

ASX RELEASE

LYCOPODIUM LIMITED UPDATE

22 November 2018

2018 has been a busy year for the Company across most sectors in which it works.

Our minerals related businesses in particular have been very busy with the delivery of a number of projects across the world and we have maintained a healthy study workload in support of our future pipeline.

In addition, our infrastructure business maintained a good level of activity across the rail infrastructure management, mine related non process infrastructure and asset management planning arenas.

Safety

We continue to work to a very high standard of safety across our areas of operation. Given we have been active on over six separate project sites at any one time and have managed 3.7 million man-hours across the past year it is really a credit to our project and construction management teams that we have been able to achieve an LTIFR of 0.0 (with our 5 year rolling average being 0.26) and TRIFR of 0.78 (again lower than our 5 year rolling average of 1.75). Both metrics fall well below Western Australian construction industry averages.

Operations

Minerals

2018 has seen several key projects successfully progress through construction, commissioning and into operations, these being the Natougou Project in Burkina Faso, Mako Project in Senegal and Sissingué Project in Côté d'Ivoire. The projects and studies related workload has remained solid across all offices. The workload included:

- Mina de Cobre Panama (Cobre Panama) Project (First Quantum Minerals, Panama) – with design services now complete we continue to provide ongoing support in the form of offsite and field based engineering for the construction efforts being managed by the Client.
- Ity Project (Endeavour Mining, Côté d'Ivoire) – engineering and procurement is now complete and construction is well advanced and progressing to plan. We will transition into commissioning of the plant and associated infrastructure within 1Q19.
- Waghion Project (Teranga Mining, Burkina Faso) – engineering and design is essentially complete as is the supply and fabrication phase. Construction is progressing well with the installation of concrete foundations being the main activity at this time.
- Toka Tindung Expansion Project (Archipelago Resources, Indonesia) – this project is nearing completion with the planned upgrade works now being commissioned.
- Tailings Retreatment Project (Talison, Western Australia) – having completed the initial feasibility study and then the FEED, we have recently been awarded ongoing project related services via Mondium.

- Sanbrado Project (West African Resources, Burkina Faso) – with the recent award of the EP (CM) services we are currently completing a FEED phase which will refine the project scope in advance of progressing into detailed design.
- Karma Upgrade Project (Endeavour Mining, Burkina Faso) – further work was awarded that will see us support Karma Operations, including additional stacking and conveying equipment for the ongoing heap leach pad extensions.
- MRM Ruby Recovery Plant (Gemfields, Mozambique) – our team in Cape Town has played a key role in the development of this greenfield ruby recovery plant which is in the final stages of construction and pre-commissioning.
- Ahafo North Project Stage 3 (Newmont, Ghana) – having been awarded the advanced phase study for this project earlier in the year this work is progressing well.
- Yaouré Project (Perseus Mining, Côté d'Ivoire) – the DFS and FEED for this new 3.3 Mtpa greenfield gold project is now completed.
- Bombore Gold Project (Orezone, Burkina Faso) – having completed the DFS we are now working on the FEED for this project.

In addition to this work, we remain active on a number of material studies for projects in Australia, Botswana, DRC, Ethiopia, Indonesia, Italy, Kazakhstan, Madagascar, Mali, Mexico, Mozambique, Namibia, Oman, PNG and Zimbabwe. These projects involve a wide range of commodities including gold, cobalt, copper, diamonds, graphite, lithium, nickel, mineral sands and zinc.

Whilst the general level of activity in the market has increased over the last several months, it is well serviced by engineers and contractors relative to the total number of prospects and consequently the landscape remains quite competitive. As the major projects ramp up across the globe we consider that we will see the emergence of professional and skilled personnel resource shortages.

Infrastructure

Our activity within our infrastructure business has remained steady across the year with good work having been completed in all sectors in which we operate.

We are currently delivering services for:

- Mine related infrastructure design in support of the Toliara Project (Base Resources, Madagascar) and Ahafo North Project (Newmont, Ghana) studies.
- Operational readiness and asset management services for BHP on various projects in Western Australia.
- Rail engineering and design services for ARTC's Inland Rail Project where we are in the final stages of delivering the Phase 2 engineering and environmental services for the section from Parkes to Stockinbingal in western New South Wales.
- Rail engineering services for Energy Australia where we have recently completed the Definitive Engineering Study for the proposed Pipers Flat Rail Coal Unloader Project, which incorporates a rail spur and loop, rail unloader and overland conveyor.
- Engineering services to assist Wyong Coal achieve Transport for NSW "gate approval" on the Wyong Coal / Wallarah 2 Coal Project.
- Rail infrastructure inspection services across all Pacific National's Australian yards and sidings.

Process Industries

Our Process Industries business has kicked off feasibility study work on a magnesium recovery facility (for Ecomag) as well as undertaking a material number of sustainability related projects for the Department of Economic Development and Sustainability, Victoria.

We have also successfully progressed work for CSL Behring, BHP (Nickel West), Pfizer, Denso and Thales during the year.

The business is also participating in the emerging cannabinoid market with services provided for the study and planning of new facilities in Melbourne.

Mondium

Now into its second year of operation, Mondium has successfully completed its initial contract on the materials handling facility at Talison's Greenbushes Project and is well into executing the concentrate improvement project at Galaxy's Mt Cattlin operation. There are a number of quality prospects for this business and we remain confident that it will in due course become a material contributor to the joint venture partners.

Outlook

As expected we have seen a steady level of activity across the business in the first few months of this financial year however we expect an increase in activity for the second half based on the forecast pipeline of study and project work.

The Company considers that the outlook for the 2018/19 financial year will be generally in line with results achieved last year.

Closing

As always the Company's ongoing success simply reflects the effort and dedication of our management and staff to whom we are grateful.

For further information:

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