



//// underground mining excellence

FY17 HALF YEAR BUSINESS UPDATE



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INTRODUCTIONS

Peter Stokes

Chief Executive Officer



- Peter Stokes was appointed Chief Executive Officer of Barmenco in February 2013 and has over 25 years of resources and mining services experience
- Prior to joining Barmenco, Peter served as the Chief Operating Officer at Linfox Pty Ltd, Australia's second largest logistics provider
- Peter was also previously a Partner in the resources practice of Accenture

Peter Bryant

Chief Financial Officer and Company Secretary



- Peter Bryant was appointed Chief Financial Officer in April 2013 and has over 25 years of financial and company secretarial experience
- Prior to joining Barmenco, Peter held leadership roles, including Chief Financial Officer and Company Secretary, at Seven West Media and engineering and development group GRD Limited, both of which were in the ASX 100
- Peter commenced his career with Ernst & Young

HALF YEAR HIGHLIGHTS

- Industry leading safety performance continues
- Rampura Agucha contract with Hindustan Zinc commenced
- Kundana continues ramp-up
- Sukari update
- Scope increases on current projects
- AUMS update
- Results consistent with guidance

MAJOR MINING CONTRACTS CONTRIBUTING TO FY17 HALF YEAR RESULTS

BARMINCO

PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	COMMENCEMENT	CONTRACT END DATE
Sunrise Dam	AngloGold Ashanti	Au	WA	2003	QTR 4 – FY19
Flying Fox	Western Areas	Ni	WA	2004	QTR 4 – FY17
Spotted Quoll	Western Areas	Ni	WA	2011	QTR 4 – FY17
Sukari	Centamin	Au	Egypt	2009	QTR 2 – FY22
Agnew	Gold Fields	Au	WA	2010	QTR 4 – FY18
Dugald River	MMG	Zn	QLD	2012	QTR 4 – FY21
Rosebery	MMG	Zn	TAS	2004	QTR 4 – FY21
Nova Bollinger	Sirius Resources/ Independence Group	Ni	WA	2015	QTR 3 – FY18
Gordon Sirdar	FMR Investments	Au	WA	2016	QTR 2 – FY17
Kundana	Northern Star/East Kundana Joint Venture	Au	WA	2017	QTR 4 – FY19
Rampura Agucha	Hindustan Zinc	Zn	India	2017	QTR 2 – FY20

AUMS

PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	COMMENCEMENT	CONTRACT END DATE
Yaramoko	Roxgold Inc	Au	Burkina Faso	2015	QTR 4 – FY19
Geita	AngloGold Ashanti	Au	Tanzania	2016	QTR 1 – FY19
Subika	Newmont	Au	Ghana	2017	QTR 3 – FY22

PROPORTIONATELY CONSOLIDATED P&L (BARMINCO AND 50% SHARE OF AUMS)

- Proportionately consolidated EBITDA up 2.3%
- Proportionately consolidated Trading EBIT down 8.3% pcpc due to increase in depreciation

	Dec-16 (Half Year)				Dec-15 (Half Year)		
	Barmenco	AUMS 50%	TOTAL		Barmenco	AUMS 50%	TOTAL
	A\$M	A\$M	A\$M		A\$M	A\$M	A\$M
Revenue	292.6	43.2	335.8		263.5	47.6	311.1
Project Costs	239.6	28.8	268.4		212.3	32.9	245.2
EBITDA	53.0	14.4	67.4		51.2	14.7	65.9
Depreciation	30.4	4.3	34.7		25.1	4.2	29.3
Amortisation	0.5	-	0.5		0.3	-	0.3
Trading EBIT	22.1	10.1	32.2		25.8	10.5	36.3
Redundancy Costs	0.3	-	0.3		1.5	-	1.5
EBIT	21.8	10.1	31.9		24.3	10.5	34.8

HALF YEAR RESULTS

(EXCLUDING AUMS)

- Revenue up due to Kundana, however EBITDA margin soft due to planned ramp ups
- Depreciation expense up significantly due to growth capex spend at Kundana, Sunrise and Nova
- Trading EBIT of \$22.1m down \$3.7m on prior half year due to increase in depreciation

	Dec-16 HALF YEAR \$M	Dec-15 HALF YEAR \$M	Dec-16 QTR \$M	Sep-16 QTR \$M
Revenue				
Mining	267.9	236.3	135.3	132.6
Diamond Drilling	22.5	25.4	11.3	11.2
Other	2.2	1.8	1.0	1.2
Total Revenue	292.6	263.5	147.6	145.0
Project Costs	241.5	212.1	122.5	119.0
Project EBITDA				
Mining	48.2	48.8	23.6	24.6
Diamond Drilling	2.7	2.5	1.5	1.2
Crushing	0.1	0.1	0.1	-
Other	0.1	-	(0.1)	0.2
Total Project EBITDA	51.1	51.4	25.1	26.0
Shared Services Costs				
Operational & Admin Services	15.5	16.2	7.3	8.2
SS Allocation	(17.4)	(16.0)	(9.0)	(8.4)
EBITDA	53.0	51.2	26.8	26.2
Depreciation	30.4	25.1	15.3	15.1
Amortisation	0.5	0.3	0.3	0.2
Trading EBIT	22.1	25.8	11.2	10.9
Redundancy Costs	0.3	1.5	0.1	0.2
EBIT	21.8	24.3	11.1	10.7

SUMMARY OF RESULTS - AUMS

(BARMINCO'S 50% SHARE)

- AUMS is outside the HYB Credit Group
- Strong start to FY17 underpinned by Yaramoko project

