

FY16 Q1 BUSINESS UPDATE

November
2015

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Introductions



- **Chief Executive Officer - *Peter Stokes***
 - 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



- **Chief Financial Officer - *Peter Bryant***
 - 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

Highlights

- LTIFR remains at zero
- Soft Q1 financial performance in line with guidance
- Labour cost reduction program implemented
- No change to the full year outlook
- Barmenco awarded Gordon Sirdar project by FMR Investments
- Dividends of A\$8.8m received from AUMS
- US\$25m of bonds repurchased funded by SWAP reset in July 15
- US\$25m of bonds repurchased funded by cash reserves in October 15
- Reduction in HYB interest now A\$11.2m per annum

Summary of Results

(Excluding AUMS)

- EBITDA down in line with expectations
- Project EBITDA margin of 17.6%
- Shared service costs up on prior quarter
- One-off redundancy costs of \$1.5m

	Sept-15	Jun-15	Sept-14
	QTR	QTR	QTR
	\$M	\$M	\$M
Revenue			
Mining	117.0	117.3	108.2
Diamond Drilling	13.9	14.0	10.8
Crushing	-	-	0.7
Other	1.2	0.5	0.8
Total Revenue	132.1	131.8	120.5
Project Costs	108.9	107.1	95.8
Project EBITDA			
Mining	21.8	23.1	22.6
Diamond Drilling	1.2	1.6	1.9
Crushing	0.1	-	0.2
Other	0.1	-	-
Total Project EBITDA	23.2	24.7	24.7
Shared Services Costs			
Operational & Admin Services	8.5	7.6	8.2
SS Allocation	(8.0)	(7.6)	(7.1)
EBITDA	22.7	24.7	23.6
Depreciation	12.5	13.2	13.3
Amortisation	0.2	0.2	0.3
Trading EBIT	10.0	11.3	10.0
Redundancy Costs	1.5	-	1.7
EBIT	8.5	11.3	8.3

Summary of Results – AUMS

(Barmenco 50% share)

- AUMS is outside the HYB Credit Group
- Strong performance has continued underpinned by the Randgold contract
- Randgold contract transferred to owner miner on 31 October 2015
- Expect results to significantly soften as business transitions from Randgold

	Sept-15 QTR A\$M	Jun-15 QTR A\$M	Sept-14 QTR A\$M
Revenue	33.3	33.0	21.6
EBITDA	9.8	9.8	2.8
<i>EBITDA Margin</i>	<i>29.4%</i>	<i>29.8%</i>	<i>13.0%</i>
Depreciation	2.6	2.7	3.5
EBIT	7.2	7.1	(0.7)
Net Interest	0.0	(0.3)	0.1
Tax	2.3	0.7	(0.1)
NPAT	4.9	6.7	(0.7)

- Tax payable in Mali due to end of tax 'holiday'

Proportionately Consolidated P&L

(Barminco and 50% Share of AUMS)

- Proportionately consolidated EBITDA up 23.1% PCP
- Proportionately consolidated Trading EBIT up 84.9% PCP

	Sep-15 QTR			Jun-15 QTR			Sep-14 QTR		
	Barminco	AUMS 50%	TOTAL	Barminco	AUMS 50%	TOTAL	Barminco	AUMS 50%	TOTAL
	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M
Revenue	132.1	33.3	165.4	131.8	33.0	164.8	120.5	21.6	142.1
Project Costs	109.4	23.5	132.9	107.1	23.2	130.3	96.9	18.8	115.7
EBITDA	22.7	9.8	32.5	24.7	9.8	34.5	23.6	2.8	26.4
Depreciation	12.5	2.6	15.1	13.2	2.7	15.9	13.3	3.5	16.8
Amortisation	0.2	-	0.2	0.2	-	0.2	0.3	-	0.3
Trading EBIT	10.0	7.2	17.2	11.3	7.1	18.4	10.0	(0.7)	9.3
Redundancy Costs	1.5	-	1.5	-	-	-	1.7	-	1.7
EBIT	8.5	7.2	15.7	11.3	7.1	18.4	8.3	(0.7)	7.6

The Balance Sheet

(Barmenco excluding AUMS)

- Largely unchanged
- Revolving credit facility of \$50m effectively undrawn

		Sept-15 \$M	Jun-15 \$M	Sept-14 \$M
Current Assets	Cash and Cash Equivalents	125.7	104.8	116.2
	Trade and Other Receivables	55.1	57.5	49.8
	Inventories	22.5	25.3	23.2
	Other	5.1	5.5	3.4
	Total Current Assets	208.4	193.2	192.6
Non-Current Assets	Property, Plant & Equipment	117.4	114.5	118.3
	Intangible Assets	259.1	259.2	260.0
	Derivatives	28.2	10.5	57.6
	Investment in Joint Venture (AUMS)	70.4	67.3	69.1
	Other	2.4	2.5	11.0
	Total Non-current Assets	477.5	454.0	516.0
Total Assets		685.9	647.2	708.6
Current Liabilities	Trade, Other Payables & Provisions	70.2	54.0	68.2
	HP Liabilities	3.3	3.3	6.4
	Employee Benefits and Other	25.6	25.5	23.4
	Total Current Liabilities	99.1	82.8	98.0
Non-Current Liabilities	HP Liabilities	1.6	2.4	4.3
	High Yield Bonds (<i>net of capitalized borrowing costs</i>)	511.1	498.1	545.0
	Employee Benefits and Other	2.7	2.7	2.2
	Total Non-Current Liabilities	515.4	503.2	551.5
Total Liabilities		614.5	586.0	649.5
Net Assets		71.3	61.2	59.1

