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Annual General Meeting 2019

— **Delivering engineering excellence, value and innovation**

21 November 2019

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About Lycopodium

Lycopodium is an innovative and value driven process, engineering and project delivery group.

The Company is headquartered in Perth, Western Australia and is listed on the Australian Stock Exchange (**ASX: LYL**).

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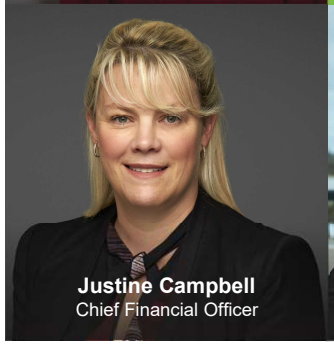
Corporate Overview

Share Price
(as at 15.11.19)
$5.30

Shares on Issue
39.7m

Market
Capitalisation
~$217.7m



Cash at Bank
(as at 30.6.19)
$60.5m

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People First

HSE year-to-date as at end of October 2019:

- 2.4 million manhours controlled
- Zero LTI, MTI or debilitating injury of any kind
- LTIFR – 0
- TRIFR – 1.81[1]

[1] Against Construction Industry frequency rate of 8.1
(Safe Work Australia, *Australian Workers' Compensation Statistics, 2016-17)*

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Core Capabilities

Sectors

- Gold and Precious Metals
- Base Metals
- Battery Metals
- Specialty Metals
- Diamonds and Gemstones
- Bulk Minerals
  - Iron Ore
  - Minerals Sands
  - Bauxite

- Railways
- Roads
- Ports
- Non-process Resource Infrastructure
- Asset Management

- Pharmaceuticals
- Biotechnology
- Chemical and Energy
- Food and Beverage
- Manufacturing
- Research and Development

Services

- Feasibility Studies
- Process Development and Optimisation
- Engineering and Design
- Project Management and Delivery
- Project Services
- Construction Management
- Commissioning and Operations Support
- Asset Management

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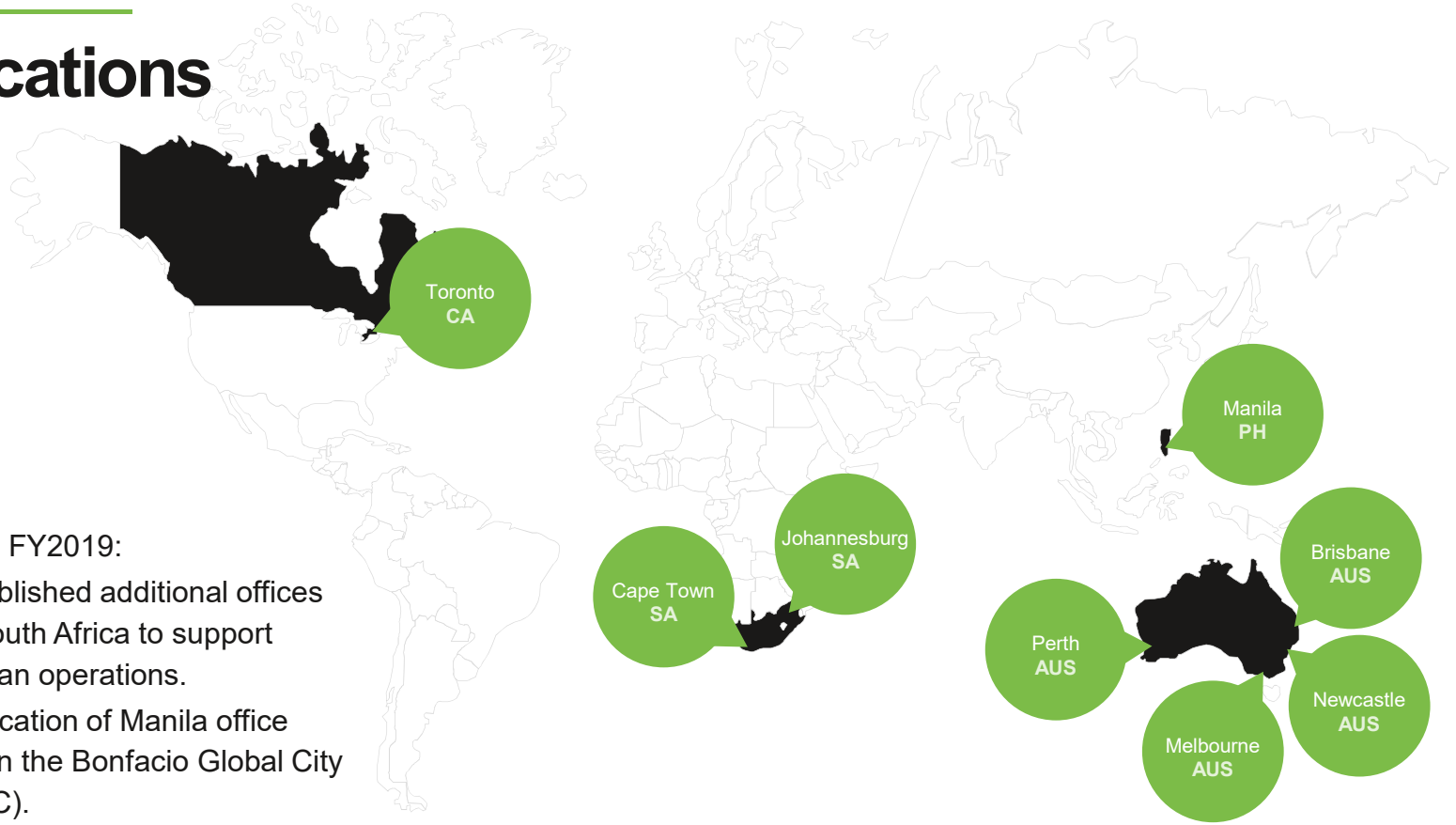
Locations



