



**SWICK MINING SERVICES LIMITED  
ACN 112 917 905**

**Notice of General Meeting**

**The General Meeting of the Company will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Wednesday, 22 December 2021 at 10am (WST)**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on +61 8 9277 8800.**

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

**Swick Mining Services Limited**  
**ACN 112 917 905**  
**(Company)**

**Notice of General Meeting**

Notice is hereby given that the general meeting of Shareholders of Swick Mining Services Limited will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Wednesday, 22 December 2021 at 10am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 20 December 2021 at 4:00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

**Agenda**

**1 Resolution 1 - Approval to dispose of major asset**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*“That, subject to Resolution 2 being passed, for the purposes of Listing Rule 11.4.1(b) and for all other purposes, approval is given for the sale of the Orexlore Business to Orexlore Technologies Limited, a subsidiary entity of the Company, on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by or on behalf of Orexlore Technologies Limited and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any person who is an associate of those parties.

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **2 Resolution 2 - Approval for a reduction of capital and in-specie distribution of Orexplare Shares**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, on the Record Date to determine the entitlements of Swick Shareholders to participate in the reduction of capital:*

*(a) the issued share capital of the Company be reduced by the Company, without cancelling any Swick Shares, by an amount equal to the market value (as assessed by the Swick Directors) of all the fully paid ordinary shares in the capital of Orexplare less a Dividend Amount (if any) with effect as at the Record Date to determine entitlements to the distribution and transfer referred to in paragraph (b) of this Resolution; and*

*(b) the reduction, and Dividend Amount (if any), be satisfied by the distribution and transfer of all fully paid ordinary shares in Orexplare to Swick Shareholders registered as such on the Record Date on a pro rata basis, to be effected in accordance with Swick's constitution, the Corporations Act, the Listing Rules and as otherwise determined by the Swick Directors, with the consequence that each Swick Shareholder on the Record Date shall be deemed to have consented to becoming a Orexplare Shareholder and being bound by its constitution,*

*on the terms and conditions set out in the Explanatory Memorandum."*

### **BY ORDER OF THE BOARD**

Frank Campagna  
Company Secretary  
**Swick Mining Services Limited**  
Dated: 22 November 2021

## Chairman's Letter

Dear Swick Shareholders,

On behalf of the Swick's Board of Directors, I am pleased to present this Notice of Meeting and Explanatory Memorandum which provides information in relation to the proposed demerger of Swick's Mineral Technology business (i.e. Orexplore Business). This document only relates to the Orexplore demerger. Documents in relation to the proposed acquisition of Swick by DDH1 as announced on the ASX on 12 and 22 October 2021 will be contained in a Scheme Booklet to be sent separately to Swick Shareholders.

Your Board believes that the Demerger is a significant milestone for Swick, having first invested in the Orexplore Business in 2013 and moving to full ownership in 2017. Since that time, significant progress has been made in the Orexplore Business including progression of commercialisation activities of its flagship product, the GeoCore X10®. Throughout the time of Swick's involvement to the current day, the Swick Drilling and Orexplore businesses have been operated as standalone businesses within Swick.

The Board's view is that now is the logical time for Orexplore to be demerged as it is at the appropriate stage of its maturity, with a suitable management team, and therefore should operate independently to execute its business plan and commercialise the GeoCore X10® technology. To this end, as part of the Demerger, Swick has also committed an additional \$12 million of equity funding to Orexplore to ensure its business plan is well funded.

Swick first announced its intention to demerge the Orexplore Business in June 2020. After careful consideration of alternatives, the Board continues to be of the unanimous view that a demerger of the Orexplore Business is the appropriate course. It is now also an important step in unlocking value from the proposed acquisition of Swick by DDH1, as that transaction is conditional on the Demerger being approved by Swick Shareholders.

**Your Board unanimously recommends and strongly encourages that you support the Demerger and to vote in favour of all Resolutions, which will position both Swick and Orexplore for future success as two separate and distinctly unique businesses. Your Board also recommends Shareholders consider participating in the Orexplore Priority Offer discussed further in this letter.**

The Swick Board believes that the demerger of the Orexplore Business has the potential to unlock significant value for Swick Shareholders by creating two separate ASX-listed entities (Swick and Orexplore Technologies Limited (i.e. Orexplore), each being able to:

- demonstrate greater financial transparency for shareholders and investors;
- prioritise growth opportunities in their own target market;
- tailor capital management to suit specific business objectives;
- pursue and participate in corporate growth initiatives and corporate activity;
- attract specialist management expertise and better aligned remuneration structure; and
- attract and align the appropriate investor base with the business objectives and growth outlook.

For personal use only

The potential to unlock value for Swick Shareholders has already been demonstrated by the recent announcement of the proposed acquisition of Swick by DDH1 (by way of Scheme of Arrangement), which the Swick Board intends to recommend to shareholders in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of shareholders. In effect, this is a proposed acquisition of the Swick Drilling Business at an enterprise value of \$115 million. Consideration for Swick Shares will be 100% DDH1 Shares at a ratio of 0.2970 DDH1 Shares for each Swick Share. Based on the 5-day volume weighted average price for DDH1 Shares of \$1.1793<sup>1</sup>, DDH1's offer values Swick Shares at \$0.35 per Share, after allowing for Swick's seed funding payment to Orexplore of \$12 million, committed by Swick as part of the Demerger. In addition to the consideration from DDH1's proposed acquisition of Swick, Swick Shareholders will also receive shares in Orexplore (upon implementation of the Demerger), which will trade as a separate entity on the ASX.

As part of the demerger process, the Swick Board has obtained an independent assessment of the current fair market value of the Orexplore Business (on a controlling basis) from Deloitte Corporate Finance. Deloitte Corporate Finance 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.

It is proposed that Swick Shareholders will receive one Orexplore Share for every three Swick Shares held by them on the Record Date if the Demerger proceeds. The Deloitte Valuation therefore represents 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 Orexplore Shares being issued pursuant to the Priority Offer (referred to below). On a per Swick Share basis, the Deloitte Valuation is equivalent to \$0.16 to \$0.20 per Swick Share on a controlling basis (i.e. 100% ownership) post the Swick seed funding to Orexplore of \$12 million. A concise summary of the Independent Valuation Report is included in this Notice of Meeting.

Further, as part of the listing of Orexplore on ASX, the Orexplore Board is undertaking a Priority Offer at an offer price of \$0.25 per Orexplore Share. This offer is only open to Swick Shareholders (on the relevant record date) and has been priced broadly in line with the book value of Orexplore in Swick's accounts at the time of lodging the Prospectus (post the Swick seed funding to Orexplore of \$12 million). The offer price is a 48% to 57% discount to the Deloitte Valuation, although it should be noted that the valuation was prepared on a controlling basis (i.e. 100% ownership). The full details of the Priority Offer are contained in the Prospectus. An offer price of \$0.25 per Orexplore Share is equivalent to \$0.083 per Swick Share (on the basis that eligible Swick Shareholders will receive one Orexplore Share for every three Swick Shares held by them on the Record Date, if the Demerger proceeds). The Priority Offer provides an opportunity for Swick Shareholders to increase their shareholding in Orexplore at a discounted valuation and the Board encourages Shareholders to review the Orexplore Prospectus and consider subscribing for additional Orexplore Shares, particularly smaller Shareholders that may otherwise end up with a less than marketable parcel of Orexplore Shares.

The Orexplore Business has achieved significant business milestones, which includes the continued commercialisation of its flagship product, the GeoCore X10®. Orexplore's immediate focus is to transition 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 product suite.

Following the Demerger, Orexplore will be separately listed on the ASX, offering investors an exposure to the mineral technologies industry and a business with a mission to support the digital transformation of the mining industry. The Orexplore Board believes that the Company's technology platform

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<sup>1</sup> Based on DDH1's volume weighted average price over the 5 trading days up and including 6 October 2021.

comprising its flagship product, the GeoCore X10®, and its user interface software, Orexplere Insight™, and the continuous improvement possible with these products, has the potential to add significant value to mining operations.

If approved by Swick Shareholders, the Demerger will be implemented by way of an in-specie distribution to current Swick Shareholders.

Following the Demerger, Swick Shareholders will have the choice to retain both their Swick Shares and their Orexplere Shares, or to sell either or both, providing investors a greater degree of choice. In relation to their Swick Shares, shareholders will need to decide whether to vote in favour of the proposed DDH1 transaction. Details regarding the DDH1 transaction, timetable and voting process are set out in a separate Scheme Booklet regarding the transaction.

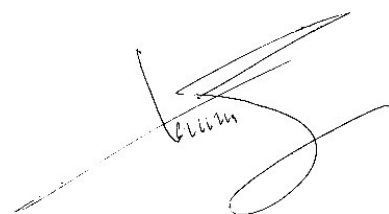
I encourage you to read this Notice of Meeting and the accompanying Prospectus in its entirety. It sets out important information that will assist you to make an informed decision about the Demerger, including the advantages and disadvantages of the Demerger in Section 3.4.

If you have any questions about this Notice of Meeting, the accompanying Prospectus or the Demerger, please consult your financial, legal, taxation or other professional adviser or contact the Company Secretary on by telephone on +61 8 9277 8800.

In order to proceed, the Demerger must be approved by Swick Shareholders and your vote is very important. I encourage you to vote on the Resolutions in person or by proxy at the Meeting to be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Wednesday, 22 December 2021 at 10am (WST). If you are voting by Proxy Form, it must be received by 10am (WST) on Monday, 20 December 2021.

After considering all relevant factors, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions for the reasons summarised in Sections 3.1, 3.2 and 3.4. Each of the Directors intend to vote in favour of the Resolutions in respect of all Shares they own or control.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Andrew Simpson', is written over a horizontal line.

Andrew Simpson  
Chairman  
**Swick Mining Services Limited**  
22 November 2021

**Swick Mining Services Limited**  
**ACN 112 917 905**

**Explanatory Memorandum**

**1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Wednesday, 22 December 2021 at 10am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	<p>Resolutions 1 and 2 - Approval for disposal of a major asset and a reduction of capital and in-specie distribution of Oreplore Shares</p> <p>3.1 General Background</p> <p>3.2 Rationale for the Demerger</p> <p>3.3 Overview of the Demerger</p> <p>3.4 Advantages and Disadvantages of the Demerger</p> <p>3.5 Independent Valuation Report</p> <p>3.6 Board recommendation</p> <p>3.7 Pro forma financial position of Swick and Oreplore upon completion of the Demerger</p> <p>3.8 Eligible Shareholders</p> <p>3.9 Ineligible Shareholders and Sale Facility</p> <p>3.10 Consequence of the receipt or non-receipt of Shareholder approval</p> <p>3.11 Plans for Swick and Oreplore (assuming completion of Demerger)</p> <p>3.12 Information about Oreplore</p> <p>3.13 Directors' interests</p> <p>3.14 Changes to capital structure</p> <p>3.15 Information concerning shares</p> <p>3.16 Taxation consequences of the Demerger</p> <p>3.17 Section 256C of the Corporations Act</p> <p>3.18 Capital reduction - general</p>

	3.19 Effect of Proposed Capital Reduction on the Company 3.20 Effect of the Proposed Capital Reduction of the Shareholders 3.21 ASX Listing Rule 7.17 3.22 ASX Listing Rule 11.4 3.23 ASX waiver and confirmation 3.24 Disclosure to ASX 3.25 Directors recommendation and voting intentions 3.26 Other material information
Section 4	Enquiries
Schedule 1	Definitions
Schedule 2	Corporate structure post-Demerger
Schedule 3	Key risk factors facing Orexlore
Schedule 4	Swick pro forma consolidated statement of financial position as at 30 June 2021
Schedule 5	Orexlore pro forma consolidated statement of financial position as at 30 June 2021
Schedule 6	Rights and Liabilities attaching to Orexlore Shares
Schedule 7	Independent Valuation Report
Schedule 8	Short form prospectus
Schedule 9	Orexlore's material contracts

A Proxy Form is located at the end of the Explanatory Memorandum.

## 1.1 Purpose of this document

The main purpose of this document is to:

- (a) explain the terms of the Demerger, and the manner in which the Demerger (or parts of the Demerger) will be implemented (if approved); and
- (b) to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolutions required to give effect to the Demerger.

This document includes a statement of all the information known to the Company that is material to Shareholders in deciding how to vote on Resolution 2, as required by Section 256C(4) of the Corporations Act.



## 1.2 ASIC and ASX

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

If Resolution 2 is passed, the reduction of capital is required to take effect in accordance with a timetable approved by ASX. Please refer to Section 1.8 for the proposed indicative timetable for completion of the Demerger, which is subject to change by the Company and any requirements of the ASX Listing Rules and the Corporations Act.

## 1.3 Short Form Prospectus

Under applicable ASIC guidelines, the invitation to Shareholders to vote on Resolution 2 of the Notice of Meeting constitutes an "offer" to transfer Oreplore Shares to Shareholders pursuant to the In-Specie Distribution under Chapter 6D of the Corporations Act and a prospectus is required unless an exemption applies or ASIC provides relief. As no exemptions apply and no relief was obtained, Swick has prepared a short form prospectus in accordance with section 712 of the Corporations Act that contains information in relation to Oreplore (**Short Form Prospectus**).

The Short Form Prospectus accompanies this Notice of Meeting (included in Schedule 8) and was lodged with ASIC on 22 November 2021, being the same date as this Notice of Meeting. Swick recommends that all Shareholders read the Short Form Prospectus carefully and in conjunction with this Notice of Meeting. The Short Form Prospectus also facilitates the secondary trading of Oreplore Shares within the first 12 months of Shareholders receiving them without further disclosure. The Short Form Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in this Notice of Meeting and certain information contained in the Prospectus.

## 1.4 Forward looking statements

This Notice includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected.

None of the Company, Oreplore, any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this document reflect views held only as at the date of this document.

### 1.5 **No financial product advice**

This document does not constitute financial product, taxation or investment advice nor a recommendation in respect of Orexlore Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders should consider the appropriateness of the information, having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their circumstances.

Neither the Company nor Orexlore is licensed to provide financial product advice. No cooling-off regime applies in respect of the acquisition of Orexlore Shares under the In-Specie Distribution (whether the regime is provided for by law or otherwise).

### 1.6 **No internet site is part of this document**

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company and maintains an internet site ([www.swickmining.com](http://www.swickmining.com)). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

### 1.7 **Disclaimer regarding United States**

This Notice 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 Demerger or the accuracy, adequacy or completeness of the Notice. Any representation to the contrary is a criminal offence.

The Orexlore Shares 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 Demerger is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

US based Swick Shareholders should note that the Demerger is made of securities of an Australian company in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The Demerger is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since Swick and Orexlore are located in Australia and most of their officers and directors are residents of Australia. You may not be able to sue their respective officers or directors in Australia for violations of the US securities laws. It may be difficult to compel Swick and Orexlore to subject themselves to a US court's judgment.

### 1.8 **Indicative timetable**

Event	Date
Orexlore lodges prospectus with ASIC	22 November 2021
Orexlore applies for admission to the Official List	26 November 2021
Orexlore opens Priority Offer	1 December 2021
General Meeting to approve the In-Specie Distribution of Orexlore Shares ASX informed of Shareholder approval	22 December 2021

Orexlore closes Priority Offer	22 December 2021
Completion of acquisition of the Orexlore Business	23 December 2021
Record Date	30 December 2021
In-Specie Distribution to Shareholders of Orexlore Shares	7 January 2022
Dispatch of holding statements for In-Specie Distribution	7 January 2022
Orexlore admitted to the Official List	19 January 2022
Orexlore Shares commence trading on ASX	21 January 2022

**These dates are indicative only and the Directors reserve the right to change these dates without notice.**

## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

In the event that restrictions on public gatherings in Western Australia due to the COVID-19 global pandemic are reintroduced and prevent a physical meeting from being held, the Meeting will be held as a virtual meeting. Details of any virtual meeting will be notified to Shareholders, including information and guidance on how to participate and vote at the Meeting.

### 2.2 Proxies

#### (a) Voting by proxy

A Proxy Form is included with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are encouraged to attend the Meeting either in person or by signing and returning the Proxy Form to the Company in accordance with the instructions thereon.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

(d) For an appointment of a proxy for the Meeting to be effective:

- (i) the proxy's appointment; and
- (ii) if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (i.e. a power of attorney) or a certified copy of it,

must be received by the Company at least 48 hours before the start of the Meeting (i.e. by 10am (WST) on Monday, 20 December 2021). Proxy appointments received after this time will be invalid for the Meeting.

The following methods are specified for the purposes of receipt of proxies:

**Online**

Vote online at <https://investor.automic.com.au/#/loginsah>

**By Mail**

Automic Pty Ltd  
GPO Box 5193  
Sydney NSW 2001

**In Person**

Automic Pty Ltd  
Level 5 5, 126 Phillip Street  
Sydney NSW 2000

**By Email**

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

**By Facsimile**

+612 8583 3040

**2.3 Bodies corporate**

A shareholder which is a body corporate, may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment must comply with section 250D of the Corporations Act. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Shareholders can download and fill out the Appointment of Corporate Representation form from Automic's website at <https://www.automicgroup.com.au>.

**2.4 Voting exclusions**

Pursuant to requirements of the Corporations Act and Listing Rules, certain voting exclusions apply to Resolution 1. Please refer to discussion of the relevant Resolutions below for details of the applicable voting exclusions.

**2.5 Chair's voting intentions**

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

**2.6 Board recommendation**

After considering all relevant factors, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 and 2 for the reasons summarised in Sections 3.1, 3.2 and 3.4.

Each of the Directors intend to vote in favour of Resolutions 1 and 2 in respect of all Shares they own or control.

### 3. **Resolutions 1 and 2 - Approval for disposal of a major asset and a reduction of capital and in-specie distribution of Orexplore Shares**

#### 3.1 **General background**

Swick is an ASX listed, Australian based company, specialising in underground diamond coring and surface reverse circulation drilling for the hard rock mining industry. The Company currently comprises two distinct business units as follows:

- (a) **Swick Drilling Business** – Swick is the leading underground diamond driller in the Australian market, but also with operations in the USA and Europe. The Swick Drilling business generated revenues in excess of \$150 million and EBITDA of c.\$30 million in the year to 30 June 2021; and
- (b) **Mineral Technology Business** (Orexplore Business) – an emerging mineral technology business, comprising the Orexplore Business, which Swick moved to 100% ownership in 2017. Orexplore has a mission to support the digital transformation of the mining industry, through sensing mineral extraction in near-real-time and creating actionable insights to support decision making across the mining value chain.

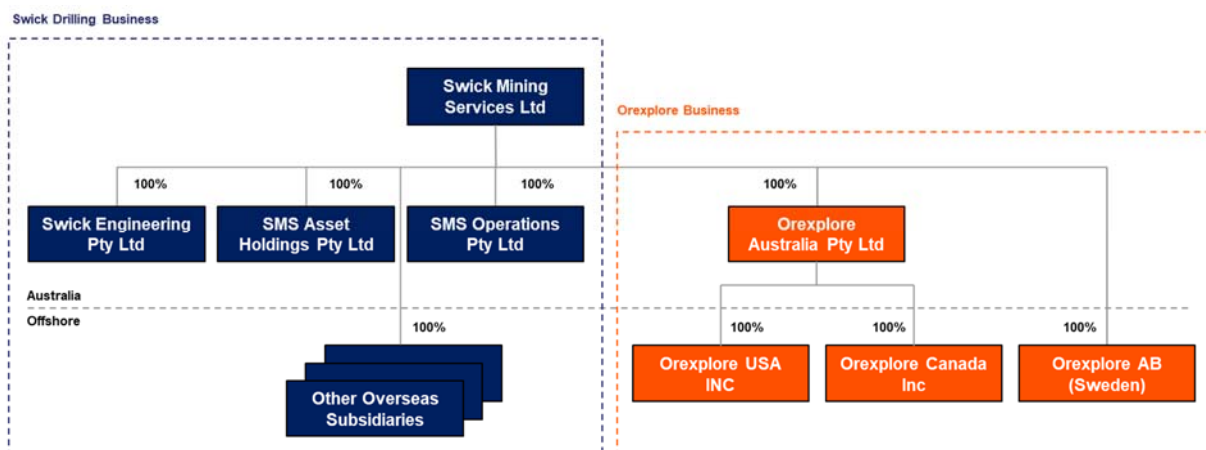
The Swick Drilling and the Orexplore businesses are standalone businesses within the Swick organisation and have distinctly different characteristics: Swick Drilling is a mature, cash generative mining services business; while the Orexplore Business is an emerging mining technology business.

