

VYSARN
LIMITED



Investor Presentation

JULY 2019

Disclaimer

This presentation has been independently prepared by Vysarn Limited ("the Company" or "Vysarn") to provide summary information about the Company and its activities as at the date of this presentation (29 July 2019), and is provided for information purposes only. The information in this presentation is general in nature and does not purport to be complete or to contain all the information which a prospective investor may require in evaluation a possible investment in the Company or that would be required in a prospectus prepared in accordance with the Corporations Act 2001 (Cth). Potential investors should refer to the prospectus issued by the Company on 11 July 2019 ("Prospectus") and released on ASX on that day for further information regarding the Company, the offer being conducted pursuant to the Prospectus and risk factors.

This presentation does not constitute investment, financial product, taxation or legal advice and is not intended to be used as the basis for making any investment decision. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. This document is not a prospectus, product disclosure statement or other offering document under Australian law or any other law, and will not be lodged with the Australian Securities and Investments Commission.

The information in this presentation is strictly confidential and is intended for the exclusive benefit of the person to whom it is given. It may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the express written consent of the Company. By receiving this presentation, you agree to keep the information confidential, not to disclose any of the information to any other person and not to copy, use, publish, record or reproduce the information without the prior written consent

of the Company, which may be withheld in its absolute discretion.

This presentation does not take into account any person's particular investment objectives, financial resources or other relevant circumstances and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, the Company does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this presentation. No responsibility for any errors or omissions from this presentation arising out of negligence or otherwise is accepted.

This presentation may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this

presentation. To the maximum extent permitted by law, the Company and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumption;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this presentation, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).



VYSARN
LIMITED

Corporate Snapshot



The Company aims to become a significant provider of production critical services and solutions to the resources, construction and utilities industries



VYSARN LIMITED (ASX:VYS) ¹		
	Minimum subscription (\$5m)	Maximum subscription (\$7m)
Public Offer Issue Price	\$0.054	\$0.054
Shares on Issue on Completion	~260.6m	~297.7m
Market Capitalisation	~\$14.07m	~\$16.07m
Cash at Bank ²	~\$4.27m	~\$6.14m
Debt ³	\$8.8m	\$8.8m
Enterprise Value	~\$18.6m	~\$18.73m

Notes

1. High level snapshot of the Company at relisting. Refer to Prospectus for further details
2. Includes \$1.6m GST Receivable amount
3. \$800k to be repaid in month 4
4. 10M Options and 10M Performance Rights will be issued to KMP

Board at Listing



Mr Peter Hutchison
Non-Executive
Chairman

Well-known and highly regarded business leader with over 30 years' experience managing a diverse portfolio of industrial investments in manufacturing, engineering, construction and property, at the most senior levels. Founding Director of Forge Group Ltd, floated in 2007 with a market cap of \$12m and reaching over \$450m at the time of his resignation as CEO and final sell down in July 2012. Also former Chair of Resource Equipment Ltd and Mareterram Ltd.



Mr Sheldon Burt
Executive Director

Drilling industry professional with over 30 years national and international experience including field based, operations, senior management and directorship roles. Former General Manager of Easternwell Minerals, a leading drilling contractor with operations throughout Australia, specifically in the hydro drilling space.



Mr Chris Brophy
Executive Director

Accomplished business leader with over 15 years of senior leadership and consulting experience. Drilling experience gained during several years with Easternwell Minerals where he held operations and commercial management roles.

