

# Lycopodium

Shareholder Report 2013



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# Financial Snapshot

(As at 30 June 2013)

**38,955,103**

Shares on Issue

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**159.8 cents**

Net tangible assets per share

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**\$245.9 million**

Revenue

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**\$22.5 million**

Net profit after tax

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**56.5 cents**

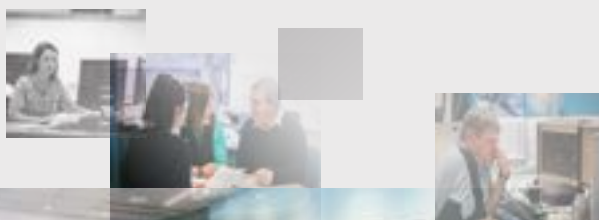
Earnings per share after tax

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**36.0 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.**

Lycopodium has performed well across our subsidiaries in 2012/2013 and we achieved a second consecutive year of record returns. However the outlook for 2013/2014 has been strongly affected by the downturn in the minerals industry.

As per prior years I would like to provide some thoughts on the major trends that affect our industry as we see them.

- The decline in commodity prices has continued through 2012/2013, joined by gold in late 2012 even though it had previously seemed immune to the decline in other metals. The decline seems to have slowed/flattened post the end of the financial year though it is too early to tell whether this is a lasting effect.
- There have been few new minerals projects committed in Australia in the period though this has been masked to a degree by ongoing work to complete previously committed major projects and ongoing oil and gas projects.
- The major miners have all announced reductions in capital expenditure and cancelled or placed projects in hold.
- Junior miners have been unable to raise funds for exploration or development making it difficult for them to commit even to robust projects.

The critical question for Lycopodium is how long will activity remain at its current low level. Lycopodium has been fortunate to have ongoing work on projects, which have produced a record year and this work will carry over into the beginning of 2013/2014. Additionally our minerals segment has secured a major new project to help underpin the forecast for 2013/2014.

We do not expect activity to materially increase until there has been a consistent strengthening in metal prices and it will then take time for projects to go through the feasibility study and financing cycle before they are committed for development. We therefore expect a relatively slow turn around when it does happen. This occurred after the GFC following a much shorter correction period.

We also do not see this solely in a negative light, as the worldwide demand for new production capacity stretched the resources of suppliers, engineers and owners. A lower level of activity will raise standards which have slipped as evidenced by the number of cost and schedule overruns in recent times.

The Board has taken the view that since the point at which sentiment changes and activity begins to rise cannot be predicted our first priority is to protect the core staff by maintaining a flow of work so that Lycopodium is well positioned when the turn around does occur. Our conservative approach has left us with no debt and has put us in a good position to remain competitive and profitable should metal prices not recover quickly.

The above discussion seems out of place at the end of another record profit year but that is the cyclic nature of our industry.

I commend the staff, managers and directors of Lycopodium and its subsidiaries who have produced this result.

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

M J Caratti  
Chairman

# Managing Directors Report



**On behalf of the Board of Directors I am pleased to report a strong result for the 2012/13 financial year, replicating the prior year's record operating result.**

The result reflects the peak in construction and commissioning activities prevailing across the major projects and the strong demand for our services across the group. Our minerals workload remains balanced across a range of commodities, notably copper, gold, nickel and iron ore, and includes both domestic and international projects.

Our core strategy continues to concentrate on the delivery of EPCM consulting services. This focus has enabled the company to develop a world class capability in delivering both small and large projects for domestic and international companies. Our aim with this strategy is to consistently deliver quality and value in all aspects of our clients' projects. Lycopodium enjoys a strong repeat client base as a result of this singular focus on project excellence.

## Full Year Results

During the financial year ended 30 June 2013, Lycopodium realised revenues of \$246 million, a 6% increase on the \$232 million in the previous financial year. Net profit after tax was \$22.5 million, as compared to \$22.3 million in the previous financial year, a 1% increase. The minor reduction in gross margin reflects the tightening of market conditions being largely offset by the recovery of prior year tax losses and the full year's equity accounting of the profit component of our 50% owned Pilbara EPCM joint venture.

Basic earnings per share were 57 cents. The Directors have resolved to pay a final dividend of 21 cents fully franked reflecting the strong profit result. The total dividend for the year is 36 cents fully franked as compared to 33 cents in the prior year.

## Outlook

As previously advised, there are strong headwinds in our sector and the demand for Lycopodium's services in 2013/14 is anticipated to be lower than in the past two financial years.

The reduction in demand is attributable to the following dynamics:

- Lower commodity prices across a wider range of commodities, which now includes gold.
- Major mining companies belt tightening across their operations, optimising existing assets and limiting capital expenditure to 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.

Coupled with the dynamics above, our three major projects - Tropicana, Akyem and Marandoo - are nearing construction completion and commissioning activities are in progress. Whilst these have insulated Lycopodium through the past financial

year, each of these projects will be completed in the first half of the current financial year.

Equivalent greenfield EPCM opportunities have not yet been secured to replace these major projects, resulting in a shortfall in revenue opportunities.

On the positive side, we are extremely pleased to announce the award of detailed design services in relation to the processing plant and selected infrastructure for First Quantum Minerals' world class, Cobre Panama Project. This extends our long term association with First Quantum Minerals and represents our first project in the region.

We also note that the demand for technical services across our offices is showing some early signs of improvement. These improvements relate to operational efficiency and optimisation services, which in time should translate into brownfield EPCM opportunities.

