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4 October 2018

Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

Dear Sir/Madam

2018 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS AND PRESENTATION

Please find attached a copy of the Chairman and Managing Director's presentations to be given at the 2018 Annual General Meeting of Imdex Limited (ASX: **IMD**) being held at 11.00am (WST) today.

Yours faithfully
Imdex Limited

A handwritten signature in blue ink, appearing to read "P. Evans", with a long horizontal flourish extending to the right.

Paul Evans
Company Secretary

2018 AGM Chairman's Presentation



2018 ANNUAL GENERAL MEETING, 4 OCTOBER 2018

Welcome

Good morning ladies and gentlemen – thank you for joining us today and welcome to IMDEX's Annual General Meeting for the 2018 financial year. I advise that in accordance with the company's Constitution a quorum is present and accordingly declare the meeting open.

I am Anthony Wooles and as Chairman of Imdex's Board of Directors, I will Chair today's meeting.

I would like to introduce my fellow Directors, our Company Secretary and other attendees today:

- Our Managing Director Bernie Ridgeway;
- Non-Executive Directors Kevin Dundo, Sally-Anne Layman, Ivan Gustavino; and
- Paul Evans our Company Secretary.

Also present is:

- Mr Dave Andrews, signing Deloitte Audit Partner; and
- Ms Robyn Ferguson from HopgoodGanim Lawyers, the Company's solicitors.

FY18 Summary

Before reviewing the Financial Statements and Reports, I would like to thank my fellow Board members – it has been a sincere pleasure working with you all again this year. Our Board is a high-functioning team whose members always make themselves available and have all made significant contributions to the development, long-term growth and governance of our company.

Moving now to a brief summary of FY18 highlights, together with the company's priorities for FY19.

It was a positive year for IMDEX. Safety awareness and performance improved; we made good progress internally with our digital transformation; we refined and further strengthened our leadership team to support succession planning and corporate progression; and revenue and earnings grew substantially.

During the year we generated \$218.5 million revenue, which represents a 24% increase on FY17. EBITDA was \$42.4 million. Again this was a very pleasing result and a 35% increase on the previous financial year.

Other notable achievements for FY18 included:

- Our continued investment in R&D and the commercialisation of new technologies that generate additional revenue;
- Accelerating our drill and blast project; and
- Securing the option to acquire the COREVIBE™ and MAGHAMMER™ technologies. The structure of this exclusive option agreement reflects our disciplined approach to all acquisition and development programs.

During FY19 our Board will continue to place great emphasis on ensuring IMDEX is a safe, high performing and welcoming workplace. At the same time we will ensure our company remains focused on delivering sustainable earnings growth for our shareholders. To achieve this we are focused on five key strategic initiatives:

1. Ongoing core product development to protect our market position and drive organic growth;

2. Focused M&A activity around our COREVIBE™ and MAGHAMMER™ transformational technologies;
3. Transformational product development for the drill and blast sector, a market extension for IMDEX;
4. Our transition towards One IMDEX, which enhances our entire value proposition for clients; and
5. Our Match-Fit program to drive greater internal efficiencies.

As always, these growth initiatives will be pursued with close attention to administrative efficiencies and the underlying operating leverage of our company.

Bernie will provide further detail regarding these initiatives, however, before I conclude the formal part of the meeting and invite him to speak, I would like to thank Bernie and our talented leadership team for their strong performance during FY18.

Ladies and gentlemen, I would now like to review the Financial Statements and Reports followed by the consideration of 4 resolutions.



Annual General Meeting

2018 Financial Year

4 October | 2018 CONFIDENTIAL – Property of © IMDEX Limited

IMDEXTM
REAL-TIME SUBSURFACE SOLUTIONS

Welcome

Introducing our Board



**MR BERNIE
RIDGEWAY**

Managing
Director

**MS SALLY-ANNE
LAYMAN**

Non-Executive
Director

**MR ANTHONY
WOOLLES**

Non-Executive
Chairman

**MR IVAN
GUSTAVINO**

Non-Executive
Director

**MR KEVIN
DUNDO**

Non-Executive
Director

AGM Agenda

- Chairman's Address
- Resolutions & Voting
- Close of 2018 Annual General Meeting
- General Manager's Address
- Refreshments



Chairman's Address

Mr. Anthony Wooles



Highlights for FY18

- Improved safety awareness and performance
- Progressed digital transformation
- Refined and strengthened leadership team
- Increased revenue (24%) and EBITDA (35%)
- Continued investment in R&D and the commercialisation of new technologies
- Accelerated drill and blast project
- Secured option to acquire industry shifting COREVIBE™ and MAGHAMMER™ technologies

Priorities for FY19

- Ongoing core product development to protect market position and achieve organic growth
- Focused M&A activity – COREVIBE™ and MAGHAMMER™ transformational technologies
- Developing transformational products for drill and blast sector
- One IMDEX
- Match-Fit program

Close of IMDEX 2018

Annual General Meeting



AGM Managing Director's Address

Bernie Ridgeway – IMDEX 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.

Key Financial Metrics

As at 30 June 2018

	FY18 \$m	FY17 \$m	VAR \$m	VAR%
Revenue	218.5	176.2	42.3	24% ▲
EBITDA (from continuing operations)	42.4	31.5	10.9	35% ▲
NPAT	21.1	3.7 ¹	17.4	470% ▲
EPS (cents)	5.7	1.1	4.6	418% ▲
Operating cash flow	15.9	13.1	2.8	21% ▲
Net assets	186.1	159.8	26.3	16% ▲

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

- FY18 investment in transformational initiatives ~\$6.3m, budgeted to be up ~\$1.5m in FY19
- Transformational investment expected to substantially fall away from FY20

Balance Sheet

As at 30 June 2018

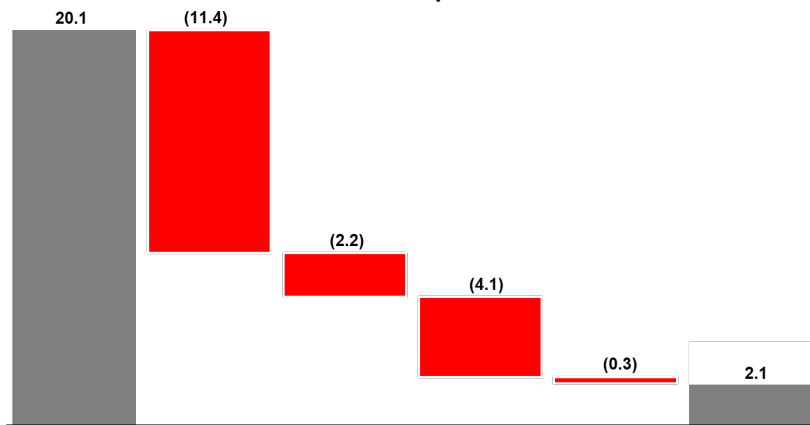
\$m	30 JUN 18	30 JUN 17
Cash	13.9	19.4
Receivables	49.3	41.5
Inventory	33.6	29.9
Fixed assets	36.5	32.2
Intangibles	59.5	60.4
Other assets / deferred tax	33.3	27.5
TOTAL ASSETS	226.1	210.9
Payables	26.4	30.4
Bank loans	5.9	6.5
HP finance	0.2	0.6
Other liabilities, provisions, current tax	7.5	13.6
TOTAL EQUITY	186.1	159.8

