SWICK MINING SERVICES LIMITED
ACN 112 917 905

Addendum to Notice of General Meeting

Swick Mining Services Limited (**Company**) hereby gives notice to Shareholders that, in relation to the Notice of General Meeting dated 22 November 2021 (**Notice**) in respect of the general meeting to be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Wednesday, 22 December 2021 at 10am (WST), the Directors have determined to amend and supplement the information contained in the Explanatory Memorandum provided to Shareholders in relation to the matters set out in this addendum to the Notice (**Addendum**).

This Addendum is supplemental to the original Notice and should be read in conjunction with the Notice. Save for the amendments set out below, the Notice remains unchanged.

The numbering used in this Addendum is a continuation of the numbering used in the Notice and the Explanatory Memorandum. Unless otherwise defined in this Addendum, the defined terms used in this Addendum are as defined in the Notice.

This Addendum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their suitably qualified professional advisors prior to voting. Should you wish to discuss the matters set out in this Addendum, please do not hesitate to contact the Company on +61 8 9277 8800.

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 Shareholders at 4.00pm (WST) on Monday, 20 December 2021.

Proxy Forms

The Company confirms that there have been no changes to the Proxy Form previously dispatched to Shareholders. Shareholders are advised that:

- If you have already completed and returned the Proxy Form which was provided with the original Notice of Meeting and you wish to change your vote, you must complete and return a new Proxy Form. Please contact the Company if you require a new Proxy Form.

- If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and you do not wish to change your vote, you do not need to take any action as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form.

- If you have not yet completed and returned a Proxy Form and you wish to vote on the Resolutions in the Notice of Meeting, please complete and return the Proxy Form.

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

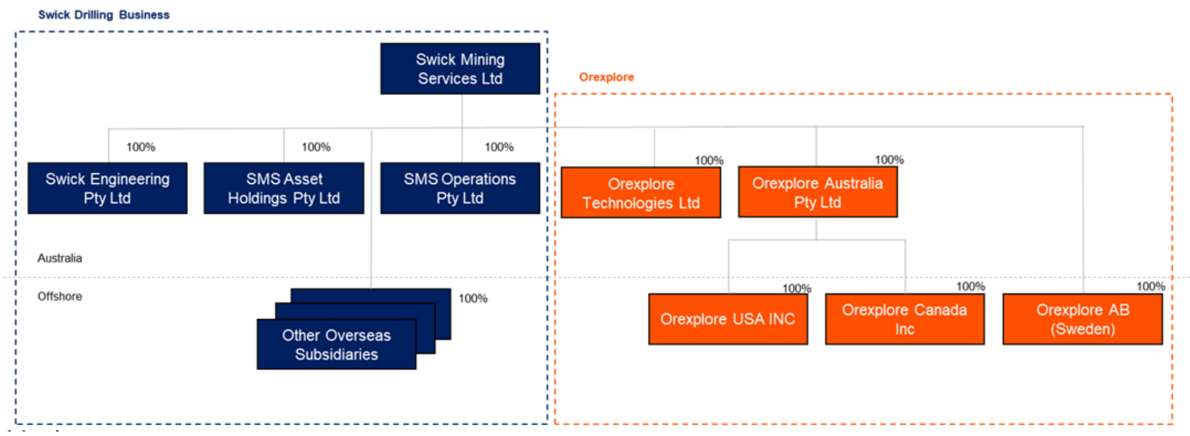
BY ORDER OF THE BOARD

Frank Campagna
Company Secretary
Swick Mining Services Limited
Dated: 6 December 2021

Swick Mining Services Limited
ACN 112 917 905

Addendum to Explanatory Memorandum

The figure in Section 3.1 is deleted and replaced with the following:



The definitions of "Notice" and "Notice of Meeting" are deleted from Schedule 1 and replaced as follows:

Notice or Notice of Meeting	means this notice of general meeting, as amended by the addendum to this notice of general meeting dated 6 December 2021.

Schedule 7 is deleted and replaced with the following:

Schedule 7 Independent Valuation Report

Deloitte.

Orexplore

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

6 December 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 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.

What should you do if you have a complaint?

Please contact us about a concern:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
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
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

6 December 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.

Details of the assumptions in the Model are provided in Appendix 2 of this report. We have discussed the assumptions in the Model with Management, have undertaken some limited analysis of the revenue and cost forecasts derived from the assumptions and have had regard to the Deloitte Tech Rating which provides an evidence-based qualitative assessment of the earnings potential and risk profile of the technology. 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.

