



**Dynamic Drill and Blast Holdings Limited
ACN 640 888 213**

Notice of General Meeting

The General Meeting of the Company will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 5 July 2021 at 10.00 am (WST).

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional adviser prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company on (08) 6555 2950.

Due to the ongoing COVID-19 pandemic, the Company is taking precautions to facilitate an in-person Meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by way of an announcement on the ASX market announcements platform.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice.

Dynamic Drill and Blast Holdings Limited
ACN 640 888 213
(Company)

Notice of General Meeting

Notice is hereby given that a general meeting of Shareholders of Dynamic Drill and Blast Holdings Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 5 July 2021 at 10.00 am (WST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <http://dynamicdrillandblast.com.au> and the ASX announcement platform.

In connection with Resolution 4, the Company has applied for a waiver of Listing Rule 7.3.4 relating to the period of time within which the Company must issue the Milestone Shares. As at the date of this Notice, the Company is yet to be granted the waiver, but expects that the waiver will be granted prior to the date of the Meeting. The Company will notify Shareholders regarding any material developments in relation to ASX's decision to grant the waiver and this Notice via the Company's website at <http://dynamicdrillandblast.com.au> and the ASX announcement platform.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 3 July 2021.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Resolutions

Resolution 1 – Approval to issue Shares under Tranche 2 Placement

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 8,434,317 Shares under the Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum'.

Resolutions 2(a) and 2(b) – Ratification of prior issue of Shares under Tranche 1 Placement

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

- (a) 8,272,743 Shares under the Tranche 1 Placement under Listing Rule 7.1; and*
- (b) 5,515,162 Shares under the Tranche 1 Placement Shares under Listing Rule 7.1A,*
on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval to issue Consideration Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 37,500,00 Consideration Shares to the Vendors (or their respective nominees), on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval to issue Milestone Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 16,666,667 Milestone Shares to the Vendors (or their respective nominees), on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Participation of Related Party in Tranche 2 Placement - Garret Dixon

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 55,556 Shares to Garret Dixon (or his respective nominees) under the Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Participation of Related Party in Tranche 2 Placement - Garnett Superannuation

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 44,445 Shares to Garnett Superannuation (or its respective nominees) under the

Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum."

Resolution 7 – Participation of Related Party in Tranche 2 Placement - Valentino Holdings

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 4,444,445 Shares to Valentino Holdings (or its respective nominees) under the Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 – Approval for Company to acquire Relevant Interest in Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, for the purpose of item 7 of section 611 of the Corporations Act and for all other purposes, approval is given to the Company for the acquisition by the Company of a Relevant Interest in the Voluntary Escrowed Shares as a result of the Company entering into voluntary escrow and sell down deeds, as described in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 1 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Shares under the Tranche 2 Placement (except a benefit solely by reason of being a Shareholder) or any of their respective associates;
- (b) Resolutions 2(a) and 2(b) by or on behalf of any person who participated in the issue of Shares under the Tranche 1 Placement or any of their respective associates;
- (c) Resolution 3 by or on behalf of the Vendors (and their respective nominees) and, otherwise, any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Consideration Shares (except a benefit solely by reason of being a Shareholder) or any of their respective associates.
- (d) Resolution 4 by or on behalf of the Vendors (and their respective nominees) and, otherwise, any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Milestone Shares (except a benefit solely by reason of being a Shareholder) or any of their respective associates.
- (e) Resolution 5 by or on behalf of Garret Dixon (or his respective nominees) and, otherwise, any other person who will obtain a material benefit as a result of, the proposed issue of the Shares (except a benefit solely by reason of being a Shareholder) or any of their respective associates.

- (f) Resolution 6 by or on behalf of Garnett Superannuation (or its respective nominees) and, otherwise, any other person who will obtain a material benefit as a result of, the proposed issue of the Shares (except a benefit solely by reason of being a Shareholder) or any of their respective associates.
- (g) Resolution 7 by or on behalf of Valentino Holdings (or its respective nominees) and, otherwise, any other person who will obtain a material benefit as a result of, the proposed issue of the Shares (except a benefit solely by reason of being a Shareholder) or any of their respective associates.
- (h) Resolution 8 by any person who is a party to a voluntary escrow and sell down deed, and any associates of those persons.

