

# Ammtec Limited

## Investor Briefing

Sydney 26 & 27 May 2010  
Melbourne 28 May 2010

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- An overview of the company
- The key drivers of the business
- Profit and loss trends
- The outlook
- CPB offer
- Questions

# An Overview of Ammtec



- Formed as an iron ore testing lab in 1979
- Listed on the ASX 1994
- Acquired Metcon (NSW), Optimet (SA), Burnie Research Laboratory (TAS)
- Continual expansion of facilities in WA (10,000m<sup>2</sup>)
- Acquired majority interest in PSI in 2004
- Added subsidiary Marc Technologies in Feb 2008
- Placement/SPP for Hydromet facility July 2009
- Unsolicited bid by CPB @ A\$3.35 May 2010

# Three Core Divisions

- ✓ Metallurgical (known as Ammtec)
  - Balcatta - 80% of divisional revenue
  - Metcon (NSW), Optimet (SA) and Burnie (Tas)
  - Assay facilities WA and Tasmania
- ✓ Marc
- ✓ PSI

# Metallurgical Capabilities

- Gold ore processing
- Bench scale flotation (nickel, copper, zinc)
- Iron ore testing (hematite and magnetite)
- Pilot scale grinding and flotation testing
- Assaying to support metallurgical test work
- Mineralogy
- Hydrometallurgy

# Metallurgical Revenue Split

	FY08	FY09	FY10E
Iron Ore	21%	27%	30%
Copper, Lead, Zinc	24%	27%	20%
Gold	22%	24%	25%
Nickel	24%	11%	15%
Uranium	0%	4%	4%
Others	9%	7%	6%
<b>Total Metallurgical (A\$m)<sup>1</sup></b>	<b>36</b>	<b>43</b>	<b>44</b>

1. Pre intercompany consolidation, rounded to nearest \$m.

# Marc Technologies

- Specialised Engineering Group
  - Air division
  - Laboratory design and supply
  - Custom engineering and sampling
  - Spare parts and service
- Dependent on customers' CAPEX spend
- GFC impact significant
- Expanded facilities since acquisition