  Management's base level service model mix is based on Orexplore's serviceable obtainable market and assumes for the mine site customer category that Orexplore will scan up to 80% of the core for 50% of all mine site customers (unconstrained) and up to 40% of the core for 30% of all mine site customers (constrained). Orexplore will also scan up to 5% of the core for the remaining 20% of mine site customers in the laboratory.

  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 (described above under scenario 1)
- **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 is based on assumptions that are slightly more favourable than scenario 1 in terms of geographies. 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 (described above under scenario 1)

- **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 reflects a slightly more conversative case than scenario 3 in terms of customer geographies, but less conservative in terms of the service model mix. This scenario assumes scanning is limited to NQ size or smaller, operations are limited to the target geographies and the service model mix is more optimistic than Management's base level.

  This service model mix is based on Orexplore's serviceable obtainable market and assumes for the mine site customer category that Orexplore will scan up to 90% of the core for 90% of all mine site customers (unconstrained) and up to 50% of the core for 5% of all mine site customers (constrained). Orexplore will also scan up to 10% of the core for the remaining 5% of mine site customers in a laboratory.

- **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 (described above under scenario 1)

- **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 more optimistic than Management's base level (described above under scenario 4).

We note that there are different service model mix assumptions for exploration, new projects and mine site customer types. Given mine site customers make up most of the market captured, we have only described the service model assumptions for the mine site customer category.

We adopted variable post-tax discount rate ranges for the different scenarios given the different execution and market risks attached to each scenario. This is discussed in further detail in Appendix 3. 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

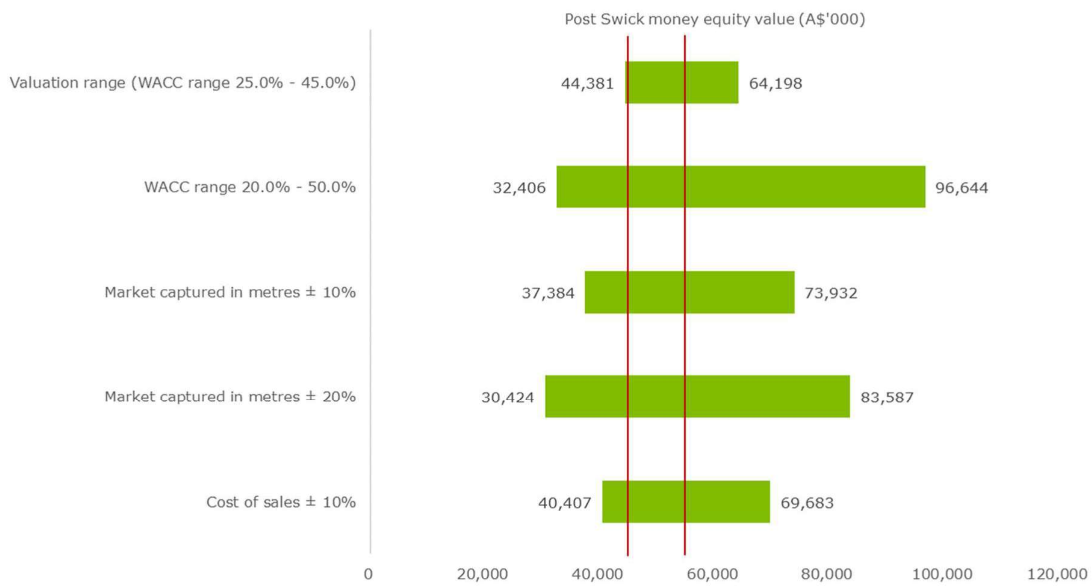
	Low	High	Mid
Probability weighted equity value ($'m)	44.4	64.2	53.1

