



//// underground mining excellence

A photograph of a red underground drilling rig in a dark mine tunnel. The rig is positioned in the center-left, with its long drill arm extending towards the left. The background shows the rough, rocky walls of the mine. The scene is dimly lit, with a bright light source from the rig illuminating the area. The image is overlaid with a large, stylized 'X' graphic in grey and white on the right side.

FY18 Q3 BUSINESS UPDATE



DISCLAIMER

The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. This presentation by Barmenco Finance Pty Limited ("Barmenco") is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Barmenco, its directors, employees or agents, nor any other person accepts any liability, including with out limitation, any liability arising out of fault or negligence for any loss arising from the use of the information contained in this presentation. This presentation contains statements that constitute "forward looking statements". Examples of these forward looking statements include, but are not limited to, (i) statements regarding Barmenco's future results of operations and financial condition, (ii) statements of plans, objectives or goals and (iii) statements of assumptions underlying those statements. Words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "probability", "risk" and other similar words are intended to identify forward looking statements but are not the exclusive means of identifying those statements. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Barmenco's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements. As such, undue reliance should not be placed on any forward looking statement. Certain financial data included in the presentation are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), including Trading EBITDA, Trading EBIT, Project EBITDA and EBIT. These non-GAAP financial measures do not have a standardized meaning prescribed by International Financial Reporting Standards and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with International Financial Reporting Standards. Although Barmenco believes these non-GAAP financial measures provide useful information to users measuring the financial performance and condition of the business, persons are cautioned not to place undue reliance on any non-GAAP financial measures measuring the financial performance and condition of the business and persons are cautioned not to place undue reliance on any non-GAAP financial measures and ratios included in this presentation.

INTRODUCTIONS

Paul Muller

Chief Executive officer



- Paul Muller was appointed Chief Executive officer 16 November 2017 and has 20 years' experience in the resources sector
- Prior to joining Barminto, Paul held leadership roles, including Managing Director of Consolidated Minerals' (Consmin) Australia business, General Manager positions at Leighton Contractors and BHP Billiton Iron Ore, and most recently Executive General Manager of Asia and Africa operations at Thiess, the world's largest contract miner.

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 Barminto, 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 is a Chartered Accountant, he commenced his career with Ernst & Young working in Australia, UK and USA

FY18 Q3 HIGHLIGHTS

- Continued excellent safety record:
 - Lost Time Injury Frequency Rate (LTIFR) of 0 as at 1 April 2018
 - Total Recordable Injury Frequency Rate (TRIFR) of 9.6
- Strong financial performance, Q3 FY18 significantly up on PCP
- All contracts continue to perform well
- Tender activity
- AUMS continued solid performance
- Rosebery contract with MMG to transition in house June 2018

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

- Proportionately consolidated Trading result reflects solid growth
- Trading EBITDA up 29.3%
- Trading EBIT up 63.8%

	Mar-18 (YTD)			Mar-17 (YTD)		
	Barminco A\$M	AUMS 50% A\$M	TOTAL A\$M	Barminco A\$M	AUMS 50% A\$M	TOTAL A\$M
Revenue	427.8	103.5	531.3	437.6	62.5	500.1
Costs	344.4	69.0	413.4	369.2	39.7	408.9
Trading EBITDA	83.4	34.5	117.9	68.4	22.8	91.2
Depreciation and Amortisation	43.6	13.2	56.8	46.6	7.3	53.9
Trading EBIT	39.8	21.3	61.1	21.8	15.5	37.3
Redundancy Costs	0.9	-	0.9	0.3	-	0.3
EBIT	38.9	21.3	60.2	21.5	15.5	37.0

Q3 FY18 YTD BARMINCO RESULTS

(EXCLUDING AUMS)

- Revenue slightly down due to impact of Kundana
- Trading EBITDA up 21.9% on PCP
- Trading EBITDA margin at 19.5%
- EBIT up 80.9% on PCP

	Mar-18 YTD \$M	Mar-17 YTD \$M	Mar-18 QTR \$M	Dec-17 QTR \$M	Sep-17 QTR \$M
Revenue					
Mining	388.9	401.4	131.5	133.3	124.1
Diamond drilling	36.0	33.2	12.3	11.4	12.3
Other	2.9	3.0	1.6	0.6	0.7
Total revenue	427.8	437.6	145.4	145.3	137.1
Project costs	345.9	371.8	116.0	116.7	113.2
Project EBITDA					
Mining	77.1	61.7	27.6	27.4	22.1
Diamond drilling	4.4	3.9	1.7	1.2	1.5
Other	0.4	0.2	0.1	-	0.3
EBITDA – projects	81.9	65.8	29.4	28.6	23.9
Shared services costs					
Operational & admin services	23.8	23.9	8.6	6.7	8.5
Shared services allocation	(25.3)	(26.5)	(8.5)	(8.6)	(8.2)
Trading EBITDA	83.4	68.4	29.3	30.5	23.6
Depreciation and Amortisation	43.6	46.6	14.3	14.8	14.5
Trading EBIT	39.8	21.8	15.0	15.7	9.1
Redundancies	0.9	0.3	-	0.1	0.8
EBIT	38.9	21.5	15.0	15.6	8.3