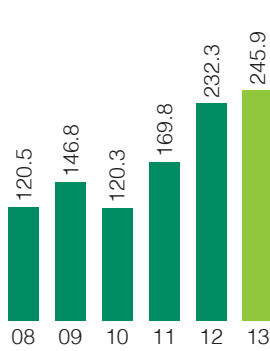
At this point in time we have updated our guidance, but believe a range is more appropriate given the reduced visibility coming into this financial year. Our guidance for the 2013/14 financial year reflects revenues of \$140-170 million and a net profit after tax of \$11.4-13.8 million. We will continue to actively monitor our forecasts, particularly given the range in revenues and anticipated lower margins.

## Operational Highlights

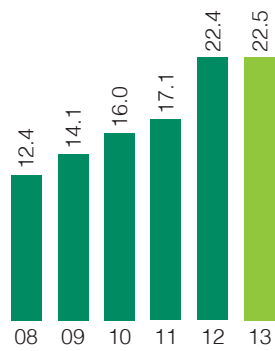
As noted, this year has been highlighted by peak construction and commissioning activities across the group on a large number of projects.

Provided below are updates for a number of representative projects across the group, commencing with the three major projects which have been reported on previously.

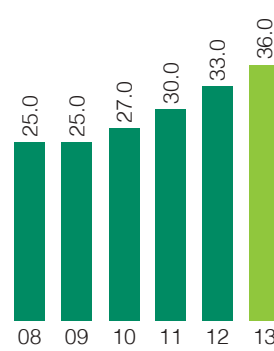




Revenue (\$ Millions)



Net profit after tax (\$ Millions)



Dividends (Cents)

- The Akyem Project in Ghana West Africa for Newmont is nearing construction completion and commissioning is in progress. The majority of the project infrastructure has been handed over to Newmont's operations and the main focus is now on the commissioning of the main process plant. In July 2013 permanent grid power was energised and first ore was put through the primary crusher and onto the overland conveyor. These represent the first major commissioning milestones associated with the process plant. Introduction of ore into the balance of the processing plant is forecast to occur within the 1Q of the new financial year.
- The Marandoo Project in Western Australia for Rio Tinto is well advanced from a construction perspective. The project infrastructure is operational including hand over of the mine dewatering to the Rio Tinto operations. The mine dewatering is a major component of the project and includes a borefield, overland piping, a large water storage dam, and irrigated agricultural facilities to produce hay. The main processing facilities are forecast to be commissioned in the first half of the current financial year.
- The Tropicana Project in Western Australia for the Tropicana Joint Venture (AngloGold Ashanti – 70%, Independence Group – 30%) is nearing construction completion and commissioning activities are advanced. The project infrastructure is complete with permanent power and water from the borefield available to the operations. The first major commissioning milestone was achieved when first ore was introduced into the primary crusher in July 2013. The project is forecast to achieve the first gold pour early in the current financial year followed by the ramp up of the operations to achieve commercial production.
- A crushing plant upgrade was constructed and handed over to the Hidden Valley Operations in Papua New Guinea as part of the debottlenecking and improvement activities. The Hidden Valley Operations is a joint venture between Newcrest Mining and Harmony Gold.
- Construction and commissioning were successfully completed ahead of schedule and under budget for the greenfield Bissa Gold Project in Burkina Faso on behalf of Bissa Gold SA.
- Detailed design of the copper concentrator facilities for First Quantum Minerals' large Sentinel Project in Zambia achieved practical completion at year end. During the year First Quantum Minerals also awarded detailed design work for the large Kansanshi Copper Concentrator Expansion in Zambia and the Guelb Moghrein Upgrade Project in Mauritania. At year end First Quantum Minerals awarded Lycopodium the detailed design for the world class Cobre Panama Project in Panama.
- Pilbara EPCM, a 50:50 JV between Lycopodium and URS, is well advanced with the detailed design of the permanent infrastructure associated with the Nammuldi Project in Western Australia for Rio Tinto. Early infrastructure is under construction on site.
- A brownfield upgrade at the Tasiast Gold Mine in Mauritania was completed for Kinross.

Lycopodium's mineral operations, via the Brisbane, Perth and Toronto offices, have also progressed or completed the following projects during the year:

- Lycopodium Process Industries remained active in the chemicals and manufacturing sectors. Again the year was project delivery centric with the following key projects completed:
- The Taganito Hydrogen Sulphide Project for Sumitomo Metals achieved first gas production following a successful pre-commissioning. Commissioning is ongoing within the overall project.
  - Four separate brownfield briefs within an existing chemical manufacturing facility were completed on behalf of Thales Australia in New South Wales.
  - Lycopodium Process Industries was engaged to undertake remedial works to repair damage sustained to the loading bay and several storage tanks at the Largs Bay biodiesel production facility in South Australia on behalf of Australian Renewable Fuels Limited.

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 and BHP Billiton and Citic Pacific in the minerals sector.



# Managing Directors Report *(continued)*

Orway Mineral Consultants provided comminution circuit design and optimisation services across a wide range of commodities, with the gold and iron ore sectors being particularly buoyant. Hydrometallurgical services were provided in copper, uranium, manganese, cobalt and nickel.

Lycopodium Infrastructure provided design services to several of 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 in New South Wales.

RIM services have also expanded to include private rail sidings outside the Hunter Valley and across a wider range of commodities and products.

## Corporate Overview

Our organic growth initiatives matured during the year, with Lycopodium Minerals Canada, Orway Mineral Consultants Canada and Lycopodium Rail each continuing to build their client base in their respective geographic region or industry segment. Each of the initiatives was trading profitably at year end.

During the past year there was a high level of capital investment in core infrastructure for the existing operating entities in order to support the high level of activity and to limit sustaining capital demands as the peak in workload subsides into the new financial year.

- Lycopodium Minerals in Perth installed a new IT data centre and off-site disaster recovery server.
- Lycopodium Minerals in Brisbane and Lycopodium Process Industries in Melbourne upgraded their IT data centres.
- Lycopodium Asset Management relocated to reduce office leasing costs and to tie into the Perth IT infrastructure.
- A major upgrade to the latest release of the Oracle E-Business Suite, the enterprise resource planner used across the group, was completed.

