



Swick Mining Services Ltd

Euroz Rottnest Island Conference Presentation
14th March 2018

ASX: SWK

www.swickmining.com

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

Information included in this presentation is dated 14th March 2018.

Company Overview

- Top five global mineral drilling provider operating in Australia, US , Canada and Europe
- > 1,300,000 metres drilled across 3 divisions, > 1,100,000 metres drilled by UD division in FY2017
- New drilling service developed in FY 2017, underground RC hammer drilling in Nevada
- Approaching a significant milestone of 10,000,000 metres of diamond core drilled in CY 2018
- Swick is working with and developing disruptive technology that will lead the market forward
- Orexplore Australian HQ established, product launch date of 1st May, 2018
- Proven performer in difficult macro circumstances



Corporate Snapshot

Corporate Structure

- ASX: SWK - Listed Nov 2006
- Shares outstanding: 231.2m
- Share Price 12 Mar 18: \$0.22
- Market Cap 12 Mar 18: \$50.8m

Board and Executive Management

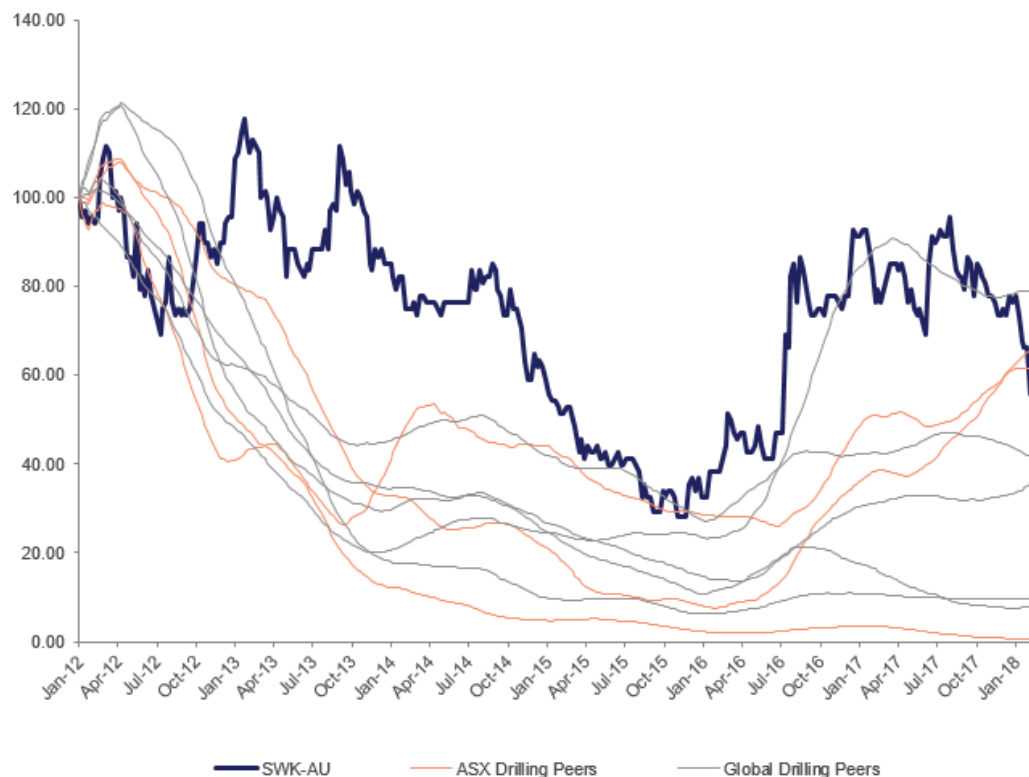
- Andrew Simpson - NEC
- Kent Swick - MD
- Phil Lockyer - NED
- David Nixon - NED
- Ian McCubbing – NED
- Vahid Haydari – CEO
- Jitu Bhudia– CFO

Substantial shareholders*

- Kent Swick (14.4%)
- Perennial Value Mgt. (12.5%)
- Simone Lourey (12.0%)
- Vanshap Capital (9.4%)
- Rosanne Swick (5.5%)

*As at 31st December 2017

SP relative to ASX and Global peers Jan-12 to Jan-18 to show through the cycle perf.