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

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 Orexplore 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 - Orexplore Technologies Limited.pdf" and "894071353_1_(HWLE Edits 2.11.21) (clean) Orexplore 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 Orexplore including but not limited to the Orexplore technology, the business strategy, prior customers and build up of revenue
- Unaudited financial statements for Orexplore for the years ending 31 December 2020, 2019, 2018 and 2017
- Unaudited financial statements for Orexplore as at 30 June 2021 and 30 June 2020
- Swick and Orexplore company websites
- Draft MinEx Consulting reports titled, "2021-09-30 Drilling Market for Orexplore MinEx – Reviewed" and "2020-12-20 Drilling Market for Orexplore MinEx Vn4.docx" as well as interview transcripts
- Final MinEx Consulting report titled, "2021-09-30 Drilling Market for Orexplore MinEx – PROSPECTUS"
- Deloitte Tech Rating – Orexplore Technologies dated 10 November 2021
- publicly available information on comparable companies and market transactions published by the ASIC, Thomson Research, Thomson Reuters Financial markets, SDC Platinum and Mergermarket
- other publicly available information, media releases and brokers reports on Swick, Orexplore 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:

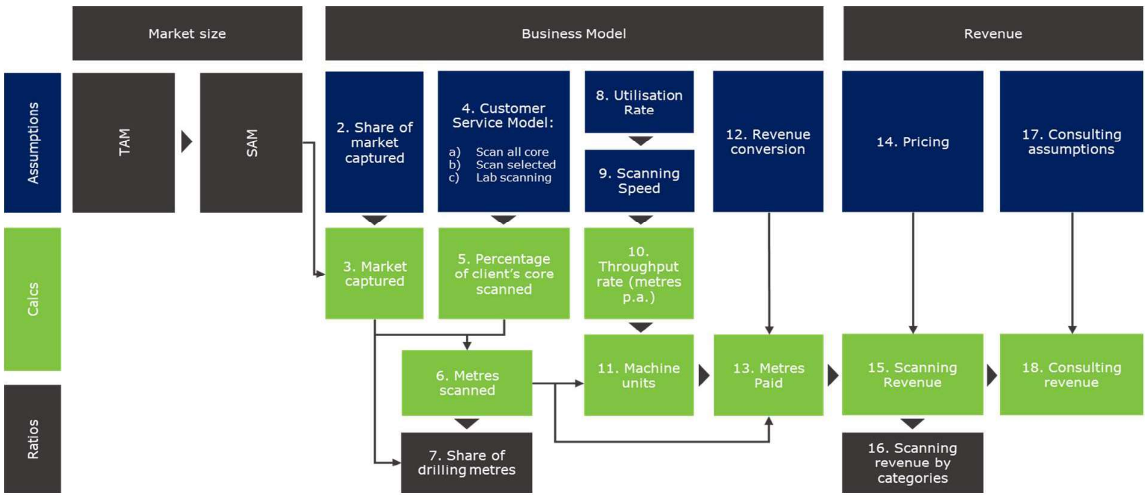
- Kent Swick (Managing Director) and Jitu Bhudia (Chief Financial Officer) – Swick
- Brett Giroud (Managing Director) and Alan Bye (Non-Executive Director) – Orexplore
- Management's advisors including Shaw and Partners Limited and Churchill Consulting.

Appendix 2: Assumptions in the Model

Market assumptions

Orexplore's corporate strategy includes site based scanning services, laboratory based scanning services and consulting services. Management have forecast revenue using a top down approach, starting with market size. The following figure illustrates Management's business model and their methodology for forecasting revenue.

Figure 2: Market size to revenue bridge



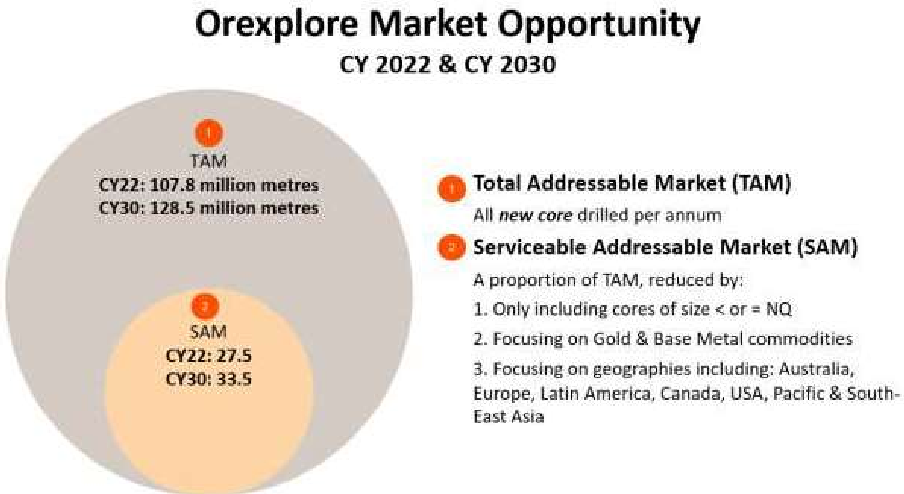
Source: Management
Notes:
1. TAM – Total available market
2. SAM – Serviceable addressable market

