



## AGM Presentation and Strategy Update

Rubicon Resources Limited (ASX: RBR)

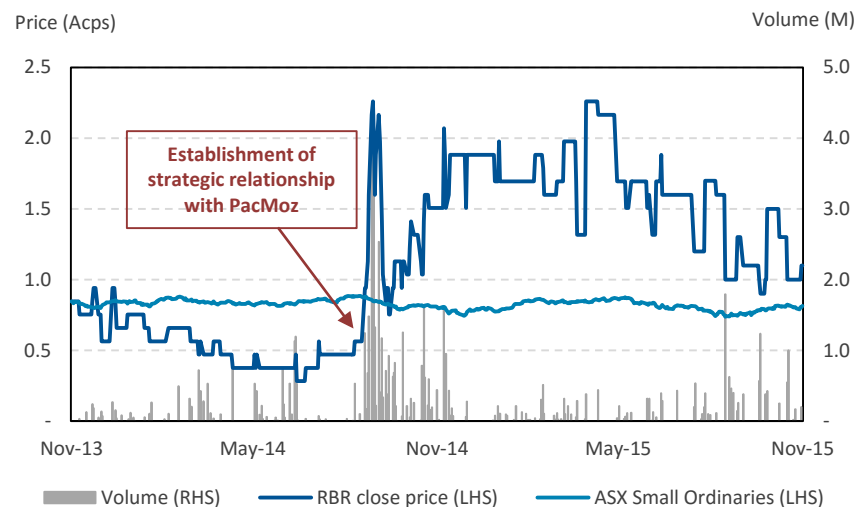
26 November 2015

- **Diversified labour services provider in Mozambique**
- PacMoz is an **established, cash-positive business** with significant operating experience in Mozambique
- Expectation of **multiple complementary, high margin business units** including training, medical and accommodation at a wholly owned facility in Pemba
- **First mover advantage in a frontier jurisdiction** including the potential to service the massive LNG projects that are approaching development
- Developing quality **partnerships with local and foreign stakeholders**, including potential clients, funders and strategic partners
- **Fast transition to positive free cash flows expected**, as early as mid-2016
- An **abundance of growth opportunities in Mozambique** which require limited additional capital expenditure
- Highly experienced Board and Management with a **wealth of in-country expertise**

**STRATEGY TO PROVIDE MOZAMBIQUE WITH SKILLED LABOUR,  
BOTH LOCAL AND EXPATRIATE, TO THE WORKPLACE EVERY DAY**

**LARGE BOARD AND MANAGEMENT SHAREHOLDINGS DEMONSTRATES ALIGNMENT WITH SHAREHOLDERS**  
**CURRENT MARKET CAPITALISATION FAILS TO REFLECT THE POTENTIAL OPPORTUNITY FOR RUBICON**

## 2 year share price performance



## Financial summary

Share price (25-Nov-15)	A\$0.015
Number of shares	318.0M
<b>Market Capitalisation</b>	<b>A\$4.8M</b>
Cash (30-Sep-15)	A\$0.6M
Debt (30-Sep-15)	-
<b>Enterprise value</b>	<b>A\$4.2M</b>
Performance shares	60M
Options (ex. price A\$0.02, exp. 30-Jun-17)	11M

Source: IRESS

## Key shareholders

Athol Emerton ( <i>Mozambique logistics/resources businessman</i> )	13.1%
Ian Macpherson ( <i>Executive Chairman</i> )	7.3%
Ian Buchhorn ( <i>Non Executive Director</i> )	5.8%
Richard Carcenac ( <i>CEO and Executive Director</i> )	4.1%
Other Key Management	5.5%
<b>Top 20</b>	<b>Approx. 58%</b>

## HIGHLY EXPERIENCED BOARD AND MANAGEMENT WITH A PROVEN TRACK RECORD OF PROJECT DELIVERY



**Ian Macpherson**

Executive Chairman

*B.Comm, CA*

- Chartered Accountant with over thirty years experience in finance, specialising in the mining industry
- Former partner at Arthur Anderson & Co, providing corporate and financial advice to the mining and mineral exploration industry
- Non-Executive Director of Red 5



**Ian Buchhorn**

Non-Executive Director

*B.Sc (Hons), Dip Geosci (Min.Econ.), MAusIMM*

- Mineral Economist and geologist with over 30 years experience
- Founding Managing Director and current Executive Director of Heron Resources