Asset Value



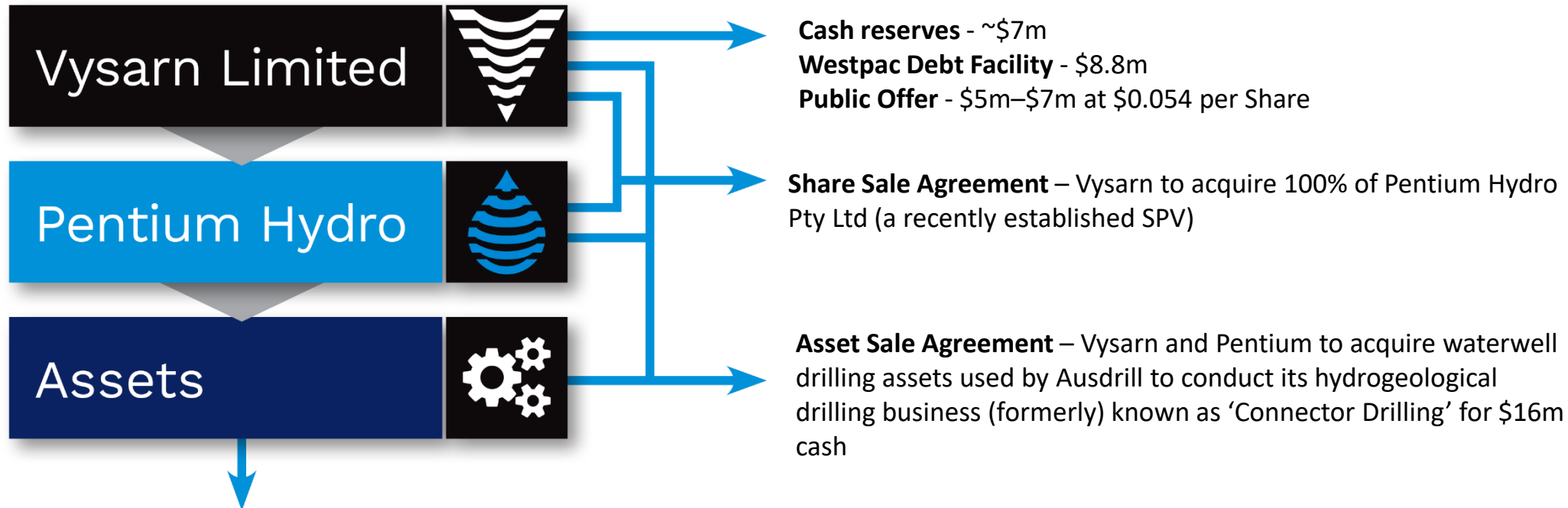
	Prospectus Acquisition (\$m)	Orderly Liquidation Value (\$m)	Market Value (\$m)
Plant & Equipment ¹	13.00	17.27	23.36
Inventory ²	3.00	3.00	3.00
Intangible ³	2.50	2.50	2.50
Cash + Receivables ⁴	3.47	3.47	3.47
Total Assets	21.97	26.24	32.33
Debt ⁴	(8.00)	(8.00)	(8.00)
Equity	13.97	18.24	24.33
Shares (min sub)	260.6	260.6	260.6
Net Asset Backing/ Share	0.054*	0.070	0.093
NTA/Share	0.044	0.060	0.084

*Public Offer issue price

Notes

1. Values per the Independent Valuation Report (IVR) in Attachment A of the Prospectus. Values are ex GST and excludes inventory
2. Uses Directors valuation of Inventory of \$3m. Note the IVR values inventory at a market value of \$5m and a orderly liquidation value of \$500k.
3. Comprises cost of Public Offer and value of securities to be issued under Directors Past Services Offer and Pentium Offer. See Section 1.2 of Prospectus
4. Cash per pro forma balance sheet in Section 4.3 of the Prospectus (assuming minimum raise of \$5m) plus asset purchase GST refund of \$1.6m less \$800k Westpac Debt Facility instalment repayment due in month 4.

Acquisition Overview



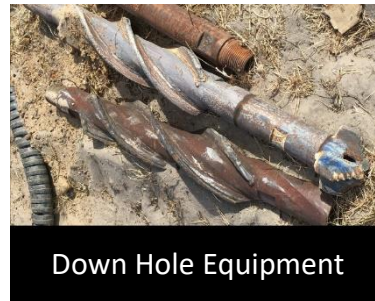
An Independent Valuation values the Ausdrill Assets at a market value of ~\$30.7M (inc GST)



10 Drill Rigs



Ancillary Equipment
for Drill Rigs



Down Hole Equipment



Crew Carriers &
Light Vehicles



Inventory

Investment Highlights

Transformative Acquisition - Vysarn to enter the mining services sector with high quality water well drilling assets used in Ausdrill's hydrogeological drilling business (formerly) known as 'Connector Drilling'

Support from 'Big 4' Bank - Westpac to provide debt funding of \$8.8m to assist to fund the purchase price for the Ausdrill assets

Strong Board – experienced and highly regarded businessman Peter Hutchinson to Chair supported by two highly experienced drilling professionals as Executive Directors

Strong Contracts Pipeline – Existing Ausdrill / Hancock Drilling Services Contract has been assigned to the Company. Company also in advanced discussions with existing Ausdrill client Roy Hill Iron Ore re new commercial contract, and a drilling services company re dry hire arrangement

Immediate Growth Opportunities – fleet of 10 drill rigs will enable the Company to immediately tender for services

