For personal use only

OREXPLORE
TECHNOLOGIES

Prospectus

For a priority offer of a minimum of 4,000,000 Shares at an issue price of $0.25 each, to raise a minimum of $1,000,000 (before costs) from eligible shareholders of Swick Mining Services Ltd (ACN 112 917 905) registered on a record date of 1 December 2021, with the right to accept oversubscriptions of up to a further 6,000,000 Shares at $0.25 each to raise up to a further $1,500,000 (before costs).

OREXPLORE TECHNOLOGIES LIMITED | ACN 645 505 406

The Priority Offer pursuant to this Prospectus is conditional upon the events set out in Section 1.6 of this Prospectus occurring.

It is proposed that the Priority Offer will close at 5.00pm (WST) on Wednesday, 22 December 2021. The Directors reserve the right to close the Priority Offer earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the Shares offered pursuant to this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 4 for a summary of the key risks associated with an investment in the Securities.

www.orexplore.com

For personal use only

Table of contents

Important Information		**2**
Corporate Directory		**4**
Letter from the Chairman		**5**
Key Offer Details		**7**
Indicative Timetable		**9**
Investment Overview		**10**
1.	Details of Offer	**35**
2.	Company Overview	**49**
3.	Industry	**76**
4.	Risk Factors	**83**
5.	Board, Management and Corporate Governance	**96**
6.	Financial Information	**112**
7.	Material Contracts	**125**
8.	Additional Information	**130**
9.	Authorisation	**147**
10.	Glossary of Terms	**148**
Annexure A	**Investigating Accountant's Report**	
Annexure B	**Intellectual Property Report**	
Annexure C	**Industry Expert Report: MinEx Consulting**	
Annexure D	**Deloitte Tech Rating**	

Important Information

Prospectus

This Prospectus is dated 22 November 2021, and was lodged with ASIC on, 22 November 2021. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within seven days of the date of this Prospectus for Official Quotation of the Shares the subject of the Priority Offer.

No person is authorised to give any information or to make any representation in connection with the Priority Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Priority Offer.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Exposure Period

This Prospectus will be publicly available during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Risks

Any investment in the Company should be considered highly speculative. Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and taxation issues). The Securities offered by this Prospectus should be considered highly speculative. Please refer to Section 4 for details relating to risk factors. Persons considering applying for Securities pursuant to the Prospectus should obtain professional advice from an accountant, stockbroker, lawyer or other adviser before deciding whether to invest.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at **www.orexplore.com**. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company as detailed in the Corporate Directory. The Priority Offer constituted by this Prospectus is only available to Eligible Swick Shareholders as at the Offer Record Date who receive this Prospectus and Application Form within Australia or, subject to the provisions outlined in Section 1.16.

Applications will only be accepted on the Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from **www.orexplore.com**. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Priority Offer should complete the Application Form. If you do not provide the information required on an Application Form, the Company may not be able to accept or process your Application.

No document or information included on the Company's website is incorporated by reference into this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Offer outside Australia

No action has been taken to register or qualify the Shares the subject of this Prospectus, or the Priority Offer, or otherwise to permit the Priority Offer of the Shares, in any jurisdiction outside Australia, other than as is set out in Section 1.16. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus except to the extent permitted below.

This Prospectus has not been filed with, or reviewed by, the US Securities and Exchange Commission or any US state securities authority and none of them has passed upon or endorsed the merits of the Priority Offer or the accuracy, adequacy or completeness of the Prospectus. Any representation to the contrary is a criminal offence.

The Securities offered pursuant to this Prospectus have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The Priority Offer is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

Speculative Investment

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 4 for details relating to the key risks applicable to an investment in the Shares.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'believes', 'estimates', 'expects', 'targets', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding

future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company and the Directors cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

No forecast financial information

After considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared, and accordingly, financial forecasts have not been included in this Prospectus.

Conditional Offer

The Priority Offer contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Priority Offer will not proceed and investors will be refunded their Application Monies without interest. Please refer to Section 1.6 for further details on the conditions attaching to the Priority Offer.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Company Website

Any documents or information included on the Company's website at **www.orexplore.com** (and any reference to these documents) is provided for convenience only and are not incorporated by reference into this Prospectus.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to '$' or 'A$' are references to Australian dollars.

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 10.

For personal use only

For personal use only

Corporate Directory

Directors

Dr Alan Bye	Non-Executive Chairman
Mr Brett Giroud	Managing Director
Mr Kent Swick	Non-Executive Director
Mr Stuart Carmichael	Non-Executive Director
Mr Stefan Sädbom	Non-Executive Director

Company Secretary

Mr Frank Campagna

Registered and Principal Office

75 McDonald Crescent
Bassendean WA 6054
Phone: +61 8 9469 2900
Website: **www.orexplore.com**

Share Registry*

Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth WA 6000
Phone (within Australia): 1300 288 664
Phone (outside Australia): +61 (2) 9698 5414

Corporate Advisor

Shaw and Partners Limited
Level 7, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Proposed Stock Exchange Listing

Australian Securities Exchange (**ASX**)
Proposed ASX Code: **OXT**

Lawyers (Australia)

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000

Auditor*

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Intellectual Property Expert

HWL Ebsworth Lawyers
Westpac House
Level 21/91 King William St,
Adelaide SA 5000

Investigating Accountant

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Industry Expert

MinEx Consulting Pty Ltd
49 Surrey Road
South Yarra, Victoria 3141

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

For personal use only

Letter from the Chairman

Dear Shareholder,

On behalf of the Board of Orexplore Technologies Limited (**Orexplore** or **Company**), it is my pleasure to present this Prospectus, and to invite you to participate in the priority offer in Orexplore.

Resource characterisation is fundamental to the success of exploration, extraction and mine closure. The mining industry is adopting digital sensors and analytics to improve productivity. Orexplore is a resource technology company with a mission to support the digital transformation of the mining industry. The Board believes that the Company's flagship product, the GeoCore X10® and its visualisation and analysis software, Orexplore Insight® has the potential to add significant value to mining exploration and operations. By leveraging medical imaging technology, Orexplore can enable customers to rapidly create a 3D digital image of their core comprising resource characterisation data at 200 microns resolution. A consistent approach to logging, enabling remote access to global experts and data analytics can increase the efficiency and productivity of exploration, resource evaluation, reserve extension, mining and processing. Orexplore has expert in-house capabilities spanning fundamental physics and software engineering, through advanced manufacturing and data science, that support our project delivery and consulting geology teams.

Orexplore's first product, the GeoCore X10®, is a transportable X-ray rock mass scanning technology that converts drill core samples into a three-dimensional data set providing a "through the rock" image of internal structures and texture, in addition to elemental detections, and density. By using the Orexplore Insight® software, the 3D data can be converted into a "digital twin", allowing the user to interrogate the sample at a standard resolution of 200 microns.

Orexplore AB, a Swedish incorporated entity, was founded in 2010. In 2013, Swick acquired a minority stake in Orexplore AB and has since undertaken progressive investment to fund its product development. By 2017, Swick had acquired approximately 70% of the shares in Orexplore AB, and in May 2017, Swick completed the purchase of the remaining minority shareholder interest to hold 100% of Orexplore AB.

Orexplore was incorporated by Swick in October 2020, following a strategic review by the Swick Board of its business operations and the decision to demerge the Orexplore Business from Swick.

The Company's immediate focus is transitioning its strong base of historical research and development activities into commercial engagements through field-based deployments and projects. Orexplore's growth strategy focuses on enhancing market adoption of its current and future products.

As set out in Swick's notice of meeting dated 22 November 2021 (**Notice**), Swick commissioned an independent valuation of Orexplore by Deloitte Corporate Finance (**Independent Valuation Report**). The Independent Valuer has assessed the equity value of Orexplore to be in the range of $45.0 million to $55.0 million on a controlling basis (i.e. 100% ownership) and post the Swick seed funding to Orexplore of $12 million, which translates to an implied value per Orexplore Share of $0.48 to $0.59 on a controlling basis, post the Swick seed funding to Orexplore of $12 million and prior to any new shares being issued pursuant to this Prospectus. A concise copy of the Independent Valuation Report is included in the Notice seeking approval for the Transaction and In-Specie Distribution, which was published by Swick on the ASX company announcements platform on 22 November 2021 and which has also been sent to Swick Shareholders. I encourage you to read the Notice in full.

The purpose of this Prospectus is to facilitate Orexplore's listing on the ASX and to make a Priority Offer for a minimum of 4,000,000 Shares at an issue price of $0.25 per Orexplore Share, to raise a

minimum of $1,000,000 (before costs), with the right to accept oversubscriptions of up to a further 6,000,000 Shares at $0.25 each to raise up to a further $1,500,000 (before costs). The Priority Offer is only open to Eligible Swick Shareholders and at an offer price of $0.25 per Orexplore Share, which represents a 48% discount to the low-end valuation determined by the Independent Valuer (although it should be noted that the valuation was prepared on a controlling basis, i.e. 100% ownership), which the Board believes is appropriate in order to give current Eligible Swick Shareholders, particularly smaller Eligible Swick Shareholders, the opportunity to increase their shareholding in Orexplore at an attractive valuation. The Priority Offer is being made only to eligible shareholders of Swick Mining Services Ltd (ACN 112 917 905) registered on a record date of 1 December 2021 at 9.00am (WST) (**Offer Record Date**) with a registered address in Australia that have declared their tax file number (**TFN**), TFN exemption or Australian Business Number (**ABN**) to the Swick Share Registry (**Eligible Swick Shareholders**). Orexplore will not be undertaking a general offer to raise capital from investors that are not Eligible Swick Shareholders.

The Priority Offer contained in this Prospectus is conditional on the events outlined in Section 1.6 occurring. If these events do not occur, the Priority Offer will not proceed and investors will be refunded their Application Monies without interest.

The offer of Shares under this Prospectus is an important part of the transaction involving Swick divesting the Orexplore Business into the Company, followed by the in-specie distribution of approximately 93,913,641 Shares by Swick to Eligible Swick Shareholders and Orexplore being separately listed on the ASX. All the relevant conditions of the Transaction are set out in Section 7.1 of this Prospectus. One is Swick Shareholder approval for the in-specie distribution and at the same time as being sent this Prospectus, as a Swick Shareholder, you are being sent the Notice for the Demerger Meeting at which this approval will be sought.

The proceeds of the Priority Offer (along with Orexplore's existing cash reserves and the $12m seed funding from Swick) will be utilised by the Company to fund business development and marketing, product development, site and operational costs, and ongoing working capital and corporate expenses (explained in Section 1.7). The costs of the Priority Offer and Transaction will be paid by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. Under the Demerger Implementation Deed, the Company will convert the net loan payable to Swick as at the Transaction Date to equity in Orexplore Australia Pty Ltd.

This Prospectus contains detailed information about the Priority Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 4).

I encourage you to read this Prospectus in its entirety to gain a full understanding of the Company's operations before making an investment decision.

On behalf of my fellow Directors, I look forward to welcoming you as an Orexplore Shareholder.

Yours faithfully

Dr Alan Bye

Non-Executive Chairman
Orexplore Technologies Limited

For personal use only

For personal use only

Key Offer Details

Security type[1]	Number (Minimum Subscription)	%	Number (Maximum Subscription)	%
In-Specie Shares to be distributed to Swick Shareholders (including existing Shares on issue)[2]	93,913,641	95.91	93,913,641	90.38
Shares offered under the Priority Offer (at an Offer Price of $0.25 per Share)[3]	4,000,000	4.09	10,000,000	9.62
Total Shares on completion of the Priority Offer	**97,913,641**	**100.00**	**103,913,641**	**100.00**
Director Performance Rights to be issued on completion of the Priority Offer[4]	7,833,091	100.00	8,313,091	100.00
Fully diluted Share capital on completion of the Priority Offer[5]	**105,746,732**	**-**	**112,226,732**	**-**

Notes:

1. Please refer to Section 1.8 for further details relating to the proposed capital structure of the Company.
2. As at the date of this Prospectus, the Company has 100 Shares on issue and no other Securities. Pursuant to the Demerger Implementation Deed, the Company will issue a further 93,913,541 Shares as consideration for the acquisition of the Orexplore Business. A total of 93,913,641 Shares will be transferred to Eligible Swick Shareholders pursuant to a proposed In-Specie Distribution. See Section 7.1 for further details on the Demerger Implementation Deed.
3. As at the date of the Prospectus, the Company intends to raise $1,000,000 based on the Minimum Subscription and up to $2,500,000 based on the Maximum Subscription.
4. Please refer to Section 8.2 for the terms and conditions of the Director Performance Rights. The final number of Director Performance Rights to be issued to:

(a) Mr Brett Giroud (Managing Director) (or his permitted nominee) will be 5% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution; and

(b) Dr Alan Bye (Non-Executive Chairman) (or his permitted nominee) will be 3% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution.

5. The total number of Securities to be on issue upon Admission, following completion of the Transaction, In-Specie Distribution and Priority Offer, assumes no further Shares are issued and none of the Director Performance Rights are exercised.

For personal use only

For personal use only

Indicative Timetable

Event	Date
Lodgement of this Prospectus with ASIC	22 November 2021
Offer Record Date	9.00am (WST) on 1 December 2021
Opening Date for the Priority Offer	1 December 2021
General Meeting of Swick Shareholders to approve the In-Specie Distribution and Transaction	22 December 2021
Closing Date for the Priority Offer	5.00pm (WST) on 22 December 2021
Completion of Transaction	23 December 2021
Record date for In-Specie Distribution	30 December 2021
Issue Date (including Shares under the Priority Offer and In-Specie Shares)	7 January 2022
Last date for despatch of holding statements	7 January 2022
Expected date for quotation on ASX	21 January 2022

Note:

The above dates are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company.

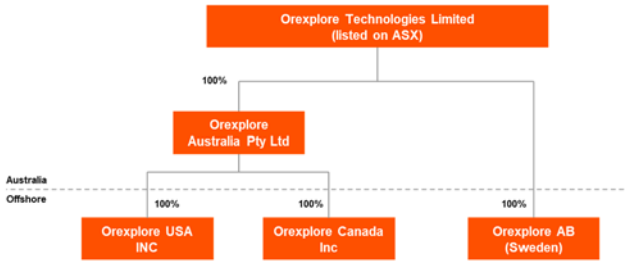
For personal use only

Investment Overview

This Section is not intended to provide complete information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	Summary	More Information
Introduction		
Who is the Company and what does it do?	Orexplore Technologies Limited (ACN 645 505 406) (**Company** or **Orexplore**) is a mineral technology company incorporated in Australia, currently wholly owned by its parent company Swick Mining Services Ltd (Swick). Upon successful completion of the Transaction and listing on ASX, each of the entities comprising the Orexplore Business will become wholly owned subsidiaries of Orexplore Technologies Limited and Swick Mining Services Ltd will no longer hold an interest in Orexplore. The Orexplore Business services the global mining industry with core scanning and supporting consulting services based on a patented technology that penetrates the drill core sample to collect comprehensive information and create a 3D digital reconstruction of the core. The Company's consulting geologists collaboratively work with customers to advance a suite of Value Propositions that are tailored to each customer and leverage the underlying capabilities of the Current Technology Platform (comprising of the GeoCore X10® product and the Orexplore Insight® software). Orexplore is currently actively commercialising its business model through a series of laboratory scanning assignments and field-based trials based on its Current Technology Platform. The corporate structure of the Company upon listing will be as follows: (a) Orexplore Technologies Limited (parent entity), a company registered in Australia on 29 October 2020, that conducts its business activities primarily in Australia; (b) Orexplore AB (Sweden) (wholly owned subsidiary of Orexplore Technologies Limited), a company registered in Sweden on 1 May 2010, that conducts its business activities primarily in Sweden; (c) Orexplore Australia Pty Ltd (wholly owned subsidiary of Orexplore Technologies Limited), a company	Section 2

For personal use only

Topic	Summary	More Information
	registered in Australia on 24 October 2017, that conducts its business activities primarily in Australia; (d) Orexplore USA Inc (wholly owned subsidiary of Orexplore Australia Pty Ltd), a company registered in the USA on 12 November 2018, that conducts its business activities primarily in the USA; and (e) Orexplore Canada Inc (wholly owned subsidiary of Orexplore Australia Pty Ltd), a company registered in Canada in November 2018, that conducts its business activities primarily in Canada. A diagram setting out the Company's corporate structure on completion of the Priority Offer is set out below:  *Figure 1 – Orexplore legal company structure* The USA and Canadian subsidiaries are currently not staffed and exist to enable ease of doing business across the Americas. Orexplore intends on establishing future presence in these jurisdictions as part of its global growth strategy.	
What is the Transaction?	The Transaction involves the transfer of the Orexplore Business to Orexplore Technologies Limited (**Company** or **Orexplore**). This is achieved by the sale by Swick to Orexplore of all of the shares in the capital of Orexplore AB and Orexplore Australia Pty Ltd in exchange for 93,913,541 fully paid ordinary shares in Orexplore at a deemed issue price of $0.25 per Share (note that Orexplore USA Inc and Orexplore Canada Inc are wholly owned subsidiaries of Orexplore Australia Pty Ltd). All the relevant conditions of the Transaction are set out in Section 7.1 of this Prospectus. Following completion of the Transaction and subject to Swick Shareholder approval, Swick will distribute approximately 93,913,641 Shares to its shareholders pursuant to the In-Specie Distribution (being all of the shares in Orexplore that Swick held upon completion of the Transaction) (**In-Specie Shares**), on the basis of one	Section 1.2 and 7.1

For personal use only

Topic	Summary	More Information
	Orexplore Share for every three Swick Shares held by them on the relevant record date (**In-Specie Distribution**).	
What is the value of the Orexplore Business	In connection with the Transaction, Swick commissioned the Independent Valuer to prepare an expert valuation of the Orexplore Business. The Independent Valuer has assessed the equity value of Orexplore to be in the range of $45.0 million to $55.0 million on a controlling basis (i.e. 100% ownership) and post the Swick seed funding to Orexplore of $12 million, which translates to an implied value per Orexplore Share of $0.48 to $0.59 on a controlling basis, post the Swick seed funding to Orexplore of $12 million and prior to any new shares being issued pursuant to this Prospectus. A concise copy of the Independent Valuation Report is included in Swick's notice of meeting dated 22 November 2021 (**Notice**) seeking approval for the Transaction and In-Specie Distribution, which was published by Swick on the ASX company announcements platform on 22 November 2021, and which has also been sent to Swick Shareholders. You are encouraged to read the concise copy of the Independent Valuation Report in full.	"Letter from the Chairman"
What is the Orexplore Group's source of revenue?	The Company's sources of revenue are site-based and laboratory-based scanning services, supplemented by related consulting services, sold directly to the end user of the information (i.e. mining and exploration companies). The Company does not intend to sell its current or future products to, or deliver services via, intermediaries or third parties.	Section 2.16
What is the Orexplore Group's growth strategy?	Following Admission, the Company will proceed with its business and growth strategy. The Company aims to: a) enhance market adoption of its current Technology Platform; b) continue with the commercialisation of the GeoCore X10® and targeted development of the GeoCore X10+ and related products, and development of the Orexplore Insight® user interface software; c) expand geographically; and d) continue to invest in targeted research and development that supports market adoption.	Section 2.9 and 2.20
What are the key advantages of an	The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:	Section 2.14

For personal use only

Topic	Summary	More Information
investment in the Company?	(a) **field tested technology** – Orexplore has validated key elements of its Technology Platform through field-based trials across Europe and Australia including significant site-based pilot projects. Additionally, the Company has undertaken over 20 paid and in-kind laboratory based small-scale scanning trials across Stockholm and Perth facilities; (b) **unique combination of Systems, CT and XRF** – the combination of CT scanning able to "see through" the core, with dual XRF spectrometers sensing surface elements is combined through physics and mathematical models and systems to generate 3D geological simulated models of core; (c) **applicable across the mining value chain** – Orexplore is able to potentially service projects and operations groups across the value chain, including operational efficiency projects related to sampling performance; improved ore characterisation to processing plant configurations and other possible applications under study; (d) **breadth and depth of information** – where traditional methods generally involve conducting a collection of tests on a small, cut and crushed sample, the GeoCore X10® uses X-ray technology to provide continuous and connected information in a 3D model representation along the entire core. The continuous 3D representation across the entire core length enables a greater breadth and depth of information from the core sample than some traditional methods; (e) **rapid speed from drilled to insight** – Orexplore's "drilled to insight" time frames are typically from a few hours to one day subject to the drilling campaign, core transport and machine presentation logistics and site machine layouts. Such rapid analysis in combination with the information offered may provide a potential step-change in field-based decision support compared to some of the current processes that may take many weeks depending on their access to analysis facilities; (f) **addressable market** – as detailed in the Industry Expert Report contained in Annexure C, the total available market of drilled core globally is estimated at over 100 million metres in 2022. As the GeoCore X10® is suited to scanning core of size NQ or less, this reduces Orexplore's serviceable market down to approximately 58 million metres (58%) in 2022 globally. These markets are potentially suitable for a range of	

For personal use only

Topic	Summary	More Information
	technology adoption, with emerging technology companies beginning to shape the competitive landscape. With a potentially unique Technology Platform that is highly mobile and scalable globally, Orexplore's potential market penetration is significant, and able to potentially be further increased through additional planned technology development; (g) **market traction** – the Orexplore Technology Platform powers Orexplore's suite of Value Propositions across the mining value chain that customers may purchase. Orexplore will initially focus on a service-as-a-solution model to drive broad market adoption that will include the provision of the GeoCore X10® product, optional scanning operators, Orexplore Insight® software, and tailored consulting services to help customers adopt and embed the technology; (h) **potential for recurring revenue** – the Orexplore revenue model is predominantly a service model where Orexplore provides the scanning instruments, operators, software and technical support on a fee per metre scanned commercial basis with agreed monthly minimums. While initial contracts will be for defined terms, Orexplore expects contracts to progressively expand to cover longer periods and for its Technology Platform to become embedded into the customers operations and generate recurring revenue streams; (i) **technology mix** – the Orexplore Technology Platform has been produced using a combination of in-house technology invention, research and development, combined with commercially available components. The extensive research and development efforts over 10 years have resulted in a patent portfolio with 4 patent families and 4 trademarks registered in various jurisdictions. The portfolio includes components of the GeoCore X10® product and software and other key technologies used. In addition to the current focus of monetising the Orexplore Technology Platform through commercialising its Value Propositions, the Company intends to continue to drive innovation through its technology roadmap and invest in further development efforts to improve and expand its range of technologies; (j) **continuous Technology Platform improvement** – the Orexplore Product is architected around two modular hardware chassis, the GeoCore X10® and the GeoCore X10+ currently in development,	

For personal use only

Topic	Summary	More Information
	supported by the user interface software, Orexplore Insight®. The Company's technology strategy and roadmap is driven through a balance of customer-based requirements and Orexplore's internal research and development efforts and global emerging technology monitoring and adoption; (k) **scalable business model** – the business model is globally scalable and Orexplore can respond to meet market and customer demands through relatively fast machine manufacture and mobilisation of its Technology Platform to sites around the world. The GeoCore X10® is sized to be transported as air cargo and the operation of the instrument is easily understood and able to be undertaken by unskilled operators after a period of training; (l) **highly credible management team** – Orexplore has expert capabilities within its team covering the breadth of the business from theoretical physics, manufacturing, software engineering, geoscience to operations, and has recently appointed Mr Brett Giroud as Managing Director, a highly experienced ICT and systems engineer with a proven track record in transformational large scale technology delivery and development, and strategic consulting across the mining, oil and gas, and infrastructure sectors; (m) **positioned to leverage technology advancements** – As a digital company generating very large amounts of primary sensor data, Orexplore's technology roadmap has been informed in context of the Industry 4.0 technologies including cloud and edge computing, augmented visualisation, machine learning (ML), communications and remote operations advancements. These developments may enhance the scalability of the Orexplore Business over time and may accelerate the development and capability of its products; and (n) **opportunity to leverage the generated data into an analytics service business** – Orexplore plans to remain at the forefront of analysing and generating insight from the data generated by its Technology Platform. This thereby creates an opportunity to provide consulting and advisory services around technical advice and technical reporting from the data set.	

For personal use only

Topic	Summary	More Information
What are the key dependencies of the Orexplore Group's business model?	Implementation of Orexplore's business model is dependent upon the following: (a) sufficient market awareness and industry adoption; (b) management's ability to execute on marketing and sales strategies to attract new customers and build a sufficient customer base of ongoing commercial arrangements; (c) further product development to support the delivery of a suite of Value Propositions, and continue to increase the functionality and performance of the Technology Platform; (d) ability to demonstrate and deliver sufficient customer value creation, cost-savings and risk-reduction to drive take-up of the commercial offerings; (e) sufficient funding to ensure the Company is able to complete development and fund the early adoption of its commercial offerings through to the point of its sufficient profitability; (f) future access to additional capital, should it be required to fund potential future growth; (g) a stable in-bound supply chain to ensure the ongoing ability to design, manufacture and deliver its products; (h) ability to deliver and maintain commercially attractive pricing levels and gross margins; (i) the ability to design and deliver an effective operating model that can scale to deliver global products and services and efficiently technically support the footprint; (j) the ability to continually protect and advance the Company's existing knowledge and intellectual property rights and trade secrets; and (k) attracting and retaining key staff and personnel.	Section 2.15
What is the Orexplore Group's financial position?	Investors should be aware that the Orexplore Business is currently loss-making. At the time of listing, the Orexplore Group's pro forma historical balance sheet will have approximately $12.4 million of cash plus any cash amount raised under the Priority Offer. The net intercompany loans payable to Swick at the Transaction Date will be converted to equity in Orexplore Australia Pty Ltd. A summary of the financial information is included in Section 6 and the Investigating Accountant's Report (included in Annexure A).	Section 6 and Annexure A

For personal use only

Topic	Summary	More Information
What is the financial outlook for the Orexplore Group?	The Directors do not intend to provide financial forecasts given the Company's stage of commercial development. Any forecast or prospective financial information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate.	Section 1.9
What is the proposed capital structure of the Company?	Following completion of the Priority Offer under this Prospectus, the proposed capital structure of the Company will be as set out in Section 1.8.	Section 1.8
What is the proposed use of the seed capital funds provided by Swick?	This amount is expected to cover the Company's minimum forecasted operating and capital expenditure towards: (a) **business development, sales and marketing** - this includes funds used for business development, sales and marketing expenditure, including headcount and related operating expenditure; (b) **product and service development (incl. R&D)** - this includes funds for R&D, product/service development and manufacturing expenditure, including headcount, Sweden office & laboratory overheads and related capital expenditure; (c) **operations (site and laboratory)** - this includes funds for 'fixed' site and laboratory operations expenditure, including Perth office & laboratory overheads; and (d) **working capital/corporate expenses** - this includes funds for Board and Executive team remuneration, expenditure expected to be incurred under the Transitional Services Agreement, rent, inventory, office expenses, travel, corporate and governance costs, insurance and other working capital. See Section 1.7 for further details.	Section 1.7
What is the proposed use of additional funds raised under the Priority Offer?	The proceeds of the Priority Offer will be utilised to enable the Company to: (a) accelerate market adoption such as the employment of a sales-focused consulting geologist and additional client-engagement through digital and traditional channels; (b) increase customer-focused, revenue-generating product development and advancement rates, including the Orexplore Insight® software user interface and additional software development personnel; (c) acquire additional operational support equipment for the Perth and Stockholm laboratories; and	Section 1.7

For personal use only

Topic	Summary	More Information
	(d) fund rent, inventory, office expenses, travel, corporate and governance costs, insurance and other working capital. See Section 1.7 for further details.	
Summary of key risks		
Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 4, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative.		
Sales and marketing risks	Orexplore's ability to convert the capabilities of its technologies into Value Propositions and services that customers will purchase remains a risk to its growth strategy. The success of commercialisation will relate to the acceptance and adoption of Orexplore's offerings, driven in part by perceived value-add relative to pricing, as well as overcoming adoption hurdles including perceived disruption to the customer's established processes, resistance to change, perceived threat of technology substitution by geologists leading to potential job losses, cost and budgeting constraints and other barriers. Take up of services will involve demonstration of the Value Proposition against current practices; demonstration of successful case studies; quantitative business case type support with customers at varying levels within their organisations; well-presented value-creation and risk-reduction propositions for any new functionality or processes unlocked by the technology; and effective marketing programmes to raise market awareness of Orexplore. The rate of adoption is expected to also be driven partially by the increasing rate of digitalisation within the mining industry, which has traditionally been a late-adopter of new technology.	Section 4.1.1
Future capital requirements	As at the date of this Prospectus and as set out in Section 6, Orexplore is currently loss making and is expected to generate losses in future periods and may require further financing over and above the amounts invested by Swick prior to the Transaction and any amounts raised pursuant to this Priority Offer (including where the Company achieves its stated objectives as detailed in this Prospectus). Although the Directors consider that the Company will, on completion of the Priority Offer, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated current working capital and other capital requirements set out in this Prospectus, there can be no assurance that such objectives can continue to be met in the future without securing further funding. It is however noted that the Directors consider that, based on the intended use of funds set out in Section 1.7, the amounts raised pursuant to the Priority Offer, together with the Company's existing cash reserves as at the date of this Prospectus and funds to be transferred by Swick upon	Section 4.1.2

For personal use only

Topic	Summary	More Information
	completion of the Transaction pursuant to the Demerger Implementation Deed, will provide the Company sufficient funding for 2 years of operations (based on the Minimum Subscription). The future capital requirements of the Company will depend on many factors, including the pace and magnitude of the development of its business and sales, and the Company may need to raise additional funds (debt or equity) from time to time to finance the ongoing development and commercialisation of its technology and to meet its other longer-term objectives. Should the Company require additional funding, no assurances can be made that sufficient financing, if and when needed, will be available on terms appropriate or favourable to the Company, or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern. Also refer to Section 6.4 for further discussion on going concern in relation to the financial information. The Company may undertake additional offerings of Securities in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted. Debt financing, if available, may involve restrictions on financing and operating activities.	
Technology risks	The Company's market involves rapidly evolving technological change. To succeed, the Company will need to research, develop, design, manufacture, assemble, test, market and support ongoing enhancements to its existing products, completion of historical research and development projects, as well as to develop new products and technologies, on a timely and cost-effective basis. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels. Elements of the Company’s technology strategy and roadmap also include fundamental assumptions and developments based on highly complex physics and mathematics that are reliant on theoretical assumptions in design, testing and implementation and can impact the potential viability of products. The Company cannot assure investors that it will successfully complete the technology research and development programs it has been advancing over the past	Section 4.1.3

For personal use only

Topic	Summary	More Information
	years. Research and development projects, including the Company's GeoCore X10+ product and associated lower-concentration sensing instruments and systems that have been under development for 3+ years are highly complex systems that rely on underlying advanced design principles including physics, sensors, engineering, cooling systems and other components. Initial internal testing has commenced, however there is a technology risk to the successful completion of these projects and their market adoption. The Company may not successfully identify relevant new technological opportunities or continue to have the required financial resources to develop new products in a timely or cost-effective manner to preserve its market presence or competitive advantage. At the same time, products and technologies developed by others may render the Company's products and systems obsolete or non-competitive.	
Product development risks	Orexplore's future success depends on its ability to continually enhance and improve existing products and features as well as to develop new products to meet market demands. While Orexplore's Geocore X10® product and Orexplore Insight® software have been through various field-based product trials and pilot programs, further development, testing, and quality assurance is planned and additional Value Propositions are under development to support product adoption. It is possible that Orexplore's current products and potential new products may not function in line with customer expectations or may contain unforeseen faults. This may lead to requirements for the Orexplore Group to rectify, improve or refine its products, which may diminish operating margins or lead to losses. Additionally, the Company is currently developing a range of Value Propositions across the mining value chain that require investment and substantial customer engagement to capture customer requirements. These requirements in some cases must then drive further development of the Orexplore Technology Platform to enable the delivery of quantifiable value to the customer, and are subject to risk-bearing development, testing and feature advancement, that must also pass validation of their true value in an operating site. Any development of new Value Propositions based on developing technologies bears significant risk. The Company's technology strategy and roadmap includes significant software engineering and development of the Orexplore Insight® software with regard to its architecture, functionality and performance and the evolution of the way users interact with the system. Development pathways include the potential use of machine learning (ML) and other technologies to advance the platform towards semi-automating some core analysis tasks over time. This development plan bears risk with regard to its use of underlying technologies developed by others and their	Section 4.1.4

For personal use only

Topic	Summary	More Information
	integration and use within the platform and may impact on the Company's ability to deliver suitable products over time. While Orexplore has a significant research and development team and investment program, there is no guarantee that the Company will be able to undertake research and product development successfully. There is a risk that during the research, design, development and testing of the Company's future products that unforeseen costs will be incurred and that the products will not perform or test as expected. If testing during product development produces results that do not meet the Company's expectations, this could result in delays to the Company's growth plans. A failure to successfully develop new and current products or a delay stemming from product development will adversely affect the Company's financial position and prospects. The Company's success will depend on the Company's ability to implement its business plan that is heavily reliant on the successful development of its products. The ability to commercialise its products at a sufficient scale and the ability of the Company to successfully implement its research and development plans that underpin these products bears significant risk. There can be no guarantee that the Company can or will be able to commercialise its products at sufficient scale. Additionally, the technology may require further substantial work for use at a commercial scale.	
Intellectual property risks	The success of the Company's technology depends largely on the ability of the Company to protect the underlying know-how, while not infringing the proprietary rights of others. There is no assurance that others will not be able to copy the technology. The Company seeks to protect its intellectual property through patents, trademarks, trade secrets and know-how. Please see the Intellectual Property Report in Annexure B for further information. Whilst the Company protects its intellectual property through patents, trade secrets, trademarks, contractual arrangements and data security policies and measures, there is no guarantee that there will not be any unauthorised use or misuse of its intellectual property. Furthermore, there is no assurance that employees of third parties will not breach confidentiality agreements, infringe or misappropriate Orexplore's intellectual property or commercially sensitive information. Any infringement may be detrimental to Orexplore's reputation and may lead to costly and time-consuming litigation or adversely affect Orexplore's financial performance. It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against Orexplore under copyright, trade secrets, patents or other laws. While Orexplore is not aware of any claims of this nature in relation to any intellectual property rights in which it has, such claims if made may harm, directly or indirectly, the Orexplore Business. If Orexplore is forced to	Section 4.1.5

For personal use only

Topic	Summary	More Information
	defend claims of intellectual property infringement, whether they are with or without merit or are determined in Orexplore's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.	
Supplier and manufacturing risks	Orexplore sources certain key components from third party suppliers. The delivery of such components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle or may force the Company to shift to another supplier. There is a risk that the Company could be disrupted if no alternative suppliers were able to be sought. There is a risk that key components provided by third party suppliers may be defective. The products supplied by the Company may not be functional or not meet customer's expectations. This may lead to requirements for the Company to rectify, improve or refine its products, which may diminish operating margins or lead to losses. The Company has historically utilised outsourced design, engineering and other technical consultants to develop elements of its products. This bears risk due to key knowledge existing outside of the Company's employees and the ability of the Company to continually advance its products in the event of a supplier relationship or operations being seriously impacted. Whilst the Company enters into confidentiality agreements with these suppliers and seeks to keep core knowledge in-house and seeks to ensure all designs and external work is appropriately documented, these shared historical developments bear risk going forward.	Section 4.1.6
Operating risks	The Company is, and will continue to be, exposed to a range of operational risks relating to current and future operations. These include equipment failures and other asset, personnel and site-based accidents, personnel health and safety, industrial action or disputes, lease renewals, theft or damage by third parties, floods, fire, major cyclone, earthquake, lightning strike, terrorist attack, war or other disasters. In the event existing insurance arrangements do not cover an operational issue, this could have a material adverse effect on the operating and financial performance of the Company. More specifically, equipment breakdown, or serious accidents or incidents at the Company's facilities may impact the Company's activities. Any prolonged downtime (for example from COVID-19 shutdowns, or major supply chain disruptions) may have an impact on the Company's ability to mobilise its technologies to site; perform laboratory or site scanning services for customers, and provide sufficient levels of technical support, and have an adverse effect on the Company's reputation, operating and financial performance.	Section 4.1.7

For personal use only

Topic	Summary	More Information
Product quality risk	Orexplore's Current Technology Platform (comprised of the GeoCore X10® product and the Orexplore Insight® software) is a new technology made up of complex instrumentation, hardware, software, models and systems, that inherently require high levels of product quality design, QA/QC, testing and calibration. While Orexplore's Current Technology Platform has been through some field-based product trials and pilot programs, these have focused strongly on reliability, availability, and general performance of the Current Technology Platform. Further quality assurance / quality control and development work is planned across the Technology Platform to ensure sufficient levels of repeatability, functionality, calibration and overall system performance to support existing Value Propositions being developed with customers and emerging Value Propositions under development through our scanning laboratories. It is possible that Orexplore's current products and potential new products may not function in line with customers' expectations or may contain unforeseen faults. This may lead to requirements for the Orexplore Group to rectify, improve or refine its products, which may diminish operating margins or lead to losses. The GeoCore X10® and in development GeoCore X10+ products are highly complex systems that utilise a vast array of instrumentation; processors; electronics; software and hardware engineering; advanced simulation; and fundamental physics, mathematics, invention and design. The Company's elemental detections and emerging 3D mineralogical models all rest on the design and performance of these systems and processes, and a strong QA/QC approach is fundamental to improving the individual and overall accuracy, reliability and performance of systems and the elemental and mineralogical outputs. The Company is continuing to advance its QA/QC program, including its recent engagement of an in-house Engineering Manager to assess, improve and where necessary, rectify components and approaches across the Company's existing and in-development products. Additionally, the products integration with geological samples requires calibration between the product and the samples, and input from geologists and mineralogists including calibration samples, all of which bears QA/QC and technology risk. Whilst the Company's QA/QC processes are advancing, the historical development of its products and the application of QA/QC bears risk to the products functionality and performance. In addition, Orexplore's products have not yet been commercialised at scale and there may be new obstacles when producing in large quantities, servicing multiple customers, and the underlying product capabilities being able to effectively service the Value Propositions. Any delays or disruption may lead to the Company not meeting market demand for its products, which could adversely impact its financial position.	Section 4.1.8

For personal use only

Topic	Summary	More Information
Competition risk	The industry in which the Company is involved, though at an early stage, is subject to domestic and global competition which is rapidly evolving. Potential competitors include companies such as TruScan (Boart Longyear), GeoTek, Corescan, and Minalyze. Refer to Section 3.4 for a further analysis on Orexplore's competitive landscape. The ability of the Company to respond and adjust to changes in the industry will affect its success and ability to remain competitive in the market. The Company's performance could be adversely affected if existing or new competitors reduce Orexplore's market share, or its ability to expand into new segments. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Company not being sufficiently differentiated within the markets it operates in. The Company's existing or new competitors may have substantially greater resources and access to larger markets than the Company. The Company may also become subject to channel partners and other close entities who have had relationships with the Company becoming competitors of the Company. These partners have limited access to the Company's intellectual property but may gain access to its trade secrets and other key information. Competitors may succeed in developing alternative products which are more innovative, easier to use or more cost effective than those that have been or may be developed by the Company. This may cause pricing pressure on the Company's product offering and may impact on the ability to retain customers/partners as well as attract new customers or partners.	Section 4.1.9
Reliance on key personnel	The Company's operational success will depend substantially on the continuing efforts of its senior executives and highly qualified employees, including, engineers, research and development personnel, sales personnel and the Company's continuing ability to attract, recruit and retain such employees. Qualified individuals are currently in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of any such personnel, or an inability to attract other suitably qualified persons when needed, could prevent or delay the Company from executing on the business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. The unplanned loss of the services of any of the Company's Directors or members of senior management	Section 4.1.10

For personal use only

Topic	Summary	More Information
	could materially adversely affect the business until a suitable successor is recruited. In addition, a number of the Company's highly qualified personnel may not be readily substituted, if at all, through the hiring of external personnel, and the loss of any key researchers, developers or other personnel could also have a material adverse effect on the business unless and until the Company recruits a qualified successor. There are also a limited number of persons with the requisite competencies to serve in these positions, and the Company cannot provide any assurance that the Company would be able to employ such highly qualified personnel in a timely manner, on terms acceptable to the Company or at all. The inability to attract and retain key and other highly qualified personnel could have a material adverse effect on the business, financial condition, results of operations and prospects.	
Product liability risk	The Company may be exposed to liability claims if its products or services are provided in fault and/or cause financial or other harm to its customers. Harm to customers could be claimed from operational interruptions and delays caused by the Technology Platform's use; failure to realise the expected value increases or risk reduction within their operations; safety impacts to personnel from its use; or other claims. Although the Company will aim to enter into commercial contracts that limit its liabilities to such claims, these are not always possible to achieve and hence the Company may be subject to these and similar claims. As the Company operates in multiple jurisdictions, this increases the set of laws, regulations, codes of practice and other guidances for the use of its technologies and systems that must be adhered to for specific engagements and mobilisations and is a source of risk for associated claims. As a result, the Company may have to expend significant financial and managerial resources to defend against such claims. The Company has various insurance policies in place to mitigate this risk (see Section 4.1.15). If a successful claim is made against the Company, the Company may be fined or sanctioned, and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.	Section 4.1.11
Foreign jurisdiction risk	The financial performance of each of the Company's operations in so far as they rely on suppliers from, or operate in, a foreign jurisdiction may be adversely impacted by current or future fiscal or regulatory regimes, local laws and regulations or changes to the economic, political, judicial, administrative and security, climate or policies in those geographies. The Company currently expands its operations to Sweden and may further expand its operations in additional international jurisdictions. There is a risk investing in	Section 4.1.12

For personal use only

Topic	Summary	More Information
	international operations may not be profitable or succeed due to poor execution or external factors beyond the Company's control including obtaining appropriate licences and consents for the Orexplore Business, taxation, labour laws, working conditions, insurance, demand for services, contractors, potential acquisitions, growth, counterparties, intellectual property, technical failure, operational failure, disputes, litigation, non-payment, currency exchange rates, debt and interest rates, financial performance, legal compliance, political unrest and operational management.	
Regulatory risks	The Company currently requires permits and authorisation by radiation safety authorities to develop the GeoCore X10® product, with permits also required at locations where the GeoCore X10® are operated. The Company has been issued a permit from the Swedish Radiation Safety Authority in respect to the manufacture, installation and maintenance of technical devices that can generate ionizing radiation. This permit expires on 27 August 2023, and any delay in renewing the permit, or the permit is rescinded, may significantly impact on the Company's operations. The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately the financial performance of the Company and its Shares. Each Orexplore laboratory and manufacturing hub, is subject to government regulations on working safely with X-ray sources that form a fundamental part of the Orexplore Geocore X10® and Geocore X10+products. Orexplore GeoCore X10® operators and maintainers have to obtain a state-by-state X-ray Operators Certificate at a level tailored to their work duties. Companies dealing with industrial X-ray devices need to generally register devices with the radiological council (for instance in Western Australia – or similar typically in other jurisdictions) and the registration is held by a responsible person within the business in each jurisdiction. The responsible person is required to ensure that a person is licensed appropriately to deal with the equipment and is generally appointed as the Radiation Safety Officer (RSO) (RSO is a statutory appointment for instance in Western Australia – or similar typically in other jurisdictions). The equipment is subject to the Radiation Safety Act 1975 (WA) and Radiation Safety (General) Regulations 1983 (WA) (for instance in Western Australia – or similar typically in other jurisdictions).	Section 4.1.13
Infectious diseases	Infectious diseases such as COVID-19 could interrupt the Company's operations, impair deployment of its solutions to customers and prevent customers from honouring their	Section 4.1.14

For personal use only

Topic	Summary	More Information
	contractual obligations. Such diseases can also cause hospitalisation or death of the Company's staff and existing and potential customers. COVID-19 has been declared a pandemic. Containment relating to the pandemic is likely to delay or inhibit Orexplore's ability to provide its products to customers, as well as causing disruptions to supply chains and delays in sourcing component parts. Whilst the Company has a business continuity and mitigation plan in respect of COVID-19 and has also created work-from-home procedures to manage business continuity risks, these controls may have limited effect depending on the scope and size of any outbreak or threat.	
Further risks	For further information on risks specific to the Company, please see Section 4.1. These risks include, amongst other things: (a) Insurance risk; (b) Contract risk; (c) Growth strategy and execution risk; (d) Cyber and physical security breaches; (e) Privacy concerns; (f) Maintenance of key relationships; (g) Liquidity risk; and (h) Litigation. See Section 4.2 for a list of general risks that apply to the Company.	Section 4.1
Directors, Related Party Interests and Substantial Holders		
Who are the Directors?	As at the date of this Prospectus, the Board comprises of: (a) Dr Alan Bye - Non-Executive Chairman; (b) Mr Brett Giroud - Managing Director; (c) Mr Kent Swick - Non-Executive Director; (d) Mr Stuart Carmichael - Non-Executive Director; and (e) Mr Stefan Sädbom - Non-Executive Director.	"Corporate Directory" and Sections 5.1 and 5.2
Who are the key management personnel?	As at the date of this Prospectus, the Company's key management personnel comprises: (a) Mr Brett Giroud - Managing Director; (b) Dr Mikael Bergqvist - Chief Technology Officer; (c) Mr Jitu Bhudia – Acting Chief Financial Officer; (d) Mr Thomas Drage – Engineering Manager; and (e) Dr Stephen Coward – Principal Geoscientist.	Sections 5.2 and 5.3

For personal use only

Topic	Summary	More Information
What benefits are being paid to the non-executive Directors?	The Company has entered into Non-Executive Director letters of appointment with Kent Swick, Stuart Carmichael and Stefan Sädbom pursuant to which the Company has agreed to pay each of Mr Swick, Mr Carmichael and Mr Sädbom $50,000 per annum (excluding superannuation) for services provided to the Company as Non-Executive Directors. The Company has entered into a Non-Executive Chairman letter of appointment with Dr Alan Bye pursuant to which the Company has agreed to pay Dr Bye $100,000 per annum exclusive of superannuation per year following Admission for services provided to the Company as Non-Executive Chairman. In addition, the Company will issue Dr Bye (or his permitted nominee) Director Performance Rights up to 3% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution (either 2,937,409 Director Performance Rights assuming Minimum Subscription or up to 3,117,409 Director Performance Rights assuming Maximum Subscription) on the terms and conditions set out in Section 8.2.	Section 7.3
What benefits are being paid to the Managing Director?	The Company has entered into an executive services agreement with Mr Giroud commencing on 1 July 2021, pursuant to which Mr Giroud serves as Managing Director of the Company. The remuneration payable to Mr Giroud is $350,000 per annum (excluding superannuation) following Admission. The Company shall, every 12 months subject to key performance indicators being met, pay Mr Giroud a performance-based bonus up to a maximum of 40% of his base salary. In addition, the Company will issue Mr Giroud (or his permitted nominee) Director Performance Rights up to 5% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution (either 4,895,682 Director Performance Rights assuming Minimum Subscription or up to 5,195,682 Director Performance Rights assuming Maximum Subscription) on the terms and conditions set out in Section 8.2.	Section 7.2
What interests do the Directors have in the securities of the Company?	On Admission, based on the intentions of the Directors at the date of this Prospectus and subject to the Company's allocation policy under the Priority Offer, the Directors and their related entities will hold the following interests:	Section 5.7

For personal use only

Topic	Summary	More Information

Director	Shares	Performance Rights[1] (Minimum Subscription)	Performance Rights[1] (Maximum Subscription)
Brett Giroud[2]	Nil	4,895,682	5,195,682
Alan Bye[2]	Nil	2,937,409	3,117,409
Kent Swick	12,337,873 [3 and 4]	Nil	Nil
Stuart Carmichael	Nil	Nil	Nil
Stefan Sädbom	Nil	Nil	Nil

Notes:

1. Please refer to Section 8.2 for the terms and conditions of the Performance Rights.
2. The final number of Director Performance Rights to be issued to:
   (a) Mr Brett Giroud (Managing Director) (or his permitted nominee) will be 5% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution; and
   (b) Dr Alan Bye (Non-Executive Chairman) (or his permitted nominee) will be 3% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution.
3. 11,150,873 Shares distributed pursuant to the In-Specie Distribution.
4. In addition, Mr Kent Swick intends to subscribe for up to 1,187,000 Shares under the Priority Offer.

What important contracts with related parties is the Company a party to?	The Company has entered into the following related party transactions: (a) the Demerger Implementation Deed with Swick (see Section 7.1 for details); (b) the Transitional Services Agreement with Swick (see Section 7.1.3 for details); (c) executive services agreement with its Managing Director, Brett Giroud (see Section 7.2 for details); (d) letters of appointment with its Non-Executive Directors, Kent Swick, Stuart Carmichael, Stefan Sädbom, and its Non-Executive Chairman, Alan Bye	Section 7

For personal use only

Topic	Summary	More Information
	on customary terms (refer Section 7.3 for details); and (e) deeds of indemnity, insurance and access with each of its Directors on customary terms (refer Section 7.4 for details).	
Who will be the substantial holders of the Company?	Based on the information known as at the date of this Prospectus, on Admission the following persons will have an interest in 5% or more of the Shares on issue (assuming the Minimum Subscription is achieved): **Name** / **Number of Shares** / **% of Shares** Kent Swick[1] / 12,337,873 / 12.60% Perennial Value Management Limited / 11,623,756 / 11.87% Castle Point Funds / 8,639,083 / 8.82% Circle 5 Management / 7,778,724 / 7.94% Salter Brothers Asset Management / 5,713,541 / 5.84% **Note:** Mr Kent Swick's Shares include: (a) Approximately 11,150,873 Shares distributed pursuant to the In-Specie Distribution; and (b) 1,187,000 Shares, which is the maximum number Mr Swick intends to apply for pursuant to the Priority Offer.	Section 8.5
What are the significant interests of the advisors to the Company?	As at the date of this Prospectus, the Corporate Advisor and their respective associates do not have a relevant interest in any Securities. Based on the information available to the Company as at the date of the Prospectus regarding the intentions of the Corporate Advisor and its associates in relation to the Priority Offer and assuming: (a) the Minimum Subscription is achieved under the Priority Offer; and (b) neither of the Corporate Advisor nor its associates take up any Shares under the Priority Offer, the Corporate Advisor and its associates will not have a relevant interest in any Securities on Admission.	Section 8.6
What is the Priority Offer?		

For personal use only

Topic	Summary	More Information
What is the Priority Offer?	This Prospectus invites Eligible Swick Shareholders who hold Swick Shares as at the Offer Record Date to apply for a minimum of 4,000,000 Shares at an issue price of $0.25 each to raise a minimum of $1,000,000 (before associated costs), with the Company having the right to accept oversubscriptions up to a further 6,000,000 Shares at $0.25 each to raise up to a further $1,500,000 (before associated costs).	Section 1.3
What is the Offer Price?	$0.25 per Share.	Section 1.3
What is the minimum subscription amount under the Priority Offer?	The minimum subscription for the Priority Offer is 4,000,000 Shares at $0.25 per Share to raise $1,000,000 before costs.	Section 1.4
Will the Shares be quoted?	The Company will apply to the ASX for Admission and quotation of Shares on the ASX (expected to be under the code "OXT") within seven days of the date of this Prospectus.	"Corporate Directory" and Section 1.12
What is the purpose of the Priority Offer?	The purposes of the Priority Offer is to: (a) raise a minimum of $1,000,000 pursuant to the Priority Offer (before associated costs of the Priority Offer); (b) provide funding for the purposes outlined in Section 1.7; (c) provide Eligible Swick Shareholders who will receive Shares pursuant to the In-Specie Distribution the opportunity to increase their interest in Orexplore; (d) enhance the public and financial profile of the Company; and (e) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List.	Section 1.5
What are the conditions of the Priority Offer?	The Priority Offer under this Prospectus is conditional upon the following events occurring: (a) Swick obtaining approval from Swick Shareholders for the Transaction and In-Specie Distribution; (b) the Demerger Implementation Deed becoming unconditional;	Section 1.6

For personal use only

Topic	Summary	More Information
	(c) the Company raising the Minimum Subscription (being $1,000,000 (before costs) under the Priority Offer); (d) to the extent required by ASX or the Listing Rules, certain persons entering into a restriction agreement imposing such restriction on trading on the Securities as mandated by the Listing Rules; and (e) the Company receiving conditional ASX listing approval, on terms acceptable to the Board which, once satisfied, will result in ASX admitting Orexplore to the Official List. If these conditions are not satisfied then the Priority Offer will not proceed and the Company will repay all Application Monies received under the Priority Offer in accordance with the Corporations Act.	
Are there any escrow arrangements?	There are generally compulsory escrow arrangements under the Listing Rules. The Company has applied for and been granted, on an in-principle basis, a waiver from ASX to allow the Shares to be distributed to Swick Shareholders pursuant to the In-Specie Distribution without being subject to the escrow restrictions set out in Listing Rules, subject to certain conditions. The Company anticipates that upon Admission approximately nil Shares and 7,833,091 Performance Rights will be classified as restricted securities by ASX which comprises approximately 0% of the issued share capital on an undiluted basis, and approximately 7.41% on a fully diluted basis (based on the Minimum Subscription and assuming no additional Shares are issued prior to the In-Specie Record Date). The Performance Rights will be restricted for a period of 24 months from quotation of the Company's Shares on ASX.	Section 1.19
What is the Priority Offer period?	An indicative timetable for the Priority Offer is set out on page 9 of this Prospectus.	"Indicative Timetable"
Is the Priority Offer underwritten?	No, the Priority Offer is not underwritten.	Section 1.20
Additional Information		
Will the Company be adequately funded after completion of the Priority Offer?	The Board believes that the funds raised from the Priority Offer, together with funds to be transferred by Swick prior to completion of the Transaction, will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.	Section 2
Who is funding the cost of the Transaction and Priority Offer?	The cost of the Transaction and Priority Offer will be paid by Swick and recharged to Orexplore as an intercompany loan payable to Swick. Under the Demerger Implementation Deed, net amounts owing to Swick by	Section 6.8

For personal use only

Topic	Summary	More Information
	Orexplore as at the Transaction Date will be converted to equity in Orexplore Australia Pty Ltd.	
What rights and liabilities attach to the Securities on issue?	The rights and liabilities attaching to the Shares are described in Section 8.1. The terms and conditions of the Performance Rights are set out in Section 8.2.	Sections 8.1 and 8.2
Who is eligible to participate in the Priority Offer?	The Priority Offer is only open to Eligible Swick Shareholders as at the Offer Record Date whose registered address is in Australia and they have declared their tax file number (**TFN**), TFN exemption or Australian Business Number (**ABN**) to the Swick Share Registry.	Sections 1.10 and 1.16
How do I apply for Shares under Priority Offer?	Applications for Shares under the Priority Offer can only be made using the Application Form accompanying this Prospectus in accordance with the instructions set out in the Application Form.	Section 1.10
What is the allocation policy?	The Directors will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward as set out in Section 1.14. There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Directors reserve the right to reject any Application or to issue a lesser number of Shares than those applied for and/or to issue a lesser number of Shares than that required to raise the Maximum Subscription. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date. The Directors reserve the right to accept Applications above the Minimum Subscription of up to an additional 6,000,000 Shares ($1,500,000). Accordingly, the maximum amount which may be raised under the Priority Offer is $2,500,000 (**Maximum Subscription**). Subject to the matters in Section 1.12, Shares under the Priority Offer are expected to be issued on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Priority Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.	Section 1.14
When will I receive confirmation that my application has been successful?	Holding statements confirming allocations under the Priority Offer will be sent to successful Applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 7 January 2021.	"Indicative Timetable"
What is the Company's dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.	Section 2.21

Topic	Summary	More Information
	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors.	
How can I find out more about the Prospectus or the Priority Offer?	By speaking to your sharebroker, solicitor, accountant or other independent professional adviser or by contacting the Company Secretary on +61 8 9277 8800.	"Corporate Directory" and Section 1.25

For personal use only

For personal use only

1. Details of Offer

1.1 Important Information

This Prospectus contains details of the Priority Offer to apply for Shares in the Company. You are encouraged to:

a) read the contents of this Prospectus carefully, including the risk factors in Section 4; and

b) obtain independent professional advice from your accountant, lawyer, financial advisor or any other party qualified to provide advice on the contents of this Prospectus.

1.2 Transaction

In conjunction with the Priority Offer, Orexplore and Swick intend to complete the Transaction and In-Specie Distribution.

The Transaction involves the transfer of the Orexplore Business to Orexplore Technologies Limited. This is achieved by the sale by Swick to Orexplore of all of the shares in the capital of Orexplore AB and Orexplore Australia Pty Ltd in exchange for 93,913,541 fully paid ordinary shares in Orexplore at a deemed issue price of $0.25 per Share (note that Orexplore USA Inc and Orexplore Canada Inc are wholly owned subsidiaries of Orexplore Australia Pty Ltd).

All the relevant conditions of the Transaction are set out in Section 7.1 of this Prospectus. One is Swick Shareholder approval to the Transaction and at the same time as being sent this Prospectus, as a Swick Shareholder, you are being sent the Notice of the Demerger Meeting at which this approval will be sought.

Following completion of the Transaction and subject to Swick Shareholder approval, Swick will distribute approximately 93,913,641 Orexplore Shares to Eligible Swick Shareholders pursuant to an in-specie distribution (being all of the Orexplore Shares that Swick held upon completion of the Transaction) (**In-Specie Shares**), on the basis of one Orexplore Share for every three Swick Shares held by them on the In-Specie Record Date (**In-Specie Distribution**).

1.3 Description of the Priority Offer

The Priority Offer is an offer of Shares to Eligible Swick Shareholders, at an issue price of $0.25 each (**Offer Price**), for the issue of a minimum of 4,000,000 Shares to raise a minimum of $1,000,000 (before associated costs), with the Company having the right to accept oversubscriptions up to a further 6,000,000 Shares at $0.25 each to raise up to a further $1,500,000 (before associated costs) (**Priority Offer**).

Whilst it is intended that as many Eligible Swick Shareholders as possible receive at least the minimum allocation of 8,000 Shares ($2,000) under the Priority Offer, the Directors will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward and there is therefore no guarantee that all Eligible Swick Shareholders will have their Applications accepted in full or at all. Eligible Swick Shareholders are encouraged to submit an Application Form as soon as possible.

The Shares to be issued pursuant to the Priority Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 8.1.

Applications for Shares under the Priority Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Priority Offer should refer to Section 1.10 for further details and instructions. Applications must be for a minimum of 8,000 Shares (or $2,000).