**Richard Carcenac**

Chief Executive Officer / Executive Director

*B.Sc Eng.(Civil), MBA*

- Civil Engineer with extensive mining management experience in Australia and Southern Africa
- Previously worked for BHP Billiton as Operations Manager of a large South African coal mine, and as General Manager of their Worsley Alumina Boddington Bauxite mine in Western Australia



**Sam Middlemas**

Chief Financial Officer / Company Secretary

*B.Comm, PGradDipBus, CA*

- Chartered accountant with over twenty years experience in financial and secretarial roles in the resources industry
- Fields of expertise include corporate secretarial practice, financial and management reporting, treasury and cash flow management and corporate governance

## TIER 1 OPERATIONAL TEAM PROVIDING THE NECESSARY SKILLS AND EXPERIENCE TO DELIVER IN MOZAMBIQUE



### Chris Gittens

General Manager Training and Workforce Development, Futuro Skills

*B.Eng (Mech), MIE Aust*

- 10 years international experience in vocational training, establishing new facilities and delivering major training contracts
- Former Chief Commercial Officer of training provider Site Group International (ASX: SIT)
- Significant experience in the defence, construction and mining industries



### Jeremy Gittens

Training Manager, Futuro Skills

*B.Sc, GradCertBus, Dip WHS*

- Experienced establishment and implementation of training programs and competency systems for the resources industry
- Founder of Axis Training Group and former Group Training Manager of Site Group International (ASX: SIT) and HSE Manager for AST (Wood Group)



### Hanlie Lloyd

Director, PacMoz

*B.Acc, Dip Cost and Management*

- Founding member of PacMoz
- Over 10 years' experience working in Mozambique financial & corporate, labour & immigration and registration sectors
- Registered Accountant with Mozambique Auditors and Accountants Society

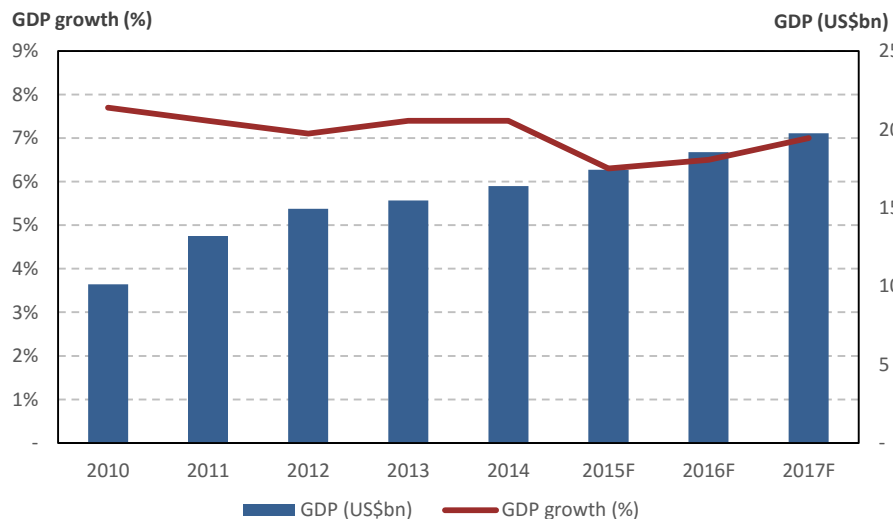
## MOZAMBIQUE IS A DEVELOPING COUNTRY EXPERIENCING STRONG, SUSTAINABLE GROWTH

- Recent elections have returned a stable ruling party to government
- Large population of over 27M, with around 50%:
  - Living on less than US\$1 per day
  - Under the age of 17
  - Functionally illiterate
- Since the end of the civil war in 1992 Mozambique has been growing rapidly
  - Major investment underway in the minerals industry
  - GDP growth is expected to be 6.5% in 2016 and up to 7.0% in 2017; GDP has averaged above 7% with good consistency since 2000
  - Number 10 on World Bank’s list of the world’s 13 fastest-growing economies
- New world class gas and graphite discoveries have captured the world’s attention

### Key statistics

Capital city	Maputo
Gross domestic product (2014)	US\$16.4bn
Population (2014)	27.2M
Inflation rate (2014)	2.6% p.a.
Official language	Portuguese
Corporate tax rate	32%