During FY2019:

- Established additional offices in South Africa to support African operations.
- Relocation of Manila office within the Bonfacio Global City (BGC).

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FY2019 Group Highlights

Revenue **$154.0m**	NPAT **$16.4m**	Fully Franked Dividend **30 cents**
EPS **41.5 cents**	EBITDA **$25.1m**	Net Tangible Assets per Share **182.9 cents**

Operational

- Continued to expand geographical reach within Resources sector.
- Delivered projects via a range of contracting models and further developed capability to deliver EPC projects.
- Established Orway IQ joint venture.
- Improved organisational connectedness to support greater collaboration.
- Delivered on succession planning strategy, with successful transition of new management into critical roles – thank you to retiring founding directors, Rod Leonard and Bob Osmetti, who have been instrumental in establishing our culture and realising success.

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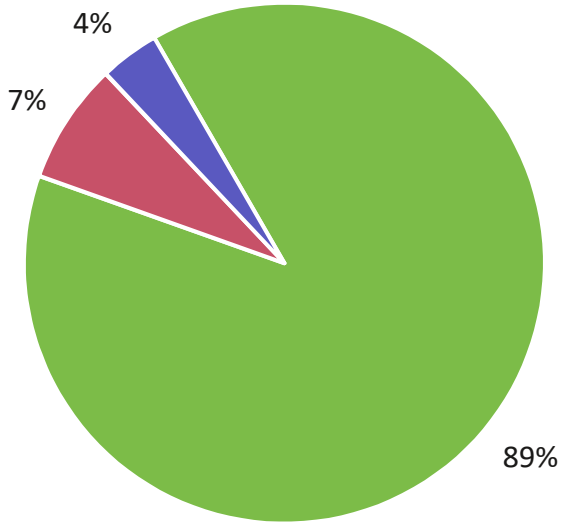
FY2019 Revenue by Sector

Sector	FYE Jun-19 A$'000
Resources	136.8
Infrastructure	11.6
Industrial Processes	5.7
	154.1



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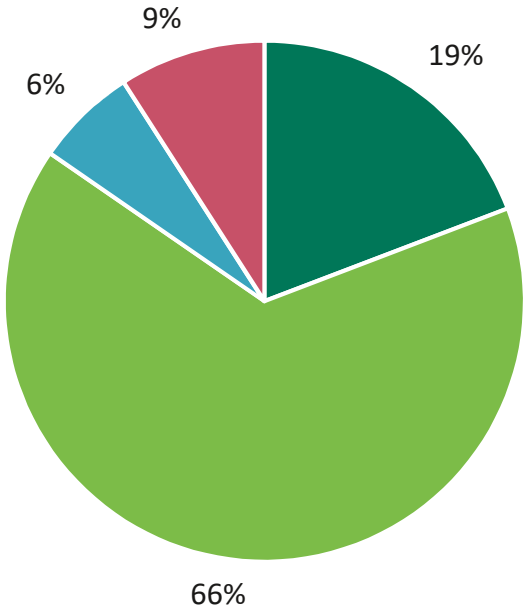
FY2019 Revenue by Geography