The Orexplore Business is a Swedish-Australian minetech group that aims to supply the global mining industry with mineral data. Orexplore AB, a Sweden incorporated entity, was originally founded in 2010 as a small research project in a Swedish incubator, with Swick having become a minority shareholder in 2013 and undertaking progressive investment to fund product development. In 2017, by which time the Company had acquired approximately 70% of the shares in Orexplore AB, Swick completed the purchase of the remaining minority shareholder interest to hold 100% of Orexplore AB. Following this initial acquisition, the Company has incorporated a number of entities as it started to commercialise this mineral analysis technology, being:

- (a) Orexplore Australia Pty Ltd;
- (b) Orexplore USA Inc; and
- (c) Orexplore Canada Inc,

(together with Orexplore AB, the **Orexplore Business**).

The current corporate structure of the Company is shown below:



As reconfirmed to the ASX on 21 June 2021, the Company is proposing, subject to Shareholder approval, to transfer the Orexplore Business to a new, wholly owned subsidiary company, Orexplore (**Spin-Out**) (see Section 3.3(a) for further details), which will, in-turn, seek admission to the official list of ASX. As part of the Demerger, Swick also intends to undertake the In-Specie Distribution (see Section 3.3(b) for further details).

Following the Spin-Out but prior to the In-Specie Distribution, Swick will hold 93,913,641 Orexplore Shares.

Upon completion of the Demerger, the corporate structure of each of the Company and Orexplore will be as set out in Schedule 2.

Further information on Orexplore and the Orexplore Shares are available in the Prospectus.

### 3.2 Rationale for the Demerger

The Company's strategy in acquiring the Orexplore Business was to incubate and develop the initial products through to the commercialisation stage, after which the Orexplore Business could stand independently. The Company now believes it is an appropriate time to spin off the Orexplore Business as:

- the Orexplore Business has developed its flagship product, the GeoCore X10®, and is in the commercialisation phase. Through a targeted business development and sales program, the GeoCore X10® is being actively presented to current trial and pilot & prospective customers, with the intent of converting to and executing medium-to long-term commercial contracts;
- it is appropriate for the Orexplore Board to determine the Company's future direction and operational strategy, and for Orexplore be free of the competing demands of the Swick Drilling Business. Conversely, the Demerger will enable a greater focus by Swick on the Swick Drilling Business in line with the Board's commitment to deliver value for Swick Shareholders. The Demerger will provide Swick and Orexplore with increased flexibility to implement independent operating strategies to drive long-term shareholder value and allow them to attract investors with different investment preferences and/or participate in corporate activity. In this regard, the Board notes the recently announced transaction whereby DDH1 proposes to acquire Swick;
- there are significant differences between the two businesses which can create shareholder and market valuation issues. The Swick Drilling Business tends to appeal to traditional industrial and mining service investors; whereas the Orexplore Business

tends to appeal to growth investors seeking a higher risk profile but potentially a significantly greater return. The Demerger will allow Swick Shareholders to retain both Swick and Orexlore exposures via different shares, or to choose whether to directly invest in either of Swick and Orexlore after the Demerger based on their individual investment objectives, risk tolerance and desired sector exposures; and

- (d) Orexlore's growth will require access to growth capital funding. In the absence of the Demerger, this funding would need to be covered by Swick and this could become a drag on the Swick Drilling Business' cashflow and / or impede the Swick's ability to reward Shareholders via capital management. Conversely, a lack of funding from Swick would constrain Orexlore's ability to grow.

In addition to the above, an important reason for the Demerger is to unlock the value of both the Orexlore Business and the Swick Drilling Business. This unlock of value has become immediately evident given the recently announced proposed acquisition of Swick by DDH1, which is conditional on the Demerger being approved by Swick Shareholders and will not proceed if the Demerger is not approved (unless this condition to the proposed DDH1 transaction is waived by DDH1).

By listing on ASX, Orexlore aims to:

- (a) increase the profile and awareness of the Orexlore Business as a growing and successful technology business focused on the mineral technology market;
- (b) provide Swick Shareholders with a market-based valuation of their investment in Orexlore;
- (c) provide existing Swick Shareholders and future Orexlore Shareholders, who have an appetite for the specific risk profile of and opportunity presented by Orexlore, the opportunity to directly contribute to the growth of Orexlore; and
- (d) provide Orexlore with direct access to capital markets and improve financial flexibility for future growth opportunities.

### 3.3 Overview of the Demerger

#### (a) Spin-Out - sale of Orexlore Business

Swick intends to transfer the Orexlore Business to its newly incorporated wholly owned subsidiary company, Orexlore, by way of the sale of all of the shares in the capital of Orexlore AB and Orexlore Australia Pty Ltd (noting that Orexlore USA Inc and Orexlore Canada Inc are wholly owned subsidiaries of Orexlore Australia Pty Ltd) to Orexlore. As consideration for the sale of the Orexlore Business, Orexlore will issue Swick 93,913,541 Orexlore Shares. Swick intends to distribute and transfer all of its Orexlore Shares (being 93,913,641, comprising the 93,913,541 Orexlore Shares referenced above and 100 Orexlore Shares currently on issue and held by Swick as at the date of this Notice) to Swick Shareholders on the basis of one Orexlore Share for every three Swick Shares held by them at the Record Date, as an in-specie distribution).

The Spin-Out will only proceed if the following conditions are met or waived on or before 12 August 2022 (together, the **Spin-Out Conditions**):



- For personal use only
- (i) Swick obtaining shareholder approval under the Corporations Act and Listing Rules for the In-Specie Distribution; and
  - (i) Orexpl ore receiving conditional ASX listing approval, on terms acceptable to the Orexpl ore Board which, once satisfied, will result in ASX admitting Orexpl ore to the Official List.

(b) **In-Specie Distribution**

Swick intends to distribute and transfer all of its Orexpl ore Shares to Swick Shareholders on the basis of one Orexpl ore Share for every three Swick Shares held by them at the Record Date, as an in-specie distribution (**In-Specie Distribution**). The In-Specie Distribution will occur subject to and as soon as reasonably practicable following completion of the Spin-Out.

Should the Spin-Out Conditions be satisfied, the In-Specie Distribution will be effected by an equal reduction of Swick capital and (if so determined) partly by way of Dividend Amount on a pro rata basis. Eligible Shareholders that are registered as a Swick Shareholder as at 5.00pm (WST) on the Record Date will receive an in specie return of capital by way of the distribution of the Orexpl ore Shares held by Swick on the basis of one Orexpl ore Share for every three Swick Shares held by them at the Record Date. Any fractions of entitlement will be rounded up to the next whole number. Swick Shareholders will thereby retain direct ownership of Swick and will also receive direct ownership of the Orexpl ore Business.

The Record Date for the In-Specie Distribution will be set by the Directors after the date that Resolution 2 is passed and depends on the satisfaction of the Spin-Out Conditions.

See Section 3.16 for details in relation to the taxation consequences of the In-Specie Distribution.

(c) **Priority Offer**

In conjunction with the Spin-Out, Orexpl ore intends to seek admission to the Official List and undertake a Priority Offer to eligible Swick Shareholders with a minimum subscription of \$2,000 per Swick Shareholder. The Priority Offer will be made by way of a prospectus to raise at least \$1,000,000 (before costs) by the issue of at least 4,000,000 Orexpl ore Shares at \$0.25 per Orexpl ore Share (**Minimum Subscription**) and up to \$2,500,000 (before costs) by the issue of up to 10,000,000 Orexpl ore Shares at \$0.25 per Orexpl ore Share (**Maximum Subscription**) (**Prospectus**).

The Priority Offer is conditional upon the following events occurring:

- (i) Swick obtaining approval from Swick Shareholders for the Demerger;
- (ii) the Demerger Implementation Deed becoming unconditional;
- (iii) Orexpl ore raising the minimum subscription under the Priority Offer (being \$1,000,000 (before costs));
- (iv) 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 issued under the Prospectus as mandated by the Listing Rules; and

- (v) Orexpl ore receiving conditional ASX listing approval, on terms acceptable to the Orexpl ore Board which, once satisfied, will result in ASX admitting Orexpl ore to the Official List.

Orexpl ore will not be undertaking a general public offer to raise capital from investors that are not Swick Shareholders.

Pursuant to the Demerger Implementation Deed, Swick will also contribute an additional seed funding payment to Orexpl ore of \$12,000,000 at completion of the Demerger.

(d) **Important note**

In order for the Orexpl ore Shares to commence trading on the ASX, Orexpl ore is required to lodge a prospectus in accordance with section 710 of the Corporations Act. The Prospectus was lodged on the date of this Notice and contains the Priority Offer (as set out above in Section 3.3(c)).

An application for admission of the Orexpl ore Shares to quotation on the ASX will be made to ASX within 7 days after the date of the Prospectus (being the date of this Notice), however Swick Shareholders must note that the Orexpl ore Shares will not commence trading unless the conditions to the Priority Offer are satisfied. Shareholders should note that there is no guarantee that the conditions will be satisfied, and even if the above conditions are satisfied, there is no guarantee that the Orexpl ore Shares will commence quotation on the ASX. The Company notes that the Orexpl ore Shares will not be quoted on the ASX pursuant to the short-form prospectus lodged on the date of this Notice and included in Schedule 8.

### 3.4 **Advantages and disadvantages of the Demerger**

**Advantages:**

(a) **Opportunity to unlock the value for Swick Shareholders**

Following the Demerger, Swick and Orexpl ore will be two separate ASX-listed businesses which will attract their own valuations. The Swick Directors believe that Swick's market capitalisation and enterprise value (prior to the announcement of the proposed DDH1 transaction), did not reflect the value of the parts of Swick, namely, the Swick Drilling Business and the Orexpl ore Business. This was a key reason for the Board determining to proceed with the Demerger.

Since announcing the re-commencement of the Demerger in June 2021, Swick has also announced the proposed acquisition of Swick by DDH1, by Scheme of Arrangement (**Scheme**), which is scheduled to complete after the Meeting (subject to satisfaction or waiver of all relevant conditions precedent). The Swick Directors intend to recommend the Scheme to Shareholders, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of Shareholders. Shareholders should note that the Scheme is conditional on the Demerger being approved by Swick Shareholders.

In effect, this is a proposed acquisition of the Swick Drilling Business which values Swick's Drilling Business at an enterprise value of \$115 million. Consideration for Swick Shares will be 100% DDH1 Shares at a ratio of 0.2970 DDH1 Shares for each Swick Share. Based on the 5-day volume weighted average price for DDH1 Shares of

\$1.1793<sup>2</sup>, DDH1's offer values Swick Shares at \$0.35 per Share, after allowing for Swick's seed funding payment to Orexlore of \$12 million, committed by Swick as part of the Demerger.

The emergence of the proposed DDH1 transaction supports the Directors' contention that Swick's market capitalisation did not reflect the value of the two parts of Swick's Business.

In addition to the consideration from DDH1's proposed acquisition of Swick, Swick Shareholders will also receive shares in Orexlore (upon implementation of the Demerger), which will trade as a separate entity on the ASX. The future trading of Orexlore Shares is uncertain. Under the Priority Offer, Orexlore is raising capital at a price of \$0.25 per Orexlore share. A listing price of \$0.25 per Orexlore Share is equivalent to \$0.083 per Swick Share (on the basis that eligible Swick Shareholders will receive one Orexlore Share for every three Swick Shares held by them on the Record Date, if the Demerger proceeds).

As part of the demerger process, the Swick Board has obtained an independent assessment of the current fair market value of the Orexlore Business (on a controlling basis) from Deloitte Corporate Finance. Deloitte Corporate Finance has assessed the equity value of Orexlore 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 Orexlore of \$12 million.

It is proposed that Swick Shareholders will receive one Orexlore Share for every three Swick Shares held by them on the Record Date if the Demerger proceeds. The Deloitte Valuation therefore represents an implied value per Orexlore Share of \$0.48 to \$0.59 on a controlling basis, post the Swick seed funding to Orexlore of \$12 million and prior to any new Orexlore Shares being issued pursuant to the Priority Offer. On a per Swick Share basis, the Deloitte Valuation is equivalent to \$0.16 to \$0.20 per Swick Share on a controlling basis (i.e. 100% ownership) post the Swick seed funding to Orexlore of \$12 million. A concise summary of the Independent Valuation Report is included in Schedule 7. The Independent Valuer has also prepared and applied their own Tech Rating for early stage technology, a copy of which is included within the Prospectus.

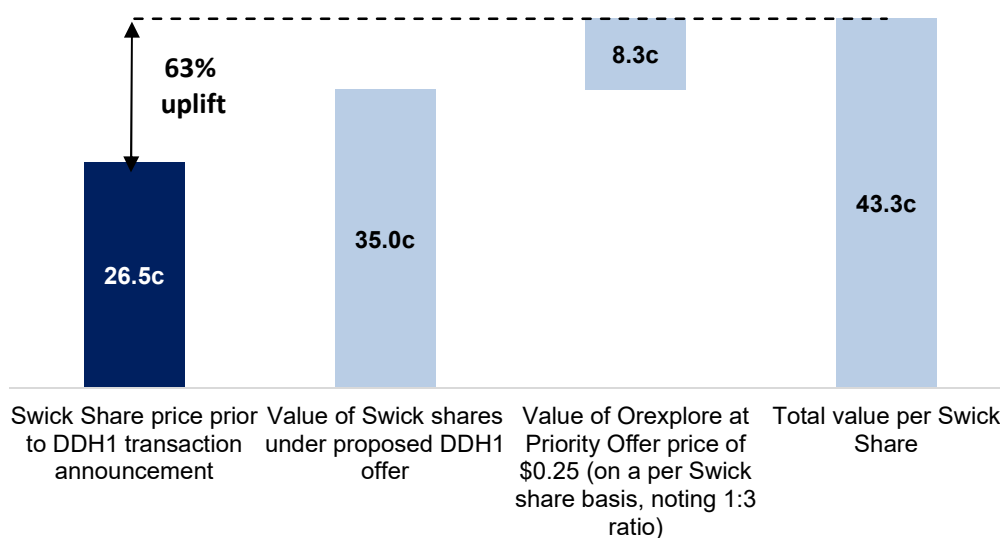
As part of the listing of Orexlore on ASX, the Orexlore Board is undertaking a Priority Offer at an offer price of \$0.25 per Orexlore Share. An offer price of \$0.25 per Orexlore Share is equivalent to \$0.083 per Swick Share (on the basis that eligible Swick Shareholders will receive one Orexlore Share for every three Swick Shares held by them on the Record Date (if the Demerger proceeds)).

The Demerger clearly enables the value of the Orexlore Business to be released from Swick and, while there is no certainty as to where Orexlore Shares will trade, it is clear the market valuation of Swick prior to announcement of the proposed DDH1 transaction did not reflect the sum-of-the-parts of Swick. A comparison of the value per Swick Share prior to announcement of the proposed DDH1 transaction, with the potential value outcome if both the Demerger and the DDH1 transaction are approved, is set out below.

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<sup>2</sup> Based on DDH1's volume weighted average price over the 5 trading days up and including 6 October 2021.

**Figure 1. Swick Valuation Waterfall**



- (1) Swick closing share price as at 6 October 2021, being the last trading day prior to Swick and DDH1 agreeing valuation terms.
- (2) Based on Scheme consideration of 0.2970 DDH1 shares for each Swick Share which equated to \$0.35 per Swick Share based on DDH1's 5-day volume weighted average price of \$1.1793 over the 5 trading days to and including 6 October 2021.
- (3) Upon Demerger, Orexplore Shares will be distributed on the basis of one Orexplore Share for every three Swick Shares. Based on the Priority Offer price of \$0.25 per Orexplore Share, this represents 8.3 cents per Swick Share on a pre-consolidation basis.

**(b) Facilitates the proposed DDH1 acquisition of 100% of Swick**

As announced on 22 October 2021, Swick has entered a scheme implementation agreement with DDH1 under which it is proposed that DDH1 will acquire 100% of the shares in Swick by way of a Scheme of Arrangement (**Scheme**).

In effect, this is a proposed acquisition of the Swick Drilling Business which values Swick's Drilling Business at an enterprise value of \$115 million. Consideration for Swick Shares will be 100% DDH1 Shares at a ratio of 0.2970 DDH1 Shares for each Swick Share. Based on the 5-day volume weighted average price for DDH1 Shares of \$1.1793<sup>3</sup>, DDH1's offer values Swick Shares at \$0.35 per Share, after allowing for Swick's seed funding payment to Orexplore of \$12 million, committed by Swick as part of the Demerger.

The Swick Board intends to unanimously recommend the Scheme to Swick Shareholders, in the absence of a superior proposal and subject to an independent

<sup>3</sup> Based on DDH1's volume weighted average price over the 5 trading days up and including 6 October 2021.

expert concluding that the Scheme is in the best interest of Swick Shareholders. However, the Scheme is also conditional on the Demerger being approved by Swick Shareholders. If the Demerger does not occur, the proposed DDH1 transaction will not proceed (unless this condition is waived by DDH1) and Swick will continue to operate as an independent listed entity holding both the Drilling Business and Orexplore Business.

(c) **Improved financial position for Swick and greater scope for capital management and shareholder returns**

The Demerger will result in an immediate improvement in the reported financial position of Swick (comprising only the Swick Drilling Business following the Demerger). While the historic investment in the Orexplore Business has grown the business to a stage that it can be demerged, it has adversely affected Swick's reported earnings. In the financial year ended 30 June 2021, the Orexplore Business contributed an EBITDA loss of \$4.3m and an EBIT loss of \$5.9m to the Swick Group. Conversely, in the financial year ended 30 June 2021, the Drilling Business' contribution to the Swick Group was EBITDA of \$30.4m (profit) and EBIT of \$15.1m (profit) on a reported basis, or \$17.3m on a pro-forma basis to reflect the change in depreciation policy to take effect from 1 July 2021. Following the Demerger (and if the proposed DDH1 transaction (or similar) does not proceed) Swick expects that its reported financial performance will be significantly improved (by no longer owning Orexplore or having to consolidate it within Swick's financial statements) and make the comparison with other drilling and mining services companies more straight forward.

(d) **Accelerated funding and a capitalised Orexplore**

Upon completion of the Spin-Out, Orexplore will receive \$12 million of additional funding from Swick and a minimum additional funding of \$1m under the Priority Offer. This will result in Orexplore being appropriately capitalised as an independent entity and well positioned to execute its business development plans.

(e) **Enables existing Swick Shareholders to retain an exposure to each of Swick and Orexplore and to benefit from the future upside potential of both entities**

The Demerger will be completed by way of in-specie distribution, with current Swick Shareholders maintaining a direct exposure to the ASX-listed Orexplore Business. Following the Demerger, Swick and Orexplore Shareholders will have the opportunity to more effectively manage and determine their desired exposure to each entity.

(f) **Separate board and management teams empowered to pursue independent strategies and operational initiatives**

Following the Demerger, Swick and Orexplore will be two ASX-listed businesses facing different industry dynamics and opportunities. Each will be able to pursue their own strategies and operational initiatives after the Demerger to drive long-term shareholder value. In particular, potential initiatives that may not have been prioritised in Swick before the Demerger will be able to be pursued by the independent Orexplore and Swick post Demerger as a result of more focussed management attention on each business' operations.

