



COREVIBE™ trials at IMDEX test site

IMDEX UBS Presentation

Australian Emerging Companies Conference Series: Mining Services

Bernie Ridgeway – Managing Director

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IMDEX[™]
REAL-TIME SUBSURFACE SOLUTIONS



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

We let clients know where it is and what it is...now.



for drilling contractors and resource companies



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

Leading Global METS Company



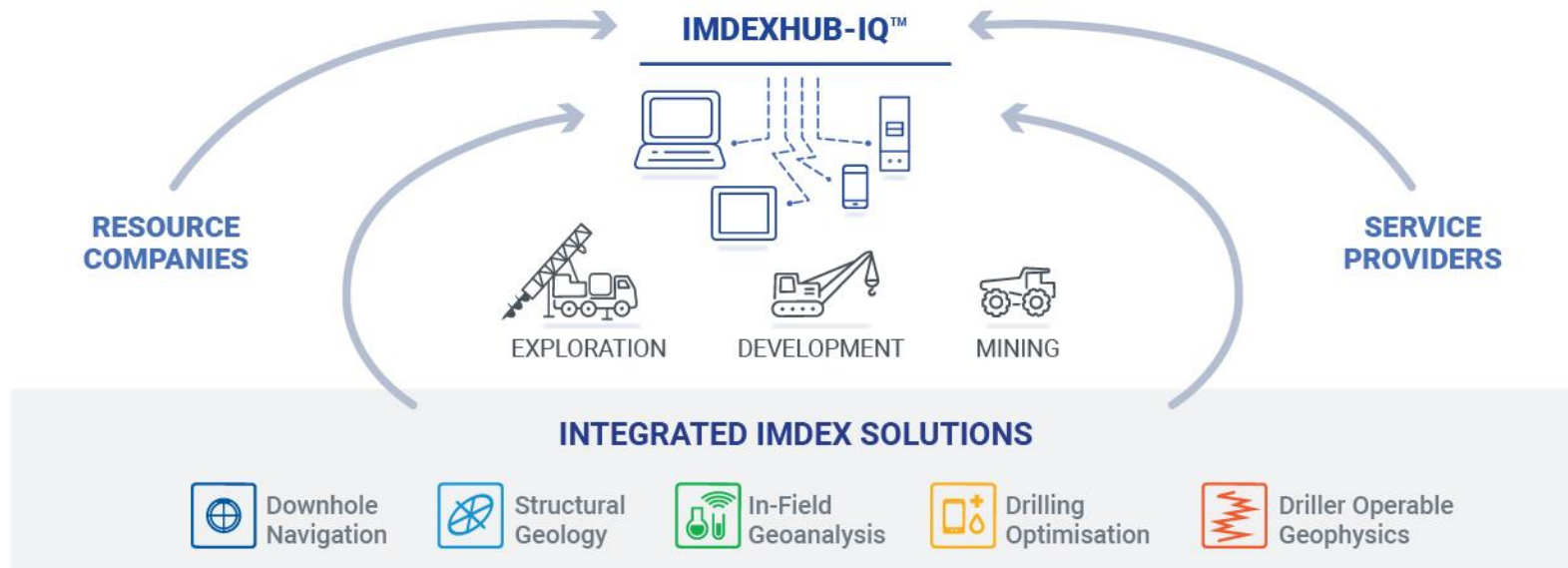
Unique competitive position

ECONOMIES OF SCALE	The leading provider of subsurface intelligence solutions globally with the ability to deliver in virtual real-time via IMDEX HUB-IQ™. Good leverage as the market grows.
LEADING BRANDS ON MAJORITY OF SITES	AMC and REFLEX are dominant within the global minerals industry and have a strong reputation for quality, accuracy and ease-of-use.
UNIQUE MARKET LEADING TECHNOLOGIES	Increasing range of IP protected technologies. World-class R&D facilities and in-house capabilities.
STRONG CLIENT RELATIONSHIPS	Longstanding relationships with drilling contractors, resource companies and other service providers. Excellent in-field support.
NO TRUE GLOBAL COMPETITORS	IMDEX's integrated technology and service offering is unmatched globally.
ROBUST BALANCE SHEET	Disciplined approach to capital management. Net cash position with the ability to leverage opportunities for organic and transformational growth.
STRONG GOVERNANCE AND LEADERSHIP	Highly capable and experienced Board and leadership team.
SUSTAINABLE EARNINGS GROWTH	Developing solutions for all phases of the mining value chain including exploration, development and mining.

