



21 January 2020

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Closure of Brazil Operations and New Contract Awards

Closure of Brazilian Operations

MACA Limited (ASX:MLD) (**MACA**) advises it will cease operations in Brazil effective January 2020. This follows early termination of the contract at Antas for AVB Mineracao Ltda, a subsidiary of Oz Minerals Limited. The contract was due to conclude in 2020 and the reduction in the Work in Hand (WIH) position as a result of the early termination will be circa \$8M.

MACA will retain ownership of the majority of the plant and equipment currently utilised at Antas and will dispose of assets that are not redeployed to other operations. It is expected there will be a non cash impairment related to the cessation of operations in Brazil of approximately \$2M. In addition, there are unrealised forex losses that will be triggered upon closure of the subsidiary, of approximately \$5M based on current exchange rates. Profit from ordinary operations are not expected to be impacted as a result of the closure given the recent financial performance of the contract.

Executive Director Geoff Baker said 'MACA would like to thank AVB Mineracao Ltda for the opportunity to work with them at the Antas project. We would also like to sincerely thank Mitch Wallace together with our Brazilian employees and our suppliers for their contribution to the business over the last 5 years.'

New Contract Awards

MACA is pleased to announce the award of the following projects -

- MACA's Victorian-based Civil and Infrastructure business has been awarded a \$9.5 million construction contract by VicRoads for the Bacchus Marsh Road Stage 2A Safety Improvements. This project has commenced and will take 6 months to complete. In addition, MACA Infrastructure has been awarded additional minor works contracts with VicRoads and Local Victorian shires totaling approximately \$10M;

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- The Mining division is pleased to advise it has received a Letter of Intent from FQM Australia Nickel Pty Ltd ('First Quantum'), a subsidiary of First Quantum Minerals Ltd (TSX: FM), in relation to works at the Tamarine Limestone Quarry for mining, crushing and screening of Limestone of approximately \$20M over a 3 year period. This Letter of Intent follows the Ravensthorpe award with First Quantum that was announced 20 November 2019. Works are expected to start in February and will utilise existing crushing equipment.

WIH attributable to MACA as at 31 January 2020 is expected to be \$2.3B across all business units. Current guidance for FY20 remains at \$770M revenue and EBITDA from operations (excluding the impact of the Antas impairment and forex losses) to be in a range of \$104 -\$110M with profitability weighted slightly towards the second half due to an increased contribution from the Civil division and the commencement of the Ravensthorpe contract.

For further information please contact

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