With core infrastructure across the group having now been upgraded we anticipate low capital expenditure levels for 2013/14.

## HSE and Community

There has been a continued focus on health, safety and the environment as the construction activities reach record levels within the company and the industry. To this end additional management capability has been added to ensure a proactive and hands on approach to HSE across the domestic and international sites.

In 2012/13 there were 13.8 million manhours (prior 8.6 million) worked across the Lycopodium managed projects with a LTIFR of 0.07 (prior 0.82) against a 13.17 construction industry average. There was a high focus during the year on management of high risk activities given the peak manning levels during construction and into commissioning.

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 our annual Jeans for Genes fund raising, with a record result achieved for the year. Lycopodium continues to provide support to a number of universities. The company also supports a number of charitable initiatives championed by staff.

## 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 Minerals QLD and Lycopodium Process Industries.

As a founding partner and Certified Practising Accountant with over 40 years' experience in corporate, financial and operational 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 35 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 also a director of Lycopodium Minerals QLD, Lycopodium Infrastructure and Lycopodium (Philippines).

**Bruno Ruggiero**  
EXECUTIVE DIRECTOR

Bruno is a Mechanical Engineer with over 28 years' experience in the minerals industry and a founding partner of Lycopodium.

Currently the Technical Director for Lycopodium Minerals, Bruno sets 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 is Managing Director of Lycopodium Minerals Pty Ltd. 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 25 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 17 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

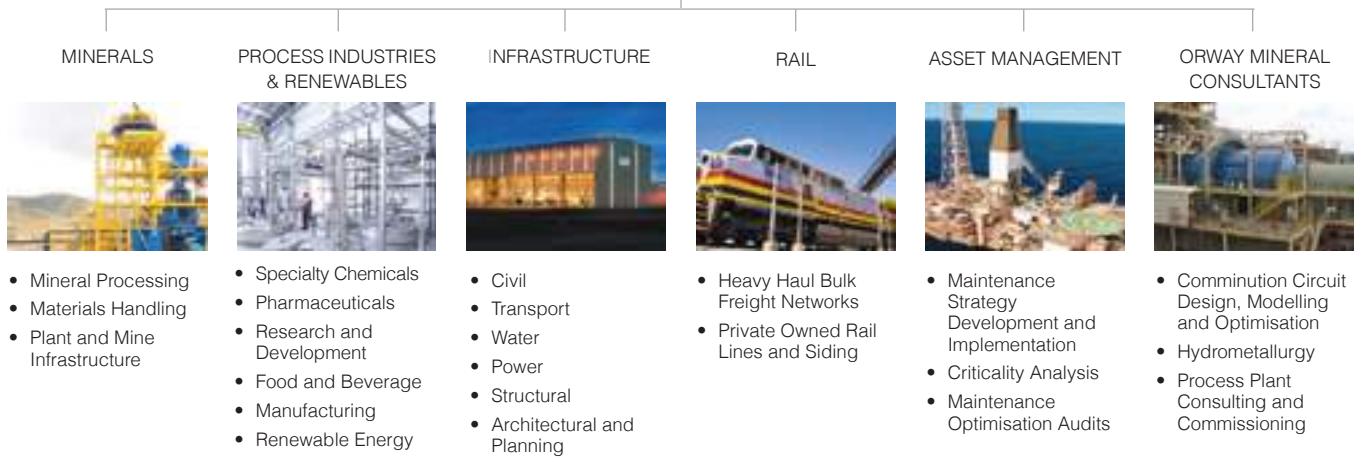


## Our Company

Lycopodium Limited is a leading Australian headquartered engineering and project management consultancy with offices nationally in Perth, Melbourne, Brisbane and Newcastle and internationally in Canada, Ghana and the Philippines.

Lycopodium delivers consistently high quality, diverse and cost effective services across a broad range of commodities in the mining and mineral processing industries as well as a wide range of sectors in the process industries. Services are provided through our subsidiaries across the following industry segments:

### Lycopodium limited



## Our business

Lycopodium's business model is based on consistently delivering a quality service to clients by delivering studies, projects, and maintenance advice that are fit for purpose and that exceed established acceptance criteria. 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 predominantly EPCM based (Engineering, Procurement, Construction Management).

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, silver, copper, cobalt, iron ore, nickel, zinc, lead, manganese, uranium, tin, tantalum, mineral sands, 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 pilot plants.

### • 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.

### • 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, accommodation, industrial buildings, roads and general infrastructure.

### • Renewables

Lycopodium is at the forefront of developments in renewable energy and energy efficiency including 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.

## About Lycopodium *(continued)*



### • **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 2012/13 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 co-ordination of all facets 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, selection and optimisation of new and alternative 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 accommodation, 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 portable 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 (EPCM) of clients' projects, including:

- Full project management on a predominantly EPCM basis to deliver complete projects.
- 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.

## 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 and has undertaken projects and studies in over 50 countries in diverse locations such as Burkina Faso, Cameroon, Canada, Cote D'Ivoire, Democratic Republic of the Congo, Egypt, Finland, Ghana, Kazakhstan, Malaysia, Mauritania, Papua New Guinea, Philippines, Senegal, Turkey and Tanzania.

## Our clients

Lycopodium services a wide range of organisations headquartered throughout the world including:

- Anglo American
- B2 Gold
- BHP Billiton
- Dulux
- First Quantum Minerals
- Gold Fields
- Kinross
- Newcrest Mining
- Orica
- Pfizer
- Rio Tinto
- Toyota Motor Corporation
- Yakult
- AngloGold Ashanti
- Barrick
- Bluescope Steel
- Endeavour
- GlaxoSmithKline
- Independence Group
- Newmont
- NordGold
- Outotec
- Port Waratah Coal Services
- Thales
- Xstrata

## Our goals

Lycopodium's aim is to be the best in its field and believes our 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 company doesn't stand still – it grows, 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 growth Lycopodium's strategies are as follow:

### Clients

Lycopodium focuses on achieving a clients' aims as its primary objective and its success is demonstrated by the high level of client satisfaction and repeat business the company enjoys.