Delivering Value to Clients

Technical leadership & integrated IMDEX solutions

QUALITY DATA & CHAIN OF CUSTODY



STREAMLINE PROCESSES & TIMELY INFORMATION



Key Financial Metrics

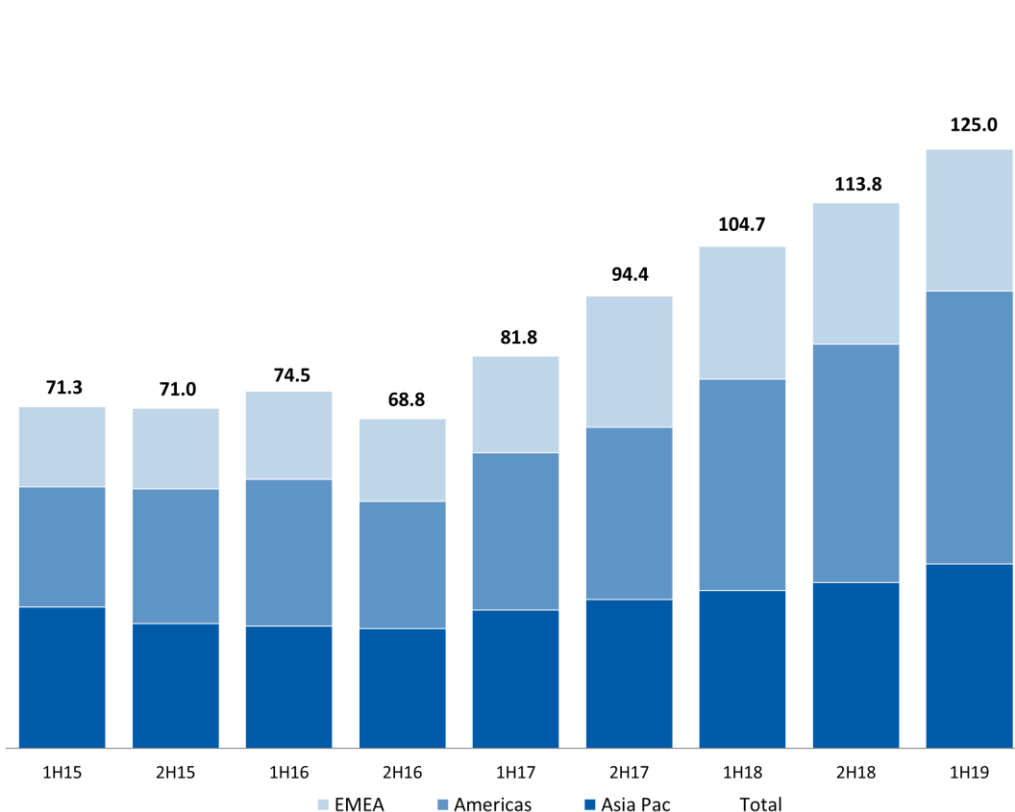
31 December 2018

	1H FY19 \$m	1H FY18 \$m	VAR \$m	VAR%
Revenue	125.0	104.7	20.3	19% ▲
EBITDA	25.2	20.1	5.1	25% ▲
NPAT	13.5	10.6	2.9	27% ▲
EPS (cents)	3.65	2.89	0.76	26% ▲
Operating cash flow	19.0	2.1	16.9	805% ▲
Fully-franked interim dividend declared (cents)	0.8	-	0.8	-

- Significant uplift in all key financial metrics
- Conservatively geared with strong net cash position \$20.6m

Revenue by Region

1H19 revenue up 19% on 1H FY18



Minerals revenue only (\$m)

3Q FY19
revenue
up on pcip

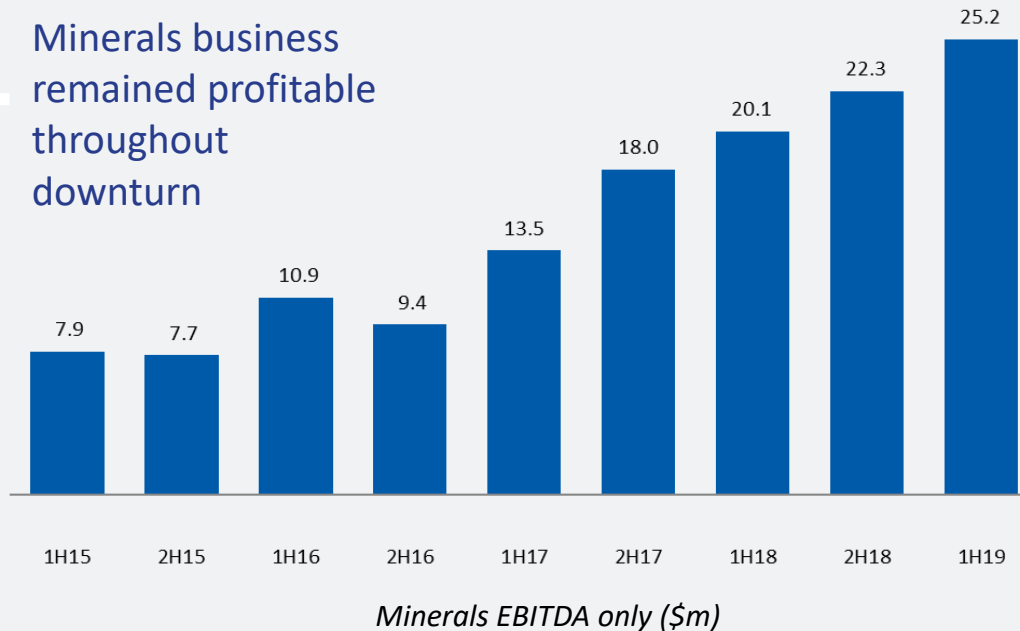
- Increasing activity globally, albeit, at a slower rate (S&P: CY19 ~5% - 10%)
- Improving quality of rental fleet – generally commands higher rental rates

EBITDA

Strong earnings growth



Minerals business
remained profitable
throughout
downturn



1H FY19
EBITDA up
25% on pcip

- Strong earnings growth over past 2 – 3 years, gross margins have been maintained
- Ongoing investment in core products for organic growth
- Net investment in transformational initiatives forecast to be ~\$8.0m for FY19
- Impact of transformational investment expected to reduce substantially from FY20 – a component of these costs will cease and the balance will largely be off-set by additional revenue and efficiency gains

Market Overview

Steady increase in activity globally



- S&P forecast non-ferrous exploration budgets to increase 5% - 10% for CY19
- Macro geopolitical concerns – tapering global growth, Brexit and the US / China trade tensions – are impacting capital markets
- The ability for juniors to raise funds is challenging, particularly in Canada
- Base metal prices are relatively robust – gold remains strong
- Dearth of recent discoveries, major explorers are focusing on brownfield projects
- Majors have highlighted opportunities to find new deposits at depth
- New mines – **under ground cover, deeper, more drilling**, higher costs and longer development times
- Importance of **drilling productivity technologies** and innovation to lower costs, increase productivity and safety

Growth Strategy

High-level overview



We have a clear objective of delivering **sustainable earnings growth** for our shareholders via a two-tiered strategy, which includes organic and transformational growth.



Organic growth focuses on protecting and growing our **core business**, while maintaining and enhancing our technical leadership.



Transformational growth is extension into **new market segments** within exploration, mining and production including: drilling productivity (COREVIBETM and MAGHAMMERTM); and Drill & Blast (IMDEX Mining Solutions).

Organic Growth

Protecting and growing our core business



IMDEX GYRO SPRINT-IQ™ – surveys 150 metres per minute, 3 times faster and more accurately. Connected to IMDEX HUB-IQ™ for real-time data access.



IMDEX Seequent link - real-time 3D visualization of subsurface data



IMDEX MUD AID™ – remotely monitored, in-field mud testing unit, designed to optimise and automate fluid management.

Transformational Growth

Flexidrill transaction update

- Entered Secondary Option Period to progress COREVIBETM & MAGHAMMERTM technologies towards commercialisation
- IMDEX's controlled testing site in New Zealand accelerated R&D process
- Transaction is considered viable on COREVIBETM technology alone
- IMDEX expects to exercise its Option to acquire Flexidrill in December 2019

