

IMDEX – Macquarie Presentation

Bernie Ridgeway – Managing Director

2 May, 2018

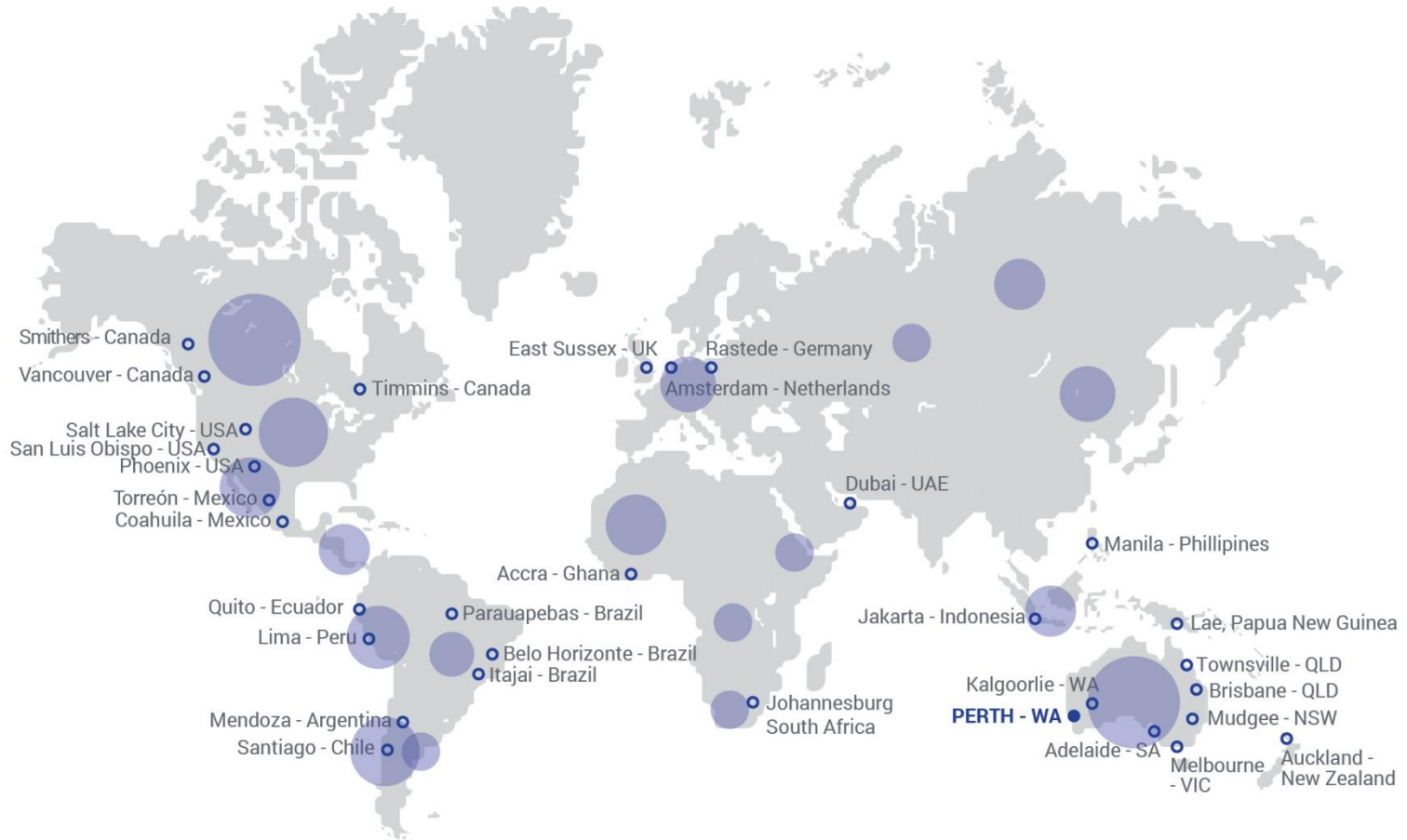
We are a leading global mining equipment, technology and services (METS) company.

Our solutions improve the process of identifying and extracting what is below the earth's surface for drilling contractors and resource companies – we let clients know where it is and what it is...now.

Our **vision** is to be the leading provider of real-time subsurface intelligence solutions to the global minerals industry.

