

**Lycopodium**

Shareholder Report 2014





# Financial Snapshot

(As at 30 June 2014)

**38,965,103**

Shares on Issue

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**143.8 cents**

Net tangible assets per share

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**\$154.8 million**

Revenue

---

**\$3.7 million**

Net profit after tax

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**10.0 cents**

Earnings per share after tax

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**6.5 cents**

Dividend per share (fully franked)

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# Chairman's Report



My name is Mick Caratti. I am one of the founders and presently chairman of Lycopodium. This publication is designed to introduce you to the company, telling you who we are, what we do and how we see our future. This report does not replace the statutory financial statements but is designed to provide an informative insight into Lycopodium in an easier to read layout.

The past year has been a tough one for Lycopodium. The downturn in the industry was inevitable given the high level of activity that had seen 10 years of growth. While we forecast the downturn and had planned for it, there is nothing easy about the reality of downsizing either for those who are retrenched or for those who make the decisions and have to deliver the news.

The result was less than we had hoped but still positive given the degree of the downturn and costs associated with downsizing.

As per previous years I would like to provide some thoughts on the mining industry and the trends as we see them.

- Non ferrous and precious metal prices during the period have been constant or have risen and are equal to or above their 5 year average price. Iron ore prices are down, but they are still above the price of 5 years ago.
- The major mining companies are not committing capital to new projects and are instead focussed on optimising existing operations.
- Junior miners are still finding it difficult to finance advanced projects and new exploration will not occur until confidence improves to allow them to raise capital.

These are interesting trends in that we would have expected that the relatively solid non ferrous metal prices would have been a good base for established operating companies to look to expand. However the mixed results for these companies over the past 10 years while iron ore has been so profitable has meant that few are in a position to commit to new projects until the metal prices and financial markets show a strong upturn. Junior companies are always dependent on strong financial markets to raise the risk capital that is the lifeblood of exploration.

Given the uncertainty in the economies of Europe, China and Japan and volatility in Ukraine and Iraq, such an upturn does not seem likely in the short term.

While these are the overall trends as we see them there are, as always, some bright spots. Africa has the advantage that it is an enormous continent that has not been as extensively explored as Australia and there are still projects that are rich enough to defy the financing difficulties. North and South America have been affected by the trends, though because of the sheer number of projects on those continents some are progressing. Within Australia there are still brownfields and production replacement projects that we expect to proceed in iron ore as the major companies can make use of their existing infrastructure to displace higher cost producers.

The question everyone asks is how long will it take turn around. Given that the precious metal prices are reasonably stable and the non ferrous metal prices are rising, the critical factors are obviously the performance of the major economies and market sentiment which are both way outside our field of expertise. However, given the low current rate of exploration spending, we don't expect a sudden upturn in project spending as it takes time for projects to progress from exploration to capital commitment.

For Lycopodium the challenge is to be able to maintain our relevance in the large projects that have been a feature of the last 10 years and to continue to demonstrate the innovation on small project skills that has been important throughout our history.

The period has also seen a very unusual event for Lycopodium – the first and only acquisition since becoming public 10 years ago. We have always been wary of acquisitions, as they have in our opinion a poor success rate for the acquirer's shareholders. There are moments however when planets do align. We will on completion replace a silent shareholder in a company that is very well run, shares our technically lead view of management, and where the synergy between the two companies is recognised by both. ADP will greatly assist Lycopodium in African projects where the high Australian dollar has been a problem and Lycopodium offers ADP the ability to undertake much larger projects than they have previously. ADP also has skills in diamond processing that are relevant outside of Africa. We look forward to being able to talk more about this in future reports.

The Board has maintained its conservative policy on debt and will remain debt free after completion of the ADP acquisition.

I commend and thank the staff, managers and directors of Lycopodium for their contribution in a difficult year.

I hope you find the following information of interest and if you have any questions please call me.

A handwritten signature in blue ink that reads "Mick Caratti". The signature is written in a cursive, slightly slanted style.

M J Caratti  
Chairman



# Managing Director's Report

The 2013/14 financial year was one of two distinct halves. In the first half Lycopodium successfully commissioned, ramped up to commercial production and handed a number of major projects to our clients. In the second half however, Lycopodium became subject to the downturn in the mining cycle and the resultant need to respond to deteriorating market conditions. The net result over the two halves saw our revenue and profit figures for the year down on the preceding financial year. Specifically the lower profit reflects the reduction in workload across the group, the continued tightening of market conditions including competition for new work and the impacts of redundancies from staff reductions. The second half in fact contributed negatively upon the full year result.

In response to the prevailing conditions there is a heightened level of marketing to identify and secure new opportunities within the group. Once a study or project is awarded, there remains a strong focus on innovative technical and project delivery solutions to strengthen the financial robustness of our client's projects and thereby enhance the likelihood of these projects progressing rapidly into implementation.

Our core strategy continues to concentrate on the delivery of process, engineering and project management services, predominantly through EPCM but also using other delivery models. Our strategy and collaborative approach has enabled the company to develop and maintain a world class capability in delivering large projects for leading multi-national companies through to enabling emerging and junior companies achieve first production. Our aim is to consistently deliver quality and value through all phases and aspects of our clients' projects. Lycopodium enjoys a strong repeat client base as a result of this singular focus on project excellence.

## Operational Highlights

Lycopodium successfully delivered a number of major and complex projects to our clients during the year. Each of these projects were well managed through the peak of the resources boom in terms of costs and schedule, leading into a streamlined commissioning phase and rapid ramp up to commercial production. Favourable public comments and feedback were received from our clients in relation to our performance on these projects.

Provided below are brief summaries of the major activities undertaken by Lycopodium Minerals during the financial year.