The Demerger will enable Swick and Orexplore to:

- (i) demonstrate greater financial transparency for shareholders and investors;

- (ii) prioritise growth opportunities in their own target market;
- (iii) tailor capital management to suit specific business objectives;
- (iv) pursue and participate in corporate growth initiatives and corporate activity;
- (v) attract specialist management expertise and better aligned remuneration structure; and
- (vi) attract and align the appropriate investor base with the business objectives and growth outlook.

(g) **Separate ASX-listed entities will appeal to investors with different investment strategies and preferences**

The operating characteristics and financial policies of each of the Orexlore Business and Swick Drilling Business differ and may appeal to different types of investors. If the Demerger is implemented, different investors will be able to invest in the entity that best suits their strategy; however, if the Demerger does not occur, investors who prefer an investment in one of the businesses over the other will not be able to choose which company to invest in.

Once Orexlore and Swick are separate, ASX-listed companies on implementation of the Demerger, existing and future Swick Shareholders and Orexlore Shareholders will be able to evaluate the individual financial performance, strategies and other business characteristics of Orexlore and Swick, and will generally have greater investment choice and the opportunity to manage their exposure to the different investment opportunities of Orexlore and Swick depending on their own investment objectives.

(h) **Increased potential scope for corporate activity**

The inclusion of the Swick Drilling Business and Orexlore Business under the same structure is considered to be a disincentive to potential corporate activity as the logical acquirers of each business are unlikely to have any interest in the other. The Demerger will remove this obstacle. This point is aptly demonstrated by the announcement of the proposed DDH1 acquisition of Swick (effectively the Swick Drilling Business) which will only occur if the Demerger is approved (or DDH1 waives this approval requirement as a condition of the proposed acquisition) and Orexlore separated from the Swick structure.

**Disadvantages:**

(a) **Taxation Consequences**

As a consequence of the timing of the proposed DDH1 acquisition of Swick, Demerger Relief from the Australian Taxation Office is unlikely to be obtained. As a result, there will be potential tax consequences for Swick Shareholders, the quantum of which will depend on their individual tax status and the cost-base of their Swick Shares. In the absence of Demerger Relief being obtained, a portion of the In-Specie Distribution may be deemed a dividend and will be taxable as such in the hands of Swick Shareholders. See Section 3.16 for further information regarding the potential tax consequences of the Demerger.

(b) **Separate entities will be less diversified**

As a result of the Demerger, Swick will be split into two separate, ASX-listed companies. While this will simplify Swick, it means the Oreplore Business will lose the benefit of a financially strong parent, while Swick will lose the potential significant growth upside as Oreplore's product suite is commercialised.

As a result, Swick will be a less diversified business than it is at the date of this Notice. If the Demerger is implemented, Swick and Oreplore as separate, ASX-listed companies, may have increased exposure to fluctuations in financial markets as a result of their smaller size and reduced diversification.

(c) **There will be one-off transaction costs associated with the Demerger**

The Demerger will result in one-off transaction costs, expected to be approximately \$2,010,000, of which \$1,855,000 have already been incurred as at the date of this Notice.

(d) **Some Swick Shareholders will not be eligible to receive Oreplore Shares as part of the Demerger**

Swick Shareholders who are Ineligible Shareholders will not receive Oreplore Shares under the Demerger (and will not be permitted to participate in the Priority Offer). Instead, Oreplore Shares that would otherwise be transferred to Ineligible Shareholders on implementation of the Demerger will be transferred to the Sale Agent to be sold, with the proceeds of such sale to be paid to Ineligible Shareholders, as described in Section 3.9 below.

(e) **Additional ongoing corporate and operating costs and fundraising**

Following the completion of the Demerger, Oreplore will be a standalone, ASX-listed company, which will result in Oreplore incurring additional corporate and operating costs of approximately \$1,400,000 per annum. These costs will include fees associated with the ASX Listing (and ongoing ASX listing fees), maintaining a separate board of directors and senior management team, and operating company secretarial, treasury and other corporate functions required as a result of Oreplore becoming a standalone ASX-listed company. In addition, there may be additional insurance costs and employee related costs.

However, if the proposed DDH1 acquisition proceeds, Swick will become a wholly-owned subsidiary of DDH1 and will be delisted from the ASX. Accordingly, in these circumstances, costs associated with maintaining a listing on ASX would no longer be incurred by Swick.

Oreplore may require further financing in the future, in addition to amounts raised pursuant to the Priority Offer. Any additional equity financing may be dilutive to Oreplore Shareholders, may be undertaken at lower prices than the current market price (or offer price under the Priority Offer) or may involve restrictive covenants which limit Oreplore's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Oreplore or at all. If Oreplore 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 Oreplore's activities and could affect Oreplore's ability to continue as a going concern.

### 3.5 Independent Valuation Report

As part of the demerger process, the Swick Board has obtained an independent assessment of the current fair market value of the Orexplore Business (on a controlling basis) from Deloitte Corporate Finance. Deloitte Corporate Finance 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. This valuation represents 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 Orexplore Shares issued pursuant to the Priority Offer) noting that eligible Swick Shareholders will receive one Orexplore Share for every three Swick Shares held by them on the Record Date, if the Demerger proceeds). On a per Swick Share basis, the Deloitte Valuation is equivalent to \$0.16 to \$0.20 per Swick Share on a controlling basis (i.e. 100% ownership) post the Swick seed funding to Orexplore of \$12 million. A concise summary of the Independent Valuation Report is included in Schedule 7. The Independent Valuer has also prepared and applied their own Tech Rating for early stage technology, a copy of which is included within the Prospectus.

### 3.6 Board recommendation

After considering all relevant factors, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 and 2 for the reasons summarised in Sections 3.1, 3.2 and 3.4.

Each of the Directors intend to vote in favour of Resolutions 1 and 2 in respect of all Shares they own or control.

### 3.7 Pro forma financial position of Swick and Orexplore upon completion of the Demerger

Set out in Schedule 4 and Schedule 5 of this Notice are the unaudited pro-forma consolidated statements of financial position as at 30 June 2021, for each of Orexplore and Swick (excluding Orexplore).

Schedule 4 shows the audited consolidated statement of financial position of the Company as at 30 June 2021, together with the pro-forma statement of financial position of the Company excluding Orexplore (i.e. as if the Demerger had occurred on 30 June 2021).

A pro-forma consolidated statement of financial position for Orexplore, reflecting the indicative statement of financial position of Orexplore following completion of the Demerger is set out in Schedule 5. A more detailed review of the Orexplore's financial position and historic profit and loss, and cashflow is contained in the Prospectus.

Set out below is an unaudited pro-forma of the historic Swick profit and loss split between the Swick Drilling Business and Orexplore Business. The Swick Drilling Business' results are presented as if the Demerger had occurred on 1 July 2021 and 1 July 2020 respectively. Additional details on Orexplore's financial performance are presented in the Prospectus.

<b>Unaudited Pro-Forma Profit and Loss 30 June 2021 and 30 June 2020</b>						
\$'m	<b>30-Jun-21</b>			<b>30-Jun-20</b>		
	<i>Drilling and Other</i>	<i>Orexplore</i>	<i>Total Group</i>	<i>Drilling and Other</i>	<i>Orexplore</i>	<i>Total Group</i>
Revenue	154.1	0.03	154.2	149.4	0.3	149.6
EBITDA	30.4	(4.3)	26.0	25.5	(4.5)	21.0
EBIT	15.1	(5.9)	9.2	4.2	(7.0)	(2.8)



NPAT	10.0	(5.1)	4.9	0.3	(6.3)	(6.0)
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### 3.8 Eligible Shareholders

No action has been taken to register or qualify the Orexlore Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to Swick, Swick Shareholders whose addresses are shown in Swick's register of members on the Record Date as being in Australia and have declared their tax file number (TFN), TFN exemption or Australian Business Number to the Swick Share Registry will be entitled to have Orexlore Shares transferred to them under the Demerger. It is not practicable for the Company to comply with the securities laws of any other overseas jurisdictions having regard to the number of overseas Swick Shareholders, the number and value of Orexlore Shares to be transferred and the cost of complying with regulatory requirements in each relevant jurisdiction.

Nominees, custodians and other Swick Shareholders who hold Swick Shares on behalf of a beneficial owner resident outside Australia may not forward this Notice (or any accompanying document) to anyone outside these countries without the consent of Swick.

### 3.9 Ineligible Shareholders and Sale Facility

#### (a) Ineligible Shareholders

Ineligible Shareholders will participate in the In-Specie Distribution of the Orexlore Shares on the same basis as all Eligible Shareholders. However, Orexlore Shares will not be transferred to Ineligible Shareholders. Instead, each Ineligible Shareholder will be taken to have directed Swick to transfer the Orexlore Shares to which they would otherwise be entitled to the Sale Agent. The Orexlore Shares to which the Ineligible Shareholders would otherwise be entitled will be transferred to the Sale Agent on behalf of Ineligible Shareholders on the Record Date and will be dealt with as described in Section 3.9(b).

#### (b) Sale Facility

The Sale Facility will be used to sell Orexlore Shares that would otherwise have been received by Ineligible Shareholders. Such Orexlore Shares will be transferred to the Sale Agent on the Record Date to be sold on behalf of those Swick Shareholders under the Sale Facility.

Under the Sale Facility, the Sale Agent will, as soon as reasonably practicable (and in any event not more than 20 Business Days after Orexlore is admitted to the Official List), sell, for the benefit of each Ineligible Shareholder, the Orexlore Shares on the ASX. The Sale Agent will sell those Orexlore Shares on the ASX at such price or prices and on such other terms as the Sale Agent determines in its discretion (and at the risk of the Ineligible Shareholders), acting in good faith with the objective of seeking to achieve the best price reasonably obtainable, having regard to, among other things:

- (i) the prevailing market conditions (including the prevailing price of Orexlore Shares on the ASX);
- (ii) the prevailing demand for Orexlore Shares; and
- (iii) the desire and requirement to maintain an orderly market in Orexlore Shares.

As the market price of Orexplre Shares will be subject to change from time to time (assuming a liquid market is available), neither the sale price of those Orexplre Shares nor the net proceeds of that sale can be guaranteed and the net proceeds may be more or less than the notional dollar value of the reduction of capital. After the ASX Listing, Ineligible Shareholders will be able to obtain information on the market price of Orexplre Shares on the ASX's website ([www.asx.com.au](http://www.asx.com.au)).

The amount of money received by each Ineligible Shareholder, being the Sale Facility Proceeds, will be calculated on an averaged basis so that all Ineligible Shareholders receive the same price for each Orexplre Share sold on their behalf, subject to rounding down to the nearest whole Australian cent. Consequently, the amount received by an Ineligible Shareholder for each Orexplre Share may be more or less than the actual price that is received by the Sale Agent for that particular Orexplre Share.

Any interest earned on the proceeds of the sale of Orexplre Shares by the Sale Agent will be retained by Swick.

The Sale Facility Proceeds will be remitted to an Ineligible Shareholder (free of any brokerage costs or stamp duty, but after excluding any interest and deducting any applicable withholding tax) by (in Swick's absolute discretion):

- (i) where an Ineligible Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Share Registry to receive payments from Swick by electronic funds transfer to a bank account nominated by the Ineligible Shareholder, paying, or procuring the payment of, the relevant amount in Australian dollars by electronic means in accordance with that election; or
- (ii) despatching, or procuring the despatch of, a cheque for the relevant amount in Australian dollars to the Ineligible Shareholder by prepaid post to their registered address (as at the Record Date), such cheque being drawn in the name of the Ineligible Shareholder.

It is anticipated that the Sale Facility Proceeds will be despatched to Ineligible Shareholders by not more than 20 Business Days after Orexplre is admitted to the Official List. Ineligible Shareholders will not receive any interest on the Sale Facility Proceeds in respect of their Orexplre Shares. The payment of the Sale Facility Proceeds from the sale of Orexplre Shares will be in full satisfaction of the rights of Ineligible Shareholders under the Demerger. In addition, each Ineligible Shareholder appoints Swick as its agent to receive on its behalf any financial services guide or other notices which may be issued by the Sale Agent to that Ineligible Shareholder.

### 3.10 **Consequence of the receipt or non-receipt of Shareholder approval**

#### (a) **Resolutions 1 and 2 are passed**

In the event that Resolutions 1 and 2 are passed and the Demerger proceeds, the corporate structure of Swick and Orexplre will be as is set out in Schedule 2 (see Section 3.11 for further details of the plans for Swick and Orexplre, should Resolution 1 and 2 be passed).

If Resolutions 1 and 2 are approved, Shareholders (as at the Record Date) will receive a pro rata beneficial entitlement to Orexplre Shares on the basis of one Orexplre Share for every three Swick Shares held by them at the Record Date. The reduction in Swick's capital and the transfer and distribution of Orexplre Shares will become

effective from the Record Date (provided that after the Record Date has been set, the Directors have not provided a notice to ASX stating that the Company does not intend to proceed with the reduction of capital contemplated by Resolution 2). Any fractions of entitlement will be rounded up to the next whole number. See Section 3.3(b) for further information.

In respect of each of the existing Options in Swick that are outstanding as at the date Resolutions are passed and in accordance with ASX Listing Rule 7.22.3, the exercise price of each such outstanding Option in Swick will be automatically reduced by the same amount as the amount returned in relation to each Swick Share.

Please refer to Sections 3.19 and 3.20 for further details regarding the effect of the Demerger on the Company and Shareholders.

The Board considers the proposed reduction of capital will have no material effect on the interests of Swick Shareholders, except as disclosed in the discussion of the advantages and disadvantages of the reduction set out in Section 3.4 above.

**(b) Resolutions are not passed**

Resolutions 1 and 2 are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting.

If either of Resolutions 1 or 2 are not approved at the Meeting, neither Resolutions 1 and 2 will take effect and the Demerger will not proceed. In these circumstances, the Company will continue to focus its resources on developing all of its businesses. The Company will also need to raise further capital or source other funding to continue the development of the Orexlore Business.

Furthermore, the recently announced proposed acquisition of Swick by DDH1 is conditional on the Demerger being approved by Swick Shareholders (pursuant to Resolutions 1 and 2) and will not proceed if the Demerger is not approved (unless this condition to the proposed DDH1 transaction is waived by DDH1).

**3.11 Plans for Swick and Orexlore (assuming completion of Demerger)**

**(a) Plans for Swick**

As announced on 22 October 2021, Swick has entered a scheme implementation agreement with DDH1 under which it is proposed that DDH1 will acquire 100% of the shares in Swick by way of a Scheme of Arrangement (**Scheme**).

In effect, this is a proposed acquisition of the Swick Drilling Business which values Swick's Drilling Business at an enterprise value of \$115 million. Consideration for Swick Shares will be 100% DDH1 Shares at a ratio of 0.2970 DDH1 Shares for each Swick Share. Based on the 5-day volume weighted average price for DDH1 Shares of \$1.1793<sup>4</sup>, DDH1's offer values Swick Shares at \$0.35 per Share, after allowing for Swick's seed funding payment to Orexlore of \$12 million, committed by Swick as part of the Demerger.

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<sup>4</sup> Based on DDH1's volume weighted average price over the 5 trading days up and including 6 October 2021.

The Swick Board intends to unanimously recommend the Scheme to Swick Shareholders, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interest of Swick Shareholders. Swick Shareholders should review the Scheme Booklet when it is released by Swick which will continue all material information required by Swick Shareholders in determining how to vote in relation to the Scheme.

Completion of the Scheme is subject to a number of conditions precedent being satisfied or waived, including the Demerger being approved by Swick Shareholders. Accordingly, the Scheme will not proceed if the Demerger is not approved (unless this condition is waived by DDH1).

In the event the Scheme does not complete (and no other acquirers emerge with a superior proposal), Swick will continue to be an independent company on the ASX. In those circumstances, the Swick Board will continue to operate the Swick Drilling Business as it has in the past, with the aim of being to be a leading participant in the underground drilling business in Australia with additional operations in USA and Europe. The focus will be to grow the business and its revenues and to maximise profitability and generate free cashflows to fund capital expenditure and support future dividends and/or active capital management for Swick Shareholders in the future.

(b) **Plans for Orexplore**

Orexplore's immediate focus is transitioning its strong base of historical research and development activities as well as lab trials into commercial engagements through field-based deployments and projects. Orexplore's growth strategy focuses on enhancing market adoption of its current and future product suite by converting current customer 'trial and pilot' arrangements and its customer pipeline into medium to long-term commercial agreements in targeted markets.

In addition to commercialising the current product suite, Orexplore will continue with its research and development activities conducted out of the dedicated Research & Development (**R&D**) team in Stockholm, Sweden. Orexplore's R&D focus will be on refinement and enhancement of the current product suite, as well as to identify technologies that improve the understandings of critical factors that promote efficiency and in turn reduce the environmental impacts of mining and extraction required to meet the continually increasing global demand for resources, particularly in the age of renewable energy. Additionally, Orexplore plans on continuing development activities on its gold & other precious metals focussed GeoCore X10+.

3.12 **Information about Orexplore**

(a) **Business Summary**

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.

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.

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.

In 2018, Orexplore Australia Pty Ltd was established in Perth, Western Australia to house the Orexplore Group's headquarters and a second laboratory facility.

During the period 2018 – 2021, Orexplore has focused on continued product development, specifically on the GeoCore X10® product and the Orexplore Insight® software. This period saw the delivery of approximately 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 gold miner, to further develop and validate the technology.

Today, Orexplore is a resource technology company with a mission to support the digital transformation of the mining industry. Orexplore has expert capabilities within its team covering the whole breadth of the business from theoretical physics, manufacturing, software engineering to operations. The Orexplore 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.

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 assess estimated elemental concentrations 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 estimated surface elemental concentrations. 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 elemental concentration estimates, Orexplore Insight® provides valuable insights into the geological/physical characteristics of the core including estimates of structural features, lithology, texture, emerging geo-chemistry, density and rock mechanics indices including rock quality designation (**RQD**), recovery and joint sets, that otherwise would have to be obtained using a combination of separate techniques.

The Orexplore 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 in the 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.

- (i) **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 determine estimated elemental concentrations on the surface, and also produces mass measurement data from embedded instrumentation.

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

***Resource information:***

- **Estimated geochemistry / elemental concentrations:** Approximate elemental concentrations 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 plays an important role in the design and execution of mining operations. The GeoCore X10® outputs can be used to help produce a variety of rock mass data that can be used for geotechnical and mining engineering applications, including rock quality designation (**RQD**) for volumes of rock and can provide detailed information and statistics on fracture abundance and orientation. This may support the assessment of joint orientation and infill.
- **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 measured, 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.

Most 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.

- (ii) **Orexplorer 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.

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 ML. This approach may be able to partially capture user analysis and annotations to effectively "learn" over time and possibly enable future semi-automation of portions of the analysis process.

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

- (iii) **Orexplorer Consulting Services:** In addition to the Orexplore Technology Platform, Orexplore has an internal team of consulting geologists and project delivery experts. This team's mission is to guide customers through technology adoption into their business and work with them to articulate how the technology can deliver insight 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 immediately 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 unique 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 requirements.

- (b) **Customers**

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

- **Mining companies at operating mines:** the GeoCore X10® can provide rapid data and analysis (subject to core presentation times) on the estimated elemental concentrations 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. 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 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 estimated elemental concentration 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 important as an additional tool for assisting engineers and other mining professionals to determine the safe design of an open pit or underground mine opening. Of equal importance, is that 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.

For further information regarding the Orexplore Business, please consider the Prospectus.

(c) **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.

(d) **Board Composition and Key Management Personnel**

The Orexplore Board is comprised of:

(i) **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.

Dr Bye has acknowledged to Orexplore 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 Notice and also on the basis that Dr Bye will receive performance based remuneration (as disclosed in Section 3.13).

(ii) **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 Orexplore 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.