In respect of Resolutions 1 to 7 (inclusive), the above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In respect of Resolution 8, the above voting exclusion does not apply to a vote cast in favour of Resolution 8 by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



James Bahen
Company Secretary
Dynamic Drill and Blast Holdings Limited
Dated: 4 June 2021

Dynamic Drill and Blast Holdings Limited
ACN 640 888 213
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 5 July 2021 at 10.00 am (WST) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Voting and attendance information

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.3 Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at james@smallcapcorporate.com.au by 5.00 pm on 2 July 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Transaction Resolutions

The Transaction Resolutions (Resolutions 1 to 8 (inclusive)) are inter-conditional, meaning that each of them will only take effect if each other is approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Transaction Resolutions are not approved at the Meeting, none of the Transaction Resolutions will take effect and the Transaction and matters contemplated by the Transaction Resolutions will not be completed.

4. Background

4.1 Background to the Transaction

On 20 May 2021, the Company announced that it has entered into a conditional binding share purchase agreement (**Acquisition Agreement**) to acquire 100% of the issued capital of Orlando from the shareholders of Orlando (**Vendors**) (**Acquisition**).

In conjunction with the Acquisition, on 20 May 2021, the Company also announced that it will undertake the Capital Raising.

Upon Completion, two of Orlando's founders, Joel Skipworth and David Kinnersley will join the Company's Board as Executive Directors. Temba Pitts will also join the management team of the Company on completion of the Acquisition.

Pursuant to the Acquisition Agreement, Completion is subject to certain conditions precedent, including but not limited to those set out below, being satisfied or waived on or before 20 August 2021:

- (a) receipt of all requisite Shareholder approvals by the Company (being approval of the matters the subject of the Resolutions);
- (b) the Company completing the Capital Raising;
- (c) receipt of any required regulatory approvals;
- (d) pre-completion divestment of non-core assets to the Vendors;
- (e) no material adverse change occurring or arising in relation to Orlando; and
- (f) other customary closing conditions precedent.

An indicative timetable regarding the Transaction is included in the Company's announcement of 24 May 2021.

This Notice, amongst other things, sets out the resolutions necessary to complete the Transaction.

4.2 Consideration

The consideration payable by the Company under the Acquisition Agreement is comprised of:

- (a) upfront consideration of:
- (i) \$4,500,000 in cash (by way of a fully franked cash dividend, the funds of which will be provided by the Company to Orlando pursuant to a loan); and
 - (ii) 37,500,00 Shares (being \$16,875,000 in Shares at a deemed issue price of \$0.45 per Share) (**Consideration Shares**); and
- (b) deferred consideration of:
- (i) 7,777,778 Shares (being \$3,500,000 in Shares at a deemed issue price of \$0.45 per Share), subject to Orlando achieving FY22 EBITDA of at least \$7,000,000 (**Milestone 1**); and
 - (ii) 2,222,222 Shares (being \$1,000,000 in Shares at a deemed issue price of \$0.45) for every 10% increase in FY22 EBITDA compared to an EBITDA target of \$7,000,000 (applied on a pro rata basis), subject to a maximum of 8,888,889 Shares (being \$4,000,000 in Shares at a deemed issue price of \$0.45) (**Milestone 2**),
- (together, the **Milestone Shares**). Accordingly, the maximum number of Milestone Shares proposed to be issued is 16,666,667.

For the purposes of calculating FY22 EBITDA above, the Vendors may add any of its actual FY21 EBITDA in excess of \$7,000,000.

All consideration, including the Consideration Shares and Milestone Shares, will be paid or issued to the Vendors (or their respective nominees) in their Respective Proportions and are subject to escrow from the date of their issue until 5 August 2022.

The table below sets out details of the Vendors, their respective interests in Orlando as at the date of the Acquisition Agreement, the Respective Proportions, the number of Consideration Shares and Milestone Shares proposed to be issued to each Vendor (or their respective nominees) and each Vendor's respective interests in the Company following the proposed issues.