Division Overview



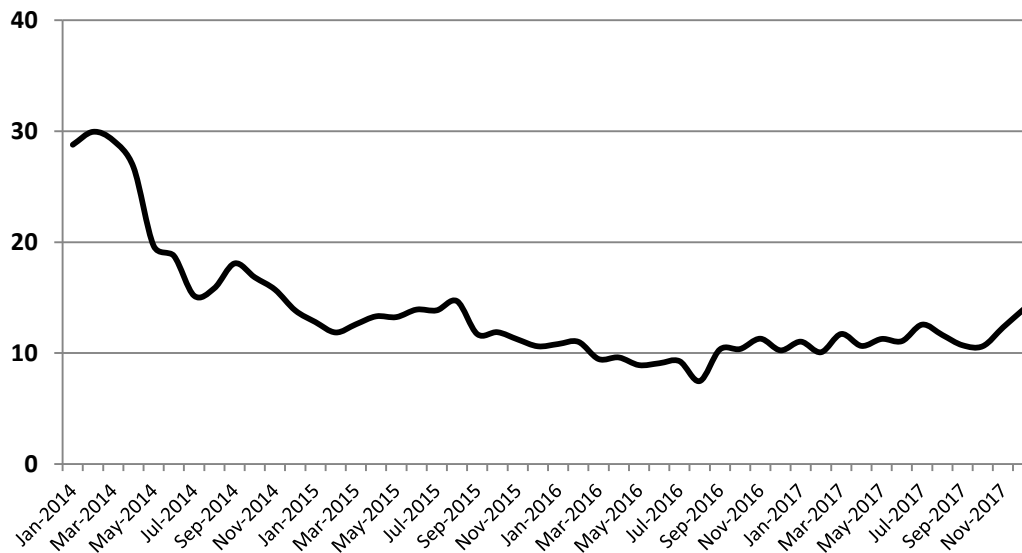
Drilling: Underground Delineation
Rig Type: Swick Mobile Drill
Sectors: Gold, Base Metals
Sites: Operating Mines
Advantage: Reliability, Productivity, Safety, Total Value
Range: Core: 1,500m, NQ2
RC: 250m
Fast Fact: World's Leading UD Drill Rig
Fleet Size: 69 Rigs (59 Asia Pacific & 10 International).
FY17 Revenue: \$118.3 million



Drilling: Reserve Definition & Exploration
Rig Types: Swick RC Drills
Sectors: Base Metals, Bulks, Gold
Sites: Brownfield & Greenfield
Advantage: High Air Power, Deep Hole Capacity
Range: + 500m
Fast Fact: Award Winning Rig Design
Fleet Size: 7 Rigs
(6 Truck mounted, 1 tracked)
FY17 Revenue: \$7.4 million

Safety – Towards Zero Harm

**Injury Frequency Rate Per Million Man Hours
From Jan-14 to Dec-17**



- Companywide TRIFR stabilising at record lows
- 100% implementation of IPAD technology with HSE tools and Training videos
- Safety in design a continued focus, as productivity per shift increases
- Underground Training Facility prepares new starters for work and avoids sensory overload

