaft boring systems
- Reef boring
- Stage shaft boring

Mining services
- AVA
- A&R Group

OUR SEVEN KEY DIFFERENTIATORS

1/ **Niche market**
High barrier to entry with our relatively low base cost for rig manufacturing when compared to the market

2/ **Secure financial platform**
ZAR hedge as costs are mainly in local currencies and revenue is in hard currencies

3/ **Diversification**
Revenue streams, footprint, sectors/commodities, client base and activities

4/ **Agility**
Rent/operate versus selling equipment

5/ **Mobility**
Proven ability to move a global-leading fleet between geographies, sectors and clients

6/ **Technology**
Patented technology for efficient and cost-effective change in the way companies operate underground e.g. proprietary technology for horizontal boring (block caving)

7/ **Secure client base**
Mainly blue-chip major and mid-tier mining companies; Master Drilling is a preferred supplier to most of the world's largest mining houses

OUR VALUE-CREATING BUSINESS MODEL continued

HOW WE CREATE VALUE

Sustainable growth

- Committed order book of USD332.5 million
- Revenue of USD130.0 million (hard currency)
- Market cap approximately ZAR2,05 billion
- Implementation of a fully functional SBS system
- Global footprint expansion
- Aggressive West Africa expansion drive
- Strong pipeline in Australia building steadily
- Revising and extending service offering for a turnkey mine solution
- Mergers and acquisitions focus on technology value-add targets (mining sector)

Optimisation and increased profitability

- Increased utilisation of the drill fleet
- Remote drilling
- Focused programme yielding results:
  - Underground teams have smart devices recording real-time information for remote monitoring
- Dedicated digital innovation team progressing systems for data-driven decision-making, global overview (e.g. stockholding) and effective strategic planning for the future

Technology optimisation and development

- Further development and improvements on MTB technology
- The first SBS machine is well under construction for its pilot project
- Further development in raise boring technology
- Increased roll-out of remote drilling capabilities
- Expansion of digitised platform reporting, analysis and management
- R&D in non-explosive mining solutions in partnership with clients
- Building capability and knowledge for green energy integration

OUR TRADE-OFFS

Financial capital

The most common trade-offs occur at the level of this capital, where capital-intensive initiatives are required in order to realise gains in the other five capitals, for instance:

- Optimisation enhances our manufactured capital with capacity and efficiency improvements;
- Up- and multi-skilling our people and improving systems ensure the long-term stability and durability of our teams and therefore the Group's sustainability;
- Expansion boosts our financial capital as well as intellectual capital, with widening experience offering learning and growth;
- Regulatory compliance enhances our relationship with various stakeholders in the regions in which we operate;
- Dedicated resources for community engagement improve our social and relationship capital; and
- Spend on mitigating our impact on the environment enhances our natural capital.

Manufactured capital

Capital investment in formidable fleet of 143 raise bore rigs, 46 slim drilling rigs, one MTB and the SBS project.

Intellectual capital

The focus on optimisation requires significant investment. Apart from future financial capital growth, the growing experience of our staff enhances intellectual capital.

OUR VALUE-CREATING BUSINESS MODEL continued

HOW WE CREATE VALUE

People capacity and development

- Multi-skilled teams
- Overhaul of performance management system for incentivisation and sustainability at a local level
- Active people development
- Investment in training of USD1.8 million
- Zero harm
- Focus on local job creation
- Sector Education and Training Authority accreditation of training centre
- Multi-skills and talent feed projects
- Thomas International Assessments
- Intern programme to attract top talent and develop pipeline

Growth market

- Recognition of the need to produce more metres drilled at quicker production rates, with fewer people and greater efficiencies
- Entrenched mechanisation gaining traction in underground mining globally
- Depletion of mineral content and environmental concerns forcing migration from opencast to underground mining
- Underground mining yields better reserves at greater depths thus further promoting underground mining

Sustainability

- Invest in mitigating environmental impact
- Safer, faster and lower-cost drilling solutions for multiple industries
- Safer solutions for explosives/blasting
- Greater automation equals enhanced safety
- Zero harm
- Salaries bill: USD91.7 million
- Tax paid: USD12.0 million
- Dividend paid when appropriate
- Increased spend on B-BBEE procurement in South Africa
- Compliance with mines' environmental requirements
- Social contribution in communities where we operate

OUR TRADE-OFFS

Human capital

Time and capital invested in improving performance management systems have a positive impact on staff turnover and morale and entrenches our culture of excellence with measurable outcomes to improve our social and relationship capital with our clients.

Social and relationship capital

There is a trade-off in time and focus invested in this capital, as efforts are diverted from the core business, specifically with respect to stakeholder engagement. Social and relationship capital is, however, the Group's "licence to operate" and therefore the bedrock of sustainability, with consequent gains in all other capitals.

Natural capital

We are conscious of limiting any detrimental effect our operations may have on the environment, whether as a result of diesel burning, electricity generation, waste or land disturbances.

OUR STRATEGY

Our strategy seeks to create and preserve value by delivering sustainable growth and impact through transformation that is driven by innovation. In implementing our strategy, we have built a solid foundation that will help us unlock further value in the longer term.

We grow our business in a sustainable way, by sweating our assets and diversifying into new geographies, sectors and clients.

OUR PURPOSE

Making a difference by reimagining the future of mining

Our strategy is split into the following four pillars:

Disruptive technology and innovation

- Automation and mechanical cutting;
- Mobile tunnel boring machine;
- Shaft boring machine; and
- Reef boring machine.

Diversification and growth

- Continued geographical, mineral and sector diversification; and
- Vertical integration and turnkey solutions.

Operational excellence and efficiencies

- Talent development, deployment and retention;
- Optimal business and operating models; and
- Capital allocation excellence.

Positive sustainable impacts (ESG)

- Supporting social and environmental sectors in green sustainable minerals, energy consumption and water usage; and
- Managing our own footprint to zero harm.

OUR STRATEGY continued

Our strategic focus is divided into three horizons:

Horizon 1

Immediate focus

One year

Rock boring, slim drilling, tunnel boring and reef boring

Horizon 2

Intermediate focus

Two years

Shaft boring and mechanical cutting

Horizon 3

Future focus

Three years+

New ventures and Master Drilling Mining Services

OUR 2025 STRATEGIC OBJECTIVES

1/ **Safety /** Create a safe and healthy working environment. (zero harm)

2/ **Growth /** Diversify the business to reduce risk and generate sustainable revenue streams

3/ **Financial /** Optimise returns on current and new investments

4/ **Operations /** Optimise production efficiency through service and project excellence

5/ **People /** Create a high-performance culture and fit-for-purpose teams across the business

6/ **Sustainability /** Drive long-term positive sustainable impacts (ESG)

STRATEGY SCORECARD

Disruptive technology and innovation

- Leading technology (SBS, MTB)
- Automation and remote drilling
- Data integration and sharing (big data)
- Partnerships with strategic clients to develop bespoke technology solutions (reef boring, PCD cutting)
- Master Drilling Mining Services (AVA, A&R)

Progress in FY24

- Finalised tests and applied design changes to the SBS
- Finalised the MTB generation 2 designs and commenced with manufacturing
- Analysed big data from established platforms
- Finalised tests with strategic partners and mobilised equipment to sites
- Continued to expand A&R and AVA internationally
- Successfully launched the robotic surface drilling machine

Targets for FY25

- Designing a grade control splitter, bagging and sampling system, which could significantly enhance our service delivery capabilities on the robotic surface drilling machine
- Rolling out the newly launched winch proximity detection system

Diversification and growth

- True shareholder value
- Organic growth through geographical expansion
- New services and bespoke solutions
- Diversification aligned with core services and industry
- Inorganic growth through appropriate mergers and acquisitions and joint ventures
- Continuous innovation, challenging the status quo

Progress in FY24

- Continued to expand footprint globally
- Continued to identify business opportunities to diversify and expand current service offerings
- Launched SPARK initiative to drive innovation

Target for FY25

- Focus on growing footprint in Australia, Canada, Saudi Arabia, Colombia, Spain and Portugal

Operational excellence and efficiencies

- Increased fleet utilisation
- Turnkey solution, one-stop-shop approach
- Safe working environment
- Organisational structure optimisation
- Employee profile and role alignment
- Clear development plans and promotability
- Positive employee engagement
- High-performance culture and employees
- Role definitions, skills and competency mapping approximately 60%
- Online Learning Management System (LMS) implemented, continuous mapping of skills gaps for promotability
- Employee engagement score of 86%
- Digitalised performance management platform implemented mapped with competencies

Progress in FY24

- Continued to expand on remote and automatic drilling capabilities
- Increased our focus on employee well-being and health on the back of our safety initiatives
- Expanded on initiatives to reduce electricity usage and water consumption

Targets for FY25

- Manufacturing several machines and rods in the bigger machine classes to cater for the increased demand experienced
- Stabilising fleet deployment

OUR STRATEGY continued

Positive sustainable impacts

Increased efficiencies in:
- Energy
- Water
- Oil

Progress in FY24	Targets for FY25
• Improved on energy, water and oil efficiencies • Improved alignment with international sustainability targets	• Reduce freshwater usage • Reduce oil consumption • Reduce power consumption (carbon dioxide emissions)

Community development initiatives

Progress in FY24	Targets for FY25
• Maintained spend of 1% of Group revenue as per policy	• Implementing innovation programmes that resolve local community challenges which includes people living with disabilities • Enhancing our communities' capacity-building standing so that they become self-reliant and self-sufficient

Employee well-being

Progress in FY24	Targets for FY25
• Provided employee seminars/camps dealing with socio-emotional well-being such as finances, marriage and coping with work pressure • Continued implementing our Group-wide leadership coaching programme • Launched a socio-emotional wellness questionnaire and tool to create optimal conditions for employee well-being	• Provide ongoing support and tailored coaching interventions • Fostering personal and professional development • Making good progress with the Group learning and development strategy • Implementation of the Group LMS

OUR OPERATING ENVIRONMENT

In 2024, significant geopolitical conflicts and economic shifts affected international markets and policymaking. Diverging growth rates among the developed economies influenced expectations for interest rate movements.

Geopolitical threat is increasing significantly in the world and is impacting investments globally. These include the continued conflicts in Russia and Ukraine as well as Israel and Palestine, which have had a further impact on instability and potentially on the price of oil from the Middle East.

Additionally, uncertainty surrounding the impact on inflation of the proposed policy measures of the new Trump administration, such as proposed and recently announced tariffs and tighter immigration control, has resulted in a more hawkish stance from the USA Federal Reserve after the presidential elections. While trade negotiations are ongoing with some trade partners, China has responded to tariffs with counter tariffs and imposed export restrictions and prohibitions on essential minerals, including processing technologies. The risk of a full-blown trade war remains high. The global trade order is currently fluid and uncertain, which will impact global business confidence. Businesses will need to remain agile.

The green economy is driving "battery minerals" such as lithium, cobalt, copper, zinc and nickel, while copper remains in demand and demonstrated strong fundamentals for growth. Battery minerals are expected to see steady demand due to an increase in electric vehicle sales. However, the uncertainties in the world have had a positive impact on the price of gold, which is seen as a haven.

Metals outlook

We track the global outlook for base metals, including aluminium, copper, nickel and zinc; battery metals including cobalt, graphite and lithium; precious metals including gold, platinum and palladium and ferrous metals including iron ore, metallurgical coal and steel. Given the current macroeconomic and tariff uncertainty, particularly due to fluctuating USA policy, these outlooks are changing rapidly. All metals groups are equally impacted with only gold relatively stable in outlook.

DIGITAL STRATEGY

As a Group, our strategy has always been to make a difference in the mining industry through the use of niche technology and automation. To achieve this, we diversify in different investments, such as commodities, currencies and various services focusing on South Africa, with a goal to take our technology globally.

Our digital strategy not only focuses on digital solutions and businesses but also digitalising our processes.

The Group drives continuous digital innovation projects through a dedicated digital innovations department.

DIGITAL STRATEGY continued

This forms part of our efforts to make the world safer for our clients. Currently, we have invested in two safety management solutions-based companies outlined below.

1/

A&R ENGINEERING AND MINING SERVICES AND RELATED PARTIES

A&R Group is a group of companies that focuses on mining safety and provides a management solution for the mining industry. The business primarily installs smart devices on vehicles underground, tracker vehicles, railway-bound vehicles and people. This is done to avoid vehicle collisions and ensure pedestrian safety through the use of a proximity detector.

Embedded IQ, a technology development company based in South Africa that is part of A&R Group, is the component manufacturer behind this equipment.

Our strategy is to take A&R Group, which has been operating locally for a number of years, abroad to assist international clients and companies. A&R Group has a rich history in South Africa and has been operational and servicing local businesses for more than 40 years. In 2021, Master Drilling obtained a minority interest in the equity and intellectual property of these companies and acquired the controlling shareholding in these businesses in 2022. The final tranche of the share purchase in the A&R group of companies has been postponed to the first quarter of 2025. This will increase Master Drilling's holding to between 60% and 65%.

2/

APPLIED VEHICLE ANALYSIS

AVA is a software company that believes in a data-driven approach to mine management by providing specialised solutions to operations, enabling companies to better control and manage their mines, material, mobile assets and people.

AVA makes it easy for mines to gain relevant, real-time insights into the performance of their operations and identify the ever-changing and unique constraints related to their processes and respond appropriately.

AVA operates in South Africa, West Africa, Peru and Malaysia with over 28 sites, 2 000 assets monitored and across five commodities. AVA has re-engaged the Master Drilling business development team on a broader level to explore Egypt, Ghana and Turkey at a greater depth.

3/

DIGITALISATION OF PROCESSES AND FUNCTIONS

Our Centre of Excellence (CoE), previously known as the digital and innovation department, was established in April 2024. The focus of the CoE is on:

- Innovation and value realisation;
- Operational excellence;
- Asset optimisation and data sciences;
- Business process digitalisation;
- Digital productivity;
- Cyber resilience;
- Global infrastructure services; and
- Special projects.

The highest priorities for FY24 were focused on:

- Internal capability maturity improvement of the CoE;
- Innovation and value realisation, via the SPARK ideation and innovation programme;
- Establishing and implementing an asset management framework and analytics; and
- Enabling the business transformation programme and its business case and funding model. This programme concluded its discovery phase by the end of FY24, and in the next reporting period, will focus on design and build, and deployment.

The **business transformation programme** focuses on the transformation of:

- Business processes;
- Process integration;
- Ways of work and capability maturity improvement;
- The reimplementation of enterprise resources planning;
- Analytics and insights;
- Establishing a fit-for-purpose data management capability; and
- Value realisation of USD4 million by the end of FY25 and a cumulative benefit of USD14 million by the end of FY26.

The first release of the new business solution will be on 1 October 2025 and will include South Africa, the rest of Africa and India. Master Drilling has contracted EY as a business partner for this programme.

RISK MANAGEMENT

Master Drilling's risk management framework remained consistent during the year. The Stragility application assists with the implementation and updating of information, as well as reporting of changes in the risk environment in real time and is fully implemented across the Group.

The Group follows the COSO II and ISO 31000 principles of risk management which require risks to be linked to objectives that drive our strategy. These identified risks are then linked to root causes and possible consequences. Controls are identified to deal with the root causes and possible consequences. The prioritisation of our risks helps us to focus our efforts and resources on areas with the biggest exposure and possible opportunities.

The Chief Executive Officer is ultimately accountable for risk management at Group level. The Chief Executive Officer delegates responsibility to the various executives, heads of department and other staff to ensure risks are managed and mitigated throughout the organisation.

In addition, Master Drilling has a Group Risk and Assurance Manager who:

- Ensures a structured **enterprise-wide risk framework** is in place and applied consistently across the business;
- Ensures **strategic, operational, financial and compliance risks** are identified, assessed, monitored and mitigated;
- Ensures risk appetite and tolerance levels are defined and aligned to the Board's expectations;
- Ensures risk registers are current and embedded into **decision-making and strategic planning**;
- Ensures **internal controls** are designed effectively and tested regularly;
- Ensures there is clear co-ordination across the **three lines of defence** (operational management, risk and compliance functions, and internal audit);
- Ensures assurance activities (e.g. audits, reviews) are aligned with **material risks** and the **Company's strategy**;
- Ensures **compliance with King IV™**, the Companies Act, the JSE Listings Requirements and other industry-specific regulations;
- Provides assurance that the business's public disclosures (integrated reports, sustainability reports, etc.) are **accurate, complete and risk-informed**;
- Supports the **Company Secretary and legal teams** to ensure governance policies and frameworks meet regulatory expectations;
- Supports the **Risk and Audit Committees** of the Board with reporting on risks, controls and assurance activities;
- Facilitates workshops and discussions to help senior leaders and Board members **understand emerging risks**;
- Ensures risk and assurance insights feed into **strategic and investment decisions**;
- Embeds a **risk-aware culture** across the organisation through training, policies, and leadership engagement; and
- Promotes ethical conduct and **tone from the top** aligned with King IV™ principles.

Key risks are linked to the strategic pillars and objectives of the organisation. This enables the Group to track and monitor issues that may prevent us from achieving our objectives and respond by implementing mitigating controls.

COMBINED ASSURANCE – THREE LINES OF DEFENCE

3rd line
Independent external assurance: External third parties provide assurance to corporate functions and line management

2nd line
Independent internal assurance: Corporate functions provide assurance to line management in executing their duties

1st line
Management: : Provides day-to-day assurance over various activities of the organisation

RISK MANAGEMENT continued

Board					
Corporate Governance Committee	Risk Committee	Remuneration Committee	Nominations Committee	Audit Committee	Social, Ethics and Sustainability Committee

Combined assurance forum			
Regional Risk Committee (South America, USA, Canada)	Regional Risk Committee (Africa, Europe, Asia)	Regional Risk Committee (South Africa)	Special Projects Risk Committee
Regional General Managers	Regional General Managers	Regional General Managers	Regional General Managers/ project managers/special matter experts

RISK TOLERANCE AND APPETITE

The Group has set levels that define the level of risk the Group can take on at any given time. These levels have been approved by the Board. The levels are reviewed quarterly in the form of actuals versus appetite and special initiatives have been formulated to address any risk determined to be above the Group's risk appetite.

Business units conduct facilitated risk assessments once a year based on the strategy and objectives for that year. Risk registers are updated by business unit management on a quarterly basis.

The Group Risk and Assurance Manager aggregates the registers into a Group risk register and presents it to the Risk Committee and ultimately the Board on a quarterly basis.

Risks are rated by using the following methodology:

- Impact;
- Likelihood; and
- Inherent risk.

A level of control factor is applied to the inherent risk to arrive at the residual risk exposure. The following four indicators are used to prioritise various actions relating to risk:

- Inherent risk;
- Residual risk;
- Desired residual risk; and
- Gap (difference between residual and desired residual risk).

INTERNAL AUDIT AND ASSURANCE

External risk management assurance is provided by PricewaterhouseCoopers Inc.

During the year, the Group defined the assurance universe, and we will be aligning the internal audit plan against the assurance of Master Drilling underpinned by risks and guided by strategy.

Master Drilling appointed an Internal Audit Manager, who is assisted by two additional in-house internal auditors. In building this capacity, the aim is to become a fully functional, independent in-house internal audit function. Assurance activities include internal audit, as well as external audit, internal cross-audits, performance audits and site audits. Master Drilling's assurance plan is risk-based and reviews are scheduled according to this plan.

The Group has already aligned with and will be following the newly released internal audit standard from the Institute of Internal Auditors.

The Group's risk metric is used to identify the different areas subject to internal audit review.

Areas with strong controls are tested rigorously, while areas with weaker controls are addressed to improve the controls.

REPUTATIONAL RISK

Reputational risk is not specified as a separate risk as the Group deems it to be a consequence of some other risk mitigation failing. Reputational risk is therefore addressed by managing each material risk individually.

MATERIAL RISKS

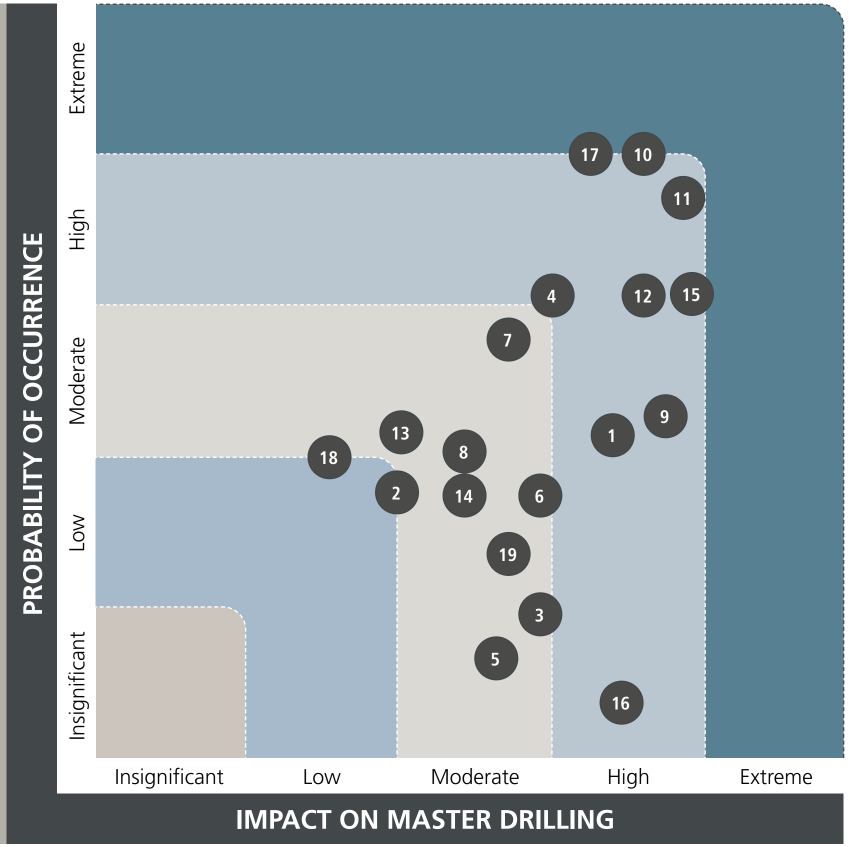
The risks identified at management level, and assessed by the Board's Risk Committee, expose those material matters that could substantively affect our ability to create value for our stakeholders over the short, medium and long term.

During the year, we reviewed our previously identified material matters taking into consideration our operating context, stakeholder engagement as well as risks and opportunities. In doing so, we assess the severity of the impact of any given material matter as well as the probability of its occurrence.

RISK MANAGEMENT continued

RISK HEAT MAP

The heat map indicates the position of the material risks detailed in the following pages on an assessment of the impact if the risk occurs, and the probability of the risk occurring, without taking the mitigation effect of controls into consideration (inherent risk position).



Risk	Rating	Management mitigation strategy
Extreme	> 20	This risk must be shared, terminated or controlled
High	> 15 up to 19	This risk should be shared or controlled
Moderate	> 10 up to 14	This risk will typically be controlled (treated)
Low	> 6 up to 9	Management will make an informed decision as to whether this risk must be controlled or absorbed by the business unit. The decision will be based on a "cost versus benefit" approach
Insignificant	Up to 5	Impact and probability are insignificant. This risk may be tolerated, and cost of losses will be absorbed by the operating unit

RISK MANAGEMENT continued

Overall, the material matters are as follows:

Material matter	Risks
Safety, health, environmental and quality	1
Information data	2, 3, 4
Sustainable growth	5, 6, 7, 8, 9, 10, 11, 12
Commercial	13
Competition	14
People capacity and development	15
Legal, regulatory and procedural compliance	16, 17
Cybersecurity	18
Theft, fraud and corruption	19

Increased in relation to previous year | Decreased in relation to previous year | Unchanged

Within these material matters, the Group aims to manage each matter through the mitigation of the following key risks:

Risk		Mitigation	Status
Safety, health, environmental and quality			
1	**Unwanted SHEQ-related events**	Control, through an integrated management system, based on leadership commitment, effective SHEQ standards, core competencies and consultation and participation. This, combined with the live data provision of applicable leading and lagging indicators, ensures the risk is actively controlled.	Increased
Information and data			
2	**Information-driven decision-making**	The Group drives continuous digital innovation projects through a dedicated digital innovations department. The data that these projects generate is stored in data warehouses and interpreted by making use of data analytics and Power BI dashboards. This information is then used to make real-time business decisions.	Unchanged
3	**Information technology (IT), data analytics and end-user knowledge**	The same controls are applied as under the information-driven decision-making risk, however, with a focus on upskilling the end user to use the various dashboards. Continuous training and development initiatives are driven by the digital innovations department as and when new systems and platforms are launched.	Decreased
4	**Artificial Intelligence (AI) and automation**	Increasing reliance on AI-driven decision-making and automation in drilling operations. Investing in AI-related upskilling, ensuring ethical AI governance, and strengthening cybersecurity protocols.	Unchanged

RISK MANAGEMENT continued

↑ Increased in relation to previous year ↓ Decreased in relation to previous year — Unchanged

Risk		Mitigation	Status
Sustainable growth			
5	**Fleet optimisation and utilisation**	Various scheduled machine upgrades are underway with a specific focus on low-profile machines. There is also an increased focus on the MTB and SBS.	↓
6	**Business model optimisation**	A Group strategy alignment project was implemented with monthly progress reviews towards strategic initiatives. The aim of this project is to align entities and teams with the overall direction of the business. This is achieved by making use of technology where all employees in the Group have access to the objectives and key results as well as the ability to view progress towards achieving them.	—
7	**Diversification, mergers and acquisitions and geographical expansion**	The Innovations Committee partners with business development agents to expand the geographical footprint and research into specific technologies that can be applied in the mining industry.	↓
8	**Availability and accessibility of funds and free cash**	A number of cash-preservation measures are in place to preserve cash and increase access to funds. These include weekly capital allocation meetings and cash flow projections as well as various cost-reduction initiatives across all operations.	↓
9	**Innovation and technology**	The Innovations Committee innovates technology-driven solutions that can be applied in the mining as well as non-mining environments.	—
10	**Look and feel of the future mining industry**	Master Drilling participated in various forums and several global conferences which provided insight in terms of what the future of the industry might look like.	↑
11	**Supply chain and resource security**	Ensuring the availability of essential inputs in volatile global markets. Strengthening supplier relationships, diversifying supply sources and adopting just-in-time procurement strategies.	—
12	**Maintaining our licence to operate (ESG specifics)**	A specific ESG policy focuses on the following: • Green energy usage (head office) • Energy-efficient operations • Fresh water usage reduction • Oil consumption reduction • Fossil fuel consumption reduction • Community development Developing resilience strategies such as sustainable energy use, improved water management and carbon footprint reduction.	↓
Commercial			
13	**Contract management, execution and profitability**	We have dedicated contract managers with a key focus on training and development around contract execution and cost management. These contract managers are supported by qualified quantity surveyors and project management technologies.	—

RISK MANAGEMENT continued

Increased in relation to previous year | Decreased in relation to previous year | Unchanged

Risk		Mitigation	Status
Competition			
14	**Strategy and technical development at competitors, potential future competitors and original equipment manufacturers**	We continuously monitor the industry for new technologies and make adjustments to our long-term strategy accordingly. The Innovations Committee also plays a key part here.	Unchanged
People capacity and development			
15	**Required skills mix, development and availability thereof for the new normal**	We have a defined business strategy with a specific future-fit objective. KPIs and performance agreements for executives are in place together with succession plans for key individuals.	Decreased
Legal, regulatory and procedural compliance			
16	**Compliance with key laws, regulations and critical procedures**	Each business unit in the Group has developed a compliance universe based on the Group's identification and prioritisation methodology.	Unchanged
17	**Geopolitical tension**	The Group has a functioning Crisis Committee that oversees geopolitical tensions and the potential impacts these could have on the Group. Issues are continuously monitored, and any changes are reported to the Crisis Committee.	Increased
Cybersecurity			
18	**Safeguarding of information and protecting the organisation against cyberattacks**	Various IT policies and procedures are in place together with firewalls and continuous data monitoring. Deviations from procedures are investigated with remedial actions identified and implemented. Notifications around cyberattacks are monitored and adjustments made as and when required.	Decreased
Theft, fraud and corruption			
19	**Timely detection and reaction to theft, fraud and corruption**	Policies and procedures are in place to deal with any such incidents. The Group has a whistle-blower hotline that is administered by Deloitte. Scheduled internal and external reviews are conducted throughout the year.	Unchanged

The above risks are linked to our strategic objectives and pillars. Efficiently managing these risks can help safeguard the Group against financial and reputational damage.

OPPORTUNITIES

1/ SHEQ-related events provide opportunity to increase client satisfaction and for the expansion of our client base.

2/ Global geopolitics drive an increased focus on diversification strategies, specifically looking at growth opportunities in unaffected countries.

3/ Information-driven decision-making ensures we take more correct decisions in a shorter space of time.

4/ IT, data analytics and end-user knowledge ensure real-time reporting and decision-making.

5/ Fleet optimisation and utilisation increases production, safety statistics and profitability.

6/ Business model optimisation ensures an increased and dedicated focus by individuals on the four core businesses.

7/ Identify and pursue high-margin, low-capital businesses, creating additional income streams for the Group.

8/ Availability and accessibility of funds and free cash ensures the ability to capitalise on business opportunities as and when they arise.

9/ Innovation and technology enable a safer working environment for our staff and our clients' staff.

10/ Ability to design new technologies not yet in existence and capitalising on this position.

11/ Making a real difference towards sustainability and contributing to a green economy.

12/ Applying efficient contract management to increase utilisation and profitability.

13/ Ability to be one step ahead of our competitors in what we offer to the market. This, in turn, will result in additional work and revenue.

14/ Create an effective lean business with engaged high-performing individuals.

15/ Comply with all laws and regulations to ensure an improved corporate image.

16/ Safeguard information against cyberattacks and develop new software and programs internally that can be commercialised.

17/ Developing Mining-as-a-Service: Offering turnkey drilling services with performance-based contracts.

18/ Leveraging ESG for investor attraction: Sustainable practices can improve access to green financing and investment funds.

19/ Strategic alliances and joint venture partnerships: Entering partnerships for technology co-development or regional expansion.

20/ Predictive maintenance and data monetisation: Selling AI-driven maintenance insights as a service to clients.

21/ Through timely detection and reaction to theft, fraud and corruption, apply lessons learnt and strengthen the internal and external control environment.

OUR APPROACH TO SUSTAINABILITY

Our approach to business is driven by a purpose to create value sustainably, ensuring we have a positive and lasting impact on our people, communities and society at large. We look to carry out operations in a manner that promotes environmental safety, which guarantees long-term business resilience and creates sustainable stakeholder value.

ESG PURPOSE STATEMENT

Our purpose is to protect and enhance the environment through innovative practices, empower our people and communities and ensure transparent and accountable governance for lasting success.

Environmental responsibility

We recognise our responsibility to safeguard the environment for future generations and are dedicated to minimising our environmental footprint by reducing emissions, conserving resources and embracing sustainable practices in our operations.

Our commitment to environmental stewardship extends beyond compliance to innovation, continuously seeking and implementing greener solutions to protect the earth's fragile ecosystems.

Social well-being

We value the well-being of our employees, clients and the communities in which we operate. Through fostering diversity, equity and inclusion within our organisation, we aim to create a workplace that reflects the diversity of the world.

We are committed to fair labour practices, safe working conditions and empowering our employees to thrive both professionally and personally. In addition, we actively engage with the communities around us by supporting local initiatives and building lasting partnerships that enhance quality of life.

Governance excellence

Transparent, ethical and responsible governance is the foundation of our success. We uphold the highest standards of corporate governance, maintaining the trust and confidence of our investors, clients and employees.

Our Board is accountable, embraces diversity and is committed to long-term sustainability. We foster a culture of accountability, transparency and integrity in all that we do.

OUR APPROACH TO SUSTAINABILITY continued

ESG POLICY STATEMENT

At Master Drilling, we are committed to making a positive and lasting impact on the world through our unwavering dedication to ESG principles. Our purpose is clear: to lead by example, drive positive change and create sustainable value for our stakeholders, the communities we serve and the planet we call home.

Our ESG purpose is not just a statement; it is a commitment to drive positive change, demonstrate leadership and continuously improve. We measure our progress, hold ourselves accountable and adapt to emerging challenges. Through our actions, we aspire to set an example for others, inspire collective efforts and contribute to a more sustainable, inclusive and prosperous future for all.

CULTIVATING A ZERO-HARM ENVIRONMENTAL APPROACH

We realise that water is a precious resource and is an important input for the mining and mineral industries' operations. Furthermore, it is primarily required for the health and well-being of our employees along with the communities in which mines operate. Therefore, it is important to cultivate a zero-harm environment in terms of safety and health throughout our operations and, through the implementation of and investment in risk mitigation initiatives, we reduce our own carbon footprint.

MASTER DRILLING HAS COMMITTED TO THE FOLLOWING:

- Ensuring that we use water in a responsible manner to safeguard our employees and the communities in which we operate;
- Applying innovative technologies to enhance operational security and water stewardship;
- Conserving water by adopting management practices to reduce water usage, pollution and wastage;
- Collaborating with our stakeholders to achieve responsible and sustainable water usage;
- Implementing clean, renewable energy sources that will ensure reduced air pollution and carbon emissions;
- Using smart technologies to chart the extent of our carbon footprint and to identify methods to reduce carbon emissions;
- Utilising a data-driven approach to determine the most efficient use of our assets in order to reduce our carbon footprint; and
- Striving to contribute to environments that prioritise diverse sources of clean and renewable energy to power communities within which we operate.

As a Group, we aim to conduct business through our core values which are **respect, accountability, innovation, safety** and **efficiency**.

OUR APPROACH TO SUSTAINABILITY continued

Environmental responsibility

How we define ESG

The energy the Company takes in, the waste it discharges, the resources it needs and the consequences for living beings as a result. This encompasses carbon emissions and climate change.

Our sustainability goals are aligned to the United Nations Sustainable Development Goals (UN SDGs):

- Protect and preserve the environment and planet from harm through water management, waste reduction and recycling
- Measure and manage energy usage

Our targets

- To generate a portion of our global office energy requirements from renewable sources (solar)
- Reduce energy consumption at our operational sites
- Reduce water consumption at our operational sites and recycle water in the cleaning process
- Reduce oil consumption (filter and re-use) or recycle oil used in operations

Progress

- Our head office is completely off the grid and is mainly powered by solar
- Increased solar panel installations across global offices and workshops
- Reduced overall electricity consumption
- Achieved an internal environmental audit pass score
- Social innovation programmes established to ensure conservation and environmental sustainability
- Developed and rolled out a platform that calculates the carbon emissions of our machines
- Water meters were installed on some machines to determine the baseline water consumption. Water is provided in a closed-loop system and reused, further saving water

OUR APPROACH TO SUSTAINABILITY continued

Social well-being

How we define ESG

The relationships the Company has and the reputation it fosters with people and institutions in the communities where we operate; labour relations, diversity and inclusivity in relation to the broader, diverse society in which we operate.

Our sustainability goals are aligned to the UN SDGs:

- Care for and respect all stakeholders
- Ensure safe and responsible operations

Our targets

Safety and health

- Zero harm
- Decrease our LTIFR rate year-on-year. Focus on behaviour-based systems and engineer out any risk
- Safety programme with targets from recruitment to retirement
- Health programme for all employees

Social

- Channel procurement spend through local businesses where we operate
- Employ local people where we operate with a knowledge transfer programme
- Retain key skills and attract required skills to grow the business
- 13% gender diversification – up 2% from the prior year
- Compliance with and support of our clients' Social and Labour Plans (SLPs)
- Develop the communities in which we operate – SLPs are in place for each community

Progress

Safety and health

- Striving for zero harm remains a key objective
- LTIFR of 0.81, up from 0.5 in FY23
- Plans in place to implement a formal operational risk management policy
- Eight critical safety standards to be implemented in order to replace cardinal rules

Social

- Continued to prioritise development and support local suppliers guided by our procurement policy
- Created employment opportunities and skills development at a local level
- Appointed one female electrician in South Africa with plans in place to attract and retain additional female candidates
- 20% gender diversification – up 2% from the prior year
- Continued implementing our differently abled empowerment project to create empowerment opportunities for disabled persons in our communities

OUR APPROACH TO SUSTAINABILITY continued

Governance excellence

How we define ESG

The internal system of practices, controls and procedures adopted to govern the Company; make effective decisions, comply with the law and meet the needs of external stakeholders.

Our sustainability goals are aligned to the UN SDGs:

- Ensure compliance with laws and regulations
- Comply with best practice
- Act in a transparent manner

Our targets

- Compliance with King IV™ principles
- Roll-out of Group values and measure compliance
- Remuneration practices
- Board diversity and management diversity
- Tax strategy
- Risk programme and insurance cover
- Audit practices

Progress

- Various meetings are scheduled for the internal governance of the business throughout the year
- Plans in place to train Account Managers and Country Managers in subsidiary governance competencies
- The Social and Ethics Committee conducted its annual review of key Company policies to ensure alignment with the latest industry practices

KEY ESG STRENGTHS

- Master Drilling has embarked on its ESG journey to actively manage ESG risks and stakeholders' expectations;
- Master Drilling already considers some ESG components and indicators which are directly linked to the ESG requirements of our clients;
- Some of the business risks can be linked to ESG-related risks;
- Master Drilling has appropriate governance structures in relation to ESG matters;
- The Board has established committees with clearly defined responsibilities;
- Relevant policies have been developed to govern the way in which the business operates;
- The business complies with King IV™ and the JSE Listings Requirements;
- The business publishes an annual Integrated Report which includes a section focusing on the ESG strategy; and
- Core material risks related to financial performance are monitored across the business (health and safety, employee retention).

OUR STAKEHOLDERS

Master Drilling is committed to creating shared value for all its stakeholders. The Group's philosophy is that of active corporate citizenship through investment in the future, in the Group's people around the world and their various communities, and in the environmental sustainability of the planet.

Our primary stakeholders are:

- **Communities**
- **Clients**
- **Governments**
- **Employees**
- **The media and social media**
- **Suppliers**
- **Investors**

Our stakeholder management process is reviewed regularly to evaluate the constant changes regarding the influences and impacts of different stakeholders on our broader environment.