- Robust balance sheet
- Net asset position improved further as at 30 September 2018
- Receivables exceed payables by 87%

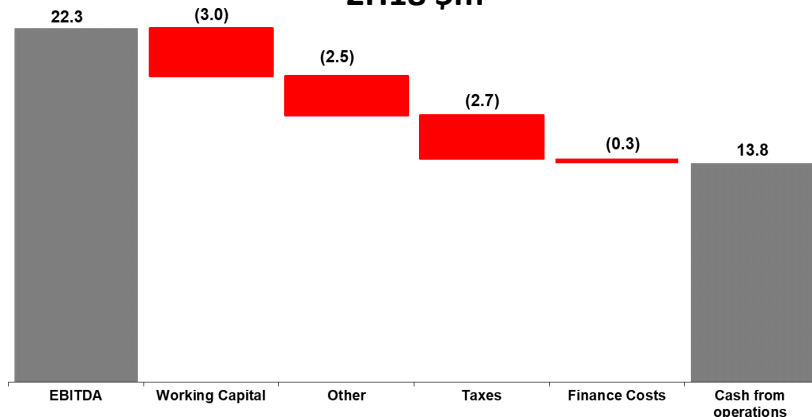
Working Capital

Cash flow from operations

1H18 \$m

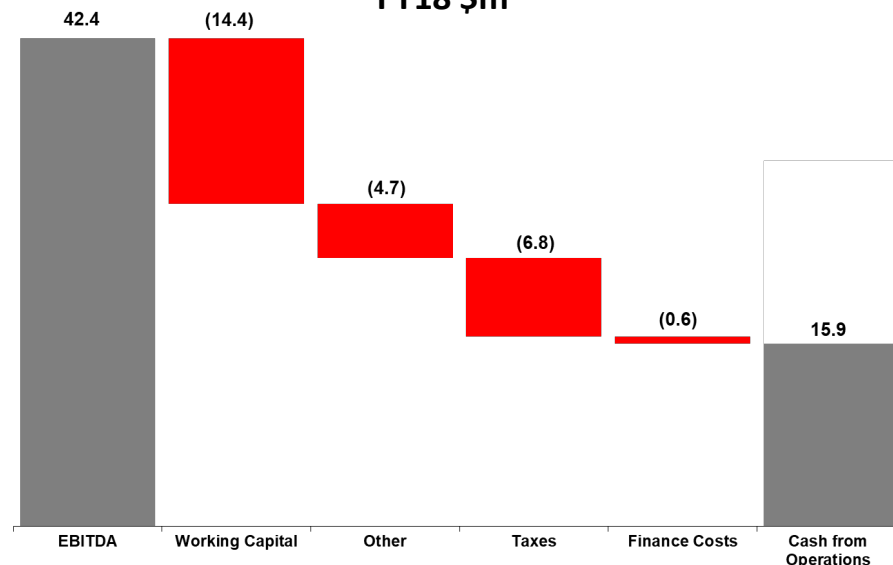


2H18 \$m



- Working capital investment normalised in 2H18 – FY18 in line with expectations
- Similar working capital ratio expected in FY19 – 30 to 35c for every incremental sales dollar
- FY18 cash tax increased due to higher profitability

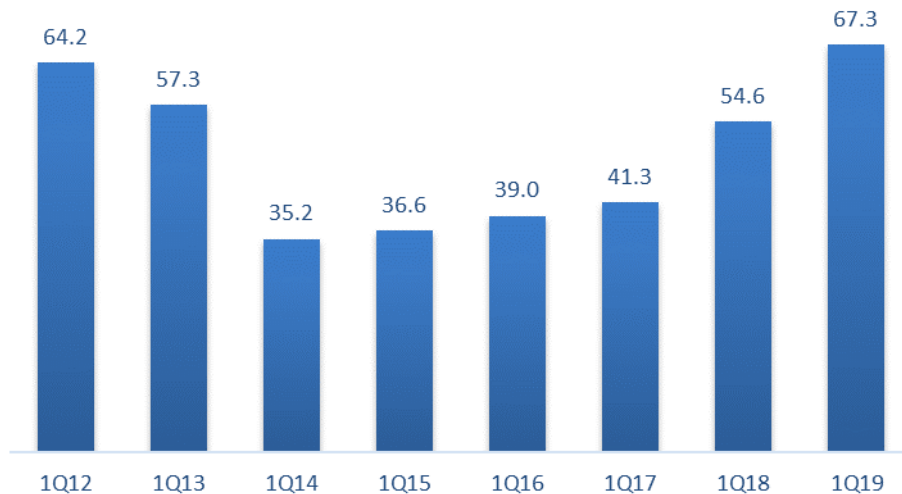
FY18 \$m



Review of 1Q19

Positive start to FY19

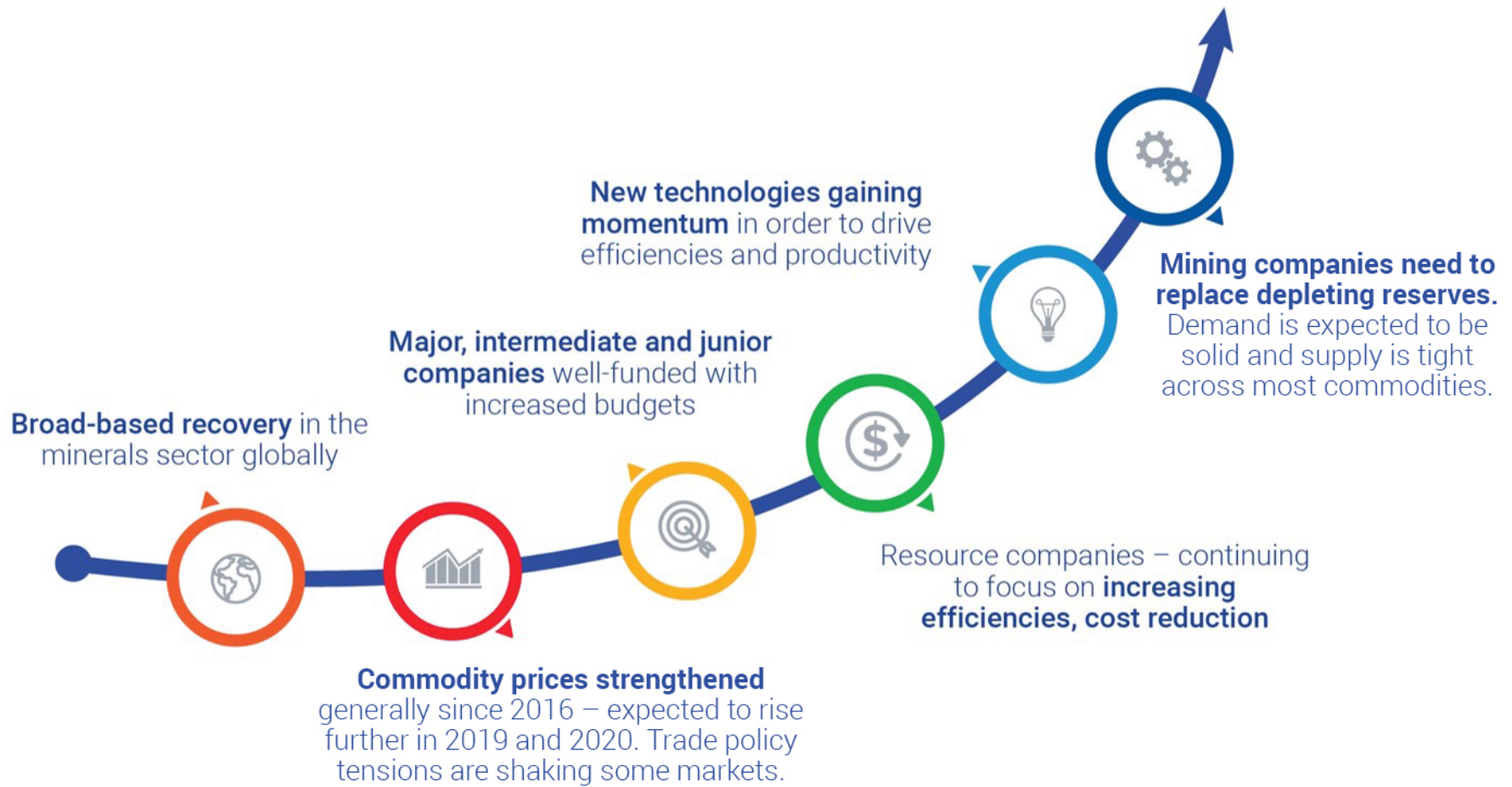
1Q Minerals Revenue (\$m)