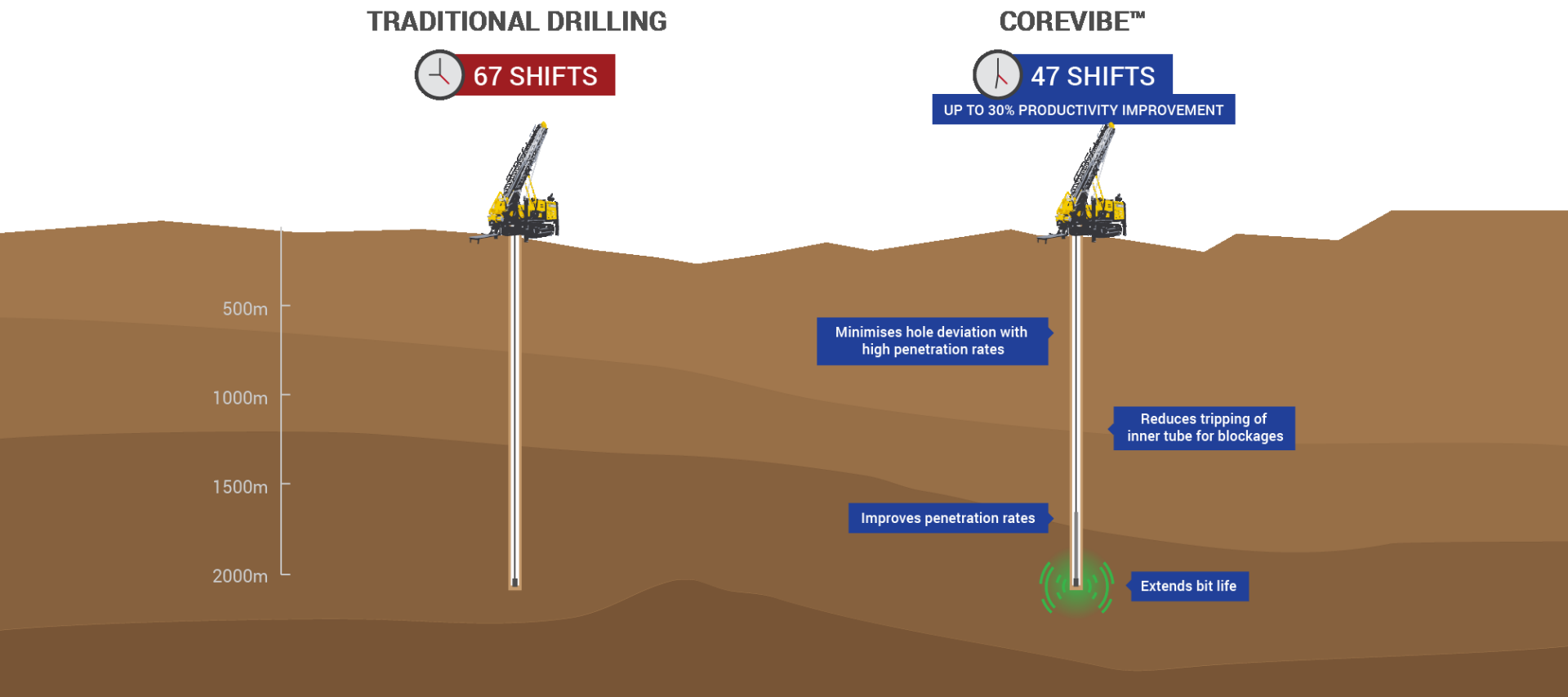
Transaction structure
allowed for comprehensive
testing and market
acceptance before
committing to purchase

Acquisition is expected
to be earnings accretive
within 12 months of the
exercise date

COREVIBE™

Technology Overview

Unique drilling productivity technology for diamond drilling. The COREVIBE™ increases penetration rates and reduces core blockages.



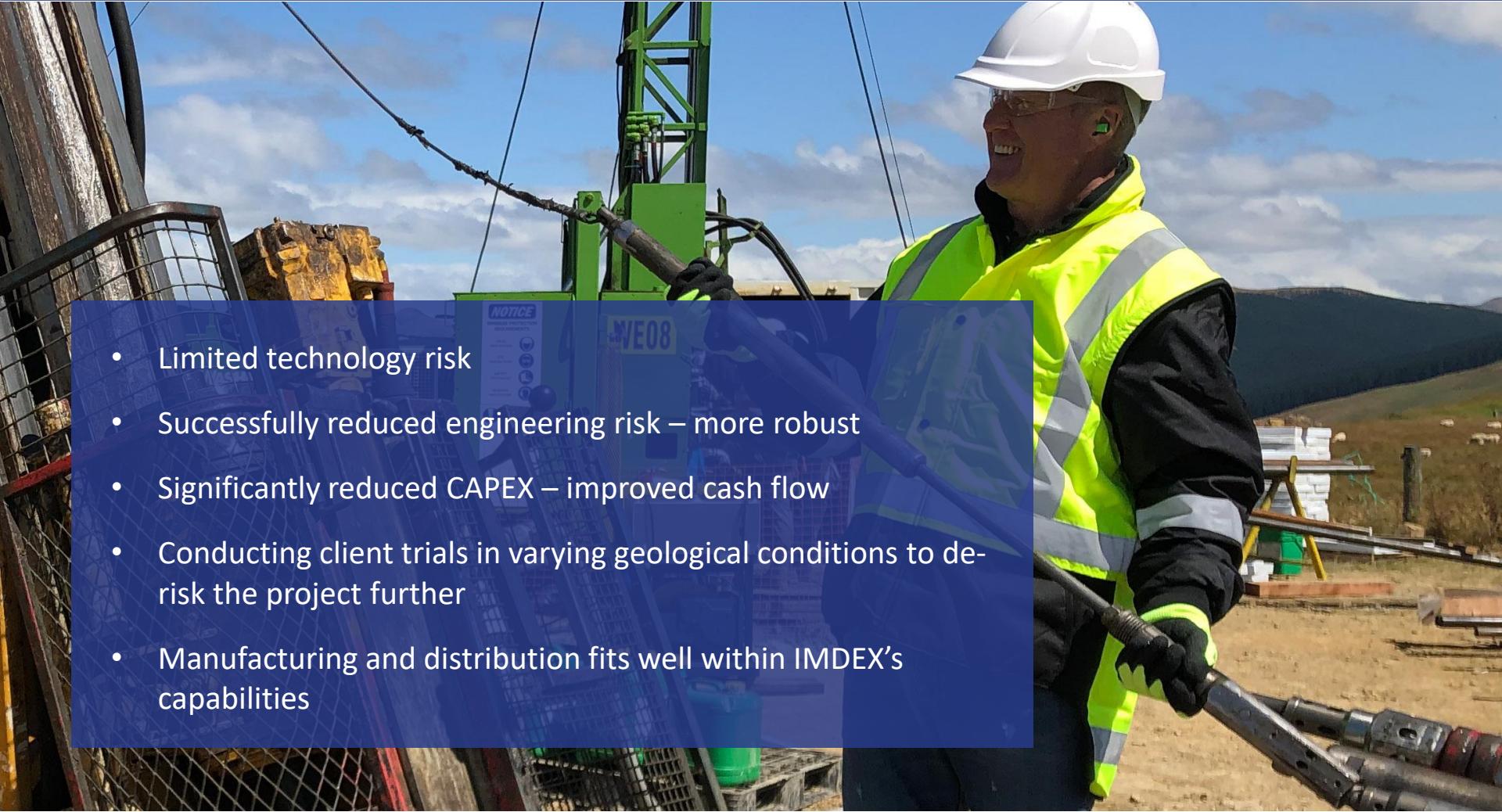
Benefits for IMDEX

- Attractive addressable market ~ 1800 coring rigs at current drill rig utilisation rates
- No modification to drill rig or drilling process needed – COREVIBE™ slots straight into drill string
- Strong industry demand for greater productivity – drilling is becoming deeper and more expensive
- Trials have achieved >30% increase in productivity – externally validated by SGS
- Unique technology with strong IP protection – no direct competitors
- Doesn't cannibalize existing product offering – excellent synergies to offer complementary products
- The technology has integrated operational synergies with existing IMDEX products (our unique drilling fluid, core orientation and drill hole survey systems)
- Ability to generate additional rental revenue per month
- Ability to leverage our existing cost base and infrastructure globally