	FYE Jun-19
Sector	**A$'000**
Australia	29.6
Africa	100.8
Americas	9.7
Other	14.0
	154.1



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FY2019 Balance Sheet

	June 19	June 18
	A$m	A$m
Current Assets	102.8	118.5
Total Assets	119.8	114.4
Total Liabilities	40.4	62.0
Equity	79.4	79.3

Strong Balance Sheet

Cash on hand of
$60.5m
as at 30 June 2019

Net Tangible Assets per Share
182.9 cents

Minimal Debt

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Reward and Retention Policy

- The Remuneration Committee has developed an Executive and Key Staff Reward and Retention Policy.
- These key personnel are critical to the current and future success of the Company and the scheme is designed to reward above-average performance for both existing and future senior managers, enabling future managers to build a shareholding in the Company.
- The scheme adopts a combination of a short-term incentive (STI) to reward the select individuals for their annual performance, and a long-term incentive (LTI), which serves to reward and retain participants for achieving agreed KPIs on the basis of the Company achieving a minimum level of profitability.
- The STI award will be at the discretion of the Board and subject to achieving a minimum hurdle audited NPBT (as measured against group revenue).
- The LTI award will be subject to achieving the minimum NPAT, in addition to a set of individual personal objectives (PO) and Company objectives (CO).
- The total LTI dollar amount will be set and converted to equivalent performance rights at the prevailing Company share price as per the detailed rules of the scheme and there will be a three-year vesting period.
- The total pool available for the reward and retention initiative described under this policy is limited to 10% of annual audited NPAT and all entitlements will be scaled back accordingly due to the effect of the cap on the bonus pool.

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Major Projects

Lycopodium

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Cobré Panama

SECTOR	Resources
CLIENT	First Quantum Minerals
LOCATION	Panama
COMMODITY	Copper, gold, molybdenum
SCOPE	• Process plant design • Services to non-process infrastructure buildings • Field engineering • Plant commissioning support
PROCESSING CAPACITY	85 Mtpa

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"Cobre Panama goes commercial – one of the smoothest ramp-ups we have seen."

Summary: FM declared commercial production at Cobre Panama as at September 1, a month ahead of guidance and two weeks ahead of our expectation. Total copper production through the end of September is 87kt, in line with our forecast of 88kt. Full year production guidance of 140-175kt is unchanged, as is the timing on the ramp-up to 100mtpa.

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SECTOR	Resources
CLIENT	Endeavour Mining Corporation
LOCATION	Côte d'Ivoire
COMMODITY	Gold
SCOPE	• EPCM services for the gold CIL plant • EPCM services to increase capacity to 5 Mtpa
PROCESSING CAPACITY	5 Mtpa

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Endeavour Declares Commercial Production of Its Ity CIL Project at Full Nameplate Capacity

April 8, 2019 – Endeavour Mining Corporation is pleased to announce commercial production of its Ity CIL project, in Côte d'Ivoire, at its full nameplate capacity following a quick ramp up phase.

Sébastien de Montessus, President & CEO, stated: "I would like to congratulate the entire team for their hard work in helping us achieve this major accomplishment for Endeavour.

Achieving commercial production at the Ity CIL project marks a transformational moment in our history and an inflection point as we significantly increase our free cash flow capabilities."

