



POSITIONING FOR **GROWTH**

August 2020

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ASX LISTING ENABLES DYNAMIC TO GROW

- Dynamic Drill and Blast Holdings Limited (“DDB”) is a West Australian-based and focused drill and blast business
- A reputation of quality service provision, employee safety and providing solutions to complex situations, such as drilling and blasting in close proximity to vibration sensitive areas (i.e. heritage and existing infrastructure)
- Since 2018, DDB has experienced a period of successful transformation, delivering significant growth in revenue and tender opportunities
 - Revenue growth from \$500k in the first year of operation in FY11, to \$19m in FY19
 - DDB also generated a profit of \$1.5m after tax in FY19
 - Directors aligned to revenue and margin growth through performance equity
- Extensive experience across most fields of drilling and blasting, from large production blasts to vibration sensitive and close proximity civil work
- Currently employ approximately 70 personnel, with a core fleet of 10 drill rigs, 21 light vehicles, plus ancillary equipment
- A growing tier-one client base across mining , civil, utility and government industries
 - Currently operating at 3 West Australian based projects
 - Tendering activity continues with various stages of discussions within the active list
- Dynamic bolstered by the recent appointment of experienced mining executive Garret Dixon (Non-Executive Chairman) and is well-supported by a number of strategic investors, with significant contracting and capital markets experience
- Listing on the ASX to position Dynamic for its next phase of growth, with the objective of becoming a leading mid-market operator



Dynamic drill rigs at FMG Eliwana project



Dynamic drill rig at FMG Eliwana project – rail corridor

DYNAMIC HAS HIGH QUALITY LEADERSHIP IN PLACE

A dynamic leadership team with broad and proven skills

GARRET DIXON Non-Executive Chairman

Garret is an experienced and accomplished senior executive with extensive experience in the resources, transport and contracting sectors in Australia and overseas. His work in both private and ASX listed companies spans more than three decades. Garret's career since graduation in 1981, includes time with a Federal Government construction department, Executive General Manager for civil construction and contract mining group Henry Walker Eltin Ltd, Managing Director of logistics company Mitchell Corporation, Managing Director & CEO of ASX listed Gindalbie Metals Ltd and Vice President of Iron Ore Business Development for rail freight operator Aurizon. Until recently, Mr Dixon held the position of Executive Vice President Alcoa & President Bauxite where he was responsible for the global bauxite mining business for the NYSE listed Alcoa Corporation. Garret has a Bachelor of Engineering (Hons) and a Master of Business Administration and is a member of the Australian Institute of Company Directors.

MARK DAVIS Managing Director

Mark has been a Director of DD&B since incorporation in 2011. Mr Davis has over 24 years experience in the mining services sector and has worked with Action Drill & Blast, Ausdrill and was part of the founding management team at Rock on Ground as Operations Manager. Mark was also Managing Director of MTD Drill & Blast Consulting, providing specialised blasting expertise to Tier 1 operators.

MATT FREEDMAN Executive Director

Matt joined Dynamic as a General Manager in 2018 and then as a Director in 2019. Matt brings over 13 years of experience in the mining and mining services sector. Mr Freedman's earlier roles include working for Rio Tinto Procurement, WorleyParsons and Emeco. Matt holds a Bachelor of Business Administration.

GEORGE GARNETT Non-Executive Director

George is an experienced equity capital markets executive, having advised on the formation and execution of numerous transactions in emerging companies. Mr Garnett is currently a Director of Corporate Finance at Canaccord Genuity Australia and holds a Bachelor of Commerce from Curtin University. George was previously a Non-Executive Director of Gunsynd PLC (GUN.LSE).

BRAD TURNER General Manager - Operations

Brad joined DD&B in 2020. Brad brings over 25 years of mining experience, after commencing his career with Brandrill in 1995. Most recently, Brad was the Mining Manager for Indus Civil & Mining, project Manager for MACA and spent a number of years as a Registered Manager for Atlas Iron. Mr Turner holds a Diploma of Metalliferous Mining and a Bachelor of Applied Science.

