Innovative • Productive • Safe

Swick Mining Services Ltd

FY16 Results Presentation

29th August 2016

ASX: SWK

www.swickmining.com

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Unless otherwise started all the currency disclosures in this presentation are Australian Dollars.

Information included in this presentation is dated 29 August 2016.

Company Overview – FY 2016

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- Top five global mineral drilling provider operating in Australia, US , Canada and Europe
- > 1,300,000 metres drilled across 3 divisions
- Total of ~ 1,000,000 metres drilled globally by market leading Underground Diamond division
- FY16 results in line with guidance $124.9m revenue (including other income), 11.8% EBITDA, NPAT loss of $2.8m
- Technology upgrades in progress on underground fleet
- Swick is working with and developing technology that will lead the market forward

Corporate Snapshot

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Corporate Structure

- ASX: SWK - Listed Nov 2006
- Shares outstanding: 211.9m
- Share Price 29 Aug 16: $0.28
- Market Cap 29 Aug 16: $59.3m

Board and Executive Management

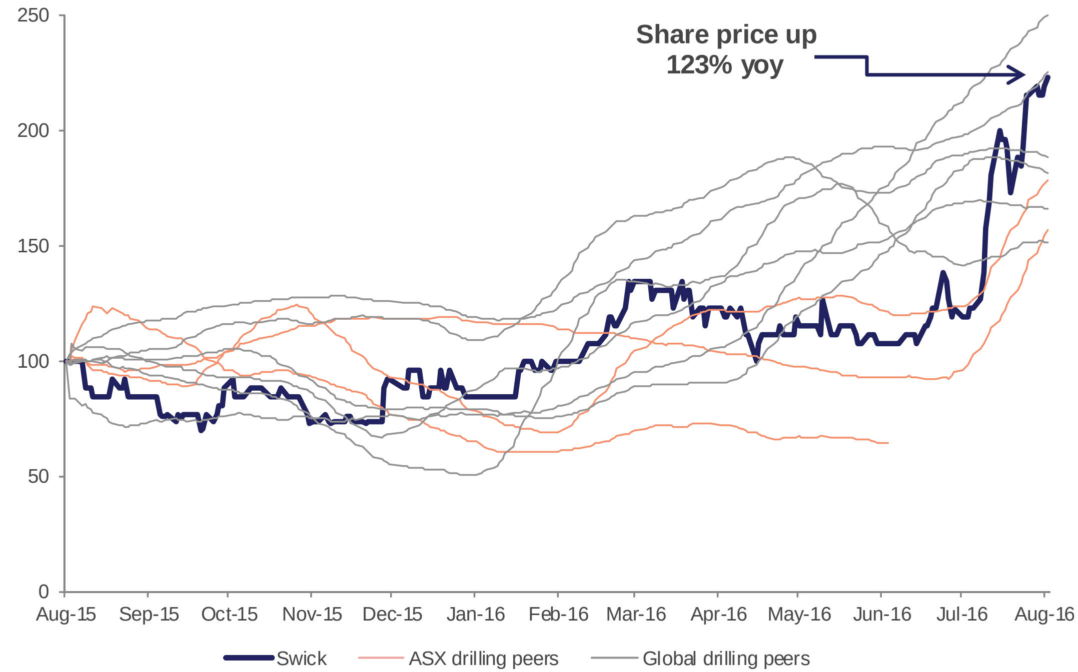
- Andrew Simpson - NEC
- Kent Swick - MD
- Phil Lockyer - NED
- David Nixon - NED
- Ian McCubbing – NED
- Vahid Haydari – CEO
- Jitu Bhudia– CFO

Substantial shareholders*

- Kent Swick (15.6%)
- Simone Lourey (11.5%)
- Perennial Investments (11.1%)
- Vanshap Capital (10.1%)
- Schroder Investment Mgt. (7.1%)
- Rosanne Swick (6.4%)

As at 30th June 2016

Share price relative to ASX and Global peers Aug 2015 to current
SWK is up 123% YOY



ASX listed peers include Mitchell Services, Boart Longyear, Hughes Drilling

Division Overview

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UNDERGROUND DIAMOND

Drilling:	Underground Delineation
Rig Type:	Swick Mobile Drill
Sectors:	Gold, Base Metals
Sites:	Operating Mines
Advantage:	Reliability, Productivity, Safety, Total Value
Range:	+ 1,500m
Fast Fact:	World's leading drill rig
Fleet Size:	68 Rigs (57 Asia Pacific & 11 International).
FY16 Revenue:	$109.8 million