Established Global Business

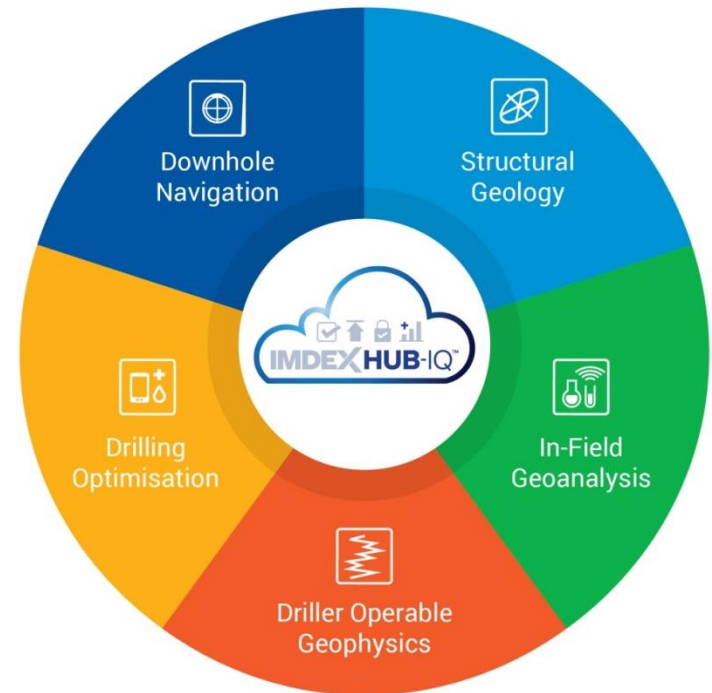
Operational Leverage



- World Mineral Exploration Review and Outlook - Top Destinations for 2017 (Source: S&P Global Market Intelligence)
- IMDEX facilities – not including distributors

Simple Scalable Structure

Leading Integrated Brands



- Dominant within minerals industry – strong brands and market share
- Focused on integrated IMDEX solutions – comprising AMC and REFLEX