GREGG BARNARD CFO

Gregg has over 13 years of experience servicing a range of clients in the property, construction and mining services industries. Specialising in the areas of corporate tax issues, employer obligations, structuring, management reporting and cashflows and budgeting. Gregg worked for 13 years at Cooper Partners (DD&B's Tax Agent and External Accountant), where he headed up their virtual CFO services. Gregg is a member of the Institute of Chartered Accountants and holds a Bachelor of Commerce.

GROWTH OPPORTUNITIES IN RESOURCES & INFRASTRUCTURE

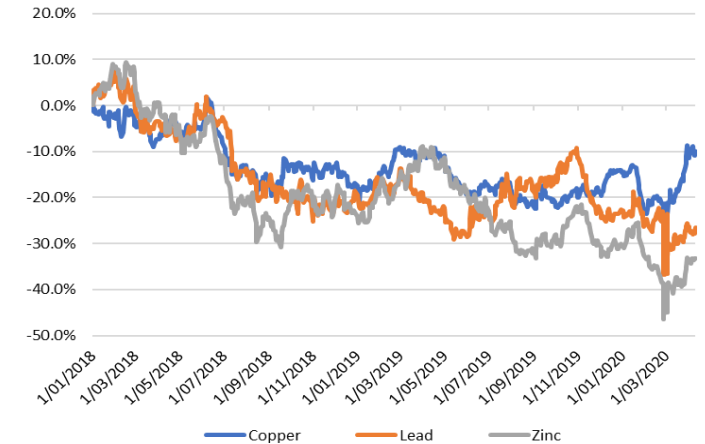
Gold Price US\$



Iron Ore Price US\$



Base Metals Price- Relative Performance



Source: IRESS

- In 2018-19, Western Australia had 116 high-value, export-oriented mining projects and hundreds of smaller quarries and mines. In the same period Western Australia's most valuable commodity mined was Iron Ore, accounting for 76 per cent of mineral sales.
- Gold sales from Western Australia reached an all-time high of \$13.8 billion in 2019 on the back of record annual average Australian dollar gold price and an increase in volumes to their highest level in more than two decades.
- Western Australia remains one of the world's top contributors to global commodity supplies and in 2019 was the world's largest of supplier iron ore and lithium, and was amongst the top five jurisdictions for the production of gold and other resources.
- The Australian Construction Market Report, from November 2019, outlines that infrastructure construction activity is expected to return to growth in line with expanded plans and programs, raising expected work completed to \$66 billion in 2019-20 and \$68 billion in 2020-21.

Source: Government of WA Department of Jobs, Tourism, Science and Innovation – Major resource projects, Government of WA Department of Mines, Industry Regulation and Safety, Mineral and petroleum review 2019 & review of mineral and petroleum industry activity, Australian Construction Industry Forum, Major Projects Resources and Energy Quarterly December 2019

Dynamic has a Good Growth Opportunity

TRANSFORMATION OF DYNAMIC IS WELL UNDERWAY

In 2018, Dynamic commenced a strategic transformation to strengthen the business and position for growth

Profit & Loss Summary:

	FY2018	FY2019
Revenue	\$12.97 million	\$19.10 million
NPAT	(\$0.59) million	\$1.53 million

Directors aligned to Revenue and margin growth through performance equity – see slide 17

Disclaimer: Past performance is not a guarantee of future performance

Recapitalise

- Bolster working capital capacity
- Strengthen balance sheet

Introduce strategic shareholders

- New investors aligned with vision and growth ambitions

Equipment Upgrade

- Source and funded equipment from key suppliers to provide operational efficiencies

Commercial risk mitigation

- Strengthened commercial positions for new agreements

Increase work pipeline

- Enhanced business development activity, leading to significant contract opportunities

Reduce low margin offerings

- Streamlined business to focus on cost efficiency and margin

Strengthen current relationships

- A concentrated effort to maintain relationships, leading to reoccurring work opportunities

