

1. Company details

Name of entity: Dynamic Drill and Blast Holdings Limited
 ABN: 49 640 888 213
 Reporting period: For the half-year ended 31 December 2020
 Previous period: For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	48.4% to	11,611,017
Profit from ordinary activities after tax attributable to the owners of Dynamic Drill and Blast Holdings Limited	up	351.2% to	1,210,311
Profit for the half-year attributable to the owners of Dynamic Drill and Blast Holdings Limited	up	351.2% to	1,210,311

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$1,210,311 (31 December 2019: loss of \$481,723).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>13.52</u>	<u>2.22</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):


The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Dynamic Drill and Blast Holdings Limited for the half-year ended 31 December 2020 is attached.

12. Signed

Signed 

Date: 25 February 2021

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Dynamic Drill and Blast Holdings Limited

ABN 49 640 888 213

Interim Report - 31 December 2020

Dynamic Drill and Blast Holdings Limited
Corporate directory
31 December 2020



Directors	Mark Davis (appointed 13/05/2020) Garret Dixon (appointed 13/05/2020) Matthew Freedman (appointed 13/05/2020) George Garnett (appointed 13/05/2020)
Company secretary	James Bahen
Registered office	Suite 6 295 Rokeby Road Subiaco WA 6008
Principal place of business	54 Achievement Way Wangara WA 6065
Share register	Automic Registry Services Level 2 267 St Georges Terrace Perth WA 6000
Auditor	BDO Audit (WA) Pty Ltd Level 1 38 Station Street Subiaco WA 6008
Solicitors	HWL Ebsworth Level 20 240 St Georges Terrace Perth WA 6000
Stock exchange listing	Dynamic Drill and Blast Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: DDB)
Website	www.dynamicdrillandblast.com.au
Corporate Governance Statement	A copy of the Corporate Governance statement can be found at www.dynamicdrillandblast.com.au

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Dynamic Drill and Blast Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Dynamic Drill and Blast Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mark Davis (appointed 13/05/2020)
Matthew Leo Freedman (appointed 13/05/2020)
George Garnett (appointed 13/05/2020)
Garret Dixon (appointed 13/05/2020)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Drilling & Blasting services

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$1,210,311 (31 December 2019: loss of \$481,723).

Dynamic Drill and Blast Holdings Limited successfully listed on the Australia Stock Exchange (ASX) on 6 August 2020.

Dynamic Drill and Blast Holdings Limited ("Dynamic") is a supplier of drilling and blasting services to clients in the mining and construction sectors in Western Australia. Dynamic has a highly experienced executive management team focused on quality service provision, employee safety and providing solutions. Dynamic focuses on mid-size mining and construction projects within a range of commodity sectors, including iron ore, lithium and gold, however, its core offering comprises of construction projects throughout Western Australia.

The profit for the consolidated entity after providing for income tax amounted to \$1,210,311 (31 December 2019: loss of \$481,723).

Dynamic successfully listed on the Australia Stock Exchange (ASX) on 6 August 2020 following a \$5 million initial public offering ('IPO') which was oversubscribed. This positioned Dynamic for its next phase of growth.

The current operations continue at Galaxy Resource's Mt Cattlin Lithium Spodumene Project, AngloGold Ashanti Golden Delicious Gold Mine and GWR Group Ltd's Wiluna West Iron Ore Project. During the period works were successfully completed at FMG's Eliwana Rail Project Package 3 and Rio Tinto's Western Turner Syncline 2 – Bulk Earth works project (WTS2).

New Contract Awards

During the period, the Dynamic entered into Services Contracts for the provision of drilling and blasting services with Pilbara Resources Group Pty Ltd (PRG) and Carey Mining Pty Ltd (Carey), across two separate resource projects (gold and iron ore) and with WBHO Infrastructure Pty Ltd (WBHO-I), at the Rio Tinto Western Turner Syncline 2 – Bulk Earth Works Project (WTS2).

As well as the new projects, Dynamic deployed equipment and personnel to additional short-term projects during the period.