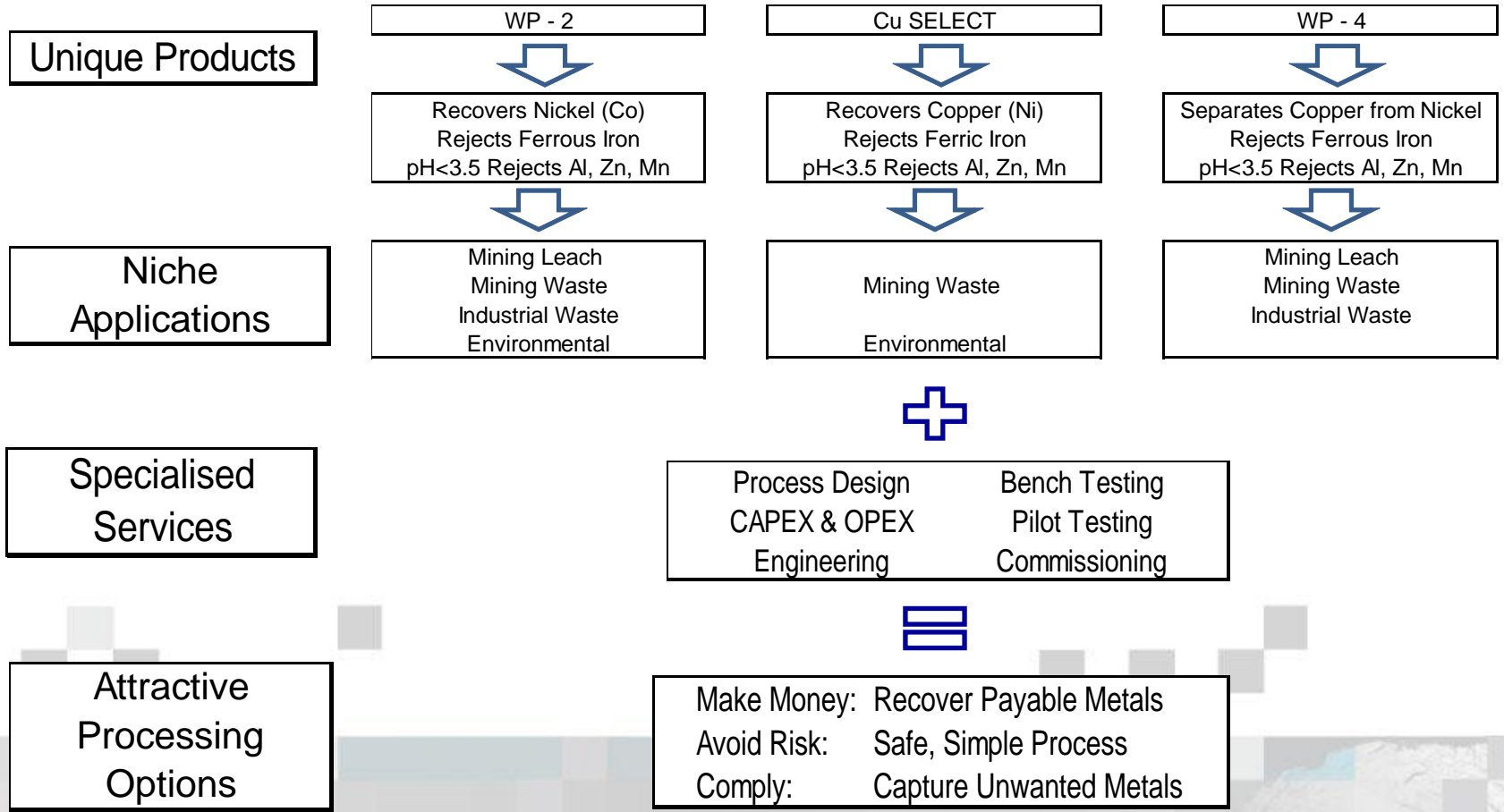


# Marc Revenue by Division

	FY08	FY09	FY10E
Air Division	39%	11%	57%
Laboratory design and supply	57%	72%	25%
Custom engineering and sampling	4%	9%	11%
Spare parts and service	0%	8%	7%
<b>Total Marc Revenue (A\$m)</b>	<b>15<sup>1</sup></b>	<b>18</b>	<b>14</b>

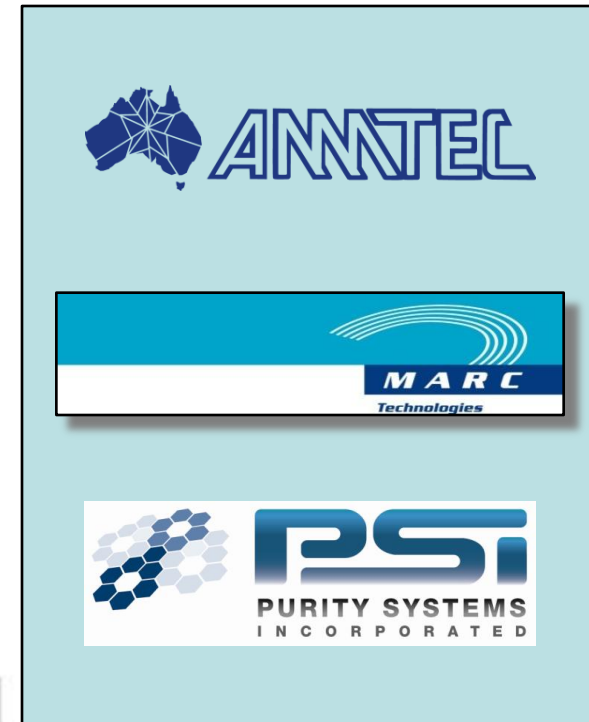
Note: Numbers rounded to nearest \$m.  
1. Annualised.

