

Investor Fact Sheet AUSSPEC

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Who is AusSpec?

AusSpec is the industry leader in automated mineralogy from infrared scanners and hand-held spectrometers in the field. The New Zealand-based company was co-founded by Dr Sasha Pontual – the world-leading spectral mineralogy expert – who has built an extensive spectral library over the past five years. Dr Pontual holds a PhD in Geology and Remote Sensing. She has more than 30 years' experience in the application of spectral data to mining and exploration and her vision 'has always been to make spectral geology available to all geologists.'

How many employees does AusSpec have?

AusSpec has six highly knowledgeable team members who will complement IMDEX's world-leading product development and geoscience capabilities.

What is a spectrometer?

Spectrometers emit and then measure the reflectance of near infrared light on a rock surface, these are called reflectance spectra. From these spectra, minerals and their properties can be determined.

What is aiSIRIS?

aiSIRIS (Artificial Intelligence Spectral InfraRed Interpretation System) is a third-generation SaaS product.

How does aiSIRIS work?

aiSIRIS allows the spectra captured by spectrometers to be uploaded to identify minerals using cloud-based machine algorithms. Results are then validated by spectral mineralogy experts before being downloaded for critical decision making. The process is considerably faster, more economical and has less risk than human led interpretation. As a result, mineralogy can become a routine part of the rock characterisation process and allows a full understanding of the mineralogy of an ore system. This understanding enhances the discovery phase and critically, informs how to optimally process ore once mining has commenced.

When was aiSIRIS developed?

Dr Pontual and her team commenced development of aiSIRIS in 2013. Since then, the proven third-generation SaaS product has processed over 2 million spectra on some 1000 projects with major resource companies and early technology adopters. It is now ready to be scaled via IMDEX's global distribution network.

How does aiSIRIS generate revenue and earnings?

aiSIRIS generates revenue via a SaaS consumption model and delivers premium margins in line with other low touch SaaS products.

Who are AusSpec's clients?

aiSIRIS is currently utilised by large resource companies, principally within the exploration phase. The SaaS product is applicable across the mining value chain.

Will IMDEX continue to develop aiSIRIS?

IMDEX is committed to ongoing R&D to maintain technology leadership. The Company will work with Dr Pontual and the AusSpec team to develop and commercialise the next generation aiSIRIS-X, which removes the need for expert validation and enables mineralogy results to be securely accessed in real-time, anywhere and at any time.

Will IMDEX's R&D expenditure increase during FY21?

IMDEX's R&D expenditure will remain in line with FY20 – \$18m - \$20m. The Company has a rigorous R&D stage gate process and the ability to prioritize projects as needed.

Why are Rock Knowledge and Mineralogy Important?

The economic viability of all orebodies is assessed on data relating to minerals, location, texture and grade – the four key components of total rock knowledge. Rock knowledge is understanding the rock as it exists in the drill or blasthole – in exploration it answers the question ‘where next’ and in production it answers ‘how can processing be optimised’.

The minerals within an orebody influence its physical properties such as strength and breakability. Typically, understanding the mineralogy of a sample involves laboratory testing and expert analysis based on limited samples. The process is time consuming, costly and inefficient.

Why is quality data important?

The economic viability of all orebodies is assessed on data relating to rock knowledge.

Drilling data is the primary source of information used to inform the major investment decisions made by resource companies. On average, the volume of material drilled, sampled and studied compared to the volume of material mined is approximately 0.0001%. Obtaining quality data and having confidence in the results is vital.

IMDEX's vision as a leading global Mining-Tech company is to provide clients with real-time access to quality rock knowledge to enhance decision making across the mining value chain. aiSIRIS provides another important component in IMDEX's technology stack to achieve this.

Is AusSpec a profitable business?

AusSpec has a four-year consistent and profitable growth profile. Unaudited revenue for the financial year ended 31 March 2020 was A\$1.5 million.

How does IMDEX plan to grow the AusSpec business?

There are three principal areas IMDEX can increase revenue generated by aiSIRIS:

- Leveraging IMDEX's extensive global distribution network;
- Marketing the benefits of aiSIRIS – economic, time saving and enhanced quality – which enable the collection and interpretation of spectral mineralogy data to become routine within the industry and therefore grow the market; and
- Applying the SaaS product to the mining and production phase of the mining value chain.

How does AusSpec complement IMDEX's growth strategy?

AusSpec is a strong strategic fit for IMDEX and provides a compelling opportunity to build the Company's total rock knowledge offering for clients – from the drill rig to the core farm and the processing plant.