We define our stakeholders as persons or groups who are directly or indirectly affected by our operations or projects, or whose interests in our operations or projects can influence their outcome. Our stakeholders' direct and indirect interests have the ability to influence how we create value and inform our strategy. Therefore, communication and relationship management with our stakeholders are of the utmost importance to the sustainability of our business.

Our open and transparent approach ensures that we determine the best way in which to engage with all identified stakeholders. We monitor key issues that affect not only our stakeholders, but also ourselves, as well as the manner in which we respond and develop solutions for these issues.

Our stakeholder management informs our key strategic decisions, business operations and objectives. We identify material matters through stakeholder management initiatives and continue to manage them throughout the process.

We use various means to communicate with stakeholders including Annual General Meetings; our website; the media; one-on-one meetings; forums; employee and client surveys; formal and informal discussions; and various stakeholder presentations.

We have a stakeholder management programme that ensures that all communication with stakeholders remains open and transparent.

External consultants regularly provide formal investor and analyst feedback. Regular employee and client feedback is performed internally.

OUR STAKEHOLDERS continued

Communities

Locally affected communities and individuals and their formal and informal representatives as well as civic, non-governmental and religious organisations and other groups with special interests

Engagement

- We follow all guidelines provided by our clients to determine who the affected communities are and how we should engage.
- We allocate financial and human resources to these communities and work with them to ensure that they are sufficiently provided with information and are engaged on operational issues that may affect them.

Impact on stakeholders and the Group

Outward: Through engagement, our operations could have an immediate and long-term positive impact on the socio-economic development and sustainability of communities and livelihoods.

Inward: Conflict with communities could delay or impede access to projects and operations, resulting in financial and other losses as well as reputational damage. Through engagement, the Company gets to effectively play its role as a responsible corporate citizen.

Matters raised

- Community investment through provision of jobs
- Local procurement
- Infrastructure development and benefit sharing
- Socially responsible employer
- Impact of restructuring and closures
- Environmental and health impacts

Clients

Engagement

- We ensure transparent interaction and clear communication. Senior management receives weekly feedback on the monitoring of all contracts.
- High levels of technology translate into a competitive advantage for our clients.
- We have a continuous client relationship management programme and key account management roles. Clients are given a 5-star ranking.
- Improved account management and active cost management for better contract management and contract execution are prioritised.

Impact on stakeholders and the Group

Outward: We participate in client satisfaction surveys, facilitate communication with senior management and arrange formal site meetings. We attend the Mining Indaba and various trade shows, business development meetings and conferences.

Inward: We regularly have technical meetings and site visits to our facilities and operations.

Matters raised

- Safe operations
- Compliance with clients' drilling plans and standards
- Effective project management and reporting
- Availability and reliability of rigs and equipment
- Qualified and trained crew
- Relationship building

OUR STAKEHOLDERS continued

Governments

Engagement

- We continually engage with governments in all the regions in which we operate. Substantial direct payments are made to governments including taxes and levies. We strive for transparency in all payments to governments.
- All payments are governed by Master Drilling's values and compliance policies, including its policy on anti-bribery and anti-corruption, and comply with any and all currently applicable laws. This is regulated by the whistle-blowing policy and the Audit and Risk Committees.

Impact on stakeholders and the Group	Matters raised
Outward: The benefits for governments are job creation, taxes and investment. Master Drilling's benefits at a local level include opportunities for employment, skills development, local procurement and improved infrastructure. **Inward:** Engagement is aimed at establishing regulatory certainty and compliance with the King IV™ principles to create an environment conducive to good business practice.	• Safety and environmental performance • Regulatory compliance • Taxes • Labour relations • Local development • Housing and living conditions • Wage negotiations and the industry's economic position • Safety, security and stability • Contributing to national priorities and related sector initiatives

Employees

Their families and labour unions

Engagement

- Engagement with employees is a two-way form of communication and is critical to ensuring increased productivity, maintaining strategic focus and motivating them to give their best. Engagement is undertaken on a wide range of issues, many of which are specific to the local context.
- Areas highlighted in an employee survey included a firm belief in the Company's values while those requiring attention and possibly intervention were ethics, managerial effectiveness in developing trust, as well as senior leadership practices – where employees would like to see greater consistency between what is said and what is done. Feedback on the survey results has been shared with employees and areas requiring improvement are being addressed.
- We comply with the local, legal and regulatory frameworks as well as with international codes, including those of the International Labour Organisation.

Impact on stakeholders and the Group	Matters raised
Outward: Improved safety, health and well-being have marked impacts on employees and their families. By understanding and aligning with the corporate strategy, employees have access to development and career fulfilment as well as job security. Unlawful industrial action may have negative consequences as the Company will not compromise on ensuring the safety of its employees and its assets. **Inward:** Improved health and safety as well as increased employee engagement have a positive impact on productivity. Good labour relations reduce the potential for industrial action and promote a collaborative approach to problem-solving in the workplace.	• Employee safety and health • Accommodation and living conditions • Employee indebtedness • Job security • Attractive compensation and benefits packages • Career advancement • Training and development • Recognition and reward • Employee and family well-being

OUR STAKEHOLDERS continued

The media and social media

Engagement

- We seek to engage regularly and transparently with local and international media.
- We also post details of our Group projects and events on our social media platforms.

Impact on stakeholders and the Group	Matters raised
Outward: Engagement can enhance understanding of the Company and promote accurate reporting and constructive relationships. **Inward:** Successful engagement will enhance the Group's reputation.	• Operational performance and business sustainability • Safety and health performance • Understanding Master Drilling's business • Active response to media queries • Integrity of all communications • Development of new technology

Suppliers

Business partners and business peers

Engagement

We seek collaborative and mutually beneficial relationships with our suppliers. These relationships are managed by the Group's specific policies on suppliers.

Impact on stakeholders and the Group	Matters raised
Outward and inward: We strive to have stable, long-term and mutually beneficial relationships. We prioritise development and support local suppliers. We encourage improved sustainability and growth by partnering with key suppliers, business partners and business peers.	• Impact of restructuring and closures • Ongoing financial commitments • Modernisation and innovation • Local procurement • Timely co-ordination for purchase requests • On-time payment • Transparent and clear tendering practices • On-time deliveries • Relationship building

Investors

Financiers and potential investors (investment community)

Engagement

- We communicate regularly with our shareholders, investors, potential investors and the providers of capital, in person and by email, at our half-yearly and annual results presentations/webcasts, conference calls, site visits, investor conferences and at one-on-one/virtual meetings. This also ensures compliance with the JSE Listings Requirements and King IV™.
- We engage through roadshows, results releases and Annual General Meetings.

Impact on stakeholders and the Group	Matters raised
Outward: Engagement can have a positive effect on the valuation and credit rating of our Group and our access to cost-efficient capital. **Inward**: We have been able to successfully arrange new facilities for capital sustaining growth and obtain assistance with technology development from financial partners. A strategy review is undertaken after feedback from shareholders.	• Operational performance and business sustainability • Financial performance • Safety performance • Regulatory issues • Shareholder returns

REPORTING AND MONITORING

Audit

The Audit, Risk and Social, Ethics and Sustainability Committees review the issues identified, as well as the final report, to determine appropriate actions to achieve objectives.

Report

The material issues for reporting represented a balanced and comprehensive view of the critical areas of concern for the business and for stakeholders.

Identify

This will ensure that we are aware of additional or emerging issues not identified which should be included.

OUR PEOPLE

Master Drilling's business relies on constant innovation and problem-solving to deliver services which ensure we remain successful. Our people act as a strategic enabler to our success by ensuring we deliver market-leading technology and solutions to maintain our competitive advantage.

This is why we are committed to attracting, developing and retaining the best people, providing a safe working environment for them and creating a winning culture that embraces their diversity and celebrates their contribution.

Expectations of employees as stakeholders

- Competitive total rewards
- Effective performance management
- Investment in training and career development through targeted interventions
- Career advancement, growth and intellectual and leadership development
- Alignment between work and organisational purpose and values
- Opportunities for innovation
- Ethical, fair and inclusive work environment
- Protection of labour and human rights

How we create value with our people

- Review total rewards structures to ensure competitiveness when attracting and retaining talent
- Offer continuous performance engagement
- Facilitate professional development, self-driven by employees, including digital and traditional learning programmes, immersive experiences and conferences
- Offer attractive talent pipeline programmes for critical skills
- Provide opportunities for innovation and leadership development
- Invest in employee well-being programmes, portals and other resources

Methods of engagement

- Annual employee engagement survey
- Business unit-specific pulse surveys
- Ongoing feedback through performance management
- In-house publications, communications and emails
- Technical training sessions by internal and external experts and leaders
- Frequent Chief Executive Officer and one-on-one engagement
- Focus groups and staff dialogue
- Talent reviews
- Self-service portals to enable and support processing, enquiries and policies (human resources app)

We continuously drive and strive to embed our values to ultimately create and foster a culture where all employees can thrive and grow. It is imperative to improve our working environment to one where employees feel:

1/ Respected
2/ Accountable
3/ Innovative
4/ Safe
5/ Efficient

Human capital strategy

Our human capital strategy focuses on attracting talent and creating a high-performance culture through a fully online performance management platform where goals and competencies are tracked against job profiles. In addition, the retention scheme continues to play a positive role in the retention of key talent through the grower, keeper and strategic management retention programme.

Human capital risk and impact on our business

Our people are a strategic enabler for the Group. We continue to face the risk of skills shortages, particularly in critical areas such as technology, data science and technical operational skills. Although mitigated by initiatives, it remains a challenge to retain and develop our existing talent to maintain a resilient and evolving workforce. Our workforce is becoming more diverse, inclusive and demographically representative of the markets where we operate.

The work environment has evolved at an unprecedented pace in recent years, leading to health (including mental health) and productivity challenges across our global workforce. If left unmanaged, these changes in conditions threaten our employees' well-being which, in turn, impacts the overall resilience of our business.

Key mitigating actions

- Ensure we have the best person in every role;
- Liberate the best in our people through digital enablement, challenging work and learning experiences;
- Build highly motivated teams that embody the Master Drilling culture;
- Create a work experience that positions Master Drilling as an employer of choice;
- Entrench a compelling employer talent brand and drive recruitment initiatives that attract and retain the best talent in critical segments;
- Offer competitive total rewards;
- Identify and implement succession planning across the key roles within the businesses;
- Monitor employee well-being through dedicated programmes – such as employee engagement surveys and expat management;
- Provide support and counselling to our employees through our social welfare department;
- Review and update our plans and contingencies to protect our employees' health, safety and work capabilities
- Monitor staff attrition rates across our businesses;
- Build our talent pool of critical skills, particularly in engineering and trade sectors through our dedicated apprenticeships and internship programmes; and
- Leverage our human capital, which is core to our ability to recognise and realise opportunities in line with our values.

Top people priorities for 2025

- Human resources technology and xdata-driven analytics
- Driving an ethical organisational culture
- Ensuring a safe working environment for all employees
- Leadership and management development
- Attracting and retaining talent
- Training initiatives to develop skills

Creating an ethical culture

The Master Drilling Group's code of ethics is made available and explained to all employees as part of their induction. Our code of ethics provides employees with information about the core principles of the Group, including legal compliance, ethical dealings, labour practices, human rights and gender and race diversity. We recognise the right of employees to freedom of association, organisation and collective bargaining.

As part of the process of monitoring our ethics, we have an independent, anonymous whistle-blower hotline. This allows anyone to report illegal or unethical behaviour, including mismanagement, discrimination, harassment, vandalism, corruption, violence and theft.

The whistle-blower hotline is available to both national and international callers. Hotline activities are reported to the Social, Ethics and Sustainability Committee, Audit Committee, Risk Committee and the Board.

Key UN SDGs impacted by our people and activities:

- 1 No poverty
- 2 Zero hunger
- 3 Good health and well-being
- 8 Decent work and economic growth
- 10 Reduced inequalities

OUR PEOPLE continued

Employee socio-emotional wellness

A socio-emotional wellness questionnaire and tool to create optimal conditions for employee well-being at work are in place to ensure the social and emotional well-being of employees forms part of our day-to-day operations.

The socio-emotional wellness checklist strives to determine overall functioning and identify challenges that employees face, to respond effectively and strategically and ensure a supportive and empowering workplace.

Employees who respond receive support on an ongoing basis. The initiative provides a holistic view of the socio-emotional state of the employees on-site, indicating employees who are functioning optimally, employees at risk and employees who need intervention to promote positive change and outcomes.

In addition, most of the employees who completed the questionnaires had the opportunity of attending the Toolbox for Men Camp, and the feedback was positive. The employees reported that they were able to increase their self-awareness, relationship-building capacity and life skills.

Toolbox for Women initiative

Following the success achieved by the Toolbox for Men seminars, Master Drilling initiated a Toolbox for Women seminar. The initiative was aimed at equipping female employees with ways in which they can navigate life's challenges and finding a balance between work, family and physical demands.

Diversity and inclusion

We are committed to creating a diverse workforce and are compliant with the provisions of the various global acts and implemented policies that prohibit race, gender and all other forms of discrimination in the workplace.

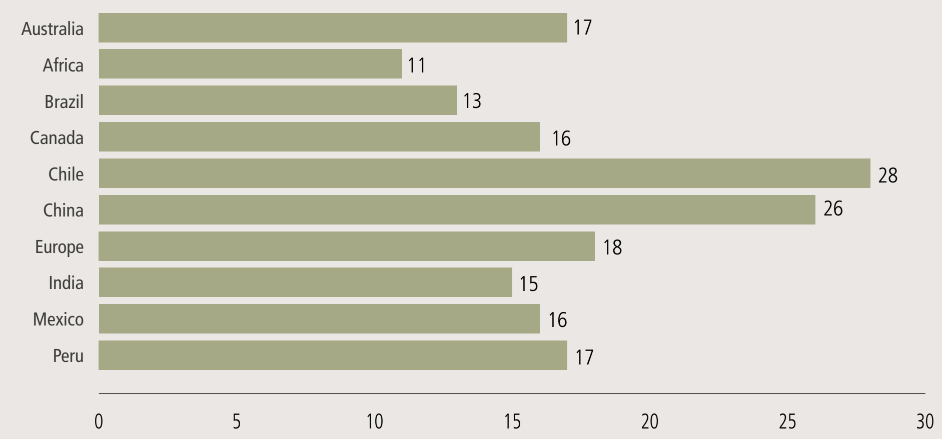
We also comply with the provisions of the Broad-based Black Economic Empowerment Act as well as with the amended B-BBEE Codes of Good Practice. Our divisions operating in South Africa, namely Master Drilling Exploration Proprietary Limited and Master Drilling, are being rated individually at Levels 1 and 4, respectively. Our permanent workforce comprises predominantly previously disadvantaged employees, at 61% of the total workforce. At a middle and junior management level, previously disadvantaged employees comprised 19% and 26% of total positions, respectively. We have internal targets to increase diversity representation across all managerial levels.

Key managerial and specialist skills, such as engineering positions, are becoming increasingly difficult to fill, regardless of race, highlighting the increasing risk related to skills shortages in South Africa.

Retention of female talent remains a key challenge and we are in the process of implementing initiatives to attract and retain female talent. Our goal is to have more female representation across all levels.

Focus remains on our African operations to incorporate women. We also have localisation plans to increase the drive in gender equality in India.

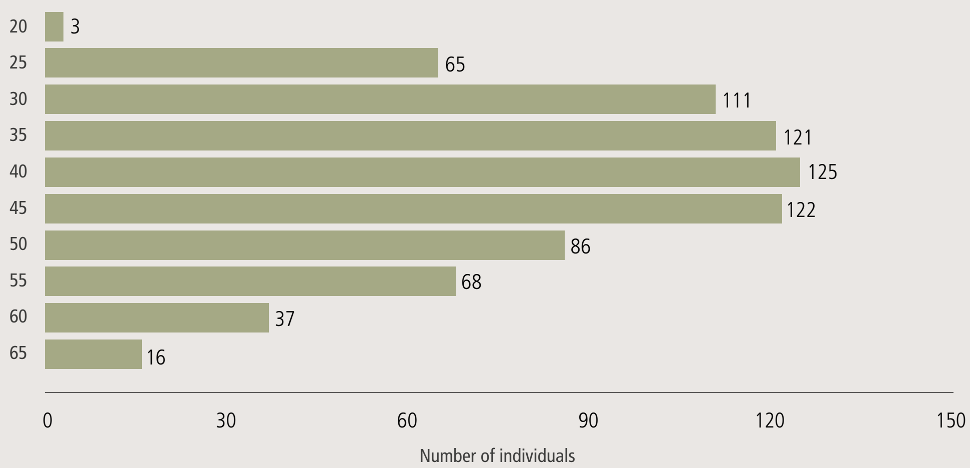
Women % in our areas of operation



While women comprise 21% (2023: 18%) of our total permanent staff complement, they hold 25% (2023: 24%) of managerial positions (junior management and higher).

OUR PEOPLE continued

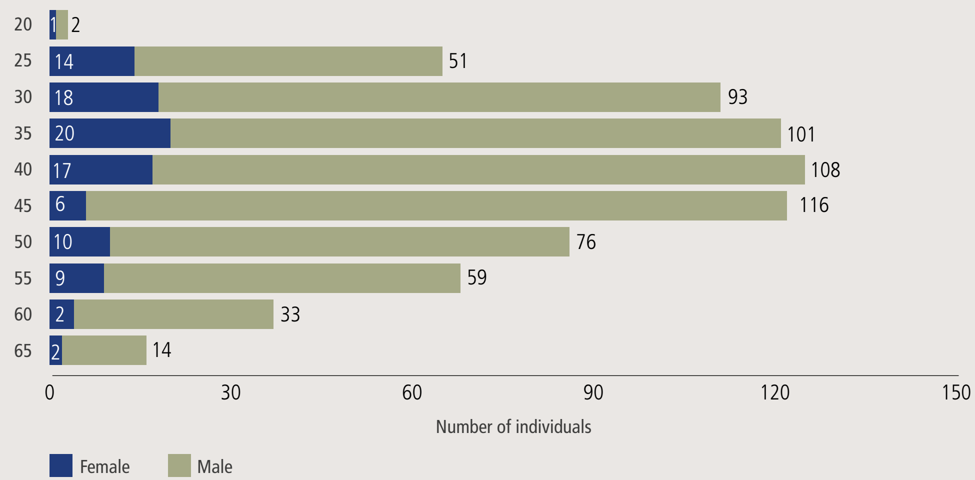
Age distribution



Data represents South Africa only.

The majority of our employees (63%) are between the ages of 30 and 45 which indicates a fairly young workforce. A total of 16% of the South American, African and Indian workforce is aged 55 and above. This emphasises our current focus on succession planning and knowledge transfer programmes to ensure the sharing of expertise.

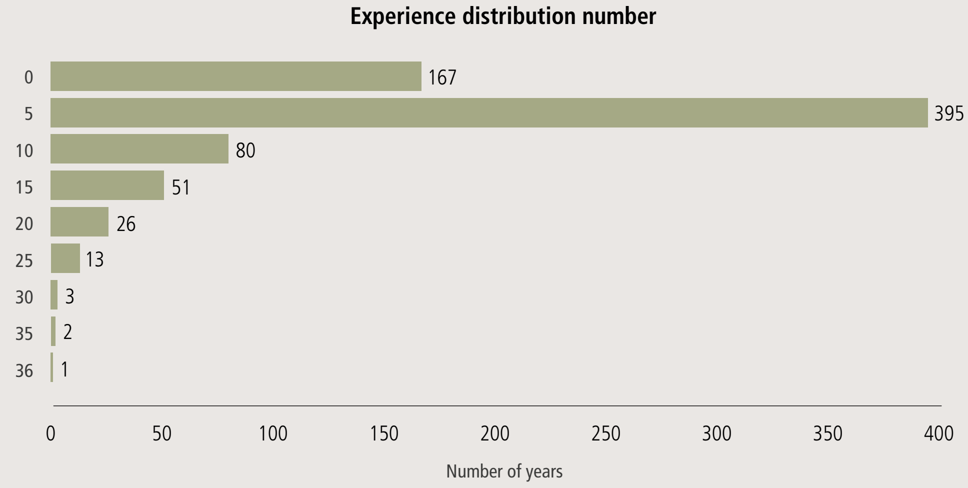
Age breakdown



A large portion of our female representation is within the ages of 25 to 45 and makes up 9% of the total workforce. Gender diversity is also a key focus for us. Management has set internal targets to improve gender diversity in leadership positions over the next five years and improve female representation across all operations.

OUR PEOPLE continued

Years of experience



Many of our employees (58%) have between five and nine years' experience with the organisation. This indicates the need to retain and invest in knowledge transfer to ensure retention and continuity for the sustainability of the business.

A further 20% of the workforce are within zero to four years' experience. This demonstrates the need for our focus on enhanced mentorship and training programmes to support career growth for these employees and to facilitate knowledge transfer from older, experienced staff.

Lastly, 22% of employees have 10 years and more experience indicating the capacity for the experienced employees to facilitate and assist in getting the workforce to a more mature state.

Differently abled persons

We are also committed to providing an accommodating work environment for people with disabilities. A total of 120 (2023: 116) of our employees are people with disabilities.

In 2020, Master Drilling launched the differently abled empowerment project as a joint effort between human resources and the social services department to create empowerment opportunities for disabled persons in our communities and to promote diversity in our workplaces.

In the most recent Sustainability Data Transparency Index research done, Master Drilling was identified as having the highest Disabled Persons Rate (DPR) in its sector. We are proud of this initiative and look forward to seeing its impact in our industry.

HEALTH AND SAFETY

We are uncompromising in our efforts and commitment of ensuring our staff operate under safe and healthy conditions. The health and safety of our people remains a key value in our operations which is why we strive to maintain the highest standards across our operations to ensure none of our employees are harmed. Managing safety, health, quality and learning is an integrated process.

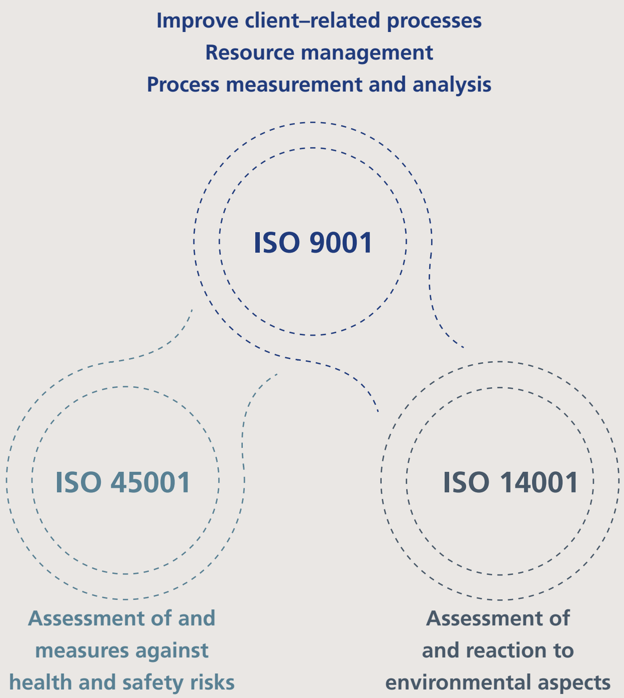
We continuously strive to accomplish **zero harm** to people, property and the environment by implementing an **integrated management system** based on best practices and international standards such as ISO.

This integrated system entails:

- Implementing **predictive health and safety** management practices
- Managing a **preventative and responsible** environmental management system
- Conducting continuous **quality assurance practices** as an integrated process
- Establishing a **learning culture** to develop people and support the organisation

....contributing to input into the Group's strategy and objectives.

HEALTH AND SAFETY continued



Master Drilling is committed to ensuring the health and safety of all employees. We seek to create a safe working environment which complies with all statutory requirements and regulations as well as the different codes of practice.

In the past financial year, significant changes have been made in the health and safety and learning and development environment of the business due to complexities arising from the operational and manufacturing part of the business. This resulted in an increased inclusion of health and safety protocols throughout various levels of operations within the Group.

Various processes are being implemented with some completed and implemented by the end of the financial year including:

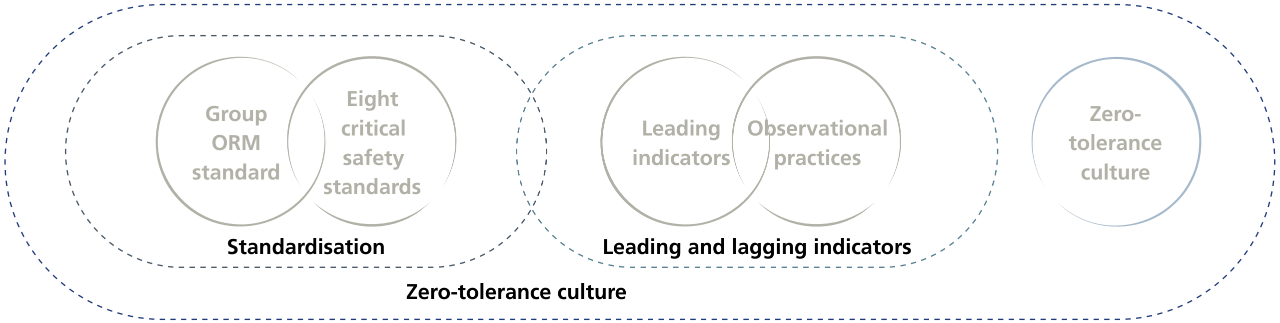
- Operational risk management: Planning and scoping the framework and development of learning material;
- Root cause analysis upskilling of the organisation;
- Learning and development review of internal formal learning and establishing experiential skills; and
- Group standardisation of a learning and developing platform and reporting.

We can only achieve these if we are guided by our health and safety objectives which are:

Parent objectives	
Create a safe and healthy working environment	Drive long-term positive sustainable impacts
Team level objectives	
Practising predictive health and safety management practices	Managing a preventative and responsible environmental management system

We believe that practising predictive SHEQ management is essential and will enable management to implement the required control measures in real time.

We believe in having live data of safety conditions to enable quick decision-making in real time, avoiding the traditional lagging response. The data-driven decision-making initiative has been expanded to address health, hygiene and quality, thereby improving the overall data value allowing for an improved approach to managing these SHEQ disciplines.



Our overall safety performance experienced a slight decline compared to the previous year. We achieved an LTIFR of 0.81 for FY24, compared to 0.5 in FY23.

HEALTH AND SAFETY continued

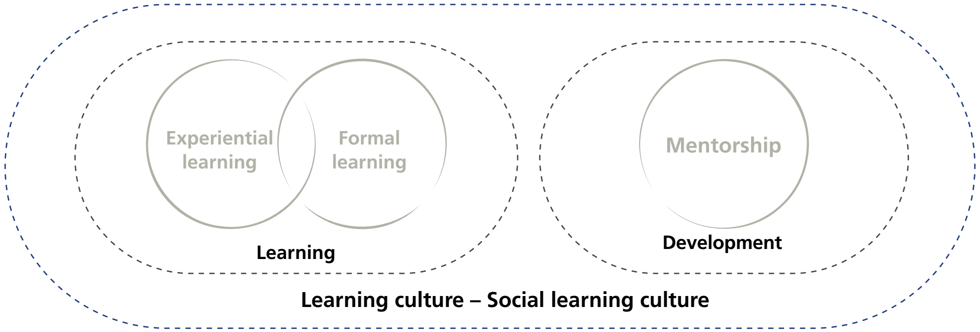
Although our LTIFR rate is below our desired expectation, we continue to see gradual improvements in health and safety as a result of key initiatives such as hands-free operations through automation and remote drilling, the implementation of designed special tools and the focus on risk identification and control.

To continually improve our health and safety culture, we conduct frequent monitoring of behavioural aspects. One of our investments, A&R Group, specifically deals with safety as a proximity detection company. This aligns with the direction the industry is taking with an emphasis on safety.

Organisational changes have caused a significant change in the way we approach safety with more health and safety and learning and development-conscious key employees being promoted and on-boarded. We look to continue with our commitment to predictive health and safety management practices which will be demonstrated through the implementation of Group standardisation initiatives. Implementing a revised operational risk management standard together with eight critical safety standards laid a critical foundation for our integrated management system which standardised and drove an interdependent culture of compliance. The initiative established a cohesive and standardised framework of safety protocols across the organisation.

We will continue to leverage data from safety and health leading and lagging indicators to drive continual improvement in our management system, ensuring a proactive and responsive approach to potential risks. By fostering observational safety practices throughout the Group, we aim to enhance the reliability of leading and lagging indicators while reinforcing the importance of standardisation initiatives.

In the medium term, we envision a strategic and phased implementation of a zero-tolerance approach, further solidifying our commitment to creating a safe and secure work environment across the organisation.



As our health and safety management system matures, a unique approach to quality incident and non-conformance management is starting to take form. Building on the success of predictive health and safety management, the implementation of quality leading and lagging indicators is currently developing as data is collected.

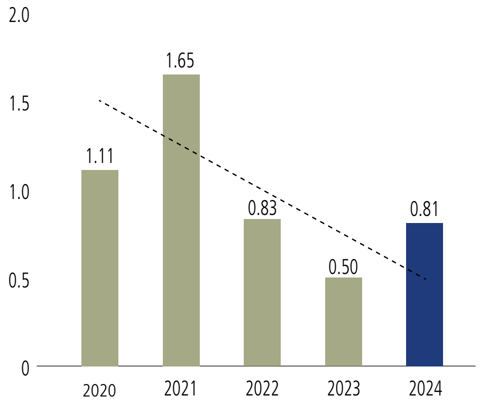
Building on our current initiatives to ensure overall success of our management systems is paramount to our business, therefore the following pillars of the SHEQ management system will continue to be a key focus area for 2025.

We strive for zero harm through:

- Leadership commitment;
- Effective SHEQ standards;
- Effective management systems;
- Systems risk management;
- Core competencies; and
- Consultation and participation.

Our main objective is to remain the industry leader in raise boring and safety by pioneering and leveraging technology to solve conceptual problems and ensure the safety of our employees and clients. This includes hazard identification, risk assessment, control of risks and keeping each person responsible for their own health and safety. With the support of governments, regulators and policymakers, proven mechanisation processes should be adopted and promoted as an industry standard.

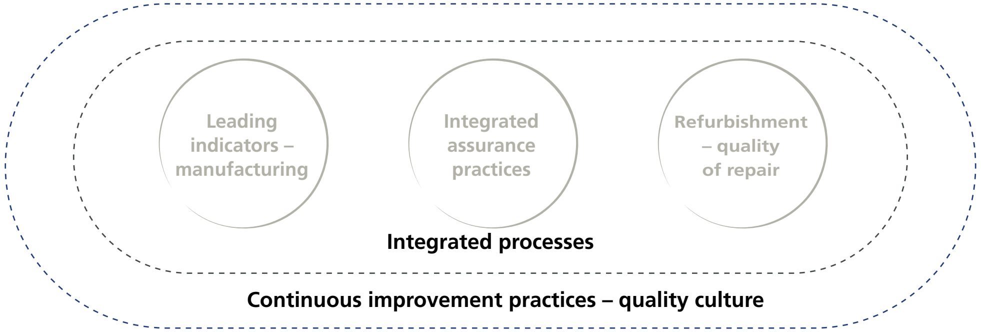
Lost time injury frequency rate



QUALITY MANAGEMENT

In terms of quality incident and non-conformance management, specific key initiatives have been identified to determine and decrease the severity and frequency of quality-related business interruptions to improve the client experience and maximise fleet utilisation. These are aligned with the Group engineering initiatives and will enhance the effectiveness of operations.

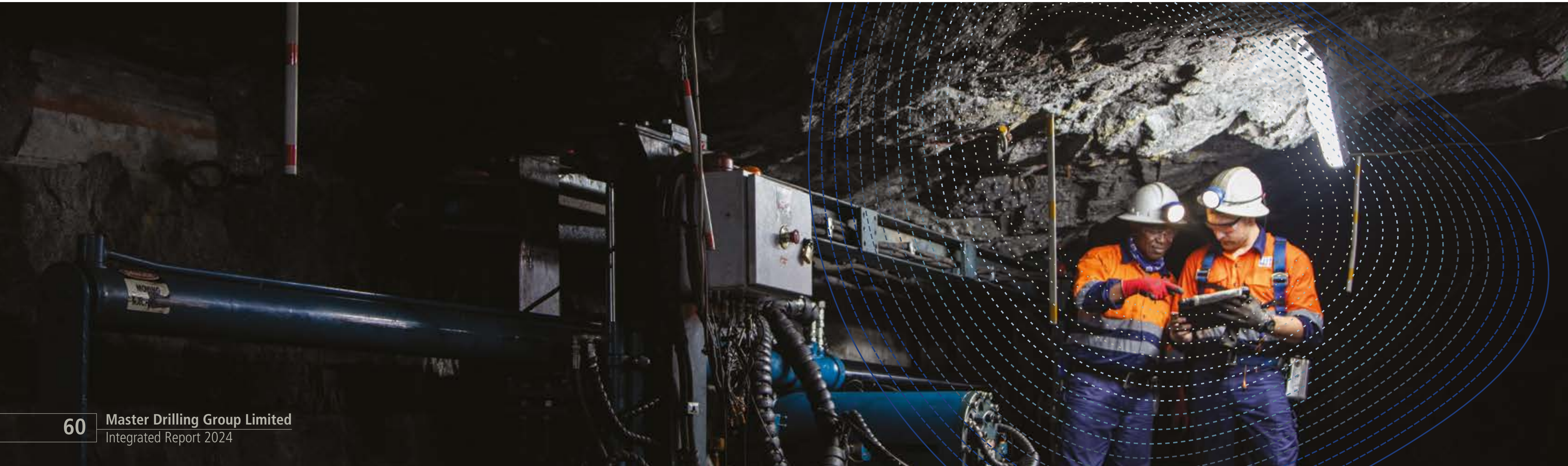
This integrated process is focused on leading indicators, integrated assurance practices and refurbishment, ensuring continuous improvement practices and supporting a quality culture.



ENVIRONMENTAL MANAGEMENT

Our environmental management roadmap is progressing well. We implemented a comprehensive and proactive environmental management system which requires a strategic approach, encompassing various key initiatives over a specified timeline. Over the past financial year, our focus was on connecting to Group ESG initiatives, ensuring alignment with operational-level controls. This has set the foundation for a robust framework and the highest importance is our carbon emissions followed by our social responsibilities and governance. Leading indicators for environmental aspects were implemented in the past financial year, providing measurable benchmarks to track and improve our environmental performance. We now have a platform that can calculate our machines' carbon emissions with the roll-out almost complete. Water meters are also installed on select machines to determine the baseline water consumption. This phased approach demonstrates our commitment to preventative and responsible environmental management, aligning with global best practices and industry standards.

Critical control verification at the operational level will be essential in emphasising ongoing assurance to address evolving environmental challenges. Additionally, a one-to-two-year plan focuses on upskilling the workforce and fostering an environmentally aware culture, recognising the integral role employees play in sustainable practices.



TRAINING AND DEVELOPMENT

Our training and development initiatives are aimed at enhancing the knowledge and skills of our employees in a manner that provides information and instruction on how to better perform various tasks. We firmly believe that empowering our workforce and the communities in which we operate is a powerful tool for achieving socio-economic development and promoting sustainable growth.

In the pursuit of organisational growth and employee development, a comprehensive strategy has been devised to establish a robust learning culture. The learning culture is a balance between experiential and formal learning as well as mentorship.

The initial phase involved the implementation of an experiential learning culture, which fostered an environment where hands-on experiences contribute significantly to skill enhancement.

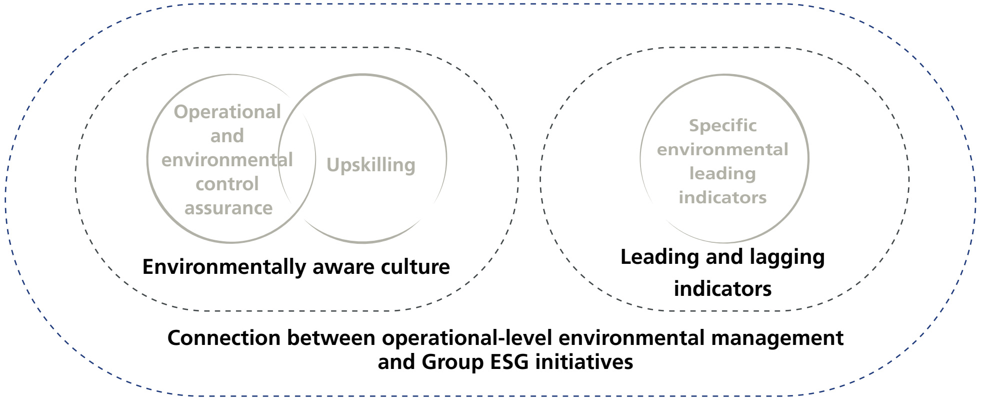
Going forward, the focus will be on the integration of a business-oriented formal learning culture, showcasing a commitment to structured learning pathways aligned with organisational objectives. In addition, a dedicated 12-month programme has been initiated to engage key role players, fostering knowledge transfer and professional growth. Simultaneously, the initiative encompasses a 12- to 24-month plan to upskill learning and development professionals, ensuring they remain at the forefront of industry trends and best practices, thereby fortifying the organisation's overall learning ecosystem.

In support of the initiative, Master Drilling Group implemented a digital learning management system to plan, execute and monitor learning and development within our organisation. We believe that this platform will facilitate the skills gap analysis and identify upskilling, reskilling and promotability possibilities for all employees. Utilising digital platforms will provide live data and improve the efficiency of skills development.

The scoping and planning for skills development internally is as follows:

- 4.8 new skills are developed internally;
- 6.5 new external and experiential skills are added per month; and
- 7 standards, procedures and associated Group-documented operational processes are revised/published per month.

Multi-skilling will remain a key strategic element of the learning and development function within the Group, where key role players are identified to be equipped with operational and maintenance skills, which will enhance productivity while improving safety.



TRAINING AND DEVELOPMENT INITIATIVE

The learning and development initiative is making good progress and its implementation is well underway. Significant progress was made in terms of the identification of occupations and skills to be taught.

The Group has been actively implementing the LMS in Africa and India with an overall competency status of 52%. Several internal and external skills were added to the LMS in the past financial year and specific initiatives are implemented to close the training gap. Language barriers are currently being corrected with the procurement of an AI-based translation tool for quick and effective, region-specific translations for learning and development.