(iii) **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 Orexplore 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 Orexplore Shareholder upon admission to the Official List.

(iv) **Stuart Carmichael – Non-Executive Director**

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 Oreplore that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Carmichael is an independent director of Oreplore 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.

(v) **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 Oreplore AB since 2014 and, following its 2021 annual general meeting, is now sole director of Oreplore 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 Oreplore that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Sädbom is an independent director of Oreplore 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.

Other key management personnel of Oreplore will include:

(vi) **Mikael Bergqvist - Chief Technology Officer**

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

He has a Ph.D. 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 Orexplore that he will have sufficient time to fulfil his responsibilities as Chief Technology Officer.

Dr Bergqvist currently resides in Sweden.

(vii) **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 Schedule 9 for details). Orexplore 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 Orexplore that he will have sufficient time to fulfil his responsibilities as Acting Chief Financial Officer.

(viii) **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 Orexplore, as Engineering Manager, in October 2021.

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

(ix) **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 Orexplore that he will have sufficient time to fulfil his responsibilities as Principal Geoscientist.

(x) **Frank Campagna - Company Secretary**

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 Orexplore that he will have sufficient time to fulfil his responsibilities as Company Secretary.

(e) **Material contracts**

Certain contracts entered into by the Orexplore are material to Orexplore or are of such a nature that Shareholders may wish to have particulars of them. The provisions of such material contracts are summarised in Schedule 9.

(f) **Risk factors**

On successful completion of the Demerger, Shareholders will become shareholders in Orexplore and should be aware of the general and specific risk factors which may affect Orexplore and the value of its securities. These risk factors are set out in Schedule 3.

### 3.13 Directors' interests

The table below sets out the number of securities in Swick held by Swick Directors and the directors of Oreplore as at the date of this Notice:

Director	Swick Shares	% of Swick Shares on issue	Swick Performance Rights
Andrew Simpson	648,478	0.23%	Nil
Kent Swick	33,452,616	11.87%	988,369 <sup>1</sup>
Ian McCubbing	536,956	0.19%	Nil
Stuart Carmichael	Nil	Nil	Nil
Alan Bye	Nil	Nil	Nil
<b>Total</b>	<b>34,638,050</b>	<b>12.29%</b>	<b>988,369</b>

#### Notes:

1. Performance Rights will vest upon Mr Kent Swick being a Director or employee of the Company or a subsidiary of the Company at 30 June 2022 and the 60-day VWAP up to and including 30 June 2022 equalling or exceeding \$0.30. The Performance Rights will expire at 5.00pm (WST) on 30 September 2022.

The table below sets out the number of Oreplore securities the Swick Directors and the directors of Oreplore are likely to have an interest in if the Resolutions are passed and the Demerger is completed:

Director	Approximate Number of In-Specie Shares each director will receive <sup>1</sup>	Approximate maximum number of Oreplore Shares each director will apply for under the Priority Offer	% at Minimum Subscription under the Priority Offer	% at Maximum Subscription under the Priority Offer	Oreplore Performance Rights to be granted (Minimum Subscription) <sup>2</sup>	Oreplore Performance Rights to be granted (Maximum Subscription) <sup>2</sup>
Andrew Simpson	216,160	Nil	0.22%	0.21%	Nil	Nil
Kent Swick	11,150,873	1,187,000	12.60%	11.87%	Nil	Nil
Ian McCubbing	178,986	40,000	0.18%	0.17%	Nil	Nil
Stuart Carmichael	Nil	Nil	Nil	Nil	Nil	Nil
Alan Bye	Nil	Nil	Nil	Nil	2,937,409	3,117,409

Director	Approximate Number of In-Specie Shares each director will receive <sup>1</sup>	Approximate maximum number of Orexlore Shares each director will apply for under the Priority Offer	% at Minimum Subscription under the Priority Offer	% at Maximum Subscription under the Priority Offer	Orexlore Performance Rights to be granted (Minimum Subscription) <sup>2</sup>	Orexlore Performance Rights to be granted (Maximum Subscription) <sup>2</sup>
Brett Giroud	Nil	Nil	Nil	Nil	4,895,682	5,195,682
Stefan Sädbom	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subtotal</b>	<b>11,546,019</b>	<b>1,227,000</b>	<b>13.00%</b>	<b>12.25%</b>	<b>7,833,091</b>	<b>8,313,091</b>

**Notes:**

- Assumes that Swick distributes and transfers all of its Orexlore Shares to Swick Shareholders on the basis of one Orexlore Share for every three Swick Shares held by them at the Record Date, pursuant to the In-Specie Distribution.
- Please refer to section 8.2 of the Prospectus for the terms and conditions of the Orexlore Performance Rights. The final number of Orexlore Performance Rights to be issued to:
  - Mr Brett Giroud (Managing Director of Orexlore) (or his permitted nominee) will be 5% of the total Orexlore Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution; and
  - Dr Alan Bye (Non-Executive Chairman of Orexlore) (or his permitted nominee) will be 3% of the total Orexlore Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution.

### 3.14 Changes to capital structure

(a) **Swick capital structure**

The current capital structure of Swick as at the date of this Notice is:

Security type	Number
Shares	281,740,622
Warrants <sup>1</sup>	15
Performance Rights <sup>2</sup>	1,922,672

**Notes:**

- Swick currently has 15 warrants on issue to various employees of Orexlore AB (5 employees in total). Each warrant holder has entered into a deed to effect the cancellation of their warrants, subject to the satisfaction of certain conditions expected to be satisfied prior to the completion of the Demerger.

2. Comprised of:

- (a) 988,369 Performance Rights issued to Mr Kent Swick under the Swick Mining Services Limited Performance Rights Plan; and
- (b) 934,303 Performance Rights issued to employees of Swick under the Swick Mining Services Limited Performance Rights Plan,  
which will vest upon the holder being a Director or employee of the Company or a subsidiary of the Company at 30 June 2022 and the 60-day VWAP up to and including 30 June 2022 equalling or exceeding \$0.30. The Performance Rights will expire at 5.00pm (WST) on 30 September 2022.

Save for the warrants, the capital structure of Swick will remain as above post-completion of the Demerger.

(b) **Orexplore capital structure**

At the date of this Notice, Orexplore is a wholly owned subsidiary of Swick.

At the date of this Notice, Orexplore's capital structure consists of 100 Orexplore Shares.

The capital structure of Orexplore upon completion of the Demerger and Priority Offer will be as follows:

Security type	Number (Minimum Subscription)	%	Number (Maximum Subscription)	%
In-Specie Shares to be distributed to Swick Shareholders (including existing Orexplore Shares on issue) <sup>1</sup>	93,913,641	95.91	93,913,641	90.38
Orexplore Shares offered under the Priority Offer <sup>2</sup>	4,000,000	4.09	10,000,000	9.62
<b>Total Shares on completion of the Demerger and Priority Offer</b>	<b>97,913,641</b>	<b>100.00</b>	<b>103,913,641</b>	<b>100.00</b>
Orexplore Performance Rights to be issued on completion of the Demerger and Priority Offer <sup>3</sup>	7,833,091	100.00	8,313,091	100.00



<b>Fully diluted Orexplore Share capital on completion of the Demerger and Priority Offer<sup>4</sup></b>	<b>105,746,732</b>	<b>-</b>	<b>112,226,732</b>	<b>-</b>
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**Notes:**

1. As at the date of this Notice, Orexplore has 100 Orexplore Shares on issue and no other securities. Pursuant to the Demerger Implementation Deed, Orexplore will issue a further 93,913,541 Orexplore Shares as consideration for the acquisition of the Orexplore Business. A total of 93,913,641 Orexplore Shares will be transferred to Eligible Shareholders pursuant to a proposed In-Specie Distribution. See Schedule 9 for further details on the Demerger Implementation Deed.
2. As at the date of this Notice, Orexplore intends to raise at least \$1,000,000 (before costs) by the issue of at least 4,000,000 Orexplore Shares and up to \$2,500,000 (before costs) by the issue of up to 10,000,000 Orexplore Shares at \$0.25 per Orexplore Share.
3. Please refer to section 8.2 of the Prospectus for the terms and conditions of the Orexplore Performance Rights. The final number of Orexplore Performance Rights to be issued to:
  - (a) Mr Brett Giroud (Managing Director of Orexplore) (or his permitted nominee) will be 5% of the total Orexplore Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution; and
  - (b) Dr Alan Bye (Non-Executive Chairman of Orexplore) (or his permitted nominee) will be 3% of the total Orexplore Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution.
4. Assuming no further Orexplore Shares are issued and none of the Orexplore Performance Rights are exercised.

Shareholders should note that this structure is indicative only as at the date of this Notice and that Orexplore retains discretion to amend the structure and issue more or less shares or other forms of securities, such as options.

### 3.15 Information concerning Shares

The rights and liabilities attaching to Swick Shares will not alter.

For the information of Shareholders, the highest and lowest recorded sale prices of the Company's Shares as traded on ASX during the 12 months immediately preceding the date of this Notice, and the respective dates of those sales were:

<b>Date</b>	<b>Highest Price</b>	<b>Date</b>	<b>Lowest Price</b>
18 November 2021	\$0.365	05 February 2021	\$0.13

The latest available closing price of Swick Shares on ASX prior to the date of this Notice was \$0.355 on 19 November 2021.

A summary of the rights and liabilities that will attach to the Oreplore Shares is set out in Schedule 6.

### 3.16 **Taxation consequences of the Demerger**

The following is a general summary of the Australian taxation consequences for Shareholders who receive Oreplore Shares in respect of the In-Specie Distribution.

The taxation information below is limited to the Australian income tax implications of the In-Specie Distribution for Shareholders who:

- (a) hold their Swick Shares on capital account (and not on revenue account);
- (b) are not subject to the taxation of financial arrangement provisions contained in Division 230 of the ITAA 1997;
- (c) did not acquire their Swick Shares pursuant to an employee share acquisition scheme;
- (d) did not acquire, or are not taken to have acquired, their Swick Shares prior to 20 September 1985; and
- (e) are not non-Australian tax resident Shareholders who hold their Swick Shares in carrying on a business through a permanent establishment in Australia.

The information below is not a complete analysis of all taxation implications relevant to the In-Specie Distribution and all Shareholders should obtain independent tax advice regarding the income tax and capital gains tax implications specific to their circumstances. The information below does not consider the future tax implications associated with holding or selling Swick Shares or Oreplore Shares following implementation of the In-Specie Distribution.

The information below has been prepared based on the taxation laws, regulations, rulings and administrative guidance and judicial interpretations as at 4 November 2021. It is important to note the ultimate interpretation of taxation law rests with the courts and that the law, and the way the revenue authorities seek to administer the law, may change over time. Accordingly, information below represents an interpretation of existing law based upon generally accepted interpretations of that law.

Australian tax laws are complicated and subject to legislative and interpretive change both prospectively and (occasionally) retrospectively. Changes in the tax law or interpretation of the tax law subsequent to the date of this Explanatory Memorandum may alter the tax treatment of the In-Specie Distribution.

There could also be implications for Shareholders in addition to those described above. The information provided below is general in nature and the individual circumstances of each shareholder may affect the tax implications of the In-Specie Distribution for that shareholder. Shareholders should seek appropriate independent professional advice that considers the tax implications in respect of their own specific circumstances. Further, the information below only considers the Australian taxation implications of the Demerger and does not consider any foreign taxation implications.

#### (a) **Class Ruling**

The Company is seeking a Class Ruling from the ATO to confirm that the Commissioner will not seek to make a determination under section 45B of the ITAA 1936 that sections 45BA or 45C applies to the whole, or any part, of the capital return received by Shareholders. A draft Class Ruling (setting out the Commissioner's preliminary but considered view) may be received prior to the date of the Meeting and the final Class Ruling would be expected to be received shortly following the In-Specie Distribution.

The Class Ruling is expected to determine:

1. the quantum of the In-Specie Distribution that is to be treated as the Capital Reduction Amount and the Dividend Amount; and
2. that no part of the Capital Reduction Amount will be treated as a dividend for income tax purposes.

The Company will notify Shareholders as soon as the Class Ruling is released.

**(b) Demerger Relief**

The comments below are based on the assumption that demerger tax relief under Division 125 of the ITAA 1997 is not available in respect of the In-Specie Distribution. The Company has engaged with the ATO who have advised, it is the ATO's view that Demerger Relief should not be available for Shareholders as a consequence of the timing of the proposed DDH1 acquisition of Swick on the basis that if this transaction is implemented, the transaction will be viewed as being part of the overall "restructure" under Division 125 of the ITAA 1997. Accordingly, certain requirements contained in Division 125 of the ITAA 1997 may not be satisfied.

**(c) The In-Specie Distribution**

The In-Specie Distribution (including Sale Facility Proceeds) will be treated as a combination of a capital return and a dividend for tax purposes. The split between the Capital Reduction Amount and the Dividend Amount will be allocated on a reasonable and appropriate basis.

The Company will notify shareholders of the split between the Capital Reduction Amount and the Dividend Amount once this position is determined. As discussed above, the split will further be supported by the Class Ruling issued by the ATO.

**(d) Capital Reduction Amount of In-Specie Distribution**

**Australian taxation implications for Australian resident Shareholders**

The Capital Reduction Amount of the In-Specie Distribution (as supported by the ATO Class Ruling) will reduce the cost base and reduced cost base of the Swick Share held by Shareholders. To the extent the Capital Reduction Amount exceeds a Shareholder's cost base in a Swick Share, the cost base and reduced cost base of the Swick Share will be reduced to nil and the Shareholder will realise a capital gain on the difference.

Shareholders may be entitled to discount CGT treatment. Shareholders should seek appropriate tax advice to determine the application of the CGT discount in their specific circumstances.

If the Capital Reduction Amount of the In-Specie Distribution does not exceed the CGT cost base in the Swick Shares, no capital gain should be made. Shareholders will not make a capital loss as a result of the return of capital under the In-Specie Distribution.

**Australian taxation implications for non-resident Shareholders**

On the basis Swick's Taxable Australian Real Property (**TARP**) assets do not exceed the market value of the assets that are not TARP, Australian CGT should not apply for Shareholders who are not residents of Australia for tax purposes.

(e) **Dividend Amount of In-Specie Distribution**

**Australian taxation implications for Australian resident Shareholders**

The Dividend Amount of the In-Specie Distribution (including Sale Facility Proceeds) (as determined by the ATO Class Ruling) will be treated as an unfranked dividend for Shareholders. Therefore, the Dividend Amount will need to be included in the relevant Shareholder's assessable income and will be taxed as is appropriate for the relevant Shareholder and their circumstances.

The Sale Facility Proceeds paid to Shareholders who have not provided a TFN, TFN exemption or ABN will be subject to withholding tax at the rate of 47% and the Dividend Amount received by these Shareholders will be net of this withholding tax. Shareholders who have not yet provided these details to Swick may wish to consider doing so.

**Australian taxation implications for non-resident Shareholders**

As all non-resident shareholders will be Ineligible Shareholders, these Shareholders will receive Sale Facility Proceeds.

The Dividend Amount of the Sale Facility Proceeds will be subject to dividend withholding tax for non-resident Shareholders (generally at a rate of 30% on the gross amount, subject to any applicable double taxation agreement).

(f) **CGT cost base of Orexlore Shares received**

Shareholders will obtain cost base for their Orexlore Shares received under the In-Specie Distribution equal to the total market value of the In-Specie Distribution, being the sum of the Capital Reduction Amount and the Dividend Amount.

(g) **Time of acquisition of Orexlore Shares received**

All of the Orexlore Shares transferred to Shareholders will be treated as having been acquired at the time they are transferred to the Shareholders. This will be relevant to Shareholders in determining the availability of the CGT discount on a subsequent sale of Orexlore Shares. Shareholders should seek appropriate tax advice to determine the application of the CGT discount in their specific circumstances.

(h) **Taxation implications for the Company**

The In-Specie Distribution will trigger CGT event A1 and any gain from the disposal of Orexlore Shares will be prima facie taxable to Swick.

Further, the Dividend Amount of the Sale Facility Proceeds that is paid to certain Ineligible Shareholders (certain non-resident Shareholders and Shareholders that have not provided a TFN, TFN exemption or ABN) by Swick may be subject to withholding tax which will be required to be withheld from the payment to these Shareholders and remitted to the ATO.

(i) **Goods and services tax (GST)**

No GST should be payable by Swick Shareholders in relation to their participation in the Demerger.

(j) **Stamp duty**

No stamp duty should be payable by Swick Shareholders in relation to their participation in the Demerger.

3.17 **Section 256C of the Corporations Act**

The proposed reduction of capital by way of the In-Specie Distribution is an equal capital reduction and (if so determined) partly by way of Dividend Amount.

Under section 256B of the Corporations Act, the Company may only reduce its capital if it:

- (a) is fair and reasonable to Shareholders as a whole;
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by Shareholders in accordance with section 256C of the Corporations Act.

The Directors believe that the Demerger is fair and reasonable to Shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors. Under the proposed reduction of capital, each Swick Shareholder is treated equally and in the same manner since the terms of the reduction of capital are the same for each Shareholder. The In-Specie Distribution is on a pro rata basis, and the proportionate ownership interest of each Shareholder remains the same before and after the Demerger. Further, the Directors consider that the Demerger will not result in the Company being insolvent at the time or after the In-Specie Distribution.

In accordance with the Corporations Act:

- (a) the proposed reduction is an equal reduction and requires approval by an ordinary resolution passed at a general meeting of Swick Shareholders;
- (b) this Explanatory Memorandum and previous ASX announcements set out all information known to Swick that is material to the decision on how to vote on Resolution 2; and
- (c) Swick has lodged with ASIC a copy of this Notice of Meeting and accompanying documentation.

Under the Corporations Act, an offer of securities generally requires disclosure to investors through a disclosure document, typically in the form of a prospectus.

3.18 **Capital reduction – general**

Swick seeks Shareholder approval under Resolution 2 to enable the Company to reduce its capital without cancelling any Swick Shares, by an amount equal to the market value (as assessed by the Swick Directors) of all the fully paid ordinary shares in the capital of Orexplare less a Dividend Amount (if any) with effect as at the Record Date. The reduction, and Dividend Amount (if any), will be satisfied by the distribution and transfer of all fully paid ordinary shares in Orexplare (being 93,913,641 Orexplare Shares) to Swick Shareholders registered as such on the Record Date on a pro rata basis.

The Corporations Act and the ASX Listing Rules set out the procedure and timing for a capital reduction. Refer to Section 1.8 for an indicative timetable in respect of the Demerger. The Record Date for the In-Specie Distribution will be set by the Directors after the date that Resolution 2 is passed and depends on the satisfaction of the Spin-Out Conditions.

The alteration to the Company's capital and the In-Specie Distribution will become effective from the Record Date, provided that after the Record Date has been set, the Directors have not provided a notice to ASX stating that the Company does not intend to proceed with the reduction of capital contemplated by Resolution 2.

If the capital reduction proceeds, Shareholders will receive a pro rata entitlement to Orexlore Shares on the basis of one Orexlore Share for every three Swick Shares held by them at the Record Date and each Shareholder's name will be entered on the register of members of Orexlore with each Shareholder having deemed to have consented to becoming a Orexlore Shareholder and being bound by its constitution.

A Shareholder's entitlement to Orexlore Shares to be distributed is to be based on the number of Shares held at the Record Date.

Other than as shareholders of Swick or as otherwise set out in this Explanatory Memorandum, none of the Directors have any interest in Resolution 2.

### **3.19 Effect of Proposed Capital Reduction on the Company**

Set out in Schedule 4 is the unaudited statement of financial position of the Company as at 30 June 2021, together with the pro forma statement of financial position of the Company following completion of the Demerger.

Furthermore, the Company, being an ASX listed entity, is subject to the continuous disclosure requirements set out in Chapter 3 of the ASX Listing Rules. As such, the Company is required to lodge quarterly reports detailing the Company's current cash position. Any use of funds by the Company will be detailed in these quarterly reports and any significant transactions will be disclosed to Shareholders.

