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Swick Mining Services Ltd

Placement Presentation

May 2017

ASX: SWK

www.swickmining.com

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Financial data

All dollar values are in Australian dollars (\$) unless stated otherwise.

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Capital Raising Overview

Offer Structure	<ul style="list-style-type: none">• Placement of 20 million new shares at \$0.245 per share to raise approximately \$4.9m (“Offer”)• Within Company’s 15% capacity pursuant to Listing Rule 7.1.
Pricing	<ul style="list-style-type: none">• Fixed Offer price of \$0.245 per share represents:<ul style="list-style-type: none">– 3.9% discount to the last closing price of \$0.255 on Monday, 22 May 2017– 9.3% discount to the VWAP for the 10 days up to and including Monday, 22 May 2017 (\$0.270)
Use of Funds	<ul style="list-style-type: none">• Expenditure related to demand for Underground Diamond (UD) rigs• Acquisition of shares in Oreplore AB that Swick does not already own (~A\$3m)• Provide for general working capital
Offer Securities	<ul style="list-style-type: none">• Swick fully paid ordinary shares• Ranking equally with existing shares
Sole Lead Manager	<ul style="list-style-type: none">• Euroz Securities Limited

Company Overview

- Top five global mineral drilling provider operating in Australia, US , Canada and Europe
- > 1,300,000 metres drilled across 3 divisions in FY2016
- Total of ~ 1,000,000 metres drilled globally by market leading Underground Diamond division in FY2016
- Technology upgrades in progress on underground fleet
- Swick is working with and developing disruptive technology that will lead the market forward
- Proven performer in difficult macro circumstances



Corporate Snapshot

Corporate Structure

- ASX: SWK - Listed Nov 2006
- Shares outstanding: 211.2m
- Share Price 22 May 17: \$0.255
- Market Cap 22 May 17: \$53.8m

Board and Executive Management

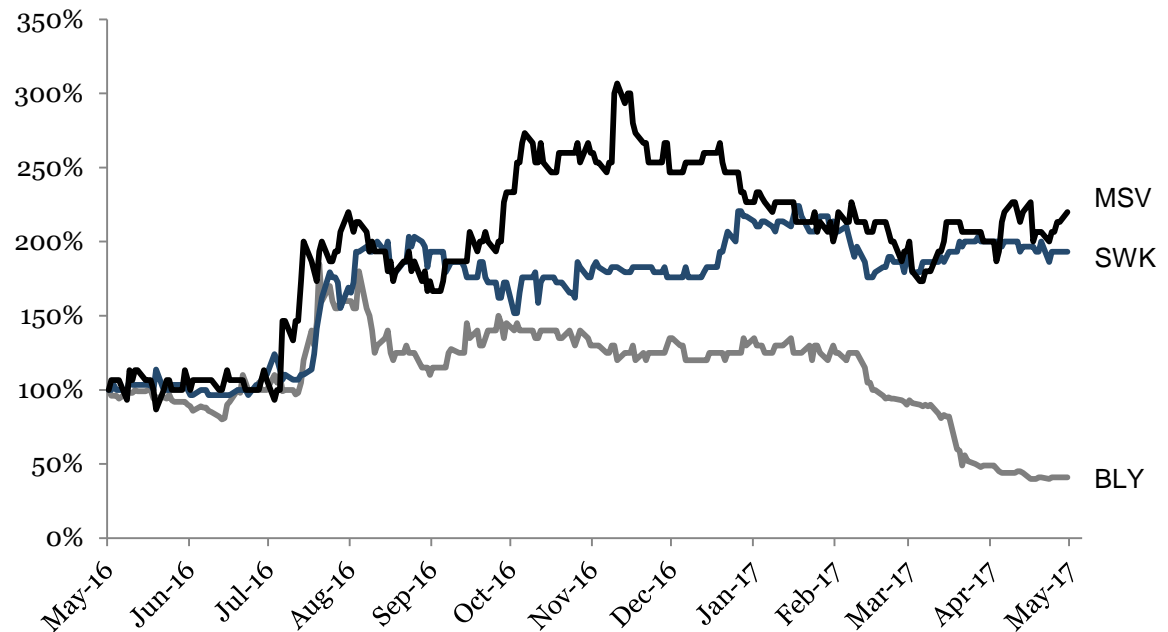
- Andrew Simpson - NEC
- Kent Swick - MD
- Phil Lockyer - NED
- David Nixon - NED
- Ian McCubbing – NED
- Vahid Haydari – CEO
- Jitu Bhudia– CFO