- Construction and commissioning of the Akyem Project in Ghana West Africa was completed and handed over to Newmont. The Akyem Project is a greenfield 8.5 Mtpa gold treatment plant. Lycopodium was responsible for the gold processing facilities and infrastructure which included the mine services, a 43 km overhead power line connected to the national grid, water extraction and 8 km transmission pipeline, accommodation village, plant administration buildings, fuel supply, haul and access roads. The project achieved forecast for gold production for the year and is currently operating above nameplate capacity.
- Construction and commissioning of the Marandoo Project in Western Australia was completed and handed over to Rio Tinto. The Marandoo Project is a brownfield 15 Mtpa iron ore processing facility treating wet ores from below the water table. Lycopodium was responsible for the delivery of the treatment plant upgrade to process wet ores and all project related infrastructure. Infrastructure associated with the project included an approximately 850 ha agricultural facility, pit dewatering borefield comprising 27 bores, central services as part of a 1,150 man camp, 220 kV substation, mine operations centre, explosives storage facility and mine services buildings. The project achieved commercial production during the year.
- The Tropicana Project in Western Australia for the Tropicana Joint Venture (AngloGold Ashanti, 70%, Independence Group, 30%) was fully commissioned and handed over. Lycopodium was responsible for the delivery of the greenfield 5.5 Mtpa gold processing plant and infrastructure located 330 km east-northeast of Kalgoorlie. Project infrastructure included the access road, airstrip, construction and permanent accommodation villages, remote borefield and transmission pipeline, power reticulation from an onsite generation facility, asset protection systems, operations and maintenance buildings. The project also achieved commercial production during the year and is operating above nameplate design. Through Orway Minerals Consultants, we continue to provide services at the operations to optimise plant performance.
- Construction and commissioning of the Agbaou Project in Côte d' Ivoire for Endeavour Mining Corporation was completed ahead of schedule and under budget. The greenfield 2.1 Mtpa treatment plant was completed within 14 months from award. The project quickly achieved nameplate capacity and outperformed all key metrics.
- Detailed design of the copper concentrator facilities for First Quantum Minerals' large Kansanshi Copper Concentrator Expansion in Zambia and the Guelb Moghrein Upgrade Project in Mauritania were completed during the year. Detailed design of the 70 Mtpa Mina De Cobré Panama Project in Panama is in progress, extending our association with First Quantum Minerals.
- Construction of the Nammuldi Project in Western Australia for Rio Tinto is well advanced with the progressive handover of the project infrastructure. Pilbara EPCM, a 50:50 JV between Lycopodium and URS, is responsible for the delivery of the permanent infrastructure associated with the Nammuldi Project.
- Detailed design of the Otjikoto Project in Namibia on behalf of B2 Gold was completed. The greenfield 2.4 Mtpa processing plant includes provision for major expansion. Lycopodium will commence commissioning services in 4Q2014.



Lycopodium Process Industries provided services predominantly to the chemicals, renewable and pharmaceutical sectors with the following highlights:

- The Taganito Hydrogen Sulphide Project for Sumitomo Metals was commissioned and handed over to operations.
- Following completion of a feasibility study, Lycopodium was engaged to provide design services, field engineering and commissioning services associated with the Integrated Waste Treatment and Resource Recovery Facility in Victoria on behalf of Renex Group. The facility will accept and treat contaminated soils and other prescribed industrial wastes using a pyrolysis rotary kiln technology from Germany.
- Design services were provided to two major pharmaceutical facilities during the year, as part of long standing associations.

Lycopodium Asset Management continued to provide services to long term clients during the year, based on major reliability and maintenance engineering briefs with Woodside in the oil and gas sector, BHP Billiton, Northern Star Resources and Citic Pacific in the minerals sector and Mackay Sugar and Pfizer in the manufacturing sector.

Orway Mineral Consultants provided comminution circuit design and optimisation services across a wide range of commodities, with the copper, gold and iron ore sectors being the main areas for services. Hydrometallurgical services were provided in uranium and copper.

Lycopodium Infrastructure was awarded several detailed design briefs through local councils within Western Australia relating to roads and commercial buildings. The group also continued to provide design services to the major greenfield projects being undertaken in the minerals sector, both directly to clients and as part of major projects being undertaken by Lycopodium Minerals.

Lycopodium Rail provided ongoing services relating to rail infrastructure management (RIM) to major coal producers within the Hunter Valley and port facilities in New South Wales. RIM services were expanded to include private rail sidings in Western Australia. Detailed design services were awarded in relation to private sidings for a number of operating companies.

### Corporate Overview

During the year Lycopodium announced the completion of due diligence and signing of a binding agreement to acquire a majority interest (74%) in ADP Holdings (Pty) Limited, a South African based engineering company established in 1997. ADP has a strong track record in the African market and its expertise across a range of mineral commodities including diamonds, coupled with its regional skills base, will be complimentary to Lycopodium. The synergies between the two companies will allow entry into markets that neither firm has meaningfully operated in before. New target markets include larger scale EPCM projects within ADP's traditional diamond and marine client base, smaller scale modular plants and EPC projects within Lycopodium's traditional market sector. Government approvals have been obtained and the transaction finalised at the end of September 2014.

In the second half there was a contraction in personnel numbers across the group in response to the reduction in workload. A strong core within each subsidiary ensures continued high quality services are provided to our clients and enables us to readily respond as the workload picks up again.

During the past year there was a low level of capital investment in core infrastructure.

### HSE and Community

There has been a continued focus on health, safety and the environment as a number of major and complex projects entered the commissioning phase.

In 2013/14 there were 6.4 million manhours worked across the Lycopodium managed projects with a LTIFR of 0.16 against a 8.5 construction industry average. There was a focus during the year on management of high risk activities associated with construction completion, commissioning and the transition over to operations.

On the community side, Lycopodium continued as an active sponsor and supporter of The Clontarf Foundation, a charitable not-for-profit organisation improving the education, discipline, self-esteem, life skills and employment prospects of young Aboriginal men. Lycopodium again held the annual Jeans for Genes fund raising event for a 15th year. Lycopodium continued to provide support to a number of universities and charitable initiatives championed by staff.

### Full Year Results

For the financial year ended 30 June 2014, Lycopodium achieved revenues of \$154.8 million and a net profit after tax of \$3.7 million.

Basic earnings per share were 10 cents. The Directors have resolved to pay a final dividend of 1.5 cents fully franked which aligns with our dividend policy. The total dividend for the year is 6.5 cents fully franked.

# Managing Director's

## Report *(Continued)*

### Outlook

As previously advised, a number of factors have contributed to the reduction in demand for our services:

- Lower commodity prices across a wide range of commodities.
- Major mining companies belt tightening across their operations, optimising existing assets and limiting capital expenditure to minor brownfield optimisations rather than major greenfield project developments.
- Junior mining companies finding it difficult to raise capital for studies and projects.
- The manufacturing sector continuing its decline within Australia.
- Increasing competition between service providers, increasing appetite for risk, as well as lowering margin expectations.

The two main questions which arise from the mining cycle downturn are:

*Are we at the bottom of the mining cycle?* Lycopodium is of the view that the sector is not yet at the bottom, but close. There continues to be belt tightening and austerity measures within large and small companies across a range of commodities within the mining sector, a direct indication that the bottom has not yet been reached.

*When will it pick up again?* Lycopodium considers the prevailing conditions will remain for another 12-24 months. In the first instance there will need to be a pick up in exploration drilling and laboratory testing. These are the lead indicators of work which will eventually pass through to the mining services sector. At present the drilling companies and laboratories remain under utilised. Secondly, there are a limited, but slowly growing number of studies in the market, an early sign of improving confidence and the gradual rebuilding of the pipeline of projects. As the study numbers build there will be an increasing number of prospects which progress into implementation as projects. There will need to be an increasing commitment to new studies by the major mining houses through a combination of brownfield upgrades and major expansions plus new greenfield projects. These studies take 12-24 months typically to complete before presentation to their Boards for approval to implement. Thirdly, junior miners will need to delineate robust projects which can readily progress through exploration, feasibility studies, permitting and execution. Typically these are smaller projects and can advance at a quicker pace. The number of robust projects is currently limited by an inability for many juniors to raise funding for each phase of development. Funding successes appear to be emerging but confidence will take some time to fully return across the junior sector of the mining sector.