### Mozambique GDP growth



Source: IMF Cross Country Macroeconomic Statistics, World Bank



## ENVIRONMENT SUPPORTS RUBICON BECOMING A MAJOR LABOUR SUPPLY ORGANISATION IN MOZAMBIQUE

### Favourable environment for training locals

- c. 300k additional people enter the labour force each year
  - But there is an extreme shortage of skilled tradesmen and labourers
- Government legislation requires up to 19 nationals for every expatriate work visa issued
  - Likely to be revised to around a 10:1 ratio for major internationally funded projects in the country
- Near term market need for quality expatriate labour is estimated to be in the thousands across the target sectors
- Foreign corporations investing in major capital projects are required to contribute c. 5% of their planned investment towards social upliftment initiatives
- Anticipated 1% payroll levy will go directly towards funding training
- Mozambique population expected to be 30.6M in 2020

### Increasing foreign direct investment

- Foreign direct investment flows and project numbers have recorded continuous growth year on year since 2009
- 50 foreign direct investment projects in 2014, totalling US\$8.8bn in value and creating over 10k jobs

### World Bank Ease of Doing Business Index *Sub Saharan Africa countries (47 countries)*

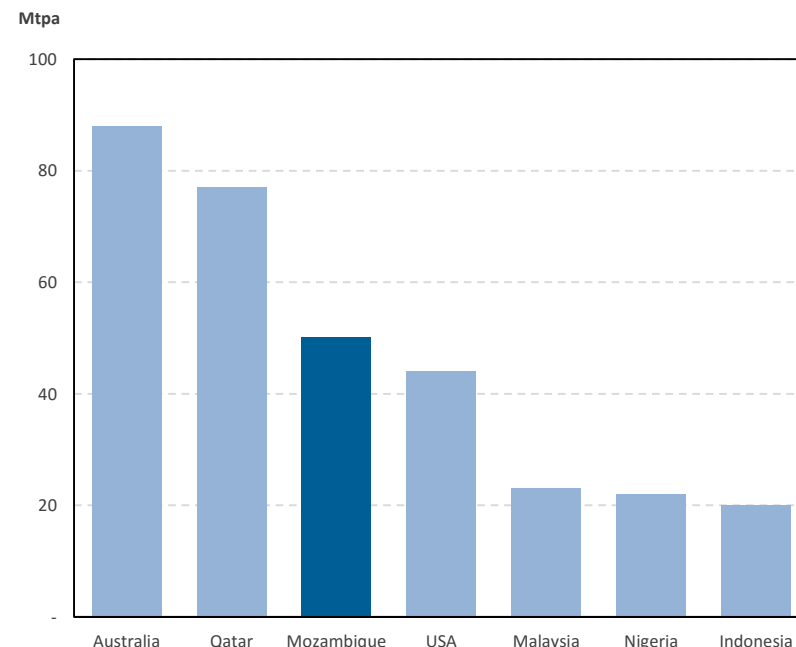
Parameter	Ease of doing business rank
<b>Ease of doing business overall ranking</b>	<b>14</b>
Starting a business	18
Dealing with construction permits	1
Getting electricity	28
Registering property	12
Getting credit	33
Protecting minority investors	12
Paying taxes	20
Trading across borders	20
Enforcing contracts	46
Resolving insolvency	5

This is Mozambique's worst ranking in the Ease of Doing Business Index; this is an example of a key area in which Rubicon can be of great assistance to foreign companies

## LACK OF SKILLED LOCAL LABOUR TO FILL POSITIONS AT UPCOMING WORLD CLASS LNG DEVELOPMENTS

- Mozambique LNG has the potential to create c. 15k direct jobs and c. 685k indirect jobs
  - Potential to generate US\$39bn p.a. for the Mozambique economy
  - Expected to lead to improvements in infrastructure and create significant opportunities for small- and medium-sized businesses
- **Anadarko** has discovered 70+ TCF of recoverable resources:
  - US\$4bn already invested in the project, total investment of c. US\$24bn expected for first phase
  - Reserves support an initial phase development of 12 Mtpa in 2 trains of 6Mtpa each, potential to expand to 50Mtpa+
  - FID expected in Q3 2016, with pre-FID funding likely
- **ENI** has 85 TCF of recoverable resources (potentially more):
  - Multi-hub development plan, including onshore and floating LNG
  - FID for floating LNG expected December 2015
  - Capex estimated at c. US\$11bn for floating LNG alone
  - Initial phase 2.5Mtpa floating LNG, possible first gas in 2019/2020
  - FID for onshore development planned for 2017

Projected liquefaction capacity





## MANY OTHER INFRASTRUCTURE AND RESOURCES INVESTMENTS PLANNED OR UNDERWAY IN NORTHERN MOZAMBIQUE

- Rubicon expects to experience significant demand for its services with or without LNG developments
- Many mining, construction and infrastructure projects are planned to go forward autonomous of LNG