Dynamic 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.

Drill Rig Fleet and Facilities

With the growing pipeline of projects, Dynamic continued to source suitable drill rigs to increase the capacity of the fleet and added three additional Epiroc T45 drill rigs to complement the existing fleet.

Dynamic also moved to a new fit for purpose premises including workshop, laydown, and office facilities in Wangara, Western Australia. The new facility provides greater capacity to provide inhouse maintenance and component rebuild services with focus on controlling quality and decreasing costs.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Davis
Director

25 February 2021

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF DYNAMIC DRILL AND BLAST HOLDINGS LIMITED

As lead auditor for the review of Dynamic Drill and Blast Holdings Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Dynamic Drill and Blast Holdings Limited and the entity it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 25 February 2021

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General information

The financial statements cover Dynamic Drill and Blast Holdings Limited as a consolidated entity consisting of Dynamic Drill and Blast Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Dynamic Drill and Blast Holdings Limited's functional and presentation currency.

The consolidated financial statements show the continuing business operations of Dynamic Drill & Blast Pty Ltd.

Dynamic Drill and Blast Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/O SmallCap Corporate Pty Ltd
Suite 6
295 Rokeby Road
Subiaco WA 6008

Principal place of business

54 Achievement Way
Wangara
WA 6065

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2021.

Dynamic Drill and Blast Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



		Consolidated	
	Note	31 December 2020	31 December 2019
		\$	\$
Revenue	3	11,594,323	7,826,228
Other income	4	827,673	(13,800)
Finance Income		16,694	141
Expenses			
Operating expenses		(3,554,407)	(5,654,767)
Travel & accommodation		(147,289)	(378,519)
Employee benefits expense		(412,658)	(175,603)
Employment Expenses		(4,572,943)	(1,980,126)
Depreciation and amortisation expense		(745,613)	(100,484)
Vehicle expenses		(224,604)	(88,259)
Share based payments - employee benefits	13	(5,636)	-
Other expenses		(633,209)	(80,482)
Finance costs		(495,161)	(20,198)
Profit/(loss) before income tax (expense)/benefit		1,647,170	(665,869)
Income tax (expense)/benefit	6	(436,859)	184,146
Profit/(loss) after income tax (expense)/benefit for the half-year attributable to the owners of Dynamic Drill and Blast Holdings Limited		1,210,311	(481,723)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Dynamic Drill and Blast Holdings Limited		1,210,311	(481,723)
		Cents	Cents
Basic earnings per share		2.19	(1,589.84)
Diluted earnings per share		2.19	(1,589.84)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Dynamic Drill and Blast Holdings Limited
Statement of financial position
As at 31 December 2020



Consolidated		
Note	31 December 2020	30 June 2020
	\$	\$
Assets		
Current assets		
	2,990,320	869,986
	4,493,838	3,898,967
	719,289	199,206
	364,288	725,765
	<u>8,567,735</u>	<u>5,693,924</u>
Non-current assets		
7	6,900,194	4,643,659
	949,831	940,355
	12,253	3,040
	168,809	262,623
	<u>8,031,087</u>	<u>5,849,677</u>
	<u>16,598,822</u>	<u>11,543,601</u>
Liabilities		
Current liabilities		
	2,097,185	2,993,092
8	2,388,827	3,324,590
	794,865	371,388
	283,221	-
	389,087	376,803
	9,130	424,935
	<u>5,962,315</u>	<u>7,490,808</u>
Non-current liabilities		
9	3,015,229	2,921,455
	234,692	610,412
	<u>3,249,921</u>	<u>3,531,867</u>
	<u>9,212,236</u>	<u>11,022,675</u>
	<u>7,386,586</u>	<u>520,926</u>
Equity		
10	5,632,661	42,306
	64,994	-
	1,688,931	478,620
	<u>7,386,586</u>	<u>520,926</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Dynamic Drill and Blast Holdings Limited
Statement of changes in equity
For the half-year ended 31 December 2020



