



FY17 Q1 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

Q1 HIGHLIGHTS

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

MAJOR MINING CONTRACTS CONTRIBUTING TO Q1 FY17 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 3 – FY17
Agnew	Gold Fields	Au	WA	2010	QTR4 – FY18
Dugald River	MMG	Zn	QLD	2012	QTR4 – FY21
Rosebery	MMG	Zn	TAS	2004	QTR 3 – FY18
Nova Bollinger	Sirius Resources/ Independence Group	Ni	WA	2015	QTR 3 – FY18
Gordon Sirdar	FMR Investments	Au	WA	2016	QTR 3 – FY18
Kundana	Northern Star/East Kundana Joint Venture	Au	WA	2017	QTR 1 – FY20

AUMS

PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	COMMENCEMENT	CONTRACT END DATE
Perkoa	Glencore	Zn (Pb & Ag)	Burkina Faso	2012	2016
Yaramoko	Roxgold Inc	Au	Burkina Faso	2015	2018
Geita	AngloGold Ashanti	Au	Tanzania	2016	2019

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

- Proportionately consolidated EBITDA stable
- Proportionately consolidated Trading EBIT down 3.2% pc

	Sep-16 (QTR)				Sep-15 (QTR)		
	Barminto	AUMS 50%	TOTAL		Barminto	AUMS 50%	TOTAL
	A\$M	A\$M	A\$M		A\$M	A\$M	A\$M
Revenue	145.0	19.8	164.8		132.1	33.3	165.4
Project Costs	118.8	13.2	132.0		109.4	23.5	132.9
EBITDA	26.2	6.6	32.8		22.7	9.8	32.5
Depreciation	15.1	2.1	17.2		12.5	2.6	15.1
Amortisation	0.2	-	0.2		0.2	-	0.2
Trading EBIT	10.9	4.5	15.4		10.0	7.2	17.2
Redundancy Costs	0.2	-	0.2		1.5	-	1.5
EBIT	10.7	4.5	15.2		8.5	7.2	15.7

Q1 RESULTS

(EXCLUDING AUMS)

- Project EBITDA of \$26.0m – down \$2.6m on prior quarter
- Revenue up due largely to Kundana, however EBITDA margin soft due to planned Kundana ramp up
- Depreciation expense up significantly due to growth capex spend at Kundana, Sunrise and Nova
- Trading EBIT of \$10.9m down \$5.2m on prior quarter

	Sep-16 QTR \$M	Jun-16 QTR \$M	Sep-15 QTR \$M
Revenue			
Mining	132.6	108.3	117.0
Diamond Drilling	11.2	11.0	13.9
Other	1.2	2.0	1.2
Total Revenue	145.0	121.3	132.1
Project Costs	119.1	92.7	108.9
Project EBITDA			
Mining	24.6	26.7	21.8
Diamond Drilling	1.2	1.6	1.2
Crushing	-	0.4	0.1
Other	0.2	(0.1)	0.1
Total Project EBITDA	26.0	28.6	23.2
Shared Services Costs			
Operational & Admin Services	8.2	7.9	8.5
SS Allocation	(8.4)	(7.2)	(8.0)
EBITDA	26.2	28.0	22.7
Depreciation	15.1	11.6	12.5
Amortisation	0.2	0.3	0.2
Trading EBIT	10.9	16.1	10.0
Redundancy Costs	0.2	-	1.5
EBIT	10.7	16.1	8.5

SUMMARY OF RESULTS - AUMS

(BARMINCO 50% SHARE)

- AUMS is outside the HYB Credit Group
- Strong start to FY17 underpinned by Yaramoko project
- June 16 quarter positively impacted by Roxgold shares mark to market

	Sep-16 QTR A\$M	Jun-16 QTR A\$M	Sep-15 QTR A\$M
Revenue	39.6	38.0	33.3
EBITDA	13.1	16.8	9.8
<i>EBITDA Margin</i>	33.1%	44.2%	29.4%
Depreciation	4.2	4.7	2.6
EBIT	8.9	12.1	7.2
Net Interest	0.1	0.2	-
Tax	3.2	10.3	2.3
NPAT	5.6	1.6	4.9

	Sep-16 A\$M	Jun-16 A\$M	Sep-15 A\$M
Barmenco's 50% Share (AUD)	2.8	0.8	2.5
Elimination Entries and Adjustments (AUD)	(0.2)	(0.2)	3.7
Equity Accounted Share of Profits (AUD)	2.6	0.6	6.2

BALANCE SHEET

(BARMINCO EXCLUDING AUMS)