### A selection of the infrastructure and resources investments planned or underway in northern Mozambique

<b>Port of Nacala</b>	<ul style="list-style-type: none"> <li>▪ Repair and modernisation project is nearing completion</li> <li>▪ Expenditure of c. US\$300M</li> </ul>
<b>Pemba Port Logistical Base</b>	<ul style="list-style-type: none"> <li>▪ First phase of construction has begun               <ul style="list-style-type: none"> <li>– Budgeted at US\$150M</li> </ul> </li> <li>▪ Includes the building of a logistical base and the installations for the production and assembly of the subsea equipment used in the hydrocarbon industry</li> </ul>
<b>Graphite mining</b>	<ul style="list-style-type: none"> <li>▪ Triton Minerals (which has a strategic alliance with Rubicon), Syrah Resources and Metals of Africa are 3 graphite miners progressing their mining projects in Cabo Delgado</li> <li>▪ Their combined potential investment is estimated at over US\$200M</li> <li>▪ This activity will create hundreds of permanent jobs, many more in the project phase</li> </ul>
<b>Cement production</b>	<ul style="list-style-type: none"> <li>▪ Cimpor’s Mozambican subsidiary, Cimentos de Moçambique, announced in June 2015 that they have commenced the process of building a new integrated cement production plant in Nacala</li> <li>▪ A project with an estimated investment of around US\$250M</li> <li>▪ Expected to lead to the creation of 500 jobs as well as add 1.5Mt of cement production capacity from 2018</li> </ul>
<b>Transport infrastructure</b>	<ul style="list-style-type: none"> <li>▪ Significant upgrades to transportation infrastructure (primarily the road network)</li> </ul>
<b>Hotels and property</b>	<ul style="list-style-type: none"> <li>▪ Numerous hotel and property developments in the region</li> </ul>

## CREATING A LARGE, READY-FOR-WORK LABOUR BASE IN A REGION WHERE DEMAND FOR LABOUR IS EXPANDING RAPIDLY

- Rubicon’s Mozambique strategy, focused on addressing challenges of **local content**, is entirely aligned with the Mozambican Government’s key priorities: education, job creation and health



- Labour services and HR
- Permitting, visas and registrations
- Financial services
- Legal services
- Consulting work



- Pre-employment medicals
- Occupational health monitoring
- Injury management
- On site medical support



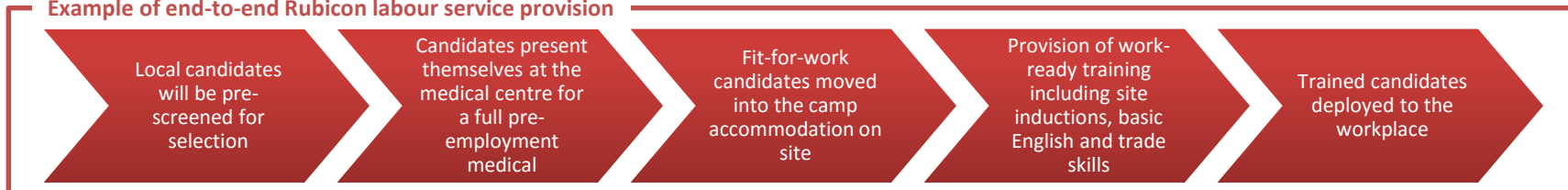
- Australian-standard training
- Targeted range of training
- On site mentoring and training
- Further revenue streams outside of Mozambique



### Accommodation

- Fully equipped camps
- Revenues accrue through provision of board and lodging to clients

### Example of end-to-end Rubicon labour service provision



# REGISTERED MOZAMBIQUE BUSINESS LICENCED TO PROVIDE A DIVERSE RANGE OF ADMINISTRATION AND BUSINESS SERVICES

- Rubicon currently owns a 60% equity share in PacMoz
  - Rubicon also hold a call option and effective control over the 40% balance in PacMoz not currently owned
- Already an established and cash positive business with offices in Maputo, Beira and Nacala (and soon in Pemba)
- Value in PacMoz stems from the market intelligence, competitive advantage and growth potential that it offers Rubicon
  - ✓ PacMoz provides access to key information on every company that is registered in Mozambique
    - Including ownership structure, business licences, key activities and other corporate information
  - ✓ Due to detailed involvement in immigration processes, processing lead times are able to be kept to a minimum
  - ✓ Network of offices allows engagement with all stakeholders and government decision-makers at the local level
    - Clear competitive advantage over companies trying to conduct their activities from a single location
- PacMoz will provide business administration services to the other Rubicon business units in Mozambique