Substantial shareholders*

- Kent Swick (15.7%)
- Perennial Value Mgt. (12.5%)
- Simone Lourey (11.6%)
- Vanshap Capital (10.3%)
- Schroder Investment Mgt. (7.0%)
- Rosanne Swick (6.6%)

*As at 31st December 2016

Share price relative to ASX Peers May 2016 to May 2017



Division Overview



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










Drilling: Reserve Definition & Exploration
Rig Types: Swick RC Drills
Sectors: Base Metals, Bults, 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

1H FY17 Results Overview

Operational Performance	1H FY17	1H FY16	% Change
Total Metres Drilled	685,689	676,367	1%
Total Rigs in Fleet (Period end)	78	78	0%
Total Rigs in Use (Period end)	55	54	2%
Consolidated Revenue per Metre (\$/metre)	94.56	95.95	-1%
Financial Performance			
Revenue (incl. Other Income) (\$m)	64.8	64.9	0%
EBITDA (reported) (\$m)	7.9	8.3	-5%
EBITDA (before significant items) (\$m)	7.9	8.3	-5%
EBIT (reported) (\$m)	0.4	0.01	-3900%
EBIT (before significant items) (\$m)	0.4	0.7	-43%
NPAT (reported) (\$m)	-0.5	-1.6	69%
NPAT (before significant items) (\$m)	-0.07	0.04	-275%
EBITDA (before significant items) %	12.2%	12.8%	-5%
EBIT (before significant items) %	0.6%	1.1%	-45%
Net Assets (\$m)	88.3	91.7	-4%
Cash (\$m)	7.8	6.8	15%
Debt (\$m)	20.0	22.3	-10%
Net Debt (\$m)	12.2	15.5	-21%
Operating Cashflow before Interest & Tax (\$m)	11.9	10.5	13%
Free Cashflow (\$m)	4.8	4.0	20%

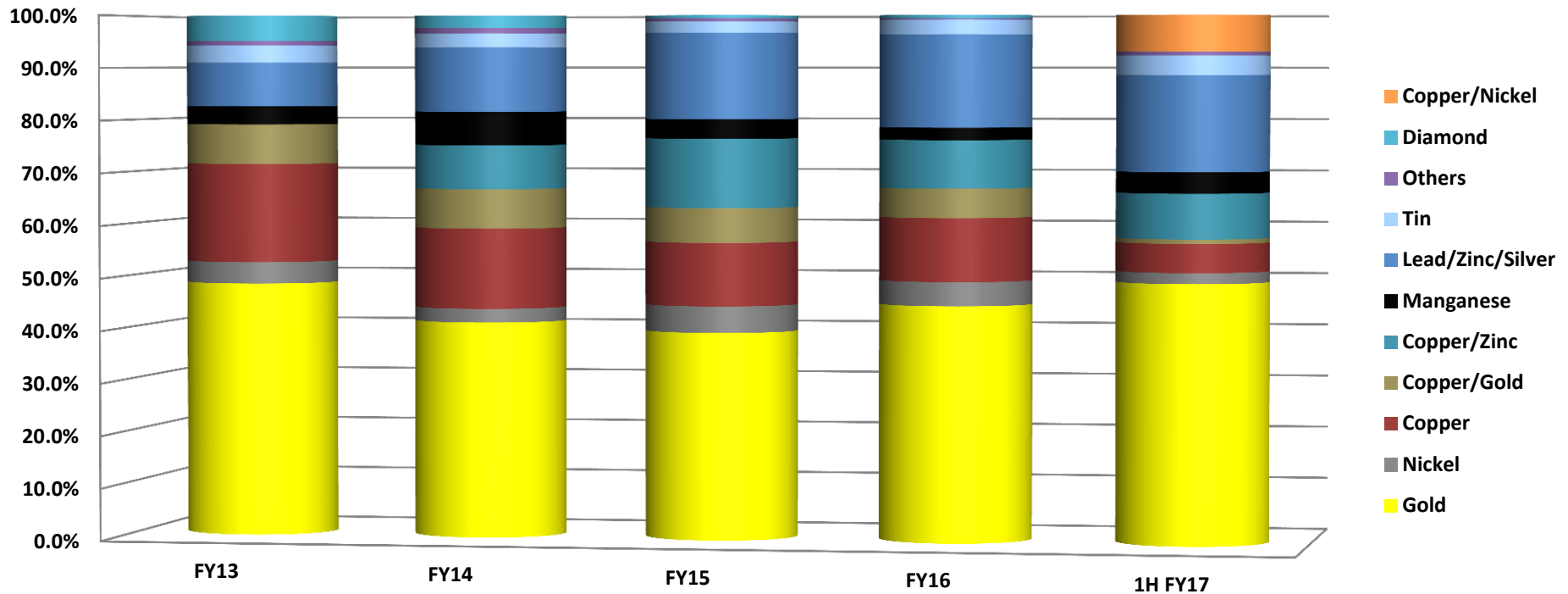
Note: Totals may not add due to rounding