Leading Technologies

IMDEX Solutions

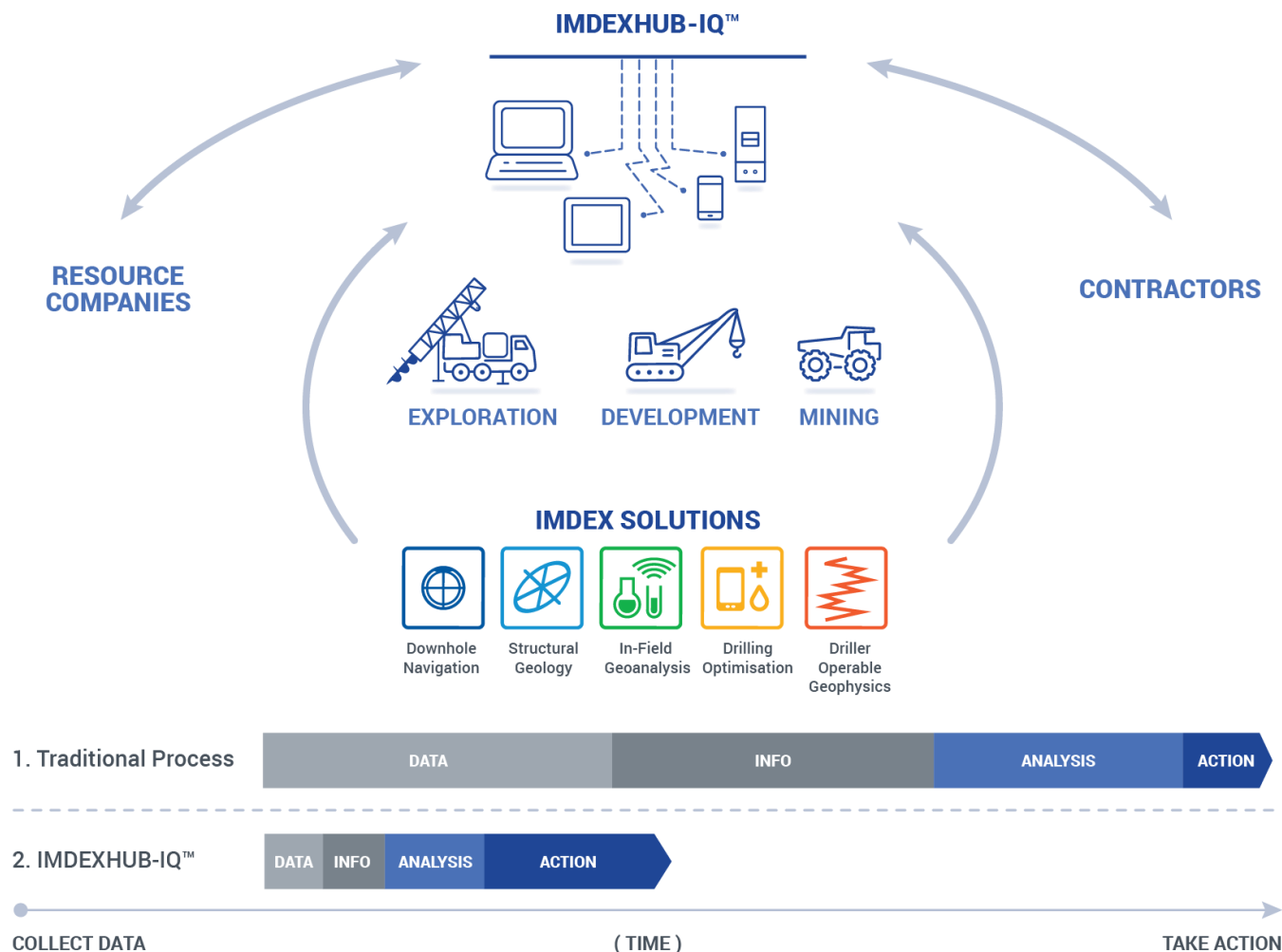


Our Strengths

- Global footprint with operational leverage
- World-class R&D facilities and capabilities
- Connectivity via IMDEXHUB-IQ™
- Integrated solutions for all stages of mining

Client Benefits

- Chain of custody
- Quality data
- Timeliness of information
- Streamline processes



1H18 Financial Metrics

(\$millions)

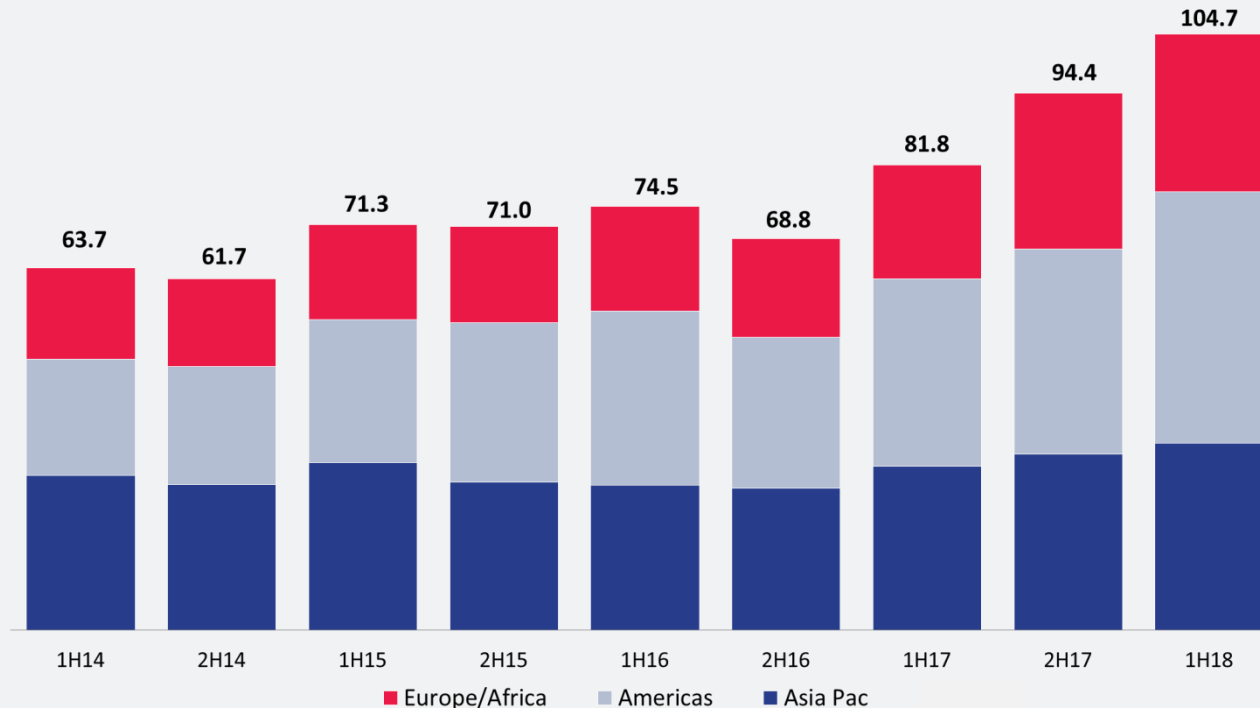


\$MILLIONS UNLESS INDICATED OTHERWISE	1H18	1H17	VAR	VAR%
Revenue	104.7	81.8	22.9	28% ▲
EBITDA	20.1	13.5	6.6	49% ▲
NPAT	10.6	(9.9) ¹	20.5	▲
EPS (cents)	2.89	(3.42)	6.31	▲
Operating cash flow (excluding financing costs)	2.4	9.8	(7.4)	(76%) ▼
Net assets	173.5	159.8	13.7	9% ▲