Consolidated	Issued capital \$	Retained profits \$	Total deficiency in equity \$
Balance at 1 July 2019	306	426,657	426,963
Adjustment for change in accounting policy	-	(430,976)	(430,976)
Balance at 1 July 2019 - restated	306	(4,319)	(4,013)
Loss after income tax benefit for the half-year	-	(481,723)	(481,723)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(481,723)	(481,723)
Balance at 31 December 2019	<u>306</u>	<u>(486,042)</u>	<u>(485,736)</u>

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	42,306	-	478,620	520,926
Profit after income tax expense for the half-year	-	-	1,210,311	1,210,311
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	1,210,311	1,210,311
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	4,602,031	-	-	4,602,031
Share-based payments (note 13)	-	5,636	-	5,636
Options Issued to lead manager	-	59,358	-	59,358
Issue of shares for settlement of borrowings	988,324	-	-	988,324
Balance at 31 December 2020	<u>5,632,661</u>	<u>64,994</u>	<u>1,688,931</u>	<u>7,386,586</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Dynamic Drill and Blast Holdings Limited
Statement of cash flows
For the half-year ended 31 December 2020



Note	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	12,352,630	7,926,226
Payments to suppliers and employees (inclusive of GST)	(12,287,941)	(8,680,163)
Receipts of government grants	604,500	-
	669,189	(753,937)
Interest received	-	141
Interest and other finance costs paid	(181,709)	-
Income taxes paid	(59,824)	-
Net cash from/(used in) operating activities	427,656	(753,796)
Cash flows from investing activities		
Payments for property, plant and equipment	(2,772,693)	(53,052)
Net cash used in investing activities	(2,772,693)	(53,052)
Cash flows from financing activities		
Proceeds from issue of shares	4,577,250	-
Proceeds from borrowings	2,169,610	-
Repayment of borrowings	(2,319,771)	(624,880)
(Repayment) of leases	38,282	-
Net cash from/(used in) financing activities	4,465,371	(624,880)
Net increase/(decrease) in cash and cash equivalents	2,120,334	(1,431,728)
Cash and cash equivalents at the beginning of the financial half-year	869,986	2,749,412
Cash and cash equivalents at the end of the financial half-year	2,990,320	1,317,684

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Basis of preparation

These general purpose financial statements for the half year ended 31 December 2020 have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The group is a for profit entity for the purpose of this financial report.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

The accounting policies adopted are consistent with the accounting policies adopted in Dynamic's last annual financial statements for the year ended 30 June 2020. Comparative figures have been adjusted to confirm to changes in presentation for the current financial year.

Going Concern

The Company incurred a profit before tax for the half year ended 31 December 2020 of \$1,647,170 (Half year ended 31 December 2019: loss of \$665,869), and had a net cash inflow of \$2,120,334 (Half year ended 31 December 2019: outflow of \$1,431,728) from operating activities.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 3. Revenue

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Services	<u>11,594,323</u>	<u>7,826,228</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
<i>Product type</i>		
Services	11,582,094	7,822,749
Other	<u>12,229</u>	<u>3,479</u>
	<u>11,594,323</u>	<u>7,826,228</u>
<i>Geographical regions</i>		
Western Australia	<u>11,594,323</u>	<u>7,826,228</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>11,594,323</u>	<u>7,826,228</u>

During the period ended ended 31 December 2020, the consolidated entity derived revenue in excess of 10% of the total revenue of the entity as follows:

Note 3. Revenue (continued)

	Revenue for the period ended 31 December 2020 \$
Customer	
QH & M Birt Pty Ltd	4,265,349
Galaxy Lithium Australia Ltd	3,244,499
WBHO Infrastructure Pty Ltd	1,777,230

Note 4. Other income

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Net gain on disposal of property, plant and equipment	(6,668)	(13,800)
Government grants - COVID-19 related	604,500	-
Insurance recoveries	229,841	-
Other income	<u>827,673</u>	<u>(13,800)</u>

