



28 April 2017

Quarterly Report For the Period Ending 31 March 2017

Highlights

- Australian revenue continues to grow quarter-on-quarter, from \$11,000 in Q1 FY17 to \$102,000 in Q3 FY17. Q4 revenues expected to continue trend.
- Mozambique operations remain cash flow positive, with cash reserves sufficient to fund current activities and forecast growth.
- Key business units Futuro Skills and Futuro Business Services (formerly PacMoz) adding blue chip clients and securing repeat business.
- Strong pipeline of growth opportunities in Australia, Mozambique and other emerging markets.

RBR Group (ASX:RBR) (“RBR” or “the Company”) is pleased to deliver its quarterly report for the three months ended 31 March 2017, a period in which the Company continued to make excellent progress as a leading provider of holistic labour services to the resources and construction sectors in Australia and overseas.

RBR is uniquely positioned as an ASX-listed company given its established presence as a licensed labour services provider in Mozambique, a country that is forecast to experience a major increase in labour demand over the next few years due to the development of its oil and gas industry. The liquefied natural gas projects proposed in northern Mozambique alone will require up to 50,000 workers at peak construction, with the Mozambican government imposing strict requirements in relation to local training and employment.

Through its various subsidiaries, RBR is targeting other emerging markets with similarly strict local content laws and lower levels of education and training. The Company is also focused on developing its Australian business, including through the provision of traineeships through its registered training organisation.

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Futuro Skills – Mozambique

Futuro Skills Mozambique (FSM), RBR's in-country training subsidiary, remains cash flow positive, with cash reserves sufficient to fund current activities and forecast growth associated with early-stage projects planned as part of the development of major LNG facilities in the country's north.

During the quarter, FSM's participation in the training program funded by the UK government's Department for International Development (DFID) was completed on schedule and diversity targets achieved (approximately 44% of the graduates were women). The training delivered was through FSM's Construction Skills Program. DFID reiterated its desire to continue the relationship with FSM beyond this initial program.

Futuro Skills – Australia

The Futuro Skills business in Australia continues to make pleasing progress, with revenues growing quarter-on-quarter through financial year 2017. Revenues reported in the September quarter 2016 were \$11,000, they increased to \$77,000 in the December quarter 2016, and reached \$102,000 for the March quarter 2017. This trend is expected to continue in the June quarter 2017.

Among its Australian contracts, Futuro Skills is providing ongoing training management consultancy services for waste management company Veolia, with the scope of services delivered under this agreement constantly expanding.

In February 2017 Futuro Skills also began providing training and competency assessment services for UGL (CIMIC) at its purpose-built Henderson Training Facility in Western Australia. The scope and volume of services will expand in line with UGL's various project requirements.

Futuro Skills' registered training organisation, Freelance Support Pty Ltd, commenced delivery of its first funded traineeships in January 2017. Funded traineeships represent a significant growth opportunity for the business with several promising leads being developed.

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. There is significant opportunity to expand the relationship with Rio Tinto as the stage 2 expansion of Oyu Tolgoi ramps up.

Growth Opportunities and Business Development

RBR is pursuing growth opportunities in Mozambique, Australia and other markets, with the expectation that some will translate into firm contracts or agreements during the June quarter.

- RBR is in the late stages of finalising a labour broking Joint Venture with a reputable international recruitment and labour broking organisation which has significant ties to the oil and gas majors participating in the development of Mozambique's gas resources. This JV will fast-track RBR's entry into the lucrative oil and gas industry's expatriate labour market, support our goal of becoming a market leader in local labour services and bolster our training, business services and medical subsidiaries.

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- FSM has submitted a proposal to deliver over 1,500 construction-industry qualifications over a two-year period under DFID's Employment Fund. The total project value of the submission is around A\$2.35 million at current exchange rates. FSM expects JOBA to award these grants to successful applicants during the June quarter.
- FSM tendered to deliver three training programs to Sasol employees at its Temane facility in Mozambique, during May and June. These programs are a repeat of the training conducted late in 2016, and valued at over A\$100,000.
- Discussions continue between FSM and Mozambican construction company CMC Africa Austral Lda (CMC) to provide training to about 2,300 people over a two-year period, commencing imminently. CMC will build a new township for the approximately 11,000 people who will be relocated from the Afungi Peninsula to make way for the proposed onshore LNG facilities. Skills training is a key component of the overall relocation project.
- Futuro Business Services (FBS), which provides administration, business and human resources management support, stands to benefit from the development of major capital projects in Mozambique and the associated demand for local HR and immigration support.
- Futuro Skills has responded to several tenders and expressions of interest in other key markets including Guinea, Papua New Guinea, Indonesia and Timor Leste for "blue chip" clients, and is awaiting notice on those opportunities.
- RBR is undertaking a desktop study to identify new target locations in Africa where our unique package of skills and services will be in demand, and where the market has the scale and diversity of clients to minimise the entry risk.

Exploration Projects

RBR signed a term sheet with Newmont Exploration Pty Ltd (Newmont) to establish a joint venture over RBR's 100% Yindarlgooda Project (as announced on 15 February 2017). Negotiations towards finalisation are progressing well.

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.

Corporate

RBR finished the period with \$407,000 in cash and Australian receivables.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

RBR Group Limited

ABN

38 115 857 988

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	175	773
1.2 Payments for		
(a) exploration & evaluation	(2)	(9)
(b) development		
(c) production		
(d) staff costs	(161)	(477)
(e) administration and corporate costs	(296)	(974)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	(7)
1.6 Income taxes paid	(7)	(24)
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(291)	(716)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(17)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)	-	100
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	83

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,049
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(43)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	(150)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	856

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	613	95
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(291)	(716)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	83
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	856
4.5	Effect of movement in exchange rates on cash held	(6)	(2)
4.6	Cash and cash equivalents at end of period	316	316

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	136	377
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details) – Mozambique Subsidiaries	180	236
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	316	613

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	94
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 includes aggregate amounts paid to directors including salary and director's fees.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	10
9.2 Development	
9.3 Production	
9.4 Staff costs	160
9.5 Administration and corporate costs	135
9.6 Other (Mozambique costs)	155
9.7 Total estimated cash outflows	460

NB: Group overheads approximately \$220k (Staff \$85k and Admin \$135k). Estimated cash receipts from customers are expected to be higher than this quarter.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 28 April 2017

Print name: Patrick Soh

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.