- Total Metres  1%
- Revenue 0%
- Rev/Metre  -1%
- EBITDA *  -5%
- EBITDA % *  -5%
- Operating Cash  13%
- Free Cashflow  20%
- Net Debt  -21%
- Reduction in Revenue per Metre now slowed down indicating signs that pricing pressure for drilling services has now eased.
- Net tangible asset (NTA) per share reduced slightly from 38c to 37c per share - reduction in equity offset by reduction in issued shares through share buy-back.

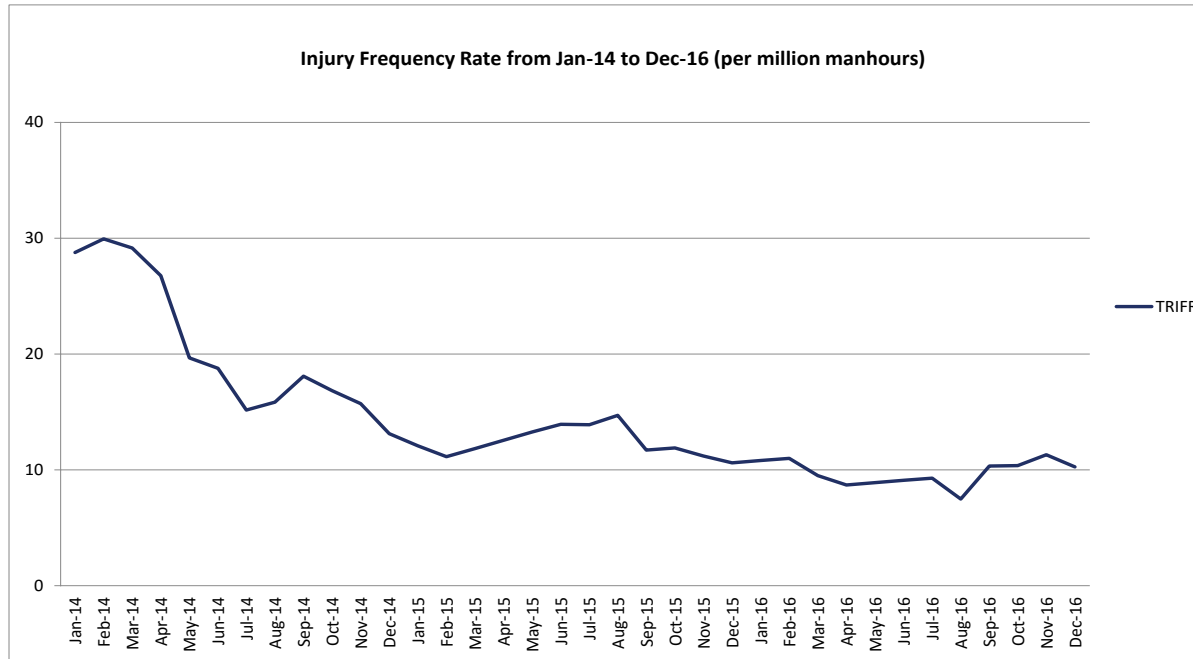
Commodity Split – 5yr Trend

Revenue mix from Gold increasing to FY13 levels

Revenue by Commodity



Safety – Towards Zero Harm



Swick LAD Redesign



- Companywide TRIFR continues to trend down
- 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)