1.4 Minimum Subscription

The minimum level of subscription for the Priority Offer is 4,000,000 Shares to raise $1,000,000 (before costs) (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to applicants or issue a supplementary prospectus or replacement prospectus and allow applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

1.5 Purpose of Prospectus

The purpose of this Prospectus is to:

- raise a minimum of $1,000,000 pursuant to the Priority Offer (before associated costs of the Priority Offer);
- provide funding for the purposes outlined in Section 1.7;
- provide Eligible Swick Shareholders who will receive Shares pursuant to the In-Specie Distribution the opportunity to increase their interest in Orexplore;
- enhance the public and financial profile of the Company; and
- assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List.

1.6 Conditional Offer

The Priority Offer under this Prospectus is conditional upon the following events occurring:

- Swick obtaining approval from Swick Shareholders for the Transaction and In-Specie Distribution;
- the Demerger Implementation Deed becoming unconditional (see Section 7.1);
- the Company raising the Minimum Subscription (being $1,000,000 (before costs) under the Priority Offer);
- to the extent required by ASX or the Listing Rules, certain persons entering into a restriction agreement imposing such restriction on trading on the Securities as mandated by the Listing Rules; and
- the Company receiving conditional ASX listing approval, on terms acceptable to the Board which, once satisfied, will result in ASX admitting Orexplore to the Official List.

If these conditions are not satisfied then the Priority Offer will not proceed and the Company will repay all Application Monies (without interest) to Applicants in accordance with the Corporations Act.

For personal use only

For personal use only

1.7 Proposed use of Funds

Following the Priority Offer, it is anticipated that the following funds will be available to the Company:

Source of funds	Minimum Subscription $	Maximum Subscription $
Existing cash reserves as at 15 November 2021	$86,957	$86,957
Funds to be contributed by Swick pursuant to the Demerger Implementation Deed	$12,000,000	$12,000,000
Proceeds from the issue of Shares under the Priority Offer	$1,000,000	$2,500,000
Total	**$13,086,957**	**$14,586,957**

The following table shows the intended use of funds in the two-year period following Admission:

Use of funds contributed by Swick pursuant to the Demerger Implementation Deed and existing cash reserves as at the date of this Prospectus[1]	**Use of funds in first 12 months following Admission**		**Use of funds in second 12 months following Admission**	
Business development, sales and marketing[2]	$1,400,000	22%	$1,300,000	22%
Product and service development (incl. R&D)[3]	$2,800,000	44%	$2,600,000	46%
Operations (site and laboratory)[4]	$700,000	11%	$600,000	11%
Working capital/corporate expenses[5]	$1,486,957	23%	$1,200,000	21%
Total	**$6,386,957**	**100%**	**$5,700,000**	**100%**

For personal use only

Notes:

1. Shareholders should note that the above estimate expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 4), actual expenditure levels may differ significantly from the above estimates.
2. This includes funds for business development, sales and marketing expenditure, including headcount and related operating expenditure.
3. This includes funds for R&D, product/service development and manufacturing expenditure, including headcount, Sweden office & laboratory overheads and related capital expenditure.
4. This includes funds for 'fixed' site and laboratory operations expenditure, including Perth office & laboratory overheads.
5. This includes funds for Board and Executive team remuneration, expenditure expected to be incurred under the Transitional Services Agreement (see Section 7 for further details), rent, inventory, office expenses, travel, corporate and governance costs, insurance and other working capital.

Use of funds from the Priority Offer in the two-year period following Admission[1]	**Minimum Subscription**	**Minimum Subscription %**	**Maximum Subscription**	**Maximum Subscription %**
Business development, sales and marketing[2]	$600,000	60%	$1,050,000	42%
Product and service development (incl. R&D)[3]	$300,000	30%	$1,000,000	40%
Operations (site and laboratory)[4]	$50,000	5%	$100,000	4%
Working capital/corporate expenses [5 and 6]	$50,000	5%	$350,000	14%
Total funds allocated[7]	**$1,000,000**	**100%**	**$2,500,000**	**100%**

For personal use only

Notes:

1. Shareholders should note that the above estimate expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 4), actual expenditure levels may differ significantly from the above estimates.
2. This includes funds used to accelerate market adoption such as the employment of a sales-focused consulting geologist and additional client-engagement through digital and traditional channels.
3. This includes funds used to increase customer-focused, revenue-generating product development and advancement rates, including the Orexplore Insight® software user interface and additional software development personnel.
4. This includes funds used to acquire additional operational support equipment for the Perth and Stockholm laboratories.
5. Expenses paid or payable in relation to the Priority Offer have been borne by Swick and are set out in Section 8.8. This includes the costs associated with applying for Official Quotation of the Shares on the ASX.
6. Includes rent, inventory, office expenses, travel, corporate and governance costs, insurance and other working capital.
7. The Company intends to use the funds raised under the Priority Offer during the 24 months following Admission.

If the Company accepts oversubscriptions and raises more than the Minimum Subscription but less than the Maximum Subscription, the additional funds raised will be proportionately applied towards the allocation of funds under the Priority Offer use of funds table above.

The Board believes that, on Admission, the funds raised from the Priority Offer, together with the Company's existing cash reserves as at the date of this Prospectus and funds to be transferred by Swick upon completion of the Transaction pursuant to the Demerger Implementation Deed, will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The use of further equity funding will be considered by the Board where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Priority Offer, together with the Company's existing cash reserves as at the date of this Prospectus and funds to be transferred by Swick upon completion of the Transaction pursuant to the Demerger Implementation Deed will provide the Company sufficient funding for 2 years of operations (based on the Minimum Subscription).

The Company may require additional financing at any point to respond to business needs (e.g. accelerated new machine builds, meeting larger than expected demand, a requirement for accelerated global delivery and associated support infrastructure, strategic growth opportunities and other possibilities), which will be considered by the Board where it is appropriate.

See Section 4.1.2 for further details about the risks associated with the Company's future capital requirements.

For personal use only

1.8 Capital Structure

On the basis that the Company completes the Priority Offer on the terms in this Prospectus, the Company's capital structure will be as follows:

Security type	Number (Minimum Subscription)	%	Number (Maximum Subscription)	%
In-Specie Shares to be distributed to Swick Shareholders (including existing Shares on issue)[1]	93,913,641	95.91	93,913,641	90.38
Shares offered under the Priority Offer (at an Offer Price of $0.25 per Share)[2]	4,000,000	4.09	10,000,000	9.62
Total Shares on completion of the Priority Offer	**97,913,641**	**100.00**	**103,913,641**	**100.00**
Director Performance Rights to be issued on completion of the Priority Offer[3]	7,833,091	-	8,313,091	-
Fully diluted Share capital on completion of the Priority Offer[4]	**105,746,732**	**-**	**112,226,732**	**-**

Notes:

1. As at the date of this Prospectus, the Company has 100 Shares on issue and no other Securities. Pursuant to the Demerger Implementation Deed, the Company will issue a further 93,913,541 Shares as consideration for the acquisition of the Orexplore Business. A total of 93,913,641 Shares will be transferred to Eligible Swick Shareholders pursuant to a proposed In-Specie Distribution. See Section 7.1 for further details on the Demerger Implementation Deed.
2. As at the date of the Prospectus, the Company intends to raise $1,000,000 based on the Minimum Subscription and up to $2,500,000 based on the Maximum Subscription.
3. Please refer to Section 8.2 for the terms and conditions of the Director Performance Rights. The final number of Director Performance Rights to be issued to:

(a) Mr Brett Giroud (Managing Director) (or his permitted nominee) will be 5% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution; and

(b) Dr Alan Bye (Non-Executive Chairman) (or his permitted nominee) will be 3% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution.

4. The total number of Securities to be on issue upon Admission, following completion of the Transaction, In-Specie Distribution and Priority Offer, assumes no further Shares are issued and none of the Director Performance Rights are exercised.

The Company's free float at the time of Admission will be not less than 20%.

1.9 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

1.10 Applications

1.10.1 General

Applications for Shares under the Priority Offer can only be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. Applicants must use their unique Priority Offer access code provided when completing the Application Form.

The Priority Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Form as early as possible. However, the Company reserves the right to extend the Priority Offer or accept late Applications.

No brokerage, stamp duty or other costs are payable by Applicants.

All Application Monies will be paid into a trust account.

An original, completed and lodged Application Form together with payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete the Application Form is final. If your cheque, Electronic Funds Transfer (**EFT**) or BPAY® payment for the Application Money is different to the amount specified in your Application Form then the Company may accept your Application for the amount of Application Money provided.

It is the responsibility of Applicants to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form with the requisite

For personal use only

For personal use only

Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- agrees to be bound by the terms of the Priority Offer;
- declares that all details and statements in the Application Form are complete and accurate;
- declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs; and
- acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

1.10.2 Applications under the Priority Offer

(i) General

Applications under the Priority Offer must be for a minimum of 8,000 Shares ($2,000) and then in increments of 2,000 Shares ($500).

(ii) Option 1: Submitting an Application Form with a cheque

Completed Application Forms and accompanying cheques must be received by the Share Registry before 5.00pm (WST) on the Closing Date by either being delivered to or posted to the following address:

By Hand	By Post
Orexplore Technologies Limited C/- Automic Registry Services Level 2, 267 St Georges Terrace Perth WA 6000	Orexplore Technologies Limited C/- Automic Registry Services GPO Box 5193 Sydney NSW 2001

Cheques must be made payable to 'Orexplore Technologies Limited' and should be crossed 'Not Negotiable'.

(iii) Option 2: Submit an Application Form and pay with BPAY®

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given a BPAY® biller code and a customer reference number (**CRN**) unique to the online Application once the online Application Form has been completed.

For personal use only

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

- access their participating BPAY® Australian financial institution either via telephone or internet banking;
- select to use BPAY® and follow the prompts;
- enter the biller code and unique CRN that corresponds to the online Application;
- enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- select which account payment is to be made from;
- schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online by following the instructions at https://investor.automic.com.au/#/ipo/orexplorepriority and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions. When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

(iv) Option 3: Submit an Application Form and pay via Electronic Funds Transfer "EFT"

Investors can apply online with payment made electronically via EFT. Investors applying online will be directed to use an online Application Form and will be given a payment reference number unique to the online Application once the online Application Form has been completed.

EFT payments must be received in Australian dollars ($AUD). Using EFT payment details, Applicants must:

- use the unique payment reference number that corresponds to the online Application Form;
- enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- select which account payment is to be made from;
- schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and

- record and retain the EFT receipt number and date paid.

Applicants should confirm with their Australian financial institution whether there are any limits on the Applicant's account that may limit the amount of any EFT payment and the cut off time for the funds transfer.

It is your responsibility to ensure that BPAY® payments (or EFT payments if applicable) are received by 5.00pm (WST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY® or EFT, and policies with respect to processing BPAY® or EFT transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies by BPAY® or EFT before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

1.11 CHESS and issuer sponsorship

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.12 ASX Listing and Official Quotation

Within seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

1.13 Application Monies to be held in trust

Application Monies will be held in trust for Applicants until the allotment of the Shares under the Priority Offer. Any interest that accrues will be retained by the Company.

For personal use only

For personal use only

If the Shares to be issued under this Prospectus are not admitted to quotation within a period of three months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) as soon as practicable to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

1.14 Allocation and issue of Shares under the Priority Offer

The Directors will allocate Shares at their sole discretion with a view to:

a) ensuring as many Eligible Swick Shareholders as possible receive at least the minimum allocation of 8,000 Shares ($2,000) under the Priority Offer;

b) obtaining an appropriate spread of Shareholders to satisfy Listing Rule 1.1 condition 8;

c) the number of Shares bid for by particular Applicants;

d) the timelines of the bid by particular Applicants;

e) the overall level of demand under the Priority Offer;

f) recognising the ongoing support of longer standing Eligible Swick Shareholders;

g) identifying any Eligible Swick Shareholders who are potential long term or cornerstone investors of the Company; and

h) ensuring an appropriate Shareholder base for the Company going forward.

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Directors reserve the right to reject any Application or to issue a lesser number of Shares than those applied for and/or to issue a lesser number of Shares than that required to raise the Maximum Subscription. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

The Directors reserve the right to accept Applications above the Minimum Subscription of up to an additional 6,000,000 Shares ($1,500,000). Accordingly, the maximum amount which may be raised under the Priority Offer is $2,500,000 (**Maximum Subscription**).

Subject to the matters in Section 1.12, Shares under the Priority Offer are expected to be issued on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Priority Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.15 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 4 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or

procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.16 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Priority Offer in any jurisdiction outside Australia or otherwise to permit an offering of the Shares in any jurisdiction outside Australia.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdictions outside Australia, and may only be distributed to persons to whom the Priority Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

The distribution of this Prospectus in jurisdictions outside Australia, except to the extent permitted under this Section 1.16, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

This document does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

1.16.1 Notice to nominees and custodians

Nominees and custodians that hold Swick Shares should note that the Priority Offer is available only to Eligible Swick Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Swick Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Priority Offer is compatible with applicable foreign laws.

1.17 Ineligible Swick Shareholders

Swick Shareholders with a registered address outside Australia, or in Australia but have not declared their tax file number (**TFN**), TFN exemption or Australian Business Number (**ABN**) to the Swick Share Registry, are ineligible to participate in the In-Specie Distribution and Priority Offer. Holders of Swick Shares on the In-Specie Record Date with a registered address outside Australia, or in Australia but have not declared their TFN, TFN exemption or ABN to the Swick Share Registry, (**Ineligible Swick Shareholders**) will have their In-Specie Shares sold through a share sale facility and the net proceeds remitted to Ineligible Swick Shareholders on a pro rata basis.

1.18 Taxation Implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares.

For personal use only

For personal use only

1.19 Escrow arrangements and ASX Waiver

ASX will classify certain existing Shares on issue in the Company (as opposed to those to be issued under this Prospectus) as being subject to the restricted securities provisions of the Listing Rules. These Shares would be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

The Shares offered under the Priority Offer will not be subject to any escrow restrictions.

The Company has sought confirmation from ASX that the spin-out is a "standard spin-out" (that is a pro-rata distribution of securities of the spin-out vehicle to the holders of securities in the listed entity by way of an in-specie distribution). If such confirmation is given, ASX will recognise that the spin-out vehicle (in this case, Orexplore) is effectively the successor of the listed entity (in this case, Swick), in relation to the assets being spun out and so a fresh application of escrow restrictions may not be appropriate.

In the event that such a confirmation received, the Company expects approximately:

a) based on the Minimum Subscription, nil Shares and 7,833,091 Performance Rights (being Director Performance Rights issued to Mr Brett Giroud and Dr Alan Bye on completion of the Priority Offer and In-Specie Distribution) which comprises approximately 0% of the issued share capital on an undiluted basis, and approximately 7.41% on a fully diluted basis (assuming that no additional Orexplore Shares are issued prior to the In-Specie Record Date); and

b) based on the Maximum Subscription, nil Shares and 8,313,091 Performance Rights (being Director Performance Rights issued to Mr Brett Giroud and Dr Alan Bye on completion of the Priority Offer and In-Specie Distribution) which comprises approximately 0% of the issued share capital on an undiluted basis, and approximately 7.41% on a fully diluted basis (assuming that no additional Orexplore Shares are issued prior to the In-Specie Record Date),

   to be subject to 24 months escrow.

Prior to the Company's Shares being admitted to quotation on the ASX, the Company will enter into escrow deeds with the recipients of any restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of any Securities required to be held in escrow.

In addition, the Company has sought the following from ASX:

- confirmation that non-affiliated Swick Shareholders who will receive Shares pursuant to the In-Specie Distribution will not be excluded for the purposes of Orexplore demonstrating satisfaction of Listing Rule 1.1 Conditions 7 and 8 (by virtue of the fact that the Shares are received via the In-Specie Distribution);

- confirmation that Listing Rule 10.7 is satisfied on the basis and assumption that ASX grants a waiver of Listing Rule 9.1; and

- confirmation that the terms of the Director Performance Rights are appropriate and equitable and acceptable to ASX for the purposes of Listing Rules 1.1 (Condition 1), 6.1 and 12.5.

For personal use only

1.20 Underwriting

The Priority Offer is not underwritten.

1.21 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants on acquisitions of Shares under the Priority Offer.

1.22 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Priority Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

1.23 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to holders of Shares, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.24 Paper copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy Prospectus and Application Form should be directed to the Company Secretary at +61 8 9277 8800.

1.25 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Priority Offer and the completion of an Application Form can be directed to the Company Secretary at +61 8 9277 8800.

For personal use only

2. Company Overview

2.1 Company and Business Overview

Orexplore is a resource technology company with a mission to support the digital transformation of the mining industry. The Board believes that the Company's Current Technology Platform comprising its flagship GeoCore X10® product, and its visualisation and analysis software, Orexplore Insight®, has the potential to add significant value to mining exploration and operations.

By leveraging medical imaging technology, Orexplore seeks to enable mining companies to unlock value and reduce risk by providing rapid and rich resource characterisation data that may assist customers as they seek to improve the efficiency and productivity of exploration, resource evaluation, reserve extension, mining and processing. Orexplore has expert in-house capabilities spanning from fundamental physics and software engineering, through advanced manufacturing and data science, that enable our project delivery and consulting geology teams to further develop our Value Propositions with our customers.

The Company's first product, the GeoCore X10®, is a transportable scanning device that uses X-ray industrial computed tomography (**CT**) technology that is capable of quickly and non-destructively scanning through the internal structures of mineral cores and samples. The machine also uses multiple X-ray Fluorescence (**XRF**) instruments and techniques to detect elements on the surface of the core. Both of these technologies are interlaced together by Orexplore's software, systems and modelling, to build estimated mineralogical models of the entire core, and report the detected elements. These models are delivered through the Orexplore Insight® software to enable user analysis and to support the delivery of the company's Value Propositions.

The Orexplore Insight® software reconstructs a three-dimensional "digital twin" of the physical core, allowing the user to interrogate the core at a current standard resolution of 200 microns and at a high resolution down towards 100 microns. In addition to the 3D reconstruction of the core and detected elements, Orexplore Insight® can be used to improve users' understanding of the geological and physical characteristics of the core including structural features, lithology, texture, emerging geo-chemistry, density and rock mechanics, that otherwise would have to be obtained using a combination of separate techniques.

The Board is of the view that the specific methods and systems used in combination with the particular synthesis of CT and XRF technologies to generate 3D data, appears to be the first-of-its-kind commercial application in the mining market. The GeoCore X10® is easily transportable to mine-sites, designed to be easy to use, safe and robust, thereby allowing a relatively non-technical operator to efficiently carry out the scanning. Additionally, rapidly after the scan has completed, the customer and Orexplore's consulting geologists can review the data remotely either at site or across the globe by using the Orexplore Insight® software.

Orexplore's Technology Platform and associated Value Propositions seek to help enable mining companies at the resource definition, mineral extraction and mineral processing stages to improve sampling regimes and reduce geological uncertainty in the mineral resource, as well as inform operational improvement and resource discovery efforts.

Orexplore's corporate headquarters are located in Perth, Western Australia with its research & development team and manufacturing facilities located in Stockholm, Sweden. Both locations have laboratory facilities which deliver commercial laboratory scanning services (see Section 2.7).

The GeoCore X10® is now being actively presented to potential customers following field trials and pilot programs targeting the robustness of the underlying GeoCore X10® hardware product. During

the period 2018 – 2021 the Company has focused on continued product development, specifically on the GeoCore X10® product and the Orexplore Insight® software. This period saw the delivery of over 20 paid and in-kind laboratory-based small-scale scanning trials across the Stockholm and Perth facilities; one mid-scale scanning and analysis project with an Australian producer; two site-based in-kind pilot engagements; and one site-based paid engagement with a reputable international base and precious metals miner, to further develop and validate the technology.

The Board believes that the Orexplore Technology Platform is highly scalable and that the Orexplore Business has the capability to attract infield customers by significantly enhancing the creation of big data geological data sets, and extracting insights from these that can deliver value to customers across the value chain within the global mining industry.

In addition to the current GeoCore X10®, Orexplore has had a significant product development program including the GeoCore X10+, a product focused on finer gold analysis and other precious elements occurring in low concentrations, which is being internally developed and tested. Orexplore intends to build on its Technology Platform in a customer-delivery targeted manner using its highly credentialed research and development team in Stockholm, as well as considering investments and acquisitions in adjacent technologies.

As part of the demerger process, Orexplore commissioned Deloitte Corporate Finance Pty Ltd to conduct a Tech Rating to gauge the economic strength of the Orexplore Business and Orexplore Technology Platform. A copy of the Tech Rating is provided in this Prospectus (refer to Annexure D).

2.2 Orexplore Group structure

Orexplore Technologies Limited was incorporated by Swick in 2020, following a strategic review by the Swick Board of its business operations and the decision to demerge the Orexplore Business into a separately listed entity.

As at the date of this Prospectus, the Company has 100 Shares on issue, each held by Swick (as at the date of this Prospectus, the Company has no other Securities on issue). As part of the Transaction, pursuant to the Demerger Implementation Deed, the Company will issue a further 93,913,541 Shares as consideration for the acquisition of the Orexplore Business. A total of 93,913,641 Shares will be transferred to Eligible Swick Shareholders pursuant to a proposed In-Specie Distribution. See Section 7.1 for further details on the Demerger Implementation Deed.

The corporate structure of the Company upon listing will be as follows:

(a) Orexplore Technologies Limited (parent entity), a company registered in Australia on 29 October 2020, that conducts its business activities primarily in Australia;

(b) Orexplore AB (Sweden) (wholly owned subsidiary of Orexplore Technologies Limited), a company registered in Sweden on 1 May 2010, that conducts its operations primarily in Sweden;

(c) Orexplore Australia Pty Ltd (wholly owned subsidiary of Orexplore Technologies Limited), a company registered in Australia on 24 October 2017, that conducts its operations primarily in Australia;

(d) Orexplore USA Inc (wholly owned subsidiary of Orexplore Australia Pty Ltd), a company registered in the USA on 12 November 2018, that conducts its operations primarily in USA; and

(e) Orexplore Canada Inc (wholly owned subsidiary of Orexplore Australia Pty Ltd), a company registered in Canada in November 2018, that conducts its operations primarily in Canada.

For personal use only

A diagram setting out the Company's corporate structure on completion of the Priority Offer is set out below:

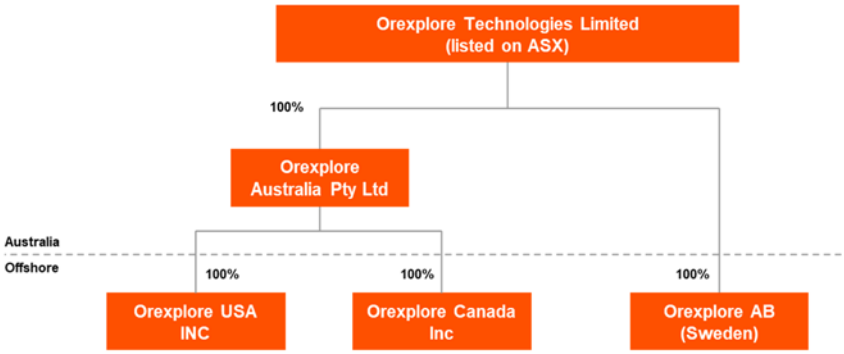


Figure 2 – Orexplore legal company structure

The USA and Canadian subsidiaries are currently not staffed and exist to enable ease of doing business across the Americas. Orexplore intends on establishing future presence in these jurisdictions as part of its global growth strategy.

2.3 Company history

Orexplore AB was founded in 2010, within a Swedish incubator called Sting (Stockholm Innovation and Growth), which backed a team of Swedish scientists and technology entrepreneurs to develop and bring-to-market ground-breaking technology.

Figure 3 - Orexplore's research, development and laboratory facility in Stockholm, Sweden

In 2013, Swick made its initial strategic investment in Orexplore AB, acquiring a 23% stake. Over the following two and a half years, Swick invested additional equity capital in Orexplore AB, allowing the business to progress development of the GeoCore X10®, and continue to its path towards commercialisation. This investment saw Swick increase its shareholding in Orexplore AB to approximately 70.5%.

In June 2017, Swick acquired the remaining 29.5% stake in Orexplore AB that it did not already own from management and a group of passive shareholders, taking its shareholding in Orexplore AB to 100%. Since that time, Swick has continued to invest in Orexplore AB to fund additional growth and capital programs.

For personal use only

Across this period, Orexplore AB also demonstrated a successful history of attracting both Swedish and European research funds and has participated in highly valuable industrial collaborations and research projects, including those financed by Swedish Vinnova, EU Era-Min and EU EIT-Rawmaterials. To date, the EU Horizon2020 project, X-MINE (commenced in 2017), has been the most prominent, with on-site performance trials of the GeoCore X10® at mines in Sweden, Greece, Bulgaria and Cyprus.

In 2018, Orexplore Australia Pty Ltd was established in Perth, Western Australia to house the Orexplore Group's headquarters and a second laboratory facility. The nature of its business activities are to provide the corporate leadership and executive functions including marketing, communications, logistics, finance, HR, legal and others for the Orexplore Group; undertake business development and market-entry activities within the region; host the consulting geology and engineering functions of the business and lead the strategic product-market fit activities; scope and deliver site-based customer projects; and undertake core scanning through the local laboratory.

Figure 4 - Orexplore's global headquarters and laboratory facility in Perth, Western Australia

During the period 2018 – 2021 the Company has focused on continued product development, specifically on the GeoCore X10® product and the Orexplore Insight® software. This period saw the delivery of over 20 paid and in-kind laboratory-based small-scale scanning trials across the Stockholm and Perth facilities; one mid-scale scanning and analysis project with an Australian producer; two site-based in-kind pilot engagements; and one site-based paid engagement with a reputable international base and precious metals miner, to further develop and validate the technology.

On 12 November 2021, Swick and Orexplore entered into the Demerger Implementation Deed in relation to the Transaction for the conditional transfer of the Orexplore Business (by way of the sale by Swick of all of the shares in the capital of Orexplore AB and Orexplore Australia Pty Ltd to Orexplore Technologies Limited). Further details regarding the Transaction are set out in Section 1.2 of this Prospectus.

The Orexplore Group's history and evolution is summarised in Figure 5 below.

For personal use only

For personal use only

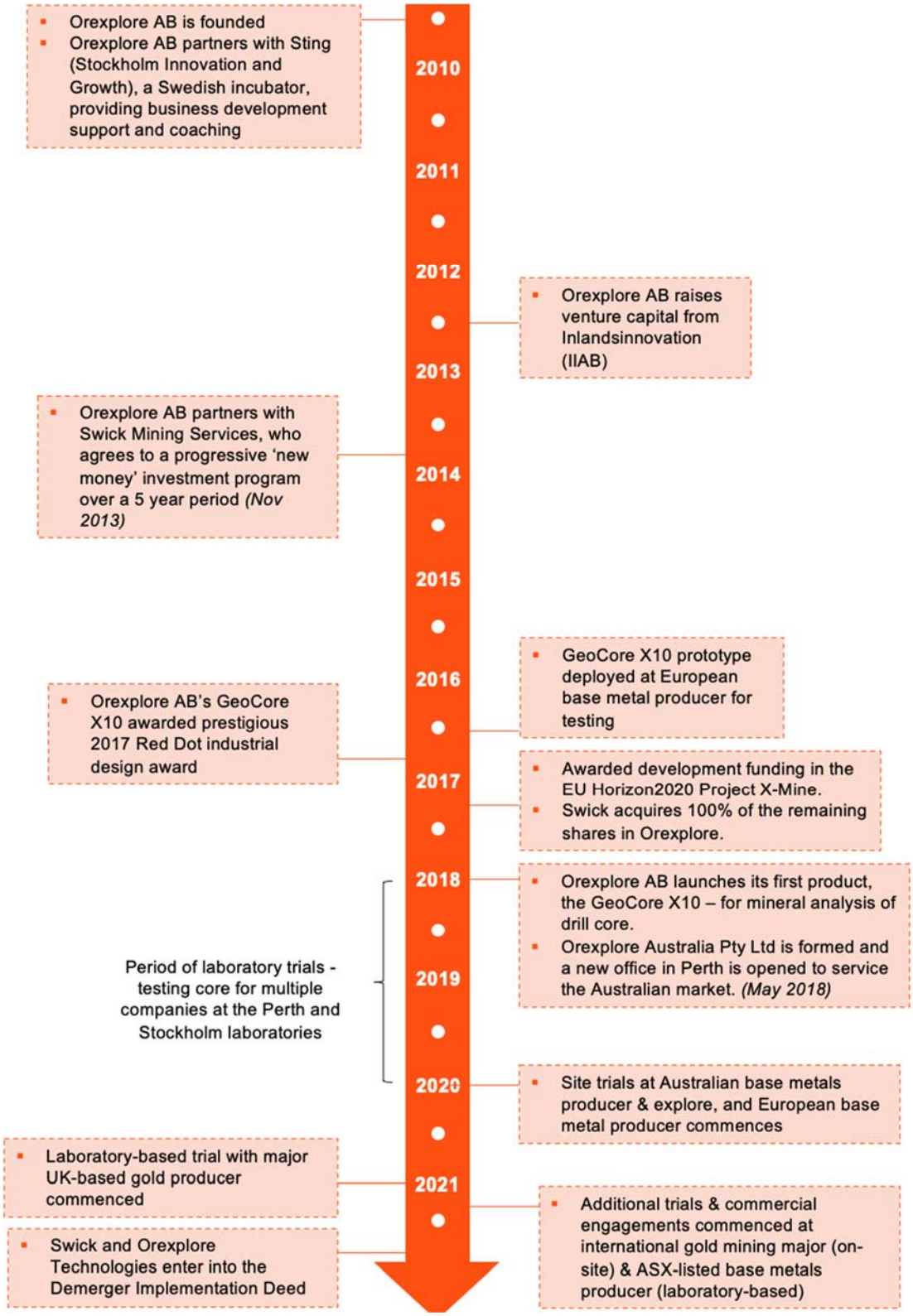


Figure 5 – Orexplore Group timeline

2.4 Orexplore Solutions

The Orexplore Technology Platform is underpinning the Company's development of a suite of Value Propositions across the mining value chain from exploration to operations. This suite of Value Propositions that are delivered through our GeoCore X10® and Orexplore Insight ® software by our consulting and field services personnel is collectively referred to as the "Orexplore Solutions".

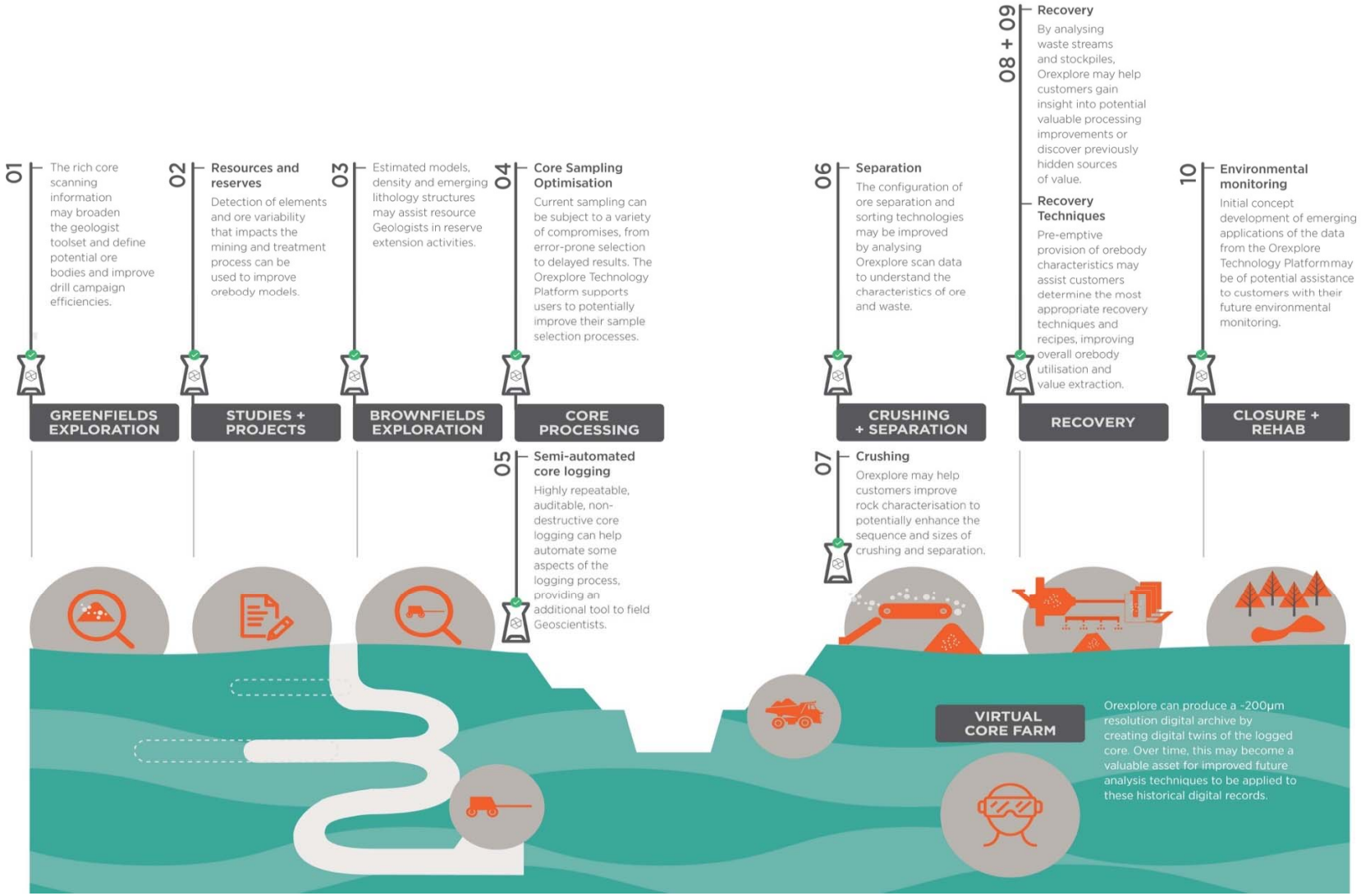


Figure 6 – Orexplore Solutions within the mining value chain

personal use only

A selection of the Orexplore Value Propositions currently under development include:

1. **Exploration (Greenfields) - Decision Support:** Orexplore's rich core scanning information (see Section 1.3 below) may broaden the toolset available to support exploration geologists in defining potential ore bodies. In particular, the indicative detected elements and emerging ability to rapidly detect coarse gold proxies may be of important potential benefit. This and the other information, such as structural features, generated by users of the Technology Platform, may support improved drill campaign efficiencies by aiding improved decision making over time.

2. **Exploration (Brownfields) – Decision Support:** The estimated 3D core imagery and associated information that can support analysis of density, lithology, structure, detected elements and emerging mineralogical models, provides resource geologists additional insight that may support their decision making across resource and reserve extension activities.

3. **Operations - Semi-Automated Core Logging:** The Orexplore Technology Platform allows for semi-automated, highly repeatable, auditable and non-destructive 3D core logging to be conducted rapidly in conjunction with Orexplore's subject matter experts. Orexplore's Technology Platform allows 'through-the-core' logging which greatly improves transparency, traceability and can support additional geological insight. Orexplore is continually improving its utilisation of machine learning (**ML**) principles as applied through the Orexplore Technology Platform to advance the automation of the core logging process and unlock additional insight.

4. **Operations - Core Sampling Optimisation:** Current methods of resource estimation involve selecting a varied percentage of the drilled core as samples for further metallurgical testing and/or assay. Sample selection is conducted manually and prone to sampling error, inexperienced operators and a lack of repeatability and consistency that can impact on the accuracy of core grade estimates. The scans of the GeoCore X10® provide rich surface elemental detections and internal structures which can be utilised by users to potentially improve sampling efficiency, by enabling better samples to be selected for sampling by traditional methods, which may be more representative of the ore body. The benefits of this may include reduced sampling costs, improved grade accuracy, and reduced sampling error which have a positive impact on improving resource estimation over time.

5. **Resource and Reserve Estimation Support:** High mineralogical and grade variability can impact the overall mining process through disrupted or mis-aligned process plant feeds and reduced accuracy of the associated resource models. A resource model based on a higher quantity of detailed scans of the drill cores, that are repeatable and traceable, may form an additional foundation for the model as the Company's related Value Propositions mature over time.

6. **Ore Sorting Optimisation:** Increasingly utilised by mining companies to reduce processing costs, ore sorting technology can help improve the general economics of mining operations and potentially enable further assessment of marginal orebodies. Orexplore is currently developing ore-sorting models with an international mining major and helping to validate the potential sorting variables and sorting machine configurations and calibrations to positively impact on process flow sheet design.

7. **Virtual Core Farm®:** The Orexplore Technology Platform generates digital replicas "digital twins" of drilled core at a spatial resolution around 200 microns (µm), down towards 100 µm in the reduced-speed high-resolution mode on request. These "digital twins" can be stored by Orexplore as required by customers in its Virtual Core Farm® and customers will be able to access the files via Orexplore Insight®. Alternatively, customers can store data on their own systems. This may provide a valuable asset for companies with benefits including risk mitigation and future potential value creation / protection:

   - **Risk mitigation**: Orexplore has previously assisted customers with providing copies of their digital core after physical samples and electronic records were lost and destroyed. This "bank vault" solution has already been demonstrated as a valuable tool to support risk mitigation.

For personal use only

2.5 Orexplore Technology Platform and service offering

The current Orexplore Technology Platform comprises the GeoCore X10® product and the Orexplore Insight® software. The Company has also been developing a future GeoCore X10+ product with advancing instrumentation that targets lower concentration minerals. Orexplore also offers a supporting geological consulting services to aid customer adoption and integration. Orexplore's service offering is delivered through either laboratory or site scanning services that utilise the Orexplore Insight® software to generate results. Key to the effective creation of value for customers across both of these services is the Company's geological consulting service as detailed below:

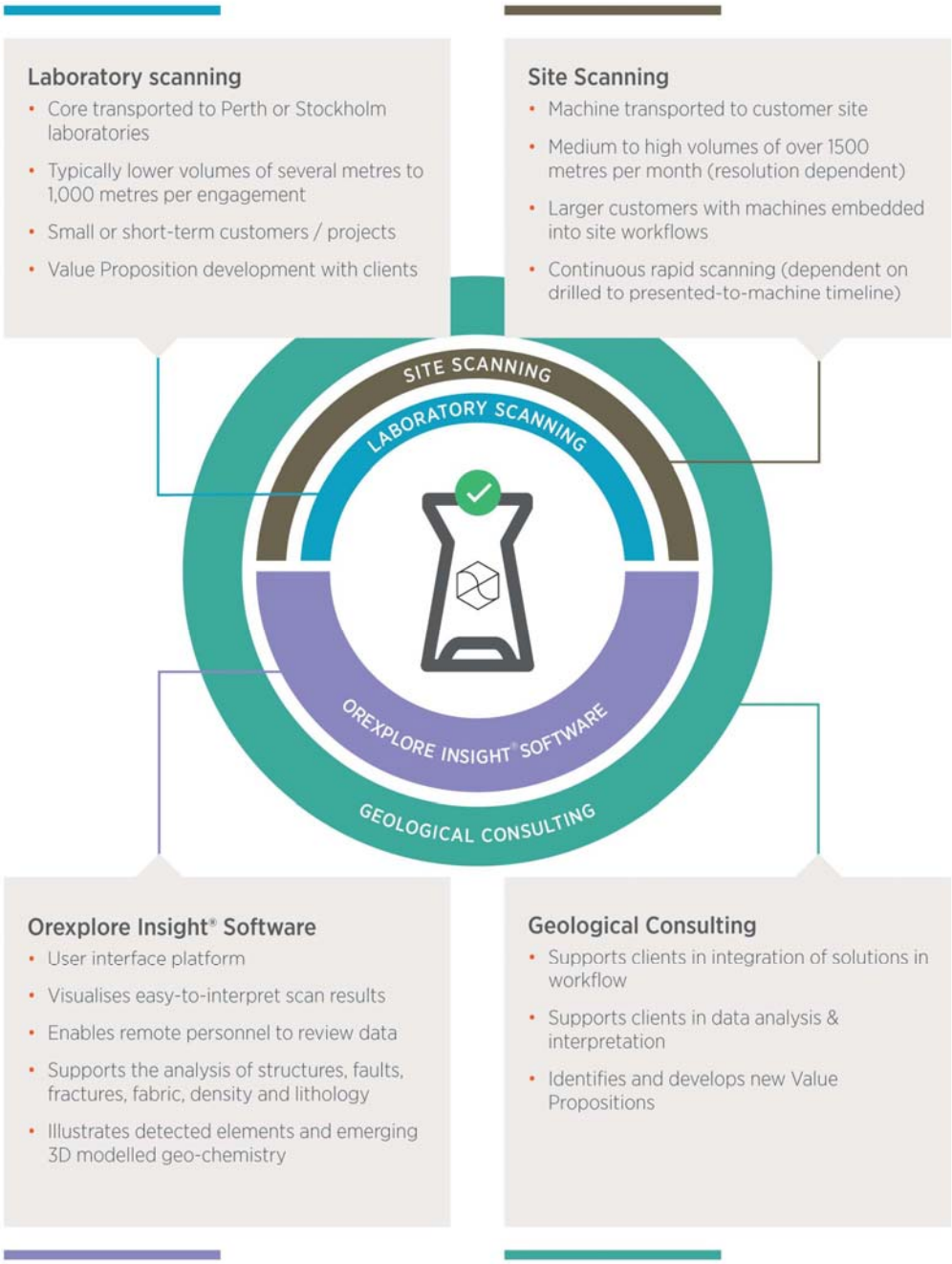


Figure 7 - Orexplore's Technology Platform and service offerings

For personal use only

2.5.1 Orexplore's Technology Architecture

Orexplore's Industrial Internet of Things (**IIOT**) sensing hardware, the GeoCore X10®, features an industrial computer to perform its "Edge Compute". The mining industry is increasingly adopting a "hub and spoke" architecture featuring numerous remotely distributed sensing devices connected to centralised decision-making Subject Matter Expert (**SME**) teams. The Orexplore Insight® software is well suited to support these central teams and seamlessly connects to the distributed GeoCore X10® field-devices in support of this emerging trend.

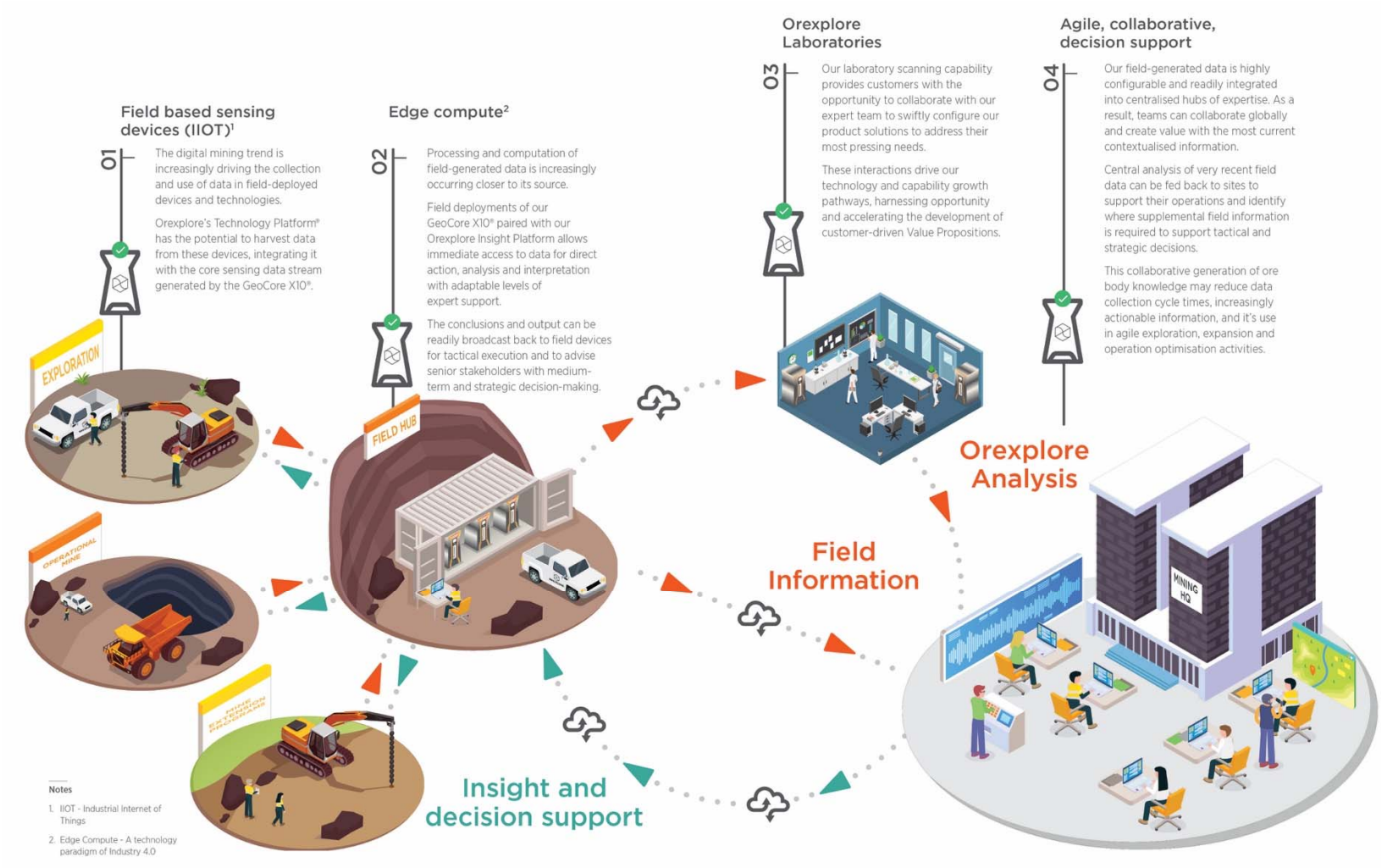


Figure 8 - Orexplore's Technology Architecture

personal use only

For personal use only

2.5.2 GeoCore X10®

The GeoCore X10® is a transportable scanning technology that can quickly and non-destructively scan mineral cores, converting mineral samples into a high resolution (typically around 200 microns with advancing capabilities down to 100 microns), three-dimensional data sets providing emerging through-the-rock estimated mineralogical models of internal composition, structures, bedding planes and mineral features. The GeoCore X10® additionally leverages the use of dual XRF spectrometers to detect elements on the surface, and also produces mass measurement data from embedded instrumentation.

Figure 9 - GeoCore X10® and key internal instrumentation

The GeoCore X10® measures around 2m x 1m x 1m, weighs approximately 550kg and can be transported easily to anywhere in the world via containerised shipping freight or air freight. The GeoCore X10® can be installed on site as a standalone machine or in Orexplore's containerised machines (which can hold up to three GeoCore X10® machines).

Developed to deliver a safe and straightforward user experience, the GeoCore X10® allows a relatively non-technical operator to manage the scanning process efficiently. It does not contain any radioactive isotopes and is inert when not in use. Operators are required to undergo 1-2 days of training and hold an X-ray and safety certificate. Orexplore currently mostly provides its own operators however in future scanning can be undertaken by the customer's workforce with appropriate training and X-ray safety processes.

The scanning process involves the user obtaining and placing the drill core or other material (up to 1 metre sections) into the scanning sleeve, inserting the core (sleeve) into the machine, and activating the GeoCore X10®. The machine can hold and scan 4 sleeves with drill core or other material at the one time. Once the scanning is complete, the core or other material is removed from the machine and sleeve and stored in the customer's core trays or other storage solutions and handed over to the customer. Due to the machine's ease of use, up to three machines can be handled by a single operator under normal operating conditions. Single core scans range from approximately 15 minutes in lowest resolution mode through to approximately 30 minutes in the highest resolution mode.

The GeoCore X10® features a touch screen allowing the operator to manage the scanning and monitor the performance of the instrument directly or via a computer, locally or remotely. Remote access allows

For personal use only

Orexplore technical support and customer technical support teams to track scanning progress, general machine health and statistics, as well as provide remote service and over-the-air (**OTA**) firmware upgrades.

Key emerging insights under development that are modelled around information from the GeoCore X10® include:

Resource information:

- **Estimated geochemistry and elemental detections:** Elemental detections are reported for any user-defined core section in 8mm flitches (125 summaries per metre). Orexplore is continuously improving the range and accuracy of elements detected and continues to improve its emerging mineralogical model. Importantly, the GeoCore X10® can also potentially identify a range of unwanted contaminants in the core where their elemental signatures are available on the surface, which may enable improved decision making in mine planning and processing plant configurations over time.
- **Coarse gold detection**: The 3D imagery can be used to estimate the abundance of coarse gold particles within the entire core volume down to 200-micron particle sizes where sufficient supporting information on the geology and mineralogy is available. By combining data on volume, particle frequency and shape of 'high attenuation particles', it may be possible to infer and model the in-situ gold particle size distribution subject to the core composition. Better understanding and statistical support can potentially provide significant value to miners and explorers both in exploration and extraction of deposits with high proportion coarse gold (nugget effect). The methodology is currently under development and may provide a tool to help explain the variability between modelled ore grade and reconciled grade.

Physical and geological information:

- **Rock mechanics**: Understanding the physical characteristics of rock mass, including rock quality designation (**RQD**), fracture frequency and orientation plays an important role in the design and execution of mining operations. The GeoCore X10® outputs can be interpreted through Orexplore Insight® by experienced users to potentially help understand rock mechanics data that may assist with geotechnical and mining engineering applications.
- **Geological structures**: Delivered using 3D imaging and analysed in the Orexplore Insight® software, structures such as bedding planes, foliations, fold axis and lineations can potentially be inspected, classified and evaluated to support the creation of 3D geological models of the drilled rock mass, which is used to determine the direction of structures within the rock core. It may also help to identify bedding planes, folds and lineations and could assist geologists with their assessments of potential minerals on the structures.
- **Density**: Each sample of the core is weighed during the scanning process and when combined with the volume derived from CT-scanning of the sample, an estimation of the bulk density is calculated automatically. In addition, inferred density can also be calculated based on an emerging mineralogical model and reported in 8 mm flitches (125 estimations per metre).
- **Lithology / texture**: Semi-automatic lithology identification is currently under development and logging of the entire core can be undertaken, augmenting the quality and consistency of geologist's logging and interpretation. This collaborative human / machine approach facilitates standardised logging conventions, whilst at the same time allowing geologists to capture and build on fresh insights delivered rapidly after the core is presented.

Some data streams generated from a GeoCore X10® scan can be exported to standard geological software for further review, and additional data streams are under development.

To date, a total of 12 GeoCore X10® machines have been manufactured, with a stocked inventory and additional production to be demand-based. Production durations are currently typically less than a week for each GeoCore X10® machine.

2.5.3 Orexplore Insight® software

Orexplore's software system, Orexplore Insight®, provides users with the ability to interact and analyse the scan results obtained from the GeoCore X10®. It provides 3D-visualisation of the core and the ability to further analyse the resource and physical information outlined above, providing rich capability to understand, interpret and extract key information contained within the sample.

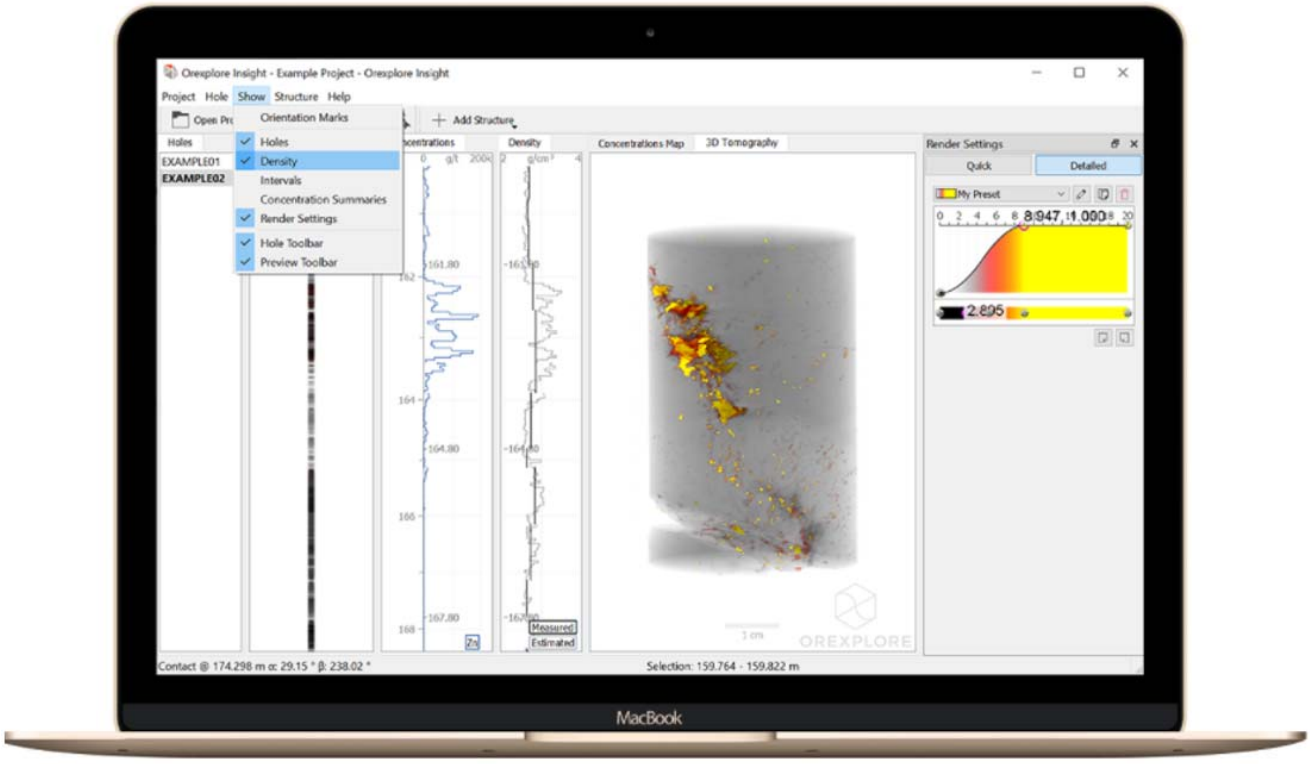


Figure 10 - The Orexplore Insight® software

The Orexplore Insight® software utilises a series of algorithms created by Orexplore's development team. Concept development pathways, include a focus on using specialist algorithms that may continue to increase in performance and functionality by leveraging machine learning (ML) and semi-automation techniques over time.

The Orexplore Insight® software has been designed to be utilised either directly on site or remotely from any location globally.

For personal use only

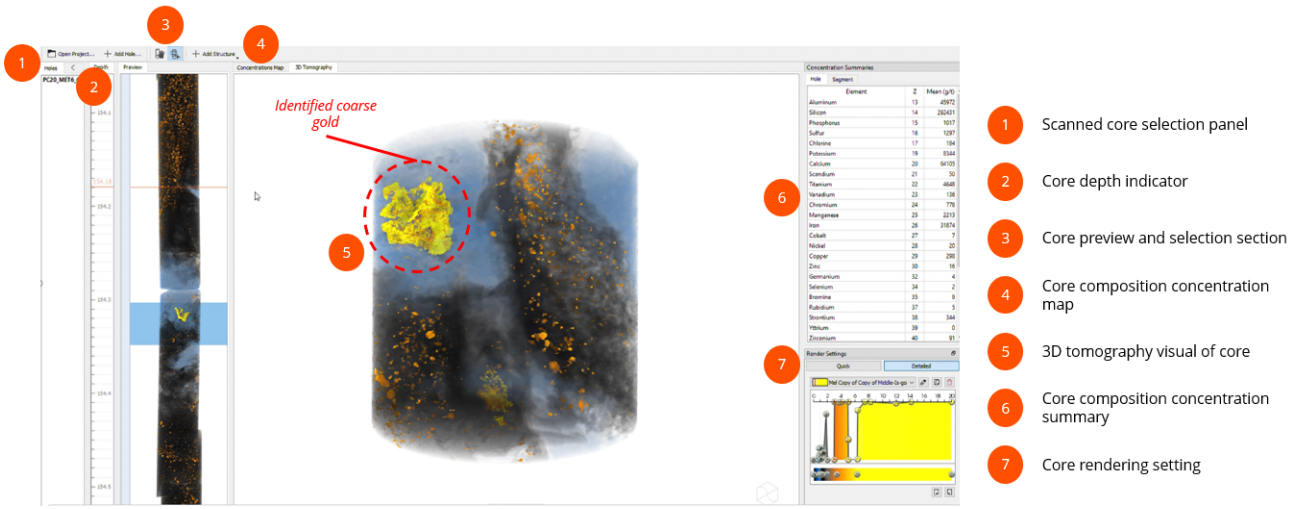


Figure 11 - *Orexplore Insight® software - layout*

Figure 11 illustrates the user interface of the Orexplore Insight® software. Point 2 displays the overall drill hole and depth, with the main centre screen presenting either the 3D tomography (shown above in Figure 11) or the detected elements map (shown below in Figure 12).

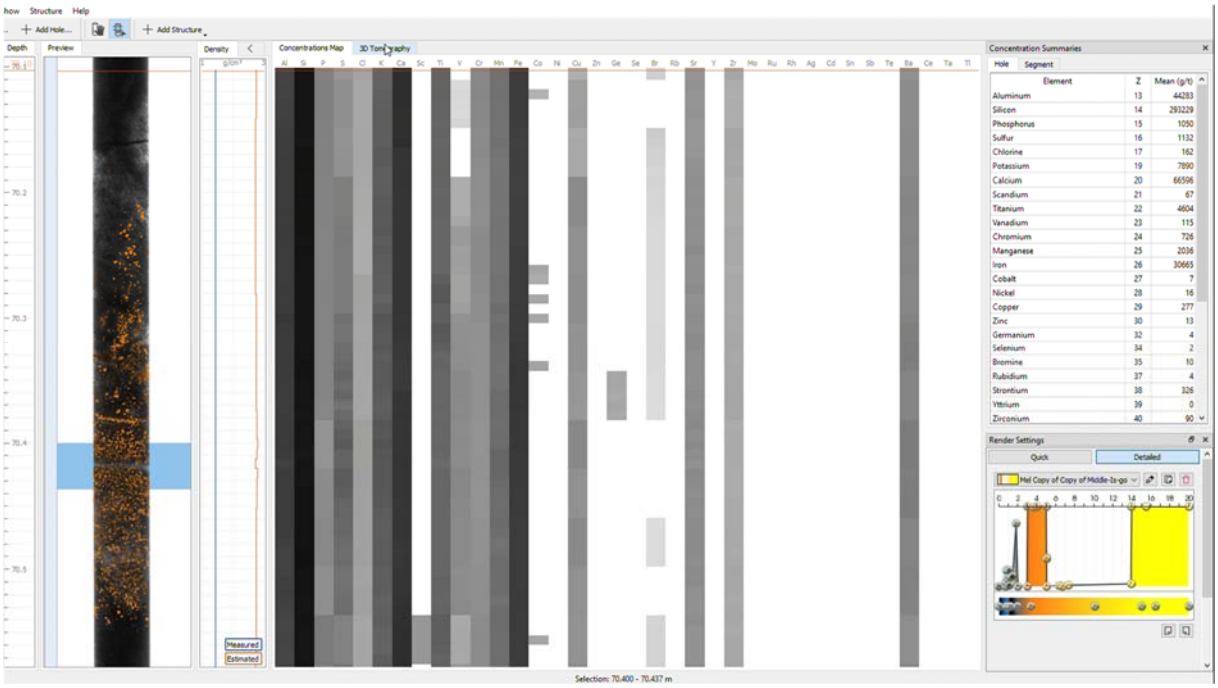


Figure 12 - *Orexplore Insight® software – detected elements map*

The table in the top right of Figure 11 and Figure 12 presents a composition summary of estimated detected elements, and the bottom right window allows users to generate customised attenuation / false-colour mappings to enable effective interpretation of the 3D tomogram.