- 1Q19 revenue of \$67.3m (unaudited), up 23% on pcp (1Q18:\$54.6m) – record minerals quarter revenue result
- 1Q19 gross margins maintained – historical levels
- Quality of rental fleet is increasing – newer technologies provide additional value to clients, generally at higher rental rates
- Greater emphasis on IMDEX solutions, integrating leading AMC and REFLEX brands
- Rig utilisation rates and driller rates increasing – industry cycle is in early stages
- Steady increase in activity globally

Market Overview

Steady growth



Established Global Business

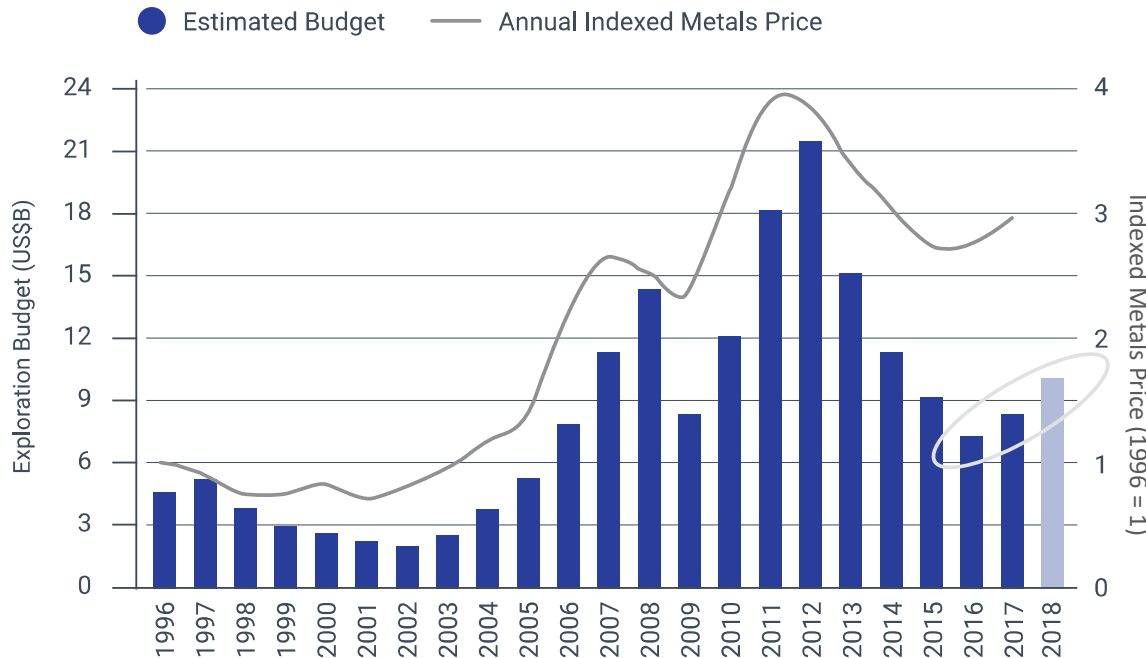
Operational leverage – we are where the money is being spent



World Mineral Exploration

Review and outlook

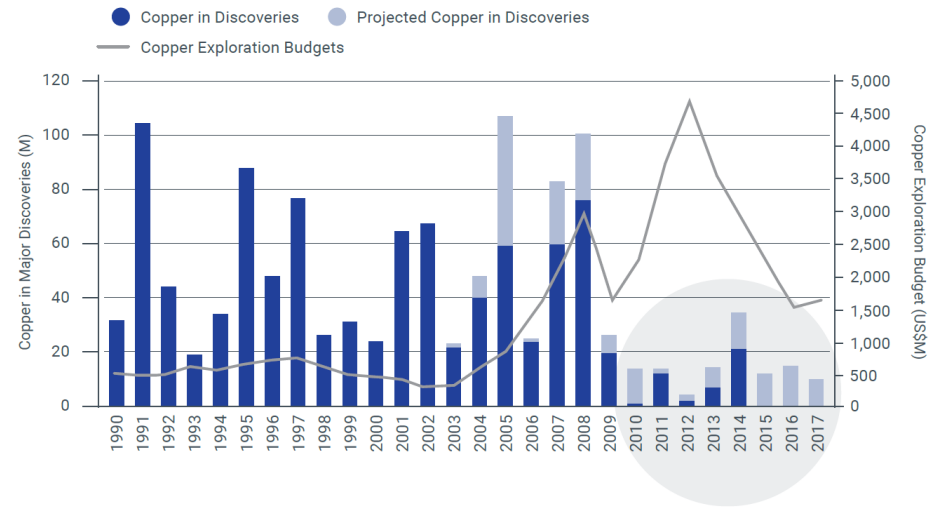
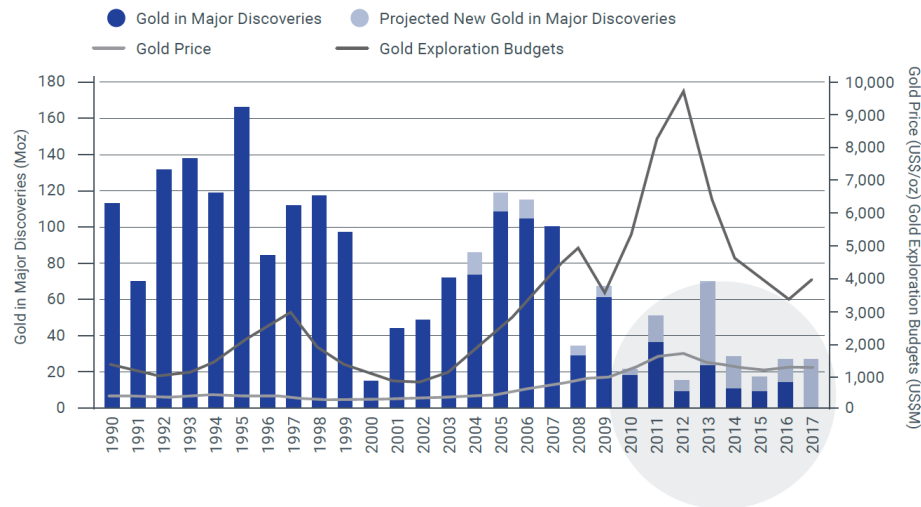
WORLD MINERAL EXPLORATION