Reconciliation to Statutory Balance Sheet (Barminco excluding AUMS)

- Redeemable preference shares and shareholder loan notes treated as debt under IFRS.

	Sept-15 \$M	Jun-15 \$M	Sept-14 \$M
Net Assets	71.3	61.2	59.1
Redeemable preference shares	355.0	343.6	311.4
Shareholder loan notes	17.4	16.9	15.2
Statutory Net Assets	(301.0)	(299.3)	(267.5)

Cash Flow

(Barmenco excluding AUMS)

- Cash on hand \$125.7m
- Positive cash flow of \$20.9m, underpinned by:
 - i) AUMS dividend of \$8.8m received
 - ii) Positive working capital contribution of \$8.0m

	Sept-15 QTR	Jun-15 QTR	Sept-14 QTR
	\$M	\$M	\$M
EBITDA (after redundancies)	21.2	24.7	21.9
Movement in Working Capital	8.0	(4.6)	11.6
Subtotal	29.2	20.1	33.5
Capital Expenditure (net of disposals)	(15.4)	(13.7)	(6.4)
Dividends from JVs	8.8	17.7	-
Debt/SWAP	(0.8)	(1.1)	(6.4)
Interest (net)	(0.8)	(27.7)	(0.3)
Tax	(0.1)	-	-
Other	-	(2.5)	-
Cashflow	20.9	(7.2)	20.4
Opening Cash	104.8	112.0	95.8
Closing Cash	125.7	104.8	116.2

Capital Expenditure

(Barmenco excluding AUMS)

- Consistent with internal targets
- Stay in Business up on PCP due to fleet upgrade at Sunrise Dam and Agnew
- 100% of cap-x funded from cash

	Sept-15 QTR \$M	Jun-15 QTR \$M	Sept-14 QTR \$M
Growth	2.7	4.1	0.1
Stay in Business	13.4	11.3	9.3
Total Capital Expenditure	16.1	15.4	9.4

Major Mining Contracts

(Barrminco excluding AUMS)

PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	COMMENCEMENT	CONTRACT END DATE	CONTRACT STATUS
Sunrise Dam	AngloGold Ashanti	Au	WA	2003	QTR 4 – FY19	
Flying Fox	Western Areas	Ni	WA	2004	QTR 4 – FY16	+ 2 Year Option
Spotted Quoll	Western Areas	Ni	WA	2011	QTR 4 – FY16	+ 2 Year Option
Sukari	Centamin	Au	Egypt	2009	QTR 2 – FY17	
Agnew	Gold Fields	Au	WA	2010	QTR1 – FY17	
Dugald River	MMG	Zn	QLD	2012	QTR4 – FY16	
Renison	Metals X	Sn	TAS	2013	QTR 3 – FY16	+ 1 Year Option
Rosebery *	MMG	Zn	TAS	2004	QTR 3 – FY18	+ 2 Year Option
Nova Bollinger	Sirius Resources/Independence	Ni	WA	2015	QTR 4 – FY18	+ 1 Year Option
Gordon Sirdar	FMR Investments	Au	WA	2016	QTR 3 – 2019	

* Contract temporarily lost from June 2013 to January 2015

Major Mining Contracts - AUMS



PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	COMMENCEMENT	CONTRACT END DATE
Loulo Operations – Gara & Yalea mines	Randgold	Au	Mali	2010	2015
Perkoa	Glencore	Zn (Pb & Ag)	Burkina Faso	2012	2016
Yaramoko	Roxgold Inc	Au	Burkina Faso	2015	2018

Pipeline Opportunities

Barminto

Mine	Commodity	Client	Start Date	Location
Mt Lyell	Cu	Copper Mines of Tasmania Pty Ltd	QTR 3 - FY16	Tasmania
Oyu Tolgoi	Cu	Oyu Tolgoi LLC (Rio Tinto)	QTR 1 - FY17	Mongolia

AUMS

Mine	Commodity	Client	Start Date	Location
Subika	Au	Newmont	QTR 4 – FY16	Ghana
Obuasi	Au	AngloGold Ashanti/Randgold JV	QTR 4 – FY16	Ghana
Geita	Au	AngloGold Ashanti	QTR 2 – FY16	Tanzania

Business Outlook

- General market overview
 - Australia
 - Africa
 - Other