Deal Flow - well connected Board and advisors expected to bring M&A opportunities



History of the Connector Drilling Assets



Vysarn lodges public offer prospectus

Indicative completion date of acquisition

Indicative date for Vysarn to be reinstated to Official Quotation on ASX

11 July 2019

Mid/late August 2019

Late August 2019

1992

Connector Drilling business is commenced

February 2011

Ausdrill acquires Connector Drilling for ~\$30m plus earn out

October 2018

Ausdrill acquires Barmenco and becomes 2nd largest mining services company in Australia by revenue with a current market cap of ~\$1.3bn

February 2019

Ausdrill announces portfolio review and advanced discussions re divestment of Connector Drilling

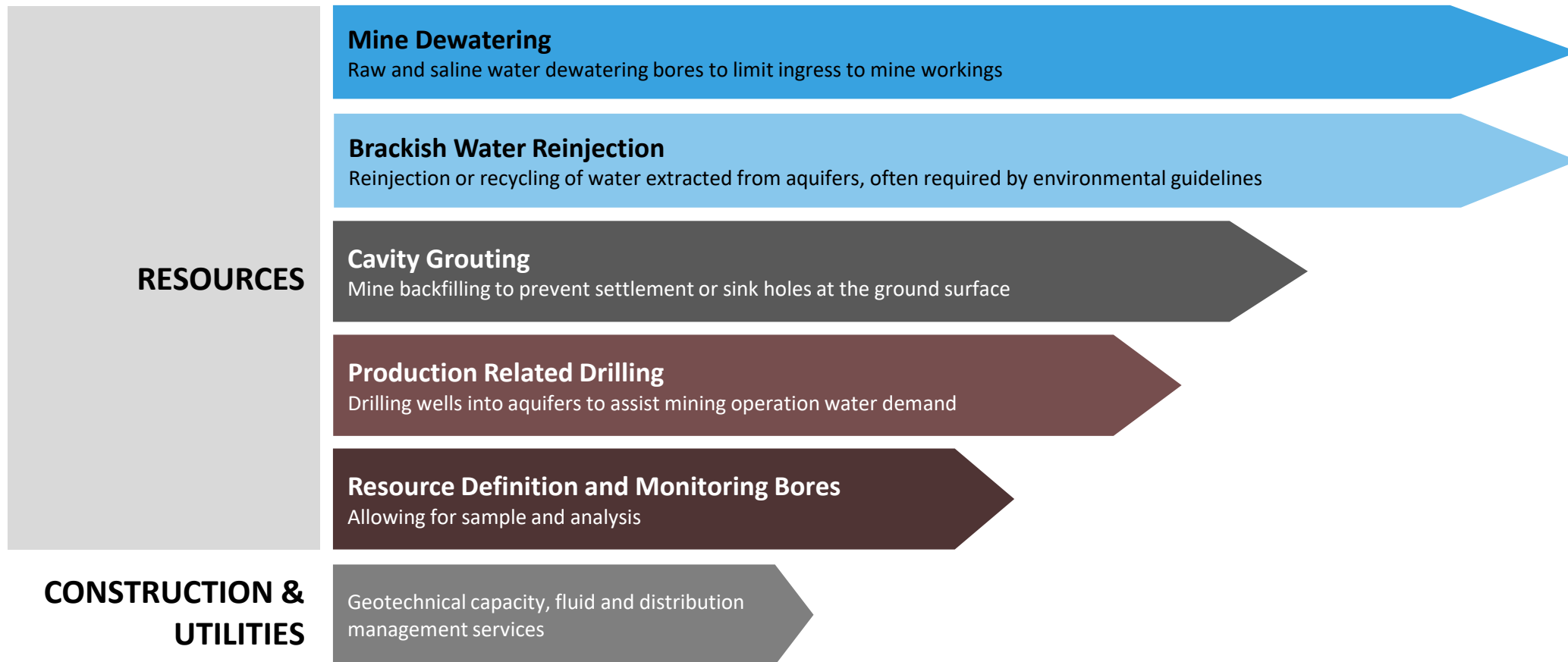
11 April 2019

Vysarn agrees to acquire all hydrogeological drilling assets and inventory of Ausdrill Northwest (inc Connector Drilling assets)



Business Model

The Ausdrill Assets will underpin the Company's aim to become a significant provider of production critical services and solutions to the resources, construction and utilities industries, with an initial focus on providing **WATER** related services to the resources industry