- 6 countries/regions attracted ~ 60% of spend
- Americas attracted >50% of expenditure, Asia/Pacific – 17.5%, Africa – 14%
- Gold/copper >70% of global expenditure. Gold/base metals >80%
- CY18 budgets to increase by 15% – 20% to US\$10bn

Major Discoveries

Gold and Copper 1990 – 2017



- Dearth of recent discoveries – easy deposits have been found
- Grassroots – declined from 50% in 1997 to <30% in 2017
- Mine site – increased from 17% to ~40% in same period
- New mines – under groundcover, deeper, **more drilling**, higher costs and longer development times
- License to operate is an increasing challenge

Denver Gold Forum

23 – 26 September 2018



Key themes S&P Global Market Intelligence presentation

- Majors holding record amounts of cash
- Increasing gold production worldwide, majors controlling less
- Majors are increasing production and decreasing reserves
- Capex spending halved between 2012-2015, now increasing
- Potential for greater M&A activity – majors acquiring juniors
- Exploration budgets recovering but fewer companies in play
- Importance of technology innovation to lower costs

FY19 – FY21 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 our technical leadership.

Transformational growth is extension into new market segments within exploration, mining and production including: drilling productivity (COREVIBE™ and MAGHAMMER™); and drill and blast (IMDEX Mining Solutions).

At the same time we are focusing on enhancing our client intimacy and driving operational excellence with our **Match-Fit** and **One IMDEX** programs.

Core Product Development

Protecting and growing market share

Our ongoing investment in core product R&D ensures we maintain 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
- Unique integrated IMDEX solutions provide additional value to clients across their projects' lifecycles

Transformational Products

Drilling Productivity – COREVIBETM & MAGHAMMERTM

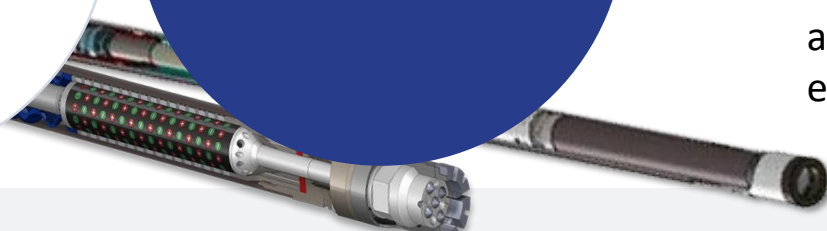
Option agreement
executed Jan 2018

Extensive testing
and due diligence
conducted pre-
signing – including
IP protection

The transaction
allows for further
testing and market
acceptance before
committing to
purchase

CoreVIBETM and
MagHAMMERTM
progressing towards
commercialisation

- Technologies are patent protected and align with IMDEX's rental model
- Technologies complement IMDEX's Drilling Optimisation solution and could strengthen IMDEX's competitive position in this market segment
- **Recent controlled testing of COREVIBETM concluded a productivity increase of 33% - results were validated by SGS New Zealand**
- If option is exercised, technologies are expected to provide significant additional global revenue and earnings from FY20



Transformational Products

Drill & Blast – IMDEX Mining solution



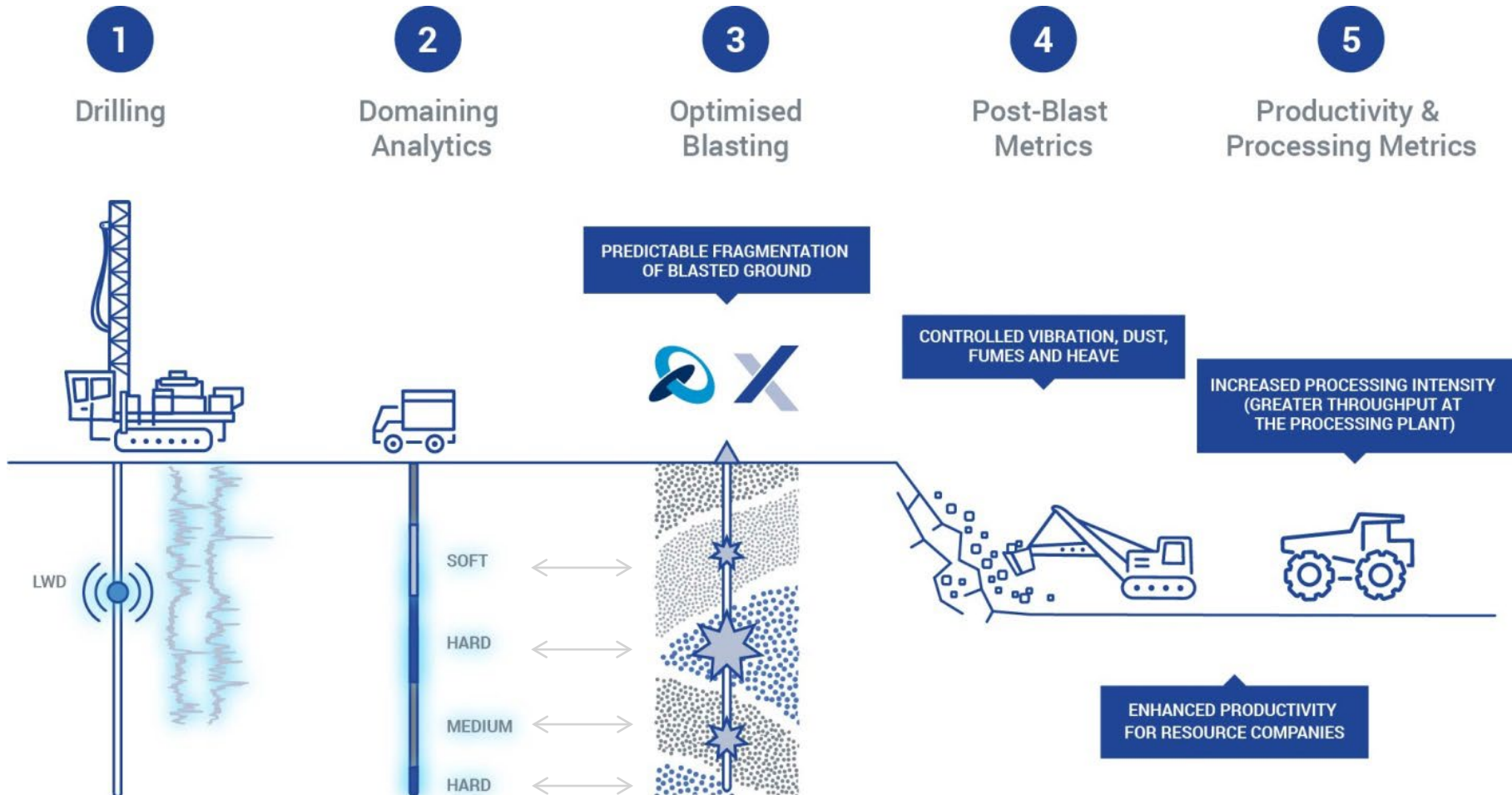
Investment in our IMDEX Mining solution has the potential to generate significant additional revenue and earnings from the mining phase, which is more sustainable throughout the cycle.