	Dec-16 HALF YEAR A\$M	Dec-15 HALF YEAR A\$M
Revenue	43.2	47.6
EBITDA	14.4	14.7
<i>EBITDA Margin</i>	33.3%	30.8%
Depreciation	4.3	4.2
EBIT	10.1	10.5
Net Interest	0.2	(0.1)
Tax	2.7	3.4
NPAT	7.2	7.2
Elimination Entries and Adjustments (AUD)	0.5	1.3
Equity Accounted Share of Profits (AUD)	7.7	8.5

BALANCE SHEET

(BARMINCO EXCLUDING AUMS)

- Cash balance of \$69.3m
- Revolving credit facility of \$17.5m effectively undrawn
- HP liability includes Kundana assets

		Dec-16 \$M	Jun-16 \$M	Dec-15 \$M
Current Assets	Cash and Cash Equivalents	69.3	70.6	85.4
	Trade and Other Receivables	61.9	48.5	65.0
	Inventories	21.6	19.7	21.8
	Other	2.2	3.1	4.9
	Total Current Assets	155.0	141.9	177.1
Non-Current Assets	Property, Plant & Equipment	143.1	116.4	116.0
	Intangible Assets	260.3	260.8	258.9
	Derivatives	6.6	-	0.1
	Investment in Joint Venture (AUMS)	71.6	69.5	68.1
	Deferred Tax Asset	79.3	75.3	-
	Other	1.8	1.9	2.3
	Total Non-current Assets	562.7	523.9	445.9
Total Assets		717.7	665.8	622.9
Current Liabilities	Trade, Other Payables & Provisions	70.7	57.4	62.8
	HP Liabilities	13.3	5.1	2.9
	Employee Benefits and Other	26.7	23.7	25.0
	Total Current Liabilities	110.7	86.2	90.7
Non-Current Liabilities	HP Liabilities	25.3	6.1	1.1
	Derivatives	-	5.4	-
	High Yield Bonds (<i>net of capitalized borrowing costs</i>)	414.8	409.1	456.8
	Employee Benefits and Other	4.4	1.7	2.6
	Total Non-Current Liabilities	444.5	422.3	460.5
Total Liabilities		555.2	508.5	551.2
Net Assets		162.5	157.3	71.6

RECONCILIATION TO STATUTORY BALANCE SHEET

(BARMINCO EXCLUDING AUMS)

- Redeemable preference shares now treated as equity
- Shareholder loan notes classified as debt for accounting purposes

	Dec-16	Jun-16	Dec-15
	\$M	\$M	\$M
Net Assets	162.5	157.3	71.6
Redeemable preference shares (classified as equity in fiscal 2016)	-	-	367.4
Shareholder loan notes	10.0	10.0	18.0
Statutory Net Assets	152.5	147.3	(313.8)

CASH FLOW

(BARMINCO EXCLUDING AUMS)

- Cash on hand \$69.3m

	Dec-16 HALF YEAR	Dec-15 HALF YEAR
	\$M	\$M
EBITDA (after redundancies)	52.7	49.7
Movement in Working Capital	(3.3)	3.7
Subtotal	49.4	53.4
Capital Expenditure (net of disposals)	(12.4)	(26.6)
Dividends from JVs	4.1	8.8
Proceeds from Reset of Cross Currency Interest Rate Swaps	(0.2)	32.8
Repurchase of High Yield Bonds	(9.1)	(60.2)
Finance Lease Payments	(9.7)	(1.7)
Interest (net)	(23.4)	(25.8)
Tax	-	(0.1)
Cashflow	(1.3)	(19.4)
Opening Cash	70.6	104.8
Closing Cash	69.3	85.4

CAPITAL EXPENDITURE

(BARMINCO EXCLUDING AUMS)

- Consistent with internal targets
- 24% of capex funded via cash
- Growth capex relates to:
 - Kundana
 - Sunrise Dam
 - Nova Bollinger

	Dec-16 HALF YEAR \$M	Dec-15 HALF YEAR \$M
Growth	38.5	3.4
Stay in Business	19.9	24.3
Total Capital Expenditure	58.4	27.7

Reconciliation to Cash Capital Expenditure	Dec-16 HALF YEAR \$M	Dec-15 HALF YEAR \$M
Total Capital Expenditure (as per breakdown above)	58.4	27.7
Less Capital Expenditure Funded by HP	44.1	-
Total Capital Expenditure (funded with cash)	14.3	27.7
Less Proceeds from Sale of PPE	1.9	1.1
Cash Capital Expenditure (net of disposals)	12.4	26.6

LIABILITY MANAGEMENT

- Limited activity
- Refinance

PIPELINE OPPORTUNITIES

BARMINCO

Mine	Commodity	Client	Start Date	Location
Mt Morgans	Au	Dacian Gold	QTR 4 – FY17	Western Australia
Telfer	Au	Newcrest Mining	QTR 4 - FY17	Western Australia
Olympic Dam	Cu/Au	BHP Billiton	FY17	South Australia
Odysseus	Ni	Western Areas	FY18	Western Australia
Zone 5	Cu	Khoemacau Copper Mining	FY18	Botswana

AUMS

Mine	Commodity	Client	Start Date	Location
Damang	Ag	Goldfields	FY18/19	Ghana
Tenke	Cu	Freeport McMoRan	FY19	DRC
Obuasi	Au	AngloGold Ashanti	FY18/19	Ghana
Nyanzaga	Au	OreCorp/Acacia	FY19	Tanzania
Bagassi South	Au	Roxgold	QTR 4 - FY17	Burkina Faso

BUSINESS OUTLOOK

- General market overview
 - Australia
 - Africa
 - Other