- Trials with clients commenced in 4Q FY19 in Australia
- Commercial prototypes expected to be on rent 1Q FY20 in Australia and 2Q FY20 in the USA
- Currently establishing supply chain



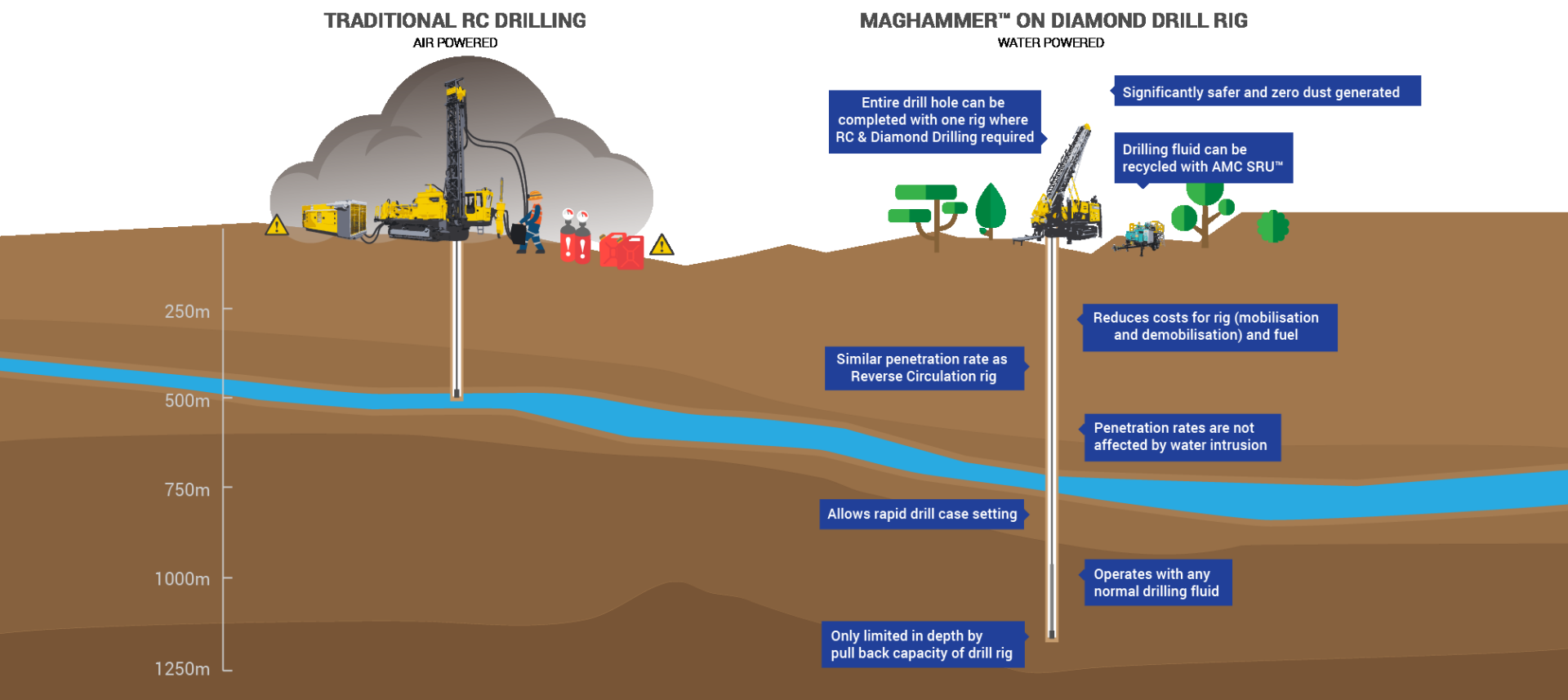
COREVIBE™ trials at IMDEX test site

- 
- Limited technology risk
 - Successfully reduced engineering risk – more robust
 - Significantly reduced CAPEX – improved cash flow
 - Conducting client trials in varying geological conditions to de-risk the project further
 - Manufacturing and distribution fits well within IMDEX's capabilities

MAGHAMMER™

Technology overview

The MAGHAMMER™ enables a new way of drilling – the benefits of fast percussive RC drilling on a diamond drill rig.



Project update

- Development is progressing well, project timeline has always trailed COREVIBE™
- Initial market – pre-collar work that requires fast drilling through non-mineralized ground / overburden
- Strong industry demand for greater productivity – drilling is becoming deeper and more expensive
- Unique technology with strong IP protection – no direct competitors
- Doesn't cannibalize existing product offering
- Commercial prototype trials commence in 2H FY20
- Ability to leverage our existing cost base and infrastructure globally
- Manufacturing and distribution fits well within IMDEX's capabilities