Our Drill & Blast project in collaboration with Orica, Anglo American, Teck Resources and METS Ignited has gained interest from industry.

The development project is progressing well and if successful, is expected to provide revenue in FY20.

Material Characterisation

Blast holes provide detailed view of in-situ resource



Summary of Strengths

Substantial competitive advantage



Summary & Outlook

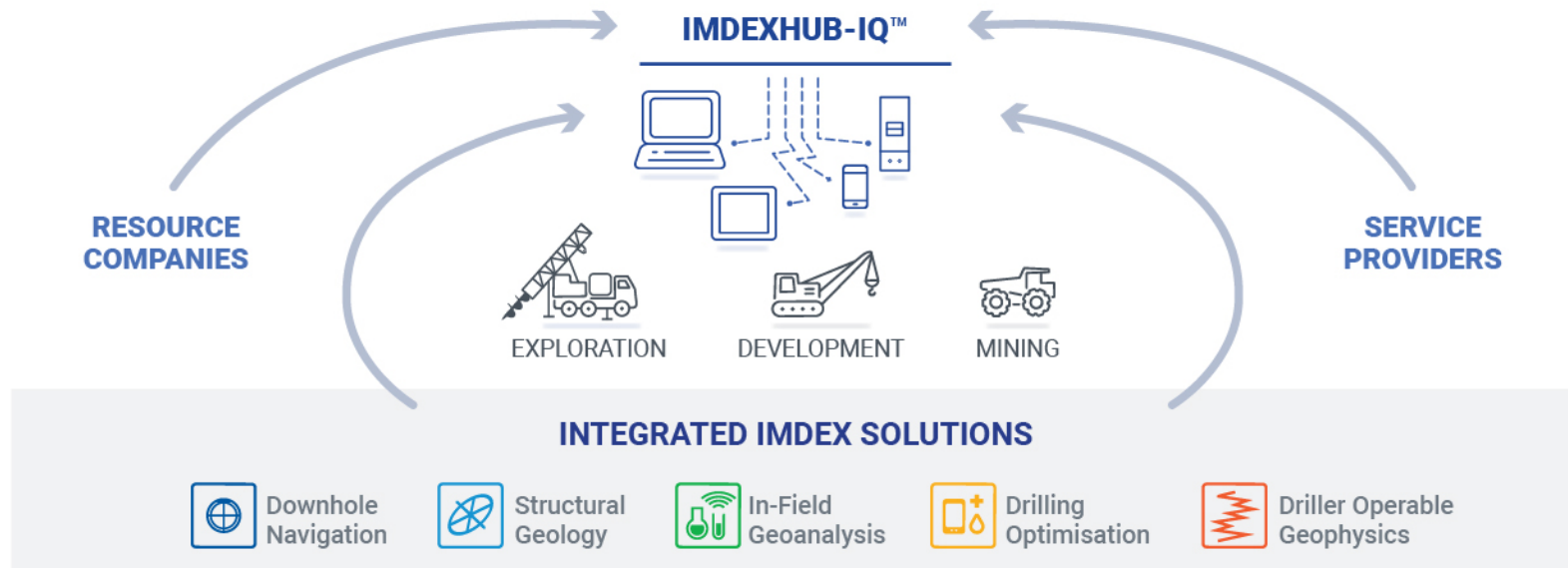
- Strong FY18 – increased revenue by 24% and EBITDA by 35%
- Strong investment in FY18 – strategic positioning to achieve sustainable earnings growth for shareholders
- Robust balance sheet – ability to drive organic and transformational growth within the mining value chain – exploration, development and mining
- Positive start to FY19 – 1Q19 revenue up 23% on pcp (unaudited) – record quarterly revenue
- Cycle showing steady increase in activity underpinned by healthy commodity prices and the need to replace diminishing reserves
- Investment in transformational growth expected to generate additional revenue and earnings from FY20
- IMDEX in a strong position to leverage improving market conditions, new technologies and unique competitive position

Appendices

Leading Technologies

Integrated IMDEX Solutions

QUALITY DATA & CHAIN OF CUSTODY



STREAMLINE PROCESSES & TIMELY INFORMATION



FY18 Overview

Financial and operational



Increased revenue 24% and EBITDA 35%



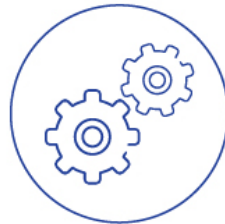
Progressed transition towards One IMDEX – integrated solutions