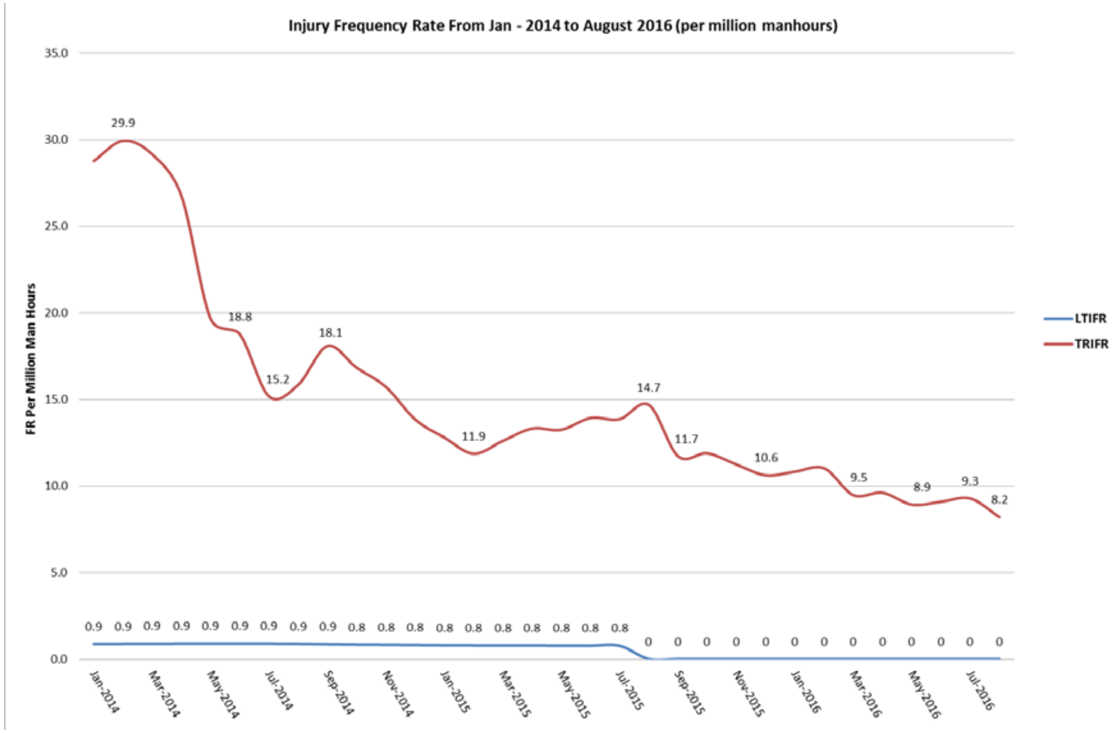
SURFACE RC

Drilling:	Reserve Definition & Expl.
Rig Types:	Swick RC Drills
Sectors:	Base Metals, Bulks, Gold
Sites:	Brownfield & Greenfield
Advantage:	High Air Power, Deep Hole Capacity
Range:	+ 400m
Fast Fact:	Award Winning Rig Design
Fleet Size:	7 Rigs (6 Swick & 1 tracked Schramm)
FY16 Revenue:	$5.4 million

UNDERGROUND PRODUCTION

Drilling:	Production (Blast)
Rig Type:	Sandvik Solo's
Sectors:	Base Metals
Sites:	Brownfield
Range:	+50m
Fast Fact:	Offer Contract Management Services
Fleet Size:	3 client owned rigs under mgmt.
FY16 Revenue:	$8.0 million

Safety in FY 2016 – Towards Zero Harm



Swick LAD Redesign

- Companywide TRIFR continued to trend down 38% for the year
- Biomechanical study incorporating engineering changes implemented
- 100% implementation of IPAD technology with HSE tools and Training videos
- Continued investment in Project Implementation and Technical trainers (PITT)
- Confirmation of Induction facility development and build

Financial Performance

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Profit & Loss

A$ million	FY16	FY15	% change
Revenue and other income	**124.9**	**132.0**	**(5%)**
Reported EBITDA	14.8	11.9	24%
EBITDA before significant items	14.8	17.2	(14%)
EBITDA margin	*11.8%*	*13.1%*	*(130 bps)*
Reported EBIT	(1.1)	(23.0)	(95%)
EBIT before significant items	(0.4)	2.0	(120%)
EBIT margin	*(0.3%)*	*1.5%*	*(180 bps)*
Reported NPAT	**(2.8)**	**(17.5)**	**(84%)**
NPAT before significant items	(1.3)	(0.0)	