Swick LAD Redesign



Training – U/G simulation at Swick HQ



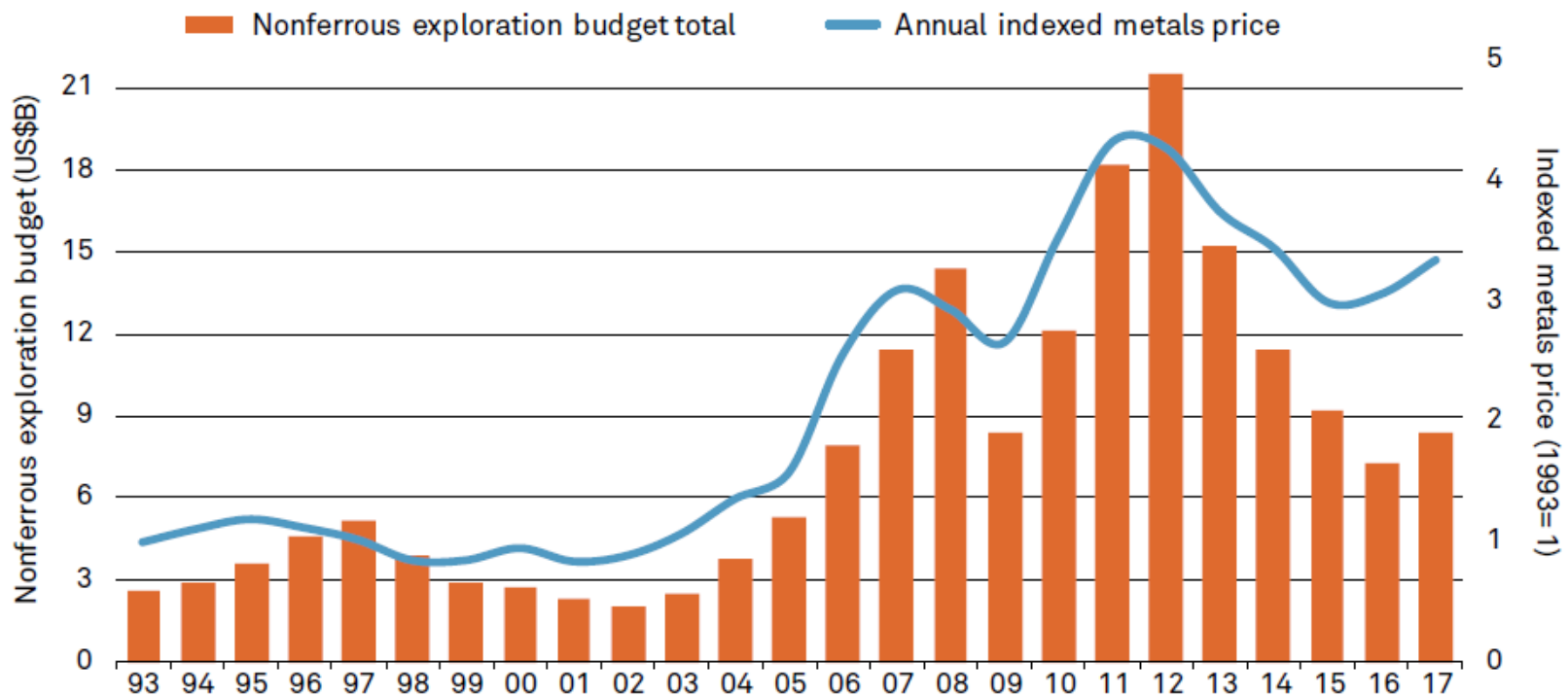
- To better prepare new employees for site, a site simulator has been constructed at our South Guildford premises
- Realistic environment, noise, heat, drill rig, stands and rod trestles
- Four day training on site set ups, rod and tube handling, core management general duties
- Must be deemed ready for site otherwise repeat the process
- Allows for R&D development in realistic enclosure with a 50m test hole to allow product testing
- Site Supervisors are noticing the benefit in the field, and their workloads with new starters is greatly reduced

What Drives Swick as a Company

- Market Share of Australian Underground Coring
 - Current market leader in Australia with around 40% share of metres drilled, 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, patented drilling systems
- Growth Opportunity in USA
 - Barriers of entry breaking down, firmly established in Nevada
 - Added underground RC to the US Operations and by applying latest Australian techniques, results are excellent
 - 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
 - Drilling budgets are recovering globally, drill rig utilization is increasing,
 - 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

Exploration Budgets coming off bottom

Global nonferrous exploration budgets



Date as of January 31, 2018.