Improved safety performance for FY18



REFLEX instruments on hire increased



Accelerated project for drill and blast



Continued investment in R&D – commercialised new technologies



Maintained robust balance sheet

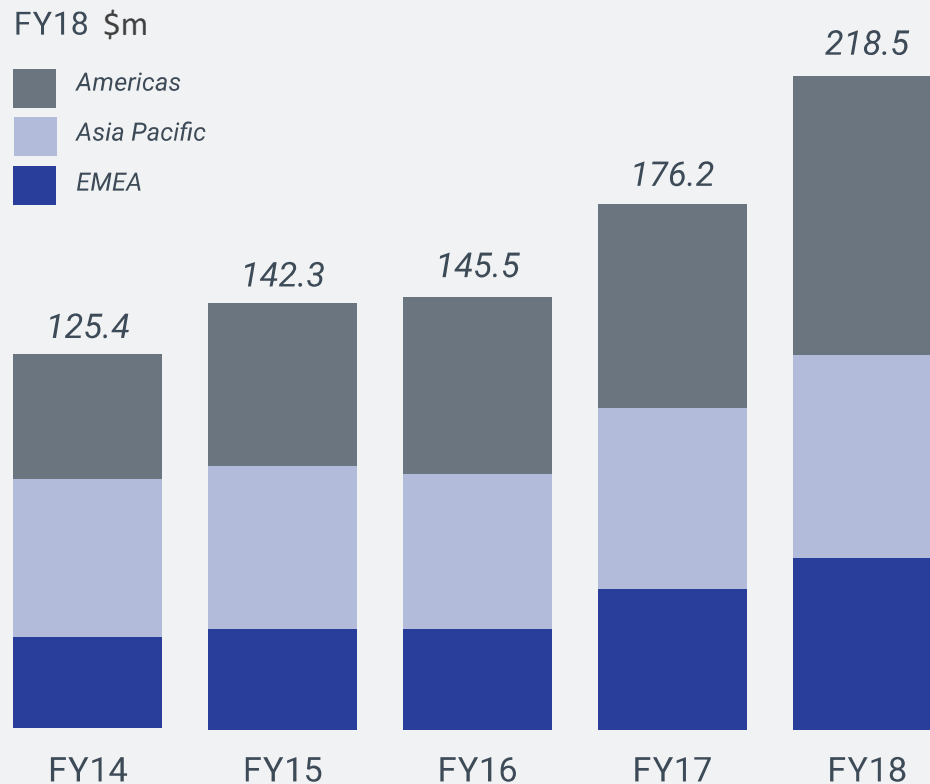


Option to acquire CoreVIBETM and MagHAMMERTM technologies



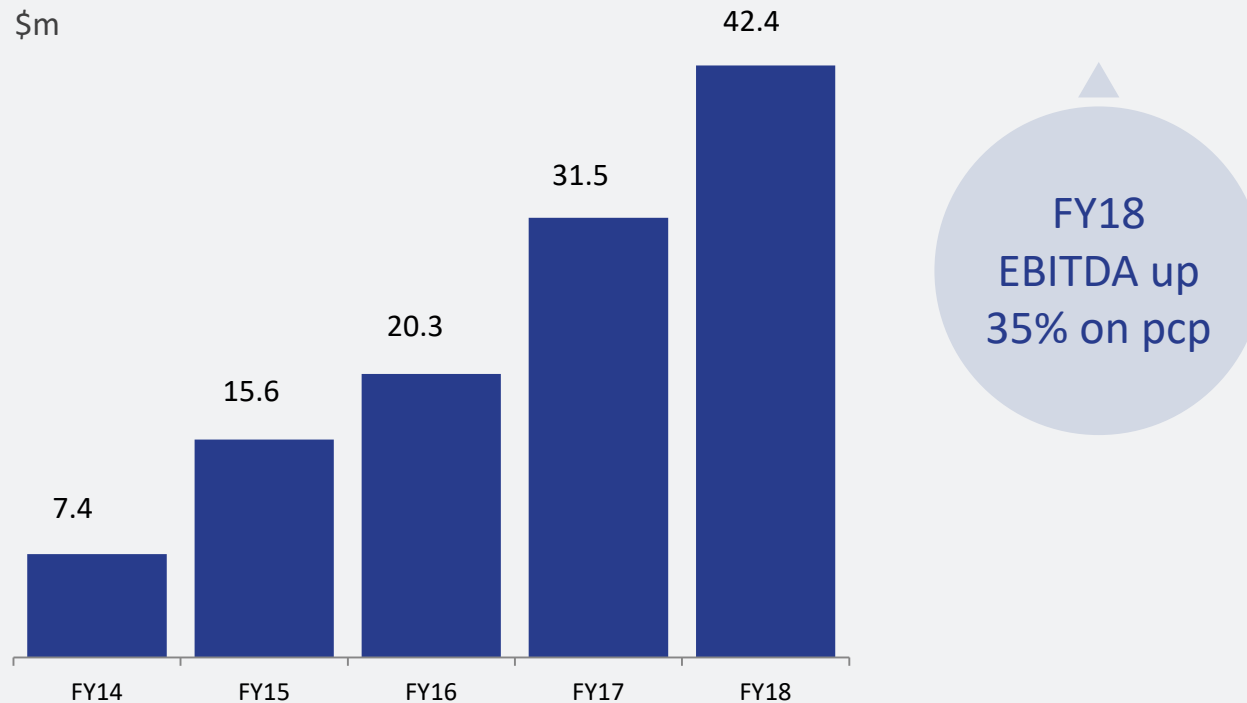
Advanced digital transformation program

Minerals Revenue by Region



- Increasing revenue across all regions – highest revenue and growth potential in Americas
- Business benefits from global presence and regional expertise
- Steady increase in activity throughout FY18 and into FY19

Minerals EBITDA



Additional investment in transformational initiatives of ~\$6.3 million* during FY18

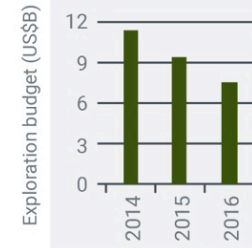
**Investment includes internal digital transformation program and further development of technologies to support transformational growth (IMS Drill & Blast & CoreVIBETM and MagHAMMERTM) within the mining value chain.*

REFLEX Instruments on Hire

Number of units as at 30 June 2018

REFER TO PAGE 18

Seasonal Holiday
Shut-Down - DECEMBER

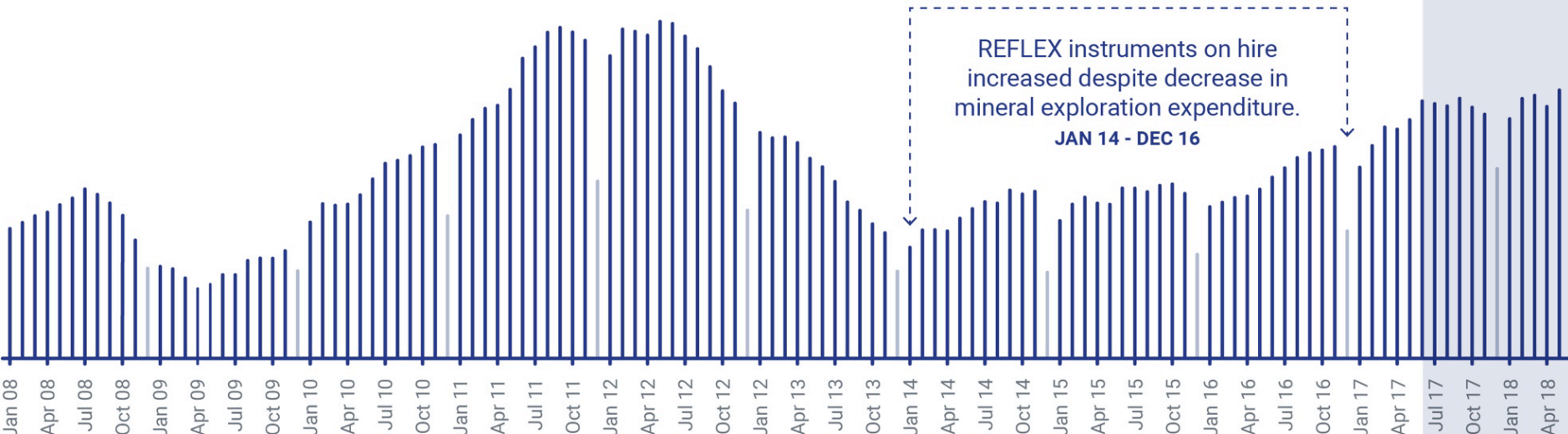


JUNE 17
-
JUNE 18

10%↑

REFLEX instruments on hire
increased despite decrease in
mineral exploration expenditure.

