



22 June 2018

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Mutually Agreed Termination of Tucano Contract

MACA Limited (ASX:MLD) (**MACA**) advises it has mutually agreed with Beadell Resources Ltd (ASX:BDR) (**Beadell**) to the termination of the mining services contract at Tucano in Brazil. The effective date of the termination is 21 June 2018. The termination agreement consists of a payment plan with respect to monies owed to MACA and a mutual deed of release from all claims by either party in relation to the Tucano open pit mining services contract.

The payment arrangement takes into account Beadell's future business needs and the essential parts of the agreement are:

- An agreed payment plan regarding the payment of all outstanding amounts owed to MACA (these payments are \$3M in Q3 2018, \$3M in Q2 2019 and then \$1.5M monthly from 1 July 2019).
- MACA is entitled to receive earlier payments if Beadell raises additional equity or debt (but this does not apply to the current US\$23M capital raising being undertaken by Beadell, see Beadell's ASX announcement dated 7 May 2018).
- Subject to the approval of Beadell's shareholders, MACA is entitled to convert part of the amount outstanding to equity in Beadell, at MACA's discretion.
- The amount outstanding will be secured against the assets of Beadell (noting that MACA's security interests will rank behind Beadell's existing lenders and convertible debenture holders who have prior ranking security).
- Interest is payable on all outstanding amounts.
- The payment plan is guaranteed by Beadell as parent company and any future parent company of the group (including Golden Harp Resources Inc. (TSXV:GHR-H.V) under the recently announced merger, see Beadell's ASX announcement dated 19 March 2018).

As at the date of termination the Quantum owed to MACA is circa \$61M, comprising a loan of A\$9.7M, trade receivables, interest and termination costs. MACA's net exposure is \$45M. MACA will retain ownership of the majority of the plant and equipment currently utilised at Tucano and redeploy personnel to other projects in both Brazil and Australia to the extent possible.

The contract was due to expire in November 2019 and the reduction in the Work in Hand (**WIH**) position as a result of the early termination will be circa \$51M. The impact to future NPAT is not expected to be material having regard to the performance of the contract in the current year.

WIH attributable to the mining division as at 30 June 2018 is expected to be \$906M, with a WIH of \$991M for all business units.

For further information please contact

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