Note 5. Operating expenses

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Cost of sales	<u>3,554,407</u>	<u>5,654,767</u>

Note 6. Income tax expense/(benefit)

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
<i>Income tax expense/(benefit)</i>		
Deferred tax - origination and reversal of temporary differences	93,814	551
Provision for Income Tax	343,045	(184,697)
	<u>436,859</u>	<u>(184,146)</u>
Aggregate income tax expense/(benefit)		
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease in deferred tax assets	93,814	551
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Profit/(loss) before income tax (expense)/benefit	1,647,170	(665,869)
Tax at the statutory tax rate of 26% (2019: 27.5%)	428,264	(183,114)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non deductible items & adjustments	71,389	(1,032)
Recognition of deferred taxes	(49,099)	-
	<u>450,554</u>	<u>(184,146)</u>
Adjustment to deferred tax balances as a result of change in statutory tax rate	(13,695)	-
Income tax expense/(benefit)	<u>436,859</u>	<u>(184,146)</u>

Note 7. Non-current assets - property, plant and equipment

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Leasehold improvements - at cost	56,575	35,280
Less: Accumulated depreciation	(5,508)	(5,106)
	<u>51,067</u>	<u>30,174</u>
Plant and equipment - at cost	7,639,808	5,071,594
Less: Accumulated depreciation	(1,597,546)	(1,176,579)
	<u>6,042,262</u>	<u>3,895,015</u>
Motor vehicles - at cost	1,246,880	1,119,144
Less: Accumulated depreciation	(440,015)	(400,674)
	<u>806,865</u>	<u>718,470</u>
	<u>6,900,194</u>	<u>4,643,659</u>

Note 7. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the previous financial year are set out below:

	Leasehold Improvements \$	Plant & Equipment \$	Motor Vehicles	Total \$
Balance as at 1 July 2019	30,951	264,069	363,546	658,566
Additions	-	4,014,520	469,719	4,484,239
Disposals	-	(31,057)	-	(31,057)
Depreciation expense	(777)	(352,517)	(114,795)	(468,089)
Balance as at 30 June 2020	<u>30,174</u>	<u>3,895,015</u>	<u>718,470</u>	<u>4,643,659</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold Improvements \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2020	30,174	3,895,015	718,470	4,643,659
Additions	21,295	2,568,214	183,185	2,772,694
Disposals	-	-	(6,667)	(6,667)
Depreciation expense	(402)	(420,967)	(88,123)	(509,492)
Balance at 31 December 2020	<u>51,067</u>	<u>6,042,262</u>	<u>806,865</u>	<u>6,900,194</u>

Note 8. Current liabilities - borrowings

	Consolidated	
	31 December	30 June 2020
	2020	2020
	\$	\$
Bank loans	2,376,233	1,630,156
Other borrowings	-	1,691,827
Credit Cards	12,594	2,607
	<u>2,388,827</u>	<u>3,324,590</u>

Note 9. Non-current liabilities - borrowings

	Consolidated	
	31 December	30 June 2020
	2020	2020
	\$	\$
Bank loans	<u>3,015,229</u>	<u>2,921,455</u>

Note 9. Non-current liabilities - borrowings (continued)

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Bank loans	5,391,462	4,551,611
Other borrowings	-	1,691,827
Credit Cards	12,594	2,607
	<u>5,404,056</u>	<u>6,246,045</u>

On 5 June 2020, it was agreed that upon admission to the Australian Stock Exchange, the Other borrowings comprising of \$691,827 will be satisfied via the issue of shares in Dynamic Drill and Blast Holdings Limited. As disclosed in Note 10 on 6 August 2020 4,941,622 shares with a market value of \$0.20 were issued on settlement of these liabilities.

