

ASX Announcement

\$10m Placement to Fund Orlando Acquisition and Future Growth

Highlights

- Dynamic receives firm commitments for a A\$10m Placement from existing and new professional and sophisticated investors.
- Proceeds will fund the strategic acquisition of Orlando and as working capital to fund future growth of the combined business (refer to ASX announcement 20 May 2021).
- Orlando is a WA-based grade control, exploration and resource definition drilling service provider, with a broad base of blue-chip clients.
- Orlando anticipates generating ~A\$30m revenue and A\$6-7m EBITDA in FY21.
- Placement was strongly supported by an Orlando vendor and Dynamic's existing major shareholders

Dynamic Drill and Blast Holdings Limited ('Dynamic' or 'The Company') (ASX: DDB) is pleased to announce that it has received firm commitments from professional and sophisticated investors for a \$10 million (before costs) placement ('Placement') via the issues of 22,222,222 fully paid ordinary shares ('New Shares') at an issue price of \$0.45 per New Share. The Placement was well supported by new and existing investors.

Proceeds from the Placement will be used to fund the acquisition of Orlando Drilling Pty Ltd ('Orlando') and for working capital to fund future growth of the combined Group. Refer to the investor presentation released with this announcement for further details.

Orlando's strong asset base of 17 rigs (air core, reverse circulation and diamond drilling rigs) will complement Dynamic's drill and blast operations and boost the Group's total fleet to 33¹.

The Placement will be conducted over two tranches:

- Tranche 1 - 13,787,905 Placement shares to raise ~A\$6.2m comprising of 8,272,743 issued under Dynamic's LR7.1 placement capacity and 5,515,162 issued under Dynamic's LR7.1A placement capacity.
- Tranche 2 - the issue of 8,434,317 Placement shares to raise ~A\$3.8m, will be issued subject to shareholder approval following a shareholder meeting July 2021.

New Shares will rank pari passu with existing Dynamic shares.

Robert Martin, a major shareholder of Orlando, has subscribed for \$2 million through the issue of 554,571 New Shares in the Tranche 1 Placement and 3,889,873 New Shares in the Tranche 2 Placement resulting in an expected 13.7% interest in Dynamic on completion of the Placement and acquisition of Orlando.

¹ Two DD drill rigs are on dry hire arrangements.

ASX Announcement

Dynamic's major shareholder, Laurence Freedman has subscribed for \$2 million, subject to shareholder approval, in the Tranche 2 Placement.

Dynamic's Chairman, Garret Dixon, subscribed for \$25k, subject to shareholder approval, in the Tranche 2 Placement.

A related party to Dynamic's Non-Executive Director George Garnett has subscribed for \$20k, subject to shareholder approval, in the Tranche 2 Placement.

All other investors in the Placement will receive shares as part of the Tranche 1 Placement.

The issue price of \$0.45 per New Share represented a:

- 4.3% discount to the last trading price of the shares of \$0.470 prior to the Company being placed in a Trading Halt on 20 May 2021;
- 2.0% premium to the 5-trading day VWAP of \$0.441 prior to the Company being placed in a Trading Halt on 20 May 2021; and
- 0% discount to the 30-trading day VWAP of \$0.450 prior to the Company being placed in a Trading Halt on 20 May 2021

Canaccord Genuity and JP Equity Partners acted as Joint Lead Managers to the Placement. Ashanti Capital acted as Co-Manager to the Placement.

Timetable

The indicative timetable for the acquisition and the Placement is set out below:

Event	Date
Capital raising announced and Dynamic resumes trading on ASX	Monday, 24 May 2021
Settlement of New Shares under Tranche 1 Placement	Friday, 28 May 2021
Notice of Meeting expected to be sent to Dynamic shareholders	Friday, 4 June 2021
Dynamic shareholder meeting	Monday, 5 July 2021
Settlement of New Shares under Tranche 2 Placement	Friday, 9 July 2021
Completion of acquisition	Wednesday, 14 July 2021

Note: the above timetable is indicative only and subject to change without notice

-ENDS-

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

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ASX Announcement

About Dynamic Drill & Blast

Dynamic Drill & Blast 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.