### People

Lycopodium continues to build and retain a team of respected professionals in each of the disciplines required in an engineering consultancy and project delivery business. Our teams are based in offices nationally in Perth, Melbourne, Newcastle and Brisbane, and internationally in Canada, Ghana, the Philippines, and on project sites as required.

### Profitability

Lycopodium's objective is to maintain consistent profit margins while not exposing the Company to unacceptable risk.

### Growth

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







**Project:** Akyem  
**Location:** Ghana  
**Client:** Newmont Golden Ridge / Newmont Mining Corporation  
**Sector:** Minerals - Gold



During the 2012 / 2013 year Lycopodium has continued to work on the development of the Akyem project in Ghana for Newmont Mining Corporation.

Akyem, located approximately 125 km northwest of the capital Accra, together with the neighbouring Ahafo project, comprise Newmont's core assets in Ghana. Lycopodium has worked with Newmont on the development of both these major projects. Newmont considers the Akyem reserve as one of West Africa's underdeveloped resources which has the potential to double gold output from the region.

Lycopodium is responsible for the design, procurement, construction, commissioning and handover of the Akyem process plant and associated services and support infrastructure.

The project includes an 8.5 Mtpa processing plant and infrastructure, encompassing:

- primary gyratory crushing and overland conveyor
- oxide crushing
- crushed ore stockpiling and reclaim
- semi-autogenous and ball milling with pebble crushing (SABC)
- leach feed thickening
- leaching and adsorption
- counter-current washing of the leach residues
- residue and water storage facilities
- carbon elution and regeneration, electrowinning and goldroom
- water and air services
- power reticulation
- central control room, security, fire protection.

In addition, off-site infrastructure work has included the construction and commissioning of approximately 43 km of overhead power line for connection to the national power grid, upgrades and construction of new substations, an 8 km water transmission pipeline, sediment control structures and diversion channels, camp and administrative buildings, haul and access roads and mine services support facilities.

At the end of June 2013, delivery of the Lycopodium overall project work scope was approximately 97% complete and with the project now in the advanced commissioning stages, in line to meet key project milestone targets, including achieving ore to stockpile in early July 2013.

**Project:** Bissa Gold Project  
**Location:** Bissa Gold / Nordgold  
**Client:** Burkina Faso  
**Sector:** Minerals – Gold



In a January 2013 press release, emerging markets gold producer Nord Gold N.V. stated that it was "pleased to announce that construction of its Bissa Mine in Burkina Faso is now complete and gold production has begun. Bissa has been completed ahead of schedule and on budget."

Bissa is a greenfields site located approximately 85 km north of the capital city, Ouagadougou. The project comprises a carbon-in-leach plant and associated facilities capable of treating 3 Mtpa of gold bearing ore.

Lycopodium's scope was to carry out the detailed engineering and design of the treatment plant, plant buildings and services. The engineering, procurement, project and construction management (EPCM) services included contract management, HSEC management, planning, cost control to commissioning and handover of a fully operational facility to the client.

Engineering services on the project commenced in March 2011 with the first gold poured in December 2012. The project, completed on time and on budget, delivered to Nordgold its second operating asset in Burkina Faso after Somita. The project is the first complete EPCM project undertaken by Lycopodium in Burkina Faso and has provided valuable local knowledge for future successful endeavours.

The mining industry in Burkina Faso is growing at a rapid rate due to a combination of a stable elected democratic government, excellent geology and a competitive fiscal regime. Gold mining production doubled between 2009 and 2010, and in 2012, Burkina Faso became the fourth largest gold producing country in Africa.

Burkina Faso, a landlocked country to the north of Ghana relies on cotton and gold exports for revenue. About 90% of the French-speaking population is engaged in subsistence agriculture vulnerable to periodic drought, with cotton as the main cash crop.



# Project Reviews *(continued)*

**Project:** Harefield Concept and Detailed Design

**Location:** Victoria, Australia

**Client:** Qube Logistics (Rail) Pty Ltd

**Sector:** Infrastructure - Rail



Qube Logistics operates services covering road and rail transport, warehousing and distribution, container parks and related services including rail terminals and international freight forwarding.

The company has developed and expanded its logistics portfolio to become Australia's single biggest provider of logistics services. Today Qube Logistics continues to be focused on growing and developing its infrastructure as well as establishing additional strategic logistics hubs at port and inland locations.

As part of this strategy, in 2012, Qube purchased the Harefield Grain Complex which is now used as a new inter-modal freight terminal. An intermodal terminal is a location for the transfer of freight from one transport mode to another: for example between road and rail. According to the Victorian State Government's Department of Transport these hubs will have a central role to play in easing the burden on the ports and neighbouring areas. They are also essential if rail is to increase its role in the freight transport and distribution system.

Qube loads six Melbourne bound trains a week from Harefield which offer an alternative to road freight.

Lycopodium had an ongoing working relationship with the previous owners of the Harefield site and in mid-2012, when Independent Transport Group was acquired by Qube, Lycopodium was engaged by Qube to produce concept and detailed designs for the Harefield Loading Facility.

Since then both concept designs and detailed construction issue designs have been produced for the facility. Design works included the reconditioning design of the existing Harefield Siding and the 100 m extension of an existing shunt neck. Design work on this facility concluded in April 2013.