2.5.4 Orexplore Consulting Services

In addition to the Orexplore Technology Platform, Orexplore has an internal team of consulting geologists and project delivery experts. This team's focus is to guide customers through technology adoption into their business and work with them to articulate how the technology can deliver insight

For personal use only

For personal use only

and value to multiple operational and corporate processes and roles. Orexplore's consulting geologists will assist customers in reviewing, interpreting, and analysing data produced from Orexplore scans (utilising the GeoCore X10®), working collaboratively with them to ensure insights are extracted to help them to further optimise their exploration, mining and processing activities. Orexplore's consulting geologists are key to ensuring the Orexplore Technology Platform is easy to procure; easy to integrate; and value accretive.

As Orexplore continues to develop its technology and team, the consulting services provide a valuable conduit of customer feedback. In turn, this feedback will be used to define and enhance a broader set of Orexplore Value Propositions, underpinned by the strong technology portfolio.

Currently, the consulting team's primary focus is to create market traction with customers and to generate value collaboratively with them within their business by embedding Value Propositions tailored to their unique requirements.

2.6 Potential benefits of the Orexplore Technology Platform compared to traditional resource sample testing and measurement methods

The Orexplore Technology Platform provides several potential benefits to users when compared to traditional analysis of drill core and other analytical methods, as described below:

- **Continuous onsite scanning & rapid results**: Unlike some traditional resource sample testing and measurement methods which may often require sub-sampling and dispatch for remote analysis in some cases taking many weeks to get results for individual samples depending on access to analysis facilities, the GeoCore X10® is field deployable, and collects supplementary data rapidly from the entire core, eliminating the need for time consuming pre-testing procedures. Scanning priority is customer controlled and information can be produced on-site in as little as 15 minutes (in low resolution mode) per metre of core upon presentation to the machine. Whilst there are many practical considerations in "drilled-to-insight" time durations which Orexplore cannot influence – including time taken to transport resource materials from mine to GeoCore X10® – results of the GeoCore X10® scan are available for review through the Orexplore Insight ® software very rapidly after scan completion.

- **Non-destructive**: Many traditional resource sample testing and measurement (assaying) methods generally require cores to be cut in half, crushed and destroyed for testing/analysis to receive sub-sets of highly accurate information. For destroyed samples, there is no possibility to re-test for different indicators in the future. The scanning process of the GeoCore X10® is non-destructive, meaning it can be inserted anywhere in the customer's core analysis process flow prior to destructive testing/assay techniques.

- **Easy to operate & process insensitive**: Traditional methods of resource sample testing and measurement require careful, highly controlled and sometimes time-consuming tuning for specific mineral suites and assay techniques. The GeoCore X10® scan process can deliver insights across a range of geological settings and requires relatively simple calibration and customisation to specific ore terrains and diverse geographical settings by trained site-based geologists.

2.7 Business model and sources of revenue

Orexplore provides mining and exploration companies with digital core scanning and analysis services through two primary commercial offerings: a) site scanning services and b) laboratory scanning services, both of which are supported by associated geological consulting services (see Figure 13 below).

For personal use only

Figure 13 - *Orexplore business model and sources of revenue*

2.7.1 Site scanning services

Site scanning services are typically conducted at the customer's operational site, with Orexplore's GeoCore X10® machines typically integrated into the central core-farm work flows which allows for high-volume rapid scanning.

Orexplore can deploy GeoCore X10® machines on site either as individual stand-alone machines housed within customer facilities and integrated with their power and communication systems, or through its containerised solution. Assuming machine availability, the time to deployment includes 1-2 days for preparation and dispatch, the required transportation and shipping time to the site location, and a 1-2 day site mobilisation and setup period. Assembly of new machines can be completed in less than one week from Orexplore's Stockholm based manufacturing facility.

For personal use only

The site scanning services are currently delivered via a “scanning as a service” model that includes an Orexplore scanning technician to ensure quality control and is supported to varying degrees by Orexplore’s field-or-remote consulting geologists. These consulting geologists work closely with customer geology and other technical staff to assist with transferring the insights from the GeoCore X10® scans into customer-tailored Value Propositions that seek to quantify the potential operational efficiencies and improvements to a range of customer stakeholders. Orexplore will also provide technical staff and subject matter experts to ensure a seamless purchasing experience and train customers in the Orexplore Technology Platform's most effective use and integration. This approach also establishes a solid foundation and enhances customer engagement, building rapport between Orexplore’s consulting geologists, technicians and customers at multiple levels (mine site to head office), increasing commercial and technical integration with customers and delivering insights for adoption.

The Orexplore Technology Platform has also been designed for "dry-hire”, where the GeoCore X10® machines and Orexplore Insight® software are issued to the customer and subject to appropriate training, all related scanning and interpretation services are performed by the customer.

The current revenue model is to charge for one, or a combination of:

- fixed periodic rates per GeoCore X10® machine; or
- rate per metre scanned;

Use of the Orexplore Insight® software is provided for customer use in line with negotiated agreements between Orexplore and the customer. For initial customer adoption projects Orexplore Insight® is generally included free of charge for an initial period, however as Orexplore's Value Propositions mature over time and where they are based heavily on the features and functionality within the Orexplore Insight® software, future charging regimes will be considered for the Orexplore Insight® software.

The revenue model chosen will depend on the customer and site specifics, including scale, utilisation, and other factors.

2.7.2 Laboratory scanning services

For low volume customers such as junior miners and explorers, Orexplore offers laboratory scanning services at Orexplore's two commercial laboratories in Stockholm, Sweden and Perth, Australia. Selected core is transported to Orexplore’s laboratories for scanning and returned to the customer in its original condition.

The laboratories also act as a test facility for customers to collaboratively create and advance Value Propositions tailored to their business needs. A current example of this model includes an international mining company testing transformational ore-sorting techniques that if proven could drive broader adoption across their operations and within their business. Such activities are currently charged on a combination of metres scanned and consulting service fees (detailed further below), however over-time these may transition to lump sum engagements and/or other commercial arrangements.

2.7.3 Consulting services

As discussed in Section 2.5.4, Orexplore provides associated on-site and remote based geological consulting services to support and enhance outcomes for customers. Orexplore’s consultants work collaboratively with customers to ensure insights are extracted that may help to optimise the customer's mining operations and aid their understanding of the potential value creation and risk reduction of tailored Value Propositions that use the Orexplore Technology Platform within their business. Consulting services are generally delivered on a fee-for-service basis in addition to scanning revenue.

For personal use only

2.8 Market size and segmentation

The Orexplore Solutions have application across the mining value chain. Figure 14 shows Orexplore's current and potential markets.

The key market segment for Orexplore is newly drilled core (refer to the top-right segment in Figure 14), for which the total global core drilling market is estimated to be 107.8 million metres in 2022, growing at a 2.2% CAGR to 128.5 million metres by 2030 according to the Industry Expert Report from MinEx Consulting (see full report in Annexure C).

Secondary market segments include:

a. previously drilled 'historical' core (e.g. for retrospective studies and digital asset reviews etc.);
b. non-core drilling (e.g. auger and reverse circulation drilling which produces 'chips'), and
c. crushed rock material (e.g. for ore sorting applications).

To date, Orexplore has completed test engagements in these secondary market segments and intends to selectively service these markets.

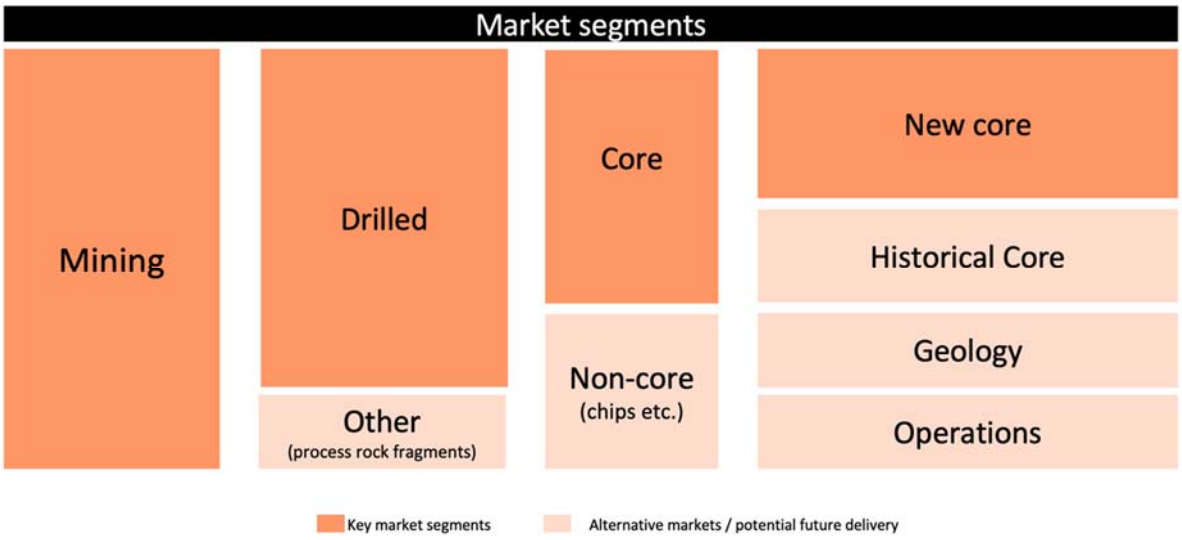


Figure 14 - *Orexplore's current and potential market segments*

2.9 Business and growth strategy

Orexplore's growth strategy focuses on enhancing market adoption of its Current Technology Platform, and transitioning its strong base of historical research and development into machine capabilities that underpin revenue generating Value Propositions. The Company aims to achieve this through laboratory-based customer-testing and smaller scale (generally up to 1,000m) scanning assignments in conjunction with larger field-based deployments and projects that aim to embed the technology into customer workflows and generate recurring style revenues.

The Company intends to execute the following business growth strategy by:

1. Execution of the sales and marketing strategy to enhance market awareness and adoption of its current and future Orexplore Technology Platform and services through:
   (a) undertaking active strategic marketing;
   (b) attending and presenting at trade shows/events to promote Orexplore;
   (c) undertaking active online marketing; and

(d) delivery of trial and in-kind projects for target customers to demonstrate value, and attempt to convert to longer term arrangements.

2. Continue with product development and R&D activities via:

   (a) enhancement of the GeoCore X10® capabilities, performance and accuracy to align with customer requirements and market demand;

   (b) the continued development and commercialisation of a precious metals focused GeoCore X10+ product;

   (c) further development of the Virtual Core Farm® Value Proposition to store virtual copies of customer's scans for future review and analysis;

   (d) research and development in sensing, simulation, computing, ML and other advanced technologies where a clear connection to market penetration, adoption, and revenue generation exists;

   (e) continuing to increase scan speeds and quality assurance;

   (f) development of scanning capabilities for larger core sizes (greater than NQ-sized core);

   (g) developing automated insights and the identification of zones of interest via the application of ML; and

   (h) advancing the depth and breadth of the Value Propositions that are powered by the underlying capabilities of the Orexplore Technology Platform.

3. Create strategic partnerships with:

   (a) mining companies as development partners linked to specific use cases;

   (b) mining software companies to integrate with existing mine planning and operating software and site workflows;

   (c) consulting companies driving operational efficiencies and designing future mines with a technology adoption focus; and

   (d) ML and data analytics companies to fast-track product development and leverage existing market capabilities.

4. Geographical expansion:

   (a) further expansion and market penetration in the Australian and European markets;

   (b) entry into key target markets including Canada, Latin America and others which offer significant emerging opportunity; and

   (c) potential subsequent entry into rest of world markets, with an acceleration option where Company relationships with international mining companies allow earlier entry. Refer to the Industry Expert Report from MinEx Consulting (see the full report contained in Annexure C) for more information on geographic opportunities.

5. Investment in adjacent technologies: In addition to organic growth drivers, Orexplore may, over time, consider acquisitions of, or investments in, adjacent technologies that can leverage the Orexplore Technology Platform base and Company capabilities, knowledge and capacity, as well as its operational and customer footprint. Any additional investments made by the Company will be synergistic and aimed at compounding growth opportunities for the Company through integration.

2.10 Customers

The Board sees the Orexplore Technology Platform being initially targeted at three distinct end-users as follows:

For personal use only

For personal use only

- **Mining companies at operating mines:** the GeoCore X10® can provide rapid data and analysis (subject to core presentation times) on the detected elements and mining engineering information (RQD, rock characteristics, structures) of a deposit as a customer progressively develops their mine and exploits their reserves. Significant volumes of brownfields exploration, resource definition and grade control drilling are undertaken by operating mines across all commodities to ensure reserves are maintained and that mining can be undertaken efficiently. Refer to the Industry Expert Report contained in Annexure C for more details on the drilling market. The use of GeoCore X10® at operating mines may be considered to be valuable for the rapid, non-destructive analysis of the core, compilation of a more complete data set and a richer picture of geological and structural controls, in addition to emerging mineralogical insights that may assist in the optimisation of a processing plant. The GeoCore X10® is particularly applicable to underground mines where the majority of underground mineral drilling is core sized =<NQ size and therefore suited to GeoCore X10®. Additionally, the GeoCore X10® is in early stages of test scanning drill chips typical of surface drilling.

- **Mining companies with early-stage exploration projects:** A significant appeal of the GeoCore X10® at early-stage exploration projects is the quick turn-around of detected elements and coarse gold proxies – which may be used to guide follow-up and potentially assist in on-going drilling campaigns, as well as prioritising which drill samples should be fast-tracked through the conventional analytical labs. The analysis may also provide an improved and faster assessment of a drill sample's lithology – which can be useful in providing support to geologists building mineralisation vectors.

- **Mining companies with projects at the scoping or feasibility study stage:** Projects at the scoping or feasibility stage may benefit from the GeoCore X10® by obtaining detailed information on the modelled geotechnical characteristics of a deposit. This may be valuable as an additional tool for assisting engineers and other mining professionals to determine design components of an open pit or underground mine opening. Additionally, the scan results may help to guide the mine plan and design of the process flow-sheet for a processing plant. Such knowledge may also be useful for the exploration of further ore resources at a project site as the technology advances over time.

During the period 2018 – 2021 the Company has focused on continued product development, specifically on the GeoCore X10® product and the Orexplore Insight® software. This period saw the delivery of approximately over 20 paid and in-kind laboratory-based small-scale scanning trials across the Stockholm and Perth facilities; one mid-scale scanning and analysis project with an Australian producer; two site-based in-kind pilot engagements; and one site-based paid engagement with a reputable international base and precious metals gold miner, to further develop and validate the technology.

As of the date of this Prospectus, Orexplore is conducting: a site-based in-kind trial with an international gold company; a paid laboratory-based small-scale "proof of concept" type engagement with an international base metals company; a mid-scale paid scanning and analysis project with an Australian producer; and a number of smaller-customer laboratory-based in-kind trials across global gold and base metals resources companies. In addition, the Company is seeking to build a pipeline of early commercial engagements and in-kind trials across Orexplore's two laboratories with an increasing breadth of customers, commodities and site locations.

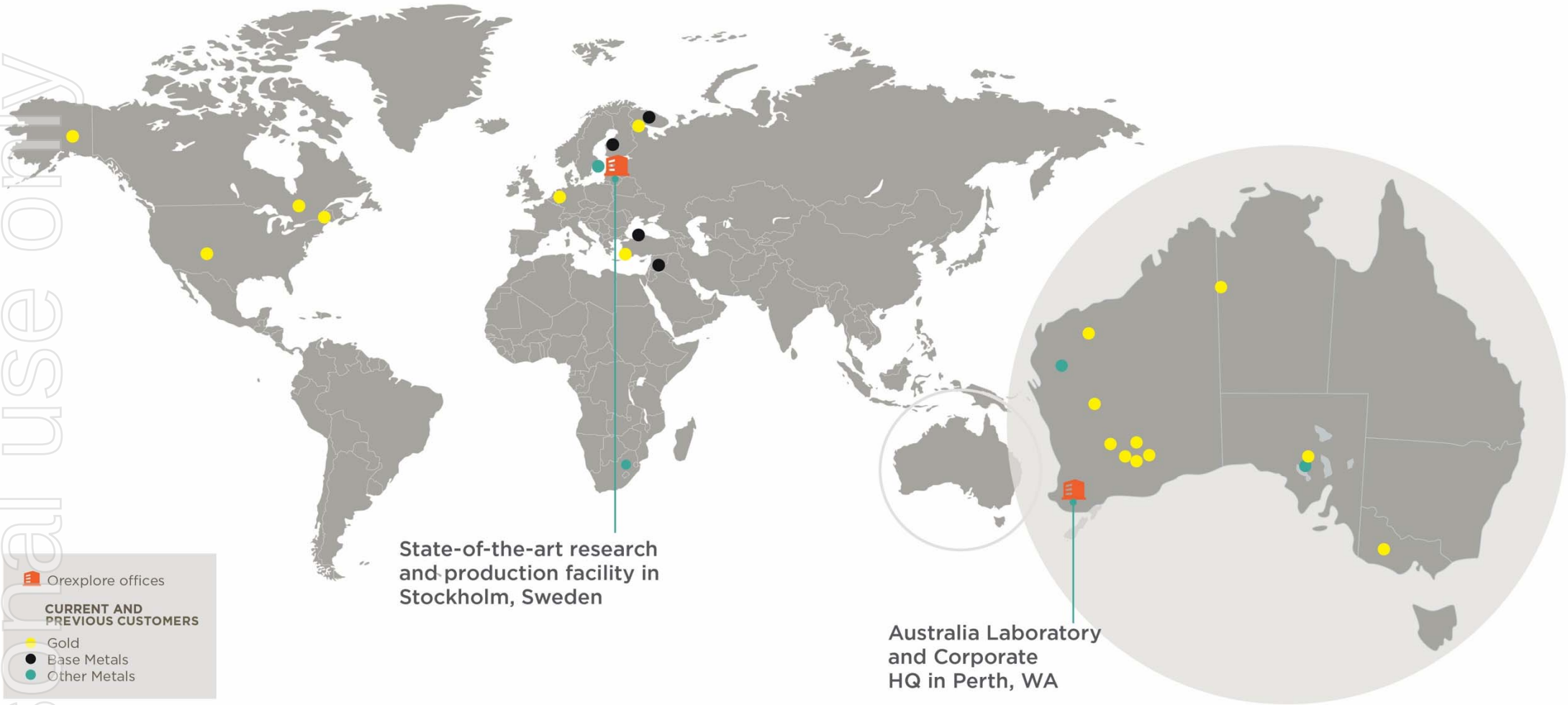


Figure 15 - Representative sample of core source locations used in historical laboratory scanning

personal use only

For personal use only

2.11 Manufacturing and suppliers

Product development and R&D is largely conducted at Orexplore's research and production facility located in Stockholm, Sweden. The Company has a network of over 26 suppliers of complex instrumentation, engineering, design and systems to assemble and deliver its Product. Whilst the Company maintains efforts to ensure multiple suppliers are available for most components, some elements such as the X-ray sources are highly specific and difficult to source alternatives. Philips Medical, Direct Conversion (Sweden), AMPTEK (USA) and Hamamatsu Photonics (Japan) are considered to be important suppliers to the Company, but are also considered to be suitably large and stable organisations with regard to reducing supply risk.

See Section 4.1.6 regarding the key risks associated with manufacturing and suppliers.

The Company is currently required to obtain permits and authorisation by radiation safety authorities to develop the GeoCore X10® product, with permits also required at locations where the GeoCore X10® are operated. The Company confirms that it currently holds all requirement permits and authorisations in respect of the Orexplore Business, in particular a permit from the Swedish Radiation Safety Authority in respect to the manufacture, installation and maintenance of technical devices that can generate ionizing radiation. This permit expires on 27 August 2023, and any delay in renewing the permit may significantly impact on the Company's operations.

See Section 4.1.13 regarding the key regulatory risks.

2.12 Intellectual Property

Orexplore has protected its Orexplore Technology Platform with registered and pending patents in key markets including Australia, US, Europe, and Canada. In addition, Orexplore has several trade secrets covering the GeoCore X10® product and Orexplore Insight® software, as well as trademarks registered and pending in Australia, US, Europe, UK and Canada. The Orexplore Business also protects its trade secrets and know how through contractual provisions entered into with its customers, employees, contractors and other parties as required.

The four families of patents registered in the name of members of the Orexplore Group are as follows:

- "Apparatus and method for X-ray fluorescence analysis of a mineral sample";
- "A sample holder for holding a drill core sample or drill cuttings, an apparatus and system comprising the holder";
- "Density analysis of geological sample"; and
- "Application of X-ray analysis for examination of mineral samples".

For further information please see the Intellectual Property Report contained in Annexure B.

2.13 Research and Development

Orexplore has a highly skilled research & development team located in Stockholm that has designed, developed and manufactured the Orexplore Technology Platform over more than ten years. During this time, Orexplore has built exceptional internal capability and capacity for research and

For personal use only

development from fundamental physics to engineering, design and manufacture of advanced products, systems and software.

Orexplore's research and development activities are closely aligned with an overarching technology strategy and associated roadmap supporting project delivery and Value Proposition development through short-term R&D.

The Company is advancing multiple streams of R&D, including:

- advanced sensing and scanning instrumentation and systems;
- advances in computing power and simulation modelling;
- advances in the application of machine learning (ML) through the Orexplore Insight® platform, to seek semi-automation of core analysis;
- continual advances in scanning speed, QA, functionality and performance of the Orexplore Technology Platform;
- advancing the depth and breadth of the Value Propositions that are powered by the underlying capabilities of the Orexplore Technology Platform;
- advances in the integration of geological and mineralogical knowledge with computer systems; and
- development in the electro-mechanical systems to enable the scanning of larger core sizes and more diverse sample presentations.

Figure 16 - Orexplore's research and development, and laboratory facility in Stockholm, Sweden

2.14 Key investment highlights

The Directors are of the view that the Company has the following key investment highlights:

For personal use only

- **Field tested technology**: Orexplore has validated key elements of its Technology Platform through field-based trials across Europe and Australia including significant site-based pilot projects. These trials have demonstrated the robustness of the Technology Platform in harsh environments, including its availability, reliability, ease-of-use, production performance, and support requirements. Historical site-based pilot projects with an Australian base metals producer and a European base metals operator have been undertaken, and a current site-based pilot project is being undertaken with an international gold mining focused company on one of its Australian operations sites. The EU Horizon 2020 funded €12m innovation project X-Mine, which involved 15 organisations in 9 countries, including four mining companies in Sweden, Greece, Bulgaria and Cyprus, allowed the technology to be tested, matched and applied to the four mines unique operating conditions. Deployment of the GeoCore X10® across specific sites within Europe also validated the ease of transportation, use, remote support and training. Additionally, the Company has undertaken over 20 paid and in-kind laboratory based small-scale scanning trials across Stockholm and Perth facilities.

- **Unique combination of Systems, CT and XRF**: The combination of CT scanning able to "see through" the core, with dual XRF spectrometers sensing surface elements is combined through physics and mathematical models and systems to generate 3D geological simulated models of core.

- **Applicable across the mining value chain:** Orexplore is able to potentially service projects and operations groups across the value chain, including operational efficiency projects related to sampling performance; improved ore characterisation to processing plant configurations and other possible applications under study.

- **Breadth and depth of information**: Where traditional methods generally involve conducting a collection of tests on a small, cut and crushed sample, the GeoCore X10® uses X-ray technology to provide continuous and connected information in a 3D model representation along the entire core. The continuous 3D representation across the entire core length enables a greater breadth and depth of information from the core sample than other traditional methods.

- **Rapid speed from drilled to insight**: Orexplore's "drilled to insight" time frames are typically from a few hours to one day subject to the drilling campaign, core transport and machine presentation logistics and site machine layouts. Such rapid analysis in combination with the information offered may provide a potential step-change in field-based decision support compared to some of the current processes that may take many weeks depending on their access to analysis facilities.

- **Addressable market:** As detailed in the Industry Expert Report contained in Annexure C, the total available market of drilled core globally is estimated at over 100 million metres in 2022. As the GeoCore X10® is suited to scanning core of size NQ or less, this reduces Orexplore's serviceable market down to approximately 58 million metres (58%) in 2022 globally. These markets are potentially suitable for a range of technology adoption, with emerging technology companies beginning to shape the competitive landscape. With a potentially unique Technology Platform that is highly mobile and scalable globally, Orexplore's potential market penetration is significant, and able to potentially be further increased through additional planned technology development. With global mega-trends such as the digital transformation and sustainability transition of the mining sector gathering pace, the Board believes the industry is now better placed to see advancing adoption of sensing technologies and platforms that form the basis of the Orexplore Business.

- **Market traction:** The Orexplore Technology Platform powers Orexplore's suite of Value Propositions across the mining value chain that customers may purchase. Orexplore will initially focus on a service-as-a-solution model to drive broad market adoption that will include the provision of the GeoCore X10® product, optional scanning operators, Orexplore Insight® software, and tailored consulting services to help customers adopt and embed the technology.

The Company currently has a strategically significant site-based brownfields reserve-extension and operations efficiency trial with multiple GeoCore X10® machines underway and has active small-scale commercial laboratory-based projects focused around operational efficiency and project design support.

- **Potential for recurring revenue model**: The Orexplore revenue model is predominantly a service model where Orexplore provides the scanning instruments, operators, software and technical support on a fee per metre scanned commercial basis with agreed monthly minimums. While initial contracts will be for defined terms, Orexplore expects contracts to progressively expand to cover longer periods and for its Technology Platform to become embedded into the customers operations and generate recurring revenue streams.

- **Technology mix**: The Orexplore Technology Platform has been produced using a combination of in-house technology invention, research and development, combined with commercially available components. The extensive research and development efforts over 10 years have resulted in a patent portfolio with 4 patent families and 4 trademarks registered in various jurisdictions. The portfolio includes components of the GeoCore X10® product and software and other key technologies used. In addition to the current focus of monetising the Orexplore Technology Platform through commercialising its Value Propositions, the Company intends to continue to drive innovation through its technology roadmap and invest in further development efforts to improve and expand its range of technologies.

- **Continuous Technology Platform improvement:** The Orexplore Product is architected around two modular hardware chassis, the GeoCore X10® and the GeoCore X10+ currently in development, supported by the user interface software, Orexplore Insight®. Modular design principles have been followed to help enable the efficient adoption of ongoing sensing technology advances to the GeoCore X10® and the GeoCore X10+. The Company's technology strategy and roadmap is driven through a balance of customer-based requirements and Orexplore's internal research and development efforts and global emerging technology monitoring and adoption. Orexplore Insight® is a particular current focus with regard to the possible application of machine learning (ML) principles to seek to advance its functionality and potential future for semi-automated core analysis.

- **Scalable business model**: The business model is globally scalable and Orexplore can respond to meet market and customer demands through relatively fast machine manufacture and mobilisation of its Technology Platform to sites around the world. The GeoCore X10® is sized to be transported as air cargo and the operation of the instrument is easily understood and able to be undertaken by unskilled operators after a period of training. The instrument is designed to be taken to the core, but the analysis of the rich data set can be undertaken anywhere in the world as the data is available in the cloud.

- **Highly credible management team**: Orexplore has expert capabilities within its team covering the breadth of the business from theoretical physics, manufacturing, software engineering, geoscience to operations, and has recently appointed Mr Brett Giroud as Managing Director, a highly experienced ICT and systems engineer with a proven track record in transformational large scale technology delivery and development, and strategic consulting across the mining, oil and gas, and infrastructure sectors. The Company's Chief Technology Officer, Dr Mikael Bergqvist, is a very experienced physicist and industry technology leader and has held this technical leadership position since the inception of Orexplore AB. The Company's Principal Geoscientist Dr Stephen Coward is a seasoned industry expert with deep experience in applied geoscience across a broad range of projects and consulting including technology application and adoption. The Company's Engineering Manager, Mr Thomas Drage is an experienced electrical and electronics engineer, with an additional Physics degree, who in addition to years of industry project delivery, recently lead a very large multi-nationals data science team after completing advanced studies in data

For personal use only

science, machine learning (**ML**) and artificial intelligence (**AI**) at the University of California Berkley. The Company's lead project delivery consulting Geologist, Dr Dianne Valente, is a seasoned industry professional and transformational projects leader. Dr Valente has lead technology adoption projects on the client-side and held senior positions in international mining companies from exploration geology to drill campaigns and transformational projects and brings an excellent operational lens to the delivery of the Company's technology. Since June 2021, Orexplore has continued to bolster its internal capability by hiring a number of industry experienced and respected delivery-focused employees, covering various disciplines to strengthen Orexplore's business capabilities.

- **Positioned to leverage technology advancements:** As a digital company generating very large amounts of primary sensor data, Orexplore's technology roadmap has been informed in context of the advancements in a range of Industry 4.0 technologies including cloud and edge computing, augmented visualisation, ML, communications and remote operations advancements. These developments may enhance the scalability of the Orexplore Business over time and may accelerate the development and capability of its products.

- **Opportunity to leverage the generated data into an analytics service business:** Orexplore plans to remain at the forefront of analysing and generating insight from the data generated by its Technology Platform. This thereby creates an opportunity to provide consulting and advisory services around technical advice and technical reporting from the data set.

2.15 Key dependencies

Implementation of Orexplore's business model is dependent upon the following:

(a) sufficient market awareness and industry adoption;

(b) management's ability to execute on marketing and sales strategies to attract new customers and build a sufficient customer base of ongoing commercial arrangements;

(c) further product development to support the delivery of a suite of Value Propositions, and continue to increase the functionality and performance of the Technology Platform;

(d) ability to demonstrate and deliver sufficient customer value creation, cost-savings and risk-reduction to drive take-up of the commercial offerings;

(e) sufficient funding to ensure the Company is able to complete development and fund the early adoption of its commercial offerings through to the point of its sufficient profitability;

(f) future access to additional capital, should it be required to fund potential future growth;

(g) a stable in-bound supply chain to ensure the ongoing ability to design, manufacture and deliver its products;

(h) ability to deliver and maintain commercially attractive pricing levels and gross margins;

(i) the ability to design and deliver an effective operating model that can scale to deliver global products and services and efficiently technically support the footprint;

(j) the ability to continually protect and advance the Company's existing knowledge and intellectual property rights and trade secrets; and

(k) attracting and retaining key staff and personnel.

For personal use only

For personal use only

2.16 Sources of Revenue

The Company's potential sources of revenue are site-based and laboratory-based scanning services, supplemented by related consulting services, sold directly to the end user of the information (i.e. mining and exploration companies). The Company does not intend to sell its current or future products to, or deliver services via, intermediaries or third parties.

2.17 Sources of financing

Upon Admission, Orexplore's key sources of financing will consist of $12,000,000 in seed capital provided in cash by Swick pursuant to the Transaction, plus any equity capital raised under the Priority Offer in addition to its existing cash balance just before Transaction Date. The Company may be required to raise additional capital in the future to fund its operations (see section 4.1.2 for further details).

Orexplore does not have any debt facilities or lines of credit.

2.18 Material contracts

A summary of the material contracts currently entered into by Orexplore are set out in Section 7.

2.19 Sources of expenses

The Company expects its expenses will primarily consist of:

- cost of employees' salaries and wages and associated staff on-costs;
- research and development expenses, some of which are capitalised as intangible assets;
- capital expenditure associated with manufacturing;
- business development, sales and marketing;
- consumables and machine maintenance costs;
- operating expenses of on-site in-field installations; and
- general administration/overhead and corporate expenses.

2.20 Objectives of Orexplore following Admission and completion of the Priority Offer

2.20.1 Sales

Sales to date have consisted predominantly of laboratory scanning services. Site services have mainly been delivered as in-kind or trial projects and Orexplore will continue efforts in converting these into commercial engagements. Additionally, the Company has a prospective customer pipeline it will actively target, with the intent of generating contracted recurring revenue streams (See Section 2.9 for further information). The Company cautions investors that there are no guarantees that the Company will be successful in converting these prospective customers into revenue-generating customers.

2.20.2 Business development, sales and marketing

Orexplore is placing significant effort on business development activities both directly to potential customers through the Company's "seller-doer" consulting geologists, its business relationships, and indirectly via marketing drives, roadshows, investor presentations and other methods. The intent is that these activities will increase awareness and understanding of the Company's services and value-add offered and convert to sales. See Sections 2.9 and 2.10 for further information.

2.20.3 The development of current and future Orexplore Technology Platform & Orexplore Solutions

A key short-term objective of Orexplore is to monetise the Current Technology Platform through aligning and advancing its capabilities to service revenue-generating Value Propositions purchased by customers. It is expected that a particular development focus will be placed on the user interface software Orexplore Insight® in support of these activities in order to rapidly respond to market and customer feedback and requirements to help enable market adoption.

The in-development GeoCore X10+ product, that has been designed to house the Company's in development sensing instrumentation, will be advanced in-line with market opportunities and the Company's technology strategy and roadmap. Additional targeted research and development will be undertaken where it is aligned with current revenue generating projects and opportunities and is a critical enabler of near-term market access and adoption. See Section 2.13 for further information.

2.20.4 Organisational development

In the first half of 2021, the Company undertook a full strategic review that encompassed business-model development, organisational gap-analysis and definition of three strategic horizons. Since that time, three key roles have been added to the business including an Engineering Manager, Marketing, Communications and Logistics professional, and an operations-seasoned consulting geologist, considerably increasing the Company's capacity and capability. Post Admission, the Company will continue to develop its organisational structure and role requirements to ensure it is efficiently able to deliver projects, develop technology, manufacture products, operate efficiently and safely, and meet the requirements of being a publicly listed entity.

The Company is focused on architecting an organisation that is scalable globally, and able to support a fleet of remotely mobilised GeoCore X10® machines. This will require the Company to meet several internal capability and capacity objectives such as technical support personnel, operations and logistics personnel, scanning technicians, consulting geologists and other support and operational staff to effectively run the laboratory facilities in Perth and Stockholm and service a fleet of mobilised GeoCore X10® machines across customer sites.

2.21 Dividend policy

The Company does not expect to pay dividends as its focus will primarily be on reinvesting any earnings into growing the Orexplore Business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. Accordingly, no assurances are offered concerning the payment of dividends or that any dividends may attach franking credits.

For personal use only

For personal use only

3. Industry

3.1 Introduction

This Section intends to provide an overview of the industry in which Orexplore operates, including key industry trends, competitive factors and barriers to entry.

Orexplore commissioned MinEx Consulting to prepare an Industry Expert Report on the available global market size for Orexplore. This is contained in Annexure C.

3.2 Key industry trends

The mining industry is expected to undergo significant technology and sustainability transitions as outlined below and driven by advancements in technology, competition and emerging ESG mandates including carbon emissions reductions and associated energy transitions.

Orexplore is well positioned to potentially help customers accelerate their speed of transition, value capture and risk reduction from these transitions.

Adoption rates for the Orexplore Technology Platform are expected to vary across the mining industry and be driven (at the customer level) by a range of potential factors including demonstrated cost and risk reductions, increased operational performance, corporate-level value creation, and potential industry sustainability drivers as they evolve.

Significant industry trends expected to drive adoption of the Orexplore Technology Platform include:

3.2.1 Reducing discovery to exploration return value

As illustrated in the gold mining industry, over time the value of discoveries to exploration expenditure has continued to diminish as more near-surface resources deplete and exploration and operations go deeper in more challenging and remote global locations. This in turn creates higher costs, lower production rates and increased risks.

The Orexplore Technology Platform seeks to assist customers to improve their exploration efficiencies through offering additional insights to exploration geologists that may supplement their decision making with regard to exploration campaigns.

3.2.2 Reducing exploration outcomes

As a result of fewer resources being discovered, overall exploration activities are increasing, and many continue to utilise historical methods and systems that may be suitable for technological transformation.

The 2002 to 2012 period articulated this dynamic, where despite a tenfold increase in exploration spending, the number of discoveries remained relatively flat.

It is generally considered that technology adoption and innovation may assist in helping towards improving this trend.

The Company's Technology Platform provides a rapid option for exploration professionals to test some aspects of their drilled core in remote environments. Where decision speed is of critical importance in such scenarios, a range of estimated geological and elemental information can be made available quickly (from the time the core is presented to the GeoCore X10®) that may in some instances provide additional value in conjunction with traditional

methods that are generally focused on very high precision results of a smaller sub-set of information, that with current industry-bottlenecks may take extended periods of time to produce.

3.2.3 Skilled labour shortages and changes to the way people work

The mining industry has historically suffered from labour shortages during boom periods, and shortages across site construction, projects and operational activities appear to currently be an active issue. This issue is driven by several factors, including:

- high levels of industry activity requiring additional skills;
- systemic reduction in the supply pipeline of geologists and other mining professionals;
- COVID related impacts on workforce mobility and availability; and
- increasingly diverse locations of mining operations.

This supply shortage, coupled with reduced tenures evident in the emerging workforce, can have a materially detrimental impact on the performance of mining industry projects. Finding innovative ways to utilise and access scarce and valuable skills more effectively will result in fewer interruptions to business processes, improved operations and improved tactical and strategic decision making.

Sensing technologies such as the Orexplore Technology Platform are well suited to bridging some of these gaps and can offer a reliable, consistent, repeatable and auditable logging and analysis process. Over time it is expected that aspects of the workflow may be able to be semi-automated by Orexplore Insight® as a result of the system being able to “learn” from user input through machine learning techniques that will advance over time.

This approach may potentially enable tacit knowledge to be captured, enhanced and developed into best site practice in the longer-term. The Orexplore Technology Platform may also possibly serve as an additional training tool and bridge between existing and new geological and mining technical services teams and personnel in the future.

3.2.4 Current large sample processing bottlenecks

Pockets of the industry, particularly in the Australian gold sector, are currently experiencing substantial delays in the processing of drill core samples. This has resulted in opportunities for major global laboratories such as Intertek to expand operations to address large supply side imbalances. Innovative companies, such as Chrysos, which is commercialising technology including that developed by CSIRO, are seeking to disrupt the fire assay process by providing additional capacity with a new resourcing testing and analysis method. This is indicative of the industry trying to leverage new technology to transform current practices.

The Orexplore Solutions that are under development recognise that within some field-contexts the time component of decision making is often as important, or even more so, than the very high accuracy of the slower laboratory assaying processes. Where major operations are able to sustain in-house full laboratories, their time pressures will be less constraining, yet the challenges of high costs and reduced information from destructive core analysis remain.

Orexplore, due to the rapid speed of processing, is seeking to develop decision support Value Propositions where a combination of analysis coverage, sufficient precision that is fit for purpose and speed all come together to deliver the right information to the right person at the right time to a sufficient level of precision to maximise the value of the decision’s outcome.

3.2.5 Sustainability of the industry

For personal use only

For personal use only

The mining industry's focus on ESG requirements has significantly increased in recent years and is now being driven from multiple directions including most global investment houses, many shareholders, community expectations, global leadership groups and emerging government policy.

The Orexplore Technology Platform may help customers' transition through environmental components of this global mega-trend, potentially reducing associated risks. The Company seeks to work with customers to use the Technology Platform and collaboratively create Orexplore Solutions that could help enable this transition. These may include:

- **Greenfield exploration decision support** (in development and active trials) – one of the potential customer benefits of this service offering is that it aims to increase exploration drilling program efficiencies by moving towards "drilling for information" and potentially achieving reduced schedules and associated costs through faster and increased information flow, supporting more timely drill campaign decisions on the ground. By combining the insights delivered through the Orexplore Technology Platform with customer's in-house subject matter experts, Orexplore seeks to help customers exploration programs become more targeted and sustainable thereby reducing the environmental footprint of future operations.

- **Closure support** (in very early concept development) – initial investigations are underway with regard to the Orexplore Technology Platform potentially being able to assist in the monitoring of in-situ mineral and elemental changes associated with environmental monitoring programs.

Increasing social and governance related forces are having direct impact on the mining industry through policy, shareholders, investment groups and local communities. Planning approvals for exploration, operations and associated supply chains are becoming more complex and costly as a result.

The transparency required through governance frameworks that are now considered industry standard requires mining companies to pro-actively demonstrate that they are investing resources and are strategically focused on delivering their ESG commitments. These require a reduction of negative externalities such as environmental and social impacts and increasing evidence of contribution to social value for the local communities and stakeholders where they operate.

Technologies that can provide additional insight into more efficient extraction of ore bodies thereby reducing impacts on local communities and the environment, and those that may be able to assist with risk control around waste storage, may be well positioned for adoption in support of these rising global expectations.

3.2.6 Digital transformation and Industry 4.0

Industry 4.0, or "The Fourth Industrial Revolution", refers to the increasing use of automation and the use of "smart factories" powered by information flows from technologies that enable goods to be produced more efficiently and productively.

Key technology themes supporting Industry 4.0 include the Industrial Internet of Things (IIOT), Cloud and Edge computing, and machine learning techniques.

As the implementation of these technology classes accelerates across the industry, their success, associated case studies on financial returns and risk reduction and improved business models, are permeating throughout the industry, and adding to a positive buying

pressure for technologies some of which underpin the Orexplore Technology Platform. Recent examples exist within the mining industry including what is now considered “common practice” of building remote operations centres that leverage remote site sensing, combined with centralized corporate office subject matter experts providing real-time operations and decision support through “centres of excellence”.

The Orexplore Technology Platform is a remote sensing device of the IIOT technology class that can connect remotely distributed sensors (the GeoCore X10® product) to a centralised software (Orexplore Insight®) that supports remote subject matter expert interpretation and decision making. The Technology Platform architecture does include onBoard “edge computing” internal to the GeoCore X10® and the Orexplore Insight® roadmap is aligned with future cloud development.

A key focus area of the future technology roadmap is the development of the Orexplore Insight® user-interface software and adoption of machine learning principles to, over time, seek to semi-automate geological and mineralogical interpretation of samples in conjunction with users. The extraction of unique insight from the very large data sets generated through the adoption of machine learning (such as neural networks and associated techniques) is an active area of investigation for the Company and an opportunity to generate increased value through decision support across the Orexplore Solutions.

It should be noted that Industry 4.0 technologies are simply a classification of technology groups aligned to the global shifts underway that are beginning to heavily impact the mining industry. The Company remains focused on creating value and reducing risk for customers through its Value Propositions, that drive the Company’s technology roadmaps and associated technologies.

While each of the above factors presents significant challenges to the mining industry, they also represent considerable opportunities to improve the standards and future sustainability of the mining industry.

3.3 Technology adoption rates

The mining sector is known for its conservativeness in technology adoption, particularly where the technology is likely to significantly impact on operational processes. As a result, it can often take a number of years to achieve healthy adoption rates. The adoption of Industry 4.0 technologies and the digital transformation and manufacturisation of mining processes over the last 10 years provides a useful reference for typical adoption time frames, opportunities and challenges.

Adoption rates are a function of many complex variables, including commodity prices that drive counter-cyclical exploration and production volumes; company scale and capital project and operational footprints; current operational pain-points and opportunities; safety, environmental, governance and regulation, and many other individual company factors.

Technology integration and adoption within individual companies is generally more nuanced and varies significantly across the industry. Factors at this level include company history with technology rollouts; centralised technical and technology groups remits and associated budgets; individual champions; technology ecosystem integration and perceptions of “open innovation” and individual perceptions of the real pain points, issues and opportunities across operations and the business more broadly.

Although traditionally known to be a laggard in technology adoption, the mining industry appears to have increased its acceptance of new technologies over the last decade. In the Director's view,

For personal use only

operators now seem to be improving their ability to learn from others' adoption of technology and are accelerating their ability to judge the risk/reward equation of new technologies.

Even when value propositions may be a compelling business case, the mechanics of adoption within complex customer organisations must be well planned. Orexplore is conscious of these historical dynamics and the current industry "adoption appetite" and has pro-actively considered how to help accelerate the Orexplore Technology Platform's adoption rates across its customer base. The methods management will take to assist in adoption acceleration include:

- **Use of Orexplore consulting geologists:** The consultants can best communicate to customer geologists and mineral processing personnel how the technology can improve their roles and tasks, and how it can create value and reduce risk in their operations and projects.

- **Targeted marketing and business development:** Orexplore recognises adoption will not occur, or be significantly delayed, without proper segment and persona targeting and discussions with potential customers. Conducting these activities effectively will allow the wider market to be introduced to and understand the technology, maximise effort/adoption rates, and enable a continual refinement of the roll-out strategy and tactics.

- **A laser focus on the customer:** Without listening to and considering the burning needs of the customer, technology is seldom adopted. Orexplore will ensure focus remains on the customer throughout all activities to ensure value is generated rapidly and the customer is supported to champion the technology across their business with use cases that clearly articulate the "business-case" type value creation and risk reduction.

- **Clear articulation of the Orexplore Value Propositions:** Tailored to the specific requirements of the customers' current business conditions & strategy and the urgent needs & opportunities across their operations. This includes ensuring that "technology push" does not occur, and that Orexplore's consultants always frame project engagements and sales through the lens of the customer and fitting (and tailoring) Value Propositions to their needs.

- **In-kind and trial engagements:** Offering trials of varying scope and duration to assess value creation and risk reduction with customers through site-based trials and Orexplore's dual scanning laboratories.

- **Ease of purchase:** Ensuring that the Orexplore Technology Platform and Orexplore Solutions are easy to purchase and simple to use by internal customer personnel.

- **Timely and consistent support:** Offering timely and consistent consultant and technical support to ensure a well-received trial and integration process.

3.4 Competitive landscape

The digital core analysis market is a nascent market which contains an emerging small-to-medium sized group of companies that utilise a combination of digital photography, XRF spectrometry, and other techniques that are largely based on scanning a subset of the outside surface area of the drill core.

The diverse group of competitors includes companies such as TruScan (Boart Longyear), GeoTek, Corescan, and Minalyze. In addition to this landscape, the scientific instrument providers such as Oxford Instruments and government agency CSIRO amongst others, are considered to form part of the ecosystem whose evolution of services and products will continue to be strategically monitored by Orexplore.

For personal use only

Competition is driven by a range of factors, such as service offering, price and brand name recognition. However, given the nascency of the market, the Board are of the view that competitive tension amongst emerging players is relatively low, and Orexplore is competing largely against traditional core logging methods.

Orexplore does not compete directly in the metallurgical testing and assaying laboratory industry, comprising global companies such as ALS, Bureau Veritas, SGS, Intertek and regional/specialist providers such as MinAnalytical (Perenti) and others. Orexplore can complement these testing approaches by providing rapid elemental detections, improved core sampling, and emerging mineralogical model analysis, however at present does not have the capability to replicate or significantly disrupt this industry.

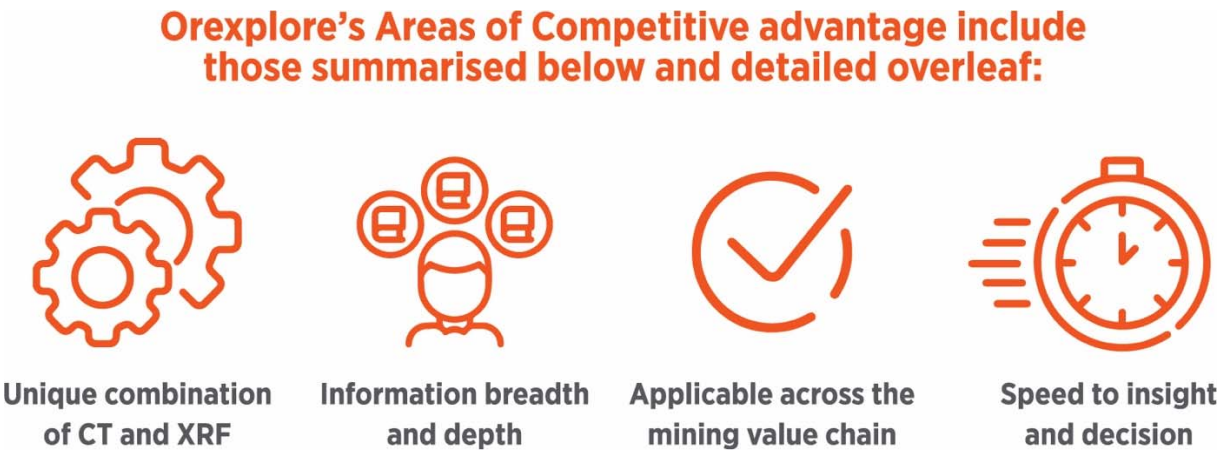


Figure 17 - Orexplore selected competitive advantages

The Board believes that the Orexplore Technology Platform contains unique elements which combine to offer a competitive advantage in the following ways:

- **Unique combination of CT, XRF and Systems:** The combination of a CT device able to "see through" the core, with dual XRF spectrometers sensing surface elements is combined through physics and mathematical models and systems to generate 3D geological models of cor**e**.

- **Applicable across the mining value chain:** Compared to some other identified competitors who are constrained towards certain parts of the mining value chain, the Orexplore Technology Platform is able to potentially service projects and operations groups across the mining value chain.

- **Breadth and depth of information:** Where traditional methods generally involve conducting a collection of destructive tests on a small, cut and crushed sample, the GeoCore X10® product uses cutting-edge X-ray technology to provide continuous and connected information in a 3D model representation along the entire sample. The continuous 3D representation across the entire core length enables a greater breadth and depth of information from the core sample that other traditional methods cannot easily replicate.

- **Data and speed to insight / delivered at operating sites:** Orexplore's "drilled to insight" time frames are typically from a few hours to one day subject to customer discretion and operational logistics that dictate the time from drilling the physical core to its transport and presentation to the GeoCore X10®. Upon presentation to the machine, scanning rates are rapid (see Section 2.14 for further details) and the

For personal use only

information is rapidly available through the Orexplore Insight® software after the completion of scanning. Such rapid analysis provides a potential step-change in field based decision support compared to the current processes that may take many weeks depending on access to analysis facilities. The speed in addition to the breadth and depth of results delivered by the Orexplore Technology Platform in some instances provide additional value in conjunction with traditional methods that are generally focused on very high precision results of a smaller sub-set of information, that with current industry-bottlenecks may take extended periods of time to produce.

3.5 Barriers to Entry

The Board are of the view that for an external entity to enter the mining technology services industry in which Orexplore operates and to compete with Orexplore, they must overcome the following barriers to entry:

- **Technology development complexity:** Orexplore has been developing and refining its technology for over a decade, with significant capital invested in R&D and product development activities. The Board is of the view that without similar levels of effort and investment, competing technologies will find it difficult to rapidly overcome the technological barriers to entry with similar value propositions.

- **Patent / trademark protection:** The technologies developed by Orexplore (i.e. the Orexplore Technology Platform) and its industry competitors are often legally protected by patents and trademarks, in addition to trade secrets. As such, competitors must either create alternative technologies or wait until current protection expires & is not renewed, potentially leading to higher barriers to entry. Orexplore has obtained several patents & trademarks in various jurisdictions - including Australia, the US, Europe, UK and Canada (see the Intellectual Property Report contained in Annexure B), in addition to trade secrets.

Although barriers to entry are assessed as relatively high, the Board recognise that it is not unfeasible that other companies could develop similar and/or improved technologies that could match and/or exceed the capabilities of the Orexplore Technology Platform.

For personal use only

For personal use only

4. Risk Factors

As with any share investment, there are risks involved. This Section identifies the key areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Shares.

Any investment in the Company under this Prospectus should be considered highly speculative.

4.1 Risks specific to the Company

4.1.1 Sales and marketing risk

Orexplore's ability to convert the capabilities of its technologies into Value Propositions and services that customers will purchase remains a risk to its growth strategy. The success of commercialisation will relate to the acceptance and adoption of Orexplore's offerings, driven in part by perceived value-add relative to pricing, as well as overcoming adoption hurdles including perceived disruption to the customer's established processes, resistance to change, perceived threat of technology substitution by geologists leading to potential job losses, cost and budgeting constraints and other barriers.

Take up of services will involve demonstration of the Value Proposition against current practices; demonstration of successful case studies; quantitative business case type support with customers at varying levels within their organisations; well-presented value-creation and risk-reduction propositions for any new functionality or processes unlocked by the technology; and effective marketing programmes to raise market awareness of Orexplore. The rate of adoption is expected to also be driven partially by the increasing rate of digitalisation within the mining industry, which has traditionally been a late-adopter of new technology.

4.1.2 Future capital requirements

As at the date of this Prospectus and as set out in Section 6, Orexplore is currently loss making and is expected to generate losses in future periods and may require further financing over and above the amounts invested by Swick prior to the Transaction and any amounts raised pursuant to this Priority Offer (including where the Company achieves its stated objectives as detailed in this Prospectus). Although the Directors consider that the Company will, on completion of the Priority Offer, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated current working capital and other capital requirements set out in this Prospectus, there can be no assurance that such objectives can continue to be met in the future without securing further funding.

It is however noted that the Directors consider that, based on the intended use of funds set out in Section 1.7, the amounts raised pursuant to the Priority Offer, together with the Company's existing cash reserves as at the date of this Prospectus and funds to be transferred by Swick upon completion of the Transaction pursuant to the Demerger Implementation Deed, will provide the Company sufficient funding for 2 years of operations (based on the Minimum Subscription).

The future capital requirements of the Company will depend on many factors, including the pace and magnitude of the development of its business and sales, and the Company may need to raise additional funds (debt or equity) from time to time to finance the ongoing development and commercialisation of its technology and to meet its other longer-term objectives.

Should the Company require additional funding, no assurances can be made that sufficient financing, if and when needed, will be available on terms appropriate or favourable to the Company, or at all. If

the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern. Also refer to Section 6.4 for further discussion on going concern in relation to the financial information.

The Company may undertake additional offerings of Securities in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

Debt financing, if available, may involve restrictions on financing and operating activities.

4.1.3 Technology risk

The Company's market involves rapidly evolving technological change. To succeed, the Company will need to research, develop, design, manufacture, assemble, test, market and support ongoing enhancements to its existing products, completion of historical research and development projects, as well as to develop new products and technologies, on a timely and cost-effective basis. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels.

Elements of the Company’s technology strategy and roadmap also include fundamental assumptions and developments based on highly complex physics and mathematics that are reliant on theoretical assumptions in design, testing and implementation and can impact the potential viability of products.

The Company cannot assure investors that it will successfully complete the technology research and development programs it has been advancing over the past years. Research and development projects, including the Company’s GeoCore X10+ product and associated lower-concentration sensing instruments and systems that have been under development for 3+ years are highly complex systems that rely on underlying advanced design principles including physics, sensors, engineering, cooling systems and other components. Initial internal testing has commenced, however there is a technology risk to the successful completion of these projects and their market adoption.

The Company may not successfully identify relevant new technological opportunities or continue to have the required financial resources to develop new products in a timely or cost-effective manner to preserve its market presence or competitive advantage. At the same time, products and technologies developed by others may render the Company's products and systems obsolete or non-competitive.

4.1.4 Product development risk

Orexplore's future success depends on its ability to continually enhance and improve existing products and features as well as to develop new products to meet market demands.

While Orexplore’s Geocore X10® product and Orexplore Insight® software have been through various field-based product trials and pilot programs, further development, testing, and quality assurance is planned and additional Value Propositions are under development to support product adoption. It is possible that Orexplore’s current products and potential new products may not function in line with customer expectations or may contain unforeseen faults. This may lead to requirements for the Orexplore Group to rectify, improve or refine its products, which may diminish operating margins or lead to losses.

Additionally, the Company is currently developing a range of Value Propositions across the mining value chain that require investment and substantial customer engagement to capture customer

For personal use only

requirements. These requirements in some cases must then drive further development of the Orexplore Technology Platform to enable the delivery of quantifiable value to the customer, and are subject to risk-bearing development, testing and feature advancement, that must also pass validation of their true value in an operating site. Any development of new Value Propositions based on developing technologies bears significant risk.

The Company's technology strategy and roadmap includes significant software engineering and development of the Orexplore Insight® software with regard to its architecture, functionality and performance and the evolution of the way users interact with the system. Development pathways include the potential use of machine learning (ML) and other technologies to advance the platform towards semi-automating some core analysis tasks over time. This development plan bears risk with regard to its use of underlying technologies developed by others and their integration and use within the platform and may impact on the Company's ability to deliver suitable products over time.

While Orexplore has a significant research and development team and investment program, there is no guarantee that the Company will be able to undertake research and product development successfully. There is a risk that during the research, design, development and testing of the Company's future products that unforeseen costs will be incurred and that the products will not perform or test as expected. If testing during product development produces results that do not meet the Company's expectations, this could result in delays to the Company's growth plans. A failure to successfully develop new and current products or a delay stemming from product development will adversely affect the Company's financial position and prospects.

The Company's success will depend on the Company's ability to implement its business plan that is heavily reliant on the successful development of its products. The ability to commercialise its products at a sufficient scale and the ability of the Company to successfully implement its research and development plans that underpin these products bears significant risk. There can be no guarantee that the Company can or will be able to commercialise its products at sufficient scale. Additionally, the technology may require further substantial work for use at a commercial scale.

4.1.5 Intellectual property risks

The success of the Company's technology depends largely on the ability of the Company to protect the underlying know-how, while not infringing the proprietary rights of others. There is no assurance that others will not be able to copy the technology. The Company seeks to protect its intellectual property through patents, trademarks, trade secrets and know-how. Please see the Intellectual Property Report in Annexure B for further information.

Whilst the Company protects its intellectual property through patents, trade secrets, trademarks, contractual arrangements and data security policies and measures, there is no guarantee that there will not be any unauthorised use or misuse of its intellectual property. Furthermore, there is no assurance that employees of third parties will not breach confidentiality agreements, infringe or misappropriate Orexplore's intellectual property or commercially sensitive information. Any infringement may be detrimental to Orexplore's reputation and may lead to costly and time-consuming litigation or adversely affect Orexplore's financial performance.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against Orexplore under copyright, trade secrets, patents or other laws. While Orexplore is not aware of any claims of this nature in relation to any intellectual property rights in which it has, such claims if made may harm, directly or indirectly, the Orexplore Business. If Orexplore is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in Orexplore's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.