B-BBEE SKILLS DEVELOPMENT OPTIMISATION

A total of ZAR2,1 million is payable to Impact BEE for the following:

- Training of 10 learners on a quality management system learnership;
- Training of 4 disabled learners on an office administration skills programme;
- Training of 2 learners on a workplace preparation and workplace essential skills programme;
- Bursaries; and the
- YES programme.

An additional amount of ZAR34 638 was spent internally on informal training.

LEARNERSHIPS

Our learnerships focused on Quality Management. The expenditure was as follows:

	Learners	Cost per learner	Total training cost	Stipends (ZAR1 700/ learner per month)	Total stipends	Total learnership cost
African male	4	ZAR112 576	ZAR450 307	ZAR20 400	ZAR81 600	ZAR531 907
African female	4	ZAR91 743	ZAR366 974	ZAR20 400	ZAR81 600	ZAR448 574
Coloured male	1	ZAR39 703	ZAR39 703	ZAR20 400	ZAR20 400	ZAR60 103
Coloured female	1	ZAR33 501	ZAR33 501	ZAR20 400	ZAR20 400	ZAR53 901
Total cost for learnership			ZAR890 486		ZAR204 000	ZAR1 094 486

TRAINING AND DEVELOPMENT continued

Skills programme

A skills programme was initiated to provide adequate cover to train an Indian male and female in workplace preparation and workplace essential skills.

The costs associated with this training were as follows:

	Learners	Cost per learner	Total training cost
Male student	1	ZAR20 861	ZAR20 861
Female student	1	ZAR12 291	ZAR12 291
Total cost for learnership			ZAR33 152

Disabled learners

Disabled learners were trained on a skills programme associated with the National Certificate: Business Administration Services.

The costs associated with this programme were as follows:

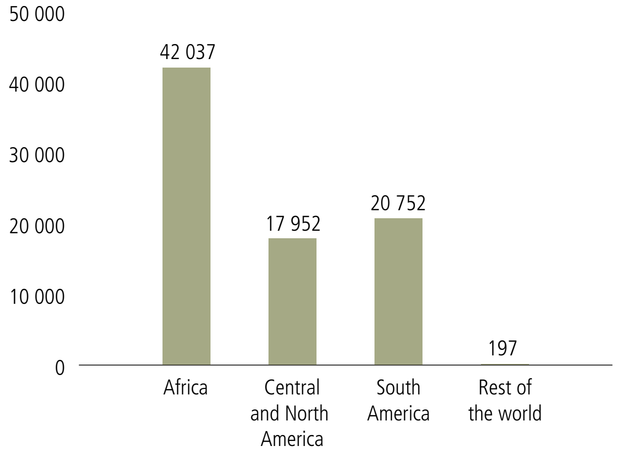
Learners	Cost per learner	Total training cost
4	ZAR24 163	ZAR96 654

YES initiative

Costs associated with the YES programme for nine candidates (excluding monthly wages of ZAR4 782 per candidate per month) were as follows:

Item	Cost	Total costs
Candidate registration	ZAR5 000 per candidate	ZAR45 000
Company registration	ZAR15 000	ZAR15 000
YES management	9 x ZAR10 000	ZAR90 000
YES implementation total cost		ZAR150 000

Training and development expenditure (USD)



TALENT FEED APPOINTMENTS AND PROMOTIONS

The skills and competency mapping is gaining momentum and the development and promotion of employees within the Group remains a key focus.

In the past financial year, we had employees whose skills were developed from within our organisation, which is a new key focus of development and retention of talent for the next 18 to 24 months to ensure we build bench strength for the future. It also serves as a great motivator for the retention of talent and skills within the business.

The appointments and promotions were as follows:

Promotion	Previous position
Object-relational mapping	Operator
Shift supervisor	Miner
Miner	Operator
Foreman in training	Operator
Foreman in training	Operator
Foreman in training	Operator
Foreman	Foreman in training
Senior safety officer	Junior safety officer

All of the above appointments and promotions are aligned with Master Drilling's retention and promotability strategy as well as our employment equity targets. The appointments are within the skilled and middle management and professionally qualified category of our employment equity pipeline. The retention of this talent remains a key focus to ensure sustainability in our operations.

TRAINING AND DEVELOPMENT continued

COACHING INITIATIVES

Our coaching programmes have made substantial progress in enhancing individual self-awareness, emotional intelligence, mental health and work/life balance. Employees receiving coaching have developed valuable skills and strategies that have positively impacted their personal and professional lives. In today's fast-paced and demanding work environment, coaching has become an essential tool for enhancing individual performance, fostering personal growth and promoting overall well-being.

Through providing ongoing support and tailored coaching interventions, we are confident that coaches will continue to grow and thrive. Our commitment to fostering personal and professional development remains unwavering, and we look forward to seeing even greater achievements in the future.

Areas where coaching has proven beneficial include the following:

- **Self-awareness** – this has been one of the most significant areas where our coaching programmes have made a notable impact. Through personalised coaching sessions, individuals have gained a deeper understanding of their behavioural patterns, motivations, and emotional triggers.
- **Emotional intelligence (EQ)** – our coaching programmes have provided employees with the tools and techniques to enhance their EQ, leading to better interpersonal relationships, improved conflict resolution and enhanced productivity in teams.
- **Stress reduction and resilience** – programmes have provided employees with strategies to manage stress, build resilience and maintain empowering perspectives.
- **Addressing personal life issues** – coaching programmes have helped employees navigate difficult personal challenges ensuring they can achieve a healthier work/life balance and enhance their overall well-being.
- **Marriage and family life** – coaching has provided our employees with the support and guidance needed to manage marital and family challenges especially those who faced difficulties in balancing the demands of a high-pressure job with the needs of their family.
- **Health and wellness** – coaching programmes have helped employees adopt healthier lifestyles by encouraging regular exercise, proper nutrition and adequate rest.
- **Enhancing focus and performance** – achieving a healthy work/life balance is essential for maintaining optimal focus and performance at work, and coaching has helped guide employees in setting realistic goals, prioritising tasks and delegating responsibilities.
- **Navigating difficult personal life issues** – coaching has been instrumental in helping individuals navigate complex personal life issues that can otherwise hinder their professional growth.

While our coaching programmes have made significant strides in several areas, there are still aspects that require ongoing attention and improvement.

Effective **time management** remains a challenge for many employees. Despite improvements, some individuals still struggle to prioritise tasks, set boundaries and manage their time efficiently. Continued coaching efforts will focus on helping employees develop more robust time management skills, such as creating detailed schedules, setting clear goals and minimising distractions.

Shifting from reactive to **proactive planning** is another area that requires further development. Employees often find themselves caught up in urgent tasks, leaving little time for strategic planning and long-term goal setting. Coaching will emphasise the importance of proactive planning, encouraging employees to allocate time for reflection, goal setting and strategic thinking.

Effective communication and relationship management are critical for success in both personal and professional life. While progress has been made, some employees still need to enhance their communication skills and build stronger relationships with colleagues, clients and family members. Coaching will continue to focus on improving active listening, assertiveness, empathy and conflict resolution skills.

CORPORATE SOCIAL RESPONSIBILITY

Master Drilling aims to ensure good corporate citizenship through dedication to making a constructive impact on society by supporting social issues, environmental sustainability and community development.

Our Social Services office strives to promote well-being, empowerment and upliftment within individuals and families to ultimately ensure flourishing and functioning communities. The Group is cognisant of its duty to act as a good corporate citizen and the responsibility we have towards the people with whom we work as well as the communities impacted by our operations.

VISION

Creating opportunities for the upliftment and empowerment of people to ensure sustainable, functioning and flourishing communities.

MISSION

Rendering quality social work services to Master Drilling employees and the broader community. The better we make the community, the further it goes.

GOALS

- To empower people with the required knowledge and skills to improve their level of functioning within their community and to create the opportunity to fulfil their potential;
- To uplift communities by changing their attitudes and perspectives on their circumstances and giving them the opportunity to accept accountability and bring about positive change;
- To render sustainable services in communities to ensure effective and long-term positive change;
- To create healthy environments for Master Drilling employees and community members to ensure optimal functioning in all spheres of their lives; and
- To network with relevant stakeholders and build and maintain positive working relationships to ultimately strive to strengthen communities together.

We work according to our values, not just during production but also during our work with people.

- **R** Response
- **A** Advocacy
- **I** Integration
- **S** Sustainability
- **E** Effect

MASTER DRILLING (MD) RURALREACH INITIATIVE

MD RuralReach is a community outreach initiative dedicated to empowering and uplifting vulnerable groups in rural areas. By addressing the unique challenges faced by vulnerable population groups, RuralReach aims to create sustainable change and improve the quality of life for those who need it most.

Many rural communities lack access to essential services, education and support systems. Socio-economic barriers, geographical isolation and limited infrastructure often leave vulnerable groups without the resources they need to thrive. RuralReach bridges this gap by providing targeted support, fostering community resilience and promoting inclusivity.

MD RuralReach implements programmes tailored to the specific needs of each community.

Our initiatives include:

- Educational support;
- Support for disabled persons; and
- Sustainable development projects.

Master Drilling believes that every individual deserves the opportunity to live a dignified and fulfilling life. Through collaboration, innovation and a deep sense of responsibility, we are committed to making a meaningful impact in rural communities, fostering growth and ensuring that no one is left behind.

CORPORATE SOCIAL RESPONSIBILITY continued

Educational support

Education is a powerful tool for breaking the cycle of poverty and creating opportunities for a brighter future. In many rural communities, limited access to quality education, resources and support hinders children from reaching their full potential. Master Drilling aims to bridge this gap by providing essential educational support, empowering students with the knowledge and skills they need to thrive.

As part of our commitment to empowering rural communities, the MD RuralReach programme focuses on educational support through three key initiatives:

- Teaching assistants for classroom support;
- Leadership camps; and
- Career expos and curriculum vitae workshops.

During the year

164

learners attended our leadership programmes

67

grade 12 learners attended our workshops

10

teacher assistants were employed

Through these initiatives, MD RuralReach not only enhances educational opportunities but also equips learners with the tools to build successful futures, ultimately strengthening their communities.

CORPORATE SOCIAL RESPONSIBILITY continued

Disability and inclusion

Master Drilling's sisonke programme – meaning "we are together" in IsiZulu – reflects our commitment to community empowerment and sustainable development. Launched in 2020, the programme enhances skills, leadership and economic opportunities, enabling disabled individuals to take charge of their growth and contribute to lasting social transformation.

A key focus is the empowerment of disabled individuals, integrating them into the workforce while promoting diversity. The programme currently employs 12 disabled adults, placing them in local non-profit organisations (NPOs) as administrative support, teacher assistants or general assistants.

Employees receive fixed-term contracts, practical work experience and accredited training in management and computer skills (up to NQF level 4) through the Master Drilling training centre. Some participants also transition into full-time employment, ensuring long-term stability.

The better we make our community, the further it goes.

Through targeted corporate social investment (CSI) efforts, Master Drilling assisted:

10
ad hoc projects with funding to assist governmental compliance

Approximately
1 800
beneficiaries

14
local NPOs which received monthly sponsorships

RECOGNISING OUR COMMITMENT TO INCLUSION

On 8 August 2024, Master Drilling Group was honoured at the annual DPR Awards for achieving the highest DPR in the mining and metals sector – 3.88%, well above the 1.00% requirement. This award reflects our commitment to workplace diversity and meaningful employment for disabled individuals. As we strengthen the sisonke programme, we remain dedicated to equal opportunities, knowing that diversity drives innovation and progress. After all, the better we make our community, the further it goes.

Strengthening NPOs

NPOs play a vital role in addressing social challenges, providing essential services and uplifting vulnerable communities. Unfortunately, local NPOs face resource constraints, limited funding and operational challenges, which can hinder their ability to create sustainable impact. As part of our CSI initiatives, we recognise the necessity of strengthening local NPOs to ensure their long-term success and effectiveness.

Through the MD RuralReach initiative, we aim to assist NPOs to enhance community impact, build sustainable solutions, foster collaboration and shared growth and create employment and development opportunities.

Employee assistance programme (EAP)

At Master Drilling, we value our employees and are committed to promoting well-being in the workplace by recognising both personal and professional strengths and challenges. Our EAP serves as a vital resource, offering confidential counselling, guidance, personal empowerment opportunities and support to employees and their dependants.

Key focus areas:

- **Access to social services and support:** Employees have access to confidential socio-emotional support, counselling and social assistance to help them manage personal difficulties, family concerns or work-related stress.
- **Educational programmes and awareness campaigns:** This division focuses on empowering employees through workshops, training sessions and awareness initiatives on topics such as mental health, financial wellness, stress management and workplace well-being.

As a cost-free, work-based initiative, the EAP plays a key role in fostering a supportive, productive and resilient workforce. Our objectives include:

- Enhancing employee well-being by addressing psycho-social challenges and promoting mental and emotional health; and
- Supporting organisational growth by improving overall workplace morale, engagement and productivity.

During the year, 320 Master Drilling employees and 220 community members received social services.

Master Drilling in new diamond-enabled cutting technology partnership

Element Six (E6) and Master Drilling have partnered to introduce a synthetic diamond-enabled tunnelling solution, combining E6's polycrystalline diamond cutting technology with Master Drilling's mechanised services. This innovation reduces waste rock generation by over 17% compared to traditional methods. Tested in the United Kingdom and South Africa, the technology shows higher performance and is ideal for mining, energy, transportation and infrastructure projects. The partnership addresses challenges like waste generation, safety and high costs, offering faster, safer and more sustainable tunnel construction.

Click here to play the video:

ANDRÉ VAN DEVENTER
Chief Financial Officer

REPORT FROM OUR CHIEF FINANCIAL OFFICER

Our business is focused on making a difference in the lives of businesses and people in the mining industry by using technology to improve efficiency, reduce costs and, very importantly, improve safety. We continued to advance this commitment during the year.

This review should be read in conjunction with the condensed consolidated annual financial statements starting on page 116. Master Drilling's annual financial statements are available online at **www.masterdrilling.com**.

During the year, the Group has been able to leverage its relationships with clients and partners, as well as its international footprint, to grow the business. The importance of building sound relationships has provided us with the foundation to offer more turnkey solutions to our clients and has seen the business develop into a more holistic contractor.

FINANCIAL OVERVIEW

Revenue increased 11.5% to USD270.8 million and operating profit decreased by 12.6% to USD29.6 million. This is primarily due to:

- The reverse circulation equipment in the Group's North and Central American operations is currently not utilised due to a decline in the relevant market. The Group has therefore provided for impairment losses on this equipment while it looks to market the equipment elsewhere in the world; and
- The Group has furthermore provided for an impairment loss on the MTB machine as no formal agreement is currently in place to project future cash flows.

USD earnings per share (EPS) decreased 15.4% to 11.5 cents, and ZAR EPS decreased 16,0% to 210,8 cents. USD headline earnings per share (HEPS) increased 22.1% to 17.7 cents, and ZAR HEPS increased 21,2% to 324,5 cents.

Net cash generated from operations amounted to USD42.5 million. Cash resources continue to be managed carefully to cater for emerging opportunities that require specific design, planning and investment.

Master Drilling's total capital spend of USD42.3 million was applied as follows:

- 77% on expansion; and
- 23% on sustaining the existing fleet.

Debt increased from USD44.1 million to USD48.0 million and the gearing ratio, including cash, decreased slightly from 7.4% to 6.3% in the 2024 fiscal year.

As at 31 December 2024, the Group owed USD35.7 million on its banking facilities that are up for review during September 2025. The Group is in the process of finalising and signing contracts for its long-term debt facilities during the next couple of months. As at 31 December 2024, the negotiations had not been finalised and the facilities are thus reported under current liabilities.

OPERATIONAL OVERVIEW

Globally, Master Drilling's operations experienced a profitable year, demonstrating the benefits of significant capex investment over the past 10 years.

Safety and response to risk

The Group has an extensive risk management programme, and this is made visible through a collaborative platform. Progress on the implementation of mitigation measures is tracked and significant business risk is escalated to the executive team and Board. A group of internal auditors provides assurance that actions are followed through and have the desired effect.

Our LTIFR for 2024 was 0.81, which was higher than expected. In the rolling 12-month period, five lost time injuries occurred. This occurred in a period where we employed many new employees which increased the risk. Through a focus on behaviour-based training and growing a high-performance culture, we have been able to drive compliance with policies and procedures. Our priority remains to remove people out of harm's way through innovative engineering solutions.

Throughout the year, the Group implemented a rigorous safety programme adhering to applicable ISO standards by reviewing existing protocols, implementing new hazard identification measures, and providing additional safety training for all employees. The Group therefore demonstrates its commitment to creating a safe work environment and has reduced the risk of accidents and injuries for its staff.

South America

The region is promising a period of significant growth potential within the mining sector. Increased investment and project development are driving demand for advanced drilling solutions. Strategic initiatives, including technological advancements and partnerships, are being implemented to capitalise on these opportunities. Operational performance remains strong in key areas, with a focus on maintaining and improving profitability. Expansion into new market segments, such as open pit mining and innovative technology solutions, is underway. While some operational challenges have been encountered, strategic adjustments and proactive measures are being taken to ensure continued growth and achieve budgetary targets. The region is poised for substantial expansion, driven by strong market fundamentals and strategic positioning.

Central and North America

Following project completions, strategic resource reallocation and operational streamlining have been implemented across the North American region. This includes machinery redeployment, personnel adjustments and a focus on operational efficiency. In one key operational area, significant revenue and utilisation growth are driving progress towards greater profitability. Strategic leadership changes and regional support consolidation are underway to enhance operational effectiveness. Future growth initiatives are focused on contract extensions, new service offerings and optimised resource management.

Africa

Africa has been a stronghold for the Group in the past couple of years and the current year was no exception. The Group continues to see Africa as a key market for growth and is actively looking for new business opportunities. The region is continuing to experience good performance. While some projects face temporary delays and financial challenges, others demonstrate strong growth and new contract acquisitions. Africa is positioned for significant expansion, driven by successful project execution and strategic growth initiatives. Operational efficiencies are being realised through localised agreements and streamlined manufacturing processes. In Southern Africa, existing operations are stable, with potential for further expansion in late 2025. Overall, the African region presents both opportunities and challenges, requiring adaptable strategies to navigate market fluctuations and capitalise on growth prospects.

South Africa

Our business in this region achieved exceptional financial growth in 2024, significantly surpassing projected revenue targets and demonstrating a strong upward trajectory anticipated to continue into 2025. This success was achieved while maintaining a consistent zero-harm safety record, highlighting a steadfast commitment to safe operational practices. Notably, the region expanded its service portfolio, successfully implementing new piling services. The project portfolio saw significant expansion through the initiation of several major projects. Despite challenges, a robust pipeline of future work exists, although some projects have been rescheduled for the following year. Overall, for us, the region demonstrated strong financial performance and operational resilience, effectively navigating industry challenges and adapting to evolving project demands.

Rest of the world

This region experienced strong financial performance, exceeding revenue targets. While a near-term slowdown is anticipated due to project delays, the long-term outlook remains positive. Operational projects are progressing, and new projects are scheduled to commence. Capacity expansion through increased operator hiring is underway to capitalise on future opportunities. Technological advancements, particularly in remote drilling, are being implemented to enhance efficiency and productivity. Business development efforts are focused on securing new contracts and diversifying into new sectors. Strategic partnerships are being pursued to expand market reach. The Company is actively navigating a competitive market landscape, including responding to industry consolidation and potential acquisitions. Safety remains a paramount concern, with a strong emphasis on achieving and maintaining zero harm.

SLIM DRILLING

Regional drilling operations present a diverse landscape of activity. Established drilling projects are maintaining stability, with ongoing work progressing according to revised schedules and budgets. Both surface and underground drilling are actively underway. Notably, several projects have required strategic adjustments due to unforeseen geological challenges, necessitating adaptive solutions such as directional drilling.

Expansion efforts are evident in underground operations, with planned increases in machine deployment at specific sites. Solar farm drilling projects are also in progress. A strong emphasis is placed on technological advancements, demonstrated by the deployment and testing of robotic drilling equipment and the development of advanced sampling and processing systems. Contractual and operational landscapes are dynamic, with ongoing negotiations and tenders for long-term agreements, and some projects working on month-to-month contracts. Operational restructuring is occurring at certain sites, with shifts in operational systems. The regional drilling activities encompass a mix of geotechnical and exploration drilling, alongside specialised projects such as aquifer and fracking operations. The regional drilling sector is characterised by a combination of consistent core activities, strategic adaptations to challenges and a forward-looking approach that leverages technological innovation.

OTHER MINING SERVICES

The region's mining technology sector is experiencing a period of dynamic evolution, characterised by both significant growth and strategic adaptation. Regulatory requirements have spurred substantial demand for safety-related solutions, leading to notable financial performance for providers in this space.

However, as certain established markets mature, companies are actively diversifying their offerings and investing in cutting-edge technologies. This includes a strong focus on advanced data analytics, AI-driven insights and enhanced communication infrastructure, all aimed at improving operational efficiency and safety. Strategic business initiatives are centred on expanding product portfolios, entering new geographical markets and securing recurring revenue streams through Software as a Service models. Financial prudence is maintained to support ongoing R&D, as well as strategic investments in personnel and training. Growth is observed in the logistics solutions sector, and proof-of-concept projects are being prioritised to pave the way for future large-scale technology deployments.

TECHNOLOGY

Master Drilling is committed to continuous technological advancement as a key driver of safety, accelerated access to orebodies and reducing waste/improving recovered minerals, metals grades and market competitiveness. To achieve this, we have implemented a focused strategy that leverages targeted investments across our various divisions:

Tunnelling division:

- MTB enhancement:
  - Ongoing refurbishment and engineering upgrades are being implemented to significantly enhance MTB performance capabilities.
  - Strategic contractual deployment is targeted for the second half of 2025, expanding market opportunities.
  - Advanced tunnelling technology development:
    - The Company is actively developing polycrystalline diamond-based tunnelling technology, focusing on mobile, efficient and safe operational parameters.
    - Comprehensive testing and phased client trials are scheduled for 2025, demonstrating the technology's commercial viability.

Shaft boring systems:

- SBS trial results:
  - A successful 50m shaft boring trial has been completed, validating the system's core functionality.
  - Planned engineering improvements are underway to optimise the system for commercial deployment consideration in late 2025.
  - Engineering will commence in 2025 to adapt the SBS for future infrastructure projects.

Mining division:

- Reef Boring System development:
  - The Company is developing a non-explosive, continuous mining system designed to enhance efficiency and safety.
  - Successful surface testing has been completed, demonstrating the system's operational effectiveness.
  - Underground trials are scheduled for late 2025, with a focus on demonstrating the system's application within gold deposit mining operations, and with the goal of growth in that market.

REPORT FROM OUR CHIEF FINANCIAL OFFICER continued

OPERATIONAL EQUIPMENT

The fleet consists of 143 raise bore, 46 slim drilling and one mobile tunnel boring rigs. The total raise boring fleet utilisation rate was around 73% while the slim drilling fleet utilisation was around 51%. The rate of new rigs coming on board will settle with a focus on larger units, which typically generate higher income.

OUR PEOPLE

We prioritise building a highly motivated and engaged workforce. This commitment fuels our competitive advantage and delivers long-term value to our stakeholders. We actively attract, develop and retain top talent by fostering a safe and inclusive work environment. We celebrate the unique perspectives and contributions of our diverse workforce, recognising that this constructive interaction drives winning results.

Our commitment to fostering a thriving culture is unwavering. We continuously strive to refine our practices and ensure all employees feel valued, empowered and equipped to excel.

CREATING AN ETHICAL CULTURE

At Master Drilling Group, fostering a culture of ethical conduct is paramount. We believe in conducting business with the utmost integrity and transparency, and this commitment is reflected in our comprehensive code of ethics.

This code, provided to all employees during on-boarding, serves as a foundational document outlining the Group's core principles.

DIVIDEND

Since listing in 2012, the Company has delivered on its key strategic objectives, as set out in its listing prospectus. This, coupled with significant ongoing cash generation, now enables the Company to strike a balance between continued investment in capital projects to support the Company's further growth and enhancing returns to shareholders through the payment of appropriate dividends. Thus, in respect of the financial year ended 31 December 2024, the Board, on 24 March 2025, declared a gross dividend of 65,00 cents per share in ZAR terms payable to shareholders recorded in the Company's share register on Friday, 20 June 2025. This dividend represents a 5 times earnings cover, which is in line with the desired level indicated in the listing prospectus of a 4 to 5 times earnings cover.

The dividend is payable from distributable reserves and, where dividend withholding tax of 20% is applicable, a net dividend of 52,00 cents per share in ZAR terms will be payable to shareholders.

The number of shares in issue at the date of declaration amounts to 150 536 779 and the Company's tax reference number is 9797/433/15/9.

In order to comply with the requirements of Strate, the following details are provided:

Last date to trade cum dividend:	Tuesday, 17 June 2025
Trading ex dividend commences:	Wednesday, 18 June 2025
Record date:	Friday, 20 June 2025
Payment date:	Monday, 23 June 2025

Shares may not be dematerialised or rematerialised between Wednesday, 18 June 2025 and Friday, 20 June 2025, both dates inclusive.

A gross dividend of 52,5 cents per share in ZAR terms relating to FY23 was declared and paid during May 2024. Any dividend unclaimed after a period of three years from the date on which the same has been declared to be payable shall be forfeited and revert to the Company.

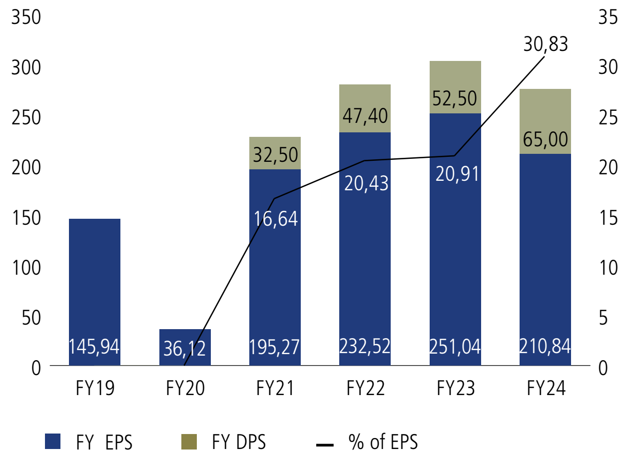
There are no arrangements under which future dividends are waived or agreed to be waived.

The Company complies with the requirements of the Companies Act in terms of satisfying the solvency and liquidity test when declaring this dividend.

Return cash to shareholders

Dividend payout ratio range to 20% to 35% of underlying EPS

Historical dividend payout ratio (% of EPS) and dividend per share (DPS) cents per share (cps)



OUTLOOK AND PROSPECTS

Even in the face of global uncertainty, Master Drilling is confident in its ability to perform well. This confidence stems from several factors. First, our long-term contracts provide a stable foundation for our business. Second, we have deliberately diversified our footprint across various regions, commodities, currencies and industries. This strategic approach mitigates risk and positions us for success in a complex global environment. Proactive capital management is another key strength, ensuring we efficiently allocate resources to maximise returns. Finally, our unwavering service orientation keeps client needs at the forefront of everything we do.

Currently, we are actively working to optimise our fleet utilisation, targeting a benchmark of 75%. Prudent capital management remains a core principle that guides our decisions. Our diversification strategy, encompassing regions, commodities, currencies and industries, has proven its worth and will continue to be a central pillar of our growth plan.

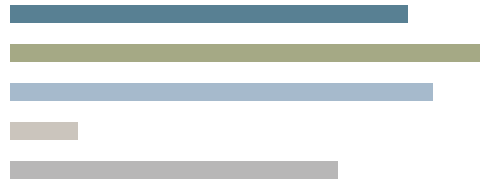
The pipeline as of 31 December 2024 totalled USD695.8 million, while the committed order book totalled USD332.5 million for 2025 and beyond. In the short to medium term, the sales pipeline is expected to stabilise and increase with further strategic acquisitions and joint ventures supporting performance.

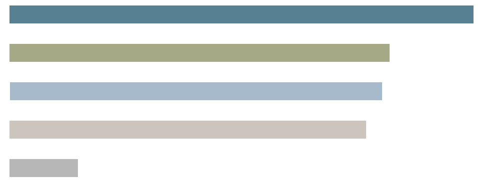
Looking towards the future, Master Drilling prioritises both safety and innovation. We are strong advocates for utilising advanced, mechanised equipment, which aligns perfectly with the industry's growing focus on automation and remote operations. This commitment to innovative technology positions us competitively within this evolving landscape. Furthermore, we actively explore opportunities to expand beyond traditional drilling, with potential applications for AI being a key area of interest.

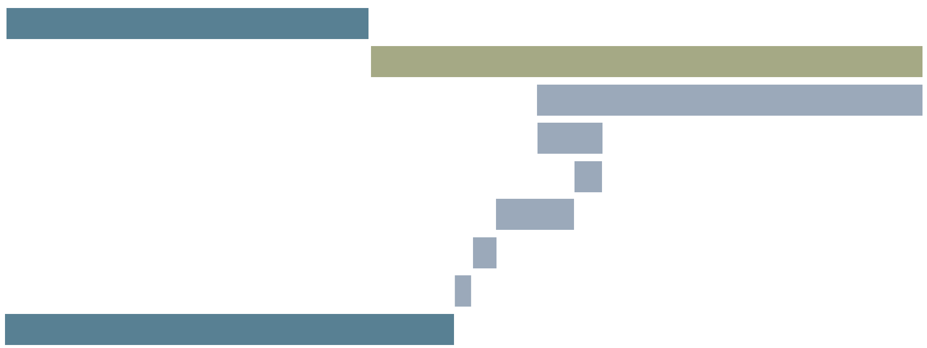
Investing in our people is another cornerstone of our success. We are committed to attracting and retaining top talent by fostering a positive work environment and implementing best practices in human capital management. Finally, Master Drilling takes ESG initiatives very seriously. We believe that strong practices not only align with our values but also ensure long-term sustainability for our company and contribute positively to broader industry goals.

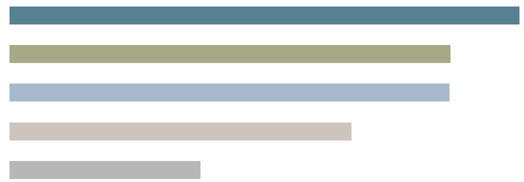
André van Deventer
Chief Financial Officer

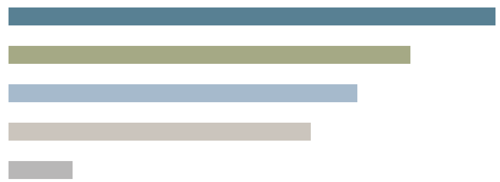
30 April 2025











OPERATIONS REPORT

Master Drilling has capitalised on its established client and partner relationships, along with our global presence, to achieve business growth. We recognise the value of fostering strong relationships, which has empowered us to deliver a wider range of turnkey solutions to our clients. This approach has transformed Master Drilling into a more comprehensive contractor.

We continue to see positive results from the investments made in A&R and AVA. The A&R Group has consistently exceeded its revenue budget for the year with a large portion of the growth being in South Africa.

AFRICA

In **Niger**, we drilled two holes for a uranium company which were successful notwithstanding the logistical challenges. We have created a joint venture company with Sargin in **Liberia** and already have a few projects in the pipeline that are ready to kick off.

In **Sierra Leone**, we had to halt some operations due to mines optimising costs on the back of the drop in diamond prices. Operations in **Ghana** are in full swing with the contract with a major gold producer having been extended. Operations in **Mali** had to be halted as the government took control of all mining activities, although we anticipate that it will resume operations in Q2 2025.

In **Tanzania**, the addition of the LP100 has been successful. The rig is the first of its kind, joining the fleet at North Mara to drill production slots. In addition, our RD8 rig was also deployed in Tanzania due to an increase in projects awarded. We will increase investments to add more similar rigs with the same capability to increase efficiency.

We are currently making significant headway in this division owing to an increase in projects awarded in Tanzania, Niger, Alphamin Bissie and Kibali.

In **Botswana**, we continue to operate two raise boring rigs drilling 5,1m diameter vent shafts and are exploring possible new work for Q4 2025.

In South Africa, we have tested a 4,3m diameter version of a shaft boring system. Tests were concluded and learnings are being used for improvements for further testing. There is a demand in the market for the machine and we look to generate value from the systems once it has been fully commissioned.

We have embarked on a marketing campaign in **Namibia** which promises to yield positive results.

OPERATIONS REPORT continued

SOUTH AMERICA

In **Brazil**, a major copper producer, which continues to be Master Drilling's main and largest client, experienced several seismic events that resulted in a temporary suspension of operations. We are now on track to make up for the lost time and are committed to helping the client fast-track the project.

The current surge in the gold price has resulted in a number of gold miners ramping up expansion projects which we are well positioned to assist with.

The main challenges we faced in this region were in **Chile**, as the major copper producer suffered a setback due to operational and safety issues which also impacted our operations. We are well positioned to pick up operations as soon as they resume. We are also in the process of mobilising our next-generation blind hole machine, which is an upgrade from the previous box hole machines. Improvements in safety on the machine will benefit the people working in the area and it has the capability to be operated remotely.

Master Drilling Chile recently concluded the acquisition of KONEC, a small company in Chile that provides collision avoidance and tracking technology for the major copper producer.

In **Peru**, we continued to see signs of positive growth notwithstanding the political uncertainty. We are well positioned to take advantage of opportunities as soon as matters stabilise. We have also invested in the training and upskilling of our workforce, including soft skills training.

We successfully completed the first blind hole machine project. It was a project of seven shafts, and we are preparing it for the next project. We expect to see more growth in this segment in the future. Our remote drilling schedule is progressing well. The machine's control centre has the ability to be split and controlled remotely without any human intervention.

We continue to look for opportunities in **Colombia, Ecuador** and **Argentina**. We see positive changes in Argentina and believe we will have an opportunity to do business in the region in the near future.

CENTRAL AND NORTH AMERICA

In **Mexico**, operations have gone through a restructuring phase guided by our intervention plan. This is part of the strategy to consolidate the North America business and provide back office and specialised support from Mexico to the region. We are still in a position that allows us to take full advantage of opportunities that may arise and will manage the fleet of our rigs accordingly. We believe our intervention plan is resolute and we remain optimistic for what the future holds.

We are also on a drive to have all machinery fully automated and operated remotely. We are currently in the pilot phase and look to have our large drill rigs operate fully remotely by the end of the year.

The A&R Group concluded successful demonstrations in **Mexico** and in the rest of the South American continent, with very positive feedback received from potential clients. We are working on converting the current interest into formal quotations and orders.

In addition, Master Drilling Mexico runs the subsidiary in **Nicaragua**, which is currently a one-machine operation which is set to end soon. We are negotiating two new contracts.

Since commencing our partnership with a large Brazilian mining company in June 2019, the Voisey's Bay mine project in Labrador, **Canada**, has reached a successful conclusion, with all equipment now demobilised from the site. This cornerstone contract stands as a testament to excellence, safety and efficiency, marked by several key achievements. We accomplished an impressive 1 877 days without a lost time incident and logged 329 340 hours of work. Our operations delivered outstanding results, completing 20 raises and two paste holes that totalled 2 800 metres of reaming and 2 319 metres of drilling.

In the **USA**, we had a once-off short-term project with a major gold miner. We continue to search for contracted work in the region and have put out proposals to a large Brazilian mining company on which we expect to receive feedback in the first half of 2025.

EUROPE AND CENTRAL ASIA

We have seen a lot of growth in our European business, particularly in the **Scandinavian**, central and lower parts of Europe. We also established a branch in **Spain**. We believe there is a lot of growth potential in this region. More machinery and equipment will be transported to the new branch as part of support to help it reach its full growth potential.

We see clear trends of expansion in underground mining, and we have perfectly positioned our business to optimise on opportunities that may arise as a result of these trends. There is also a growing expansion of underground drilling for the construction of railroads and motorways which would serve our business well as we are well positioned to step in and help with vertical excavation and extraction along with shafts for ventilation.

In addition, our European business established a joint arrangement with Sargin, a Turkish company that provides raise boring and shaft services within **Turkey**. Sargin has 40 years' experience in the industry and has a respectable track record. This joint arrangement is expected to assist the Group's diversification footprint in Europe from 2025.

CHINA

During the year, we launched a major drive to expand our manufacturing facility, in order to catch up with the orders in the pipeline. We have built seven machines in total, with four machines and assets currently under construction. The expansion allows for hydraulic and electric packs. We also extended the workshop with a gantry mill, which provides significantly increased capability in terms of insourcing large technical parts for which we want to maintain control of the intellectual property. It also reduces the rework time required to send equipment back to manufacturers which enables improved time efficiency control for Master Drilling.

We also initiated a skills share initiative with employees being sent to China for training on assembly and quality control.

Cutter manufacturing has been going well and we currently manufacture 80 to 90 cutters a month, with the ability to increase production to 150 with additional personnel and shifts. We also developed a material supplier that can supply forged material which significantly reduces the time spent on the manufacturing of stems and stabilisers by six months, saving USD500 000 a year.

Looking ahead, our aim is to complete building and installing hydraulic and electric packs on the three RD6 machines.

REST OF THE WORLD

In **Australia**, we have successfully commissioned the RD7 which drilled its first hole at Agnew. There are several projects we are pursuing, and we expect this market to grow. Australia remains a very competitive market.

In **India**, our focus remains on safety, to ensure that there are no complacencies, and our goal towards zero harm is maintained. We are currently on 1 448 lost time injury-free days and 275 incident-free days. We currently have seven rigs in operation, drilling across four different mines.

In **Saudi Arabia**, we completed a project and have aligned with business partners to exploit further opportunities in the mining industry in the Middle East.

