

ASX ANNOUNCEMENT

3 April 2020

Business Update

Silver Lake Contracts Finalised

Further to its announcement of 18 February 2020, Macmahon Holdings Limited (ASX:MAH) ('**Macmahon**' or 'the **Company**') is pleased to confirm that its GBF underground mining services business has now finalised and signed contracts with Silver Lake Resources (ASX:SLR) for additional work at the Mount Monger gold operations in Western Australia.

These contracts will extend GBF's tenure at Mount Monger to March 2023, and will add approximately \$200 million to its order book.

Coronavirus impacts

In addition, Macmahon wishes to provide the following information to the market about the impact of the coronavirus on its business.

Macmahon has implemented a number of measures to protect the health of its people, reduce the risk of an infection, and to assist its employees to continue working. These measures include social distancing and screening protocols, extending rosters to reduce the frequency of workforce changeover at sites, and accommodating FIFO workers within the States in which they work. In addition, government mandated coronavirus controls such as travel restrictions have now been imposed in all jurisdictions in which Macmahon operates.

At this stage, there has not been a material impact on the Company's overall financial performance or on the assumptions which underpin its FY20 guidance. As a result, the Company does not currently see a need to change its guidance for this financial year. If this position changes, Macmahon will update the market in line with its continuous disclosure obligations.

Despite the limited financial impacts to date, Macmahon considers it prudent to adopt a cautious approach to expenditure in the current environment. The Company will therefore delay some of its previously planned capex spending and implement other cash preservation measures to ensure it retains an appropriate liquidity buffer for current conditions.

Macmahon has a strong balance sheet with cash and unutilised working capital facilities totalling \$155m at 31 December 2019. It is therefore well positioned to work through this challenging period. Given this position, the Company confirms it has now paid the interim dividend announced in February 2020 as originally planned.

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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 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.