Q3 FY17 Operations Update

- Financial and physical performance for the quarter materially impacted by weather related delays at Newmont Tanami site
- Revenue of \$29.4m (unaudited) for 3Q17 up from \$28.6m for the previous corresponding period (pcp), an increase of 3%
- Swick closed its non-core Long Hole (LH) drilling division during the quarter
- Total metres drilled of 258,926 for the quarter, up 6% from 243,330 in the pcp (excludes LH division data)
- Underground Diamond (UD) drilled metres of 249,597 for the quarter, up 10% on pcp and down 6% on previous quarter (2Q17)
- Metres per shift for UD division of 31.5, no change from pcp
- UD division fleet utilisation at 69% for the period up from 61% pcp
- UD Division utilisation expected to be circa ~100% by June 2017

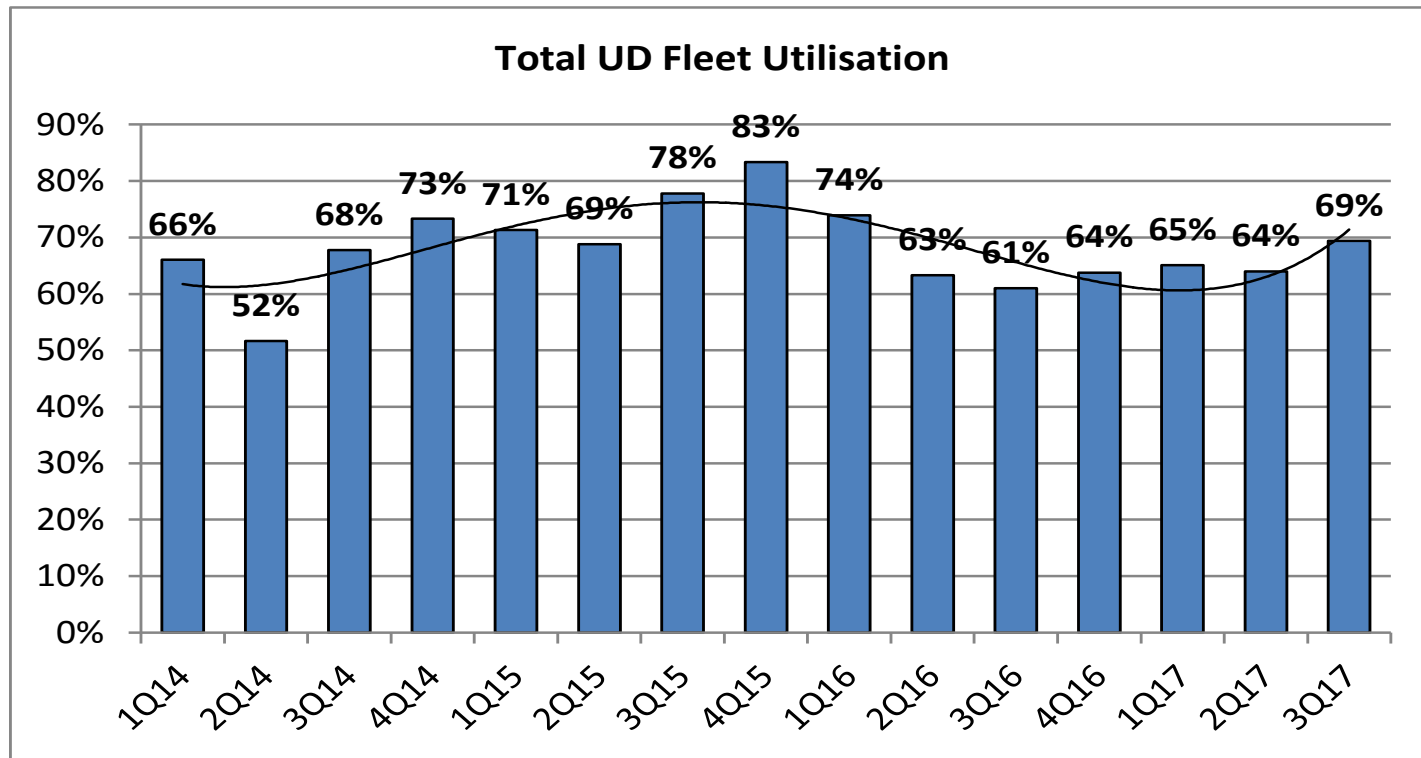
Q3 FY17 Operations Performance

Revenue and metres drilled (excluding LH division) were up from the prior corresponding period, despite Q3 being adversely impacted by weather related delays at the Newmont Tanami site