**Project:** Largs Bay – Remedial Works

**Location:** South Australia

**Client:** Australian Renewable Fuels Limited

**Sector:** Processing Industries - Biodiesel



Biodiesel is produced from renewable plant or animal fat feed stocks utilising a process called transesterification. This base-catalysed reaction with alcohol forms biodiesel and a by-product called glycerol which is typically used in the pharmaceutical industry. Biodiesel can be used in pure form (B100) or is commonly blended with petroleum sourced diesel to form B5 (5% biodiesel) or B20 (20% biodiesel) fuel blends.

Australian Renewable Fuels is Australia's only national biodiesel producer, with plants in Victoria, South Australia and Western Australia. Operating since 2005, the company's three plants meet the strictest biodiesel standards worldwide and have a combined annual fuel production capacity of 150 million litres.

In December 2011, Australian Renewable Fuels Limited plant at Largs Bay in South Australia sustained damage to the loading bay and several storage tanks.

Lycopodium was engaged to evaluate the damaged plant and produce a repair works schedule and cost estimate. The client's insurer supported the engagement of Lycopodium to project manage the rebuild project which commenced in May 2012. The scope included process, mechanical, electrical, structural and civil engineering works.

The rebuild program at the Largs Bay plant was completed on time and under budget and biodiesel production recommenced on schedule in November 2012.

In November 2011 Australian Renewable Fuels acquired Biodiesel Producers Limited for whom Lycopodium had provided EPCM services for the delivery of the plant, site services and infrastructure at the Barnawartha site in Victoria in 2004/5. That project required the integration of an Austrian technology package.







Lycopodium





**Respect The Operator**  
Each individual has a Role To Play  
- Respect It!

**Teamwork**  
The Secret to Success



Community & Environment

Environment

Master Schedule



Top Priority

Value  
TPM - 10  
Safety - 10  
Quality - 10  
Cost - 10  
Environment - 10  
Customer - 10  
Employee - 10  
Community - 10  
Innovation - 10  
Sustainability - 10  
Risk - 10





# Project Reviews *(continued)*

**Project:** Hidden Valley

**Location:** Papua New Guinea

**Client:** Morobe Mining Joint Ventures

**Sector:** Minerals – Gold / Silver



Morobe Mining Joint Ventures (a 50-50 joint venture between Harmony Gold Mining Company Limited of South Africa and Newcrest Mining Limited of Australia) operates the Hidden Valley Gold Mine in Morobe Province in Papua New Guinea.

The mine is located in a remote and mountainous area of the highly prospective province, approximately 300 km north-west of the nation's capital, Port Moresby. The mine sits within one of the world's pre-eminent geological terrains for porphyry copper-gold and gold mineralisation.

Oxide, transitional, and primary ore types are recovered by open cut methods and then crushed and conveyed to a conventional cyanide leach plant for processing. Since commissioning in 2009, the Hidden Valley crushing plant has been constrained by a number of operational issues which has led to poor crushing plant availability, performance and contributed to issues with downstream equipment. The original facility was designed for a throughput of 4.2 Mtpa with a later crusher upgrade project aiming to increase the capacity of the crushing circuit to 5.5 Mtpa.

In 2011, Lycopodium completed an option study which evaluated opportunities available to upgrade the crushing circuit capacity and in doing so address the operation issues. After the client had reviewed and approved Lycopodium's recommendations from the option study, a further feasibility study was completed to define the project scope and costing to a level sufficient for project execution approval.

The scope of work involved with the upgrade included:

- Primary Crushing, replacement of the Primary Vibrating Grizzly with a Primary Wobbler Feeder
- Secondary Crushing, replacement of the Secondary Vibrating Grizzly with a Secondary Wobbler Feeder and the Secondary Jaw Crusher with a Secondary Cone Crushing Station, and
- Overland Pipe Conveyor (OLC) feed, increase in OLC surge bin capacity and inclusion of a crushed ore offload system to allow continued crushing plant operation in the event of an OLC breakdown.

Lycopodium commenced the project on an EPCM basis in December 2011. Site work commenced June 2012 and first ore passed through the circuit in June 2013.

**Project:** Carrapateena

**Location:** South Australia

**Client:** OZ Minerals

**Sector:** Orway Mineral Consultants - Comminution and Hydrometallurgy



Australian based miner OZ Minerals owns and operates the high quality Prominent Hill copper-gold mine and is advancing the development of the Carrapateena copper-gold project.

Carrapateena, acquired by OZ Minerals in 2011 is an advanced exploration project in South Australia, situated 250 km south east of Prominent Hill and 130 km from Port Augusta. The project involves a large copper-gold deposit approximately 470 metres below the surface.

Currently pre-feasibility studies are being undertaken at Carrapateena to determine the potential of mining and processing this deposit with several mining options being considered. OZ Minerals has recently completed a number of scoping studies to review options for mining techniques, infrastructure, power, water supply and ore processing, and through its prime study contractor AECOM Australia has engaged Lycopodium for the processing aspects of the pre-feasibility study.

As part of early option assessment, Lycopodium subsidiary Orway Mineral Consultants (OMC) is providing a high level Comminution Options Review to select a suitable circuit to progress through to Pre-feasibility Study Design on the Carrapateena project grinding circuit. The options were modelled to determine flowsheet configuration, major equipment sizes and unit operation numbers. A selection / ranking matrix was then developed allowing for the selection of the most suitable option to be progressed into pre-feasibility study design.

OMC was also requested to provide hydrometallurgy services for the pre-feasibility study of copper and precious metals recovery and refining from the Carrapateena flotation concentrate. OMC is providing testwork definition and management as well as a process design package that will form part of the Carrapateena Pre-feasibility Study Report. The process design package will include flowsheet development and overall recovery predictions, process plant description and operating costs.