SUMMARY OF RESULTS - AUMS

(BARMINCO 50% SHARE)

- EBITDA up 51.3% on PCP with continued solid margins and performance
- Regulatory changes in Tanzania remain

Barmenco 50% Share of AUMS	Mar-18 YTD A\$M	Mar-17 YTD A\$M
Revenue	103.5	62.5
EBITDA	34.5	22.8
Depreciation	13.2	7.3
EBIT	21.3	15.5
Net interest	0.9	0.4
Tax	5.7	4.2
NPAT	14.7	10.9
Elimination entries and adjustments (AUD)	(0.1)	0.9
Equity accounted share of profits (AUD)	14.6	11.8

At 31 March 2018 the AUD to USD exchange rate was 0.776.

BALANCE SHEET

(BARMINCO)

- Strong liquidity
 - Cash on hand of \$60.5M
 - Revolving credit facility of \$75M effectively undrawn (downsized from previous \$100M facility as surplus to business needs)

		Mar-18 \$M	Jun-17 \$M	Mar-17 \$M
Current assets	Cash and cash equivalents	60.5	77.9	66.6
	Trade and other receivables	76.1	79.1	65.6
	Inventories	19.7	18.8	21.8
	Other	3.8	4.0	4.1
	Total current assets	160.1	179.8	158.1
Non-current assets	Property, plant & equipment	136.5	124.3	143.2
	Intangible assets	259.1	259.8	260.1
	Investments accounted for using the equity method (AUMS)	76.4	58.4	72.3
	Deferred tax asset	50.1	47.6	83.1
	Other non-current assets	1.3	1.9	1.8
	Total non-current assets	523.4	492.0	560.5
Total assets		683.5	671.8	718.6
Current liabilities	Trade and other payables	72.4	78.9	81.9
	Borrowings	14.2	11.8	12.3
	Employee benefits	26.7	26.4	29.8
	Provisions	-	4.1	0.7
	Total current liabilities	113.3	121.2	124.7
Non-current liabilities	Borrowings	467.6	476.0	426.9
	Derivative financial instruments	35.8	23.7	20.0
	Employee benefits	2.8	4.1	5.0
	Total non-current liabilities	506.2	503.8	451.9
Total liabilities		619.5	625.0	576.6
Net assets		64.0	46.8	142.0

CASH FLOW

(BARMINCO)

- YTD net cash outflow of \$17.4M largely due to the increased cash CAPEX spend and unfavorable working capital movements
- Working capital impacted by \$15M of Trade Receivables received in the first week of April 18 and reversal of the onerous provision

	Mar-18 YTD \$M	Mar-17 YTD \$M
Trading EBITDA	83.4	68.4
Movement in Working Capital/Other	(20.4)	(7.5)
Sub Total	63.0	60.9
Capital Expenditure (net of disposals)	(46.6)	(26.7)
Dividends from JVs	-	4.1
Proceeds from Reset of Cross Currency Interest Rate Swaps	-	(0.2)
Repurchase of High Yield Bonds	-	(9.1)
Finance/HP Lease Payments	(12.8)	(9.1)
Interest (Net)	(20.9)	(24.2)
Other	(0.1)	0.3
Net Cashflow	(17.4)	(4.0)
Opening Cash	77.9	70.6
Closing Cash	60.5	66.6

CAPITAL EXPENDITURE

(BARMINCO EXCLUDING AUMS)

- Growth capex relates to:
 - Dugald River
 - Nova Bollinger
 - Sunrise Dam
- 88% of capex funded via cash

	Mar-18 YTD \$M	Mar-17 YTD \$M
Growth – Kundana	-	29.7
Growth – Other	21.4	16.3
Stay in business – Kundana	-	0.7
Stay in business - Other	36.7	27.5
Total capital expenditure	58.1	74.2

Reconciliation to Cash Capital Expenditure	Mar-18 YTD \$M	Mar-17 YTD \$M
Total capital expenditure (as per breakdown above)	58.1	74.2
Less: Capital expenditure funded by HP	(6.8)	(27.4)
Less: Capital expenditure funded by finance lease with Northern Star JV	-	(17.9)
Total capital expenditure (funded with cash)	51.3	28.9
Less: Proceeds from sale of PPE	(4.7)	(2.2)
Cash capital expenditure (net of disposals)	46.6	26.7

MAJOR MINING CONTRACTS CONTRIBUTING TO FY18 Q3 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 – FY20
Spotted Quoll	Western Areas	Ni	WA	2011	QTR 4 – FY20
Sukari	Centamin	Au	Egypt	2009	QTR 2 – FY21
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 – FY18
Nova Bollinger	Independence Group	Ni	WA	2015	QTR 3 – FY19
Rampura Agucha	Hindustan Zinc	Zn	India	2016	QTR 2 – FY19

AUMS

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

BUSINESS OUTLOOK

- Barminto FY18 outlook
 - Increased level of business development and tender activity
 - Strong second half financial performance
 - AUMS continues to have solid pipeline opportunities