Market size

Data for the global drilling market was provided by MinEx Consulting Pty Ltd (**MinEx Consulting**) to determine Orexplore's total available market (**TAM**). Based on the below limitations, Management have identified Orexplore's Serviceable Addressable Market (**SAM**) (as illustrated in the above figure). The current SAM for Orexplore (core drilling only) is estimated to be 28 million metres in 2022 and represents c. 25% of the TAM, limited by the following factors:

- **Core size:** The GeoCore X10 is currently capable of scanning core sizes equal to or less than NQ size (47.6mm in diameter). Management have advised that this limitation could be removed and all size cores could be scanned with an R&D investment of less than $1.0m
- **Commodity focus:** Orexplore's current commodity focus is gold and base metals (copper, nickel, zinc and lead)
- **Geographical focus:** Given Orexplore's current operations and plans, Management have categorised their geographical focus into:
    - Target geographies which consist of Australia, Europe, Latin America (**LatAm**), Canada, USA and South East Asia
    - global markets which consist of the target geographies mentioned above as well as the rest of the world (**RoW**) which includes Russia, China, Africa and former Soviet Union countries.

Figure 3: Market size to revenue bridge



Source: Management
Note: SAM figures above refers to scenario 1 (Management's base case which excludes RoW metres)

Business model and market captured

Orexplore's SAM/Serviceable Obtainable Market (**SOM**) captured is determined based on the SAM/SOM adjusted for a reasonable % of market share which Management expect to capture. The % of market share captured varies for different customer types based on their mining stage. The three customer types are as follows:

- exploration: brownfield and greenfield exploration
- new projects: activities that occur after a deposit is discovered
- mine site: drilling for existing mining operations.

The market share captured grows over time which results in the metres captured growing over time. Based on the above parameters, Management have assumed that Orexplore's global market share across all targeted commodities will grow from 0.2% in CY21 to 11.6% in CY30 for NQ and 0.1% to 11.5% for all size.

In addition to customer type, the % of market share captured also varies based on geography and commodity.

Our analysis indicates the following regarding the gold market weighted average % market share captured for scenarios 1, 3 and 4 where the TAM is restricted to NQ and below:

- Management anticipates that Australia, Europe, LatAm and Canada will be the four largest markets captured
- the forecast % of market share captured in CY30 for the four largest market ranges from c. 18.8% to c. 24.9%
- the overall % of market share captured (excl. RoW) is anticipated to grow from 0.6% in CY21 to 19.5% in CY30
- the overall % of market share captured (incl. RoW) is anticipated to grow from 0.2% in CY21 to 12.7% in CY30. The market captured for the RoW is only applicable for scenario 3.

Our analysis indicates the following regarding the base metals market weighted average % market share captured for scenarios 1, 3 and 4 where the TAM is restricted to NQ and below:

- Management anticipates that Australia, Europe, Canada, LatAm will be the four largest markets captured
- the forecast % of market share captured in CY30 for the four largest market ranges from c. 11.0% to c. 18.8%
- the overall % of market share captured (excl. RoW) is anticipated to grow from 0.0% in CY21 to 12.2% in CY30
- the overall % of market share captured (incl. RoW) is anticipated to grow from 0.0% in CY21 to 8.8% in CY30.

The weighted average % of market share captured for scenarios 2, 5 and 6 (where the TAM is unrestricted and relates to all core sizes) is not materially different to the weighted average % of market share captured for scenarios 1, 3 and 4 discussed above.

Service model mix

Management has made assumptions about how much of a customer's core is scanned for each customer type. This is referred to as the service model mix and is split into the following three categories:

- unconstrained on-site scanning (i.e. Orexplore scans a higher percentage of the customer's on-site core)
- constrained on-site scanning (i.e. Orexplore scans a lower percentage of the customer's core on-site)
- laboratory scanning (i.e. Orexplore scans customer's core in a laboratory).

The service model mix varies over time and scales up to assume that over time, customers will request a higher percentage of their core to be scanned. The percentage of core scanned over the forecast period for all scenarios ranges from 5% to 90% and the service model split for all scenarios over time ranges from 0% to 90%.