# Project Reviews *(continued)*

**Project: Asset Management Plan**

**Location:** New South Wales

**Client:** Port Waratah Coal Services

**Sector:** Infrastructure - Rail



From its base in the port of Newcastle, Port Waratah Coal Services (PWCS) operates one of the world's largest coal handling operations. The coal types, drawn from over 30 mines, are diverse and require sophisticated blending and quality control techniques before being exported to customers around the world. Currently the company receives, assembles and loads coal from the Hunter Valley at two sites in the port of Newcastle which together have a ship loading capacity of 120 Mtpa.

The port operation is a continuous, 24 hour a day operation that utilises:

- computerised management systems to monitor / organise coal movement
- automated process control systems
- advanced quality control techniques, and
- modern environmental controls.

Demand for coal through the port of Newcastle has grown significantly and PWCS is working to expand its handling capability by adding a fourth coal receival stream to its ship loading operation.

PWCS has engaged Lycopodium to develop an Asset Management Plan, Technical Maintenance Plan, Inspection and Assessment Manual, and Technical Specifications which involves:

- undertaking detailed asset inspections of PWCS' rail assets and assessing the condition of these assets
- developing PWCS-specific Technical Specifications for preventative and reactive maintenance activities to be performed on these rail assets
- generating 25 year Asset Management Plans, detailing assets needing refurbishment and/or replacement during the 25 years
- establishing asset specific strategies for ongoing maintenance of the rail assets
- developing a Technical Maintenance Plan for site rail assets detailing the frequency for inspection and preventative maintenance
- producing an Inspection and Assessment Manual specific to operational requirements

Lycopodium began work in 2012 with the Asset Management Plan and Technical Maintenance Plan being finalised in December 2012. The Inspection and Assessment Manual was complete February 2013 with Technical Specifications completed May 2013.

**Project: Alkaloid Expansion**

**Location:** Victoria

**Client:** GlaxoSmithKline

**Sector:** Processing Industries - Pharmaceuticals

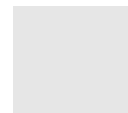


GlaxoSmithKline is a global research-based pharmaceutical and healthcare company delivering high-quality medicines, vaccines and over-the-counter healthcare products. GSK contributes to Australia's economy through new approaches to agriculture and manufacturing, and by investing in local research and development.

In May 2012 GSK invited Lycopodium to participate in a workshop to define the scope of an expansion project to increase the site alkaloid production capacity at their Port Fairy facility. Following an initial period of scope definition and financial reviews, project execution commenced in July 2012.

Lycopodium provided services in the areas of engineering design, procurement, construction supervision and commissioning. Lycopodium staff initially worked remotely from the Melbourne office and then transitioned to site working in a seamless team together with GSK staff to deliver the project.

Commissioning and testing commenced in January 2013, as scheduled, and has delivered another successful collaboration project between the two companies.













# Project Reviews *(continued)*

**Project: Tropicana Gold Project****Location:** Western Australia**Client:** Tropicana JV (AngloGold Ashanti Australia & Independence Group NL)**Sector:** Minerals – Gold

Located 330 km east-northeast of Kalgoorlie on the edge of the Great Victoria Desert is the greenfields open cut gold mine called Tropicana. Tropicana is owned by AngloGold Ashanti Australia Ltd (70% and manager) and Independence Group NL (30%).

The 2012/2013 financial year has seen Lycopodium continue its work on Tropicana's development by providing ongoing EPCM services associated with the development of the 5.5 Mtpa process plant together with all associated infrastructure and support services.

Construction is nearing completion, with the majority of the infrastructure operational and the focus now on the process plant.

The process plant includes the following facilities:

- Primary gyratory crushing.
- Crushed ore stockpiling and reclaim.
- Secondary crushing and screening.
- High pressure grinding rolls and wet screening.
- Single stage ball milling.
- Pre-leach thickening.
- Leaching and adsorption.
- Tailings thickening.
- Tailings disposal.
- Tailings storage facility.
- Carbon elution and regeneration.
- Electrowinning and Goldroom.
- Reagents unloading and mixing.
- Water services.
- Fire protection.
- Power reticulation.
- Central control room and communications.

Lycopodium also managed construction of the project infrastructure which included the access road, airstrip, permanent accommodation village and the plant site administration, operations and maintenance buildings and facilities including the associated services (power, water, sewage, fire system).

Focus has now shifted to pre-commissioning and commissioning activities to achieve the first gold pour.

**Project: Ravensworth Independent Verification****Location:** New South Wales**Client:** Glencore**Sector:** Infrastructure – Rail

The Hunter Valley rail network is a complex high capacity rail system. The predominant usage of the Hunter Valley network is for rail haulage of export coal from mines in the Hunter Valley to the Port of Newcastle but it also handles passenger, intermodal and general freight services.

Major stakeholders in the Hunter Valley rail network are the Australian Rail Track Corporation (ARTC) responsible for management of the network infrastructure and train operations, and the Hunter Valley Coal Chain, which consists of coal miners, train operators and the port coal handling facilities.

One of the major coal producers of the region is GlencoreXstrata, the world's largest exporter of thermal coal and a significant producer of premium quality hard coking coal and semi-soft coal. It operates a series of underground and open cut pits of varying area and depth at eight separate sites in New South Wales, which in 2012 produced 48 Mt. The company currently has two major growth projects in New South Wales, at Ravensworth North. Ravensworth North, when operational, will require an upgrade of the rail operations.

The rail aspects of the expansion at Ravensworth North includes the:

- installation of new signalling system and interface with ARTC existing signalling and train control system
- installation of three new mainline swing nose turnouts, including track reconfiguration to accommodate new track centres
- removal of three old Mainline Turnouts, and restoration of track subgrade
- construction of 4.5 km of new arrival and departure tracks adjacent to the ARTC mainline
- installation of one new turnout with track realignment to separate the Ravensworth and Newdell coal loading loops
- construction of two rail bridges, two culverts and 4 km of new access road

Lycopodium's scope of work includes the independent review of all track, civil, structures and signalling design, including design changes and technical queries. It is also required to examine construction specification and quality documentation and verify and sign off a Project Completion certificate.

