

SWICK MINING SERVICES

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22 November 2021

ASX ANNOUNCEMENT

**Orexlore Technologies Limited
Prospectus and Notice of Meeting Lodged**

Highlights:

- **Orexlore Prospectus lodged with ASIC and Notice of Meeting released today**
- **Shareholder vote to approve demerger on 22 December 2021**
- **Under the terms of the proposed demerger, eligible Swick shareholders to receive one Orexplore Share for every three Swick Shares held at the Record Date**
- **Orexlore to undertake a Priority Offer to raise between \$1m and \$2.5m - only open to eligible Swick shareholders and designed to provide eligible Swick shareholders an opportunity to increase their shareholding at an attractive valuation**
- **Priority Offer to be undertaken at a price \$0.25 per Orexplore Share (a 48% to 57% discount to the Independent Valuation prepared by Deloitte Corporate Finance) with an implied Orexplore market capitalisation of \$23.5 million (prior to any new Orexplore Shares being issued pursuant to the Priority Offer)**
- **A Priority Offer price per Orexplore Share of \$0.25 is equivalent to \$0.083 per Swick Share (on the basis that eligible Swick shareholders are to receive one Orexplore Share for every three Swick Shares held at the Record Date)**
- **Orexlore will host an investor webinar briefing in coming weeks**

Western Australia – Swick Mining Services Limited ('Swick', ASX: SWK), a leading provider of high-quality underground mineral drilling and mineral analysis services, and underground mobile drilling equipment, announces today that a prospectus has been lodged with ASIC by its subsidiary, Orexplore Technologies Limited ('OXT' or '**Orexlore**'), and a Notice of Meeting has been released by Swick, in connection with the demerger of Orexplore. The Notice of Meeting has been released to Swick shareholders today for a general meeting to approve the demerger of Orexplore to be held on 22 December 2021.

Under the terms of the proposed demerger, Swick shareholders will receive one fully paid ordinary share in the capital of Orexplore ('**Orexlore Share**') for every three fully paid ordinary shares in the capital of Swick ('**Swick Share**') held at the in-specie distribution record date of 5.00pm (WST) on 30 December 2021 (**Record Date**). In determining the number of Orexplore

Shares to be issued to each shareholder, any fractions of entitlement will be rounded up to the next whole number.

Orexlore Investor Webinar Briefing

The Orexplore Managing Director, Mr Brett Giroud will host a live and interactive investor briefing to provide an introduction to and overview of Orexplore. Mr Giroud will be supported by the Orexplore Chairman, Dr Alan Bye. The investor presentation will be hosted via webinar and will also be uploaded on the Swick ASX platform. The Company will provide the Investor Briefing details via a separate ASX announcement in the coming weeks.

In addition, to the Investor Presentation, shareholders should review the Orexplore Prospectus which will be dispatched to shareholders on 1 December 2021.

Orexlore Independent Valuation and Priority Offer

Swick also announces that Orexplore will undertake a Priority Offer to raise between \$1.0m and \$2.5m of additional equity. The Priority Offer will only be open to eligible Swick shareholders on the share register as at 9.00am (WST) on 1 December 2021 and will be priced at \$0.25 per Orexplore Share – equivalent to \$0.083 per Swick Share (on the basis that eligible Swick shareholders are to receive one Orexplore Share for every three Swick Shares held at the Record Date). This Priority Offer is in addition to the \$12m of seed funding that Swick has committed to provide Orexplore (upon completion of the demerger). Accordingly, in order to participate in the Priority Offer, any new investors in Swick will need to be a registered shareholder as at the Priority Offer record date.

As set out in the Notice of Meeting, the Swick Board has obtained an independent assessment of the current fair market value of Orexplore (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 (ie. 100% ownership) and post the Swick seed funding to Orexplore of \$12 million. This 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).

The Priority Offer has been priced at \$0.25 per Orexplore Share which is 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) and represents a 48% to 57% discount to the Deloitte Valuation (which was prepared on a controlling basis).

Commenting on the Priority Offer, the incoming Chairman of Orexplore, Dr Alan Bye commented:

"The Orexplore Board believes the Priority Offer provides an opportunity for Swick shareholders to increase their shareholding in Orexplore at a discounted valuation and encourages shareholders to review the Orexplore Prospectus and consider subscribing for additional Orexplore Shares."

Swick Board Recommendation

After considering all relevant factors, including those set out in the Notice of Meeting, the Directors of Swick unanimously recommend that shareholders vote in favour of the required resolutions to approve the demerger and the in-specie distribution of Orexlore Shares to Swick shareholders.

Each of the Swick Directors intend to vote in favour of the required resolutions in respect of all shares they own or control.

Commenting on the upcoming shareholder vote, Swick Chairman, Andrew Simpson commented:

“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 Orexlore for future success as two separate and distinctly unique businesses. Your Board also recommends shareholders consider participating in the Orexlore Priority Offer as outlined in the Orexlore prospectus.”

Shareholders are also reminded that the 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. 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.

An indicative timetable for the Demerger is set out below:

Event	Indicative Date
Orexlore lodges prospectus with ASIC	22 November 2021
Orexlore opens Priority Offer and dispatches prospectus	1 December 2021
General Meeting to approve the In-Specie Distribution of Orexlore Shares	22 December 2021
Orexlore closes Priority Offer	22 December 2021
Completion of acquisition of the Orexlore Business	23 December 2021
Record Date for in-specie distribution	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

Shareholders are encouraged to read the Notice of Meeting and the Orexlore Prospectus in full detail. The Prospectus contains detailed information about the Priority Offer and the current and proposed operations of Orexlore, as well as the risks pertaining to an investment in Orexlore. Potential investors in Orexlore should carefully consider those risks (detailed in Section 4).

Advisors

Swick's financial advisor is Shaw and Partners and its legal advisor is HWL Ebsworth.

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This ASX announcement was authorised for release by the Board of Swick Mining.

About Swick Mining Services:

Swick Mining Services Ltd (ASX: SWK) is one of Australia's largest mineral drilling contractors, providing high quality underground mineral drilling and mineral analysis services, and underground mobile drilling equipment to a diverse group of mining houses and across a spread of commodities. The Company has a strong reputation for innovation in rig design and drilling practices that delivers improvements in productivity, safety, versatility and value. Swick has a global presence with Operational revenue from Australia, United States and Europe.

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Disclosure Statement:

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.