Lycopodium continues to work with our clients through these leaner times. Through innovation and collaboration we are confident many of our clients will start to pick up again, hopefully leading the curve in terms of project development.

As a result of ongoing efforts we are of the view that the group is well positioned to turn around the poor result in the second half of the last financial year and return to profitability. Our balance sheet also remains in a strong position based on our cash reserves. While visibility into the future remains limited our view is that the net profit after tax for the group in 2014/15 will be comparable to the final results for 2013/14 of \$4M. Our forecast also reflects the completion of the acquisition of ADP Holdings during the course of the financial year and a contribution to the overall result.

We will continue to actively monitor our forecasts, particularly given the uncertainty which remains in the market at this time.

### Acknowledgement

Lycopodium is extremely proud of the achievements of our personnel over the last year, particularly given the high demands across our project sites. The Board of Directors acknowledges that the company's ability to continue to deliver world class services to our clients and to maintain and enhance the company's performance and capability is dependent on the continued commitment and support of our personnel.

We would also like to thank our clients for their continued trust in Lycopodium to deliver services to their projects and studies. We will as always work hard to maintain these valued relationships.

On behalf of my fellow Directors I take this opportunity to sincerely thank all personnel for their highly valued contribution over the last year.



Rod Leonard

Managing Director



# Board of Directors



**Michael (Mick) Caratti**  
NON EXECUTIVE CHAIRMAN

Mick has over 37 years' experience in the mineral processing industry with involvement in conceptual evaluation, engineering, commissioning and study management for new and existing projects in Australia and overseas.

Mick has extensive experience in company management having been a director and shareholder of a successful engineering consulting company from 1982 to 1987, and then as a director and shareholder of Lycopodium from its formation in 1992.

Mick's primary role as Chairman is to take a global view of the engineering industry and Lycopodium's place in it whilst maintaining the Company's founding philosophies and strategies. However, Mick continues to be involved at a project level as a Senior Consultant as required.



**Rodney (Rod) Leonard**  
MANAGING DIRECTOR

Rod has been the Managing Director of Lycopodium Limited since January 2010.

One of the founding partners of Lycopodium and an Executive Director of Lycopodium Limited since listing in 2004, Rod has been a Director and Chairman of Lycopodium Minerals and a Non Executive Director of Orway Mineral Consultants.

His management roles within Lycopodium Minerals have included that of Technical Director for the Risk Management Group, Managing Director, General Manager of Operations and Manager of Metallurgy.

Rod has nearly 30 years' experience in a variety of roles in the operation and project development of major projects in North and South America, Africa, Asia and Australia and has been involved in many aspects of the mineral processing industry from process development, feasibility studies, and design assignments as well as commissioning of projects.



**Lawrence (Laurie) Marshall**  
NON EXECUTIVE DIRECTOR

Laurie was Lycopodium Limited's Managing Director until early 2010 when, with the appointment of Rod Leonard, Laurie took up the positions of Non Executive Director and Consultant. He is also a Non Executive Director of Lycopodium Process Industries and Lycopodium Rail.

As a founding partner and Certified Practising Accountant with over 40 years' experience in corporate, financial operational and risk management, Laurie has been instrumental in the development of Lycopodium from its early days as a privately owned engineering consultancy to that of a public company.





**Robert (Bob) Osmetti**  
EXECUTIVE DIRECTOR

Bob is a Civil Engineer with over 36 years' experience in the project management and construction management of projects in an EPCM role and has worked for major construction contractors in the mining sector.

He brings direct experience in all aspects of project implementation, estimating, scheduling and construction management as well as the management of a number of feasibility studies for major resource projects in Australia and overseas.

Bob is one of the founding partners of Lycopodium and has held diverse positions within the group and continues to apply his expertise across the group companies as Director – Projects.

Bob is currently the President and Director – Projects of Lycopodium Minerals Canada Ltd.



**Bruno Ruggiero**  
EXECUTIVE DIRECTOR

Bruno is a Mechanical Engineer with nearly 30 years' experience in the minerals industry and a founding partner of Lycopodium.

Currently the Technical Director for Lycopodium Minerals, Bruno guides the technical direction and standards for new project initiatives that the company undertakes.

Bruno is an Executive Director of Lycopodium Minerals and a Non Executive Director of Lycopodium Asset Management.



**Peter De Leo**  
EXECUTIVE DIRECTOR

Peter has been Managing Director of Lycopodium Minerals Pty Ltd since 2009. Peter has previously held the roles of General Manager – Operations, Manager of Projects and Project Director within the organisation.

Peter is a Civil Engineer with over 26 years' experience within the construction and engineering industries. Peter possesses strong business management and project implementation skills and has been responsible for the successful delivery of many of Lycopodium's pioneering and large scale projects.

A Fellow of the Institute of Engineers Australia, Peter maintains an active involvement with industry associations and tertiary education institutions both as a representative of the organisation and of industry.



**Keith Bakker**  
COMPANY SECRETARY /  
CHIEF FINANCIAL OFFICER

Keith has been with Lycopodium for 18 years and in that time has carried out the roles of Commercial Manager and General Manager Finance.

A Fellow of the Certified Practising Accountants of Australia, he brings to his role of Company Secretary and Chief Financial Officer, over 30 years' experience in company secretarial and finance roles within the airline, human resource management and mining services sectors.











# About Lycopodium

## Our Company

Lycopodium is an innovative and value driven process, engineering and project management consultancy.

Our multidiscipline services are provided through our subsidiaries, which specialise in their industry segment. Through our focused approach Lycopodium is able to consistently meet our clients' expectations and develop long term relationships.