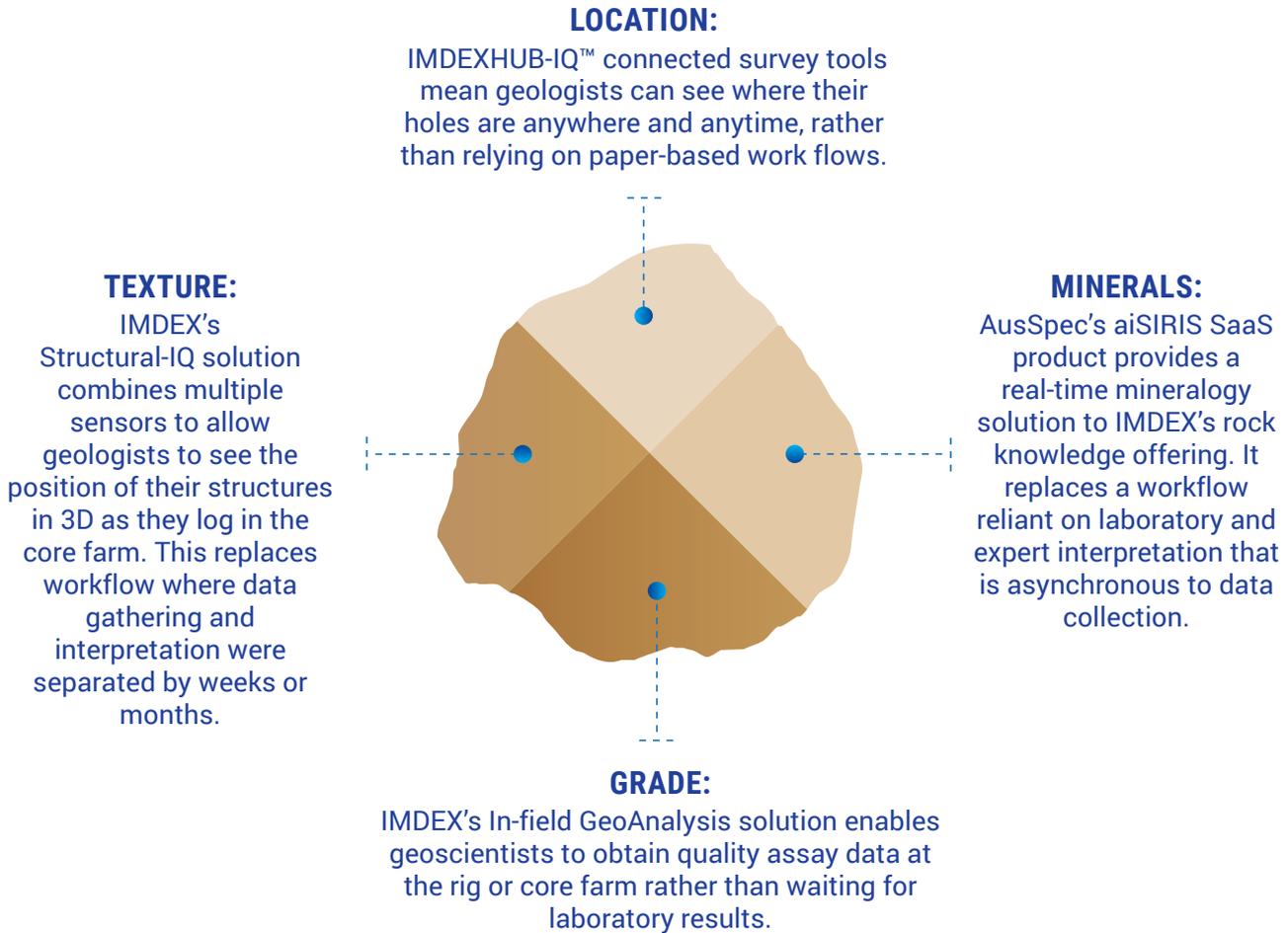
Every mine in the world makes decisions on the four components of rock knowledge – location, texture, grade and mineralogy. IMDEX's technology stack currently addresses three of these components and aiSIRIS satisfies the fourth – mineralogy.

aiSIRIS also aligns with IMDEX value proposition by enabling the timely delivery of critical data. This allows real-time decisions to be made, rather than having to wait weeks or months.