The forecast metres scanned is determined based on the assumed SAM market share and service model mix. Assumptions on the utilisation rate and scanning speed of the machines have been overlaid on the forecast metres scanned to determine the machine units required to service clients.

Sales pipeline

Despite discussions with potential clients, Orexplore has not yet confirmed a material commercial contract for on-site scanning services. However, Management has prepared a forecast of the sales pipeline and risk weighted each potential contract in the pipeline based on their expectations of realising each potential contract. This has been undertaken for CY21, CY22 and CY23 as an additional method to the top down approach in their business model (discussed above).

Timing

Management and their advisors prepared the Model of Orexplore's forecast cash flows over a 9.5 year discrete period beginning 1 July 2021. For the purposes of our discounted cash flow calculations, we have adopted a valuation date of 31 August 2021 and pro-rated the cash flows to adjust for the variance between the Model start date and the valuation date.

We have adopted mid-point discounting in our DCF assessment (i.e. we assume that the cash flows will on average be received in the middle of the period, rather than at the end of the period).

Terminal value

We have incorporated a terminal value based on the last forecast period and a perpetuity growth assumption.

Inflation

The Model provided by Management was prepared on an AUD post-tax nominal basis and assumed an inflation rate assumption of 2.0% per annum until 31 December 2030. It is our view that an inflation rate of 2.0% per annum until 31 December 2030 is reasonable. For the terminal year growth, we have applied 2.25%.

Operating assumptions

Revenue

Revenue is assumed to be derived primarily from on-site scanning using the GeoCore X10 and eventually the GeoCore X10+ (once completed). Revenue is also derived from laboratory based scanning services through a fee-for service model (including scanning and consulting revenue). Scanning revenue is derived from cores being delivered to Orexplore's laboratory whilst consulting revenue is derived from Orexplore's consulting geologists analysing the core and interpreting the results on behalf of clients.

Total revenue varies slightly by scenario in the first few years of the forecast period. Total revenue by scenario starts to diverge from CY23 onwards. CY30 total revenues for the six scenarios range from $193.9 million to $659.9 million. This is not unreasonable considering the Deloitte Tech Rating which rates Orexplore's earnings potential as a B+. This represents a strong earnings potential for an early-stage technology that is yet to gain market traction.

Pricing

Pricing differs between service model and is forecast to grow by 1.0% per annum.

Consulting revenue

Orexplore has assumed that additional consulting revenue will be earned on top of scanning revenue based on the service model with consulting revenue from on-site scanning ranging from 10% to 20% and from laboratory scanning ranging from 100% to 200% of scanning revenue.

Cost of sales

Cost of sales assumptions include costs for machine operators for site and laboratory, consulting geologists, site travel and other oncosts, maintenance of machines, scanning consumables, customer and technical support and freight and mobilisation. The assumptions vary between scenarios with higher costs assumed for more optimistic scenarios.

Overhead Costs

Overhead cost assumptions include costs for non-capitalised hardware and labour manufacturing and R&D as well as sales and marketing and general and corporate administration. The assumptions vary between scenarios with higher costs assumed for more optimistic scenarios.

Margins

Earnings before interest, tax, depreciation and amortisation (**EBITDA**) margins for each scenario converge to c. 50.0% by CY28. This is not unreasonable considering the strong Tech Rating for Orexplore's earnings profile and Management's expectations of how international offices will be set up (as a relatively light touch set up).

We note that EBITDA margins in the region of 50% are achieved by companies with broadly comparable business models. The uncertainty surrounding Orexplore's ability to achieve the forecast margin is reflected in our selection of discount rates.

We also note that machine operators and consulting geologists make up the largest proportion of cost of sales at c. 40% to 50% depending on the scenario. The margins on machine operators and consulting geologists are relatively high and drive the high EBITDA margins in the Model.

Capital expenditure

Capital expenditure assumptions include capitalised hardware and labour manufacturing costs, costs of field containers, sustaining capital expenditure and other property, plant and equipment capital expenditure. It also includes capitalised R&D personnel and technology costs. Depreciation of assets is on a straight-line basis over a three-year period while the R&D intangible assets are amortised over a five year period.

Capital expenditure as a percentage of revenue for each scenario ranges from 42.4% to 65.9% in CY21 and declines to a range of 5.6% to 7.4% in CY30.

