

# SWICK MINING SERVICES

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ASX ANNOUNCEMENT

## SWICK SECURES USA DRILLING TRIAL WITH NEWMONT

**Swick Mining Services Ltd (ASX:SWK) is pleased to announce that it has secured a one rig short term underground diamond drilling contract (commencing September 2010) with global gold major Newmont at its Deep Star Mine in Nevada (United States).**

The short term contract is an opportunity for Swick Mining Services to showcase its market leading Mobile Diamond Drill rig during an initial program of 10,000 feet. This contract allows the Newmont Nevada Operations to experience the versatility, mobility and production of the Swick Mobile Diamond Drill, which could lead to greater opportunities with Newmont in the Carlin Trend.

The Deep Star Mine is located within the Carlin North precinct of Newmont's Nevada Operations. Newmont's Nevada Operations is the Company's flagship operation and has been in operation since 1965.

Newmont owns or controls approximately 3,000 square miles of land in Nevada, located within a 100-mile stretch between Carlin in the east and Winnemucca in the west. Newmont's Nevada Operations include fourteen (14) open pit and four (4) underground mines, and 14 processing facilities along the Carlin Trend.

This engagement follows on from other recent awards with Newmont which have included:

June 2010 - the awarding of a three year underground diamond drilling contract to Swick Mining Services at Newmont's Hope Bay Mine in the arctic region of Canada in the territory of Nunavut. The drilling program consists of an estimated 150,000 metres to 200,000 metres over the three year contract life.

March 2010 – the award to Swick Mining Services of a three year, \$50 million contract renewal with Newmont for the provision of underground diamond drilling services at the Jundee and Tanami Gold Mines in Australia.

The new contract at the Deep Star Mine further demonstrates the market leading position of the Swick Mobile Diamond Drill rig and the growing strength of the Company's relationship with Newmont on a global basis.

Managing Director Kent Swick said: "the Carlin Trend in Nevada is one of the world's richest and most productive gold producing regions and remains relatively under-explored. Swick Mining Services is extremely excited about the opportunity of entering this market and at the same time furthering its relationship with Newmont. With drilling operations at major mines in Canada and the United States, Swick is a step closer to achieving its goal of having a sustainable and strong North American business to supplement Swick's Australian operations."

### ***Fleet Utilisation - North America***

Swick North America currently has four of its eight rig fleet in work, with another two rigs to shortly commence work pursuant to the recent contract awards at Newmont's Hope Bay and Deep Star mines. As previously advised, a number of additional opportunities are being pursued in both Canada and the United States with the aim of moving the fleet to a position of full utilisation during the second half of CY10.

### ***Fleet Utilisation - Australia***

At the date of this report, Swick Mining Services has the majority of its available fleet in work.

The table below shows the rig utilisation by division at the end of July (current) and the projected position at the end of September 2010. In addition to the fleet availability shown below, the Company has the capacity to increase its Underground Diamond fleet in Australia by a further 3 rigs to a total of 50 rigs by early 2011, as well as capacity to increase its underground longhole fleet should demand arise, by assembling more rigs utilising current carriers and components in stock.

Total Rig Utilisation Table (Australia and North America):

Division	July 2010 (Actual)			September 2010 (Projected)		
	Available Fleet	In Work	Utilisation (%)	Available Fleet	In Work	Utilisation (%)
U/G Diamond Aust	43	39	91%	47	43	91%
U/G Diamond NA	8	4	50%	8	6	75%
Underground Longhole	6	6	100%	6	6	100%
Surface RC	6	4	67%	7	7	100%
Surface MP	4	3	75%	4	4	100%
Surface Diamond	5	2	40%	5	3	60%
<b>Total</b>	<b>72</b>	<b>58</b>	<b>81%</b>	<b>77</b>	<b>69</b>	<b>90%</b>

In general, it is our assessment that market sentiment is currently positive and demand for rigs across both surface and underground is improving.

***Appointment of Bryan Wesley as Chief Financial Officer***

As a consequence of the improving market conditions and the increasing scale of Swick's operations, Swick Mining Services recently moved to bolster its accounting and finance team with the appointment of Bryan Wesley as Chief Financial Officer. Bryan is a chartered accountant with over 20 years experience in resources, construction, distribution and manufacturing businesses in Australia and overseas. He joins Swick from Mt Gibson Iron Limited where he was a senior member of the accounting and finance team for the past five years.

Yours faithfully



**KENT SWICK**  
MANAGING DIRECTOR

**About Swick Mining Services:**

Swick Mining Services (ASX:SWK) is one of Australia's largest mineral drilling contractors, providing high quality, high value underground and surface drilling services to a diverse group of mining houses in gold, iron ore, nickel, copper, lead, zinc and manganese. The Company has a strong reputation for innovation in rig design and drilling practices that delivers improvements in productivity, safety, versatility and value. Swick recently committed to expanding its operations outside of Australia and building a global brand through an expansion into targeted international markets, with an initial focus on North America.

For further information re this announcement, please contact the following on (08) 9277 8800:

**Kent Swick**  
Managing Director