## Current PacMoz services

### Business support services

- Company registrations
- Permits
- Licences

### Finance

- Tax management
- Accounting
- Auditing

### HR

- Immigration
- Recruitment
- Labour contracts
- Payroll

### Legal services

## Future PacMoz services

### Domestic labour broking

- Key expected revenue stream for Rubicon, particularly once Pemba and other facilities are online

### International labour broking

- Potential future revenue stream

## PACMOZ HAS A SIGNIFICANT FIRST MOVER ADVANTAGE TO CAPITALISE ON A UNIQUE OPPORTUNITY IN MOZAMBIQUE

### Existing reputation

PacMoz has built an enviable reputation in Mozambique for the breadth and quality of its services

### Local expertise

The depth of local experience within Rubicon and PacMoz provides a wealth of market intelligence and extensive network that can be used to rapidly commercialise businesses in Mozambique

### Ability to navigate administrative process

PacMoz is highly skilled at securing expatriate work visas, residence permits and associated permissions to work legally in Mozambique in an expeditious fashion

### Growing customer base

Growing customer base perpetuates attraction of further business – PacMoz currently has 18 corporate clients and continues to expand

## DEVELOPING RELATIONSHIPS WITH STAKEHOLDERS THAT ARE ALIGNED IN THEIR DESIRE FOR A QUALITY LOCAL WORKFORCE

### Established customer base

- PacMoz has a diverse and growing customer base in Mozambique, ranging from local entrepreneurs to global logistics and industrials corporates
- Currently has 18 corporate clients

### Selected current customers



### Clear opportunity to increase customer base

- Several further business relationships currently being developed
- Rubicon continues to engage with the leading global resources companies who are preparing to establish operations in Mozambique

### Collaboration with key stakeholders and strategic partners

- Discussions with the Mozambique Government and industry representatives have been constructive and interests are aligned in growing the training and medical businesses
- Rubicon aims to establish Australian-standard training in Mozambique
- Rubicon's partner SkillsDMC is leading a project with the Mozambican Government to develop a skills competency framework for the country