Horizontal raise boring

Master Drilling drilled a

68m

inclined shaft at

28 degrees

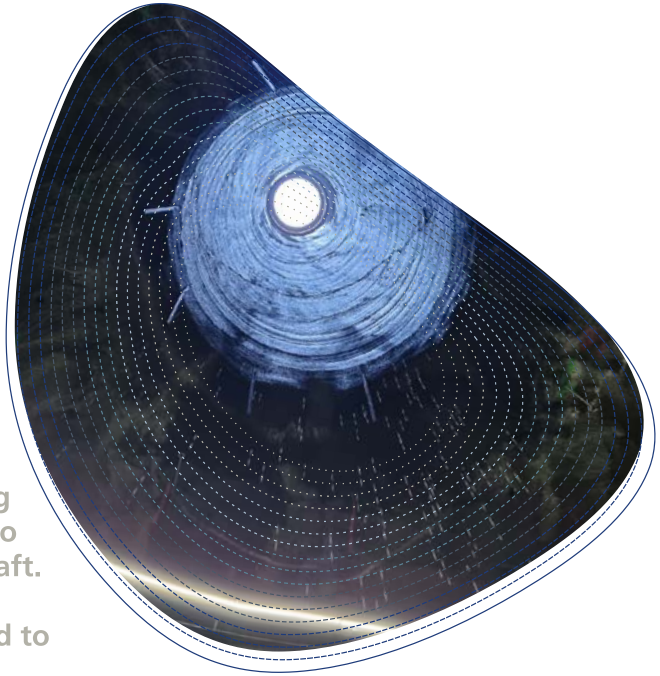
with a

5,2m

diameter for an opening hole for what is going to become an escalator shaft. The opening hole will subsequently be opened to

13m x 6m

by our partner Itinera.



Down-reaming project, Stockholm

Master Drilling sunk a

49m

deep shaft at

2,4m

in diameter from top to bottom without bottom access. This is part of a sewage tunnel project where Master Drilling had to be cautious not to break into the water tunnel in the bottom. Therefore, all the cuttings had to come up to surface via an inclined suction hole that we drilled that intersected with the pilot hole in the centre. Master Drilling is one of a few contractors to have achieved a project like this.

LEADING THROUGH TECHNOLOGY

We are constantly innovating to develop new technology and solutions.

What does the future look like?
In **infrastructure**, we are looking at faster, deeper and more complex access; a higher grade, less waste as well as automation and remote operation. In **exploration**, the areas of development are in geophysical surveying and AI and big data geological processing. In our **digitalisation** businesses, the focus is on big data processing and integrated safety and management systems.


HALL CORE
DRILLING


KUKA


中国铁建
China Railway Construction Heavy Industry Co., Ltd.
- SIGNING CEREMONY -

CASE STUDY

LLING ENSURING CE IN THE LARGEST INFRASTRUCTURE CT

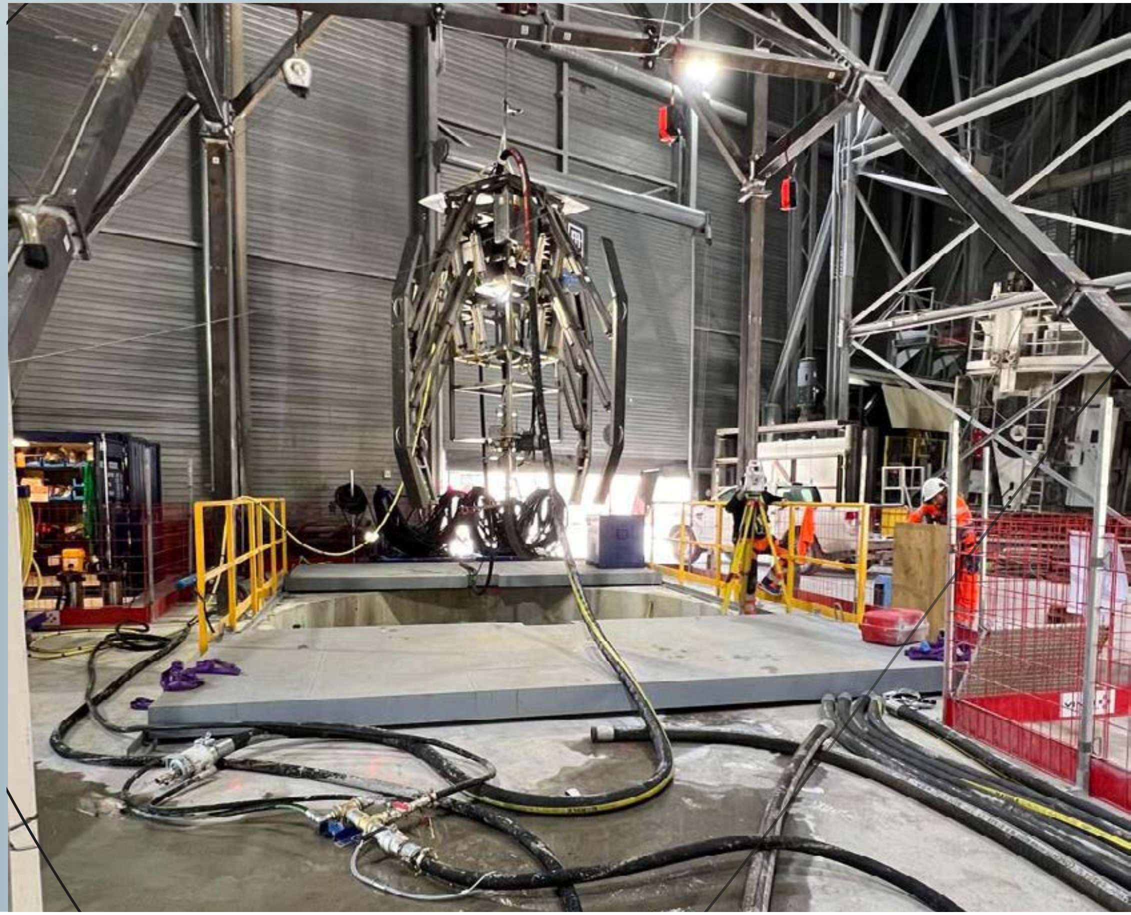
is proud to be part of one of the largest infrastructure projects in the world, nnel Euralpin Lyon-Turin project aimed at creating a high-speed railway connection Lyon, France and Turin, Italy. Once complete, it will be the longest rail tunnel globally.

ster Drilling is playing a key role in the construction of a group of ventilation shafts which are ore than 500m deep with a diameter of 5,2m. At a height of over 1 000m, this is the highest construction site of the new Lyon-Turin line.

The initial scope for Master Drilling was to drill four ventilation shafts which included directional drilling as accuracy was very important. Two Robbins 123 raise boring machines with 13 ¼-inch drill string with customised reamers and stems to ensure the highest accuracy were applied. Given Master Drilling's excellent drilling results, the scope was increased to include robotic shotcrete in unexpected cavities and below.

The project is a crucial investment in cross-border transportation infrastructure, enhancing connectivity, promoting economic development and improving transportation efficiency between the two countries.

The plant is expected to be operational by 2032 and the project remains on schedule.



Master Drilling SBS advanced technology

The SBS represents a significant advancement in mining technology, offering a more efficient and safer alternative to traditional drill and blast methods. Its unique mechanised rock cutting process, coupled with the patented "W" shaped cutterhead, ensures a cleaner shaft bottom while excavating, eliminating the need for personnel in hazardous areas. The SBS's continuous excavation allows for higher advance rates, improving operational efficiency. Additionally, by removing workers from high-risk zones, it enhances safety and reduces the number of personnel on-site. The system also supports faster access to deeper orebodies, providing cost-effective solutions for challenging mining projects.

Click here to play the video:

OUR BOARD OF DIRECTORS

Click on the + to view the photograph of the Board member and their full details.

- ● Corporate Governance
- ● Risk
- ● Remuneration
- ● Nominations
- ● Audit
- ● Social, Ethics and Sustainability
- © Chairman of committee

Click on the + to expand the biography box

Click on the - to close the biography box

NON-EXECUTIVE DIRECTORS

HENNIE VAN DER MERWE (77)

Independent Chairman
BA Law, LLB, LLM Tax

Appointed: July 2014

Positions held elsewhere
Director of Bell Equipment Limited (JSE-listed), Klein Karoo Group of Companies and Abagold Limited

Skills brought to Master Drilling: Leadership, management, taxation, compliance and risk management

Committees

AKHTER DESHMUKH (63)

Independent Non-executive
BCom, MBL

Appointed: November 2012

Positions held elsewhere
Director and Chief Financial Officer of Lephatsi Investments Proprietary Limited

Skills brought to Master Drilling: Leadership, financial management and corporate governance

Committees

HENDRIK FAUL (62)

Independent Non-executive
BEng (Mining), AMP

Appointed: June 2020

Positions held elsewhere
London listed entities: Independent non-executive director ACG Metals Limited and independent non-executive director Centamin Plc

Skills brought to Master Drilling: Leadership, engineering, board and committee experience, compliance and risk management

Committees

ANDRIES BRINK (67)

Lead Independent
CA(SA)

Appointed: June 2018

Positions held elsewhere
Director of York Timbers Limited (JSE-listed), BPW Proprietary Limited and First Foods Brands Limited

Skills brought to Master Drilling: Leadership, accounting, auditing and financial and risk management

Committees

MAMOKETE RAMATHE (46)

Independent Non-executive
BCom (Wits), MDevF (Stellenbosch Business School), Masters of Arts in Leading Innovation and Change (MA) (York St John University, UK)

Appointed: July 2021

Positions held elsewhere
Founder and Chief Executive Officer of Mamor Capital. Director of Bell Equipment Limited (JSE-listed)

Skills brought to Master Drilling: Leadership, financial management and strategy development

Committees

OUR BOARD OF DIRECTORS continued

EXECUTIVE DIRECTORS

DANIE PRETORIUS (67)

Chief Executive Officer
Government Engineers' Certificate of Competency
Appointed: July 2012
Founded Master Drilling in 1986

Committee ● (Nominations)

GARY SHEPPARD (55)

Alternate Director to Danie Pretorius
BSc Eng, MBA
Appointed: April 2011
Joined Master Drilling in 1999

ANDRÉ VAN DEVENTER (55)

Chief Financial Officer
CA(SA)
Appointed: July 2012
Joined Master Drilling in 2001

Committee ● (Corporate Governance)

KOOS JORDAAN (50)

Technical Director
BMEng, MBA, BS in International Technology Management
Appointed: July 2012
Joined Master Drilling in 2001

EDDIE DIXON (62)

Alternate Director to Koos Jordaan
MDip (Civil Eng), MBA
Appointed: June 2021

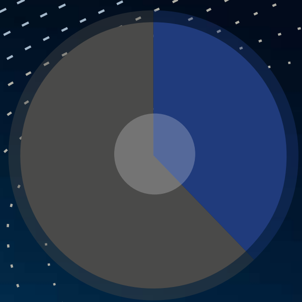
Committees ● (Risk) ● (Social, Ethics and Sustainability)

Click on the + to view the photograph of the Board member and their full details.

- ● Corporate Governance
- ● Risk
- ● Nominations
- ● Social, Ethics and Sustainability

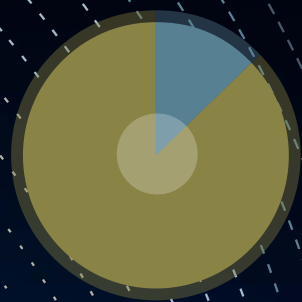
Age diversity

40 to 49	12%
50 to 59	25%
60 to 69	50%
70 to 79	13%



Board composition

Executive directors	38%
Independent directors	62%



Gender diversity

Female	13%
Male	87%

CORPORATE GOVERNANCE REPORT

ETHICAL LEADERSHIP

The Board is ultimately responsible for the Group's governance, ethics and values and is supported in this regard by the Corporate Governance and Social, Ethics and Sustainability Committees.

We apply sound corporate governance to ensure sustainable growth and are committed to upholding the highest standards of ethics and good governance and assume ultimate accountability and responsibility for the Company's performance and affairs.

Our Board charter and code of conduct set the ethical foundation for how we operate. To provide employees with further direction and guidance, various policies have been developed for conflicts of interest, gifts and hospitality, anti-bribery, and anti-corruption.

The employee ethics and code of conduct policy and the conflict of interest policy are communicated to all employees.

KING IV™

We are committed to the principles of openness, integrity and accountability in our dealings with stakeholders. The Group endorses the value of good corporate governance, standards and principles as recommended by King IV™. We apply King IV™ to support and strengthen our governance processes and to provide stakeholders with the necessary assurances in this regard.

The Board is committed to ensuring that the Group applies sound good corporate governance throughout its operations, considering the six capitals (financial, manufactured, human, intellectual, natural and social and relationship) within the triple context (economy, society and the environment).

The Board has reviewed the Integrated Report in terms of the governance principles outlined in King IV™. Our aim is to continuously improve the quality and reliability of the data presented. We constantly revisit our strategy and material matters while further developing a combined assurance model.

Our application of King IV™ is detailed in the King IV™ compliance report, which is available online at **www.masterdrilling.com**.

GOVERNANCE STRUCTURE

Board

Hennie van der Merwe *Independent Chairman*	● Corporate Governance © ● Risk ● Nominations ©
Danie Pretorius *Chief Executive Officer*	● Nominations
André van Deventer *Chief Financial Officer*	● Corporate Governance
Andries Brink *Lead Independent*	● Risk © ● Remuneration ● Nominations ● Audit ©
Akhter Deshmukh *Independent Non-executive*	● Corporate Governance ● Risk ● Audit ● Remuneration © ● Social, Ethics and Sustainability
Hendrik Faul *Independent Non-executive*	● Risk ● Remuneration ● Social, Ethics and Sustainability
Shane Ferguson* *Non-independent Non-executive*	● Corporate Governance
Mamokete Ramathe *Independent Non-executive*	● Risk ● Social, Ethics and Sustainability © ● Audit
Koos Jordaan *Technical Director*	
Eddie Dixon *Alternate to Koos Jordaan*	● Risk ● Social, Ethics and Sustainability
Gary Sheppard Alternate to Danie Pretorius	

* *Passed away in November 2024.*

Committees

Corporate Governance Committee	
Chairman:	Hennie van der Merwe
Member:	Akhter Deshmukh
Independent members:	2/2
Risk Committee	
Refer to page 93 for the full report.	
Chairman:	Andries Brink
Members:	Hennie van der Merwe, Hendrik Faul, Akhter Deshmukh, Mamokete Ramathe and Eddie Dixon
Independent members:	5/6
Remuneration Committee	
Refer to page 94 for the full report.	
Chairman:	Akhter Deshmukh
Members:	Andries Brink and Hendrik Faul
Independent members:	3/3
Nominations Committee	
Refer to page 107 for the full report.	
Chairman:	Hennie van der Merwe
Members:	Andries Brink and Danie Pretorius
Independent members:	2/3
Audit Committee	
Refer to page 113 for the full report.	
Chairman:	Andries Brink
Members:	Akhter Deshmukh and Mamokete Ramathe
Independent members:	3/3
Social, Ethics and Sustainability Committee	
Refer to page 108 for the full report.	
Chairman:	Mamokete Ramathe
Members:	Akhter Deshmukh, Hendrik Faul and Eddie Dixon
Independent members:	3/4

● Corporate Governance
● Risk
● Remuneration
● Nominations
● Audit
● Social, Ethics and Sustainability
© Chairman of committee

THE BOARD

Composition of the Board

The Master Drilling Board is a unitary board comprising eight directors – five independent non-executive directors and three executive directors. The roles of Chairman and Chief Executive Officer are separate and clearly defined, and the Chairman of the Board is an independent non-executive director.

The executive and alternate executive directors are invited to all Board meetings.

Executive directors are under the leadership of the Chief Executive Officer and derive their authority from the Board. The executive directors, who are responsible for the day-to-day management of the Group's operations, meet regularly and are representative of all the geographical areas in which we operate.

The Chief Executive Officer currently has a succession plan in place that is tracked by the Nominations Committee. The Chief Executive Officer has no membership of governing bodies outside the organisation.

Non-executive directors have diverse backgrounds, and their collective experience enables them to provide sound, objective judgement in decision-making.

Director development

A formal process for the selection and appointment of directors is in place, including:

- Identification of suitable members of the Board;
- Reference and background checks of candidates prior to nomination;
- Formalising the appointment of directors through an agreement between the Group and the director, ultimately subject to election or re-election by shareholders; and
- Overseeing the development of a formal induction programme for new directors.

A continuous professional development programme is in place to ensure that Board members receive regular briefings on changes to risks, laws and the business environment.

Individual Board/committee members take personal responsibility for continuously updating/supplementing their individual skill set and requisite knowledge to aptly enable them to perform their fiduciary responsibilities and other duties.

Rotation of directors

Directors are ultimately elected by the Group's shareholders at the Annual General Meeting as set out in the Group's Memorandum of Incorporation. The matter of rotation of the directors is dealt with in line with the provisions of the Group's Memorandum of Incorporation, which requires that one-third of the directors must retire every year but are eligible for re-election.

Dealings in securities

Directors may not deal in the securities of the Group during closed periods which are from the end of the financial year to the publication of its financial results, and from the end of the half-year to the publication of the half-year results, and whenever the Group is subject to a cautionary announcement and/or a director is in possession of price-sensitive information not in the public domain. The directors are specifically advised of any period considered sensitive.

Board self-evaluation

The Board assumes responsibility for the evaluation of its own performance and that of its committees, its Chairman and its individual members by determining how such evaluation should be approached and conducted.

The Board performs a formal internal self-evaluation process of its own effectiveness, that of the respective Board committees, the Board Chairman and its individual members each alternate year.

The last assessment done in November 2024 indicated that the Board, the Board committees and the Board Chairman satisfactorily execute their respective duties and discharge their responsibilities and functions well.

The Board is satisfied that this evaluation process enhances performance and effectiveness.

Board appointment process

The Nominations Committee is responsible for the selection of Board candidates, succession planning for the Board and senior management. Newly appointed directors undergo a formal induction programme.

The Chief Executive Officer has a 12-week notice period and the Chief Executive Officer appointment process is the responsibility of the Nominations Committee, subject to Board approval.

Company Secretary

The Board appointed Andrew Colin Beaven as Company Secretary to Master Drilling, with effect from 1 December 2015. Having considered his skills, experience and expertise, as well as his independence and his arm's-length relationship with the Board and the Group, the Board is satisfied that he has the necessary competence and objectivity to provide independent guidance and support at the highest level of decision-making and is thus suitably qualified to act in this role.

Board committees

There are six Board committees – the Audit, Remuneration, Risk, Nominations, Corporate Governance and Social, Ethics and Sustainability Committees – which assist the Board in managing specific responsibilities delegated to them. The Audit and the Social, Ethics and Sustainability Committees have additional statutory responsibilities in terms of the Companies Act.

CORPORATE GOVERNANCE REPORT continued

The Chief Executive Officer and executive directors are temporarily part of the Nominations and Corporate Governance Committees, respectively. Following the passing of Shane Ferguson, membership of the various Board committees was reconstituted with effect from 26 November 2024. The changes were made in line with the JSE Listings Requirements and King IV™ to ensure continuity across all affected committees. The Chief Executive Officer and members of management may attend committee meetings which they are currently not part of by invitation and when required by committee members.

The terms of reference for all Board committees and the Board's terms of reference are approved by the Board and reviewed on a regular basis. The Board is satisfied that all the committees have fulfilled their responsibilities for the year in accordance with their terms of reference.

The Board and its committees, after careful consideration of suitability and assessment of required skills, make use of external advisors as and when required. There are arrangements in place for assessing professional corporate governance services and the governing body believes those arrangements are effective. The governing body is also satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

The detailed terms of reference for each committee are available on our website at **www.masterdrilling.com.**

Investment Committee

This is an informal committee comprising Board members, the Chief Executive Officer, the Chief Financial Officer, and the Chief Sustainability Officer. The committee meets on an ad hoc basis to discuss investment opportunities which are then presented to the Board for consideration. It is not a formal Board committee, but Board members are invited to participate in the deliberations of the committee.

Diversity at Board level

The Group's Board diversity policy recognises the benefits of a diverse Board and sees diversity at Board level as an important element in ensuring a wide range of perspectives. The Board's view is that a diverse Board should include and make good use of diversity in skills, regional and industry experience, fields of knowledge, background, race, gender, culture, age and other attributes of directors. These variances should be considered in determining the composition of the Board, and should be balanced, to the extent possible, practical and appropriate.

All Board appointments are made on merit, in the context of skills, experience, independence and fields of knowledge which the Board as a whole requires to be effective. The Social, Ethics and Sustainability Committee deals with overseeing the Board-approved diversity policy and reporting against it. The Nominations Committee handles any nominations for proposed appointments aligned with the diversity policy.

	Female				Male				Total	
	A	C	I	W	A	C	I	W	F	M
Board representation – December 2024	**1**	**–**	**–**	**–**	**–**	**–**	**1**	**6**	**1**	**7**
Board representation – December 2023	1	–	–	–	–	–	1	9	1	10

Diversity at Board level receives regular consideration and the policies on gender and race diversity are available on our website at **www.masterdrilling.com.**

Board and committee meetings

The Board meets at least four times a year, with additional ad hoc meetings as required. Notices of meetings and documentation are provided to directors timeously, allowing them to prepare for meetings which ensures informed decision-making.

Attendance at Board and committee meetings is indicated in the table below.

Members	Annual General Meeting 10 June 2024	Board	Audit Committee*	Risk Committee	Social, Ethics and Sustainability Committee	Remuneration Committee	Nominations Committee	Corporate Governance Committee
Hennie van der Merwe**	1/1	4/4	6/6	4/4	n/a	n/a	2/2	2/2
Danie Pretorius	1/1	4/4	n/a	4/4	n/a	3/4	2/2	2/2
André van Deventer	1/1	4/4	6/6	4/4	4/4	4/4	2/2	2/2
Andries Brink**	1/1	4/4	6/6	4/4	n/a	4/4	2/2	n/a
Akhter Deshmukh**	1/1	4/4	6/6	n/a	4/4	4/4	n/a	2/2
Hendrik Faul**	1/1	4/4	n/a	4/4	3/4	n/a	n/a	n/a
Shane Ferguson***^	0/1	3/4	5/6	3/4	3/4	3/4	1/2	1/2
Mamokete Ramathe**	1/1	4/4	6/6	n/a	4/4	n/a	n/a	n/a
Koos Jordaan	1/1	4/4	n/a	4/4	4/4	n/a	n/a	n/a
Eddie Dixon (alternate)	1/1	3/4	n/a	4/4	4/4	n/a	n/a	n/a

* *The Audit Committee held four ordinary meetings and two special meeting for the year.*

** *Independent non-executive.*

*** *Non-executive.*

^ *Passed away in November 2024.*

Technology and information governance

IT is a critical element for our business in ensuring sustainable growth and is encompassed by our strategic pillar, disruptive technology and innovation. It is applied throughout our business from R&D and administration to tendering and logistics.

An IT project manager is in place who is responsible for driving projects. The IT project manager reports to the IT Steering Committee which is headed by the Chief Financial Officer. This committee, through the Chief Financial Officer and IT project managers, reports to the Audit Committee.

The IT department and information management systems are fully integrated. During the year, we undertook several IT projects to support the business processes where required.

We have multi-factor authentication in place for all our users, which prevents any username and password from being used by people outside of the system, which can now detect an unknown device and request verification via SMS or a dedicated app.

All employees have access to a learner management system via Sharepoint which enables users to participate in online courses, specifically on IT systems. On completion, users are awarded certificates and granted permission to access a system as required.

We are striving towards our goal of paperless and smarter working and have systems in place to ensure that requisition requests across Africa can be submitted electronically.

We have Dynamics AX, a Microsoft enterprise resource planning system, and an incident management system (AX) in place across Africa.

We also use Power BI throughout the Group specifically as a business intelligence programme for executives. Our balanced scorecards and dashboards are available on this system to enable executives to access them for quick viewing.

Compliance with laws, rules, codes and standards

We comply with various regulations, codes and statutes as required. A compliance function has been established at Group level, including a Group legal compliance policy with reporting structures. Adherence to non-binding rules, codes and standards is considered and, where deemed practical, implemented as appropriate. Reports on compliance with these regulations are tabled at Risk Committee meetings.

All Board committee charters have been approved, and a Corporate Governance Committee has been established. We have compiled a regulations register which will assist in our compliance matrix.

There were no material non-compliance issues identified/reported during the year.

Master Drilling Group has complied with the provisions of the Companies Act, particularly with reference to the incorporation provisions set out therein, and has operated in conformity with Master Drilling's Memorandum of Incorporation.

Anti-competitive behaviour

We are not aware of Master Drilling having been party to anti-competitive behaviour or monopoly practices during the year.

RISK COMMITTEE REPORT

We are pleased to present our report for the year ended 31 December 2024.

The Risk Committee is responsible for the oversight of the risk management policies and practices of the Group's global operations and oversight of the management of the Group's global risk. The committee's authority is derived from the Board's delegated authority with its main objective being the provision of oversight.

Various risk assessments are conducted throughout the year at various levels in the organisation. Group risks are reviewed and rated on a quarterly basis. The Risk Committee is responsible for:

- Establishing and maintaining a common understanding of the risk universe, as it applies to the Group, which needs to be addressed in order to meet strategic objectives;
- Together with the Board, reviewing the risk profile of the Group including the most important risks affecting the Group, the risk appetite and the risk tolerance of the Group;
- Satisfying the corporate governance reporting requirements regarding risk management;
- Monitoring the Group's risk management and assurance efforts; and
- Exercising ongoing oversight of risk management within the Group.

The committee believes it has completed all of the tasks outlined in its terms of reference.

The committee assists the Board in discharging its duties relating to the provision of oversight and input into the strategic process of risk identification and mitigation, ensuring that the risk management process aligns with and follows the established enterprise risk management and combined assurance framework and that the committee acts under a delegated mandate from the Board.

During the year, the committee:

- Oversaw the execution of the Group's 2024 enterprise risk management plan;
- Monitored the implementation of specific actions to reduce the key risks; and
- Monitored the global initiative around regulatory compliance.

In FY25, the committee intends to:

- Oversee the execution of the Group's 2025 enterprise risk management plan;
- Monitor the implementation of specific actions to reduce the Group's top 10 risks; and
- Monitor the global initiatives around regulatory and ESG compliance.

Attendance at committee meetings is set out on page 91.

The committee is satisfied that it has fulfilled its responsibilities stipulated in its terms of reference.

Refer to pages 36 to 42 which deal with risk management and material risks.

Andries Brink
Chairman of the Risk Committee

30 April 2025

REMUNERATION COMMITTEE REPORT

On behalf of the Remuneration Committee (Remco), I present the FY24 remuneration report.

The Master Drilling Group Board is responsible for the Group's remuneration policy and is assisted by the Master Drilling Group Remco. The committee operates within the provisions of the Remco policies and with authority granted to it by the Board. The Board therefore oversees the implementation and execution of the remuneration policy through the committee, which comprises three members: two independent non-executive directors and one lead independent director. The Group Chief Executive Officer, Group Chief Financial Officer as well as the Group Human Capital Officer attend the committee meetings by invitation.

In terms of the recommendations of King IV™, Board committees should have cross-membership to ensure a balanced distribution of power and to enhance effective collaboration. In line with these recommendations, Akhter Deshmukh, the Chairman of the committee, is also a member of the Audit, Corporate Governance and Social, Ethics and Sustainability Committees.

The committee meets formally each quarter to fulfil its mandate. The committee Chairman provides feedback to the Board after each committee meeting regarding key decisions and relevant discussions and attends the Annual General Meeting to address questions by shareholders on the committee's areas of responsibility.

REMUNERATION PHILOSOPHY

We strive to be market leaders in the mining contractors' market in which we operate, which requires us to continuously invest in technology, innovation, processes and products. We therefore need to attract and retain the best people in our market and improve their skills consistently as markets and technologies evolve. As Master Drilling Group has grown into market-leading positions globally, we have become increasingly exposed to, and are benchmarked against, global best practice. Although Master Drilling Group is a South African-based company, we trade with businesses in different countries, earning outside South Africa, and importing a significant proportion of our inputs.

A further substantial proportion of our inputs is globally indexed in foreign currencies. As a result, we expect our executives to have knowledge and experience across international borders and to be internationally mobile.

Therefore, Master Drilling Group competes for management and specialist skills and talent in a challenging global marketplace. Accordingly, our remuneration philosophy is to attract and retain the best people and to consistently improve their skills as markets and technologies evolve. The success of our business is dependent on our people to maintain high standards of client service in a competitive sector.

STAKEHOLDER CONSIDERATIONS

Remuneration decisions are taken to ensure the Group's long-term sustainability.

The following macro factors formed part of the committee's considerations in relation to FY24:

- The challenging macroeconomic and socio-political environment in South Africa, which is characterised by low economic growth, unreliable electricity supply, increasing levels of unemployment and the risk of civil unrest as well as the volatility in emerging currencies;
- The lasting impact of the pandemic on communities in the areas in which we operate, small businesses that are part of our enterprise development initiatives, our clients and our suppliers, all of which have had to endure a challenging operating environment;
- The need to reward our employees appropriately for their contribution to the Group's performance, taking into consideration the complex, uncertain and competitive operating environment, to ensure a balanced outcome for all stakeholders over the long term;
- The need to attract and retain skilled leadership and technical skills to support our strategy implementation; and
- The escalating risk of loss of key personnel to competitors, other industries and immigration.

FAIR AND RESPONSIBLE REMUNERATION

Each year, the committee reviews remuneration across job grades to ensure that there are no disproportionate income differentials. Where disproportionate income differentials are detected, immediate corrective measures are implemented. Disproportionate income differentials refer to unfair and irrational differences in pay that cannot be justified based on the nature of the work performed, seniority, tenure, qualifications, ability, competence or any other relevant non-discriminatory factors. The committee is satisfied that no disproportionate pay differentials exist and that all pay differentials are justifiable and not attributable to gender or race bias.

In addition, guaranteed executive package increases are set by reference to, among others, the remuneration of the broader workforce. Careful measures are taken to ensure that wage increase settlements are appropriate within the context of local market and economic conditions. The committee is satisfied that the remuneration of bargaining unit employees is appropriate relative to the sectors in which Master Drilling businesses operate, and that measures are in place to reduce and eliminate any unjustified pay differentials.

In addition, the committee is satisfied that the remuneration of executive management is fair and responsible within the context of overall employee remuneration. During the year under review, the committee met quarterly with all the members present. The committee is satisfied that it has fulfilled its responsibilities during the year.

Key focus areas included:

- Employee value propositions to cater for flexible working conditions, hybrid working models and remuneration strategies that address more than the pay element for employees;
- Being proactive on policy changes to adapt for the changing economic environment by recognising and addressing economic headwinds;
- Fair and responsible pay;
- Shareholder alignment: Aligning executive remuneration with shareholder interests by incorporating long-term incentives (LTIs) such as stock options or performance shares;
- The implementation of workforce planning measures to build people leadership and technical capacity to support strategy implementation;
- The implementation of measures to further promote gender and race diversity; and
- Talent mapping of critical and scarce leadership and technical skills to ensure that the Group attracts and has access to sufficient external and internal skills to support strategy implementation.

ACCESS TO INFORMATION AND ADVISORS

Members of the committee may access any information to inform their independent judgement on remuneration and related matters. During the year under review, the committee received reports from PricewaterhouseCoopers Inc. to ensure that the Group's remuneration levels are competitive and appropriate within the Group's specific markets and geographical areas of operation.

AREAS OF FOCUS FOR THE NEXT YEAR

The committee regularly assesses the remuneration market and governance frameworks to ensure the relevance of Master Drilling's remuneration approach. The committee anticipates focusing on the following areas during FY25:

- **Enhanced employee value proposition**
  - Continue to develop and refine the employee value proposition to attract and retain top talent.
  - Consider offering competitive remuneration packages, benefits and perks that align with industry standards.
- **Proactive policy changes**
  - Monitor economic conditions and regulatory changes to ensure remuneration policies remain competitive and compliant.
  - Make adjustments to policies as needed to support the Company's strategic objectives.
- **Fair and responsible pay**
  - Continue to prioritise fair and responsible pay practices, ensuring that remuneration is aligned with performance and industry standards.
  - Consider implementing more transparent and inclusive remuneration decision-making processes.
- **Shareholder alignment**
  - Enhance shareholder engagement and communication on remuneration policies and practices.
  - Consider implementing more robust shareholder consultation processes to ensure alignment with shareholder interests.
- **Leadership and technical capacity building**
  - Continue to develop and refine leadership and technical capacity building programmes to support the Company's strategic objectives.
  - Consider offering training and development opportunities to enhance employees' skills and expertise.
- **Diversity, equity, and inclusion (DEI)**
  - Expand on previous initiatives to promote DEI in the workplace.
  - Consider setting specific targets for DEI metrics and incorporating them into executive compensation.
- **Talent mapping and succession planning**
  - Continue to identify and develop critical skills required for the Company's future success.
  - Implement succession planning programmes to ensure the Company has a strong pipeline of future leaders.

The remuneration philosophy serves as an essential catalyst in enabling our employees to deliver on Master Drilling's strategic priorities while supporting sustainable value creation for all our stakeholders. In this regard, we believe that our remuneration decisions are fair and remain appropriately aligned with shareholder and stakeholder interests over the long term.

Remco's terms of reference are available online at **www.masterdrilling.com**.

Remco is satisfied that the remuneration policy and implementation report have been complied with and that there have been no deviations.

A formal remuneration policy is in place and is available online at **www.masterdrilling.com**.

Our remuneration policy and implementation report are tabled annually for separate, non-binding advisory votes by shareholders at the Annual General Meeting.

The non-binding advisory vote on the remuneration policy and implementation report at the Annual General Meeting held on 10 June 2024 resulted in a vote in favour of 94.93% for the remuneration policy and 97.87% for the implementation report.

REMUNERATION POLICY

The Board carries ultimate responsibility for the remuneration policy. The committee operates in terms of a Board-approved mandate. The committee therefore functions as a committee of the Board in terms of an agreed mandate and evaluates and monitors the Company's remuneration philosophy and practices to ensure consistency with governance principles and corporate strategy. The committee implements a remuneration policy, which is approved by the Board, to assist in the achievement of the Company's strategy.

The remuneration policy is reviewed on an annual basis and is aligned with the recommendations of King IV™, based on the following principles:

- Remuneration practices throughout the Company are aligned with the applicable business vision and strategy;
- Remuneration is set at levels that are competitive and appropriate within the specific markets, geographical areas and industries in which the Company operates;
- Incentive-based remuneration, which is applicable to eligible employees involved in determining and implementing the strategy of the Company and/or divisions of the Company, is determined with reference to financial performance targets, return targets, B-BBEE targets, internal control and compliance measures and individual KPIs; and
- Executive remuneration is fair, responsible and transparent within the context of the overall remuneration of the Company.

ALIGNMENT BETWEEN REMUNERATION POLICY AND REMUNERATION PHILOSOPHY

Master Drilling's remuneration philosophy is to attract and retain the best people in the industry, and to improve their skills consistently as markets and technologies evolve. The success of our business is dependent on our people's ability to deliver quality, hi-tech equipment and to maintain high standards of service in a competitive market. Therefore, the remuneration policy should be fit for purpose to achieve the high-level objectives of attraction, retention and performance motivation of our executives, managers and employees across all levels of the Group.

The policy sets out the Group's commitment to paying employees fairly for the work performed in line with principles free of discrimination based on race, gender, sex, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, political opinion, culture, language, marital status or family responsibility.

As our people are one of our competitive advantages, we acknowledge that in order to meet corporate goals and objectives, our reward policies must be an integral part of overall human resources strategy; be designed to motivate and reinforce superior performance and encourage individual development; be designed to attract and retain high-quality people; and be aligned to anti-discriminatory practices.

Each job is internally and externally benchmarked, to determine its relative contribution in terms of complexity and expected outputs and results, which establishes the remuneration ranges. Role levels, Paterson grading level and market medians form the basis of remuneration range structures, and these are reviewed at least annually to ensure ongoing market competitiveness.

A benchmarking analysis compares the internal salary levels to the market, per grade, to assess how Master Drilling's internal pay compares relative to the market. This determines how competitive our remuneration is and how wide the pay spread is between the lowest-paid and highest-paid employee within the same grade, which, in turn, guides how wide the pay range will be for the respective pay scales.

ELEMENTS OF REMUNERATION

Benchmarking of the remuneration of executive managers and executive directors is undertaken annually, using the services of independent experts, in order to ensure that remuneration in all forms accruing to employees at all levels is market-related and equitably awarded under the remuneration systems and practices in place. The committee aims to ensure an appropriate balance between the guaranteed and performance-related elements of managerial remuneration, and also between short-term performance and long-term sustainable stakeholder value creation.

The salary is subject to annual review and is intended to be competitive in relation to market practice in companies comparable in size, market sector, business complexity and geographical location, as well as to equally graded positions. The Paterson grading system is applied across the Group in order to ensure uniform employee grading.

Company performance, individual performance, general inflation and changes in responsibilities are also taken into consideration when determining annual base salaries. The amount of the salary package is determined based on parameters approved by the Board. Pay levels are based on individual and market factors, as follows:

- Job profiles are compiled for each approved position in the Company, and these are graded using the Paterson grading system;
- A competency profile is also determined for each approved position. Performance reviews of employees against these profiles may lead to an employee receiving merit increments, which may result in an individual earning remuneration above the market median, but within market norms;
- The remuneration levels of key management categories are benchmarked annually, using the market median of independent salary surveys as a reference; and
- Inflationary remuneration adjustments are considered annually, considering relevant consumer price inflation indices.

The remuneration of employees, other than those represented by unions and other bargaining structures, is contracted on a "total cost-to-company package" basis, which includes basic salary, allowances and contributions by the Company to retirement savings, risk insurance and medical schemes. In terms of this arrangement, a minimum level of healthcare cover is a condition of employment at certain levels. Employees throughout the Group can contribute to various independently administered defined contribution retirement schemes.

The Company encourages union membership and collective bargaining among its employees in order to provide for responsible and structured engagement. Blue-collar and substantive conditions of employment in relation to employees represented by trade unions or similar bargaining structures and similarly graded positions are negotiated from time to time with the applicable structures, preferably via collective bargaining processes. Changes to remuneration and benefits are negotiated in one-, two- or three-year arrangements. Multi-year arrangements are favoured in terms of promoting stability and consistency in industrial relations. Access by these employees to suitable medical, retirement and associated insured benefits is also facilitated by the Company, where possible.

The current mix of incentives differs between employees, with the entry point to incentives being 25% of the total annual guaranteed package for a short-term incentive (STI) and 25% of the total annual guaranteed package for LTI added for defined employees. A major hurdle for performance incentivisation is the requirement to create a pool to fund bonuses, which pool is created from over-target performance. Therefore, if the Group does not perform to or better than target, no funds are available for performance bonuses.