Note: Totals may not add due to rounding

Note: Refer to Slide 17 for details of Significant Items

Financial Performance

Balance Sheet

A$ million	FY16	FY15
Cash	4.7	5.7
Receivables	19.1	21.8
Inventories	13.0	15.0
Property, plant and equipment	77.6	79.7
Other assets	16.7	18.2
Total assets	**131.1**	**140.4**
Payables	14.6	15.5
Borrowings	20.1	25.0
Employee obligations	6.4	6.5
Total liabilities	**41.1**	**47.0**
Shareholders' equity	**90.0**	**93.4**

Note: Totals may not add due to rounding

- Strong balance sheet provides flexibility and liquidity.
- Debt reduced by $4.9 million.
- Gearing (Net Debt/Equity) reduced from 20.7% to 17.1%.
- 6 million SWK shares (3% of register) bought back at an average price of 13.5c.
- Net tangible asset (NTA) per share maintained at 38c per share - reduction in equity offset by reduction in issued shares through share buy-back.
- Final dividend of 0.4c per share (fully franked) – to be paid in October 2016.

Financial Performance

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Cash Flow

A$ million	FY16	FY15	% change
EBITDA before significant items	14.8	17.2	(14%)
Working capital	(3.0)	0.5	(700%)
Operating cash flow before interest and tax	**17.8**	**16.7**	**7%**
EBITDA cash conversion	*120.5%*	*96.8%*	*2,370 bps*
Tax refund/(paid)	1.9	(1.5)	(227%)
Net interest paid	(1.2)	(1.5)	(20%)
Operating cash flow after interest and tax	**18.5**	**13.6**	**36%**
Cash used in investing activities	(13.8)	(15.4)	(10%)
Cash used in servicing debt	(4.9)	4.2	217%
Cash used in servicing equity	(0.8)	(0.9)	(11%)
Net cash flow	**(1.1)**	**1.5**	**(173%)**