Drill & Blast

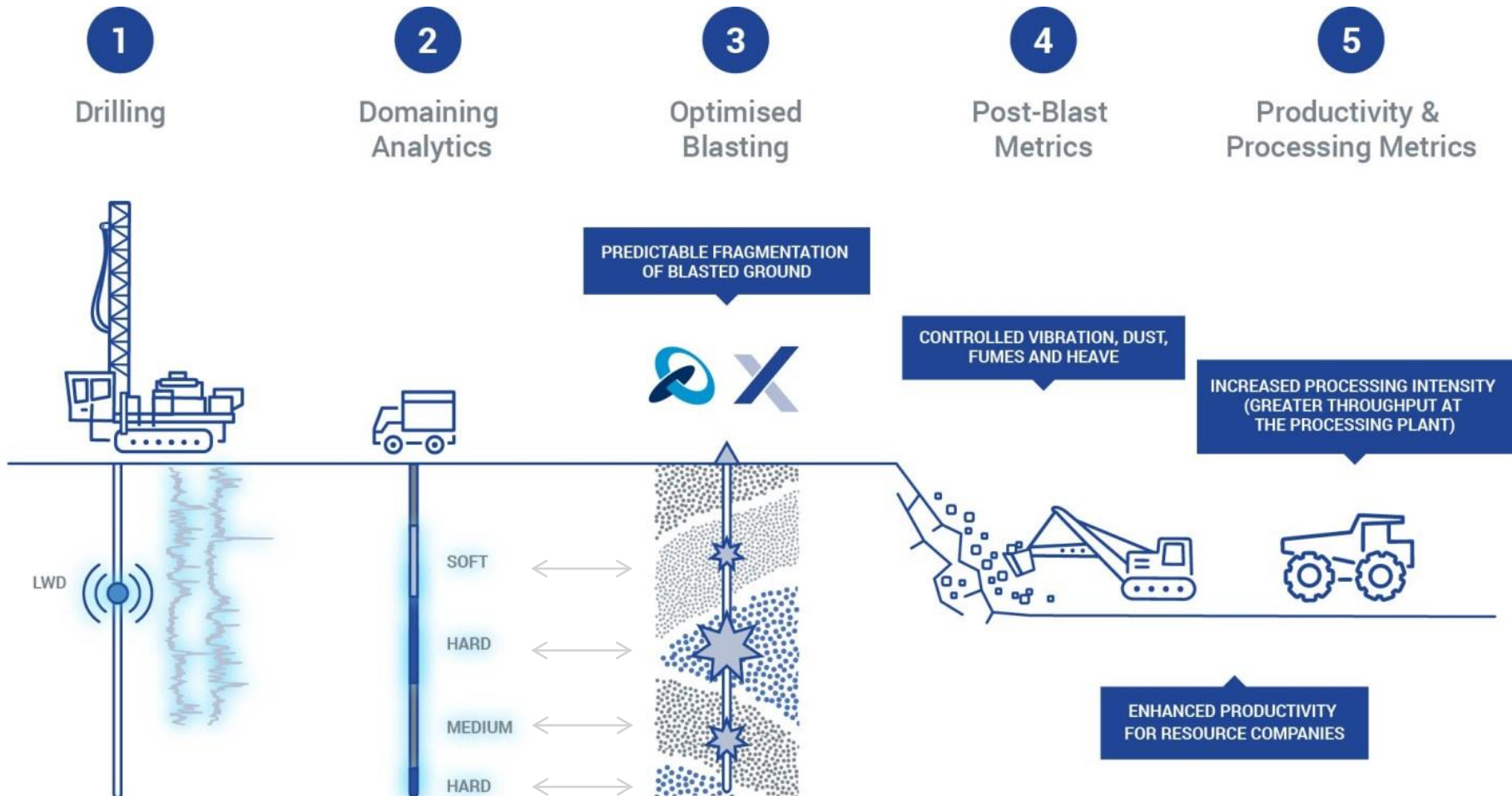
Technology overview



- Co-development project with Orica
- Orica is the world's largest provider of commercial explosives and innovative blasting systems - BlastIQ™
- IMDEX is a leader in subsurface intelligence solutions – Blast DOG™
- Together we are optimising blasting outcomes based on high-resolution 3D material models and material tracking in the pit
- Technology can maximise revenue for clients by increasing mine to mill efficiency

Drill & Blast

Precision Mining



Drill & Blast

Benefits for IMDEX

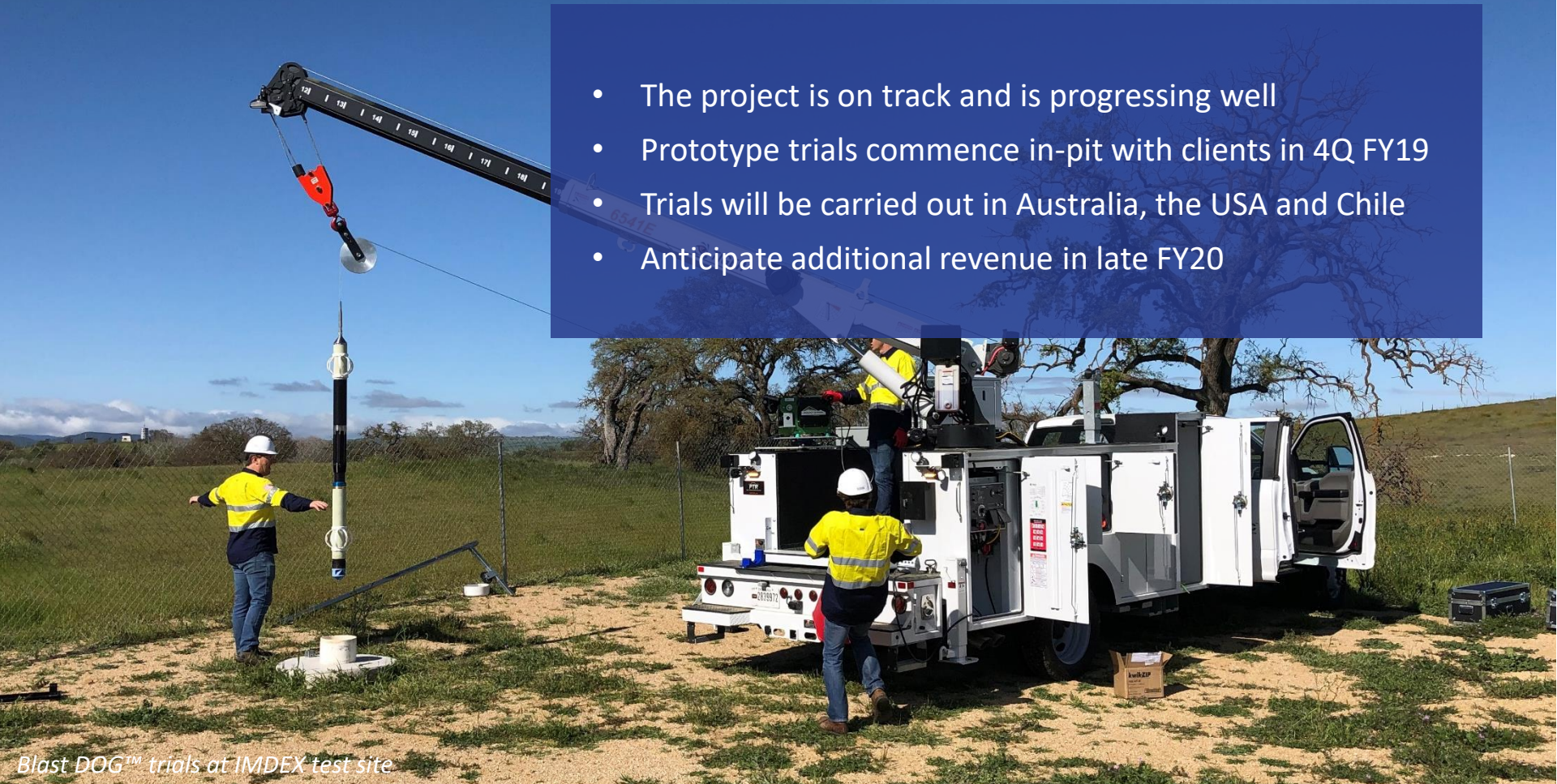


- Market extension – production phase is less cyclical than exploration
- Leverages our existing technology and engineering expertise into production
- Substantial addressable market – 6000 blasts per day
- Commodity agnostic
- Potential for underground applications
- Strong need for industry change
- Potential to provide IMDEX additional global rental revenue, which is more sustainable throughout the cycles, from FY20