### **3.20 Effect of Proposed Capital Reduction on Shareholders**

*What will you receive?*

If the Demerger is implemented, Eligible Shareholders will receive an in-specie return of capital by way of the distribution of Orexlore Shares in proportion to the number of Shares held by them at the Record Date. Ineligible Shareholders will receive Sale Facility Proceeds, on the basis set out in Section 3.9(b).

Shareholders are not required to contribute any payment for the Orexlore Shares which they are entitled to receive under the In-Specie Distribution.

*What is the impact on your shareholding in the Company?*

The number of Shares in the Company that you hold will not change as a result of the Demerger.

If the Demerger is implemented, the value of your Shares in the Company may be less than the value held prior to the Demerger being implemented due to the removal of the Orexlore Business from the Company's asset portfolio. The size of any decrease cannot be predicted and will be dependent on the value ascribed to the Orexlore Business.

*Do you have to do anything to receive your Orexplare Shares?*

You must hold Swick Shares on the Record Date in order to receive your In-Specie Distribution of Orexplare Shares. If the Demerger proceeds, you will automatically receive the Orexplare Shares you are entitled to receive (unless you are an Ineligible Shareholder, in which case you will receive the Sale Facility Proceeds – see Section 3.9(b) for more information), even if you vote against the Demerger or do not vote at all.

*Can I acquire more Orexplare Shares under the Priority Offer?*

Yes, Swick Shareholders may participate in the Priority Offer of Orexplare by making a valid application and paying the application monies under the Prospectus. It is noted, however, that Orexplare will not be making a general offer to raise capital from any other investors who are not Swick Shareholders.

*Will I be able to trade my Orexplare Shares?*

If the Demerger is approved by Shareholders and is implemented, a holder of Orexplare Shares will be able to sell their Orexplare Shares in the future.

*What are the taxation implications of the Demerger?*

A general guide to the taxation implications of the Demerger is set out in Section 3.16 of this Explanatory Memorandum. The description is expressed in terms of the Demerger and is not intended to provide taxation advice in respect of particular circumstances of any Shareholder. Shareholders should obtain professional advice as to the taxation implications of the Demerger in their specific circumstances.

*What will happen if Resolution 2 is not approved?*

In the event that Shareholder approval of Resolution 2 is not obtained, the Demerger will not proceed and the distribution of Orexplare Shares to Swick Shareholders will not occur.

### 3.21 **ASX Listing Rule 7.17**

ASX Listing Rule 7.17 provides, in part, that a listed entity, in offering shareholders an entitlement to securities, must offer those securities pro rata or in such other way as, in the ASX's opinion, is fair in all the circumstances. In addition, there must be no restriction on the number of securities which a shareholder holds before this entitlement accrues. The Company understands that the Demerger satisfies the requirements of ASX Listing Rule 7.17, as the issue of Orexplare Shares is being made to Shareholders on a pro rata basis, and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Orexplare Shares accrues.

### 3.22 **ASX Listing Rule 11.4**

Listing Rule 11.4 provides that an entity must not:

- (a) dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to offer or issue securities with a view to becoming listed;
- (b) dispose of any securities in a child entity that directly or indirectly holds a major asset with a view to the child entity becoming listed; or

- (c) permit a child entity that directly or indirectly holds a major asset to offer or issue securities with a view to the child entity becoming listed.

Listing Rule 11.4.1 provides that Listing Rule 11.4 does not apply in either of the following cases:

- (a) (ASX Listing Rule 11.4.1(a)) the securities, except those to be retained by the entity, are offered, issued or transferred pro rata to the holder of ordinary securities, or in another way that, in ASX's opinion, is fair in all circumstances.
- (b) (ASX Listing Rule 11.4.1(b)) the holders of ordinary securities in the entity approve of the transaction without the offer, issue or transfer referred to in Listing Rule 11.4.1(a) being made. The notice of meeting must include a voting exclusion statement.

Swick is proposing to complete the Demerger, which includes the Spin-Out. Under Listing Rules 11.4 and 11.4.1, a listed company can only spin out a major asset if:

- (a) the securities in the spin-out vehicle (other than any retained by the company itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the company, or in any way that, in ASX's opinion, is fair in all circumstances; or
- (b) the company's shareholders approve the spin-out.

As Orexplore intends to undertake the Priority Offer in conjunction with the Demerger, paragraph (a) above does not apply, and therefore the Company must obtain shareholder approval for the disposal of the Orexplore Business, which the Company considers to be Material.

Resolution 1 seeks the required shareholder approval to the Demerger under and for the purposes of Listing Rule 11.4.1(b).

Please see Section 3.10 for the consequences if Resolution 1 is passed or not passed.

### 3.23 **ASX waiver and confirmation**

Orexplore has applied for a waiver from ASX in respect of Listing Rule 9.1.3, to allow the Orexplore Shares to be distributed in-specie to Swick Shareholders, without being subject to the escrow restrictions set out in Appendix 9B to the Listing Rules.

The waiver is expected to be subject to the following conditions:

- (a) Shareholders approving the In-Specie Distribution (pursuant to Resolution 2) prior to Orexplore making an application to list on ASX; and
- (b) Orexplore prominently displaying a summary of the ASX's conditional waiver in respect of Listing Rule 9.1.3 in the Prospectus.

Subject to the waiver being granted and any conditions of the waiver being met, the Shares will be freely tradeable upon the listing of Orexplore on ASX.

### 3.24 **Disclosure to ASX**

As an entity with Shares quoted on the Official List of the ASX, Swick is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to Swick may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or the Company's website.



3.25 **Directors recommendation and voting intentions**

After considering all relevant factors, the Directors unanimously recommend the Shareholders vote in favour of Resolutions 1 and 2 for the reasons set out in Sections 3.1, 3.2 and 3.4.

The Directors intend to vote in favour of Resolution 1 and 2 all of the Shares held by them at the time of the Meeting.

3.26 **Other material information**

There is no information material to the making of a decision by a Shareholder whether or not to approve Resolution 1 or Resolution 2 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders in the Company) other than as disclosed in this Explanatory Memorandum and all relevant Schedules.

4. **Enquiries**

Shareholders are requested to contact the Company's company secretary, Mr Frank Campagna on +61 8 9277 8800 if they have any queries in respect of the matters set out in this Notice.

## Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

<b>60-day VWAP</b>	means the volume weighted average market price of the Shares calculated over 60 consecutive trading days on which the Shares have traded.
<b>A\$ or \$</b>	means Australian Dollars.
<b>ASIC</b>	means the Australian Securities & Investments Commission.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>ASX Listing Rules or Listing Rules</b>	means the listing rules of ASX.
<b>ATO</b>	means the Australian Taxation Office.
<b>Board</b>	means the board of Directors.
<b>Business Day</b>	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
<b>Capital Reduction Amount</b>	means an amount equal to the market value of approximately 93,913,641 Orexplore Shares less the Dividend Amount (if any).
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Commissioner</b>	means the Commissioner of Taxation.
<b>Company or Swick</b>	means Swick Mining Services Limited (ACN 112 917 905).
<b>Consideration Shares</b>	means 93,913,541 Orexplore Shares.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>DDH1</b>	means DDH1 Limited (ACN 636 677 088).
<b>DDH1 Share</b>	means a fully paid ordinary share in the capital of DDH1.
<b>Deloitte Corporate Finance or Independent Valuer</b>	means Deloitte Corporate Finance Pty Limited.
<b>Deloitte Valuation</b>	means the valuation prepared by Deloitte Corporate Finance; a concise copy of the valuation report is included in Schedule 7.
<b>Demerger</b>	means the Spin-Out and In-Specie Distribution.

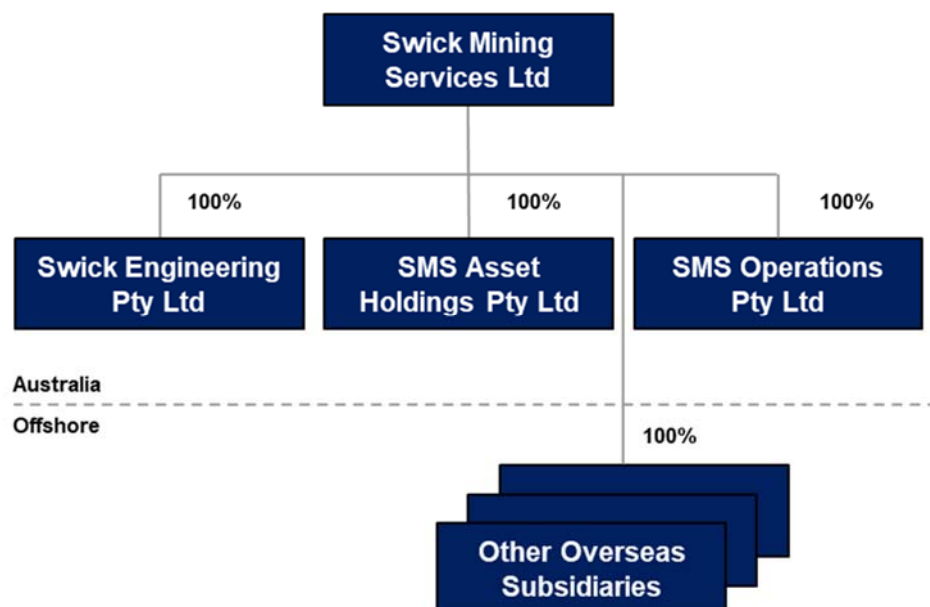
<b>Demerger Relief</b>	means confirmation from the ATO that Swick Shareholders are to be eligible to choose to receive roll-over relief under Division 125 of the <i>Income Tax Assessment Act 1997</i> (Cth) in respect of the In-Specie Distribution.
<b>Demerger Implementation Deed</b>	means the demerger implementation deed between Swick and Orexplore that is summarised in Schedule 9.
<b>Director or Swick Director</b>	means a director of the Company.
<b>Dividend Amount</b>	means the amount of the In-Specie Distribution by which Swick does not reduce its share capital.
<b>Eligible Shareholder</b>	means a Swick Shareholder on the Record Date with a registered address in Australia that has declared their tax file number ( <b>TFN</b> ), TFN exemption or Australian Business Number to the Swick Share Registry.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>GeoCore X10®</b>	means Orexplore's flagship product described in Section 3.12.
<b>GeoCore X10+</b>	means the Company's product currently in development.
<b>Independent Valuation Report</b>	means the report of the Independent Valuer, a concise copy of which is included in Schedule 7.
<b>Ineligible Shareholder</b>	means a person registered as the holder of Shares as at 5:00pm (WST) on the Record Date who is not an Eligible Shareholder.
<b>In-Specie Distribution</b>	has the meaning given in Section 3.3(b).
<b>In-Specie Shares</b>	means the Orexplore Shares distributed pursuant to the In-Specie Distribution.
<b>Maximum Subscription</b>	has the meaning given in Section 3.3(c).
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Minimum Subscription</b>	has the meaning given in Section 3.3(c).
<b>Notice or Notice of Meeting</b>	means this notice of general meeting.
<b>Official List</b>	means the official list of the ASX.
<b>Option</b>	means an option to acquire a Share.
<b>Orexplore</b>	means Orexplore Technologies Limited ACN (645 505 406).
<b>Orexplore Board</b>	means the board of directors of Orexplore.

<b>Orexlore Business</b>	has the meaning given in Section 3.1.
<b>Orexlore Director</b>	means a director of Orexplore.
<b>Orexlore Group</b>	means all of the following entities: <ul style="list-style-type: none"> <li>(a) Orexplore Technologies Ltd;</li> <li>(b) Orexplore AB;</li> <li>(c) Orexplore Australia Pty Ltd;</li> <li>(d) Orexplore USA Inc; and</li> <li>(e) Orexplore Canada Inc.</li> </ul>
<b>Orexlore Insight®</b>	means Orexplore's software system and is described in Section 3.12.
<b>Orexlore Performance Rights</b>	means an aggregate of either 7,833,091 performance rights (assuming minimum subscription under Priority Offer achieved) or 8,313,091 performance rights (assuming maximum subscription under Priority Offer achieved) to be issued to each of Mr Brett Giroud and Dr Alan Bye (being Orexplore Directors) in the proportions set out in Section 3.13 and on the terms and conditions set out in section 8.2 of the Prospectus.
<b>Orexlore Share</b>	means a fully paid ordinary share in the capital of Orexplore.
<b>Orexlore Shareholders</b>	means a holder of an Orexplore Share.
<b>Orexlore Solutions</b>	means the suite of Value Propositions that are delivered through Orexplore's GeoCore X10® and Orexplore Insight® software by Orexplore's consulting and field services personnel.
<b>Orexlore Technology Platform</b>	means the GeoCore X10® product and the in-development GeoCore X10+ product and its related instrumentation projects and the Orexplore Insight® software.
<b>Performance Right or Swick Performance Right</b>	means a performance right convertible into a Swick Share upon satisfaction of all relevant vesting conditions.
<b>Prospectus</b>	has the meaning given in Section 3.3(c).
<b>Priority Offer</b>	means the offer made to eligible Swick Shareholders pursuant to the Prospectus to raise at least \$1,000,000 (before costs) by the issue of at least 4,000,000 Orexplore Shares and up to \$2,500,000 (before costs) by the issue of up to 10,000,000 Orexplore Shares at \$0.25 per Orexplore Share, with a minimum subscription of \$2,000 per Swick Shareholder.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Record Date</b>	means 5.00pm (WST) on the record date to be set by Directors in accordance with Section 3.18.
<b>Resolution</b>	means a resolution referred to in the Notice.

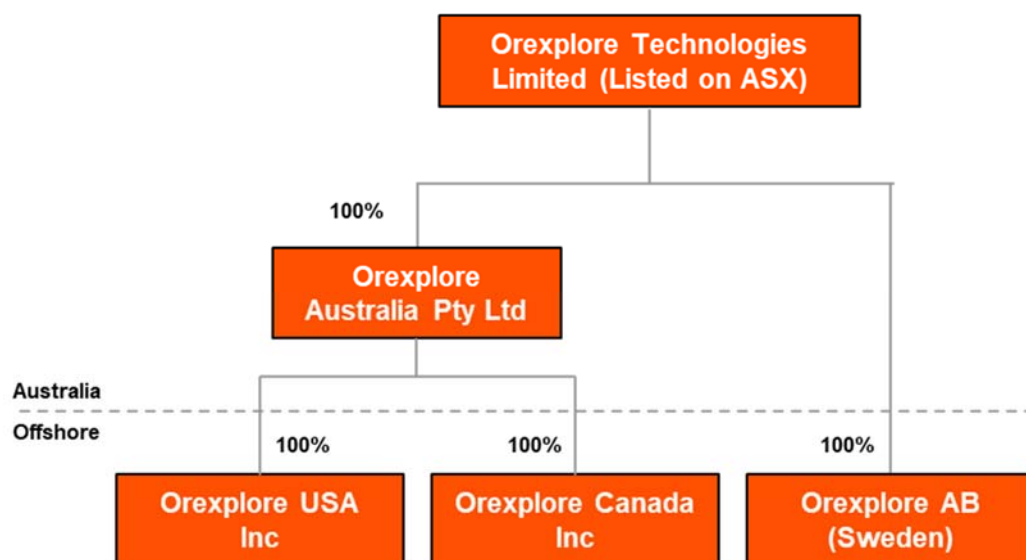
<b>Sale Agent</b>	means the nominee appointed by Swick to sell the Orexplore Shares to which Ineligible Shareholders would otherwise be entitled in accordance with the terms of the Sale Facility.
<b>Sale Facility</b>	means the facility under which Ineligible Shareholders' Orexplore Shares will be sold, as described in section 3.9(b).
<b>Sale Facility Proceeds</b>	means the proceeds from the sale of an Ineligible Shareholder's Orexplore Shares under the Sale Facility, calculated on an averaged basis so that all Ineligible Shareholders receive the same price for each Orexplore Share sold by the Sale Agent on their behalf.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares and Performance Rights).
<b>Share or Swick Shares</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder or Swick Shareholder</b>	means the holder of a Share.
<b>Short Form Prospectus</b>	has the meaning given in Section 1.3.
<b>Spin-Out</b>	has the meaning given in Section 3.1.
<b>Spin-Out Conditions</b>	has the meaning given in Section 3.3(a).
<b>Swick Share Registry</b>	means Swick's share registry from time to time.
<b>Taxable Australian Real Property</b>	has the meaning given in section 855-20 of the <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Value Propositions</b>	means the suite of customer offerings currently offered or under development by Orexplore.
<b>VWAP</b>	means the volume weighted average price.
<b>WST</b>	means Western Standard Time being the time in Perth, Western Australia.

## Schedule 2 Corporate structure post-Demerger

### Swick Group



### Orexplore Group



## Schedule 3 Key risk factors facing Orexlore

The business, assets and operations of Orexlore will be subject to certain risk factors that have the potential to influence its operating and financial performance in the future. These risks can impact on the value of an investment in its securities and include those highlighted in the table below.

The risk factors set out below ought not to be taken as exhaustive of the risks faced by Orexlore or by investors in Orexlore. The below factors, and others not specifically referred to below, may in the future materially affect the financial performance of Orexlore and the value of the Orexlore Shares. Therefore, the Orexlore Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares.

