



2 March, 2017
The Manager, Company Announcements Office
Australian Securities Exchange
Exchange Centre
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

MBA DELTA PROJECT UPDATE

FIDIC Contract: The Company and CCCC First Harbor Consultants Co Ltd (Contractor) have agreed this week to defer payments due by Amex under the Contract, in return for a revised completion date for construction sought by the Contractor. Under this Amendment Deed No 3, the Company has secured a delay in the milestone payments, to mitigate costs incurred by the Employer as a result of the extension of time for project completion to May 2018. The next milestone payment is now scheduled for May 2017.

As stated in the 31 December quarterly activities report, the first two shipments of heavy machinery and materials were despatched from China to Fiji earlier this year. These shipments have arrived in Lautoka Port and are being moved to site following clearance through Customs. The heavy machinery includes a large crawler crane required for pile driving of the berth wall, anchor piles and shed foundation piling.

Construction of the dredge, floating process plant, workboat and tug is underway with the first phase of steel cutting beginning in January, as reported in the 31 December quarterly activities report.

The Contractor has submitted all required management plans, the required insurance is in place and the baseline programme has been approved by the FIDIC Engineer.

The Contractor has also obtained approvals from OH&S, FEA and Fire Authority for construction of its temporary accommodation and administration facility. Approval has also been received from Lautoka City Council, and construction can commence as soon as the required building permits have been issued.

Sonic Drill Rig & Pilot Plant: The Company's customs agents last week cleared the sonic drill rig and pilot plant after shipment from Perth, and the container has been delivered to the Amex port site. The rig will be mounted on a locally constructed custom-built barge which is due for delivery by the end of this week. Resource extension drilling will be carried out on the Company's Mba Delta tenure, following commissioning of the new barge-mounted rig and final clearance from the Mineral Resources Department. The pilot plant will be relocated to Sorokoba and installed in the Company's base camp facilities.

Exemption from Excise and Import Duty: As disclosed in the 31 December 2016 quarterly activities report, the Company has been liaising with Fiji Revenue and Customs Authority (FRCA) on excise and duty concessions on the importation of materials for the Project. On 10 February 2017, the Company received approval from the Ministry of Economy for concessions on marine vessels and port construction, handling and processing equipment for the Mba Delta Project.

Yours faithfully,

Matthew Collard
Managing Director