DYNAMIC IS PREPARING FOR GROWTH

PREPARATION ACTIVITY

Grow customer base Multiple contracts awarded, with a mix of long term mining production and short-to-mid- term civil work projects	Strengthen management group Experienced management in Operations, Health Safety & Environment, Human Resources, Purchasing and Logistics and Estimating	Bolster board strength Diversified board with; mining and civil services, capital markets, listed ASX company and business development experience	Fleet optimisation Ensure right equipment for the right job. Own core fleet rather than hire	Contract optimisation Optimise contracts for the full operational effectiveness of the assets under management	Recapitalisation and strengthen balance sheet Balance sheet repair has commenced via optimising asset finance arrangements and development of major bank relationships	Business development Expanding pipeline of opportunity/live tenders
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GROWTH PLANNING STRATEGY

Organic Growth Continue to develop a pipeline of project opportunities	Debt provider relationships ASX listing will strengthen balance sheet, to assist negotiations with finance and working capital providers	Improve margin Continuing to reduce margin leakage within current operations, i.e. reduced hiring and increased ownership of core fleet	Fleet Continue to strengthen relationships with our equipment suppliers to ensure access to the core fleet we require to undertake new projects. Lead times are extending as demand increases within the industry	Explosive equipment Continuing to grow the blasting division's capability and capacity, through the acquisition equipment and technology	Proficient personnel and traineeships Dynamic plans to introduce training initiatives to access qualified personnel, as well as to upskill/multiskilling current workforce	Mergers and Acquisitions Assess strategic M&A opportunities as appropriate
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Dynamic has well managed Operations

DYNAMIC WORKS FOR MAJOR RESOURCE COMPANIES

100% of drill rig fleet is currently engaged on current operations.

Dynamic has an established tier-one client base, operating across mining and civil sectors. Dynamic has a strong pipeline of tendered opportunities, representing multiples of the current contract book. Importantly, majority of these tendered opportunities are medium-to-long term, with the potential to build on the underlying revenue stream.



Mt Cattlin Spodumene Project

Principle Owner / Customer
Location
Type
Start Date
Expected End Date

Galaxy Resources
Ravensthorpe, WA
Production Mining
February 2020
September 2023



Western Turner Syncline NAR Project

Principle Owner / Customer
Location
Type
Start Date
Expected End Date

Rio Tinto
Multiplant
Pilbara Region, WA
Civil
February 2020
August 2020



Eliwana Rail Project Package 3

Principle Owner / Customer
Location
Type
Start Date
Expected End Date

FMG
Q H & M Birt
Pilbara Region, WA
Civil
February 2020
November 2020

DYNAMIC HAS A FLEET OF SPECIALISED EQUIPMENT

Dynamic has a core fleet comprised of the following assets



Epiroc SmartROC T45 (Multiple Variants)

Number of Rigs: 7
Average Age: 2

Image sourced from Epiroc



Epiroc SmartROC D65

Number of Rigs: 1
Average Age: 1

Image sourced from Epiroc

Other Rigs

- 1 x Atlas Copco F9C
- 1 x Atlas Copco L7

Support Equipment

- 21 x Light vehicles (explosive vehicles, heavy duty fitter vehicles, on-road and off-road trucks etc.)
- Blasting equipment, magazines, trailers etc.

DYNAMIC MAINTAINS BEST PRACTICE SAFETY STANDARDS

As part of its core culture, Dynamic ensures its commitment to safety is encouraged by all levels of personnel within the business.

Comprehensive policies, procedures and processes ensure ongoing adherence to all relevant acts and regulations. Safe Work Procedures are constantly reviewed and updated to ensure best practice safety standards are met.

Dynamic has a number of risk identification processes and tools which are utilised within the business, including Take 5 risk assessments and Safe Act Observation's. Dynamic actively tracks the competencies of its personnel by utilising the Rapid Global induction and training system.

The senior management team conducts regular operational audits, which ensures the safety standards of its operations are being met, to manage compliance.