Note: Totals may not add due to rounding

What Drives Swick as a Company

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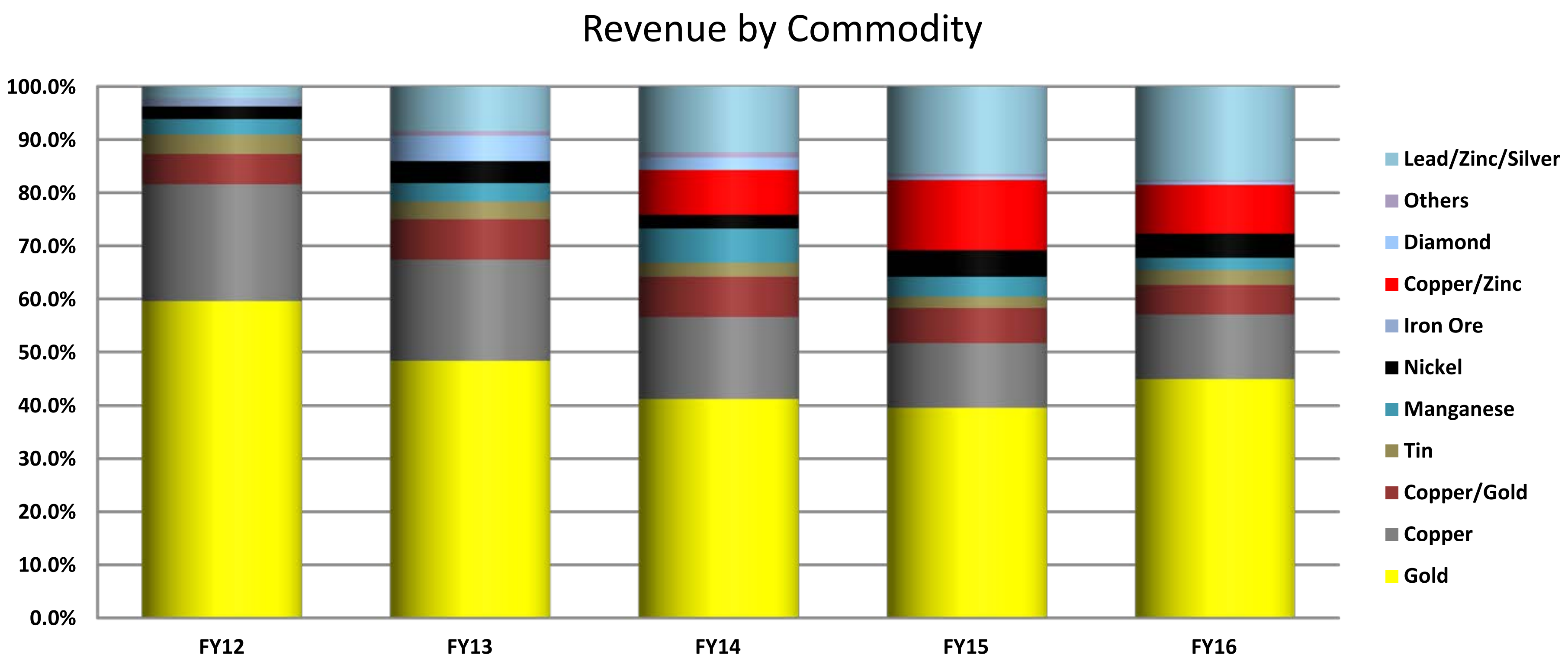
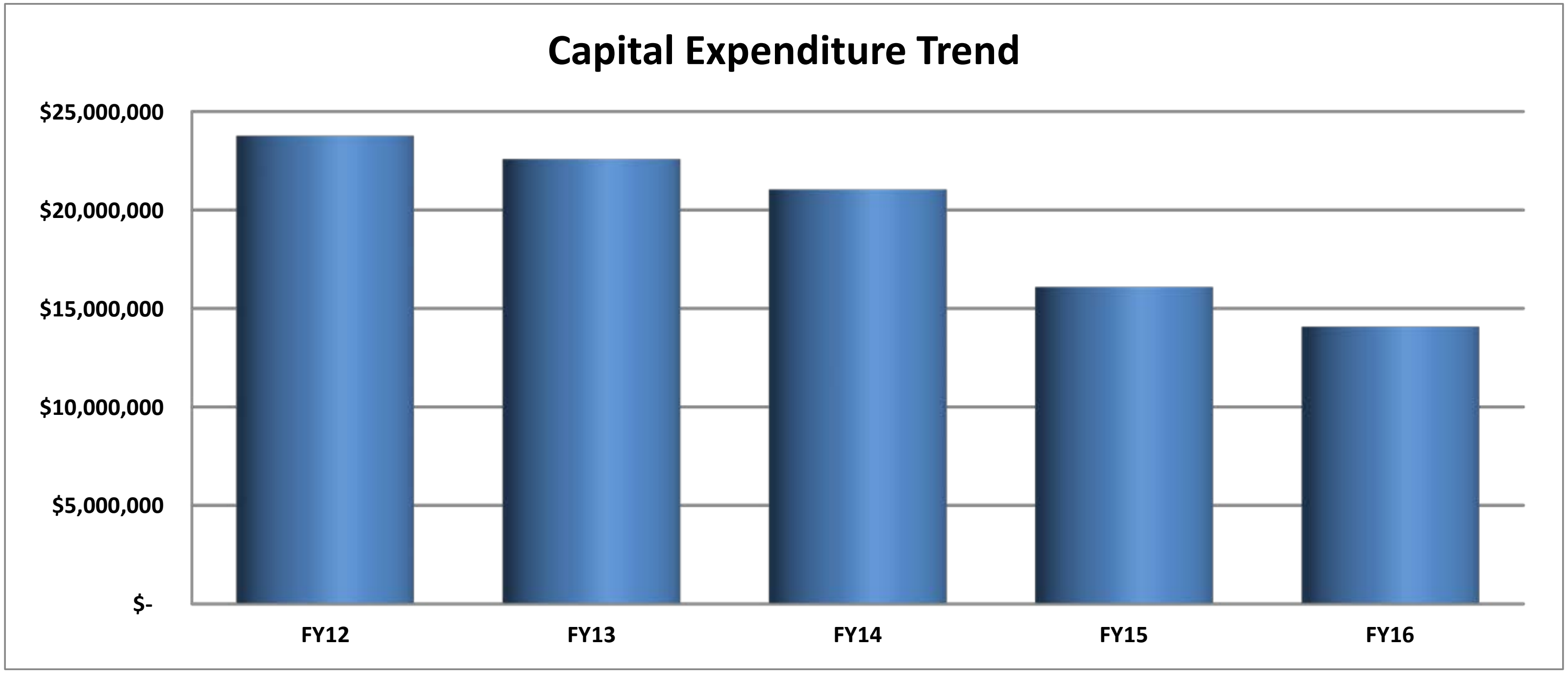
- Market Share of Australian Underground Coring
  - Current market leader in Australia with around 40% share, potential to be > 75%
- Market Leading Status in Underground Coring - Globally
  - Operational Performance unmatched – Safety, Productivity, Quality, Reliability
  - Competitive Advantage continues to widen – technology, power, automation
- Growth Opportunity in USA
  - Competitive advantage in USA similar to Swick inception In Australia in 2004
  - Barriers of entry breaking down, established in Nevada and Tennessee
  - Profitable market, currency advantage
- Strategic Objective – Efficiency – More metres, less manning
  - Metres per man-hour increasing, metres per shift increasing, costs per shift decreasing
- Rates – appetite for production over costs
  - Current sentiment is changing from lower costs to increased production, mining is becoming relevant to the market again
  - Swick is the most productive, professional and reliable of all underground coring contractors – plays to our strengths
- Disruptive Technology – Orexplore Mineral Analysis
  - Potential to disrupt mineral analysis technology and benefit every operating mine globally