¹ Includes \$16.2m (non-cash \$11.5m) of financing costs in relation to the Bain Capital debt which was fully repaid

Revenue by Region

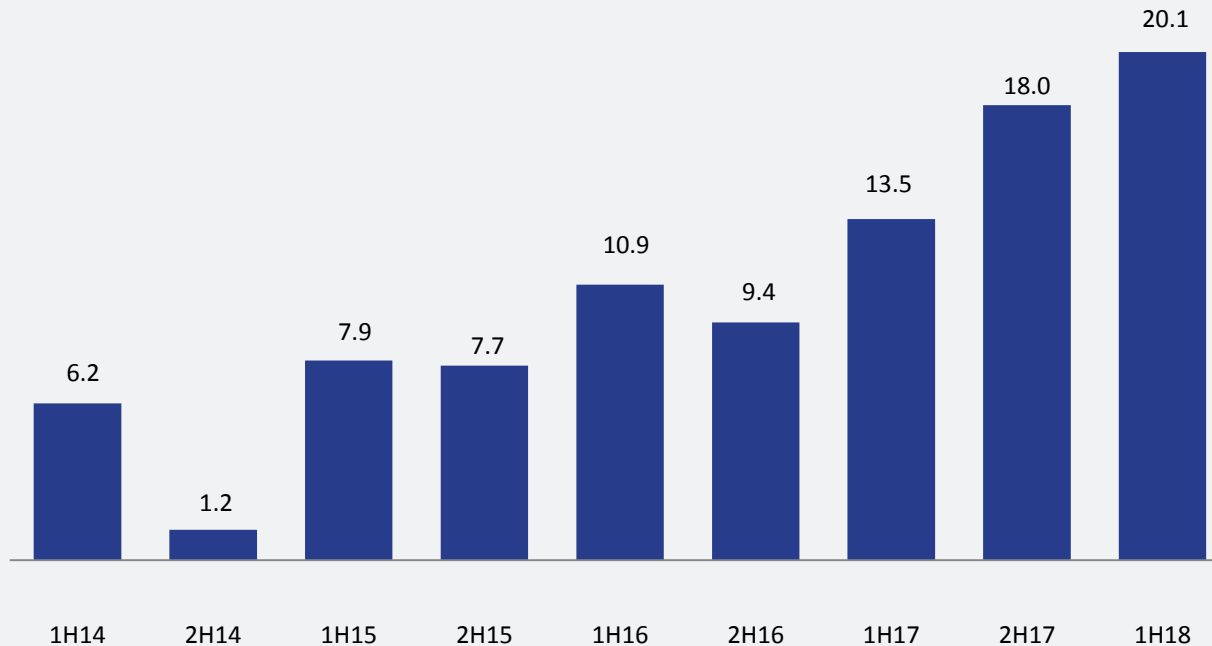
(\$millions)



- Increasing revenue across all regions
- Business benefits from global presence and regional expertise
- Americas – region with highest revenue and potential for growth
- Continued increase in activity during 3Q18 and into 4Q18

EBITDA

(\$millions)



- 1H18 EBITDA up 49% on pcip
- 2H18 EBITDA expected to be greater than 1H18
- Additional investment in the business of ~\$5 million*

**Investment includes internal digital transformation program and further development of technologies to support transformational growth within the mining value chain.*

Balance Sheet

(\$millions)

	31 DEC 17	30 JUN 17
Cash	12.7	19.4
Receivables	42.4	41.5
Inventory	36.0	29.9
Fixed assets	33.7	32.2
Intangibles	60.0	60.4
Other assets / deferred tax	28.9	27.5
TOTAL ASSETS	213.7	210.9
Payables	24.1	30.4
Bank loans	5.5	6.5
HP finance	0.4	0.6
Other liabilities, provisions, current tax	10.2	13.6
TOTAL EQUITY	173.5	159.8

- Strong balance sheet
- Cash position at 30 June 18 forecast to be greater than 31 December 17
- Net cash position to be maintained