- US based resin business
- Currently Own 72%
- Worldwide exclusive license from University of Montana
- Extract heavy metal from solution
  - High value hydrometallurgical streams
  - Environmental streams
- Costs US\$1 million per annum to date
- Close to major sales – under negotiation at present



# The Outlook for FY11

- Strong revenue/profit growth
- Metallurgical business strong - benefiting from recent investments
- Marc back to pre GFC profit levels
  - 52% FY11 work contracted
  - Additional 26% FY11 work under negotiation
- PSI first sale
  - US\$1.8 million expected early FY11



# Recent Initiatives (1 of 3)

- Oil & Gas Mineralogy
  - Developed prototype mobile analyser
  - Real time results
  - Supply equipment and expertise
  - Further developments for offshore rigs
- Long term service contracts
  - Iron ore and nickel
- Expanded pilot plant capabilities
  - Grinding, flotation, gravity separation

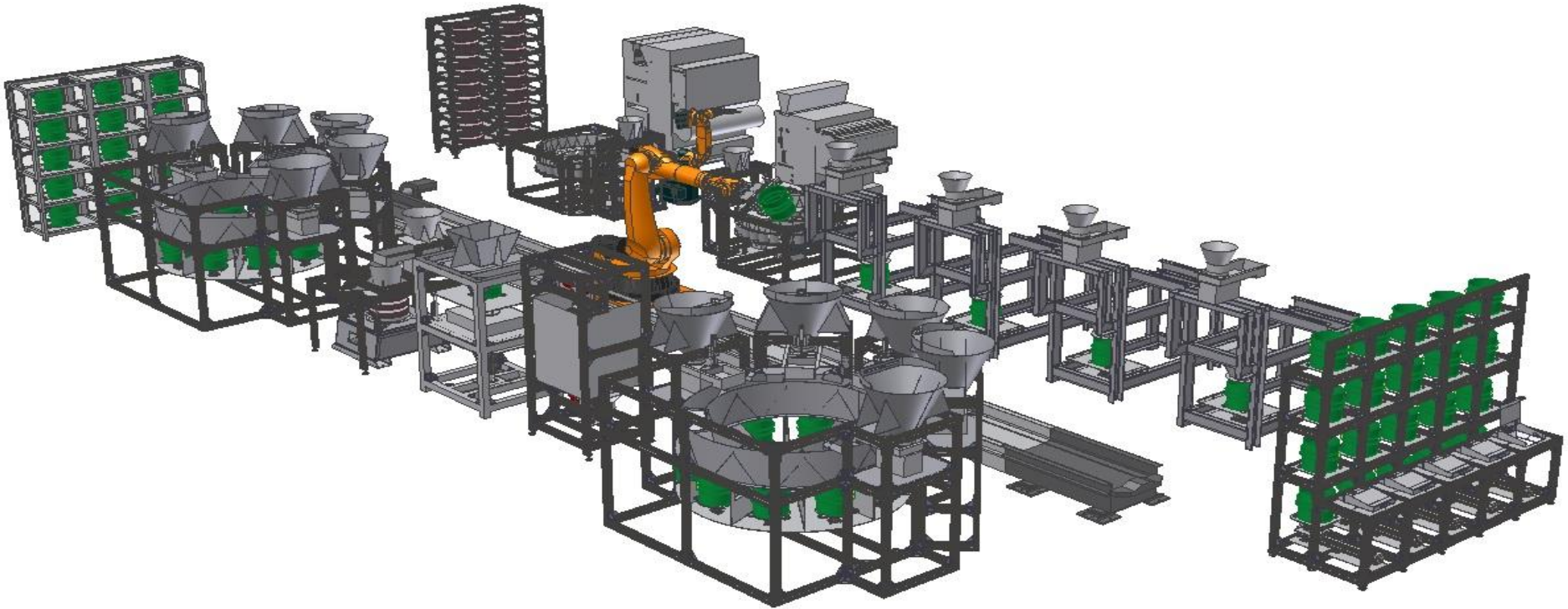
# Recent Initiatives (2 of 3)