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Toka Tindung

SECTOR	Resources
CLIENT	PT Archi Indonesia
LOCATION	Indonesia
COMMODITY	Gold
SCOPE	• EPCM services for throughput upgrade of the process plant facilities • Capacity increase from 2.4 Mtpa to 3 Mtpa
PROCESSING CAPACITY	3 Mtpa

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Wahgnion

SECTOR	Resources
CLIENT	Teranga Gold Corporation
LOCATION	Burkina Faso
COMMODITY	Gold
SCOPE	• Full EPCM services for the design and construction of the process plant • Engineering design for support infrastructure, including accommodation village
PROCESSING CAPACITY	2.7 Mtpa

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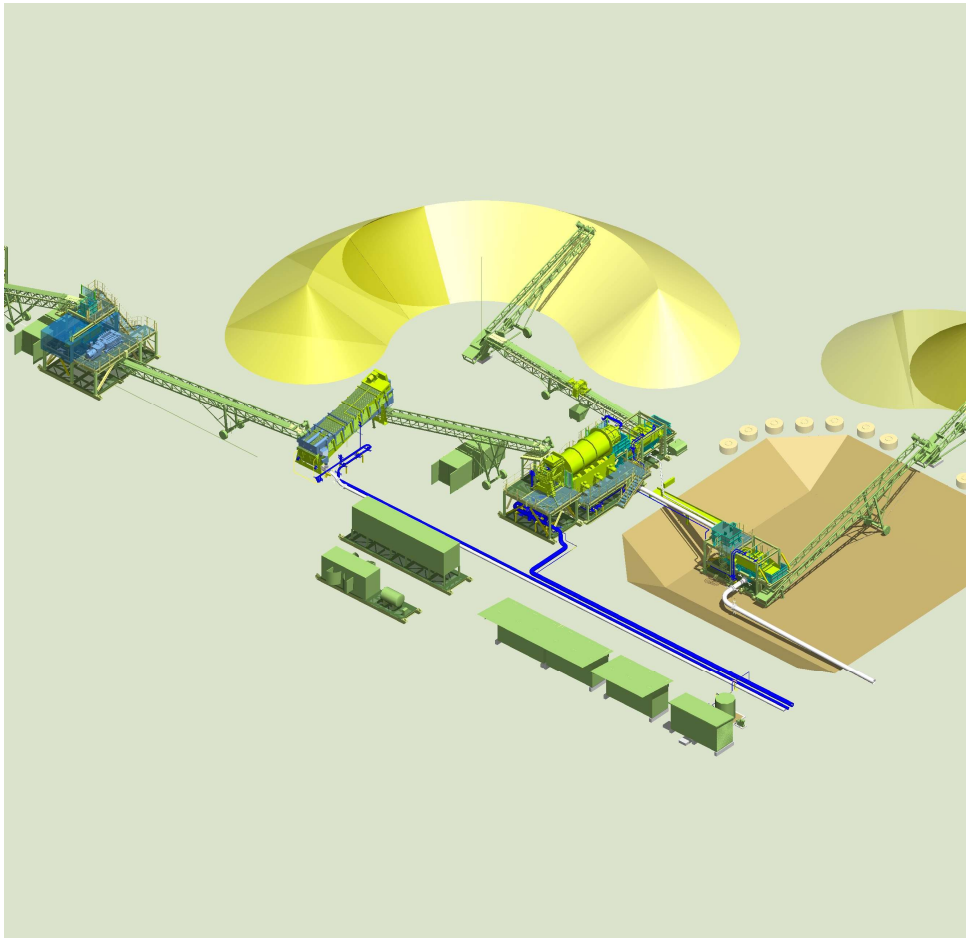
Bonasika

SECTOR	Resources
CLIENT	Guyana Industrial Minerals
LOCATION	Guyana
COMMODITY	Bauxite
SCOPE	• Detailed engineering • Technical procurement support
PROCESSING CAPACITY	• 350 Ktpa



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Montepuez Ruby Mines

SECTOR	Resources
CLIENT	Gemfields
LOCATION	Mozambique
COMMODITY	Gemstones
SCOPE	• Installation and commissioning of the Recovery Plant • Designed to incorporate UV-sorting technology

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Sanbrado

SECTOR	Resources
CLIENT	West African Resources
LOCATION	Burkina Faso
COMMODITY	Gold
SCOPE	• Full Engineering, Procurement and Construction Management (EPCM) services
PROCESSING CAPACITY	2 to 2.7 Mtpa

Works currently on schedule and budget

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Mt Cattlin

SECTOR	Resources
CLIENT	Galaxy Lithium Australia
LOCATION	Ravensthorpe, WA
COMMODITY	Lithium
SCOPE	• Design and construction of four new process modules to increase yield optimisation of the existing lithium processing facility • Awarded and delivered via Mondium