Historical Safety Statistics since Incorporation (2011)

Lost Time Injuries	1
Restricted Work Injuries	2
Medically Treated Injuries	2

DYNAMIC IS INVESTING IN THE LATEST TECHNOLOGY

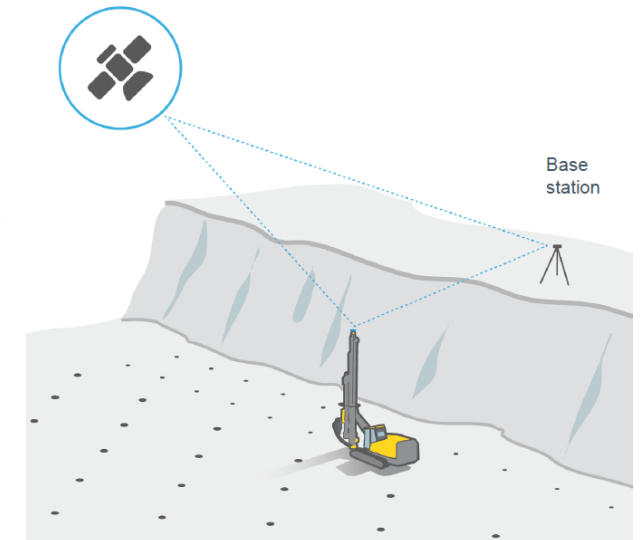
Dynamic has partnered with drill rig manufacturer Epiroc to maintain and implement best practice drilling technology

The following investments in its drill rig technology has been undertaken:

- Hole Navigation System (HNS) providing satellite hole positioning information to the drill rig
- Remote Operating Drill Stations (BenchREMOTE) receiving capability, One operator can run up to three drill rigs from a remote location on the project. An additional investment in the remote operation station will be required once remote drilling is implemented
- Ongoing investment in technology is to ensure optimal operational efficiencies for customers



Epiroc BenchREMOTE; Image sourced from Epiroc



Whole Navigation System; (HNS); Image sourced from Epiroc

Dynamic has an improved Capital Structure

CAPITAL STRUCTURE STRENGTHEND BY ASX LISTING

Dynamic raised \$5.0 million (before costs) through the issue of 25.0 million ordinary fully paid shares (Shares) at an issue price of \$0.20 per Share in conjunction with listing on the ASX.

Capital Structure	
Existing shares on Issue ¹	30,151,622
Number of Shares Issued under the IPO	25,000,000
Amount raised under the IPO (before costs)	\$5,000,000
Amount of Shares on Issue at Completion of IPO ¹	55,151,622
Market Capitalisation at IPO Price (\$0.20)	\$11,030,324
Performance Rights (refer to next slide) ¹	3,277,900
Options on Issue ^{1, 2}	7,427,100

Shareholder Structure		
Individual/Company	Shares	% Ownership
Jezac Pty Ltd		
(Mark Davis)	8,333,333	15.1%
Rangehill Holdings Pty Ltd		
(Matt Freedman)	8,333,333	15.1%
Valentino Holdings Pty Ltd		
(Laurie Freedman)	8,254,357	15.0%
Bahen Bros Pty Ltd	5,248,864	9.5%
Ganan Capital Pty Ltd		
(Laurie Freedman)	2,470,811	4.5%
Top 20	41,134,312	76.4%
Board Ownership	18,515,280	33.6%

1. 25,951,244 ordinary fully paid shares, 7,427,100 options and 3,277,900 performance rights are escrowed for between 12 to 24 months.
2. 6,772,100 unlisted options exercisable at \$0.30 on or before 25 June 2023 & 750,000 options exercisable at \$0.25 on or before 30 July 2023

BOARD'S EQUITY ALIGNED TO PERFORMANCE

3,277,900 Performance Rights to be issued to Directors which will convert into ordinary fully paid shares in 4 equal tranches upon the successful achievement of each of the following performance milestones within the first two calendar years of listing on the ASX:

1. 819,475 Performance Rights : Delivery of \$30.0 million CY2021 Revenue
2. 819,475 Performance Rights : Delivery of \$3.5 million CY2021 EBITDA
3. 819,475 Performance Rights : Delivery of \$50.0 million CY2022 Revenue
4. 819,475 Performance Rights : Delivery of \$6.4 million CY2022 EBITDA

Performance Milestones	First Year Following Issue (1 January 2021 – 31 December 2021)	Second Year Following Issue (1 January 2022 – 31 December 2022)
Revenue	\$30.0 million	\$50.0 million
EBITDA	\$3.5 million	\$6.4 million