Source: S&P Global Market Intelligence

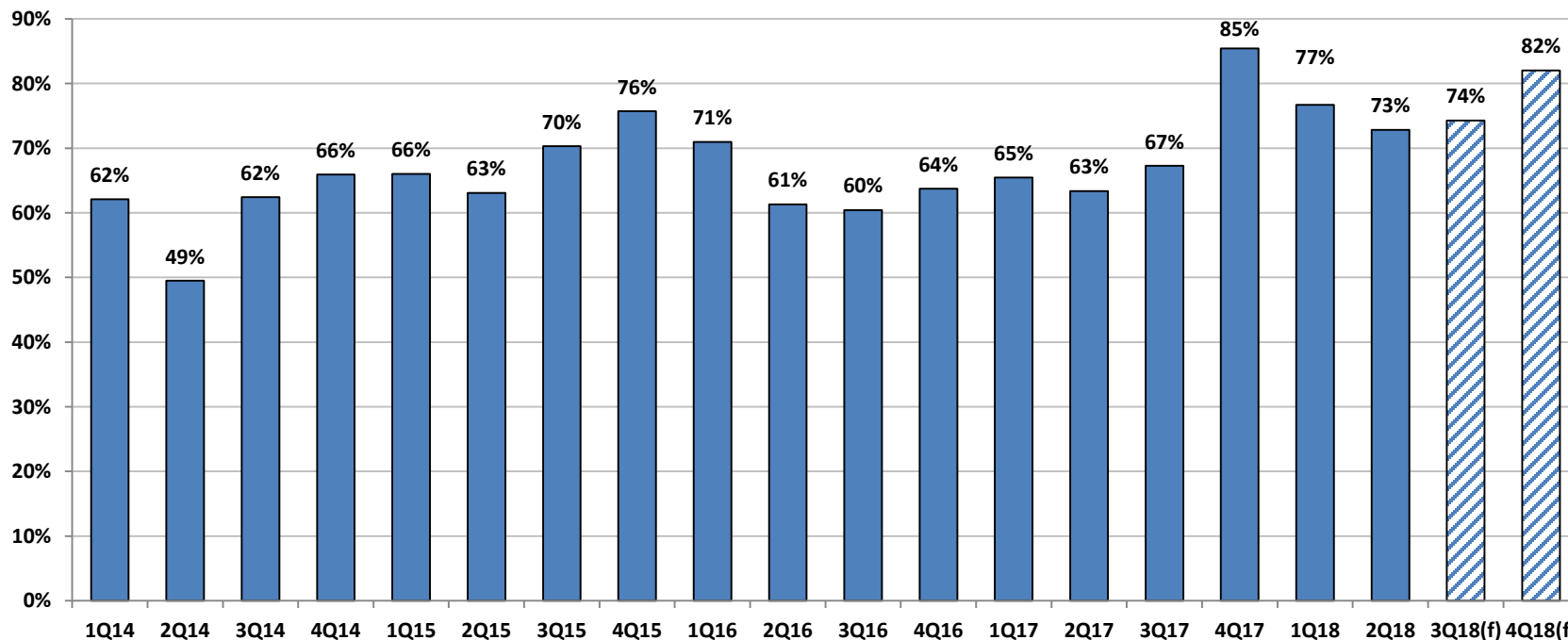
3,000+

companies surveyed for 2017
exploration budgets

Utilisation Rates on the improve

- Swick has had an ability to secure work in a protracted downturn, limiting the downside exposure to investors. Swick's focus during the market recovery phase will be ensuring adequate return on capital is generated before increasing its fleet size.