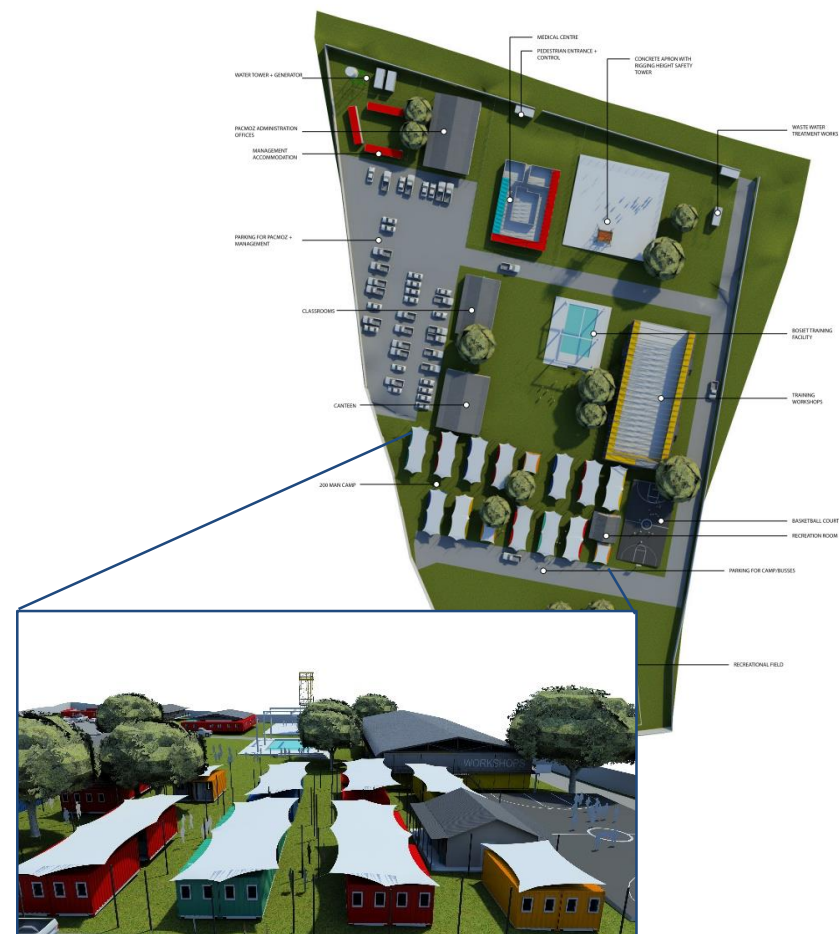


## THE PEMBA DEVELOPMENT WILL PROVIDE FACILITIES TO FULLY TRAIN AND HOUSE UP TO 200 WORKERS SIMULTANEOUSLY

### Facility overview

- Rubicon plans to develop an integrated medical and training facility in Pemba at its 6-acre site
  - Site has been surveyed and designs are near completion
  - Project on track to commence operations by mid-2016
  - Much of the infrastructure will be sourced from South Africa where it will be prefabricated
- Rubicon's Pemba training facility will include:
  - Medical centre and support infrastructure
  - Comprehensive training facility including technical and industrial workshops
  - PacMoz administration offices
  - 200 bed services camp with recreational facilities
- Pemba is located c. 1,700km north east of the capital Maputo
  - It is a port city and the capital of its province
  - Commercial catchment area includes emerging graphite and gem provinces
  - Located near the border of Tanzania
  - Substantial infrastructure projects underway

### Pemba facility design

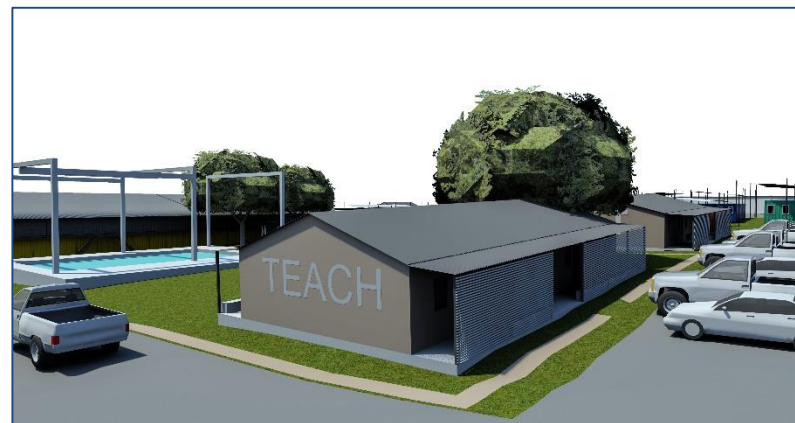


## THE FUTURO SKILLS BUSINESS UNIT WILL PROVIDE SKILLS TRAINING AND REVENUES FROM 1H 2016

### Training business unit overview

- Futuro Skills provides essential work ready skills and Technical Vocational Education and Training (“TVET”), and verification of competency (“VOC”)
- Training services will be provided through the Futuro Skills business unit by early 2016
  - Initially at client premises within Mozambique and Internationally
- Mozambique’s labour force of 11.6 million increases by 300,000 youths every year
  - This labour force has a very low skill level
- With the surging demand for skilled labour in construction, mining, and oil & gas projects within Mozambique, Futuro Skills will provide essential work ready skills and TVET for these projects
- Training and assessment will be based on the Australian Qualification Framework (“AQF”)
- Rubicon is currently in the process of becoming a Registered Training Organisation, registered with the Australian Skills Quality Authority
  - This standard will guarantee quality training and assessment outcomes for Futuro Skills’ clients and trainees