### Lycopodium Limited

MINERALS	PROCESS INDUSTRIES & RENEWABLES	INFRASTRUCTURE	RAIL	ASSET MANAGEMENT	ORWAY MINERAL CONSULTANTS
					
<ul style="list-style-type: none"><li>• Mineral Processing</li><li>• Materials Handling</li><li>• Plant and Mine Infrastructure</li></ul>	<ul style="list-style-type: none"><li>• Specialty Chemicals</li><li>• Pharmaceuticals</li><li>• Research &amp; Development</li><li>• Food &amp; Beverage</li><li>• Manufacturing</li><li>• Renewable Energy</li><li>• Energy Recovery</li></ul>	<ul style="list-style-type: none"><li>• Power Generation &amp; Distribution</li><li>• Commercial &amp; Industrial Buildings</li><li>• Water Supply, Treatment, Disposal</li><li>• Accommodation &amp; Townships</li></ul>	<ul style="list-style-type: none"><li>• Heavy Haul Bulk Freight Networks</li><li>• Private Owned Rail Lines &amp; Sidings</li></ul>	<ul style="list-style-type: none"><li>• Maintenance Strategy Development &amp; Implementation</li><li>• Criticality Analysis</li><li>• Maintenance Optimisation Audits</li></ul>	<ul style="list-style-type: none"><li>• Comminution Circuit Design, Modelling &amp; Optimisation</li><li>• Hydrometallurgy</li><li>• Process Plant Consulting &amp; Commissioning</li></ul>

Established in 1992 Lycopodium is headquartered in Perth, Australia and is listed on the Australian Stock Exchange. Lycopodium has offices nationally in Brisbane, Melbourne, Newcastle and Perth and internationally in Canada, South Africa, Ghana and the Philippines.

## Our Business

Lycopodium's business model is based on consistently delivering quality services to clients through feasibility studies, projects, operations and maintenance advice which are fit for purpose, objective and reliable. In this way Lycopodium adds value to a client's business leading to long term beneficial relationships.

We work closely with our clients to evaluate, develop and implement engineering solutions for their projects and our involvement starts from the early conceptual planning moving through the feasibility phases to the completion of design, construction, commissioning and handover, continuing with reliability engineering and maintenance services on operational sites.

Our contracting model is flexible and is aligned to meet a client's requirements. We are predominantly EPCM based (Engineering, Procurement, Construction Management), but also deliver on the basis of EPC, lump sum turnkey, design and construct and can incorporate partial or fully integrated teams with clients.

Our work, reflecting diversity in not only client background, but commodity, technology, scale of operation and geographic location, falls into six broad groups:

- **Mineral Processing**

Our Mining and Mineral Processing clients range from major multinational producers through to junior exploration companies and their projects involve a wide range of commodities: gold, copper, nickel, diamonds, iron ore, cobalt, zinc, lead, manganese, uranium, tin, tantalum, rare earth minerals and platinum group metals.

Projects, undertaken in diverse environments including tropical, arid, arctic and high altitude conditions, range in scope from large greenfields projects involving process plant and equipment, civil and building works, control systems, services and infrastructure to small skid-mounted, transportable pilot or demonstration plants.

- **Infrastructure**

Lycopodium has wide-ranging experience managing the assessment, design, planning and implementation of a variety of infrastructure elements, both independently and in conjunction with mineral processing projects. Infrastructure elements include power supply, water supply and treatment, housing, commercial and industrial buildings, roads and general infrastructure.

# About Lycopodium *(Continued)*

- **Process Industries**

Our Process Industries clients, many of them household names, produce a wide variety of products in the manufacturing, pharmaceutical, chemical, food and beverage, healthcare, oil and gas and petrochemical sectors.

With this diversity of sectors, Lycopodium's expertise is wide, ranging from greenfield production facilities through to cutting-edge biotechnology and scientific research projects.

- **Renewables**

Lycopodium is at the forefront of developments in renewable energy and energy efficient including the implementation of projects in solar, biofuels and heat energy recovery.

- **Rail**

Lycopodium provides rail infrastructure asset management services, feasibility study and detailed design services to the heavy rail industry. These services are often complimentary in nature to larger projects undertaken within the group which include a rail component.

- **Maintenance and Reliability Engineering**

Maintenance and reliability engineering clients come from the oil and gas, petrochemical, power and water utilities, mining and minerals processing industries.

In this sector, there is significant experience in re-engineering existing systems for brownfield operations as well as developing and implementing new maintenance management systems for greenfield operations.

Project examples of the various commodities and industry sectors in which Lycopodium has worked during the year follow later in this shareholder report.

## Our Services

Throughout our 20+ year history, Lycopodium has developed a reputation for providing technically innovative and cost effective engineering solutions as well as delivering projects which exceed the client's project criteria and performance targets.

Our services fall generally into four areas of expertise:

### Process

Lycopodium's process group has a wide range of experience to undertake the development of new processes and determine the viability of new and existing processes, including:

- Planning, design, supervision and interpretation of laboratory, bench-scale and pilot-scale test programs.
- Flowsheet development, mass and energy balances, process modelling, process design specification.
- Management and coordination of necessary skills in the production of studies. These studies are done at different levels of confidence depending on the stage of investigation and are usually defined as concept study, pre-feasibility study and detailed feasibility study.
- Evaluation and selection of new and alternative processes at the conceptual and pre-feasibility study stages to determine the viability of new and existing processes.
- Comminution circuit design using specialist database and in-house software to design crushing and grinding circuits and predict their performance.
- Hydrometallurgy for base metals, uranium and rare earths.
- Commissioning, training and operations services.
- Design, construction management and operation of pilot plant installations.
- Plant audits, debottlenecking evaluations and staged development planning.
- Environmental compliance processes, e.g. cyanide recovery and destruction, arsenic fixation and disposal, metal precipitation and water management.

### Engineering

Lycopodium's engineering group can offer a wide range of expertise for the development of a project, including:

- Conceptual and detailed design of treatment plants.
- Conceptual and detailed design of infrastructure including earthworks, roads, drainage, power supply and transmission systems, buildings and villages, water and wastewater systems.
- Design expertise covering all relevant disciplines including:
  - Architectural
  - Civil
  - Structural
  - Mechanical
  - Piping
  - Electrical
  - Instrumentation
  - Process Controls



- Design, program, test and commission plant automation control systems.
- Plant refurbishment and relocation.
- Conceptual and detailed design of large modular and panelised plants for major projects down to small transportable and skid-mounted plants.
- Plant debottlenecking, upgrading and improvements.
- Troubleshooting and modification of mechanical and electrical installations.
- Design expertise in tropical, arid, arctic and high altitude locations.
- General engineering consulting services including due diligence reports, project valuations and debottlenecking studies.