Operational Performance	3QFY17	3QFY16	% Change
Total Metres Drilled (excl. LH division data)	258,926	243,230	6%
Total Rigs in Fleet excl. LH (Period end)	75	75	0%
Total Rigs in Use excl. LH (Period End)	61	53	15%
Consolidated Revenue (\$m)	29.4	28.6	3%
UD Metres Drilled	249,597	226,472	10%
UD Rigs in Fleet (Period end)	68	68	0%
UD Rigs in Use (Period End)	58	47	23%
Total Employees (Period End)	586	498	18%

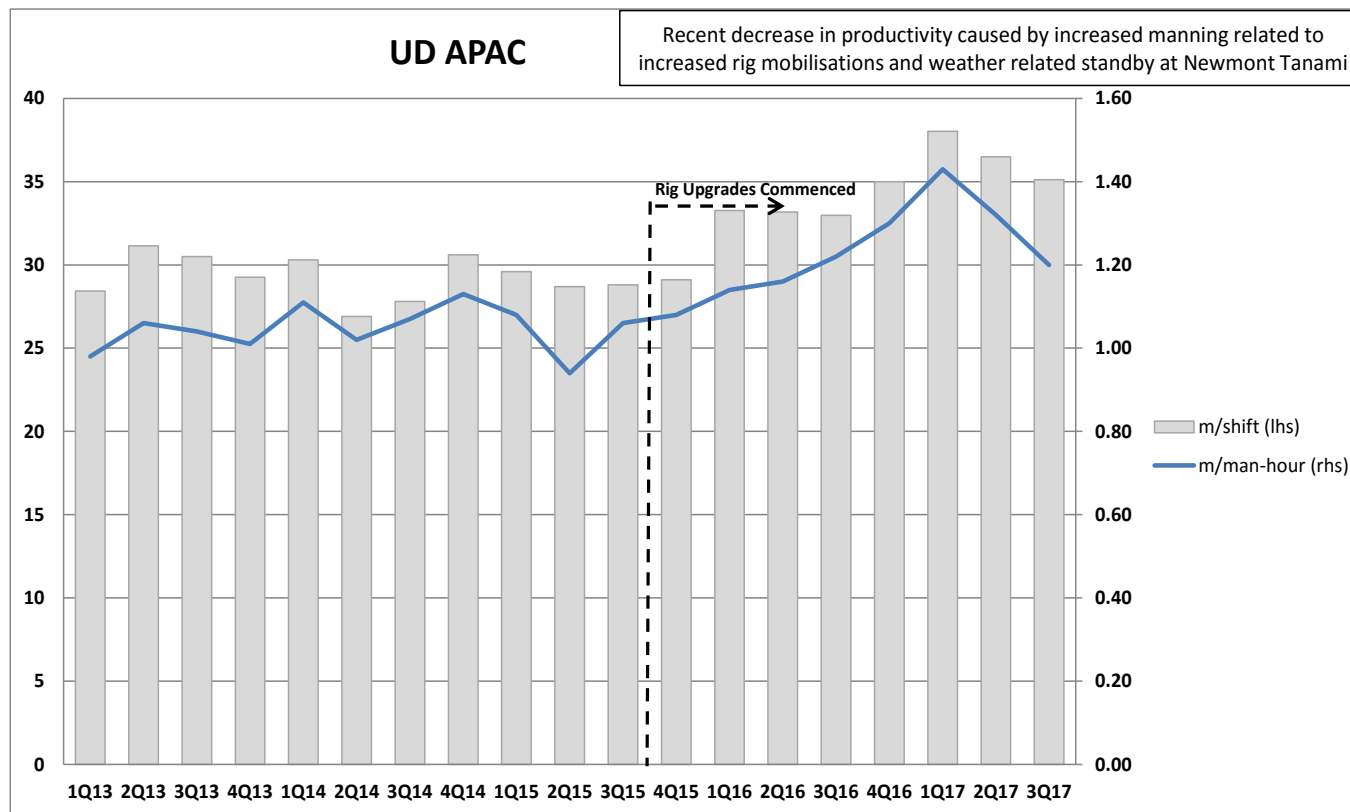
Fleet Utilisation

Total fleet utilisation is expected to reach record levels at end of FY17 due to increased UD rig demand as new projects are fully mobilised, partially offset by reduction in RC volumes



