

ASX:VYS



28 November 2019

PENTIUM TO PROVIDE DRILLING SERVICES TO FORTESCUE METALS GROUP

Vysarn Limited (ASX:VYS) (**Company**) is pleased to advise that its wholly owned subsidiary Pentium Hydro Pty Ltd (**Pentium**) has entered into an Agreement for Hydrogeological Borefield Drilling & Construction Services (**Contract**) with Fortescue Metals Group's wholly owned subsidiaries Chichester Metals Pty Ltd and FMG Solomon Pty Ltd (**Principal**).

Key details of the contract are:

- Estimated revenue based on the initial Scope of Work of \$13.3 million;
- A two-year fixed scope contract with a one-year extension option by the Principal;
- The Scope of Work as defined under the Contract is to provide the drilling and installation of production, injection and monitoring bores to support mining and exploration activities across multiple locations, within the Pilbara Region of Western Australia. As defined in the Contract these sites are inclusive of Cloudbreak Mine Site, Christmas Creek Mine Site, Solomon Mine Site and Eliwana;

As previously advised, Pentium completed the mobilisation of the first Dual Rotary (DR) drill rig and associated auxiliary plant in October 2019 under the initial purchase order¹. Pentium anticipates the mobilisation of the second DR rig under the Contract during the month of January 2020.

Revenue from these works is based on contract key performance indicators for the number of Production and Monitoring Bores and is also subject to metres drilled and drill rates. The Company estimates that total revenue based on average rates and average metres drilled per month to be approximately \$13.3 million over the initial two-year period.

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¹ See Vysarn Limited Company announcement dated 16 September 2019.