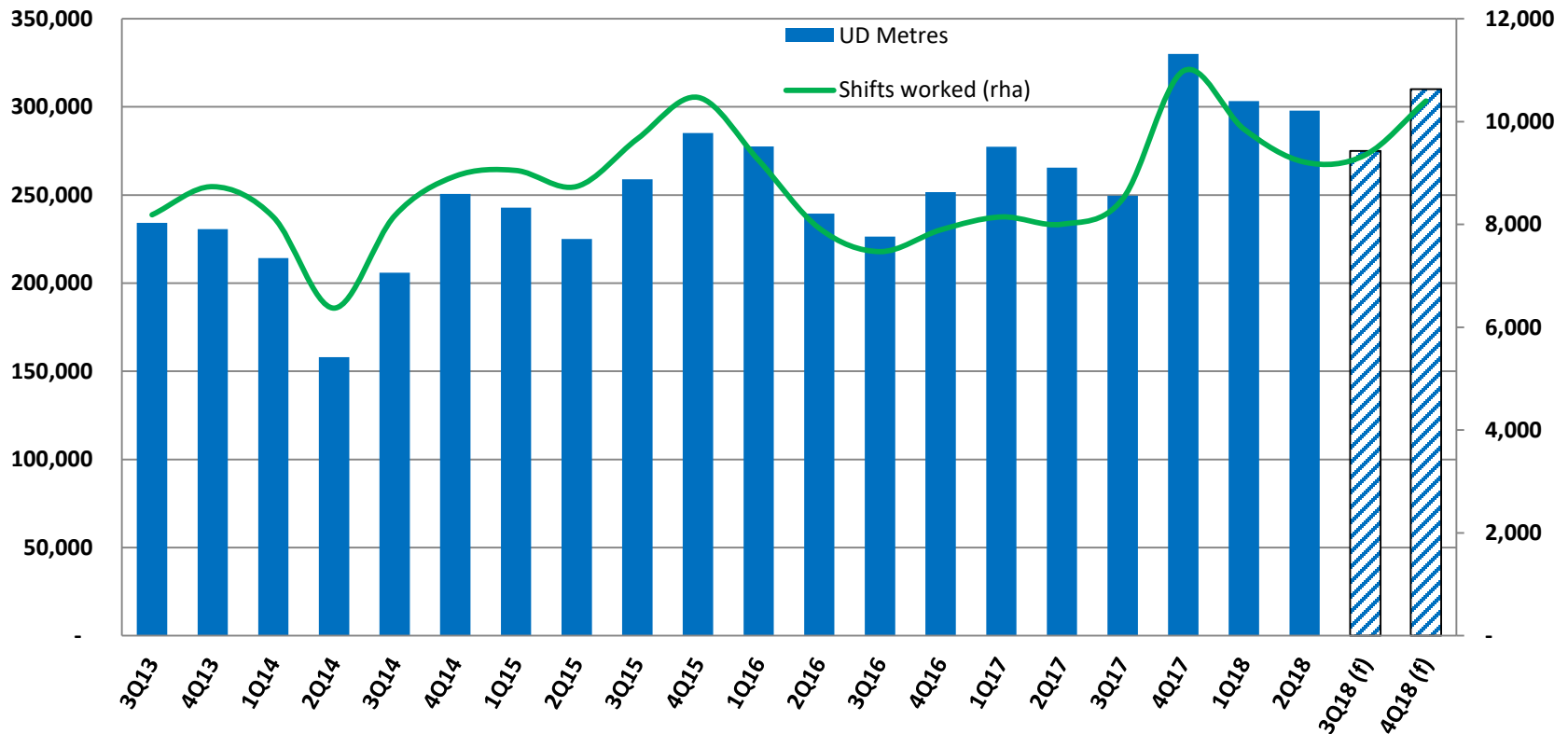
Total Fleet Utilisation (69 UD, 7 RC)



Underground Diamond Metrics

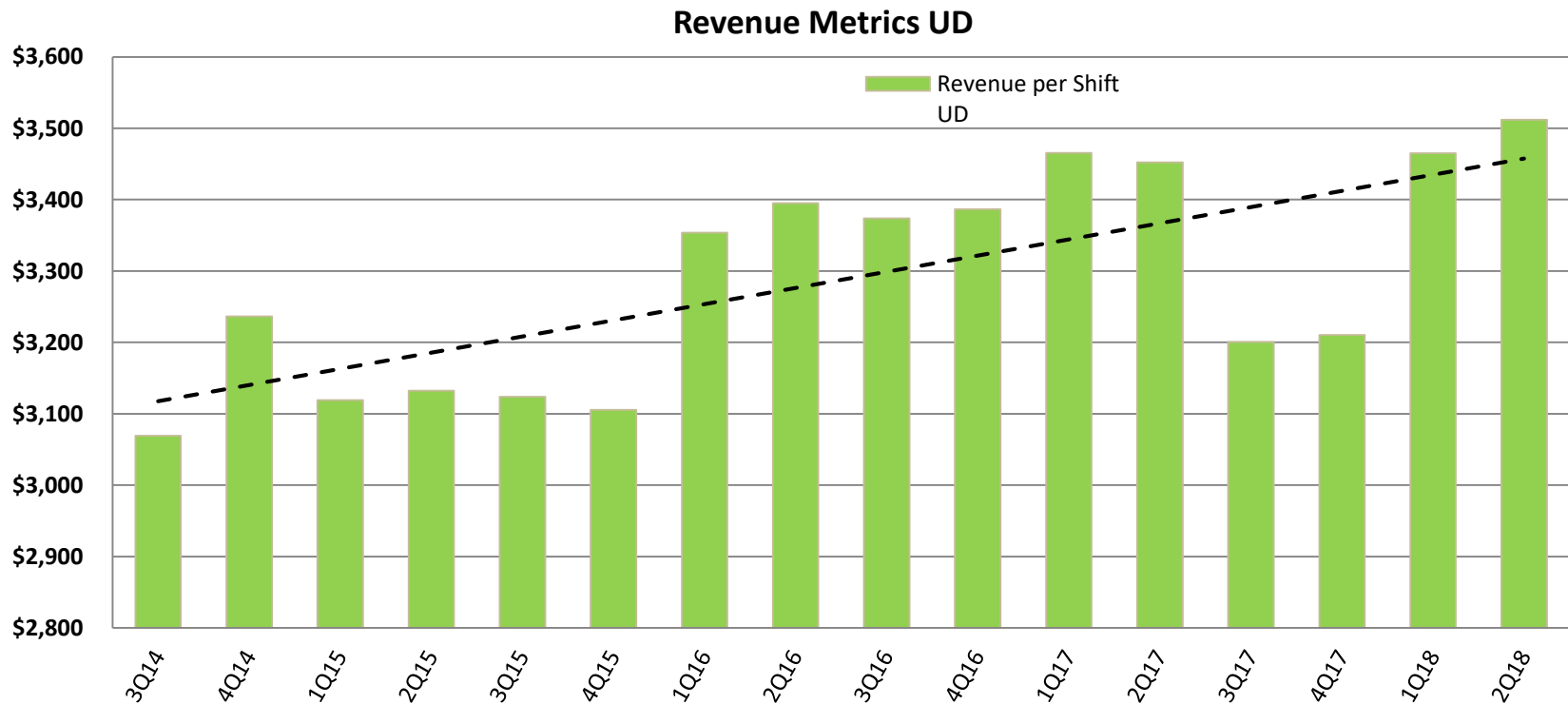
Increased demand from current customers is expected to materialize in 2H18 and beyond given the current macro market indicators

