

Quarterly Activities Report – December 2020

Dynamic Drill and Blast Holdings Limited ('DDB' or 'The Company') is pleased to provide the following report on its activities during the December 2020 quarter. DDB's primary focus and major achievements during the reporting period were growth and business optimisation.

Key Activities and Highlights

- New contracts awarded for additional projects (gold and iron ore) with estimated revenue of between \$9m and \$11m
- Projects located within the Goldfields and Mid-West regions of Western Australia
- Up to 4 drill rigs, 20 personnel and support equipment to be deployed
- Additional equipment and personnel deployed to other short-term projects

Dynamic Snapshot – As at 31 December 2020

Share price (ASX: DDB)	\$0.54	Revenue for the Quarter ¹ (A\$'000)	6,335
Shares	55,151,622	EBITDA for the Quarter ¹ (A\$'000)	1,316
Market Capitalisation	\$29.8 million	Cash (A\$'000)	2,991

Operations

Current operations continue at Galaxy Resource's Mt Cattlin Lithium Spodumene Project. Mobilisation for the recently awarded AngloGold Ashanti Golden Delicious Gold Mine and GWR Group Ltd's Wiluna West Iron Ore Project have been undertaken.

New Contract Awards

During the quarter, DDB entered into two Services Contracts with Pilbara Resources Group Pty Ltd (PRG) Carey Mining Pty Ltd (Carey), across two separate resource projects (gold and iron ore) in Western Australia:

- PRG - Provision of drilling and blasting services at GWR Group Ltd's Project. DDB commenced providing services from November 2020, for stage 1 of C4 which includes approximately 1 million tonnes of the 21.6Million tonne resource.
- Carey - Provision of drilling services at the AngloGold Ashanti Golden Delicious Gold Mine. DDB commenced providing services from late December 2020 for a period of approximately 24 months.

¹ Unaudited financial figures

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The combined revenue from both Services Contracts is estimated to be between \$9m and \$11m and will be based on a fixed and variable pricing structure.

DDB will utilise up to four drill rigs, as well as approximately twenty personnel and ancillary equipment to deliver the required services for the two projects.

As well as the new projects, DDB has deployed equipment and personnel to additional short-term projects.

DDB continues discussions with various parties regarding further projects which are currently within the tender pipeline. The status of the discussions are at various stages and the Company will keep the market informed in accordance with its continuous disclosure obligations.

Corporate

Financial Summary

DDB generated revenue of \$6.33 million for the quarter and closed in a strong financial position with cash and cash equivalents of \$2.99 million and trade receivables of \$4.47 million.

Cash inflows from operating activities for the quarter was \$5.6 million, due mainly to receipts from customers.

Cash outflows from operating activities for the quarter was approximately \$6.3 million representing payment of employment and operating costs.

DDB made payments of \$399,167 to related parties and their associates. These payments consisted of \$132,500 which relate to the existing remuneration agreements for the Managing Director, Executive Director and Non-Executive Directors and \$266,667 for the repayment of short-term working capital loans to early stage related party shareholders.

Pursuant to ASX listing rule 4.7C.2, the Company advises the proposed use of funds contained in section 1.7 of DDB's Prospectus in comparison to the actual use of funds following admission of DDB to the official list of the ASX:

Use of Funds	Prospectus Amount	Actual to Date
Cost of the Offers	\$482,000	\$438,000
Purchase of additional plant and equipment	\$2,833,000	\$927,500
Repayment of Debt	\$500,000	\$500,000
Working Capital/Corporate overheads	\$1,958,000	\$839,503
Total	\$5,773,000	\$2,705,003

DDB confirms that it expects to utilise the funds raised under its Prospectus in accordance with the use of funds statement and the key business objectives underlying the expected use of funds remain intact.

-ENDS-

This announcement has been authorised by the Board of Dynamic Drill & Blast Holdings Limited.

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About Dynamic Drill & Blast

Dynamic Drill & Blast Holdings Limited ('DDB') is a supplier of drilling and blasting services to clients in the mining and construction sectors in Western Australia. DDB has a highly experienced executive management team focused on quality service provision, employee safety and providing solutions. DDB focuses on mining and construction projects within a range of commodity sectors, including iron ore, lithium and gold.

DDB's significant project pipeline is based around medium to long term contracts. DDB also undertakes short term specialised drilling and blasting projects.

DDB is committed to business and quality management systems that provides the framework for its personnel to achieve its customer's measurable objectives, while using continual improvement initiatives to strive for best practice performance.

Since incorporation, DDB has developed comprehensive policies, procedures and processes that aid the safe, effective and efficient provision of services.

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