JAN 14 - DEC 16



Strong correlation between
increasing instrumentation
and activity



Rig utilisation rates and
driller rates indicate industry
cycle is in early stages

Quality of rental fleet is increasing.
New technologies provide
additional value for clients.

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

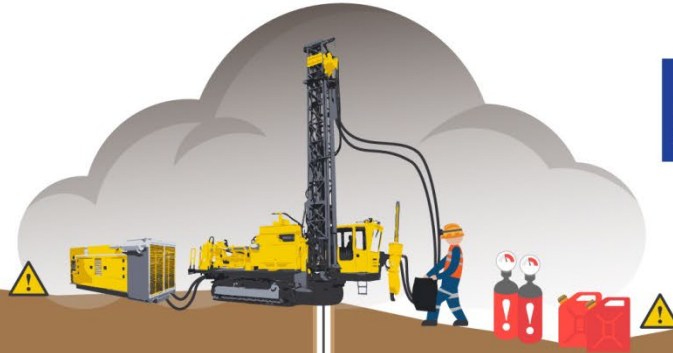
500m
1000m
1500m
2000m

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

Company Snapshot

As at 30 June 2018



Corporate Information

ASX listed		IMD
Share price (30 June 2018)	\$	1.24
Issued shares	m	369.7
Market cap (30 June 2018)	\$m	458.4

Share Price



Share register Analysis of top 50 shareholders at 30 June 2018

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

Largest shareholders 30 June 2018

	Shares (m)	%
Fidelity Investments	35.6	9.34
Perennial Value Management	31.7	5.51
The Master Trust Bank of Japan	18.2	4.96
L1 Capital	17.4	4.72
Wilson Asset Management	15.4	4.19

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

Disclaimer



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2018 AGM MANAGING DIRECTOR'S ADDRESS

Many thanks Anthony. Good morning and thank you for attending our 2018 Annual General Meeting. It is always a pleasure to provide more information about our company's progress and answer any questions.

Purpose and Vision

Most of you would be familiar with what we do as a METS company, however, I will quickly recap for those who may be new to IMDEX.

IMDEX is a leading global mining equipment, technology and services company. We provide integrated solutions to resource companies and drilling contractors, to help them know where it is and what it is. Importantly, we are able to provide this critical information in real-time or near real-time.

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

Key Financial Metrics

Moving now to slide 12 and our key financial metrics for FY18. I will briefly summarise these metrics, as we presented our full year results to the market on 20 August.

We generated \$218.5 million revenue for the year, which represents a 24% increase on FY17. EBITDA was up 35% to \$42.4 million and we recorded a net profit after tax of \$21.1 million. These are pleasing results.

Earnings per share increased substantially from 1.1 to 5.7 cents and our cash flow from operations was \$15.9 million, a 21% increase on the prior year.

At 30 June 2018, net assets had increased by \$26.3 million and we had net cash of \$8 million.

During FY18 we invested approximately \$6.3 million in transformational initiatives to support our objective of achieving sustainable earnings growth. This investment included our internal digital transformation program and further development of the COREVIBE™ and MAGHAMMER™ technologies and drill & blast project.

During FY19 our investment in these transformational initiatives is expected to increase by \$1.5 million, to approximately \$8 million for the year. It is important to note that this investment is expected to fall away substantially from FY20.

Balance Sheet

Looking at our balance sheet on slide 13 as at 30 June 2018. You can see we are in good shape with net assets of \$186.1 million.

Gross bank debt was \$5.9 million versus our cash position of \$13.9 million and our receivables exceeded our payables by \$22.9 million, or 87%. I am also pleased to say our cash position improved further as at 30 September 2018.

In summary, we are in a strong position to drive organic and transformational growth within the mining value chain, which includes exploration, development and mining.

Working Capital

The Working Capital slide looks a little busy, however, we wanted to provide further information regarding our cash conversion in the second half versus the first half of FY18.

We have split out the halves on the left-hand side and show the consolidated full year on the right.

The conversion of EBITDA to cash was disappointing in 1H18, however, this was mainly due to softer client collections and building our inventory to supply new contract wins in the USA and Australia. As you can see, this was turned around in 2H18.

The consolidated waterfall shows a reconciliation of our FY18 EBITDA result of \$42.4 million, to the cash flow from operations, which was \$15.9 million.

A similar Working Capital investment ratio of 30 – 35 cents for every incremental sales dollar is expected in FY19.

Review of 1Q19

Moving now to more recent news and a review of the first quarter of FY19.

It is pleasing to report that we generated \$67.3 million of revenue. This result is unaudited and represents a 23% increase on 1Q18 and record quarterly minerals revenue for IMDEX.

This positive result can be attributed to robust trading conditions, together with growing interest in our leading technologies and our ability to provide integrated end-to-end solutions. We successfully increased our market share, particularly in the US and parts of Latin America and maintained our gross margins at historical levels due to our technology leadership.

We expect that 2Q19 and 3Q19 revenue will be softer than 1Q19 due to seasonal impacts and the traditional holiday slowdown.

The quality of our rental fleet continues to increase as a result of continuing investment in core product development. Our new technologies are also providing additional value to clients and are generally commanding higher rental rates.

We believe we are in the early stages of the industry upswing as:

- Rig utilisation rates globally are approximately 50%;
- Drillers are gaining some rate increases; and
- We are continuing to see a steady increase in activity across all our regions.

Market Conditions

Looking more closely now at market conditions on slide 16.

- Commodity prices are generally robust, resulting in a broad-based recovery;
- Resource companies are largely well-funded and the miners are generating free cash;
- The junior resource companies have also been able to raise cash from equity markets and are actively exploring;
- New technologies are gaining momentum to drive efficiencies, productivity and increase discovery rates; and
- A key industry driver continues to be gold and copper companies mining at a faster rate than replacing their reserves and resources.

Established Global Business

Slide 17 provides a review of the 2017 global non-ferrous minerals exploration budgets as a percentage, which are shown in the large circles.

You can see the main activity – or minerals industry hotspots – are in Canada, the western part of the United States, Latin America, West Africa and Australia.

You can also see from our IMDEX facilities on the map – which does not include our distributors – we are a global business with operational leverage and we are where the money is being spent.

World Minerals Expenditure

Looking now at global minerals exploration expenditure on slide 18.

In March this year, S&P Global Market Intelligence released its findings on non-ferrous expenditure. S&P suggested that exploration budgets would continue to increase and that 2018 would be up 15% - 20% on CY17. As I mentioned on our FY18 results teleconference, we believe this percentage may be a little high.

Gold and copper continue to represent >70% of global expenditure, whilst the gold / base metals combination represents over 80% of total spend.

The Americas was the largest region attracting over 50% of the expenditure, Asia Pacific was 17.5%, and Africa – 14%.

Major Discoveries, Gold and Copper 1990 – 2017

Slide 19 shows some interesting insights in terms of exploration spend, discoveries and production in the gold and copper markets.

The chart on the left-hand side shows gold discoveries – or the lack of them – represented by the blue bars, despite the large increase in expenditure – the grey line – which peaked in 2012.