### Project Delivery

Lycopodium undertakes the engineering, design, procurement and construction management of clients' projects, including:

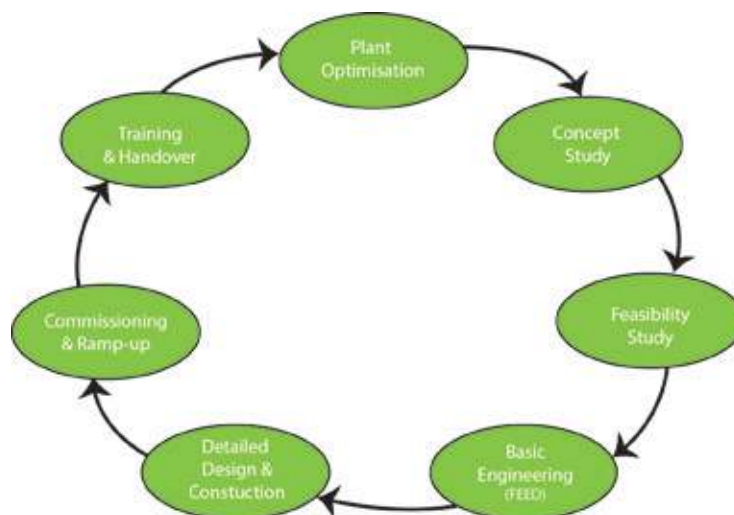
- Full project and construction management to deliver complete projects.
- Health, safety, environmental, community relations, quality management services.
- Project controls including cost control and scheduling.
- Tender preparation and evaluation.
- Procurement, expediting and inspection services.
- Plant evaluations and assessments for insurance or sales purposes.
- Capital and operating cost estimates.
- Financial evaluation of projects.
- Client representation.
- Development and implementation of project accounting services.
- Development and implementation of project maintenance and reliability engineering services.
- Logistical and transport management.

### Maintenance and Reliability Engineering Services

Lycopodium can assist plant site operators to reduce operating costs and increase productivity, whilst complying with statutory regulations and duty of care obligations, by refining or re-engineering their maintenance management practices and implementing the required change processes.

These services fall within the following areas:

- Maintenance System Development – the preparation of work instructions to provide comprehensive maintenance actions.
- Optimisation – the fine tuning of systems, procedures and processes to cost effectively provide the highest availability and reliability for an operational site.
- Materials Management and Optimisation – encompasses all aspects of identifying, categorising and organising equipment in a facility or system.
- Operational Readiness – the provision of services to assist clients to initiate operation of new projects.
- Planning – the detailed processes and practices that form the maintenance planning cycle.



# About Lycopodium *(Continued)*

## Our People

Engineering consulting is a service industry and Lycopodium is dependent on its people for the quality of service it provides. Lycopodium is proud of the professionalism and loyalty of the team it has assembled and their achievements in the innovative and cost effective design and construction of projects in diverse industries and regions.

Lycopodium uses a team approach to its work where each project has a team drawn from the disciplines required and is led by a project manager. Each discipline is headed by a discipline manager who is responsible for monitoring and controlling the quality of work within the discipline and ensuring each project manager has sufficient resources to run the project team. Regular formal management meetings are held to review progress, cost and quality and ensure all projects are fully resourced, on time and on budget.

## Our Projects

Lycopodium, while Australian based, operates both nationally and internationally. Through our subsidiaries, Lycopodium has undertaken over 5,000 projects, studies and consulting briefs in over 50 countries spanning Australia, Africa, Asia, North America and South America. Projects have ranged from small, prototype facilities to demonstrate new processes or technologies through to world class, greenfield projects incorporating the largest equipment items in the world. Many projects have been delivered into remote locations with limited existing infrastructure and services.

## Our Clients

Lycopodium services a wide range of organisations headquartered throughout the world including large international companies, mid tier and emerging companies, and junior and start up companies. The majority of our services are the result of long standing relationships with our clients, built over years of high quality services specific to their requirements. Lycopodium's highly customer focused approach and ability to deliver tailored, value adding solutions has been fundamental to our success.

## Our Goals

Lycopodium's aim is to be the best in its field and believes its success is a function of the success of its clients' projects.

Lycopodium has a proven track record of meeting budgets and schedules and achieving project performance criteria on both large and small projects and in greenfield (new) and brownfield (existing operating plant) environments.

A successful process, engineering and project management consulting company doesn't stand still – it grows through consistent delivery of high quality services, accepting new challenges and resetting goals, which for Lycopodium reflects in larger, more complex projects and work in new areas, be they technical or geographic. In order to assist this long term growth Lycopodium's strategies are as follows:

### Clients

Lycopodium focuses on achieving clients' aims as its primary objective and its success is demonstrated by the high level of client satisfaction and repeat business the company enjoys. Lycopodium continues to deliver innovative and fit for purpose outcomes, tailored to the needs of individual clients.

### People

Lycopodium continues to build and retain a team of respected professionals in each of the disciplines required in a process, engineering and project delivery business.

### Growth

Lycopodium continues to focus on the longer term horizon through organic growth in alternative geographic locations and through strategic acquisition where clear added value to the business can be demonstrated.

# Project Reviews

**Project:** Agbaou  
**Location:** Côte d'Ivoire  
**Client:** Endeavour Mining Corporation  
**Sector:** Minerals - Gold



In January 2014, the Agbaou Gold Mine, located 200 km northwest of the port city of Abidjan in Côte d'Ivoire, achieved commercial production.

At that time, CEO Neil Woodyer, stated: "After a tremendous amount of hard work on the part of the entire team, we are delighted by the strong start at Agbaou that has outperformed all of our key metrics. Agbaou has quickly achieved and sustained design capacity, is fully ramped up and is now a significant cash flow generator. Agbaou was completed safely, ahead of schedule, and under our \$160 million capital budget."

Agbaou's owner, Endeavour, is a Canadian-based gold mining company producing over 400,000 ounces per year from its four mines in Mali, Burkina Faso and Ghana in West Africa. Through Ghanaian subsidiaries, Endeavour holds a 90% interest in the Nzema Gold Mine, which reached commercial production in 2011. Lycopodium was involved with the development of Nzema from the early study phase through to the provision of EPCM services to build the process plant.

For Agbaou, working with the same Owner's team that built Nzema, Lycopodium provided full EPCM services, including:

- engineering / detail design drafting, generally for the process plant and mine services facility and their associated infrastructure and services
- procurement services and contract administration
- project services and controls - including cost control, scheduling, reporting, claims processing, change management
- construction management - including site management, field engineering, health and safety management, control and inspection of all construction activities
- commissioning services - pre-commissioning and testing, dry and wet / process commissioning.

Construction of the plant from the start of clearing to first gold pour took just 14 months, and was achieved with an excellent safety record (2.8 million manhours with LTIFR of 0.7).

Agbaou is one of the largest gold resources in Côte d'Ivoire. The project is situated approximately 200 km northwest of the port city of Abidjan, within 10 km of the national power grid and readily accessible by paved highway.

Côte d'Ivoire is one of Africa's most advanced countries, possessing excellent infrastructure in comparison to other developing economies. Whilst Côte d'Ivoire's agricultural industry currently overshadows mining the country has gold reserves located over 322,000 sq km which are almost entirely underlain by the same prospective gold-rich Birimian formations that extend into Ghana, Mali and Burkina Faso.

**Project:** Rail Infrastructure Management - Drayton's Mine  
**Location:** New South Wales, Australia  
**Client:** Anglo American  
**Sector:** Infrastructure - Rail



Drayton's Coal mine is an open-cut thermal coal mine in the Hunter Valley which began operating in 1983 and currently produces around 5 Mt of thermal coal each year for export and domestic markets.