WA Pilbara Operating Iron Ore Mines 2019

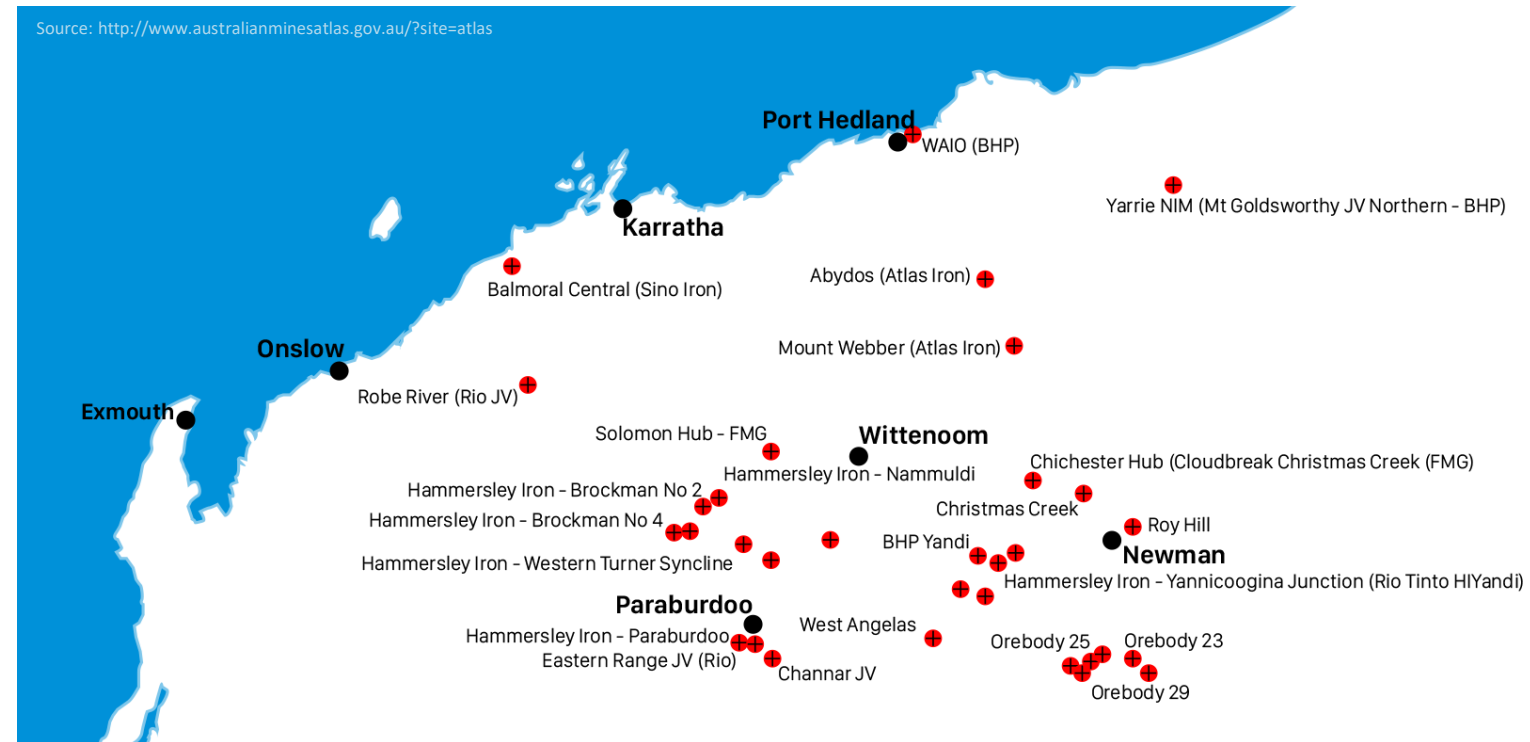


RioTinto

BHP



- The WA Resources Sector abstracted ~654GL of water in 2016
- The Pilbara region accounted for ~450GL (roughly the size of Sydney Harbour at ~500GL)
- This is estimated to increase to ~578GL by 2024, likely the result of additional dewatering as iron ores are mined further below the water table



Note: information in this slide has been sourced from the Western Australian Resources Sector Outlook Report 2018-2028 prepared by KPMG and the Chamber of Minerals and Energy of Western Australia available here: <https://www.cmewa.com/policy-and-publications/annual-reports-submissions-publications/preview?path=2018-2028%2BResources%2BSector%2BOutlook%2BReport%2Bv1.0.pdf> Investors should have regard to the disclaimers set out in that report in assessing the information in this slide