STI performance targets are scaled at 80% and 100% of performance. Salary increases are also scaled, in that full performance, a (3) rating, realises an inflation-related adjustment, and exceptional performance, a (4) rating, realises an inflation plus 50% of inflation adjustment. Performance awards are limited at 25% or 50% of basic salary for STI and LTI for employees.

REMUNERATION OVERVIEW

<table>
<tr><th>Non-executive directors</th><th>Executive directors</th><th>Prescribed officers/Executive Committee</th><th>Senior management</th><th>Middle and junior management</th></tr>
<tr><td rowspan="2">Fee = base fee + attendance fee – benchmarked annually

Higher fees for Chairmans

Reimbursable travel claims
– 100% of cost if Company-related/agreed policy

Liability insurance (liabilities per position delineated and approved)</td><td colspan="4">• Basic salary
– Inflationary and special performance reward (SPR) increase
– Circumstantial pay: qualifications and experience, retention-critical, specific position
– Benchmarking (PricewaterhouseCoopers Inc. remuneration survey = benchmark for executive directors)
– Alignment with Group strategic objectives and shareholders' interests
• Retirement fund contribution
• Medical aid
• Reimbursable travel claims – 100% of cost if Company-related/agreed policy
• Fixed allowance for uniforms
• Protective personal equipment and clothing, where applicable</td></tr>
<tr><td colspan="2">• STI (STI + SPR)
• LTI (including share option scheme (SOS))
• Liability insurance (liabilities per position delineated and approved)</td><td colspan="2">• STI: Incentive bonus based on achievement of production targets; or
• In South America: 5% to 10% of profit after tax paid to employees, subject to regulations of such country
• LTI: B-BBEE share option plan open to B-BBEE candidates in South Africa</td></tr>
</table>

STI SCHEME

In recent years, the Group's STI structure was refined and improved with a stronger correlation between individual performance and reward than when the SPR was introduced, in addition to the existing STI. Remco approved STIs for executives for FY24 in terms of the policy.

<table>
<tr><th></th><th>STI</th><th colspan="2">SPR</th></tr>
<tr><td>Underlying metric</td><td>• Actual headline earnings versus budgeted headline earnings</td><td colspan="2">• Individual strategic objective/s
• Determined annually per employee, by employee and direct supervisor</td></tr>
<tr><td>Discretion</td><td>• Remco discretion and Chief Executive Officer entitled to motivate for any specific qualifying employee despite 75% of budgeted headline earnings not having been achieved</td><td colspan="2">• Remco discretion</td></tr>
<tr><td>Eligibility</td><td>• Executive directors
• Direct reports</td><td colspan="2">• Permanent employees in A to E role positions
• Paterson grade D3 and above</td></tr>
<tr><td rowspan="6">Calculation total gross package (TGP) x base STI %</td><td rowspan="6">• Base STI guide:
Chief Executive Officer – 75%
Chief Operating Officer – fixed amount
Chief Financial Officer and Financial Director – 50%
Other eligible employees – 25%*</td><td>Performance rating of strategic objective 1 – 5</td><td>Increase over and above inflation</td></tr>
<tr><td>1 – Poor</td><td>No salary increase and performance management process for bottom 10% of performers</td></tr>
<tr><td>2 – Below average</td><td>No salary increase and performance management process for bottom 10% of performers</td></tr>
<tr><td>3 – Average</td><td></td></tr>
<tr><td>4 – Well above average</td><td>50% of inflationary</td></tr>
<tr><td>5 – Excellent</td><td>75% of inflationary</td></tr>
<tr><td>Allocation cap</td><td>• Allocation is limited to the total STI pool
• Allocation per employee is limited to the maximum base STI</td><td colspan="2">• Performance rating in relation to individual SPR objective must equal or exceed 4</td></tr>
<tr><td rowspan="6">Individual allocation cap</td><td>Performance rating 1 – 5</td><td colspan="2">Calculation input %</td></tr>
<tr><td>1 – Poor (0%)</td><td colspan="2">Nil</td></tr>
<tr><td>2 – Below average (0 – 60%)</td><td colspan="2">Nil</td></tr>
<tr><td>3 – Average (61 – 80%)</td><td colspan="2">100</td></tr>
<tr><td>4 – Well above average (81 – 90%)</td><td colspan="2">150</td></tr>
<tr><td>5 – Excellent (91 – 100%)</td><td colspan="2">175</td></tr>
</table>

* *Remco discretion.*

LTI SCHEME

LTI	Average EBITDA over three-year LTI cycle (FY22 to FY24)	
Underlying metric	Remco discretion	
Eligibility	Executive directors Direct reports	
Calculation	TGP x on-target LTI % On-target LTI guide: Chief Executive Officer – 75% Chief Financial Officer and Financial Director – 50% Chief Operating Officer and other eligible employees – fixed amount*	
Allocation cap	**Average EBITDA and return on capital employed (ROCE) for LTI cycle %**	**Portion of on-target LTI entitlement %**
	13 – 14	50
	14 – 14.9	75
	15+	100
	EBITDA and ROCE targets based on current invested capital	
Payment	• Two-thirds cash on conclusion of audited LTI cycle • One-third share options (equivalent to cash amount) under Master Drilling SOS (see below)	

* *Remco discretion.*

Remco continually reviews and assesses the effectiveness of the Company's LTI schemes to ensure they remain competitive and aligned with the Company's strategic objectives. As part of this ongoing review, the committee is exploring alternative methods of LTI schemes to retain key executives and drive long-term value creation for the business. This may include considering new performance metrics, vesting periods or award structures that better align with the Company's evolving needs and goals. The committee will continue to monitor industry best practices and regulatory developments to ensure the Company's LTI schemes remain effective and competitive and aligned with shareholder values.

Variable performance-related remuneration is subject to clawback.

This is determined if the committee considers that there is:

- A significant downward restatement of the financial results;
- Reasonable evidence of gross misconduct or gross negligence by the individual;
- Reasonable evidence of a material breach by the individual of the code of conduct and ethics;
- A breach of restrictive covenants by which the individual has agreed to be bound; and/or
- Reasonable evidence of conduct by the individual that results in significant losses or reputational damage.

If any of the above are deemed to have occurred, the committee may, at its discretion, decide that some or all of the performance-related remuneration (which is subject to this malus and clawback provision) will be reduced, lapse, will not vest or will only vest in part. During 2024, no circumstances were identified resulting in any adjustments or clawback.

RETENTION SCHEME

We remain focused on the retention of our talent and high-performing employees who are adding significant contributions to the success of Master Drilling. An LTI award scheme for senior, middle and junior management as well as scarce skills is in place.

The above is a key part in our succession planning as well as the continuous recognition of talent and key critical skills within our business.

The three levels of the LTI scheme are as follows:

- Strategic management – Talent we see as part of the future of executing our strategy;
- Keeper – Scarce skills and middle management; and
- Grower – Young high-performing talent.

MASTER DRILLING GROUP SHARE OPTION SCHEME

In addition to executive directors and their direct reports under the LTI, any employee shall be eligible to receive grants under the SOS who, at Remco's discretion, has contributed materially to the relevant Group division and delivered an exceptional individual performance (other than a non-executive director and trustee of an employee benefit trust). The latter shall be measured in the context of the applicable internal performance appraisal process, among other factors.

The maximum number of shares in respect of which options can be granted to any one option-holder is 500 000 shares in a three-year cycle (coinciding with the LTI cycle, currently FY22 to FY24). Subject to this, further, the maximum value of shares subject to an option to be awarded to an option-holder will not usually exceed 200% of his/her base salary per financial year.

Options will vest and become exercisable no earlier than the third anniversary of the date of grant. Options can be exercised in whole or in part once they have vested, up to the 10th anniversary of the date of grant.

Details	Options
Total number of share options attributable to the SOS	5 000 000
Less: Total number of share options granted on 29 November 2014	(2 000 000)
Total number of share options granted on 19 May 2014	(327 286)
Total number of share options granted on 21 August 2015	(80 000)
Total number of share options granted on 19 October 2015	(80 000)
Total number of share options granted on 20 October 2015	(35 000)
Total number of share options exercised during 2015	–
Total number of share options granted on 4 January 2016	(250 000)
Total number of share options granted on 27 January 2016	(250 000)
Total share options unissued as at 31 December 2016	1 977 714
Total number of share options granted on 1 October 2017	(835 000)
Total share options unissued as at 31 December 2017	1 142 714
Total share options unissued as at 31 December 2018	1 142 714
Cancelled during 2019	450 000
Total share options unissued as at 31 December 2019	1 592 714
Total share options unissued as at 31 December 2020	1 592 714
Total share options unissued as at 31 December 2021	1 592 714
Total number of share options granted	(709 758)
Total share options unissued as at 31 December 2023	882 956
Total share options unissued as at 31 December 2024	882 956

No new share options were issued during the year.

MOVEMENTS DURING THE YEAR

The following table illustrates the number and exercise prices in ZAR of and movements in share options:

	2024		2023	
	Exercise price	Number of shares	Exercise price	Number of shares
Outstanding – 1 January	**1,42**	**824 758**	5,21	310 000
Forfeited during the year	–	–	1,27	709 758
Share options granted	–	–	–	(80 000)
Exercised during the year	–	–	11,60	(115 000)
Outstanding – 31 December	**1,42**	**824 758**	1,42	824 758

DIRECTORS’ REMUNERATION

More detail on how our SOS is structured is set out in the annual financial statements contained in this Integrated Report and available online at **www.masterdrilling.com**.

	2024						
	Basic salary USD	Bonus USD	Fringe benefits USD	Provident pension fund contri-butions USD	Directors’ fees USD	Consulting and legal fees USD	Total USD
Executive directors							
Danie Pretorius″	481 279	294 708	22 725	–	–	–	798 712
André van Deventer″	295 988	71 490	14 593	–	–	–	382 071
Koos Jordaan+	290 039	74 260	17 223	–	–	–	381 522
Sub-total	1 067 306	440 458	54 541	–	–	–	1 562 305
Non-executive directors							
Hennie van der Merwe^	–	–	–	–	63 195	–	63 195
Shane Ferguson^	–	–	–	–	–	152 119	152 119
Andries Brink^	–	–	–	–	35 617	–	35 617
Hendrik Faul^	–	–	–	–	23 776	–	23 776
Mamokete Ramathe^	–	–	–	–	26 564	–	26 564
Akhter Deshmukh^	–	–	–	–	40 626	–	40 626
Sub-total	–	–	–	–	189 778	152 119	341 897
Alternate directors							
Gary Sheppard#	348 865	28 867	5 060	–	–	–	382 792
Eddie Dixon$	165 742	–	45 649	12 042	–	–	223 433
Sub-total	514 607	28 867	50 709	12 042	–	–	606 225
Prescribed officer							
Roelof Swanepoel*	186 085	16 363	7 058	10 169	–	–	219 675
Sub-total	186 085	16 363	7 058	10 169	–	–	219 675
Total	1 767 998	485 688	112 308	22 211	189 778	152 119	2 730 102

** Paid by MDG Shared Services Proprietary Limited.*
+ Paid by Master Drilling New Technology Holdings Proprietary Limited.
″ Paid by MDG Shared Services Proprietary Limited and Master Drilling Malta Limited.
 # Paid by Master Drilling USA LLC.
^ Paid by Master Drilling Group Limited.
$ Paid by Master Drilling Exploration Proprietary Limited.

REMUNERATION COMMITTEE REPORT continued

A prescribed officer is defined as having general executive control over and management of a significant portion of the Group or regularly participates therein to a material degree and is not a director of the Group. Director emoluments are paid for by subsidiaries within the Group. The amounts in this table represent the actual amounts paid to directors during the current year.

Compensation paid to key personnel has been disclosed in note 24 to the annual financial statements, which can be located at **www.masterdrilling.com.**

Share options held by directors and/or prescribed officers:

	Exercise price ZAR	Number of shares	Danie Pretorius	Roelof Swanepoel
2024				
Outstanding – 1 January	1,27	709 758	500 000	209 758
Additional share options granted		–	–	–
Outstanding – 31 December		709 758	500 000	209 758
Expense recognised		149 170	105 085	44 085

DIRECTORS' REMUNERATION

	2023						
	Basic salary USD	Bonus USD	Fringe benefits USD	Provident pension fund contri-butions USD	Directors' fees USD	Consulting and legal fees USD	Total USD
Executive directors							
Danie Pretorius"	395 123	204 314	20 203	–	–	–	619 640
André van Deventer"	289 391	162 471	13 372	–	–	–	465 234
Koos Jordaan+	280 500	111 604	15 387	–	–	–	407 491
Sub-total	965 014	478 389	48 962	–	–	–	1 492 365
Non-executive directors							
Hennie van der Merwe^	–	–	–	–	58 683	–	58 683
Shane Ferguson^	–	–	–	–	32 027	81 927	113 954
Andries Brink^	–	–	–	–	32 787	–	32 787
Hendrik Faul^	–	–	–	–	16 546	–	16 546
Mamokete Ramathe^	–	–	–	–	24 305	–	24 305
Akhter Deshmukh^	–	–	–	–	38 590	–	38 590
Sub-total	–	–	–	–	202 938	81 927	284 865
Alternate directors							
Gary Sheppard#	348 505	28 796	36 679	–	–	–	413 980
Eddie Dixon$	155 071	–	11 270	17 393	–	–	183 734
Sub-total	503 576	28 796	47 949	17 393	–	–	597 714
Prescribed officer							
Roelof Swanepoel*	164 503	70 146	5 157	12 062	–	–	251 868
Sub-total	164 503	70 146	5 157	12 062	–	–	251 868
Total	1 633 093	577 331	102 068	29 455	202 938	81 927	2 626 812

** Paid by MDG Shared Services Proprietary Limited.*
+ Paid by Master Drilling New Technology Holdings Proprietary Limited.
" Paid by MDG Shared Services Proprietary Limited and Master Drilling Malta Limited.
 # Paid by Master Drilling USA LLC.
^ Paid by Master Drilling Group Limited.
$ Paid by Master Drilling Exploration Proprietary Limited.

REMUNERATION COMMITTEE REPORT continued

Share options held by directors and/or prescribed officers:

	Exercise price ZAR	Number of shares	Danie Pretorius	Roelof Swanepoel
2023				
Outstanding – 1 January		–	–	–
Additional share options granted	1,27	709 758	500 000	209 758
Outstanding – 31 December	1,27	709 758	500 000	209 758
Expense recognised		12 584	8 865	3 719

DIRECTORS' SHAREHOLDING

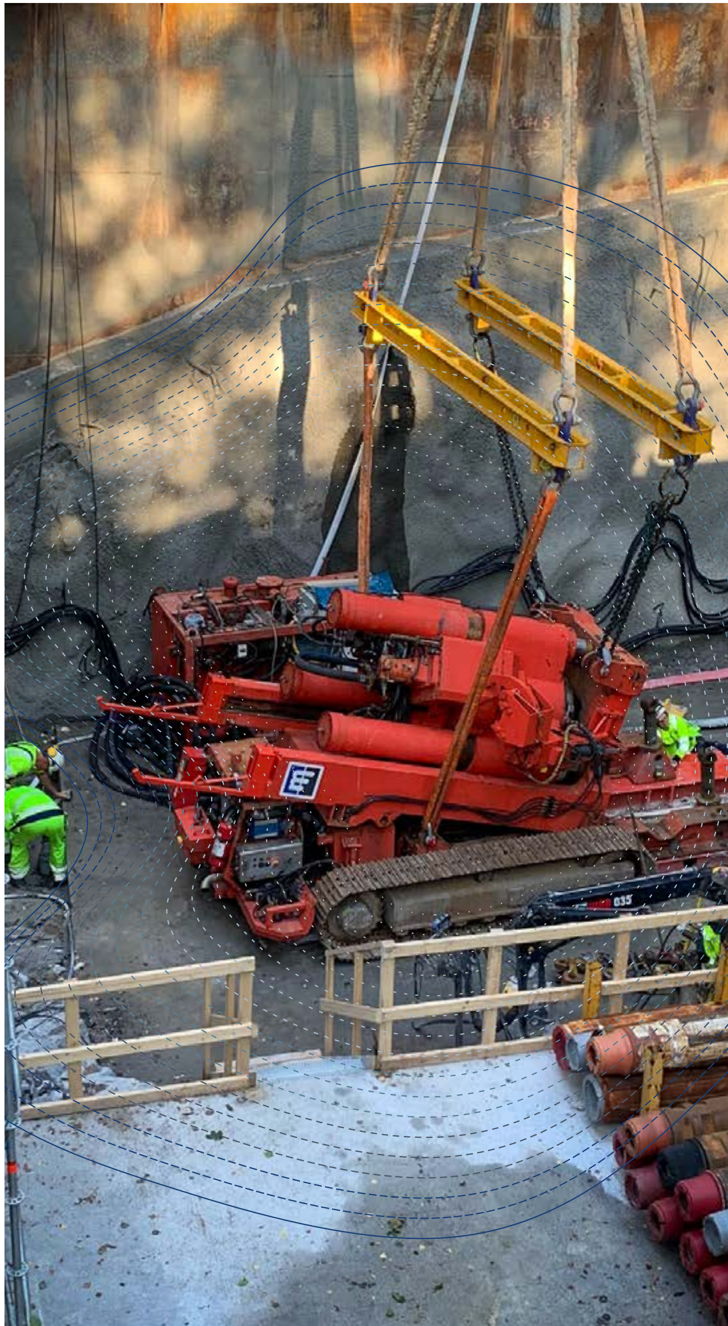
	Total % holding of issued capital	Beneficial 2024 Direct	Beneficial 2024 Indirect	Beneficial 2023 Direct	Beneficial 2023 Indirect
Directors					
Danie Pretorius	52.60	**500 900**	**78 641 565**	500 900	78 641 565
André van Deventer	1.80	**10 000**	**2 671 784**	10 000	2 671 784
Gary Sheppard	2.00	**–**	**2 955 884**	–	2 955 884
Koos Jordaan	2.00	**1 781 861**	**1 228 336**	1 781 861	1 228 336
Total directors	58.40	**2 292 761**	**85 497 569**	2 292 761	85 497 569
Roelof Swanepoel	0.00	**11 500**	**–**	11 500	–
Total	58.40	**2 304 261**	**85 497 569**	2 304 261	85 497 569

Rounding of percentages may result in computational discrepancies.

At 31 December 2024, the directors of the Company held direct and indirect interests of 58.4% (2023: 58.0%) of the Company's issued ordinary share capital. None of the non-executive directors hold any interest in shares of the Company. There were no changes between the end of the financial year and the date of approval of the consolidated annual financial statements.

Akhter Deshmukh
Chairman of the Remuneration Committee

30 April 2025



NOMINATIONS COMMITTEE REPORT

We are pleased to present our report for the year ended 31 December 2024.

The Nominations Committee is responsible for the process of director appointments, succession planning for the Board, senior management roles and the functioning of the Board.

The committee's authority is derived from the Board's delegated authority, as defined in the terms of reference (charter) and section 72(1)(b) of the Companies Act. Its main objective is to help the Board in carrying out its tasks successfully and to ensure that the correct composition, skill set and expertise are in place.

The committee is chaired by an independent non-executive director, Hennie van der Merwe, and further comprises independent non-executive director Andries Brink and executive director Danie Pretorius. The members are appointed by the Board.

Attendance at committee meetings is set out on page 91.

During the year, the committee:

- Motivated and oversaw progress towards the Company's stated gender and race diversity goals; and
- Facilitated Board committee membership restructuring post the passing away of one Board member.

In FY25, the committee intends to:

- Continue to evaluate the skills mix at Board level and seek to improve that as necessary;
- Seek further achievement of the Company's diversity goals.

The committee is satisfied that it has fulfilled its responsibilities stipulated in its terms of reference.

Hennie van der Merwe
Chairman of the Nominations Committee

30 April 2025

SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT

We are pleased to present our report for the year ended 31 December 2024.

The Social, Ethics and Sustainability Committee is responsible for monitoring the Group's activities relating to social and economic development, ethics, diversity and stakeholder relations as prescribed in Regulation 43 of the Companies Act (taking into account relevant legislation, legal requirements and prevailing codes of best practice).

The committee oversees the Group's actions, ensuring that all existing codes of best practice are followed.

Mamokete Ramathe, an independent non-executive director, chairs the committee, which further comprises two independent non-executive directors, Akhter Deshmukh and Hendrik Faul, and one alternate executive director, Eddie Dixon. The Group's Human Capital Officer, Business Development Manager, Procurement Manager and Risk and Assurance Manager are standing invitees to the committee meetings.

SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT continued

During the year, the committee:

- Reviewed and monitored the effectiveness of the human resources work strategy, various development and training initiatives, as well as wellness support programmes aimed at building a strong and highly engaged workforce to maintain the Group's competitive market positioning. For more information on development initiatives for our people, refer to pages 61 to 64 of this report;
- Reviewed the health and safety reports in line with the Group's commitment to the safety and well-being of our workforce. A detailed report is presented in pages 57 to 60 of this report;
- Focused on the identification and monitoring of corruption risks and reviewed the outcomes of an internally developed framework for detecting fraud risks. There was continued monitoring of the implementation of the corporate compliance programme to ensure good governance and the use of effective and sustainable business practices. The committee aims to foster the culture of ethical leadership and the highest standards of good corporate governance;
- Focused on the development of the ESG framework, including the identification of baseline data required for disclosure purposes throughout the ESG journey. This has been a key focus area and will continue to be on the radar as the level of data quality improves and the impact of the Group's initiatives to reduce its environmental footprint continues to grow. Several initiatives undertaken and our strategic approach are outlined in pages 43 to 47 of this report;
- Reviewed the diversity reports and initiatives taken to drive an inclusive culture within the organisation, as well as the implementation of B-BBEE strategies in line with applicable legislation; and
- Focused on various community development initiatives and partnerships with strategic alliances such as non-governmental organisations to support education and the social upliftment of communities we serve, noting the amount spent on community development initiatives, targeted beneficiaries, including children, youth, the elderly, school learners and vulnerable members of our communities. Our CSI programmes are run in compliance with our existing policies governing the process and implementation of CSI projects.

In FY25, the committee intends to continue its focus on:

- Monitoring the Group's social and economic development initiatives;
- Monitoring compliance with the Group's ethics policies and procedures;
- Monitoring the implementation of diversity and inclusion initiatives;
- Monitoring stakeholder relations management;
- Monitoring SHEQ initiatives; and
- Monitoring the implementation of ESG strategies.

The committee is satisfied that it has fulfilled its responsibilities stipulated in its terms of reference.

Mamokete Ramathe
Chairman of the Social, Ethics and Sustainability Committee

30 April 2025

Master Drilling’s role in the development of Tanzania's deepest shaft

The development of the deepest shaft in Tanzania is a key milestone for the Company, marking a significant achievement in mining infrastructure. The main shaft, set to reach a depth of 1 000m and a diameter of 6,1m, is being constructed with a strong focus on safety and operational efficiency. The use of a robust pile wall design addresses the challenging ground conditions, while the Bauer BG28 piling rig drills 52m piles to support the raise drill and ensure structural stability. This project exemplifies our commitment to advancing mining technologies in challenging environments and will play a crucial role in the long-term success of the mine.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors of Master Drilling Group Limited and its subsidiaries (the Group) are required in terms of the South African Companies Act (Act 71 of 2008) (Companies Act) to maintain adequate accounting records and are responsible for the preparation, the content and integrity of the Group's annual financial statements and related financial information included in this report. It is their responsibility to ensure that the Group's annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS), the Companies Act and the Johannesburg Stock Exchange Limited (JSE) Listings Requirements. The external auditor is engaged to express an independent opinion on the Group's financial statements.

The Group's annual financial statements are prepared in accordance with IFRS Accounting Standards, South African Financial Reporting Requirements and the JSE Listings Requirements and are based upon appropriate accounting policies and the requirements of the Companies Act consistently applied and supported by reasonable and prudent judgements and estimates.

The audited financial statements have been prepared by the corporate reporting staff, 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.

The directors of Master Drilling Group Limited acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances, is above reproach. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations provided by management, the directors of Master Drilling Group Limited are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors of Master Drilling Group Limited have reviewed the Group's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The directors are responsible for the financial affairs of the Group.

The external auditor is responsible for independently auditing and reporting on the Group's financial statements. In accordance with section 30(2)(a) of the Companies Act, the financial statements of the Group, for the year ended 31 December 2024, have been audited by BDO South Africa Incorporated, the Group's independent external auditor, whose unqualified audit report can be found on pages 6 to 10 of the audited annual financial statements.

DIRECTORS' RESPONSIBILITIES AND APPROVAL continued

Each of the directors, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 116 to 149 of the audited annual financial statements, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer;
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the Audit Committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving directors.

The Group's audited annual financial statements as approved on 24 March 2025, which have been prepared on the going concern basis, were signed by the Chief Executive Officer and Chief Financial Officer on behalf of the Board of Directors.

Daniël Coenraad Pretorius
Chief Executive Officer

Johannesburg
30 April 2025

André Jean van Deventer
Chief Financial Officer

Johannesburg
30 April 2025

SECRETARY'S CERTIFICATE

In my capacity as Company Secretary, I hereby certify that in terms of section 88(2)(e) of the Companies Act, for the year ended 31 December 2024, the Company has lodged with the Companies and Intellectual Property Commission, all such returns and notices as are required of a public company in terms of the Companies Act, and that all such returns and notices are true, correct and up to date.

Andrew Colin Beaven
Company Secretary

6 Dwars Street
Krugersdorp, 1741

30 April 2025

AUDIT COMMITTEE REPORT

for the year ended 31 December 2024

This report is provided by the Audit Committee in respect of the 2024 financial period of the Group. The Group's Audit Committee is established as a statutory committee in terms of section 94(2) of the Companies Act and oversees Audit Committee matters for all of the South African subsidiaries within the Group, as permitted by section 94(2)(a) of the Companies Act.

The Audit Committee's operation is guided by detailed terms of reference, a copy of which can be found on the Group's website (**www.masterdrilling.com**). The Audit Committee terms of reference are informed by the Companies Act, the JSE Listings Requirements as well as the corporate governance principles under the King IV Report on Corporate Governance for South Africa, 2016™ and approved by the directors. The Audit Committee terms of reference are reviewed on an annual basis.

MEMBERSHIP

The Audit Committee consisted of four non-executive directors of whom three were independent at all times during the year. Shane Ferguson (non-independent) was a member of the Audit Committee until his passing in November 2024. The members at the date of this report comprise Andries Brink (Chairman), Akhter Deshmukh and Mamokete Ramathe. In addition, the Chief Executive Officer, Chief Financial Officer, Group Risk and Assurance Manager, as well as the internal and external auditors are permanent invitees to the Audit Committee meetings. The Audit Committee meets at least four times a year and details of attendance are disclosed later in this report.

DUTIES AND RESPONSIBILITIES

The Audit Committee has executed its duties and responsibilities during the period in accordance with its terms of reference as they relate to the Group's accounting, internal auditing, internal control and financial reporting practices.

During the period under review, the committee engaged in the following:

In respect of the **external auditor and the external audit**, the Audit Committee, among other matters:

- Nominated BDO South Africa Incorporated as the external auditor for both the holding and subsidiary companies for the financial period ending 31 December 2025;
- Ensured that the appointment of the external auditor complied with all applicable legal and regulatory requirements;
- Approved the external audit engagement letter, the audit plan and the budgeted audit fees payable to the external auditor for 2024;
- Obtained an annual written statement from the external auditor that its independence was not impaired;
- Determined the nature and extent of all non-audit services provided by the external auditor and approved the applicable non-audit services undertaken;
- Considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, 2005, and determined that there were none; and
- Considered the 13-year tenure of the external auditor of the Group and its subsidiaries. This includes a period of six years before a merger with its predecessor audit firm. The Audit Committee further satisfied itself that the initial external audit partner has rotated after a period of five years as prescribed.

AUDIT COMMITTEE REPORT continued

for the year ended 31 December 2024

In respect of the **annual financial statements**, the Audit Committee, among other matters:

- Confirmed going concern as the basis of preparation of the annual financial statements;
- Considered whether any complex taxation areas exist that could have a material impact on the financial statements and determined that matters identified are being addressed by management;
- Examined and reviewed the annual financial statements, as well as all financial information disclosed to the public prior to submission and approval by the directors;
- Ensured that the annual financial statements fairly present the financial position of the Group as at the end of the period and the results of operations and cash flows for the financial period;
- Considered the appropriateness of the accounting policies adopted and changes thereto;
- Reviewed the external auditor's audit report;
- Reviewed the representation letter relating to the annual financial statements which was signed by management;
- Considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the annual financial statements; and
- Considered the 2024 proactive monitoring report and other various JSE communications, where applicable.

In respect of **internal financial control and internal audit**, the Audit Committee, among other matters, has:

- Established an independent in-house internal audit function that is from time to time supported by PricewaterhouseCoopers Inc. on specialist matters;
- Satisfied itself that the function effectively provided objective and relevant assurance on the areas covered during the year;
- Reviewed internal audit reports and deliberated on the audit findings in accordance with the combined assurance plan and internal audit work programme;
- Considered the Group's system of internal financial control, during the year under review, with input and reports from the independent internal auditor; and
- Considered the extended scope of the internal audit activities and actions taken by management to address identified control deficiencies.

In respect of **legal and regulatory requirements**, to the extent that these may have an impact on the annual financial statements, the Audit Committee:

- Reviewed with management legal matters that could have a material effect on the Group; and
- Considered reports provided by management and the external auditor regarding compliance with legal and regulatory requirements.

In respect of **risk management and governance**, the Audit Committee, among other matters, has:

- Reviewed the Group's enterprise risk management and combined assurance implementation plan and improvement initiatives;
- Reviewed the Group's enterprise risk management and combined assurance policy and framework; and
- Formed an integral part of the risk management process and the committee has overseen the Risk Committee functions.

In respect of the co-ordination of assurance activities, the Audit Committee reviewed the plans and outcomes as outlined in the combined assurance plan. Assurance activities were focused on addressing significant financial and other risks facing the business.

In respect of the Company's Integrated Report, the Audit Committee collaborated with the Risk, Social, Ethics and Sustainability, Remuneration and Governance Committees to ensure the accuracy and completeness of the report.

In addition, the Audit Committee:

- Considered the expertise, resources and experience of the finance function and concluded that these were appropriate;
- Considered the experience and expertise of the Chief Financial Officer and concluded that these were appropriate;
- Considered the key audit matters as determined by BDO South Africa Incorporated and as described in the independent external auditor's report;
- Reviewed paragraphs 3.84(g) and 3.86 to 3.93 of the JSE Listings Requirements, as amended, from time to time and the Audit Committee was satisfied that:
  - The audit firm has met all the criteria stipulated in the requirements, including that the audit regulator has completed a firm-wide independent quality management (ISQM 1) inspection on the audit firm during its previous inspection cycle;
  - The external auditor has provided to the Audit Committee the required Independent Regulatory Board for Auditors inspection decision letters, findings report and the proposed remedial actions to address the findings, both at the audit firm and the individual external auditor levels; and
  - Both the audit firm and the individual external auditor understand their roles and have the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities.

AUDIT COMMITTEE REPORT continued

for the year ended 31 December 2024

2025 FOCUS AREAS

During 2025, the Audit Committee will among other matters focus on the following:

- **Internal audit function:** Oversee the design, implementation and operation of internal controls to mitigate risks, review the adequacy of resources for internal audit, ensure audits align with organisational priorities, monitor compliance with regulations, track the implementation of internal audit recommendations and assess the ongoing performance of internal controls to promote transparency, accountability and effective risk management;
- **Risk management:** Assess internal controls to prevent fraud and manage operational and financial risks;
- **Regulatory compliance:** Monitor adherence to environmental, health and safety regulations, with a focus on financial compliance;
- **Environmental, social and governance (ESG):** Monitor ESG reporting, corporate social responsibility, community engagement and resource conservation efforts; and
- **Financial oversight:** Ensure accurate financial reporting, proper revenue and cost recognition and compliance with IFRS Accounting Standards or relevant financial standards.

MEMBERSHIP AND ATTENDANCE AT MEETINGS

The Audit Committee members attended the following meetings:

Members	15 March 2024	19 March 2024 Special	4 June 2024	15 August 2024	20 August 2024 Special	19 November 2024
Andries Willem Brink	√	√	√	√	√	√
Akhter Ali Deshmukh	√	√	√	√	√	√
Shane Trevor Ferguson	√	√	√	√	√	n/a
Mamokete Ramathe	√	√	√	√	√	√

√ *Attended*
A *Absent*

INDEPENDENCE AND SUITABILITY OF THE EXTERNAL AUDITOR

The Audit Committee is satisfied that BDO South Africa Incorporated is independent and suitable for the Group after taking the following factors into account:

- Representations made by BDO South Africa Incorporated to the Audit Committee;
- The external auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the Group;
- The external auditor's independence was not impaired by any consultancy, advisory or other work undertaken by the external auditor;
- The external auditor's independence was not prejudiced as a result of any previous appointment as external auditor; and
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

ANNUAL FINANCIAL STATEMENTS

Following the review by the Audit Committee of the consolidated annual financial statements of the Group for the period ended 31 December 2024, the Audit Committee is of the view that, in all material aspects, they comply with the relevant provisions of the Companies Act, IFRS Accounting Standards and the JSE Listings Requirements and fairly present the consolidated position at that date and the results of operations and cash flows for the period then ended.

Having satisfied itself in all respects, the Audit Committee has recommended the financial statements, for the period ended 31 December 2024, for approval to the Board of Directors who have subsequently approved the financial statements, which will be open for consideration at the forthcoming Annual General Meeting.