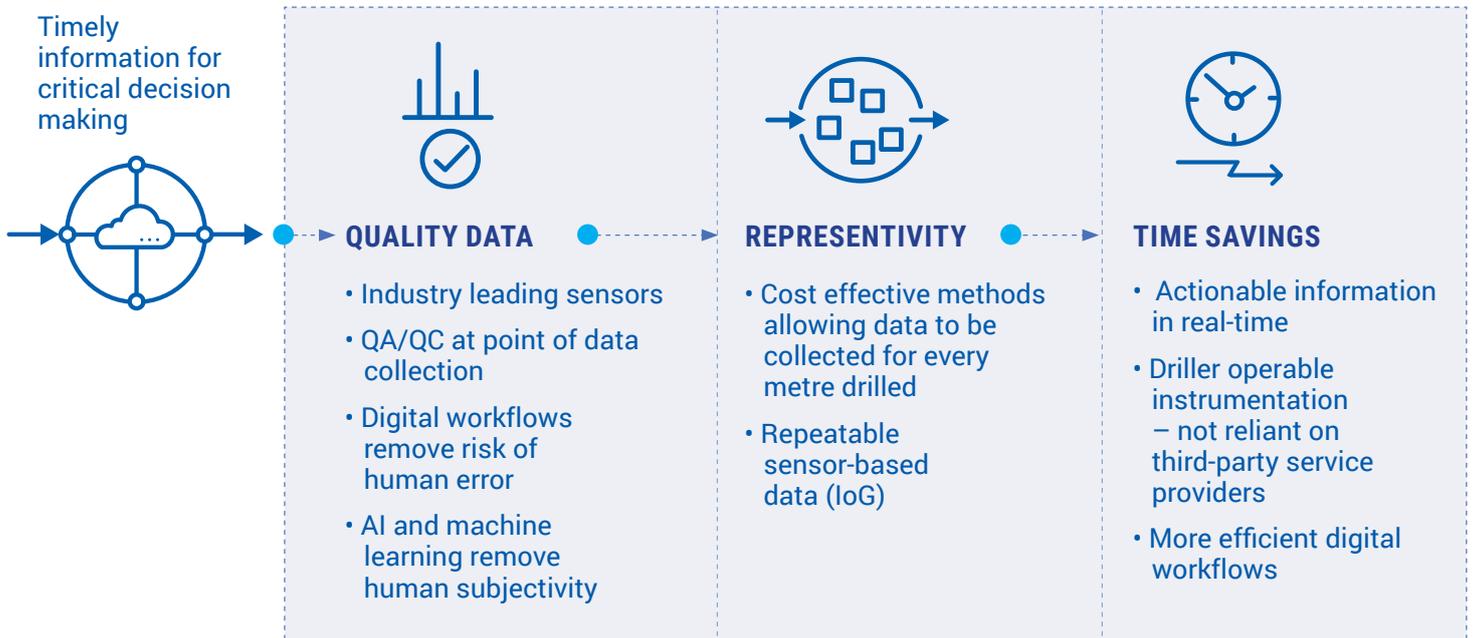
Who are AusSpec's competitors?

AusSpec's aiSIRIS product is unique with no competitors within the global minerals industry. Barriers to entry are high due to the extensive spectral mineralogy training set that has been developed over the last seven years.

Why is AusSpec important?



What will our Rock Knowledge Engine provide?



Was the acquisition an exclusive arrangement or a market tender?

It was a competitive process. AusSpec had developed a unique technology based on 5 years of human trained spectral mineralogy intelligence. AusSpec identified the need for a distribution partner to grow the company. There were three options and IMDEX was the successful bidder.

What was the structure of the transaction to acquire AusSpec?

The consideration for the acquisition of 100% of AusSpec shares will be satisfied by three cash payments of A\$1.0m (commencing on completion and payable annually thereafter), together with A\$5.5m in IMDEX shares. A\$5.0m IMDEX shares will be issued on completion and the balance in July 2022. Shares were issued at the volume weighed average price of each ordinary IMDEX share, as traded on the ASX ten days prior to the date of calculation.

	Cash	IMDEX Shares
1 July 2020	A\$1.0m	A\$5.0m
1 July 2021	A\$1.0m	-
1 July 2022	A\$1.0m	A\$0.5m
TOTAL	A\$3.0m	A\$5.5m

How will IMDEX fund the cash payments?

Cash considerations will be funded from IMDEX's existing cash flows.

How does the transaction structure share the risk of future technology development?

Components of the cash and equity considerations are conditional on the delivery of the next generation aiSIRIS-X and successfully contracting sites with new or existing clients.

Are there likely to be any challenges with integration?

No. IMDEX has an existing relationship with AusSpec due to its integration with geochemistry analysis software (IMDEX ioGAS). The Company also worked closely with the AusSpec during the due diligence period and confirmed a shared passion for delivering technologies that enhance the global minerals industry. AusSpec's aiSIRIS complements IMDEX's existing product offering and IMDEX's global distribution network will realize AusSpec's vision of making spectral geology available to all geologists. IMDEX is looking forward to working with the AusSpec team.

What are the terms of employment for the AusSpec personnel?

Three key AusSpec personnel have been provided two year fixed contracts.

Does IMDEX have plans for any further acquisitions?

IMDEX continuously scans its environment for technologies that complement its product offering and provide additional value to clients. The Company may then acquire, build or collaborates to deliver this technology. IMDEX has a strong balance sheet with a net cash position. Any future transaction would only be pursued if this position was protected.

Thank you.

Company Overview

IMDEX is a leading global Mining-Tech company, which enables successful and cost-effective operations from exploration to production.

The Company develops drilling optimisation products and sensors to provide real-time rock knowledge and quality data. Together they enhance decision making and sustainable operations for drilling contractors and resource companies across the mining value chain – from the drill rig to the core farm and processing mill.

IMDEX's unique end-to-end solutions for the mining value chain integrate its leading AMC and REFLEX brands. Together they enable clients to drill faster and smarter, obtain accurate subsurface data and receive critical information in real-time.

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