Vendors	Orlando Shares held (at date of Acquisition Agreement)	% Ownership of Orlando (at date of Acquisition Agreement)	Respective Proportion	% Ownership of Company upon completion of Capital Raising (but prior to Completion)	Consideration Shares to be issued (upon Completion)	Maximum Milestone Shares to be issued	% Ownership of Company
Joel Francis McKenna Skipworth ATF The Tigerdrill Trust	3,603,500	30%	30%	-	11,250,000	5,000,000	12.35%
Temorex Pty Ltd ATF Nitram Family Trust	3,603,500	30%	30%	5.7%	11,250,000	5,000,000	15.73%
David Matthew Kinnersley ATF The Milligan Trust	3,603,500	30%	30%	-	11,250,000	5,000,000	12.35%
Temba Pitts Investments Pty Ltd ATF Temba Pitts Trust	1,201,167	10%	10%	-	3,750,000	1,666,667	4.12%
TOTAL	12,011,667	100%	100%	5.7%	37,500,000	16,666,667	44.55%

Note: the % Ownership of Company assumes that the Company currently has 55,151,622 Shares on issue and that 37,500,000 Consideration Shares are issued, 16,666,667 Milestone Shares are issued, 22,222,222 Shares are issued under the Capital Raising and the number of Shares the Company has on issue increases to 131,540,511 (by virtue of these Consideration Shares, Milestone Shares and Shares under the Capital Raising being issued). It also assumes that Robert Martin, an associate of Temorex Pty Ltd ATF Nitram Family Trust, will subscribe for 4,444,444 Shares under the Capital Raising.

4.3 Capital Raising

On 24 May 2021, the Company announced that it had received firm commitments to raise up to a total of \$10,000,000 (before costs) under a two-tranche placement to sophisticated and professional investors, via the issue of up to 22,222,222 Shares at an issue price of \$0.45 per Share (**Capital Raising**).

The Capital Raising will be undertaken in the two tranches:

- (i) tranche 1, comprising the issue of:
 - (A) 8,272,743 Shares under the Company's available Listing Rule 7.1 capacity; and
 - (B) 5,515,162 Shares under Listing Rule 7.1A,
 to raise approximately \$6,204,557.
 (together, **Tranche 1 Placement**); and
- (ii) tranche 2, comprising the issue of up to 8,434,317 Shares to raise approximately \$3,795,443, subject to shareholder approval (**Tranche 2 Placement**).

In respect of the Tranche 2 Placement, a number of related parties (or their nominees) also intend to participate as follows:

Related Party	Number of Shares to be Issued	Amount to be Raised
Garret Dixon	55,556	\$25,000
Garnett Superannuation	44,445	\$20,000
Valentino Holdings	4,444,445	\$2,000,000
TOTAL	4,544,446	\$2,045,000

The Tranche 1 Placement has been completed. Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 8,434,317 Shares under the Tranche 2 Placement.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 13,787,905 Shares under the Tranche 1 Placement.

The Company proposes to use the funds raised under the Capital Raising as follows:

Description	Amount (\$)
Acquisition cash consideration	\$4,500,000
Costs of Transaction	\$1,200,000
Working capital and future growth	\$4,300,000
Total	\$10,000,000

The above proposed use of funds is based on the current intentions of the Company, is indicative only and is subject to change.

4.4 Listing Rule 11.1.2

In relation to the Transaction, ASX has advised the Company that it is not required to:

- (a) seek Shareholder approval pursuant to Listing Rule 11.1.2; or
- (b) re-comply with Chapters 1 and 2 of the Listing Rules pursuant to Listing Rule 11.1.3.

5. Resolution 1 – Approval to issue Shares under Tranche 2 Placement

5.1 General

Refer to Section 4.3 for details regarding the Capital Raising.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 8,434,317 Shares under the Tranche 2 Placement.

Resolution 1 is a Transaction Resolution and is subject to Shareholders passing the other Transaction Resolutions. If Resolution 1 is not passed, the Company will not be able to proceed to issue the Shares under the Tranche 2 Placement and, as Resolution 1 is a Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions, the Acquisition will not proceed.

5.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

The proposed issue of Shares under the Tranche 2 Placement does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1.