On behalf of the Audit Committee

Andries Willem Brink
Chairman of the Audit Committee

Johannesburg
30 April 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Notes	2024 USD	2023 USD
ASSETS			
Non-current assets			
Property, plant and equipment	4	**169 973 461**	165 493 018
Intangibles and goodwill	5	**19 686 373**	21 079 664
Financial assets		**5 660 854**	5 196 817
Deferred tax asset		**8 296 393**	3 350 729
Related party loans	13	**5 925 969**	3 623 467
Investment in joint ventures	15	**4 042 648**	4 469 712
Investment in associates	14	**1 277 266**	958 496
		214 862 964	204 171 903
Current assets			
Inventories		**46 869 381**	48 106 842
Related party loans	13	**512 661**	726 464
Trade and other receivables	6	**71 205 690**	76 367 261
Current tax receivable		**9 970 640**	4 319 829
Derivative financial instruments		**323 121**	326 327
Cash and cash equivalents		**34 615 375**	27 851 965
		163 496 868	157 698 688
Total assets		**378 359 832**	361 870 591
EQUITY AND LIABILITIES			
Equity			
Share capital	7	**148 855 517**	149 470 175
Reserves		**(139 233 312)**	(129 762 649)
Retained income		**177 532 905**	165 166 453
		187 155 110	184 873 979
Non-controlling interest		**24 314 317**	24 110 007
		211 469 427	208 983 986

	Notes	2024 USD	2023 USD
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings		**7 172 461**	39 508 019
Lease liabilities		**4 405 979**	5 153 677
Instalment sales liabilities		**875 469**	61 160
Contract liability		**–**	4 782 670
Employee benefit provision		**791 429**	1 288 163
Related party loans	13	**1 619 164**	–
Put option liability for non-controlling interest		**7 976 656**	7 074 250
Deferred tax liability		**10 246 586**	9 922 984
		33 087 744	67 790 923
Current liabilities			
Interest-bearing borrowings		**40 849 123**	4 572 533
Lease liabilities		**508 064**	601 775
Instalment sales liabilities		**822 946**	1 339 205
Related party loans	13	**59 565**	1 894 998
Current tax payable		**12 456 863**	6 920 411
Trade and other payables	8	**69 624 514**	63 770 049
Derivative financial instruments		**673 651**	576 164
Employee benefit provision		**2 708 853**	1 145 024
Contract liability		**4 104 918**	2 506 961
Put option liability for non-controlling interest		**1 994 164**	1 768 562
Cash and cash equivalents		**–**	–
		133 802 661	85 095 682
Total liabilities		**166 890 405**	152 886 605
Total equity and liabilities		**378 359 832**	361 870 591

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Notes	2024 USD	2023 USD
Revenue		**270 842 794**	242 797 541
Cost of sales		**(186 879 370)**	(172 138 604)
Gross profit		**83 963 424**	70 658 937
Other operating income		**2 464 314**	3 109 686
Other operating expenses		**(43 106 536)**	(37 993 230)
Impairment of property, plant and equipment	4.1, 5.1	**(13 894 642)**	(2 227 106)
Movement of expected credit loss allowances	6	**141 426**	289 139
Operating profit		**29 567 986**	33 837 426
Investment income		**2 225 804**	1 402 578
Finance costs		**(6 260 390)**	(5 804 895)
Fair value adjustment		**62 572**	(22 989)
Share of profit from equity-accounted investments	16, 17	**25 905**	753 445
Profit before taxation		**25 621 877**	30 165 565
Taxation		**(6 916 570)**	(7 867 907)
Profit for the year		**18 705 307**	22 297 658
Other comprehensive income that will subsequently be classified to profit or loss:			
Exchange differences on translating foreign operations		**(10 003 571)**	(5 844 900)
Other comprehensive loss for the year net of taxation		**(10 003 571)**	(5 844 900)
Total comprehensive income		**8 701 736**	16 452 758

	Notes	2024 USD	2023 USD
Profit attributable to:		**18 705 307**	22 297 658
Owners of the Parent		**17 417 254**	20 582 171
Non-controlling interest		**1 288 053**	1 715 487
Total comprehensive income attributable to:		**8 701 736**	16 452 758
Owners of the Parent		**7 413 683**	14 737 271
Non-controlling interest		**1 288 053**	1 715 487
Earnings per share (USD)	9		
Basic earnings per share (cents)		**11.5**	13.6
Diluted earnings per share (USD)	9		
Diluted basic earnings per share (cents)		**11.5**	13.6
Earnings per share (ZAR)			
Basic earnings per share (cents)		**210,8**	251,0
Diluted earnings per share (ZAR)			
Diluted basic earnings per share (cents)		**210,8**	251,0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share capital USD	Equity arising on formation of the Group[1] USD	Foreign currency translation reserve[2] USD	Transactions between equity holders[3] USD	Share-based payments reserve USD	Total reserves USD	Retained income USD	Attributable to owners of the Parent USD	Non-controlling interest USD	Total shareholders' equity USD
Balance as at 31 December 2022	149 365 330	(58 264 013)	(67 487 777)	1 611 385	88 967	(124 051 438)	147 707 905	173 021 797	23 060 403	196 082 200
Dividends declared by subsidiaries	–	–	–	–	–	–	–	–	(665 883)	(665 883)
Share-based payment	–	–	–	–	(13 636)	(13 636)	–	(13 636)	–	(13 636)
Put option liability for non-controlling interest	–	–	–	–	–	–	591 291	591 291	–	591 291
Issue of share capital for options exercised	104 845	–	–	–	(31 944)	(31 944)	–	72 901	–	72 901
Dividends to shareholders	–	–	–	–	–	–	(3 714 914)	(3 714 914)	–	(3 714 914)
Total comprehensive income for the year	–	–	(5 665 631)	–	–	(5 665 631)	22 297 658	14 916 540	1 715 487	16 632 027
Total changes	104 845	–	(5 665 631)	–	(45 580)	(5 711 211)	19 174 035	11 852 182	1 049 604	12 901 786
Balance as at 31 December 2023	**149 470 175**	**(58 264 013)**	**(73 153 408)**	**1 611 385**	**43 387**	**(129 762 649)**	**165 166 453**	**184 873 979**	**24 110 007**	**208 983 986**
Dividends declared by subsidiaries	–	–	–	–	–	–	–	–	**(1 083 743)**	**(1 083 743)**
Share buy-backs	**(614 658)**	–	–	–	–	–	–	**(614 658)**	–	**(614 658)**
Share-based payment	–	–	–	–	**149 170**	**149 170**	–	**149 170**	–	**149 170**
Put option liability for non-controlling interest	–	–	–	–	–	–	**(677 847)**	**(677 847)**	–	**(677 847)**
Equity impact on common control transaction	–	–	–	**383 738**	–	**383 738**	–	**383 738**	–	**383 738**
Dividends to shareholders	–	–	–	–	–	–	**(4 372 955)**	**(4 372 955)**	–	**(4 372 955)**
Total comprehensive income for the year	–	–	**(10 003 571)**	–	–	**(10 003 571)**	**17 417 254**	**7 413 683**	**1 288 053**	**8 701 736**
Total changes	**(614 658)**	–	**(10 003 571)**	**383 738**	**149 170**	**(9 470 663)**	**12 366 452**	**2 281 131**	**204 310**	**2 485 441**
Balance as at 31 December 2024	**148 855 517**	**(58 264 013)**	**(83 156 979)**	**1 995 123**	**192 557**	**(139 233 312)**	**177 532 905**	**187 155 110**	**24 314 317**	**211 469 427**
Note	7									

[1] *Equity arising on formation of the Group – Equity that arose with the formation of the Group on the initial JSE listing.*

[2] *Foreign currency translation reserve – Equity that arose as a result of the consolidation of subsidiaries that have a different currency to that of the Group's reporting currency.*

[3] *Transactions between equity holders – Equity that arose due to transactions between different equity holders.*

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Notes	2024 USD	2023 USD
Cash flows from operating activities			
Cash generated from operations	10.1	**58 274 476**	51 320 693
Interest received		**1 150 581**	674 275
Dividends received		**67 339**	–
Finance costs paid		**(4 994 598)**	(4 634 630)
Tax paid	10.2	**(12 031 169)**	(11 903 235)
Net cash inflow from operating activities		**42 466 629**	35 457 103
Cash flows used in investing activities			
Purchase of property, plant and equipment	4	**(28 078 653)**	(33 932 052)
Purchase of intangibles	5.1	**(38 964)**	(72 639)
Sale of property, plant and equipment		**634 153**	3 566 451
Advances to related parties		**(2 070 693)**	(815 988)
Proceeds from related parties		**1 260 469**	1 369 568
Payment of consideration for joint venture	15.1	**(1 520 432)**	(1 186 684)
Loans acquired from joint venture		**(721 551)**	–
Acquisition of joint venture	15.2	**(1)**	–
Net cash outflow from investing activities		**(30 535 672)**	(31 071 344)

	2024 USD	2023 USD
Cash flows from financing activities		
Advance from financial liabilities	**9 959 700**	2 716 083
Repayment of financial liabilities	**(4 919 264)**	(2 830 443)
Repayment of capital portion of lease liabilities	**(1 299 003)**	(564 787)
Repayment of capital portion of instalment sales agreements	**(828 433)**	(888 403)
Repayment of related parties	**(1 132 670)**	–
Advances received from related parties	**908 123**	–
Issue of share capital	**–**	21 918
Share buy-backs	**(614 658)**	–
Dividends paid to shareholders	**(4 372 955)**	(3 714 914)
Dividends paid to non-controlling interest	**(1 083 743)**	(665 883)
Net cash used in financing activities	**(3 382 903)**	(5 926 429)
Total cash inflow/(outflow) for the period	**8 548 054**	(1 540 670)
Cash at the beginning of the period	**27 851 965**	30 669 450
Effect of exchange rate movement on cash balances	**(1 784 644)**	(1 276 814)
Total cash at the end of the period	**34 615 375**	27 851 966

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. ACCOUNTING POLICIES

About these consolidated financial statements

1.1 Reporting entity

Master Drilling Group Limited is an investment holding company whose subsidiary companies provide specialised drilling services and solutions that enforce business rules, optimise output, safeguard miners, protect/manage assets and locate missing persons for blue-chip major and mid-tier companies in the mining, civil engineering, construction and hydroelectric power sectors across a number of commodities and geographies. The consolidated financial statements comprise Master Drilling Group Limited and its subsidiaries which are wholly-owned subsidiaries, joint ventures and associates operating in:

- Africa;
- South America;
- Central and North America;
- North, Central and Eastern Europe;
- Asia;
- India; and
- Australia.

Master Drilling Group Limited is domiciled in South Africa with registration number 2011/008265/06. The registered address of Master Drilling Group Limited is 4 Bosman Street, PO Box 902, Fochville, 2515, South Africa.

1.2 Basis of accounting

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies Act and the JSE Listings Requirements. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments at fair value and incorporate the principal accounting policies set out as follows. They are presented in United States Dollar (USD). The accounting policies are consistent in all material respects with those applied in the previous year except for the list of amendments to IFRS Accounting Standards that are mandatory and effective for the financial year ended 31 December 2024.

1.3 Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. "functional currency". The consolidated 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. Assets and liabilities are translated at the closing rate and income and expenses at transaction rates. Exchange differences are recognised in other comprehensive income and reported within equity.

1.4 Translation of foreign currencies

Foreign currency translation

A foreign currency transaction is translated into the functional currency of the respective Group entity using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

1. ACCOUNTING POLICIES continued

1.4 Translation of foreign currencies continued

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements, are recognised in profit or loss in the year in which they arise.

When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Translation to presentation currency

The results and financial position of operations are translated into the presentation currency using the following procedures:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated as a foreign currency translation reserve.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through other comprehensive income on disposal of the net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the foreign currency and the functional currency at the dates of the cash flows.

1.5 Basis of consolidation

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

At inception, the Group financial statements had been accounted for under the pooling of interest method as acquisition of entities under common control which is excluded from IFRS 3. The entities had been accounted for at historical carrying values for the period presented.

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.

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

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

The Group assesses 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.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

2. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the Group financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial information and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial information.

Information about assumptions and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Useful lives and depreciable assets	Note 4
Intangible assets	Note 5.1
Trade receivables and other receivables	Note 6

Information about significant judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following note:

Joint arrangements	Note 17

3. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS

3.1 Standards, amendments and interpretations adopted

The significant accounting policies are consistent in all material respects with those applied in the previous year except for the list of amendments to IFRS Accounting Standards that are mandatory and effective for the financial year ended 31 December 2024, as indicated below:

- IFRS 7: Supplier finance arrangements;
- IAS 1: Non-current liabilities with covenants;
- IAS 1: Classification of liabilities as current or non-current; and
- IFRS 16: Lease liability in a sale and leaseback.

The directors have reviewed the previously mentioned mandatory standards and have applied these where applicable in the consolidated financial statements for the financial year ended 31 December 2024. None of the standards adopted had a material impact on the consolidated financial statements or require retrospective amendments to the consolidated financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these annual financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board but are not yet effective and have not been early adopted by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first year beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's annual financial statements is provided below.

IAS 21: Lack of exchangeability

The amendment requires a company to apply a consistent approach to assess whether a currency is exchangeable into another currency and when it is not, to determine the exchange rate to be used and the disclosure to be provided.

The directors have assessed the impact of the new standard. They believe the new standard will not have a material impact on the Group's financial statements as the Group does not have a history of lack of exchangeability of currencies into another currency.

IAS 21 is effective from periods beginning on or after 1 January 2025.

IFRS 7: Supplier finance arrangements – Annual Improvements to IFRS Accounting Standards – Gain or loss on derecognition

Amendments to delete an obsolete reference that remained in IFRS 7 following the publication of IFRS 13: *Fair Value Measurement* and to make the wording of the requirements of IFRS 7 relating to disclosure of a gain or loss on derecognition consistent with the wording and concepts in IFRS 1.

The directors have assessed the impact of the new standard. They believe the new standard will not have a material impact on the Group's financial statements as the Group does not have a history of such transactions.

IFRS 7 is effective from periods beginning on or after 1 January 2026.

3. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS continued

3.2 Standards amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group continued

IFRS 9: *Financial Instruments*

Amendments were made to address diversity in accounting practice by making the classification and measurement requirements of IFRS 9 more understandable and consistent by:

- Clarifying the date on which a financial asset or financial liability is derecognised when a liability is settled through electronic payment systems. These amendments also introduce an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

The directors have assessed the impact of the new standard. They believe the new standard will not have a material impact on the Group's financial statements as careful consideration is given to classification, and the necessary classifications are disclosed accordingly.

IFRS 9 is effective from periods beginning on or after 1 January 2026.

IFRS 9: *Financial Instruments* – Annual Improvements to IFRS Accounting Standards

Narrow scope amendments were made:

- Derecognition of lease liabilities: The amendment clarifies that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss arising from the difference between the carrying amount of the lease liability extinguished or transferred and any consideration paid in profit or loss; and
- Transaction price: Removal of an inconsistency between the requirements of IFRS 9 and the requirements in IFRS 15: *Revenue from Contracts with Customers* in relation to the initial measurement of trade receivables at their transaction price. The amendment clarifies that trade receivables must be measured at the amount determined by applying IFRS 15.

The directors have assessed the impact of the new standard. They believe the new standard will not have a material impact on the Group's financial statements as the Group does not have a history of such transactions.

IFRS 9 is effective from periods beginning on or after 1 January 2026.

IFRS 10: *Consolidated Financial Statements* – Annual Improvements to IFRS Accounting Standards – Determination of a 'de facto agent'

Amendment to clarify whether a party acts as a de facto agent in assessing control of an investee.

The directors have assessed the impact of the new standard. They believe the new standard will not have a material impact on the Group's financial statements.

IFRS 10 is effective from periods beginning on or after 1 January 2026.

IAS 7: *Statement of Cash Flows* – Annual Improvements to IFRS Accounting Standards – Cost method

Amendments to replace the term "cost method" with "at cost" following the earlier removal of the definition of "cost method" from IFRS Accounting Standards.

The directors have assessed the impact of the new standard. They believe the new standard will not have a material impact on the Group's financial statements as the Group does not have a history of such transactions.

IAS 7 is effective from periods beginning on or after 1 January 2026.

IFRS 18: *Presentation and Disclosure in Financial Statements*

Amendments that replace IAS 1, but retain many of its original requirements and introduce three key improvements for better financial reporting and comparability:

- Standardised income statement structure – Income and expenses are categorised into operating, investing and financing, with required sub-totals like operating profit for improved clarity;
- Greater transparency in management-defined performance measures – Companies must disclose explanations for custom financial metrics linked to the income statement; and
- Better information grouping – Enhanced guidance on organising financial data, improving transparency about operating expenses and presentation in statements or notes.

The directors are in the process of assessing the impact on the financial statements.

IFRS 18 is effective from periods beginning on or after 1 January 2027.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

4. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Recognition and measurement

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. Costs 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.

Useful life and residual value

The useful lives of items of property, plant and equipment have been assessed as follows:

	Average useful life	Depreciation method
Land	Indefinite	Not applicable
Buildings	20 years	Straight-line
Drilling rigs (included under plant and machinery)		
– Raise bore\piling	20 years	Straight-line
– Blind hole	20 years	Straight-line
– Blasting	15 000 machine hours	Units of production
– Mobile tunnel boring	10 000 drilling metres	Units of production
– Slim drilling rigs (surface)	10 years	Straight-line
– Slim drilling rigs (underground)	3 – 5 years	Straight-line
Other drilling equipment (included under plant and machinery)		
– Drill rods	Remaining life percentages	Diminishing value
– Slim drilling surface rods	2 years	Straight-line
– Drum rods	15 000 drilling metres	Units of production
– Reamers and reamer wings	2 000 drilling metres	Units of production
– Fins	1 000 drilling metres	Units of production
– Stem bars	800 drilling metres	Units of production
– Pilot and reaming stabilisers	800 drilling metres	Units of production
– Cross-overs	600 drilling metres	Units of production
– Bitsubs	600 drilling metres	Units of production
– Raise beams	5 years	Straight-line
– Locomotives	5 years	Straight-line
– Tool and rod cars	5 years	Straight-line
– Water pumps	5 years	Straight-line
Furniture and fixtures	5 – 10 years	Straight-line
Vehicles		
– Light duty vehicles	2 – 5 years	Straight-line
– Heavy duty vehicles	5 – 10 years	Straight-line
Information technology (IT) equipment	5 years	Straight-line

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.

4. PROPERTY, PLANT AND EQUIPMENT continued

Accounting policy continued

Depreciation

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.

Significant judgements and source of estimation

Uncertainty of useful lives of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain assets. Management uses judgement to determine the useful lives and residual values based on the specific environmental conditions it operates within. As the majority of the assets are purpose-built for the drilling industry, no specific benchmark is available.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. For the purposes of assessing impairment, the recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

Gain/loss on derecognition of 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.

	Cost USD	Accumulated amortisation and impairment losses USD	Carrying value USD
2024			
Land and buildings	**1 383 534**	**(167 826)**	**1 215 708**
Right-of-use assets: Land and buildings	**5 952 076**	**(2 454 882)**	**3 497 194**
Instalment sale: Plant and machinery	**525 521**	**(26 134)**	**499 387**
Plant and machinery	**226 367 904**	**(76 907 629)**	**149 460 275**
Assets under construction	**10 884 927**	**–**	**10 884 927**
Furniture and fittings	**1 643 937**	**(1 474 674)**	**169 263**
Motor vehicles	**9 043 383**	**(5 251 320)**	**3 792 063**
Right-of-use assets: Motor vehicles	**382 510**	**(341 584)**	**40 926**
IT equipment	**1 312 405**	**(898 687)**	**413 718**
Total	**257 496 197**	**(87 522 736)**	**169 973 461**
2023			
Land and buildings	1 557 091	(701 374)	855 717
Right-of-use assets: Land and buildings	6 712 984	(2 092 537)	4 620 447
Instalment sale: Plant and machinery	713 469	(512 534)	200 935
Plant and machinery	204 911 205	(61 356 564)	143 554 641
Assets under construction	12 781 073	–	12 781 073
Furniture and fittings	1 880 631	(1 661 355)	219 276
Motor vehicles	7 210 466	(4 374 611)	2 835 855
Right-of-use assets: Motor vehicles	248 241	(188 510)	59 731
IT equipment	1 044 595	(679 252)	365 343
Total	237 059 755	(71 566 737)	165 493 018

Borrowing costs

No borrowing costs were capitalised to the cost of property, plant and equipment during 2024 (2023: USD0).

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

4. PROPERTY, PLANT AND EQUIPMENT continued

4.1 Reconciliation of property, plant and equipment

	Opening balance USD	Additions USD	Exchange difference on consolidation of foreign subsidiaries USD	Reclas-sifications between different categories USD	Disposals USD	Depreciation USD	Impairment/ scrapping USD	Remeasure-ment USD	Reclas-sification from assets under construction to plant and machinery USD	Total USD
2024										
Land and buildings	855 717	–	(123 520)	644 382	–	(160 871)	–	–	–	1 215 708
Right-of-use assets:										
Land and buildings	4 620 447	40 862	(49 092)	(644 382)	–	(689 911)	–	219 270	–	3 497 194
Instalment sale:										
Plant and machinery	200 935	363 683	(41 808)	–	(10 835)	(12 588)	–	–	–	499 387
Plant and machinery	143 554 641	28 149 332	(8 691 470)	–	(519 768)	(10 766 777)	(13 648 290)	–	11 382 607	149 460 275
Assets under construction	12 781 073	10 014 747	(528 286)	–	–	–	–	–	(11 382 607)	10 884 927
Furniture and fittings	219 276	227 454	(8 262)	–	–	(269 205)	–	–	–	169 263
Motor vehicles	2 835 855	2 360 684	(107 419)	32 172	–	(1 328 279)	(950)	–	–	3 792 063
Right-of-use assets:										
Motor vehicles	59 731	594 990	(2 556)	(32 172)	–	(579 067)	–	–	–	40 926
IT equipment	365 343	479 173	(22 154)	–	–	(169 834)	(238 810)	–	–	413 718
	165 493 018	42 230 925	(9 574 567)	–	(530 603)	(13 976 532)	(13 888 050)	219 270	–	169 973 461

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

4. PROPERTY, PLANT AND EQUIPMENT continued
4.1 Reconciliation of property, plant and equipment continued

	Opening balance USD	Additions USD	Exchange difference on consolidation of foreign subsidiaries USD	Reclas-sifications between different categories USD	Disposals USD	Depreciation USD	Impairment/ scrapping USD	Remeasure-ment USD	Reclas-sification from assets under construction to plant and machinery USD	Total USD
2023										
Land and buildings	3 113 133	73 719	(231 419)	–	(1 975 371)	(124 345)	–	–	–	855 717
Right-of-use assets:										
Land and buildings	5 467 169	30 438	(237 387)	–	–	(639 773)	–	–	–	4 620 447
Instalment sale:										
Plant and machinery	2 396 110	–	188 085	(1 896 622)	(395 627)	(91 011)	–	–	–	200 935
Plant and machinery	134 078 989	23 630 155	(2 235 024)	1 896 622	(392 869)	(11 567 785)	(2 202 834)	–	347 387	143 554 641
Assets under construction	4 653 016	8 449 904	25 540	–	–	–	–	–	(347 387)	12 781 073
Furniture and fittings	316 841	234 895	12 496	–	(307 679)	(37 277)	–	–	–	219 276
Motor vehicles	1 766 532	2 081 974	170 674	–	(193 511)	(989 814)	–	–	–	2 835 855
Right-of-use assets:										
Motor vehicles	85 079	–	(6 239)	–	–	(19 109)	–	–	–	59 731
IT equipment	397 688	155 540	(33 498)	–	(17 909)	(136 478)	–	–	–	365 343
	152 274 557	34 656 625	(2 346 772)	–	(3 282 966)	(13 605 592)	(2 202 834)	–	–	165 493 018

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

4. PROPERTY, PLANT AND EQUIPMENT continued

4.1 Reconciliation of property, plant and equipment continued

Security

Moveable assets valued at ZAR1,8 billion (USD95.3 million at the closing spot rate) of the South African subsidiaries are bonded to Absa Capital as security for an interest-bearing loan.

Property, plant and equipment valued at SEK40.8 million (USD4.0 million at the closing rate) of the European entity was pledged to Swedbank as security for an interest-bearing loan until the end of the first quarter of 2024, when the loan was settled in full.

Impairment

During the current reporting period, an impairment loss (USD7.8 million) was recognised on the Group's Mobile Tunnel Borer included in the plant and machinery of the South African region as no formal agreement is currently in place to project future cash flows.

This impairment reflects a decline in the asset's recoverable amount, which is the estimated future cash flows expected to be generated from the asset. A discounted cash flow based on management's best estimate determined that the asset's expected future cash flows will not be sufficient to cover its current carrying value.

During the current year, the shaft reverse circulation equipment (RCE) was impaired. This decision was driven by the absence of an active market for the unit's services. The lack of market demand rendered the continued operation of the RCE unit economically unfeasible. As a result, the Group undertook a strategic assessment and concluded that ceasing operations was in the best interest of the organisation to optimise resource allocation and mitigate financial losses. The Group therefore recognised an impairment loss of USD5.4 million on the RCE that forms part of the Central and North American region.

During the previous year, the businesses within the African region recognised impairment/scrapping of plant and machinery. The future cash flows of the particular rigs were negatively affected by the type of drilling they were was initially designed and built for, resulting in these becoming obsolete in the industry.

No impairment losses recognised in prior years were reversed in the current year.

	2024 USD	2023 USD
Reconciliation of property, plant and equipment paid for in cash:		
Total additions	**42 230 925**	34 656 625
Included in trade payables	**(12 306 313)**	–
16 new lease agreements and instalment sales additions	**(1 845 959)**	(724 573)
Property, plant and equipment paid for in cash	**28 078 653**	33 932 052

4.2 Capital commitments

	2024 USD	2023 USD
Capital expenditure for plant and machinery authorised by the directors and contracted for within 12 months. Capital expenditure will be funded through cash generated from operations.	**3 758 863**	10 420 709

5. INTANGIBLE ASSETS AND GOODWILL

	Notes	2024 USD	2023 USD
Intangible assets	5.1	**16 755 786**	18 042 647
Goodwill	5.2	**2 930 587**	3 037 017
		19 686 373	21 079 664

5. INTANGIBLE ASSETS AND GOODWILL continued

5.1 Intangible assets

Accounting policy

Patents are acquired by the Group and have an indefinite useful life as the Group's plan and ability are to renew and maintain the patent indefinitely. It is expected that the patents will generate revenue for the Group for an unlimited period of time.

Software licence agreements acquired by the Group are unique and specific to the industry that the Group operates within.

The software licence agreements have an indefinite useful life and are thus not depreciated. Software licence agreements are assessed annually for impairment.

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

Contractual client relationships are initially recognised at cost when they are acquired in a business combination and meet the identifiable intangible asset criteria. Contractual client relationships are amortised over a straight line and are subsequently measured at cost less accumulated amortisation and 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.

	Average useful life	Depreciation method
Computer software	3 – 10 years	Straight-line
Patent	Indefinite	Indefinite
Software licence agreements	Indefinite	Indefinite
Contractual client relationships	15 years	Straight-line

Significant judgements and sources of estimation uncertainty

Management reviews its estimate of the useful lives and residual values of depreciable intangibles at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain intangibles.

Software licence agreements

The software licence agreements are recognised as an intangible asset with an indefinite useful life because the hardware and software used to operate the solution are developed in-house and evolves with changes in IT over time in order to remain relevant to the industry. The solution was developed more than 10 years ago and implemented at various clients operating on different operating systems.

At present, it is difficult for the Group to determine a reasonable useful life for the solution. Continuous monitoring of the solution remains relevant to ensure the solution does not become redundant in the near future. The Group continues to use the headroom on the impairment assessment as a potential indicator for useful life adjustment.

Contractual client relationships

The Group identified formal agreements between itself and clients, outlining the specific services that will be provided and the obligations of each party. These agreements are legally binding and define the terms of the business engagement.

The remaining useful life is 12.67 years (2023: 13.67 years).

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

5. INTANGIBLE ASSETS AND GOODWILL continued
5.1 Intangible assets continued
Patents
The Group owns a patent it acquired from an external party when the drawings and design for its Shaft Boring System (SBS) were approved. The patent relates to the specific design and functioning of the SBS that is currently being manufactured and tested by the Group.

Impairment testing
For the purpose of annual impairment testing, patents are allocated to the plant and machinery within the Group that are expected to benefit from the use of the patent while software licence agreements are assessed for the royalties the Group could potentially earn over a forecast period of five years discounted by a suitable rate.

The recoverable amount of the software licence agreements was determined based on a value-in-use calculation covering a five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using the growth rates determined by management. The present value of the expected cash flows of the cash-generating unit is determined by applying a suitable discount rate. Discount and growth rates used are based on industry-linked underlying market conditions of the country in which the cash-generating unit is operational and will vary depending on the status of the market the asset is operational within.

The recoverable amount of patents is calculated over a period of six years due to the fact that the project for which the patent will be used will have a slow start-up as the concept, even though tested before put into working condition, might still have some aspects that need to be modified to be fully operational as intended.

	Cost USD	Accumulated amortisation and impairment losses USD	Carrying value USD
2024			
Computer software	**980 569**	**(847 336)**	**133 233**
Software licence agreements	**6 262 525**	**–**	**6 262 525**
Contractual client relationships	**11 171 639**	**(1 737 812)**	**9 433 827**
Patents	**926 201**	**–**	**926 201**
Total	**19 340 934**	**(2 585 148)**	**16 755 786**
2023			
Computer software	1 199 464	(1 027 375)	172 089
Software licence agreements	6 441 475	–	6 441 475
Contractual client relationships	11 429 125	(953 289)	10 475 836
Patents	953 247	–	953 247
Total	20 023 311	(1 980 664)	18 042 647

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

5. INTANGIBLE ASSETS AND GOODWILL continued
5.1 Intangible assets continued
Impairment testing continued

	Opening balance USD	Additions USD	Exchange difference on consolidation of foreign subsidiaries USD	Amortisation USD	Impairment/ scrapping of intangible assets USD	Total USD
2024						
Computer software	**172 089**	**38 964**	**(29 869)**	**(41 359)**	**(6 592)**	**133 233**
Software licence agreements	**6 441 475**	**–**	**(178 950)**	**–**	**–**	**6 262 525**
Contractual client relationships	**10 475 836**	**–**	**(274 322)**	**(767 687)**	**–**	**9 433 827**
Patents	**953 247**	**–**	**(27 046)**	**–**	**–**	**926 201**
	18 042 647	**38 964**	**(510 187)**	**(809 046)**	**(6 592)**	**16 755 786**

	Opening balance USD	Additions USD	Exchange difference on consolidation of foreign subsidiaries USD	Amortisation USD	Impairment/ scrapping of intangible assets USD	Total USD
2023						
Computer software	246 593	11 099	(2 350)	(58 981)	(24 272)	172 089
Software licence agreements	6 942 368	2 930	(503 823)	–	–	6 441 475
Contractual client relationships	12 116 481	–	(878 153)	(762 492)	–	10 475 836
Patents	963 864	58 609	(69 226)	–	–	953 247
	20 269 306	72 638	(1 453 552)	(821 473)	(24 272)	18 042 647

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

5. INTANGIBLE ASSETS AND GOODWILL continued

5.1 Intangible assets continued

Assumptions

	Growth rate %	Discount rate %	Headroom* USD
2024			
Software licence agreements	**1.80**	**18.38**	**12 622 288**
Contractual client relationships	**1.80**	**18.38**	**12 622 288**
Patents	**4.50**	**16.20**	**84 647 841**

	Growth rate %	Discount rate %	Headroom* USD
2023			
Software licence agreements	1.00	24.50	3 170 259
Contractual client relationships	1.00	19.22	14 031 520
Patents	5.50	18.84	2 874 171

* *Headroom is defined as the value by which the recoverable amount for the individual cash-generating unit exceeds the carrying value.*

Growth rates

The growth rates reflect the long-term average growth rates for the cash-generating units. Growth rates are based on the average inflation rates forecast for regions that the intangibles will operate within.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors for the region that the intangible assets are expected to operate within.

Cash flow assumptions

Management's key assumptions include the present value of the cash flows expected to be generated by utilisation of the intangible assets discounted at the applicable market indicative rates. Five-year cash flow projections reflect these benefits to be realised.

Change in assumptions – Software licence agreements

The headroom on the assessment of the software licence agreements increased compared to the previous year due to the improved performance of the business unit.

Change in assumptions – Patents

The headroom has experienced a significant increase compared to the previous year, driven by rates confirmed by engineering, procurement and construction management companies, allowing for a clearer outlook on future projections.

Sensitivity analysis – Patents

Recognising the dynamic nature of the market, the sensitivity analysis over patents aims to assess the potential impact given the uncertainty surrounding market responses and the market fluctuations to technological advancement. The analysis provided valuable insights into the resilience and adaptability of patent assets amid changing landscapes.

No sensitivity analysis was performed for the current year as there is sufficient headroom.

	2024 USD	2023 USD
The following table indicates the sensitivity analysis:		
Discount rate 2% increase	**n/a**	(459 213)
Growth rate 2% decrease	**n/a**	114 919
Project profitability 5% decrease	**n/a**	(169 792)

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

5. INTANGIBLE ASSETS AND GOODWILL continued

5.2 Capital commitments

	2024 USD	2023 USD
Capital expenditure for computer software authorised by the directors and contracted for within 12 months. Capital expenditure will be funded through cash generated from operations.	5 461 316	–

5.3 Goodwill

Accounting policy

Goodwill arising on an acquisition of a business is carried at cost in the functional currency as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is translated to the presentation currency and the difference is accounted for as a foreign currency translation difference.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in use. To determine the value in use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budget adjusted, as necessary, to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Impairment losses for cash-generating units reduce the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is allocated pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

	2024 USD	2023 USD
Goodwill recognised from value chain business combinations	2 028 512	2 085 808
Goodwill recognised from raise bore business combinations	386 367	435 146
Goodwill recognised from software support services	515 708	516 063
Goodwill recognised from business combinations	2 930 587	3 037 017

	Opening balance USD	Exchange difference on consolidation of foreign subsidiaries USD	Total USD
2024			
Goodwill recognised from value chain business combinations	2 085 808	(57 296)	2 028 512
Goodwill recognised from raise bore business combinations	435 146	(48 779)	386 367
Goodwill recognised from software support services	516 063	(355)	515 708
Goodwill recognised from business combinations	3 037 017	(106 430)	2 930 587

	Opening balance USD	Exchange difference on consolidation of foreign subsidiaries USD	Total USD
2023			
Goodwill recognised from value chain business combinations	2 162 370	(76 562)	2 085 808
Goodwill recognised from raise bore business combinations	445 038	(9 892)	435 146
Goodwill recognised from software support services	555 622	(39 559)	516 063
Goodwill recognised from business combinations	3 163 030	(126 013)	3 037 017

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

5. INTANGIBLE ASSETS AND GOODWILL continued

5.3 Goodwill continued

Assumptions

	Growth rate %	Discount rate %	Headroom* USD
2024			
Value chain business combinations	**4.48**	**11.49**	**18 620 281**
Raise bore business combinations	**1.50**	**18.56**	**2 741 154**
Software support services	**1.80**	**18.38**	**12 622 288**

	Growth rate %	Discount rate %	Headroom* USD
2023			
Value chain business combinations	4.16	19.74	4 573 887
Raise bore business combinations	1.90	15.30	1 863 668
Software support services	1.00	23.97	27 510 498

* *Headroom is defined as the value by which the recoverable amount for the individual cash-generating unit exceeds the carrying value.*

Growth rates

The growth rates reflect the long-term average growth rates for the cash-generating units.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors related to the industries and markets the businesses attracting goodwill operate within.

Cash flow assumptions

Management's key assumptions include the present value of the cash flows expected to be generated by utilisation of the intangible assets discounted at the applicable market indicative rates. Five-year cash flow projections reflect these benefits to be realised.

6. TRADE AND OTHER RECEIVABLES

Accounting policy

Trade receivables are measured at initial recognition at transaction price and are subsequently measured at amortised cost using the effective interest method.

Significant judgements and sources of estimation uncertainty

Trade receivables and other receivables

In making this assessment, as far as available, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate obtained from various other external sources such as economic expert reports, financial analysts, governmental bodies as well as consideration of actual and forecast economic and other information such as expected growth rates, market conditions and others that relate to the Group's core operations. These assessments are done in the various business units for the specific countries that it operates in.

Contract assets for the Group arise as a result of its right to consideration as determined in the contractual agreement between the parties. These assets usually arise from the Group providing a drilling-related service in terms of the contractual performance obligations between the parties. Contract assets are assessed for expected credit losses in terms of IFRS 9. Contract assets are recognised and are aligned with the performance obligations being satisfied to be consistent with IFRS 15.

	2024 USD	2023 USD
Trade receivables	**62 501 830**	65 623 024
Trade receivables – Normal (gross)	**58 871 276**	63 677 158
Trade receivables – Retention (gross)	**682 647**	1 854 961
Contract asset	**7 251 523**	4 536 722
Expected credit loss allowance of trade receivables	**(4 303 616)**	(4 445 817)
Loans to employees	**268 411**	194 562
Prepaid expenses	**2 191 856**	6 943 248
Deposits	**319 614**	320 125
Indirect taxes	**3 872 335**	2 007 357
Other receivables	**2 051 644**	1 278 945
Total	**71 205 690**	76 367 261

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

6. TRADE AND OTHER RECEIVABLES continued

Trade receivables of South African subsidiaries have been ceded to Absa Capital as security for an interest-bearing loan. Retention receivables are collectable within a period of 12 months.

Trade receivables are assessed for recoverability using the expected credit losses matrix. The matrix is determined based on the underlying economic factors of each of the countries that the subsidiaries operate within.

The Group's policy does not allow for loans to employees to exceed the monetary value of earnings due to the employee in the notice period. As a result, no expected credit loss allowances have been recognised.

Deposits represent deposits held as security for rentals and utilities across the world where the Group operates. Deposits are generally a month's rental and/or payment in advance and no expected credit losses have been recognised as one would expect to still receive the service for the month that notice is given by the supplier.

Retention trade receivables are considered for expected credit losses based on the same assumptions as for normal trade receivables. The expected credit losses remained fairly consistent year-on-year. This is due to the mix of the specific risk factors across the various jurisdictions the Group operates within.

The Group provides for clients that have specifically been identified as not recoverable. Thereafter, the Group uses the general matrix approach and the expected credit loss allowance per ageing bracket for each of the regions. The general matrix is based on the specific economic, political and market conditions for each of the countries that are included in each of the regions.

	2024 USD	2023 USD
The movement in expected credit losses is presented below:		
Balance 1 January	**4 445 817**	4 806 060
Exchange differences on translation of foreign operations	**(283 627)**	480 022
Reversal of credit losses recognised previously	**141 426**	(1 226 395)
Amounts written off	**–**	(551 126)
Allowance for credit losses recognised	**–**	937 256
	4 303 616	4 445 817
Gross trade receivables per region:		
Africa	**10 709 620**	13 602 174
Central and North America	**8 258 118**	8 562 041
Rest of the world	**12 692 941**	7 823 240
South Africa	**21 618 908**	14 269 514
South America	**13 525 859**	25 811 872
	66 805 446	70 068 841

Contract asset reconciliation	2024 USD	2023 USD
Balance on 1 January	**4 536 722**	5 794 169
Additions during the year	**91 334 062**	182 419 117
Exchange rate differences	**(214 997)**	99 582
Transfers to receivables	**(88 404 264)**	(183 776 146)
Balance on 31 December	**7 251 523**	4 536 722

Contract assets primarily relate to contracts and construction agreements where the Company has recognised revenue in accordance with the performance obligations method under IFRS 15. The revenue recognised represents work performed but not yet billed to clients.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

6. TRADE AND OTHER RECEIVABLES continued

Expected credit losses matrix	Estimated gross carrying amount USD	Loss allowance USD	Expected credit loss rate %
2024			
Africa			
Current	1 377 154	47 293	2.35 to 3.80
30 days	4 575 529	169 988	2.45 to 3.90
31 to 60 days	3 313 742	132 676	2.70 to 4.15
61 to 90 days	1 443 196	64 753	3.20 to 4.65
Specific provision		1 558 020	
Central and North America			
Current	2 358 871	72 179	3.25 to 3.65
30 days	2 976 279	102 809	3.35 to 3.75
31 to 60 days	238 162	8 574	3.60 to 4.00
61 to 90 days	2 684 807	119 271	4.10 to 4.50
Specific provision		–	
Rest of the world			
Current	7 846 498	110 152	2.20 to 2.90
30 days	4 135 803	105 286	2.30 to 3.00
31 to 60 days	26 357	6 033	2.55 to 3.25
61 to 90 days	684 279	27 118	3.05 to 3.75
Specific provision		273 176	
South Africa			
Current	3 609 665	84 443	0.85 to 4.20
30 days	4 404 035	195 199	0.95 to 4.30
31 to 60 days	1 811 215	84 945	1.20 to 4.55
61 to 90 days	1 371 676	55 850	1.70 to 5.05
Specific provision		–	
South America			
Current	15 727 820	451 451	2.70 to 3.60
30 days	2 889 132	107 700	2.80 to 3.70
31 to 60 days	2 213 420	81 442	3.05 to 3.95
61 to 90 days	3 117 806	139 760	3.55 to 4.45
Specific provision		305 498	
Total	66 805 446	4 303 616	

Expected credit losses matrix	Estimated gross carrying amount USD	Loss allowance USD	Expected credit loss rate %
2023			
Africa			
Current	5 259 341	315 758	3.62 to 4.20
30 days	3 293 562	600 664	3.72 to 4.30
31 to 60 days	1 701 993	729 171	3.97 to 4.55
61 to 90 days	3 347 280	104 279	3.97 to 4.55
Specific provision		37 430	
Central and North America			
Current	4 131 411	295 613	0.00 to 2.47
30 days	1 748 157	227 505	0.10 to 2.67
31 to 60 days	1 677 566	42 836	0.35 to 2.99
61 to 90 days	1 004 906	37 912	0.35 to 2.99
Specific provision		6 381	
Rest of the world			
Current	3 520 729	134 208	2.35 to 3.41
30 days	2 694 268	188 735	2.45 to 3.51
31 to 60 days	–	–	2.65 to 2.70
61 to 90 days	1 608 242	141 542	2.65 to 2.70
Specific provision		–	
South Africa			
Current	6 564 716	106 634	3.62 to 4.20
30 days	3 105 143	34 370	3.72 to 4.30
31 to 60 days	1 172 618	10 636	3.97 to 4.55
61 to 90 days	3 427 036	113 579	3.97 to 4.55
Specific provision		–	
South America			
Current	16 649 861	257 929	3.31 to 3.51
30 days	5 148 562	512 705	3.41 to 3.65
31 to 60 days	2 150 220	499 340	3.66 to 3.99
61 to 90 days	1 863 230	19 650	4.16 to 4.31
Specific provision		28 940	
Total	70 068 841	4 445 817	

6. TRADE AND OTHER RECEIVABLES continued

Risk factor identification

Africa

The Africa segment presents a mixed risk profile across various regions, with significant variations in credit ratings, exchange rate stability, debt levels, economic growth, political risks and mining prospects. The southern region remains the most stable with strong creditworthiness, low debt levels and a relatively controlled exchange rate, although economic contraction is a concern due to reliance on key exports. Central areas experience high credit risk, volatile currency movements and moderate external debt, with economic growth largely tied to resource extraction. West Africa faces notable fiscal and political instability, with high public debt, inflationary pressures and governance concerns impacting investor confidence. East Africa shows moderate economic resilience, although political unrest and regulatory challenges pose risks to long-term stability. Mining remains a dominant driver of growth across multiple regions, particularly in areas rich in copper, gold and lithium yet policy shifts and investor concerns in some parts threaten sustained expansion. Overall, the continent presents a diverse risk landscape, with some regions offering stability and growth potential, while others face heightened financial, political and economic vulnerabilities.