Drayton is owned by Anglo American (88%) and joint venture partners NCE Anglo American, Mitsui Coal Anglo American, Daesung Anglo American and Hyundai Anglo American. The mine is operated and managed by Anglo American.

Coal is currently transported from Drayton's mine in the Hunter Valley by rail to the Port of Newcastle for export to its power utility customers in Asia.

The mine has its own rail spur loop which was constructed in 1982, has a total track length of 10.8 kilometres and consists of a number of structures.

Lycopodium was engaged by Anglo American in March 2014 to provide engineering services to their Rail Infrastructure Manager (RIM). Services include maintenance management and planning such as routine inspections, defect management and works validation. Other services being delivered include development of rail asset management strategy, budgets, technical maintenance plans, detailed designs for asset renewals and updates to the Anglo American risk register.

Lycopodium's point of differentiation in the area of rail infrastructure management is the independence provided to rail owners by separating scope generation from scope delivery, while delivering an appropriate level of risk management based on sound engineering principles.

The services provided by Lycopodium Rail to Anglo American, further consolidates our innovative railway asset management techniques, systems and software.

Lycopodium delivers RIM services to a number of clients which also include Newcastle Ports, BHPBilliton, Peabody Energy, Onesteel and South Maitland Railways.

# Project Reviews *(Continued)*

**Project:** Tropicana Commissioning

**Location:** Western Australia

**Client:** AngloGold Ashanti

**Sector:** Minerals - Gold



In September 2013, after two and a half years of construction and eight years after the initial discovery, the Tropicana Mine, the first greenfields gold discovery to be brought into production in Australia for more than a decade, poured first gold.

As Australia's newest gold mine, Tropicana incorporates innovation from design of its mining and processing systems right through to environmental management.

Construction of the processing plant began late in 2011 and structural steel, plate work installation, mechanical installation and construction of the tailings storage facility were completed in June 2013. The first gold pour was obtained in late September 2013 and the plant was handed over at the end of October 2013.

The plant was performing in line with its ramp-up targets early in 2014 and has produced 348,474 ounces of gold for the 2014 financial year.

The processing plant has a design throughput rate of 5.5 Mtpa of fresh ore and is based on a comminution circuit comprising two-stage conventional crushing, high pressure grinding rolls and ball milling, along with a conventional CIL circuit.

OMC has been involved with ongoing Remote Grinding circuit Support (RGS) to assist with the continuous improvement of the comminution circuit at Tropicana Gold Mine. The RGS process essentially involves a variance analysis of key performance indicators against historical performance and derived targets. The variances, when processed through OMC's problem solving matrices, allow the identification of suboptimal performance, or change in performance, and diagnosis of the cause and possible solutions to rectify these.

**Project:** Mumi Commissioning

**Location:** Democratic Republic of Congo

**Client:** Mutanda Mining SARL / Glencore Xstrata

**Sector:** Minerals - Copper



From its base in Lubumbashi, Democratic Republic of the Congo, Mutanda Mining SARL (Mutanda) explores and produces copper and cobalt. Mutanda operates as a subsidiary of Glencore, one of the world's largest diversified natural resource companies and a major producer and marketer of over 90 commodities worldwide. The Company is listed on the London Stock Exchange, the Stock Exchange of Hong Kong Limited and on the Johannesburg Stock Exchange.

The Mumi project comprises two concessions in the Katanga province of the DRC: Mutanda, a developed high grade copper and cobalt producer, and Kansuki, a 185 sq km copper and cobalt pre-development project bordering Mutanda. The site lies about 40 km to the southeast of Kolwezi in the Roan formation, part of the Central African Copperbelt, the largest resource of copper and cobalt in the world.

Having undergone several phases of expansion in recent years, Mumi operation currently comprises two milling circuits, four copper solvent extraction (SX) plants and six electrowinning (EW) plants and a cobalt recovery circuit. Design production capacity of copper cathode is 200,000 tpa. In addition to this significant rate of copper production, Mumi also has one of the highest in-situ cobalt grades in the world.

OMC has been involved with ongoing commissioning and operational support to the Mumi mine. Recent work has involved a lead role in the commissioning, ramp-up and stabilisation of the Phase IV single stage SAG mill, and associated leaching, counter current decantation and copper extraction circuit.

This unique project involves grinding copper ore in acidic raffinate. The SAG mill shell is fabricated from stainless steel to endure the acidic conditions. OMC further diagnosed and resolved grinding issues with a hard ore component to achieve design throughput and lift copper production.







# Project Reviews *(Continued)*

**Project:** Multipurpose Community Centre

**Location:** Western Australia

**Client:** Shire of Murray

**Sector:** Infrastructure - Detailed Design



Lycopodium Infrastructure recently completed an architectural commission for the Shire of Murray. This involved the architectural detailed design and documentation of a new facility incorporating the Pinjarra Bowling Club and Peel Home and Community Care Centre.

Lycopodium Infrastructure worked closely with the Shire and key stakeholders to deliver a functional and high quality design that incorporated a sporting club with a community facility for the frail aged and disabled members of the local community. This multifunctional community facility model is the first of its kind in Western Australia, which combines sporting facilities with health or community service facilities.

Lycopodium Infrastructure developed the detailed design, the contract documentation for tender and construction, liaised with the Shire and relevant authorities and coordinated the team of building services subconsultants. This has ensured that a quality development will continue to assist the community groups in providing both recreational and home and community care services to residents in the Shire of Murray for years to come.

The building features a large function room which will cater for up to 495 people, bar, two kitchens (one for large functions the other for HACCC clients), multipurpose storage spaces for both groups, board/training room, offices, covered vehicle drop-off area, parking spaces and universal access amenities.

**Project:** Integrated Waste Treatment & Resource Recovery Facility

**Location:** Victoria, Australia

**Client:** RENEX Group

**Sector:** Process Industries



Soil contamination or soil pollution is caused by the presence of xenobiotic (human-made) chemicals or other alteration in the natural soil environment. It is typically caused by industrial activity, agricultural chemicals, or improper disposal of waste.

The concern over soil contamination stems primarily from health risks, from direct contact with the contaminated soil, vapours from the contaminants, and from secondary contamination of water supplies within and underlying the soil. Soil contamination causes harmful consequences for ecosystems and affects the entire food chain - through uptake of contaminants into plants which are consumed by both people and animals that produce our food.

Increased worldwide community concern in recent years has resulted in a major upsurge in the investigation and rehabilitation of contaminated soils. This has led to reassessment and development of regulatory procedures and the establishment of some new environmental agencies and organisations. Since 2007, rising landfill disposal costs have led to an increase in the availability of waste treatment, recovery and recycling opportunities.

