

BAUMART SECURES 3 YEAR FINANCE LEASE CONTRACT

BauMart Holdings Limited (**ASX:BMH**) (the **Company**) is pleased to advise that its wholly-owned subsidiary, Buildmart Services Pty Ltd (**Buildmart**) has secured a finance lease contract with Newfield Resources Limited (**ASX:NWF**) (**Newfield**).

The Board and senior management of BauMart have significant experience and expertise in the procurement of building materials and industrial equipment. This background coupled with its extensive network of supplier contacts, particularly in Asia, has been key to securing this transaction with Newfield and marks the Company's first foray into supply and procurement services through its project tendering division.

Newfield is a diamond exploration company with its flagship Tongo Mine Development located in Sierra Leone (**Tongo Diamond Project**). Buildmart will source and finance the purchase of various underground mining equipment with a total value of USD\$2.8 million (~AUD\$4.1 million), including 2x Drill Rig Jumbos, 2x Haul Trucks and 2x LHD Loaders (**Equipment**). Buildmart will lease the Equipment to Newfield for use at its Tongo Diamond Project.

Contract terms

The Newfield contract runs for an initial term of 3 years, subject to early termination and purchase options, with an annual interest rate of 14%. Delivery of the Equipment to Sierra Leone is expected to take place in the second quarter of the current financial year, with commissioning of the Equipment scheduled to be completed by the end of December 2019.

The contract, in the form of a finance lease, will generate approximately USD\$1.2 million (~AUD\$1.8 million) in interest income over its 3-year tenure, is expected to generate interest income of approximately USD\$200K (~AUD\$293K) for the current financial year due to the timing of the contract and the expected start date.

Under the contract, Buildmart will provide service and maintenance support for the first 12 months. Newfield will assume responsibility for servicing and maintenance of the Equipment for the remainder of the term.

Buildmart will fund the purchase of Equipment using existing working capital and has obtained a 12-month credit term from the manufacturer to assist with ongoing working capital requirements. Buildmart is the preferred supplier for the future purchase of additional mining equipment for Newfield's Tongo Diamond Project.

Management comment

BauMart's Executive Director, Matthew Logan said "It is very positive for BauMart to be able to use its procurement expertise, extensive supplier network and supply chain management experience to assist Newfield. Our management team has the technical expertise to deliver on this project and we are now looking at pursuing other opportunities in the supply and procurement sector."

"The strategic rationale for the transaction is to increase revenue diversification through our tendering division. The Company remains focused on growing our core businesses, being materials handling and building materials, and the contract revenue will supplement present and further growth for the years ahead. The Company will consider organic and inorganic expansion opportunities such as earnings accretive acquisitions, complementary distributorships, new product development and geographic expansion for our core businesses in the future."

AUTHORISED BY:

Matthew Logan

Executive Director

About BauMart Holdings Limited

BauMart Holdings Limited is listed on the Australian Securities Exchange (ASX: BMH). It is a supplier of building products to the residential and commercial construction industries. The Company has invested in automated glass-processing equipment that is capable of producing a range of custom-made glass products for supply to the building construction industry. In addition to this, BauMart is a leading supplier of plastic materials handling products, such as pallets and crates, to the pharmaceutical, agricultural, industrial, mining, energy and export markets in Australia. BauMart is headquartered in Perth and has operations in Sydney, Melbourne and Brisbane.

BauMart, through its wholly-owned subsidiary, Buildmart Services Pty Ltd, is focused on delivering high-quality project management services with experience in residential and commercial construction, and through its experienced management team, leverages its procurement expertise and supplier network to provide end-to-end supply and procurement services in a broad range of sectors.

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