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Feasibility Studies

SECTOR	Resources			
PROJECT	**CLIENT**	**LOCATION**	**COMMODITY**	**COMMENTS**
Boto	IAMGOLD Corporation	Senegal	Gold	Preferred EPCM partner
Toliara	Base Resources	Madagascar	Mineral sands	In conjunction with Mineral Technologies
Yanqul	Mazoon Mining Company	Oman	Copper, gold	
Bomboré	Orezone Gold Corporation	Burkina Faso	Gold	Commenced FEED for oxide phase

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Infrastructure Projects

SECTOR	Infrastructure		
PROJECT	**CLIENT**	**LOCATION**	**SCOPE**
Newcastle Light Rail	Downer EDI Limited	New South Wales	Engaged to support the development of the operating and maintenance manuals of the project's infrastructure
Pacific National RIM Services	Pacific National	Across Australia	Provision of Rail Infrastructure Management (RIM) services (3 plus 1 year agreement) to inspect, certify and manage defects at 62 sites across Australia

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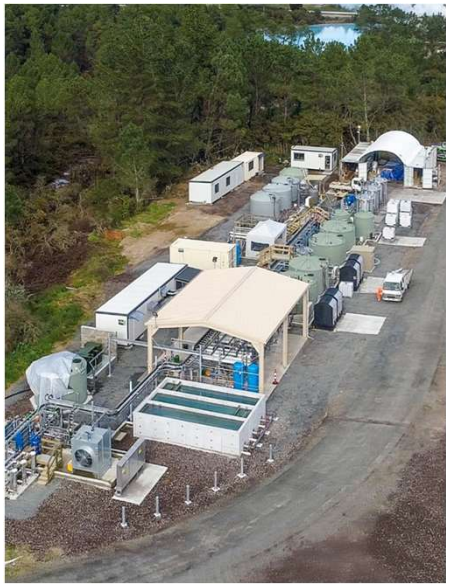
Industrial Processes Projects

SECTOR	Industrial Processes		
PROJECT	**CLIENT**	**LOCATION**	**SCOPE**
Geo40 Silica Extraction Plant	Geo40	New Zealand	Design and commissioning of a new facility for the extraction of silica from geothermal fluids
Karratha Magnesium Recovery Plant	EcoMag	Western Australia	Further develop the overall plant design process through a Feasibility Study Report
CSL Centrifuge Cooling Skids	CSL Behring	Victoria	Detailed design of centrifuge cooling skids as part of a new CSL facility to process human plasma into protein-based therapies



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Process Optimisation: Orway IQ

- Orway IQ is a joint venture between Lycopodium subsidiary company Orway Mineral Consultants (OMC) and Process IQ Pty Ltd.
- Orway IQ was formed to deliver a remote optimisation consulting service – MillROC (Milling Remote Optimisation Consulting) – to the minerals processing industry.
- The JV draws on OMC's expertise in comminution design, modelling and optimisation and Process IQ's expertise in the IIoT (Industrial Internet of Things) cloud-based computing, process control, automation and instrumentation.
- Orway IQ is at the forefront of minerals process optimisation globally, with experts providing remote optimisation consulting services on live data to support mines to increase throughput, recovery, power efficiency and reduced liner wear.
- MillROC applies process models and analysis to real-time plant data which enables expert consultants to provide frequent and high-level advice, including guidance on operating approaches and setpoints.

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Strategy and Outlook: Overarching

- Strong pipeline of projects and key identified prospects.
- Continue to secure EPC projects and further establish Mondium as a leading EPC contractor.
- Further geographical expansion – pursue opportunities in large markets where we are under-represented.
- Pursue annuity type revenue to reduce earnings volatility.
- Leverage expertise and experience for greater return – reward for the risk we manage.
- Create an exciting people experience to attract, engage, inspire and retain a high performing, global, professional workforce.
- Capture, retain and transfer knowledge and drive innovation – strategically leverage knowledge base for the development of our people and to drive continuous improvement.

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Strategy and Outlook: Sectors

- Diversified offering – broad range of commodities and geographies.
- Gold price remains strong.
- Establishment of Orway IQ, providing remote optimisation consulting service to the minerals processing industry.

- Market rationalisation to fit with core services we provide.
- Focus on rail infrastructure management, non-process infrastructure and infrastructure related asset management.