For personal use only

For personal use only

4.1.6 Supplier and manufacturing risk

Orexplore sources certain key components from third party suppliers. The delivery of such components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle or may force the Company to shift to another supplier. There is a risk that the Company could be disrupted if no alternative suppliers were able to be sought. There is a risk that key components provided by third party suppliers may be defective.

The products supplied by the Company may not be functional or not meet customer's expectations. This may lead to requirements for the Company to rectify, improve or refine its products, which may diminish operating margins or lead to losses.

The Company has historically utilised outsourced design, engineering and other technical consultants to develop elements of its products. This bears risk due to key knowledge existing outside of the Company's employees and the ability of the Company to continually advance its products in the event of a supplier relationship or operations being seriously impacted. Whilst the Company enters into confidentiality agreements with these suppliers and seeks to keep core knowledge in-house and seeks to ensure all designs and external work is appropriately documented, these shared historical developments bear risk going forward.

4.1.7 Operating risk

The Company is, and will continue to be, exposed to a range of operational risks relating to current and future operations. These include equipment failures and other asset, personnel and site-based accidents, personnel health and safety, industrial action or disputes, lease renewals, theft or damage by third parties, floods, fire, major cyclone, earthquake, lightning strike, terrorist attack, war or other disasters.

In the event existing insurance arrangements do not cover an operational issue, this could have a material adverse effect on the operating and financial performance of the Company. More specifically, equipment breakdown, or serious accidents or incidents at the Company's facilities may impact the Company's activities.

Any prolonged downtime (for example from COVID-19 shutdowns, or major supply chain disruptions) may have an impact on the Company's ability to mobilise its technologies to site, perform laboratory or site scanning services for customers, and provide sufficient levels of technical support, and have an adverse effect on the Company's reputation, operating and financial performance.

4.1.8 Product quality risk

Orexplore's Current Technology Platform (comprised of the GeoCore X10® product and the Orexplore Insight® software) is a new technology made up of complex instrumentation, hardware, software, models and systems, that inherently require high levels of product quality design, QA/QC, testing and calibration.

While Orexplore's Current Technology Platform has been through some field-based product trials and pilot programs, these have focused strongly on reliability, availability, and general performance of the Current Technology Platform. Further quality assurance / quality control and development work is planned across the Technology Platform to ensure sufficient levels of repeatability, functionality, calibration and overall system performance to support existing Value Propositions being developed with customers and emerging Value Propositions under development through our scanning laboratories. It is possible that Orexplore's current products and potential new products may not function in line with customers' expectations or may contain unforeseen faults. This may lead to requirements for the Orexplore Group to rectify, improve or refine its products, which may diminish operating margins or lead to losses.

For personal use only

The GeoCore X10® and in development GeoCore X10+ product are highly complex systems that utilise a vast array of instrumentation; processors; electronics; software and hardware engineering; advanced simulation; and fundamental physics, mathematics, invention and design. The Company's elemental detections and emerging 3D mineralogical models all rest on the design and performance of these systems and processes, and a strong QA/QC approach is fundamental to improving the individual and overall accuracy, reliability and performance of systems and the elemental and mineralogical outputs.

The Company is continuing to advance its QA/QC program, including its recent engagement of an in-house Engineering Manager to assess, improve and where necessary, rectify components and approaches across the Company's existing and in-development products. Additionally, the products integration with geological samples requires calibration between the product and the samples, and input from geologists and mineralogists including calibration samples, all of which bears QA/QC and technology risk. Whilst the Company's QA/QC processes are advancing the historical development of its products and the application of QA/QC bears risk to the products functionality and performance.

In addition, Orexplore's products have not yet been commercialised at scale and there may be new obstacles when producing in large quantities, servicing multiple customers, and the underlying product capabilities being able to effectively service the Value Propositions. Any delays or disruption may lead to the Company not meeting market demand for its products, which could adversely impact its financial position.

4.1.9 Competition risk

The industry in which the Company is involved, though at an early stage, is subject to domestic and global competition which is rapidly evolving. Potential competitors include companies such as TruScan (Boart Longyear), GeoTek, Corescan, and Minalyze. Refer to Section 3.4 for a further analysis on Orexplore's competitive landscape.

The ability of the Company to respond and adjust to changes in the industry will affect its success and ability to remain competitive in the market. The Company's performance could be adversely affected if existing or new competitors reduce Orexplore's market share, or its ability to expand into new segments.

While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Company not being sufficiently differentiated within the markets it operates in.

The Company's existing or new competitors may have substantially greater resources and access to larger markets than the Company. The Company may also become subject to channel partners and other close entities who have had relationships with the Company becoming competitors of the Company. These partners have limited access to the Company's intellectual property but may gain access to its trade secrets and other key information.

Competitors may succeed in developing alternative products which are more innovative, easier to use or more cost effective than those that have been or may be developed by the Company. This may cause pricing pressure on the Company's product offering and may impact on the ability to retain customers/partners as well as attract new customers or partners.

4.1.10 Reliance on key personnel

For personal use only

The Company's operational success will depend substantially on the continuing efforts of its senior executives and highly qualified employees, including, engineers, research and development personnel, sales personnel and the Company's continuing ability to attract, recruit and retain such employees. Qualified individuals are currently in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of any such personnel, or an inability to attract other suitably qualified persons when needed, could prevent or delay the Company from executing on the business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all.

The unplanned loss of the services of any of the Company's Directors or members of senior management could materially adversely affect the business until a suitable successor is recruited. In addition, a number of the Company's highly qualified personnel may not be readily substituted, if at all, through the hiring of external personnel, and the loss of any key researchers, developers or other personnel could also have a material adverse effect on the business unless and until the Company recruits a qualified successor. There are also a limited number of persons with the requisite competencies to serve in these positions, and the Company cannot provide any assurance that the Company would be able to employ such highly qualified personnel in a timely manner, on terms acceptable to the Company or at all. The inability to attract and retain key and other highly qualified personnel could have a material adverse effect on the business, financial condition, results of operations and prospects.

4.1.11 Product liability risk

The Company may be exposed to liability claims if its products or services are provided in fault and/or cause financial or other harm to its customers. Harm to customers could be claimed from operational interruptions and delays caused by the Technology Platform's use; failure to realise the expected value increases or risk reduction within their operations; safety impacts to personnel from its use; or other claims. Although the Company will aim to enter into commercial contracts that limit its liabilities to such claims, these are not always possible to achieve and hence the Company may be subject to these and similar claims.

As the Company operates in multiple jurisdictions, this increases the set of laws, regulations, codes of practice and other guidances for the use of its technologies and systems that must be adhered to for specific engagements and mobilisations and is a source of risk for associated claims.

As a result, the Company may have to expend significant financial and managerial resources to defend against such claims. The Company has various insurance policies in place to mitigate this risk (see Section 4.1.15).

If a successful claim is made against the Company, the Company may be fined or sanctioned, and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

4.1.12 Foreign jurisdiction risk

The financial performance of each of the Company's operations in so far as they rely on suppliers from, or operate in, a foreign jurisdiction may be adversely impacted by current or future fiscal or regulatory regimes, local laws and regulations or changes to the economic, political, judicial, administrative and security, climate or policies in those geographies.

The Company currently expands its operations to Sweden and may further expand its operations in additional international jurisdictions. There is a risk investing in international operations may not be profitable or succeed due to poor execution or external factors beyond the Company's control including obtaining appropriate licences and consents for the Orexplore Business, taxation, labour

laws, working conditions, insurance, demand for services, contractors, potential acquisitions, growth, counterparties, intellectual property, technical failure, operational failure, disputes, litigation, non-payment, currency exchange rates, debt and interest rates, financial performance, legal compliance, political unrest and operational management.

4.1.13 Regulatory risks

The Company currently requires permits and authorisation by radiation safety authorities to develop the GeoCore X10® product, with permits also required at locations where the GeoCore X10® are operated. The Company has been issued a permit from the Swedish Radiation Safety Authority in respect to the manufacture, installation and maintenance of technical devices that can generate ionizing radiation. This permit expires on 27 August 2023, and any delay in renewing the permit, or the permit is rescinded, may significantly impact on the Company's operations.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately the financial performance of the Company and its Shares.

Each Orexplore laboratory and manufacturing hub, is subject to government regulations on working safely with X-ray sources that form a fundamental part of the Orexplore Geocore X10® and Geocore X10+ products. Orexplore GeoCore X10® operators and maintainers have to obtain a state-by-state X-ray Operators Certificate at a level tailored to their work duties.

Companies dealing with industrial X-ray devices need to generally register devices with the radiological council (for instance in Western Australia – or similar typically in other jurisdictions) and the registration is held by a responsible person within the business in each jurisdiction. The responsible person is required to ensure that a person is licensed appropriately to deal with the equipment and is generally appointed as the Radiation Safety Officer (**RSO**) (RSO is a statutory appointment for instance in Western Australia – or similar typically in other jurisdictions). The equipment is subject to the Radiation Safety Act 1975 (WA) and Radiation Safety (General) Regulations 1983 (WA) (for instance in Western Australia – or similar typically in other jurisdictions).

4.1.14 Infectious diseases

Infectious diseases such as COVID-19 could interrupt the Company's operations, impair deployment of its solutions to customers and prevent customers from honouring their contractual obligations. Such diseases can also cause hospitalisation or death of the Company's staff and existing and potential customers. COVID-19 has been declared a pandemic. Containment relating to the pandemic is likely to delay or inhibit Orexplore's ability to provide its products to customers, as well as causing disruptions to supply chains and delays in sourcing component parts.

Whilst the Company has a business continuity and mitigation plan in respect of COVID-19 and has also created work-from-home procedures to manage business continuity risks, these controls may have limited effect depending on the scope and size of any outbreak or threat.

4.1.15 Insurance risk

The Company faces various risks in conducting the Orexplore Business and may lack adequate insurance coverage or may not have the relevant insurance coverage.

The Company currently has insurance in place, which until the time of demerger are covered within the Swick group insurance program covering:

For personal use only

For personal use only

a) public liability;

b) workers compensation;

c) product liability;

d) cyber liability;

e) director indemnities;

f) building, contents and GeoCore X10® fleet coverage; and

g) general travel insurance for employees.

However, the Company's insurance coverage may be subject to exclusions or limitations rendering the policy unable or inadequate to cover certain losses or liabilities in full or partially, or the ability to obtain sufficient coverages at suitable premiums in the future may be adversely impacted by claims or other business changes or events affecting the insurance market in the future. Uninsured or underinsured losses may adversely affect the Company's financial position and ability to operate.

4.1.16 Contract risk

The operations of the Company will require involvement of a number of third parties including suppliers, customers and partners. With respect to these third parties and despite undertaking pre-contracting due diligence, the Company is unable to completely avoid the risk of:

a) customer credit risk including insolvency, delay, failure or refusal to pay for part or all of the services provided by Orexplore (bad debts risk);

b) insolvency, default on performance or delivery by any operators, contractors or product or service providers;

c) any failure of the Company to perform its contractual obligations across its customer project contracts, or incorrect provision of insights, errors, omissions, wrong advice or other defective consulting services by the Company’s consulting geologists and employees; and

d) failure of the Company to secure reasonable terms, or an omission or error on customer-based contracts that may expose the Company to elevated performance, financial, safety or other risk.

4.1.17 Growth strategy and execution risk

The Company will need to enhance its organisational structure to support its growth plans. The ability of the Company to optimally match this investment to the sales growth trajectory, and the speed at which it can achieve market penetration may impact financial performance.

The Company is currently undertaking a “seller-doer” model with two internal consulting geologists working closely with prospective customers in conjunction with the Managing Director and Marketing, Communications and Logistics lead. The Company believes that its consulting geologists are well suited to develop Value Propositions with customer-side geologists and mining industry professionals, as they are able to articulate the value creation of the Orexplore Technology Platform and how it can create value and mitigate risk in their operations. As the Company grows, and market-led Value Propositions mature, a dedicated business development professional will be engaged with the aim of accelerating the adoption of the Company’s Value Propositions, bringing on new customers, opening up new segments, and engaging globally with outpost offices in-line with the Company’s growth strategy. See Sections 2.9 and 2.20.2 for further information regarding the Company's growth strategy.

For personal use only

4.1.18 Cyber and physical security breaches

If the Company's physical and digital security measures are breached or unauthorised access to customer data is otherwise obtained, the Company may be perceived as not being secure, and customers may therefore reduce the use of or stop using the Company's products, resulting in damage to the Company's reputation, and potential significant liabilities.

Cyber security and the potential for attacks on the Company's hardware and software systems, networks, and data represents a potential risk to the Company's operations and standing with customers and could result in serious adverse impacts to its financial and other performance. Additionally, the Company may be exposed to other forms of attacks including ransomware and others that may cause the Company's operations harm and restrict its ability to support customers and product deployments, thereby exposing it to claims from customers, suppliers and other third parties.

The customer data produced by the Company and often held internally for a time, represents critical customer asset data that can impact on their current and future performance and external market perceptions and as such bears special risk with regard to its protection and handling by the Company. Any cyber or related attacks and theft of this information could seriously impact on a customer's business and is a risk to the Company's future performance.

4.1.19 Privacy concerns

Regulations in various jurisdictions limit tracking and collection of personal identification and information. If the Company breaches such regulations, its business, reputation, financial position and financial performance may be detrimentally affected. External events may also cause regulators to amend regulations in respect of the collection and use of user information. Any amended regulations may introduce controls which make the operation of certain types of tracking technologies unusable which could damage the Company's financial position.

The Company provides services that inherently require it to deal with vast amounts of critical confidential customer information. This information must at all times be kept secure and not able to be accessed by other customers or third parties inadvertently. The performance of the Company's systems and processes to ensure data privacy is a source of risk.

4.1.20 Maintenance of key relationships

The Company may rely on relationships with key business partners to enable it to promote its products. A failure to maintain some of these relationships could result in a withdrawal of support, which in turn could impact the Company's financial position.

The Company may lose strategic relationships if third parties with whom the Company has arrangements are acquired by or enter into relationships with a competitor (which could cause the Company to lose access to necessary resources).

The Company may lose relationships with suppliers who have historically undertaken concept development, design and manufacture of key components of the Technology Platform. This may impact the Company's ability to support and further develop the products, and may also cause an unknown leak of Company knowledge across to competitor's which may adversely impact on the Company's future performance.

4.1.21 Liquidity risk

There can be no guarantee that there will be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX at any given time.

This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price paid under the Priority Offer.

4.1.22 Litigation

Legal proceedings may arise at any time in the course of the business of the Company. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

4.2 General Risks

4.2.1 Securities investments

Applicants should be aware that there are risks associated with any securities investment. Prior to the Priority Offer, there was no public market for the Shares. There is no guarantee that an active trading market in the Shares will develop or that the price of the Shares will increase. The prices at which the Shares trade may be above or below the Offer Price and may fluctuate in response to various internal (company-specific) and external market factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. External market factors may materially affect the market price of the Shares, regardless of Company's financial performance.

4.2.2 Tax risk

The acquisition and disposal of Shares will have tax consequences for the shareholder, which will differ on the individual financial affairs of each investor. All potential investors in the Company, including persons obtaining In-Specie Shares, are urged to obtain independent financial advice about the consequences of obtaining Shares from a taxation viewpoint and generally.

4.2.3 Economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate, include, but are not limited to:

a) general economic conditions;

b) cyclical commodity prices that historically heavily impact the mining industry;

c) changes in Government policies, taxation and other laws;

d) the strength of the equity and share markets in Australia and throughout the world;

e) movement in, or outlook on, exchange rates, interest rates and inflation rates;

f) industrial disputes in Australia and overseas; and

g) natural disasters, social upheaval or war.

Orexplore is entirely exposed to the mining industry, which historically has been a cyclical market. Any impact or downcycle in the mining industry may have a negative impact on Orexplore's ability to sell its services or put downwards pressure on the prices Orexplore is able to charge.

4.2.4 Dilution

For personal use only

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders within the limitations set by the ASX and ASIC. If the Company were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted.

If Eligible Swick Shareholders do not participate in the Priority Offer, then their percentage ownership of Shares may be reduced and diluted.

4.2.5 Share market

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating and financial performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including, but not limited to the following:

a) the general economic outlook as outlined above in the economic risk;

b) interest rates and inflation rates;

c) currency fluctuations;

d) commodity price fluctuations;

e) changes in investor sentiment toward particular market sectors; and

f) the demand for, and supply of, capital;

4.2.6 Macro-economic risks

Changes in the general economic outlook in Australia and globally may impact the performance of the Company. Such changes may include:

a) uncertainty in the Australian or Swedish economies or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

b) increases in expenses (including the cost of goods and services used by the Company);

c) significant financial, tax, export and import duties, social, environmental, political and other policy changes, across Australia, Sweden, and future global jurisdictions where the Company may operate;

d) new or increased government taxes, duties or changes in taxation laws; and

e) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

4.2.7 Currency risk

The Company may operate in multiple international jurisdictions, which exposes the Company to multiple currencies and their future currency fluctuations, which may affect future profitability of the Company.

4.2.8 General economic climate

For personal use only

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors.

4.2.9 Policies and legislation

Any material adverse changes in government policies or legislation of Australia or Sweden or any other country that the Company has economic interests may affect the viability and profitability of the Company.

4.2.10 Negative publicity may adversely affect the Share price

Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

4.2.11 Force majeure

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters - such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and impair deployment of its services by its customers, interrupt critical functions, reduce demand for the Company's products, prevent customers and suppliers from honouring their contractual obligations to the Company or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and services, its business, results of operations and financial condition could be harmed. Where possible the Company will seek to include Force Majeure definitions in significant customer contracts and attempt to exclude claims and liabilities under that scenario, however this may not always be possible.

4.2.12 Climate change

The Company may be subject to climate change risks including:

a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences;

b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates; and

c) policy changes with regard to climate change may also adversely impact on the business model and profitability of customers and the mining industry more generally which depending on their scale, may impact on the adoption of the Company’s products and levels of profitability possible.

For personal use only

4.2.13 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

For personal use only

For personal use only

5. Board, Management and Corporate Governance

5.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

a) Dr Alan Bye – Non-Executive Chairman;

b) Mr Brett Giroud – Managing Director;

c) Mr Kent Swick – Non-Executive Director

d) Mr Stuart Carmichael – Non-Executive Director; and

e) Mr Stefan Sädbom - Non-Executive Director.

5.2 Directors' Profiles

The names and details of the Directors in office at the date of this Prospectus are:

5.2.1 Alan Bye – Non-Executive Chairman

Dr Alan Bye has 22 years of operational and executive experience in the mining industry. He was previously the Vice President Technology at BHP and in this global role he was accountable for execution of major innovation programs across five commodity value chains covering both digital and extractive technologies.

Prior to this, Dr Bye led the establishment and was CEO at the Cooperative Research Centre for Optimising Resource Extraction, a $100 million venture involving 34 partners with the purpose of "Transforming Mining into an Advanced Manufacturing Industry". He is also the founder and MD of Imvelo Pty Ltd, director of Sage Innovation Pty Ltd and the director of Digital Value Chains at Curtin University.

He was previously, Professor and director of the Bryan Research Centre at the University of Queensland. Dr Bye has a mining operational background, spending 10 years with Anglo American where he held mining operational roles both in underground and open pit operations. Over his career, Dr Bye has worked in 15 countries covering 9 commodities. Dr Bye has a PhD in mining engineering and is a Fellow of the Australian Academy of Technology Science and Engineering (FTSE). He is a non-executive director at Scitech, TiMining (Chile) and a member of the CSIRO's Minerals Resources Flagship Advisory Council.

Dr Bye is a non-executive director of Swick, having been appointed on 8 November 2019. Dr Bye has additionally provided professional consulting services to Orexplore (see Section 5.8 for further details).

Dr Bye has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Dr Bye is not considered to be an independent director of Orexplore on the basis that he has undertaken consulting work for Orexplore in the 12 months prior to the date of this Prospectus and also on the basis that Dr Bye will receive performance based remuneration (see Section 5.7).

5.2.2 Brett Giroud – Managing Director

Mr Giroud is an engineering executive and technology industry leader with over 24 years of corporate leadership and engineering consulting experience. He was the former APAC head of Strategy and Transaction Services for Worley (Advisian), and former Chief Engineer for Jacobs Engineering (Information and Communications Technology), where he created and lead a group of over 100 systems engineering and technology professionals.

Mr Giroud has created and led business units and large-scale teams and been directly responsible for safely delivering more than $250m of complex disruptive technology projects for Tier-1 clients across a portfolio of more than $15B of major growth projects.

Mr Giroud has worked across Australia, Europe, and the Middle East and has an extensive experience across the entire engineering lifecycle from initial studies, major project delivery, construction and leadership positions across site commissioning activities.

As a prior visiting guest lecturer at the University of Western Australia across functional safety and advanced systems, and an independent consultant advising university start-ups, Mr Giroud is experienced at early-stage technology ventures and commercialisation.

Mr Giroud holds an MBA from the University of Western Australia (with distinction) and a Bachelor of Engineering (Computer Systems) from Edith Cowan University (with honours).

He joined Orexplore in May 2021 and became its Managing Director in July 2021.

Mr Giroud has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Giroud is not considered to be an independent director of Orexplore on the basis that he is employed in a chief executive capacity as Managing Director.

5.2.3 Kent Swick – Non-Executive Director

Mr Swick is a mechanical engineer with over 30 years' experience in civil construction, mining maintenance and surface and underground mineral drilling. He is the founder and managing director of Swick which he established in 1998 and listed on the ASX in 2006.

Mr Swick was previously employed by Atlas Copco Australia as a maintenance engineer managing underground maintenance, where he developed a strong understanding of underground mining methods and equipment.

Mr Swick graduated from the University of Western Australia holding a Bachelor of Engineering (majoring in Mechanical Engineering) and has completed the Owner/President Management program at Harvard Business School. Mr Swick is managing director of Swick, having been appointed as a director on 24 October 2006. Mr Swick was also a non-executive director of Orexplore AB between November 2013 and October 2021, has been an executive director of Orexplore Australia Pty Ltd since 2017 and acted as an interim chief executive officer/managing director of Orexplore prior to the appointment of Mr Giroud as MD in July 2021.

Mr Swick has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Swick is not considered to be an independent director of Orexplore on the basis that he will be a substantial Shareholder of the Company upon admission to the Official List.

5.2.4 Stuart Carmichael – Non-Executive Director

For personal use only

Mr Carmichael is a Chartered Accountant with over 20 years' experience in the provision of corporate advisory services both within Australia and internationally. Mr Carmichael is a principal and director of Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd which specialises in the provision of corporate and financial advice to small cap ASX listed companies including capital raisings, initial offerings, corporate restructures and mergers and acquisitions.

Mr Carmichael is a non-executive director of Swick, having been appointed on 1 August 2019. In addition, Mr Carmichael also acts as non-executive chairman of Schrole Group Limited (ASX: SCL), non-executive chairman of K-TIG Limited (ASX: KTG), non-executive director of De.mem Limited (ASX: DEM), non-executive director of ClearVue Technologies Limited (ASX: CPV) and non-executive director of Harvest Technologies Group (ASX:HTG).

Mr Carmichael has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Carmichael is an independent director of Orexplore and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the person's judgement.

5.2.5 Stefan Sädbom - Non-Executive Director

Mr Sädbom is a senior exploration geologist with over 35 years' experience in exploration and underground mining in highly deformed and metamorphosed Proterozoic terrains and has significant experience in a wide range of commodities and processes including geological mapping, field work, sampling procedures, mine planning, monitoring and logging. He has a Bachelor's degree in Geology from Uppsala University, Sweden.

Mr Sädbom has been the chairman of Orexplore AB since 2014 and, following its 2021 annual general meeting, is now sole director of Orexplore AB. He currently resides in Sweden.

Mr Sädbom has also been director (since 2009) and chairman (since 2017) of the publicly listed Lovisagruvan AB, chairman of the consulting company Bergskraft Bergslagen AB (2010), director of the Bergskraft Bergslagen Economic Association, director of Svenska Sandprodukter AB and director of Lovisagruvan Utveckling AB.

Mr Sädbom has previously been active as exploration geologist with Geological Survey of Sweden (SGU) 1978-1981, Swedish Geological AB (SGAB) 1981-1989, as exploration mine geologist with Vieille Montagne 1990-1996, as exploration geologist with North Limited, Parkes, Australia 1997-1998, as senior exploration geologist with North Mining Exploration Sweden AB 1999-2000, Zinkgruvan Mining AB/ Rio Tinto / Lundin Mining AB 2000-2005, Bergskraft 2005-2009 and consulting senior exploration geologist with Bergskraft Bergslagen AB since 2009.

Mr Sädbom has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Sädbom is an independent director of Orexplore and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the person's judgement.

5.3 Senior Management

Other than the Directors, the Company's other key senior management members are set out below:

5.3.1 Mikael Bergqvist - Chief Technology Officer

For personal use only

For personal use only

Dr Bergqvist is one of the founders of Orexplore AB and has been with the Orexplore Group since 2011.

He has a PhD in experimental physics with medical imaging and radiation, and has extensive experience in the development of complex systems in high-tech companies for more than 24 years. He has successfully introduced advanced systems to world leading companies within the Aerospace, Semiconductor and Telecom industries, and a strong combined understanding of both the engineering and business perspective.

Dr Bergqvist has more than 10 years of experience from significant international collaborations in innovation, recently a large European 4-year project with mines, geological institutes, universities and technology providers. Motivated by forming and leading highly performing technical teams to outstanding achievements. Dr Bergqvist is responsible for the development of the Orexplore Product portfolio.

Dr Bergqvist has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as Chief Technology Officer.

Dr Bergqvist currently resides in Sweden.

5.3.2 Jitu Bhudia - Acting Chief Financial Officer

Mr Bhudia is currently the chief financial officer for Swick and will be Acting Chief Financial Officer for Orexplore. Mr Bhudia and the Swick finance team will provide CFO and finance function services to Orexplore Technologies Limited under a Transitional Services Agreement which will also cover other back office and administration functions for an initial period of 12 months (refer to Section 7.1.3 for details). The Company will in due course appoint its own CFO and the transitional services will be phased out.

Mr Bhudia has over 20 years of finance experience in the resources sector with a majority of that time in the mining services sector, having previously been employed in senior finance and leadership roles in ASX listed and large private mining and mining services companies. Mr Bhudia is a qualified Chartered Accountant and a Member of Chartered Accountants Australia and New Zealand.

Mr Bhudia has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as Acting Chief Financial Officer.

5.3.3 Thomas Drage – Engineering Manager

Mr Drage is an experienced innovator with a decade of experience across the Information and Communications Technology (**ICT**), engineering and data science domains. He has worked in the oil and gas industry in the fields of instrumentation/control engineering and functional safety engineering on LNG mega-projects and most recently has led a variety of data science and technology projects for a major international operating company as part of a significant digital transformation.

Mr Drage is an experienced researcher, having contributed to seven peer-reviewed publications and will soon complete his PhD at The University of Western Australia, focusing on systems design for Artificial Intelligence controlled autonomous vehicles. He holds a Bachelor of Science (Physics), a Bachelor of Engineering (Electrical/Electronic) with first class honours from The University of Western Australia and a Master of Information and Data Science from the University of California, Berkeley. He joined the Company, as Engineering Manager, in October 2021.

Mr Drage has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as Engineering Manager.

For personal use only

5.3.4 Steve Coward – Principal Geoscientist

Dr Coward is a multi-commodity geoscience subject matter expert with industry experience in operational and consultative roles in top tier mining and consulting companies, including De Beers, Anglo American and Quantitative Geosciences. At Orexplore, Dr Coward's responsibilities span the development and provision of a range of customer-led Value Propositions across the entire mining value chain.

During his career, Dr Coward has published several papers on re-perceiving value in mining projects by quantitative analysis of opportunities and risks. In addition to technical qualifications in mineral process engineering, Dr Coward holds a BCom degree, an MBA and a PhD in engineering from the University of Adelaide.

Mr Coward has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as Principal Geoscientist.

5.4 Company Secretary - Frank Campagna

Mr Campagna is a Certified Practicing Accountant with over 30 years' experience as company secretary, chief financial officer and commercial manager for listed resources and industrial companies. He presently operates a corporate consultancy practice which provides corporate secretarial and advisory services to both listed and unlisted companies.

Mr Campagna has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as Company Secretary.

5.5 Interests of Directors

No Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

a) the formation or promotion of the Company; or

b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Priority Offer; or

c) the Priority Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

a) any Director to induce him or her to become, or to qualify as, a Director; or

b) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Priority Offer,

except as disclosed in this Prospectus and as follows.

5.6 Disclosure of Directors

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares. No Director has been an officer of a company that has entered into any form of

external administration as a result of insolvency during the time that they were an officer, or within a 12 month period after they ceased to be an officer.

5.7 Security holdings of Directors

The Directors and their related entities do not have any interests in Shares and Performance Rights as at the date of this Prospectus.

Based on the intentions of the Directors at the date of this Prospectus in relation to the Priority Offer and due to the In-Specie Distribution, the Directors and their related entities will have the following interests in Securities on Admission:

Director	Shares	% (Minimum Subscription)	% (Maximum Subscription)	Performance Rights[1] (Minimum Subscription)	Performance Rights[1] (Maximum Subscription)
Brett Giroud[2]	Nil	Nil	Nil	4,895,682	5,195,682
Alan Bye[2]	Nil	Nil	Nil	2,937,409	3,117,409
Kent Swick[3]	12,337,873	12.60%	11.87%	Nil	Nil
Stuart Carmichael	Nil	Nil	Nil	Nil	Nil
Stefan Sädbom	Nil	Nil	Nil	Nil	Nil

Notes:

1. Please refer to Section 8.2 for the terms and conditions of the Performance Rights.
2. The final number of Director Performance Rights to be issued to:
   (a) Mr Brett Giroud (Managing Director) will be 5% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution, and will be held indirectly via SteelPoint Pty Ltd ATF the Giroud Family Trust; and
   (b) Dr Alan Bye (Non-Executive Chairman) will be 3% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution, and will be held indirectly via Megan Bye ATF Bye Family Trust.
3. The Securities in which Mr Kent Swick has a relevant interest are as follows:
   (a) approximately 11,150,873 Shares distributed pursuant to the In-Specie Distribution (assuming Mr Swick's performance rights in Swick are not vested and exercised prior to the In-Specie Record Date) and held as follows:
      (i) 4,394,137 Shares held directly by Mr Swick;
      (ii) 4,394,137 Shares held indirectly via Tanya Michelle Swick, Mr Swick's spouse;
      (iii) 402,888 Shares held indirectly via K & T Swick Pty Ltd ATF K & T Swick Family Trust, of which Mr Swick is a director, shareholder and beneficiary; and
      (iv) 1,959,711 Shares held indirectly via Kent Jason Swick & Tanya Michelle Swick ATF Swick Super Fund A/C, of which Mr Swick is a beneficiary; and

For personal use only

(b) 1,187,000 Shares, which is the maximum number Mr Swick intends to apply for pursuant to the Priority Offer, to be held indirectly via Kent Jason Swick & Tanya Michelle Swick ATF Swick Super Fund A/C.

5.8 Remuneration of Directors

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to non-executive Directors is currently set at $350,000 per annum. The remuneration of the executive Directors will be determined by the Board.

The Company has entered into an executive services agreement with Mr Brett Giroud as well as letters of appointment with Non-Executive Directors, Mr Kent Swick, Mr Stuart Carmichael, Mr Stefan Sädbom, and Non-Executive Chairman, Dr Alan Bye as set out in Section 7.

The Directors have received the following remuneration since incorporation of the Company.

Director	Remuneration (A$)
Brett Giroud[1]	207,479
Alan Bye[2]	5,726
Kent Swick[3]	2,863
Stuart Carmichael[4]	2,863
Stefan Sädbom[5]	2,863

Notes:

1. Salary (inclusive of superannuation) for the period from 3 May 2021 to 19 November 2021. This includes remuneration paid to Mr Giroud between 3 May 2021 and 30 June 2021 in respect to his prior role in the Company as General Manager.
2. Director fees (inclusive of superannuation) for the period from 1 November 2021 to 19 November 2021. Dr Bye was also paid $145,405 (inclusive of superannuation) by Swick for consulting services provided by him to Orexplore for the period from 29 October 2020 to 31 October 2021.
3. Director fees (inclusive of superannuation) for the period from 1 November 2021 to 19 November 2021.
4. Director fees (inclusive of superannuation) for the period from 1 November 2021 to 19 November 2021.
5. Director fees (inclusive of superannuation) for the period from 1 November 2021 to 19 November 2021. Mr Sädbom was also paid $22,490 (inclusive of superannuation) by Orexplore AB as remuneration for services provided to Orexplore AB as a director for the period from 29 October 2020 to 31 October 2021.

For personal use only

See Section 7.2 and 7.3 for further information regarding the Directors current remuneration arrangements.

5.9 Related Party Transactions

The Company has entered into the following related party transactions on arms' length terms:

a) the Demerger Implementation Deed with Swick (see Section 7.1 for details);

b) the Transitional Services Agreement with Swick (see Section 7.1.3 for details);

c) executive services agreement with its Managing Director, Mr Brett Giroud (see Section 7.2 for details);

d) letters of appointment with Non-Executive Directors, Mr Kent Swick, Mr Stuart Carmichael, Mr Stefan Sädbom, and Non-Executive Chairman, Dr Alan Bye on customary terms (see Section 7.3 for details); and

e) deeds of indemnity, insurance and access with each of its Directors on customary terms (see Section 7.4 for details).

At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

5.10 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan is intended to be made available in a dedicated corporate governance information section of the Company's website at **www.orexplore.com**.

5.10.1 Board of Directors

The Board is responsible for the corporate governance of the Company. The Board approves strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

a) providing leadership and setting the strategic objectives of the Company;

For personal use only

b) appointing and when necessary replacing the Chair;

c) approving the appointment and when necessary replacement, of other senior executives;

d) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;

e) overseeing management's implementation of the Company's strategic objectives and its performance generally;

f) approving operating budgets and major capital expenditure;

g) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;

h) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

i) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and

j) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

5.10.2 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. Upon Admission, the Board will consist of the Managing Director, one Non-Executive Chairman (who the Company considers not to be independent) and three Non-Executive Directors (two of whom the Company considers independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

5.10.3 Identification and management of risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

5.10.4 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

5.10.5 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

5.10.6 Remuneration arrangements

For personal use only

For personal use only

The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (i.e. non-cash performance incentives such as options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

5.10.7 Securities trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

5.10.8 Diversity policy

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

5.10.9 Audit and risk

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

5.10.10 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

5.10.11 Cyber security management

For personal use only

With a significant reliance on autonomous and digital technologies, the cybersecurity risks faced by the mining sector are vast. As the Orexplore Business links heavily to this digital transformation of the future, it recognises there is a heightened risk of data leakages and breaches.

There is a risk that the Orexplore Technology Platform may experience downtime or interruption due to system failures, service outages or corruption of information technology and systems due to cyber incidents. In addition, human error and natural disasters may also cause disruption or result in unauthorised access to or disclosing of information, including sensitive or confidential information.

To protect both organisation and customer data, Orexplore has implemented layers of protection and security measures to ensure the organisation remains a secure element of the supply chain, protects customer networks, and maintain system integrity.

However, Orexplore recognises that increasing cyber security measures will be required to maintain and protect internal and customer data to the highest standard as the business grows.

Orexplore will seek to engage a third-party vendor and facilitate and deliver all cybersecurity and infrastructure requirements based on the recommendations outlined on an ongoing basis.

As part of this engagement, Orexplore will consider appointing a Virtual Chief Information Security Officer (vCISO) to conduct auditing, staff cybersecurity awareness training, incident response, vulnerability scanning and manage notifiable data breach reports (if applicable) to ensure the organisation remains compliant.

5.10.12 Safety management

Orexplore considers the safety of all employees, contractors and relevant stakeholders of upmost importance. The Company’s primary safety risks are associated with operating X-ray based machinery, handling of core samples that may contain contamination and potential radiation, transportation of containers and machines, and exposure to risks associated with delivery of its site scanning services within a mine site environment, including at operating mine sites, explorations sites and activities in remote locations. Orexplore will follow its customers' safety procedures whenever it is present and conducting services at a customer location.

5.10.13 Social media policy

The Board has adopted a social media policy to regulate the use of social media by people associated with the Company or its subsidiaries to preserve the Company's reputation and integrity. The policy outlines requirements for compliance with confidentiality, governance, legal, privacy and regulatory parameters when using social media to conduct Company business.

5.10.14 Whistleblower policy

The Board has adopted a whistleblower protection policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistle blowing about issues where the interests of others, including the public, or of the organisation itself are at risk.

5.10.15 Anti-bribery and anti-corruption policy

The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption, reinforce the Company's values as set out in its

statement of values and provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

5.11 Departures from Recommendations

Following admission to the Official List, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

Principles and Recommendations	Explanation for Departures
Recommendation 1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its Board or a committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: (A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	The Company has implemented a diversity policy which will be made available at **www.orexplore.com**. Due to the current size and composition of the organisation, the Board does not consider it appropriate to provide measurable objectives in relation to gender diversity. The Company is committed to ensuring that the appropriate mix of skills, expertise, and diversity are considered when employing staff at all levels of the organisation and when making new senior executive and Board appointments and is satisfied that the composition of employees, senior executives and members of the Board is appropriate.

For personal use only

For personal use only

Principles and Recommendations	Explanation for Departures
Recommendation 2.1 The Board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meeting; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Due to the current size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board. The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter. When the Board meets as a remuneration and nomination committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee.
Recommendation 2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	The Company's objective is to have an appropriate mix of expertise and experience on its Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current Directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and progress the Company's strategic objectives. This mix is subject to review on a regular basis as part of the Board's performance review process. The Board does not maintain a formal matrix of Board skills and experience, however the diversity of experience and assessment of any

For personal use only

Principles and Recommendations	Explanation for Departures
	gaps in skills and experiences are a key consideration for any proposed appointment to the Board.
Recommendation 2.4 A majority of the Board of a listed entity should be independent directors.	Currently, the Board consists of five Directors, of which two are non-executive independent Directors. The Company has, at this stage, decided to select directors with the expertise and experience to support the Company's business strategy rather than strictly adhere with this recommendation. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent. Mr Giroud is not considered independent on the basis that he holds the role of Managing Director. Dr Bye is not considered independent on the basis that he has undertaken consulting work for Orexplore in the 12 months prior to the date of this Prospectus and also on the basis that Dr Bye will receive Director Performance Rights. Mr Swick is not considered independent on the basis that he will be a substantial Shareholder of the Company upon admission to the Official List. Despite this, the Board believes that Mr Giroud, Dr Bye and Mr Swick are able, and do make, quality and independent judgments in the best interests of the Company on all relevant issues before the Board.
Recommendation 2.5 The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chair of the Board is Dr Alan Bye who is not considered to be an independent director, on the basis that he has undertaken consulting work for Orexplore in the 12 months prior to the date of this Prospectus and also on the basis that Dr Bye will receive Director Performance Rights. His role is separate from the role of Managing Director or Chief Executive Officer of the Company. Despite this, the Board believes that Dr Bye is able, and does make, quality and independent judgements in the best interests of the Company on all relevant issues before the Board.
Recommendation 4.1 The Board of a listed entity should have an audit committee. **Recommendation 7.1** The Board of a listed entity should have a committee or committees to oversee risk.	As a consequence of the size and composition of the Board, the Board does not have a stand-alone audit committee. The Board as a whole has responsibilities typically assumed by an audit committee, including but not limited to:

For personal use only

Principles and Recommendations	Explanation for Departures
	(a) verifying and safeguarding the integrity of the Company's financial reporting; (b) reviewing and approving the audited annual and reviewed half-yearly financial reports; (c) reviewing the appointment of the external auditor, their independence and performance, the audit fee, any questions of their resignation or dismissal and assessing the scope and adequacy of the external audit. Matters typically dealt with by an audit committee are dealt with by the full Board. Given the current size and level of activities of the Company, the Board has not established a separate risk committee. The Board as a whole has responsibilities typically assumed by a risk committee, including but not limited to: (a) ensuring that an appropriate risk-management framework is in place and is operating properly; and (b) reviewing and monitoring legal and policy compliance systems and issues. Matters typically dealt with by a risk committee are dealt with by the full Board.
Recommendation 8.1 The Board of a listed entity should have a remuneration committee.	As a consequence of the size and composition of the Board, the Board does not have a stand-alone remuneration committee. The Board as a whole has responsibilities typically assumed by a remuneration committee, including but not limited to: (a) reviewing the remuneration (including short-term and long-term incentive schemes and equity-based remuneration, where applicable) and performance of Directors; (b) setting policies for Senior Executive remuneration, setting the terms and conditions of employment for Senior Executives, undertaking reviews of Senior Executive performance, including setting goals and reviewing progress in achieving those goals; and

Principles and Recommendations	Explanation for Departures
	(c) reviewing the Company's Senior Executive and employee incentive schemes (including equity-based remuneration) and making recommendations to the Non-Executive Chair on any proposed changes. Matters typically dealt with by a remuneration committee are dealt with by the full Board.

For personal use only

For personal use only

6. Financial Information

6.1 Introduction

Orexplore Technologies Limited was incorporated on 29 October 2020 and was dormant as at 30 June 2021. In connection with the Priority Offer, the Company will undertake the Transaction whereby all shares in the capital of Orexplore AB and Orexplore Australia Pty Ltd (noting that Orexplore USA Inc and Orexplore Canada Inc are wholly-owned subsidiaries of Orexplore Australia Pty Ltd), collectively referred to as the **Combined Group**, will be acquired by the Company. Following completion of the Transaction and subject to Swick Shareholder approval, Swick will distribute all Orexplore Shares on issue to Eligible Swick Shareholders pursuant to the In-Specie Distribution. Refer to Section 1 for the details of the Priority Offer.

The financial information in this Section 6 consists of:

(a) The historical statement of financial position as at 30 June 2021 for Orexplore Technologies Limited (**Orexplore Technologies Historical Statement of Financial Position**).

(b) Historical financial information for the Combined Group for the year ended 31 December 2019 (**FY19**), year ended 31 December 2020 (**FY20**), half year ended 30 June 2020 (**HY20**) and half year ended 30 June 2021 (**HY21**) (**Historical Periods**), comprising:

i. the combined historical statements of profit and loss for the Historical Periods (Combined Historical Statements of Profit and Loss);

ii. the combined historical statements of cash flows for the Historical Periods (Combined Historical Statements of Cash Flows); and

iii. the combined historical statements of financial position as at 30 June 2021, 31 December 2020 and 31 December 2019 (Combined Historical Statements of Financial Position).

(together, the **Combined Group Historical Financial Information**).

The Orexplore Technologies Historical Statement of Financial Position and Combined Group Historical Financial Information are together, referred to as the **Historical Financial Information**.

(c) The pro forma historical statement of financial position of the Company as at 30 June 2021:

i. on the basis of a subscription of 4,000,000 Shares at an issue price of $0.25 per Share to raise $1,000,000 (**Minimum Subscription**); and

ii. on the basis of a subscription of 10,000,000 Shares at an issue price of $0.25 per Share to raise $2,500,000 (**Maximum Subscription**).

(together, the **Pro Forma Historical Statements of Financial Position** or **Pro Forma Historical Financial Information**),

The Combined Group Historical Financial Information and Pro Forma Historical Financial Information are together referred to as the **Financial Information**.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the Combined Group. The Directors of the Company are responsible for the preparation and inclusion of the Financial Information in the Prospectus.

For personal use only

The basis of preparation and presentation of the Financial Information is described in Section 6.2.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

The Financial Information, as defined above, has been reviewed by Ernst & Young in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in Annexure A. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The information presented in this Section 6 should be read in conjunction with:

- the Company overview set out in Section 2;
- key risks set out in Section 4;
- the significant accounting policies set out in Section 6.9;
- the Company's proposed use of its cash resources (including the proceeds of the Priority Offer) after Listing, as described in Section 1.7;
- details of the Company's dividend policy in Section 2.21; and
- other information contained in this Prospectus.

Investors should note that past performance is not a guarantee of future performance.

6.2 Basis of preparation and presentation of the Historical Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and the accounting policies adopted by the Company, except that the Combined Group does not constitute a group as defined in AASB 10 *Consolidated Financial Statements*.

The Orexplore Technologies Historical Statement of Financial Position as at 30 June 2021 has been derived from its unaudited trial balance at that date, on which no audit opinion or limited assurance conclusion has been issued. This date has been chosen as it is the date on which the latest financial information was available.

The Combined Group Historical Financial Information for FY19 and FY20 has been derived from the audited special purpose combined financial statements for the years ended 31 December 2019 and 31 December 2020 respectively, issued on 15 November 2021. The special purpose combined financial statements have been prepared by aggregating the applicable financial information of Orexplore AB and Orexplore Australia Pty Ltd (including its wholly owned subsidiaries Orexplore USA Inc and Orexplore Canada Inc). These special purpose combined financial statements were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young has issued unqualified audit opinions on the special purpose combined financial statements for the year ended 31 December 2019 and 31 December 2020.

The Combined Group Historical Financial Information for HY20 and HY21 has been derived from its reviewed special purpose combined financial statements for the half-year ended 30 June 2021, issued on 15 November 2021. The special purpose combined financial statements for the half-year ended 30 June 2021 were reviewed by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young has issued an unqualified review conclusion on the special purpose combined financial statements for the half-year ended 30 June 2021.

Investors should note that past performance is not a guide to future performance.

For personal use only

6.3 Basis of preparation and presentation of the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards (AAS) as issued by the Australian Accounting Standards Board (AASB).

The Pro Forma Statements of Financial Position have been derived from the Orexplore Technologies Historical Statement of Financial Position and include pro forma adjustments described in Section 6.8(a), as if those events and transactions had occurred as at 30 June 2021. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

6.4 Going concern

The Combined Group had net current liabilities of $4.8 million as at 30 June 2021 and operating net cash out flows of $1.1 million for the half year ended 30 June 2021. The net current liabilities arise mainly as a result of the net loan payable to Swick and its controlling entities. Given the early growth stages of the business, the Group expects to continue making net losses in the near future.

Upon completion of the transactions contemplated under the Demerger Implementation Deed and the Priority Offer, the Group is expecting to have pro forma net current assets of $14 million as at 30 June 2021. The Directors believe these funds will be sufficient for the Group to fund its marketing and promotional activities in its effort to continue to commercialise its mineral analysis technology and meet its working capital requirements for the 12 months from the date of this Prospectus.

Should the listing be unsuccessful, the Company and the entities forming the Combined Group would remain subsidiaries of Swick and the Directors of Swick have undertaken to support the Combined Group for the 12 months from the date of this Prospectus.

Based on the above, the Directors believe it is appropriate to prepare the Financial Information on a going concern basis, which assumes continuity of normal business activities and the settlement of liabilities in the ordinary course of business.

6.5 Combined Historical Statements of Profit and Loss

The table below sets out the Combined Historical Statements of Profit and Loss for the half years ended 30 June 2021 and 30 June 2020, and the years ended 31 December 2020 and 31 December 2019:

	Half-year 30 June 2021 $000	Half-year 30 June 2020 $000	Full-year 31 December 2020 $000	Full-year 31 December 2019 $000
Revenue	2	216	241	57
Other income	354	184	332	523
Raw materials and consumables used	(27)	(60)	(64)	(23)
Employee benefits expense	(1,279)	(1,603)	(3,269)	(2,199)
Depreciation and amortisation expense	(679)	(973)	(1,631)	(1,822)
Finance costs	(7)	(11)	(20)	(24)
Other expenses	(582)	(1,276)	(2,591)	(1,583)
Loss before income tax	**(2,218)**	**(3,523)**	**(7,002)**	**(5,071)**
Income tax benefit	347	423	912	420
Net loss after tax	**(1,871)**	**(3,100)**	**(6,090)**	**(4,651)**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(199)	105	227	(255)
Other comprehensive income for the period, net of tax	**(199)**	**105**	**227**	**(255)**
Total comprehensive loss for the period	**(2,070)**	**(2,995)**	**(5,863)**	**(4,906)**

6.6 Combined Historical Statements of Cash Flows

The table below sets out the Combined Historical Statements of Cash Flows for the half years ended 30 June 2021 and 30 June 2020, and the years ended 31 December 2020 and 31 December 2019:

	Half-year 30 June 2021 $000	Half-year 30 June 2020 $000	Full-year 31 December 2020 $000	Full-year 31 December 2019 $000
Cash flows from operating activities				
Receipts from customers	2	220	247	61
Receipts of government grant	14	111	56	272
Payments to suppliers and employees	(1,114)	(1,861)	(3,658)	(1,691)
Net interest paid	(7)	(11)	(20)	(24)
Net cash used in operating activities	**(1,105)**	**(1,541)**	**(3,375)**	**(1,382)**
Cash flows from investing activities				
Purchase of property, plant and equipment	(117)	(228)	(442)	(1,515)
Payments for development costs	(554)	(576)	(969)	(1,145)
Net cash used in investing activities	**(671)**	**(804)**	**(1,411)**	**(2,660)**
Cash flows from financing activities				
Capital contributions from parent	1,775	2,760	5,456	4,121
Repayment of lease liabilities	(202)	(203)	(407)	(318)
Net cash provided by financing activities	**1,573**	**2,557**	**5,049**	**3,803**
Net (decrease)/increase in cash and restricted cash	**(203)**	**212**	**263**	**(239)**
Cash and restricted cash at the beginning of the period	618	365	365	691
Effects of exchange rate changes on cash	(1)	(5)	(10)	(87)
Cash and restricted cash at the end of the period	**414**	**572**	**618**	**365**

For personal use only

For personal use only

6.7 Combined Historical Statements of Financial Position

The table below sets out the Combined Historical Statements of Financial Position as at 30 June 2021, 31 December 2020 and 31 December 2019:

	30 June 2021 $000	31 December 2020 $000	31 December 2019 $000
Current assets			
Cash	414	327	103
Restricted cash	-	291	262
Trade and other receivables	2,489	2,024	276
Inventories	1,313	1,259	801
Prepayments	118	138	112
Total current assets	**4,334**	**4,039**	**1,554**
Non-current assets			
Property, plant and equipment	1,901	2,108	2,159
Intangible assets	6,068	5,834	5,372
Right-of-use assets	695	897	1,225
Deferred tax assets	7	26	13
Total non-current assets	**8,671**	**8,865**	**8,769**
Total assets	**13,005**	**12,904**	**10,323**
Current liabilities			
Trade and other payables	8,588	7,616	4,339
Deferred income	-	291	262
Lease liabilities	412	415	392
Provisions	93	153	111
Total current liabilities	**9,093**	**8,475**	**5,104**
Non-current liabilities			
Lease liabilities	356	573	945
Provisions	-	5	-
Other long-term liabilities	-	-	16
Total non-current liabilities	**356**	**578**	**961**
Total liabilities	**9,449**	**9,053**	**6,065**
Net assets	**3,556**	**3,851**	**4,258**
Equity			
Accumulated other comprehensive income	(45)	154	(73)
Owners' invested capital	3,601	3,697	4,331
Total equity	**3,556**	**3,851**	**4,258**

6.8 Orexplore Technologies Historical Statement of Financial Position and Pro Forma Historical Statements of Financial Position

The table below sets out the Orexplore Technologies Historical Statement of Financial Position and the Pro Forma Historical Statements of Financial Position as at 30 June 2021.

The pro forma adjustments are assumed to have occurred as at 30 June 2021.

For personal use only

The Pro Forma Historical Statements of Financial Position are provided for illustrative purposes only and are not represented as being necessarily indicative of the Company's view of its actual or prospective financial position.

	Orexplore Technologies Historical Statement of Financial Position $000	Pro forma adjustment: Settlement of the Transaction $000	Pro forma adjustment: Conversion of Intercompany Payables to Equity $000	Pro forma adjustment: Swick seed funding $000	Pro-forma adjustment: Priority Offer (minimum subscription) $000	Pro forma Historical Statement of Financial Position (minimum subscription) 30 June 2021 $000	Pro-forma adjustment: Priority Offer (maximum subscription) $000	Pro forma Historical Statement of Financial Position (maximum subscription) 30 June 2021 $000
Current assets								
Cash	-	414	-	12,000	1,000	13,414	2,500	14,914
Trade and other receivables	-	2,489	(2,006)	-	-	483	-	483
Inventories	-	1,313	-	-	-	1,313	-	1,313
Prepayments	-	118	-	-	-	118	-	118
Total current assets	**-**	**4,334**	**(2,006)**	**12,000**	**1,000**	**15,328**	**2,500**	**16,828**
Non-current assets								
Property, plant and equipment	-	1,901	-	-	-	1,901	-	1,901
Intangible assets	-	6,068	-	-	-	6,068	-	6,068
Right-of-use assets	-	695	-	-	-	695	-	695
Deferred tax assets	-	7	-	-	-	7	-	7
Total non-current assets	**-**	**8,671**	**-**	**-**	**-**	**8,671**	**-**	**8,671**
Total assets	**-**	**13,005**	**(2,006)**	**12,000**	**1,000**	**23,999**	**2,500**	**25,499**
Current liabilities								
Trade and other payables	-	8,588	(7,993)	-	-	595	-	595
Lease liabilities	-	412	-	-	-	412	-	412
Provisions	-	93	-	-	-	93	-	93
Total current liabilities	**-**	**9,093**	**(7,993)**	**-**	**-**	**1,100**	**-**	**1,100**
Non-current liabilities								
Lease liabilities	-	356	-	-	-	356	-	356
Provisions	-	-	-	-	-	-	-	-
Total non-current liabilities	**-**	**356**	**-**	**-**	**-**	**356**	**-**	**356**
Total liabilities	**-**	**9,449**	**(7,993)**	**-**	**-**	**1,456**	**-**	**1,456**
Net assets	**-**	**3,556**	**5,987**	**12,000**	**1,000**	**22,543**	**2,500**	**24,043**
Equity	**-**	**3,556**	**5,987**	**12,000**	**1,000**	**22,543**	**2,500**	**24,043**

6.8(a) Pro Forma Adjustments

The pro forma adjustments have been made to adjust for the following transactions associated with the Demerger Implementation Deed and Priority Offer:

I. Completion of the Demerger Implementation Deed

(i) Settlement of the Transaction pursuant to the Demerger Implementation Deed. The Transaction includes the transfer of the Orexplore Business by way of the sale by Swick of all of the shares in the capital of Orexplore AB and Orexplore Australia Pty Ltd (including Orexplore USA Inc and Orexplore Canada Inc that are wholly owned subsidiaries of Orexplore Australia Pty Ltd) to Orexplore. The substance of the Transaction has been evaluated in accordance with AASB 3 *Business Combinations* and it has been determined that the Orexplore Group represents the continuation of Orexplore AB which acquires Orexplore Australia Pty Ltd and its subsidiaries via a common control transaction at the Transaction Date. The Company has elected to account for the Transaction at book value rather than fair value. Accordingly, for the purposes of this pro-forma adjustment, the accounting carrying values of the assets and liabilities of Orexplore AB and Orexplore Australia Pty Ltd, as reflected in the Combined Historical Statement of Financial Position at 30 June 2021, have been recognised together with a corresponding credit to equity. The actual carrying values of the net assets of Orexplore AB and Orexplore Australia Pty Ltd will ultimately be determined at the Transaction Date. The Directors have considered the tax impact of the Transaction and concluded it will not have a material impact on the Orexplore Group at the Transaction Date.

(ii) A seed funding payment of $12,000,000 from Swick pursuant to the Demerger Implementation Deed which is subject to completion of the Transaction occurring.
(iii) Conversion of net intercompany payables to Swick to equity pursuant to the Demerger Implementation Deed. As at 30 June 2021 the net intercompany payable amounted to $5,987,289. The Directors have considered the tax impact of the conversion of the net intercompany payables to Swick and concluded no material impact on the Orexplore Group.
(iv) Transaction costs associated with transactions contemplated under the Demerger Implementation Deed have not been recognised as a pro forma adjustment as these costs will be paid for by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. Under the Demerger Implementation Deed, as detailed above, the Company will convert the net loan payable to Swick as at the Transaction Date to equity.

II. Completion of the Priority Offer:

The issue of a minimum of 4,000,000 and a maximum of 10,000,000 fully paid ordinary shares in the capital of the Company at $0.25 each to raise a minimum of $1,000,000 and a maximum of $2,500,000 respectively. Transaction costs associated with the Priority Offer and listing of the Company will be paid for by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. Under the Demerger Implementation Deed, net amounts owing to Swick by Orexplore as at the Transaction Date will be converted to equity. The Pro Forma Historical Statements of Financial Position do not include any adjustment for the transaction costs relating to the Priority Offer subsequently converted to equity.

6.9 Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Functional and presentation currency

The Financial Information is presented in Australian dollars, which is the Company's functional and presentation currency.

(b) Foreign currencies

Transactions and balances
Each entity within the Group determines its own functional currency. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date.

Foreign operations
The results and financial position of operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

For personal use only

For personal use only

(c) Revenue recognition

The Group generates revenue from providing mineral analysis services to the mining industry. Revenue is earned by metre of core scanned.

Revenue is recognised upon the satisfaction of performance obligations, which occurs when results of the scans are completed, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Revenue is recognised at point in time.

(d) Income tax

Tax effect accounting by members of the tax consolidated group pre demerger

Swick Mining Services Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement, which provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

Current tax, deferred tax liabilities and deferred tax assets arising from temporary differences are allocated to members of the tax consolidated group using the “separate tax payer within Group” approach. In this regard temporary differences are measured with reference to the carrying amount of assets and liabilities in the separate financial statements of each entity in the tax consolidated group and the tax values within the tax consolidated group. Any current tax liabilities or assets and unused tax losses of the member entity are assumed by the head entity of the tax consolidated group and are recognised as amounts payable to/(receivable from) the parent entity in accordance with the tax funding arrangement in place. Tax funding is determined according to the allocation principals and used to offset any intercompany receivable/payable. Any difference in these amounts is recognised by the member entity as an equity contribution from or distribution to the head entity.

Tax effect accounting by entities outside the tax consolidated group

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax recoverable from or payable to the taxation authorities based on the current period’s taxable income, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For personal use only

(e) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant tax authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the statement of financial position.

(f) Cash and restricted cash

Cash and cash equivalents comprise cash balances and deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Trade and other receivables

Receivables are classified, at initial recognition, and subsequently measured at amortised cost or fair value through profit or loss.