A STRONG PRO-FORMA BALANCE SHEET (REVIEWED PRO-FORMA)

	Notes	31-Dec-19	Pro-Forma at Completion of IPO
CURRENT ASSETS			
Cash and cash equivalents	1	1,317,684	6,335,684
Trade and other receivables		1,402,614	1,402,614
Other		43,819	43,819
TOTAL CURRENT ASSETS		2,764,117	7,782,117
NON-CURRENT ASSETS			
Property, plant and equipment		597,315	597,315
Right of use asset		1,300,877	1,300,877
Deferred tax		610,769	610,769
Other		493	493
TOTAL NON-CURRENT ASSETS		2,509,454	2,509,454
TOTAL ASSETS		5,273,571	10,291,571
CURRENT LIABILITIES			
Trade and other payables		2,138,542	2,138,540
Accrued expenses			3,251
Borrowings	2	514,961	1,014,961
Lease liability		1,184,123	1,184,123
Employee benefits		226,723	226,723
Other		6,885	6,885
TOTAL CURRENT LIABILITIES		4,071,234	4,574,483
NON-CURRENT LIABILITIES			
Borrowings	3	765,239	73,412
Lease liability		922,836	922,836
TOTAL NON-CURRENT LIABILITIES		1,688,075	996,248
TOTAL LIABILITIES		5,759,309	5,570,731
NET ASSETS		-485,738	4,720,840
EQUITY			
Issued capital		306	5,626,344
Reserves		-	526,546
Retained profits / (Accumulated losses)	4	-486,044	-1,432,050
TOTAL EQUITY		-485,738	4,720,840

Based on Pro-Forma at Completion of IPO	
RATIOS	
Current Ratio	1.70
Debt to Equity Ratio	1.18
BORROWING SPLIT	
Asset finance	588,373
Shareholder loan	500,000

Notes:

- The IPO raising is for an amount of \$5 million. On 12 March 2020, the Company entered into a working capital facility with a principal of \$1 million, which has been reflected as a subsequent event. Per the use of funds table, \$500,000 of the proceeds of the Offer will be used to repay debt, therefore this has been reflected as a proforma adjustment to cash and borrowings. The cash costs of the Offer have been estimated to be \$482,000.
- On 12 March 2020, parties including DD&B shareholders advanced approximately \$1,000,000 in cash to provide short term working capital to DD&B. We have increased the short-term borrowings by the \$1,000,000 advance, as a subsequent event. The borrowings balance has been reduced by \$500,000 to reflect the repayment of debt from the proceeds of the Offer, as a proforma adjustment.
- Shares are to be issued to Ganan Pty Ltd and Bahen Bros Pty Ltd in satisfaction of \$691,827 in debt owed by the Company. On conversion the Company will issue 4,941,622 shares. The conversion price of the debt is \$0.14, however the shares have been valued at \$0.20, based on the proposed capital raising price. The discount between the value of the shares and the conversion price represents a financing charge.
- Accumulated losses have been adjusted to reflect the finance charge in relation to the conversion of the debt. The finance charge represents the difference between the fair value of the shares (listing price) issued on conversion and the conversion price. Retained earnings have also been adjusted to reflect the portion of the costs of the Offer not directly attributable to the capital raising.

For further detail please refer to the Prospectus dated and lodged with ASIC on 26 June 2020.

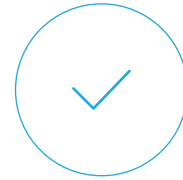
INVESTMENT PROPOSITION



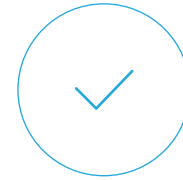
Dynamic has undergone a successful period of transformation



A growing tier-one client base across mining, civil, utility and government industries, with a strong pipeline of tendering opportunities



Extensive experience in most fields of drilling and blasting, from large production blasts to vibration sensitive and close proximity civil work



A reputation of quality service provision, employee safety and providing solutions to complex situations