- Largely unchanged on June Balance Sheet
- Revolving credit facility of \$17.5m effectively undrawn
- Strategy to use HP implemented

		Sep-16 \$M	Jun-16 \$M	Sep-15 \$M
Current Assets	Cash and Cash Equivalents	70.3	70.6	125.7
	Trade and Other Receivables	68.4	48.5	55.1
	Inventories	22.5	19.7	22.5
	Other	2.6	3.1	5.1
	Total Current Assets	163.8	141.9	208.4
Non-Current Assets	Property, Plant & Equipment	135.6	116.4	117.4
	Intangible Assets	260.6	260.8	259.1
	Derivatives	-	-	28.2
	Investment in Joint Venture (AUMS)	70.7	69.5	70.4
	Deferred Tax Asset	77.0	75.3	-
	Other	1.9	1.9	2.4
	Total Non-current Assets	545.8	523.9	477.5
Total Assets		709.6	665.8	685.9
Current Liabilities	Trade, Other Payables & Provisions	76.4	57.4	70.2
	HP Liabilities	9.7	5.1	3.3
	Employee Benefits and Other	26.9	23.7	25.6
	Total Current Liabilities	113.0	86.2	99.1
Non-Current Liabilities	HP Liabilities	18.6	6.1	1.6
	Derivatives	21.0	5.4	-
	High Yield Bonds (<i>net of capitalized borrowing costs</i>)	399.4	409.1	511.1
	Employee Benefits and Other	4.4	1.7	2.7
	Total Non-Current Liabilities	443.4	422.3	515.4
Total Liabilities		556.4	508.5	614.5
Net Assets		153.2	157.3	71.3

RECONCILIATION TO STATUTORY BALANCE SHEET

(BARMINCO EXCLUDING AUMS)

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

	Sep-16	Jun-16	Sep-15
	\$M	\$M	\$M
Net Assets	153.2	157.3	71.3
Redeemable preference shares (classified as equity in fiscal 2016)	-	-	355.0
Shareholder loan notes	10.0	10.0	17.4
Statutory Net Assets	143.2	147.3	(301.0)

CASH FLOW

(BARMINCO EXCLUDING AUMS)

- Cash on hand \$70.3m
- Negative working capital movement is primarily due to the settlement of the bond repurchase and take up of employee leave provisions and inventory for Kundana

	Sep-16 QTR \$M	Jun-16 QTR \$M	Sep-15 QTR \$M
EBITDA (after redundancies)	26.0	28.0	21.2
Movement in Working Capital	(16.0)	3.4	8.0
Subtotal	10.0	31.4	29.2
Capital Expenditure (net of disposals)	(5.2)	(7.1)	(15.4)
Dividends/Loan Receipts from JVs	-	-	8.8
Proceeds from Reset of Cross Currency Interest Rate Swaps	-	-	32.5
Repurchase of High Yield Bonds	-	(31.5)	(32.5)
Finance Lease Payments	(4.5)	(2.2)	(0.8)
Interest (net)	(0.5)	(24.9)	(0.8)
Tax	-	(0.5)	(0.1)
Other	(0.1)	(0.3)	-
Cashflow	(0.3)	(35.1)	20.9
Opening Cash	70.6	105.7	104.8
Closing Cash	70.3	70.6	125.7

CAPITAL EXPENDITURE

(BARMINCO EXCLUDING AUMS)

- Consistent with internal targets
- 19.2% of capex funded via cash
- Growth capex relates to:
 - Kundana
 - Sunrise Dam
 - Nova Bollinger

	Sep-16	Jun-16	Sep-15
	QTR	QTR	QTR
	\$M	\$M	\$M
Growth	27.3	11.4	2.7
Stay in Business	8.1	4.3	13.4
Total Capital Expenditure	35.4	15.7	16.1

LIABILITY MANAGEMENT

- Limited activity
- 2018 refinance

PIPELINE OPPORTUNITIES

BARMINCO

Mine	Commodity	Client	Start Date	Location
Mt Gordon	Cu	Capricorn Copper	QTR 3 - FY17	Queensland
Telfer	Au	Newcrest Mining	QTR 4 - FY17	Western Australia
Zone 5	Cu	Khoemacau Copper Mining	FY18	Botswana
Olympic Dam	Cu/Au	BHP Billiton	FY17	South Australia

AUMS

Mine	Commodity	Client	Start Date	Location
Subika	Au	Newmont	FY17	Ghana
Nyankanga	Au	AngloGold Ashanti	FY17	Tanzania
Bagassi South	Au	Roxgold	FY18	Burkina Faso

BUSINESS OUTLOOK

- General market overview
 - Australia
 - Africa
 - Other