The classification of receivables at initial recognition depends on the receivable's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Group initially measures a receivable at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component, are measured at the transaction price determined under the revenue accounting policy.

In order for a receivable to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its receivables in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the receivable, or both.

Receivables at amortised cost
The Group measures receivables at amortised cost if both of the following conditions are met:

- the receivable is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the receivable give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Receivables at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of receivables
The Group recognises an allowance for expected credit losses ("ECLs") for all receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR.

For personal use only

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables due in less than 12 months, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The expected credit loss is based on its historical credit loss experience, current financial difficulties of the debtor and is adjusted for forward-looking factors specific to the debtor and the economic environment.

The allowance for impairment of receivables is calculated by comparing the carrying amount of the receivable to the present value of estimated future cash flows, discounted at the original effective interest rate. Where the Group recognises an impairment loss this is recognised in profit and loss. The Group does not hold any collateral in relation to receivables.

The Group considers a receivable in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

(h) Trade and other payables

Trade and other payables are carried at amortised cost. They represent unsecured liabilities for goods and services procured by the Group prior to the financial period end that remain unpaid and occur when the Group becomes obligated to make future payments. The amounts are unsecured and are usually paid within 30-60 days of recognition.

(i) Provisions – Employee benefits

Provisions for employee benefits comprises of annual leave and long service leave provisions. Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured using the projected unit credit valuation method in respect of services provided by employees up to the reporting date.

(j) Leases – Group as lessee

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated

useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Variable lease payments are the portion of payments made by a lessee to a lessor for the right to use an underlying asset during the lease term that varies because of a change in factors or circumstances occurring after the commencement date, other than the passage of time, e.g. payments based on usage. Such payments are recognised in profit or loss in the period during which the event or condition that triggers those payments occurs. Variable payments are based on usage and cannot be reliably forecast.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers the payment occurs.

(k) Inventories

The Group maintains an inventory of parts and spares for use in the rendering of mineral analysis services. Inventory is measured at the lower of cost and net realisable value. Costs incurred in bringing inventory to its present location and condition are accounted for as part of the cost on a first-in/first-out basis. An on-going review is conducted in order to ascertain whether items are obsolete or damaged, and if so determined, the carrying amount of the item is written down to its net realisable value.

(l) Intangible assets

Intangible assets relate to development undertaken to develop the Company’s mineral scanning technology and machines.

An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Once complete, any expenditure so capitalised is amortised over the period of expected benefit from the related project.

The carrying value of intangible assets in development and not yet available for use are tested for impairment annually or more frequently when an indication of impairment arises during the reporting period. Intangible assets that are still in development and not yet available for use are tested for impairment.

Intangible assets in use are tested for impairment when an indication of impairment exists at the end of the reporting period. The amortisation method is reviewed at each financial year-end.

(m) Property, plant and equipment

For personal use only

For personal use only

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes acquisition costs, being the fair value of the consideration provided, plus incidental costs directly attributable to the acquisition.

Subsequent costs directly related to an item of plant and equipment, which enhances the functionality of the asset, are recognised in the carrying amount of that item of property, plant and equipment only when it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs, including repairs and maintenance, are recognised in the statement of profit or loss and other comprehensive income as an expense.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit and loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Depreciation
Depreciation is recognised in profit and loss on a straight-line or usage basis over the estimated useful life of each part of an item of property, plant and equipment. The depreciation method reflects the pattern in which the future economic benefit is expected to be consumed for each asset giving consideration to the estimated working life of each asset. The estimated working life and idle time for each asset is assessed annually. Those items of property, plant and equipment undertaking construction are not depreciated.

The following are the estimated useful lives for each class of property, plant and equipment:

Class of fixed asset	**Useful life**
Plant and equipment	5 - 20 years
Leasehold improvements	2 - 5 years
Office furniture & equipment	5 – 10 years

Useful lives and residual values
The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

(n) Impairment of non-financial assets
At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

The carrying value of intangible assets not yet available for use are tested for impairment annually or more frequently when an indication of impairment arises during the reporting period.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the cash generating unit (or group of cash generating units) is less than the carrying amount of the cash generating unit (or groups of cash generating units), the impairment loss is allocated to the assets of the cash generating units pro-rata on the basis of the carrying amount of each asset in the cash generating unit (or groups of cash generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the

increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

6.10 Subsequent event

The key terms of the Director Performance Rights to be awarded to Dr Bye and Mr Giroud were agreed on 15 November 2021. Refer to Section 8.2 for the terms and conditions of the Director Performance Rights. Award of these Director Performance Rights is dependent on completion of the In-Specie Distribution and the Priority Offer which are conditional upon Swick Shareholders approving the Transaction and In-Specie Distribution.

6.11 Forecast financial information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

For personal use only

For personal use only

7. Material Contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment as to whether to apply for Shares under the Priority Offer. The provisions of such material contracts are summarised in this Section.

7.1 Demerger Implementation Deed

Swick and Orexplore entered into the Demerger Implementation Deed in relation to the Transaction for the transfer of the Orexplore Business (by way of the sale by Swick of all of the shares in the capital of Orexplore AB and Orexplore Australia Pty Ltd (noting that Orexplore USA Inc and Orexplore Canada Inc are wholly owned subsidiaries of Orexplore Australia Pty Ltd) to Orexplore. The effect of the Demerger Implementation Deed is that Orexplore will acquire the Orexplore Business for 93,913,541 fully paid ordinary shares in Orexplore at a deemed issue price of $0.25 per Share.

Following completion of the Transaction and subject to Swick Shareholder approval, Swick will distribute approximately 93,913,641 Orexplore Shares (which includes 100 Orexplore Shares currently on issue) to its shareholders pursuant to the In-Specie Distribution.

7.1.1 Conditions precedent

The Demerger Implementation Deed sets out the following conditions to the completion of the acquisition of the Orexplore Business which must be met or waived on or before 12 August 2022:

a) Swick obtaining shareholder approval under the Corporations Act and Listing Rules for the In-Specie Distribution; and

b) Orexplore obtaining a conditional admission letter from ASX on terms satisfactory to the Directors, acting reasonably, which, once satisfied, will result in ASX admitting Orexplore to the Official List.

The In-Specie Distribution will occur subject to, and as soon as reasonably practicable, following completion of the Transaction.

7.1.2 Other material terms

(i) Funding

Swick must pay Orexplore a seed funding payment of $12,000,000 at completion of the Transaction and convert the net intercompany payables by Orexplore to Swick as at the Transaction Date to equity.

(ii) Data and information technology systems

Swick and Orexplore have agreed to, as soon as reasonably practicable after the date of completion of the Transaction, implement a work plan to segregate data concerning the Orexplore Group from the data of Swick.

(iii) Representations and warranties

Customary representations and warranties are provided by each of Swick and Orexplore, including relating to incorporation and authority to enter into the Demerger Implementation Deed.

(iv) Indemnities

For personal use only

The Demerger Implementation Deed contains various indemnities given by one party in favour of the other, including that each party shall keep the other party indemnified against all loss and liability that arises for, or is incurred directly or indirectly by the indemnified party, to the extent that liability or loss is caused by the acts or omissions of the other party, their directors or employees (including without limitation any liabilities or losses relating to tax), and, in favour of Swick only, such loss or liability that arises in relation to the acquisition of the Orexplore Business or the In-Specie Distribution (including without limitation any liabilities or losses relating to tax).

In addition, Orexplore provides a release and corresponding indemnity in favour of Swick (and its directors and employees) in respect of any loss or liability arising directly from or in respect of, the acquisition of the Orexplore Business or the In-Specie Distribution.

Under the Demerger Implementation Deed:

a) a party will not be liable to the other for any claim arising under any indemnity or from a breach of any warranty or any term of the Demerger Implementation Deed unless the amount finally adjudicated or agreed as being payable in respect of such claim exceeds $100,000; and

b) the maximum amount a party may recover from the other under any indemnity or in respect of a breach of warranty or any term of the Demerger Implementation Deed in respect of all claims is $1,000,000.

A party will have no liability for breach of warranty or any term of the deed unless they give the other party written notice of the claim to the other before the date one year after completion of the acquisition of the Orexplore Business.

(v) Termination

Customary termination provisions are included in the Demerger Implementation Deed. Among these termination rights, if one party commits a material breach of the Demerger Implementation Deed and fails to remedy that breach within 10 business days after the giving of notice by any other party to remedy the breach, that other party may terminate the obligations of the parties under the Demerger Implementation Deed with immediate effect.

7.1.3 Transitional Services Agreement

Swick and Orexplore have entered into a transitional services agreement pursuant to which, during the period from the date Swick's shareholders approve the demerger of the Orexplore Group (**Commencement Date**) until the date that is 12 months after the Commencement Date (**Term**), Swick will provide (or will procure the provision of) the below services:

a) accounting services, including:

i. accounts payable processing, credit card management, payments and ledger reconciliations relating to the Company and Orexplore Australia Pty Ltd (ACN 622 440 537) (together, **Orexplore Australia**), executed monthly;

ii. accounts receivable processing, billing and collection and ledger reconciliations relating to Orexplore Australia, executed monthly;

iii. processing of payments received in connection with the Orexplore Australia deposited into its nominated bank accounts;

For personal use only

iv. monthly reports for the Orexplore Business, including consolidation and elimination entries;

v. attend to monthly reconciliation of each balance sheet account for the Orexplore Group;

vi. half year and annual consolidation and financial statements preparation (P&L; Balance sheets; cash flows) of the Orexplore Business;

vii. management of half year (review) and annual (full) Orexplore Business group external audits;

viii. assist with inventory management for Orexplore Australia;

ix. calculation and lodgement of indirect tax liabilities including payroll tax, GST and FBT for Orexplore Australia;

x. treasury services for the Orexplore Australia business including cash balance management;

xi. payroll processing for all employees of Orexplore Australia, including distributing payments to employees, ATO, Superannuation, child support and incidental or related matters, employee database management such as entering new employees, completing terminations, updating records, management of leave balances and other maintenance activities as required by MYOB; and

xii. maintaining the fixed asset register for Orexplore Australia; and

b) procurement services for Orexplore Australia, including submission and review of new supplier applications, supplier insurance checks, generation and issue of purchase and service orders including assistance with review of terms and conditions and assistance with ongoing management of supplier commercial contracts and terms, including all necessary utility services companies servicing the company; and

c) human resources services, including employee recruitment, employee contract management, employee on-boarding, contractor recruitment, on-boarding and related services; and

d) information technology support services, including Bassendean office information technology hardware support, including scanning container hardware, Bassendean office security and access control support, information technology hardware purchasing (Australia only) and information technology services invoice processing (with respect to Telstra, Copy World, Stott & Hoare),

(the **Services**).

The Company has agreed to pay Swick the following consideration:

a) $10,000 (plus GST) per month for the Services;

b) $9,000 (plus GST) in consideration for Swick preparing the Company's half year consolidated financial statements and managing the Company's half year external audit; and

c) $14,000 (plus GST) in consideration for Swick preparing the Company's full year consolidated financial statements and managing the Company's full year external audit,

(**Service Fee**).

If the Service Fee includes costs payable to third parties, and those costs increase during the Term, then Swick is entitled to increase the Service Fee for that service by written notice to the Company.

The transitional services arrangement may be terminated by either party with 2 month's written notice.

7.2 Executive services agreement - Mr Brett Giroud

The Company has entered into an executive services agreement with Mr Brett Giroud commencing on 1 July 2021, pursuant to which Mr Giroud serves as Managing Director of the Company. The material terms of Mr Giroud's appoints are set out below:

- Base Salary: $350,000 per annum (plus superannuation);
- Salary Review Period: annually;
- Short Term Incentive Program: annually, subject to agreed key performance indicators being met and Board approval, Mr Giroud will be entitled to a performance based bonus up to a maximum of 40% of his base salary;
- Long Term Incentive Plan: Mr Giroud is eligible to participate in incentive arrangements offered by the Company from time to time, including participation in the Plan;
- Term: Mr Giroud's employment commences on 1 July 2021 and shall continue indefinitely unless and until the executive services agreement is terminated;
- Termination: either party may terminate Mr Giroud's appointment on 3 months' notice. The Company may also terminate the appointment at any time without notice if Mr Giroud engages in serious misconduct; and
- Restraint: from the commencement of the executive services agreement until 24 months after employment ends, Mr Giroud will be restrained from engaging in a business or activity in competition with the business of the Company and from soliciting customers or employees of Orexplore within Australia.

In addition, the Company will issue Mr Giroud (or his permitted nominee) Director Performance Rights up to 5% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution (either 4,895,682 Director Performance Rights assuming Minimum Subscription or up to 5,195,682 Director Performance Rights assuming Maximum Subscription) on the terms and conditions set out in Section 8.2.

The executive services agreement also contains additional provisions considered customary for agreements of this nature.

7.3 Letters of Appointment - Non-Executive Directors, Kent Swick, Stuart Carmichael, Stefan Sädbom, and Non-Executive Chairman, Alan Bye

The Company has entered into Non-Executive Director letters of appointment with Kent Swick, Stuart Carmichael, and Stefan Sädbom pursuant to which the Company has agreed to pay each of Mr Swick, Mr Carmichael, and Mr Sädbom $50,000 per annum (excluding superannuation) for services provided to the Company as Non-Executive Directors, including attending Board and committee meetings and advising on the strategic direction and control of the business of the Company.

Dr Bye and the Company have entered into a Non-Executive Chairman letter agreement pursuant to which the Company agrees to pay Dr Bye $100,000 per annum (excluding superannuation) for services provided to the Company as Non-Executive Chairman. In addition, the Company will issue Dr

For personal use only

Bye (or his permitted nominee) Director Performance Rights up to 3% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution (either 2,937,409 Director Performance Rights assuming Minimum Subscription or up to 3,117,409 Director Performance Rights assuming Maximum Subscription) on the terms and conditions set out in Section 8.2.

It is noted that the total aggregate amount of fees per annum payable to Non-Executive Directors of the Company pursuant to the Company's Constitution is capped at $350,000.

The Non-Executive Director and Non-Executive Chairman letters of appointment contains additional provisions considered customary for appointments of this nature.

7.4 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors and the Company Secretary. Under these deeds, the Company indemnifies the relevant Director/Company Secretary to the extent permitted by law against any liability arising as a result of the Director or officer acting as a director or officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director or officer and must allow the Directors and officers to inspect Board papers in certain circumstances. The deeds are considered customary for agreements of this nature.

7.5 Ongoing negotiations

As discussed in Section 2.10, the Company is currently conducting trial engagements and in-kind trials with potential customers and third parties which may result in binding commercial contracts being entered into. The Company cautions investors that there are no guarantees that these trial engagements and in-kind trials will be successful or generate any revenue.

For personal use only

For personal use only

8. Additional Information

8.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

a) (**Ranking of Shares**): At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

b) (**Voting rights**): Subject to any rights or restrictions, at general meetings:

   (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;

   (ii) has one vote on a show of hands; and

   (iii) has one vote for every Share held, upon a poll.

c) (**Dividend rights**): Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

   Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

d) (**Variation of rights**): The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

e) (**Transfer of Shares**): Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

   In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel.

f) (**General meetings**): Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

   The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

For personal use only

g) (**Unmarketable parcels**): The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

h) (**Rights on winding up**): If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

i) (**Restricted Securities**): a holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

8.2 Rights attaching to Performance Rights

The following terms and conditions apply to each of the Director Performance Rights (in this Section 8.2 referred to as the Performance Rights):

a) (**Plan**): Unless the context requires otherwise, defined terms in these terms and conditions have the same meaning as in the Plan. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

b) (**Vesting Conditions**): The Performance Rights will vest subject to the satisfaction of the following performance milestones within that timeframe (each a **Vesting Condition**):

Tranche	Number of Performance Rights	Vesting Conditions	Expiry Date
1	Equal to 2.67% of Shares on issue on completion of the Priority Offer and In-Specie Distribution	Upon the 20-day VWAP equalling or exceeding $0.375 (being 50% above the Offer Price)	4 years from Grant Date
2	Equal to 2.67% of Shares on issue on completion of the Priority Offer and In-Specie Distribution	Upon the 20-day VWAP equalling or exceeding $0.50 (being 100% above the Offer Price)	5 years from Grant Date
3	Equal to 2.66% of Shares on issue on	Upon the 20-day VWAP equalling or exceeding $0.625	5 years from Grant Date

Tranche	Number of Performance Rights	Vesting Conditions	Expiry Date
	completion of the Priority Offer and In-Specie Distribution	(being 150% above the Offer Price)	

Where:

20-day VWAP means the volume weighted average market price of the Shares calculated over 20 consecutive trading days on which the Shares have traded.

Grant Date means the date the Performance Rights are issued to the Participant, which will occur after the completion of the Priority Offer and In-Specie Distribution but prior to Admission.

c) (**Vesting**): The Performance Rights will vest on the date the Vesting Condition relating to those Performance Rights has been satisfied. The Company will notify the Participant in writing when the relevant Vesting Condition has been satisfied (**Vesting Notice**).

d) (**Consideration**): The Performance Rights will be granted to the Participant (or their permitted nominee) for nil cash consideration.

e) (**Exercise Price**): The Exercise Price of each vested Performance Right is nil.

f) (**Expiry Date**): Each Performance Right will expire on the earlier to occur of:

(i) 5.00pm (WST) on the date referred to in paragraph b); and

(ii) the Performance Right lapsing and being forfeited under the Plan or these terms and conditions,

(**Expiry Date**). For the avoidance of doubt any vested but unexercised Performance Rights will automatically lapse and expire at 5.00pm (WST) on the Expiry Date.

g) (**Conversion**): Upon vesting, each Performance Right will, at the Participant's election, convert into one fully paid ordinary share in the Company (**Share**). The Participant may apply to exercise vested Performance Rights at any time prior to the Expiry Date by filling out a notice of exercise in the form provided by the Company and returning to the Company Secretary (**Notice of Exercise**).

h) (**Transfer**): The Performance Rights are not transferable.

i) (**Quotation**): No application for quotation of the Performance Rights will be made by the Company.

j) (**Participation in entitlements and bonus issues**): Subject always to the rights under paragraphs k) and l), holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

For personal use only

For personal use only

k) (**Adjustment for bonus issue**): If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which holders of Performance Rights are entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the Listing Rules at the time of the bonus issue.

l) (**Reorganisation of capital**): In the event that the issued capital of the Company is reconstructed, all the holder's rights as a holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules and Corporations Act at the time of reorganisation provided that, subject to compliance with the Listing Rules and Corporations Act, following such reorganisation the holder's economic and other rights are not diminished or terminated.

m) (**Dividend and voting rights**): The Performance Rights do not confer on the holder an entitlement to vote or receive dividends.

n) (**Return of capital rights**): The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

o) (**Rights on winding up**): The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

p) (**Shares issued on exercise**): All Shares issued upon the exercise of Performance Rights will upon issue rank *pari passu* in all respects with the then Shares of the Company.

q) (**Timing of issue of Shares and quotation of Shares on exercise**): As soon as practicable after the issue of a Notice of Exercise by the Participant in accordance with the terms of the Plan and subject to the expiry of any Restriction Period that applies to the Shares under the Corporations Act, the Listing Rules or paragraph r), the Company will:

(i) issue, allocate or cause to be transferred to the Participant the number of Shares to which the Participant is entitled under the Plan;

(ii) issue a substitute Certificate for any remaining unexercised Performance Rights held by the Participant;

(iii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

(iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

r) (**Restrictions on transfer of Shares**): If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act under paragraph q)(iii), Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

s) (**Change of Control**): Subject to the terms of the Plan, upon the occurrence of a Change of Control, to the extent Performance Rights have not converted into Shares following satisfaction of a Vesting Condition, Performance Rights will automatically convert to that number of Shares which when issued together with all Shares issued under any other class of

Performance Rights then on issue in the Company, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue at that time. Performance Rights that are not converted into Shares will continue to be held by the holder on the same terms and conditions.

t) (**Good leaver**): Under the Plan, the Board may in its absolute discretion resolve to waive any of the Vesting Conditions applying to Performance Rights due to Special Circumstances (which includes "good leaver" circumstances) arising in relation to a Relevant Person in respect of those Performance Rights.

The following information is provided in respect of ASX Guidance Note 19:

a) Assuming Maximum Subscription is achieved, a total of 8,313,091 Performance Rights will be issued as follows:

   (i) 5,195,682 Performance Rights to Mr Brett Giroud (or his permitted nominee), representing 5% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution; and

   (ii) 3,117,409 Performance Rights to Dr Alan Bye (or his permitted nominee), representing 3% of the total Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution.

b) Mr Brett Giroud is the Managing Director of the Company and Dr Alan Bye is the Non-Executive Chairman of the Company.

c) The Performance Rights are being issued to remunerate or incentivise Mr Giroud and Dr Bye and are ordinary course of business remuneration securities since they are being issued under the Plan.

d) As senior key management personnel or Directors of the Company, Mr Giroud and Dr Bye will play a key role in the future growth and market capitalisation of Orexplore.

e) The remuneration payable to each of Mr Giroud and Dr Bye is set out in Sections 5.8, 7.2 and 7.3.

f) The Securities in which each of Mr Giroud and Dr Bye have a relevant interest is set out in Section 5.7. No cash consideration has been paid or is payable by Mr Giroud or Dr Bye in respect of the issue of the Performance Rights.

g) The Performance Rights are part of Mr Giroud's and Dr Bye's proposed remuneration package, which is designed to incentivise the long term performance of the Company. The Board considers it necessary to incentivise Mr Giroud and Dr Bye as the Company believes it is appropriate to include a security component to Mr Giroud's and Dr Bye's remuneration packages, in order to align their interests with Shareholders, and to conserve the Company's available cash reserves.

h) The number of Performance Rights have been determined with consideration to Mr Giroud's and Dr Bye's remuneration packages and the remuneration paid to directors and management of other comparable listed entities and to conserve the Company's available cash reserves. The Company considers the quantum of Performance Rights are reasonably proportionate to the benefit to the Company of achieving the Vesting Conditions and the need for the Company to effectively incentivise its Directors while aligning the incentives with increasing Shareholder value.

For personal use only

i) The Company considers that the Performance Rights are appropriate and equitable, including because there is an appropriate link between each Vesting Condition and the purpose for which the Performance Rights were issued, as:

(i) consistent with Guidance Note 19, performance securities are sometimes issued to directors, senior managers or contractors as a means of incentivising them to achieve a particular performance milestone;

(i) as stated above, the Performance Securities will be issued to the Directors as a means of incentivising performance; and

(ii) each Vesting Condition is based on a sustained increase in the volume-weighted-average-price of Shares above the Offer Price and therefore represents a reasonable target for the Company on readily ascertainable and verifiable metrics.

j) Assuming Maximum Subscription is achieved, the Performance Rights will convert into an aggregate of 8,313,091 Shares (comprising 5,195,682 Performance Rights to Mr Giroud and 3,117,409 Performance Rights to Dr Bye) upon satisfaction of the Vesting Conditions and (assuming no other Shares are issued) will comprise approximately 7.41% of the Shares on issue.

8.3 Summary of the Plan

The Board of Orexplore has adopted an employee securities incentive plan, a summary of which is set out below. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. It is intended that both the Executive and Non-Executive Directors will participate in the Plan. As at the date of this Prospectus, Mr Brett Giroud and Mr Alan Bye are proposed to participate in the Plan in respect to the proposed issue of the Director Performance Rights on completion of the Priority Offer and In-Specie Distribution, under the terms and conditions stated in Section 8.2 (refer to Section 5.7 for further details).

8.3.1 Eligible Participant

"Eligible Participant" means:

(i) a Director (whether executive or non-executive) of the Company or any Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000) (**Group Company**);

(ii) a full or part time employee of any Group Company;

(iii) a casual employee or contractor of a Group Company to the extent permitted by the ASIC Class Order 14/1000; or

(iv) a prospective participant, being a person to whom the invitation is made but who can only accept the invitation if an arrangement has been entered into that will result in the person becoming an Eligible Participant under (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan.

8.3.2 Maximum allocation:

(i) Subject to certain exceptions under the Corporations Act, the Company must not make an offer of Performance Rights under the Plan where the total number of Shares that may be issued, or acquired upon exercise of Performance Rights offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at

For personal use only

any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer.

8.3.3 Purpose

The purpose of the Plan is to:

(i) assist in the reward, retention and motivation of Eligible Participants;

(ii) link the reward of Eligible Participants to performance and the creation of Shareholder value;

(iii) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to receive Shares;

(iv) provide Eligible Participants with the opportunity to share in any future growth in value of the Company; and

(v) provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

8.3.4 Plan administration

The Plan will be administered by the Board. The Board has the power to determine appropriate procedures for administration of the Plan consistent with the Plan. The Board may delegate its powers and discretion arising under the Plan. In exercising its power, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Plan or any Performance Rights under the Plan and in the exercise of any power or discretion under the Plan.

8.3.5 Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Performance Rights, upon the terms set out in the Plan and upon such additional terms and conditions as the Board decides.

On receipt of an invitation, an Eligible Participant may apply for the Performance Rights the subject of the invitation in whole or in part, by signing and returning an application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

8.3.6 Grant of Performance Rights

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Performance Rights, subject to the terms and conditions set out in the invitation, the application form and the Plan and upon such additional terms and conditions as the Board determines.

8.3.7 Terms of Performance Rights

Each Performance Right represents a right to acquire a Share, subject to the terms and conditions of the Plan.

A Participant may not transfer, assign, mortgage, charge or otherwise dispose or encumber a Performance Right. A Participant must not enter into any arrangement for the purpose of hedging, or

For personal use only

otherwise affecting their economic exposure, to a Performance Right that has been granted to them. For the avoidance of doubt, a Participant includes any contractor or consultant to a member of the Group (being the Company and each other Associated Body Corporate).

8.3.8 Vesting

Any vesting conditions applicable to the grant of Performance Rights will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Performance Right has vested. Unless and until the vesting notice is issued by the Company, the Performance Rights will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Performance Right are not satisfied and/or otherwise waived by the Board by the due date, the Performance Right will lapse.

8.3.9 Exercise of Performance Rights

Subject to the terms of the Plan, to exercise a vested Performance Right the Participant (or their personal legal representative where applicable) must deliver the certificate for the Performance Rights and a signed notice of exercise, stating that the Participant exercises the Performance Rights and specifying the number of Performance which are exercised. The Participant may apply to exercise vested Performance Rights at any time prior to the expiry date of the offered Performance Right.

Performance Rights may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Performance Rights in any parcel is not less than a Marketable Parcel. 'Marketable Parcel' has the meaning given to that term in the Listing Rules.

8.3.10 Delivery of Shares on exercise of Performance Rights

Subject to the Corporations Act, the Listing Rules, the Plan and the invitation, within 10 Business days of the valid exercise of a Performance Right and the provision of the relevant documents the Company will issue to the Participant the number of Shares credited as being fully paid in respect of which the Performance Rights are exercised, together with any additional Shares an entitlement to which has arisen under the Plan rules in consequence of the exercise of the Performance Rights and issue a replacement certificate for any remaining unexercised Performance Rights held by that Participant.

If the issue of Shares on exercise of a Performance Right would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Shares until 10 Business Days following the expiration, as applicable, of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Shares.

If a Participant is liable for tax, duties or other amounts on the vesting or exercise of their Performance Rights, and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company must issue and sell such number of Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale equal the payment the Company is required to pay to the appropriate authorities.

8.3.11 Lapse of Performance Rights

A Performance Right will lapse upon the earlier to occur of:

(i) an unauthorised dealing in, or hedging of, the Performance Right occurring, as governed by the Plan rules;

For personal use only

(ii) a vesting condition in relation to the Performance Right is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Performance Right under the Plan rules;

(iii) in respect of unvested Performance Rights only, a Relevant Person ceases to be an Eligible Participant, unless the Board:

(A) exercises its discretion to vest the Performance Right under the Plan rules; or

(B) in its absolute discretion, resolves to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;

(iv) in respect of vested Performance Rights only, a Relevant Person ceases to be an Eligible Participant and the Performance Right granted in respect of that Relevant Person is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;

(v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant (including termination of employment or office due to serious or wilful misconduct or otherwise for cause without notice);

(vi) a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right in accordance with the Plan rules (**Vesting Condition exceptions**); and

(vii) the Expiry Date of the Performance Right.

8.3.12 Change of control

Upon the occurrence of a change of control, the vesting conditions (if any) applying to Performance Rights are deemed to be automatically waived in which case the Participant (or their personal legal representative where applicable) may exercise the Performance Rights in the manner summarised in Section 8.3.9 above.

If a company (**Acquiring Company**) obtains control of the Company as a result of a change of control and both the Company and the Acquiring Company agree, a Participant may, in respect of any vested Performance Rights that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.

8.3.13 Rights attaching to Plan Shares

All Shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue. A Participant will, from and including the issue date of Shares under the Plan, be the legal owner of the Shares issued in respect of them and will be entitled to dividends and to exercise voting rights attached to the Shares.

8.3.14 Disposal restrictions on Plan Shares

The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those

For personal use only

Performance Rights (**Restricted Shares**), up to a maximum of seven (7) years from the Grant Date of the Performance Rights (**Restriction Period**).

The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.

A Participant must not dispose of or otherwise deal with any Shares issued to them under the Plan while they are Restricted Shares.

There will otherwise be no transfer restrictions on Shares issued under the Plan, subject to the terms of the Plan, unless the sale, transfer or disposal by the Participant of the Shares issued to them on exercise of the Performance Rights (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act).

8.3.15 Adjustment of Performance Rights

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction or return), the rights of each Participant holding Performance Rights will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

8.3.16 Participation in new issues

There are no participation rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in any new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

8.3.17 Amendment of Plan

Subject to the following paragraph, the Corporations Act and the Listing Rules, the Board may at any time amend or add to any provisions of the Plan, an invitation or the terms and conditions of any Performance Right granted under the Plan and determine that any amendment be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

No adjustment or variation of the terms of a Performance Right or the Plan will be made without the consent of the Participant who holds the relevant Performance Right if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Performance Rights), other than an adjustment or variation introduced primarily for the purpose of complying with or conforming to legislation or to correct any manifest error or mistake, amongst other things.

8.3.18 Plan duration

The Plan will commence on the date determined by resolution of the Board and will continue until terminated by the Board.

The Board may terminate the Plan at any time by resolution. Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Performance Rights shall survive termination of the Plan until fully satisfied and discharged.

8.3.19 Maximum Number of Performance Rights

For personal use only

For personal use only

The maximum number of Performance Rights to be issued under the Plan shall not exceed 10% of the Company's Securities on issue at completion of the Demerger Implementation Deed and the Priority Offer, subject to adjustment in the event of an alteration in capital and further subject to the applicable rules and regulations of all regulatory authorities to which the Company is subject, including ASX. Based on the expected number of Securities on issue on completion of the Transaction and Priority Offer (being 105,746,732 assuming Minimum Subscription under the Priority Offer or 112,226,732 assuming the Maximum Subscription), 10% equates to either 10,574,673 Performance Rights (Minimum Subscription) or 11,222,673 Performance Rights (Maximum Subscription).

8.4 Swick Shareholder Approval

As noted in Section 1.6, the Priority Offer under this Prospectus is conditional upon Swick Shareholders approving the Transaction and In-Specie Distribution. In this regard, the Company notes that a meeting of Swick Shareholders has been convened for 10.00am (WST) on Wednesday, 22 December 2021, being prior to the Closing Date of the Priority Offer.

Results of the above meeting of Swick Shareholders will be published by Swick on the ASX company announcements platform.

8.5 Effects of the Priority Offer on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows.

Name	Number of Shares	% of Shares
Swick Mining Services Limited	100	100

Based on the information known as at the date of this Prospectus, on Admission the following persons will have an interest in 5% or more of the Shares on issue (assuming the Minimum Subscription is achieved):

Name	Number of Shares	% of Shares
Kent Swick[1]	12,337,873	12.60%
Perennial Value Management Limited	11,623,756	11.87%
Castle Point Funds Management	8,639,083	8.82%
Circle 5 Management Pty Ltd	7,778,724	7.94%
Salter Brothers Asset Management	5,713,541	5.84%

Notes:

1. The Securities in which Mr Kent Swick has a relevant interest are as follows:

   (a) approximately 11,150,873 Shares distributed pursuant to the In-Specie Distribution (assuming Mr Swick's performance rights in Swick are not vested and exercised prior to the In-Specie Record Date) and held as follows:

(i) 4,394,137 Shares held directly by Mr Swick;

(ii) 4,394,137 Shares held indirectly via Tanya Michelle Swick, Mr Swick's spouse;

(iii) 402,888 Shares held indirectly via K & T Swick Pty Ltd ATF K & T Swick Family Trust, of which Mr Swick is a director, shareholder and beneficiary; and

(iv) 1,959,711 Shares held indirectly via Kent Jason Swick & Tanya Michelle Swick ATF Swick Super Fund A/C, of which Mr Swick is a beneficiary; and

(b) 1,187,000 Shares, which is the maximum number Mr Swick intends to apply for pursuant to the Priority Offer, to be held indirectly via Kent Jason Swick & Tanya Michelle Swick ATF Swick Super Fund A/C.

8.6 Interests of Promoters, Experts and Advisers

8.6.1 No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

(i) the formation or promotion of the Company;

(ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Priority Offer; or

(iii) the Priority Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Priority Offer.

8.6.2 Share registry

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on customary industry terms and conditions.

8.6.3 Auditor

Ernst & Young has been appointed to act as auditor to the Company. Ernst & Young was appointed by Swick for the audit of the special purpose financial statements of the Combined Group for the years ended 31 December 2019, 31 December 2020 and the half year ended 30 June 2021 and all costs related to this appointment will be paid by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. The Company estimates that Swick will pay Ernst & Young a total of $106,560 (excluding GST) for these services.

Other than as disclosed in Section 8.6, during the 24 months preceding lodgement of this Prospectus with ASIC, Ernst & Young has not provided any other services to the Company (but provided services to the parent company, Swick).

8.6.4 Australian legal adviser

HWL Ebsworth Lawyers has acted as the Australian solicitors to the Company in relation to the Priority Offer. All costs related to this appointment will be paid by Swick and recharged to Orexplore via the

For personal use only

intercompany loan between Orexplore and Swick. The Company estimates that Swick will pay HWL Ebsworth $290,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, HWL Ebsworth has not provided any other services to the Company (but provided services to the parent company, Swick).

8.6.5 Investigating Accountant Report

Ernst & Young has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure A of this Prospectus. All costs related to this appointment will be paid by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. The Company estimates that Swick will pay Ernst & Young a total of $30,000 (excluding GST) for these services.

Other than as disclosed in Section 8.6, during the 24 months preceding lodgement of this Prospectus with ASIC, Ernst & Young has not provided any other services to the Company (but provided services to the parent company, Swick).

8.6.6 Corporate Advisor

Shaw and Partners has acted as the corporate advisor to the Company. All costs related to this appointment will be paid by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. Swick has agreed to pay Shaw and Partners (or its nominees) a fee of $450,000 for, amongst other things, drafting and coordinating key documentation on behalf of the Company.

During the 24 months preceding lodgement of this Prospectus with ASIC, Shaw and Partners has not provided any other services to the Company (but provided services to the parent company, Swick).

8.6.7 Industry Expert Report

MinEx Consulting has prepared the industry expert report which is included in Section 3 of this Prospectus. All costs related to this appointment will be paid by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. The Company estimates that Swick will pay MinEx Consulting a total of $58,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, MinEx Consulting has not provided any other services to the Company.

8.6.8 Intellectual Property Report

HWL Ebsworth has prepared the intellectual property report contained in Annexure B. All costs related to this appointment will be paid by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. The Company estimates that Swick will pay HWL Ebsworth a total of $14,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, HWL Ebsworth has also provided the services disclosed in Section 8.6.4.

8.6.9 Tech Rating

Deloitte Corporate Finance Pty Ltd has provided the Tech Rating included in Annexure D. All costs related to this appointment will be paid by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. The Company estimates that Swick will pay Deloitte Corporate Finance Pty Ltd a total of $45,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Deloitte Corporate Finance Pty Ltd has not provided any other services to the Company.

For personal use only

For personal use only

8.7 Consents

Each of the parties referred to below:

a) does not make the Priority Offer;

b) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;

c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and

d) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

8.7.1 Share Registry

Automic Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

8.7.2 Auditor

Ernst & Young has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company and the auditor of the special purpose financial statements of the Combined Group for the years ended 31 December 2019, 31 December 2020 and the half year ended 30 June 2021 in the form and context in which it is named.

8.7.3 Australian legal adviser

HWL Ebsworth has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Australian legal adviser to the Company in the form and context in which it is named.

8.7.4 Independent Valuer

Deloitte Corporate Finance Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the authors of the Independent Valuation Report and Tech Rating to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of statements in this Prospectus based on statements by Deloitte Corporate Finance Pty Ltd, the Independent Valuation Report and Tech Rating in the form and context in which they are included.

8.7.5 Industry Expert

MinEx Consulting has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the authors of the Industry Expert Report to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Industry Expert Report in the form and context in which it is included.

8.7.6 Intellectual Property Report

For personal use only

HWL Ebsworth has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the authors of the Intellectual Property Report to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Intellectual Property Report in the form and context in which it is included.

8.7.7 Investigating Accountant

Ernst & Young has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in relation to the Financial Information in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included.

8.7.8 Corporate Advisor

Shaw and Partners has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Company's corporate advisor in the form and context in which it is named.

8.8 Expenses of Offer

The total approximate expenses (excluding GST) of the Transaction and the Priority Offer paid or payable by Swick are as follows:

	Minimum Subscription $	Maximum Subscription $
ASIC Lodgement Fee	$6,412	$6,412
ASX Quotation Fee	$102,012	$103,824
Legal Fees	$360,000	$360,000
Intellectual Property Report Fees	$13,667	$13,667
Investigating Accountant Fees	$30,000	$30,000
Industry Expert Report Fees	$58,000	$58,000
Audit Fees	$106,560	$106,560
Corporate Advisory Fees	$450,000	$450,000
Fees for preparation of Tech Rating	$45,000	$45,000
Printing, Postage and Administration Fees	$25,000	$25,000
Total	**1,196,651**	**1,198,463**

Notes:

1. These expenses will be paid by Swick and recharged to Orexplore via the intercompany loan between Orexplore and Swick. Under the Demerger Implementation Deed, the Company

will convert the net loan payable to Swick as at the Transaction Date to equity in Orexplore Australia Pty Ltd.

8.9 Continuous Disclosure Obligations

Following Admission, the Company will be a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.10 Litigation

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

8.11 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the relevant electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

8.12 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

a) this Prospectus;

b) the Constitution; and

c) the consents referred to in Section 8.7 of this Prospectus.

8.13 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 6 and Annexure A, there have not been any

For personal use only

circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

For personal use only

9. Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

Dr Alan Bye
Non-Executive Chairman
Dated: 22 November 2021

For personal use only

For personal use only

10. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

A$ or $	means Australian dollars.
ABN	means Australian Business Number.
Admission	means admission of the Company to the Official List of the ASX, following completion of the Priority Offer.
Annexure	means an annexure to this Prospectus.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Securities pursuant to the Priority Offer in this Prospectus.
Application Form	means the application form for the Priority Offer attached to this Prospectus.
Application Monies	means application monies for Shares under the Priority Offer received and banked by the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
ASX Settlement	means ASX Settlement Pty Limited ACN 008 504 532.
ASX Settlement Rules	means ASX Settlement Operating Rules of ASX Settlement.
Blackout Period	In respect of the Plan, means a period when the Participant is prohibited from trading in the Company's securities by the Company's written policies.
Board	means the board of Directors of the Company.
CAGR	means Compound Annual Growth Rate.
CEO	means Chief Executive Officer.
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement.
Chrysos	means Chrysos Corporation.
Closing Date	means the date that the Priority Offer closes which is 5.00pm (WST) on Wednesday, 22 December 2021 or such other time and date as the Board determines.

For personal use only

Combined Group	means all of the following entities: (a) Orexplore AB; (b) Orexplore Australia Pty Ltd; (c) Orexplore USA Inc; and (d) Orexplore Canada Inc.
Company or Orexplore	means Orexplore Technologies Limited ACN 645 505 406, and in Section 2 means one or more entities in the Orexplore Group (as the context requires).
Constitution	means the constitution of the Company.
Corescan	means Corescan Pty Ltd (ACN 139 606 867).
Corporate Advisor or Shaw and Partners	means Shaw and Partners Limited ACN 003 221 583.
Corporations Act	means the *Corporations Act 2001* (Cth).
CSIRO	means The Commonwealth Scientific and Industrial Research Organisation.
CT	means X-ray Computed Tomography.
Current Technology Platform	means the GeoCore X10® product and the Orexplore Insight® software.
Demerger Implementation Deed	means the demerger implementation deed between the Company and Swick dated 12 November 2021.
Demerger Meeting	means the general meeting of Swick Shareholders to approve the In-Specie Distribution and Transaction.
Director Performance Rights	means an aggregate of either 7,833,091 Performance Rights (assuming the Minimum Subscription) or 8,313,091 Performance Rights (assuming the Maximum Subscription) to be issued to each of Mr Brett Giroud and Dr Alan Bye (being Directors of the Company) in the proportions set out in Section 5.7 and on the terms and conditions set out in Section 8.2.
Directors	means the directors of the Company.
Electronic Prospectus	means the electronic copy of this Prospectus located at the Company's website **www.orexplore.com**.
Eligible Swick Shareholders	in respect of the Priority Offer, means Swick Shareholders on the Offer Record Date with a registered address in Australia that has declared their tax file number, tax file number exemption or Australian Business Number to the Swick Share Registry. in respect of the In-Specie Distribution, means Swick Shareholders on the In-Specie Record Date with a registered

For personal use only

	address in Australia that has declared their tax file number, tax file number exemption or Australian Business Number to the Swick Share Registry.
ESG	means environmental, social and governance.
EU Horizon 2020	means the European Union Research and Innovation programme with nearly €80 billion of funding available over 7 years (2014 to 2020).
Executive Directors	means the executive directors of the Company, as appointed from time to time.
Exposure Period	means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.
Figure	means a figure in this Prospectus.
GeoCore X10®	means the Company's flagship product described in Section 2.5.2.
GeoCore X10+	means the Company’s product currently in development.
Group or Orexplore Group	means Orexplore Technologies Ltd and its controlled entities after completion of the Transaction.
GST	means Goods and Services Tax.
IIOT	means the Industrial Internet of Things.
Independent Valuer or Deloitte Corporate Finance	means Deloitte Corporate Finance Pty Limited.
Independent Valuation Report	means the report of the Independent Valuer, a concise copy of which is included in Swick's notice of meeting dated 22 November 2021 seeking approval for the Transaction and the In-Specie Distribution, which was published by Swick on the ASX company announcements platform and which has also been sent to Swick Shareholders.
Indicative Timetable	means the indicative timetable for the Priority Offer on page 9 of this Prospectus.
Industry 4.0	has the meaning given to it in Section 3.2.6.
Industry Expert Report	means the industry expert report contained in Annexure C.
In-Principle Waiver	has the meaning in Section 1.19.
In-Specie Distribution	has the meaning given to that term in Section 1.2.
In-Specie Record Date	means the record date for the In-Specie Distribution.

For personal use only

In-Specie Shares	means the Shares distributed pursuant to the In-Specie Distribution.
Intertek	means Intertek Group plc.
Investigating Accountant	means Ernst & Young.
Investigating Accountant's Report	means the report contained in Annexure A.
Issue Date	means the date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.
Listing Rules	means the listing rules of ASX.
Maximum Subscription	means the raising of $2,500,000 (before costs) pursuant to Priority Offer.
MinAnalytical (Perenti)	means MinAnalytical Laboratory Services Australia, a Perenti Global Limited company.
Minalyze	means Minalyze AB and Minalyze Pty Ltd.
MinEx Consulting	means MinEx Consulting Pty Ltd (ABN 68 135 194 357).
Minimum Subscription	means the raising of $1,000,000 (before costs) pursuant to the Priority Offer.
ML	means machine learning.
Notice or Notice of Demerger Meeting	means the Swick notice of general meeting dated 22 November 2021, seeking Swick Shareholder approval for the Transaction and In-Specie Distribution.
Offer Period	means the period of time commencing on the Opening Date and ending on the Closing Date.
Offer Price	means $0.25 per Share under the Priority Offer.
Offer Record Date	means the date specified as the Priority Offer record date in the Indicative Timetable.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the Listing Rules.
Opening Date	means the date specified as the opening date in the Indicative Timetable.
Option	means an option to acquire a Share.

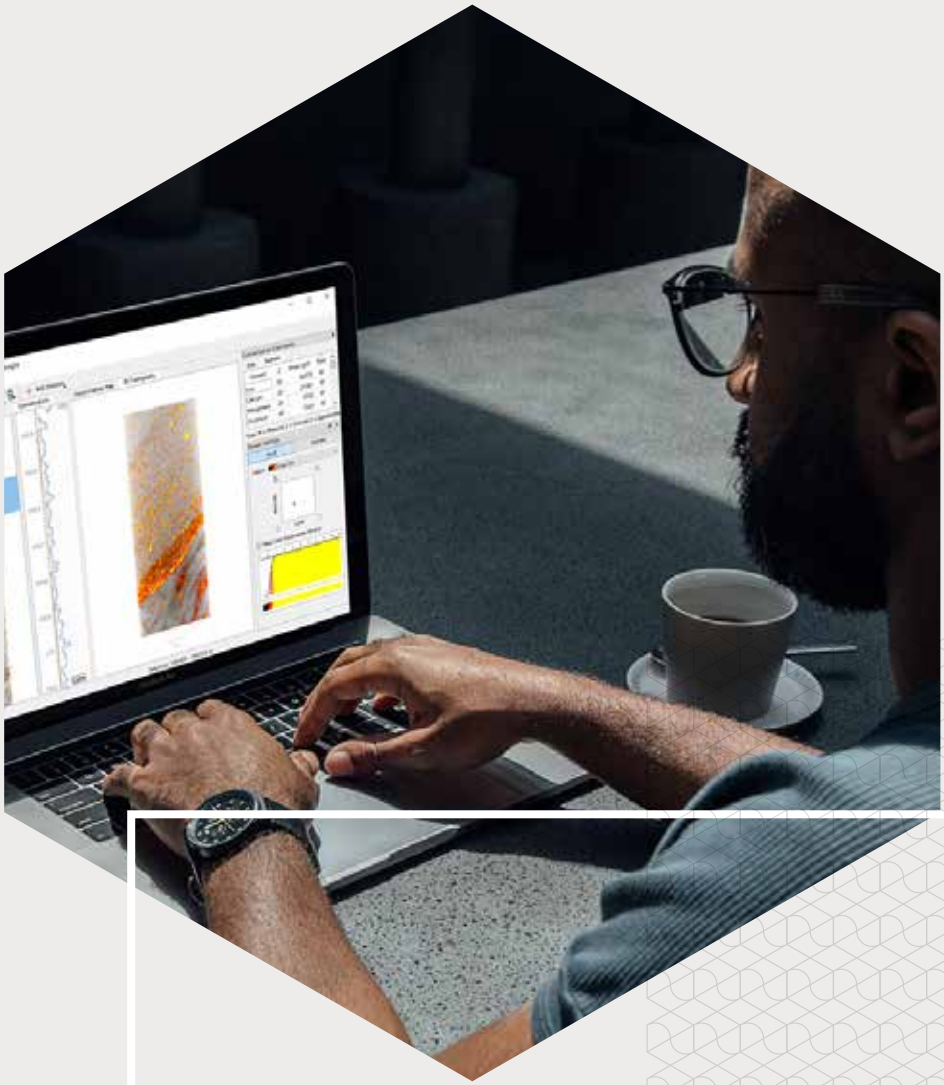
For personal use only

Orexplore Business	means the business activities conducted by the Combined Group, or where the context requires, the business activities conducted by the Orexplore Group detailed in Section 2.
Orexplore Insight®	means the Company's software system and is described in Section 2.5.3.
Orexplore Product or Product	means the GeoCore X10® product, GeoCore X10+ product or any other future product Orexplore plans on or is currently developing.
Orexplore Technology Platform or Technology Platform	means the GeoCore X10® product and the in-development GeoCore X10+ product and its related instrumentation projects and the Orexplore Insight® software.
Orexplore Solutions	has the meaning given in Section 2.4.
OTA	means Over The Air.
Oxford Instruments	means Oxford Instruments plc.
Performance Rights	In respect to the Plan, means a right to acquire a Share, subject to satisfaction of any Vesting Conditions, and the corresponding obligation of the Company to provide the Share, under a binding contract made by the Company and an Eligible Participant in the manner set out in the Plan.
Plan	means the Orexplore Technologies Limited "Incentive Performance Rights Plan".
Priority Offer	means the priority offer of Shares under this Prospectus, as described in Section 1.3.
Prospectus	means this prospectus dated 22 November 2021.
QA	means quality assurance.
QA/QC	means quality assurance and quality control.
QC	means quality control.
R&D	means research and development.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the meaning given to that term in the Corporations Act.
RQD	means rock quality designation.
Section	means a section of this Prospectus.
Securities	means any securities, including Shares, options or performance rights, issued or granted by the Company.

SGS	means SGS S.A.
Share or Orexplore Share	means a fully paid ordinary share in the capital of the Company.
Share Registry	means Automic Pty Ltd (ACN 152 260 814).
Shareholder	means a holder of one or more Shares.
Swick	means Swick Mining Services Ltd (ACN 112 917 905).
Swick Board	means the board of directors of Swick.
Swick Share	means an ordinary fully paid share in the capital of Swick.
Swick Shareholder	means a holder of Swick Shares.
Swick Share Registry	means Swick's share registry from time to time.
Tech Rating	means the report contained in Annexure D.
TFN	means tax file number.
Transaction	means the acquisition of the Orexplore Business by Orexplore pursuant to the Demerger Implementation Deed in connection with the demerger of the Orexplore Business from the Swick group.
Transaction Date	means the completion date of the Transaction.
Truscan (Boart Longyear)	means the Truscan technology developed by Boart Longyear Limited.
Value Propositions	means the suite of customer offerings currently offered or under development as set out in Section 2.4.
VWAP	refers to the volume weighted average price of the Shares.
WST	means Western Standard Time, being the time in Perth, Western Australia.
XRF	means X-ray Fluorescence.
XRT	means X-ray Transmission.

For personal use only

For personal use only



Investigating Accountant's Report

Annexure A

For personal use only

Building a better working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

The Board of Directors
Orexplore Technologies Limited

22 November 2021

Independent limited assurance report on historical financial information and pro forma historical financial information

Dear Directors

1. Introduction

We have been engaged by Orexplore Technologies Limited ("Orexplore" or the "Company") to report on the historical financial information and pro forma historical financial information for inclusion in the prospectus to be dated on or about 22 November 2021 ("Prospectus"), and to be issued by Orexplore, in respect of the offer of 4,000,000 and up to 10,000,000 fully paid ordinary shares in the Company at a price of $0.25 per share to raise a minimum of $1,000,000 or a maximum of $2,500,000 (the "Offer"), and the listing of Orexplore on the Australian Securities Exchange.

Expressions and terms defined in the Prospectus have the same meaning in this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the:

- the historical statement of financial position as at 30 June 2021 for Orexplore Technologies Limited (Orexplore Technologies Historical Statement of Financial Position);
- following combined historical financial information of Orexplore, Orexplore AB and Orexplore Australia Pty Ltd (including its wholly owned subsidiaries Orexplore USA Inc and Orexplore Canada Inc), collectively referred to as the Combined Group:
  - the combined historical statements of profit and loss for the years ended 31 December 2019 and 31 December 2020 and half year ended 30 June 2021 (Combined Historical Statements of Profit and Loss);
  - the combined historical statements of cash flows for the year ended 31 December 2019 and 31 December 2020 and half year ended 30 June 2021 (Combined Historical Statements of Cash Flows); and
  - the combined historical statements of financial position as at 31 December 2019, 31 December 2020 and 30 June 2021 (Combined Historical Statements of Financial Position).

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

(together, the Combined Group Historical Financial Information).

The Orexplore Technologies Historical Statement of Financial Position and Combined Group Historical Financial Information are together, referred to as the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards ("AAS"), except that the Combined Group Historical Financial Information does not constitute a group as defined in AASB 10 *Consolidated Financial Statements*.

The Orexplore Technologies Historical Statement of Financial Position as at 30 June 2021 has been derived from its unaudited trial balance at that date, on which no audit opinion or limited assurance conclusion has been issued.

The Combined Group Historical Financial Information for years ended 31 December 2019 and 31 December 2020 has been derived from the audited special purpose combined financial statements for the years ended 31 December 2019 and 31 December 2020 respectively, issued on 15 November 2021. The special purpose combined financial statements have been prepared by aggregating the applicable financial information of Orexplore AB and Orexplore Australia Pty Ltd (including its wholly owned subsidiaries Orexplore USA Inc and Orexplore Canada Inc). These special purpose combined financial statements were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young has issued unqualified audit opinions on the special purpose combined financial statements for the years ended 31 December 2019 and 31 December 2020.

The Combined Group Historical Financial Information for the half year ended 30 June 2021 has been derived from the reviewed special purpose combined interim financial statements for the half-year ended 30 June 2021, issued on 15 November 2021. The special purpose combined interim financial statements for the half year ended 30 June 2021 were reviewed by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young has issued an unqualified review conclusion on the special purpose combined interim financial statements for the half-year ended 30 June 2021.

Pro Forma Historical Financial Information

You have requested Ernst & Young to review the following pro forma historical financial information of Orexplore as at 30 June 2021:

- The pro forma historical statement of financial position of the Company, on the basis of a subscription of 4,000,000 Shares at an issue price of $0.25 per share to raise $1,000,000 (Minimum Subscription); and

- The pro forma historical statement of financial position of the Company, on the basis of a subscription of 10,000,000 Shares at an issue price of $0.25 per share to raise $2,500,000 (Maximum Subscription)

  (the Pro Forma Historical Statements of Financial Position or Pro Forma Historical Financial Information).

For personal use only

Building a better working world

(The Combined Group Historical Financial Information and Pro Forma Historical Financial Information are together referred to as the Financial Information).

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Orexplore, the Combined Group and adjusted for the effects of pro forma adjustments described in Note (a) to Section 6.8 of the Prospectus.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of AAS including Australian Accounting Interpretations, other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 30 June 2021.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

The directors of Orexplore are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

For personal use only

Building a better working world

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- the historical statement of financial position as at 30 June 2021 for Orexplore;
- the combined historical statements of profit and loss for the years ended 31 December 2019 and 31 December 2020 and half year ended 30 June 2021;
- the combined historical statements of cash flows for the years ended 31 December 2019 and 31 December 2020 and half year ended 30 June 2021; and
- the combined historical statements of financial position as at 31 December 2019, 31 December 2020 and 30 June 2021.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- The pro forma historical statement of financial position of the Company as at 30 June 2021, on the basis of a subscription of 4,000,000 Shares at an issue price of $0.25 per share to raise $1,000,000 (Minimum Subscription); and
- The pro forma historical statement of financial position of the Company as at 30 June 2021, on the basis of a subscription of 10,000,000 Shares at an issue price of $0.25 per share to raise $2,500,000 (Maximum Subscription)

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.3 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 6.1 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

6. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

7. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young

For personal use only

For personal use only

Intellectual Property Report

Annexure B

For personal use only

HWL EBSWORTH LAWYERS

Our Ref: 983164

15 November 2021

The Directors
Orexplore Technologies Limited
75 McDonald Crescent
BASSENDEAN WA 6054

Dear Sirs

Orexplore Intellectual Property Report

1. Background and Scope

(a) We are instructed that Orexplore Technologies Limited is the Australian parent company for the following companies (collectively, known as **Orexplore**):

(i) Orexplore Australia Pty Ltd;

(ii) Orexplore AB;

(iii) Orexplore USA Inc, which is a wholly owned subsidiary of Orexplore Australia Pty Ltd; and

(iv) Orexplore Canada Inc, which is also wholly owned by Orexplore Australia Pty Ltd.

(b) Orexplore is a mining technology business which develops data driven mineral insight technology. Its patented technology uses X-ray technologies to scan and collect mineral and structural information from drill samples, which is then analysed and visualised using proprietary software.

(c) We understand that Orexplore Technologies Limited acquired all of the shares in the capital of Orexplore AB and Orexplore Australia Pty Ltd from Swick Mining Services Limited pursuant to a demerger implementation deed dated 12 November 2021.

(d) We also understand that Orexplore Technologies Limited proposes to list on the ASX. We have been instructed by Orexplore Technologies Limited to prepare this Report for inclusion in a Prospectus to be issued in connection with its proposed listing. Specifically, we have been instructed to:

(i) provide overviews of:

(A) the relevant intellectual property registration and protection regimes; and

(B) the laws relating to entitlement and ownership, with a particular focus on patents and trade marks; and

Level 21, Westpac House, 91 King William Street, Adelaide SA 5000 Australia
GPO Box 286, Adelaide SA 5001 Australia
Telephone +61 8 8205 0800
Facsimile 1300 464 135 (Australia) +61 2 8507 6585 (International)
hwlebsworth.com.au

For personal use only

(ii) undertake searches to confirm the details and status of Orexplore's IP, in the jurisdictions described further below; and

(iii) advise regarding the entitlement and ownership position of Orexplore in relation to its IP.

(e) Section 3 provides an overview of the regimes for the granting of patents and registration of trade marks, together with the systems of protection for copyright and confidential information (trade secrets).

(f) Section 4 provides an overview of the laws relating to entitlement and ownership of patents, trade marks and copyright.

(g) Section 5 provides a description of Orexplore's intellectual property rights and commentary and advice in relation to Orexplore's entitlement and ownership position in relation to these rights.

2. Accuracy and Limitations

(a) The information in this Report relating to trade marks is current as of 20 October 2021. The information in this Report relating to patents is current as of 7 October 2021.

(b) HWL Ebsworth is not aware of any material changes to the status of the matters outlined below.

(c) We express no opinion on factual matters or any matter requiring skill or expertise of a non-legal nature, such as technical, operational, financial, statistical, taxation, accounting or commercial matters.

(d) The views expressed in this Report are based on the laws and legislation of the Commonwealth of Australia which are in effect as at the date of this Report. We express no opinion about the laws or legislation of any jurisdiction other than the Commonwealth of Australia. We do not hold ourselves out as having expertise or knowledge of the law or legislation outside of the Commonwealth of Australia. Accordingly, any statements or comments made in relation to intellectual property systems that are not governed by the laws of the Commonwealth of Australia has been from a common sense perspective only.

3. Overview of Intellectual Property Regimes

Based on our searches and the materials provided, we note that Orexplore holds a variety of IP rights, including but not limited to patents and trade marks. Below sets out a brief overview of the IP regimes relevant to Orexplore.