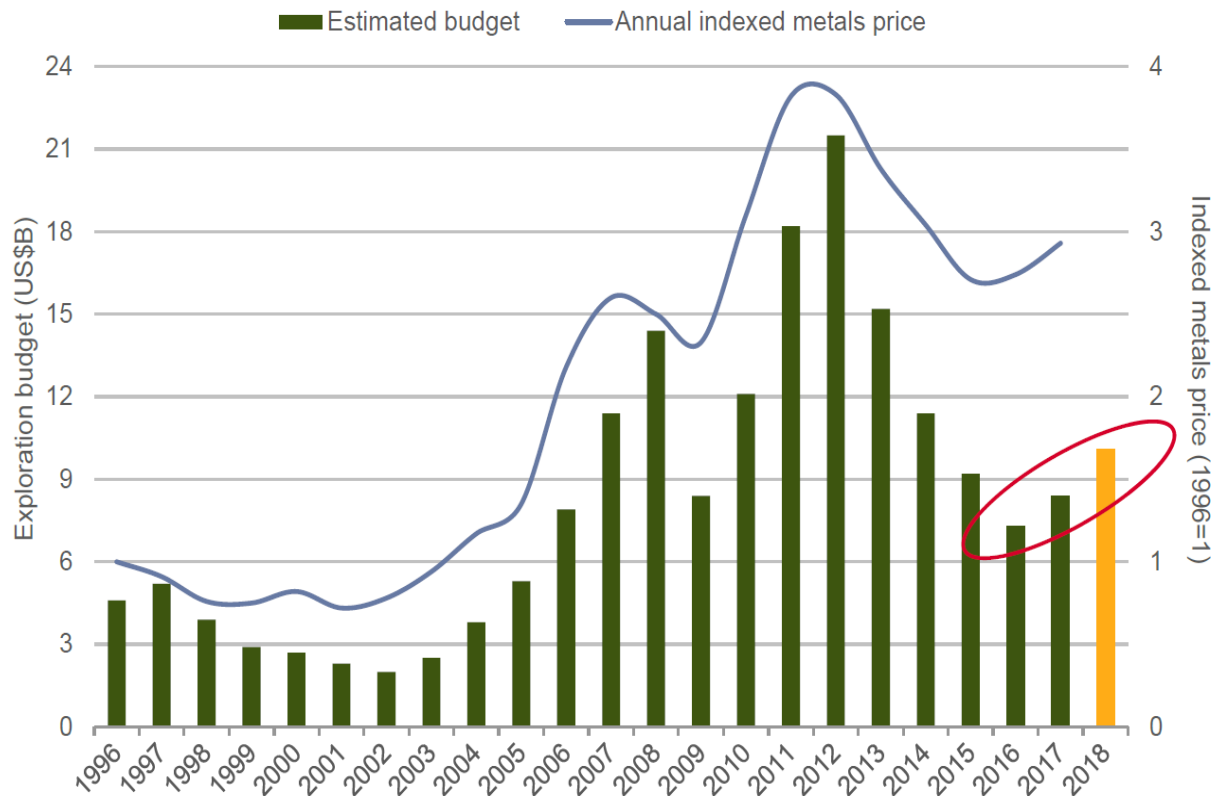
Market Overview

“IMDEX is well positioned for continued growth”



