



2 July 2020

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Working Capital Update

MACA Limited (ASX: MLD) ("MACA") provides the following update with respect to its working capital position and carrying value of its receivables from its mining clients.

MACA remains in a position of strong liquidity, with strong cashflow collections resulting in \$113M of cash and net debt of \$74M, as at 30 June 2020. This follows a significant capital investment into plant and equipment in excess of \$110M for the year.

As advised in MACA's half year report, the total receivable amount owing from Carabella Resources for mining services performed at the Bluff PCI project as at 31 December 2019 was \$52M plus an additional working capital facility of \$26.8M. MACA had extended trading terms with Carabella in the first half of FY20 expecting these balances to reduce in the second half of FY20, as a result of both improved operating cashflow from the project and material equity injections from the client. Whilst the client has made equity injections into the project, these have been below the quantum previously advised to MACA, which coupled with the lower coal price and some reduced demand due to COVID-19 impacts during the half, has resulted in the debtor balance remaining materially in line with the balance from December 2019.

As at 30 June 2020, the total receivables amount owing from Carabella Resources is \$56M, plus the additional working capital facility of \$26.8M. Both the receivable amount and the working capital facility are secured over the project assets and subject to a parent company guarantee from the owner of Carabella Resources. MACA will review the carrying value of the receivables as part of the preparation of its FY20 Statutory Accounts. MACA continues to work with Carabella Resources to facilitate recovery of the outstanding balances.

Other significant mining receivables balances continue to unwind. Wiluna Mining Corporation Ltd (previously Blackham Resources) has repaid the working capital facility in full and is operating under contractual payment terms for the ongoing mining services. Great Panther Mining continues to meet repayment obligations under the deed executed in June 2018. The current receivable balance is \$11.2M down from \$22.3M at 31 December 2019. All other receivable balances are on standard payment terms.

This ASX announcement has been authorised for release by the Board of MACA Limited. For further information please contact

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