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LaserBond Develops New Products Providing Major Cost Reductions in Mining

LaserBond Limited [ASX:LBL], leading Australian surface engineering company, is pleased to announce the results of its independently supervised field trials of a new class of Down-the-Hole (DTH) hammers and associated drilling components it has developed.

Trial results demonstrated a major life extension of these high wear components, resulting in a substantial reduction in overall drilling costs and providing a major market opportunity for the Company.

In 2014 LaserBond completed patent applications for significant developments in laser processing methodology. This R&D work enables a range of new product innovations across a number of industries, the first being the DTH Hammer for mining and exploration.

The new DTH hammer design overcomes premature failure due to high wear rates in hard, highly abrasive ground conditions typically found in drill and blast mining operations.

Independent field testing conducted by mining consulting group Xtega Pty Ltd compared the wear performance of LaserBond DTH hammers and the embedded technology, with well known commercial alternatives widely used in Australian and international mining. All drilling parameters were tightly supervised and operated within respective manufacturer's specifications.

In its report Xtega states , "***The results of the trial conclude that there is irrefutable decrease in the rate of abrasive wear.***" A suite of industry standard hammers drilled an average of 3,514m before failure, whereas the hammers incorporating LaserBond® technology drilled an average of 8,578m. Xtega concluded, "*LaserBond technology had an average life approximately 2.44 times greater than the standard components*".

LaserBond is now pursuing a design that demonstrated a better than average life of 2.85 times in this trial. The trial also highlighted other areas of improvement for the LaserBond hammer that with successful modification will provide further life extension.

Xtega also stated, "*Given that the trial environment provided drilling conditions which would be considered to be particularly abrasive, it is quite possible that the LaserBond technology could exceed the performance reported during this trial in other production environments and applications.*"

The likely impact on operating costs was also assessed by Xtega. In these mine conditions the average extended DTH hammer life yielded a 7% saving to the total drilling costs. Further, although not specifically targeted in the design, the LaserBond DTH hammers also demonstrated higher penetration rates to yield more substantial overall savings.

In an industry sector now heavily focussed on cost reductions and increased productivity, savings of this magnitude can have a significant impact on profitability of mining. It endorses LaserBond's investment in R&D activities and supports further development field trials. We are signing a limited number of test partners (drilling operators) in Australia, which offer a wider sample of aggressive ground conditions and/or challenging mining economics. These trials should be completed within 3 months and expected to confirm these results.

The company recognises that a range of commercialisation challenges exist, but is confident they can be met with current resources. LaserBond expects to offer a limited product range commercially soon after results from the next round are confirmed.

To support this, the South Australian operations will continue as a centre for R&D. LaserBond is considering alternatives for advanced manufacturing facilities to enhance current capacity for the manufacture of DTH drilling components and other wear resistant products that embed our technology.

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About LaserBond [ASX:LBL]

LaserBond, founded 1993, is focused on reducing its customer's maintenance and operating costs by extending the service life of critical machinery components. Its comprehensive range of surface engineering technologies, products and services offer capital-intensive industries substantial technical, cost and environmental benefits.

Recent R&D investment in advanced robotic handling and control of laser systems yielded a significant step in the metallurgy of deposited layers. This technology has been embedded into high wearing DTH drilling products, and other high wearing applications to dramatically increase the service life and cost performance.

LaserBond operates workshop, production and laboratory facilities in NSW & SA.

About Xtega

Xtega has experience covering a range of technical, operational and project based mining projects, including strategic assessments and reviews, scoping, prefeasibility and feasibility studies, life of mine planning, budget and cost model development, haulage system simulation, schedule optimisation, operational reviews and performance improvement. Principal consultant, Ed Holloway, is a member of the AusIMM and registered as a Chartered Professional with the AusIMM, a Registered Professional Engineer of Queensland and a Senior Associate of The Financial Services Institute of Australia. He has a Bachelor of Engineering in Mining Engineering and a Master of Applied Finance.