Construction work began in November 2011 and is due to complete in August 2014.







# Project Reviews *(continued)*

**Project:** Sentinel  
**Location:** Zambia  
**Client:** First Quantum Minerals Limited /  
Kalumbila Minerals  
**Sector:** Minerals – Copper



Lycopodium continues to extend its project experience in Africa by working with First Quantum Minerals on the Sentinel project in Zambia. Located in the north west of Zambia approximately 350 km by road from the copper belt city of Kitwe, and approximately 140 km west by road from the provincial centre Solwezi, this copper deposit is part of the Trident project which totals 2,300 km<sup>2</sup> and contains a number of base metal prospects.

Development of Sentinel will see the construction of a 55 Mtpa copper sulphide concentrator (including primary crushing, provision for partial secondary crushing, conveying, SAG / ball milling, pebble crushing, flotation, concentrate thickening / filtration and loadout) as well as supporting infrastructure. Lycopodium is responsible for the development of the wet treatment plant, support facilities and the infrastructure and is currently providing engineering design and drafting (across the civil / structural / mechanical and piping disciplines), procurement assistance and project management services.

Board approval for Sentinel's development was granted in May 2012 with the goal of commissioning in 3Q2014. Lycopodium commenced engineering work in December 2011 and by June 2013 had achieved practical completion of the detailed design engineering.

First Quantum Minerals Ltd is an established and expanding mining and metals company currently operating seven mines and developing five projects worldwide.

Lycopodium is also providing services to First Quantum on several operational sites including Kansanshi (a multi-stage expansion project to increase copper output capacity to approximately 400,000 tonnes by 2015) and the Guelb Moghrein (installation of a new SAG mill and magnetite circuit).

Past Lycopodium project work for First Quantum has been the Ravensthorpe nickel mine in Western Australia. Ravensthorpe, acquired as a decommissioned nickel operation in 1Q2010, required the redesign of the crushing, conveying, storage, reclaim and rejects areas. Commercial production, with the plant meeting all internal performance benchmarks, was achieved ahead of schedule in 2011.

**Project:** Thales Acid Plants and NOx  
**Location:** New South Wales, Australia  
**Client:** Thales Australia Ltd  
**Sector:** Process Industries - Chemical



Thales Australia Ltd manages a chemical manufacturing plant providing a variety of materials. The chemical manufacturing plant incorporates the production, concentration, blending and reprocessing of nitric and sulfuric acids. These acids are used for manufacturing of other products. Lycopodium has recently completed three different projects for the upgrades and installation of new acid storage and blending facilities, as well as acid loading/unloading tanker bays on the site.

Spent acids from the nitration process are reprocessed to recover and concentrate sulfuric and nitric acids. As part of the acid reprocessing, NOx emissions are generated. Recent requirements to the site EPA discharge limits have required an upgrade of the NOx abatement plant to meet the tighter emission limits.

Lycopodium was engaged to undertake design and installation of a new NOx abatement facility for the acid concentration plant.

The Lycopodium design included a three-stage absorption and scrubbing process to meet the new emission standards. The process was fully modelled and has been designed to minimise chemical usage and waste generation. The process utilises a high efficiency water absorption process to generate a nitric acid product, which can be re-used on site, followed by a pressure absorption process utilising hydrogen peroxide. Final trace amounts of NOx are treated in a scrubbing process with sodium sulfide to meet the new EPA emission requirements.

Lycopodium was responsible for all aspects of the projects, including the facilitation of HAZOP studies, performance and process design modelling, detailed civil, mechanical and electrical design, project and construction management and commissioning.



## Project Reviews *(continued)*

**Project:** Marandoo Mine Phase 2

**Location:** Western Australia

**Client:** Rio Tinto

**Sector:** Minerals - Iron Ore



Rio Tinto is a leading international mining group listed on the London, New York and Australian stock exchanges. Mining activities span the world and are represented in Australia and North America with other businesses in Asia, Europe, Africa and South America.

Marandoo, an open pit mine situated 45 km east of Tom Price in Western Australia began operating in 1994, and is an integral part of Rio Tinto expansion plans to its iron ore operations in the Pilbara area of Western Australia.

Rio Tinto intends that the mine's current capacity of 15 Mtpa will be maintained for an estimated 17 years by the introduction of below water table (BWT) mining and ore processing. BWT mining involves the construction of a wet ore processing plant with the excess water being managed through an integrated system to supply the town of Tom Price and an agriculture system.

Lycopodium has been working on the Marandoo Mine Phase 2 Project since the study phases, and in April 2011 was awarded the EPCM services contract in relation to the process plant upgrade and additional associated infrastructure. Work on this project continued throughout the 2012/2013 financial period and is currently being progressively commissioned, with completion targeted for 4Q2013.

Offsite infrastructure work completed during the year included:

- Central services in the 1,150 man camp including dry mess, wet mess, camp offices and buildings and sporting facilities commissioned and made operational.
- Approximately 850 ha of agricultural area cleared, pipelines run and pivots (rotating sprinklers) installed to all 17 fields. All pivots subsequently commissioned, fields grass seeded and first hay harvested.
- The Hamersley Agricultural Project dam servicing the fields completed and became operational.
- Dewatering borefield comprising 27 bores with a total capacity of 107.4 ML/day completed and commissioned. The transfer pipeline to the dam, agricultural fields, contingency discharge and Tom Price town water supply was also completed, and commissioned.

