

Announcement

India Joint Venture

18 December 2015

RungePincockMinarco Limited (ASX: RUL) [RPM] has today announced that it has agreed with Deepak Mining Services Private Limited (“Deepak”), its joint venture partner in India, to amicably wind-up the incorporated joint venture company between the parties registered in India. It is envisaged that the operations of the joint venture company will be wound-up following completion of the necessary formal documentation early in the New Year.

The India Joint Venture, originally announced by RPM to the ASX on 18 February 2013, was specifically formed by RPM and Deepak as a special purpose vehicle to pursue the delivery of RPM’s software and advisory expertise across the natural resource sectors of India, Pakistan, Bangladesh, Sri Lanka, Nepal and Bhutan.

RPM and Deepak have mutually agreed to commence work to formally wind up the joint venture company and to pursue alternative strategies to provide their respective solutions and services to mining and resources clients in the region.

Commenting on the amicable dissolution of the incorporated joint venture, RPM’s CEO and Managing Director Richard Mathews said “RPM remains firmly invested in providing its software solutions and advisory services to clients in India and the subcontinent region at large, however it has become clear that the formal constraints of a specifically incorporated joint venture company are not serving the best interests of our shareholders or clients.”

“The RPM management team are constantly reviewing our investment strategies and the returns achieved on these investments. It was a clear outcome from the most recent review that, despite the best efforts of both the RPM and Deepak teams, a formal joint venture company in India was not delivering the returns expected when we first established it back in 2013 and was unlikely to do so in the near future.”

“This decision in no way reflects poorly on any of the staff who have been involved over the period of our JV or indeed on the original decision of RPM and Deepak to form the JV vehicle in 2013. For example, none of us could have foreseen the ‘Coalgate’ issues arising in India, the suspension of significant Iron Ore mining leases and the delay to the expansion of Bauxite mining in India - all of which have all seriously impacted on private and public mining opportunities - or indeed the ongoing market pressures in mining generally, when we were entering into the JV in early 2013.”

Deepak’s Chairman and Managing Director Mr S.C. Mehta agreeing with Mr Mathews said “Deepak are broadly aligned with RPM’s thoughts regarding the potential for mining businesses in India as well as on the prospects for the JV over the near & medium term. The Deepak and RPM teams are proud of the efforts made by the RPM India team and I am equally sure that the benefits of these efforts will continue to flow in due course.”

Mr Mathews concluded by saying, “As a management team, we are constantly looking for ways to simplify and better align our corporate structure with the way we do business, which in turn delivers cost efficiencies and better returns for our shareholders.”

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About RungePincockMinarco:

RungePincockMinarco Limited (ASX: RUL) is the world's largest publicly traded independent group of mining technical experts, with history stretching back to 1968. We have local expertise in all mining regions and are experienced across all commodities and mining methods.

Listed on the Australian Securities Exchange on 27 May 2008, RungePincockMinarco is a global leader in the provision of advisory consulting, technology and professional development solutions to the mining industry. We have global expertise achieved through our work in over 118 countries and our approach to the business of mining is strongly grounded in economic principles.

We operate offices in 18 locations across 12 countries.

About Deepak Mining Services Private Limited:

Deepak Mining Services Private Limited are engaged in the business of mining services in India and is a wholly owned subsidiary of Deepak Fertilisers and Petrochemicals Corporation Limited ("DFPCL"), a Public Limited Company. DMSPL provides end to end solutions in geology, mine consulting and contract mining. The company has set itself a vision to develop as a fast growing Integrated Mining Company of international repute by acquiring best practices to international standards, greater efficiency, safety, higher productivity, unparalleled quality and a high level of consciousness to environmental safety.

DFPCL is among India's largest manufacturers of derivatives of natural gas and ammonia, and petrochemicals. DFPCL today is a multi-product Indian conglomerate spanning sectors such as – Bulk & Specialty Fertilisers, Industrial Chemicals, Farming Diagnostics & Solutions, Technical Ammonium Nitrate, Mining Services & Consultation and Value Added Real Estate. It is one of the largest producers of Technical Ammonium Nitrate (TAN) in the world and the only producer of explosive grade low density prilled Ammonium Nitrate in India. DFPCL's commitment to its customers across the explosives and mining industry extends beyond its products to offering its expertise to optimize drilling and blasting across various segments of the Indian mining industry.

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