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## Purchase of Business

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MACA Limited ('MACA') (ASX: MLD) is pleased to advise that it has entered into an agreement with the shareholders of Alliance Contracting Pty Ltd ('Alliance'), a privately owned mining and civil services provider, for the purchase of all the shares of Alliance.

Alliance was founded in 1999 and has its head office in Perth, with operating depots in Karratha and Port Hedland. It has a number of contracts in WA including in the Pilbara, Eastern Goldfields, and the Mid-West regions.

MACA expect to finalise the purchase of Alliance with settlement to occur by the end of January 2016 (subject to relevant third party consents and waivers). The acquisition consideration of approximately \$5 million in cash (subject to settlement adjustments) will be funded from MACA's existing cash resources. Alliance has Net Tangible Assets of approximately \$6 million with hire purchase and debt facilities of \$10 million. MACA Executive Director Geoff Baker has a long term, minority shareholding in Alliance.

This acquisition will provide MACA with new working relationships with Metals X Limited - Central Murchison project and Silver Lake Resources Limited - Santa and Lucky Bay project by providing open cut mining services to these projects. The contract tenures range from 3 to 19 months and are able to be serviced utilising plant and equipment currently owned by Alliance and MACA. In addition, Alliance has depots in both Karratha and Port Hedland which provide civil services to Blue Chip clients and local authorities.

MACA CEO Chris Tuckwell said “For a modest cash outlay MACA’s work in hand position will increase by approximately \$50 million to \$1.2 billion, with an increased exposure to Gold. We are looking to continue the strong working relationships developed by Alliance in the past combined with our own brand of service to deliver quality outcomes for these new clients. The strong working capital position and balance sheet of MACA has meant that we were well placed to acquire Alliance and service the contracts with Metals X and Silver Lake Resources profitably. MACA is continuing to review acquisition opportunities and in the current operating environment we are seeing a number of companies with good management and contracts that are capital constrained.”

For further information please contact

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