Commodity Split – 5yr Trend



Capital Expenditure – Efficiency focused



- Includes Orexplore investment/capex
- Productivity improvements fully budgeted for all UD fleet
- Swick is focused on cash generation through this part of the cycle

Efficiency Gains limiting Rates Pain

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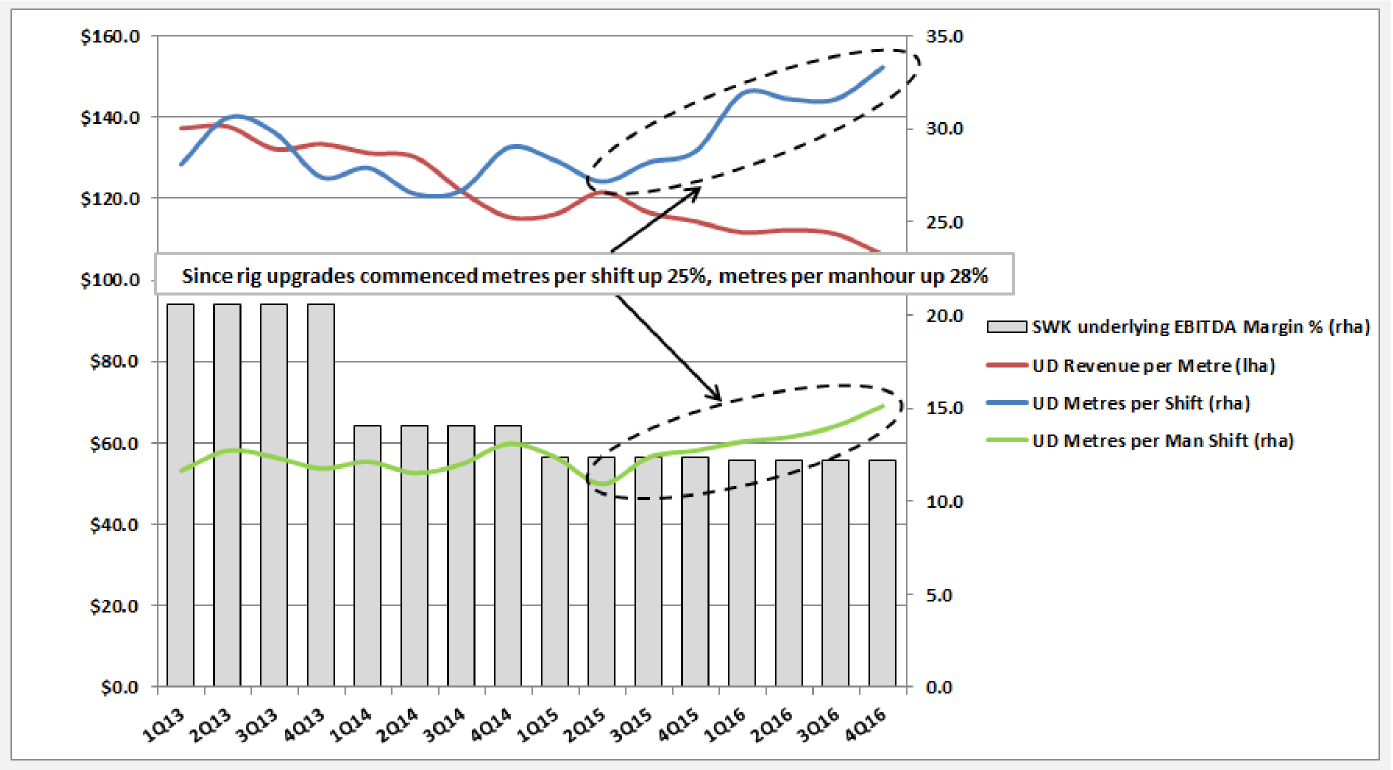
- Strategic Objective to Double the Metres per Man-hour from June 2012 to June 2017
- Strategic Engineering Upgrades on rigs in fleet commenced 3Q 15
- Declining market drilling rates of 25% over three years, EBITDA impact limited to only 9%
- Efficiency gains mitigating the impact to EBITDA