The interest rates and maturity of borrowings is as follows:

	Balance at 31 December 2020	Interest Rate %	Maturity Date
	\$		
Bank loan	548,817	6.00%	May 2022
Bank loan	2,693,821	6.00%	June 2023
Bank loan	834,631	4.19%	October 2025
Bank loan	34,490	3.99%	December 2024
Bank loan	103,950	3.89%	December 2025
Bank loan	493,643	3.99%	November 2025
Bank Loan	660,000	3.25%	March 2021
Bank Loan	22,110	5.27%	June 2021
	<u>5,391,462</u>		

Assets pledged as security

The loans are secured by first mortgages over the consolidated entity's plant and equipment.

Note 10. Equity - issued capital

	Consolidated			
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	55,151,622	25,210,000	5,632,661	42,306

Movements in ordinary share capital for the year ended 30 June 2020.

Details	Date	Shares	Issue Price	\$
Balance	01/07/2019	30,300		306
Interposition	26/05/2020	24,969,700	\$0.00	-
Share based payments	26/05/2020	210,000	\$0.20	42,000
Balance as at 30 June 2020		<u>25,210,000</u>		<u>42,306</u>

Note 10. Equity - issued capital (continued)

Movements in ordinary share capital for the half year ended 31 December 2020.

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	25,210,000		42,306
Issue of securities	6 August 2020	25,000,000	\$0.20	5,000,000
Loan conversion	6 August 2020	4,941,622	\$0.20	988,324
Listing Costs	6 August 2020	-	\$0.00	(397,969)
Balance	31 December 2020	<u>55,151,622</u>		<u>5,632,661</u>

Note 11. Contingent liabilities

The consolidated entity has no contingent liabilities.

Note 12. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Taking into account the short timeframe since listing, the Company confirms that it expects to utilise the funds raised under its prospectus in accordance with the use of funds statement and the key business objective underlying the expected use of funds remain intact.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 13. Share-based payments

The following unlisted options in Dynamic Drill and Blast Holdings Limited were issued during the 6 months ended 31 December 2020:

- 10 December 2020 - 200,000 unlisted options exercisable at \$0.74 vesting in 24 months to Jezac Pty Ltd ATF MJAC SIVAD Trust
- 10 December 2020 - 300,000 unlisted options exercisable at \$0.82 vesting in 36 months to Jezac Pty Ltd ATF MJAC SIVAD Trust
- 10 December 2020 - 300,000 unlisted options exercisable at \$0.92 vesting in 36 months to Jezac Pty Ltd ATF MJAC SIVAD Trust
- 10 December 2020 - 175,000 unlisted options exercisable at \$0.74 vesting in 24 months to Rangehill Holdings Pty Ltd ATF the Calypso Family Trust
- 10 December 2020 - 262,500 unlisted options exercisable at \$0.82 vesting in 36 months to Rangehill Holdings Pty Ltd ATF the Calypso Family Trust
- 10 December 2020 - 262,500 unlisted options exercisable at \$0.92 vesting in 36 months to Rangehill Holdings Pty Ltd ATF the Calypso Family Trust

Jezac Pty Ltd ATF MJAC SIVAD Trust is an entity to which Mr Mark Davis has a beneficial interest.

Rangehill Holdings Pty Ltd ATF the Calypso Family Trust is an entity to which Mr Mark Davis has a beneficial interest.

Details of the Options issued as outlined below:

Note 13. Share-based payments (continued)

	Unlisted options Exercisable at \$0.74 Maturing on 10 December 2023	Unlisted options Exercisable at \$0.82 Maturing on 10 December 2024	Unlisted options Exercisable at \$0.92 Maturing on 10 December 2025
Number of options	375,000	562,500	562,500
Exercise price	\$0.74	\$0.82	\$0.92
Maturity date	10 December 2023	10 December 2024	10 December 2025
Vesting final date	10 December 2022	10 December 2023	10 December 2023
Shared based payment expensed to 31 December 2020	\$1,685	\$1,896	\$2,055

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Dynamic Drill and Blast Holdings Limited
Directors' declaration
31 December 2020



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Mark Davis", written over a horizontal line.

Mark Davis
Director

25 February 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dynamic Drill And Blast Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Dynamic Drill And Blast Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO


Dean Just

Director

Perth, 25 February 2021