Drill & Blast

Timeframes

- The project is on track and is progressing well
- Prototype trials commence in-pit with clients in 4Q FY19
- Trials will be carried out in Australia, the USA and Chile
- Anticipate additional revenue in late FY20



Blast DOGTM trials at IMDEX test site

Drill & Blast

Project Risk

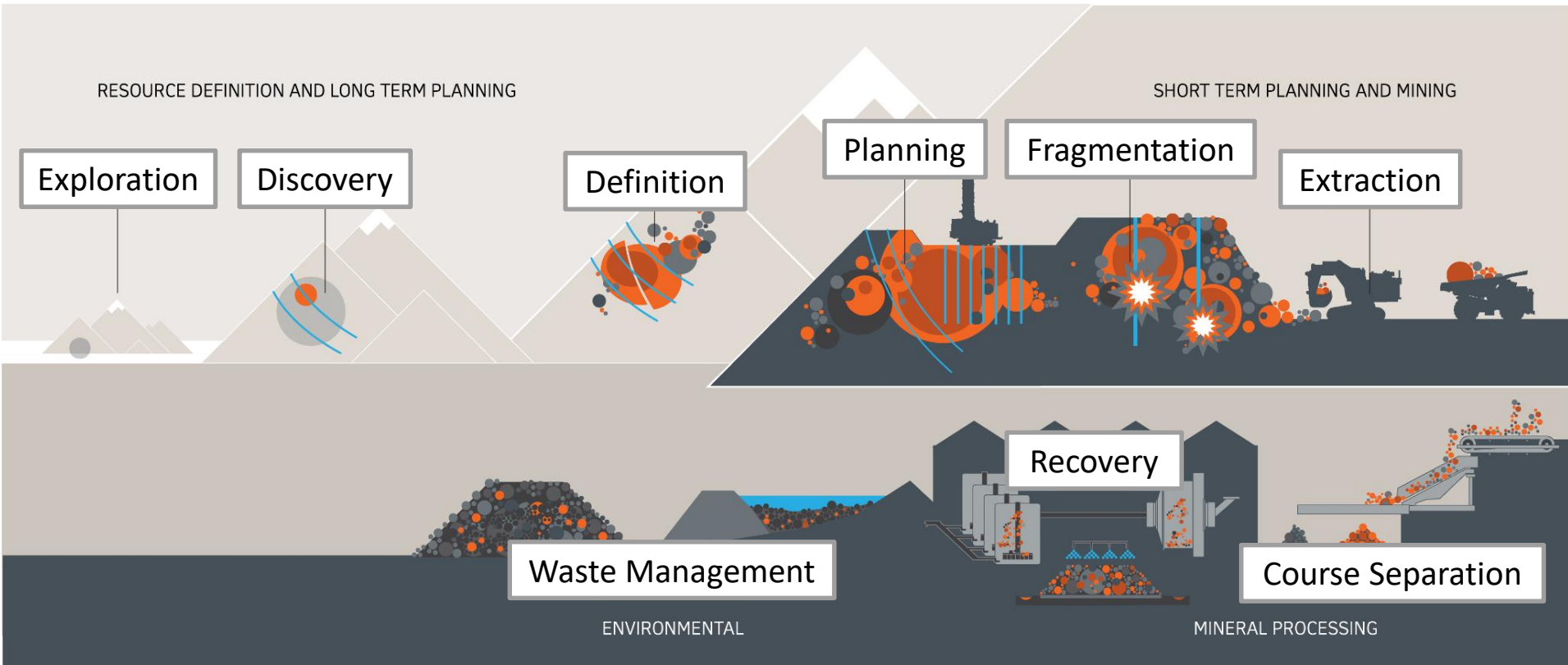


Blast DOGTM trials at IMDEX test site

- Limited technology risk
- Project clearly delineated, no crossover of IP – agreement in place with Orica
- Market adoption requires a change in workflows
- Strong support from industry partners. Simultaneously working with Orica, Anglo American and Teck Resources to optimise the technology with their operations
- Manufacturing and distribution fits well within IMDEX's capabilities

End-to-End Solutions

Operating across the whole mining value chain



Source: CRC-ORE

Summary & Outlook

- Benefiting from steady recovery in exploration spend
- Strong earnings growth over last 2-3 years – 1H FY19 increased revenue by 19% and EBITDA by 25%
- 3Q FY19 revenue up on pcp
- 1H FY19 fully-franked interim dividend declared of 0.8 cents per share
- Strong cash conversion and robust balance sheet – 1H FY19 net cash position of \$20.6m
- Entered Secondary Option Period to progress COREVIBETM and MAGHAMMERTM towards commercialisation – expected to generate additional revenue and earnings from FY20
- Entry into the less cyclical production stage of mining cycle via Drill & Blast Project – prototypes being trialled in-pit with clients from 4Q FY19

Summary & Outlook

Continued

- Continuing to enhance technical leadership – delivering additional benefits (not commoditised consumables) to clients via integrated solutions
- Positioned to benefit from long-term industry dynamics – resources depleting, declining ore grades and new discoveries likely to be under ground cover and at depth
- Increasing industry demand for drilling productivity technologies and innovation to lower costs, increase productivity and safety
- Strong position to leverage unique competitive position as a leading METS company with established global platform
- Experienced management team focused on achieving sustainable earnings growth for shareholders