In Victoria, RENEX was established to pursue the development of Australia's first permanently located integrated waste treatment and resource recovery facility which would accept and treat contaminated soils and other PIWs (prescribed industrial waste) otherwise destined for landfill. RENEX is a private, Australian company with shareholders that include OPSEU Pension Trust, Cleantech Ventures and Macquarie Group Limited.

RENEX chose to use pyrolysis rotary kiln technology, an advanced treatment technology designed in Germany and proven in numerous locations in Europe and around the world. Pyrolysis is the thermochemical decomposition of organic materials by heating in the absence of oxygen or any other reagents. Pyrolysis occurs in hermetically sealed, indirectly heated rotary kilns. The technology selected by Renex has energy efficiency benefits by the thermal recovery of the combusted pyrolysis flu gas for utilisation in the indirect heating of the kiln as well as steam generation for pre-drying the soil in the rotary steam dryer.

Stage 1 commenced in September 2012 with the construction of an 11,000 square metre fully enclosed operations building in Dandenong South, outer Melbourne. Stage 2 commenced mid 2013 with the installation of the Pyrolysis Rotary Kiln Technology which will treat 70,000 t/y of contaminated soil when commissioned.

Lycopodium's role with this project was the Australianisation of the technology (manufactured in Germany, then transported to site) and detailed design of the balance of the plant. Also, Lycopodium will be taking the lead for commissioning the plant in 4Q2014.

# Project Reviews *(Continued)*

**Project:** EP SL RIM Services  
**Location:** Western Australia  
**Client:** Esperance Ports Sea & Land  
**Sector:** Infrastructure - Rail



Esperance Ports Sea and Land (EP SL) operates under the Port Authority Act and oversees the operations of the Esperance Port. Esperance Port is the largest nickel concentrate exporting port in the Southern Hemisphere and is the gateway to world markets for Australia's principal nickel mining region.

With the completion of a Port upgrade project in February 2002, Esperance became the deepest Port in Southern Australia, capable of handling Cape size vessels up to 200,000 tonnes, plus fully loaded Panamax size vessels up to 75,000 tonnes. As a result of this development, iron ore exports through the Port totalled 1.29 million tonnes in the 2013-14 financial year. Esperance is also a major grain exporting hub and handles bulk imports such as fuel, sulphur and fertilisers.

EP SL handled 202 trading vessels in 2013-14 and about 14.94 million tonnes of trade. Commodities handled are transported to the Port by road and rail. There are approximately 100 train movements at the Port per week to support the iron ore exports.

The Esperance Port includes rail assets with total track length of 1,250 metres being arrival, departure and run around lines, two turnouts and six level crossings. The rail is able to accommodate trains with 24 Tonne Axle Loads. The Esperance Port rail infrastructure connects into the Brookfield Rail network.

In October 2013, EP SL engaged Lycopodium Rail to establish their Rail Infrastructure Management documentation, which included completion of a baseline condition assessment, asset management plan, technical maintenance plan, annual works program and risk register.

**Project:** Otjikoto Project  
**Location:** Namibia  
**Client:** B2Gold  
**Sector:** Minerals - Gold



B2Gold Corp is a Vancouver based gold producer with three operating mines and a portfolio of development and exploration assets.

Late in 2011, B2Gold completed the acquisition of a 92% interest in the Otjikoto project in Namibia and in January 2013 announced the commercial development of the project. At that time Lycopodium was awarded the EP (engineering/procurement) contract with a design scope for the complete process plant design plus plant infrastructure (administration and mine services buildings, water and power distribution). Subsequently, B2Gold's interest in the Otjikoto project has reduced to 90%.

The 2.4 Mtpa plant process encompasses primary crushing, milling, a gravity circuit which takes 100% of the process flow, pebble return circuit with provision for future crushing, leaching, CIP (carbon-in-pulp), cyanide destruction, tailings disposal, desorption and electrowinning circuit before smelting to produce gold bullion. Design layout also makes provision for future leach circuit expansion to allow an increase in plant throughput to 3.1 Mtpa.

Lycopodium completed design and procurement activities in March 2014 and is currently providing ongoing fabrication and construction support, including an on-site team providing assistance to the B2Gold construction group.

Construction is well advanced and on target to commence plant commissioning in 4Q2014. Lycopodium will provide a team of engineers during the commissioning phase to assist B2Gold with project commissioning and production ramp-up.

The site is located 300 km north of Namibia's capital city of Windhoek in the western part of southern Africa. Namibia has a long history of mining and currently the industry provides 25% of Namibia's revenue making it the single most important contributor to the economy.





# Project Reviews *(Continued)*

**Project:** Mina De Cobré Panama Project  
**Location:** Republic of Panama  
**Client:** First Quantum Minerals Ltd / Minera Panama SA  
**Sector:** Minerals - Copper, Gold, Silver & Molybdenum



First Quantum Minerals Ltd (FQML) is an established and growing mining and metals company operating seven mines and developing multiple projects worldwide. Through its Panamanian company, Minera Panama SA, it is developing Cobré Panama, a US\$6.4 billion copper project in the Republic of Panama located approximately 300 km by road from the capital Panama City.

Plans for the project encompass an open cut mine producing 70 Mtpa of ore, in-pit crushing, overland conveyor transportation, a concentrator treatment plant adjacent to the mine with the concentrate being pumped 25 km to a port area for filtration and export. The plant is designed to produce copper concentrate with by-product credits for gold, silver and molybdenum.

Lycopodium's involvement with this project continues an extended and effective association with FQML on various projects in Australia and Africa. Awarded the project in 2013, Lycopodium's scope of work includes process design and the detailed engineering design of the new facilities including:

- the mine site dry plant comprising crushing, conveying, stockpiling and reclaiming
- the mine site wet plant involving milling, flotation, thickening, concentrate and tails pumping, reagents and services
- the port site including filtration, concentrate handling and infrastructure
- certain infrastructure elements including earthworks, drainage, offices, workshops warehouses, fuel facilities, services and utilities at the mine and port sites.

Completion of the project definition phase during 2013 supported the preparation of the project capital cost estimate and associated documentation including the development of an overall project construction schedule.

Purchase orders for major equipment have been awarded and design concepts established for major plant areas. Earthworks, drainage and the first concrete, steelwork and platework drawings have been issued for construction.

Construction work currently being undertaken at site by FQML includes the power plant and the port and plant earthworks and drainage, earthworks for the tailings facility, marine offloading facility and breakwater, access roads, aggregate quarry and concrete batch plants setup, and an additional construction camp.

**Project:** Nammuldi Below Water Table  
**Location:** Western Australia  
**Client:** Rio Tinto  
**Sector:** Minerals - Iron Ore



Rio Tinto is a leading international business involved in each stage of metal and mineral production and is the second largest supplier to the world's iron ore trade. In the Pilbara area of Western Australia, Rio Tinto operates 15 mines, a 1,600 km rail network, four port terminals and two power stations, which are integrated through an operations centre in Perth, more than 1,500 km away.