Risk	Description
<b>Sales and marketing risk</b>	<p>Orexlore'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 Orexlore'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.</p> <p>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 Orexlore. 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.</p>
<b>Future capital requirements</b>	<p>As at the date of this Notice, Orexlore 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 Demerger and any amounts raised pursuant to the Priority Offer (including where Orexlore achieves its stated objectives as detailed in the Prospectus). Although the Orexlore Directors consider that Orexlore 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, there can be no assurance that such objectives can continue to be met in the future without securing further funding.</p> <p>It is however noted that the Orexlore Directors consider that, based on the intended use of funds, the amounts raised pursuant to the Priority Offer, together with Orexlore's existing cash reserves as at the date of this Notice and funds to be transferred by Swick upon completion of the Demerger pursuant to the Demerger Implementation Deed, will provide Orexlore sufficient funding for 2 years of operations (based on the Minimum Subscription).</p>

	<p>The future capital requirements of Orexlore will depend on many factors, including the pace and magnitude of the development of its business and sales, and Orexlore 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.</p> <p>Should Orexlore require additional funding, no assurances can be made that sufficient financing, if and when needed, will be available on terms appropriate or favourable to Orexlore, or at all. If Orexlore 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 Orexlore's activities and could affect Orexlore's ability to continue as a going concern.</p> <p>Orexlore may undertake additional offerings of securities in the future. Any additional equity financing may be dilutive to Orexlore Shareholders, may be undertaken at lower prices than the current market price (or the Priority Offer price) or may involve restrictive covenants which limit Orexlore's operations and business strategy. The increase in the number of Orexlore Shares issued and outstanding and the possibility of sales of such Orexlore Shares may have a depressive effect on the price of Orexlore Shares. In addition, as a result of such additional Orexlore Shares, the voting power of Orexlore's existing shareholders will be diluted.</p> <p>Debt financing, if available, may involve restrictions on financing and operating activities.</p>
<b>Technology risk</b>	<p>Orexlore's market involves rapidly evolving technological change. To succeed, Orexlore 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. Orexlore cannot guarantee that it will be able to engage in research and development at the requisite levels.</p> <p>Elements of Orexlore'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.</p> <p>Orexlore 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 Orexlore'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.</p> <p>Orexlore 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,</p>



	products and technologies developed by others may render Orexplore's products and systems obsolete or non-competitive.
<b>Product development risk</b>	<p>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.</p> <p>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.</p> <p>Additionally, Orexplore 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.</p> <p>Orexplore'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 Orexplore's ability to deliver suitable products over time.</p> <p>While Orexplore has a significant research and development team and investment program, there is no guarantee that Orexplore will be able to undertake research and product development successfully. There is a risk that during the research, design, development and testing of Orexplore'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 Orexplore's expectations, this could result in delays to Orexplore's growth plans. A failure to successfully develop new and current products or a delay stemming from product development will adversely affect Orexplore's financial position and prospects.</p> <p>Orexplore's success will depend on Orexplore'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 Orexplore to successfully implement its research and development plans that underpin these products bears significant risk. There can be no guarantee that Orexplore 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.</p>

<b>Intellectual property risks</b>	<p>The success of Orexplore's technology depends largely on the ability of Orexplore 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. Orexplore seeks to protect its intellectual property through patents, trademarks, trade secrets and know-how.</p> <p>Whilst Orexplore 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.</p> <p>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.</p>
<b>Supplier and manufacturing risk</b>	<p>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 Orexplore to shift to another supplier. There is a risk that Orexplore 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.</p> <p>The products supplied by Orexplore may not be functional or not meet customer's expectations. This may lead to requirements for Orexplore to rectify, improve or refine its products, which may diminish operating margins or lead to losses.</p> <p>Orexplore 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 Orexplore's employees and the ability of Orexplore to continually advance its products in the event of a supplier relationship or operations being seriously impacted. Whilst Orexplore 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.</p>
<b>Operating risk</b>	<p>Orexplore 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.</p>

	<p>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 Orexplore. More specifically, equipment breakdown, or serious accidents or incidents at Orexplore's facilities may impact Orexplore's activities.</p> <p>Any prolonged downtime (for example from COVID-19 shutdowns, or major supply chain disruptions) may have an impact on Orexplore'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 Orexplore's reputation, operating and financial performance.</p>
<b>Product quality risk</b>	<p>Orexplore's current technology platform (comprised of the GeoCore X10® product and the Orexplore Insight® software) (<b>Current Technology Platform</b>) 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.</p> <p>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.</p> <p>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. Orexplore's elemental detections and emerging 3D mineralogical models all rest on the design and performance of these systems and processes, and a strong quality assurance/quality control (<b>QA/QC</b>) approach is fundamental to improving the individual and overall accuracy, reliability and performance of systems and the elemental and mineralogical outputs.</p> <p>Orexplore 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 Orexplore'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 Orexplore'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.</p> <p>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.</p>

	<p>Any delays or disruption may lead to Orexplora not meeting market demand for its products, which could adversely impact its financial position.</p>
<b>Competition risk</b>	<p>The industry in which Orexplora 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.</p> <p>The ability of Orexplora to respond and adjust to changes in the industry will affect its success and ability to remain competitive in the market. Orexplora's performance could be adversely affected if existing or new competitors reduce Orexplora's market share, or its ability to expand into new segments.</p> <p>While Orexplora will undertake all reasonable due diligence in its business decisions and operations, Orexplora 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 Orexplora's projects and business. For instance, new technologies could result in Orexplora not being sufficiently differentiated within the markets it operates in.</p> <p>Orexplora's existing or new competitors may have substantially greater resources and access to larger markets than Orexplora. Orexplora may also become subject to channel partners and other close entities who have had relationships with Orexplora becoming competitors of Orexplora. These partners have limited access to Orexplora's intellectual property but may gain access to its trade secrets and other key information.</p> <p>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 Orexplora. This may cause pricing pressure on Orexplora's product offering and may impact on the ability to retain customers/partners as well as attract new customers or partners.</p>
<b>Reliance on key personnel</b>	<p>Orexplora'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 Orexplora's continuing ability to attract, recruit and retain such employees. Qualified individuals are currently in high demand, and Orexplora 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 Orexplora from executing on the business plan and strategy, and Orexplora may be unable to find adequate replacements on a timely basis, or at all.</p> <p>The unplanned loss of the services of any of Orexplora's Directors or members of senior management could materially adversely affect the business until a suitable successor is recruited. In addition, a number of Orexplora'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 Orexplora recruits a qualified successor. There are also a limited number of persons with the requisite competencies to serve in these positions, and Orexplora cannot provide any assurance that Orexplora would be able to employ such highly qualified personnel in a timely manner, on terms acceptable to Orexplora or at all. The inability to</p>

	<p>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.</p>
<b>Product liability risk</b>	<p>Orexlore 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 Orexplore will aim to enter into commercial contracts that limit its liabilities to such claims, these are not always possible to achieve and hence Orexplore may be subject to these and similar claims.</p> <p>As Orexplore 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.</p> <p>As a result, Orexplore may have to expend significant financial and managerial resources to defend against such claims. Orexplore has various insurance policies in place to mitigate this risk.</p> <p>If a successful claim is made against Orexplore, Orexplore 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.</p>
<b>Foreign jurisdiction risk</b>	<p>The financial performance of each of Orexplore'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.</p> <p>Orexlore 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 Orexplore'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.</p>
<b>Regulatory risks</b>	<p>Orexlore 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. Orexplore 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 Orexplore's operations .</p> <p>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</p>

	<p>legal jurisdictions which govern Orexplore's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately the financial performance of Orexplore and the Orexplore Shares.</p> <p>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.</p> <p>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 (<b>RSO</b>) (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).</p>
<b>Infectious diseases</b>	<p>Infectious diseases such as COVID-19 could interrupt Orexplore'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 Orexplore'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.</p> <p>Whilst Orexplore 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.</p>
<b>Further risks</b>	<p>Further risks specific to Orexplore, include, amongst other things:</p> <ul style="list-style-type: none"> <li>(a) Insurance risk;</li> <li>(b) Contract risk;</li> <li>(c) Growth strategy and execution risk;</li> <li>(d) Cyber and physical security breaches;</li> <li>(e) Privacy concerns;</li> <li>(f) Maintenance of key relationships;</li> <li>(g) Liquidity risk; and</li> <li>(h) Litigation.</li> </ul>

## Schedule 4 Swick pro forma consolidated statement of financial position as at 30 June 2021

	Audited Swick 30 June 2021 \$000	Pro forma adjustment: Orexpl demerger \$000	Pro forma adjustment: Orexpl loan forgiveness \$000	Pro forma adjustment: Other Orexp demerger adjustments \$000	Pro forma adjustment: Orexpl seed funding \$000	Unaudited Swick pro forma 30 June 2021 \$000
<b>Current assets</b>						
Cash	15,108	(414)	-	-	-	14,694
Trade and other receivables	23,239	(2,489)	2,006	-	-	22,756
Inventories	21,682	(1,313)	-	-	-	20,369
Prepayments	2,496	(118)	-	-	-	2,378
<b>Total current assets</b>	<b>62,525</b>	<b>(4,334)</b>	<b>2,006</b>	<b>-</b>	<b>-</b>	<b>60,197</b>
<b>Non-current assets</b>						
Property, plant and equipment	61,790	(1,901)	-	7	-	59,896
Intangible assets	12,609	(6,068)	-	(1,281)	-	5,260
Financial asset classified as FVOCI	1,815	-	-	-	-	1,815
Right-of-use assets	8,285	(695)	-	(62)	-	7,528
<b>Total non-current assets</b>	<b>84,499</b>	<b>(8,664)</b>	<b>-</b>	<b>(1,336)</b>	<b>-</b>	<b>74,499</b>
<b>Total assets</b>	<b>147,024</b>	<b>(12,998)</b>	<b>2,006</b>	<b>(1,336)</b>	<b>-</b>	<b>134,696</b>
<b>Current liabilities</b>						
Trade and other payables	18,788	(8,588)	7,993	(23)	-	18,170
Current tax liability	1,717	-	-	-	-	1,717
Borrowings	2,485	(412)	-	-	-	2,073
Provisions	6,144	(93)	-	-	-	6,051
<b>Total current liabilities</b>	<b>29,134</b>	<b>(9,093)</b>	<b>7,993</b>	<b>(23)</b>	<b>-</b>	<b>28,011</b>
<b>Non-current liabilities</b>						
Borrowings	23,998	(356)	-	-	12,000	35,642
Provisions	412	-	-	-	-	412
Deferred tax liabilities	3,721	7	-	-	-	3,728
<b>Total non-current liabilities</b>	<b>28,130</b>	<b>(349)</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>39,781</b>
<b>Total liabilities</b>	<b>57,264</b>	<b>(9,442)</b>	<b>7,993</b>	<b>(23)</b>	<b>12,000</b>	<b>67,792</b>
<b>Net assets</b>	<b>89,760</b>	<b>(3,556)</b>	<b>(5,987)</b>	<b>(1,313)</b>	<b>(12,000)</b>	<b>66,904</b>
<b>Equity</b>						
Issued capital	92,166	(3,556)	-	-	(12,000)	76,610
Reserved shares	(945)	-	-	-	-	(945)
Reserves	1,319	-	-	30	-	1,349
(Accumulated losses)/retained earnings	(2,780)	-	(5,987)	(1,343)	-	(10,110)
<b>Total equity</b>	<b>89,760</b>	<b>(3,556)</b>	<b>(5,987)</b>	<b>(1,313)</b>	<b>(12,000)</b>	<b>66,904</b>

### Notes:

- Intercompany receivables and payables between Orexplore and Swick will be forgiven prior to demerger.
- Other Orexplore demerger adjustments relate predominantly to writing-off of an intangible asset originally recognised on acquisition of the minority interest in Orexplore in 2017.
- Swick will make a seed funding payment to Orexplore of \$12,000,000 as part of the demerger.
- Swick's capital structure (including the number of Swick Shares on issue) will not change as a result of the Orexplore demerger.
- The In-Specie Distribution will be accounted for in accordance with Australian Accounting Interpretation 17 "Distribution of Non-cash Assets to Owners" where the In-Specie Distribution will be made at the fair value of the underlying assets being distributed. This will impact the profit or loss of Swick at that point.

## Schedule 5 Orexplore pro forma consolidated statement of financial position as at 30 June 2021

	Orexplore Technologies Historical Statement of Financial Position \$000	Pro forma adjustment: Transfer of the Orexplore Business \$000	Pro forma adjustment: Swick loan forgiveness \$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
<b>Current assets</b>								
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
<b>Total current assets</b>	-	<b>4,334</b>	<b>(2,006)</b>	<b>12,000</b>	<b>1,000</b>	<b>15,328</b>	<b>2,500</b>	<b>16,828</b>
<b>Non-current assets</b>								
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
<b>Total non-current assets</b>	-	<b>8,671</b>	-	-	-	<b>8,671</b>	-	<b>8,671</b>
<b>Total assets</b>	-	<b>13,005</b>	<b>(2,006)</b>	<b>12,000</b>	<b>1,000</b>	<b>23,999</b>	<b>2,500</b>	<b>25,499</b>
<b>Current liabilities</b>								
Trade and other payables	-	8,588	(7,993)	-	-	595	-	595
Lease liabilities	-	412	-	-	-	412	-	412
Provisions	-	93	-	-	-	93	-	93
<b>Total current liabilities</b>	-	<b>9,093</b>	<b>(7,993)</b>	-	-	<b>1,100</b>	-	<b>1,100</b>
<b>Non-current liabilities</b>								
Lease liabilities	-	356	-	-	-	356	-	356
Provisions	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	-	<b>356</b>	-	-	-	<b>356</b>	-	<b>356</b>
<b>Total liabilities</b>	-	<b>9,449</b>	<b>(7,993)</b>	-	-	<b>1,456</b>	-	<b>1,456</b>
<b>Net assets</b>	-	<b>3,556</b>	<b>5,987</b>	<b>12,000</b>	<b>1,000</b>	<b>22,543</b>	<b>2,500</b>	<b>24,043</b>
<b>Equity</b>	-	<b>3,556</b>	<b>5,987</b>	<b>12,000</b>	<b>1,000</b>	<b>22,543</b>	<b>2,500</b>	<b>24,043</b>

### Notes:

- Orexplore Technologies Ltd was incorporated on 29 October 2020 with 100 shares on issue.
- Intercompany receivables and payables between Orexplore and Swick will be forgiven prior to demerger.
- Swick will make a seed funding payment to Orexplore of \$12,000,000 as part of the demerger.
- Orexplore is undertaking a Priority Offer by way of a prospectus to raise at least \$1,000,000 (before costs) by the issue of at least 4,000,000 Orexplore Shares at \$0.25 per Orexplore Share (minimum subscription) and up to \$2,500,000 (before costs) by the issue of up to 10,000,000 Orexplore Shares at \$0.25 per Orexplore Share (maximum subscription).



## Schedule 6 Rights and Liabilities attaching to Orexplore Shares

A summary of the more significant rights that will attach to Orexplore Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Orexplore Shareholders. Full details of the rights attaching to Orexplore Shares are set out in Orexplore's constitution, a copy of which is available on request.

- a) **(Ranking of Orexplore Shares):** At the date of this Notice, all Orexplore Shares are of the same class and rank equally in all respects.
- b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
  - (i) every Orexplore 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 Orexplore Share held, upon a poll.

- c) **(Dividend rights):** Orexplore 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 Orexplore and the declaration of Orexplore Directors as to the amount to be distributed is conclusive.

Orexplore Shareholders may be paid interim dividends or bonuses at the discretion of the Orexplore Directors. Orexplore must not pay a dividend unless Orexplore'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 Orexplore Shares may only be varied by the consent in writing of the holders of three-quarters of the Orexplore Shares, or with the sanction of a special resolution passed at a general meeting.
- e) **(Transfer of Orexplore Shares):** Orexplore Shares can be transferred upon delivery of a proper instrument of transfer to Orexplore 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 Orexplore Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel.

- f) **(General meetings):** Orexplore Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Orexplore .

The Orexplore Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- g) **(Unmarketable parcels):** Orexplore's constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Orexplore Shareholders stating that Orexplore intends to sell their relevant Orexplore Shares unless an exemption notice is received by a specified date.

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- h) **(Rights on winding up):** If Orexplore is wound up, the liquidator may with the sanction of special resolution, divide the assets of Orexplore 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.

**Schedule 7      Independent Valuation Report**

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## Orexplore

Current valuation of 100% of the equity in Orexplore  
(comprising of Orexplore Australia Pty Ltd and Orexplore AB)  
and Financial Services Guide

10 November 2021

# Financial Services Guide

## What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

## Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (**AR**) and Deloitte Corporate Finance Pty Limited authorises the AR to distribute this FSG. Their AR number and contact details are in the document that accompanies this FSG.

## What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

## General financial product advice

We provide general advice when we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

## How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, Deloitte Corporate Finance Pty Limited, our directors and officers, and any related bodies corporate, affiliates or associates, and their

directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

## Associations and relationships

The Deloitte member firm in Australia (**Deloitte Touche Tohmatsu**) controls Deloitte Corporate Finance Pty Limited. Please see [www.deloitte.com/au/about](http://www.deloitte.com/au/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

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Please contact us about a concern:

The Complaints Officer  
PO Box N250  
Grosvenor Place  
Sydney NSW 1220  
[complaints@deloitte.com.au](mailto:complaints@deloitte.com.au)  
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

[www.afca.org.au](http://www.afca.org.au)  
1800 931 678 (free call)  
Australian Financial Complaints Authority Limited  
GPO Box 3 Melbourne VIC 3001

## What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).



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The Directors  
Swick Mining Services Limited  
64 Great Eastern Highway  
South Guildford  
Western Australia, 6055

10 November 2021

Dear Directors

## Introduction

Swick Mining Services Limited (**Swick** or the **Company**) has engaged us to prepare a report providing our opinion as to the current fair market value of 100% of Orexplore Australia Pty Ltd and Orexplore AB's equity as a standalone entity (**Orexplore**).

Following the achievement of certain milestones in 2020, Swick intended to demerge its mining technology business, Orexplore, at that time. The demerger was delayed as Orexplore's first major commercial agreement was cancelled, resulting in Orexplore shifting its focus towards securing other commercial projects prior to pursuing a demerger. In 2021, Orexplore appointed Brett Giroud as Managing Director to assist with Orexplore's progression to commercialisation and Swick recommitted to its intention to demerge Orexplore (the **Proposed Demerger**).

Under the terms of the Proposed Demerger, Orexplore will be demerged from Swick and a new Australian Securities Exchange (**ASX**) listed mining technology company, Orexplore Technologies Limited (**Orexplore Technologies**) will be established. Swick's shareholders (the **Shareholders**) will receive one share in Orexplore Technologies for every three existing shares held in Swick whilst retaining their existing shareholding in Swick.

The Proposed Demerger is subject to shareholders approving the demerger of the Orexplore business to Orexplore Technologies and the reduction of capital and in-specie distribution of Orexplore Technology shares. The Proposed Demerger will only proceed if certain specific conditions (**Spin-Out Conditions**) are met or waived on or before 9 months from the date of execution of the Demerger Implementation Deed. Full details of the Proposed Demerger are set out in the Explanatory Memorandum.

Swick's Board of Directors believes that the Proposed Demerger has the potential to unlock significant value for Swick shareholders by creating two separate ASX-listed entities (Swick and Orexplore Technologies).

Our fieldwork was completed by 18 October 2021. We are not aware of any subsequent events that would change our conclusion, and Swick and Orexplore management have confirmed that they are not aware of any subsequent events that would have an impact on our work.

## Purpose of the report

We understand that the purpose of our work is to assist Swick management in providing guidance to the market regarding the value of Orexplore as part of their disclosures in the Notice of Meeting for a shareholder meeting to vote on whether to proceed with the Proposed Demerger and to assist Swick management with financial reporting requirements.

This report, which has been prepared under the terms of our engagement letter dated 4 May 2020 and our addendum to the engagement letter dated 9 September 2021, sets out our opinion on the value of Orexplore and the associated information and analysis on which our opinion is based.

Deloitte Corporate Finance Pty Limited is an Australian Financial Securities Licence (AFSL) holder and is authorised to provide financial product advice. This Report has not considered the effect of the Proposed Demerger on the particular circumstances of individual investors. Accordingly, individual shareholders should consider their own circumstances and seek financial advice from an independent qualified advisor in connection with this Proposed Demerger.

Please refer to Appendix 1 to this report, which summarises the context to this valuation, including the basis of preparation and any limitations.

## Definition of value

In forming our opinion, we have referred to the concept of fair market value. Fair market value is defined as the amount at which the shares in the entities valued would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser.

The current fair market value of the equity in Orexplore reflects the value attributed to its operations less surplus assets and/or liabilities and net cash, and is valued on a controlling basis.

## Methodology

Our valuation of Orexplore has been undertaken using a discounted cash flow (**DCF**) methodology. A financial model (the **Model**) prepared by the management of Swick and Orexplore (**Management**) and their advisors formed the basis of our valuation of Orexplore under the DCF methodology.

We have discussed the assumptions in the Model with Management and have undertaken some limited analysis of the revenue and cost forecasts derived from the assumptions. Nothing in our analysis leads us to conclude that the assumptions are not reasonable, however we note that there is a relatively high level of uncertainty associated with the achievement of the forecast cash flows due to the early stage nature of Orexplore's business.

The Model provided included the following potential scenarios:

- **Scenario 1: Management Case:** in terms of revenue, scenario 1 reflects the most conservative case for which Management have estimated a 12.5% probability. This scenario assumes scanning is limited to core sizes equal to or less than 47.6mm in diameter (**NQ**), operations are limited to the target geographies and the service model mix (i.e. the percentage of a customer's core Orexplore will scan) is at Management's base level. The NQ size limitation is aligned with the current capabilities of the GeoCore X10, however Management have advised that this limitation could be removed and all size core could be scanned with a R&D investment of less than \$1.0 million
- **Scenario 2: Management Case – All size core:** in terms of revenue, scenario 2 reflects a middle scenario for which Management have estimated a 30.0% probability. This scenario assumes all size core can be scanned, operations are limited to the target geographies and the service model mix is at Management's base level
- **Scenario 3: Management Case – Global markets:** in terms of revenue, scenario 3 reflects the second most conservative scenario for which Management have estimated a 15.0% probability. This scenario assumes scanning is limited to NQ size or smaller, Orexplore will operate in global markets and the service model mix is at Management's base level
- **Scenario 4: Management Case – Higher % of core scanned:** in terms of revenue, scenario 4 reflects a middle scenario (slightly lower than scenario 2) for which Management have estimated a 15.0% probability. This scenario assumes scanning is limited to NQ size or smaller, operations are limited to the target geographies and the service model mix is higher than Management's base level
- **Scenario 5: Management Case – All size core + Global Markets:** in terms of revenue, scenario 5 reflects the second most optimistic scenario for which Management have estimated a

25.0% probability. This scenario assumes all size core can be scanned, Orexplore operates in global markets and the service model mix is at Management's base level

- **Scenario 6: Management Case – All in:** in terms of revenue, scenario 6 reflects the most optimistic scenario for which Management have estimated a 2.5% probability. This scenario assumes all size core can be scanned, Orexplore operates in global markets and the service model mix is higher than Management's base level.

