

ASX ANNOUNCEMENT

30 August 2019

Telfer Update: Macmahon and Newcrest negotiations well progressed

As announced on 12 June 2019, Macmahon Holdings Limited (ASX:MAH) (**Macmahon** or the **Company**) commenced facilitated negotiations with Newcrest Mining ('**Newcrest**') regarding pricing for changes to the mine plan and contract programme at the Telfer gold project. While these discussions did not initially reach a resolution, progress in recently renewed discussions between the parties has led Macmahon to form the view that an acceptable agreement for increased revenue is likely to be reached in the near future.

Given this progress, the Company's current assessment is that the net present value of incremental cash flows from the Telfer contract¹ is likely to be positive over the remaining term of that project, and so Macmahon has not recognised an onerous contract provision as previously indicated. While this assessment could change in the future, it is Macmahon's view of the most likely outcome at this point.

***** ENDS *****

For further information, please contact:

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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.
