

## ASX Announcement

### Quarterly Activities Report – March 2021

Dynamic Drill and Blast Holdings Limited ('Dynamic' or the 'Company') (ASX: DDB) is pleased to provide the following report on its activities during the March 2021 quarter.

#### Key Activities and Highlights

- Terms agreed with Commonwealth Bank of Australia (CBA) to increase the existing asset finance facility to \$10 million
- Acquisition of three Epiroc D65 Down the Hole ('DTH') drill rigs
- Additional equipment and personnel deployed to multiple short-term projects, in addition to existing long-term projects

#### Operations

Current operations continue at Galaxy Resources Limited's ('Galaxy') Mt Cattlin Lithium Spodumene Project. Following completion of the recently announced proposed merger of equals with Orocobre Limited ('Orocobre'), Galaxy will become a top 5 global lithium company based on market capitalisation, resulting in a stronger counterparty for Dynamic. Importantly, current demand and pricing for Lithium products is strong, and Dynamic is well positioned to assist in any increased operational drill and blast activity as required.

Dynamic continues operations at AngloGold Ashanti's Golden Delicious project in the Goldfields region of Western Australia with additional equipment to be allocated in Q4 FY21. Operations also continue at GWR's C4 Iron Ore project in the Mid-West region of Western Australia.

There are a number of additional and diversified short-term projects currently being serviced by Dynamic to existing and new projects/clients, with discussions being held regarding the potential for long-term contracts being awarded following the short-term initial engagements.

Following the acquisition of the additional three Epiroc D65 DTH drill rigs, Dynamic has grown its fleet to a total of 16 drills, providing over 20% additional drilling capability and ensuring that the ongoing capacity is available to support the tendering pipeline, as well as scope increases for existing customers.

#### Asset Finance Facility

During the quarter, Dynamic agreed terms with Commonwealth Bank of Australia (CBA) for an increase of \$8.5 million to the existing asset finance facility. The limit of this facility is now \$10 million.

The increased finance facility provides additional access to finance for Dynamic to execute its growth strategy and pursue the numerous drill and blast opportunities that are currently available.

Key details of the finance facility include:

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- Increase of around \$8.5 million of asset finance, resulting in access to a facility of \$10 million:
  - Revolving Asset Finance Limit increase to \$10 million
  - Individual contracts to be priced at the time of drawdown, with repayments up to a maximum of 60 months, fully amortised.

### Acquisition of three Epiroc D65 Down the Hole ('DTH') drill rigs

Subsequent to the end of the quarter, Dynamic strategically acquired three 2018 Epiroc D65 drill rigs, which were located in Perth, Western Australia. Two of the rigs are configured as blast hole and the one is configured as Reverse Circulation ("RC") which will increase Dynamic's service offering through the provision of grade control services. The Company continues to acquire drill rigs to increase its current capabilities, as well as diversify its offering to ensure requirements of the current customer base, as well as those within opportunity pipeline can be met.

The increased asset finance facility provided by CBA allowed Dynamic to continue to execute on its growth strategy by purchasing these additional drill rigs.

Dynamic now has a fleet of 16 rigs which are being used undertake new projects, as well as service any scope increases that may take place within its diversified lithium, iron ore, gold, civil and quarry current client base.

## Corporate

### Financial Summary

Dynamic is in a strong financial position with cash and cash equivalents of \$3.35 million and trade receivables of \$3.05 million.

Cash inflows from operating activities for the quarter was \$6.3 million, due mainly to receipts from customers.

Cash outflows from operating activities for the quarter was approximately \$5.3 million representing payment of employment and operating costs.

Dynamic made payments of \$132,500 to related parties and their associates. These payments relate to the existing remuneration agreements for the Managing Director, Executive Director and Non-Executive Directors.

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

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Dynamic 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.*

### Forward-Looking Statements

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Dynamic Drill and Blast Holdings Limited's planned work and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential", "should," and similar expressions are forward-looking statements. Although Dynamic Drill and Blast Holdings Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual work will be consistent with these forward-looking statements.*