Appendix 3: Discount rate

The discount rate used to equate the future cash flows to their present value reflects the risk adjusted rate of return demanded by a hypothetical investor for the asset or business being valued.

Selecting an appropriate discount rate is a matter of judgement having regard to relevant available market pricing data and the risks and circumstances specific to the asset or business being valued.

Whilst the discount rate is in practice normally estimated based on a fundamental bottom up analysis using one of the available models for estimating the cost of capital (such as the Capital Asset Pricing Model (**CAPM**)), often the use of less precise methods for determining the cost of capital such as hurdle rates or target internal rates of return may be used.

Since our definition of fair market value is premised on the estimated value that a knowledgeable willing buyer would attribute to the asset or business, our selection of an appropriate discount rate also needs to consider that buyers incorporate other alternatives to the typical CAPM approach in estimating the cost of capital.

As Orexplore is an early stage mineral technology company with high growth potential, we would anticipate venture capital required rates of return would provide an appropriate reflection of Orexplore's required rate of return. Therefore, we have considered the venture capital required rates of return for early stage companies as well as using a CAPM approach to determine an appropriate discount rate for Orexplore.

Venture capital required rates of return for early stage companies

Orexplore is an early stage business seeking to expand rapidly. Investors in early stage companies often require higher rates of return than investors in mature companies given the greater levels of risk. Venture capitalists are a common source of funding for early stage companies.

We have researched literature on discount rates applicable for companies in various stages of development. This is summarised in the table below.

Table 3: Venture capital rates of return

Stage of Development	Venture Capital Guide[1]	Plummer[2]	Scherlis and Sahlman[3]	Sahlman and Others[4]
Start up	30%-40%	50%-70%	50%-70%	50%-100%
First Stage or Early Development		40%-60%	40%-60%	40%-60%
Second Stage or Expansion	20%-30%	35%-50%	30%-50%	30%-40%
Bridge / IPO		25%-35%	20%-35%	20%-30%

Sources:
1. Australian Private Equity and Venture Capital Guide 2010
2. Plummer, James L, QED Report on Venture Capital Financial Analysis (Palo Alto: QED Research, Inc 1987)
3. Scherlis, Daniel R. and William A. Sahlman, A Method for Valuing High-Risk, Long Term, Investments: The Venture Capital Method (Boston: Harvard Business School Publishing, 1989)
4. William A. Sahlman and others, Financing Entrepreneurial Ventures, Boston Fundamentals (Boston: Harvard Business School Publishing, 1998)

The development stages of investment are defined as follows:

- start-up investments are made in companies that are less than one year old and funding is used for research and development, building prototypes and test marketing
- first stage investments are made in companies with viable developed prototypes facing limited further technical risk, however may face significant commercial risk
- second stage investments in companies are where some products have already been shipped to consumers and the company is in an expansion stage

- bridge financing is used prior to a company going public, usually through an initial public offering (**IPO**). Generally, this is used to assist companies complete plant construction and production design and testing[1].

Based on discussions with Management, it is our understanding that Orexplore's stage of development classification is between the first stage or early development and second stage or expansion.

We note that the rates of return associated with venture capital funding are significantly higher than those required for mature listed companies. The reason that the discount rate required for an early stage company is different to that required for a mature company is because the relationship between business risks, finance risks and the cost of equity (**K_e**) changes as a company progresses from an early stage company to a mature company. The relationship between business risk, finance risk and cost of equity is illustrated in the following figure.

Figure 4: Business risks, finance risks and cost of equity

Phase	Funding requirements	Business risk	Finance risk	Cost of equity
Pre-build	Low/Zero	High	High (but low debt)	High
Build	Peak		High	High
Consolidation				Medium
Stabilise	Low	Low	Low	Low

Source: Adapted from The Valuation of Businesses, Shares and Other Equity, 3rd edition, W Lonergan

CAPM Approach

For ungeared cash flows, discount rates are determined based on the cost of an entity's debt and equity weighted by the proportion of debt and equity used. This is commonly referred to as the weighted average cost of capital (**WACC**). The WACC can be derived using the following formula:

$$\mathbf{WACC} = \left(\frac{\mathbf{E}}{\mathbf{V}} \times \mathbf{K_e}\right) + \left(\frac{\mathbf{D}}{\mathbf{V}} \times \mathbf{K_d} \times (\mathbf{1 - t_c})\right)$$