- Continue to leverage expertise – complex chemistry, heat and mass transfer and solid/liquid separation.
- Emerging opportunities – renewable energy, sustainability related projects, cannabinoids, light metals and water purification.
- Market is broad and remains very competitive.

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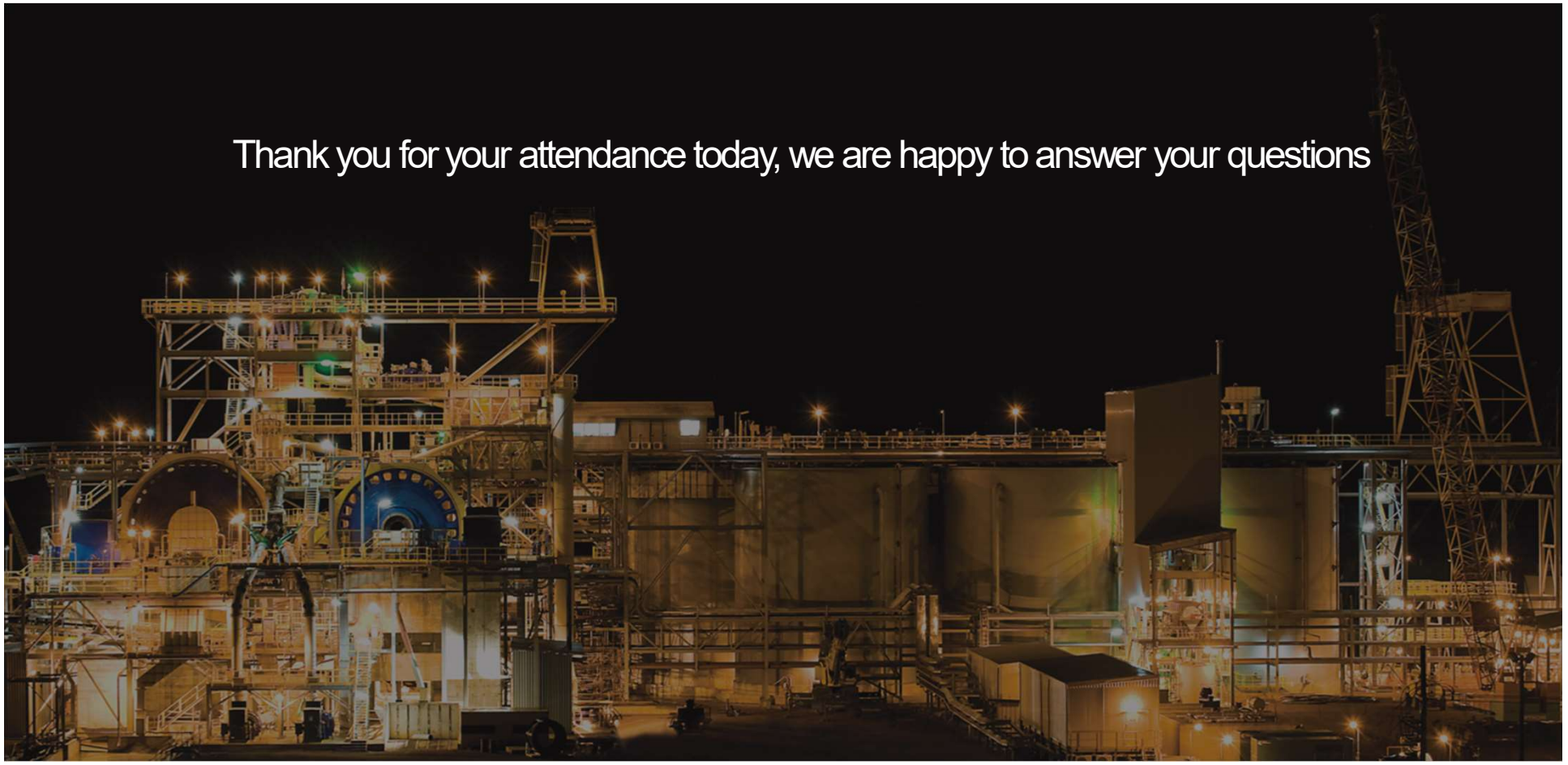
Thank You

The commitment and talent of our people is fundamental to achieving our success

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