



31<sup>st</sup> August 2018

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## **Contract Award - Bluff Coal Project for Carabella Resources**

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MACA Limited ('MACA')(The Company) (ASX:MLD) is pleased to advise that it has executed a 'life of mine' contract with Carabella Resources Pty Ltd for the provision of mining services at the Bluff Coal project near Blackwater in the Bowen Basin in Queensland.

Services to be provided will consist of all open pit mining activities including planning, procurement, management and supervision, load and haul, drill and blast, and water management. The project is expected to generate approximately \$700 million in revenue over a 10 year mine life. Bluff will produce approximately 12 million tonnes of a Pulverised Coal Injection product (PCI). PCI is used as a raw material in the manufacture of steel. PCI replaces the total volume of coking coal required in the steel making process thereby lowering the overall cost of raw material used.

The Bluff Coal project is located near Blackwater in Queensland and was acquired by its current owner Wealth Mining via its takeover of Carabella Resources in February 2014. The project has a granted mining lease in place together with environmental authority approval. Coal from Bluff will be processed utilising existing infrastructure at Cook Colliery, recently acquired and recommissioned by the Bounty Mining Group and has readily available port and rail access.

MACA will finance the drop cut to first coal and other minor project works via a secured working capital facility of up to \$25 million. To ensure the project's capital remains within MACA's normal capital parameters the project will utilise both acquired and hired equipment with capital expenditure of approximately \$45million.

Contract works will commence in the second quarter of FY19 and first coal is expected to be produced in the third quarter FY19. The project will be an 'Alliance' style contract aimed at delivering the lowest possible cost to our client. Employee numbers will be approximately 140 people who will be sourced from the local Blackwater area to the extent possible.

The project will broaden MACA's commodity exposure and geographical footprint. It will also utilise a larger fleet classes including 350t class excavators and 220t and 180t class dump-trucks. The contract takes MACA's WIH position to \$1.982B and The Company reaffirms the revenue guidance of approximately \$620M.

## Dividend payment date

MACA confirms the Dividend payment date is Thursday 20<sup>th</sup> of September 2018.

For further information please contact

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