We adopted variable post-tax discount rate ranges for the different scenarios given the different execution and market risks attached to each scenario. We have used the Deloitte Tech Rating which provides an evidence-based qualitative assessment of the earnings potential and risk profile of the technology as well as the input of our technology specialist, Tim Heberden, to assist us in selecting appropriate discount rate ranges. A copy of the Deloitte Tech Rating is included in the Orexplore Technologies prospectus which will be provided to Swick's shareholders and lodged with the Australian Securities and Investment Commission (**ASIC**). The following table sets out the discount rate ranges applied for each scenario.

Table 1: Discount rate range applied

	Low	High	Mid
Scenario 1: Management Case	25.0%	30.0%	27.5%
Scenario 2: Management Case – All size core	27.5%	32.5%	30.0%
Scenario 3: Management Case – Global Markets	32.5%	37.5%	35.0%
Scenario 4: Management Case – Higher % of core scanned	30.0%	35.0%	32.5%
Scenario 5: Management Case – All size core + Global Markets	35.0%	40.0%	37.5%
Scenario 6: Management Case – All in	40.0%	45.0%	42.5%

Source: Deloitte analysis

We understand that \$12.0 million of "seed" funding has been committed by Swick to cover Orexplore's business plan rollout by covering approximately two years of overhead expense. Orexplore will also seek to raise an additional \$1.0 million to \$2.5 million of cash via a priority offer at an offer price of \$0.25 per Orexplore Technologies share (the **Priority Offer**). The Swick seed funding has been included in our valuation as it has been committed. However, the Priority Offer funding has not been included as it remains uncertain at the date of this report. We therefore refer to our valuation as being "post-Swick money".

## Valuation summary

Given the early stage nature of Orexplore's business and the wide range of potential value outcomes from different scenarios, we have applied relative probabilities (based on discussions with Management) assigned to each scenario to give an overall expected value. The following table sets out the probability weighted equity value range for 100% of the equity (post-Swick money) in Orexplore.

Table 2: Valuation conclusion

	Low	High	Mid
Probability weighted equity value (\$'m)	44.4	64.2	53.1

Source: Deloitte analysis

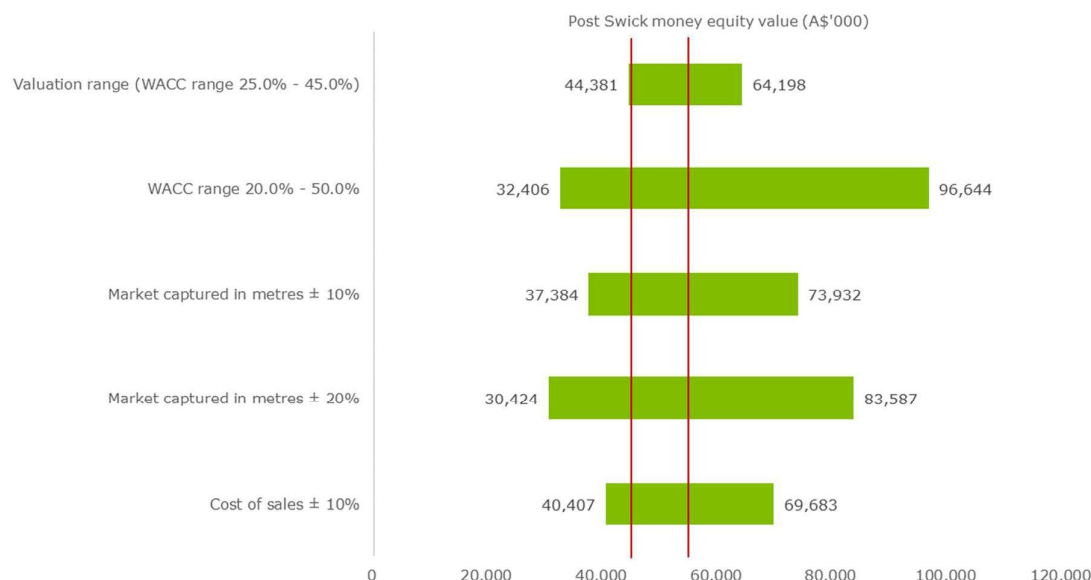
We note the following regarding the values presented above and our assessment of the fair market value of Orexplore:

- our valuation is on a post-Swick money basis (i.e. post the proposed \$12.0 million cash injection by Swick and before the Priority Offer funding)
- existing cash reserves as at the Proposed Demerger date are difficult to estimate, however they are expected to be immaterial
- the above values are highly sensitive to the discount rate assumed in the DCF valuation of Orexplore. This sensitivity arises because the Model assumes significant cash out flows in the early forecast periods and significant cash inflows towards the end of the forecast period



- in selecting our value range, we have also considered several additional sensitivities to the assumptions applied in the scenarios. The resulting probability weighted equity values are detailed in the figure below.

Figure 1: Sensitivity analysis



Source: Deloitte analysis

We also considered the amount spent to date on developing Orexplore's technology and business. Swick Management have advised that \$34.2 million has been incurred from inception to 30 June 2021 with another \$3.5 million anticipated to be incurred between July 2021 and December 2021, the expected Proposed Demerger date. In addition, Swick will have provided \$12.0 million of "seed" funding bringing total investment at the Proposed Demerger date (on a like for like basis with our valuation) to \$49.7 million.

We also considered the fact that there is no probability attached to a failure scenario (e.g. commercialisation fails or is delayed to the point that Orexplore fails as a business).

## Conclusion

After considering all of the above, we have selected an equity (post-Swick money) value range of \$45.0 million to \$55.0 million for 100% of the equity in Orexplore.

Yours faithfully

**Nicki Ivory**

Authorised Representative  
AR Number 461005

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## Appendix 1 : Context to the report

Deloitte was appointed to prepare a report providing our opinion as to the current fair market value of 100% of the equity in Orexplore and has an engagement letter with Swick dated 4 May 2020 and an addendum to the engagement letter with Swick dated 9 September 2021. The scope of services is to provide valuation services in connection with Orexplore Australia Pty Ltd and Orexplore AB, as set out in our engagement letter.

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

### Purpose of the report

We understand that this valuation report is required exclusively for the purposes of assisting Swick Management in providing guidance to the market regarding the value of Orexplore as part of their disclosures in the Notice of Meeting for a shareholder meeting to vote on whether to proceed with the Proposed Demerger and to assist Swick Management with financial reporting requirements. We are not responsible to you, or anyone else, whether for our negligence or otherwise, if the report is used by any other person or for any other purpose.

### Limitations, qualifications, declarations and consents

The report represents solely the expression by Deloitte of its opinion as to the current fair market value of the equity (post-Swick money) of Orexplore.

Our opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. Recent volatility in capital markets and the current economic outlook have created significant uncertainty with respect to the valuation of assets. Recognising these factors, our valuation and therefore our opinion may be more susceptible to change than would normally be the case. Unless requested, we will not update our valuation for any subsequent information or events.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Financial Advisory has relied upon the completeness of the information provided by Orexplore, Swick 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 our report were issued to Management for confirmation of factual accuracy.

Deloitte also relied on a financial model prepared by Management and their advisors. Deloitte assessed the reasonableness and mathematical integrity of the financial model and modified the model where necessary for our purposes.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte's consideration of this information consisted of enquiries of Orexplore and Swick personnel, Shaw & Partners Limited personnel and Churchill Consulting personnel as well as analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board (**AUASB**) or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

In relation to the prospective financial information, actual results may be different from the prospective financial information of Orexplore referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

The Partner responsible for the preparation of this report is Nicki Ivory, Partner, B.Com (Hons), CA, CFA.

The Tech Rating report which will be included in the Orexplore Technologies prospectus, was prepared by Tim Heberden, Partner, CA, MBA, Registered Business Valuer (RICS), Fellow of the Australian Marketing Institute, Fellow of the Royal Institution of Chartered Surveyors.

Deloitte will receive a fee for preparing this report. This fee is not contingent on the conclusion, content or future use of our report.

## Sources of information

In preparing this report we have had access to the following principal sources of information:

- The financial model of Orexlore titled, "2021.09.28 Project Coldplay Model"
- Draft copies of the notice of meeting for the Proposed Demerger titled, "Notice of Meeting - Swick Mining Services Limited - 30.9.21 clean", "Notice of Meeting - Swick Mining Services Limited - 31.11.21 Deloitte" and "Notice of Meeting - Swick Mining Services Limited - 7 Nov clean version for HWLE review"
- Draft copies of the prospectus for the Proposed Demerger titled, "211011 MASTER DRAFT Prospectus - Orexlore Technologies Limited.pdf" and "894071353\_1\_(HWLE Edits 2.11.21) (clean) Orexlore Technologies Limited Prospectus MASTER-4 21Nov01 2247 - OE done"
- A presentation from Shaw and Partners Limited titled "Project Coldplay - Financial Model Summary - 1 September 2021"
- Various presentations prepared by Orexlore including but not limited to the Orexlore technology, the business strategy, prior customers and build up of revenue
- Unaudited financial statements for Orexlore for the years ending 31 December 2020, 2019, 2018 and 2017
- Unaudited financial statements for Orexlore as at 30 June 2021 and 30 June 2020
- Swick and Orexlore company websites
- Draft MinEx Consulting reports titled, "2021-09-30 Drilling Market for Orexlore MinEx - Reviewed" and "2020-12-20 Drilling Market for Orexlore MinEx Vn4.docx" as well as interview transcripts
- Final MinEx Consulting report titled, "2021-09-30 Drilling Market for Orexlore MinEx - PROSPECTUS"
- Deloitte Tech Rating - Orexlore Technologies dated 10 November 2021
- publicly available information on comparable companies and market transactions published by the Australian Securities and Investment Commission (**ASIC**), Thomson Research, Thomson Reuters Financial markets, SDC Platinum and Mergermarket
- other publicly available information, media releases and brokers reports on Swick, Orexlore and the mining services industry sectors.

In addition, we have had discussions and correspondence in relation to the above information and to current operations and prospects with the following:

- Kent Swick (Managing Director) and Jitu Bhudia (Chief Financial Officer) - Swick
- Brett Giroud (Managing Director) and Alan Bye (Non-Executive Director) - Orexlore
- Management's advisors including Shaw and Partners Limited and Churchill Consulting.



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## **Schedule 8      Short form prospectus**

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**Swick Mining Services Limited  
ACN 112 917 905**

**Short Form Prospectus**

**For an offer to transfer Orexlore Shares to Shareholders of Swick Mining Services Limited pursuant to a capital reduction by way of an In-Specie Distribution contained in the Capital Reduction Resolution in the Notice of Meeting dated 22 November 2021 and to facilitate secondary trading of those shares ("Offer").**

This Prospectus is a short form prospectus prepared in accordance with section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be detailed in a document of this type, but refers to documentation lodged with ASIC, the contents of which are therefore taken to be included in this Prospectus.

This is an important document and requires your immediate attention. It should be read in its entirety along with the Notice of Meeting incorporated by reference. Please consult your professional adviser(s) if you have any questions about this document.

Swick Directors consider an investment in Orexlore Shares that will be distributed and transferred under this Prospectus and the Capital Reduction Resolution, to be speculative.

This Prospectus is not for an initial public offering of Orexlore Shares. In order for Orexlore Shares to commence trading on ASX, Orexlore will be required to lodge a separate prospectus in accordance with section 710 of the Corporations Act.

This Prospectus may not be released to US wire services or distributed in the United States.

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# Important Information

## Prospectus

This short form prospectus (**Prospectus**) is dated 22 November 2021 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus, or the merits of the investment to which this Prospectus relates.

No Orexplare Shares may be offered or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

Swick notes that the Orexplare Shares will not be quoted on the ASX pursuant to this Prospectus.

In order for the Orexplare Shares to commence trading on the ASX, Orexplare will be required to lodge a prospectus in accordance with section 710 of the Corporations Act (**Orexplare Prospectus**).

An application for admission of the Orexplare Shares to quotation on ASX will be made within 7 days after the date of the Orexplare Prospectus, however, Shareholders must note that the Orexplare Shares will not commence trading unless the Conditions Precedent are satisfied and Orexplare is admitted to the official list of ASX. Shareholders should note that there is no guarantee that these conditions will be satisfied, and even if the conditions are satisfied, there is no guarantee that the Orexplare Shares will commence trading on the ASX.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Swick in connection with this Prospectus.

This Prospectus, including the Notice of Meeting which is incorporated by reference into this Prospectus, is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser immediately. Investment in the Orexplare Shares that are the subject of this Prospectus should be considered speculative.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In making representations in this Prospectus, regard has been had to the fact that Swick is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to Swick Shareholders and professional advisers whom Swick Shareholders may consult.

If you are uncertain about the terms and conditions of the Offer, you should seek the advice of an appropriately qualified financial adviser.

## Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the Notice of Meeting lodged with ASIC on 22 November 2021.

In referring to the Notice of Meeting, Swick:

- (a) identifies the Notice of Meeting as being relevant to the offer of Orexplare Shares under this Prospectus and contains information that will provide Swick Shareholders and their professional advisers to assist them in making an informed assessment of:

- (i) the rights and liabilities attaching to the Orexplare Shares;
  - (ii) the assets, liabilities and financial position and prospects of Orexplare;
- (b) refers Swick Shareholders and their professional advisers to this Prospectus which summarises the material information in the Notice of Meeting deemed to be incorporated in this Prospectus;
- (c) informs Swick Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting or the Constitution by contacting Swick at its registered office during normal business hours during the period of the Offer; and
- (d) advises that the information in the Notice of Meeting will be primarily of interest to Swick Shareholders and their professional advisers or analysts.

## Exposure Period

The Corporations Act prohibits Swick from transferring the Orexplare Shares in the seven day period after the date of lodgement of this Prospectus. This period may be extended by ASIC by up to a further seven days. This period is an exposure period to enable this Prospectus to be examined by market participants prior to the transfer of the Orexplare Shares. Given the General Meeting will be held on 22 December 2021 and the In-specie Distribution will occur some time after that date, the exposure period will have expired by the time the In-specie Distribution occurs.

## Forward-Looking Statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believes', 'estimate', 'intend', 'scheduled' or 'continue' or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward looking statements or information.

Whilst Swick considers the expectations reflected in any forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Schedule 3 of the Notice of Meeting, as well as other matters not yet known to Swick or not currently considered material to Orexplare, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

## Defined Terms

Defined terms and abbreviations used in this Prospectus have the meaning given in the Notice of Meeting.



## 1. Details of the Offer

### 1.1 Terms and Conditions of the Offer

The terms and conditions of the Offer are detailed in the Notice of Meeting accompanying this Prospectus. Resolution 2 (**Capital Reduction Resolution**) of the Notice of Meeting is as follows:

*"That, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, on the Record Date to determine the entitlements of Swick Shareholders to participate in the reduction of capital:*

*(a) the issued share capital of the Company be reduced by the Company, without cancelling any Swick Shares, by an amount equal to the market value (as assessed by the Swick Directors) of all the fully paid ordinary shares in the capital of Orexplore less a Dividend Amount (if any) with effect as at the Record Date to determine entitlements to the distribution and transfer referred to in paragraph (b) of this Resolution; and*

*(b) the reduction, and Dividend Amount (if any), be satisfied by the distribution and transfer of all fully paid ordinary shares in Orexplore to Swick Shareholders registered as such on the Record Date on a pro rata basis, to be effected in accordance with Swick's constitution, the Corporations Act, the Listing Rules and as otherwise determined by the Swick Directors, with the consequence that each Swick Shareholder on the Record Date shall be deemed to have consented to becoming a Orexplore Shareholder and being bound by its constitution,*

*on the terms and conditions set out in the Explanatory Memorandum."*

Pursuant to the Capital Reduction Resolution, Swick is inviting Swick Shareholders to vote on an equal reduction of capital by way of an In-Specie Distribution of Orexplore Shares (**In-Specie Shares**) to Eligible Shareholders on a pro rata basis. This represents 1 Orexplore Share for every 3 Swick Shares held by Eligible Shareholders on the Record Date (rounded up to the next whole Orexplore Share) (assuming that no additional Swick Shares are issued prior to the Record Date).

The Demerger will only proceed if the following conditions are met or waived on or before 12 August 2022:

- (i) Swick obtaining shareholder approval under the Corporations Act and Listing Rules for the In-Specie Distribution; and
- (ii) Orexplore receiving conditional ASX listing approval, on terms acceptable to the Orexplore Board which, once satisfied, will result in ASX admitting Orexplore to the Official List,

(together, the **Conditions Precedent**).

There is no guarantee that Swick will proceed with the In-Specie Distribution or that Orexplore will successfully list on ASX.

Based on ASIC Regulatory Guide 188, the invitation to vote on the Capital Reduction Resolution of the Notice of Meeting constitutes an offer to transfer the Orexplore Shares for the purposes of section 707(3) of the Corporations Act. Accordingly, Swick has prepared this Prospectus.

Ineligible Shareholders will have their pro rata entitlement of In-Specie Shares sold by the Company and the net proceeds paid to the Ineligible Shareholders.

The Sale Agent will act on a best efforts only basis to sell the Ineligible Shareholders' In-Specie Shares, and will not be liable to the Ineligible Shareholders for any loss suffered as a result.

As the return of capital is being represented and satisfied by the In-Specie Distribution and security prices may vary from time to time (assuming a liquid market is available), the net proceeds of sale to such Shareholders may be more or less than the notional dollar value of the reduction of capital. It will be the responsibility of each Swick Shareholder to comply with the laws to which they are subject to in the jurisdictions in which they are resident.

The release, publication or distribution of this Prospectus in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions, and persons outside of Australia who come into possession of the Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

The Prospectus has been prepared in accordance with Australian law and is subject to Australian disclosure requirements. The information contained in the Prospectus may not be the same as that which would have been disclosed if the Prospectus had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

## **1.2 Effect of the Offer on Swick**

The effect of the Offer on Swick will be:

- (a) Swick ceasing to own 93,913,641 Orexplare Shares to be distributed to Shareholders pursuant to the In-Specie Distribution (being the 100 existing Orexplare Shares held by Swick and 93,913,541 Consideration Shares to be issued to it under the Demerger Implementation Deed);
- (b) Swick's share capital will be reduced by the amount to be assessed by the Swick Directors as the market value of approximately 93,913,641 In-Specie Shares; and
- (c) Eligible Shareholders that are registered on the Record Date will receive 1 In-Specie Share for every 3 Swick Shares held on the Record Date (assuming that no additional Swick Shares are issued prior to the Record Date).

## **1.3 Effect of the Offer on Orexplare**

The effect of the Offer on Orexplare will be that the 93,913,641 Orexplare Shares to be held by Swick post-completion of the Spin-Out will no longer be held by a sole shareholder and instead 93,913,641 In-Specie Shares will be transferred to Eligible Shareholders that are registered on the In-Specie Record Date or, in the case of Ineligible Shareholders, the In-Specie Shares will be sold and net proceeds transferred to the Ineligible Shareholders on a pro rata basis.