Rest of the world

The rest of the world segment presents a stable financial outlook with moderate risks. External and public debt levels remain manageable in some regions, while others have higher government debt requiring fiscal oversight. Economic growth is steady but varies, with some regions maintaining moderate expansion and others experiencing slight slowdowns. Political risk remains low to moderate, supporting investment confidence. The economic outlook is positive, although challenges such as inflation, low productivity and weak household spending may impact future growth. The mining sector shows strong potential, driven by policy reforms and investment opportunities. Overall, financial conditions are stable, with moderate risks that require careful monitoring.

Central and North America

The Central and North America segment presents a mixed financial risk profile. The northern region maintains strong credit ratings and economic stability but faces challenges with rising public debt and political uncertainty. Central areas have moderate credit risks, currency fluctuations and external debt burdens, although economic growth remains steady. Some regions experience high financial risks due to governance issues, corruption and international sanctions. Fiscal policies and regulatory changes impact investment, particularly in industries like mining, where stricter regulations and trade uncertainties create potential financial constraints. Overall, financial stability varies across the region with stronger economies in the north and higher risks in central areas.

South America

The South America segment presents moderate to high financial risks, with improving but still below investment-grade credit ratings increasing financing costs. Exchange rate volatility remains a challenge, impacting trade and investment, while external and public debt levels vary, with some regions maintaining stability and others facing fiscal pressures that could lead to increased taxation. Economic growth is projected to be moderate, but external factors such as global commodity demand, inflation control and regulatory shifts pose risks. Political uncertainty, including policy changes, regulatory instability and corruption concerns, adds to the financial risk profile. The mining sector, a key economic driver, faces challenges from fluctuating commodity prices, labour strikes and environmental regulations. Financial risks in the region require careful assessment, particularly regarding fiscal policies, debt sustainability and economic stability.

South Africa

The assessment of expected credit losses incorporates key macroeconomic and political risks affecting South Africa. The South African Rand continues to exhibit volatility against the USD, contributing to financial uncertainty. While external debt has slightly declined compared to 2023, public debt has continued to rise. Economic growth remains weak, constrained by weakened operational challenges in critical infrastructure sectors and a cost-of-living crisis, which has dampened consumer spending. Political risk remains a concern, with increased uncertainty linked to potential United States of America tariff adjustments post the election, although risks such as war, military intervention or political upheaval remain low. The economic outlook remains subdued, with low growth projected. Additionally, the mining sector faces ongoing challenges, including structural constraints, fluctuating commodity prices, labour unrest and sustainability pressures further impacting economic prospects. These factors collectively influence credit risk assessment and expected credit loss provisioning within the consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

6. TRADE AND OTHER RECEIVABLES continued

Risk factor identification continued

	2024 USD	2023 USD
The carrying amount in USD of trade and other receivables is denominated in the following currencies:		
Australian Dollar	**1 407 925**	347 833
Brazilian Real	**3 463 012**	3 721 250
Botswanan Pula	**643**	18 253
Canadian Dollar	**131 470**	3 773 360
Chilean Peso	**14 551 281**	18 006 942
Chinese Yuan	**372 000**	573 164
Colombian Peso	**1 556**	1 600
Euro	**–**	5 744
Ghanaian Cedi	**–**	889 390
Quatemalan Quetzales	**7 885**	10 057
Indian Rupee	**6 493 528**	4 437 217
Peruvian Sol	**1 209 213**	860 953
Swedish Krona	**3 496 741**	2 516 073
Turkish Lira	**1 513**	–
United States Dollar	**26 545 477**	28 999 403
West African Franc	**549 394**	–
South African Rand	**12 448 839**	11 515 006
Zambian Kwacha	**525 214**	691 016
	71 205 691	76 367 261

7. SHARE CAPITAL

	2024 Number of shares	2023 Number of shares
Authorised		
Ordinary no par value shares	**500 000 000**	500 000 000

Reconciliation of number of shares issued

	2024 Number of shares	2024 Value USD	2023 Number of shares	2023 Value USD
Balance at the beginning of the period	**151 477 777**	**149 470 175**	151 362 777	149 365 330
Share options exercised	**–**	**–**	115 000	104 845
Share buy-backs	**(940 998)**	**(614 658)**	–	–
Balance at the end of the period	**150 536 779**	**148 855 517**	151 477 777	149 470 175

The unissued shares are under the control of the directors. The increase in the number of issued shares in 2023 is as a result of share options exercised.

During the current year, Master Drilling Group undertook a share buy-back in line with its Memorandum of Incorporation to the value of USD614 658 (940 998 shares) at an average price of ZAR11,96 in four different tranches as per the table below.

Number of shares	Date	Average price (ZAR)
69 043	21 May 2024	11,57
85 125	27 May 2024	11,93
781 026	4 June 2024	12,00
5 804	24 June 2024	11,55

None of the shares were repurchased by a subsidiary of the Group or repurchased from treasury shares. All shares repurchased were cancelled and reverted back to unissued shares.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

8. TRADE AND OTHER PAYABLES

Accounting policy

Trade payables

Trade payables are initially measured at fair value including transaction costs and are subsequently measured at amortised cost using the effective interest method.

	2024 USD	2023 USD
Trade payables	**44 732 910**	39 048 646
Accruals	**7 242 737**	6 780 857
Indirect taxes	**3 381 620**	4 344 654
Leave pay accruals	**2 893 571**	3 028 456
Consideration payable*	**908 623**	2 455 588
Employee-related	**6 960 741**	6 276 423
Claims liability**	**2 701 315**	–
Other payables	**802 997**	1 835 425
	69 624 514	63 770 049

* *Included in the consideration payable for the prior year is an amount of USD1 520 432, the short-term portion, payable to Newham Proprietary Limited which is also disclosed as a joint venture partner. Refer to note 15. The amount was settled in the current year.*

** *The claims liability amount represents a possible claim from a client in the African region, where they claim that not all the scope of works was completed as contractually agreed between the parties.*

9. EARNINGS PER SHARE

Reconciliation between earnings and headline earnings

	2024		2023	
	Gross USD	Net USD	Gross USD	Net USD
Basic earnings for the year	**18 705 307**	**18 705 307**	22 297 658	22 297 658
Deduct:				
Non-controlling interest	**–**	**(1 288 053)**	–	(1 715 487)
Attributable to owners of the Parent	**18 705 307**	**17 417 254**	22 297 658	20 582 171
Gain on disposal of property, plant and equipment	**(103 550)**	**(46 849)**	(283 485)	(136 653)
Impairment of property, plant and equipment	**13 888 050**	**9 340 846**	2 202 834	1 506 277
Impairment of intangibles	**6 592**	**4 813**	24 272	24 272
Headline earnings for the year	**32 496 399**	**26 716 064**	24 241 279	21 976 067

	2024 Net USD	2023 Net USD
Earnings per share		
Earnings per share (cents)	**11.5**	13.6
Diluted earnings per share (cents)	**11.5**	13.6
Headline earnings per share (cents)	**17.7**	14.5
Diluted headline earnings per share (cents)	**17.7**	14.5
Dividends per share (cents)	**52.5**	47.5
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	**150 982 516**	151 512 667
Effect of dilutive potential ordinary shares – employee share options*	**226 366**	17 290
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	**151 208 882**	151 529 957

* *The total number of share options in issue is disclosed in the remuneration report on page 101.*

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

10. CASH GENERATED FROM OPERATIONS

10.1 Cash generated from operations

	2024 USD	2023 USD
Profit before taxation	**25 621 877**	30 165 565
Adjustments for:		
Depreciation	**13 976 532**	13 605 592
Amortisation	**809 046**	821 473
Share-based payment expense	**149 170**	(13 636)
Fair value adjustment on derivatives	**111 097**	22 989
Fair value adjustment of equity investments	**(173 669)**	–
Impairment of property, plant and equipment	**13 894 642**	2 227 106
Profit from equity-accounted investments	**(25 905)**	(753 445)
Unrealised foreign exchange movements	**4 784 244**	7 067
Put option for non-controlling interest expense	**743 476**	840 519
Loans acquired at a discount	**(379 787)**	–
Gain on disposal of fixed assets	**(103 550)**	(283 485)
Movement in expected credit loss allowance	**(425 829)**	(289 139)
Movement in allowance for obsolete inventory	**143 985**	205 525
Bad debt written off	**–**	551 126
Dividends received	**(516 429)**	(402 214)
Interest received	**(1 709 375)**	(1 000 364)
Movement in provisions	**1 171 081**	1 022 203
Finance costs	**6 260 390**	5 804 895
Changes in working capital:		
Inventories	**(1 307 355)**	(4 284 113)
Trade and other receivables	**3 225 775**	(2 105 508)
Trade and other payables	**(4 612 015)**	6 499 067
Contract liability	**(3 362 925)**	(1 320 530)
	58 274 476	51 320 693

10.2 Tax paid

	2024 USD	2023 USD
Reported as at 1 January	**2 600 582**	3 309 908
Current tax for the period recognised in profit or loss	**11 613 014**	11 338 997
Interest accrued in respect of taxation	**16 423**	29 746
Exchange effect on consolidation of foreign subsidiaries	**287 373**	(174 834)
Balance at the end of the period	**(2 486 223)**	(2 600 582)
	12 031 169	11 903 235

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

11. RELATED PARTY LOANS RECEIVABLE FROM/(OWING TO)

	2024 USD	2023 USD
A&R Holdings Proprietary Limited[6]	**(1 156 061)**	(1 191 501)
Applied Vehicle Analysis Proprietary Limited[7]	**–**	161 404
Barrange Proprietary Limited[1]	**3 981**	2 624
Kairos Raising Proprietary Limited[6]	**1 169**	–
DrillX Innovations Proprietary Limited[8]	**655 447**	454 931
Besalco SA[5]	**(58 513)**	195 141
Lamproom Holdings Proprietary Limited[6]	**(326 975)**	(558 654)
EIQ Investment Holdings Proprietary Limited[6]	**152 913**	184 751
Hall Core Holdings Proprietary Limited[8]	**4 435 522**	3 260 862
Hall Core International Limited[8]	**1 101 338**	–
MDG Equity Holdings Proprietary Limited[1,3 & 4]	**(354)**	718
Epha Drilling Proprietary Limited[2]	**(76 755)**	(81 645)
Mosima Drilling Proprietary Limited[2]	**(57 113)**	(60 720)
MD Drilling Employees Trust[2]	**(2 260)**	(2 478)
MD HDSA Trust[2]	**30 211**	30 764
DCP BEE Foundation Trust[2]	**20 029**	20 697
The Drillcorp BEE Trust[2]	**36 572**	37 311
MD Engineering Employees Trust[2]	**750**	728
	4 759 901	2 454 933
Related party loans receivable from	**6 437 932**	4 349 931
Related party loans owing to	**(1 678 031)**	(1 894 998)
Net related party loans	**4 759 901**	2 454 933
Non-current assets	**5 925 969**	3 623 467
Current assets	**512 661**	726 464
Non-current liabilities	**1 619 164**	–
Current liabilities	**59 565**	1 894 998

The loans are with legal entities where the following related parties have control:
[1] Danie Pretorius
[2] Broad-based black economic empowerment partner
[3] André van Deventer
[4] Koos Jordaan
[5] Co-owner of Consorsio Master Drilling Besalco SA
6 Co-owner of A&R Engineering and Mining Services Proprietary Limited and related companies
[7] Joint venture company of the Group
[8] Joint venture partner

Related party loans are interest-free with no repayment terms, with the exception of the loan, with Hall Core Holdings Proprietary Limited (Hall Core) and DrillX Innovations Proprietary Limited which bears interest at the South African prime lending rate plus 2% and is repayable in monthly instalments of USD43 634.

The Group assesses the expected credit losses on related party receivables based on the forward-looking expected credit loss model, applying the general approach. The methodology used to determine the amount of provision is based on the underlying liquid assets of the individual related party for on-demand collectability. Based on the assessment, no expected credit losses have been recognised.

The Group performed an assessment of the increase in credit risk for related party transactions including an analysis of historical payment patterns, the current financial condition of the related party and forward-looking macroeconomic factors. Based on this analysis, the credit risk has not significantly increased.

The trusts included as related parties were established for the benefit of employees of the Group. The trusts were founded by a related party to the Group, Danie Pretorius. The Group does not consolidate the trusts as the Group does not have the right to appoint the trustees of the trust nor is the Group a beneficiary of the trust. The Group also cannot force the trust to sell shares as the trustee structure ensures independent decision-making, requiring a majority vote among three trustees.

The trusts are sponsored by its founder and the Group lends money to trustees and employees of the Group, and pays the accounting and administration fees on behalf of the trusts. The Group is also assisting in the dividend distribution process of the trusts due to insufficient resources available within the trusts.

Through Epha Drilling Proprietary Limited and Mosima Drilling Proprietary Limited, the employees of the Group effectively own 26% of the shares in Master Drilling Exploration Proprietary Limited and Drilling Technical Services Proprietary Limited, respectively, via preference shares. These companies are sponsored through dividends declared on profits from the companies, respectively.

Refer to note 13 for more details on related parties.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

12. SEGMENT REPORTING

Accounting policy

Segment reporting

The Chief Operating Decision-maker of the Group is the Chief Executive Officer. Information reported to the Group's Chief Operating Decision-maker for purposes of resource allocation and assessment of segment performance is focused on geographical areas. Each reportable segment derives its revenues from drilling-related services and the sale of goods.

The Group has four operating segments. In identifying these operating segments, the Group's Chief Operating Decision-maker reviews allocated resources based on the geographical areas. Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources.

12.1 Mining activity

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

	2024 USD	2023 USD
Sales revenue by activity		
Sale of industrial products	**35 626 062**	33 958 450
Raise boring	**211 225 931**	177 134 224
Support services	**10 735 700**	18 009 488
Slim drilling	**10 600 589**	10 599 275
New rock boring technology	**2 654 512**	3 096 104
	270 842 794	242 797 541
Gross profit by activity		
Sale of industrial products	**14 205 018**	11 584 344
Raise boring	**64 545 870**	48 958 912
Support services	**2 919 023**	2 472 104
Slim drilling	**1 544 905**	4 148 896
New rock boring technology	**748 608**	1 267 575
	83 963 424	68 431 831

The Chief Operating Decision-maker of the Group is the Chief Executive Officer. Information reported to the Group's Chief Operating Decision-maker for purposes of resource allocation and assessment of segment performance is focused on geographical areas. Each reportable segment derives its revenues from services rendered. The accounting policies of the reportable segments are the same as the Group's accounting policies.

There have been changes to the operating segments of the Africa region. It has been separated into two regions, namely Africa and South Africa from those disclosed at 31 December 2023. The changes will enable the Chief Operating Decision-maker, under the direct supervision of the resident boards, to improve the assessment of the performances and make better-informed decisions on the allocation of resources to the different operating segments. The comparative reporting periods were adjusted accordingly as the information was available.

12.2 Geographical segments

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

	2024 USD	2023 USD
Sales revenue by geographical market		
Africa	**41 897 849**	39 332 525
Central and North America	**34 612 075**	30 866 028
Rest of the world	**53 318 835**	37 528 777
South Africa	**75 306 429**	65 255 331
South America	**65 707 606**	69 814 880
	270 842 794	242 797 541
Gross profit by geographical market		
Africa	**9 101 279**	12 521 783
Central and North America	**7 835 189**	5 062 782
Rest of the world	**25 017 965**	9 724 038
South Africa	**25 591 282**	23 001 402
South America	**16 417 710**	20 348 932
	83 963 425	70 658 937

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

12. SEGMENT REPORTING continued

12.2 Geographical segments continued

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

A client in the Africa region operating in the raise boring segment, accounts for 9% (2023: 9%) of the Group's total revenue.

Assets and liabilities are reallocated among the operating segments based on the specific requirements of each project within these segments. Transactions within the operating segments occur at arm's length.

	2024 USD	2023 USD
Depreciation, amortisation and impairment by geographical market		
Africa	**601 605**	2 353 614
Central and North America	**7 917 545**	2 667 220
Rest of the world	**3 872 946**	3 491 538
South Africa	**13 409 432**	5 082 410
South America	**2 878 691**	3 059 389
	28 680 219	16 654 171

	2024 USD	2023 USD
Investment income by geographical market		
Africa	**41 959**	40 565
Central and North America	**–**	–
Rest of the world	**440 605**	200 872
South Africa	**1 479 002**	1 035 759
South America	**264 238**	125 382
	2 225 804	1 402 578

	2024 USD	2023 USD
Finance cost by geographical market		
Africa	**–**	555 850
Central and North America	**1 462 337**	2 004 017
Rest of the world	**176 307**	59 163
South Africa	**3 440 231**	1 880 934
South America	**1 181 515**	1 304 931
	6 260 390	5 804 895

	2024 USD	2023 USD
Taxation by geographical market		
Africa	**(256 107)**	1 795 573
Central and North America	**1 814 921**	(820 727)
Rest of the world	**2 585 553**	3 862 111
South Africa	**2 014 613**	1 034 966
South America	**757 590**	1 995 984
	6 916 570	7 867 907

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

12. SEGMENT REPORTING continued

12.2 Geographical segments continued

	2024 USD	2023 USD
Total assets by geographical market		
Africa	**19 852 486**	33 355 888
Central and North America	**45 601 248**	51 040 634
Rest of the world**	**111 416 703**	84 062 830
South Africa**	**127 687 110**	111 636 820
South America	**73 802 285**	81 774 419
Total assets as per the statement of financial position	**378 359 832**	361 870 591
Total liabilities by geographical market		
Africa	**13 768 846**	8 218 172
Central and North America	**26 557 595**	50 410 135
Rest of the world	**40 711 542**	10 882 470
South Africa	**60 163 921**	52 692 440
South America	**25 688 501**	30 683 388
Total liabilities as per the statement of financial position	**166 890 405**	152 886 605

** *Assets in South Africa and the rest of the world included the investment in associate and investment in joint venture. Refer to notes 14 and 15, respectively.*

13. RELATED PARTIES

Accounting policy

Related party transactions

Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

Related party	Nature	2024 USD	2023 USD
Barrange Proprietary Limited	Rental paid	**195 258**	403 101
Hall Core Holdings Proprietary Limited	Rental income	**1 613 006**	1 388 356
Hall Core Holdings Proprietary Limited	Interest received	**160 984**	247 979
MDG Equity Holdings Proprietary Limited	Interest paid	**143 434**	–
Kairos Raising	Administration and management fees	**51**	–
A&R Investment Holding Proprietary Limited	Administration and management fees	**1 683**	–
EIQ Investments Proprietary Limited	Administration and management fees	**13 734**	–
Epha Drilling SA Proprietary Limited	Administration and management fees	**271**	467
Mosima Drilling SA Proprietary Limited	Administration and management fees	**159**	275
Lamproom Holdings Proprietary Limited	Administration and management fees	**222 468**	–

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

13. RELATED PARTIES continued

Accounting policy continued

Related party transactions continued

Key management is defined as the employees of the Group's subsidiaries who have the authority to directly or indirectly plan and control the specific business operations in the countries they operate within. Key management excludes the directors and prescribed officer of the Group. Refer to pages 103 and 105 for disclosure on directors' remuneration.

Salaries and short-term benefits paid to key management amount to USD3 613 084 (2023: USD2 985 382).

14. INVESTMENT IN ASSOCIATE

Accounting policy

Investment in associate

The assets, liabilities and share of profit or loss of associates are incorporated in these consolidated financial statements using the equity method of accounting. An investment in associate is initially recognised in the consolidated statement of financial position at cost and adjusted for thereafter to recognise the Group's share of the profit or loss in associate and other comprehensive income of the associate.

	Note	2024 USD	2023 USD
Investment in associate – Applied Vehicle Analysis	14.1	**1 277 266**	958 496

14.1 Investment in associate – Applied Vehicle Analysis

During January 2021, the Group purchased a 40% equity interest in Applied Vehicle Analysis Proprietary Limited (AVA), incorporated in South Africa, and Applied Vehicle Analysis IOT Limited, incorporated in Ireland, for ZAR19,1 million (USD1.3 million). AVA is a specialist in data-driven mine fleet management solutions and is currently primarily operating within the South Africa segment of the Group. Currently, AVA's unique digital platform analyses and tracks vehicles across various sites in seven countries for a range of blue-chip companies. This investment is aligned with the Group's strategy to diversify its services and invest in businesses that help meet clients' demand for increased mechanisation and digitalisation.

The Group performed an assessment of control and concluded that it does not have control of AVA as the definition of control has not been satisfied.

The financial year-end of AVA is 28 February. This was the reporting date established when that company was incorporated, and a change of reporting date is not possible at this stage. For the purpose of applying the equity method of accounting, the financial information of AVA up to 31 December has been used in preparing the Group's consolidated annual financial statements. Appropriate adjustments were made for fair value adjustments at acquisition and differences in accounting policies and effects of significant transactions up to 31 December.

The table below summarises and also reconciles the statement of comprehensive income's financial information as at 31 December.

	2024 USD	2023 USD
Cumulative reconciliation:		
Investment at cost	**1 293 975**	1 293 975
Foreign exchange differences	**(78 005)**	(61 388)
Share of profit/(loss) from associate	**61 296**	(274 091)
Total investment	**1 277 266**	958 496
The carrying amount of the investment is as follows:		
Carrying amount as at 1 January	**958 496**	790 777
Foreign exchange differences	**(16 617)**	(3 796)
Share of profit from associate	**335 387**	171 515
Carrying amount as at 31 December	**1 277 266**	958 496
Loan to associate (refer to note 11)	**–**	161 404
Dividends received from associate	**67 339**	–

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

14. INVESTMENT IN ASSOCIATE continued

14.1 Investment in associate – Applied Vehicle Analysis continued

	2024 USD	2023 USD
Revenue	5 992 174	3 500 637
Interest income	–	–
Taxation	–	–
Profit from continuing operations	838 467	428 788
Total comprehensive profit	838 467	428 788
Group's share of total comprehensive profit	335 387	171 515
Dividends received from associate	67 339	–
Non-current assets	342 360	6 546
Current assets	1 199 893	990 028
Non-current liabilities*	(39 186)	(817 467)
Current liabilities*	(461 803)	(543 888)
Net assets	1 041 264	(364 781)
Group's share of net assets	416 507	(145 912)
Goodwill	525 372	932 893
Share of profit from associate	335 387	171 515
Investment in associate	1 277 266	958 496

* *Excluded trade and other payables and provisions.*

15. INVESTMENT IN JOINT VENTURES

Accounting policy

Investment in joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control involves the contractually agreed sharing of control, and arrangements subject to joint control are classified as either a joint venture (representing a share of net assets and equity-accounted) or a joint operation (representing rights to assets and obligations for liabilities, accounted for accordingly). Joint control is assessed under the same principles as control over subsidiaries.

For all joint arrangements structured in separate vehicles, the Group assessed the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment required the Group to consider, among others, the following factors to determine whether it has rights to the joint arrangement's net assets or rights to and obligations for specific assets, liabilities, expenses and revenues:

- Structure;
- Legal form;
- Contractual agreement; and
- Other facts and circumstances.

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in the joint venture. Where there is objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Upon consideration of these factors, the Group's management has determined that all of its joint arrangements give it rights to and obligations for net assets and have therefore been classified as joint ventures.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

15. INVESTMENT IN JOINT VENTURES continued

Accounting policy continued

Joint arrangements

For all joint arrangements structured in separate vehicles, the Group assessed the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment required the Group to consider, among others, the factors specific to each joint arrangement to determine whether it has rights to the joint arrangement's net assets or rights to and obligations for specific assets, liabilities, expenses and revenues.

	Notes	2024 USD	2023 USD
Investment in joint venture – Hall Core Holdings Proprietary Limited	15.1	**4 042 647**	4 469 712
Investment in joint arrangement – Hall Core International Limited	15.2	**1**	–

	Notes	2024 USD	2023 USD
Reconciliation of share of profit/(loss) in equity-accounted investments:			
Investment in associate – Applied Vehicle Analysis	14.1	**335 387**	171 515
Investment in joint venture – Hall Core Holdings Proprietary Limited	15.1	**(309 482)**	581 930
Investment in joint arrangement – Hall Core International Limited	15.2	**–**	–
		25 905	753 445

15.1 Investment in joint venture – Hall Core Holdings Proprietary Limited

Master Drilling Exploration Proprietary Limited, a subsidiary within the Group, is a 50% partner in Hall Core Holdings Proprietary Limited, incorporated in South Africa, a joint venture formed within the exploration drilling industry. Hall Core's principal place of business is in South Africa. Under IFRS 11, this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements by recognising its share of profit or (loss) in joint venture. As at 31 December, in terms of the contractual agreement between the parties, the Group settled the consideration payable of ZAR27,9 million (USD1.5 million) during 2024.

The financial year-end of Hall Core is 28 February. This was the reporting date established when that company was incorporated, and a change of reporting date is not possible at this stage. For the purpose of applying the equity method of accounting, the financial information of Hall Core has been used in preparing the Group's consolidated annual financial statements. Appropriate adjustments were made for fair value adjustments at acquisition and differences in accounting policies and effects of significant transactions up to 31 December.

The table below summarises and also reconciles the statement of comprehensive income's financial information as at 31 December.

	2024 USD	2023 USD
Cumulative reconciliation:		
Investment at cost	**3 344 775**	3 344 775
Foreign exchange differences	**(896 969)**	(779 386)
Share of profit from joint venture	**1 594 841**	1 904 323
Total investment	**4 042 647**	4 469 712
The carrying amount of the investment is as follows:		
Carrying amount as at 1 January	**4 469 712**	4 382 221
Foreign exchange differences	**(117 583)**	(494 439)
Share of (loss)/profit from joint venture	**(309 482)**	581 930
Carrying amount as at 31 December	**4 042 647**	4 469 712
Loan to joint venture (refer to note 11)	**4 435 522**	3 260 862
Consideration payable to joint venture partner (refer to note 8):		
Non-current liabilities	**–**	–
Current liabilities	**–**	1 520 432

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

15. INVESTMENT IN JOINT VENTURES continued

15.1 Investment in joint venture – Hall Core Holdings Proprietary Limited continued

	2024 USD	2023 USD
Revenue	**17 501 884**	19 179 788
Depreciation and amortisation	**(1 788 408)**	(850 018)
Interest income	**966 315**	576 383
Interest expenses	**(1 417 261)**	(965 812)
Taxation	**–**	(537 949)
(Loss)/profit from continuing operations	**(618 964)**	1 163 860
Total comprehensive (loss)/profit	**(618 964)**	1 163 860
Group's share of total comprehensive (loss)/profit	**(309 482)**	581 930

	2024 USD	2023 USD
Non-current assets	**9 288 336**	6 657 270
Current assets*	**1 285 604**	6 597 921
Non-current liabilities**	**(4 543 840)**	(3 777 752)
Current liabilities**	**(410 378)**	(5 291 202)
Net assets	**15 528 158**	4 186 237
Group's share of net assets	**7 764 079**	2 093 119
Goodwill	**(3 411 949)**	1 794 663
Share of profit from joint venture	**(309 482)**	581 930
Investment in joint venture	**4 042 647**	4 469 712

* *Includes an amount of USD698 335 (2023: USD644 720) for cash and cash equivalents.*
** *Excluded trade and other payables and provisions.*

15.2 Investment in joint arrangement – Hall Core International Limited

During April 2024, the Group purchased a 50% equity interest in Hall Core International Limited (HCIL), incorporated in the United Kingdom, for USD0.7 million which includes share claims. HCIL is a specialist in exploration drilling and is currently primarily operating with the rest of the world segment of the Group. This investment is aligned with the Group's strategy to diversify its services and invest in businesses in different regions and services.

The Group performed an assessment of control and concluded that it does not have control of HCIL as the definition of control has not been satisfied.

The table below summarises and also reconciles the statement of comprehensive income's financial information as at 30 June and 31 December, respectively.

	2024 USD	2023 USD
Cumulative reconciliation:		
Investment at cost	**–**	–
Additions	**1**	–
Gain from acquisition of joint arrangement	**81 271**	–
Share of loss from joint arrangement	**(81 271)**	–
Total investment	**1**	–
The carrying amount of the investment is as follows:		
Carrying amount as at 1 January	**–**	–
Additions	**1**	
Gain from acquisition of joint arrangement	**81 271**	–
Share of loss from joint arrangement	**(81 271)**	–
Carrying amount	**1**	–
Loan to joint arrangement	**–**	–

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 December 2024

15. INVESTMENT IN JOINT VENTURES continued

15.2 Investment in joint arrangement – Hall Core International Limited continued

	2024 USD	2023 USD
Revenue	–	–
Interest income	63	–
Interest expenses	(151 267)	–
Taxation	–	–
Loss from continuing operations	(162 541)	–
Total comprehensive loss	(162 541)	–
Group's share of total comprehensive loss	(81 271)	–
Dividends received from joint arrangement	–	–
Non-current assets	1 330 923	–
Current assets	–	–
Non-current liabilities*	(1 854 554)	–
Current liabilities*	–	–
Net assets	(523 631)	–
Group's share of net assets	(261 815)	–
Goodwill	343 087	–
Share of loss from joint arrangement	(81 271)	–
Investment in joint arrangement	1	–

* *Excluded trade and other payables and provisions.*

16. SUBSEQUENT EVENTS

The Board approved a gross dividend on 24 March 2025 of 65,00 cents per share in ZAR terms payable to shareholders recorded in the Company's share register on Friday, 20 June 2025. The dividend declared is not reflected in the financial statements for the year ended 31 December 2024.

After the end of the 2024 financial year, the Group entered into a purchase agreement where it acquired 75% of the shares of Konec Spa on 2 January 2025, a company incorporated in Chile. The purchase price to be paid is expected to be approximately CLP384 million (USD385 542 at the year-end spot rate). Konec Spa is a technology company specialising in fleet tracking and management software for industrial technology. The investment is aligned with the Group's strategy to diversify its services and invest in businesses in different regions and services.

Due to the recent nature of this transaction, the initial accounting for the acquisition has not been finalised as it is impractical in the limited timeframe to do so. Management is currently still in the process of determining the fair value of all the identifiable assets and liabilities, therefore, initial accounting for the business combination is incomplete and will only be finalised during the next financial reporting period.

The directors are not aware of any other matters outside of this report or circumstances arising that could have a material impact on the business subsequent to the reporting date.

17. GOING CONCERN

The annual financial statements have been prepared on the going concern basis. This basis presumes that funds will be available to finance future operations for the next 12-month period and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Master Drilling continues strategic expansion with Citylink Stockholm project

Master Drilling Europe has secured a significant contract for two ventilation shafts as part of the Anneberg-Skanstull Citylink project in Stockholm. In partnership with JV HOCHTIEF Implenia HB and on behalf of Svenska Kraftnät, the Swedish National Grid, this project underscores our continued growth in the European market. One shaft will be located near Frescati, south of Stockholm University, and the other at KTH, the Royal Institute of Technology. This contract builds on our successful collaboration in the region, following the completion of two previous shafts at Stocksundet and Mörby. Our involvement in high-profile infrastructure projects like Citylink reflects our commitment to delivering innovative solutions and strengthening long-term partnerships in key markets.

ANALYSIS OF SHAREHOLDERS

	Number of shareholders	% of total shareholders	Number of shares	% of shares in issue
SIZE OF HOLDINGS				
1 – 1 000	2 960	73.4	367 320	0.2
1 001 – 10 000	770	19.1	2 795 362	1.9
10 001 – 100 000	228	5.5	6 599 850	4.4
100 001 – 1 000 000	59	1.5	20 337 062	13.5
1 000 000+	18	0.5	120 437 185	80.0
Total	4 035	100.0	150 536 779	100.0
SHAREHOLDER TYPE				
Public shareholders	4 021	99.7	62 734 949	41.7
Non-public shareholders				
Directors' indirect holdings	10	0.2	85 497 569	56.8
Directors' direct holdings	4	0.1	2 304 261	1.5
Total	4 035	100.0	150 536 779	100.0

According to the share register of the Company, the following fund managers other than directors are registered as holding in excess of 5% of the issued share capital of the Company:

	Number of shares	% of shares in issue
Camissa Asset Management	15 306 006	10.2
Abax Investments	9 040 000	6.0
Ninety One	11 848 560	7.9
Total	36 194 566	24.1

According to the share register of the Company, the following beneficial shareholders other than directors are registered as holding in excess of 5% of the issued share capital of the Company:

	Number of shares	% of shares in issue
Barrange Proprietary Limited	43 696 650	29.0
MDG Equity Holdings Proprietary Limited	38 954 436	25.9
Ninety One Limited	11 792 560	7.8
Total	94 443 646	62.7

STOCK EXCHANGE INFORMATION AS AT 31 DECEMBER

JSE share code: MDI

		2024	2023
Market price (ZAR cents)	– high	1 398	1 477
	– low	1 110	1 120
	– closing	1 360	1 360
	– average	1 248	1 345
Shares traded		13 596 788	12 480 578

NOTICE OF ANNUAL GENERAL MEETING

MASTER DRILLING GROUP LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2011/008265/06
JSE share code: MDI ISIN: ZAE000171948
LEI: 37890095B2AFC611E529
(**Master Drilling** or the **Company**)

Notice is hereby given that the thirteenth Annual General Meeting of Master Drilling (the Annual General Meeting) will be held (subject to any adjournment, postponement or cancellation thereof) at Master Drilling Group Limited's conference room, 4 Bosman Street, Fochville on Thursday, 12 June 2025 at 09:00 to consider and, if deemed fit, pass, with or without modification, the resolutions as set out in this notice. Participation at the Annual General Meeting will be possible in person or, other than voting, electronically, as detailed in Section C as follows.

NOTICE AND FORM OF PROXY

This notice and form of proxy have been approved by the Board of Directors of Master Drilling (the Board or the directors) and were signed on its behalf by Mr HR van der Merwe, Chairman, on 30 April 2025.

AGENDA AND INDEX OF PROPOSED RESOLUTIONS FOR SHAREHOLDER APPROVAL AT THE MEETING:

- The consideration of the annual financial statements of the Company for the period ended 31 December 2024;
- The reappointment of the external auditor;
- The re-election of certain directors retiring by rotation;
- The reappointment of the members of the Audit Committee;
- The reappointment of the members of the Social, Ethics and Sustainability Committee;
- The granting of authority to directors to allot and issue ordinary shares;
- The granting of authority to directors to issue shares for cash;
- The granting of authority to the Company to acquire its own shares;
- The approval of non-executive directors' fees;
- Non-binding vote on the approval of the Company's remuneration policy;
- Non-binding vote on the approval of the report on the implementation of the Company's remuneration policy;
- The granting of authority to the directors to commit the Company to providing financial assistance; and
- To transact such other business as may be transacted at an Annual General Meeting of shareholders.

IMPORTANT INFORMATION REGARDING ATTENDING THE ANNUAL GENERAL MEETING

Attending the Annual General Meeting

Shareholders who have dematerialised their shares in the Company (other than those shareholders whose shareholding is recorded in their own name in the sub-register maintained by their Central Securities Depository Participant (CSDP)) and who wish to participate in and vote at the Annual General Meeting to be held on Thursday, 12 June 2025 in person, will need to request their CSDP or broker to provide them with the necessary authority in terms of the custody agreement entered into between them and their CSDP or broker.

Voting rights

The South African Companies Act (Act 71 of 2008) (Companies Act) provides that any shareholder present at the meeting, whether in person or by duly appointed proxy, and entitled to exercise voting rights has (a) if voting is by a show of hands, one vote, irrespective of the number of voting rights that shareholder would otherwise be entitled to; and (b) should voting be taken by way of a poll, one vote for every share held.

Change of details

Shareholders are reminded that the onus is on them to keep the Company apprised, through Computershare Investor Services Proprietary Limited (Computershare), Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to **proxy@computershare.co.za**, of any change in postal address and personal particulars. Similarly, shareholders who have elected to receive dividend payments electronically (EFT) should ensure that the banking details which Computershare and/or CSDPs have on file are correct.

Annual reports

Should you wish to receive printed copies of the Master Drilling 2024 Integrated Report, please complete a request by means of the form on the Company website at **www.masterdrilling.com** or by email from **companysecretary@masterdrilling.com**.

Identification

In terms of section 63(1) of the Companies Act, before any person may attend or participate in the Annual General Meeting, that person must present reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of the person to participate in and vote at the Annual General Meeting, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified.

Acceptable forms of identification include the presentation of a valid identity document, driver's licence or passport.

Record dates, voting and proxies

The Board has determined, in accordance with sections 59(1)(a) and (b) of the Companies Act, that:

- The record date for the purpose of receiving notice of the Annual General Meeting (being the date on which a shareholder must be registered in the Company's register of shareholders in order to receive notice of the Annual General Meeting), shall be the close of business on Thursday, 17 April 2025 (notice record date);
- The record date for the purpose of participating in and voting at the Annual General Meeting (being the date on which a shareholder must be registered in the Company's register of shareholders in order to participate in and vote at the Annual General Meeting), shall be the close of business on Friday, 6 June 2025 (voting record date);
- The last day to trade for the purpose of participating in and voting at the Annual General Meeting shall be the close of business on Tuesday, 3 June 2025; and
- The date by which forms of proxy for the Annual General Meeting are requested to be lodged is, for administrative purposes, 09:00 on Wednesday, 11 June 2025. Any forms of proxy not lodged by this date must be submitted to the Chairman of the Annual General Meeting immediately prior to the commencement of the meeting. The Chairman may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with the proxy notes, provided that he is satisfied as to the manner in which the shareholder concerned wishes to vote.