Metrics by UD Quarter



UD Revenue Per Shift trends

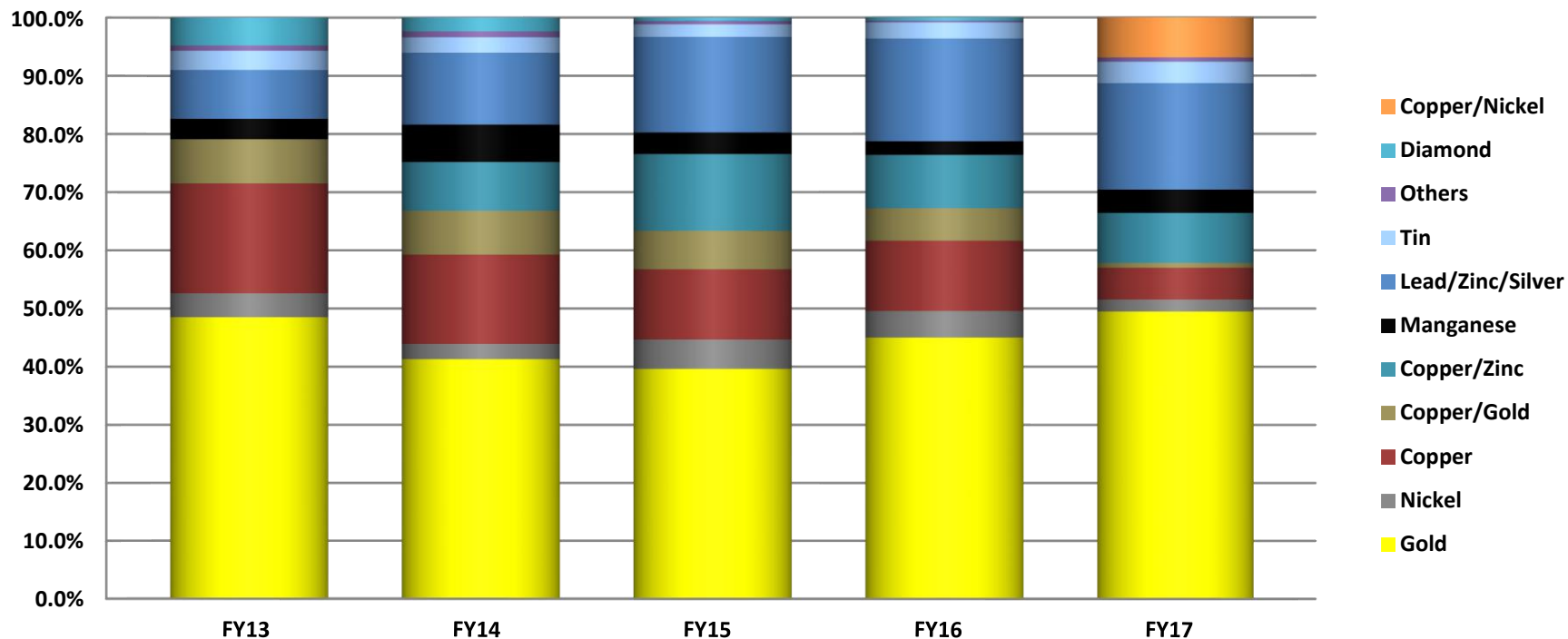
UD productivity varies according to ground conditions and hole depth. Revenue per Shift is more of a performance indicator and is the combined outcome of metres per shift and revenue per metre.