- Base metal and gold samples mineralogy
- Hydrometallurgy
  - Currently bench scale facilities
  - Pilot scale leach testing by Dec 2010
  - Gold, nickel, uranium, rare earths and other metals

# Recent Initiatives (3 of 3)

- Assay Laboratory
  - Enhanced assay capability
  - Expanded capacity
- Heavy Liquid Separation laboratory
  - Iron ore clerici separations
- Robotic sample preparation facility
  - World class facilities, safer and more efficient





## AMMTEC ROBOT DESIGN



# Marc Technologies: Future



- Dust control solutions
  - Prospective iron ore projects
  - Suppression of coal dust from coal trains
- Specialty lab equipment and samplers
  - Tenders for uranium miners
- Oil & Gas projects
  - Completed Pluto Project for Woodside
  - Major new prospects

# Air Division Solutions

## Dust Extraction Systems

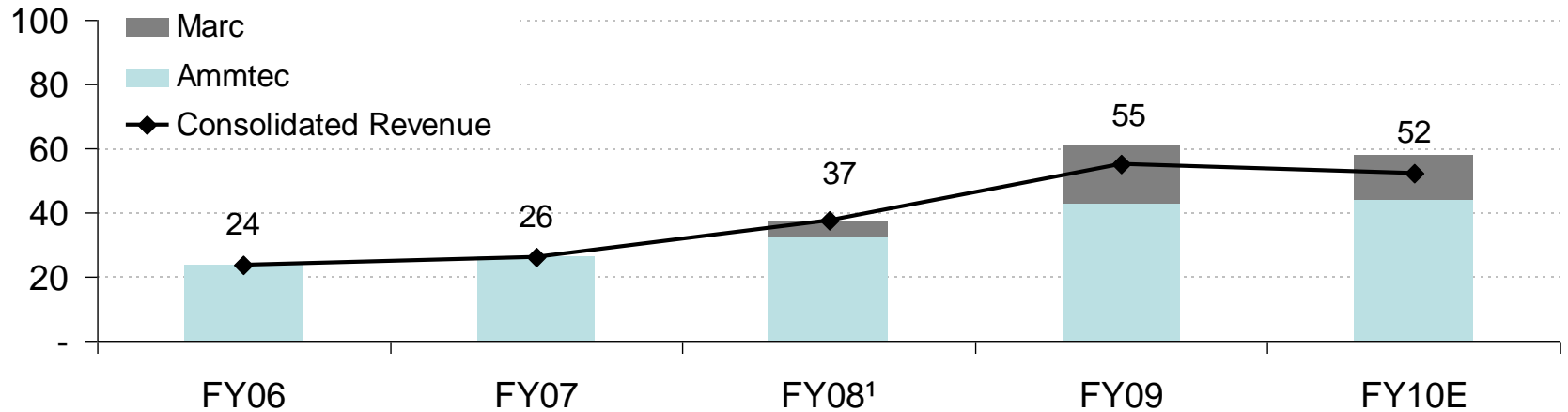


## Fogging System

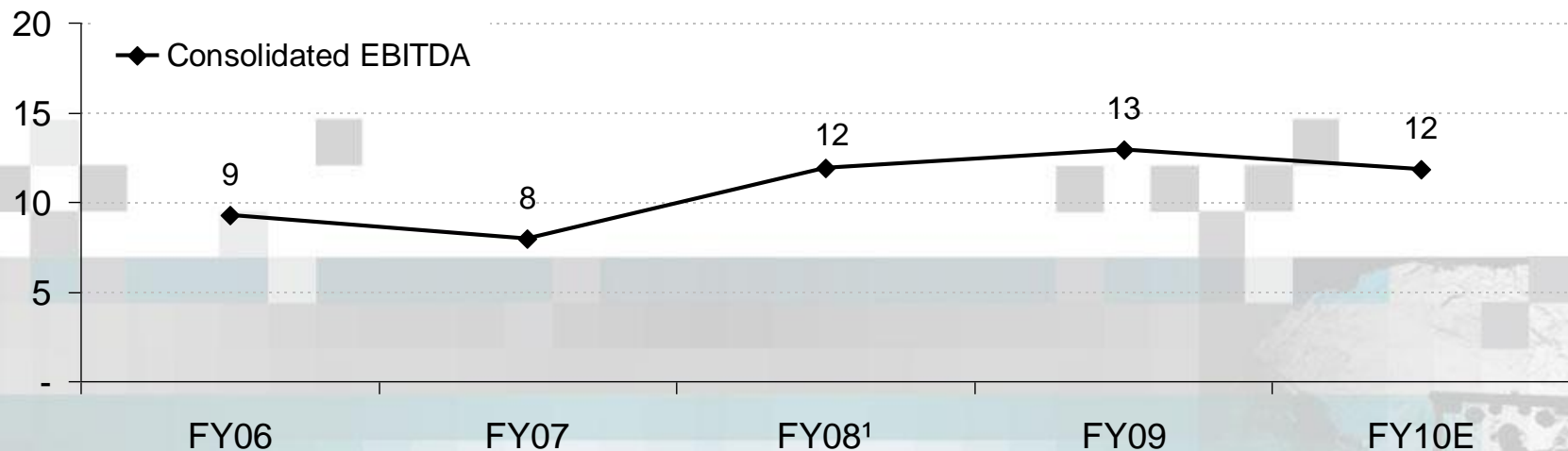


# Profit & Loss Trends (1 of 2)

## Revenue (A\$m)



## EBITDA (A\$m)

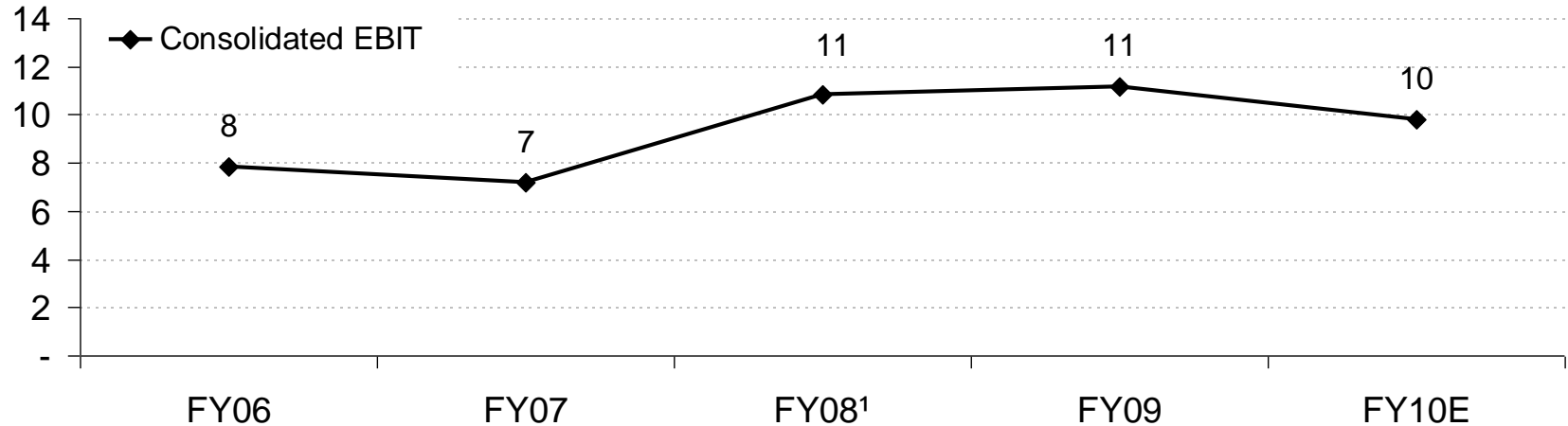


Note: Numbers rounded to nearest \$m.

