

SWICK MINING SERVICES

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ASX ANNOUNCEMENT

Swick raises \$15 million to support growth

Summary:

- Placement to new and existing institutional and sophisticated investors raising \$15 million
- Share Purchase Plan (SPP) offer to existing shareholders to raise up to an additional \$2 million
- Funding provides Swick with greater flexibility to support growth opportunities

Western Australia – Swick Mining Services Limited (“Swick” or the “Company”, ASX: SWK), a leading provider of high-quality underground and surface mineral drilling and mineral analysis services, is pleased to announce it has received binding commitments from new and existing institutional and sophisticated investors to raise \$15 million (“**Placement**”).

The Placement, at an issue price of \$0.23 per share, will enable Swick to further strengthen its balance sheet, providing additional liquidity to support the Company’s growth opportunities.

Swick Managing Director Kent Swick said: “By delivering on our strategy Swick is well placed for growth in FY20, underpinned by our strong order book. We are also seeing additional opportunities to increase our rig fleet utilisation both in Australia and abroad, with a target of 70 FTE underground rigs in work by financial year end, up from an average of 53.6 in FY19.

“This additional funding ensures Swick has the financial flexibility to pursue future organic and inorganic growth opportunities for the business. We are grateful for the strong support received from our existing institutional shareholders and are pleased to welcome several new institutional holders on to our share register.”

Euroz Securities Limited was the sole Lead Manager and Bookrunner in respect of the Placement.

Placement terms

The Placement will raise gross proceeds of \$15 million (before costs), with binding commitments from qualified, institutional and sophisticated investors to subscribe for a total of 65,217,392 ordinary fully paid shares at an issue price of \$0.23 per Share.

The issue price of \$0.23 represents an 8.0% discount to the closing price of Swick's shares on the Australian Securities Exchange ("**ASX**") of \$0.25 on 17 September 2019 (the last trading day prior to announcement of the Placement).

The Placement attracted strong interest from investors in excess of the Company's available Placement capacity, and therefore will be completed in two tranches:

- i) the first tranche of 34,717,623 shares ("**Tranche 1**") will be issued on or around Friday, 27 September 2019 utilising Swick's existing placement capacity under ASX Listing Rule 7.1; and
- ii) the second tranche of 30,499,769 shares ("**Tranche 2**"), is subject to shareholder approval. The Company will seek shareholder approval at Swick's Annual General Meeting, which is expected to be held on or around Friday, 8 November 2019.

Share Purchase Plan

Swick will also offer eligible existing shareholders in Australia and New Zealand on Swick's share register as at 7.00pm AEST on Thursday 19 September 2019, the opportunity to apply for new Swick shares (at the same price as shares issued under the Placement and without paying brokerage fees) through a share purchase plan ("**SPP**"). The SPP will be restricted to a maximum amount of \$2 million and will not be underwritten. Eligible Directors of the Company intend to participate in the SPP.

Additional information in relation to the SPP, including its terms and conditions, will be provided in a separate SPP offer booklet, expected to be dispatched to shareholders on or around Thursday, 26 September 2019.

Indicative Timetable

EVENT	DATE
Placement	
Settlement of Tranche 1 shares	Thursday, 26 September 2019
Issue and normal trading of Tranche 1 shares	Friday, 27 September 2019
Annual General Meeting	Friday, 8 November 2019
Settlement of Tranche 2 shares	Monday, 11 November 2019
Issue and normal trading of Tranche 2 shares	Tuesday, 12 November 2019
SPP	
SPP Record Date	7.00 pm AEST Thursday, 19 September 2019
SPP offer opens and SPP offer booklet dispatched	Thursday, 26 September 2019
SPP offer closes	7.00 pm AEST Thursday, 17 October 2019
SPP issue date and normal trading of new shares issued under the SPP	Thursday, 24 October 2019
Dispatch of holding statements in respect of new shares issued under the SPP	Friday, 25 October 2019

The shares being issued pursuant to the Placement and SPP are being issued after the "Ex-Dividend" date of 19 September 2019 for the \$0.006 dividend that was announced to ASX on 27 August 2019. Accordingly, recipients of Placement and SPP shares will not be entitled to receive this \$0.006 dividend.

The above timetable is indicative only and, subject to the requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules, the Company may change it at any time by lodging a revised timetable with the ASX.

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About Swick Mining Services:

Swick Mining Services Ltd (ASX: SWK) is one of Australia's largest mineral drilling contractors, providing high quality underground and surface drilling services to a diverse group of mining houses and across a spread of commodities. The Company has a strong reputation for innovation in rig design and drilling practices that delivers improvements in productivity, safety, versatility and value. Swick has a global presence with Operational revenue from Australia, United States and Europe.

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Disclosure Statement:

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.