3.1 Patents

(a) A patent is a legally enforceable right granted by the patent office of a country in return for disclosure and publication of an invention.

(b) The right allows the patent owner to exploit the invention and authorise another person to do the same. The owner of a patent has exclusive rights to manufacture, sell, hire, use, import or keep the product or processes protected by the patent in the countries in which protection has been granted.

For personal use only

(c) Third parties exercising any patent rights in relation to the invention without permission of the patent owner will be liable for patent infringement, but it should be noted that enforcement of these rights against infringing parties is the responsibility of the patent owner.

(d) Generally, an invention is patentable if it is novel and involves an inventive step when compared with the prior art base at the priority date of the patent application. In other words, the invention must be new or different from what is known and publically available in the art at the priority date, and the invention must not be obvious to a person skilled in the art when considering prior art.

(e) However, it should be noted that the grant of a patent does not:

(i) guarantee the validity or enforceability of the patent. For example, it is possible for third parties to challenge the validity of the right if sued for infringement by the patent owner;

(ii) provide the patent owner with a defence to infringement of another granted patent. Use of an invention protected by a granted patent may still infringe the rights in another, earlier, granted patent.

(f) A patent is granted for a limited term, usually 20 years from the filing date of the application, and is subject to payment of renewal or maintenance fees to keep it in force within this period. Once the prescribed term expires, or if the patent is not maintained, protection will cease and the invention will be available for use by parties without restriction.

(g) Although patents are granted on a territory basis, the Patent Cooperation Treaty (**PCT**) which is administered by the World Intellectual Property Organisation (**WIPO**) can streamline the application process if patents are sought in multiple countries. An applicant in a PCT member state can file an international patent application, known as a PCT application with WIPO and designate territories for patent protection. The PCT application is then converted into national applications and will undergo examination in the patent offices of the designated territories.

(h) In accordance with the Paris Convention for the Protection of Industrial Property (**Paris Convention**), filing of an initial patent application in a member state of the convention will establish a priority date for the invention in that state and any other member state in which the patent application is subsequently filed, provided that the subsequent applications are filed within 12 months of the initial filing.

3.2 Trade Marks

(a) Trade marks act as badges of origin and allow consumers to distinguish between different businesses' goods and services. Trade marks can include, but are not limited to, words, logos, jingles and packaging.

(b) In Australia, and in most other jurisdictions, trade marks can be used without being registered, but registration provides the owner with exclusive legal rights to use, licence or sell the mark. It is against the law to use someone else's trade mark, whether or not it is registered, but registration makes it easier to prevent other parties from using a mark.

For personal use only

(c) To be eligible for registration, the trade mark must be capable of distinguishing the applicant's goods or services from those of other parties. Marks that are merely descriptive, substantially identical or deceptively similar to an existing registered trade mark in the same or similar classes will be rejected for registration unless there is evidence providing that the mark has acquired distinctiveness through prior use.

(d) If the abovementioned issues are not identified in a trade mark application, the application will be accepted and advertised for opposition by third parties. If no successful oppositions are lodged, the trade mark will proceed to registration.

(e) Registration of a trade mark:

(i) does not guarantee its enforceability. Third parties may challenge the validity of a trade mark on a number of grounds, including non-use of the mark. This is discussed further at section 4.2.

(ii) does provide the owner of the mark with a defence to infringement of another registered trade mark. However, the defence does not protect against proceedings for the tort of passing off or for breaches of the consumer law prohibition on misleading and deceptive conduct.

(f) Trade marks are registered for an initial period of 10 years, and can then be renewed for 10 year periods indefinitely.

(g) Similar to patents, trade marks are registered and protected on a territory basis, but protection of a trade mark in multiple territories can be streamlined through filing of an international trade mark application under the Madrid Protocol. Under the Protocol, an application filed at the IP office of a participating jurisdiction can be used as the basis for an international application designating any other participating jurisdictions. The application will be registered in each designated territory, assuming that the objection and opposition phases are overcome.

(h) The Paris Convention discussed at subsection 3.1(h) also applies to trade marks. An applicant who applies for a trade mark in a member state of the Paris Convention can claim the filing date of that application as the priority date for further trade mark applications it files in other member states of the convention, provided that the further applications are filed within 6 months of the initial application. This claim for priority is available for Madrid Protocol applications and direct applications filed in countries which are members to the Paris Convention.

3.3 Copyright

(a) Copyright protects the original expression of ideas which can come in the form of literary, dramatic, musical and artistic works, cinematograph films, sound recordings, broadcasts and published editions. Computer programs and software are considered literary works capable of protection by copyright.

(b) Rights of the copyright owner will depend on the type of work or subject matter protected. Generally, an owner of copyright in a literary, dramatic or musical work has exclusive rights to reproduce the work in a material form,

For personal use only

publish it, perform it in public, communicate it to the public and make an adaptation of it. An owner of copyright in an artistic work has similar reproduction, publication and communication rights, but does not have equivalent rights to perform in public or make an adaptation.

(c) A copyright owner also has the right to authorise use of its copyright, or assign the copyright to third parties. Use of the copyrighted work without permission of the owner constitutes copyright infringement.

(d) In order for copyright to arise, the work involved must be 'original'. This does not require the work to be novel, but merely the author's original work, not copied from elsewhere.

(e) Copyright in most territories arises and exists automatically from the moment the work is created. Some countries such as the United States have voluntary systems in which copyright can be registered, but it should be noted that registration does not give rise to copyright. It merely creates a public record of ownership which can assist in legal claims. There is no copyright registration system in Australia.

(f) Internationally, copyright protection and treatment is made consistent through the Berne Convention for the Protection of Literary and Artistic Works 1886. Under this convention, each member state must afford national treatment to copyright works originating in other member countries. Most major nations including Australia, the United States, Canada and Sweden are parties to this Convention. This means that a literary or artistic work originating in one of these countries will be protected in another of these countries, in the manner provided for by their laws. Accordingly, if an Australian work is infringed in the United States, the copyright owner is entitled to initiate infringement proceedings in the United States and receive legal remedies upon infringement as with any copyright owner of the United States.

3.4 Trade Secrets

(a) Generally, any confidential information that is commercially valuable and gives a business a competitive edge may be considered a trade secret. This includes technical information, such as information concerning manufacturing processes, software algorithms, financial information and commercial information such as distribution methods, list of suppliers and details of clients.

(b) Trade secrets can be protected in a number of ways, including the following:

(i) taking active steps within the organisation to ensure that trade secrets and know-how are treated and managed as highly confidential information;

(ii) maintaining a database to document, record and manage the storage, transfer and release of such information; and

(iii) entering into contractual arrangements with employees, potential collaborators, partners and other third parties which impose confidentiality obligations and restrict use of the information. Unauthorised acquisition, use or disclosure of trade secrets is then regarded as breach of contract.

For personal use only

(c) To be eligible for registration, the trade mark must be capable of distinguishing the applicant's goods or services from those of other parties. Marks that are merely descriptive, substantially identical or deceptively similar to an existing registered trade mark in the same or similar classes will be rejected for registration unless there is evidence providing that the mark has acquired distinctiveness through prior use.

(d) If the abovementioned issues are not identified in a trade mark application, the application will be accepted and advertised for opposition by third parties. If no successful oppositions are lodged, the trade mark will proceed to registration.

(e) Registration of a trade mark:

(i) does not guarantee its enforceability. Third parties may challenge the validity of a trade mark on a number of grounds, including non-use of the mark. This is discussed further at section 4.2.

(ii) does provide the owner of the mark with a defence to infringement of another registered trade mark. However, the defence does not protect against proceedings for the tort of passing off or for breaches of the consumer law prohibition on misleading and deceptive conduct.

(f) Trade marks are registered for an initial period of 10 years, and can then be renewed for 10 year periods indefinitely.

(g) Similar to patents, trade marks are registered and protected on a territory basis, but protection of a trade mark in multiple territories can be streamlined through filing of an international trade mark application under the Madrid Protocol. Under the Protocol, an application filed at the IP office of a participating jurisdiction can be used as the basis for an international application designating any other participating jurisdictions. The application will be registered in each designated territory, assuming that the objection and opposition phases are overcome.

(h) The Paris Convention discussed at subsection 3.1(h) also applies to trade marks. An applicant who applies for a trade mark in a member state of the Paris Convention can claim the filing date of that application as the priority date for further trade mark applications it files in other member states of the convention, provided that the further applications are filed within 6 months of the initial application. This claim for priority is available for Madrid Protocol applications and direct applications filed in countries which are members to the Paris Convention.

3.3 Copyright

(a) Copyright protects the original expression of ideas which can come in the form of literary, dramatic, musical and artistic works, cinematograph films, sound recordings, broadcasts and published editions. Computer programs and software are considered literary works capable of protection by copyright.

(b) Rights of the copyright owner will depend on the type of work or subject matter protected. Generally, an owner of copyright in a literary, dramatic or musical work has exclusive rights to reproduce the work in a material form,

For personal use only

publish it, perform it in public, communicate it to the public and make an adaptation of it. An owner of copyright in an artistic work has similar reproduction, publication and communication rights, but does not have equivalent rights to perform in public or make an adaptation.

(c) A copyright owner also has the right to authorise use of its copyright, or assign the copyright to third parties. Use of the copyrighted work without permission of the owner constitutes copyright infringement.

(d) In order for copyright to arise, the work involved must be 'original'. This does not require the work to be novel, but merely the author's original work, not copied from elsewhere.

(e) Copyright in most territories arises and exists automatically from the moment the work is created. Some countries such as the United States have voluntary systems in which copyright can be registered, but it should be noted that registration does not give rise to copyright. It merely creates a public record of ownership which can assist in legal claims. There is no copyright registration system in Australia.

(f) Internationally, copyright protection and treatment is made consistent through the Berne Convention for the Protection of Literary and Artistic Works 1886. Under this convention, each member state must afford national treatment to copyright works originating in other member countries. Most major nations including Australia, the United States, Canada and Sweden are parties to this Convention. This means that a literary or artistic work originating in one of these countries will be protected in another of these countries, in the manner provided for by their laws. Accordingly, if an Australian work is infringed in the United States, the copyright owner is entitled to initiate infringement proceedings in the United States and receive legal remedies upon infringement as with any copyright owner of the United States.

3.4 Trade Secrets

(a) Generally, any confidential information that is commercially valuable and gives a business a competitive edge may be considered a trade secret. This includes technical information, such as information concerning manufacturing processes, software algorithms, financial information and commercial information such as distribution methods, list of suppliers and details of clients.

(b) Trade secrets can be protected in a number of ways, including the following:

(i) taking active steps within the organisation to ensure that trade secrets and know-how are treated and managed as highly confidential information;

(ii) maintaining a database to document, record and manage the storage, transfer and release of such information; and

(iii) entering into contractual arrangements with employees, potential collaborators, partners and other third parties which impose confidentiality obligations and restrict use of the information. Unauthorised acquisition, use or disclosure of trade secrets is then regarded as breach of contract.

For personal use only

4. Overview of Intellectual Property Entitlement and Ownership

4.1 Patents

(a) In Australia, a patent for an invention may only be granted to a person who:

(i) is the inventor;

(ii) would on grant of the patent for the invention, be entitled to have the patent assigned to him or her; or

(iii) derives title to the invention from any one of the aforementioned persons.

(b) The inventor is the primary party from whom the persons mentioned above at subsections 4.1(a)(ii) and 4.1(a)(iii) will derive their title to the patent.

(c) Although not expressly defined under Australian law, an inventor is generally accepted to be a person that has contributed materially to the concept of the invention.

(d) Parties seeking to claim entitlement or ownership of a patent, or a patentable invention must be able to demonstrate a proper transfer of rights to the patent or invention from the inventor. This is usually established through contractual arrangements between the parties.

(e) In Australia and most other countries, if the invention was developed by an employee in performance of his or her employment contract, the invention and associated patent rights will belong to the employer. This position is usually reinforced and expressly provided for in the employee's employment contract.

(f) If the invention was developed by a third party contractor, the general rule is that the invention and related patent rights will be owned by the contractor, unless the contract dictates otherwise.

(g) In Australia, an assignment of a legal interest in a patent must be in writing, signed by or on behalf of the assignor and assignee.

4.2 Trade Marks

(a) Parties are generally eligible to seek trade mark registration provided that they are using or intend to use, or have authorised, or intend to authorise use of the trade mark in relation to the goods and/or services covered in the application.

(b) Registered trade marks that have not been used by their owners or authorised users may be vulnerable to removal.

(c) In Australia, a registered trade mark can be subject to a removal application on the basis of non-use if it can be established that the owner:

(i) did not intend to use the mark when it was applied for, and there has in fact been no real commercial use of the mark; or

(ii) there has not such use of the trade mark for a continuous period of at least three years, prior to filing of the removal application.

(d) Where the trade mark is wholly used by an authorised user (ie licensee) but not by its owner, Australian authorities indicate that the mark may still be vulnerable to removal unless it can be demonstrated that the trade mark owner exercises control over the licensee's use of the mark.

(e) Assignments of trade marks are generally required to be evidenced in writing. For example, IP Australia requires a document that establishes the new owner's title to the mark before it records the change of ownership of the mark on the register.

4.3 Copyright

(a) Copyright in a work will be owned by the owner of that work, unless the author undertook the work in the conduct of their employment, in which case copyright will be owned by his or her employer, or ownership of the copyright has been assigned in writing.

For personal use only

For personal use only

5. Orexplore's IP

We conducted searches of patent and trade mark databases administered by WIPO and various IP offices in territories considered of importance to Orexplore, such as Australia, Sweden, the European Union and the United States, and further brief searches for miscellaneous rights that Orexplore may hold with respect to copyright, business names,[1] domain names and social media. Our findings and brief comments in this regard are set out below.

5.1 Patents

Territory	Number	Applicant	Filing Date	Status	Notes
Apparatus and method for X-ray fluorescence analysis of a mineral sample					
Australia	2009211833	Orexplore AB	2 February 2009	Granted (15 July 2013)	Linked to PCT Number: PCT/EP2009/000656 Renewal deadline: 2 February 2022
Canada	2713383	Orexplore AB	2 February 2009	Granted (5 April 2016)	Linked to PCT Number: PCT/EP2009/000656 Renewal deadline: 2 February 2022
European Patent Office	08151006	Orexplore AB	4 February 2008	Granted (22 December 2010)	Basis for filing PCT Number: PCT/EP2018/052820

1 Business name searches were conducted exclusively on the Australian Securities & Investments Commission (**ASIC**) Register.

Territory	Number	Applicant	Filing Date	Status	Notes
					Protected in Spain, Finland, France, United Kingdom, Italy, Germany and Sweden Renewal deadline 28 February 2022
Russia	2010136936/28	Orexplore AB	2 February 2009	Granted (20 November 2013)	Linked to PCT Number: PCT/EP2009/000656 Renewal deadline: 2 February 2022
South Africa	201004649	Orexplore AB	2 February 2009	Granted (28 September 2011)	Linked to PCT Number: PCT/EP2009/000656 Renewal deadline: 2 February 2022
United States	12/735,425	Orexplore AB	2 February 2009	Granted (20 August 2013)	Linked to PCT Number: PCT/EP2009/000656 Renewal deadline: 20 February 2025
A sample holder for holding a drill core sample or drill cuttings, an apparatus and system comprising the holder					
Australia	2018215243	Orexplore AB	5 February 2018	Pending	Linked to PCT Number: PCT/EP2018/052820 Renewal deadline: 5 February 2022

Doc ID 892426593/v2

For personal use only

For personal use only

Territory	Number	Applicant	Filing Date	Status	Notes
Canada	3052526	Orexplore AB	5 February 2018	Pending	Linked to PCT Number: PCT/EP2018/052820 Renewal deadline: 5 February 2022
European Patent Office	18704202	Orexplore AB	5 February 2018	Pending	Linked to PCT Number: PCT/EP2018/052820 Protection sought in a number of territories, including Austria, Switzerland, Germany, France, Finland, Norway, Bosnia and Herzegovina Renewal deadline: 28 February 2022
Russia	2019127142	Orexplore AB	5 February 2018	Granted	Linked to PCT Number: PCT/EP2018/052820 Renewal deadline: 5 February 2022
South Africa	2019/05755	Orexplore AB	5 February 2018	Pending	Linked to PCT Number: PCT/EP2018/052820 Renewal deadline: 5 February 2022
Sweden	SE 1750098-4	Orexplore AB	6 February 2017	Granted (21 August 2018)	Basis for filing PCT Number: PCT/EP2018/052820

Territory	Number	Applicant	Filing Date	Status	Notes
					Renewal deadline: 28 February 2022
United States	16/483,926	Orexplore AB	5 February 2018	Pending	Linked to PCT Number: PCT/EP2018/052820 No renewal required until grant of patent
Density analysis of geological sample					
Sweden	SE 1850954-7	Orexplore AB	3 August 2018	Granted (13 April 2021)	Basis for filing PCT Number: PCT/SE2019/050703 Renewal deadline: 31 August 2022
Australia	2019313201	Orexplore AB	18 July 2019	Pending	Linked to PCT Number: PCT/SE2019/050703 Renewal deadline: 18 July 2023
Brazil	BR 11 2021 001865 4	Orexplore AB	18 July 2019	Pending	Linked to PCT Number: PCT/SE2019/050703 Renewal deadline: 18 July 2022
Canada	3108479	Orexplore AB	18 July 2019	Pending	Linked to PCT Number: PCT/SE2019/050703 Renewal deadline: 18 July 2022

Doc ID 892426593/v2

For personal use only

For personal use only

Territory	Number	Applicant	Filing Date	Status	Notes
European Patent Office	19745802.9	Orexplore AB	18 July 2019	Pending	Linked to PCT Number: PCT/SE2019/050703 Renewal deadline: 31 July 2022
Russia	2021104578	Orexplore AB	18 July 2019	Pending	Linked to PCT Number: PCT/SE2019/050703 No renewal required until grant of patent
South Africa	2021/01064	Orexplore AB	18 July 2019	Pending	Linked to PCT Number: PCT/SE2019/050703 Renewal deadline: 18 July 2022
United States	17/264 236	Orexplore AB	18 July 2019	Pending	Linked to PCT Number: PCT/SE2019/050703 No renewal required until grant of patent
Application of X-ray analysis for examination of mineral samples					
Sweden	SE 1330013-2	Orexplore AB	6 March 2013	Granted (28 April 2015)	Renewal deadline: 31 March 2022

(a) Our review confirms that all patent applications and registrations are presently in the name of Orexplore AB.

(b) Applications for the above patents, except for those within the patent family of '*Apparatus and method for X-ray fluorescence analysis of a mineral sample*', were filed in the name of Orexplore AB.

(c) Applications for '*Apparatus and method for X-ray fluorescence analysis of a mineral sample*' were filed in the name of the inventors, Fredrik Danielsson, Ragnar Kullenberg, Erik Oden and Anders Ullberg, but were subsequently assigned to Orexplore AB. We have been provided with an agreement confirming the assignment of European Patent No. 08151006 from the inventors to Orexplore AB on 21 September 2010. We understand that similar documentary evidence of the assignment have been provided to other patent offices where such evidence was required.

(d) For completeness, we note that we have also identified the following international patent application which we understand to have lapsed and is not protected in any territory:

(i) PCT Application Number 2009211833 '*Apparatus and method for x-ray transmission analysis of a mineral or electronic waste sample*' filed on 28 October 2013 in the name of Orexplore AB.

5.2 Trade Marks

Territory	Number	Mark	Owner	Classes	Status	Notes
Australia	1519691	OreXplore	Orexplore AB	7, 9, 42	Registered	Renewal deadline: 12 Oct 2022
Canada	1853463	OREXPLORE	Orexplore AB	9, 42	Registered	Claimed priority from EU Trade Mark Number 016709181. Renewal deadline: 5 June 2034
European Union	016709181	OREXPLORE	Orexplore AB	9, 42	Registered	Renewal deadline: 12 May 2027

For personal use only

Territory	Number	Mark	Owner	Classes	Status	Notes
United Kingdom	UK00916709181	OREXPLORE	Orexplore AB	9, 42	Registered	12 May 2027
Sweden	415873	Orexplore	Orexplore AB	9, 42	Expired	Renewal deadline: 21 January 2021 Registration not renewed Now covered by EU TM No. 016709181 (see above)
United States	5457681	OREXPLORE	Orexplore AB	9, 42	Registered	Claimed priority from EU Trade Mark Number 016709181. Renewal deadline: 1 May 2028
Australia	1912476	OREXPLORE INSIGHT	Orexplore AB	9	Registered	Claimed priority from EU Trade Mark Number 017779992. Renewal deadline: 9 March 2028
Canada	1060174	OREXPLORE INSIGHT	Orexplore AB	9	Registered	Claimed priority from EU Trade Mark Number 017779992. Renewal deadline: 23 October 2029

Doc ID 892426593/v2

For personal use only

Territory	Number	Mark	Owner	Classes	Status	Notes
European Union	017779992	OREXPLORE INSIGHT	Orexplore AB	9	Registered	Renewal deadline: 6 February 2028
United Kingdom	UK00917779992	OREXPLORE INSIGHT	Orexplore AB	9	Registered	Renewal deadline: 6 February 2028
United States	5764862	OREXPLORE INSIGHT	Orexplore AB	9	Registered	Claimed priority from EU Trade Mark Number 017779992. Renewal deadline: 28 May 2029
Australia	2047920	VIRTUAL CORE FARM	Orexplore AB	9, 42	Registered	Linked to International Trade Mark Number 1495438. Renewal deadline: 27 August 2029
Canada	1993479	VIRTUAL CORE FARM	Orexplore AB	9, 42	Pending	Linked to International Trade Mark Number 1495438.Approved, awaiting advertisement
European Union	018062619	VIRTUAL CORE FARM	Orexplore AB	9, 42	Registered	Used as basis for International Trade Mark Number 1495438. Renewal deadline: 9 May 2029

Doc ID 892426593/v2

For personal use only

For personal use only

Territory	Number	Mark	Owner	Classes	Status	Notes
United Kingdom	UK00918062619	VIRTUAL CORE FARM	Orexplore AB	9, 42	Registered	Renewal deadline: 9 May 2029
United States	6044730	VIRTUAL CORE FARM	Orexplore AB	9, 42	Registered	Linked to International Trade Mark Number 1495438. Renewal deadline: 27 August 2029
European Union	018435294	GeoCore X10	Orexplore AB		Registered	Used as basis for International Trade Mark Number 1607566 Renewal deadline: 24 March 2031
Australia	2202027	GeoCore X10	Orexplore AB		Pending	Linked to International Trade Mark Number 1607566 Accepted, advertised
Canada	2126755	GeoCore X10	Orexplore AB		Pending	Linked to International Trade Mark Number 1607566 Awaiting examination
United Kingdom	WO0000001607566	GeoCore X10	Orexplore AB		Pending	Linked to International Trade Mark Number 1607566 Awaiting examination

Doc ID 892426593/v2

Territory	Number	Mark	Owner	Classes	Status	Notes
USA	79317957	GeoCore X10	Orexplore AB		Pending	Linked to International Trade Mark Number 1607566 Awaiting examination

(a) Our review confirms that all trade mark applications and registrations are presently in the name of Orexplore AB.

5.3 Copyright

(a) Our searches have identified two primary copyright assets relevant to Orexplore, being the Orexplore Insight proprietary software and the Orexplore website.

(b) We confirm that Orexplore owns the copyright associated with its website and contents, and this is reflected through use of the © symbol at the footer of the website. The software, documentation, template and customised solutions and designs underlying the website, including the associated object code and source code, are licensed to Orexplore by website developer, The Generation AB.

(c) We also confirm that copyright in Orexplore software, including the Orexplore Insight software is owned by Orexplore, having been developed by Orexplore employees in the course of their employment. The developed software, including algorithms and underlying source codes constitute trade secrets and confidential know-how, which is documented and protected by Orexplore through a number of steps including those discussed above at subsection 3.4(b).

5.4 Business Names

(a) In Australia, where a company does not use its full corporate name in the course of trade, the corresponding business name should be registered. We confirm that the 'OREXPLORE' business name is registered by Orexplore Australia Pty Ltd which is the trading entity in Australia, and this is reflected in ASIC's database.

For personal use only

For personal use only

5.5 Domain Names

Domain Name	Registrant	Comments
orexplore.com	Orexplore AB	Registrant is a subsidiary of Orexplore Technologies Limited. We confirm that the website at this address is the main website for the Orexplore business.
orexplore.net	Orexplore Australia Pty Ltd	Registrant is a subsidiary of Orexplore Technologies Limited. Website at this address redirects to orexplore.com.
orexplore.com.au	Orexplore Australia Pty Ltd	Registrant is a subsidiary of Orexplore Technologies Limited. Website at this address redirects to orexplore.com.
orexplore.net.au	Orexplore Australia Pty Ltd	Registrant is a subsidiary of Orexplore Technologies Limited. Website at this address redirects to orexplore.com.
orexplore.ca	Orexplore Australia Pty Ltd	Registrant is a subsidiary of Orexplore Technologies Limited. Website at this address redirects to orexplore.com.
orexplore.eu	Orexplore Australia Pty Ltd	Registrant is a subsidiary of Orexplore Technologies Limited.

Domain Name	Registrant	Comments
		Website at this address redirects to orexplore.com.
orexplore.se	Orexplore AB	Registrant is a subsidiary of Orexplore Technologies Limited. Domain name resolves to a website administered by Orexplore AB.

5.6 Social Media

Platform	Link	Comments
LinkedIn	https://www.linkedin.com/company/orexplore-ab/	1,183 people follow this page
Instagram	https://www.instagram.com/orexplore/	41 people follow this page

For personal use only

6. Disclaimers and Consent

(a) In preparing this Report, we have relied upon information contained in relevant publicly searchable databases/registers and summary reports provided by Orexplore's filing attorneys. We are not responsible for, and have not independently verified, the accuracy of the information in those databases/registers and attorney reports. Accordingly, we cannot guarantee the veracity of those databases and reports, or the information contained within them.

(b) HWL Ebsworth was not involved in the preparation, filing or prosecution of the patent applications leading to the grant of the patents described in this Report.

(c) This Report does not provide any comment on the validity of any intellectual property, including granted patents, pending patent applications or registered trade marks. This Report also does not provide any comment on the likelihood of infringement of third party rights in the event of commercial exploitation of any of the rights identified in Section 5 above.

(d) Consent for the inclusion of this Report in the form and context in which it now appears in a Prospectus to be issued by Orexplore Technologies Limited has been granted by HWL Ebsworth and has not been revoked, as at the date of this Report.

Yours faithfully

Luke Dale
Partner
HWL Ebsworth Lawyers

+61 8 8205 0580
lcdale@hwle.com.au

For personal use only

Independent Technical Report on the available global drilling market for Orexplore Technologies Limited

Annexure C

For personal use only

MinEx Consulting Pty Ltd
Strategic advice on mineral economics & exploration

49 Surrey Road
South Yarra
Victoria 3141
AUSTRALIA

+61 41 8909 769
Richard@MinExConsulting.com
www.MinExConsulting.com
ABN 68 135 194 357

INDEPENDENT TECHNICAL REPORT

On the available global drilling market for Orexplore Technologies Limited

October 2021

This independent expert's report was prepared by Richard Schodde, Managing Director of MinEx Consulting Pty Ltd for Orexplore Technologies Limited, for inclusion in its demerger Prospectus.

Executive Summary

This report provides data on the recent trends and outlook for exploration, projects and mine-site drilling in the World broken down by stage, commodity and region. This was used to forecast the likely market available for Orexplore Technologies Limited's ("Orexplore") scanning technology over the next decade.

The three main market segments for drilling are:

- Early-Stage Exploration (searching for new discoveries)
- New Projects (focused on in-fill drilling and resource delineation on recent discoveries)
- Mine-Sites (focused on extensional drilling and resource-to-reserve conversion)

Notwithstanding disruptions from COVID-19, the outlook for exploration and mining over the next decade is very positive. Global exploration expenditures are set to rise from $12.8b in calendar year 2021 to $14.3b (in constant June 2021 US Dollars) by 2030. This translates into an increase in drilling activity (for both exploration, new projects and mining) from 146 to 180 million metres p.a. over the same period.

The above figure includes both core and non-core drilling. Orexplore's scanning technology is currently suitable for drill core less than 48 mm in diameter (i.e. NQ-size, or less). In 2021 core-drilling accounted for around 69% of all drilling; of this 54% is NQ-sized or less.

MinEx Consulting estimates that the current global market for <=NQ-sized drill core to be around 54 million metres in calendar year 2021. This is set to rise (under the Base Case commodity price scenario) by 32% to 71 million metres in 2030. Alternate High and Low scenarios indicate an available market for <=NQ-sized core of 65 to 79 million metres respectively in 2030.

For personal use only

Background information on the author

Richard Schodde has over 35 years of experience in a wide variety of project analysis, business development and strategic planning roles within the international resources industry.

In 2008 Richard founded MinEx Consulting to provide strategic and economic advice to industry and government. His main focus is on the economics of mineral exploration. His client base covers over 100 companies (both Major and Junior), investment groups and Government Agencies across 18 countries.

Richard has published several dozen papers on exploration performance and is internationally recognised by his peers as a world leader in mineral economics. In recognition of this, in for three years running (2015, 2016 and 2017) the *Mining Journal* nominated him as one of the top 20 power people in world mining, due to his influence on strategy and policy in the exploration sector.

Richard holds an Honours Degree in Materials Engineering and an MBA. He serves on the Editorial Board of the Journal of Resources Policy, the organising committees for the AusIMM and the Melbourne Mining Club. He is also a member of the SEG and PDAC, and is an Adjunct Professor at the Centre of Exploration Targeting at the University of Western Australia.

Warranties and legal liabilities

While MinEx Consulting has exercised due care in collecting, processing and reporting the information, it gives no express or implied warranties regarding its use.

All opinions contained in the report are those of the author and may not necessarily reflect those held by Orexplore.

Copyright © 2021 MinEx Consulting Pty Ltd.

Contact Details

MinEx Consulting Pty Ltd, 49 Surrey Rd, South Yarra 3141, Australia
phone: +61 418909769

For personal use only

1 BACKGROUND

OVERALL APPROACH

The forecast is largely quantitively derived, based on existing proprietary datasets compiled by MinEx Consulting and other sources. The analysis also included qualitative market research interviews with potential end-users – to provide verification of the modelling assumptions and to assess the proportion of the overall drilling market applicable to Orexplore.

Based on interviews with Orexplore's management and current and potential users, MinEx has set the available markets for Orexplore's scanning technology to be:

- Limited to NQ (or smaller) drill core, as the technology is currently unable to scan core thicker than NQ size (48 mm in diameter)

It should be emphasised that the forecasts made in this report refer to the market for <=NQ-sized drill core, meaning AQ, BQ and NQ sizes. The actual sales level realized by Orexplore will be influenced by:

- Scanning costs;
- The willingness of user to evaluate and adopt the new technology;
- The level and effectiveness of Orexplore's marketing efforts;
- Availability of test equipment and associated technical staff to do the scans;
- Which markets Orexplore elects to enter first;
- Concerns over the need to protect Orexplore's intellectual property (which may limit which countries Orexplore elects to operate in); and
- The type of product/service offered (i.e. provide local testing facilities, sell/lease the equipment to users and/or provide value-added consulting and advisory services).

These commercial considerations and the rate/level of market penetration will be set by Orexplore's management; and have not been considered by MinEx Consulting in any way.

MARKET SEGMENTATION

The forecast is broken into three market segments, based on the development stage of the mineral deposit upon which the drilling occurs:

1. **Mine-site:** This includes drilling that occurs on operating mine-sites with the aim of supporting and sustaining the existing mining operations. This includes extensional drilling and drilling to convert "resources-to-reserves". The former involves drilling down-dip and along strike to extend the size of the deposit being mined. The latter involves drilling to upgrade Resources (from Inferred to Indicated to Measured status) and to convert Resources into Proven & Probable Reserves. In industry parlance both activities are generally referred to as '*mine-site*' drilling.

2. **Exploration:** This includes drilling with the aim of discovering new mineral deposits, or finding extensions to existing undeveloped deposits. It includes both *'brownfield'* and *'greenfield'* exploration. The former involves looking for satellite deposits that could feed into a nearby existing operation; and the latter involves exploring in areas

For personal use only

where there are currently no active mines (though other mineral deposits may or may not have been discovered nearby).

While, at any one time, several thousand exploration projects are undertaken around the World, the amount of drilling on any given project is relatively modest (at most, only a few thousand metres drilled in a series of modest campaigns spread over several years). Depending on target and the location, much of the drilling may be low-cost non-core drilling (such as Auger, RAB or RC drilling).

In practice, some companies include *'brownfield'* exploration as part of their mine-site activities (see category 1 above).

3. **New projects:** This covers those activities that occur after the deposit is discovered. This involves a series of campaigns of intensive drilling (often several tens of thousands of metres) to delineate the size, grade and geometry of the ore body, as well as its associated geotechnical and metallurgical characteristics (required to determine how easy it is to mine and process the ore). After completing drilling, the Company is in a position to publish a Resource figure and carry-out scoping and feasibility studies to assess the economic viability of the project.

ASSUMPTIONS AND LIMITATIONS

The study assesses total metres drilled on mineral exploration projects and at the mine-site (with the latter associated with the conversion of Resources into Reserves).

For purposes of this study, mine-site drilling excludes the market for drilling blast holes, water wells, geotechnical holes, underground mine development, raise bores and ventilation shafts.

Unless otherwise specified, all expenditure data is reported in constant June 2021 US Dollars.

For each market segment, estimates were made of the level of historic drilling for the period 2000 to 2020. From this, three sets of forecasts (Low-, High- and Base Case) were made covering the period 2021 to 2030. All years throughout this report are calendar years (January to December) and not financial year ends.

The forecasts incorporated MinEx Consulting's best estimates (as at October 2021) of the likely impact of COVID-19 on the global mining and exploration industry. While the pandemic has adversely affected the overall demand for metals, the associated disruptions to supply has meant that commodity prices have remained strong – especially for gold. In terms of exploration, the main impact of the pandemic has been the restrictions placed on travel – both at the national and, more particularly, the international level. This resulted in many exploration companies and drilling contractors modifying or temporarily suspending their work programs in 2020. Due to the heavy reliance on skilled expatriate workers, the impact has been most felt in developing countries. At the time of writing, less than 5% of Africa's population are vaccinated. Based on available data, the consequence appears to be that drilling activities in developing countries will continue to be affected / delayed. The effect is less pronounced in countries with strong locally-available expertise and good health services - such as Canada, United States, Australia and Western Europe.

For personal use only

AVAILABLE DRILLING MARKET FOR OREXPLORE

MinEx estimates the adverse impact on global exploration expenditures and associated drilling at around -10% in 2020. Mining operations were less affected. Given the above, the drilling market has recovered much of its ground in 2021 year to date.

MinEx's Base Case scenario assumes that global expenditures and drilling will revert to the long-term trend-line from 2023 onwards.

GENERAL METHODOLOGY

A bottom-up approach was used to determine the forecast amount of drilling for each of the three market segments (mine-site, exploration and new projects). This involved assessing the drilling method (core and non-core), mining method (underground and open pit) and the target commodity (nine different types) in 12 regions around the World.

The nine commodities assessed were:

- Gold
- Copper
- Zinc/Lead
- Nickel Sulphide
- Nickel Laterite
- Uranium
- Coal
- Iron Ore
- Other

The 12 regions assessed were:

- Australia
- Canada
- USA
- Latin America
- West Africa
- Rest of Africa
- Pacific / SE Asia
- Western Europe
- Eastern Europe
- Former Soviet Union
- China
- Rest of World

DATA SOURCES

Information on the discovery history of the minerals industry is derived from MinEx's database of over 58,000 deposits worldwide. The underlying data has been compiled from a wide range of sources - including documents published by the companies themselves, government agencies, trade and technical journals, industry databases, and MinEx's own internal files.

Data on exploration expenditures and metres drilled were also compiled by MinEx from a wide range of sources. In order of priority these included the official statistics reported by government agencies[1], historical reviews by leading researchers, industry surveys (most notably the *"Corporate Exploration Strategies"* published annually by S&P Global Market Intelligence[2], published company data and finally MinEx's own internal files and estimates.

It should be noted that, as a general rule, industry data on exploration expenditures and metres drilled excludes activities associated with mine-site extensional drilling or resource-to-reserve

[1] Namely, the Australian Bureau of Statistics (ABS), Natural Resources Canada (NRCan), the Ministry of Natural Resources (MNR) for China, and the International Atomic Energy Agency (IAEA) for uranium.

[2] Source: https://www.spglobal.com/marketintelligence; requires a paid subscription.

conversion drilling. However, they do include resource delineation drilling on new projects and associated expenditures on scoping and feasibility studies. Because of the importance of mine-site drilling, MinEx made its own estimates of the total metres drilled on-site.

ACCURACY

The analysis draws on data from a wide range of disparate sources. While every effort has been made to ensure that the data is accurate, the quality/reliability can differ between regions and over time. In order to develop a full picture of the global industry MinEx made estimates of the likely expenditures and drilling activities. These were based on extrapolating known data. How this was done is discussed in detail in following Chapters.

Given the above, MinEx estimates that the global historical numbers reported in this study are accurate to +/-10%, and forecasts are accurate to +/-20%.

DEFINITIONS

Appendix A outlines the definitions used for drilling method, project stage, deposit size and discovery date.

For personal use only

For personal use only

2 MINE-SITE DRILLING MARKET

METHODOLOGY

The market for mine-site drilling was determined by estimating the drilling intensity (to extend the mine and convert Resources into Reserves) per unit of ore mined to sustain production. This varies by size of the mine, the mining method used and the commodity type.

Using information sourced from S&P Global Market Intelligence, data was compiled on the historic and forecast production (as measured in terms of ore tonnes & grade and recovered metal) for 8,229 mines and projects around the World that operated (or could operate) over the period 2000-2030. Based on production data from the US Geological Survey[3] and other sources it is estimated that the database captured 70-90% of the total metal output for the various nominated commodities over that period. This was then used to estimate the weighted average amount of ore mined per individual open pit and underground operation for each commodity in each of the 12 regions with adjustments for differences in sizes. The results were then adjusted on a pro-rata basis for any missing production forecasts, to come up with the associated overall amount of mine-site drilling required under the three different production forecasts.

Specific commodity related assumptions include:

1. For **all commodities except for coal**, the Base Case forecasts for each commodity were based on extrapolating the global production forecasts for 2021-26 as supplied by the Australian Government's Office of the Chief Economist[4]. MinEx arbitrarily assumes that the growth rate for the High- and Low-Cases will be 1% p.a. higher/lower than the Base Case.
2. For **copper**, the long-term compound growth rate post-2026 for the Base Case was set at 3.0% p.a., with a corresponding growth rate of 2.0% p.a. and 4.0% p.a. set for the for the Low- and High Cases respectively. Similar growth rates apply for the other commodities.
3. For **coal,** production forecasts (Low- High-, and Base-Case) were based on the 2019 projections (out to 2040) from the International Energy Agency[5].
4. For **gold**, the overall amount of mine-site drilling required was adjusted downwards in Africa, Latin America, Asia and China by 10-20% (depending on the Region) to compensate for production associated with artisanal and small-scale mines – as these informal operations do not use drilling services.

[3] Source: https://www.usgs.gov/centers/nmic/commodity-statistics-and-information

[4] As published in the *"Resources and Energy Quarterly"* from the Office of the Chief Economist, Department of Industry, Science, Energy and Resources, Australian Government, Canberra, March 2021 and June 2021. Source : https://www.industry.gov.au/data-and-publications/resources-and-energy-quarterly-all

[5] Specifically, their "Sustainable Development", "Stated Policies" and "Current Policies scenarios as described in "*World Energy Outlook 2019"*, International Energy Agency, Paris https://www.iea.org/reports/world-energy-outlook-2019

For personal use only

AVAILABLE DRILLING MARKET FOR OREXPLORE

Based on Orexplore's own statistics on mine-site drilling, along with detailed information from published Scoping Studies and Technical Reports for a representative sample of 132 mining projects, MinEx developed an algorithm for estimating the effect of commodity type, deposit size and mining method on the amount and type of drilling required to delineate the initial Resource and to convert these Resources into Reserves for subsequent mine development. The algorithm also quantified the likely percentage of core drilling that is NQ-size or smaller. As per Table 1, the percentage varies by commodity type, stage of development and mining method.

The percentages were adjusted-upwards for early-stage exploration (which tend to use smaller core to save on costs) and adjusted-downwards for mine-site drilling on open pits (which tend to use HQ core). Due to practical constraints in the size of drilling equipment that can be used underground, most underground mines mainly rely on <=NQ core[6]. As a general rule, larger diameter core is drilled using a surface-based rig.

Table 1: Estimated % of Core-Drilling that is <= NQ-size

Commodity	Early-Stage Exploration	Drill-out on New Projects	Resource-to-Reserve conversion at Mine-Site	
			U/G Mine	Open Pit Mine
Gold	60%	55%	90%	40%
Base Metals	45%	40%	90%	20%
Nickel Laterite	10%	5%	N/A	0%
Iron Ore	60%	55%	90%	20%
Coal	15%	10%	0%	0%
Uranium	30%	25%	90%	20%
Other	45%	40%	80%	30%

Source: Estimates by MinEx Consulting © October 2021

[6] The main exception to this rule were underground coal mines – where it is (conservatively) assumed that all core drilling is HQ or larger. This was on the basis that companies prefer to use large diameter core for carrying out pyrometallurgical tests.

For personal use only

RESULTS

Figure 1 shows the estimated and forecast amount of mine-site drilling by type for the World.

Figure 2 shows the estimated and forecast amount of mine-site core-drilling by mining method. It includes estimates for the amount of core that is <=NQ-size (NQ or smaller). As can be seen, due to physical access issues the majority of the core drilling in underground mines is <=NQ. The reverse applies for open pit mines, where most of the drilling is done from surface using larger diameter drill equipment.

Figure 3 shows that most of the <=NQ core drilling is focused on (underground) gold and base metals. Minimal <=NQ drilling is carried out at bulk mineral mines – this because most iron ore mines are open pit, and underground coal mines generally require large-diameter core for pyrometallurgical testing purposes.

Figure 4 shows the estimated and forecast amount of mine-site <=NQ core-drilling by region. In 2021 the estimated four largest markets were China (10.6 million metres), Latin America (5.3 million metres), Africa (4.8 million metres) and the Former Soviet Union (4.8 million metres). The Australian and Canadian markets were 3.9 and 2.4 million metres respectively.

Figure 5 summarises the historical and likely Global forecast demand for <=NQ core-drilling under the three nominated Cases. In the decade leading up to 2019, the amount of <=NQ core drilling at mine-site increased by 17%. After falling by 12% in 2020, demand (under the Base Case scenario) is set to rise by 32% from 36.6 million metres in 2021 to 48.5 million metres by 2030. Under the High- and Low-Case scenarios, Global drilling requirements for <=NQ core are forecast to rise by 38% and 27% respectively. A detailed breakdown by region is given in Table 2. The strongest growing region is Africa - projected to increase by 72% over the next decade.

For personal use only

Figure 1: Estimated historical and (Base Case) forecast demand for mine-site drilling by type for the World: 2000-2030

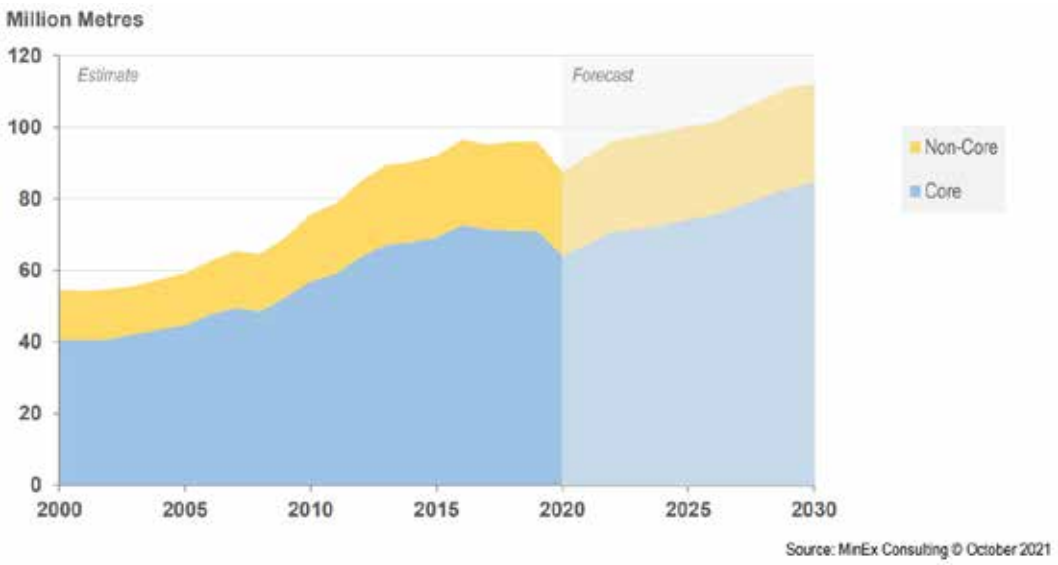
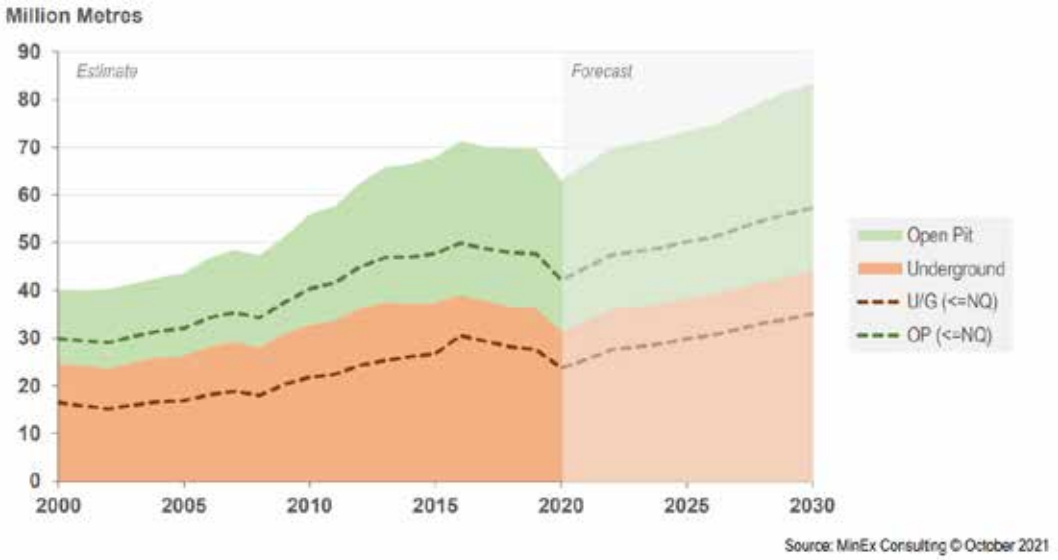


Figure 2: Estimated historical and (Base Case) forecast demand for mine-site core drilling by mining method for the World: 2000-2030



For personal use only

Figure 3: Estimated historical and (Base Case) forecast demand for mine-site <=NQ core drilling by commodity in the World: 2000-2030

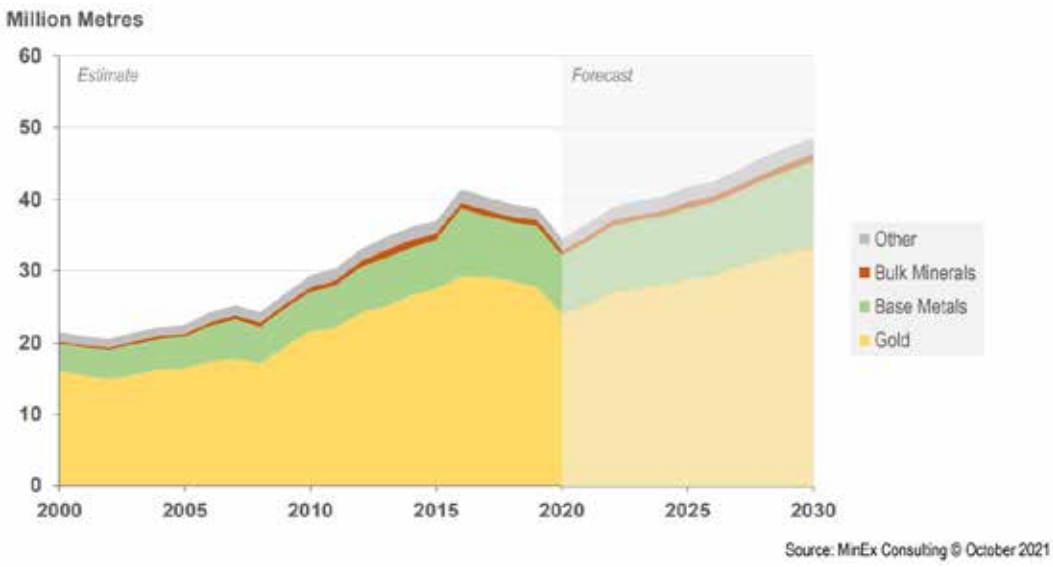
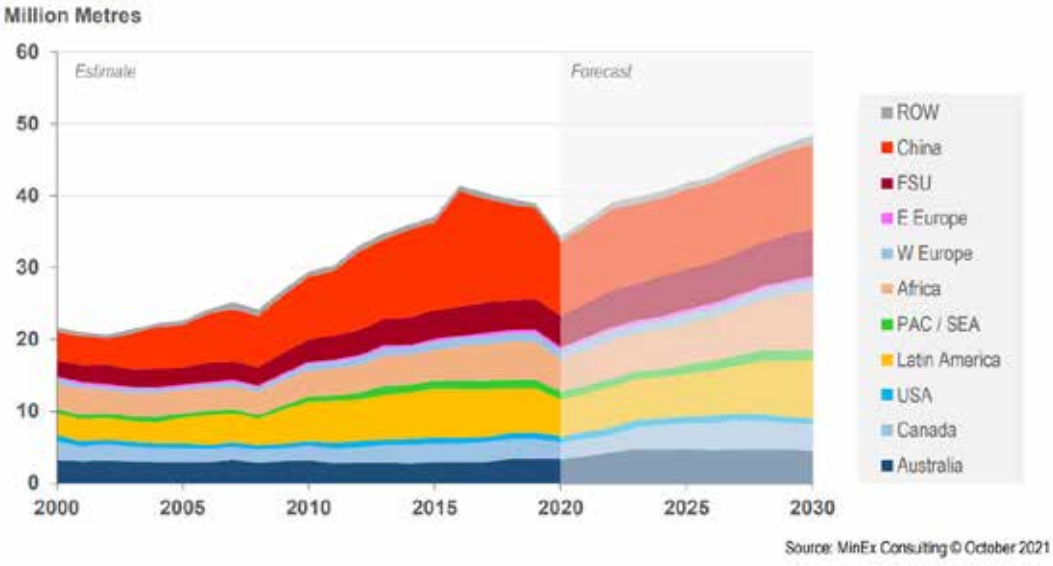


Figure 4: Estimated historical and (Base Case) forecast demand for mine-site <=NQ core drilling by Region: 2000-2030



For personal use only

Figure 5: Estimated historical and forecast demand for mine-site core drilling World: 2000-2030

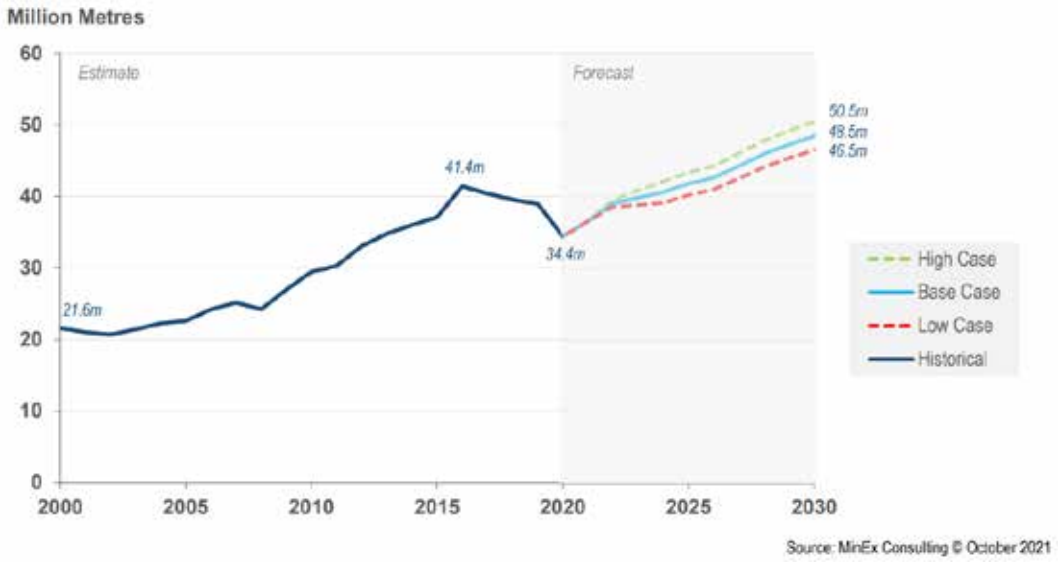


Table 2: Estimated historical and forecast mine-site core drilling: World: 2000-2030

	2010 Est	...	2015 Est	2020 Est	2021 Forecast >>	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-30 Growth
						(Million Metres)									
WORLD : Est Historical + Base Case Forecast															
All Drilling	75.7	...	96.0	87.7	91.8	96.1	97.6	98.7	100.4	101.2	104.9	107.9	111.2	112.1	22%
Core (ALL sizes)	57.0	...	71.1	64.3	67.4	70.7	71.8	72.8	74.4	76.5	78.2	80.7	83.1	84.8	26%
Core (<=NQ)	**29.4**	**...**	**38.9**	**34.4**	**36.6**	**39.1**	**39.9**	**40.6**	**41.8**	**42.7**	**44.3**	**46.0**	**47.3**	**48.5**	**33%**
Region : Est Historical + Base Case Forecast for <=NQ Core Drilling															
Australia	3.2	...	3.4	3.4	3.9	4.4	4.8	4.7	4.8	4.7	4.8	4.8	4.8	4.6	17%
Canada	2.0	...	2.8	2.3	2.4	2.5	3.1	3.5	3.6	3.8	4.2	4.0	3.7	3.8	55%
USA	0.6	...	0.8	0.9	0.9	1.0	1.0	0.9	1.0	1.0	0.9	0.9	0.8	0.8	-10%
Latin America	5.5	...	6.2	5.1	5.3	5.7	5.7	5.8	5.9	6.3	6.6	7.5	7.8	8.1	54%
Pacific / SE Asia	0.7	...	1.2	1.1	1.1	1.1	1.0	1.1	1.3	1.3	1.4	1.5	1.4	1.4	22%
Africa	3.7	...	5.3	4.5	4.8	5.2	5.3	5.5	5.8	6.0	6.5	7.0	7.8	8.3	72%
Western Europe	0.8	...	1.2	1.3	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	4%
Eastern Europe	0.3	...	0.5	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	6%
FSU	3.1	...	4.3	4.3	4.8	5.1	5.1	5.7	5.6	5.7	5.9	6.2	6.4	6.5	37%
China	6.7	...	12.6	10.3	10.0	11.2	11.1	10.7	11.1	10.9	11.3	11.3	11.0	11.8	17%
ROW	0.7	...	0.7	0.8	0.8	1.0	1.0	0.9	0.9	0.9	0.9	1.0	1.0	1.3	59%
World (<=NQ Core)	**29.4**	**...**	**38.9**	**34.4**	**36.6**	**39.1**	**39.9**	**40.6**	**41.8**	**42.7**	**44.3**	**46.0**	**47.3**	**48.5**	**33%**
World (<=NQ Core : High-Case Forecast)					36.6	39.6	40.9	42.2	43.4	44.3	46.0	47.8	49.2	50.5	38%
World (<=NQ Core : Low-Case Forecast)					36.6	38.6	38.9	39.1	40.2	41.3	42.6	44.2	45.4	46.5	27%

Source: MinEx Consulting © October 2021

For personal use only

3 EXPLORATION DRILLING MARKET

The business of exploration can be broken down into the following three key activities:

- **Project Generation**. This involves generating fresh ideas on where to find undiscovered mineral deposits. The outcome of this task is to identify a set of potential exploration targets and secure access to the ground. This doesn't require any drilling.
- **Early-Stage Exploration**. This involves fieldwork activities to collect data indicating the presence of mineralisation on the company's exploration tenements. The outcome of this task is to discover a mineral deposit. This generally involves drilling.
- **Late-Stage Exploration**. Once the deposit has been found, the next task is to determine the quality and size of the discovery as well as find any additional deposits in the immediate area. The outcome of this task is to define an economic orebody. This involves a significant amount of drilling.

At any one time there are several thousand grassroots projects actively underway in the World. While the amount of drilling on a given grassroots project is modest (at best, only a few thousand metres per project), the collective amount of drilling carried out by industry is large.

This Section assesses the drilling market for early-stage exploration.

The drilling market for late-stage exploration (or "*new projects*") is covered in Section 4.

METHODOLOGY

The amount of exploration drilling is determined by the overall level of exploration expenditure. In turn, exploration expenditure is determined by commodity prices, which indicate the economic 'need' for further mineral resource exploration.

Commodity price forecasts

MinEx used commodity price forecasts (out to 2030) as published in June 2021 by Consensus Economics[7]. These forecasts are compiled from the latest available individual forecasts from over 40 prominent mineral analysts, across 30 commodities. The forecasts are reported on an annualised basis out to 2025, with a long-term trend figure for years 2026-30. These forecasts were then averaged to create a 'consensus view' of the outlook for each commodity.

The Consensus view (i.e. 'Base Case' view) is for the price of most commodities to slowly fall in real terms over the coming decade. This is particularly so for gold – which is set to drop 27% (from $1835/oz in 2020 to $1344/oz by 2030 in constant June 2021 US Dollars). This adversely affects the forecast expenditure on gold exploration and, in turn, the likely overall amount of drilling.

[7] Source: "*Energy & Metals Consensus Forecasts*", Consensus Economics, London, June 2021. https://www.consensuseconomics.com/publications/energy-and-metals-consensus-forecasts/ , requires a paid subscription.

For personal use only

AVAILABLE DRILLING MARKET FOR OREXPLORE

A generally-held view[8] is that consensus-based forecasting (aka *"wisdom-of-the-crowd"*) delivers a more accurate outcome than that of a given single expert. This is because the large sample size used 'averages' out the adverse impact of differing subjective viewpoints.