On 16 July 2014, Rio Tinto chief executive Sam Walsh announced in a press release: "We achieved another half of very strong operating performance, powered by productivity gains across our business. Our iron ore expansion continues to deliver high-margin growth reinforcing our position as a low cost producer. It has allowed us to increase shipments of our Pilbara Blend products, providing our customers with reliable, long-term supply of stable quality."

Further detail of Rio Tinto's Pilbara operations revealed that first half production had set a new first half record, driven by productivity improvements and the ramp up to the target of 290 Mtpa run rate achieved in May, two months ahead of schedule.

Lycopodium has been working closely with Rio Tinto on the achievement of their targets at various Pilbara sites, one of which is Nammuldi Below Water Table project (NBWT), located approximately 60 km north-west of Tom Price.

Lycopodium has been working on this project since 2007 when a number of scoping reports and reviews were undertaken. In late 2009 Lycopodium commenced work on the Preliminary Engineering Study, followed by the Definitive Engineering Study which was completed in December 2011.

In January 2012 Lycopodium, in joint venture with URS Australia, was awarded the EPCM contract for infrastructure on the project. Since that time, design has been completed and construction has been ongoing with first ore on train expected in 4Q2014.

# Financial Results

	Consolidated	
	2014	2013
	\$	\$
Revenue	154,765,985	245,940,092
Employee and contractors expense	(128,007,945)	(186,289,478)
Depreciation and amortisation expense	(2,340,068)	(2,192,104)
Other project expenses	(2,967,808)	(9,748,777)
Administration and management costs	(16,086,883)	(18,667,684)
Share of net profit of joint ventures	3,343,605	5,625,335
Other	(1,024,294)	(6,133,195)
Profit before income tax	7,682,592	28,534,189
Income tax expense	(3,973,206)	(5,993,750)
Profit for the year	<b>3,709,386</b>	22,540,439
Dividend (fully franked) (cents)		
Interim	5.0	15.0
Final	1.5	21.0
Total Dividend	<b>6.5</b>	36.0
Shares on issue	38,965,103	38,655,103
Share price as at 30 June (\$)	2.10	4.27
Earning per share (cents)	10.0	56.5
Price earnings ratio	21.0	7.6
Net tangible assets per share (cents)	143.8	159.8



# Balance Sheet

	Consolidated	
	2014 \$	2013 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	33,302,348	34,997,159
Trade and other receivables	22,069,393	53,254,129
Current tax receivables	3,908,711	1,199,056
Other current assets	1,990,291	4,549,506
<b>Total current assets</b>	<b>61,270,743</b>	<b>93,999,850</b>
<b>Non current assets</b>		
Property, plant and equipment	3,485,811	4,659,138
Investments	4,349,205	5,905,599
Other assets	875,653	1,057,335
Deferred tax assets	4,693,362	8,026,369
Intangible assets	6,861,301	7,163,778
<b>Total non current assets</b>	<b>20,265,332</b>	<b>26,812,219</b>
<b>Total assets</b>	<b>81,536,075</b>	<b>120,812,069</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	15,914,353	44,857,595
Borrowings	554,259	1,763,637
Current tax liabilities and provisions	848,020	2,591,594
<b>Total current liabilities</b>	<b>17,316,632</b>	<b>49,212,826</b>
<b>Non current liabilities</b>		
Borrowings	351,167	1,012,359
Provisions	988,923	1,157,067
<b>Total non current liabilities</b>	<b>1,340,090</b>	<b>2,169,426</b>
<b>Total liabilities</b>	<b>18,656,722</b>	<b>51,382,252</b>
<b>Net assets</b>	<b>62,879,353</b>	<b>69,429,817</b>
<b>EQUITY</b>		
Contributed equity	18,999,317	18,951,697
Reserves	911,737	1,140,385
Retained profits	42,390,395	48,639,753
Minority interest	577,904	697,982
<b>Total equity</b>	<b>62,879,353</b>	<b>69,429,817</b>

# Shareholder Information

The shareholder information set out below was applicable as at 31 August 2014.

## A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

		Total Holders	
1	-	1,000	527
1,001	-	5,000	716
5,001	-	10,000	208
10,001	-	100,000	186
100,000+			23
			<b>1,660</b>

There were 144 holders of less than a marketable parcel of ordinary shares.

## B. Equity security holders

The names of the twenty largest holders of quoted equity securities are listed as:

Name	Number Held	Percentage of Units
1 Reesh Pty Ltd	9,104,637	23.37
2 HSBC Custody Nominees (Australia) Limited	6,221,054	15.97
3 LuaLa Pty Ltd	3,167,332	8.13
4 Caddy Fox Pty Ltd	2,612,332	6.71
5 Selso Pty Ltd	2,058,148	5.28
6 Accede Pty Ltd	1,942,332	4.99
7 JP Morgan Nominees Australia Limited	1,419,332	3.64
8 Citicorp Nominees Pty Ltd (Colonial First State Inv A/C)	667,068	1.71
9 Lycopodium Share Plan Pty Ltd	485,000	1.24
10 Mr Peter De Leo	422,466	1.08
11 De Leo Nominees Pty Ltd	407,900	1.05
12 Citycorp Nominees Pty Ltd	326,234	0.84
13 Botech Pty Ltd	305,405	0.78
14 Mr David James Taylor	236,754	0.61
15 Mr Peter De Leo & Mrs Tiana De Leo	216,405	0.55
16 Dr Gregory O'Neil	195,174	0.50
17 Rubi Holdings Pty Ltd	175,000	0.45
18 Nancris Pty Ltd	175,000	0.45
19 De Bruin Securities	135,000	0.35
20 Tobaka Pty Ltd	134,110	0.34
<b>Total</b>	<b>30,406,683</b>	<b>78.04</b>

## C. Substantial holders

Substantial holders in the company are set out below:

Name	Number Held	Percentage of Units
1 Reesh Pty Ltd	9,104,637	23.37
2 HSBC Custody Nominees (Australia) Limited	6,221,054	15.97
3 LuaLa Pty Ltd	3,167,332	8.13
4 Caddy Fox Pty Ltd	2,612,332	6.71
5 Selso Pty Ltd	2,058,148	5.28

# Corporate Directory

## Directors

Michael (Mick) John Caratti  
Rodney (Rod) Lloyd Leonard  
Robert (Bob) Joseph Osmetti  
Bruno Ruggiero  
Peter De Leo  
Lawrence (Laurie) William Marshall

## Company Secretary

Keith Bakker

## Registered and Principal Office

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[www.lycopodium.com.au](http://www.lycopodium.com.au)

## Share Registry

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