A. IF YOU HAVE DEMATERIALISED YOUR SHARES WITHOUT "OWN NAME" REGISTRATION

Voting at the Annual General Meeting

- If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP/broker and furnish them with your voting instructions;
- If your CSDP/broker does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP/broker; and
- You must NOT complete the attached form of proxy.

Attendance and representation at the Annual General Meeting

In accordance with the mandate between you and your CSDP/ broker, you must advise your CSDP/ broker if you wish to attend the Annual General Meeting in person, or if you wish to send a proxy to represent you at the Annual General Meeting. Your CSDP/broker will issue the necessary letter of representation to you or your proxy to attend the Annual General Meeting.

B. IF YOU HAVE NOT DEMATERIALISED YOUR SHARES OR HAVE DEMATERIALISED YOUR SHARES WITH "OWN NAME" REGISTRATION

Voting, attendance and representation at the Annual General Meeting

You may attend, speak and vote at the Annual General Meeting in person (including electronically).

Alternatively, you may appoint one or more proxies to represent you at the Annual General Meeting by completing the attached form of proxy in accordance with the instructions it contains. A proxy need not be a shareholder of the Company. Forms of proxy must be lodged with or posted to Computershare to be received within the allowable time periods prescribed by law.

C. ELECTRONIC PARTICIPATION

As allowed by the Companies Act and the Company's Memorandum of Incorporation, Master Drilling intends to offer shareholders reasonable access, through electronic facilities, to participate in the Annual General Meeting by means of a conference call facility. Shareholders will be able to listen to the proceedings and raise questions should they wish to do so and are invited to indicate their intention to make use of this facility by making application, in writing (including details as to how the shareholder or representative can be contacted) to Computershare at the address set out in this notice of Annual General Meeting. The application is to be received by Computershare at least 10 business days prior to the date of the Annual General Meeting i.e. by Thursday, 29 May 2025. Computershare will, by way of email, provide information enabling participation to those shareholders who have made application. Voting will, however, not be possible via the electronic facility and shareholders wishing to exercise their voting rights at the Annual General Meeting are required to be represented at the meeting either in person, by proxy or by letter of representation as provided for in this notice of Annual General Meeting.

Shareholders will be liable for their own network charges in relation to electronic participation at the Annual General Meeting. Any such charges will not be for the account of Master Drilling and/or Computershare. Neither Master Drilling nor Computershare can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating at the Annual General Meeting.

ORDINARY BUSINESS

Consideration of the annual financial statements and reports

The consolidated audited annual financial statements of the Company, together with the auditor's, Audit and Social, Ethics and Sustainability Committees' and directors' reports for the year ended 31 December 2024 will be presented to shareholders for consideration as required in terms of section 30(3)(d) of the Companies Act and are available on the Company's website at **www.masterdrilling.com**. Shareholders are reminded to obtain their own copies at **www.masterdrilling.com** so as to be able to follow any discussion.

1. ORDINARY RESOLUTION NUMBER 1: REAPPOINTMENT OF THE AUDITOR

"Resolved that BDO South Africa Incorporated is reappointed as the auditor of the Company, to hold office from the conclusion of the Annual General Meeting at which this resolution is passed until the conclusion of the next Annual General Meeting of the Company."

2. ORDINARY RESOLUTION NUMBER 2: RE-ELECTION OF NON-EXECUTIVE DIRECTOR RETIRING BY ROTATION

"Resolved that Mrs ME Ramathe, who retires by rotation at this Annual General Meeting pursuant to the Company's Memorandum of Incorporation and who is eligible and available for re-election, is hereby re-elected as a non-executive director of the Company."

As required by Clause 25.8 of the Company's Memorandum of Incorporation, the non-conflicted members of the Board and of its Nominations Committee recommend Mrs Ramathe's re-election based on their assessment of her eligibility, taking into account her past performance and contribution.

Mrs Ramathe's curriculum vitae appears on page 85 of the 2024 Integrated Report, available on **www.masterdrilling.com**.

3. ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF NON-EXECUTIVE DIRECTOR RETIRING BY ROTATION

"Resolved that Mr HJ Faul, who retires by rotation at this Annual General Meeting pursuant to the Company's Memorandum of Incorporation and who is eligible and available for re-election, is hereby re-elected as a non-executive director of the Company."

As required by Clause 25.8 of the Company's Memorandum of Incorporation, the non-conflicted members of the Board and of its Nominations Committee recommend Mr Faul's re-election based on their assessment of his eligibility, taking into account his past performance and contribution.

Mr Faul's curriculum vitae appears on page 85 of the 2024 Integrated Report, available on **www.masterdrilling.com**.

4. ORDINARY RESOLUTION NUMBER 4

Election of members of the Audit Committee

To elect, by way of separate ordinary resolutions, the following independent non-executive directors as members of the Company's Audit Committee, in terms of section 94(2) of the Companies Act, and subject to their election as directors (where applicable), to hold office until the conclusion of the next Annual General Meeting:

Resolved that the following persons be and are hereby elected as members of the Audit Committee:

Ordinary resolution number 4.1 – Mr AW Brink

Ordinary resolution number 4.2 – Mr AA Deshmukh

Ordinary resolution number 4.3 – Mrs ME Ramathe

Explanatory note to ordinary resolution number 4:

In terms of section 94(2) of the Companies Act, a public company must elect an audit committee at each annual general meeting. The Board is satisfied that each proposed member meets the requirements of section 94 and Regulation 42 of the Companies Regulations, 2011, and has the necessary skills and experience.

Mr Brink's curriculum vitae appears on page 85 of the 2024 Integrated Report, available on **www.masterdrilling.com**.

Mr Deshmukh's curriculum vitae appears on page 85 of the 2024 Integrated Report, available on **www.masterdrilling.com**.

5. ORDINARY RESOLUTIONS NUMBERS 5.1 TO 5.4: ELECTION OF MEMBERS OF THE SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE

5.1 Election of Mrs ME Ramathe as a member of the Social, Ethics and Sustainability Committee
"Subject to the passing of ordinary resolution number 2, resolved that Mrs Ramathe is elected as a member of the Social, Ethics and Sustainability Committee, to serve from the conclusion of the Annual General Meeting at which this resolution is passed until the conclusion of the next Annual General Meeting of the Company."

5.2 Election of Mr AA Deshmukh as a member of the Social, Ethics and Sustainability Committee
"Resolved that Mr AA Deshmukh is elected as a member of the Social, Ethics and Sustainability Committee, to serve from the conclusion of the Annual General Meeting at which this resolution is passed until the conclusion of the next Annual General Meeting of the Company."

5.3 Election of Mr HJ Faul as a member of the Social, Ethics and Sustainability Committee
"Subject to the passing of ordinary resolution 3, resolved that Mr HJ Faul is elected as a member of the Social, Ethics and Sustainability Committee, to serve from the conclusion of the Annual General Meeting at which this resolution is passed until the conclusion of the next Annual General Meeting of the Company."

5.4 Election of Mr FG Dixon as a member of the Social, Ethics and Sustainability Committee
"Resolved that Mr FG Dixon is elected as a member of the Social, Ethics and Sustainability Committee, to serve from the conclusion of the Annual General Meeting at which this resolution is passed until the conclusion of the next Annual General Meeting of the Company."

Mr Dixon's curriculum vitae appears on page 86 of the 2024 Integrated Report, available on **www.masterdrilling.com**.

In light of recent amendments to the Companies Act, shareholders are now required to elect the members of the Social, Ethics and Sustainability Committee at each Annual General Meeting.

The Company had previously constituted the Social, Ethics and Sustainability Committee in accordance with section 72(4) of the Companies Act and Regulation 43 of the Companies Regulations.

6. ORDINARY RESOLUTION NUMBER 6: GENERAL AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE ORDINARY SHARES

"Resolved that, subject to the provisions of the Companies Act and the Johannesburg Stock Exchange Limited (JSE) Listings Requirements from time to time, the directors of the Company are, as a general authority and approval, authorised to allot and issue, for such purposes and on such terms as they may in their discretion determine, ordinary shares of no par value each in the authorised but unissued share capital of the Company, up to a maximum of 5% of the number of ordinary shares of no par value each in issue from time to time."

Ordinary resolution number 6 is to seek a general authority and approval for the directors to allot and issue ordinary shares, up to a maximum of 5% of the ordinary shares of the Company in issue from time to time, in order to enable the Company to take advantage of business opportunities which might arise in the future.

Pursuant to the Company's Memorandum of Incorporation, this general authority shall be valid only until the next Annual General Meeting of the Company, at which time it may be submitted for renewal.

7. ORDINARY RESOLUTION NUMBER 7: GENERAL AUTHORITY TO DIRECTORS TO ISSUE FOR CASH, IN RESPECT OF THOSE ORDINARY SHARES WHICH THE DIRECTORS ARE AUTHORISED TO ALLOT AND ISSUE

"Resolved that, subject to ordinary resolution number 6 being passed, the directors are authorised, in accordance with the JSE Listings Requirements, to allot and issue for cash, on such terms and conditions as they may deem fit, all or any of the ordinary shares of no par value each (ordinary shares) in the authorised but unissued share capital of the Company which they shall have been authorised to allot and issue in terms of ordinary resolution number 6, subject to the following conditions:

7.1 This authority shall be limited to a maximum number of 7 526 839 shares (being 5% of the issued ordinary shares in the share capital of the Company, excluding treasury shares, as at the date of the notice convening the Annual General Meeting at which this ordinary resolution number 7 is to be proposed);

7.2 The equity securities which are the subject of the issue for cash must be of a class already in issue;

NOTICE OF ANNUAL GENERAL MEETING continued

7.3 This authority shall only be valid until the next Annual General Meeting of the Company but shall not extend beyond 15 months;

7.4 An announcement, in compliance with section 11.22 of the JSE Listings Requirements, shall be published after any issue representing, on a cumulative basis within the year contemplated in paragraph 7.3 above, 5% (7 526 839) of the number of ordinary shares in issue prior to the issue concerned excluding treasury shares;

7.5 In the event of a sub-division or consolidation of issued shares during the period contemplated in paragraph 7.3 above, this authority must be adjusted accordingly to represent the same allocation ratio;

7.6 In determining the price at which an issue of ordinary shares for cash shall be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of the ordinary shares on the JSE over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities, and adjusted accordingly to represent the same allocation ratio;

7.7 Any issue of ordinary shares under this authority shall be made only to public shareholders as defined in the JSE Listings Requirements, and subject to paragraph 7.8 not to related parties.

7.8 Related parties may participate in a general issue for cash through a bookbuild process provided:

- Related parties may only participate with a maximum bid price at which they are prepared to take up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be "out of the book" and not be allocated shares; and
- Equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the Stock Exchange News Service announcement launching the bookbuild.

7.9 Any equity securities already issued under the authority during the period contemplated in paragraph 7.3, must be deducted from such number in paragraph 7.1.

The purpose of ordinary resolution number 7 is that the directors consider it advantageous to have the authority to issue ordinary shares for cash in order to enable the Company to take advantage of any business opportunity which might arise in the future.

It should be noted that this authority relates only to those ordinary shares which the directors are authorised to issue in terms of ordinary resolution number 6 and is not intended to (nor does it) grant the directors authority to issue ordinary shares over and above the ordinary shares which the directors are authorised to issue in terms of ordinary resolution number 7.

In terms of the JSE Listings Requirements, a 75% majority of the votes cast by shareholders present in person or represented by proxy at the Annual General Meeting is required for the approval of ordinary resolution number 7.

8. ORDINARY RESOLUTION NUMBER 8: APPROVAL OF THE MASTER DRILLING REMUNERATION POLICY

"To consider and approve the remuneration policy as contained in the remuneration report of the Company on pages 94 to 106 of the 2024 Integrated Report, available on **www.masterdrilling.com** (excluding the remuneration of directors for their services as directors and members of the Board and Board committees) in terms of the King IV Report on Corporate Governance for South Africa, 2016™ (King IV™)."

Shareholders are reminded that in terms of King IV™, the passing of this ordinary resolution is by way of a non-binding advisory vote. Should 25% or more of the votes cast vote against this ordinary resolution, Master Drilling undertakes to engage with shareholders as to their reasons therefor.

9. ORDINARY RESOLUTION NUMBER 9: REPORT ON THE IMPLEMENTATION OF THE MASTER DRILLING REMUNERATION POLICY

"To consider and approve the implementation of the Master Drilling remuneration policy, details of which are set out in the remuneration report of the Company on pages 94 to 106 of the 2024 Integrated Report, available on **www.masterdrilling.com** in terms of King IV™."

Shareholders are reminded that in terms of King IV™, the passing of this ordinary resolution is by way of a non-binding advisory vote. Should 25% or more of the votes cast vote against this ordinary resolution, Master Drilling undertakes to engage with shareholders as to the reasons therefor.

SPECIAL BUSINESS

For special resolutions numbers 1 to 3 (inclusive) to be adopted, at least 75% of the voting rights exercised on the applicable special resolution must be exercised in favour thereof.

10. SPECIAL RESOLUTION NUMBER 1: ACQUISITION OF THE COMPANY'S OWN SHARES

"Resolved, pursuant to the Company's Memorandum of Incorporation, that the acquisition by the Company or by any of the Company's subsidiaries from time to time, of ordinary shares issued by the Company, in accordance with the Companies Act and the JSE Listings Requirements, is hereby authorised by way of a general approval, provided that:

- Any such acquisition of shares shall be effected through the order book operated by the JSE trading system or on the open market of any other stock exchange on which the shares are or may be listed, subject to the approval of the JSE and of the relevant other stock exchange, as applicable, in either event without any prior understanding or arrangement between the Company and the counterparty;
- Authorisation thereto is given by the Memorandum of Incorporation;
- This approval shall be valid only until the next Annual General Meeting of the Company, or for 15 months from the date of passing of this resolution, whichever period is shorter;
- Shares issued by the Company may not be acquired at a price greater than 10% above the weighted average market price of the Company's shares for the five business days immediately preceding the date of the acquisition being effected;
- The Company only appoints one agent to effect any acquisitions on its behalf;
- The Board has resolved to authorise the acquisition and that the Company and its subsidiaries shall satisfy the solvency and liquidity test immediately after the acquisition and that, since the test was done, there have been no material changes to the financial position of the Group;
- The Company may not, in any one financial year, acquire in excess of 5% of the Company's issued ordinary share capital as at the date of passing of this resolution;
- An announcement containing details of such acquisitions shall be published as soon as the Company and/or the subsidiaries, collectively, shall have acquired ordinary shares issued by the Company constituting, on a cumulative basis, not less than 3% of the number of ordinary shares in the Company in issue as at the date of this approval, and an announcement containing details of such acquisitions will be published in respect of each subsequent acquisition by either the Company and/or the subsidiaries, collectively, of ordinary shares issued by the Company, constituting, on a cumulative basis, not less than 3% of the number of ordinary shares in the Company in issue as at the date of this approval;
- The acquisition of shares by the Company or its subsidiaries may not be effected during a prohibited period, as defined in the JSE Listings Requirements, unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been submitted in writing to the JSE prior to the commencement of the prohibited period;
- The Company's subsidiaries shall not be entitled to acquire ordinary shares issued by the Company if the acquisition of shares will result in them holding, on a cumulative basis, more than 10% of the number of ordinary shares in issue in the Company; and
- The shares acquired by the Company's subsidiaries shall not carry with them any voting rights."

The purpose and effect of this special resolution is to grant a general authority for the acquisition of the Company's ordinary shares by the Company, or by a subsidiary or subsidiaries of the Company, should the directors deem that to be in the best interest of the Company and its shareholders.

The directors believe that the Company should retain the flexibility to take action if future acquisitions of its shares were considered desirable and in the best interests of the Company and its shareholders.

The directors shall ensure at the time of the Company's commencement of any acquisitions of its own shares, after considering the effect of acquisitions, up to the maximum limit, of the Company's issued ordinary shares, that they are of the opinion that if such acquisitions were implemented:

- The Company and the Group would be able in the ordinary course of business to pay its debts for a period of 12 months after the repurchase;
- The assets of the Company and the Group would be in excess of the liabilities of the Company and the Group for a period of 12 months after the repurchase. For this purpose, the assets and liabilities would be recognised and measured in accordance with the accounting policies used in the latest audited Group consolidated annual financial statements; and
- The ordinary capital and reserves of the Company and the Group would be adequate for ordinary business purposes for a period of 12 months after the date of the notice issued in respect of the Annual General Meeting, and the working capital of the Company and the Group would be adequate in the ordinary course of business for a period of 12 months after the date of the repurchase.

Prior to executing an acquisition of the Company's own shares under this authority granted in terms of special resolution number 1, the directors will submit to the JSE the required confirmation of the adequacy of working capital.

In terms of section 11.26 of the JSE Listings Requirements, the following information is disclosed in the 2024 Integrated Report, available on **www.masterdrilling.com**:

- Directors and management – pages 85 and 86;
- Major shareholders – page 151;
- Material change statement – page 159;
- Directors' interest in securities – page 106; and
- Share capital of the Company – page 151.

11. SPECIAL RESOLUTION NUMBER 2: NON-EXECUTIVE DIRECTORS' FEES

"Resolved, as special resolution number 2, in terms of section 66(9) of the Companies Act, that the remuneration, as set out in the following table, to be paid to non-executive directors for their services as directors of the Company (with effect from 1 July 2025), as recommended by the Remuneration Committee and the Board to the shareholders at the Annual General Meeting, is hereby approved, as well as payment of such value added tax as may be attributable to non-executive directors' fees payable by the Company."

Note:
The Board has recommended a 5% increase in the fees paid to non-executive directors.

The recommended fees to take effect from 1 July 2025 are set out more fully as follows. The annual basic remuneration is an annual fee payable in four equal quarterly amounts. The remuneration reflected as follows for meeting attendance is payable quarterly per meeting/s attended.

	ZAR
Annual basic remuneration, to be paid quarterly	
Non-executive Chairman of the Board	535 243
Non-executive member of the Board, including the Lead Independent Director	133 811
Fees per meeting attended by the members of the Board and of the Board committees, to be paid quarterly	
Chairman of the Board	116 421
Non-executive member of the Board	40 148
Chairman of the Audit Committee	40 148
Chairman of the Risk Committee	40 148
Chairman of the Social, Ethics and Sustainability Committee	33 458
Chairman of the Corporate Governance Committee	26 769
Chairman of the Remuneration Committee	33 458
Chairman of the Nominations Committee	28 102
Chairman of an ad hoc committee	28 102
Member of the Audit Committee	28 102
Member of the Risk Committee	28 102
Member of the Social, Ethics and Sustainability Committee	16 057
Member of the Corporate Governance Committee	8 035
Member of the Remuneration Committee	13 391
Member of the Nominations Committee	12 046
Member of an ad hoc committee	12 046

The table above reflects a 5% increase for 2025 as well as some adjustments in certain committee fees to align these with the activities of the committees. The directors' fees comprise a fixed annual portion as annual basic remuneration and a portion based on attendance at Board and committee meetings.

The fees payable in terms of special resolution number 2 will be in accordance with the agreed fees between the Company and the directors for both Board and committee attendance during the ensuing year.

The purpose and effect of special resolution number 2 is to reward non-executive directors for their services as directors, in line with best practice.

12. SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT

"Resolved, to the extent required by the Companies Act, that the shareholders hereby approve of Master Drilling providing, at any time and from time to time during the period of 2 (two) years, commencing on the date of this special resolution, if passed and becoming effective, any direct or indirect financial assistance as contemplated in sections 44 and 45 of the Companies Act to any 1 (one) or more related or inter-related companies or corporations of Master Drilling, provided that:

- The recipient or recipients of such financial assistance;
- The form, nature and extent of such financial assistance; and
- The terms and conditions under which such financial assistance is provided,

are determined by the Board from time to time.

The Board may not authorise Master Drilling to provide any financial assistance pursuant to this special resolution unless the Board meets all those requirements of section 45 of the Companies Act which it is required to meet, and such financial assistance to a recipient thereof is, in the opinion of the Board, required for the purpose of:

- Meeting all or any of such recipient's operating expenses (including capital expenditure);
- Funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient; and/or
- Funding such recipient for any other purpose which in the opinion of the Board is directly or indirectly in the interest of Master Drilling."

The purpose and effect of special resolution number 3, if passed and becoming effective, is to allow Master Drilling to grant direct or indirect financial assistance to any company or corporation forming part of the Group, including in the form of loans or the guaranteeing of their debts and/or obligations.

RESPONSIBILITY

The directors whose names appear on pages 85 and 86 of the 2024 Integrated Report, available on **www.masterdrilling.com**, collectively and individually accept full responsibility for the accuracy of the information given in this notice and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this notice contains all information required by law and the JSE Listings Requirements.

NO MATERIAL CHANGES

Other than the facts and developments reported on in the 2024 Integrated Report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the audit report and the date of this notice.

By order of the Board

Hennie van der Merwe
Chairman of the Board

30 April 2025

SHAREHOLDERS' DIARY

Financial year-end	31 December 2024
Annual results 2023	Published on 25 March 2025
2024 Integrated Report	Published on 30 April 2025
Annual General Meeting 2024	12 June 2025
Interim results 2024	Published on or about 26 August 2025

FORM OF PROXY

MASTER DRILLING GROUP LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2011/008265/06
JSE share code: MDI ISIN: ZAE000171948
LEI: 37890095B2AFC611E529
(**Master Drilling** or **the Company**)

FORM OF PROXY FOR MASTER DRILLING SHAREHOLDERS

Only for use by certificated shareholders or those dematerialised shareholders of the Company who have selected "own name" registration.

For use by Master Drilling shareholders at the Annual General Meeting of shareholders to be held at Master Drilling Group Limited's conference room, 4 Bosman Street, Fochville on Thursday, 12 June 2025 at 09:00 and at any adjournment of that meeting.

If you have dematerialised your shares with a Central Securities Depository Participant (CSDP) or broker and have not selected "own name" registration, you must arrange with your CSDP or broker to provide you with the necessary letter of representation to attend the general meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the custody agreement entered into between you and the CSDP or broker.

I/We (Names in full in BLOCK LETTERS) ______________________

of (address) ______________________

being the holder/s of __________ shares in the issued ordinary share capital of Master Drilling hereby appoint:

1. __________ of __________ or failing him/her,

2. __________ of __________ or failing him/her,

3. the Chairman of the Annual General Meeting,

as my/our proxy/ies to attend, speak and on a poll to vote or abstain from voting on my/our behalf at the Annual General Meeting or at any adjournment thereof for the purpose of considering and, if deemed fit, passing with or without modification, the following resolutions to be considered at the Annual General Meeting in accordance with the following instructions:

Please indicate with an "X" in the appropriate spaces how votes are to be cast	For	Against	Abstain
Ordinary resolution number 1: Reappointment of BDO South Africa Incorporated as the external auditor			
Ordinary resolution number 2: Re-election of Mrs ME Ramathe as a non-executive director			
Ordinary resolution number 3: Re-election of Mr HJ Faul as a non-executive director			
Ordinary resolution number 4: Election of members of the Audit Committee			
Ordinary resolution number 4.1: Mr AW Brink			
Ordinary resolution number 4.2: Mr AA Deshmukh			
Ordinary resolution number 4.3: Mrs ME Ramathe			
Ordinary resolution number 5.1: Election of Mrs ME Ramathe as a member of the Social, Ethics and Sustainability Committee of the Company			
Ordinary resolution number 5.2: Election of Mr AA Deshmukh as a member of the Social, Ethics and Sustainability Committee of the Company			
Ordinary resolution number 5.3: Election of Mr HJ Faul as a member of the Social, Ethics and Sustainability Committee of the Company			
Ordinary resolution number 5.4: Election of Mr FG Dixon as a member of the Social, Ethics and Sustainability Committee of the Company			
Ordinary resolution number 6: General authority to directors to allot and issue ordinary shares			
Ordinary resolution number 7: General authority to directors to issue for cash, those ordinary shares placed under the control of the directors in terms of ordinary resolution number 6			
Ordinary resolution number 8: Approval of the Master Drilling remuneration policy			
Ordinary resolution number 9: Approval of the implementation report on the Master Drilling remuneration policy			
Special resolution number 1: Acquisition of the Company's own shares			
Special resolution number 2: Non-executive directors' fees			
Special resolution number 3: Approval to grant financial assistance in terms of sections 44 and 45 of the Companies Act			

Signed at __________ on __________ 2025

Name of shareholder/joint holders
Assisted by (if applicable) ______________________

Full name/s of signatory/ies if signing in a representative capacity ______________________

(In block letters and authority to be attached – refer to note 7 on page 161).

NOTES TO THE FORM OF PROXY

1. Every shareholder present in person or represented by proxy and entitled to vote at the Annual General Meeting of the Company shall, on a show of hands, have only one vote, irrespective of the number of shares such shareholder holds. In the event of a poll, the total number of votes exercised and/or abstained on by the shareholder or his/her proxy shall be counted, provided that such votes shall not exceed the total of the votes exercisable by the shareholder and the proxy.

2. A signatory to this form of proxy may insert the name of a proxy or the name of an alternate proxy of the signatory's choice in the blank spaces provided, with or without deleting "the Chairman of the Annual General Meeting", but such deletion must be signed in full by the signatory. Any insertion or deletion not complying with the foregoing will be deemed not to have been validly effected. The person present at the Annual General Meeting, whose name appears first on the list of names overleaf, shall be the validly appointed proxy for the shareholder at the Annual General Meeting.

3. A shareholder's instructions to the proxy must be indicated in the appropriate spaces provided. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, or to cast all those votes in the same way, but the total of votes cast and in respect whereof abstention is directed, may not exceed the total of the votes exercisable by the shareholder or the proxy. Failure to comply with the above or to provide voting instructions or the giving of contradictory instructions will be deemed to authorise the proxy, if he is the Chairman of the Annual General Meeting, to vote in favour of all resolutions at the Annual General Meeting in respect of all the shareholder's votes exercisable at the Annual General Meeting or if he/ she is not the Chairman of the Annual General Meeting, to vote or abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable at the Annual General Meeting.

4. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.

5. A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the share in respect of which the proxy is given, unless written notice as to any of the aforementioned matters shall have been received by Computershare prior to the commencement of the Annual General Meeting, or at any adjournment thereof.

6. Any alteration or correction made to this form of proxy must be signed in full and not merely initialled by the signatory.

7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Computershare.

8. A minor must be assisted by his/her guardian and the relevant documentary evidence establishing his/her legal capacity must be attached to this form of proxy unless previously recorded by Computershare.

9. When there are joint holders of shares, any one holder may sign the form of proxy.

10. The completion and lodging of this form of proxy will not preclude the shareholder who grants the proxy from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such shareholder wish to do so.

11. The Chairman of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that he is satisfied as to the manner in which the shareholder concerned wishes to vote.

12. The appointment of a proxy or proxies:
    - 12.1 is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
    - 12.2 is revocable in which case a shareholder may revoke the proxy appointment by:
        - cancelling it in writing or making a later inconsistent appointment of a proxy; and
        - delivering a copy of the revocation instrument to the proxy and to the Company.

13. Forms of proxy must be lodged with or posted to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to **proxy@computershare.co.za** and are requested to be lodged timeously so as to be received, for administrative purposes, by 09:00 on Wednesday, 11 June 2025. Any forms of proxy not lodged by this date must be handed to the Chairman of the Annual General Meeting immediately prior to the commencement of the meeting. The Chairman may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with the proxy notes, provided that he is satisfied as to the manner in which the shareholder concerned wishes to vote.

DEFINITIONS AND GLOSSARY

GLOSSARY

A&R Group	A&R Engineering and Mining Services Proprietary Limited and related companies
AI	Artificial intelligence
AVA	Applied Vehicle Analysis Proprietary Limited
B-BBEE	Broad-based black economic empowerment
Board	The Board of Directors of Master Drilling Group Limited
Capex	Capital expenditure
CoE	Centre of Excellence
Companies Act	The South African Companies Act (Act 71 of 2008)
COSO	Committee of Sponsoring Organisations of the Treadway Commission
COVID-19	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
cps	Cents per share
CSDP	Central Securities Depository Participant
CSI	Corporate social investment
DEI	Diversity, equity, and inclusion
DPR	Disabled Persons Rate
DPS	Dividend per share
DRC	Democratic Republic of Congo
E6	Element Six
EAP	Employee assistance programme
EQ	Emotional quotient
ESG	Environmental, social and governance

Group	Master Drilling Group Limited and its subsidiaries and associates
Hall Core	Hall Core Holdings Proprietary Limited
HCIL	Hall Core International Limited
IAS	International Accounting Standards
IFRS Accounting Standards	International Financial Reporting Standards
<IR Framework>	International Integrated Reporting Council Framework
ISO	International Organisation for Standardisation
ISO 9001	ISO quality management system
ISO 31000	Risk management framework
ISO 45001	Occupational health and safety management system
ISO 14001	Framework for environmental management systems
IT	Information technology
JSE	Johannesburg Stock Exchange Limited
King IV™	King IV Report on Corporate Governance for South Africa, 2016™
km	Kilometre
KPI	Key performance indicator
LMS	Learning Management System
LTI	Long-term incentive
LTIFR	Lost time injury frequency rate
m	Metre
Master Drilling or the Company	Master Drilling Group Limited
MD	Master Drilling
MDI	Master Drilling, JSE share code
MDX	Master Drilling Exploration Proprietary Limited
MPL	Missing Person Locator
MTB	Mobile Tunnel Borer

DEFINITIONS AND GLOSSARY continued

NPO	Non-profit organisation
NQF	National Qualifications Framework
ORM	Object-relational mapping
R&D	Research and development
RCE	Reverse circulation equipment
Remco	Remuneration Committee
SBS	Shaft Boring System
SHEQ	Safety, health, environmental and quality
SLPs	Social and Labour Plans
SMS	Short Message Service
SOS	Share option scheme
SPR	Special performance reward
STI	Short-term incentive
TGP	Total gross package
TMMS	Comprehensive Maintenance Management System
UN SDGs	United Nations Sustainable Development Goals
USA	United States of America
YES	Youth Employment Service

OPERATIONAL DEFINITIONS

Air rotary drilling	Air rotary drilling is most commonly used for the application of large-diameter blast holes in the surface or opencast mining industry and is similar to the blast hole application of percussion drilling. This type of drilling is often used in weak ground, when a raise boring rig is used to establish a pilot hole for paste, utility holes or a raise bored shaft.
Blind hole boring	Blind hole boring or enlargement is used for the construction of access or ventilation shafts for the mining industry in various forms. In the urban infrastructure industry, this form of boring is used for access and ventilation shafts ranging from metro tunnels to underground storage areas such as parking garages. In the energy sector it is used for surge, ventilation, access and pressure shafts.
Box hole drilling	Most box holes are drilled in underground mining applications, where bottom access is available in a production section. The holes are drilled from the bottom up to intersect with the orebody. When mining activity reaches this hole, it may be used as a transfer pass for dropping material from the reef/ore horizon downwards where it can be collected and transported, or as a ventilation shaft to the mining location. In some cases, the shaft is equipped with a chute to hold a certain volume of material, similar to a small silo. In other cases, it is used for transfer passes into an existing ore pass or where construction of material handling infrastructure is already in place and explosives cannot be used to create an excavation. In addition, it is used for trough passes in block cave mines.

DEFINITIONS AND GLOSSARY continued

Core drilling	Core drilling is used in surface and underground mining for delineation of an orebody and resource definition and valuation. Cover drilling is used in tunnel infrastructure to ensure that no methane pockets of air are mined into and for water-bearing areas that could potentially flood the underground infrastructure. In addition, core drilling is used for the geotechnical evaluation of the nature, material properties and type of rock for the purposes of designing a certain size shaft, tunnel or stopping panel to be used for the calculation of the type and amount of rock support required. In many cases, core drilling is used for resource definition, which enables engineers to see the exact position in relation to an access tunnel of a certain geological feature of interest in the construction of infrastructure or in mining. On the surface, it is similar, depending on the stage of exploration of grid holes for resource estimation and information purposes. This is optimised to a finer grid as mining operations start and finer detail is required. In the construction or urban infrastructure industries, core drilling is mainly used for geotechnical information in the design of foundations for bridges, buildings, tunnels, etc. In the energy industry, core drilling is used for collecting core in gas, oil, coal or uranium carrying geology. The sample is stored and tested in a laboratory to understand the yield of energy that could be extracted from this type of geology and the nature of the structure.
Mud rotary drilling	Mud rotary drilling is used in the mining industry for the drilling of utility, paste, de-watering and other infrastructure holes. In urban infrastructure, it is used predominantly for water wells and horizontal directional drilling, while the most common use in the energy sector is the drilling of coalbed methane, shale gas, gas, oil and geothermal holes. Mud rotary drilling is also commonly used for the directional drilling of horizontal wells.
Percussion drilling	Percussion drilling is a mobile type of drilling with fast production rates. The drilling assembly down the hole comprises a button bit fitted to a precipitating hammer with drill rods to the drill rig. Percussion drilling is commonly used to establish a hole in the ground quickly. When used for sampling geology, it is referred to as reverse air blast or RAB drilling. The most common use for this type of drilling is for the drilling of de-watering holes on opencast mines, water wells for domestic use, blast holes for the injection of explosives during mining, utility holes used for cables and production wells for oil and gas. In many cases, these types of holes are also established for diamond tailing, which refers to the establishment of a fast hole by percussion drilling to a particular depth of no geological importance and then to diamond tail the hole with core drilling.
Piling	We predominantly use piling for the construction of circular secant pile walls to establish a barrel from surface through unconsolidated ground socketed into fresh rock.
Piloting	Some drilling methods require pre-drilling operations to ensure hole accuracy and stability or to enable the subsequent process. The pilot process is usually executed using percussion or mud rotary drilling methods.
Reaming	Reaming is the process of enlarging an existing hole. This can be done by re-drilling a pilot hole using a large cutter, hammer, bit or reaming shell. In the raise boring application, the pilot hole can be enlarged by drawing a large-diameter reamer head from the bottom of the hole upwards.
Reef boring	Reef boring is used where vein orebodies are narrow. The equipment is moved underground and positioned in such a way that it can drill a hole on the reef horizon, whether down dip, up dip or on strike. Small single pass holes are drilled and, if required, enlarged by reaming.
Reverse circulation drilling	Reverse circulation drilling is a cost-effective way for resource definition and very effective for grade control drilling to determine the accurate composition of the orebody that will be mined just before blasting.
Semi-skilled	C-lower and B-upper level employees e.g. artisan aids and operators.

DEFINITIONS AND GLOSSARY continued

Skilled	Using the Paterson grading model, skilled employees are classified as upper level employees from C4 level e.g. managers, skilled artisans, foremen and administrators.
Slot hole boring	Slot hole boring is similar to traditional raise and box hole boring. The raise boring configuration can be adapted so that a pilot hole is drilled downward and then reamed from the top down, instead of from the bottom up, depending on the mining method required. Slot hole boring systems are faster moving than the other conventional boring methods as the length of boring is shorter and normally a number of holes are required. There is no sequence to the holes and a suite of equipment can easily move between levels, lodes or east/west sections of a mine, between holes.
Trackless mining	Mobile equipment not using mining tracks i.e. the mobile unit uses its own wheels or method of movement.
Tunnel boring	Tunnel boring is used to excavate tunnels with a circular cross-section through a variety of soil and rock strata, varying from hard rock to sand. This method is used for the construction of metro, utility (waste water pipes, communication, etc.), fresh/waste water collection/removal, railway tunnels in the transport and urban infrastructure industries. In the mining industry, it is used for the construction of access tunnels to orebodies in either a decline-type ramp or horizontal haulage format. There are various other applications where it is effective for the opening up of blocks of ground and increasing the mine's footprint such as finger raises. For energy-type projects, tunnel boring is predominantly used in hydro-energy or pumped storage projects for the use of tailrace tunnels. It is also used for nuclear waste storage facility construction.
Unskilled	Wage workers e.g. raise bore assistants, general workers and cleaners.

FINANCIAL DEFINITIONS

CLP	Chilean Peso
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
HEPS	Headline earnings per share
ROCE	Return on capital employed = Earnings before interest and tax / (Total assets – current liabilities)
SEK	Swedish Krona
The year	The year ended 31 December 2024
USD	United States Dollar
ZAR	South African Rand

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
Chief Executive Officer and founder
André Jean van Deventer
Financial Director and Chief Financial Officer
Barend Jacobus (Koos) Jordaan
Technical Director
Gareth (Gary) Robert Sheppard*
Alternate Director
Fred (Eddie) George Dixon
Alternate Director

* *Resident of the United States of America.*

Non-executive

Hendrik (Hennie) Roux van der Merwe
Chairman and independent non-executive
Andries Willem Brink
Independent non-executive
Akhter Alli Deshmukh
Independent non-executive
Hendrik Johannes Faul
Independent non-executive
Mamokete Ramathe
Independent non-executive

COMPANY SECRETARY

Andrew Colin Beaven
6 Dwars Street
Krugersdorp, 1739
South Africa

PO Box 158, Krugersdorp, 1740
South Africa

INDEPENDENT AUDITOR

BDO South Africa Incorporated
52 Corlett Drive
Illovo, 2196
South Africa

JSE SPONSOR

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

INVESTOR RELATIONS CONTACT

Izak Bredenkamp
Master Drilling Group Business Development Manager
Telephone: +27 18 771 8100
Mobile: +27 71 179 2039
Email: **info@masterdrilling.com**

SHARE TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
Private Bag X9000
Saxonwold, 2132
South Africa
Email: **proxy@computershare.co.za**

GENERAL QUERIES

Email: **info@masterdrilling.com**

MASTER DRILLING WEBSITE

www.masterdrilling.com

COMPANY SECRETARIAL EMAIL

Companysecretary@masterdrilling.com

*Master Drilling posts information that is important to investors on the main page of its website at **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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WWW.MASTERDRILLING.COM