Disruptive Technology– Orexplore AB

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"Orexplore technology is a potential game changer in exploration, allowing Swick to re-position itself as a mineral information provider"

Kent Swick – Swick Mining Services 2013

- Orexplore AB was a start up technology firm designing state of the art mineral analysis technology
- In 2013 Swick signed a share purchase agreement with Orexplore AB
- Swick committed an A$5m equity injection over 4 years
- Upon final equity tranche Swick will hold ~75% ownership
- Current Swick holding is 64% , therefore Orexplore is now a subsidiary of Swick

OREXPLORE

Unique Patented Technology

AXM

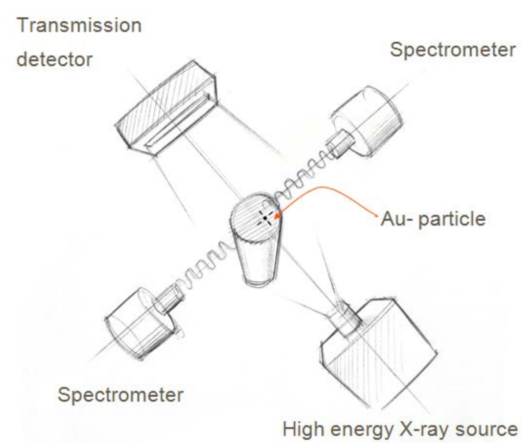
Attenuation and XRF

Combined measurement

Patented

Atomic weight 42-82

Full Penetration



Disruptive Technology – Orexplore

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Immediate and accurate chemical analysis of drill samples

- World First, unique mineral scanning technology – non-destructive
- Analyse kilograms rather than grams of material
- Unique ability to scan the entire sample (sees through the core)
- 3D structural information using CT (computerised tomography)
- Instant, on-site analysis at core farm or at the lab
- Potential for every mining operation globally
- Expected Prototype release 1Q17 to Boliden Copper

Potential for Shareholders

- Swick is a brownfield, operating mine supplier – limited downside to volume even in commodity price downturns
- Large footprint of clients (16) and sites (22) – heavily exposed to drilling budget rebounds
- Current fleet can add ~$50m in sales without adding rigs (limited capex requirements)
- Technical leader in the space – automation, telemetry, safety and lower manning levels
- Margin improvement even with static charge out rates as a result of continuous improvement in physicals
- Well managed through the worst mineral drilling downturn in living history
- Strong Balance Sheet – cash generation and debt reduction through down cycle (net debt $15m)
- Focused on shareholder return either through dividend or buyback (or both)
- Culture of innovation and desire to move up the value chain to being a mineral information provider
- High potential from Orexplore mineral assay technology to materially benefit holders in medium term

Significant Items

Reconciliation of Underlying and Reported IFRS results

A$ million	FY16				FY15		
Significant Items	Before Tax	Tax	After Tax		Before Tax	Tax	After Tax
One-off redundancy costs of restructuring	-	-	-		0.5	(0.1)	0.3
Loss recognised on disposal of associate [1]	-	-	-		0.7	(0.2)	0.5
Increase in provision for stock obsolescence	-	-	-		4.1	(1.2)	2.9
Significant items impacting EBITDA	**-**	**-**	**-**		**5.3**	**(1.6)**	**3.7**
Impairment of assets	0.7	(0.1)	0.5		19.7	(5.9)	13.8
De-recognition of deferred tax assets	-	0.9	0.9		-	-	-
Significant items impacting EBIT & NPAT	**0.7**	**0.8**	**1.5**		**25.0**	**(7.5)**	**17.5**

Note: Totals may not add due to rounding

[1] Refers to the Orexplore AB entity as it changed from an associate to a subsidiary


Thank You