

Quarterly Activities Report – September 2020

Dynamic Drill and Blast Holdings Limited ('Dynamic' or 'The Company') is pleased to provide the following report on its activities during the September 2020 quarter. Dynamic's primary focus and major milestone during the reporting period was listing on the Australian Securities Exchange ('ASX') following a \$5 million initial public offering ('IPO') which was oversubscribed and has positioned Dynamic for its next phase of growth.

Key Activities and Highlights

- Successful listing following oversubscribed IPO
- New construction contract award located at Rio Tinto Western Turner Syncline 2
- Additional drill rigs secured and capacity increasing
- Terms agreed on +\$4.5 million finance facility with Commonwealth Bank of Australia ('CBA')
- Balance sheet, personnel and fleet all strengthened to position Dynamic for growth

Dynamic Snapshot – As at 30 September 2020

Share price (ASX: DDB)	\$0.37	Revenue for the Quarter ¹ (A\$'000)	6,083
Shares	55,151,622	EBITDA for the Quarter ¹ (A\$'000)	1,556
Market Cap	\$20.4 million	Cash (A\$'000)	3,922

Following the IPO, the Company has chosen to provide the above unaudited financial snapshot for its initial quarter since listing on the ASX and completion of the restructure.

Operations

Current operations continue at Galaxy Resource's Mt Cattlin Lithium Spodumene Project and FMG's Eliwana Rail Project Package 3. The Rio Tinto Western Turner Syncline NAR Project is currently being demobilised after completion of works, mobilisation for the recently awarded Western Turner Syncline 2 – Bulk Earth works (WTS2) project has been undertaken.

New Contract Awards

Dynamic entered into a services contract with WBHO Infrastructure Pty Ltd (WBHO-I), for the provision of Drilling and Blasting Services at the Rio Tinto Western Turner Syncline 2 – Bulk Earth Works Project (WTS2). (Services Contract).

¹ Unaudited financial figures

ASX Announcement

The awarded contract follows on from current services being undertaken by Dynamic at the Western Turner Syncline Northern Access Road Project.

Dynamic also deployed equipment and personnel to two short term, strategic projects. Whilst the contracts were not considered to be material contracts by Dynamic, they have the potential to evolve into further opportunities in the gold and/or iron ore production sectors.

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

During the quarter, Dynamic continued to source suitable drill rigs to increase the capacity of the fleet. Since listing on the ASX, three additional Epiroc T45 drill rigs were sourced to complement the existing fleet, with one unit mobilised to the Pilbara region of Western Australia and the other two units being transported from North America. These drills support the existing asset strategy and are suitable for projects within the tendered pipeline.

Dynamic secured and 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, and this is now the Company's principal place of business. Dynamic notes that its registered address has changed also.

Principal Place of Business:	54 Achievement Way Wangara 6065
Registered Address	Suite 1 295 Rokeby Road Subiaco WA 6008

Corporate

Success listing on the ASX

On 6 August 2020, Dynamic successfully listed on the ASX with the code DDB. The listing follows a \$5 million IPO that was oversubscribed.

Finance Facility

Dynamic agreed terms for a new +\$4.5 million finance facility with Commonwealth Bank of Australia ('CBA'). The new facility provides additional access to finance for Dynamic to execute its growth strategy and pursue the numerous drill and blast opportunities that are available.

Key details of the finance facility include:

- Trade finance facility for \$3.0 million of working capital on the following terms:
 - 4.25% p.a. interest rate, comprised of a line fee and a usage margin
 - Revolving term, subject to annual review

ASX Announcement

- First ranking general security interest charge from Dynamic, over all present and after-acquired property
- \$1.5 million of asset finance, a portion of which would be allocated to refinancing existing facilities on improved terms:
 - Individual contracts to be priced at the time with repayments of up to 5 years, fully amortised
- Corporate credit card facilities on standard terms and conditions.

Dynamic is working with CBA to promptly satisfy condition precedents, complete documentation and achieve settlement.

Financial Summary and Analysis

Dynamic closed the quarter in a strong financial position with cash and cash equivalents of \$3.9 million.

Cash inflows from operating activities for the quarter was \$7.3 million, due mainly to receipts from customers.

Cash outflows operating activities for the quarter was approximately \$6.1 million representing payment of employment and operating costs.

Dynamic made payments of \$391,651 to related parties and their associates. These payments consisted of \$124,984 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 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	\$1,787,500 ²
Repayment of Debt	\$500,000	\$500,000
Working Capital/Corporate overheads	\$1,958,000	\$339,503
Total	\$5,773,000	\$3,065,003

Taking into account the short time frame since listing, 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-

² This figure comprises of the total purchase price of three drill rigs, which the Company intends to finance in due course.

ASX Announcement

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

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About Dynamic Drill & Blast

Dynamic Drill & Blast ('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.