



KEEPING THE RESOURCE SECTOR RUNNING

ALLMINE GROUP LIMITED
(ASX: AZG)

ASX Release

28 October 2011

Fiscal 2012 Quarter 1 Operational Update & Appendix 4C

The Directors of Allmine Group Limited (**AZG** or the **Company**) release the Company's cash flow report for the quarter ended 30 September 2011 together with an operational update on the Group's activities during the period.

General

- Arcccon and Godfrey's Fitting Service acquisitions have been integrated.
- The Group will be operating on a single IT operating platform by December 2011.
- The Group is currently undertaking a re-branding exercise to improve the face of the Company and its divisional operations.

Financial

- The Group's operating divisions of Maintenance Services and Engineering & Construction exceeded their Quarter 1 Forecasts appreciably for revenue and EBIT despite the quarter being soft as predicted.
- The Group secured a A\$15m performance bonding line that will be drawn down shortly, to release approximately A\$6m in existing contractor retentions.
- The Group is in the process of concluding a Group-wide consolidation and restructure of bank performance bonding and general working capital facilities.

Business Division

Arcccon

- Arcccon has increased its team of design engineers and support staff from 10 to 50 across the quarter and continues to build this workforce.
- The current Arcccon general design and engineering work-in-progress currently exceeds A\$25m with a significant level of additional work tendered.
- Arcccon has tendered and priced approximately A\$300m in general engineering and construction projects (both EPC and EPCM) whereby it is now the preferred contractor for those projects and is waiting for a formal award.
- The China Non-Ferrous Metal Industry Foreign Engineering Construction Co Ltd (**NFC**) alliance projects continue to progress, however, it is important to note that in accordance with the current Group forecasts the NFC alliance projects are not expected to deliver material revenue to the Group until FY2013 and beyond.

Construction Industries Australia (CIA)

- The CIA workforce has increased from 120 full time equivalents (FTE) to 225 FTE across the quarter and is currently recruiting an additional 100 FTE to fulfill work flow requirements.
- China Metallurgical Group Corporation (MCC) alliance agreement projects currently stand at approximately A\$55m work-in-progress with pipeline work of at least an additional A\$50m for the remainder of Fiscal 2012. As a point of reference CIA generated A\$55m in revenue for Fiscal 2011.
- CIA has also bid and tendered for a significant level of construction work outside the MCC alliance.

Allmine Maintenance

- The division performed consistently across the quarter and remains in a “demand pull” situation for services but is constrained by labour availability.
- Recently Allmine Maintenance has been requested to place 50 FTE into field service / labour hire by an existing client (current Allmine Maintenance FTE ~100).
- In accordance with the Group “Life of Mine” operating strategy Allmine Maintenance, Arcon and CIA have begun jointly pitching for general maintenance and shut down services to the mines that they are currently designing and constructing.

- Ends -

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About Allmine Group:

Allmine Group Limited (ASX:AZG) is a mining service company that operates two divisions:

- (i) Engineering, Procurement and Construction via its wholly owned subsidiary Arcon (WA) Pty Ltd; and
- (ii) Fixed and Mobile Plant maintenance.

The Allmine Group provides a “Life of Mine” service proposition to mine owners, mine operators and their subcontractors. The Group’s principal focus is on mineral resource companies.

The Allmine Group undertakes general engineering and EPC projects globally. The Group’s maintenance division operates service centres across Perth, Leinster, Port Hedland, Karratha and Darwin. In addition to the service centres, the Allmine Group provides on-site labour hire and field service operations and sales of after-market earthmoving components across Australia and Fiji.

www.allminegroup.com and www.arconmining.com.au

Allmine Group – Keeping the Resource Sector Running

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

ALLMINE GROUP LIMITED

ABN

68 128 806 271

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	21,258	21,258
1.2 Payments for (a) staff costs	(3,813)	(3,813)
(b) advertising and marketing	(102)	(102)
(c) research and development		
(d) leased assets	(201)	(201)
(e) other working capital	(20,794)	(20,794)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	10	10
1.5 Interest and other costs of finance paid	(566)	(566)
1.6 Income taxes paid	(36)	(36)
1.7 Other (provide details if material)		
Net operating cash flows	(4,244)	(4,244)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(4,244)	(4,244)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments	(509)	(509)
(c) intellectual property		
(d) physical non-current assets	(98)	(98)
(e) other non-current assets	(267)	(267)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	7	7
(e) other non-current assets	121	121
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
	(746)	(746)
Net investing cash flows		
1.14 Total operating and investing cash flows	(4,990)	(4,990)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	2,435	2,435
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings	(790)	(790)
1.19 Dividends paid		
1.20 Other (provide details if material)		
	1,645	1,645
Net financing cash flows		
	(3,345)	(3,345)
Net increase (decrease) in cash held		
1.21 Cash at beginning of quarter/year to date	(3,038)	(3,038)
1.22 Exchange rate adjustments to item 1.20		
	(6,383)	(6,383)
1.23 Cash at end of quarter		

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	37
1.25 Aggregate amount of loans to the parties included in item 1.11	
1.26 Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

\$5,893,432 in contractor retentions are currently held. This retention cash will be released when replaced by performance bonds.

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	13,000	7,965
3.2 Credit standby arrangements		

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,582	3,886
4.2 Deposits at call		
4.3 Bank overdraft	(7,965)	(6,924)
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	(6,383)	(3,038)

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [\(except to the extent that information is not required because of note 2\)](#) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Scott Walkem
Chief Executive Officer
 28 October 2011

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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