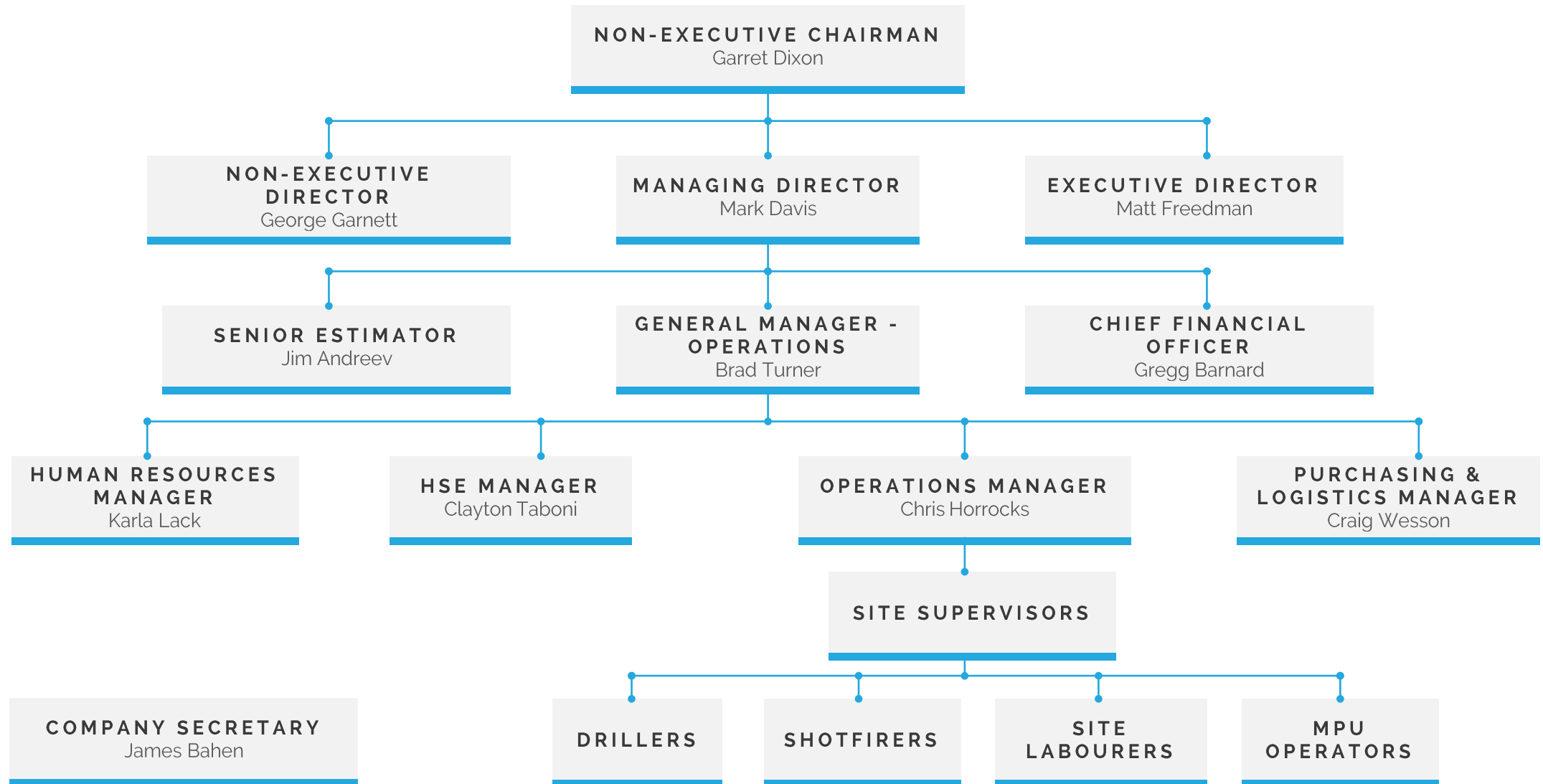
Dynamic has a well-credentialed team in place and is supported by strategic investors

ASX LISTING WILL LEAD TO:

- Increased profile when dealing with potential clients and debt providers
- Greater access to capital for growth opportunities (organic and acquisition)
- Dynamic growing towards its primary objective of becoming a leading mid-market operator

Appendices

DYNAMIC HAS KEY EXECUTIVES & MANAGEMENT IN PLACE





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