Appendices

Balance Sheet

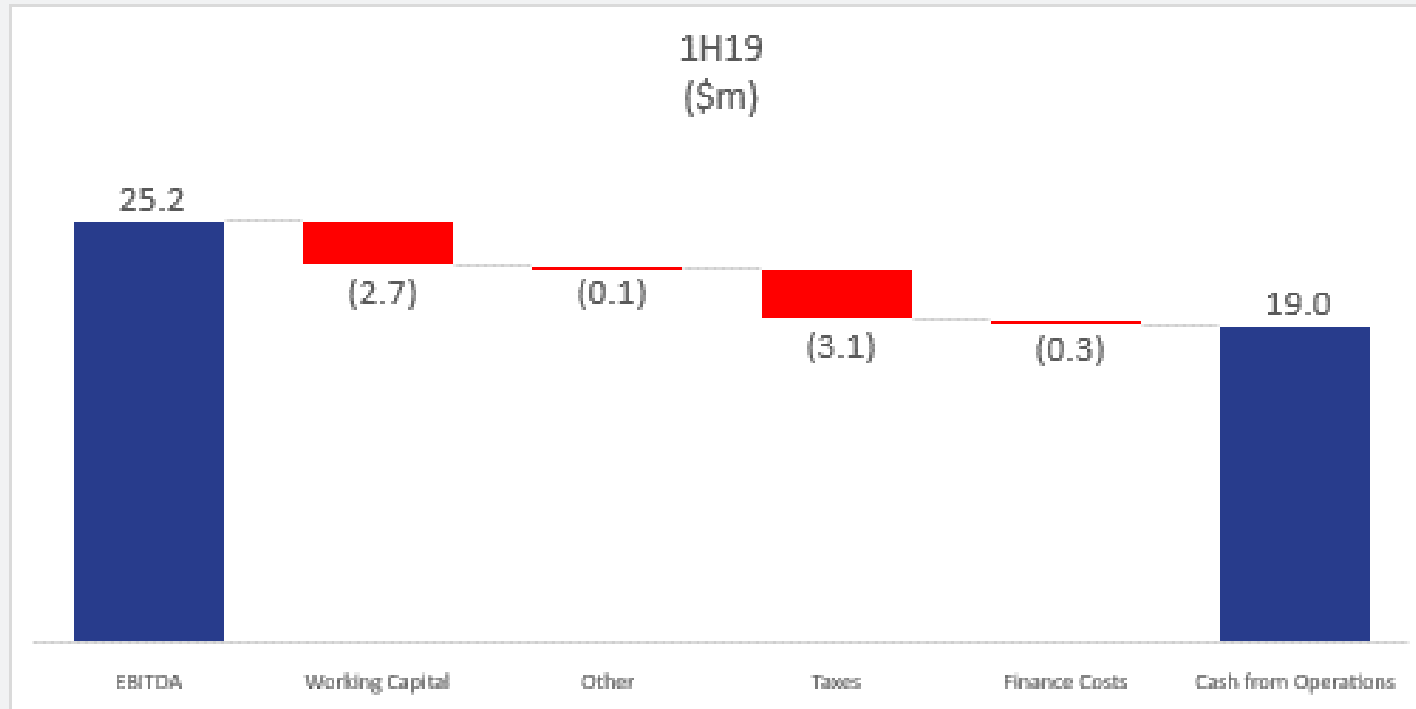
As at 31 December 2018

\$m	31 DEC 18	30 JUN 18
Cash	26.8	13.9
Receivables	46.5	49.3
Inventory	37.7	33.6
Fixed assets	38.1	36.5
Intangibles	59.6	59.5
Other assets / deferred tax	32.9	33.3
TOTAL ASSETS	241.6	226.1
Payables	24.0	26.4
Bank loans	6.1	5.9
HP finance	0.1	0.2
Other liabilities, provisions, current tax	8.6	7.5
TOTAL EQUITY	202.8	186.1

- Robust balance sheet
- Conservatively geared with strong net cash position \$20.6m
- Receivables exceeded payables by 94%
- Net asset position improved further as at 31 December 2018
- Fully-franked interim dividend declared of 0.8 cents per share – 22% 1H19 NPAT payout ratio
- Committed to sustainable dividend policy – investing in core R&D and transformational initiatives

Working Capital

Positive cash flow conversion



- Cash flow from operations improved substantially on pcp
- Normal working capital investment ratio of 30c to 35c for every incremental dollar of revenue expected for full year

Established Global Business

Operational leverage – we are where the money is being spent



Core Product Development

Protecting and growing market share

Our ongoing investment in core product R&D ensures we maintain and enhance our technical leadership and protect and grow our market share.



- World-class R&D facilities and excellent internal capabilities
- Market leading global brands – AMC and REFLEX
- Products and proprietary technologies have a reputation for quality and ease-of-use
- IMDEXHUB-IQTM – enables real-time information
- IMDEX / Seequent partnership allows real-time 3D visualisation
- Unique integrated IMDEX solutions provide additional value to clients across their projects' lifecycles

World Mineral Exploration

World Exploration Trends 2018 in Numbers



US\$10.1

billion budget total;
growth of 20%



1,651

companies with budgets



5-10%

forecast increase in 2019;
a third consecutive year

50%
targeting
gold



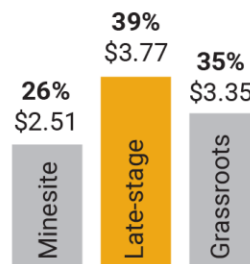
22%
targeting
copper



7%
targeting
lead zinc

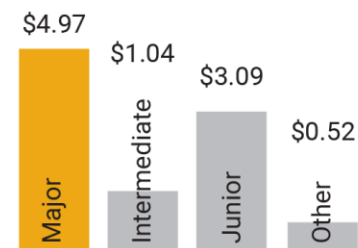


Grassroots lags
late stage still (US\$B)



0.5%
revenue reinvested into
grassroots exploration

Majors still dominate
exploration spend (US\$B)