World Mineral Exploration

Review and Outlook

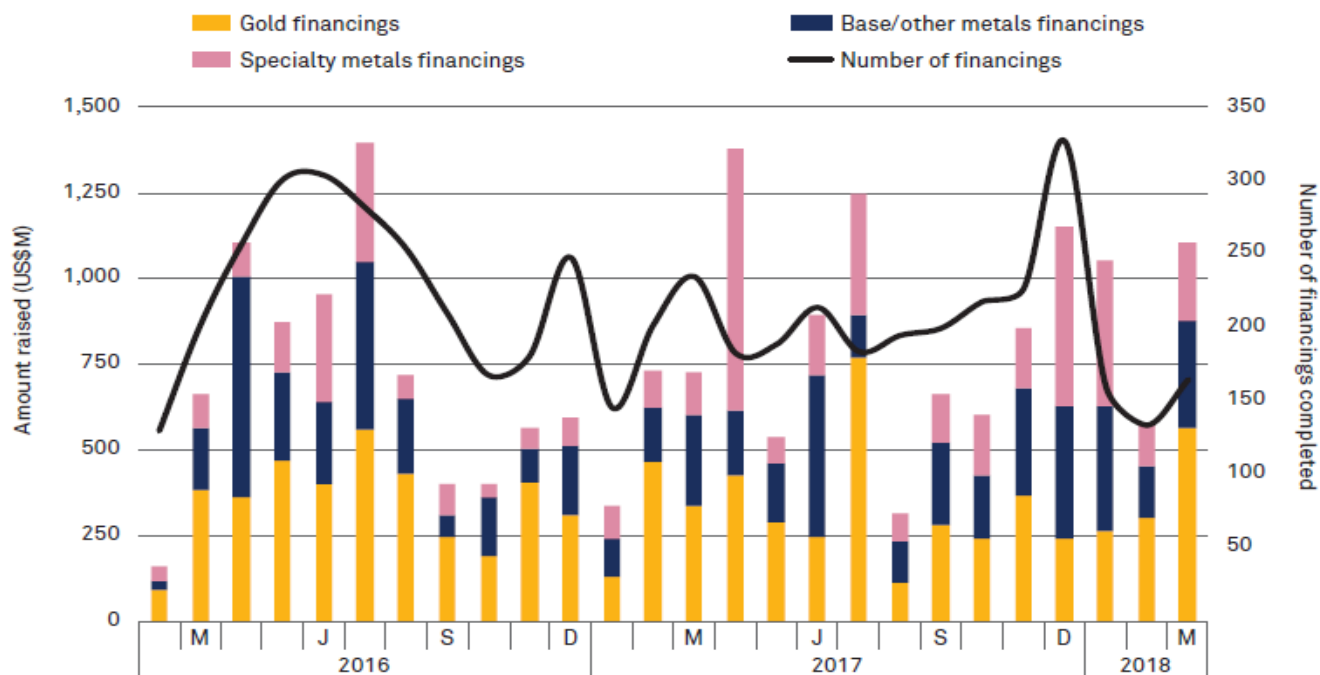


Source: S&P Global Market Intelligence

- Budget 2017 spend of US\$8.4bn up 14% on CY16
- CY18 budgets forecast to increase by 15 – 20% to US\$10bn
- Gold budgets up by 22% year-on-year
- Gold/copper represent >70% of global expenditure. Gold/base metals >80%
- The Americas attracted >50% of expenditure, Asia/Pacific – 17.5%, Africa – 14%

Intermediate/Junior Financings

Junior and intermediate financings completed



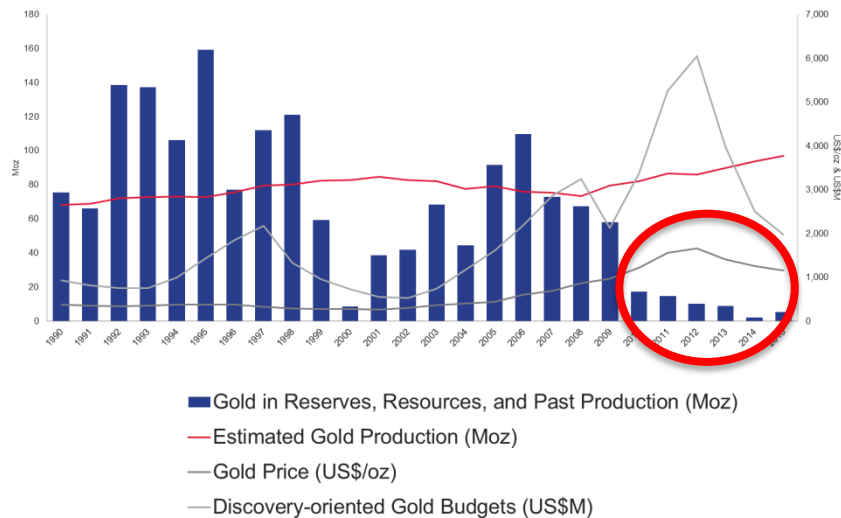
Source: S&P Global Market Intelligence

- US\$1.1bn raised in March (Feb-US\$582m)
- TSX – 63%, ASX – 29%
- Gold – 47%, base metals – 31%, specialty metals – 21%