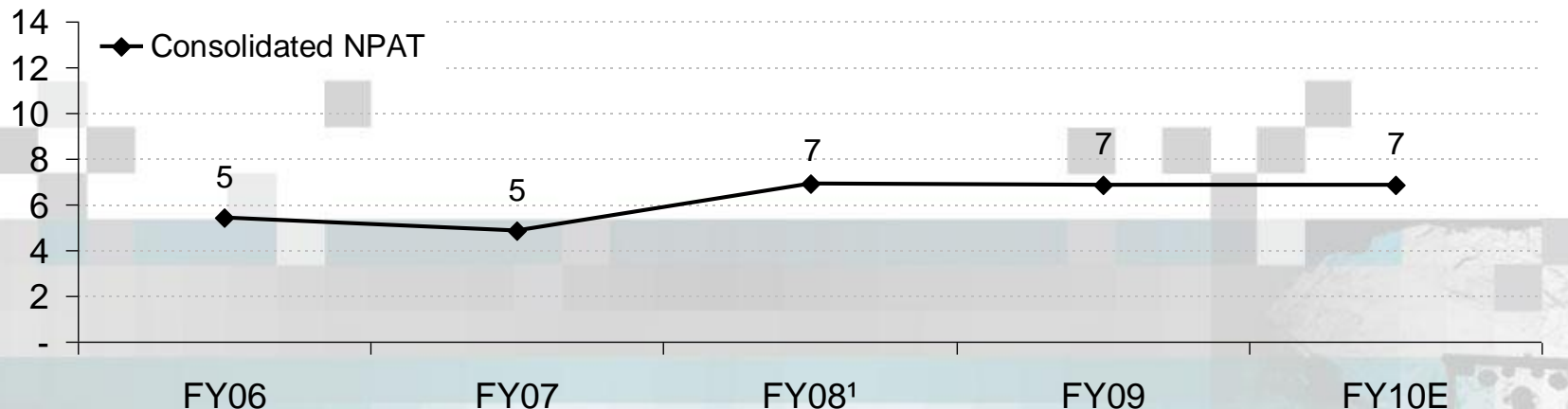
1. Marc shown for 4 months of ownership.

# Profit & Loss Trends (2 of 2)

## EBIT (A\$m)



## NPAT (A\$m)



Note: Numbers rounded to nearest \$m.

1. Marc shown for 4 months of ownership.

# FY11 Guidance

A\$m	Low	High
Revenue	73.3	79.1
EBITDA	19.6	22.2
EBIT	17.0	19.6
NPAT	11.1	12.9

## Additional CAPEX forecast for FY11<sup>1</sup>

- Mineralogy equipment A\$0.6m
- Hydromet plant equipment A\$0.5m
- Pilot plant expansion A\$0.8m
- Various other equipment for expansion A\$2.2m
- Hydromet pilot testing facility A\$4.0m
- Additional investment in PSI of US\$1.0m

1. Excludes \$1.3m intercompany, non cash, capex (Marc) for robotic sample preparation facility.

Once received, Ammtec's Board recommend shareholders **REJECT** Campbell Brothers' offer.

Offer Metrics	Cash Offer	Scrip Offer
Offer price per share (A\$)	3.35	3.19 <sup>1</sup>
Implied transaction equity value (A\$m) <sup>2</sup>	122.2	116.5
Other offer terms / requirements	<ul style="list-style-type: none"> <li>▪ Offer subject to Board confirmation of Ammtec's earnings for FY10:                             <ul style="list-style-type: none"> <li>– Operating Revenue &gt; A\$52.5m</li> <li>– Operating EBITDA &gt; A\$12.4m</li> <li>– Operating EBIT &gt; A\$10.3m</li> </ul> </li> <li>▪ Minimum 90% acceptance</li> <li>▪ S&amp;P/ASX 200 does not close below 3,800 on any two consecutive trading days</li> </ul>	

1. Based on Campbell Brothers' closing price (25-May-10).

2. Undiluted.

Source: Bloomberg (25-May-10).

# Questions