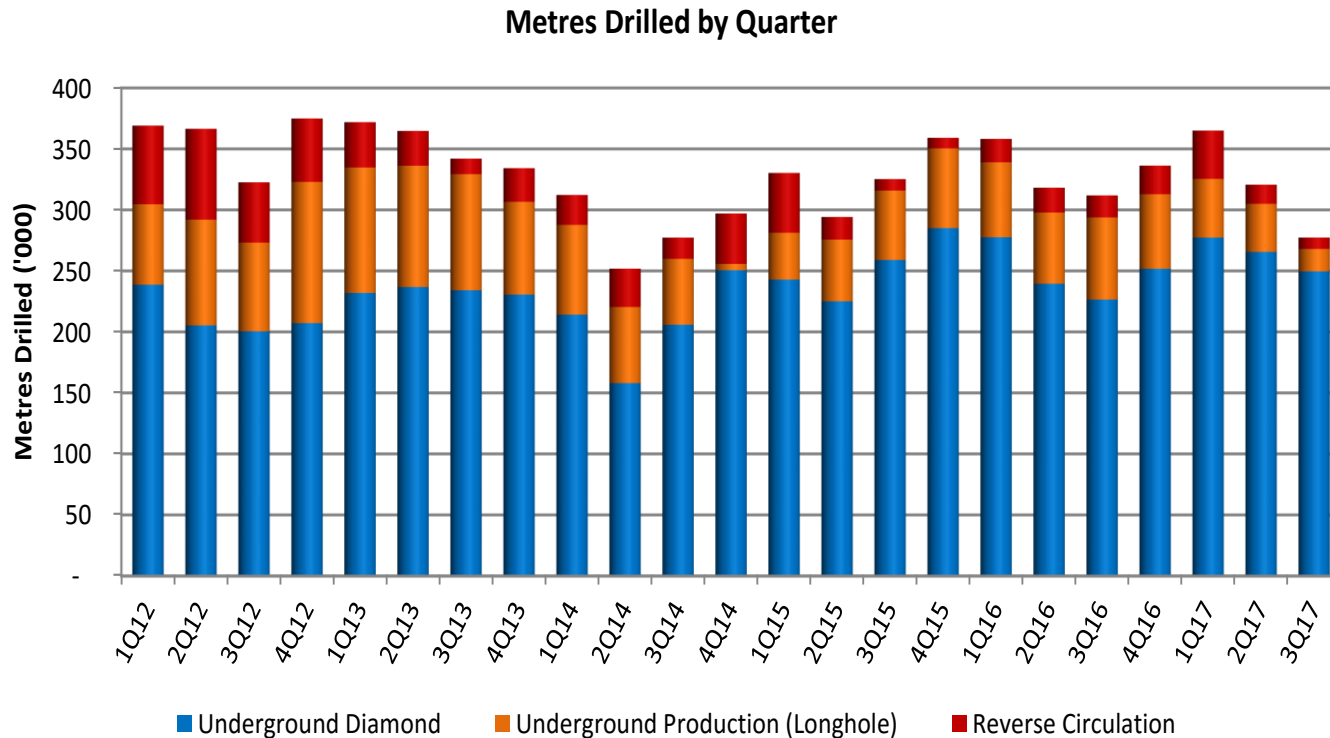
Efficiency Gains

Significant benefits generated in UD APAC division by in-house engineering projects and operational initiatives

