

ASX ANNOUNCEMENT

23 November 2022

Notice of Award received from Talison for the Greenbushes lithium project.

Highlights

- Notice of Award for the load and haul services contract received from Talison Lithium for the Greenbushes lithium project
 - Subject to closing out conditions and execution of the contract within 30 days
 - Increased orderbook of \$1.1 billion revenue with planned commencement on 1 July 2023
 - Delivers on Macmahon's strategy to diversify into future facing / battery minerals

Macmahon Holdings Limited (ASX: MAH) is pleased to announce it has received a Notice of Award from Talison Lithium Australia Pty Ltd (Talison Lithium) for the load and haul mining works at its Greenbushes lithium project in the southwest of Western Australia.

Talison Lithium is a West Australian based mining company which is 51% owned by a joint venture comprising Tianqi Lithium Corporation and IGO Limited (ASX: IGO), and 49% owned by Albemarle Corporation. Together with its predecessor company, Talison Lithium has been producing lithium concentrates at Greenbushes since 1983 which are ultimately used in lithium batteries.

The Greenbushes project, located directly south and adjacent to the town of Greenbushes in Western Australia, is a major supplier of lithium mineral concentrates. The scope of works on the Greenbushes project includes open cut mining activities of load and haul, and crusher feed.

Subject to final documentation of certain in-principle agreed terms and signing within 30 days, the contract will commence on 1 July 2023 for a 7-year period and has an option to extend for up to 2-years. The contract is estimated to generate revenue in excess of \$1.1 billion over its initial 7-year term.

Key mining equipment required for commencement will be from deployment of Macmahon's existing available mining fleet with minimal impact to capital expenditure in FY23. The maximum remaining capital expenditure required to support this project is spread from FY24 to FY28 (inclusive) and totals approximately \$128 million. The 5-year spread of this capital spend enables Macmahon to maintain a strong balance sheet and enhance return on average capital employed performance, and a number of opportunities exist to optimise this further.

The Greenbushes project is in an attractive location, has an existing long-term and loyal workforce with many based in the area. We are eager to engage with them and other people to discuss employment opportunities on the project to build a world class team. Engaging with the on-site team is a priority for us upon award given the high level of performance we have noted on the project.



ASX ANNOUNCEMENT

23 November 2022

Commenting on today's announcement, CEO and Managing Director, Michael Finnegan said:

"We are delighted to have received the Notice of Award from Talison Lithium for load and haul mining services at its Greenbushes lithium project and look forward to finalising the contract. We very much value the relationship we have forged with Talison Lithium and will continue to build on it. The award of this contract delivers on our commodity diversification strategy into future relevant commodities.

I would also like to thank the Macmahon team for their efforts in achieving this project award which adds to our secured order book and goes a long way to replenishing FY23 secured work run-off. This award increases our contract tenure and strengthens the foundation of the business which allows us to further progress our strategy."

***** ENDS *****

This announcement was authorised for release by the Board of Directors.

For further information, please contact:

Donald James
Chief Commercial Officer
investors@macmahon.com.au
+61 8 9232 1705

About Macmahon

Macmahon is an ASX listed company offering the complete package of mining services to miners throughout Australia and Southeast Asia.

Macmahon's extensive experience in both surface and underground mining has established the Company as the contractor of choice for resources projects across a range of locations and commodity sectors.

Macmahon is focused on developing strong respectful relationships with its clients whereby both parties work in an open, flexible and transparent way to ensure mutually beneficial outcomes whilst also minimising risks for both parties.

Visit www.macmahon.com.au for more information.