Completed onsite infrastructure work included the reinforced earth wall at primary crushing, the waste fines storage facility, the 220 kV substation and the underground services for the new plant. Also completed and handed over to Rio Operations were the mine operations centre, the warehouse, the explosives storage facility and the land farm.

For the process plant, which will treat via wet processing approx 2,500 tph of iron ore, SMP (structural/mechanical/piping) and E&I (electrical/instrumentation) work is well advanced in the primary crushing surge bin, scrubbing and screening, classification and filtration and thickening areas. A new stacker to replace the old machine has been built and is ready for installation and commissioning.



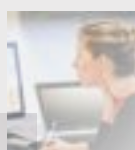




# Financial Results

## Consolidated

	2013 \$	2012 \$	2011 \$
Revenue	245,940,092	232,286,982	169,842,916
Employee and contractors expense	(186,289,478)	(170,826,564)	(125,105,508)
Depreciation and amortisation expense	(2,192,104)	(1,784,442)	(1,286,219)
Other project expenses	(9,748,777)	(10,581,901)	(4,181,481)
Administration and management costs	(18,667,684)	(16,431,351)	(13,866,490)
Share of net profit of joint ventures	5,625,335	280,263	0
Other	(6,133,195)	(1,171,210)	(495,329)
Profit before income tax	28,534,189	31,771,777	24,907,889
Income tax expense	(5,993,750)	(9,416,678)	(7,795,136)
Profit for the year	<b>22,540,439</b>	22,355,099	17,112,753
Dividend (fully franked) (cents)			
Interim	15.0	12.0	10.0
Final	21.0	21.0	20.0
Total Dividend	<b>36.0</b>	33.0	30.00
Shares on issue	38,955,103	38,655,103	38,655,103
Share as at 30 June (\$)	4.27	6.67	5.75
Earning per share (cents)	56.5	57.3	44.3
Price earnings ratio	7.6	11.5	13.0
Net tangible assets per share (cents)	159.8	139.1	112.6





# Balance Sheet



## Consolidated

	2013 \$	2012 \$	2011 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	34,997,159	27,768,444	26,199,742
Trade and other receivables	53,254,129	52,590,370	39,835,368
Other current assets	4,549,506	3,547,988	1,639,824
<b>Total current assets</b>	<b>92,800,794</b>	83,906,802	67,674,934
<b>Non current assets</b>			
Property, plant and equipment	4,659,138	5,308,393	4,119,085
Investments	5,905,599	280,264	0
Other assets	1,057,335	1,242,835	1,661,874
Deferred tax assets	8,026,369	4,535,790	4,273,369
Intangible assets	7,163,778	6,113,748	6,150,895
<b>Total non current assets</b>	<b>26,812,219</b>	17,481,030	16,205,223
<b>Total assets</b>	<b>119,613,013</b>	101,387,832	83,880,157
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	44,657,595	34,158,532	24,080,951
Borrowings	1,763,637	1,622,503	909,754
Current tax liabilities and provisions	1,592,538	3,274,910	6,559,179
<b>Total current liabilities</b>	<b>48,013,770</b>	39,055,945	31,549,884
<b>Non current liabilities</b>			
Borrowings	1,012,359	1,535,136	1,781,208
Provisions	1,157,067	917,164	861,971
<b>Total non current liabilities</b>	<b>2,169,426</b>	2,452,300	2,643,179
<b>Total liabilities</b>	<b>50,183,196</b>	41,508,245	34,193,063
<b>Net assets</b>	<b>69,429,817</b>	59,879,587	49,687,094
<b>EQUITY</b>			
Contributed equity	18,951,697	18,730,297	18,730,297
Reserves	1,140,385	294,906	89,318
Retained profits	48,639,753	40,689,644	30,916,243
Minority interest	697,982	164,740	(48,764)
<b>Total equity</b>	<b>69,429,817</b>	59,879,587	49,687,094

# Shareholder Information

The shareholder information set out below was applicable as at 19 August 2013.

## A. Distribution of equity securities

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

			<b>Total Holders</b>
1	-	1,000	573
1,001	-	5,000	838
5,001	-	10,000	267
10,001	-	100,000	210
100,001	-	and over	23
			<b>1,911</b>

There were 122 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:

	<b>Name</b>	<b>Number Held</b>	<b>Percentage of Units</b>
1	Reesh Pty Ltd	9,104,637	23.37
2	HSBC Custody Nominees (Australia) Limited	4,919,183	12.63
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	820,060	2.11
8	Citicorp Nominees Pty Ltd (Colonial First State Inv A/C)	795,355	2.04
9	JP Morgan Nominees Australia Limited	579,247	1.49
10	Lycopodium Share Plan Pty Ltd	510,000	1.31
11	Mr Peter De Leo	422,466	1.08
12	De Leo Nominees Pty Ltd	407,900	1.05
13	Botech Pty Ltd	305,405	0.78
14	Mr David James Taylor	236,754	0.61
15	Citicorp Nominees Pty Ltd	220,366	0.57
16	Mr Peter De Leo & Mrs Tiana De Leo	216,405	0.55
17	Rubi Holdings Pty Ltd	200,000	0.51
18	Nancris Pty Ltd	175,000	0.45
19	Dr Gregory O'Neil	165,334	0.42
20	National Nominees Limited	161,022	0.41
	<b>Total</b>	<b>29,019,278</b>	<b>74.49</b>

## C. Substantial holders

Substantial holders in the company are set out below:

	<b>Name</b>	<b>Number Held</b>	<b>Percentage of Units</b>
1	Reesh Pty Ltd	9,104,637	23.37
2	HSBC Custody Nominees (Australia) Limited	4,919,183	12.63
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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E: [limited@lycopodium.com.au](mailto:limited@lycopodium.com.au)  
[www.lycopodium.com.au](http://www.lycopodium.com.au)

## Share Registry

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