### Training facility designs



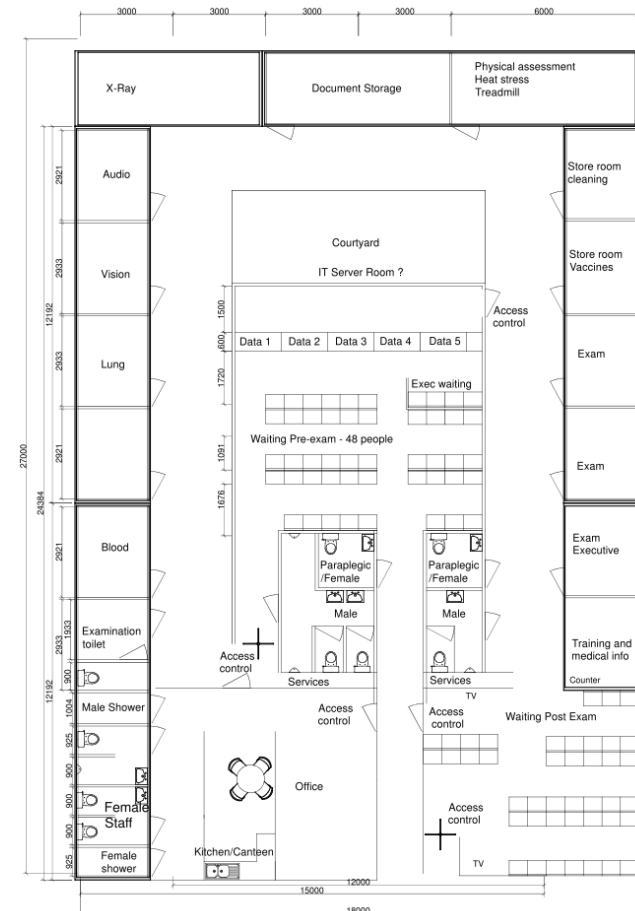


# MEDICAL SCREENING AND OCCUPATIONAL HEALTH MONITORING WILL BE A KEY RUBICON SERVICE OFFERING

## Medical business unit overview

- Services will be provided through the Futuro Medical business unit as early as Q2 2016
- Futuro Medical will provide pre-employment/deployment medical assessments and ongoing health monitoring in line with industry best practice
  - Includes disease screening, drug and alcohol testing, general fitness for work and occupational health monitoring
- The core offering will be medical services provided at the Pemba facility
  - Currently there are limited medical services in the north of Mozambique
  - Several companies in the mining and oil & gas sectors have already expressed interest in using Futuro Medical’s services
  - The key differentiator will be the ability to provide real-time results, which mitigates the risks of contagious diseases
- Medical services on select client sites will be provided on a limited scale

## Medical facility design



## OUR OPERATIONS WILL BENEFIT ALL KEY STAKEHOLDERS INCLUDING THE LOCAL COMMUNITY AND DISADVANTAGED

- There exists a huge opportunity for Rubicon to improve the lives of many Mozambicans through our operations
- According to the World Bank, in 2008 about 54.7% of the population of Mozambique lived in a state of poverty, and currently only about half the population is literate and numerate
- There is a large and willing workforce (c. 11.6M people), and there is currently limited opportunity for employment for the majority of them

### Rubicon aims to provide valuable qualifications to boost employment and reduce poverty

#### Focus on employment opportunities for all

- ✓ Majority of our training is aimed at Certificate I and II level
- ✓ Goal of moving as many people as possible into an employable position
- ✓ Offering skills that provide real employment outcomes to improve the quality of life of Mozambicans and reduce poverty

#### Strong focus on women and marginalised groups

- ✓ Gender-based TVET products and other training programs for women, youth and marginalised groups
- ✓ Affirmative action to ensure that the programs contain a diverse range of participants

#### Global qualifications to expand opportunities

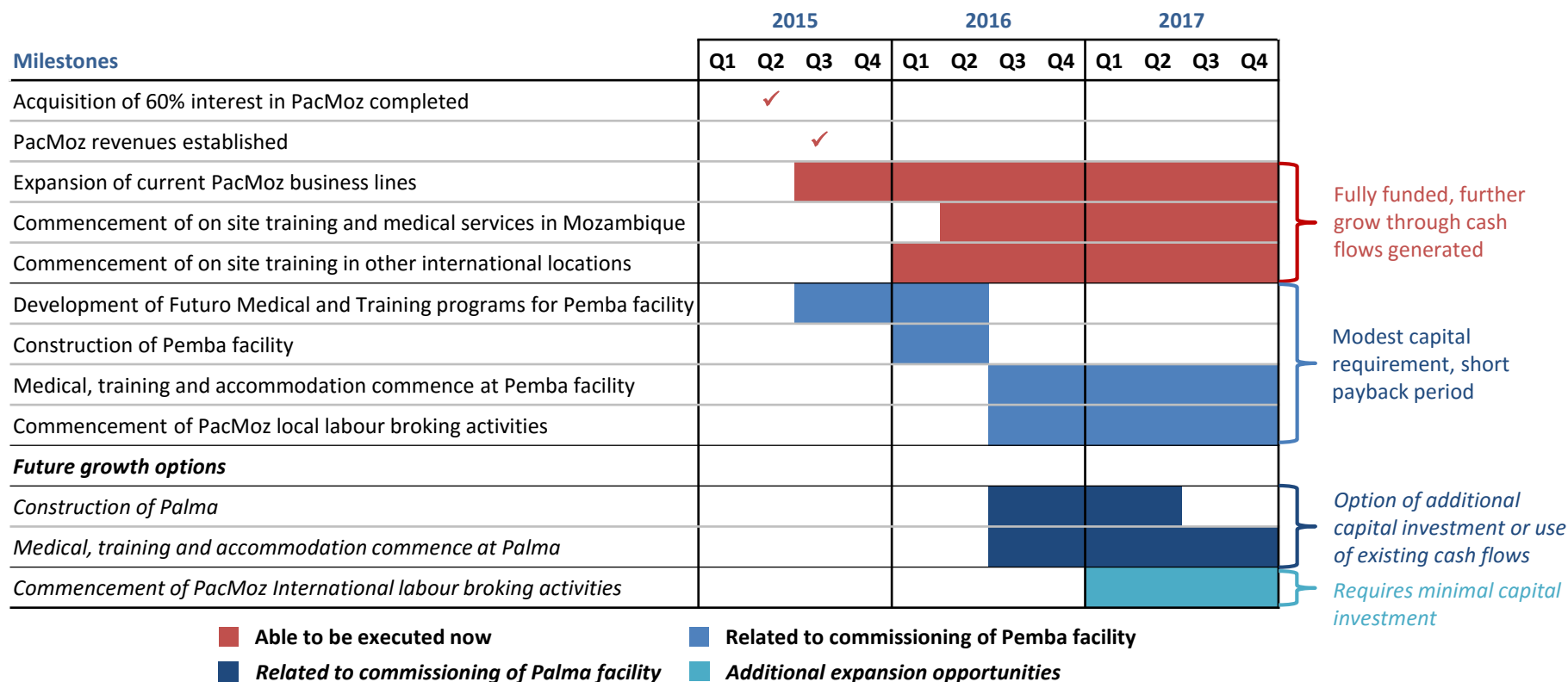
- ✓ Accredited qualifications recognised under the AQF which makes it easier for individuals to secure employment
- ✓ AQF is an internationally recognised framework which expands employees' employment options and future job security