Commodity Split – 5yr Trend

Revenue contribution from Gold has increased to FY13 levels

Revenue by Commodity



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
- Swick funded R&D in return for equity
- In 2017, Swick completed the buy-out of the minority shareholders
- A total of ~ \$10m capital invested into Orexlore



Unique Patented Technology

AXM

Attenuation and XRF

Combined measurement

Patented

Full Penetration of

Atomic weight 42-82



Orexplore is ready to launch

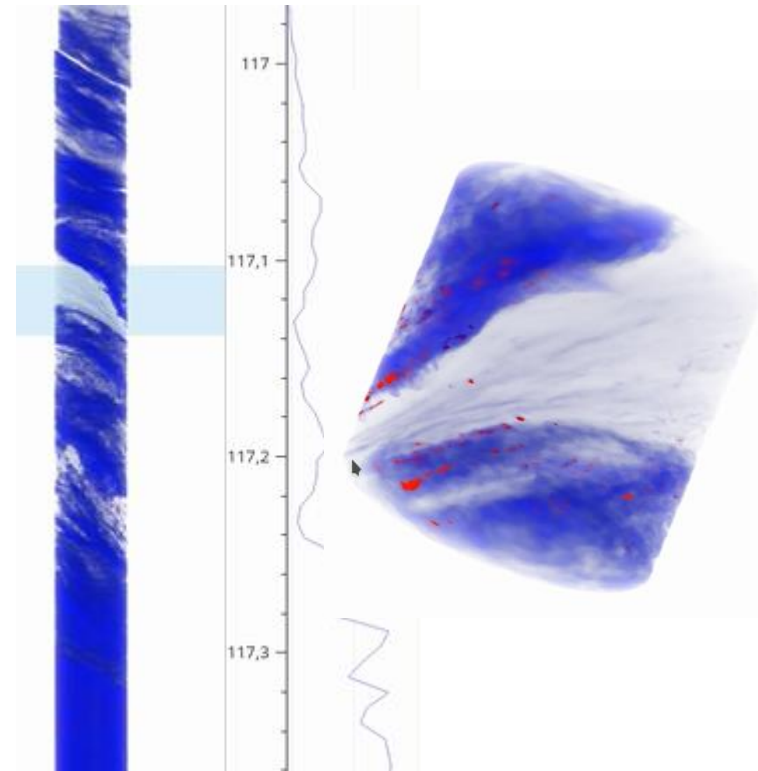
- Orexplore Australia HQ in Bassendean, WA
- Product Launch date May 1, 2018
- Significant Interest in technology from major mining houses
- Targeting both laboratory based services and in-field full service offerings



Disruptive Technology – Orexplore

Immediate and accurate chemical analysis of drill samples

- World First, unique mineral scanning technology – non-destructive
- Provides geochemistry, structure, density, mineralogy and lithology
- Non-destructive analysis of 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 Shareholders

- Swick is contracted to operating mines – limited downside to volume even in commodity price downturns
- Large footprint of clients (14) and sites (20) – heavily exposed to drilling budget rebounds
- UD rig fleet utilization expected to be ~ 90% at end of FY 18.
- Technical leader in the space – automation, power, safety and lower manning levels
- R&D provides continuous improvement in physicals regardless of macro circumstances
- Well managed through the worst mineral drilling downturn in living history
- Focused on shareholder returns via NPAT recovery and through dividends or buyback (when appropriate)
- Culture of innovation and a desire to move up the value chain to being a mineral information provider
- Focused on diversifying the revenue stream by adding mineral analysis to the business
- High potential from Orexplore mineral assay technology to materially benefit holders in medium term

Thank You