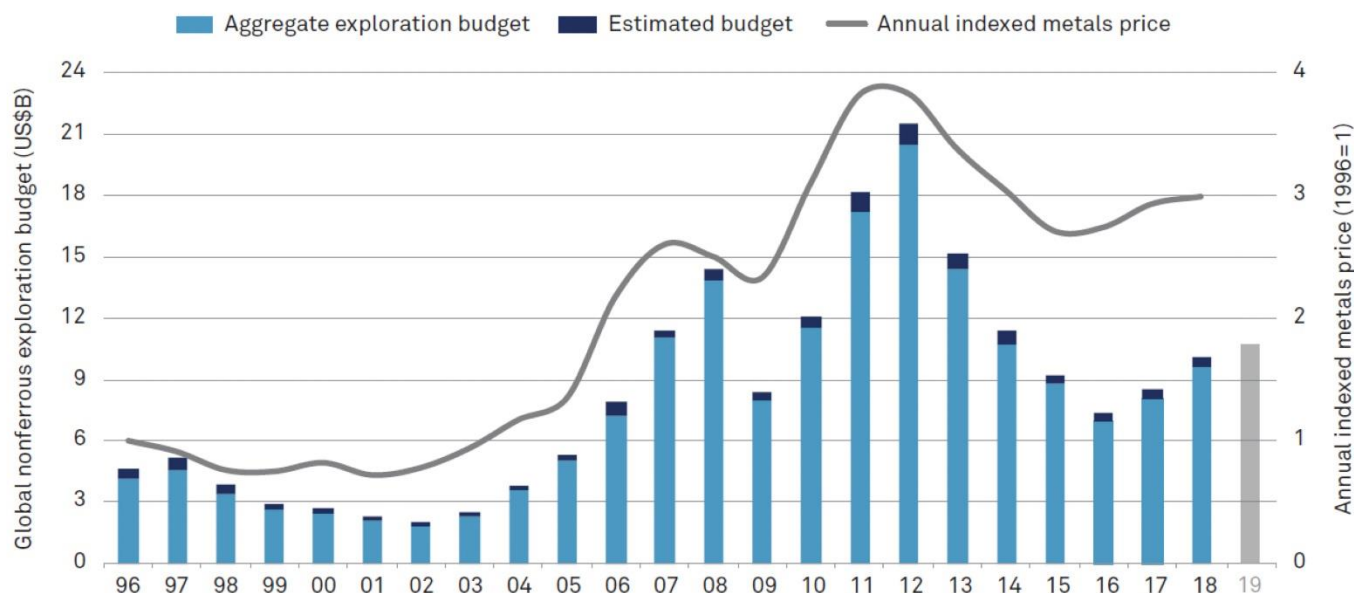


US\$2.9 billion
raised primarily for
exploration in 2018

World Mineral Exploration

Review and outlook

Nonferrous exploration budgets, 1996-2018



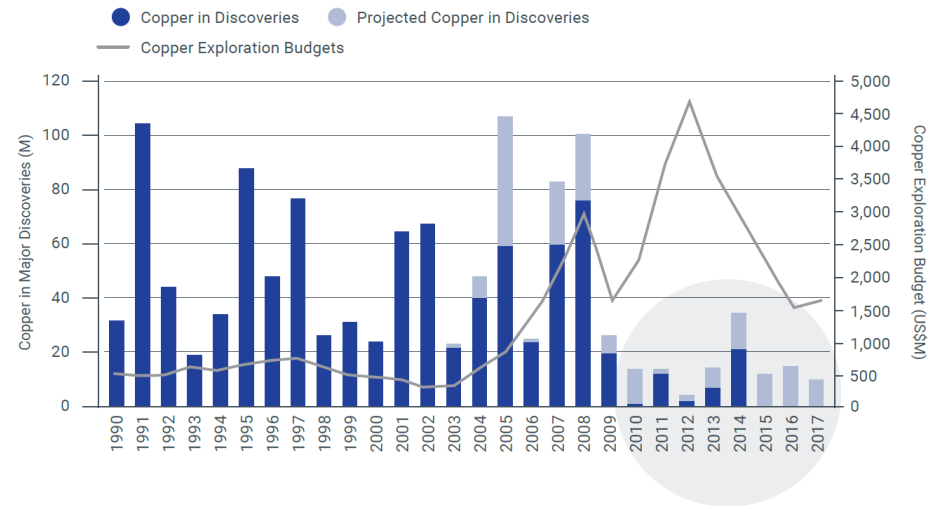
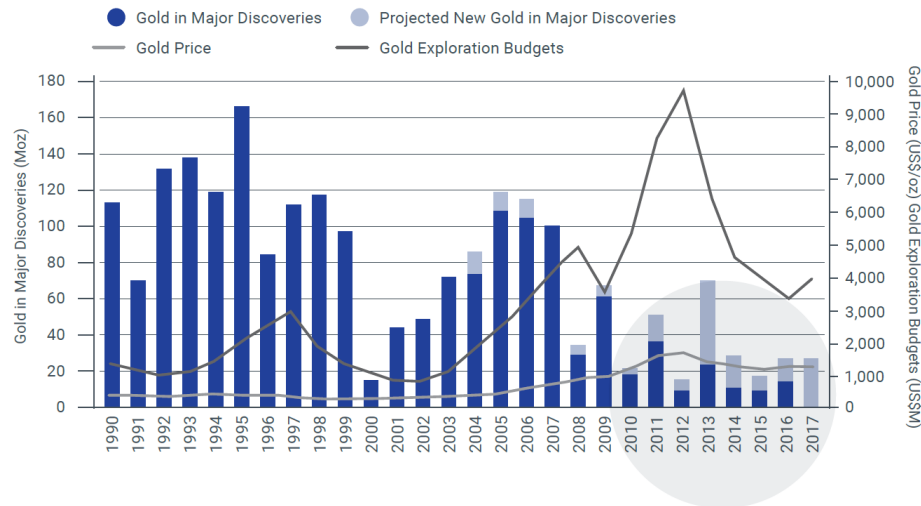
Source: S&P Global Market Intelligence

- CY16 the low point in the cycle
- The new cycle is expanding at a measured rate
- Commodity prices support investment in exploration/development

S&P forecast
5% - 10%
Increase in
CY19 over
CY18

Major Discoveries

Gold and Copper 1990 – 2017



Source: S&P Global Market Intelligence

Dearth of recent discoveries – easy deposits have been found

License to operate is an increasing challenge

New mines – **under ground cover, deeper, more drilling**, higher costs and longer development times

Company Snapshot

As at 31 December 2018

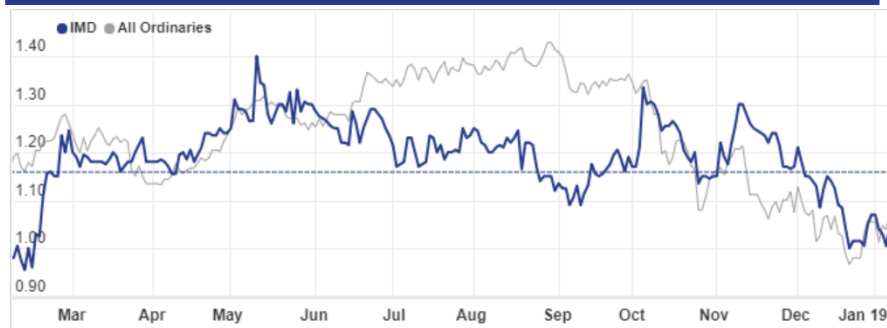
Corporate Information

ASX listed		IMD
Share price	\$	1.07
Issued shares	m	376.3
Market cap	\$m	402.6

Share Register Analysis of top 50 Shareholders

Institutions	66.85%
Employees, directors & company related parties	3.27%
Corporate holders	0.01%
Private shareholders	5.78%
Brokers & banks	13.27%

Share Price – 12 month Trend



Largest Shareholders

Largest Shareholders	Shares (m)	%
Perennial Value Management	45.98	12.22
Fidelity Investments – US	25.81	6.86
L1 Capital	16.49	4.38
Morgan Stanley & Co International Ltd	15.33	4.08
BT Investment Management	14.37	3.82

Board of Directors

High-functioning team



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

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