#### Direct community work

- ✓ Futuro Medical intends to make a social contribution through programs such as vaccinations for children in between client engagements

## SEVERAL NEAR TERM CATALYSTS AND DEVELOPMENTS TO INCREASE EXISTING REVENUES AT MINIMAL CAPITAL OUTLAY

- Substantial progress is underway in expanding Rubicon’s already cash positive Mozambican businesses
- Many upcoming operational milestones that will crystallise Rubicon’s progress in Mozambique
- Preliminary financial modelling suggests short payback period, and attractive free cash flow, valuation and IRR, for Rubicon’s Mozambique business



## FINANCIAL METRICS FOR THE CURRENT BUSINESS AND PEMBA ARE HIGHLY COMPELLING EVEN WITH MODEST ASSUMPTIONS

*Rubicon financial forecasts indicate compelling valuation metrics for the proposed FY2016 developments and new business units (even when conservative utilisation assumptions are applied)*

*Future development option*

### Current business



**Cash flow positive operation**

**3 operating offices (Maputo, Beira and Nacala)**

- Ongoing service revenues
- FY2015 revenue of A\$190k
- Significant revenue growth expected in CY2016, driven by demand for international visas, corporate and labour services, and the commencement of domestic labour broking

### Pemba facility



**Modest capital expenditure requirement**

**Construction in 1Q 2016**

**Commissioning 2Q 2016**

- Facility designed to comfortably handle 200 people per day in each of the medical, training and accommodation business units

### Palma facility



**Option of additional capital investment or use of existing cash flows to fund**

**Construction and commissioning dates subject to market demand**

**Rapid implementation timeline possible**

- Replication of Pemba facility
- Also expected to include additional working camp facilities for 2,000 people in order to service the significant LNG developments which will be based in Palma

## **THE FIRST MOVER ADVANTAGE IN MOZAMBIQUE IS MASSIVE AND THE MOZAMBIQUE MODEL IS READILY REPLICABLE IN OTHER GEOGRAPHIES**

- The quality and provision of basic infrastructure and services is severely lacking in Mozambique, creating huge opportunities for private investors to fill these gaps
- Rubicon is well positioned to expand into complementary product and service offerings at the appropriate time in order to assist in fulfilling these needs
- The Mozambique model is expected to be fundamentally robust and readily replicable in other geographies

### **Organic expansion opportunities**

- Modular capacity expansion at Pemba and Palma
- Commissioning of further facilities
- Expansion into new countries, likely other frontier jurisdictions

- **Diversified labour services provider in Mozambique**
- PacMoz is an **established, cash-positive business** with significant operating experience in Mozambique
- Expectation of **multiple complementary, high margin business units** including training, medical and accommodation at a wholly owned facility in Pemba
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