5.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of Shares under the Tranche 2 Placement:

- (a) the Shares will be issued to sophisticated and institutional investors introduced by the Joint Lead Managers. None of the investors will be related parties of the Company;
- (b) the maximum number of Shares the Company will issue under the Tranche 2 Placement is 8,434,317;
- (c) Shares issued under the Tranche 2 Placement will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (d) Shares issued under the Tranche 2 Placement will be issued at an issue price of \$0.45 each;
- (e) Shares issued under the Tranche 2 Placement will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) the intended use of funds raised under the Tranche 2 Placement is set out in Section 4.3 ; and
- (g) a voting exclusion statement is included in the Notice.

5.4 Board Recommendation

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

6. Resolutions 2(a) and 2(b) - Ratification of prior issue of Shares under Tranche 1 Placement

6.1 General

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.4 of the issue of:

- (a) 8,272,743 Shares under the Tranche 1 Placement under Listing Rule 7.1; and
- (b) 5,515,162 Shares under the Tranche 1 Placement Shares under Listing Rule 7.1A.

Refer to Section 4 for further details regarding the background to Resolution 2.

Resolution 2 is a Transaction Resolution and is subject to Shareholders passing the other Transaction Resolutions. If Resolution 2 is not passed, the Shares issued under the Tranche 1 Placement will be included in the Company's 15% limit in Listing Rule 7.1 and the 10% limit in Listing Rule 7.1A (to the extent referred to above), effectively decreasing the number of equity securities it can issue or agree to issue without Shareholder approval over the 12 month period following the date of the agreement to issue such Shares, and, as Resolution 2 is a Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions, the Acquisition will not proceed.

6.2 Listing Rule 7.1, 7.1A and 7.4

A summary of Listing Rule 7.1 is set out in Section 5.2.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue or agree to issue equity securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 9 December 2020.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue or agreement to issue securities made pursuant to Listing Rule 7.1 and 7.1A (and provided that the previous issue or agreement to issue did not breach Listing Rule 7.1 and 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and 7.1A, as applicable.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

6.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of Shares issued under the Tranche 1 Placement:

- (a) a total of 13,787,905 Shares were issued on 31 May 2021 under the Tranche 1 Placement, as follows:
 - (i) 8,272,743 Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval, the subject of Resolution 2(a); and

- (ii) 5,515,162 Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval, the subject of Resolution 2(b);
- (b) the Shares were issued at an issue price of \$0.45 per Share;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were issued to sophisticated and institutional investors introduced by the Joint Lead Managers. None of the investors will be related parties of the Company;
- (e) the intended use of funds raised under the Tranche 1 Placement is set out in Section 4.3; and
- (f) a voting exclusion statement is included in the Notice.

6.4 Board Recommendation

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

7. Resolution 3 - Approval to issue Consideration Shares

7.1 General

Refer to Section 4 for details regarding the Transaction.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 37,500,00 Consideration Shares to the Vendors (or their respective nominees).

Resolution 3 is a Transaction Resolution and is subject to Shareholders passing the other Transaction Resolutions. If Resolution 3 is not passed, the Company will not be able to proceed to issue the Consideration Shares and, as Resolution 3 is a Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions, the Acquisition will not proceed.

7.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 5.2.

7.3 Specific information required by Listing Rule 7.3

Under and for the purposes of Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Consideration Shares:

- (a) a maximum of 37,500,00 Consideration Shares will be issued to the Vendors (or their respective nominees). The Consideration Shares will be issued to the Vendors (or their respective nominees) in their Respective Proportions. The number of Consideration Shares to be issued to the Vendors (or their respective nominees) is set out in Section 4.2(b).

Upon completion of the Acquisition, two of Orlando's founders, Joel Skipworth (controller of Skipworth, a Vendor and related party of the Company) and David

Kinnersley (controller of Kinnersley, a Vendor and related party of the Company) will join the Company's Board as Executive Directors. Separate approval is sought for the issue of Consideration Shares to Skipworth and Kinnersley under Resolutions 5 and 7 respectively.