Consensus-based forecasts are also useful for determining the level of perceived uncertainty around a given commodity forecast – the greater the variance between the individual constituent forecasts, the higher the perceived uncertainty regarding those numbers.

Due to the inherent volatility and uncertainty of commodity prices, MinEx developed three commodity price scenarios based on the Consensus forecasts – the *Base Case* (matching Consensus Economics' forecast), plus a *High*- and a *Low-Case*, based on the range of the individual constituent forecasts for each commodity (indicating the potential volatility and uncertainty that captures the bottom 10% and top 90% of the individual forecasts).

The historical and forecast prices for each of the three Cases are summarised below;

Table 3: Forecast commodity prices

			2010 actual	2015 actual	2019 actual	2020 actual	2021 forecast	2025 forecast	2030 forecast
Gold	High Case	[June 2021 US$/oz]					$1,850	$1,800	$1,800
	Base Case	[June 2021 US$/oz]	$1,507	$1,313	$1,472	$1,835	$1,779	$1,502	$1,344
	Low Case	[June 2021 US$/oz]					$1,750	$1,300	$1,100
Copper	High Case	[June 2021 US$/lb]					$4.45	$3.75	$3.72
	Base Case	[June 2021 US$/lb]	$4.20	$2.82	$2.88	$2.90	$4.19	$3.27	$2.96
	Low Case	[June 2021 US$/lb]					$3.99	$2.81	$2.63
Nickel	High Case	[June 2021 US$/lb]					$7.94	$7.62	$7.94
	Base Case	[June 2021 US$/lb]	$12.12	$6.07	$6.67	$6.48	$7.69	$6.81	$7.12
	Low Case	[June 2021 US$/lb]					$7.39	$5.90	$5.62
Zinc	High Case	[June 2021 US$/lb]					$1.32	$1.13	$1.13
	Base Case	[June 2021 US$/lb]	$1.21	$0.99	$1.22	$1.06	$1.27	$1.03	$0.98
	Low Case	[June 2021 US$/lb]					$1.22	$0.95	$0.84
Uranium	High Case	[June 2021 US$/lb U3O8]					$34	$51	$52
	Base Case	[June 2021 US$/lb]	$58	$42	$27	$31	$32	$40	$41
	Low Case	[June 2021 US$/lb]					$30	$32	$29
Steaming Coal	High Case	[June 2021 US$/t]					$93	$72	$72
(FOB East Cost Australia)	Base Case	[June 2021 US$/t]	$112	$51	$62	$42	$89	$65	$66
	Low Case	[June 2021 US$/t]					$85	$55	$50
Coking Coal (Hard)	High Case	[June 2021 US$/t]					$150	$152	$156
(FOB East Cost Australia)	Base Case	[June 2021 US$/t]	$254	$115	$187	$128	$141	$138	$142
	Low Case	[June 2021 US$/t]					$135	$124	$110
Iron Ore (Fines)	High Case	[June 2021 US$/t]					$180	$94	$82
(CIF China)	Base Case	[June 2021 US$/t]	$176	$62	$98	$111	$174	$85	$73
	Low Case	[June 2021 US$/t]					$165	$63	$58
IMF Metal Price Index	High Case	[2020 = 100]					105	87	84
(used for Other Metals)	Base Case	[2020 = 100]	159	91	101	100	100	74	67
	Low Case	[2020 = 100]					96	62	55

Source: MinEx Consulting and Consensus Economics June 2021

[8] Source: https://en.wikipedia.org/wiki/Wisdom_of_the_crowd

For personal use only

Converting the commodity price forecast into an exploration expenditure forecast

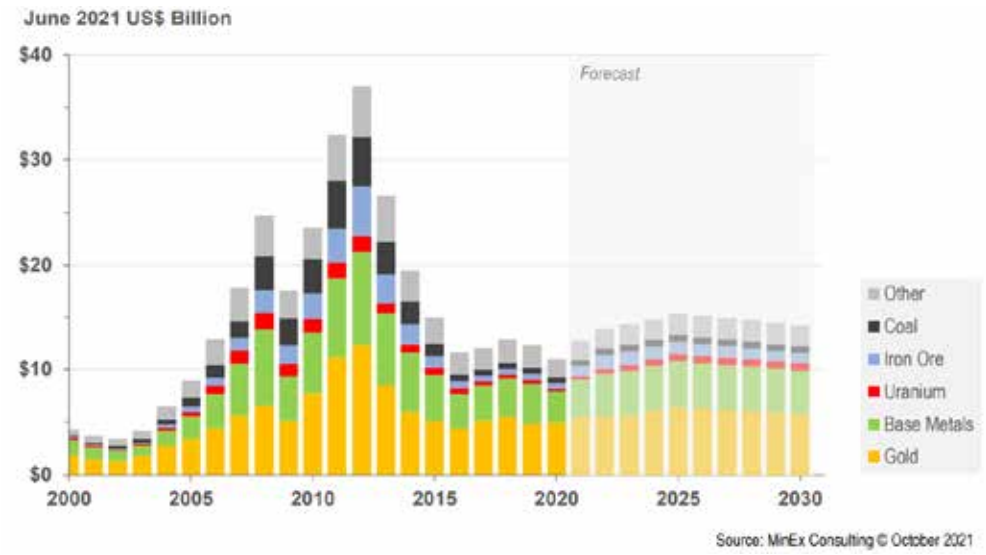
The exploration expenditure forecast was based on multi-variable regression model developed by MinEx Consulting. The model uses 36 years of historical expenditure data (for the period 1985 to 2020) as reported by Government agencies (such as the ABS in Australia, NRCan in Canada and MNR in China). This was supplemented by industry data from S&P Global Market Intelligence, which carries out annual surveys on the exploration budgets of over 2000 companies in 164 countries around the World.

A detailed analysis of the data found that there is a very strong correlation between changes in commodity prices and exploration expenditures for that commodity in the following year[9]. This correlation can be used to forecast future exploration expenditure, based on the consensus commodity price forecasts (split into High-, Low- and Base-Case scenarios).

The exploration expenditure forecasts are broken down both by commodity and region (see Figures 6 and 7). These constituent parts are apportioned based on the historical data for exploration expenditure by commodity and region, overall trends in regional exploration, and the commodity price forecasts.

Figure 8 shows the forecast expenditures under the High-, Low- and Base-Case scenarios. Depending on the scenario, global exploration expenditures are set to grow (in constant June 2021 US Dollars) from $12.8 billion in 2021 to $11.6 to $18.1 billion (with a Base Case of $14.3 billion) by 2030.

Figure 6: Historical and (Base Case) forecast of exploration expenditures by Commodity for the World: 2000-2030 (Constant June 2021 US$ Billion)



[9] The degree of correlation varies over time by region and commodity. In terms of total World exploration expenditure the model gave an R^2 of 0.90 for the period 1985-2020.

For personal use only

Figure 7: Historical and (Base Case) forecast of exploration expenditures by Region: 2000-2030 (Constant June 2021 US$ Billion)

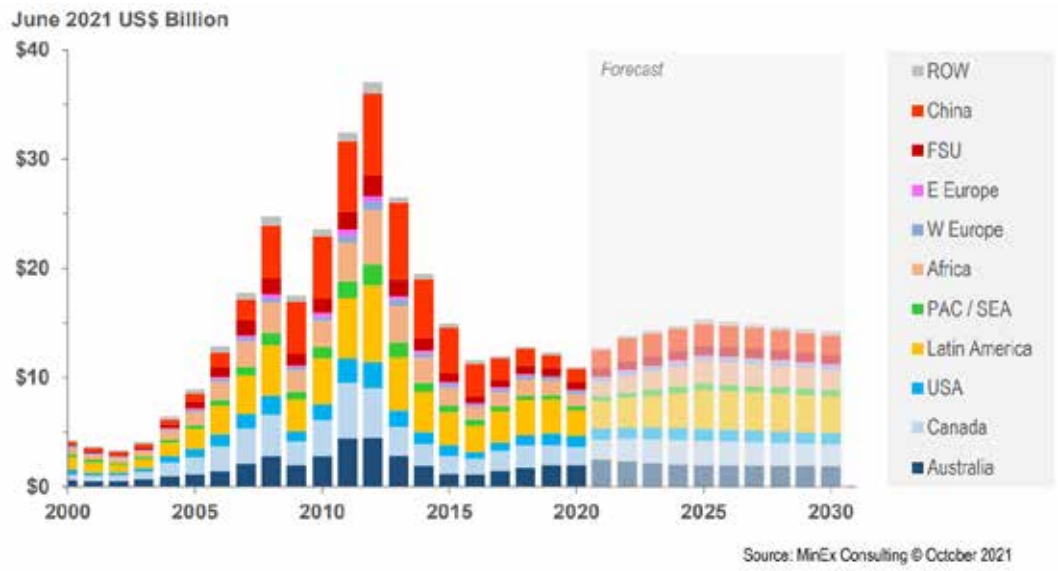
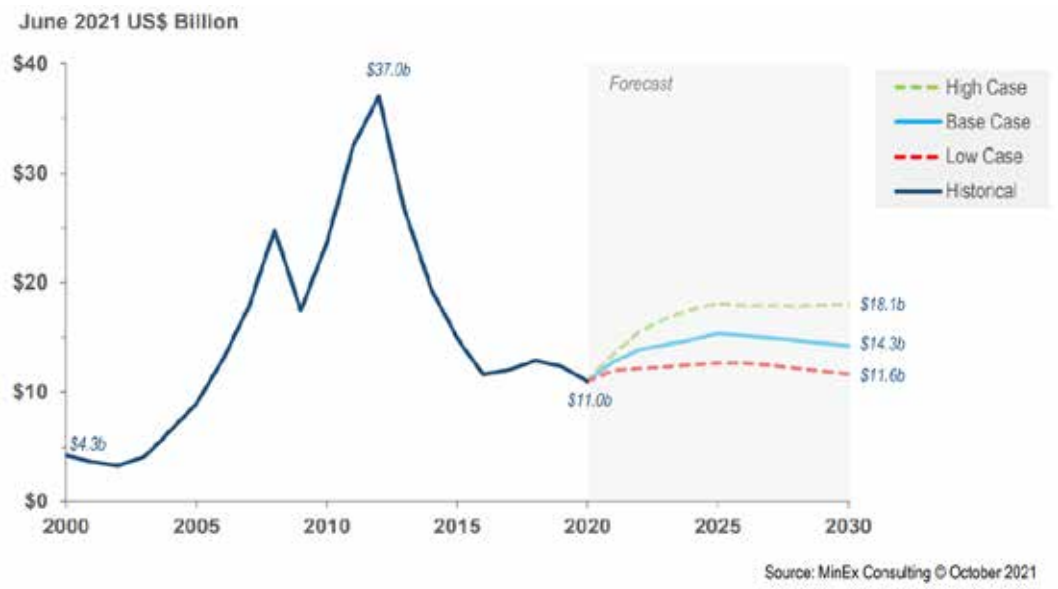


Figure 8: Historical and (High-, Low- and Base-Case) forecast exploration expenditures for the World: 2000-2030 (Constant June 2021 US$ Billion)



For personal use only

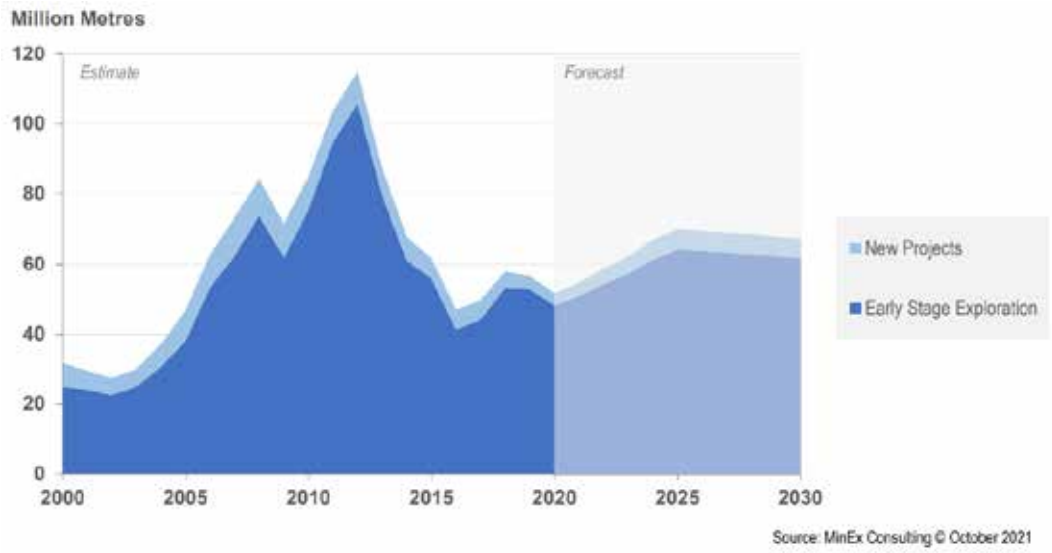
Converting the exploration expenditure forecast into a forecast of metres drilled

MinEx has developed a regression model for forecasting metres drilled on exploration projects which covers both early- and late-stage (i.e. "New") projects. This is broken down by commodity and region, and additionally by drilling method (core and non-core) and is based on 36 years of historical data compiled from Government agencies other sources.

The forecast includes an adjustment for the fact that the industry is exploring under progressively deeper cover over time. Table 5 shows the general trend in the depth of cover for gold and copper discoveries in recent years. Similar trends have been identified for other commodities. Based on this, MinEx assumes that the average hole length is increasing by 10 metres per decade.

The key results (for the Base Case) are plotted in Figure 9 below. It should be noted that the chart refers to all exploration drilling – which includes in-fill drilling on new discoveries (i.e. late-stage exploration), as well as drilling on early-stage exploration projects.

Figure 9: Estimated historical and (Base Case) forecast of drilling on early-stage exploration projects and new projects for the World: 2000-2030



The amount of drilling on early-stage exploration projects was estimated by deducting the total amount of drilling on new projects. The methodology used for calculating this is discussed further in Section 4.

Figure 10 shows the breakdown in the drilling method used in early-stage exploration. At present 60% of the metres drilled on exploration projects in the World involve diamond core. Just over half of this is NQ-size or smaller. The proportion of core drilling (both NQ and larger) is set to slowly increase over the next decade as companies explore under progressively deeper cover.

For personal use only

AVAILABLE DRILLING MARKET FOR OREXPLORE

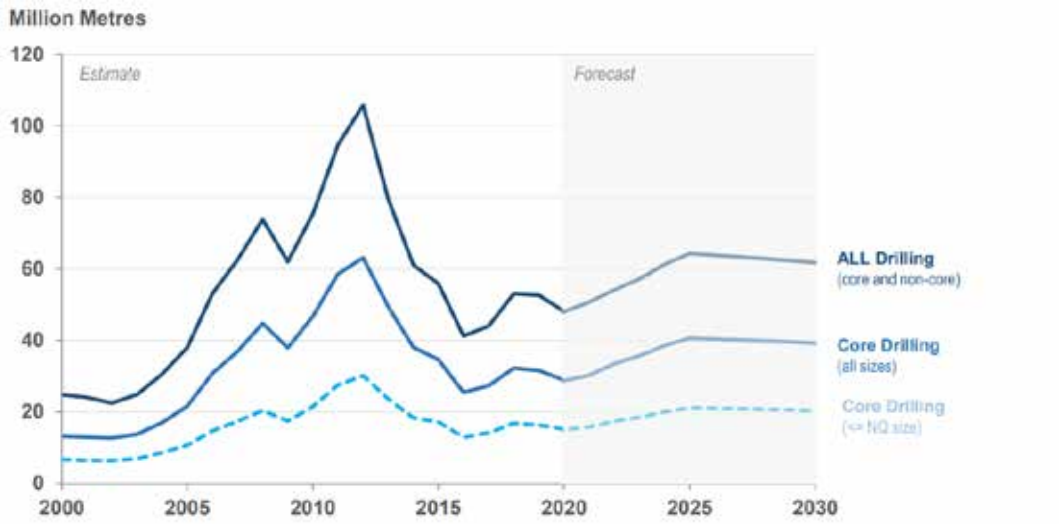
Figure 11 shows the breakdown of <=NQ core drilling on early-stage exploration projects by commodity. The drop off in drilling in the second half of the decade is due to declining real commodity prices – particularly so for gold.

Table 4: Average depth of cover for discoveries in the World: 1950-2019

		1950-59	1960-69	1970-79	1980-89	1990-99	2000-09	2010-19
Gold [a]								
Greenfield	[Metres]	13	9	11	9	8	11	16
Brownfield	[Metres]	4	14	25	77	91	108	240
Average	[Metres]	11	10	14	21	25	34	64
Greenfield	*[% of deposits found]*	*80%*	*81%*	*79%*	*83%*	*82%*	*76%*	*78%*
Brownfield	*[% of deposits found]*	*20%*	*19%*	*21%*	*17%*	*18%*	*24%*	*22%*
Base Metals (Cu, NiS, Zn, Pb) [b] [c]								
Greenfield	[Metres]	29	39	41	62	191	50	97
Brownfield	[Metres]	155	125	140	235	258	206	421
Average	[Metres]	51	58	59	106	207	97	188
Greenfield	*[% of deposits found]*	*82%*	*79%*	*84%*	*78%*	*74%*	*72%*	*74%*
Brownfield	*[% of deposits found]*	*18%*	*21%*	*16%*	*22%*	*26%*	*28%*	*26%*

Note: (a) Excludes gold deposits in South Africa (most of which are brownfield and have an average depth of 900 metres)
(b) Excludes nickel laterite deposits (with an average depth of 5 metres)
(c) Excludes undersea deposits - such as the Solwara black smoker deposit in PNG (under 1600 metres of water)

Figure 10: Estimated historical and (Base Case) forecast of early-stage exploration drilling by type for the World: 2000-2030



Source: MinEx Consulting © October 2021

For personal use only

Figure 11: Estimated historical and (Base Case) forecast of early-stage exploration <=NQ core drilling by Commodity: 2000-2030

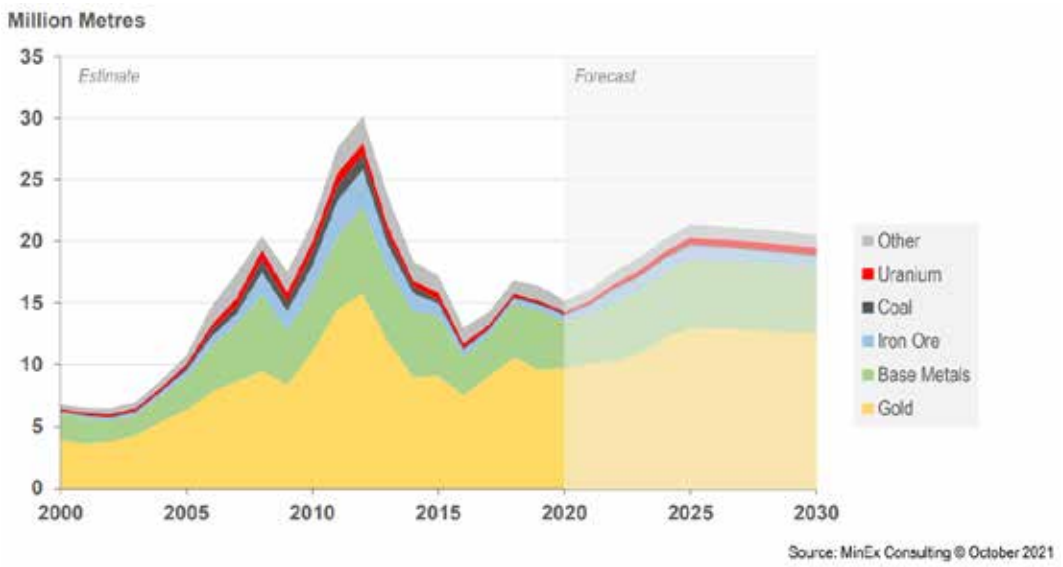
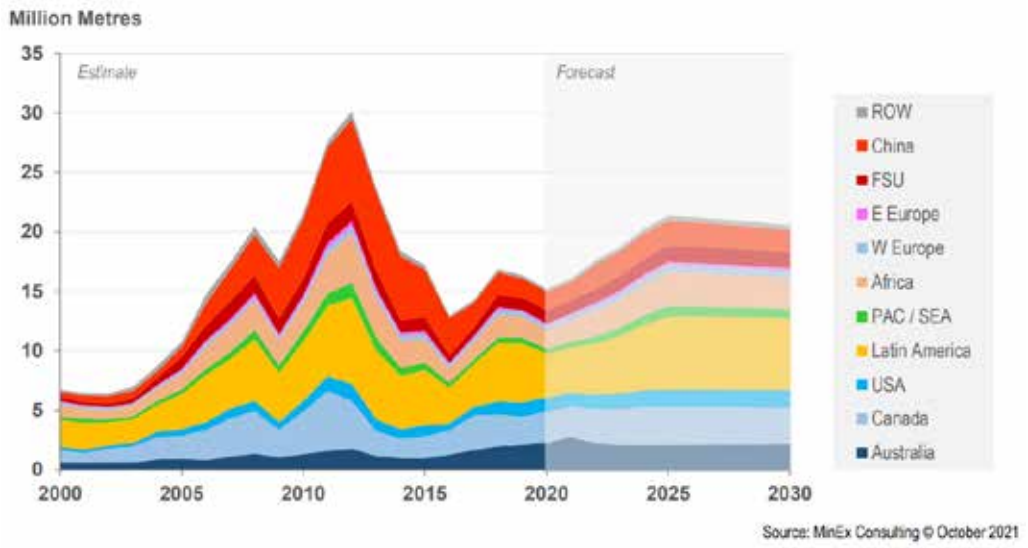


Figure 12 shows the amount of <=NQ core drilling by region. In 2021 the estimated top four regions were Latin America (3.8 million metres), Australia (2.8 million metres), Canada (2.6 million metres), and Africa (1.8 million metres).

Figure 12: Estimated historical and (Base Case) forecast of early-stage exploration core drilling by Region: 2000-2030



For personal use only

AVAILABLE DRILLING MARKET FOR OREXPLORE

The Table 5 gives a detailed year-by-year breakdown of the forecast amount of <=NQ core drilling for exploration for each region.

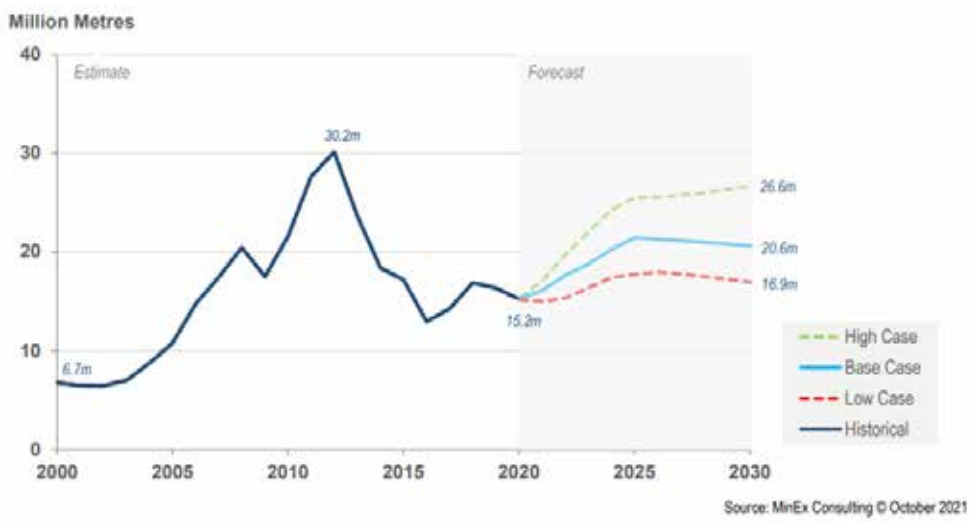
Table 5: Estimated historical and forecast exploration core drilling: 2000-2030

	2010 Est	...	2019 Est	2020 Est	2021 Forecast >>	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-30 Growth
						(Million Metres)									
WORLD : Est Historical + Base Case Forecast															
All Drilling	75.3	...	52.7	48.2	50.0	54.3	57.3	61.4	64.4	64.0	63.5	63.0	62.5	61.9	22%
Core (ALL sizes)	46.7	...	31.6	28.9	30.5	33.5	35.9	38.7	40.8	40.6	40.4	40.1	39.8	39.5	30%
Core (<=NQ)	**21.6**	**...**	**15.3**	**15.2**	**16.1**	**17.5**	**18.8**	**20.3**	**21.4**	**21.3**	**21.1**	**21.0**	**20.8**	**20.6**	**28%**
Region : Est Historical + Base Case Forecast for <=NQ Core Drilling															
Australia	1.3	...	2.1	2.3	2.6	2.3	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	-21%
Canada	3.6	...	2.4	2.6	2.6	2.8	3.0	3.2	3.2	3.2	3.2	3.1	3.1	3.0	17%
USA	0.9	...	1.2	1.2	1.1	1.2	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.5	34%
Latin America	5.0	...	4.9	3.7	3.8	4.3	4.8	5.5	6.1	6.1	6.1	6.1	6.0	6.0	56%
Pacific / SE Asia	0.8	...	0.5	0.4	0.4	0.5	0.7	0.8	0.9	0.9	0.8	0.8	0.8	0.8	79%
Africa	2.4	...	1.8	1.5	1.8	2.1	2.3	2.6	2.9	2.8	2.8	2.7	2.7	2.6	49%
Western Europe	0.4	...	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	36%
Eastern Europe	0.3	...	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	20%
FSU	1.4	...	1.1	1.1	1.1	1.1	1.2	1.3	1.4	1.4	1.4	1.3	1.3	1.3	22%
China	5.0	...	1.6	1.6	1.5	2.1	2.1	2.1	2.1	2.0	2.0	1.9	1.9	1.8	19%
ROW	0.5	...	0.3	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	53%
World (<=NQ Core)	**21.6**	**...**	**15.3**	**15.2**	**16.1**	**17.5**	**18.8**	**20.3**	**21.4**	**21.3**	**21.1**	**21.0**	**20.8**	**20.6**	**28%**
World (<=NQ Core : High-Case Forecast)					17.8	19.7	22.8	24.3	25.5	25.5	25.7	26.0	26.3	26.6	56%
World (<=NQ Core : Low-Case Forecast)					15.0	15.3	16.4	17.4	17.7	18.0	17.8	17.5	17.2	16.9	13%

Source: MinEx Consulting © October 2021

Under the Base Case Scenario, over the coming decade, Global <=NQ core drilling will grow by 28%, reaching 20.6 million metres by 2030. Under the Low- and High-Case scenarios, the total amount of core drilled in 2030 is set to reach 16.9 and 26.6 million metres respectively.

Figure 13: Estimated historical and (High-, Low- and Base-Case) forecast <=NQ core drilling on early-stage exploration projects in the World: 2000-2030



MinEx estimates that, at any given time, there are over 20-30,000 active exploration projects operating in the World. Consequently, even though the total amount of exploration drilling is large, the amount of drilling carried out on any given project in a given year is very low (typically less than a few thousand metres, if any at all). In other words, the exploration drilling market is highly fragmented.

4 DRILLING MARKET FOR NEW PROJECTS

METHODOLOGY

Immediately following the initial discovery, the project typically undergoes an intense phase of in-fill drilling. This is done to determine the size and quality of the deposit.

Based on data compiled by MinEx Consulting, over the last two decades (2000-19) a total of 2201 significant mineral discoveries were made in the World – equating to an average of 110 new deposits per year.

The number of new discoveries in the future will be driven by the overall level of exploration expenditure and trends in average unit discovery costs. For most commodities, based on historical trends, it is assumed that unit discovery costs will remain relatively constant over time. This is in spite of the need to explore under progressively deeper cover. The only exception is gold – where it appears that it is becoming progressively more difficult (and expensive) to find over time.

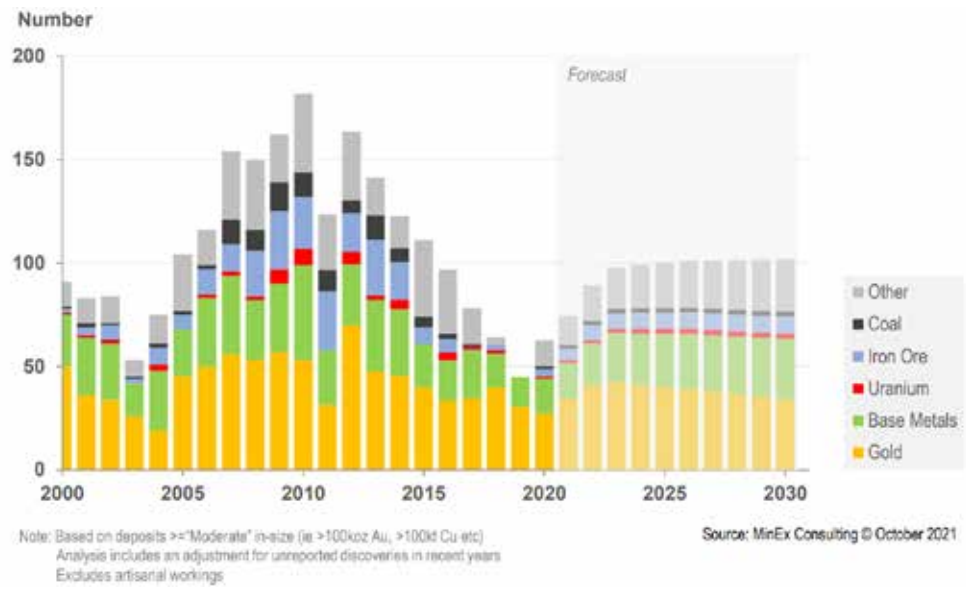
Using the same commodity price and exploration expenditure forecasts discussed in the previous sections, and assuming a constant unit discovery cost (for all metals except for gold, which is rising by $10/oz per decade), MinEx estimated the total likely average amount of metal to be discovered each year in each of the nominated Regions.

Assuming no material change in the weighted average size and grade of discovery, it is possible to forecast the likely number of new deposits found.

The overall trend in the number of significant new discoveries in the World is shown in Figure 14. Under the Base Case scenario around 100 new discoveries will be made each year.

For personal use only

Figure 14: Historical and (Base Case) Forecast of the number of new deposits found each year in the World by commodity: 2000-2030



The amount of drilling required (to delineate a Resource) for each new project is a function of the commodity type, size of the deposit and mining method (i.e. underground versus open pit). An adjustment was also made to exclude artisanal and informal workings - as these do not use drilling services.

Based on a detailed analysis of the drilling carried out on 132 recent discoveries (across a range of commodity types and mining methods – see Table 1 for details) MinEx developed a set of algorithms to estimate the likely overall amount of drilling (and type of drilling) required per tonne of ore. Figure 15 shows the estimated weighted average metres of drilling required per discovery by commodity type over the study period.

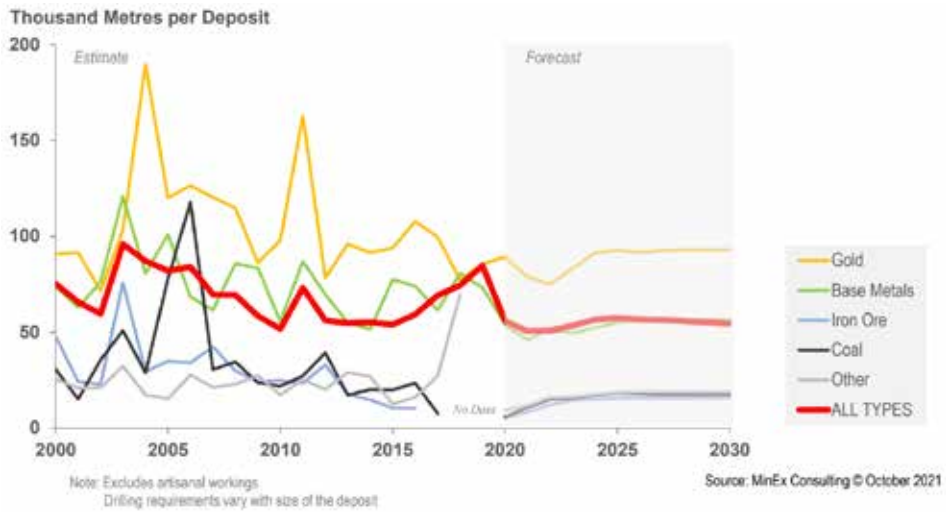
On average, a discovery requires around 40-70,000 metres of drilling to delineate a Resource.

Multiplying the estimated number of new discoveries by the average amount of drilling per deposit results in an estimate of the total amount of drilling required to delineate a resource. MinEx assumes that, for a given deposit, the drill-out is evenly spread-out over three years following its discovery.

For personal use only

For personal use only

Figure 15: Estimated average amount of drilling (both core- and non-core) per deposit found each year by commodity type in the World: 2000-2030

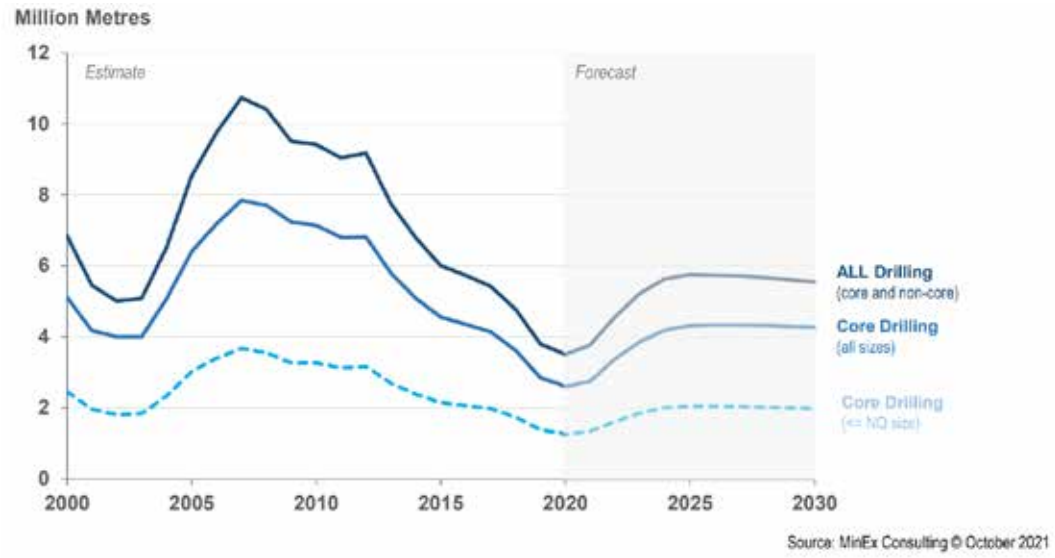


As shown in Figure 16 it is estimated that in 2021 around 3.8 million metres of drilling will be carried out on New Projects; of which 2.8 million metres (or 74%) was core. Included within this was an estimated 1.4 million metres of NQ (or smaller) core.

Figures 17 and 18 give a breakdown of the core drilling by commodity and location - with the three leading regions currently being Africa, Australia and Canada.

Table 6 gives a year-by-year breakdown of the base Case forecast amount of <=NQ core drilling for exploration for each region.

Figure 16: Estimated historical and (Base Case) forecast of drilling on New Projects by type in the World: 2000-2030



For personal use only

Figure 17: Estimated historical and (Base Case) forecast of <=NQ core drilling on New Projects by Commodity: 2000-2030

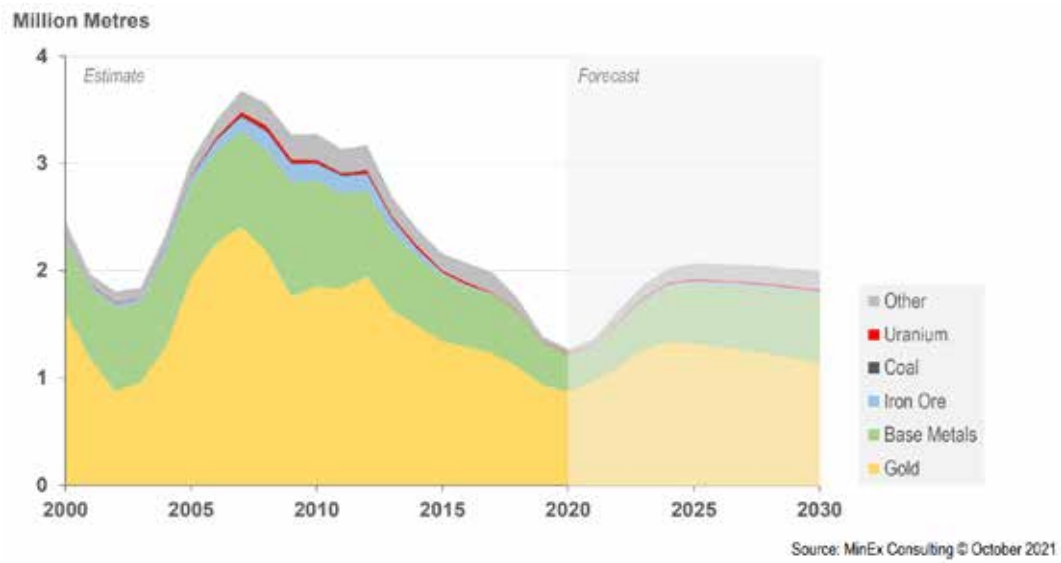
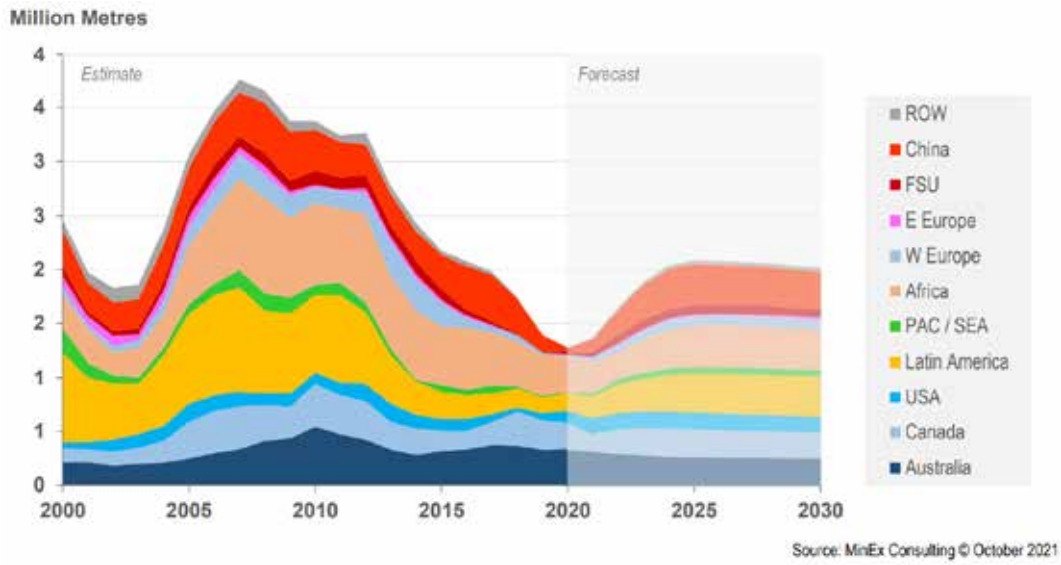


Figure 18: Estimated historical and (Base Case) forecast of <=NQ core drilling on New Projects by Region: 2000-2030



For personal use only

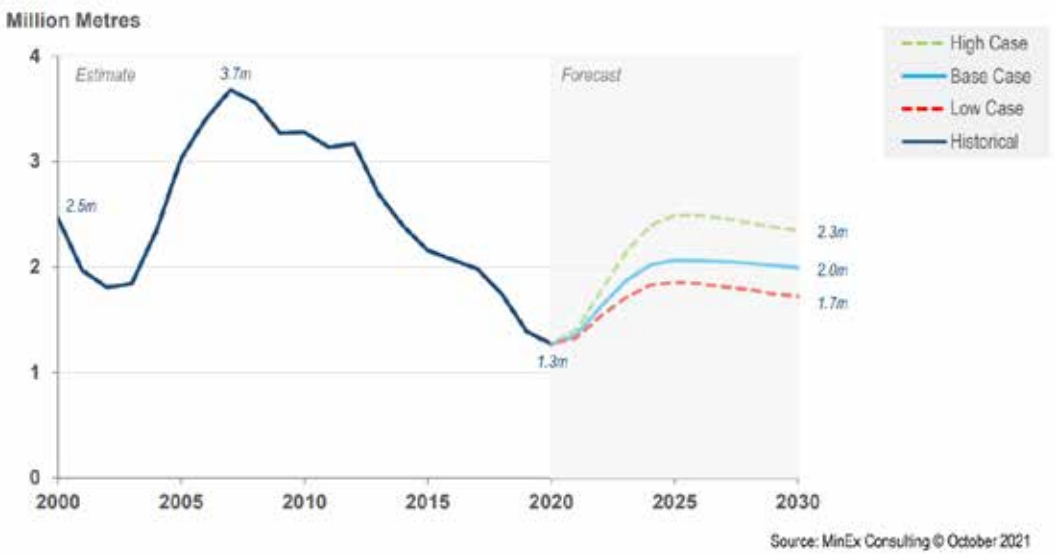
Table 6: Estimated historical and forecast core drilling on New Projects: 2000-2030

	2018 Est	...	2019 Est	2020 Est	2021 Forecast >>	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-30 Growth
					(Million Metres)										
WORLD : Est Historical + Base Case Forecast															
All Drilling	9.4	...	3.8	3.5	3.8	4.6	5.2	5.6	5.8	5.7	5.7	5.7	5.6	5.6	47%
Core (ALL sizes)	7.1	...	2.8	2.6	2.8	3.4	3.9	4.2	4.3	4.3	4.3	4.3	4.3	4.3	50%
Core (<=NQ)	**3.3**	**...**	**1.4**	**1.3**	**1.4**	**1.6**	**1.9**	**2.0**	**2.1**	**2.1**	**2.1**	**2.0**	**2.0**	**2.0**	**47%**
Region : Est Historical + Base Case Forecast for <=NQ Core Drilling															
Australia	0.5	...	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-19%
Canada	0.4	...	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2	45%
USA	0.1	...	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	2%
Latin America	0.7	...	0.1	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	87%
Pacific / SE Asia	0.1	...	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	nc
Africa	0.7	...	0.4	0.3	0.3	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	27%
Western Europe	0.2	...	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	nc
Eastern Europe	0.0	...	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	nc
FSU	0.1	...	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	nc
China	0.4	...	0.2	0.0	0.1	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.3	nc
ROW	0.1	...	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	nc
World (<=NQ Core)	**3.3**	**...**	**1.4**	**1.3**	**1.4**	**1.6**	**1.9**	**2.0**	**2.1**	**2.1**	**2.1**	**2.0**	**2.0**	**2.0**	**47%**
World (<=NQ Core : High-Case Forecast)					1.4	1.8	2.1	2.4	2.5	2.5	2.5	2.4	2.4	2.3	67%
World (<=NQ Core : Low-Case Forecast)					1.3	1.5	1.7	1.8	1.8	1.8	1.8	1.8	1.7	1.7	30%

Source: MinEx Consulting © October 2021
Note: nc = "Not Calculated"

Under the Base Case Scenario, over the coming decade, Global <=NQ core drilling on New Projects is projected to grow by 47%, reaching 2.0 million metres by 2030. Under the Low- and High-Case scenarios, the total amount of <=NQ core drilled in 2030 is set to reach 1.7 and 2.3 million metres respectively.

Figure 19: Estimated historical and (High-, Low- and Base-Case) forecast <=NQ core drilling on New Projects in the World: 2000-2030



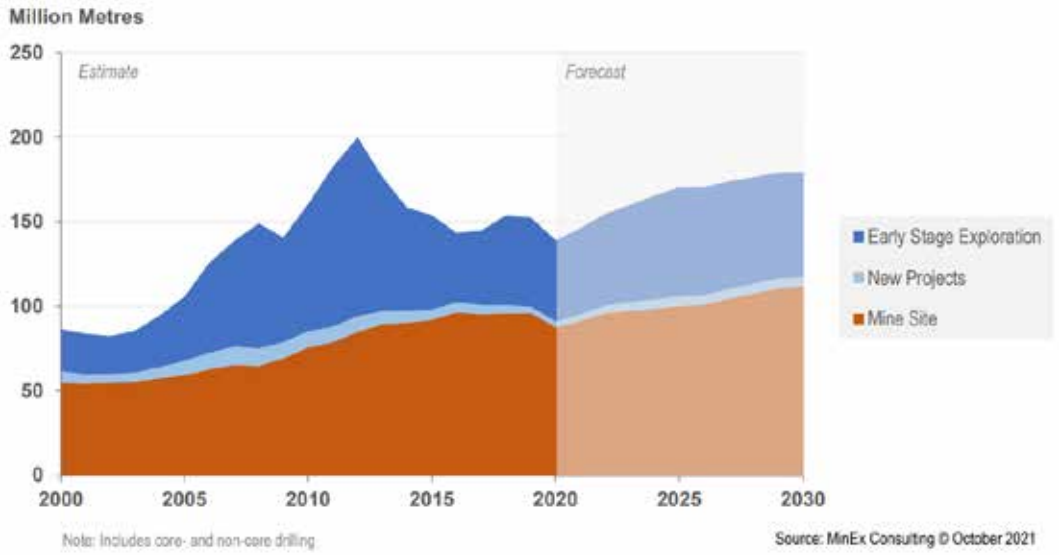
For personal use only

While the overall size of this market segment is modest, it should be noted that it is associated with just a handful of individual projects; each of which require a large amount of drilling (typically of the order of 40 to 70,000 metres of core drilling depending on the commodity and the size of the deposit). Because these discoveries are generally well-publicised, it is easy for Orexplore to identify and contact the project owner. In other words, the drilling market for New Projects, while small, is very concentrated and readily identifiable.

5 ESTIMATED TOTAL WORLD DRILLING MARKET

As shown in the Chart below, total drilling (both core and non-core) in the World is dominated by extensional and resource-to-reserve drilling at mine-site, followed by drilling on early-stage (grassroots) exploration. Only a modest amount of drilling is associated with in-fill and resource delineation work on newly discovered deposits.

Figure 20: Estimated historical and (Base Case) forecast by Stage of (both core and non-core) drilling in the World: 2000-2030



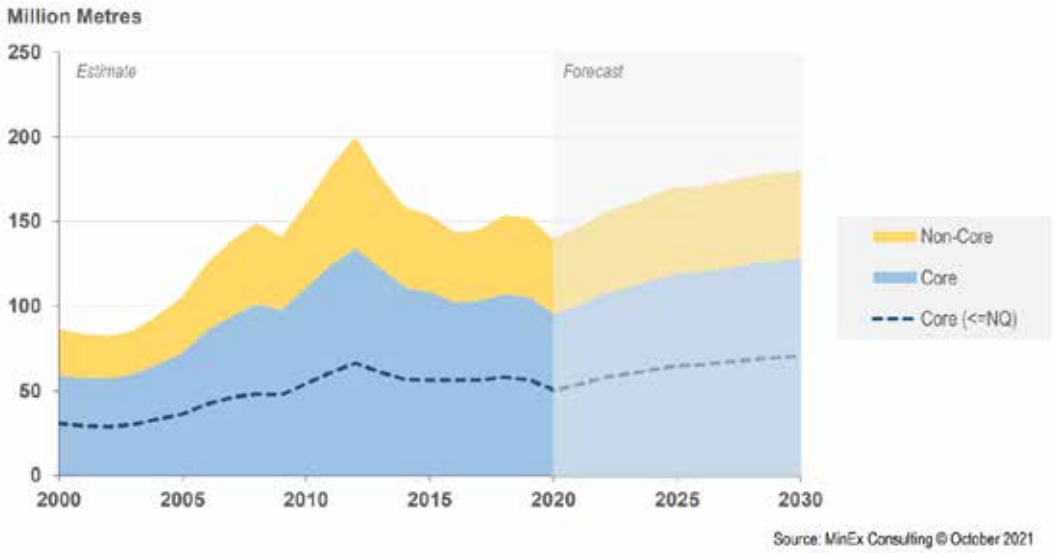
Over the last two decades, total minerals-related drilling in the World grew from 87 million metres in 2000 to 152 million metres in 2019. Due to the impact of COVID-19, in 2020 the overall level of drilling fell by 9% to around 139 million metres and is set to rebound to 146 million metres in 2021. Under the Base Case forecast this is set to rise by 23% to 180 million metres by 2030. This still below the peak of 200 million metres achieved in 2012.

Figure 21 shows that the estimated total amount of core-drilling in the World rose from 59 million metres in 2000 to 101 million metres in 2021, and (in the Base Case scenario) is set to grow to around 129 million metres by 2030.

For personal use only

At the global level, over the last two decades the overall fraction of drilling that is core has remained relatively stable at around 67 to 71%. By 2030 core drilling is forecast to account for 72% of all metres drilled. Over half of this is associated with core that is NQ-sized (or less). <=NQ's share of all drilling is set to grow from 37% to 40% of all metres drilled over the coming decade.

Figure 21: Estimated historical and (Base Case) forecast of All stages of drilling by type in the World: 2000-2030



Figures 22 and 23 show the trend in the likely amount of <=NQ core drilling by commodity and region. As can be seen the main target commodity is gold, followed by base metals, and that Western World countries account for around two-thirds of global drilling.

Table 7 gives a breakdown of the likely annual amount of drilling over the next decade by region. By 2030, MinEx estimates that, under the Low- and High-Case scenarios, the Global <=NQ core drilling market will have grown to 65 and 79 million metres respectively; with a Base-Case forecast of 71 million metres - an increase of 32% over that drilled in 2021. The general trend over time can been in Figure 24.

Figure 22: Estimated historical and (Base Case) forecast of all <=NQ core drilling in the World by Commodity: 2000-2030

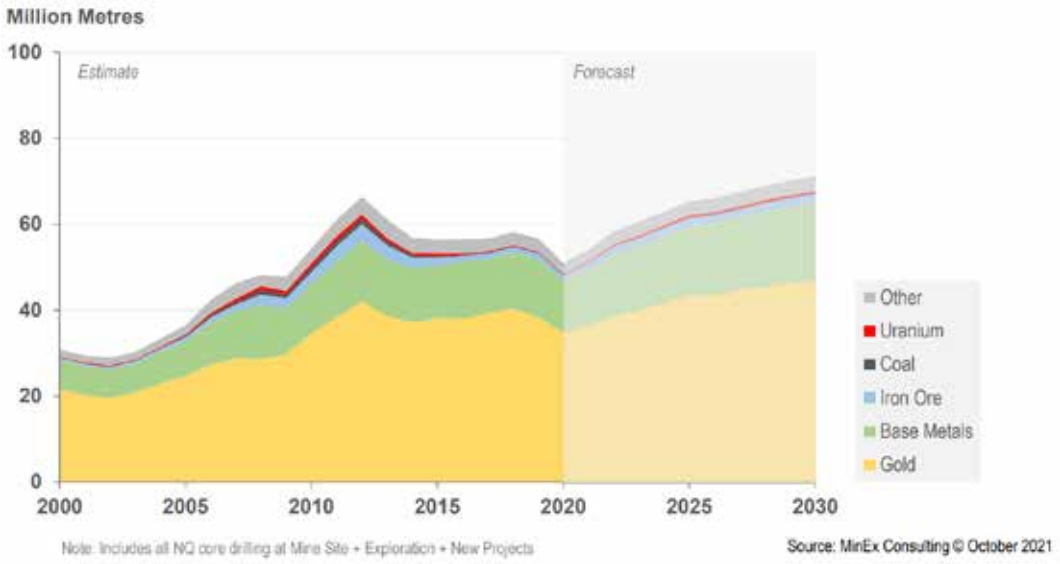
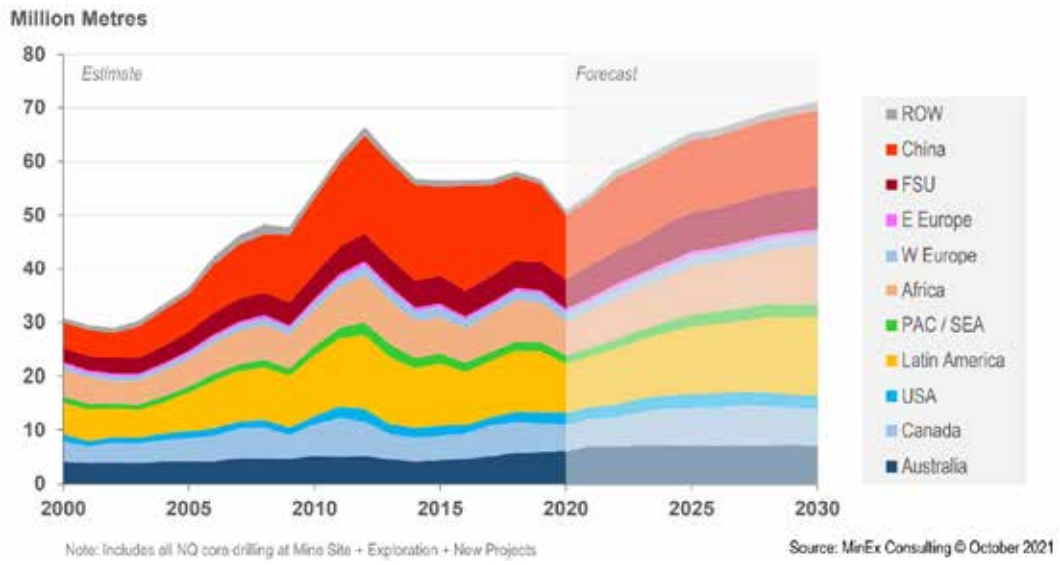


Figure 23: Estimated historical and (Base Case) forecast of <=NQ core drilling on All Stages in the World by Region: 2000-2030



For personal use only

For personal use only

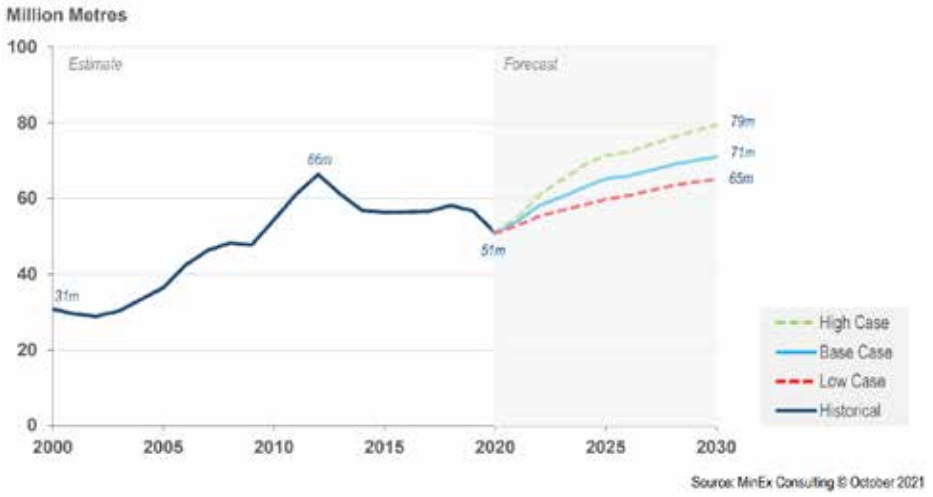
AVAILABLE DRILLING MARKET FOR OREXPLORE

Table 7: Estimated historical and forecast <=NQ Core drilling market: World: 2000-2030

	2010 Est	...	2019 Est	2020 Est	2021 Forecast >>	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-30 Growth
					(Million Metres)										
WORLD : Est Historical + Base Case Forecast															
All Drilling (core and non-core)	160.5	...	152.4	139.3	146.4	156.0	160.1	165.8	170.6	171.0	174.1	176.5	179.3	179.6	23%
Core (ALL sizes)	110.8	...	105.5	95.8	100.7	107.8	111.6	115.7	119.6	120.5	122.9	125.1	127.2	128.5	28%
Core (<=NQ)	**54.3**	...	**56.7**	**51.0**	**54.0**	**58.3**	**60.5**	**63.0**	**65.3**	**66.0**	**67.5**	**69.0**	**70.1**	**71.1**	**32%**
WORLD : <=NQ Core : Est Historical + Base Case Forecast															
BY STAGE															
Early Stage Exploration	21.6	...	18.3	15.2	16.1	17.6	18.8	20.3	21.4	21.3	21.1	21.0	20.8	20.6	28%
New Projects	3.3	...	1.4	1.3	1.4	1.6	1.9	2.0	2.1	2.1	2.1	2.0	2.0	2.0	47%
Mine-Site	29.4	...	38.9	34.4	36.6	39.1	39.9	40.6	41.8	42.7	44.3	46.0	47.3	48.5	33%
Total	**54.3**	...	**56.7**	**51.0**	**54.0**	**58.3**	**60.5**	**63.0**	**65.3**	**66.0**	**67.5**	**69.0**	**70.1**	**71.1**	32%
BY COMMODITY															
Gold	34.6	...	38.3	34.7	36.5	38.6	40.0	41.8	43.4	43.7	44.8	45.7	46.4	46.8	28%
Base Metals	11.4	...	13.6	12.2	13.0	14.2	14.9	15.3	16.0	16.4	16.7	17.3	17.6	18.2	40%
Iron Ore	2.9	...	1.4	1.1	1.5	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	34%
Coal	1.2	...	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	20%
Uranium	0.8	...	0.2	0.2	0.2	0.3	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.6	146%
Other	3.5	...	3.1	2.6	2.7	3.0	3.1	3.2	3.3	3.2	3.4	3.4	3.4	3.4	25%
Total	**54.3**	...	**56.7**	**51.0**	**54.0**	**58.3**	**60.5**	**63.0**	**65.3**	**66.0**	**67.5**	**69.0**	**70.1**	**71.1**	32%
BY REGION															
Australia	5.1	...	5.8	6.0	7.1	7.0	7.3	7.2	7.2	7.1	7.2	7.2	7.3	7.1	0%
Canada	6.0	...	5.5	6.1	5.2	5.5	6.4	6.9	7.1	7.3	7.6	7.4	7.1	7.0	36%
USA	1.6	...	2.1	2.2	2.2	2.3	2.5	2.5	2.6	2.6	2.5	2.5	2.5	2.5	13%
Latin America	11.2	...	11.3	9.0	9.3	10.3	10.8	11.6	12.4	12.8	13.1	13.9	14.2	14.5	56%
Pacific / SE Asia	1.7	...	1.7	1.5	1.6	1.7	1.7	1.6	2.2	2.3	2.3	2.4	2.3	2.3	39%
Africa	6.8	...	7.4	6.4	6.9	7.6	7.9	8.4	9.1	9.2	9.6	10.1	10.8	11.3	64%
Western Europe	1.4	...	1.6	1.7	1.8	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.1	2.1	14%
Eastern Europe	0.6	...	0.6	0.6	0.7	0.8	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8	12%
Former Soviet Union	4.6	...	5.4	6.5	5.9	6.3	6.4	7.1	7.0	7.2	7.3	7.5	7.8	7.9	34%
China	14.1	...	14.4	11.9	12.3	13.6	13.5	13.2	13.6	13.3	13.6	13.6	13.9	14.0	14%
ROW	1.3	...	1.0	1.0	1.1	1.3	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.7	59%
Total	**54.3**	...	**56.7**	**51.0**	**54.0**	**58.3**	**60.5**	**63.0**	**65.3**	**66.0**	**67.5**	**69.0**	**70.1**	**71.1**	32%
World (<=NQ Core : High-Case Forecast)					55.3	61.0	65.0	68.8	71.4	72.3	74.3	76.2	77.9	79.5	44%
World (<=NQ Core : Low-Case Forecast)					52.9	55.4	56.9	58.4	59.8	60.8	62.2	63.5	64.4	65.2	23%

Source: MinEx Consulting © October 2021

Figure 24: Estimated historical and (High-, Low- and Base-Case) forecast <=NQ core drilling in the World: 2000-2030



For personal use only

APPENDIX A: DEFINITIONS

Drilling Method

Core Drilling - refers to the use of a diamond drilling rig to produce cylindrical rock samples which can be later analysed for its chemical, physical and structural properties (all of which being very useful for mine design and planning purposes).