The components of the formula are:

K_e = cost of equity capital

K_d = cost of debt

t_c = corporate tax rate

[1] AICPA, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, Accounting & Valuation Guide, 2013, Appendix B, "Venture Capital Rates of Return", p 200

Rates of Return for Higher-Risk Companies, Lang, Eva, available as Addendum 2 in: Financial Valuation: Applications and Models, Hitchner, J. R, 2017, p 1095

E/V = proportion of enterprise funded by equity

D/V = proportion of enterprise funded by debt

We have used the CAPM to estimate the K_e for Orexplore. CAPM calculates the minimum rate of return that the company must earn on the equity-financed portion of its capital to leave the market price of its shares unchanged. The CAPM is the most widely accepted and used methodology for determining the cost of equity capital. The cost of equity capital under CAPM is determined using the following formula:

$$K_e = R_f + \beta\,(R_m - R_f) + \alpha$$

Table 4: Mid-point WACC assessment for Orexplore

Scenarios	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Risk free rate (R_f)	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Equity market risk premium (EMRP)	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Beta (ungeared β)	1.25	1.25	1.25	1.25	1.25	1.25
Beta (geared β)	1.47	1.47	1.47	1.47	1.47	1.47
Company specific risk premium	15.5%	18.5%	22.5%	19.5%	25.5%	29.5%
Calculated K_e	**27.7%**	**30.7%**	**34.7%**	**31.7%**	**37.7%**	**41.7%**
Selected mid-point WACC	**27.5%**	**30.0%**	**35.0%**	**32.5%**	**37.5%**	**42.5%**

Source: CapitalIQ, Deloitte analysis
Notes
1. As at 31 August 2021
2. Table may not add due to rounding

We have adopted a wide discount rate range of 5.0% for each scenario to reflect the early stage of Orexplore and therefore the relative uncertainty contained in the cash flow forecast.

A brief description of the above factors and a summary of the build-up of our selected discount rate is set out below.

- **R_f**: compensates the investor for the time value of money and the expected inflation rate over the investment period. In determining the Rf, we have adopted the five-day average zero coupon yield on the 10-year Australian Government Bond as at 31 August 2021
- **EMRP**: represents the risk associated with holding a market portfolio of investments, that is, the excess return a shareholder can expect to receive for the uncertainty of investing in equities as opposed to investing in a risk free alternative. We consider an EMRP of 7.5% to be reasonable having regard to our current view on the expected total Australian market return
- **β**: measures the systematic risk or non-diversifiable risk of a company in comparison to the market as a whole. In estimating the beta for Orexplore, we considered the betas of listed companies across the following groups:
  - mining technology companies
  - early-stage emerging technology companies
  - pre-revenue information technology (**IT**) companies listed on the ASX

  These betas have been calculated based on weekly and monthly returns, over a two year and four year period, respectively, measured against each company's local index.

  We have selected an unlevered beta ranging from 1.20 to 1.30 having considered the following:
  - the median Blume-adjusted unlevered betas of comparable companies assessed were 1.15 and 1.27 benchmarked against the 2 year weekly and 4 year monthly domestic index respectively
  - Swick's Blume-adjusted unlevered beta was 1.05 benchmarked against the 4 year monthly domestic index. We note that Swick's betas are primarily driven by the main drilling business and do not fully capture all the risk inherent in a high growth technology business. Considering the higher level of risk related to the mineral technology business compared to a drilling business, we note that it is reasonable for Orexplore's beta to be higher than Swick's
  - Orexplore is largely technology driven and early stage in nature, therefore we consider a beta greater than 1 is justified

- Securities Industry Research Centre of Asia-Pacific (**SIRCA**) data indicates that industry levered beta averages range from 1.14 to 1.58 for the metals and mining, software and services and technology, hardware and equipment industries.

Given that the betas of established companies do not fully reflect the risk faced by an emerging mining technology company such as Orexplore, we have considered these risks through the company specific risk premium.

- **gearing ratio (debt-equity mix)**: we note that should the Proposed Demerger proceed, Orexplore will be established as a separately listed company with nil debt. We consider it appropriate for an early stage company to be wholly equity financed until it reaches a stage where risk is sufficiently reduced to allow debt financing. Further, based on our understanding of start-up technology companies, there is generally no or little debt initially. Accordingly, we have adopted a target debt to enterprise value ratio of nil for the calculation of the WACC for Orexplore
- **company specific risk premium:** we have selected a risk premium applied to different scenarios based on relative risk between scenarios and considering Orexplore's development risk, commercialisation barriers, earnings risk, market risk, asset risk, company size and size of product portfolio. As discussed in the methodology section of this report, 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.