None of the other Vendors are considered to be a related party of the Company;

- (b) the Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (c) with the exception of the Consideration Shares to be issued to Skipworth and Kindersley (or their respective nominees) (see Sections 1 and 1 for further details), the Consideration Shares are being issued as part consideration under the Acquisition and will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (d) the Consideration Shares will be issued for nil cash consideration as part consideration under the Acquisition. Accordingly, no funds will be raised from the issue of the Consideration Shares;
- (e) the Consideration Shares are being issued under the Acquisition Agreement, a summary is set out in Section 4; and
- (f) a voting exclusion statement is included in the Notice.

7.4 Board recommendation

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

8. Resolution 4 - Approval to issue Milestone Shares

8.1 General

Refer to Section 4 for details regarding the Transaction.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 16,666,667 Milestone Shares to the Vendors (or their respective nominees).

Resolution 4 is a Transaction Resolution and is subject to Shareholders passing the other Transaction Resolutions. If Resolution 4 is not passed, the Company will not be able to proceed to issue the Milestone Shares and, as Resolution 4 is a Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions, the Acquisition will not proceed.

8.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 5.2.

8.3 Specific information required by Listing Rule 7.3

Under and for the purposes of Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Milestone Shares:

- (a) a maximum of 16,666,667 Milestone Shares will be issued to the Vendors (or their respective nominees). The Milestone Shares will be issued to the Vendors (or their respective nominees) in their Respective Proportions. The maximum number of Milestone Shares to be issued to the Vendors (or their respective nominees) is set out in Section 4.2(b).

Upon completion of the Acquisition, two of Orlando's founders, Joel Skipworth (controller of Skipworth, a Vendor and related party of the Company) and David Kinnersley (controller of Kinnersley, a Vendor and related party of the Company) will join the Company's Board as Executive Directors. None of the other Vendors are considered to be a related party of the Company;

- (b) the Milestone Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (c) the Milestone Shares are being issued as part consideration under the Acquisition and will be issued no later than the date permitted by a waiver of Listing Rule 7.3.4 granted by ASX, and it is intended that the issue will occur on the same date;
- (d) the Milestone Shares will be issued for nil cash consideration as part consideration under the Acquisition. Accordingly, no funds will be raised from the issue of the Milestone Shares;
- (e) the Milestone Shares are being issued under the Acquisition Agreement, a summary is set out in Section 4; and
- (f) a voting exclusion statement is included in the Notice.

8.4 Board recommendation

- (a) Resolution 4 is an ordinary resolution.
- (b) The Board recommends that Shareholders vote in favour of Resolution 4.

9. Resolutions 5, 6 & 7 – Participation of Related Parties in Tranche 2 Placement - Garret Dixon, Garnett Superannuation and Valentino Holdings

9.1 General

Refer to Section 4 for details regarding the Transaction.

Garret Dixon, Garnett Superannuation and Valentino Holdings (or their respective nominees) (**Related Parties**), each related parties of the Company, intend to participate in the Tranche 2 Placement.

The participation in the Tranche 2 Placement by the Related Parties (or their respective nominees) will be on the same terms as the placement made to unrelated parties.

Further details regarding the Tranche 2 Placement and the participation of the Related Parties, are set out in Section 4.3 above.

Resolutions 5, 6 and 7 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of Shares to the Related Parties pursuant to the Tranche 2 Placement.

Resolutions 5, 6 and 7 are Transaction Resolutions and are subject to Shareholders passing the other Transaction Resolutions. If Resolutions 5, 6 and 7 are not passed, the Company will not be able to proceed to issue the Shares to the Related Parties under the Tranche 2 Placement and, as Resolutions 5, 6 and 7 are Transaction Resolutions and are subject to Shareholders passing each of the Transaction Resolutions, the Acquisition will not proceed.

