

ASX Announcement



16 February 2022

Acquisition of Swick Mining Services Completed

- The acquisition of 100% of Swick, Australia's largest underground driller, with operations in North America and Western Europe, is now complete.
- Creates a world-class mineral driller with a strong balance of surface and underground drilling exposures and a combined fleet of 176 high-quality rigs and over 1,600 employees.
- Combined group revenue diversity of c.60% surface and c.40% underground drilling with exposure to attractive international markets, which aligns with DDH1's growth strategy.
- Meaningful revenue and cost synergies to be realised over time.
- Greater liquidity in DDH1 shares, including potential inclusion in the S&P-ASX300 index over time.

Specialist Australian drilling services company DDH1 Limited (**ASX: DDH**) (**DDH1**) is pleased to announce the acquisition of Swick Mining Services (**ASX: SWK**) (**Swick**) by way of a Scheme of Arrangement (**Scheme**) has now been implemented.

Eligible Swick shareholders will today receive 0.2970 new DDH1 shares for each Swick share held on the Record Date of 9 February 2022. In addition, DDH1 has issued 61,936 DDH1 shares otherwise payable to "Ineligible Overseas Shareholders" (as defined in the Scheme Booklet) to a nominee who has been appointed to sell those DDH1 shares so that the net proceeds of sale can be distributed to applicable Swick shareholders in accordance with the process set out in the Scheme Booklet.

DDH1's Chairperson Diane Smith-Gander, said *"The acquisition of Swick combines two industry leaders to create a world-class mineral driller with a strong balance of surface and underground drilling exposures and a combined fleet of 176 high-quality rigs."*

DDH1's Non-Executive Director and Co-Founder Murray Pollock, said *"The acquisition of Swick is a transformational transaction growing our customer service opportunity, whilst leveraging common processes and cost base to create long-term value for shareholders. We look forward to integrating Swick with our business to create a company with strong and diversified revenues across both surface and underground drilling. We are also excited about the opportunities and innovation that DDH1 will provide our customers, people, and the broader mining and exploration industry."*

Consistent with DDH1's current practice for its existing three business brands – DDH1 Drilling, Ranger Drilling, Strike Drilling – the Swick drilling business will continue to operate as a standalone division to ensure a continuation of their successful branding, unique culture, and customer service focus.

DDH1's operating model ensures each business retains its distinct strong brand, customer service, and management team, whilst ensuring the benefits are realised through growing its customer offering through full whole of mine specialised drilling services and using in-house services to develop a common approach to innovation, manufacturing, maintenance and procurement practices.

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Combined with Swick, DDH1 will have 176 drill rigs available to service customers in Australia and selected first-world jurisdictions in North America and Europe, which will make DDH1 the largest mineral driller in Australia.

The acquisition of Swick maintains DDH1's balanced exposure to base and precious metals, with no coal exposure and an expanding focus on inputs to renewable technology.

Following the acquisition of Swick, DDH1 remains focused on maintaining its strong cash flows and low level of gearing to pursue its growth strategy through organic growth and future acquisitions.

DDH1 Group of Companies

Effective 16 February 2022, the DDH1 group of companies employs over 1,600 people and operates a fleet of 176 highly specified mineral drilling rigs across its four brands, namely DDH1 Drilling, Ranger Drilling, Strike Drilling, and Swick Mining Services. We offer clients the full suite of mineral drilling services including air core, reverse circulation, and both surface and underground core drilling.

Half Year (HY22) Results

On 25 February 2022, DDH1 will report its half-year results for the six months ended 31 December 2021 (**HY22**).

DDH1 will be holding an investor and analyst conference call to discuss the HY22 results via a teleconference call at 8:30 am AWST (11:30 am AEDT). Details for the conference call are available in DDH1's ASX Announcement dated 15 February 2022.

Delisting of Swick

Trading in Swick on the ASX was suspended from the close of trading on 7 February 2022. An application has been made to remove Swick from the official list of ASX, which is expected to take effect from the close of trading on 17 February 2022.

The Board of DDH1 Limited has authorised this ASX announcement.

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About DDH1 Limited

DDH1 Limited (ASX: DDH) is Australia's largest mineral drilling contractor providing high quality surface and underground drilling services to a diverse group of exploration and mining houses across a balanced spread of mineral commodities. Established in 2006, DDH1 is an industry leader in enabling its clients to secure quality mineral samples with exceptional spatial accuracy.

DDH1 employs around 1,600 people and operates a fleet of 176 highly specified mineral drilling rigs across its four brands, namely DDH1 Drilling, Ranger Drilling, Strike Drilling, and Swick Mining Services. Offering clients, the full suite of mineral drilling services including air core, reverse circulation, and both surface and underground core drilling.

DDH1's drill rig fleet is a strategically important asset within the Australian mining industry. Surface drilling is performed across Australia by DDH1 Drilling, Ranger Drilling, and Strike Drilling while Swick Mining Services has a global presence performing underground drilling services across Australia, North America, and Western Europe. DDH1 has a strong reputation for innovation in rig design and drilling practices that deliver improvements in productivity, safety, and value.

Central to DDH1's strategic approach is the pursuit of long-term relationships with clients, built on quality drilling services and a deep understanding of their business needs.

For more information, please visit www.ddh1.com.au

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