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ASX: EHL ('EMECO' OR 'THE COMPANY')

Commencement of Mincor underground mining services contract

Pit N Portal, Emeco's underground mining services business, has received a Notice to Proceed with its five-year contract with Mincor Resources NL (ASX:MCR) at its Kambalda Nickel Operations in Western Australia (see previous ASX announcement on 28 May 2020).

The Kambalda Nickel Operations will shortly commence ramp-up and is expected to materially increase Pit N Portal earnings once the project enters the production phase in FY22. Up to approximately \$15 million of additional capital expenditure will be invested in 1H21 to support the project and is expected to deliver on Emeco's strict return hurdles over the assets' lives.

Emeco's CEO and Managing Director, Ian Testrow, said: "We are very excited about partnering with the Mincor team to develop the Kambalda Nickel Operations. We have already commenced the early works program on site and this is progressing well. We also look forward to working together with the Kalgoorlie-Boulder community through delivery of this project.

"This is a significant project for the Pit N Portal business and Emeco's expanded service offering, further supporting our strategic objective of securing long-tenured projects and considerably diversifying our commodity mix by adding a significant contribution from nickel."

Mr Testrow, continued: "Our recently announced capital structure initiatives, including the refinancing and repayment of our 2022 notes, provide Emeco with greater flexibility to allocate capital to compelling projects such as the Kambalda Nickel Operations, whilst maintaining a strong balance sheet and supporting future distributions to shareholders."

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This announcement was authorised to be provided to the ASX by Penny Young, Company Secretary of Emeco Holdings Limited.