9.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

9.3 Specific information required by Listing Rule 10.13

Under and for the purposes of Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Garret Dixon, Garnett Superannuation and Valentino Holdings (or their respective nominees) under the Tranche 2 Placement:

- (a) a maximum of:
 - (i) 55,556 Shares will be issued to Garret Dixon (or his respective nominees) under the Tranche 2 Placement;
 - (ii) 44,445 Shares will be issued to Garnett Superannuation (or its respective nominees) under the Tranche 2 Placement; and
 - (iii) 4,444,445 Shares will be issued to Valentino Holdings (or its respective nominees) under the Tranche 2 Placement.
- (b) Garret Dixon is a related party of the Company under Listing Rule 10.11.1, as he is a director of the Company;

- (c) Garnett Superannuation is a related party of the Company under Listing Rule 10.11.1, as Garnett Superannuation is an entity controlled by Ariane Garnett, a parent of a director of the Company, George Garnett;
- (d) Valentino Holdings is a related party of the Company under Listing Rule 10.11.1, as Valentino Holdings is an entity controlled by Laurence Freedman, a parent of a director of the Company, Matthew Freedman;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (g) the Shares will be issued at an issue price of \$0.45 each, being the same as all other Shares issued under the Tranche 2 Placement;
- (h) the intended use of funds raised under the Tranche 2 Placement is set out in Section 4.3; and
- (i) a voting exclusion statement is included in the Notice.

9.4 Board recommendation

Resolutions 5, 6 and 7 are ordinary resolutions.

The Board (with the exception of Garret Dixon and George Garnett) recommends that Shareholders vote in favour of Resolutions 5, 6 and 7.

10. Resolution 8 – Approval for Company to acquire Relevant Interest in Shares

10.1 General

Pursuant to the Acquisition Agreement, the Company proposes to enter into voluntary escrow and sell down deeds with the Vendors and each Controller in respect of all Consideration Shares and Milestone Shares issued under the Acquisition Agreement. Pursuant to the deeds, the Consideration Shares and Milestone Shares issued will be subject to escrow from the date of their issue until 5 August 2022 and customary controlled sell down provisions until 5 February 2023.

Resolution 8 seeks Shareholder approval for the purposes of item 7 of section 611 of the Corporations Act for the Company to acquire a Relevant Interest in its own Shares as a result of entering into voluntary escrow and sell down deeds with the Vendors and each Controller.

As the voluntary escrow and sell down deeds will provide the Company with the ability to exercise a degree of control over the disposal of the Consideration Shares and Milestone Shares issued from the date of their issue until 5 August 2022, the Company will acquire a Relevant Interest in those Shares (**Voluntary Escrowed Shares**).

Resolution 8 is a Transaction Resolution and is subject to Shareholders passing the other Transaction Resolutions. If Resolution 8 is not passed, the Company will not be able to proceed to acquire a Relevant Interest in its own Shares as a result of entering into voluntary escrow and sell down deeds with the Vendors and each Controller and, as Resolution 8 is a

Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions, the Acquisition will not proceed.

10.2 Corporations Act

(a) **Item 7 of Section 611 of the Corporations Act**

Section 606(1) of the Corporations Act prohibits a person from acquiring shares in a company if, after that acquisition, that person or any other person would have a Relevant Interest or voting power in excess of 20% of the voting shares in that company unless an exception applies.

An exception in item 7 of section 611 provides that section 606(1) of the Corporations Act does not prohibit an acquisition of a Relevant Interest in the voting shares of a company if the company has agreed to the acquisition by resolution passed at a general meeting, at which no votes are cast in relation to the resolution by the person to whom the shares are to be issued or by an associate of that person.

(b) **Information required under the Corporations Act and ASIC policy**

By virtue of the voluntary escrow arrangement, the Company is deemed to be acquiring a Relevant Interest in its own Shares, however the Company will not obtain any power to influence the exercise of any votes attaching to the Shares. The Company (and its associates) will technically increase its voting power in itself and acquire a Relevant Interest as the Company will have enforcement rights in relation to the disposal of the Voluntary Escrowed Shares pursuant to the voluntary escrow and sell down deeds entered into.

Information required under the Corporations Act and ASIC policy is set out below.

- (i) **Identity of the parties acquiring the Relevant Interest:** The Company.
- (ii) **Maximum extent of the increase in the Company's voting power:** The Company currently has a Relevant Interest in 25,951,244 Shares (by virtue of entering into escrow arrangements in relation to Shares, at or about the time the Company was admitted to the official list of the ASX), equating to a voting power in itself of 47.05% (assuming the Company has 55,151,622 Shares on issue).