Revenue Sources and Growth Strategy

Contracts at Listing

- Deed of Assignment executed for Ausdrill / Hancock drilling services contract
- Advanced discussions re new General Works Contract with Roy Hill
- Advanced discussions re Dry Hire arrangement with drilling services company

HANCOCK
PROSPECTING



Organic Growth

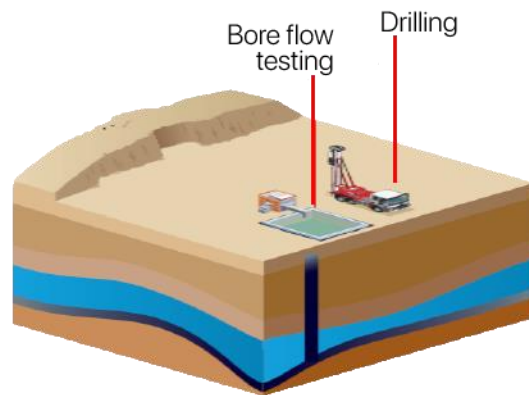
- Rig Utilisation: fleet of 10 Drill Rigs and associated equipment will enable Vysarn to immediately tender for service contracts and/or enter into dry hire arrangements
- Drilling activities will provide exposure to ancillary services consistent with the Company's aim to be a significant provider of production critical services and solutions
- Initial focus on the resources, construction and utilities industries with potential to expand into other industries such as Agriculture and Oil and Gas

M&A Opportunities

- Well connected Board and advisors to look for M&A growth opportunities, with a focus on horizontal and vertical integration

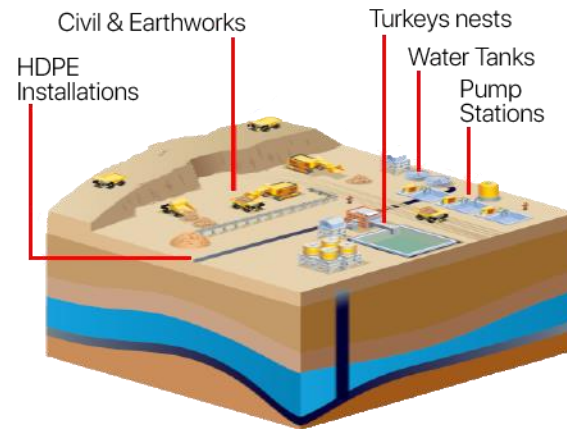
Groundwater Network Services

Scope	Delivery
Program Management	Improvement in productivity and cost
Drill program and pump station	Dewatering drilling with Dual Rotary rigs. Headworks
Reinjection and flow rate reporting	Bore flow test units and Reinjection Units



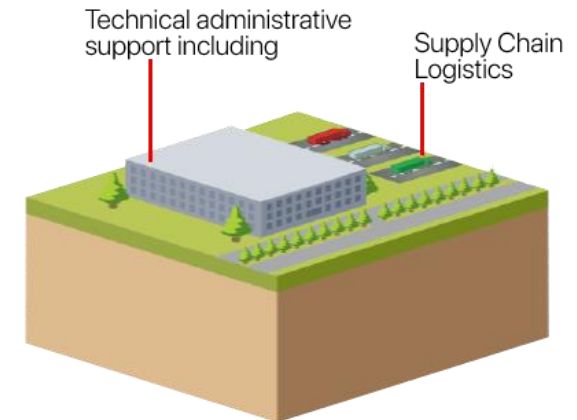
Dual Rotary specialisation including reinjection and flow testing

Scope	Delivery
Water infrastructure supply and installation	HDPE, tank and turkey nest installation
Fluid transfer and monitoring	Pump and telemetry fabrication, supply & install
Maintenance	Field maintenance crews. Maintenance plan updates and SAP specialists



Water infrastructure design fabrication, installation and maintenance

Scope	Delivery
Analysis of Results and Reporting	Hydrogeological services
Engineering design scheme	Engineer, construct and maintain
Scope of spares documented, full detail in SAP	Maintenance Planners and SAP work order specialists – labour hire



Engineering, consulting and OEM



KEY CONTACTS

Mr Peter Hutchinson
Chairman

Registered Office
108 Outram Street, West Perth WA 6005
Telephone: +61 8 9486 7244
ASX Code: VYS Website: www.vysarn.com.au