

ASX ANNOUNCEMENT

3 March 2021

Macmahon selected as mining contractor for Gwalia underground gold project

- Finalising new 5 year underground contract with St Barbara
- Will add circa \$500 million to order book
- Commencement in May 2021
- Important strategic milestone – significantly increases scale of underground business

Macmahon Holdings Limited (ASX:MAH) (**‘Macmahon’** or **‘the Company’**) is pleased to announce it has been selected by St Barbara Limited (ASX:SBM) (**‘St Barbara’**) to provide all underground mining services to the Gwalia underground gold project in Western Australia from May 2021.

The Gwalia mine is one of Australia’s oldest underground gold mines, with St Barbara having operated this flagship asset for the past 15 years. The mine was originally established in 1897 by Herbert Hoover, who later became President of the United States.

The scope of work for Macmahon will involve a whole of mine service including mine development, ground support, production drilling and blasting, loading and trucking, shotcreting and paste fill reticulation.

The initial contract term will be for 5 years, with St Barbara having an option to extend for a further 3 year period. Macmahon estimates the contract will generate approximately \$500 million in revenue over the initial 5 year term, which will require capital expenditure of circa \$40 million over FY21 and FY22.

Macmahon and St Barbara are working to finalise the mining services agreement, with signing expected in March 2021. Macmahon will commence early works on site in April, before full mobilisation in May 2021.

Commenting on the selection, Macmahon’s MD and CEO Michael Finnegan said:

“We are delighted to be selected for the Gwalia operation by St Barbara, a well-established and respected gold producer. We will work very closely with our new client to ensure continuity of operations during the transition period. This new project will make an important contribution to our strategic objective to diversify and expand our underground business.”

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St Barbara's MD and CEO Craig Jetson said:

"St Barbara is delighted to appoint Macmahon as the underground mining contractor at Gwalia to unlock the potential of the mine and instill a performance-led culture. We are confident that this partnership will deliver strong outcomes across employee safety and wellbeing and enable our focus on productivity. We look forward to initiating a seamless transition period over the coming weeks."

***** ENDS *****

For further information, please contact:

Chris Chong
Manager – Corporate Development and Investor Relations
cchong@macmahon.com.au
+61 8 9232 1877 / +61 408 774 365

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.