Depending in the cutting tool and drill pipe used the diameter of the core can vary from 27 mm to over 85 mm. The two most common sizes used in the exploration and mining industry are NQ (47.6 mm), and HQ (63.5 mm). Core sizes smaller than NQ include AQ (27 mm) and BQ (36.5mm), which are relatively small markets. Throughout this report, "<=NQ" refers to AQ, BQ and NQ sized core.

Non-Core Drilling - refers to drilling where the sample produced is not in a contiguous solid piece; instead, the drill bit used to cut the hole produces small rock chips. These are bagged and later sampled for their chemical properties. Because the sample is broken it is not possible to generate data on structural characteristics of the orebody.

The main types of non-core drill rigs are Reverse Circulation (RC), Rotary Air Blast (RAB), Percussion and Auger. While the data generated is less precise/complete as that from diamond drill rig the unit cost per metre drilled is generally much lower.

A further limitation with these non-core rigs is that that the holes drilled are not as deep as that possible from a diamond drill rig.

Project Stage

Early-Stage Exploration – refers to exploration projects carried out in areas where only minimal (or no) work has been carried out before (or the previous work was focused on a different commodity type or deposit style. This is sometimes refer referred to by industry as *"greenfield"* or *"grassroots"* exploration.

For purposes of this study early-stage exploration also includes drilling on targets adjacent to existing mining operations, with the aim of finding new satellite deposits that could supply ore to the local processing plant. This is often referred to by industry as *"brownfield"* exploration.

New Projects – This is also referred to as *"Late-Stage Exploration"* and refers to drilling on recent discoveries (arising from a successful early-stage exploration program). The purpose of this drilling is to delineate the overall size and grade of the orebody – and from this determine whether the discovery could be economic to develop as a new mine.

Mine-Site Drilling – refers to drilling to extend the size of existing orebody being mined. This is sometimes referred to as *"extensional"* exploration. It also includes in-fill drilling carried out to convert known Resources into Reserves. In both cases industry standard practice is to classify the cost as a mine operating expense. Consequently, the cost (and the associated metres drilled) are not counted as an 'exploration' activity.

For personal use only

Deposit Size

The mining industry is focused on discovering and developing *"significant"* mineral deposits. For purposes of this study "significant" is defined as those deposits that are *"Moderate-sized"* or larger. In detail these have a pre-mined resource greater than:

> 100koz Au, 10kt Ni, 300kt Zn+Pb, 5Moz Ag, 5-kt U_3O_8, 100kt Cu, 20 Mt Fe,
> 20 Mt of Thermal Coal, 3 Mt P_2O_5 or 3 Mt K_2O,
> or the equivalent in-situ metal value for other commodities

The term *"pre-mined resource"* is defined as the sum of the current published Measured, Indicated & Inferred Resource (as defined by JORC or CIM) and cumulative historic production (adjusted for mining and processing losses).

In situations where a JORC- or CIM- defined Resource has not been reported, MinEx has made a judgment call on the general size range of the deposit.

In many situations a mining company may feed ore from several deposits in the local area into a centrally-located mill. For purposes of this study, the deposit size is set to be the total of all of the metal contained in the individual deposits that make up the mining camp.

Discovery Date

The discovery date refers to when the deposit was first recognised as having significant value. This is usually set as the date of the first economic drill intersection.

It should be noted that a review of the discovery history of the deposit may show that there were small-scale workings on the site. For purposes of this study, if there is an order-of-magnitude step change in the known endowment of the deposit (i.e. from say 100 kt to >1 Mt Cu) the date of the upgrade is viewed as the discovery date for the main deposit. A separate record will be made of the earlier (smaller) discovery.

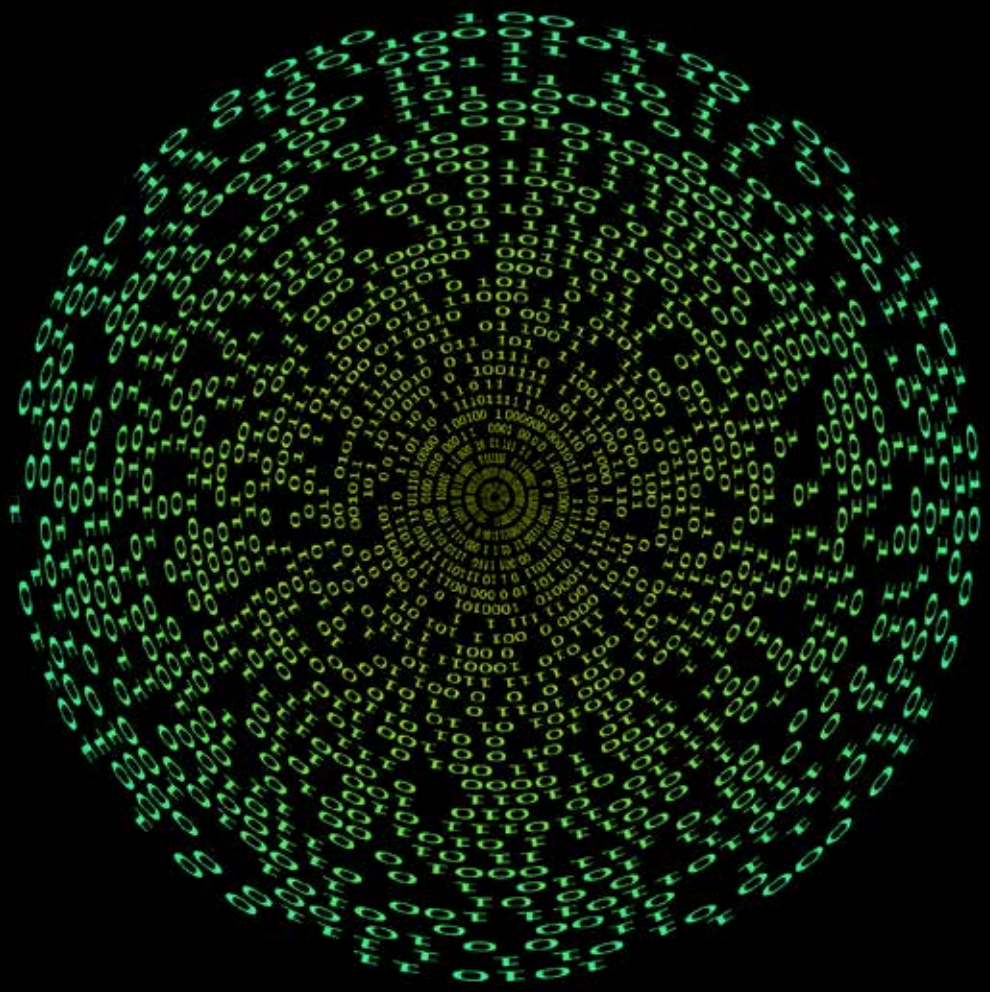
For personal use only

Deloitte Tech Rating Report Summary

Annexure D

Deloitte.

For personal use only



Deloitte Tech Rating

Orexplore® Technology

10 November 2021

For personal use only

Contents

1 Summary of findings
2 Earnings potential: Commentary
3 Risk profile: Commentary
Appendix 1: Context of the report
Appendix 2: Company network
Appendix 3: Dimensions of patent strength

For personal use only

Glossary

Reference	Definition
$	Australian dollars unless otherwise stated
Assessment Date	31 October 2021
CY	Calendar year ending December 31
FY	Financial year ending June 30
GeoCore X10®	Orexplore's® first hardware solution, currently in commercialisation
GeoCore X10+®	Orexplore's® second generation solution currently in development, which has enhanced capabilities compared to the GeoCore X10®
HQ size core	Drill core sizes of 63.5mm
IP	Intellectual property
Management	The management of Orexplore® and Swick Mining Services
NQ size core	Drill core sizes of 47.6mm
Orexplore®	The combined group of entities which forms the Orexplore Technologies Limited group
Orexplore Insight®	Orexplore's® visualisation and user interface software
Orexplore® Technology	The combination of the GeoCore X10® machine and Orexplore Insight® software
R&D	Research and development
SaaS	Software as a Service
SAM	Serviceable addressable market
Swick Mining Services	Swick Mining Services Limited, the parent company of Orexplore® prior to the demerger
TAM	Total available market
UEL	Useful economic life

For personal use only

Introduction to the Tech Rating

The Tech Rating process

- The Deloitte Tech Rating gauges the economic strength of a tech asset by assessing its earnings potential and risk profile
- Each of the five earnings attributes and five risk factors are systematically assessed using a range of sub-measures and a variety of information sources
- The output is highly commercial as each attribute is aligned with a parameter of tech value
- In keeping with valuation and licensing best practice, the rating process considers the functional, legal and economic characteristics of the subject asset (within the scope of our work, which is described in Appendix 1).

Tech complexities

The ability of a tech asset to gain market share is a function of its functional differentiation and the resulting financial benefits. The value of the asset to its owner is also influenced by the ability to prevent unauthorised use. Aspects of the functional, legal, and economic complexities of technology are summarised below.

Functional complexity

- Utility relative to alternatives
- Technical features driving utility
- Validation of functional performance
- Reliance on contributory assets
- Resulting financial benefits.

Legal complexity

- Free loader risk
- Patent validity, claim scope, and enforcement
- Trade secret protection
- Design-around risk
- Ability to enforce.

Economic complexity

- Scalability
- Network effect
- Non-linear cost-to-value relationship
- Best-owner value differential
- Development, commercialisation, and market risk
- Inefficient IP markets.

Applications

The Deloitte Tech Rating is used for a variety of purposes, including:

- *Valuation*: informing robust and insightful valuations of technology, tech-centric enterprises, and start-ups
- *Licensing*: guiding licensing and joint venture negotiations, and informing royalty determination
- *M&A*: articulating the commercial strength of a tech asset through a systematic assessment of its risk profile and earnings potential
- *Strategy*: informing resource allocation, portfolio management and competitive benchmarking
- *Risk management*: guides IP decisions and performance tracking.

For personal use only

Engagement scope

Subject technology

Orexplore® has developed a hardware and software based portable x-ray mineral scanning technology (**Orexplore® Technology**) that provides rapid field-based structural and estimated-elemental analysis of ores of ores; thereby greatly reducing sampling lead times and geological uncertainty (at both the prospecting and mineral processing stages). The Orexplore® Technology comprises the following IP[1]:

- Trade secrets
- Patents
- Software copyright.

The first product launched utilising the technology is called the **GeoCore X10®**. A more advanced version of the GeoCore X10®, the **GeoCore X10+®**, is currently in development. The accompanying **Orexplore Insight®** software allows users to access and analyse data generated from the instrument remotely, and export data sets to other software packages.

Orexplore's® operations have been set up to facilitate the collection and analysis of data. In addition to providing data to clients, the company intends to develop a limited consulting service to assist in the interpretation and practical application of the data to aid initial adoption by clients and market entry. The data assets associated with Orexplore's® consulting service are complementary to the Orexplore® Technology.

Scope of the analysis

The Deloitte Tech Rating has been conducted as at **31 October 2021**.

The Tech Rating has been used to provide evidence-based qualitative findings to assist Management in their consideration of a proposed demerger of Orexplore® from its parent entity (Swick Mining Services (ASX: SWK)), and for inclusion in the demerger prospectus.

The Deloitte Tech Rating does not on its own constitute a valuation of the Orexplore® enterprise, however it has been used as an input in the Independent Valuation Report undertaken by Deloitte Corporate Finance Pty Limited and prepared by Nicki Ivory. A concise summary of the Independent Valuation Report is included in the Orexplore Technologies Limited notice of meeting which will be provided to Swick Mining Services' shareholders.

Our assessment is based on a review of documents listed under Appendix 1, and interviews with management of Orexplore® and Swick Mining Services (**Management**). Further background to the engagement, including limitations of its scope, is provided in Appendix 1.

[1] Our assessment is based on the Orexplore® Technology, however, we note that Orexplore® intends to differentiate the technology through branding and owns relevant trade marks.

For personal use only

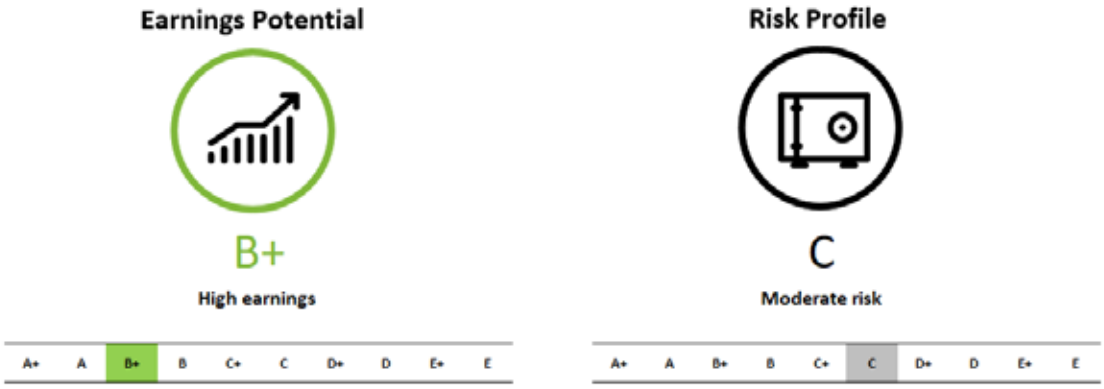
1 Summary of findings

Overall rating:

Overall, we consider the Orexplore® Technology has a strong Tech Rating. Commercial validation of the financial benefits will result in a significant step up in the score.

- The **B+** Earnings Potential rating represents a strong earnings potential for an early-stage technology that is yet to gain market traction
- The **C** Risk Profile rating reflects a moderate to low risk profile, typical of a recently launched, disruptive product.

Highlights from our assessment are summarised on the following page.



Source: Deloitte analysis

For personal use only

Earnings potential:

- **Functional utility:** Incremental functional utility relative to traditional logging and the conventional lab assay is well defined. A key differentiating feature compared to competing mineral analysis technologies is the ability to move from 2D to 3D views of a sample, which allows for the exploration of structural features and discovery of information traditionally unobtainable under current methods
- **Financial benefits:** By reducing sampling lead times and geological uncertainty, the technology aims to generate financial benefits to the end user through operational expenditure and capital expenditure savings. While evidence from commercial trials, existing (off-site) customers and interviews with industry suggest these benefits are high; they have not been formally quantified through benchmarking, comparative analysis or sustained commercial use
- **Market opportunity:** Well-defined, high growth addressable market; with high likelihood of strong market demand. While mineral analysis technologies are relatively new and yet to gain acceptance as part of the standard workflows of mining companies, there is evidence some have begun to gain market penetration
- **Protection:** The primary protection of the technology is trade secrets, with additional protection provided by patents. Legal protection provided by the existing patents could potentially provide at least eight years of protection for certain features
- **Useful economic life:** The economic life of the technology is linked to the time it would take a competitor to replicate the key (non-patented) components (i.e. algorithms, formulae and data).

Risk profile:

- **Development risk:** Overall, the remaining technical development risk is low. In relation to the development of major new features, R&D efforts are primarily focused on further enhancements of the GeoCore X10®, and development of the advanced GeoCore X10+® which focuses on providing additional capabilities in gold and precious metals detection
- **Commercialisation barriers:** Access to substantial contributory assets is necessary for the commercialisation of the technology in the target geographic markets (including establishment of customer contracts/relationships and expansion capital). This risk is diminished based on the assumption that Orexplore® will have access to a liquid capital market to fund commercialisation and scaling of the technology
- **Earnings risk:** As the technology is yet to generate material sales, there is a moderate to high risk associated with forecast earnings
- **Market risk:** Orexplore® operates at the intersection of various resource markets and is therefore influenced by a range of market specific risks, including commodity prices, the value of the Australian dollar, global supply trends, capital investment, and domestic and foreign demand for commodities
- **Asset risk:** Management has indicated freedom to operate studies have been conducted. This type of search provides a legal opinion as to whether a product, process or service may be considered to infringe any patent(s) owned by others. A review of these studies is outside the scope of our engagement.

For personal use only

2 Earnings potential: Commentary

2.1 Functional utility

2.1.1. Introduction

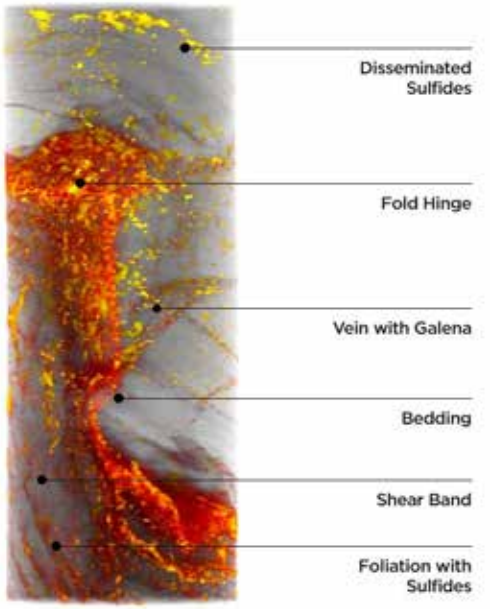
There are several competing mineral analysis technologies (e.g. Minalyze, Corescan, TruScan, Terracore and Minesense). Although the breadth and depth of information provided by the Orexplore® Technology appears to have some unique data sets and developing functionality (such as the 3D tomographic imaging approach), compared to other current approaches, the adaptation of these technologies to mining company workflows is nascent. Therefore, we have primarily assessed the functional utility of the technology relative to traditional logging and the conventional lab assay.

2.1.2. Benefits of the technology

The following is a summary of key benefits of the technology:

- **Information provided in single scan:** The breadth and depth of information generated from a single scan is large compared to traditional methods. Where traditional methods typically perform a collection of tests on a small, pulverised sample, the GeoCore X10® uses x-ray technology to provide information in a cross-sectional scan of the extracted drill core. The GeoCore X10® provides a whole set of information to the user, including estimated elemental concentrations, emerging geochemistry models (under development), and emerging structural data (including rock quality designation), density, mineralogy, and lithology
- **Tomographic 3D data:** A key feature of the technology is the ability to move from 2D to 3D views of a sample, which allows for the exploration of structural features and discovery of information traditionally unobtainable under current methods (e.g. junctures where mineralisation is occurring). We understand that no direct competitors offer this feature, with the nearest being surface core scanning technologies, such as Minalyze and TruScan

Figure 1: Illustration of software review screen



Source: Orexplore®

For personal use only

Real-time data: Information is available to the users directly after the scan if the machine is on-site or connected to the internet

- **Non-destructive:** The scanning process is non-destructive so drill cores can be scanned multiple times, at various resolutions. Furthermore, this means that the drill cores can be kept for future analysis
- **Accuracy and detection limits:** For the analysis of many key base metals and rare earth elements, accuracy and detection limits of the technology is constantly improving
- **Class leading usability:** The instrument can be easily operated with minimal training, and the data can be analysed and interpreted off-site by technical representatives
- **Mobility:** The hardware is highly mobile and can be transported easily and cheaply as air cargo to anywhere in the world
- **Incremental enhancements**: Ongoing incremental refinements to the hardware and software since its launch have resulted in a range of improvements, including higher scan speeds, enhanced tomographic imaging, density measurements, and geochemical analysis. Technology enhancements are influenced by the continuous aggregation of data under different customer use cases, which allows for the core algorithms underpinning the technology to be continuously improved under machine learning principles. Since its launch, over 20 customers have been serviced through a mixture of on-site and laboratory-based scanning and services, and over 15,000m of core logging has been conducted
- **In-development features:** Current hardware R&D efforts are focused on completing development of the GeoCore X10+®. This is expected to include the following new features:
    - Gold spectrometer: The implementation of a multi-channel spectrometer may increase the confidence of miners and explorers when assaying for gold and other precious metals and could begin to supplement or eventually partially-substitute some traditional methods
    - HQ core size scanning: The GeoCore X10® is currently limited to scanning of core sizes approximately 48mm in diameter (i.e. 'NQ-size', or less). Increasing the scanning capability to HQ core sizes (approximately 63mm in diameter) may further expand the addressable market for the technology to cover the majority of core drilled (we understand about 55% of the core drilled around the world is NQ or less)
    - Diamond scanning: Early concepts are being considered with regard to the technology's potential application towards diamond scanning.

2.1.3. Business model

Orexplore's® business model is based on the following offerings:

- An on-site (or 'in-field') model, whereby Orexplore® provides machines and technicians. This model is expected to be the primary earnings stream
- A commercial laboratory to provide off-site analysis, primarily for use by explorers and junior miners (laboratory operations are currently based in Australia and Sweden and have the capacity to service global clients). The laboratory will also be used as a trial service for large tier 1 companies to validate the technology for the purposes of transitioning to the on-site model
- Management anticipates that clients will require the assistance of Orexplore's® consultant geologists when first interpreting scanning results and applying the findings to their workflows; over time, with increased acceptance and adoption of the technology, Management anticipates that most customers will develop the capabilities to operate the scanning machine and manage and analyse data outputs in-house.

2.1.4. Commercial trials

The Orexplore® Technology has undergone multiple field-based 'reliability, availability and harsh-environment performance' test deployments; as well as performance laboratory-based testing and piloting across its two laboratory facilities, in both Australia and Europe.

Since the launch of the GeoCore X10®, Orexplore® has operated a 'trial and pilot' program, with the aim of providing the customer with a real, on-site experience and to demonstrate the technology's capabilities. Through this approach, Orexplore® has also been able to further test the products and obtain data for product enhancement, refine its measurement methodology, gain market validation of the technology's current and emerging value propositions, and optimise its operating model.

For personal use only

The largest program was conducted about a year ago with a large Australian client. In addition to informing enhancements of the technology, it has yielded the most comprehensive and detailed 3D tomographic data set yet produced (~10,000m).

2.1.5. Feedback from interviews with industry professionals

MinEx (an independent mining consultancy) conducted interviews with eight exploration industry professionals to gauge the commercial potential of the GeoCore X10®. (We note the interviews were conducted during a transitional phase in Orexplore's® business and therefore precede some important technological updates and a fundamental shift in business strategy).[2]

- **Key positives:** The interviews confirmed that the most compelling value proposition for the instrument is in complex underground metallic orebodies, and uptake is most likely to be seen at the exploration and later mining stages. The most important differentiating features of the technology (compared to surface scanning technologies) identified were 3D imaging and visualisation of the core, the linkage of elemental concentration and mineralogy data, the potential to speed up geological modelling, and applications in structural geology and geometallurgy (and thus mining and minerals processing)
- **Key negatives:** Barriers to entry and uptake that were identified included problems in application at older mine sites, high cost, slow scanning speeds, difficulties in using both the hardware and software, the challenges of integration into the 'geological workflow', challenges in articulating the value propositions, and both passive and active resistance from the geological profession. Through discussion with Management, we understand these barriers to entry and uptake are appreciated, and are under assessment and are being worked on through a range of initiatives subsequent to the MinEx report interviews.

2.1.6. Commercial agreements

The establishment of paying customers is a key step in validating the utility of a new and disruptive technology.

On-site analysis

In October 2021, Orexplore® initiated an on-site trial with a large global gold miner. Under the terms of the agreement, Orexplore® will provide three GeoCore X10® instruments and operators, to scan approximately 20 to 30 metres of exploration core per day over a six week period. Orexplore® is seeking to demonstrate value directly in the field with this client, with a view towards a larger follow-on engagement . We understand that the current pipeline of customers and opportunities continues to broaden and deepen with regard to scale, value proposition, and geographical footprint.

Off-site analysis

Since the GeoCore X10's® launch in May 2018, over 20 commercial off-site agreements have been signed with international mining operators, as well as junior miners and explorers. In FY2020, off-site scanning revenue was $250k and in conjunction with possible grant income, this may increase through CY2022. Management anticipates that some off-site customers will eventually transition to the on-site model.

2.2 Financial impact

2.2.1 Financial benefits to users of the technology

The technology offers potential financial benefits to the miner or explorer when compared to traditional analytical methods.

By potentially reducing sampling lead times and geological uncertainty in certain use cases, the GeoCore X10® may help mining operators improve operational and project efficiencies and related costs. For example:

- The cross-discipline data provides additional insights in advance of extraction, potentially enabling operations teams to better manage variability and improve productivity
- The resource to reserve conversion process requires judgmental assessment on modifying factors such as recovery and throughput, often with limited data. Orexplore® aims to generate a higher quantity of linked data

[2] Summary of interview transcripts about Orexplore®, MinEx Consulting Pty Ltd, dated 25 November 2020.

For personal use only

to better inform the definition of these modifying factors, in order to seek potential improvements in the confidence in resource estimates
- Potentially help to improve targeting of exploration programs and increased success rates
- The 3D tomography reveals to geologists on a high volume, low cost basis that otherwise can be difficult to log traditionally, and would otherwise require thin sliced petrology studies at a very low volume and very high cost
- Specialists are able to focus on interpretation and informed decision making rather than spending time on manual logging and data collection. This can potentially reduce on-site staffing requirements and allows for on- or off-site analysis
- Possible reduction in the variability of human interpretations of the core analysis, as well as increased efficiency through reductions in the time taken to arrive at conclusions.

2.2.2 Financial benefits to the owners of the technology

Financial benefits accrue to Orexplore® based on the extent to which customers are willing to pay to use the technology.

- Orexplore's® revenue model is built up from a combination of dollar rate per metre scanned, with some supporting consulting service fees to aid in client adoption of value propositions. On-site contracts will generally feature a minimum monthly scan volume to ensure a minimum monthly revenue per machine
- According to Management, initial commercial engagements with laboratory scanning customers are being used to validate charge rates per metre, however, this needs to be further validated through the acquisition of additional customers (both off-site and on-site)
- Through its 'trial and pilot' program, Management has gained a good understanding of the on-site operating model, and believes the long-term margin potential will reflect a blend of equipment hire and SaaS profitability metrics
- A range of business scenarios were created to test the strength of the potential sales and profitability for the period 2022 to 2030, and the basis of these were market size and breakdown reports from independent experts, combined with historical engagements with clients and other inputs
- Management's current forecasts focus on the drill core market, with particular attention to the gold and base metals commodities in the near-term. Additional potential applications of the technology could be considered in the future, for example:[3]
    - Chip scanning: Potentially testing scanning of chips from surface drill programs, and analysing client samples to review potential ore sorting techniques that could have future positive impacts on process plant design
    - Operational waste monitoring: Preliminary investigations into how the technology could potentially be applied to help clients monitor mineral degradation within core samples
    - Diamond scanning: Detection and estimation of size distribution and abundance of diamonds and assistance in identifying potentially economically viable diamond deposits
    - Improvements to emerging geochemistry functionality, performance and accuracy
    - Improved process plant configuration: Through tagging geological and mineralogical historical orebody knowledge, process plants can potentially be preconfigured to reduce processing risk and improve operational efficiencies and output.

2.3 Market opportunity

2.3.1 Addressable market

Data for the global drilling market was provided by MinEx (an independent mining consultancy) to determine Orexplore's® total available market (TAM). This assessment indicates the market is large and growing.

[3] According to Management, these potential applications are not under any active development at this stage, and the technology may not be capable of advancing them. These items only represent very high-level conceptual future examples for potential application.

For personal use only

2.3.2 Market acceptance for new technologies

Orexplore's® value will be enhanced if it gains market acceptance quickly. According to interviews conducted by MinEx, there is a perception that the GeoCore X10® may encounter both passive and active resistance from the geological profession; in part due to the requirement to re-work several existing workflows in a mine or exploration project.

However, while the mining industry has traditionally been cautious about adopting new technologies, recent trends demonstrate that new technologies can be successfully introduced. According to IBISWorld, technology disruption has greatly influenced the iron ore mining industry, oil and gas extraction industry, lithium industry and mineral mining industry over the past five years. These trends are anticipated to grow further over the next five years as mining companies increasingly use automated and connected operational technologies to improve productivity, and asset reliability.[4]

2.3.3 Competitive forces

According to interviews conducted by MinEx, while there appear to be no direct 'core tomography' competitors to Orexplore®, the competitive landscape is complex and rapidly evolving; with the nearest direct competitors being lower-cost surface core scanning technologies, along with a more general group of mineral analysis technologies involved with the 'automation of geological identification'. These include hyperspectral scanning, downhole scanning, and niche scanning technologies provided by a range of mining technology providers, assay laboratories, other drilling companies, and mining equipment suppliers.

Mineral analysis technologies are relatively new and are yet to gain acceptance as part of the standard workflows of mining companies, however, there is evidence some have begun to gain market penetration. In August 2020 Kirkland Lake Gold signed a deal to install Chrysos' PhotonAssay for its Fosterville Mine in Australia, and Australian Laboratory Services has purchased hyperspectral imaging equipment from TerraCore. Other companies have clients that are well known miners, but the project type and extent of sales is generally not disclosed

There is evidence of capital being invested in the technology area by major industry players. Minesense has attracted over $80m in funding, including from the mining equipment giant Caterpillar (CAT:NYSE). TruScan has been developed by Boart Longyear (BLY:ASX), a global provider of drilling services and equipment. TerraCore has attracted investment from Australian Laboratory Services (ALQ:ASX), a major laboratory services provider.

2.3.4 'Mining tech' company transactional activity

We define 'mining tech' companies herein as those which focus on providing product specific technology solutions to mining companies (e.g. automation or data analytics). Compared to other technology-centric industries (such as fintech or biotech), funding and M&A activity is relatively low. The following table shows the top five 'mining tech' companies, based on total funding raised, over the past 10 years. The presence of Minesense and Chrysos (both competitors to Orexplore®) on the list provides an indication that, despite the low level of funding and M&A activity, Orexplore's® technology is likely to be relevant in this space.

Figure 2: Top 'mining tech' companies based on total funds raised

Top 5	Company name	Description	Total money raised (USD millions)
1	MineSense	MineSense Technologies is a developer of a data analytics platform intended to monitor and improve the productivity and recovery of mines	$81.6 million
2	NEOS GeoSolutions	NEOS is a geosciences company providing 3D models of the subsurface to assist exploration	$60.0 million

[4] IBISWorld Australian mining industry report titled "Digging deep: Growing demand from export markets has boosted industry revenue", dated May 2021.

For personal use only

		geoscientists to make informed decisions	
3	Chrysos	Chrysos PhotonAssay is a quantitative, chemistry-free replacement for Fire Assay on-site and in the laboratory	$21.5 million
4	KoBold Metals	KoBold Metals is a developer of machine prospector technology intended to facilitate a search for cobalt ore locations digitally	$20.0 million
5	Chroma Energy	Chroma Energy develops software applications for 3D seismic interpretation in the exploration of oil and gas	$19.7 million

Source: Crunchbase, Deloitte analysis

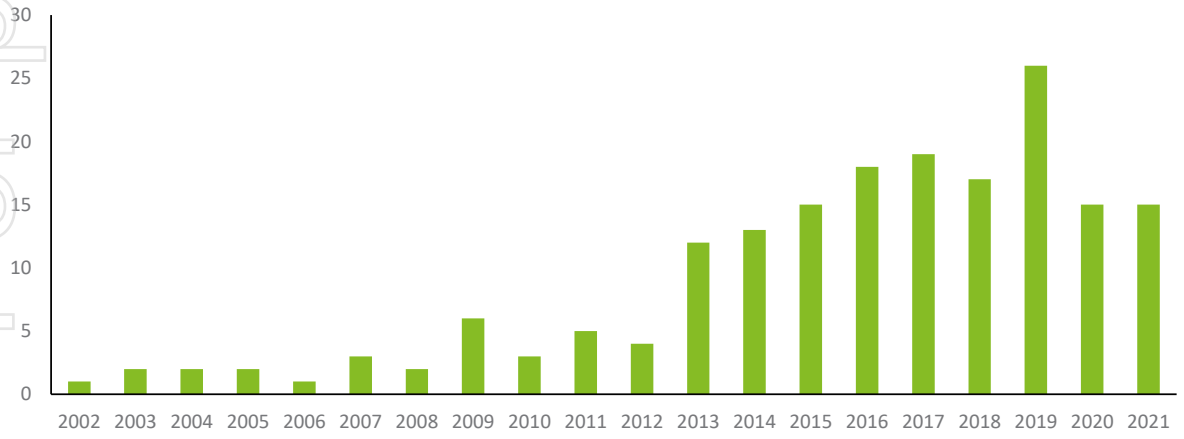
The only notable mining tech acquisition over the past 10 years is Orica Limited's acquisition of GroundProbe for US$205 million. (GroundProbe is a global technology company that provides advanced hardware and software safety solutions to the mining industry).

The level of technology licensing activity provides an additional reference point to the above data. Our assessment of the royalty landscape (disclosed in more detail in the next section) indicates that compared to other industries, there is a relatively low level of licensing activity for technologies in the *Metal & Mining* industry.

2.3.5 Patent filing trends

Patent filing trends provide insight to the level of investment in technology areas, and this can be relevant to market opportunities and threats for technology assets. A high-level search suggests that filings related to a broad range of mineral analysis technologies began an upwards filing trend since about 2012 (with filings increasing from about four new inventions per year to about 20 new inventions per year). In a separate patent network analysis, we found that Minesense (a direct competitor) and Rio Tinto hold patents that are in close proximity to Orexplore's® most important patents. (See Appendix 3).

Figure 3: Patent families filed over last 20 years



Notes:
1. Search query: G01N23/223 OR G01N2223/076$)) AND (TAC:(((mining WS3 industry) OR ((mineral OR gem*) WS3 (processing OR sampl*)))) OR AC:(E21C*)).
2. 2020 and 2021 data shows a decrease in filings due to delays in public disclosures.
Source: PatSeer, Deloitte analysis

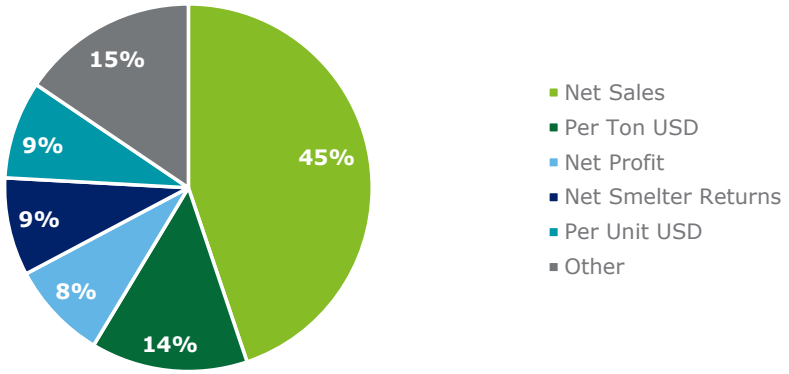
For personal use only

2.3.6 Royalty landscape

The magnitude of royalties paid within a given industry provides an indication of the profit margin available for allocation to new technologies.

The following chart shows the breakdown of prevalence of different royalty bases for *Metal & Mining* licences.

Figure 4: Prevalence of different royalty bases for Industrial Equipment technology licences

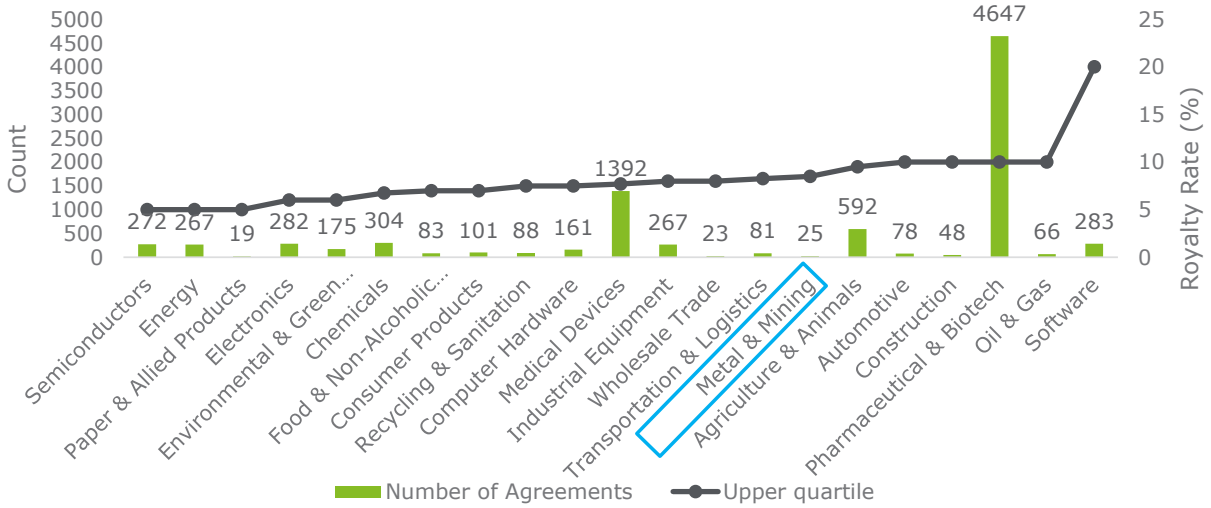


Source: RoyaltyStat, Deloitte analysis

'Net sales' is the most commonly used royalty base. This is consistent with most licences and industries. Due to the difficulty in standardising the wide variety of royalty bases across a large dataset, the analysis of royalty ranges has been based on 'net sales'.

The following chart shows the upper quartile royalty rates and number of licensing agreements for each industry. When relying on aggregated industry level data alone, a rule of thumb is that strong technology can generally expect to achieve a royalty at or above the upper quartile. The category most relevant to the Orexplore® Technology has been highlighted (*Metal & Mining*).

Figure 5: Industry level royalty rate and licensing agreement data



Source: RoyaltyStat, Deloitte analysis

Strong technology can generally expect to achieve a royalty at or above the upper quartile. The *Metals & Mining* industry has an upper quartile of about 10%; which is below that of the *Software* industry (20%), but higher than that of the *Semiconductors* industry (5%).

For personal use only

2.4 Protection

2.4.1 Type of protection

Management considers the primary protection of the Orexplore® Technology to be trade secrets, with additional protection provided by patents and copyright in software code.

Patents	Trade secrets	Know-how	Other
✓	✓	✓	✗

2.4.2 Trade secrets

Important trade secret information related to the Orexplore® Technology includes algorithms, manufacturing/engineering specifications, formulas, process methodologies, and data. The core algorithms (which have been developed over the past 10 years and are being continually refined through customers' use of the technology) are of particularly high commercial importance.

The protection afforded to trade secrets is contingent upon the extent to which they are made publicly available and the likelihood and time it would take for competitors to independently develop them.

Trade secret protection mechanisms employed by Management include:

- The use of non-disclosure and non-compete agreements with employees
- The use of non-disclosure agreements with subcontractors and partners
- Code storage processes and physical protection mechanisms. (Algorithms are in the equipment that is owned and operated by Orexplore®, but will also be at customer sites)
- Leveraging field and Orexplore Insight® operator analysis data to continually learn and develop inputs into semi-automation functions within the platform.

Independent replication appears to be difficult, and the 10-year development period serves as an indication of how long it might take a competitor to develop a similar solution.

2.4.3 Patents

The use of patents provides additional protection for some technology features (listed below).

Based on discussions with Management, we understand the most important patent family is WO/2009/098009 ('Apparatus and method for x-ray fluorescence analysis of a mineral sample'). Additional protection is being sought by filing new patents for a number of in-development features.

Figure 6: Orexplore® patents

Family name	Patent name	Priority date	Status (Granted patents are in bold)
WO/2009/098009	Apparatus and method for x-ray fluorescence analysis of a mineral sample	4 Feb 2008	**Australia | Canada | EU | Russia | South Africa | United States**
SE 1330013-2	Application of X-ray analysis for examination of mineral samples	6 March 2013	**Sweden**
PCT/EP2018/052820	A sample holder for holding a drill core sample or drill cuttings, an apparatus and system comprising the holder	5 Feb 2018	Australia | Canada | EU | Russia | South Africa | **Sweden** | United States

For personal use only

PCT/SE2019/050703	Density analysis of geological sample	3 Aug 2018	Australia | Brazil | Canada | EU | Russia | United States | South Africa | **Sweden**

Source: Management

2.4.4 Entitlement and ownership

A review conducted by HWL Ebsworth Lawyers has confirmed that all patent applications and registrations are in the name of Orexplore AB, which we understand will become a subsidiary of the proposed new parent company, Orexplore Technologies Limited.

2.4.5 Geographic coverage

There are granted family members of WO/2009/098009 in the major target markets; namely the US, Australia, Canada, Russia, and the EU. The lack of patent protection in certain countries results in the (low) risk that competitors will reverse engineer the technology and commercialise it in other markets. We note there are no pending or granted patent family members in China.

2.4.6 Validity

Multiple family members of WO/2009/098009 have proceeded to grant, which is a good indicator that the subject matter of this family is patentable and valid.

2.4.7 Claim scope

It is beyond the scope of this engagement to carry out legal due diligence into the extent to which the claim scope of the patents cover the commercial embodiments of the Orexplore® Technology. However, we note the following:

- Competitors may be able to avoid infringement by omitting features that fall within the claim scope
- We understand that claims of WO/2009/098009 and its granted family members cover aspects of using X-ray fluorescence to analyse a mineral sample
- The presence of newer patents within Orexplore's® technology patent network provides an indication of both the importance of the claims and the extent to which others have had to amend their claims to avoid infringing on Orexplore's® patents. We note that WO/2009/098009 (and its family members) is cited by competitor Minesense, a provider of real-time, sensor-based ore sorting for large-scale mines.

We understand that access to patents alone would not be sufficient to re-create the core algorithms underpinning the Orexplore® Technology.

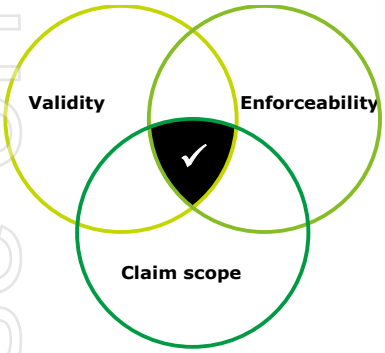
2.4.8 Enforceability

In order to enforce a patent right against another party, the patent must be granted in the country in which the alleged infringing activity is taking place.

If another entity is producing a product or undertaking a process which takes all of the features defined in the claims of the granted patent, then action may be taken. WO/2009/098009 and its granted family members contain product and method claims. Product patent claims are often easier to enforce than method patent claims. However, if competitors operate using a similar business model to Orexplore®, and control access to their machines, it may be difficult to detect infringement without their consent.

For personal use only

Figure 7: Dimensions of patent strength



Notes:
1. There are three distinct, interrelated metrics through which patent claims can be assessed. High quality claims are constructed with all three.
Source: Deloitte analysis

2.5 Economic life

The following factors have been considered in assessing the remaining economic life of the Orexplore® Technology:

- **IP protection:**
  - Legal protection provided by the patents could potentially provide at least eight years of protection from the Assessment Date (the international filing date of WO/2009/098009 is 2 February 2009, which indicates that expiry will likely occur in 2029), and the filing of new patent families may extend the legal protection beyond this
  - However, the economic life of the Orexplore® Technology is linked to the time it would take a competitor to replicate the key (non-patented) components (i.e. algorithms, formulae, and data). An important barrier is the difficulty in replicating the algorithms, which have been developed over 10 years and are being continually refined through the application of accumulated data
- **Historical and future technology life cycle:** Irrespective of the level of IP protection, there is a risk of technological obsolescence (i.e. that competitors will develop superior technology and erode market share). Traditionally, the mining industry has relied on the use of conventional lab-based mineral assaying techniques. The future rate of change appears to be higher than historical norms, with the emergence of a number of new mineral analysis technologies
- **Ongoing improvements:** The Orexplore® Technology is a platform that allows ongoing improvements to be made to performance and functionality, thus ensuring that market leading capabilities are maintained into the future.

For personal use only

3 Risk profile: Commentary

3.1 Development risk

Development risk considers time-to-market and the technical probability of successfully clearing each development phase and reaching the market.

3.1.1 Development risk

Since its launch in May 2018, 'trial and pilot' programs have been used to test the GeoCore X10® and obtain data for product enhancement, further develop its measurement methodology, and gain market validation.

While the GeoCore X10® chassis development is relatively mature, there remains development risk related to the advancement of some of its internal systems and significant development of the emerging client-facing value propositions (described under Functional Utility).

We note the following in relation to the development risk of major new features, which are expected to be rolled out as part of the GeoCore X10+®:

- **Gold spectrometer**: We understand that after three years of R&D, lab testing is continuing, and a series of field trials are in concept phase; however, a machine incorporating the spectrometer still needs to be built and tested in the field. Moderate development risk is associated with this technology due to its complexity, desired functionality, and field validation
- **HQ core size scanning**: According to Management, upgrading the scanning capability to HQ core sizes will require relatively well understood, and predominantly electromechanical systems design and development. Development risk is considered to be relatively low
- **Diamond scanning**: Management estimates there is a reasonable chance of successfully implementing some microdiamond detection capability.

3.1.2 Time-to-market

Incremental enhancements are being rolled out continuously. Major new features (i.e. gold spectrometer, HQ core size scanning, and diamond scanning) are likely to be rolled out iteratively as part of the GeoCore X10+®. The remaining time to test and implement these features ranges from six to 18 months, however, Management is prioritising the commercialisation of the GeoCore X10® and does not have firm release dates.

3.2 Commercialisation barriers

This measure reflects post development barriers to market entry, including reliance on contributory assets.

The current version of the GeoCore X10® was launched in May 2018, and we consider residual commercialisation barriers to be moderate to high.

- Orexplore's® recurring revenue model is reliant on the accumulation and maintenance of long-term contracts with multiple on-site customers. To date, a single commercial agreement across five months with a European mining house was delivered, in addition to more than 20 very small-scale commercial paid trials and pilots over the last three years. A large-scale on-site trial (with prospects of ongoing commercial revenue) has been initiated with a tier 1 global gold miner
- It is assumed Orexplore® will have access to a liquid capital market to fund commercialisation and scaling of the technology
- Orexplore® does not have an established presence in markets outside of Australia and Europe. As the business grows internationally, it intends to initially service clients from its Perth and Swedish facilities. For significant contracts and large clients, the intention is to open remote satellite offices, with an initial 'outsourced office' footprint in emerging markets mixed with potential Orexplore® offices to meet demand in the future.

For personal use only

3.3 Earnings risk

As an early stage company in a market that is traditionally slow to take up new technologies, there is a high risk associated with forecast earnings.

- While a number of paying customers have been acquired under the off-site model in both Australia and Sweden, and one on-site customer has been acquired in Sweden, the viability of Orexplore's® long-term business model (which is based on the in-field use of the technology) is yet to be proven
- The new customer pipeline over the next two years is focused on Australia and Sweden and includes several risk-weighted opportunities that Management believes have a positive likelihood of materialising. However, there is substantial risk associated with forecast sales beyond this period, which are predicated on expansion success in near-term forecasts and expansion into upside markets (i.e. new geographic markets)
- The 'trial and pilot' program has allowed Orexplore® to refine the pricing and cost structure associated with its on-site business model, however, this is yet to be proven at scale across multiple geographic regions and customers.

3.4 Market risk

Orexplore® operates at the intersection of various resource markets and is therefore influenced by a range of market specific risks, including world commodity prices, the value of the Australian dollar, global supply trends, capital investment, and domestic and foreign demand for commodities. In relation to the Australian metals and mining industries, the key risks include:[5]

- **Changes in capital expenditure**: Declines in capital expenditure may reduce mining activity over the long term, negatively affecting revenue and growth. Although mining capital expenditure significantly declined over the past five years, it is expected to increase slightly in 2020-21
- **Currency risk**: The prices of most mineral commodities are expressed in US dollars. The relative values of the US dollar and Australian dollar therefore partially determine the Australian dollar revenue earned by local producers. A weaker Australian dollar can positively affect domestic miners, as prices and margins become more competitive in export markets. The Australian dollar is projected to appreciate against the US dollar in 2020-21
- **GDP of trading partners**: The economic growth of Australia's major trading partners, particularly China, Japan and other markets in the Asia-Pacific region, provides a major opportunity, due to the metals and mining industries' heavy reliance on exports. Exports are expected to account for the majority of revenue in the current year, indicating the Chinese market's importance. China's GDP is expected to increase in 2020-21
- **World mining commodity prices**: Activity across the mining industry has been moderately affected by COVID-19. Mining companies met annual production targets in 2019-20 and have indicated they are maintaining volumes in 2020-21.

3.5 Asset risk

This includes risks that are intrinsic to patents, risk of inadvertent disclosure of trade secrets, and risk of third parties developing superior technology that does not infringe Orexplore's® patents.

Management has indicated freedom to operate studies have been conducted. This type of search provides a legal opinion as to whether a product, process or service may be considered to infringe any patent(s) owned by others. A review of these studies is outside the scope of our engagement.

[5] IBISWorld Australian mining industry report titled "Digging deep: Growing demand from export markets has boosted industry revenue", dated May 2021.

For personal use only

APPENDIX 1: CONTEXT OF THE REPORT

Purpose

Deloitte was appointed to prepare a Tech Rating to provide evidence-based qualitative findings to assist Management in their consideration of a proposed demerger of Orexplore® from its parent entity (Swick Mining Services (ASX: SWK)), and as a standalone report for inclusion in the demerger prospectus. The terms of our engagement are described in our engagement letter with Swick dated 4 May 2020 and an addendum to the engagement letter with Swick dated 9 September 2021. This report is prepared solely for the use of Management. This report is not intended to and should not be used or relied upon by anyone else and we accept no duty of care to any other person or entity. You should not refer to or use our name or the advice for any other purpose. Deloitte will receive a fee for preparing this report. This fee is not contingent on the conclusion, content, or future use of our report.

The Tech Rating is not an opinion on asset value

This report represents our rating of the earnings potential and risk profile of the Orexplore® Technology as at 31 October 2021. Deloitte's tech rating process uses a systematic framework of measures and information sources to gauge the strength and risks of technology assets. In using this Report, you should be aware that:

- An element of judgement is required to identify an appropriate portfolio of measures to assess the commercial strength of technology, and to allocate a score to each rating attribute. The rating represents our opinion, rather than a statement of fact, and others might reach a different opinion
- The Tech Rating is based on the available information, together with the technology status, economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods
- The rating process does not provide an estimate of the financial value of the Orexplore® Technology, and this report does not represent a 'valuation engagement' as described by APES 225 – Valuation Services, issued by the Accounting Professional and Ethics Standards Board.

Specific limitations in scope

We have relied upon information from Management to determine the key IP assets that cover the Orexplore® Technology. The following are excluded from the scope of our analysis:

- An IP audit or IP due diligence to identify all IP assets related to the technology
- A freedom to operate search and assessment of patent validity
- A functional due diligence of the technology.

Reliance on information provided

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte has relied upon the completeness of the information provided by Management and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of this report have been issued to Management for confirmation of factual accuracy.

Responsible partner

The Partner responsible for the preparation of this report is Tim Heberden, Partner, CA, MBA, Registered Business Valuer (RICS), Fellow of the Australian Marketing Institute, and Fellow of the Royal Institution of Chartered Surveyors.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- Teleconference interviews with Management
- Management response to Deloitte Tech Rating Questionnaire and email correspondence
- Management presentations
- Summary of interview transcripts about Orexplore®, MinEx Consulting Pty Ltd, dated 25 November 2020
- MinEx market assessment, dated October 2021
- Orexplore® Intellectual Property Report, HWL Ebsworth Lawyers, dated June 2020
- Financial model containing Management forecasts, constructed by Orexplore's® advisors, dated September 2021
- RoyaltyStat (royalty database)
- PatSeer (patent analysis tool)
- Ambercite (patent analysis tool)
- Crunchbase (company analysis tool).

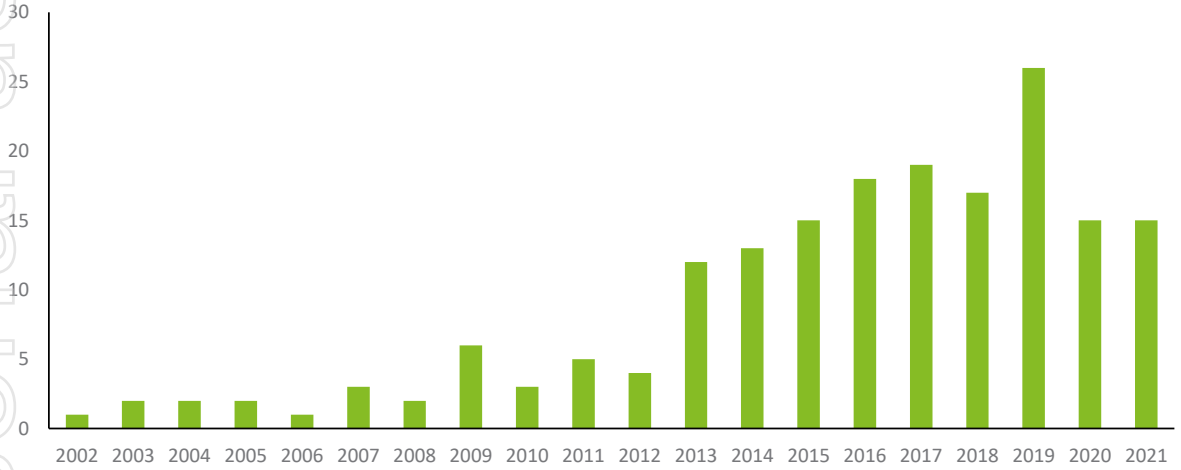
For personal use only

APPENDIX 2: PATENT LANDSCAPE

What is the level of filing activity in the technology area?

The following innovation rate graph shows the annual filing trend for a broad range of mineral analysis technologies. This information is helpful for understanding the patenting pace of technologies over a period of time. Additionally, the graph indicates approximately when technology areas came into fruition, and whether they are recent and emerging or likely to be heading towards stagnancy. The chart shows that the technology area has experienced a significant increase in filings from 2013 onwards, however the total number of filings (relative to other technology areas) is low. (In 2020 and 2021 data is incomplete due to delay in public disclosure processes).

Figure 8: Number of new patent families filed over time



Notes:
1. Search query: G01N23/223 OR G01N2223/076$)) AND (TAC:(((mining WS3 industry) OR ((mineral OR gem*) WS3 (processing OR sampl*)))) OR AC:(E21C*)).
Source: PatSeer, Deloitte analysis

For personal use only

Which companies have the most patents in the tech area?

Using the Ambercite patent network analysis platform, we conducted a search for similar patents of interest.[6] The following table shows the portfolio sizes of the top organisations with patents similar to WO/2009/098009, being the most important Orexplore® Technology patent family. This is helpful for understanding the largest players and the threat of competition in the technology field.

Figure 9: Patents similar to WO/2009/098009

Owner	#of patent families	Most similar Patent	Patent title	Priority date
Minesense Tech Ltd	6	AU2012277493A1	Extracting Mined Ore, Minerals Or Other Materials Using Sensor-Based Sorting	29-Jun-11
Fei Co	7	US8937282B2	Mineral Identification Using Mineral Definitions Including Variability	26-Oct-12
Rio Tinto	9	AU2009291512A1	Sorting Mined Material	11-Sep-08
Spectramet Llc	4	US8855809B2	Material Sorting Technology	01-Sep-11
Sii Nanotechnology Inc	3	US7436926B2	Fluorescent X-Ray Analysis Apparatus	08-Nov-04
Thomas Valerio	1	AU2009257489A1	Method And System For Recovering Metal From Processed Recycled Materials	11-Jun-08
Sandia Corp	3	US6341257B1	Hybrid Least Squares Multivariate Spectral Analysis Methods	04-Mar-99
Valerio Thomas A	1	US8757523B2	Method And System For Separating And Recovering Wire And Other Metal From Processed Recycled Materials	31-Jul-09
Mss Inc	1	US8812149B2	Sequential Scanning Of Multiple Wavelengths	24-Feb-11
Mineral Separation Technologies Inc	1	US9114433B2	Multi-Fractional Coal Sorter And Method Of Use Thereof	17-Jan-12

Source: Ambercite, Deloitte analysis

[6] The 'similarity' score is a proprietary metric developed by Ambercite based on patent network analysis. It uses a select number of focus patents within a patent family (or multiple patent families if looking at a portfolio of related patents) and their citation networks to gain a view of their relative importance within a network. (Generally, the quantity of citations within the patent network it is an immediate predictor of the importance of the technology and the technology area in which the patent is located).

For personal use only

APPENDIX 3: DIMENSIONS OF PATENT STRENGTH

Patent claims: There are three distinct, interrelated metrics through which patent claims can be assessed. High quality claims are constructed with all three in mind.

1. **Claim scope**: Claims are the part of a patent that sets out the scope of rights granted – a series of paragraphs that identify each feature of a product or process that must generally be present in order to infringe the rights of the patent owner. A claim desirably includes within its scope the intended commercial embodiment of the invention.

2. **Validity**: In order to be valid, a claim must reach a certain threshold of patentability. One of the requirements is that the subject matter of the claim is new. The claim scope is usually limited by prior art and its interpretation by patent offices. The validity of claims can be challenged after the patent has been granted. Validity is generally a function of a patent's stage in the prosecution process. (i.e. recently filed provisional patents are allocated a lower validity score than granted patents that have successfully withstood litigation).

3. **Enforceability**: This is a legal view of how any future patent enforcement proceedings would fare in court. Factors considered include the ease of detecting and enforcing infringement.

For personal use only

OREXPLORE
TECHNOLOGIES

www.orexplore.com