The maximum extent of the Company's increase in voting power in itself is 13.86% of the total Shares on issue (an increase in voting power from 47.05% to 60.91%, assuming that 37,500,000 Consideration Shares are issued, 16,666,667 Milestone Shares are issued, 22,222,222 Shares are issued under the Capital Raising and the number of Shares the Company has on issue increases to 131,540,511 (by virtue of these Consideration Shares, Milestone Shares and Shares under the Capital Raising being issued)).

- (iii) **Voting power that the Company would have as a result of the voluntary escrow arrangements:** The Company will be deemed to have voting power of 60.91% in the Company, however as described above, the Company will not obtain any power to influence the exercise of any votes attaching to the Voluntary Escrowed Shares. Rather, its voting power results from a Relevant Interest arising as a result of entering into voluntary escrow and sell down deeds with the Vendors and each Controller.

- (iv) **Maximum extent of the increase in the voting power of the Company's associates in the Company:** Any associate of the Company will be deemed to have the same increase in voting power as the Company, being an increase in voting power by 13.86% of the total Shares on issue (an increase in voting power from 47.05% to 60.91% (assuming that 37,500,000 Consideration Shares are issued, 16,666,667 Milestone Shares are issued, 22,222,222 Shares are issued under the Capital Raising and the number of Shares the Company has on issue increases to 131,540,511 (by virtue of these Consideration Shares, Milestone Shares and Shares under the Capital Raising being issued))).

- (v) **Voting power of the Company's associates as a result of the voluntary escrow arrangements:** Any associate of the Company will be deemed to have the same voting power as the Company, being 60.91% (assuming that 37,500,000 Consideration Shares are issued, 16,666,667 Milestone Shares are issued, 22,222,222 Shares are issued under the Capital Raising and the number of Shares the Company has on issue increases to 131,540,511 (by virtue of these Consideration Shares, Milestone Shares and Shares under the Capital Raising being issued))).

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$	means Australian Dollars.
Acquisition	has the meaning given in Section 4.1.
Acquisition Agreement	has the meaning given in Section 4.1.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Capital Raising	has the meaning given in Section 4.3.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Company	means Dynamic Drill and Blast Holdings Limited (ACN 640 888 213).
Completion	means completion of the Acquisition in accordance with the Acquisition Agreement.
Consideration Shares	has the meaning given in Section 4.2(a).
Controller	has the meaning given to it in the Listing Rules.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
Director	means a director of the Company.
EBITDA	means earnings before interest, tax, depreciation and amortisation.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
FY21	means the financial year ending 30 June 2021.
FY22	means the financial year ending 30 June 2022.
FY22 EBITDA	means the EBITDA generated by Orlando during FY22.
Garnett Superannuation	Garnett Superannuation Pty Ltd <Garnett Superannuation A/C>.
Joint Lead Managers	means JP Equity Partners and Canaccord Genuity.
Kinnersley	means David Matthew Kinnersley ATF The Milligan Trust.

Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Milestone 1	has the meaning given in Section 4.2(b).
Milestone 2	has the meaning given in Section 4.2(b).
Milestone Shares	has the meaning given in Section 4.2(b).
Notice	means this notice of general meeting.
Orlando	means Orlando Drilling Pty Ltd (ACN 113 676 083).
Proxy Form	means the proxy form attached to the Notice.
Related Party	has the meaning given in Section 9.1.
Relevant Interest	has the meaning given to it in sections 608 and 609 of the Corporations Act.
Resolution	means a resolution referred to in the Notice.
Respective Proportion	means the number set out under the heading 'Respective Proportion' opposite each Vendor's name in the table in Section 4.2(b).
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Skipworth	Joel Francis McKenna Skipworth ATF The Tigerdrill Trust.
Tranche 1 Placement	has the meaning given in Section 4.3.
Tranche 2 Placement	has the meaning given in Section 4.3
Transaction	means the Acquisition and associated Capital Raising.
Transaction Resolutions	means Resolutions 1 to 8 (inclusive).
Valentino Holdings	means Valentino Holdings Pty Ltd.
Vendors	has the meaning given in Section 4.1.
Voluntary Escrowed Shares	has the meaning given in Section 10.1.
WST	means Western Standard Time, being the time in Perth, Western Australia.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Saturday, 3 July 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



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