The easy deposits have been found and most of the expenditure today is brownfield around existing mine sites. We have noted on the slide that activity associated with mine sites has increased from 17% in 1997, to approximately 40% last calendar year.

New mines are likely to:

- Be under groundcover and be deeper;
- Require **more drilling, which is good for IMDEX**; and
- Incur higher costs and longer development times.

The license to operate is also a growing challenge and we are seeing an increasing trend of underground mines.

The situation for copper is very similar as shown by the chart on the right.

The bottom line is that resource companies are not going to address their declining reserves and resources within the next 2-3 years, which suggests this cycle has some time to run.

Denver Gold Forum

We have included some commentary from the 2018 Denver Gold Forum held in Colorado in the last week. This is an annual event and is the most recent touchpoint for the gold industry.

S&P Metals & Mining Research Analyst, Christopher Galbraith, presented and we have included some of the key themes from his presentation.

- Balance sheets of the majors are in good shape and they are holding record amounts of cash;
- Gold production is increasing; however, the majors are controlling less. They have been increasing production, yet, their reserves are decreasing; and
- Exploration budgets are recovering and the importance of technology innovation to lower costs is increasing.

FY19-21 Growth Strategy

Moving now from market conditions to our growth strategy on slide 21.

Our Board and senior management team 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.

Transformational growth is extension into new market segments within the exploration, mining and production phases including: drilling productivity, with the COREVIBE™ and MAGHAMMER™; and drill and blast.

At the same time we are focused on being as streamlined and efficient as we can be – or ‘Match-Fit’ as we are calling it internally, and offering the market a range of integrated IMDEX solutions, which are unmatched by our competitors.

Core Product Development

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

One IMDEX, which offers a range of integrated solutions, is a key part of our growth strategy. These solutions incorporate our market leading AMC and REFLEX brands and include: Downhole Navigation; Structural Geology; Drilling Optimisation, In-Field Geoanalysis; and Driller Operable Geophysics.

We also have the unique ability to connect our technologies with IMDEXHUB-IQ™ – award winning cloud-based software – to provide secure, accurate data in real-time or near real-time.

This ability provides us with a significant advantage over our competitors and I'm pleased to report, there have been several examples where clients have chosen IMDEX technologies due to our connectivity and the ability to view data from anywhere, anytime.

As I mentioned earlier, drilling contractors and resource companies want to know where it is, what it is and, increasingly, they want to know this information in real-time or near real-time. These wants and needs are the same whether it is exploration, development or mining.

The outcomes and benefits for clients include:

- Faster decision making;
- Access to trusted field data;
- Reduced costs and increased efficiencies;
- Automated workflows; and
- Turning data into intelligence.

IMDEXHUB-IQ™ is gaining further traction in the industry by existing clients expanding scope, as well as new clients coming on to the system.

Also noted on this slide are our world-class R&D facilities and excellent internal capabilities, which allow us to develop IP and maintain our technical leadership.

Transformational Products, Drilling Productivity – COREVIBE™ & MAGHAMMER™

Slide 23 summarises our option agreement to acquire the COREVIBE™ and MAGHAMMER™ technologies, which have the potential to transform drilling productivity and lower costs.

To recap, in January this year, we entered into an exclusive option and technology development agreement to acquire New Zealand-based Flexidrill and its patent protected technologies. The structure of this transaction allows for comprehensive testing and market acceptance before committing to purchase.

The COREVIBE™, which enhances the productivity of diamond drilling, is the more advanced technology. In a recent trial at our new test site in New Zealand, SGS confirmed that the COREVIBE™ delivered a 33% increase in productivity over standard diamond drilling.

Further testing will be undertaken with the aim of reducing capex, increasing deployment time in the field and reducing repair costs.

The second technology is the MAGHAMMER™, which could replace reverse circulation drilling and offer substantial benefits to clients.

We are applying a disciplined approach to these development projects and potential acquisition. Market demand for the COREVIBE™ and MAGHAMMER™ is robust and if the option agreement is exercised, these technologies are expected to provide additional global revenue and earnings from FY20.

Transformational Products, Drill & Blast – IMDEX Mining Solutions

Looking now at slide 24. Investment in our IMDEX Mining solution has the potential to generate significant additional revenue and earnings from the mining phase, which is more sustainable.

Our drill and blast project in collaboration with Orica, Anglo American, Teck Resources and METS Ignited, is gaining interest from our industry and if successful, is expected to provide revenue in FY20.

Material Characterisation

Slide 25 provides more detail regarding our drill and blast project to characterise rock material at the time of drilling to differentially load the blast hole with explosives.

Expectations are that this will improve the knowledge of where the ore and waste is pre and post blast, as well as deliver a better rock fragment size from the blast.

The current practice and workflow in the pit has not changed materially for decades and the industry is keen for the adoption of new technology in this area to increase efficiencies and maximise revenue.

Summary of Strengths

Looking now at our substantial competitive advantage on slide 26.

Our overriding objective is sustainable earnings growth and we are pursuing this by investing in our strengths.

- We are where the money is being spent and have economies of scale, which should generate increased fixed cost leverage as the cycle gathers further momentum;
- We have a robust balance sheet with a net cash position and the ability to leverage opportunities for organic and transformational growth;
- We don't have a competitor offering integrated solutions for all phases of the mining value chain. This market advantage provides more sustainable revenue and earnings;
- Our unique IMDEX solutions incorporate leading brands – AMC and REFLEX – which are dominant within the global minerals industry and have a solid reputation for quality and ease-of-use;
- We have long-standing relationships with major resource companies and drilling contractors, together with experienced in-field personnel; and
- Our technical leadership is due to our unique patent protected technologies. We also have the best product development team in the industry and invest strategically in new products to provide a superior value-add experience to clients.

Summary

Moving to the last slide now, I would like to leave you with some key take-aways:

- We delivered strong financial performance in FY18 and achieved record unaudited minerals revenue in the first quarter of FY19;
- Activity within major mining areas is robust and we are about 2.5 years into the current cyclical upswing;
- Commodity prices are generally healthy resulting in a broad-based recovery;
- Major, intermediate and junior companies are well-funded with increased budgets and are on a mission to replace diminishing reserves and resources;
- Our strategy of focusing 100% on the global minerals industry and providing integrated solutions, which no competitor can match, is right;
- We have a range of transformational technologies under our control and expect increases in revenue and earnings from FY20;
- We have a solid balance sheet to support our strategy to deliver sustainable earnings growth; and
- We are in a good position to leverage improving market conditions, new technologies and our unique competitive position and are confident of delivering a stronger financial performance in FY19.

At this point, I'd like to recognise and thank my colleagues in the Senior Management Group. In addition, I would like to mention our most important asset: our global team of employees. I'm very fortunate to be working with such a talented team of people.

That leads me to the Chairman and the Board and I thank each and every one of the Directors for their invaluable assistance and guidance throughout the year.

And finally – our strategy means measuring success by the value we bring to our clients; the profits we generate to fund reinvestment and the sustainable returns we generate for our shareholders. I'm confident in our team's ability to execute this strategy and I'm confident IMDEX is well positioned to compete and grow sustainable revenue and earnings.

Thank you. I am now happy to take any questions.