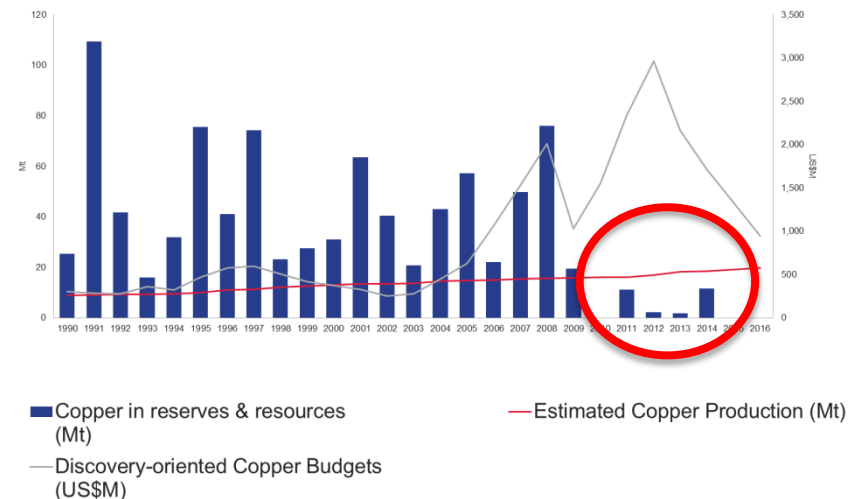
Major Discoveries

Gold and Copper

Major Gold Discoveries



Major Copper Discoveries

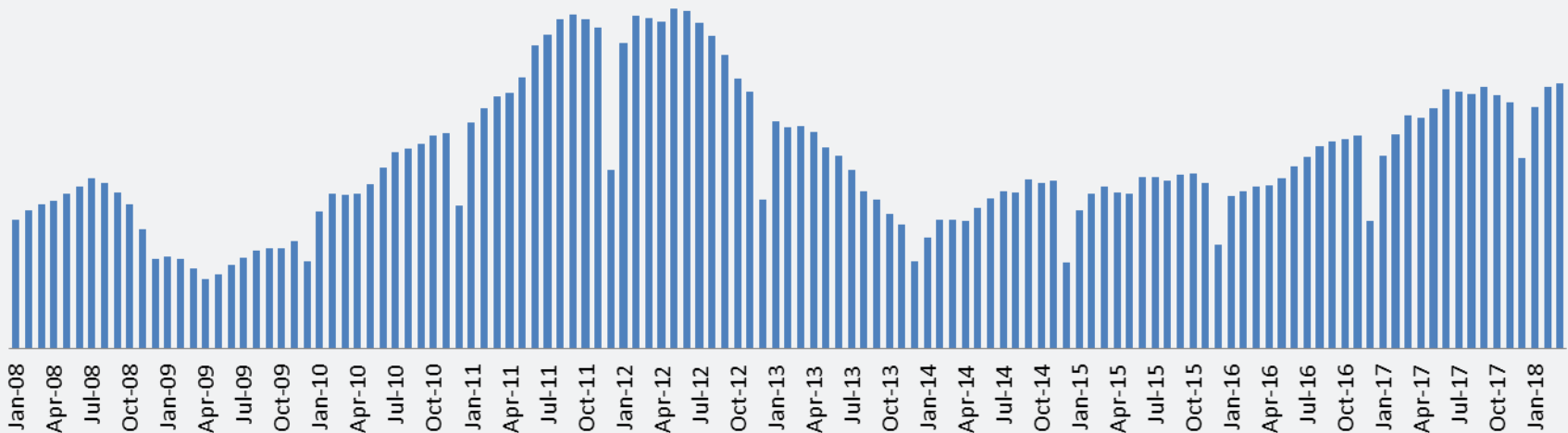


Source: S&P Global Market Intelligence

Despite increased expenditure, gold and copper discoveries are not keeping up with production – grades decreasing, deeper, more complex ore bodies, more difficult and longer lead times to develop

REFLEX Instruments on Hire

(Number of units)



- Increased activity means increased demand for instrumentation – all commodities
- REFLEX instruments on hire increased during CY14-CY16
- 31 March 2018, 14% uplift on pcg
- Increased adoption of instrumentation – traditional and recent technologies
- Newer technologies generally yield higher rental – rates greater value add for clients

Strategy

Driving Sustainable Earnings Growth

- Growth of core business historically driven by cyclical upswing and the introduction of new technologies
- Strategic positioning for sustainable earnings growth
- FY18 investing in two-tiered strategy:
 - **Organic** – protect and grow core business
 - **Transformational** – extension into new market segments within the mining value chain



The Industry Problem

Exploration



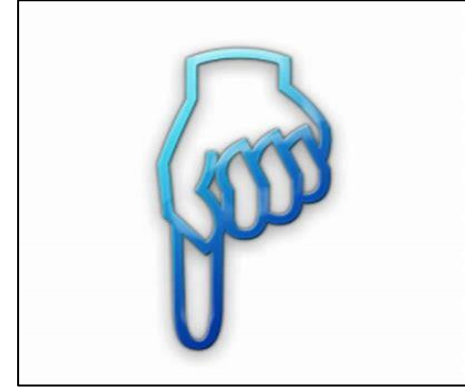
Increasing Demand for Metals

- Doubles every 20-30 years
- More copper to be mined in next ~25yrs than in history



Declining Discovery Rates

- Industry is making far fewer major discoveries despite record high exploration spend



Easy Deposits Already Found

- Especially in low sovereign risk countries
- 96% greenfield discoveries in past decade <100m deep

Source: Deep Exploration Technologies

“To improve its performance, industry needs to develop better tools for exploring beyond 200 metres of cover” (Richard Schodde, MinEx Consulting)

The Industry Problem

Drilling

Fundamentally nothing has changed in drilling technology in decades. Steel rods manually joined with threads. Usually all rods rotated from surface to generate cutting action at bottom of hole. Thus slow, expensive, injury-prone and inefficient use of energy.