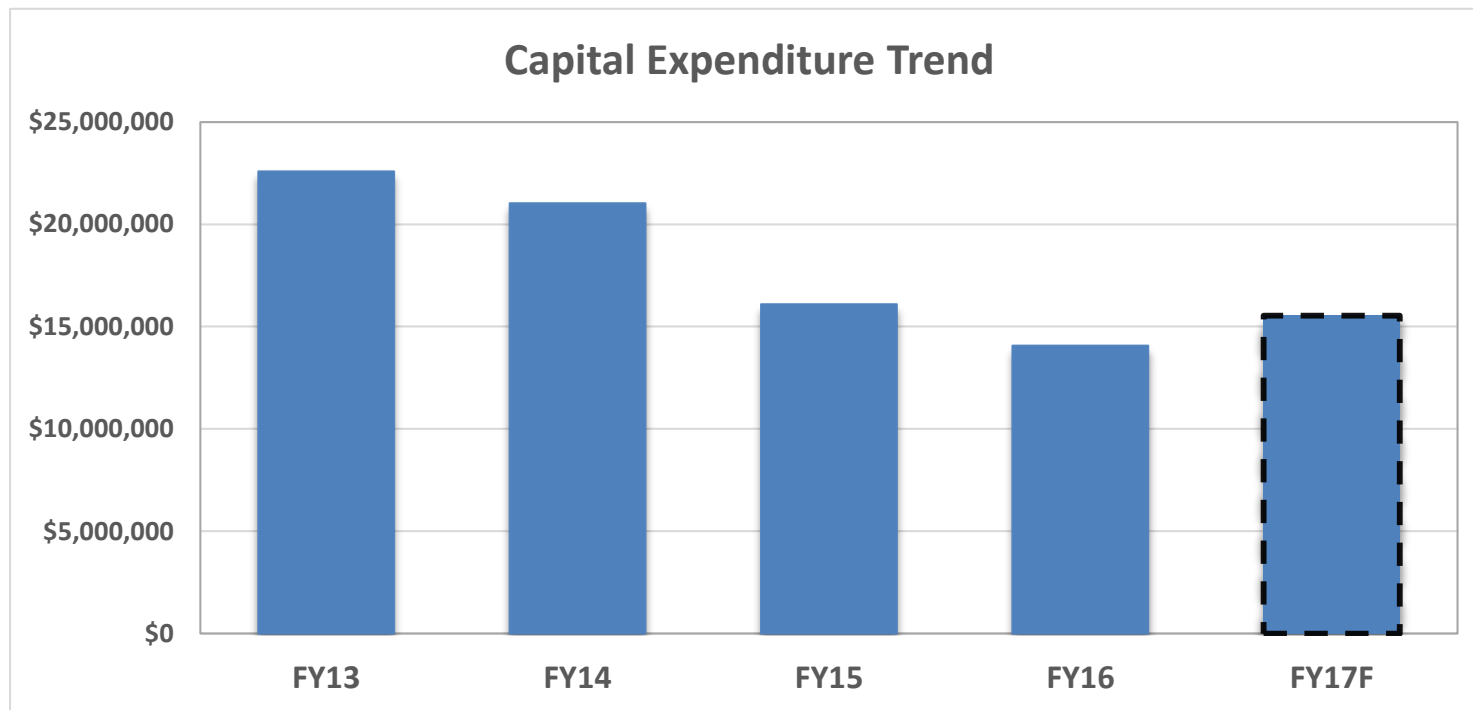


Metres Drilled

The quarterly metres drilled by division is shown in the graph below with the core UD division up 10%, Longhole Production down 73% and RC down 48%, in Q3 of FY17 compared to the corresponding period last year



Capital Expenditure – Efficiency focused



- Includes Orexlore investment/capex (except for the ~A\$3m to acquire shares Swick does not already own)
- Productivity improvements fully budgeted for all UD fleet
- Swick is focused on cash generation through this part of the cycle
- Increase in FY17F capex due to increased rig demand

100% Ownership of Orexlore AB

Swick has completed its Orexlore acquisition, which allows a clear path forward for funding the commercial release of its world first ore scanning technology - expected to commence operations in 2H18

- Orexlore has been operating since 2010 and Swick commenced its investment program toward the end of 2013. Since that time, Swick has invested \$6.6 million for an equity ownership of 70.5%.
- Swick has now agreed to acquire the remaining shares in Orexlore that it doesn't already own for consideration of A\$3 million and, on completion, will own 100% of Orexlore.
- The consideration will be paid in cash.
- Current management team remain fully committed to Orexlore going forward. In return for surrendering certain equity rights within Orexlore, Swick has agreed with the two key executive founders to a Shadow Equity scheme.
- Any payments under the Shadow Equity scheme would be payable by a mix of Swick shares and/or cash at Swick's discretion. The quantum of any such payments is uncertain at this stage but will reflect in total (including this transaction) 10% of the market value increase over the next five year period.