A quantified breakdown of the mid-point company specific risk premium for each scenario is summarised in the table below.

Table 5: Mid-point company specific risk premium

Scenarios	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Development risk	-	1.0%	-	-	1.0%	1.0%
Commercialisation barriers	3.0%	3.0%	4.0%	3.0%	4.0%	4.0%
Earnings risk	9.0%	11.0%	13.0%	13.0%	15.0%	19.0%
Market risk	-	-	2.0%	-	2.0%	2.0%
Asset risk	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Overall company specific risk premium	**15.5%**	**18.5%**	**22.5%**	**19.5%**	**25.5%**	**29.5%**

Source: Deloitte analysis and Deloitte Tech Rating

Swick Mining Services Limited
ACN 112 917 905

SUPPLEMENTARY PROSPECTUS

1. Important information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 22 November 2021 (**Prospectus**) issued by Swick Mining Services Limited ACN 112 917 905 (**Company**).

This Supplementary Prospectus is dated 6 December 2021 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than the changes set out in this Supplementary Prospectus, all other details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

The Company has issued both a printed and electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at www.swickmining.com.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Supplementary Prospectus or the Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

2. Supplementary Prospectus

2.1 Purpose

This Supplementary Prospectus has been issued for technical reasons, to replace all references to the "Notice" and "Notice of Meeting" in the Prospectus, so that those references now also include a reference to the addendum to the Company's notice of general meeting dated 6 December 2021 (**Addendum to the Notice of Meeting**) into the Prospectus.

The amendments to the Notice of Meeting, as amended by the Addendum to the Notice of Meeting, are as follows:

(a) Section 3.1 has been amended by deleting and replacing the figure illustrating the current corporate structure of Swick;

(b) the definitions of "Notice" and Notice of Meeting" are amended to include a reference to the Addendum to the Notice of Meeting; and

(c) Schedule 7 has been amended by deleting and replacing the Independent Valuation Report with a new Independent Valuation Report.

2.2 No investor action required

As the content of this Supplementary Prospectus is not considered by the Company to be materially adverse to investors, no action needs to be taken by investors who have already submitted proxy forms. As no applications may be made under this Prospectus, there are no withdrawal rights offered pursuant to this Supplementary Prospectus.

2.3 Proxy Forms

(a) If you have already completed and returned the Proxy Form which was provided with the original Notice of Meeting and you wish to change your vote, you must complete and return a new Proxy Form. Please contact the Company if you require a new Proxy Form.

(b) If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and you do not wish to change your vote, you do not need to take any action as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form.

(c) If you have not yet completed and returned a Proxy Form and you wish to vote on the Resolutions in the Notice of Meeting, please complete and return the Proxy Form.

3. Amendments to the Prospectus

All references to the "Notice" or "Notice of Meeting" in the Prospectus are replaced with "Notice of Meeting as amended by the Addendum to the Notice of Meeting".

4. 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 Supplementary Prospectus with ASIC;

(b) does not make, or purport to make, any statement in this Supplementary Prospectus, or any statement on which a statement in this Supplementary Prospectus is based, other than those referred to in this Section;

(c) has not authorised or caused the issue of this Supplementary 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 Supplementary Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Supplementary Prospectus with the consent of that party as specified in this section.

HWL Ebsworth has given its written consent to be named in this Supplementary Prospectus as solicitors to Swick in relation to the Supplementary Prospectus in the form and context in which it is named and to the incorporation by reference into this Supplementary Prospectus of the Notice of Meeting (as amended by the Addendum to the Notice of Meeting) in the form and context in which it is incorporated, and to all references to the Notice of Meeting (as amended by the Addendum to the Notice of Meeting) in this Supplementary 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 Orexplore and to the inclusion of the concise summary of the Independent Valuation Report (and each reference to it) in the Notice of Meeting (as amended by the Addendum to the Notice of Meeting), in the form and context in which the report is included.

5. Directors' authorisation

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

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

This Supplementary Prospectus is signed for and on behalf of the Company by:

Kent Swick
Managing Director
Dated: 6 December 2021