

**SWICK MINING SERVICES**

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**6 November 2020**

**ASX ANNOUNCEMENT**

**Chairman's Address  
2020 Annual General Meeting**

Ladies and Gentlemen

Before proceeding with the formal part of today's meeting, I would like to provide some remarks about the Company's performance over the past 12 months and the strategic direction for the business.

Financial Year 2020 presented a unique and challenging set of circumstances with the onset of the COVID-19 pandemic. Swick quickly adapted to protect our people from COVID-19 and limit the impact to stakeholders and shareholders alike. This included working carefully with our clients to ensure business continuity and safety during the pandemic, such as amending rosters and accommodating employees in local towns close to site to minimise the impact of travel restrictions. Whilst sites in the USA, Northern Territory and Victoria were directly affected and resulted in up to eight rigs being suspended, I am pleased to say that all of the rigs have returned to work and whilst we still face some risks associated with COVID-19 it seems at this stage limited to our sites in Spain, Portugal and the United States.

In addition to the COVID-19 impact on the business many of our people have been affected, some in the USA have contracted the disease and all have fully recovered and many of our Australian based employees are spending extended periods away from home to allow for normal work rosters to be maintained – some in excess of six months. So I want to say a huge thank you to the crews that have borne the brunt of the impact and their dedication to their jobs and the Company.

In this challenging environment, it was pleasing that Swick's Drilling Business delivered robust revenue and earnings in Financial Year 2020. New major contracts were also secured, including a two-year contract extension with a two-year option at Northern Star Resources' Jundee Gold operations – Swick's largest project and one of the largest underground drilling contracts in the world – and a five-year contract to provide underground drilling services at BHP's Olympic Dam mine in South Australia. This new work saw Swick enter the 2021 Financial Year with a strong \$363 million order book. We also continue to pursue new opportunities in the Drilling Business with the establishment of our DeepEX division, which will have the most powerful rigs available in the underground market.

Meanwhile, we took significant steps towards commercialising our Mineral Technology Business, Orexplore. During Financial Year 2020 site-based trials were completed at Sandfire Resources' DeGrussa Copper-Gold mine under a three-month pilot project and at Swedish mining and smelting company Boliden AB under a five-month paid pilot project. We've since

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secured Orexplora's first infield commercial agreement with St Barbara Limited and welcomed experienced public company CEO Jason Marinko as Managing Director of Orexplora.

Looking forward, our strategy is centred on growing and developing Swick's two distinct businesses – the Drilling Business, which is the driver of our earnings, and the Mineral Technology Business, which has the potential to disrupt the multi-billion dollar a year minerals analysis industry. Given their distinct teams, targets, and value propositions, the Board commenced a strategic review to consider the optimal corporate structure for these businesses. We concluded that a demerger has the potential to unlock the greatest value for Swick shareholders, which is targeted for the third quarter of Financial Year 2021.

In closing, on behalf of the Board, I would like to thank Managing Director Kent Swick, Chief Financial Officer Jitu Bhudia, and the wider management team for developing and implementing the strategies to mitigate the impacts during the challenging COVID-19 times.

I would also like to thank shareholders for their continued support throughout the year.

Yours Sincerely

**Andrew Simpson**  
Chairman

-ends-

This ASX announcement was authorised for release by the Board of Swick Mining.

#### **About Swick Mining Services:**

Swick Mining Services Ltd (ASX: SWK) is one of Australia's largest mineral drilling contractors, providing high quality underground and surface drilling services to a diverse group of mining houses and across a spread of commodities. The Company has a strong reputation for innovation in rig design and drilling practices that delivers improvements in productivity, safety, versatility and value. Swick has a global presence with Operational revenue from Australia, United States and Europe.

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#### **Disclosure Statement:**

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