Disruptive Technology – Orexlore AB

“Orexlore 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

- Orexlore AB was a start up technology firm designing state of the art mineral analysis technology
- In 2013 Swick signed a share purchase agreement with Orexlore AB
- Since 2013, Swick has funded R&D in return for equity
- Swick has reached agreement to consolidated to 100% ownership



OREXPLORE

Unique Patented Technology

AXM

Attenuation and XRF

Combined measurement

Patented

Atomic weight 42-82

Full Penetration

Disruptive Technology – Orexplore AB

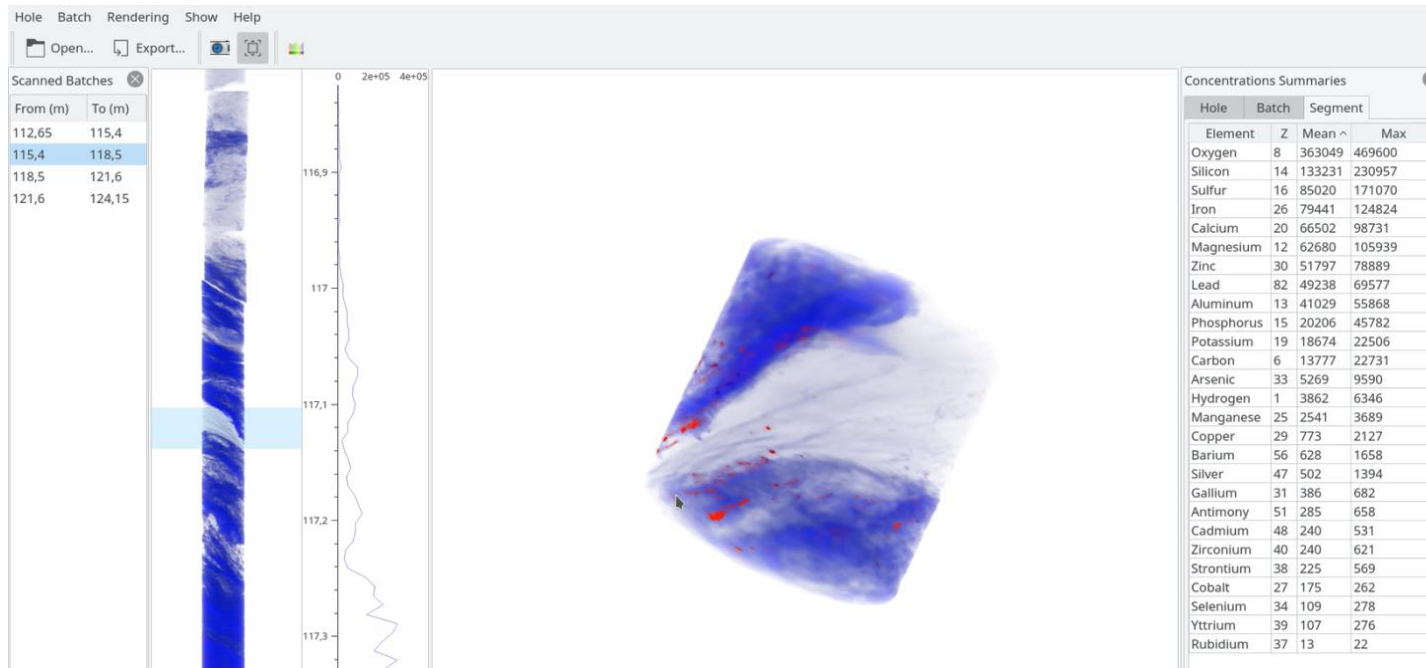
Immediate and accurate chemical analysis of drill samples

- 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
- Prototype on site at Boliden Copper operating full time
- Designed for a scanning capacity of up to 3,600m per month
- Automated carousel holding 4 x 1m pieces of core



Disruptive Technology – Orexplore AB

Immediate and accurate chemical analysis of drill samples



- Orexplore offers intuitive software that can be managed remotely by the clients. In this example a segment of core approximately 40mm in length has been selected and the geochemical assay of the segment shown on the right of the image. On the left hand side, element concentrations (selected by the user) are displayed along the length of the core sample

What Drives Swick as a Company

- 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 Alaska
 - 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

Thank You