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Carabella Resources Bluff mine to move into care and maintenance

MACA Limited (ASX: MLD) ("MACA") provides the following update with respect to the Mining Services contract at the Carabella Resources Pty Ltd (Carabella) Bluff PCI project in Queensland.

In conjunction with our client, Carabella, MACA has agreed to place the mine on care and maintenance while the coal price remains below economic levels and uncertainty remains regarding Chinese Government policy relating to Australian metallurgical coal imports. The parties are working to fulfill current coal sales obligations with mining services expected to halt around the end of November 2020.

The carrying value of the receivable amount owing from Carabella for mining services performed and the working capital facility as at 30 June 2020 was \$34.7M. Whilst the monthly balance fluctuates with the working capital cycle MACA expects the overall future recoveries to be materially in line with the carrying value of the receivable.

MACA CEO Mike Sutton said 'in conjunction with our client, Carabella, we believe it is prudent to cease operations until a sustained recovery in the PCI coal price occurs. MACA are able to redeploy the majority of the Bluff fleet to existing and new projects which are commencing shortly. A relocation of the Bluff fleet will reduce the expected capital expenditure for FY21 by \$35M as a result.'

Work in Hand (WIH) at the end of September, after removing Carabella, stands at \$2.4 billion. WIH and work already delivered for FY21 currently stands at \$823 million of which \$649 million relates to the mining segment. WIH for FY22 now stands at \$546 million of which \$521 million relates to the mining segment.

This ASX announcement has been authorised for release by the Board of MACA Limited. For further information please contact

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