#### 1.4 **Action required by Swick Shareholders**

No action is required by Swick Shareholders under this Prospectus.

Should Swick Shareholder approval be obtained for the In-Specie Distribution, the In-Specie Shares will be transferred to Swick Shareholders in accordance with the terms detailed in the Notice of Meeting.

If you have any queries regarding this Prospectus, please contact Swick on +61 8 9277 8800.

## 2. **Information Deemed to be Incorporated in this Prospectus**

### 2.1 **Short Form Prospectus**

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be given in a document of this type, however, it incorporates by reference information contained in a document that has been lodged with ASIC.

The Notice of Meeting contains all the information that Swick Shareholders require in relation to the Demerger (comprised of the Spin-Out and In-Specie Distribution) and the Notice of Meeting in its entirety is deemed to be incorporated in this Prospectus.

The material provisions of the Notice of Meeting are summarised below in Section 2.2 of this Prospectus and will primarily be of interest to Swick Shareholders and their professional advisers.

A copy of the Notice of Meeting has been sent to Swick Shareholders with this Prospectus. However, Swick Shareholders and their professional advisers may also obtain, free of charge, a copy of the Notice of Meeting by contacting Swick at its registered office during normal business hours.

This Prospectus is not for an initial public offering of Orexplore Shares. In order for Orexplore Shares to commence trading on ASX, Orexplore will be required to lodge a separate prospectus in accordance with section 710 of the Corporations Act. This Prospectus has been prepared in conjunction with a prospectus dated 22 November 2021 lodged with ASIC by Orexplore Technologies Limited (ACN 645 5050 406) (**Orexplore Prospectus**). Swick Shareholders may request a copy of the Orexplore Prospectus by contacting Swick's company secretary, Mr Frank Campagna on +61 8 9277 8800 at any time prior to the date of the Meeting. Information from the Orexplore Prospectus is incorporated into this document by reference, as set out in the Notice.

### 2.2 **Summary of Material Provisions of Notice of Meeting**

The material provisions of the Notice of Meeting are summarised below. The Sections and Schedules referred to below are a reference to Sections and Schedules (respectively) in the Explanatory Memorandum to the Notice of Meeting:

#### (a) **Section 1.8 - Indicative timetable**

This Section sets out the indicative timetable for the In-Specie Distribution.

(b) **Section 3 - Resolutions 1 and 2 - Approval for disposal of a major asset and reduction of capital and in-specie distribution of Orexpl ore Shares**

(i) **Section 3.1 and Schedule 2 - General background**

This Section provides an overview of Swick and the Orexpl ore Business. Schedule 2 sets out the corporate structure of Swick and the Orexpl ore Group post-Demerger.

(ii) **Section 3.2 - Rationale for the Demerger**

This Section provides information on Swick's rationale for undertaking the Demerger.

(iii) **Section 3.3 - Overview of the Demerger**

This Section provides an overview of the Spin-Out, In-Specie Distribution and the Priority Offer (to be undertaken in conjunction with the Spin-Out).

(iv) **Section 3.4 - Advantages and disadvantages of the Demerger**

This Section outlines the advantages and disadvantages of the Demerger.

(v) **Section 3.5 and Schedule 7 - Independent Valuation Report**

This Section and Schedule outlines the valuation that the Swick Board ascribes to the Orexpl ore Business.

(vi) **Section 3.6 and 3.25 - Board recommendation**

These Sections outline the Directors' recommendations for Resolutions 1 and 2 and that each Director intends to vote in favour of Resolutions 1 and 2 in respect of all Shares held by them at the time of the Meeting.

(vii) **Sections 3.7 and Schedules 4 and 5 - Pro forma financial position of Swick and Orexpl ore upon completion of the Demerger**

This Section provides an unaudited pro-forma of the historic profit and loss split between the Swick Drilling Business and Orexpl ore Business.

Schedule 4 details the audited consolidated statement of financial position of the Company as at 30 June 2021, together with the pro-forma statement of financial position of the Company excluding Orexpl ore (ie. as if the Demerger had occurred on 30 June 2021).

Schedule 5 details the pro-forma consolidated statement of financial position for Orexpl ore, reflecting the indicative statement of financial position of Orexpl ore following completion of the Demerger.

(viii) **Section 3.8 - Eligible Shareholders**

This Section outlines the Swick Shareholders that will be entitled to have Orexpl ore Shares transferred to them under the Demerger.

(ix) **Section 3.9 - Ineligible Shareholders and Sale Facility**

This Section outlines how Ineligible Shareholders will be treated in respect to their participation in the In-Specie Distribution of the Orexlore Shares and how the Sale Facility will be used to facilitate the sale of such Orexlore Shares.

(x) **Section 3.10 - Consequence of the receipt or non-receipt of Shareholder approval**

This Section outlines the consequences if Resolutions 1 and 2 are passed or not passed, and as Resolutions 1 and 2 are inter-conditional, then each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting.

(xi) **Section 3.11 - Plans for Swick and Orexlore (assuming completion of Demerger)**

This Section sets out both Swick's and Orexlore's potential future plans in the event that the Demerger completes.

(xii) **Section 3.12 and Schedules 3 and 9 - Information about Orexlore**

This Section and Schedules provides a summary of:

- (A) the Orexlore Business and the Orexlore Technology Platform;
- (B) Orexlore's targeted customers;
- (C) Orexlore's intellectual property;
- (D) Orexlore's directors and key management personnel;
- (E) key risk factors which may affect Orexlore and the value of its securities; and
- (F) the material contracts to which Orexlore is a party.

(xiii) **Section 3.13 - Directors' interests**

This Section sets out the number of securities in Swick held by the Swick Directors and the directors of Orexlore at the date of the Notice of Meeting and the number of Orexlore securities they are likely to have an interest in if the Resolutions are passed and the Demerger is completed.

(xiv) **Section 3.14 - Changes to capital structure**

This Section sets out the current capital structure of Swick and Orexlore, and the capital structure of Swick and Orexlore post completion of the Demerger and Priority Offer.

(xv) **Section 3.15 and Schedule 6 - Information concerning Shares**

This Section and Schedule provides a summary of the more significant rights that will attach to Orexlore Shares and a summary of the trading price history of Swick Shares during the 12 months immediately preceding the date of the Notice.

(xvi) **Section 3.16 - Taxation consequences of the Demerger**

This Section provides a general summary of the Australian taxation consequences for Shareholders who receive Oreplore Shares in respect of the In-Specie Distribution based on applicable taxation laws, regulations, rulings and administrative guidance and judicial interpretations as at 4 November 2021.

The summary is not a complete analysis of all taxation implications relevant to the In-Specie Distribution and all Shareholders should obtain independent tax advice regarding the income tax and capital gains tax implications specific to their circumstances. The summary is general in nature and the individual circumstances of each shareholder may affect the tax implications of the In-Specie Distribution for that shareholder. Shareholders should seek appropriate independent professional advice that considers the tax implications in respect of their own specific circumstances.

(xvii) **Section 3.17 - Section 256C of the Corporations Act**

This Section provides a statement that the Directors believe that the Demerger is fair and reasonable to Shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors.

(xviii) **Section 3.18 - Capital reduction - general**

This Section provides information on the capital reduction including the legal procedure required to be followed by the Company.

(xix) **Section 3.19 and Schedule 4 - Effect of Proposed Capital Reduction on the Company**

This Section and Schedule outlines the financial impact of the Demerger on Swick.

(xx) **Section 3.20 - Effect of Proposed Capital Reduction on Shareholders**

This Section outlines the impact of the Demerger on Shareholders in respect to their shareholding in Swick and the procedure for Shareholders to receive their In-Specie Distribution or acquire any more Oreplore Shares under the Priority Offer.

(xxi) **Section 3.21 - ASX Listing Rule 7.17**

This Section outlines the requirements of Listing Rule 7.17 and provides a statement from the Company that, as the Company understands, the Demerger satisfies the requirements of ASX Listing Rule 7.17, as the issue of Oreplore Shares is being made to Shareholders on a pro rata basis, and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Oreplore Shares accrues.

(xxii) **Section 3.22 - ASX Listing Rule 11.4**

This Section outlines the requirement that the Shareholders approve the Demerger under and for the purposes of ASX Listing Rule 11.4.1(b).

(xxiii) **Section 3.23 - ASX waiver and confirmation**

This Section outlines the waiver Orexlore has applied to ASX for in respect of Listing Rule 9.1.3, to allow the Orexlore Shares to be distributed in-specie to Swick Shareholders, without being subject to the escrow restrictions set out in Appendix 9B to the Listing Rules, and the expected conditions that the waiver will be subject to.

(xxiv) **Section 3.24 - Disclosure to ASX**

This Section outlines that Swick is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations, and copies of documents lodged in relation to Swick may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or the Company's website.

(xxv) **Section 3.26 - Other material information**

This Section sets out a confirmation from Swick in respect of the information provided in the Explanatory Memorandum and all relevant Schedules.

## 2.3 **Interests of Orexlore Directors**

No director of Orexlore (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 Orexlore; or
- (b) property acquired or proposed to be acquired by Orexlore in connection with its formation or promotion of the Offer; or
- (c) the 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 Orexlore Director to induce him or her to become, or to qualify as, a Orexlore Director; or
- (b) any director of Orexlore 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 Orexlore or the Offer,

except as disclosed in this Prospectus or the Notice of Meeting.

## 2.4 **Remuneration of Orexlore Directors**

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

Director	Remuneration (A\$)
Brett Giroud <sup>1</sup>	207,479

Director	Remuneration (A\$)
Alan Bye <sup>2</sup>	5,726
Kent Swick <sup>3</sup>	2,863
Stuart Carmichael <sup>4</sup>	2,863
Stefan Sädbom <sup>5</sup>	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.

## 2.5 Interests of Advisors

Other than as detailed below or elsewhere in this Prospectus or the Notice of Meeting, no promoter of Orexplore or person 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 has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of Orexplore;
- (b) any property acquired or proposed to be acquired by Orexplore in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered in connection with the formation or promotion of Orexplore or the Offer.

HWL Ebsworth has acted as solicitors to Swick in relation to the Offer. The Company estimates it will pay HWL Ebsworth approximately \$3,000 (excluding GST) in respect of these



services. During the 24 months preceding the lodgement of this Prospectus with ASIC, HWL Ebsworth has received approximately \$320,000 (excluding GST) in fees from Swick.

Deloitte Corporate Finance Pty Ltd has acted as the Independent Valuer and has prepared the concise summary of the Independent Valuation Report that is included in the Notice of Meeting (and referenced to in this Prospectus). All costs related to this appointment will be paid by Swick and recharged to Orexlore via the intercompany loan between Orexlore and Swick. The Company estimates that Swick will pay Deloitte Corporate Finance Pty Ltd a total of \$273,000 (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.

## 2.6 Substantial Orexlore Shareholders

As at the date of this Prospectus, Orexlore is a wholly owned subsidiary of Swick.

Based on the information known as at the date of this Prospectus, and assuming Orexlore is admitted to the Official List and Minimum Subscription of the Priority Offer is achieved, the following persons will have an interest in 5% or more of the Orexlore Shares on issue.

Name	Number of Orexlore Shares	% of Orexlore Shares
Kent Swick <sup>1</sup>	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 Orexlore Shares distributed pursuant to the In-Specie Distribution (assuming Mr Swick's performance rights in Swick are not vested and exercised prior to the Record Date) and held as follows:
    - (i) 4,394,137 Orexlore Shares held directly by Mr Swick;
    - (ii) 4,394,137 Orexlore Shares held indirectly via Tanya Michelle Swick, Mr Swick's spouse;
    - (iii) 402,888 Orexlore 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 Orexlore 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 Orexplare Shares, which is the maximum number Mr Swick intends to apply for pursuant to the Priority Offer, held indirectly via Kent Jason Swick & Tanya Michelle Swick ATF Swick Super Fund A/C.

## 2.7 **Litigation**

To the knowledge of the Swick Directors, as at the date of this Prospectus, Orexplare is not involved in any legal proceedings, and the Swick Directors are not aware of any legal proceedings pending or threatened against Orexplare.

## 2.8 **Dividend Policy**

Swick does not expect Orexplare to declare any dividends in the near future as its focus will primarily be on reinvesting any earnings into growing the Orexplare Business.

Any future determination as to the payment of dividends by Orexplare will be at the discretion of the Orexplare Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of Orexplare, future capital requirements, general business and other factors considered relevant by the Orexplare Directors. Accordingly, no assurances are offered concerning the payment of dividends or that any dividends may attach franking credits.

## 3. **Consents**

Each of the parties referred to in this Section:

- (a) have given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC;
- (b) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this section;
- (c) has not authorised or caused the issue of this Prospectus or the making of the Offer; and
- (d) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this section.

HWL Ebsworth has given its written consent to be named in this Prospectus as solicitors to Swick in relation to the Prospectus in the form and context in which it is named and to the incorporation by reference into this Prospectus of the Notice of Meeting in the form and context in which it is incorporated, and to all references to the Notice of Meeting in this Prospectus in the form and context in which they appear.

Deloitte Corporate Finance Pty Ltd has given its written consent to being named as the Independent Valuer to Orexplare and to the inclusion of the concise summary of the Independent Valuation Report (and each reference to it) in the Notice of Meeting, in the form and context in which the report is included.

4. **Directors authorisation**

This Prospectus is issued by Swick and its issue has been authorised by a resolution of Swick Directors.

In accordance with section 720 of the Corporations Act, each Swick Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.



Kent Swick

**Managing Director**

Dated: 22 November 2021

## Schedule 9 Orexplore's material contracts

The Orexplore Directors consider that certain contracts entered into by Orexplore are material to Orexplore or are of such a nature that shareholders may wish to have particulars of them. The provisions of such material contracts are summarised in this Schedule.

### 1. Demerger Implementation Deed

Swick and Orexplore entered into the Demerger Implementation Deed in relation to the Demerger 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 Orexplore Share.

Following completion of the Spin-Out 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.

#### 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 Spin-Out.

#### 1.2 Other material terms

##### (i) Funding

Swick must pay Orexplore a seed funding payment of \$12,000,000 at completion of the Spin-Out and convert the net intercompany payables by Orexplore to Swick as at the completion of the Spin-Out 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 Spin-Out, 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

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 Orexlore Business or the In-Specie Distribution (including without limitation any liabilities or losses relating to tax).

In addition, Orexlore 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 Orexlore 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 Orexlore 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.

### 1.3 Transitional Services Agreement

Swick and Orexlore have entered into a transitional services agreement pursuant to which, during the period from the date Swick Shareholders approve the demerger of the Orexlore 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 Orexlore and Orexlore Australia Pty Ltd (ACN 622 440 537) (together, **Orexlore Australia**), executed monthly;
  - ii. accounts receivable processing, billing and collection and ledger reconciliations relating to Orexlore Australia, executed monthly;

- For personal use only
- iii. processing of payments received in connection with the Orexlore Australia deposited into its nominated bank accounts;
  - iv. monthly reports for the Orexlore Business, including consolidation and elimination entries;
  - v. attend to monthly reconciliation of each balance sheet account for the Orexlore Group;
  - vi. half year and annual consolidation and financial statements preparation (P&L; Balance sheets; cash flows) of the Orexlore Business;
  - vii. management of half year (review) and annual (full) Orexlore Business group external audits;
  - viii. assist with inventory management for Orexlore Australia;
  - ix. calculation and lodgement of indirect tax liabilities including payroll tax, GST and FBT for Orexlore Australia;
  - x. treasury services for the Orexlore Australia business including cash balance management;
  - xi. payroll processing for all employees of Orexlore 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 Orexlore Australia; and
- b) procurement services for Orexlore 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**).

Orexlore 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 Orexlore's half year consolidated financial statements and managing Orexlore's half year external audit; and

- c) \$14,000 (plus GST) in consideration for Swick preparing Orexlore's full year consolidated financial statements and managing Orexlore'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 Orexlore.

The transitional services arrangement may be terminated by either party with 2 month's written notice.

## 2. **Executive services agreement - Mr Brett Giroud**

Orexlore 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 Orexlore. The material terms of Mr Giroud 's appoints are set out below:

- a) **Base Salary:** \$350,000 per annum (plus superannuation);
- b) **Salary Review Period:** annually;
- c) **Short Term Incentive Program:** annually, subject to agreed key performance indicators being met and Orexlore Board approval, Mr Giroud will be entitled to a performance based bonus up to a maximum of 40% of his base salary.
- d) **Long Term Incentive Plan:** Mr Giroud is eligible to participate in incentive arrangements offered by Orexlore from time to time, including participation in the Plan;
- e) **Term:** Mr Giroud's employment commences on 1 July 2021 and shall continue indefinitely unless and until the executive services agreement is terminated;
- f) **Termination:** either party may terminate Mr Giroud 's appointment on 3 months' notice. Orexlore may also terminate the appointment at any time without notice if Mr Giroud engages in serious misconduct; and
- g) **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 Orexlore and from soliciting customers or employees of Orexlore within Australia.

In addition, Orexlore will issue Mr Giroud (or his permitted nominee) Orexlore Performance Rights up to 5% of the total Orexlore Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution (either 4,895,682 Orexlore Performance Rights assuming Minimum Subscription or up to 5,195,682 Orexlore Performance Rights assuming Maximum Subscription) on the terms and conditions set out in section 8.2 of the Prospectus.

The executive services agreement also contains additional provisions considered customary for agreements of this nature.

### 3. **Letters of Appointment - Non-Executive Orexlore Directors, Kent Swick, Stuart Carmichael, Stefan Sädbom, and Non-Executive Chairman, Alan Bye**

Orexlore has entered into Non-Executive Director letters of appointment with Kent Swick, Stuart Carmichael, and Stefan Sädbom pursuant to which Orexlore has agreed to pay each of Mr Swick, Mr Carmichael, and Mr Sädbom \$50,000 per annum (excluding superannuation) for services provided to Orexlore as Non-Executive Orexlore Directors, including attending Orexlore Board and committee meetings and advising on the strategic direction and control of the business of Orexlore.

Dr Bye and Orexlore have entered into a Non-Executive Chairman letter agreement pursuant to which Orexlore agrees to pay Dr Bye \$100,000 per annum (excluding superannuation) for services provided to Orexlore as Non-Executive Chairman. In addition, Orexlore will issue Dr Bye (or his permitted nominee) Orexlore Performance Rights up to 3% of the total Orexlore Shares on issue immediately after completion of the Priority Offer and In-Specie Distribution (either 2,937,409 Orexlore Performance Rights assuming Minimum Subscription or up to 3,117,409 Orexlore Performance Rights assuming Maximum Subscription) on the terms and conditions set out in section 8.2 of the Prospectus.

It is noted that the total aggregate amount of fees per annum payable to Non-Executive Orexlore Directors of the Company pursuant to Orexlore'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.

### 4. **Deeds of indemnity, insurance and access**

Orexlore is party to a deed of indemnity, insurance and access with each of the Orexlore Directors and the Orexlore Company Secretary. Under these deeds, Orexlore indemnifies the relevant Orexlore Director/Company Secretary to the extent permitted by law against any liability arising as a result of the Orexlore Director or officer acting as a director or officer of Orexlore. The Company is also required to maintain insurance policies for the benefit of the relevant Orexlore Director or officer and must allow the Orexlore Directors and officers to inspect Orexlore Board papers in certain circumstances. The deeds are considered customary for agreements of this nature.

### 5. **Ongoing negotiations**

Orexlore 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. Orexlore cautions shareholders that there are no guarantees that these trial engagements and in-kind trials will be successful or generate any revenue.



# Proxy Voting Form

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Monday, 20 December 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

**Vote online at <https://investor.automic.com.au/#/loginsah>**

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



## SUBMIT YOUR PROXY VOTE BY PAPER

**Complete the form overleaf in accordance with the instructions set out below.**

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home>. Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form.

### STEP 2 – VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).