



31 July 2017

Quarterly Report For the Period Ending 30 June 2017

Highlights

- Mozambique operations secured new contracts and repeat business.
- Encouraging progress on Mozambique LNG projects.
- Australian revenue grew quarter-on-quarter throughout the 2017 financial year.
- Provision of training services commenced at Rio Tinto's Oyu Tolgoi mine in Mongolia.
- Share placement launched to raise up to \$600,000.

International labour services company RBR Group (ASX: RBR) ("RBR" or "the Company") is pleased to provide its quarterly report for the period ending 30 June 2017.



Above: Futuro Skills Mozambique students undergoing scaffolding training.

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Futuro Skills – Mozambique

Futuro Skills Mozambique (FSM), RBR's in-country training subsidiary, has secured new contracts and repeat business. FSM's aim in the near term is to expand its footprint, client base and product offering in the most cost efficient manner.

During the quarter, FSM secured a new contract with Swisscontact, an organisation focused on promoting sustainable economic development in developing countries, and repeat business with integrated energy and chemical company SASOL.

Swisscontact has an association with the Mozambican Federation of Contractors (FME) and has engaged FSM to provide construction-related training to 40 employees nominated by FME member companies. The program commenced in July at FSM's Matola facility in the capital Maputo.

The SASOL contract, which involves the provision of three training programs for employees at the company's Temane facility, carries a value of more than \$100,000. The programs were delivered over 70 training days during May, June and July.

SASOL was invoiced for the training in June, hence the amount is included as a receivable for the purposes of the quarterly cashflow statement.

RBR was buoyed by progress reported on LNG projects proposed for Mozambique during the quarter, given the anticipated impact these projects will have on demand for services offered by FSM and other subsidiaries.

Notably, Italian company Eni approved the development of its US\$8 billion Coral South floating LNG facility; Anadarko, which is progressing the US\$24 billion AMA1 LNG project, issued a tender for land demarcation and clearing preparation services for a potential project site and has been hiring additional in-country staff; and the Mozambique government finalised terms for Anadarko and Eni to develop a Marine Offloading Facility to service Areas 1 and 4 of the Rovuma Basin.

Futuro Skills – Australia

The Futuro Skills business in Australia delivered revenue growth every quarter of the 2017 financial year. Revenue in the June 2017 quarter grew by 8% over the prior quarter, with higher growth mainly held back due to lower than expected demand for services from UGL. Indications are that the workload will increase in the September 2017 quarter.

Futuro Skills – Mongolia

As announced on 30 March 2017, Futuro Skills has secured a training contract in Mongolia, providing training and development services at Rio Tinto's Oyu Tolgoi mine, in partnership with a local organisation.

The first tranche of this program was delivered in June by Futuro Skills, with the next tranche due for delivery in mid-August. RBR anticipates there will be opportunity to expand the relationship with Rio Tinto as the stage 2 expansion of Oyu Tolgoi progresses.

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Growth Opportunities and Business Development

RBR is pursuing growth opportunities in Mozambique, Australia and other markets, with the expectation that some of this activity will translate into firm contracts or agreements in the near term.

- In regard to labour broking opportunities associated with LNG projects proposed for Mozambique, RBR is diligently assessing the best structure for any partnership or joint venture with a third party. Opportunities are anticipated across several distinct sectors including construction, maritime and processing, which are generally serviced by sector-specialist labour broking organisations. RBR must ensure any arrangements with third parties are structured to make the most of future labour supply opportunities and leverage off the Company's capabilities in training, business and medical services.
- The decision by Eni to proceed with development of the US\$8 billion Coral South floating LNG project is expected to create major demand for maritime training and RBR has already noted an increase in enquiries to this effect. Internal estimates suggest more than 1,000 seamen trained to international standards will be required to man supply boats and undertake other maritime duties as the Coral South project begins construction. As few Mozambicans currently hold the requisite qualifications, RBR is exploring the possibility of establishing a maritime training academy in partnership with another service provider to develop this workforce.
- As reported previously, FSM has submitted tenders for two significant training opportunities, namely DFID's JOBA Employment Fund to deliver over 1,500 construction-industry qualifications, and CMC Africa Austral Lda (CMC) to provide training to about 2,300 people, both over a two-year period. These contracts are yet to be awarded but FSM continues to engage in constructive discussion with both clients.
- Beyond Mozambique and Mongolia, Futuro Skills continues to seek out opportunities of a suitable scale and strategic value, and ideally not through public tenders as FS aims to differentiate itself via its service offering rather than only on price. The focus is currently on opportunities in West Africa.

Exploration Projects

RBR is maintaining a watching brief on the resource sectors in Mozambique and Australia, and continues to hold its mineral exploration assets in Western Australia, which are primarily considered to be prospective for gold.

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Corporate

On 30 June 2017, RBR placed 66,000,000 ordinary shares with a group of high net worth and sophisticated investors at a price of \$0.005 per share, raising \$330,000 before costs. The placement represented the first tranche of a two-tranche capital raising and was within the Company's 15% share placement capacity.

RBR has called a general meeting for 8 August 2017 to seek approval to implement the second tranche to raise up to an additional \$270,000 before costs through the issue of 54,000,000 shares at \$0.005 per share.

All funds raised will be used to support ongoing company activities and for working capital purposes.

RBR finished the period with \$442,882.60 in cash and receivables.

Media and Investors

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ABOUT RBR GROUP: Perth-based RBR Group is a leading provider of holistic labour solutions to the resources and construction sectors globally. Through its subsidiaries, RBR has the capacity to deliver a range of services including labour broking, international standard training, permitting and visa coordination, pre-employment medicals, occupational health monitoring, injury management and on-site medical support. RBR is one of only a handful of companies that holds a labour broking licence in Mozambique, positioning it strongly to assist in meeting the substantial training and resourcing needs of the country's burgeoning liquefied natural gas industry. The company is also seeking to expand its presence in other emerging markets with strict local content laws and generally low levels of education and training and owns a registered training organisation in Australia.

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