Drivers for change	Resulting Transformation
Cost	Reduce cost of finding, delineating and mining future resources
Safety	Eliminate majority of risk and injury from historically high risk occupation
Capacity	Deeper and steerable holes to test inaccessible targets
Environment	Minimise environmental footprint and use less energy
Social Licence	Minimise disturbance and demonstrate environmental credibility
Efficiency	Find and delineate resources faster and more accurately

Source: Deep Exploration Technologies

CoreVIBE™ & MagHAMMER™

Option to acquire unique drilling productivity technologies



- Option agreement executed January 2018
- Extensive testing and due diligence conducted pre-signing – including IP protection
- The transaction allows for further testing and market acceptance before committing to purchase
- CoreVIBE™ and MagHAMMER™ to be commercialised in the near-term
- Technologies are patent protected and align with IMDEX's rental model
- Technologies complement IMDEX's Drilling Optimisation solution and strengthen IMDEX's competitive position in this market segment
- If option is exercised:
 - Significant additional global revenue stream for IMDEX
 - EPS accretive within 12 months of option exercise

Client benefits

TRADITIONAL DRILLING

 **67 SHIFTS**



COREVIBE™

 **47 SHIFTS**

UP TO 30% PRODUCTIVITY IMPROVEMENT



Minimises hole deviation with
high penetration rates

Reduces tripping of
inner tube for blockages

Improves penetration rates

Extends bit life

MagHAMMER™

Client benefits



TRADITIONAL RC DRILLING

AIR POWERED



MAGHAMMER™ ON DIAMOND DRILL RIG

WATER POWERED

Entire drill hole can be completed with one rig where RC & Diamond Drilling required

Significantly safer and zero dust generated

Drilling fluid can be recycled with AMC SRU™



Reduces costs for rig (mobilisation and demobilisation) and fuel

Penetration rates are not affected by water intrusion

Operates with any normal drilling fluid

Similar penetration rate as Reverse Circulation rig

Allows rapid drill case setting

Only limited in depth by pull back capacity of drill rig

250m
500m
750m
1000m
1250m

Summary & Outlook

- Continued increase in activity during 3Q18 and into 4Q18
- Activity within major mining areas is robust
- Major, intermediate and junior companies well-funded with increased budgets
- There remains a fundamental need to replace diminishing resources and reserves
- REFLEX instruments on hire at 31 March 2018, 14% up on pcg
- Strategic positioning to achieve sustainable earnings growth for shareholders
- Option to acquire CoreVIBETM and MagHAMMERTM drilling productivity technologies
- Robust balance sheet – ability to drive organic and transformational growth within mining value chain

Appendices

Global Leader

Exploration, Development & Mining



Economies of scale	Scale and efficiency that comes from being the leading provider of subsurface intelligence solutions to the exploration, development and mining markets globally
Leading brands and strong reputation	AMC and REFLEX are the world's leading brands with strong market share and a first class reputation for innovative solutions and reliable supply
Barriers to entry	High barriers to entry due to specialised knowledge, in-field personnel, global reach and product/service complexity
Market leadership in technology	Market leaders in technology and innovation. Through the cycle investment in R&D and innovation. R&D centres of excellence in California and Australia
Strong client relationships	Strong and longstanding client relationships with service providers and resources companies
Robust balance sheet	Clean balance sheet with net cash position
Global footprint/ connectivity	Unrivalled scale, facility footprint and market presence and connectivity to service clients in multiple jurisdictions regionally and globally.

Substantial competitive advantage

Board of Directors

Professional expertise, business experience & technical knowledge



Mr Anthony Wooles BCom, MBA (Finance)

- Non-Executive Chairman
- Appointed to the Board 1 July 2016



Mr Bernard Ridgeway B.Bus (ACCTG) ACA

- Managing Director
- Appointed to the Board 23 May 2000



Mr Kevin Dundo BCom, LLB

- Non-Executive Director
- Appointed to the Board 14 January 2004



Ms Sally-Anne Layman B Eng (Mining), Hon, BCom

- Non-Executive Director
- Appointed to the Board 6 February 2017



Mr Ivan Gustavino B.Bus

- Non-Executive Director
- Appointed to the Board 1 July 2015

Company Snapshot

As at 29 March 2018

Corporate Information

ASX listed		IMD
Share price (29 March 2018)	A\$	1.18
Issued shares	m	367.5
Market cap (29 March 2018)	A\$m	433.6

Share register Analysis of top 50 shareholders at 29 March 2018

Institutions	70.0%
Employees, directors & company related parties	2.68%
Corporate holders	0.01%
Private shareholders	6.38%
Brokers & banks	13.95%

Share Price



Largest shareholders March 2018

	Shares (m)	%
Fidelity Investments	35.6	9.68
Perennial Value Management	31.7	8.62
Wilson Asset Management	24.8	6.74
L1 Capital	17.0	4.62
Morgan Stanley - UK	15.1	4.11

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